

Decision No. 23940

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FRANK J. KNAPP and JOHN P. DEMETER)
to sell and GEORGE E. THOMAS and)
JOSEPH N. CACCAMO to purchase a pas-)
senger stage service operated between)
Redwood City, California, and Canyon)
Sanitarium and Emerald Lake, Calif-)
ornia.)

ORIGINAL

Application No. 23940

BY THE COMMISSION:

O P I N I O N

Frank J. Knapp and John P. Demeter, operating under the fictitious name and style of Redwood City - Emerald Lake Bus Line, have petitioned the Railroad Commission for an order approving the sale and transfer by them to George E. Thomas and Joseph N. Caccamo of an operating right for the automotive transportation as a common carrier of passengers between Redwood City, Canyon Sanitarium and Emerald Lake; and George E. Thomas and Joseph N. Caccamo have petitioned for authority to purchase and acquire said operating right and to hereafter 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 and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$2,000. Of this sum, \$1,000 is alleged by the applicants to be the value of the equipment and \$1,000 is alleged to be the value of the intangibles.

The operating right herein proposed to be transferred was acquired by Decision No. 31805, dated March 6, 1939, on Application No. 22598.

This appears to be a matter in which a public hearing is not necessary. The application will be granted.

George E. Thomas and Joseph N. Caccamo 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.

O R D E R

IT IS ORDERED that Frank J. Knapp and John P. Demeter are hereby authorized to transfer to George E. Thomas and Joseph N. Caccamo the automotive common carrier passenger operating right referred to in the foregoing opinion and George E. Thomas and Joseph N. Caccamo are hereby authorized to acquire said operating right and to hereafter 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. 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. Applicants Frank J. Knapp and John P. Demeter 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 George E. Thomas and Joseph N. Caccamo in common supplement to the tariffs on file with the Commission covering the service given under the operative rights herein authorized to be transferred, applicants Frank J. Knapp and John P. Demeter withdrawing, and applicants George E. Thomas and Joseph N. Caccamo accepting and establishing such tariffs and all effective supplements thereto.

4. Applicants Frank J. Knapp and John P. Demeter 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 their name with the Railroad Commission and applicants George E. Thomas and Joseph N. Caccamo 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 applicants Frank J. Knapp and John P. Demeter 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 applicants George E. Thomas and Joseph N. Caccamo 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.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 4th day of February, 1941.

[Handwritten signatures of Commissioners]

COMMISSIONERS