

Decision No. 22780

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of OVERLAND TRANSFER COMPANY, a)
corporation, to sell, and VALLEY) Application No. 23855
MOTOR LINES, INC., to purchase)
common carrier operative rights.)

BY THE COMMISSION:

O P I N I O N

ORIGINAL

Overland Transfer Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Valley Motor Lines, Inc., a corporation, of a highway common carrier operative right originally acquired between Stockton and Lodi and intermediate points and subsequently extended between said points, on the one hand, and Thornton, Walnut Grove, Ryde, Grand Island and Rio Vista, on the other hand, subject to certain restrictions. 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, a copy of which, marked Exhibit "A," is attached to and made a part of the application.

The consideration to be paid for the property herein proposed to be transferred is given as the sum of ten thousand dollars (\$10,000) which is declared by applicants to be the value of the intangibles. No equipment is to be transferred.

The operative right herein proposed to be transferred was acquired by Decision No. 28994, dated July 18, 1936, on

Application No. 20654 and subsequently extended and enlarged by Decision No. 33047, dated April 30, 1940, on Application No. 23061.

This does not appear to be a matter in which a public hearing is required. The application will be granted.

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.

O R D E R

IT IS ORDERED that Overland Transfer Company is hereby authorized to transfer to Valley Motor Lines, Inc. the highway common carrier operative right referred to in the foregoing opinion, and Valley Motor Lines, Inc. is hereby authorized to acquire said operative right and to hereafter 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 Overland Transfer 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 Valley Motor Lines, Inc. 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 Overland Transfer Company withdrawing, and applicant Valley Motor Lines, Inc. accepting and establishing such tariffs and all effective supplements thereto.

4. Applicant Overland Transfer 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 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 Overland Transfer 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, transfer, lease, 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 3rd day of January, 1941.

Ray L. Rice
Justice L. Casner
COMMISSIONERS