

Decision No. 36871

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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| In the Matter of the Application of |) | |
| CLIFFORD SNIDER, an individual, doing |) | |
| business as Potter Valley-Ukiah Auto |) | |
| Stage, to sell, and PACIFIC MOTOR |) | |
| TRUCKING COMPANY, a corporation, to |) | Application No. 25981 |
| purchase, highway common carrier oper- |) | |
| ating right between Ukiah and Potter |) | |
| Valley, California. |) | |

BY THE COMMISSION:

O P I N I O N

This application involves the transfer of an operative right as a highway common carrier between Potter Valley and Ukiah. Clifford Snider, the present owner, appears as the transferor and Pacific Motor Trucking Company, a corporation, as the transferee.

The operative right to be transferred was originally created by Decision No. 6088, dated January 28, 1919, on Application No. 4326, and included the right to transport both passengers and freight. Subsequently the certificate was modified to authorize only the transportation of freight. After several changes of owner-⁽¹⁾ship the right was finally acquired by Snider, the seller herein.

Applicant Snider is engaged in farming in the Potter Valley. His interests in that field require all of his time and he advances this as a reason for desiring to dispose of his transportation business.

It is alleged that Potter Valley is developing as a pear growing community and will continue to require common carrier service

(1) Decision No. 35786, dated September 22, 1942, in Application No. 25174.

by truck for the transportation of freight to and from that area.

The distance between Potter Valley and Ukiah is approximately 17 miles. The purchaser herein now operates over about ten miles of that route on its Ukiah-Upper Lake schedule.

An agreement has been entered into between the parties by the terms of which Snider proposes to sell, and Pacific Motor Trucking Company to buy, the operative right involved herein for \$69.80. No equipment is involved.

The Commission is of the opinion, and so finds, that authorization for the transfer is in the public interest and that the application should be granted, and it will be so ordered. A public hearing is not necessary.

Pacific Motor Trucking Company 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.

O R D E R

IT IS ORDERED that Clifford Snider is authorized to sell and transfer and Pacific Motor Trucking Company to purchase and acquire the operative right above referred to and thereafter to

operate thereunder subject to the following condition:

The authority herein granted is subject to the condition that Pacific Motor Trucking Company, 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 the cost thereof, an amount in excess of that paid to the State as the consideration for such rights.

IT IS FURTHER ORDERED that applicant herein 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 schedules 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 Los Angeles, California, this 15th day of February, 1944.

Richard L. Lasker
Justus F. Calver
Francis D. Havenue

Francis D. Havenue
COMMISSIONERS