

Decision No. 31193

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of JOHN W. HILLS to purchase, and C. D. CHAMBERLAIN, doing business under the name and style of GOLDEN EMPIRE STAGES, to sell certain operative rights for the transportation of passengers, baggage and express between Chico and Orland, California.

Application No. 22115

ORIGINAL

O P I N I O N

C. D. Chamberlain, an individual operating under the fictitious name and style of Golden Empire Stages has petitioned the Railroad Commission for an order approving the sale and transfer by him to John W. Hills an individual operating under the fictitious name and style of Chico-Hamilton City-Orland Freight Stage of an operating right for the automotive transportation as a common carrier of passengers and property between Chico and Orland via Hamilton City as described and limited by decisions of this Commission hereinafter set forth; and John W. Hills, operating under the name and style of Chico-Hamilton City-Orland Freight Stage 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, <sup>(1)</sup> 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 \$600. Of this sum \$599

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1. Amended by C. D. Chamberlain's letter of July 30, 1938 which recites that John W. Hills has advanced \$50.00 more on the purchase price of \$600 bringing the balance due to \$300 which will be paid off in 12 months at \$25 per month.

is alleged by the applicant to be the value of the equipment and \$1.00 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred was acquired by C. D. Chamberlain under authority of Decision No. 22391 dated June 1, 1930 on application No. 16444.

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

John W. Hills 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.

#### ORDER

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, C. D. Chamberlain shall within twenty (20) days after the effective date of the order herein unite with applicant John W. Hills in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant C. D. Chamberlain withdrawing and applicant John W. Hills accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant C. D. Chamberlain 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 applicant John W. Hills shall within twenty (20) days after the effective date of the order herein file, in duplicate, in his own name time schedules covering service heretofore given by applicant C. D.

Chamberlain which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant C. D. Chamberlain 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 John W. Hills unless such vehicle is owned by said applicant or is leased by him 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.

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

Dated at Los Angeles, California this 15<sup>th</sup> day of August, 1938.

Raymond W. Hill  
Frank C. Hill  
Frank C. Hill  
Ray L. Riley  
COMMISSIONERS.