

Decision No. 21577

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
T. R. JAKEWAY (Auto Freight Line), an  
individual, for authority to sell, and  
G. M. HUNTON, doing business as  
Valencia Truck Co., for authority to  
acquire the operative rights of T. R.  
Jakeway, now operated by the said  
individual under authority of Decisions  
number 15530 and 23738 and any and all  
amendments thereof and supplements  
thereto.

ORIGINAL

Application No. 22425

BY THE COMMISSION:

O P I N I O N

T. R. Jakeway has petitioned the Railroad Commission for an order approving the sale and transfer by him to G. M. Hunton, doing business as Valencia Truck Co. of an operating right for the automotive transportation as a highway common carrier of property between Los Angeles, Los Angeles Harbor and certain points in San Diego County, more specifically described in Decisions Nos. 15530 and 23738; and G. M. Hunton 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 \$2,500 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. 15530, dated October 15, 1925, on Application No. 11166, and Decision No. 23738, dated June 1, 1931, on Application No. 17228.

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

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

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 19<sup>th</sup> day of December, 1938.

Bartholomew  
Leon Whitely  
Frank D. Miller

[Signature]  
COMMISSIONERS