

Decision No. 32460

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SACRAMENTO-CORNING FREIGHT LINES,
LTD., a corporation, to sell, and
VALLEY MOTOR LINES, INC., a corpora-
tion, to purchase an automobile freight
line operating between Sacramento,
California, on the one hand, and Galt,
California, on the other hand, and
certain intermediate points.

ORIGINAL

Application No. 23034

BY THE COMMISSION:

O P I N I O N

Sacramento-Corning Freight Lines, Ltd., a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Valley Motor Lines, Inc., a corporation, of an operative right for the transportation of property, as a highway common carrier, between Sacramento, Elk Grove and Galt, and intermediate points. Valley Motor Lines, Inc. has petitioned for authority to purchase and acquire said operative right and to hereafter operate thereunder. The sale and transfer is 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 stated to be \$1500, all of which sum is the value of the intangibles.

The operative right herein proposed to be transferred was created by Decision No. 8691, dated March 3, 1921, on Application No. 6446, as extended by Decision No. 9639, dated October 26, 1921, on Application No. 7142. Subsequently, A. E. Mallett and

Gene Antichi were authorized by the Commission's Decision No. 7369, dated September 21, 1926, on Application No. 13172 to acquire such right and were later authorized by the Commission's Decision No. 22396, dated May 1, 1930, on Application No. 16426 to transfer said operative right to applicant Sacramento-Corning Freight Lines, Ltd.

Applicant Valley Motor Lines, Inc. has not requested that the right involved herein be consolidated with its presently held operative rights. Until such authority is obtained from the Commission, said applicant is hereby placed upon notice that the operative right which it will hereinafter be authorized to acquire must be operated as a separate operative right and not as an extension and enlargement of its presently held rights.

This does not appear to be a matter in which a public hearing is necessary and the application will be granted.

Valley Motor Lines, Inc. 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 Sacramento-Corning Freight Lines, Ltd., a corporation, is hereby authorized to transfer to Valley Motor Lines, Inc., a corporation, and said Valley Motor Lines, Inc. is hereby authorized to acquire the operative right referred to and described in the foregoing opinion, in accordance with the terms of the agreement marked Exhibit "A," attached to the application herein and to hereafter operate thereunder as a separate operative right, 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 Valley Motor Lines, Inc. shall within twenty (20) days after the effective date of the order herein unite with applicant Sacramento-Corning Freight Lines, Ltd. in common supplement to the tariffs on file with the Railroad Commission, covering service given under the certificate herein authorized to be transferred, applicant Sacramento-Corning Freight Lines, Ltd. withdrawing and applicant Valley Motor Lines, Inc. accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Sacramento-Corning Freight Lines, Ltd. shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in its name with the Railroad Commission and applicant Valley Motor Lines, Inc. shall within twenty (20) days after the effective date of the order herein file, in duplicate, in its own name 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 Valley Motor Lines, Inc. unless such vehicle is owned by said applicant or is leased by it 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 twenty (20) days from the date hereof.

Dated at San Francisco, California, this 17th day of October, 1939.

Carroll W. ...
Frank ...
Ray ...
...
Justus J. ...
COMMISSIONERS