

ORIGINAL

Decision No. 31659

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WARREN SHINGLE, to sell and DAVID C.
HALL and A. McDONALD to purchase an
automobile passenger and freight line
operated between Marysville and La
Porte, California.

Application No. 22418

BY THE COMMISSION:

O P I N I O N

Warren N. Shingle has petitioned the Railroad Commission for an order approving the sale and transfer by him to David C.

Hall and A. McDonald of an operating right for the automotive transportation as a highway common carrier of passengers and property between Marysville and La Porte; and David C. Hall and A. McDonald 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 \$400. Of this sum \$150 is alleged by the applicant to be the value of the equipment and \$250 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred was created by Decision No. 29339, dated December 7, 1936, on Application No. 20675.

This appears to be a matter in which a public hearing is not necessary and the authority requested will be granted.

Davis C. Hall and A. McDonald 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 ORDERED that Warren N. Shingle is hereby authorized to transfer the above described operative right to David C. Hall and A. McDonald and David C. Hall and A. McDonald are hereby authorized to acquire said operative right and to hereafter operate thereunder 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. Applicants David C. Hall and A. McDonald shall within twenty (20) days after the effective date of the order herein unite with applicant Warren N. Shingle in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Warren N. Shingle withdrawing and applicants David C. Hall and A. McDonald accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Shingle 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 applicants Hall and McDonald 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 Shingle which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant Shingle 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 Hall and McDonald 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 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 16th day of
January, 1939.

Paul A. ...
Frank ...
Ray ...
W. ...
Justus F. ...
COMMISSIONERS