

LBM

Decision No. 16888.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VERDUGO HILLS TRANSPORTATION COMPANY, as lessor, and of Motor Transit Company, as lessee, for permission to enter into a certain lease of automobile stage line operating rights, together with an option to said lessee to purchase same, and for an order permitting said lessee to exercise said operating rights as an extension to the northern division of its present automobile stage lines.

Application No. 12683

ORIGINAL

H. W. Kidd, for applicants.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make an order (1) authorizing and approving the execution of a lease and option by and between Verdugo Hills Transportation Company, a corporation, as lessor, and Motor Transit Company, a corporation, as lessee, whereby said lessor agrees to lease to said lessee, with the option to purchase, all of its operating rights for a term of twenty-four months, and (2) authorizing Motor Transit Company, as lessee, to exercise such operating rights as an extension to the northern division of its present lines and system.

The operating rights herein proposed to be leased are those acquired by Verdugo Hills Transportation Company by purchase from A.J. Richardson, who had been operating under the firm name and style of Richardson Transportation Company, under authority granted by Decision No. 10455, dated May 13, 1922, in Application No. 7676, and permit the transportation of passengers between Los

Angeles and Sunland via Glendale, Montrose, La Crescenta, Tujunga and other intermediate points and the transportation of passengers and express, the express being limited to packages, not exceeding thirty pounds in weight, which may be carried on the stages of applicant without interfering with the passengers, between Sunland and San Fernando over the State Highway to Tujunga River via Tujunga School, Howard and Smith nursery and Pacoima, and over McClay and Porter Avenues in San Fernando. The order of the Commission (Decision No. 10132) granting the certificate to A. J. Richardson for the Sunland-San Fernando operations, which certificate subsequently was transferred to Verdugo Hills Transportation Company, and is now proposed to be leased to Motor Transit Company, provided, among other things--

"1. That the authority hereby granted does not cover the operation of a new or alternate through route or service by applicant between San Fernando and Los Angeles, the certificate hereby granted covering only local service between Sunland and San Fernando and intermediate points, the territory between Los Angeles and San Fernando now being adequately served by the stages of applicant and other authorized transportation companies."

A copy of the lease contract and option to purchase is filed with the application herein as Exhibit "A". We believe that this application should be granted, subject to the conditions appearing in the following order.

O R D E R

Verdugo Hills Transportation Company, a corporation, and Motor Transit Company, a corporation, having applied to the Railroad Commission for an order approving a lease contract and option to purchase whereby Verdugo Hills Transportation Company agrees to lease to Motor Transit Company, with the option to purchase, all

of its operating rights, as set forth fully in the foregoing opinion, and for an order permitting Motor Transit Company to exercise said operating rights as an extension to the northern division of its present automobile stage lines and system, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that this application be, and it hereby is, granted subject to the following conditions:-

1. Verdugo Hills Transportation Company shall cancel immediately all tariffs and time schedules now filed with this Commission, and Motor Transit Company shall file immediately new tariffs and time schedules, such new tariffs and time schedules to be identical with those heretofore filed by Verdugo Hills Transportation Company, such cancellation and filing to be made in accordance with the Railroad Commission's General Order No. 51, and other regulations of the Railroad Commission.
2. The rights and privileges herein authorized to be leased to Motor Transit Company hereafter shall not be sold, leased, transferred, assigned, hypothecated or discontinued unless the written consent of the Railroad Commission is first obtained.
3. No vehicle may be operated over the routes herein authorized to be leased unless such vehicle is owned by Motor Transit Company or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

4. No authority is herein granted to Motor Transit Company to link up or consolidate the rights, the lease of which is herein authorized, with its present operating rights.
5. The rental as agreed between the applicants herein and as contained in the agreement accompanying and forming a part of the application, the execution of which is herein authorized, or the agreed option price, shall never be urged or claimed by applicant, Motor Transit Company, as an operating expense or as a measure of value in any rate fixing or other proceeding before this Commission or other public body or court having jurisdiction, the amount agreed upon as rental for the term and the option price being considered by the Commission only as the agreed values made by applicants herein for the purpose of this agreement, and not in any manner binding upon, or to be considered by this Commission as a measure of value for rate fixing or other proceedings affecting the rights herein authorized to be leased.

DATED at San Francisco, California, this 11th day of
June, 1926.

H. B. Brundage

C. Searns

Leon Whipple

Commissioners.