

authority of the Commission's Decision No. 7357, dated April 3, 1920, on Application No. 5458. The Commission's Decision No. 10336, dated April 21, 1922, on Application No. 7568, granted a certificate to F. W. Wales and R. E. Wales authorizing the transportation of property between Folsom and Sacramento, serving Orangevale Colony and intermediate points, via Greenback Lane highway.

This is not a matter requiring a public hearing and we are of the opinion that the authority sought is in the public interest and it, therefore, will be authorized.

R. E. Wales 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 F. W. Wales is hereby authorized to transfer to R. E. Wales and R. E. Wales is hereby authorized to acquire the operative rights referred to in the foregoing opinion, in accordance with the terms of an agreement as set forth in the application, and hereafter to provide a unified and consolidated service under said operative rights, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicant 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.

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.

3. Applicant F. W. Wales shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, unite with applicant R. E. Wales in common supplement to the tariffs on file with the Commission covering the service given under the operative rights herein authorized to be transferred, applicant F. W. Wales withdrawing, and applicant R. E. Wales accepting and establishing such tariffs and all effective supplements thereto.

4. Applicant F. W. Wales shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, withdraw all time schedules filed in his name with the Railroad Commission and applicant R. E. Wales shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, file in triplicate, in his own name, time schedules covering service heretofore given by applicant F. W. Wales which time schedules shall be satisfactory to the Railroad Commission.

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 applicant R. E. Wales unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad 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 12th day of March, 1940.

Ray L. Wiley
Frank R. Murphy
Raymond J. ...
Justin J. Casner
COMMISSIONERS