

Decision No. 21398.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
Coast Auto Lines, an Oregon corpora- )  
tion, to sell, and Pickwick Stages )  
System, a California corporation, )  
to purchase all automobile passenger )  
and freight lines now operated by )  
Coast Auto Lines between Crescent )  
City and California-Oregon State Line. )

Application  
No. 15820.

ORIGINAL

BY THE COMMISSION:

OPINION and ORDER

Coast Auto Lines, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Pickwick Stages System, also a corporation, of operating rights for an automotive service for the transportation of passengers and property between Crescent City and Miser's House on the route to Brookings, Oregon, and intermediate points, and between Crescent City and a point on the California-Oregon line on the road to Grants Pass, and intermediate points and Pickwick Stages System, a corporation, has petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "A", 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 the nominal sum of \$1.

The operating right between Crescent City and Miser's House was established by J.E. Flaisted through operation prior to May 1, 1917. The tariff filings establishing this right are as follows:

C.R.C. No. 1, Local Freight Tariff of J.E. Flaisted Auto Stage Company, effective March 1, 1917, shows rates for the transportation of freight and excess baggage between Crescent City, California, and Miser's House, near the California-Oregon State Line on the route to Brookings, Oregon, and intermediate points via Smith River.

C.R.C. No. 1, Local Passenger Tariff No. 1 of J.E. Plaisted Auto Stage Company, effective March 1, 1917, shows rates for the transportation of passengers and baggage between Crescent City and Miser's House and intermediate points via Wakefield, Newburg and Smith River on the road to Brookings, Ore.

By Decision No. 13101, dated February 1, 1924, on Application No. 9736, J.E. Plaisted and Chas. Horn, Jr., were authorized to transfer the above described passenger, baggage and freight right to Coast Auto Lines.

The Crescent City-Grants Pass right, so-called was issued by Decision No. 13463, dated April 23, 1924, on Application No. 9829, which granted to Milton N. Mc Vay and J. Orlando Hiller a certificate for the transportation of passengers, freight and express between Crescent City, California, and the Oregon State Line towards Grants Pass, and intermediate points.

By Decision No. 14135, dated October 4, 1924, on Application No. 10489, Mc Vay and Hiller were authorized to transfer this right to Coast Auto Lines. No authority to link up or merge the rights was granted in the orders approving the transfer. The order herein, then, will authorize the transfer of two distinct operative rights as follows:

- (a) For the transportation of passengers, baggage and freight between Crescent City and Miser's House, on the route to Brookings, Oregon, and all intermediate points;
- (b) For the transportation of passengers, freight and express between Crescent City and a point on the California-Oregon State Line, on the road to Grants Pass, and all intermediate points.

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. No authority to link up or consolidate the rights herein transferred with rights now owned by Pickwick Stages System is granted by the order herein.

Pickwick Stages System 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 Coast Auto Lines shall immediately unite with applicant Pickwick Stages System in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Coast Auto Lines on the one hand withdrawing, and applicant Pickwick Stages System on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Coast Auto Lines shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Pickwick Stages System shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Coast Auto Lines which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Coast Auto Lines 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 Pickwick Stages System 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 22<sup>nd</sup> day of

*July*, 1929.

*W. S. Lott*  
*A. Seamy*  
*Leon Whittell*