

Decision No. 45701**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA FREIGHT LINES)
 to lease to N. W. Allert an auto-) Application No. 32315'
 mobile freight line operated between)
 Hemet and Idyllwild, California, and)
 intermediate points.)

O P I N I O N

Southern California Freight Lines, a corporation, owns operating rights as a highway common carrier of general commodity freight between Idyllwild and Hemet and Riverside and intermediate points. These rights were originally acquired by R. B. Cregar by certificate of public convenience and necessity issued in Decision No. 10733 dated July 20, 1922 on Applications Nos. 7888 and 7889.

These rights were acquired and enlarged by Coast Truck Line, a California Corporation ⁽¹⁾. This corporation changed its name to Southern California Freight Lines on August 14, 1934.

In the present application, Southern California Freight Lines requests authority to lease to N. W. Allert the above-described operative rights as a highway common carrier, so far as they apply between Hemet and Idyllwild, California, and intermediate

(1) Decision No. 13371, dated April 5, 1924 on Application No. 9780, Decision No. 17377, dated September 21, 1926 on Application No. 9780, Decision No. 18749, dated August 25, 1927 on Application No. 11502, Decision No. 21300, dated June 28, 1929 on Application No. 13690, Decision No. 23867, dated July 3, 1931 on Application No. 17444, and Decision No. 26138, dated July 10, 1933 on Application No. 18977.

points, for a period of three years, under an agreement heretofore entered into, a copy of which is attached to the application as Exhibit "A".

As justification, applicants allege that no reduction in service will result from the proposed lease, as the lessee agrees to render the same service that is now rendered by Southern California Freight Lines and said lessor agrees to maintain service from all points referred to in Decision No. 23867, dated July 3, 1931 on Application No. 17444. Also, it is stated that only a few persons are served at Idyllwild and Keen Camp and that better service can be rendered under the lease arrangement as Allert resides at Idyllwild and is in close contact with persons residing there and at Keen Camp. The president of applicant Southern California Freight Lines represents that applicant Allert has had experience in the trucking business.

Said lease agreement provides for an annual rental of \$100 and for an option to purchase the operating rights involved for the further sum of \$500 during the period of the lease. No transfer of equipment is involved in the present application, as applicant Allert has his own equipment.

After full consideration of this matter, we are of the opinion that the proposed transaction will not be adverse to the public interest and that the request of the applicants should be granted. In making the order herein, we are making no finding of the value of the operative rights herein authorized to be leased, and we hereby place applicants 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, as above-entitled, having been made, the Commission being fully advised in the premises and it appearing that a public hearing is unnecessary,

IT IS ORDERED:

(1) That Southern California Freight Lines, a corporation, be, and it hereby is, authorized to lease that portion of its operating rights acquired under Decision No. 23867, dated July 3, 1931, on Application No. 17444, between Hemet and Idyllwild and intermediate points for a period of three years, at an annual rate of \$100 payable quarterly in advance, pursuant to the terms of the Lease Agreement, copy of which is filed as Exhibit "A" attached to the application herein, which instrument applicants are authorized to execute.

(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 schedules, within sixty (60) days after the effective date hereof, and upon not less than five (5) days' notice to the Commission and the Public.

(3) That the authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 15th day of May, 1951.

R. J. [Signature]
Justus J. [Signature]
Harold P. [Signature]
[Signature]

COMMISSIONERS