

Decision No. 25285.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PEERLESS STAGES, INC., a corporation,
to abandon service between Santa Cruz
and Big Basin, and intermediate points;
or Peerless Stages, Inc., a corporation,
to transfer the operative rights between
Santa Cruz and Big Basin, and inter-
mediate points, to J. J. Taylor, and
J. J. Taylor to acquire said operative
rights.

Amended
Application
No. 18412

BY THE COMMISSION:

ORIGINAL

OPINION and ORDER

Peerless Stages, Inc., a corporation, has petitioned the Railroad Commission for an order approving transfer by it to J. J. Taylor of an operating right for an automotive service for the transportation of passengers, baggage and express between Santa Cruz and Big Basin, via Boulder Creek, with no service between Santa Cruz and Boulder Creek and J. J. Taylor has petitioned for authority to acquire said operating right and to hereafter operate thereunder.

Peerless Stages, Inc. agrees to transfer the right without compensation to Taylor and without any equipment. As an alternative Peerless Stages, Inc. requests permission to abandon the service if the transfer is not approved. Taylor is an experienced driver and has been operating the route sought to be transferred to him and agrees to maintain schedules and rates of Peerless Stages, Inc. and to use a passenger sedan or a small stage. In view of the losses sustained by Peerless Stages, Inc. in this operation as shown by Exhibit "A" attached to the application, the transfer will be approved in order to serve public need.

The operating right herein proposed to be transferred was created by Decision No. 21897, dated December 13, 1929, on Application No. 15787 for the transportation of passengers, baggage and express between San Jose and Big Basin and intermediate points. The transfer herein authorized will separate that portion of the right between Santa Cruz and Big Basin from the foregoing grant, subject to the restriction that no service shall be rendered between Santa Cruz and Boulder Creek.

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.

J.J. Taylor 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 Peerless Stages, Inc. shall immediately unite with applicant J.J. Taylor in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Peerless Stages, Inc. on the one hand withdrawing, and applicant J.J. Taylor on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Peerless Stages, Inc. shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant J.J. Taylor shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Peerless Stages, 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 J.J. Taylor 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.

Dated at San Francisco, California, this 24th day
of October 1932.

Ol Leary
Leon Whitney
W. A. Lee
M. B. Hamer
Fred G. Stewart
COMMISSIONERS.