

Decision No. 24973.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of  
 TAHOE TRANSPORTATION COMPANY, a cor-  
 poration, to sell and A. L. RICHARDSON,  
 JR., to buy, rights under certificate  
 of public convenience and necessity to  
 operate an automobile passenger stage  
 line between Tahoe City and Brockway  
 and intermediate points, and between  
 Tahoe City and Lakeside, Fallen Leaf  
 Lodge and intermediate points, and A.  
 L. Richardson, Jr. to consolidate and  
 unify said operations now conducted by  
 him between Sacramento and Tahoe City,  
 Lakeside, Fallen Leaf Lodge and inter-  
 mediate points.

Application No. 18200.

Gwyn H. Baker, for both parties.

BY THE COMMISSION:

O P I N I O N

This is a joint application of the Tahoe Transporta-  
 tion Company, a corporation, for authority to sell to A. L.  
 Richardson, Jr. its rights to operate an automobile passenger  
 stage line between Tahoe City and Brockway and intermediate  
 points, and between Tahoe City and Lakeside, Fallen Leaf Lodge  
 and intermediate points, also for authority to consolidate and  
 unify said operations with the services now being rendered by  
 the purchaser between Sacramento and Tahoe City, Lakeside, Fal-  
 len Leaf Lodge and intermediate points.

A public hearing was held before Examiner Geary at  
 San Francisco on June 23, 1932, and the matter submitted.

The certificate of public convenience and necessity under which the Tahoe Transportation Company performs a public utility passenger stage service was granted December 23, 1927, by Decision No. 19146 in Application 12987, and by the same decision the Tahoe Transportation Company was authorized to operate an automobile truck service for the transportation of freight and express between the same points. The permission given actually set up two separate authorizations, one to cover the passenger and the other the freight service. The activities have been separate and distinct, and while there may appear to be a division of operative rights not as a general rule sanctioned by this Commission (Decision 21096, Application 15599), a deviation from the rule is justified and will be permitted in connection with this application.

The record shows that the Tahoe Transportation Company has met with financial and other difficulties in performing its passenger services, also that with the exception of a very small part of the territory the service it has been endeavoring to render is duplicated by the operations performed by A. L. Richardson, Jr. Applicant A. L. Richardson, Jr. in addition to authority to purchase the passenger operating rights of the Tahoe Transportation Company, seeks authority to consolidate such rights with the operating rights now owned by him, authorized in Application No. 10936, Decision 24674, June 15, 1925.

The amount to be paid for the operating rights is stated in the application as being \$1.00. No physical properties are to be transferred. There was no opposition to the sale and merger.

The transfer of the rights to A. L. Richardson, Jr. and the unified operations of the consolidated properties are found to be in the public interest, and the application will be granted.

A. L. Richardson, Jr. 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

This application having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing its order on the findings of fact and the conclusions contained in the preceding opinion,

IT IS HEREBY ORDERED that the rights now possessed by the Tahoe Transportation Company for the transportation of passengers between Tahoe City and Brockway and intermediate points, and between Tahoe City and Lakeside, Fallen Leaf Lodge and intermediate points, as authorized by order in Application No. 12987, December 23, 1927, be and they are hereby authorized to be transferred to A. L. Richardson, Jr.

IT IS HEREBY FURTHER ORDERED that all operating rights now possessed by the buyer be and they are hereby consolidated and united into one system.

IT IS HEREBY FURTHER ORDERED that the tariffs of Tahoe Transportation Company be cancelled or adopted by A. L. Richardson, Jr. in conformity with this Commission's rules.

The rights and privileges herein authorized may not be discontinued, sold, leased, transferred or assigned unless the written

consent of the Railroad Commission has first been secured.

Dated at San Francisco, California, this 5<sup>th</sup> day  
of July 1932.

C. L. Seaver

W. A. Carr

Fred G. Stearns

COMMISSIONERS.