

Decision No. 32685

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BESSIE I. BAKER to sell (40% of business))
and J. M. BRIDGES and MARGARET BRIDGES)
to purchase (40% of business) automobile)
freight line operated between various)
points within the State of California.)

ORIGINAL

Application No. 23119

BY THE COMMISSION:

O P I N I O N

Bessie I. Baker, an individual, operating under the name and style of BAKER TRANSFER AND STORAGE COMPANY, has petitioned the Railroad Commission for an order approving the sale and transfer by her to J. M. Bridges and Margaret Bridges of an undivided forty per cent (40%) interest in and to an operating right for the automotive transportation as a highway common carrier of property between certain points in the State of California, as authorized, described, and restricted in decisions of this Commission hereinafter referred to; and J. M. Bridges and Margaret Bridges have petitioned for authority to purchase and acquire said undivided forty per cent (40%) interest in and to said operating right and thereafter to operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which is attached to the application herein and made a part thereof. This agreement so referred to is entitled "Articles of Co-partnership," and sets forth in effect that the parties agree to become co-partners, as of January 1, 1939, in the ownership and operation of the business known as "Baker's Transfer & Storage," applicant Baker, upon payment of the full purchase price of the

Bridges' interest, to hold a sixty per cent (60%) interest, and applicants J. M. Bridges and Margaret Bridges together a forty per cent (40%) interest in the co-partnership.

The consideration to be paid for the property herein proposed to be transferred is given as \$7,500.00. Of this sum, \$4,500.00 is represented to be the value of the 40% undivided interest in and to the equipment, and \$3,500.00 the value of such interest in and to the intangibles.

The operating right herein proposed to be transferred is based upon a prescriptive right of one Fred Baker, as adjudicated by the Commission in Decision No. 25261 dated October 17, 1933, in Case No. 3226, and Decision No. 26993 dated April 30, 1934, in Application No. 18656, and subsequently acquired by said Bessie I. Baker under authority of Decision No. 23655 dated March 23, 1936, in Application No. 20345.

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

Bessie I. Baker, J. M. Bridges, and Margaret Bridges 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 as to the number of rights that may be given.

O R D E R

IT IS HEREBY ORDERED that applicant BESSIE I. BAKER be and

she is hereby authorized to transfer to applicants J. M. BRIDGES and MARGARET BRIDGES an undivided forty per cent (40%) interest in and to that certain right to engage in operation as a highway common carrier adjudicated by the Commission in Decision No. 25261 dated October 17, 1933, in Case No. 3226, and Decision No. 26993 dated April 30, 1934, in Application No. 18656, and subsequently acquired by said Bessie I. Baker under authority of Decision No. 28655 dated March 23, 1936, in Application No. 20345, said right to be held by said applicants Bessie I. Baker, J. M. Bridges, and Margaret Bridges, as co-partners, subject, however, 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. Applicant Bessie I. Baker shall, within twenty (20) days after the effective date of the order herein, unite with applicants Bessie I. Baker, J. M. Bridges, and Margaret Bridges in common supplement to the tariffs on file with the Commission covering service given under the certificate herein authorized to be transferred, applicant Bessie I. Baker withdrawing, and applicants Bessie I. Baker, J. M. Bridges, and Margaret Bridges, as co-partners, accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Bessie I. Baker shall, within twenty (20) days after the effective date of the order herein, withdraw all time schedules filed in her name with the Railroad Commission, and applicants Bessie I. Baker, J. M. Bridges, and Margaret Bridges shall, within twenty (20) days after the effective date of the order herein, file, in duplicate, in their own names, as co-partners, time schedules covering service heretofore given by applicant Bessie I. Baker, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Bessie I. Baker or time schedules satisfactory to the Railroad Commission.
4. 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.

5. 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.
6. No vehicle may be operated by applicants Bessie I. Baker, J. W. Bridges, and Margaret Bridges 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.
7. Applicants 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 19th day of December, 1930

Rafaela Baker
Bessie I. Baker

J. W. Bridges
Justin J. Coenen

Commissioners.