

Decision No. 31836

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of FLOYD S. BRIDGES and AMOS E.
BRANSCOMB, (doing business as
EUREKA-GARBERVILLE TRUCK LINE) to
sell, and of GEORGE S. BUTLER, CUTLER
S. McLENEGAN and HAROLD M. HAYS to
purchase an automobile freight line
operated between Eureka and Garberville,
etc., California.

Application No. 22580

BY THE COMMISSION:

O P I N I O N

F. S. Bridges and Amos E. Branscomb, operating under the fictitious name and style of Eureka-Garberville Truck Line, have petitioned the Railroad Commission for an order approving the sale and transfer by them to George S. Butler, Cutler S. McLenegan and Harold M. Hays of an operating right for the automobile transportation as a highway common carrier of property, between Eureka and Garberville and intermediate points, subject to the restriction that no local service may be performed between Eureka and Fortuna, and George S. Butler, Cutler S. McLenegan and Harold M. Hays 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", as amended, 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 \$10,000. Of this sum \$2,500 is alleged by the applicant to be the value of the equipment, \$1,500 is alleged to be the value of the office fixtures, shop equipment and securities, and \$6,000 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred was created and acquired by Decisions Nos. 7525, dated May 3, 1920, 12861, dated November 26, 1923, 27545, dated November 26, 1934, 30966, dated June 13, 1938 and 31661, dated January 16, 1939, on Applications Nos. 4328, 9539, 19666, 21969 and 22465, respectively.

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

George S. Butler, Cutler S. McLenegan and Harold M. Hays 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 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. Applicants F. S. Bridges and Amos E. Branscomb shall within twenty (20) days after the effective date of the order herein unite with applicants G. S. Butler, C. S. McLenegan and H. M. Hays in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicants F. S. Bridges and Amos E. Branscomb withdrawing and applicants G. S. Butler, C. S. McLenegan and H. M. Hays accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants F. S. Bridges and Amos E. Branscomb shall within twenty (20) days after the effective date of the order

herein withdraw all time schedules filed in their names with the Railroad Commission and applicants G. S. Butler, C. S. McLenegan and H. M. Hays 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 applicants F. S. Bridges and Amos E. Branscomb, which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicants F. S. Bridges and Amos E. Branscomb, 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 G. S. Butler, C. S. McLenegan and H. M. Hays 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 to sell and transfer the rights 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. This order shall become effective when G. S. Butler, C. S. McLenegan and H. M. Hays have paid the minimum fee prescribed by section 57 of the Public Utilities Act, which fee is \$25.

WFM

Dated at San Francisco, California, this 20th day of March, 1939.

Robert W. ...
Frank ...
Ray ...
H. ...
Justice J. ...
COMMISSIONERS

\$ 25.00
RAILROAD COMMISSION
MAR 21 1939
FEE 3.00
J. ...