

Decision No. 22064**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 C. M. FALCONER for an order authorizing  
 the operation of a temporary bus line  
 between San Fernando and Granada, California,  
 for a period of three months.

} Application  
 } No. 15985

BY THE COMMISSION -

OPINION and ORDER

This is an application by C. M. Falconer for an order of the Railroad Commission declaring that public convenience and necessity require the operation by him of an automotive passenger stage service between San Fernando and Granada and intermediate points.

Applicant proposes to charge fares and to give service in accordance with a tariff of rates and time schedules (as amended), attached to the application herein as exhibits and made a part thereof. He proposes to operate a truck with seats running lengthwise for passengers.

Applicant seeks authority to operate for a trial period of three months, pointing out that the proposed service is to be partly subsidized by a corporation interested in the development of Granada, a community located approximately six miles from San Fernando. The people of the Granada community, as well as those residing between Granada and San Fernando, are dependent upon San Fernando for shopping facilities and at present there are no public transportation facilities in the territory. Carriers serving contiguous territory have waived opposition to the granting of the application.

Under the circumstances we are of the opinion that this application shall be granted and that it is a matter in which a public hearing is not necessary. The Commission, however, is averse to granting a certificate for a limited period of

time to aid in a development plan which may or may not terminate successfully, which certificate may be used as a means of inducing investment through a claim that permanent adequate transportation is available. Therefore, in granting the certificate prayed for herein it will make its usual order subject to the provision that on cars used in the service, authorized by the order herein, and at the terminals of the line a notice shall be posted informing the public that the service may be terminated at the end of a period of three months operation.

C. M. Falconer 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by C. M. Falconer of an automotive service for the transportation of passengers between San Fernando and Granada and intermediate points, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to C. M. Falconer, subject to the following conditions:

1- That on cars used in said service and at terminals applicant shall post a notice advising the public that at the end of a trial period of three months service may be discontinued and that a copy of such notice shall be filed with the Railroad Commission.

2- That before the service herein authorized may be discontinued, applicant shall file a supplemental application herein requesting authority to discontinue, which supplemental application shall set forth the receipts and expenditures of said service with such other data as may be pertinent to the request for authority to discontinue.

3- That in the event the service herein authorized is permanently established, applicant shall substitute for equipment herein authorized to be used, equipment of the bus or stage type.

4- Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

5- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariffs of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.

6- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

7- No vehicle may be operated by applicant herein 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.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 30<sup>th</sup> day of  
January, 1930.

Albany  
Spencer  
Leon Whiteley

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COMMISSIONERS.