

ORIGINAL

Decision No. 36441

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
G. M. HUNTON, d.b.a. VALENCIA TRUCK)	
CO. to sell and of H. B. BOYLE, an)	
individual, d.b.a. BOYLE & SON, to)	
purchase a certificate of public)	Application No. 25646
convenience and necessity granted)	
by Decision No. 15530 and as modified)	
by Decision 23738 covering operation)	
between Santa Margarita Ranch and Los)	
Angeles and intermediate points.)	

BY THE COMMISSION:

O P I N I O N

The above-entitled application requests authority for the transfer of a highway common carrier operative right between Los Angeles and Los Angeles Harbor, on the one hand, and Santa Margarita Ranch and intermediate points, on the other hand, from G. M. Hunton to H. B. Boyle. No equipment or other tangible property is involved in the transfer.

The operative right involved was created by Decision No. 23738, in Application No. 17228, and acquired by Hunton under the authority of the Commission's Decision No. 31577, in Application No. 22425. The right is subject to certain limitations, as more specifically set forth in the decision which created it.

The total consideration involved is \$1500, which applicants assert represents the value of the operative right. Such may be the understanding between the parties, but it should be clearly understood that the authorization hereinafter granted is not an approval of the purchase price in any respect, nor a finding

of value for the purpose of rate fixing, issuance of securities, accounting, or for any other purpose.

H. B. Boyle is placed upon notice that "operative rights" as such do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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.

It appears that this is a matter in which a public hearing is not necessary and the application will be granted.

O R D E R

Good cause appearing,

IT IS ORDERED as follows:

(1) G. M. Hunton is hereby authorized to sell and transfer to H. B. Boyle the highway common carrier operative right described in the foregoing opinion. H. B. Boyle is hereby authorized to purchase and acquire said operative right and hereafter to operate thereunder.

(2) The authority herein granted is subject to the provisions of section 52(b) of the Public Utilities Act and further to the condition that H. B. Boyle, his successors or assigns, shall never claim before this Commission, or any court or other public

body, a value for said operative right, or claim as the cost thereof, an amount in excess of that paid for said right by the original grantee thereof.

(3) Applicants shall comply with the rules of the Commission's General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time tables satisfactory to the Commission within sixty (60) days from the effective date hereof, and on not less than five (5) days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 22nd day of June, 1943.

Francis P. Havenner

Richard Jackson
Thomas Dean

COMMISSIONERS