

1. Between Orick and Orleans via the main highway through Weitchpec.
2. Between Crannell Junction and Crannell via the main highway.
3. Between the intersection of the main State highway (Redwood Highway) and the Alliance-Willow Creek road about one-quarter mile east of Alliance and Burnt Ranch via the main traveled highway through Blue Lake and Willow Creek.
4. Between Blue Lake and Korbek via the main highway.
5. Between Eureka and Freshwater Camp via the main highway through Ryan's Slough, Freshwater Corners and Garfield.
6. Between Elk River Junction and Falk via the main highway.

All of the above rights are portions of the consolidated operation of Pacific Greyhound Lines, Inc. and by this application it is sought to transfer them to McConnaha for a nominal consideration of \$1.00, applicant alleging that they are local lines feeding the main line operation via Redwood Highway, through Eureka, Crescent City and Grants Pass to Portland and San Francisco, and that their operation can better be conducted by a local operator.

Exhibit "B", attached to the application, discloses that the patronage has decreased during the year 1931 on the line from Eureka to Korbek from 24.2¢ per bus mile in January to 9.0¢ in December; on the line from Eureka to Scotia from 19.2¢ to 9.4¢; from Eureka to Trinidad from 19.6¢ to 6.9¢; but on the line from Eureka to Freshwater has increased from 8.2¢ to 20.7¢ per bus mile, and Eureka to Falk from 12.9¢ to 14.1¢; the line Eureka to Burnt Ranch has maintained during the year revenue from 19.9¢ per bus mile to 17.1¢ per bus mile, with an average of approximately 18.5¢. As a whole, however, the six lines sought to be transferred to McConnaha have earned approximately about 16¢ per bus mile as against the general

cost for the class of vehicles and service given of 25¢ per bus mile.

The testimony at the hearing disclosed that patrons of the services and leading representatives of the communities served believed the transfer to McConnaha will insure better operation and service to the public for the reason that McConnaha is an experienced operator and one of the stage pioneers who developed and maintained for many years the stage business between Eureka and points in Humboldt County and that, coupled with his proposed operation between Scotia and Trinidad, all could be brought into a system useful to all the communities and profitable in its operation. No protest was made and waivers of rights under Section 50½ of the Public Utilities Act were filed by Northwestern Pacific Railroad Company and Pacific Greyhound Lines, Inc., the only other carriers in the field.

The testimony also supported the request of McConnaha for a certificate for an operation by him between Scotia and Trinidad for local purposes, it being the purpose of Pacific Greyhound Lines, Inc., to conduct only through service between the points. McConnaha offers to adopt the present rates/^{routes}and schedules as are now in effect by Pacific Greyhound Lines, Inc.

The transfer is to be made under a contract filed with the application and marked Exhibit "A", which provides for the transfer of the operating rights, also provides for the sale to McConnaha of seven vehicles of which two are 20-passenger coaches, one is a seven-passenger sedan and four are 11-passenger sedans, for which McConnaha is to pay \$3039.40. The vehicles have been used in the service and are regarded as still sufficiently serviceable.

Paragraph 9 of this agreement provides, among other

things, that the rights transferred "shall not be sold or leased by the party of the first part (McConnaha) either in whole or in part without giving the party of the second part (Pacific Greyhound Lines, Inc.) the right to purchase or lease upon terms similar to those of the proposed sale or lease, or upon terms agreed upon by the parties hereto." Other provisions require the purchaser to occupy the terminals of seller, furnish connecting schedules, joint rates, etc. We think it is unnecessary to do more in passing upon this contract than to put the purchaser and seller upon notice that while provisions of the contract may be an obligation between the parties themselves, the Commission will not recognize such features as having any effect in modifying or affecting the jurisdiction of the Commission to approve any future conveyance or to regulate the rates, service, schedules, terminals and/or finances of the operations.

Applicant McConnaha asks that the operating rights transferred to him and the certificate sought herein be consolidated into one operation subject to the restrictions already imposed by Decision No. 23244. By such consolidation a local system in and about Eureka will be established under the administration of an operator who is thoroughly conversant with the entire area and who has in the past provided satisfactory service to the public. We see no objection to the consolidation as proposed.

B. P. McConnaha 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.

O R D E R

Pacific Greyhound Lines, Inc., seller, and B. P. McConnaha, purchaser, having made application to sell and transfer a certain portion of the operative rights granted Pacific Greyhound Lines, Inc., by Decision No. 23244, a public hearing having been held, the matter having been duly submitted, and now being ready for decision,

IT IS HEREBY ORDERED that the transfer, subject to the provisions of a contract between the parties marked Exhibit "A" and attached to the application, be and the same hereby is approved, 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 Pacific Greyhound Lines, Inc. shall immediately unite with applicant B. P. McConnaha in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Pacific Greyhound Lines, Inc. on the one hand withdrawing, and applicant B. P. McConnaha on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Pacific Greyhound Lines, Inc. shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant B. P. McConnaha shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Pacific Greyhound Lines, Inc. which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Pacific Greyhound Lines, 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 B. P. McConnaha 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.

B. P. McConnaha having made application for a certificate of public convenience and necessity to establish and maintain automobile stage service for the transportation of passengers, baggage and express between Scotia and Trinidad, serving all intermediate points, including Fortuna, Loleta, Elk River Junction, Eureka, Arcata, Crannell Junction and Crannell, public hearing having been held, the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require the establishment of service as above set forth for the transportation of passengers, baggage and express over and along the following route:

Via Redwood State Highway between termini,

and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted B. P. McConnaha, subject to the following conditions:

1. Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from 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, on not less than ten days' notice to the Commission and the public a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders.
3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof, on not less than five (5) days' notice to the Commission and the public, time schedules, according to form provided in General Order No. 83, 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 nor 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 him under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the certificate herein granted be and the same hereby is consolidated with all the rights herein transferred from Pacific Greyhound Lines, Inc., for passenger, baggage and express service into one unified system and certificate therefor is hereby granted to B. P. McConnaha, subject to the following conditions:

1. In the transportation of express, subject to the exceptions hereinafter noted, no single package may be accepted for transportation that exceeds one hundred pounds in weight, and all express is to be transported on passenger vehicles only, subject to the following exception:

(a) The limitation as to package weight, and vehicle of transportation shall not apply over the following routes:

1. Orick-Orleans.
2. Eureka-Burnt Ranch.
3. Eureka-Garfield-Freshwater Camp.

(b) The limitation as to package weight and vehicle of transportation shall not apply to shipments transported for or through the agency of Railway Express Agency, Inc., and milk and cream and empty containers of such commodities when being transported to or from a rail junction point in connection with rail transportation thereof.

2. On branch line operation between Eureka and North Fork Camp, and between Eureka and Freshwater Camp, carrier may operate, in addition to its regular published schedules, such additional schedules on call or demand, as may, from time to time, be required to meet traffic demands when six or more passengers are to be accommodated.

3. On reconstruction or relocation of highways not affecting intermediate points named in the tariffs of the company, carrier may follow such reconstructed or relocated highways, provided the Commission is first advised in writing of said highway change, said notice to be accompanied by a sketch or map showing highways involved.

Dated at San Francisco, California, this 23rd day
of May, 1932.

E. J. Conroy

Leon Whidely

M. A. Conroy

M. B. Harris

Frederic G. Stewart

Commissioners.