

Decision No. 30509

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JAMES C. RICHARDS to sell and C. M.)
MITCHELL and WILLIAM J. JONAS, to)
purchase an automobile passenger line) Application No. 21666
operated between Bayshore and Brisbane,)
San Mateo County.)

BY THE COMMISSION:

O P I N I O N

ORIGINAL

James C. Richards has petitioned the Railroad Commission for an order approving the sale and transfer by him to C. M. Mitchell and William J. Jonas of an operating right for the automotive transportation as a highway common carrier of passengers between Brisbane, San Mateo County and the San Francisco County Line; and C. M. Mitchell and William J. Jonas have 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 \$650. Of this sum \$500 is alleged by the applicant to be the value of the equipment and \$150 is alleged to be the value of the intangibles.

The above allocation is made in accordance with letter received by the Commission under date of December 29, 1937.

The operating right herein proposed to be transferred was acquired under authority of Decision No. 28039, dated June 17, 1935, on Application No. 19992.

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

C. M. Mitchell and William J. Jonas are 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 J. C. Richards shall within twenty (20) days after the effective date of the order herein unite with applicants C. M. Mitchell and William J. Jonas in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant J. C. Richards withdrawing and applicants C. M. Mitchell and William J. Jonas accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant J. C. Richards shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in his name with the Railroad Commission and applicants C. M. Mitchell and William J. Jonas shall within twenty (20) days after the effective date of the order herein file, in duplicate, in their own names time schedules covering service heretofore given by applicant J. C. Richards which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant J. C. Richards 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 applicants C. M. Mitchell and William J. Jonas unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. The authority herein 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 10th day of
January, 1938.

Walter A. ...
John ...
Frank ...
Roger ...
Walter Hickey
COMMISSIONERS.