

Decision No. 25881.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of MOTOR COACH COMPANY and
HARRY DRAKE for an Order authorizing
the sale of property necessary and
useful in the performance of duties
to the public, together with the
permits in relation thereto and all
rights thereunder, and separating
the properties thus sold from the
other rights of said Motor Coach
Company.

Application
No. 18883.

ORIGINAL

BY THE COMMISSION:

OPINION and ORDER

Motor Coach Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Harry Drake of an operating right for an automotive service for the transportation of passengers between Long Beach and Los Angeles, as follows:

Commencing at the intersection of Avalon Boulevard and Anaheim Street in the Wilmington district of the City of Los Angeles, California, thence easterly along said Anaheim Street to its intersection with Badger Avenue; thence southerly along Badger Avenue to Dock Street; thence southwesterly along Dock Street to Mormon Street; thence southeasterly along Mormon Street to Ocean Avenue; thence westerly and southwesterly along Ocean Avenue and Dock Street to the Ferry Terminal in the Terminal Island district of said City of Los Angeles, California, thence northeasterly along Seaside Avenue to 22nd Place in the City of Long Beach, County of Los Angeles, State of California,

and Harry Drake 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 \$2600.00. Of this sum

\$300.00 is declared to be the value of equipment and \$2300.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No. 21084, dated May 11, 1929, on Application No. 15421, and Decision No. 24418, dated January 25, 1932, on Application No. 17661. This operation is now a part of Motor Coach Company's system and consolidated therewith and the transfer requires the dissolution of the consolidation insofar as the right herein described is concerned. The operation was originally established by Drake and transferred to Motor Coach Company by Decision No. 18935 on Application No. 14005, and by extension from Terminal Island to 22nd Place, City of Long Beach by Decision No. 24418 on Application No. 17661.

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.

Harry Drake 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 Motor Coach Company shall immediately unite with applicant Harry Drake in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred,

Applicant Motor Coach Company on the one hand withdrawing, and applicant Harry Drake on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Motor Coach Company shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Harry Drake shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Motor Coach Company, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Motor Coach Company 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 Harry Drake 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 29th day of

May 1933.

D. C. Leary
W. A. Carr
W. B. Harris
W. H. Harris
Commissioners.