

Edgar R. Ketchum and Dana E. Ketchum 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.

ORDER

IT IS ORDERED that Edgar R. Ketchum is hereby authorized to transfer to Edgar R. Ketchum and Dana E. Ketchum, and said Edgar R. Ketchum and Dana E. Ketchum are hereby authorized to acquire the operative right referred to in the foregoing opinion, in accordance with the provisions as set forth in the application and hereafter to operate thereunder, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicants 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. Applicant Edgar R. Ketchum 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 applicants Edgar R. Ketchum and Dana E. Ketchum 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 Edgar R. Ketchum withdrawing, and applicants E. R. and D. E. Ketchum accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant E. R. Ketchum 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 applicants E. R. and D. E. Ketchum 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 their own name, time schedules covering service heretofore given by applicant E. R. Ketchum which time schedules shall be 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 E. R. and D. E. Ketchum 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. Applicants shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all 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 28th day of
May, 1940.

Ray L. Ryan
Frank D. Brown
Walter A. Johnson
H. J. Baker

COMMISSIONERS