

Decision No. 32553

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
E. W. Rae, to sell, and Lillian M.)	
Rae, Harry W. Rae and E. W. Rae, a)	
co-partnership, doing business as)	
Bisher Truck Line, to purchase an)	Application No. 23097
automobile freight line for the)	
transportation of property between)	
San Diego, on the one hand, and Ramona)	
and Lakeside and intermediate points,)	
on the other hand.)	

BY THE COMMISSION:

O P I N I O N

E. W. Rae has petitioned the Railroad Commission for an order approving the sale and transfer by him to Lillian M. Rae, Harry W. Rae and E. W. Rae, a co-partnership, doing business as Bisher Truck Line, of an operative right for the automotive transportation of property as a highway common carrier between San Diego and Ramona. Lillian M. Rae, Harry W. Rae and E. W. Rae have petitioned for authority to purchase and acquire said operative right and hereafter to 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 shown to be the sum of \$8,750. Of this amount \$6,000 is alleged to represent the value of the equipment and \$2,750 is alleged to represent the value of the intangibles.

The operative right herein proposed to be transferred was acquired by applicant E. W. Rae under the authority of the

Commission's Decision No. 32203, dated August 1, 1939, on Application No. 22874.

This does not appear to be a matter requiring a public hearing and the authority requested will be granted.

Lillian M. Rae, Harry W. Rae and E. W. Rae 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 E. W. Rae is hereby authorized to transfer to the co-partnership Lillian M. Rae, Harry W. Rae and E. W. Rae, the operative right and property referred to in the foregoing opinion, and Lillian M. Rae, Harry W. Rae and E. W. Rae are hereby authorized to acquire said property and operative right, and hereafter to operate thereunder, in accordance with the terms of the agreement, marked Exhibit A, attached to the application herein, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicants shall not have complied with all of 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.
2. 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.

