

Decision No. 20093

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of
the Pacific Land Corporation for
transfer of permit heretofore issued
to Pacific Palisades Association for
operation of Palisades Bus Line under
Applications No. 12295 and No. 7918.

Application No. 14736.

Goudge, Robinson & Hughes, by
S. B. Robinson, for Applicants.

BY THE COMMISSION:

O P I N I O N

Pacific Palisades Association, a corporation, has petitioned the Railroad Commission for authority to sell and transfer to Pacific Land Corporation, a corporation, its operative right for an automobile stage service for the transportation of passengers between the Pacific Electric Railway, Utah Avenue Station in Santa Monica and Pacific Palisades, and Pacific Land Corporation has applied for authority to purchase and acquire said operative right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement and a bill of sale attached to and made a part of said application.

A public hearing on said application was conducted before Examiner Satterwhite at Los Angeles, the matter was submitted and is now ready for decision. No one appeared in oppo-

sition to granting of said application.

The consideration to be paid for ^{said} operative right together with all busses and equipment now being used in the operation of said service is fixed at the nominal sum of \$10.

The operative right herein proposed to be transferred was granted to Charles E. Scott and Charles Hoss by the Railroad Commission in its Decision No. 10753 dated July 21, 1922, issued on Application No. 7918. Said operative right was subsequently transferred by Scott and Hoss to said Pacific Palisades Association under the authority of the Railroad Commission in its Decision No. 15784 dated July 21, 1925, issued on Application No. 12295.

The testimony shows that the Pacific Palisades Association on or about March 31, 1923, sold and conveyed substantially all of its land and property at and in said Pacific Palisades excepting certain land and property reserved for institutional purposes, and Pacific Land Corporation has acquired and is now the owner of all of said land and property sold and conveyed by Pacific Palisades Association. For this reason the Pacific Land Corporation desires to operate said Palisades Bus line, as the same has heretofore been operated by said Pacific Palisades Association. The record shows that no change in fares is contemplated, and that the operation will be conducted in conformity with tariffs now on file with the Railroad Commission.

Pacific Land Corporation 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.

We are of the opinion after consideration of the evidence herein that the application should be granted.

O R D E R

IT IS HEREBY ORDERED that Pacific Palisades Association, a corporation, be and it is hereby authorized to sell the property described in the foregoing opinion to Pacific Land Corporation, a corporation, which is hereby authorized to purchase the same.

The authority herein granted is 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 Pacific Palisades Association shall immediately unite with applicant Pacific Land Corporation in common supplement to the tariffs on file with the Commission, applicant Pacific Palisades Association on the one hand withdrawing, and applicant Pacific Land Corporation on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Pacific Palisades Association shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Pacific Land Corporation shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Pacific Palisades Association, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Pacific Palisades Association, 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 Pacific Land Corporation 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 effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 7th of August 1928.

Leon Whitall

C. Seaman

Thos. D. Loutch

Commissioners.