

Appl. 23791 RLC

Decision No. 23791

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SECURITY VAN & STORAGE COMPANY, a)
corporation, to sell, and PACIFIC)
FREIGHT LINES, a corporation, to)
purchase, an automobile freight)
line operated between Los Angeles)
and Santa Monica and intermediate)
points.)

ORIGINAL

Application No. 23791

BY THE COMMISSION:

O P I N I O N

By this application, as amended, Security Van and Storage Company, a corporation, has petitioned the Railroad Commission for an order authorizing the sale and transfer by it to Pacific Freight Lines, a corporation, of highway common carrier rights for the transportation of property between Los Angeles and Santa Monica, Venice, Ocean Park and intermediate points. Pacific Freight Lines, a corporation, has petitioned for authority to purchase and acquire said operative rights and hereafter to operate thereunder. The sale and transfer is to be made in accordance with an agreement, a copy of which, marked Exhibit "A," is attached to the application herein.

The consideration to be paid for the property herein proposed to be transferred is given as \$15,500, all of which is stated to represent the value of the intangibles.

The operative rights herein proposed to be transferred are those which were created by the Commission's Decision No. 15322, on Application No. 11557 and Decision No. 27584, on Application No. 19734.

This does not appear to be a matter in which a public hearing is necessary and the application will be granted. The order shall not be construed as consolidating the operative rights involved, nor shall it be construed as consolidating such rights with those now held by applicant Pacific Freight Lines.

Pacific Freight Lines 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 Security Van and Storage Company is hereby authorized to transfer to Pacific Freight Lines, and Pacific Freight Lines is hereby authorized to acquire the operative rights referred to in the foregoing opinion, in accordance with the terms of the agreement marked Exhibit "A," attached to the application herein, and hereafter to operate thereunder, 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 Security Van and Storage Company 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 Pacific Freight Lines 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 Security Van and Storage Company withdrawing, and applicant Pacific Freight Lines accepting and establishing such tariffs and all effective supplements thereto.

4. Applicant Security Van and Storage Company 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 its name with the Railroad Commission and applicant Pacific Freight Lines 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 Security Van and Storage Company, 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 Pacific Freight Lines 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 10th day
of December, 1940.

Ray & Ricey
Frank D. Miller
Justin J. Calver
COMMISSIONERS