

Decision No.11686 on Application No.8603, decided February 20, 1923, transferring operating right to Manford M. Olsen, same formerly held by the partnership of Manford M. Olsen and Frank Word, doing business under the firm name of Olsen & Word, under the authority of Decision No.9761 on Application No.7342, as decided November 17, 1921, which decision authorized the transfer to Olsen & Word of the operative rights formerly held by F. J. Roberti as granted by Decision No.9377 on Application No.6658, decided August 18, 1921, and covering operative rights for the transportation of passengers and baggage between Portola, California, and the Nevada State Line to Reno, serving Beckwith as an intermediate point.

Decision No.17242 on Application No.13010, decided August 13, 1926, authorizing the operation of an automotive stage service for the transportation of passengers, baggage (not exceeding 100 pounds per passenger), and express (not exceeding 40 pounds per package in weight) between Portola and Quincy and the intermediate points of Feather River Mill, Clio, Graeagle, Blairsden, Camp Layman, Plumas Lumber Co., Cromberg, Sloat, Spring Garden and Massack.

The proposed transfer covers four automobiles and the operative rights heretofore stated and is to be made for a consideration of \$10,000.

M. M. Olsen, applicant herein, testified regarding inquiries heretofore made for through service from points on his lines to points served by the Mt. Lassen Transit Company, such demands having been cared for by transfer of passengers and baggage at connecting points.

W. C. Lawrence, superintendent of transportation for applicant Mt. Lassen Transit Company, testified regarding the through travel interchanged by his company with the Olsen lines and the convenience that would be afforded the public by the operation of such lines as a portion of the Mt. Lassen Transit Company's stage system, also as to the operating economy possible by the co-ordination of service with the present Mt. Lassen system.

The record shows that it is the intention, in the event of the granting of the application, to establish through rates on the basis of combination of present existing local rates and to continue service on approximately the same time schedules now in effect on the Olsen lines.

No appearance was made protesting the granting of the application. Upon the record herein we are of the opinion that the application should be granted.

Mt. Lassen Transit Company, a corporation, is hereby placed on 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 in 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.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and of the opinion that public convenience and necessity require the transfer of the operative rights as herein sought and the consolidation of such rights with those now operated by applicant, Mt. Lassen Transit Company.

IT IS HEREBY ORDERED that authority be and the same hereby is granted to M. M. Olsen to sell and transfer to Mt. Lassen Transit Company, a corporation, and for said Mt. Lassen Transit Company to acquire and hereafter operate as a part of their consolidated system the following operative rights:-

1. An operative right for the carriage of passengers and freight, as a common carrier by automobile, between Portola and Walker Mine and intermediate points over and along a route from Portola to a station on the Boca & Loyalton Railroad; thence through Burnham Ranch and Grizzly Valley to Midway Barn; thence to Lovejoy Ranch; thence to Walker Mine, a distance of 22 miles.

2. An operative right for the transportation of passengers and baggage, as a common carrier by automobile, between Portola, California, and the Nevada State Line to Reno, serving Beckwith as an intermediate point.

3. An operative right for the transportation by automobile, as a common carrier, of passengers, baggage (not exceeding 100 pounds per passenger), and express (not exceeding 40 pounds per package in weight) between Portola and Quincy and the intermediate points of Feather River Mill, Clie, Graeagle, Blairsden, Camp Layman, Plumas Lumber Co., Cromberg, Sloat, Spring Garden and Massack,

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 M. M. Olsen shall immediately unite with applicant Mt. Lassen Transit Company in common supplement to the tariffs on file with the Commission, applicant M. M. Olsen on the one hand withdrawing and applicant Mt. Lassen Transit Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant M. M. Olsen shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Mt. Lassen Transit Company shall immediately file, in duplicate, in its own name, time schedules covering service heretofore given by applicant M.M.Olsen, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant M.M.Olsen, 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 Mt. Lassen Transit Company 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.

Dated at San Francisco, California, this 23rd day of December,
1927.

Ernest J. [Signature]
[Signature]
Leon O. [Signature]
[Signature]
[Signature]
COMMISSIONERS.