Decision No. \_

33887

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ) BEVERLY GIBSON, an individual, to sell, ) and VALLEY MOTOR LINES, INC., a corpora-) tion, to purchase, a highway common car-) rier operative right, authorizing the ) transportation of property as a common ) carrier between Sacramento, Rio Vista ) and intermediate points. )

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Application No. 23787

ORIGINAL

BY THE COMMISSION:

## <u>O P I N I O N</u>

Beverly Gibson has petitioned the Commission for an order authorizing the sale and transfer by him to Valley Motor Lines, Inc. of an operative right for the transportation of property as a highway common carrier between Sacramento and Rio Vista and intermediate points. Valley Motor Lines, Inc. has petitioned for authority to purchase and acquire said operative right and hereafter to operate thereunder. The sale and transfer is to be made in accordance with an agreement set forth in the application.

The consideration to be paid for the property herein proposed to be transferred is given as \$7,500. Of this sum \$2,000 is the value of the equipment and the remainder is the value of the intangibles.

The operative right herein proposed to be transferred was created by Decision No. 24147, dated October 19, 1931, on Applica-(1) tion No. 14026.

Passenger stage operative rights referred to in said Decision No. 24147 were transferred to California -Nevada Stages, Inc. and are not involved in this proceeding.

This does not appear to be a matter in which a public hearing is necessary and the application will be granted. However, the order authorizing such transfer shall not be construed as authorizing the consolidation of the operative right here involved with the operative rights presently held by applicant Valley Motor Lines, Inc.

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.

## ORDER

IT IS ORDERED that Beverly Gibson is hereby authorized to transfer to Valley Motor Lines, Inc., and Valley Motor Lines, Inc. is hereby authorized to acquire the operative right and property referred to in the foregoing opinion, in accordance with the agreement set forth in the application herein, and hereafter to operate thereunder. The authority herein granted is 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. 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.

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3. Applicant Beverly Gibson 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 Valley Motor Lines, Inc. in common supplement to the tariffs on file with the Commission covering the service given under the operative right herein authorized to be transferred, applicant Gibson withdrawing, and applicant Valley Motor Lines, Inc. accepting and establishing such tariffs and all effective supplements thereto.

Applicant Gibson 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 Rail-road Commission and applicant. Valley Motor Lines, Inc. 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 its own name time schedules covering service heretofore given by applicant Gibson 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 there-under 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 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.

7. Applicant 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  $\underline{\mathcal{Z}}$ day of December, 1940. SIONE

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