

Decision No. 31250.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
FRANK DE MARCO to sell and SALVATORE
LUCCHESI to purchase an automobile
Freight Line, operated between Santa
Clara County and San Francisco and Oakland,
California.

Application 22201

BY THE COMMISSION:

O P I N I O N

Frank De Marco has petitioned the Railroad Commission for an order approving the sale and transfer by him to Salvatore Lucchesi of an operating right for the automotive transportation as a highway common carrier of property between points in Santa Clara County and San Francisco and Oakland, as more particularly set forth and restricted in Decision No. 26324, as amended by Decisions Nos. 26470 and 31172; and Salvatore Lucchesi 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 \$5,000. Of this sum \$4,000 is alleged by the applicant to be the value of the equipment and \$1,000 is alleged to be the value of the intangibles.

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

The operating right herein proposed to be transferred was created by Decision No. 26324 on Application No. 18891, dated September 11, 1933, as amended by Decisions Nos. 26470 and 31172.

Salvatore Lucchesi 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 Frank De Marco shall within twenty (20) days after the effective date of the order herein unite with applicant Salvatore Lucchesi in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant De Marco withdrawing and applicant Lucchesi accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant De Marco shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed and applicant Lucchesi 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 De Marco which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant De Marco 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 Lucchesi 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.

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.

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

Dated at San Francisco, California, this 12th day of
September, 1938.

Ray W. Shepard
Leon White
Harold R. Allen
Ray C. Riley

COMMISSIONERS