

Decision No. 24451

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 PICKWICK-GREYHOUND OF CALIFORNIA, LTD.,  
 and UNION PACIFIC STAGES OF CALIFORNIA  
 for authority to transfer from PICKWICK-  
 GREYHOUND OF CALIFORNIA, LTD., to UNION  
 PACIFIC STAGES OF CALIFORNIA certain  
 operative rights granted PICKWICK-GREYHOUND  
 OF CALIFORNIA, LTD., under Decisions  
 Nos. 22053, 22184, 24034 and 24363. )  
 )  
 )  
 ) Application  
 ) No. 17951  
 )  
 )  
 )

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

Pickwick-Greyhound of California, Ltd. and Union Pacific Stages of California, a corporation, have petitioned the Railroad Commission for an order approving the sale and transfer by Pickwick-Greyhound of California, Ltd. to Union Pacific Stages of California of an operating right for an automotive service for the transportation of passengers and property between Los Angeles and a point on the California-Nevada State line near Wheaton Springs and certain intermediate points, and Union Pacific Stages of California 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 \$27,000.00. Of this sum \$16,000.00 is declared to be the value of equipment and \$11,000.00 is declared to be the value of intangibles.

In Application No. 17950 the Union Pacific Stages of California asks permission to issue \$27,000.00 of stock for the ostensible purpose of acquiring the aforesaid operative right and properties. While the order herein authorizes the transfer of said right and properties, we have made no determination

how much stock the purchasing company should be permitted to issue or how the \$27,000.00 should be recorded on its books. These matters will be passed upon when considering Application No.17950.

The operating right herein proposed to be transferred was granted Pickwick-Greyhound of California, Ltd. by Decision No.22053, on Application No.16166, dated January 29, 1930; Decision No.22184, on Application No.16343, dated March 6, 1930, and Decision No.24034, on Application No.17630, dated September 14, 1931, and Decision No.24363, on Application No.17630, dated December 28, 1931, for the transportation of passengers and express between Los Angeles and a point on the California-Nevada State line near Wheaton Springs, California, and all intermediate points, provided, however, "that only such passengers and express shall be transported over and along said route as shall be destined to or shall originate at points on said route north of Yermo, and provided further that such express matter may be transported only on the regular passenger stages operated by applicant and shall be limited to packages weighing not in excess of one hundred pounds each."

By Decision No.24363, on Application No.17630, the following route was fixed in lieu of all previous routings granted:

Over the Valley Boulevard extending easterly from Los Angeles via Pomona to Ontario, from Motor Transit depot in Ontario to Emporia Street, along Emporia Street to Euclid Street, along Euclid Street to State Street, thence over the Valley Boulevard through Wineville to Riverside to the Motor Transit depot at 7th and Market Streets. From the Motor Transit depot in Riverside along Market Street to First Street, along First Street to Main Street, along Main Street to Russell Street, along Russell Street to La Cadena Drive, along La Cadena Drive to High Grove Junction to Colton, follow F Street in Colton to Colton Avenue, and along Colton Avenue to Mill Street, along Mill Street to Arrowhead Avenue, thence from Arrowhead Avenue to the Motor Transit depot at Third and Arrowhead Avenue, thence along Arrowhead Avenue to Highland Avenue, over Highland Avenue to E Street, and along E Street to Kendall Drive, and along Kendall Drive to United States Highway No.66 at the junction point of that highway and

Kendall Drive at Verdermont, thence northerly over United States Highway No.66 through Cajon, Victorville, Oro Grande and Barstow to Daggett, and thence northeasterly over the Arrowhead Trail via Yermo, Baker and Wheaton Springs to the point where the said highway intersects the California-Nevada State line.

Applicant Union Pacific Stages of California also intends to substitute for the one schedule each way now maintained by Pickwick-Greyhound of California, Ltd. two schedules each way between Los Angeles and the State line and, in connection therewith, it intends to acquire the business of the Interstate Transit Lines, a Nebraska corporation, engaged in interstate operation between Denver, Salt Lake City and Los Angeles. These schedules leave Los Angeles at 9:30 A.M. and 6:00 P.M. daily, reaching the State line at 6:25 P.M. and at 2:50 A.M. daily; return service leaving the State line at 2:50 A.M. and 2:40 P.M. and arriving at Los Angeles at 11:15 A.M. and 11:00 P.M. daily. The single schedule of Pickwick-Greyhound of California, Ltd. leaves Los Angeles at 12:30 P.M., and the schedule from the east arrives at Los Angeles at 2:25 P.M. By the substitution of the two schedules for the one, the service will be increased to morning and evening schedules in each direction but without mid-day schedule.

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.

Union Pacific Stages of California 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 Pickwick-Greyhound of California, Ltd. shall immediately unite with applicant Union Pacific Stages of California in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Pickwick-Greyhound of California, Ltd. on the one hand withdrawing, and applicant Union Pacific Stages of California on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Pickwick-Greyhound of California, Ltd. shall immediately withdraw time schedules filed in its name with the Railroad Commission, and applicant Union Pacific Stages of California shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Pickwick-Greyhound of California, Ltd., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Pickwick-Greyhound of California, Ltd., 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 Union Pacific Stages of California 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.

Dated at San Francisco, California, this 8th day of February, 1932.

O. S. Sawyer  
Ernest O. Hall  
W. A. Lee  
W. B. Harris  
Fred G. Stewart  
COMMISSIONERS.