

are separate rights and the authority for transfer hereby given is not to be construed as in any way authorizing the consolidation or joining together of such rights which were established as follows:

By Decision No. 15446 dated September 23, 1925 in Application No. 11709 United Parcel Service was authorized to acquire the operative right between San Francisco, and San Jose and intermediate points. The operative right between San Francisco, on the one hand, and certain east bay points, on the other hand, is a prescriptive right enlarged by Decision No. 15467, dated September 25, 1925, in Application No. 10874.

United Parcel Service Bay District 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.

O R D E R

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 for any purpose other than the transfer herein authorized.

2. Applicant United Parcel Service shall within twenty (20) days after the effective date of the

order herein unite with applicant United Parcel Service Bay District in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant United Parcel Service withdrawing and applicant United Parcel Service Bay District accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant United Parcel Service shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in its name with the Railroad Commission and applicant United Parcel Service Bay District shall within twenty (20) days after the effective date of the order herein file, in duplicate, in its own name time schedules covering service heretofore given by applicant United Parcel Service which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant United Parcel Service 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 obtained.

5. No vehicle may be operated by applicant United Parcel Service Bay District unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. The authority herein granted to sell and transfer the rights 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 24th day
of February, 1936.

M B Harris
Leon O'Connell
A H Curran
Arthur J. Brown
Walter R. Williams
COMMISSIONERS.