

Decision No. 19986

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
 CORY G. HOFF and MOTOR TRANSIT COMPANY  
 for an order authorizing the former to  
 sell to the latter automobile stage  
 line operating rights of Fullerton -  
 Placentia Bus Line and of latter to  
 purchase and exercise said operating  
 rights; and to extend the latter stage  
 line operations from Placentia to Yorba  
 Linda; and for authority to the latter  
 to exercise all of said operating rights  
 in conjunction with and as a portion of  
 Motor Transit Company's eastern and  
 southern divisions.

ORIGINAL

Application No. 14746.

Herbert W. Kidd, for Applicant.

M. C. Brucker, for Pacific Electric  
Railway Company, interested party.

BY THE COMMISSION:

O P I N I O N

In the above entitled application the Motor Transit  
 Company seeks authority to acquire by purchase the operative  
 right granted by Decision No. 14132 on Application No. 10179  
 to Cory G. Hoff to transport passengers and express between  
 Fullerton and Placentia, and, in addition, to extend such op-  
 erative right to Atwood and Yorba Linda, the whole to be merged  
 and consolidated with the southern and eastern divisions of the  
 Motor Transport Company's system. The proposed extension would  
 increase by about five miles the existing Hoff operation of 3.7

miles.

Other carriers were represented at the public hearing held in Fullerton on June 20, 1928, but no protests made to the the granting of the application.

It appears that the public need requires some automobile transportation service between Fullerton and Yorba Linda for both passengers and express. Hoff is unable to make the extensions demanded by these communities beyond his present line, and offers to sell his rights to the Motor Transit Company. The latter's proposed service has the endorsement of the chambers of commerce and individuals in all the towns to be served. The need, particularly, is for frequent transportation service to and from Fullerton, the business and social center for the residents along the entire route. The Santa Fe Railway only partially serves these communities and does not maintain sufficient schedules.

It appears further that if the Motor Transit Company is authorized to operate from Fullerton eastward to Yorba Linda, such operative right should be made a part of its other existing rights in Southern California, for the testimony shows that patrons along the proposed line are in need of transportation facilities not only between local points, but also to points in other divisions of the Motor Transit Company's system to which no adequate transportation is now available. To make such consolidation possible, the Motor Transit Company should and will be granted permission to increase the express weight limit over the Hoff line from 50 to 100 pounds, and to apply new tariffs and uniform rules and regulations in respect to the transportation of both passengers and express.

The agreement of sale from Hoff to Motor Transit Company calls for a cash payment of \$1000. for the operative right alone. Passenger and express tariffs will be established in accordance with exhibits "C" and "D" as filed with

the application, and time schedules, calling for eleven trips each way daily, in accordance with Exhibit "E".

The Motor 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.

#### O R D E R

A public hearing having been held on the above entitled application, the matter submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require that Cory G. Hoff be permitted to sell to Motor Transit Company, and that Motor Transit Company be permitted to purchase the operative right for the transportation of passengers and express granted to Cory G. Hoff by Decision No. 14132 on Application No. 10179, between Fullerton and Placentia, and

IT IS HEREBY ORDERED that the application of Cory G. Hoff and Motor Transit Company for an order authorizing said transfer 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 Cory G. Hoff shall immediately withdraw tariffs and time schedules on file in his name with the Railroad Commission.
3. 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.
4. No vehicle may be operated by applicant Motor 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity require the operation by Motor Transit Company of an automotive service for the transportation of passengers and express, (as an extension of the right acquired from Hoff and not as a separate operating right), between the intersection of Bradford and Main Streets in the town of Placentia to the intersection of Lemon and Main Streets in the town of Yorba Linda, over and along the route as shown on map filed as Exhibit "B" with said application, and all intermediate points thereon, said express packages to be limited to packages weighing not more than 100 pounds each, to be transported on passenger stages of applicant, and

IT IS HEREBY ORDERED that Motor Transit Company be and it is hereby granted authority to merge and consolidate said operating right, as extended, with its eastern and southern divisions, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity for such extension and consolidation be and the same hereby is granted to Motor Transit Company,

subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
2. Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed (30) days from the date hereof.
3. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
4. No vehicle may be operated by applicant 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.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of

July, 1928.

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*Osseamy*  
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*W. J. ...*  
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*W. J. ...*  
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Commissioners.