

Decision No. 21488

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
PEERLESS STAGES, INCORPORATED, to)	
sell, and C. K. SORENSEN to purchase)	
certain operative rights for the)	Application
transportation of passengers and)	No.15859
property between San Jose, Agnew and)	
Alviso.)	

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

Peerless Stages, Incorporated, has petitioned the Railroad Commission for an order approving the sale and transfer by Peerless Stages, Incorporated, to C. K. Sorensen of an operating right for an automotive service for the transportation of passengers and property between San Jose and Alviso and intermediate points, and C. K. Sorensen has petitioned 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, 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 \$1300.00, the entire amount of which is declared to be the value of the equipment.

The operating right herein proposed to be transferred was originally established by J. F. Malony and George E. Gilson, co-partners, to whom, by Decision No.13567 of May 17, 1924, on Application No.9595, were granted a certificate of public convenience and necessity for the operation of an automobile stage line as a common carrier of passengers and express between San Jose and Alviso, serving Santa Clara, Agnew and intermediate points, provided, however, that no express package or parcel shall be carried by said applicants which exceeds thirty pounds in weight, and provided further, that no passengers or express shall be carried locally between San Jose and Santa Clara. "

Later, by Decision No.15008 of June 3, 1925, on Application No.11138, J. F. Malony and George H. Gilson were authorized to transfer the above described operating right to Peerless Stages, Incorporated, one of the applicants herein.

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.

C. K. Sorensen 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 Peerless Stages, Incorporated, shall immediately unite with applicant C. K. Sorensen in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Peerless Stages, Incorporated, on the one hand withdrawing, and applicant C. K. Sorensen on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Peerless Stages, Incorporated, shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant C. K. Sorensen shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Peerless Stages, Incorporated, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Peerless Stages, Incorporated, 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 C. K. Sorensen unless such vehicle is owned by said applicant or is leased by him 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 and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

Dated at San Francisco, California, this 23d day of August,
1929.

Thos. J. Smith
C. J. Seavey
Edmund J. ...
Leon Whittell
W. J. ...
COMMISSIONERS.

RAILROAD COMMISSION
Fee \$25.00
AUG 26 1929
K. J. ...

Fee # 24186