

Decision No. 30225

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOSEPH PALACE, SAM ARONSON, W. E. RISKE)
and K. D. CROWDER, a co-partnership,)
doing business under the fictitious)
name and style of MOUNT LASSEN FAST)
FREIGHT to sell, and UNITED MOTOR)
TRANSPORT LINES, INC., a corporation,)
to purchase an automobile freight line)
operated between Sacramento and Chico,)
California, on the one hand, and)
Susanville, and Westwood, California,)
and intermediate points north of Chico,)
on the other hand.)

ORIGINAL

Application No. 21487

BY THE COMMISSION:

O P I N I O N

Joseph Palace, Sam Aronson, W. E. Riske and K. D. Crowder, co-partners, operating under the fictitious name and style of Mount Lassen Fast Freight have petitioned the Railroad Commission for an order approving the sale and transfer by them to United Motor Transport Lines, Inc., a corporation, of an operating right for the automotive transportation as a highway common carrier of property as heretofore acquired by them under authority of a decision of this Commission hereinafter referred to, and United Motor Transport Lines, Inc., 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 \$18,985.83. Of this sum \$14,600.68 is alleged by the applicant to be the value of the equipment and \$4,385.15 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred was acquired under authority of Decision No. 30094, dated September 7, 1937, on Application No. 21410.

This appears to be a matter in which a public hearing is not necessary. The application will be granted.

United Motor Transport Lines, Inc., 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. Applicants Joseph Palace, Sam Aronson, W. E. Riske and K. D. Crowder shall within twenty (20) days after the effective date of the order herein unite with applicant United Motor Transport Lines, Inc., in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicants Joseph Palace, Sam Aronson, W. E. Riske and K. D. Crowder withdrawing and applicant United Motor Transport Lines, Inc., accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants Joseph Palace, Sam Aronson, W. E. Riske and K. D. Crowder shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in their names with the Railroad Commission and applicant United Motor Transport Lines, Inc., 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 applicants

Joseph Palace, Sam Aronson, W. H. Riske and K. D. Crowder which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicants Joseph Palace, Sam Aronson, W. H. Riske and K. D. Crowder 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 Motor Transport Lines, Inc., 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.

7. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter comply with all of the provisions of this Commission's General Order No. 91.

8. The authority herein granted shall in no wise be construed as authorizing United Motor Transport Lines, Inc., to issue any common stock.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 11th day of October, 1937.

Walter M. ...
Leon ...
Frank ...
Ray ...
Ray & ...
COMMISSIONERS