

Decision No. 36771

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of HILLER INDUSTRIES, a copartner-)
ship, for a permit under the "For-)
Hire Vessel Act.")

Application No. 25858

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

By this application, Hiller Industries, a copartnership,¹
seeks a permit under the "For-Hire Vessel Act" (Statutes 1933,
Chapter 223) authorizing operation of the vessels MV MOTORMATES
and COASTER to transport bulk molasses between Richmond and
Stockton for Pacific Molasses Company, Ltd. The copartnership
proposes to operate an "on call" service as a private or contract
carrier pursuant to an oral contract with the molasses company.²

Verified statements submitted in support of the granting
of the application show that the traffic involved has been moving
by railroad; that inauguration of the proposed service has been
made necessary by an acute shortage of railroad tank cars; that
molasses is urgently required for war purposes; that the service
proposed to be rendered by applicant will contribute to the war
effort; and that applicant is not engaged in the transportation of
property as a common carrier. The interested rail lines do not
object to the issuance of the permit applied for provided that it
be limited to the duration of the war. Such a limitation is accept-
able to the applicant.

¹ The copartnership is composed of Stanley Hiller, Patricia Hiller
Chadwick and Stanley Hiller, Jr.

² The proposed rates, rules and regulations are set forth in Exhibit
"A" attached to the application.

The application appears to meet the requirements of the "For-Hire Vessel Act" in all essential respects. A permit will be issued. Because of the possibility of changes in the conditions surrounding this transportation, however, it will be limited to a one-year period and will be made subject to change, extension, or cancellation, by appropriate order of the Commission.

Applicant 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 permits. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. 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 permits which may be issued.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that a permit be and it is hereby issued to Hiller Industries, a copartnership composed of Stanley Hiller, Patricia Hiller Chadwick, and Stanley Hiller, Jr., to operate the vessel MV MOTORMATES and COASTER as for-hire vessels between Richmond and Stockton for the transportation of bulk molasses for the Pacific Molasses Company, Ltd., via all navigable routes; and that the aforesaid permit shall expire one (1) year from the effective date of this order unless sooner changed, extended or cancelled by appropriate order of the Commission.

IT IS HEREBY FURTHER ORDERED that, in the operation of the vessel service authorized in the preceding ordering paragraph, applicant shall comply with and observe the following service regulations:

1. Applicant shall file a written acceptance of the permit herein granted within a period not to exceed thirty (30) days from the effective date hereof.
2. Applicant shall file, in triplicate, a tariff containing rates and charges conforming with those filed with the application within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that the permit herein granted and the rights and privileges exercisable thereunder shall not be sold, leased, transferred or assigned unless the written consent of the Railroad Commission to such sale, lease, transfer or assignment has first been obtained; and that the aforesaid permit is subject to the further condition that applicant, its successors or assigns, shall never claim before this Commission or any court or other public body, a value for said operative rights or claim as to cost thereof an amount in excess of that paid to the State as the consideration for such rights.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 21st day of December, 1943.

Frank D. Havens
W. H. H. H.
Richard P. ...
Richard ...
Stewart ...
Commissioners