

Decision No. 31277

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
EVELYN CONDON, Administratrix of )  
the estate of Walter G. Condon, also )  
known as Walter Condon, deceased, to )  
sell and WALTER VANDERVOORT to purchase )  
an automobile passenger line operated )  
between Redwood City and Palo Alto, )  
California. )

Application No. 22197

BY THE COMMISSION:

O P I N I O N

By this application Evelyn Condon, as administratrix of the estate of Walter G. Condon, deceased, requests authority to transfer a certificate of public convenience and necessity to Walter Vandervort.

A court order confirming the sale of personal property, marked exhibit "A" and attached to and made a part of the application, sets forth the purchase price as \$1500 of which \$250 is declared to be the value of the equipment and \$1250 represents the value of the operating right.

The said sale to Walter Vandervort for the sum of \$1500 was made on the basis of \$500 in cash and a promissory note for the balance of \$1000 payable at the rate of \$50 per month including interest, at the rate of 6 per cent per annum, beginning on the 29th day of September 1938 and payable on the 29th of each and every month thereafter as evidenced by Exhibit "B" attached to and made a part of the application. Inasmuch as the note is payable in part at periods later than twelve months after its date, it is an evidence of indebtedness within the meaning of sections

52 and 57 of the Public Utilities Act, and requires the authorization of the Commission. Under section 57 of the statute, the Commission is required to collect the minimum fee of twenty-five dollars for such authorization.

The certificate referred to was acquired by Walter G. Condon under authority of Decision No. 27823, dated March 12, 1935, on Application No. 19866, and provides for the transportation of passengers only between Redwood City and Palo Alto via the Middlefield Road with service between intermediate points and the termini but not between termini.

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

Walter Vandervort 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 application for the transfer of a certificate 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 Evelyn Condon, Administratrix, shall within twenty (20) days after the effective date of the order herein unite with applicant Walter Vandervort in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Evelyn Condon, Administratrix, withdrawing and applicant Walter Vandervort accepting and establishing such tariffs and all effective supplements thereto.

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

IT IS HEREBY FURTHER ORDERED that Walter Vandervort be and he hereby is authorized to execute a note in the principal amount of \$1,000 in the form of the note filed as Exhibit "B" for the purpose of paying in part for the properties to be acquired by him.

The authority herein granted will become effective when Walter Vandervort has paid the minimum fee prescribed by section 57 of the Public Utilities Act, which fee is twenty-five dollars (\$25).

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

Dated at San Francisco, California, this 19<sup>th</sup> day of  
September, 1938.

Laurel  
San Francisco  
Grand Central  
Bay & City  
\_\_\_\_\_  
COMMISSIONERS

