

Decision No. 28636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of  
Bob Arutoff to sell and transfer  
and Sun Transport Company, a cor-  
poration, to purchase and operate  
automobile freight truck service  
for the transportation of milk,  
cream and dairy products between  
Los Angeles, Wilmington, San Pedro  
and Long Beach and dairy ranches  
located in vicinity of Los Angeles,  
Wilmington, San Pedro and Los  
Angeles County, California.

Application No. 20211.

BY THE COMMISSION:

O P I N I O N

Sorep Meketaroff, the duly appointed administrator of the estate of Bob Arutoff has petitioned the Railroad Commission for an order approving the sale and transfer by him to Sun Transport Company, a corporation, of an operating right for the automotive transportation as a highway common carrier of milk, cream and dairy products between Los Angeles, Wilmington, San Pedro and Long Beach and dairy ranches located in Los Angeles County and Sun Transport Company 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 \$3200. Of this sum \$2200 is alleged by the applicant to be the value of the equipment and \$1000 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred

**ORIGINAL**

was created by Decision No. 23470 dated March 9, 1931 in Application No. 16492.

This is a matter in which a public hearing is unnecessary and the application will be granted.

Sun Transport Company 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 Sorep Meketaroff, as administrator of the estate of Bob Arutoff, shall within twenty (20) days after the effective date of the order herein unite with applicant Sun Transport Company in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Sorep Meketaroff withdrawing and applicant Sun Transport Company accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Sorep Meketaroff, as administrator of the estate of Bob Arutoff, shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in the name of Bob Arutoff with the Railroad Commission and applicant Sun Transport Company 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 Bob Arutoff which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant Bob Arutoff 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 Sun Transport Company 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 16<sup>th</sup> day of March, 1936.

M. B. Lami  
Leon Wheeler  
M. A. Cur  
W. H. ...  
COMMISSIONERS.