

Decision No. 18908

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
 GOLDEN STATE AUTO TOURS CORPORATION, a
 California corporation, to sell, and
 TANNER MOTOR LIVERY, a California Corpor-
 ation, to buy an automobile sight seeing
 passenger business, operating continuous
 round trips, leaving from and returning to
 Los Angeles, California.)
)
) Application
) No. 14110
)
)

BY THE COMMISSION -

OPINION and ORDER**ORIGINAL**

Golden State Auto Tours Corporation has petitioned the Railroad Commission for an order authorizing it to sell and transfer to Tanner Motor Livery, a corporation, an operating right for sightseeing tours operated out of and returning to Los Angeles, making a continuous round trip, and Tanner Motor Livery, a corporation, has asked for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement of sale, a copy of which is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$70,000. Of this sum \$65,000 is declared by applicants to be the value of certain equipment and \$5000 is declared to represent the value of intangibles.

The operating right herein proposed to be transferred was established by applicant Golden State Auto Tours Corporation through the filing of tariffs and time schedules in accordance with the Railroad Commission's General Order No. 76, approved July 5, 1927, and effective August 1, 1927, which order reads as follows:

"Each automotive carrier who, on January 1st, 1927, was operating, or during the calendar year 1926 had operated a seasonal service of not less than three consecutive months duration, sight seeing busses on a continuous sight seeing trip with one terminus only, is hereby directed to file with the Railroad Commission of the State of California on or before August 1st, 1927, its, or his, schedules of rates, fares, charges and classifications charged and collected by it, or him, in such service, and the time schedules and the routes over which such service is, or was, operated.

Each such automotive carrier is hereby further directed to file with this Commission on or before August 1st, 1927, a statement, under oath, outlining in detail the extent, scope and nature of its, or his, sight seeing buss operations as conducted on July 1st, 1927, January 1st, 1927, and during the calendar year 1926."

The following routes are shown under the heading "Definition of Tours" in C.R.C. No.1, filed by Golden State Auto Tours Corporation in compliance with the above order:

Tour No.1 - Seeing Los Angeles - daily at 10 A.M. - duration of tour, two hours, Traverses downtown business section, Chinatown, Wilshire Blvd., and West Adams; at no point does this tour leave the city limits of Los Angeles.

Tour No.2 - To Pasadena - daily at 10 A.M. and 2 P.M., covering a general route as follows: leaving Los Angeles via North Main St. to Mission Road, thence Huntington Drive through South Pasadena and San Marino and then into Pasadena by Oak Knoll section, Colorado Street to Brookside Park to Arroyo Terrace, thence Orange Grove Avenue through Busch's Gardens and returning to Los Angeles by Pasadena Avenue and North Broadway.

Tour No.3 - Hollywood-Beverly Hills Tour - daily at 10 A.M. through Second Street Tunnel to Edendale and by Silver Lake to Hollywood entering Beverly Hills over Sunset Boulevard and returning from Beverly Hills through Sherman, Hollywood, Beverly Blvd., First and Second Streets.

Tour No.4 - Hollywood, Beverly Hills and Beaches Tour - daily at 2 P.M., leaving Los Angeles via Main Street and Sunset Boulevard, through the residence section of Hollywood, thence through Sherman, Beverly Hills, Sawtelle, Santa Monica, Ocean Park, Venice, Culver City and return to Los Angeles.

Tour No.5 - Riverside and Orange Empire Trip - daily at 8 A.M., covering a general route as follows; leaving Los Angeles by way of Whittier Blvd. to Fullerton; east through Fullerton to Placentia, Santa Ana Canyon, Corona and into Riverside; returning through Riverside via Valley Blvd., Euclid Avenue and Poothill Blvd., thru Arcadia and Valley Blvd. into Los Angeles.

The purchaser is hereby placed 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. 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. The Commission at the early stages of the development of this kind of transportation should be extremely careful not to lend encouragement to the idea that these rights possess a substantial element of value, either for rate fixing or capitalization.

IT IS HEREBY ORDERED that the above entitled application be and the same hereby is granted, subject to the following conditions:

1- The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.

2- Applicant Golden State Auto Tours Corporation shall immediately unite with applicant Tanner Motor Livery, a corporation, in common supplement to the tariffs on file with the Commission, applicant Golden State Auto Tours Corporation on the one hand withdrawing, and applicant Tanner Motor Livery on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Golden State Auto Tours Corporation shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Tanner Motor Livery shall immediately file, in duplicate, in its own name, time schedules covering service heretofore given by applicant Golden State Auto Tours Corporation which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Golden State Auto Tours Corporation, or time schedules satisfactory to the Railroad Commission.

4- The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5- No vehicle may be operated by applicant Tanner Motor Livery unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

6- No authority is herein granted for the merging or consolidation of the right herein authorized to be transferred with the rights now operated by C.C.Tanner.

7- This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act on all evidences of indebtedness extending over a period of one year, in this instance the minimum sum of \$25.00.

Dated at San Francisco, California, this 8th day of October, 1927.

Emmuel A. ...
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COMMISSIONERS.

Fee \$25⁰⁰/₁₀₀
RAILROAD COMMISSION
STATE OF CALIFORNIA
OCT 15 1927
By A. Matthews
Fee # 24388