

Decision No. 39413

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application)
of BIRDIE M. MACY to lease and)
SOUTHERN CALIFORNIA FREIGHT LINES,)
a corporation, to operate an)
automobile freight line between)
Los Angeles and Sierra Madre and)
intermediate points.)
-----)

Application
No. 20674

ORIGINAL

OPINION AND ORDER

By Decision No. 29055, dated August 17, 1936, the Commission authorized Birdie M. Macy to lease for a term of ten years to Southern California Freight Lines the operative rights granted by Decision No. 11407, dated December 29, 1922, in Application No. 8303 and by Decision No. 15798, dated December 28, 1925, in Application No. 11926. The decisions authorize an automotive service for the transportation of freight between Los Angeles, Pasadena and Sierra Madre and intermediate points. The lease fixes an annual rental of \$600. It further provides that upon the termination of the lease, Birdie M. Macy will sell and Southern California Freight Lines will purchase the operative rights for \$6,000.

In a supplemental petition filed on August 28, 1946, Birdie M. Macy asks permission to transfer said operative rights to Southern California Freight Lines.

Decision No. 29055 placed Southern California Freight Lines 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, and that 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 and that 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.

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary, and that this application should be granted provided Southern California Freight Lines charges to Account 2946--Other Debits to Surplus--the amount it pays for said operative rights, therefore,

IT IS HEREBY ORDERED that Birdie M. Macy may, on or before December 31, 1946, sell to Southern California Freight Lines and Southern California Freight Lines may purchase, the operative rights to which reference is made in this opinion and order, provided Southern California Freight Lines charges to Account 2946--Other Debits to Surplus--the amount it pays for said operative rights.

Dated at San Francisco, California, this 17th day of September, 1946.

Harold P. Hills
Francis D. ...
... Powell
A. Z. ...
Commissioners