<u>OMBI</u>

Decision No. 20416

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CIRO CUCCIO and P. BACLIONE to sell and F. LANDIER and F. P. LANDIER to purchase a bus franchise in the Watts District for the transportation of passengers.

Application 15100

BY THE COMMISSION -

OPINION and ORDER

Ciro Cuccio and Phillip Baglione, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to F. Landier and F. P. Landier, co-partners, of an operating right for an automotive passenger stage service between Los Angeles and certain points south of the city limits of the city of Los Angeles, and F. Landier and F. P. Landier, co-partners, have 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, 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 \$6000, all of which sum is said to represent the value of certain equipment.

The operating right herein proposed to be transferred was originally granted to Scott Williams by Railroad Commission Decision No.17672, dated November 29, 1926, and issued on Application No.13237. Said decision authorized Williams to operate an automobile service for the transportation of passengers

***** between 103rd or Main Street in the city of Los Angeles (that particular portion formerly known as the city of Watts) and points south of the city limits of Los Angeles as far as Allen Street, and intermediate points, in Los Angeles County, over and along the following route: "Beginning at the intersection of Success and Main Streets (also known as 103rd Street), east to Compton Avenue, thence south via Compton Avenue and Ingram Street to Allen Street, thence east on Allen Street to Astor Street, thence couth to unnamed Street, thence east to Compton Avenue (a prolongation of Wilmington Avenue), thence north via Compton Avenue and Wilmington Avenue to Main or 103rd Street, thence west to the point of beginning; also along Main or 103rd Street east to Juniper Avenue, thence south to 105th Street, thence east to Corman Avenue, thence south to 107th Street, thence east to Miegand Street, thence south to Santa Ana Avenue, thence west to Juniper Avenue."

By Decision No.18871, dated October 4, 1927, and issued on Application No.14003, the Commission authorized Williams to transfer the right granted by Decision No.17672 to Phillip Baglione and Ciro Cuccio, two of the applicants herein. By Decision No.20133, dated August 20, 1928, Cuccio and Baglione were authorized to temporily re-route the service during certain street construction work, and were also authorized to discontinue permanently operation over the following route:

> "Leaving the intersection of Success Street (Grandee Avenue) and 103rd Street and proceeding easterly on 103rd Street (also known as Main Street, Watts) to its intersection with Juniper Street, thence coutherly on Juniper Street to 105th Street, thence easterly on 105th Street to Corman Avenue, thence southerly on Gorman Avenue to 107th Street, thence easterly on 107th Street to Wiegand Street, thence southerly on Wiegand Street to Santa Ana Avenue, and thence westerly on Santa Ana Avenue to Juniper Street, where said route ends, and returning to the point of beginning over the same route."

By Decision No.20238, dated September 21, 1928, and issued OR a supplemental order in Application No.14484, Cuccio & Baglione were authorized to discontinue service over the re-routing authorized by Decision No.20133 and to resume service over that part of the route authorized by Decision No.17672 not involved in the order authorizing discontinuance, namely:

-2-

"Beginning at the intersection of Success and Main Streets (also known as 103rd Street), east to Compton Avenue, thence south via Compton Avenue and Ingram Street to Allen Street, thence east on Allen Street to Astor Street, thence south to unnamed Street, thence east to Compton Avenue (a prolongation of Wilmington Avenue), thence north via Compton Avenue and Wilmington Avenue to Main or 103rd Street, thence west to the point of beginning."

The certificate herein proposed to be transferred, then, authorizes an automobile passenger service -

> "***** between 103rd or Main Street in the city of los Angeles (that particular portion formerly known as the city of Watts) and points south of the city limits of los Angeles as far as Allen Street, and intermediate points, in los Angeles County, over and along the following route:

Beginning at the intersection of Success and Main Streets (also known as 103rd Street), east to Compton Avenue, thence south via Compton Avenue and Ingram Street to Allen Street, thence east on Allen Street, to Astor Street, thence south to unnamed Street, thence east to Compton Avenue (a prolongation of Wilmington Avenue), thence north via Compton Avenue and Wilmington Avenue to Main or 103rd Street, thence west to the point of beginning."

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.

F. Londter and F. P. Landier are 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:

-3-

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- Applicants Cuccio and Baglione shall immediately unite with applicants F. Landier and F. P. Landier in common supplement to the tariffs on file with the Commission, applicants Cuccio and Baglione on the one hand withdrawing and applicants Landier and Landier on the other hand accepting and establishing such tariff and all effective supplements thereto.

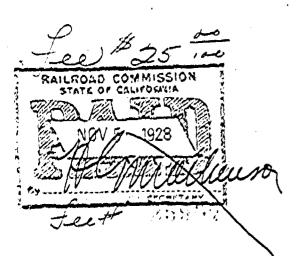
3- Applicants Cuccio and Baglione shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicants Landier and Landier shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicants Cuccio and Baglione, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Cuccio and Baglione, 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 applicants Landier and Landier unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

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

Dated at San Francisco, California, this 3/ day of October,



1928.

COMMISSIONERS.