

Decision No. 30914

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California Truck Company, Inc. to sell, and A. R. Reader and Phil Reader, a co-partnership doing business as Reader Transportation Service, to buy an automobile freight line operated between Los Angeles Harbor, California, and Los Angeles, California.

Application No. 21954.

ORIGINAL

BY THE COMMISSION

O P I N I O N

California Truck Company, Inc. has petitioned the Railroad Commission for an order approving the sale and transfer by it to A. R. Reader and Phil Reader, doing business as Reader Transportation Service of an operating right for the automotive transportation as a highway common carrier of property between Los Angeles and Los Angeles Harbor; and A. R. Reader and Phil Reader, doing business as Reader Transportation Service 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 \$250.00, which is alleged to be the value of the intangibles. No equipment is to be transferred.

The operating right herein proposed to be transferred was created by Decision No. 18866, dated October 4, 1927.

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

A. R. Reader and Phil Reader 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 California Truck Company, Inc. shall within twenty (20) days after the effective date of the order herein unite with applicants A. R. Reader and Phil Reader in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant California Truck Company, Inc. withdrawing and applicants A. R. Reader and Phil Reader accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant California Truck Company, Inc. 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 applicants A. R. Reader and Phil Reader 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 California Truck Company, Inc. which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant California Truck Company, Inc. 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 A. R. Reader and Phil Reader 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.

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

Dated at San Francisco, California, this 31st day of

May, 1936.

Walter M. ...
Leon ...
Frank ...
Harold ...
Ray ...
COMMISSIONERS.