

Decision No. 19743

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }  
 GEO. A. SCOTT, to sell, and of MT. LASSEN }  
 TRANSIT COMPANY, a corporation, to purchase }  
 and acquire the rights and franchises of }  
 Geo. A. Scott to operate an auto stage line }  
 for the transportation of passengers, baggage }  
 and express, for compensation, between }  
 Susanville and Camps A, B, C, D, and E of the }  
 Fruit Growers Supply Company, and to consoli- }  
 date the same with existing lines of Mt. }  
 Lassen Transit Co. }

Application  
 No.14644

BY THE COMMISSION -

OPINION and ORDER

George A. Scott has applied to the Railroad Commission for an order approving the sale and transfer by him to Mt. Lassen Transit Company, a corporation, of an operating right for an automotive service for the transportation of passengers and express between Susanville and Camps A, B, C, D and E of the Fruit Growers Supply Company, and Mt. Lassen Transit Company has applied 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, 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 \$2100. This sum is declared by applicants to represent the value of intangibles and several pieces of equipment.

The operating right herein proposed to be transferred was originally granted by the Railroad Commission to Smith and Ramsey, a co-partnership. The service was first established between Susanville and Camp A (Decision No.8642, issued on Application No.6411) and by Decision No.9062, extended to Camps B and C.

Decision No.12348, issued on Application No.9192 extended the service to Camps D and E. In its Decision No.14811, dated February 26, 1927, and issued on Application No.10830, the Commission authorized Smith, who had acquired the interest of his partner Ramsey (Decision No.13003), to transfer the extended right to applicant Scott.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Mt. Lassen Transit Company 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.

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby 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 Geo. A. Scott shall immediately unite with applicant Mt. Lassen Transit Company, in common supplement to the tariffs on file with the Commission, applicant Scott on the one hand withdrawing, and applicant Mt. Lassen Transit Co. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Scott shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Mt. Lassen Transit Co. shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Scott, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Scott, 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 Co. 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- This order shall not be construed as authorizing the linking up or joining of the operating right herein ordered to be transferred with the existing operating rights of Mt. Lassen Transit Company.

Dated at San Francisco, California, this 9<sup>th</sup> day of May, 1928.

Leon Whitell

Ed Sawyer

Ernest C. ...

Thos. S. Lunt

M. J. ...  
COMMISSIONERS.