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ORIGINAL

Decision No. 39001

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WILLIAM F. McVEIGH and DUARD W. HULETT)
to sell and WILLIAM F. McVEIGH to pur-)
chase auto truck freight line operated)
between Corona and Los Angeles Harbor)
district, and between Corona and Los)
Angeles.)

Application No. 27068

O P I N I O N

In this application William F. McVeigh and Duard W. Hulett, doing business as Pioneer Transfer, request authority to sell to William F. McVeigh the operative rights created by Decision No. 14112, as amended by Decisions Nos. 14174 and 16540, and also to sell certain automotive equipment. The purchaser seeks authority to acquire said rights and equipment.

The operative rights proposed to be transferred authorize the transportation of certain specified commodities, in general, between Los Angeles and Corona and between Los Angeles Harbor and Corona, as more specifically set forth in Decision No. 14112. These rights were acquired by McVeigh and Hulett pursuant to transfer authorized in Decision No. 37843, dated May 1, 1945, in Application No. 26365.

The consideration for the transfer herein proposed is \$12,550 which represents the claimed value of equipment and business. No money value is placed on the operative rights. The equipment proposed to be sold consists of three trucks, one tractor and two trailers, office furniture, and miscellaneous equipment. A statement attached to the application indicates that the total operating revenue for the year 1945 was \$28,130.48, and the total operating expense \$25,521.35, with a net operating revenue of \$2,609.13.

Giving due consideration to this matter the Commission is of the opinion that a public hearing is not necessary and that the application should be granted.

William F. McVeigh and Duard W. Hulett are hereby 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

Application having been made as above entitled, and the Commission being duly advised in the premises,

IT IS ORDERED as follows:

(1) That William F. McVeigh and Duard W. Hulett are hereby authorized to sell and transfer to William F. McVeigh, and William F. McVeigh is hereby authorized to acquire on or before August 15, 1946, the operative rights created by Decision No. 37843, dated May 1, 1945, in Application No. 26365, and referred to in the foregoing opinion, together with the physical property and business referred to in said opinion.

(2) That applicants shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, appropriate tariffs and time tables within 60 days from the effective date hereof, and on not less than 5 days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 21st day of May, 1946.

Edward Rubin
Justin J. Casser
Wm. D. ...
Irving ...
Harold ...
COMMISSIONERS