Decision No. 23937

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Application No. 17578

DRIMMA

In the matter of the Application of Otis C. Dwy to sell and Howard M. Lang to purchase certificates of public convenience and necessity and property used in the business of transporting passengers by auto stage between Inglewood and El Segundo, California and intermediate points.

BY THE COMMISSION:

OPINION and ORDER

Otis C. Dwy, operating under the fictitious name of El Segundo Transit Co. has petitioned the Railroad Commission for an order approving the sale and transfer by him to Howard M. Lang of operating rights for an automotive service for the transportation of passengers and property between El Segundo and Inglewood and intermediate points and between Inglewood and Mines Field and intermediate points and Howard M. Lang 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 partthereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$2,000.00. This sum is declared to be the value of intangibles.

The operating rights herein proposed to be transferred originate in a certificate granted to O.C. Dwy, by Decision No.13571 on Application No. 9776, dated May 17, 1924 to transport passengers between El Segundo and Inglewood. By Decision No. 20112 on Application No. 14672, dated August 15, 1928, an in lieu certificate was granted to Dwy for the transportation of passengers between El Segundo and Inglewood and all intermediate points. By supplementing Decision No. 20168 on the same application, dated August 29, 1928

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a certificate was granted Dwy for the "operation of a passenger stage service between Inglewood and Mines Field and intermediate points over and along the following route, said service to be performed when and while shows, races or other events are being held at Mines Aviation Field:" and this certificate was consolidated with the rights granted by Decision No. 20112. By Decision No. 21410, second supplementary, on the same application, the route of Dwy was fixed as follows:

From terminal depot at the intersection of Richmond Street and Grand Avenue, east one block to Main Street, thence north on Main Street to Collingwood Avenue, east on Collingwood Avenue to Redondo Boulevard, passing the main entrance of Mines Field Airport (Los Angeles Municipal Airport) on Collingwood Avenue about one-half mile west of Redondo Boulevard, returning via same route, except that it is proposed that southbound cars go around the block on Pine and Grand Avenue at Richmond Street.

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.

Howard M. Lang 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 purelypermissive 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.

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2- Applicant 0.C. Dwy shall immediately unite with applicant Howard M. Lang in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant 0.C. Dwy on the one hand withdrawing, and applicant Howard M. Lang on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant 0.C. Dwy shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Howard M. Lang shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant 0.C. Dwy which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of 0.C. Dwy 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 Howard M. Lang 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.

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Dated at San Francisco, California, this $10^{1/4}$ day of · 1931. COMMISS TONE