

Decision No. 28166

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
C. T. SMALLEY to sell and E. W. )  
HUNTER to purchase an automobile ) Application No. 20071.  
freight line operated between Potter )  
Valley and Ukiah, California. )

BY THE COMMISSION:

OPINION AND ORDER

Clarence T. Smalley operating under the name and style of Potter Valley - Ukiah Auto Stage has petitioned the Railroad Commission for an order approving the sale and transfer by him to E. W. Hunter of an operating right for an automotive service for the transportation of property between Ukiah and Potter Valley and intermediates, and E. W. Hunter has petitioned for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$450.00, which is declared to be the value of the operating right. No equipment is to be transferred.

The operating right herein proposed to be transferred was created by Decision No. 22822 dated August 29, 1930 on Application No. 16756.

We are of the opinion that this is a matter in which a

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public hearing is not necessary and that the application should be granted.

E. W. Hunter is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby granted, subject to the following conditions:

1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.
2. Applicant Clarence T. Smalley shall within twenty (20) days after the effective date of the order unite with applicant E. W. Hunter in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Clarence T. Smalley on the one hand withdrawing, and applicant E. W. Hunter on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Clarence T. Smalley shall within twenty (20) days after the effective date of the order withdraw time schedules filed in his name with the Railroad Commission and applicant E. W. Hunter shall within twenty (20) days after the effective date of the order file, in duplicate, in his own name time schedules covering service heretofore given by applicant Clarence T. Smalley, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Clarence T. Smalley, or time schedules satisfactory to the Railroad Commission.
4. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5. No vehicle may be operated by applicant E. W. Hunter unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. The authority granted to sell and transfer the right and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

Dated at San Francisco, California, this 12<sup>th</sup> day  
of August, 1935.

Leon A. White

W. A. C.

Walter H. H.

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COMMISSIONERS.