

Decision No. 23472**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC FREIGHT LINES COMPANY, a
 California Corporation, for permission
 to consolidate operative rights. } Application No. 16273

O'Melveny, Tuller & Myers, by Kent Allen, for
 Applicant.

Edw. Stern, for Railway Express Agency, Inc.,
 Interested party.

W. S. Johnson, for Southern Pacific Company,
 Interested party.

BY THE COMMISSION -

O P I N I O N

Pacific Freight Lines Company, a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by applicant of two automobile freight lines operating between Los Angeles and Ojai, Ventura and intermediate points and between Los Angeles and Oxnard and intermediate points as a single operative right, said separate operative rights now being owned by applicant under transfer duly approved by this Commission.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted and is now ready for decision.

The operative rights proposed to be consolidated are those authorized transferred to applicant by the provisions of Decision No. 22616 on Application No. 16562, whereby Howard M. Lang was authorized to transfer to applicant rights used by him in the conduct of an automobile freight line between Los Angeles and Ojai, Ventura and intermediate points and those authorized transferred to applicant by the provisions of Decision No. 22646 on Application No. 16595 whereby Harry E. Fleischer and Wm. O. Fleischer were authorized to transfer to applicant the operative

rights used in the conduct of an automobile freight line between Los Angeles and Oxnard and intermediate points.

Two witnesses, representing shippers in Los Angeles, testified that the consolidation of the two lines as proposed by the applicant would provide satisfactory pick-up service and would eliminate congestion at loading platform of shipper by eliminating the number of pick-up trucks receiving shipments from the platform of shippers.

C. G. Anthony, employed as Executive Vice President of applicant, testified that a study of the economy estimated by the consolidation of the two lines had been made by the United States Engineering Co. and that based on such study it was estimated that there would result in an annual saving of \$19,716.00 if the two lines were to be consolidated and operated as one line. This consolidation contemplates the elimination of employees at Oxnard and Los Angeles, the elimination of terminal rental at Los Angeles and the elimination of line haul mileage and pick-up service in the City of Los Angeles.

It appears from the testimony herein that the consolidation of the existing rights as now possessed by applicant is a matter of public convenience and necessity and one that should result in a more economical operation of the service over the existing territory. No protest was made at the hearing against the granting of the proposed consolidation of operative rights and service.

In view of the various decisions upon which the operative rights of applicant are based, we are of the opinion that a certificate of public convenience and necessity should be issued in lieu of all existing rights and the order herein will so provide.

Pacific Freight Lines Company, 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.

ORDER

A public hearing having been held on the above entitled application, the matter having been duly submitted and the Commission being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Pacific Freight Lines Company, a corporation, of an automobile freight line as a common carrier of freight, for compensation, between Los Angeles and Oxnard, Ventura and Ojai and intermediate points, including Calabasas, Newbury Park, Santa Susana, Simi, Moorpark, Somis, Camarillo, El Rio, Montalvo, Hueneme, Silver Strand, Hollywood-by-the-Sea, Hollywood Beach and Mandalay Beach, provided, however, that no service shall be rendered between Los Angeles and the north city limits of the City of Santa Monica in any operation via Santa Monica and State Highway No. 60-A, otherwise known as the New Malibu Road. The operative rights between terminals are via the Ventura Boulevard, Santa Susana Boulevard and via Santa Monica and State Highway No. 60-A, otherwise known as the New Malibu Road, and also includes a branch route from Oxnard for service to Silver Strand, Hueneme, Hollywood-by-the-Sea, Hollywood Beach and Mandalay Beach, said branch route commencing where Coast Highway No. 60-A crosses Hueneme Road and thence westerly along said Hueneme Road to its junction with Ocean Drive, thence along Ocean Drive through Silver Strand, Hollywood-by-the-Sea, Hollywood Beach, Hueneme and Mandalay Beach to Fifth Street, thence along said Fifth Street to the terminal in Oxnard,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Pacific Freight Lines Company, a corporation, for the operation of an automobile freight service as a common carrier of freight between Los Angeles and Oxnard, Ventura and Ojai and intermediate points, including Calabasas, Newbury Park, Santa Susana, Simi, Moorpark, Somis, Camarillo, El Rio, Montalvo, Eueneme, Silver Strand, Hollywood-by-the-Sea, Hollywood Beach and Mandalay Beach. The routes herein authorized are via Ventura Boulevard, Santa Susana Boulevard, and via Santa Monica and State Highway No.60-A, otherwise known as the New Malibu Road; provided, however, that no local business be transacted between Los Angeles and the north city limits of the City of Santa Monica in connection with any operation conducted from Los Angeles via Santa Monica and State Highway No.60-A, otherwise known as the New Malibu Road.

This order is subject to the following conditions:

- 1- Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
- 2- Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof a tariff or tariffs constructed in accordance with the requirements of the Commission's General Order and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application, or those lawfully on file with this Commission insofar as they conform to the certificate herein granted.
- 3- Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof time schedules, covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- 4- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred or assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
- 5- No vehicle may be operated by applicant herein 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.

The rights and privileges for operation of an auto truck line for the transportation of freight between Los Angeles and Oxnard, Ventura and Qai and intermediate points are in lieu of those heretofore authorized transferred to applicant by the provisions of Decision No.22616, on Application No.16562, as decided July 1, 1930, and Decision No.22646, on Application No.16595, as decided July 9, 1930.

For all other purposes the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 9th day of March, 1931.

Clarence
Leon O'Brien
M. A. Cox
M. B. Harris
Fred G. Stewart
Commissioners.