

ORIGINAL

Decision No. 21561

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of DAVIS AUTO TOURS, Inc., a corporation, to sell, and TANNER MOTOR LIVERY, a corporation, to buy an automobile sightseeing passenger business operating continuous round trips leaving from and returning to Santa Barbara, California.	} } } Application } No. 15916 } }
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BY THE COMMISSION -

OPINION and ORDER

Davis Auto Tours, Inc., has petitioned the Railroad Commission for an order approving the sale and transfer by it to Tanner Motor Livery, a corporation, of an operating right for an automotive sightseeing service for the transportation of passengers out of Santa Barbara, and Tanner Motor Livery, a corporation, 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 \$10,000. Of this sum \$9900 is declared to be the value of equipment and \$100 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established by Davis Auto Tours, Inc., the Railroad Commission in its Decision No. 19360, dated February 17, 1923, and issued on Application No. 14317 authorizing it to operate a sightseeing service over and along the following routes:

"Tour No.1. From Santa Barbara to points in the vicinity thereof and return, via Santa Barbara Mission, Mission Ridge Drive, Mc Adoo Drive, Eucalyptus Hill Drive, Montecita, East Valley Road, Sheffield Drive, Pacific Highway, Channel Drive and East Boulevard.

Tour No.2. From Santa Barbara to points in the vicinity thereof and return, via Mesa Drive, Cliff Drive, Hope Ranch Estates, Modoc Road, Mission Canyon Drive, Rattlesnake Canyon Drive and Mc Adoo Drive.

Tour No.3. From Santa Barbara to Santa Paula and return, Pacific Highway, via Carpinteria, Ventura, Ojai and Casitas Pass.

Tour No.4. From Santa Barbara to Buellton and return via Pacific Highway, Goleta, San Marcos Pass, Santa Ynez, Los Olivas, Salvang, Buellton, Gaviota Pass and Naples.

The service described as Tour No.1 shall be rendered daily if any person shall present himself for transportation. The service described as Tours Nos.2, 3 and 4 shall be upon demand only, when four or more persons shall present themselves for transportation."

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.

Tanner Motor Livery, a 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.

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 Davis Auto Tours, Inc., shall immediately unite with applicant Tanner Motor Livery, a corporation, in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Davis Auto Tours, Inc., on the one hand withdrawing, and applicant Tanner Motor Livery on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Davis Auto Tours, Inc., shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Tanner Motor Livery shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Davis Auto Tours, Inc., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Davis Auto Tours, Inc., 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 Tanner Motor Livery 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.

6- No authority is herein conveyed to Tanner Motor Livery to link up, consolidate or join the operating right herein transferred with its existing rights.

Dated at San Francisco, California, this 14th day of
September, 1929.

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COMMISSIONERS.