

without intermediate local service. By amendment applicant sought additional certificated rights between Riverside and San Bernardino. In this added service, as well as the existing right sought to be transferred, Yahne will adopt the tariffs and time tables of Pacific Greyhound Lines, Inc. and this carrier waives any right it may possess under Section 50 $\frac{1}{2}$ of the Public Utilities Act to oppose certification of the new right sought and which will duplicate rights now possessed between Los Angeles and Anaheim.

The record shows that Pacific Greyhound revenues on the operation between San Bernardino and San Diego, between March 1, and May 31, 1933, were .11957 cents per mile while the out-of-pocket cost of service was .15145 cents per mile, showing a loss of .03188 cents per mile. For the months of June and July the loss was .05045 per mile. Loss on this operation has been sustained for many years. Only one schedule each way daily now is operated and a sixteen passenger vehicle is used. Yahne testified that he expects to operate on a basis of 7.5 to 8 cents per mile, including overhead, based on his experience operating between Los Angeles and Bishop, in which operation his cost in May, 1933, was 7.787 cents per mile, and in June 7.767 cents per mile. The equipment used by Yahne practically is the same as that used by Pacific Greyhound.

The transfer presents no unusual aspects (outside of the losses shown), except in connection with the new certificated rights sought by Yahne between Los Angeles and Anaheim, and between Riverside and Colton, to be consolidated with rights to be acquired from Greyhound. The contract between the parties contains many agreements which, while they may be binding between the parties, may be repugnant to the jurisdiction of the Commission over rates, service, terminals, finance etc. As in other contracts of similar import, the Commission will not

regard itself as approving or being bound by anything more than the actual transfer of the operating rights as they exist.

M. C. Yahne 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.

ORDER

IT IS HEREBY ORDERED that the above entitled application, insofar as it pertains to the transfer of certain operating rights be, and the same hereby is granted, provided, however, applicants shall immediately unite in common supplement to the tariffs now on file with the Commission covering the service given under certificated rights herein authorized to be transferred, applicant Pacific Greyhound Lines, Inc. on the one hand withdrawing, and applicant M. C. Yahne on the other hand accepting and establishing such tariffs and all effective supplements thereto.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation of an automotive service for the transportation of passengers, baggage and express between Los Angeles and Anaheim, via State Highway, through Belvedere Gardens and Fullerton (serving Whittier and Brea only from the direct route over Whittier Boulevard), and between Riverside and San Bernardino, via main highway through Colton, as an extension and enlargement of the rights herein transferred to M. C. Yahne herein, and consolidated and unified therewith, subject to the following restrictions:

(a) No single package of express may be accepted for transportation that exceeds one hundred (100) pounds in weight and all express is to be transported on passenger vehicles only, except 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.

(b) No passengers, baggage or express shall be transported locally between Los Angeles and Anaheim and intermediate points.

(c) - No passengers, baggage or express shall be transported locally between Riverside and San Bernardino and intermediate points; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same hereby is granted to M. C. Yahne, 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 triplicate, 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 and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the application, insofar as they conform to the certificate herein granted, and consolidated with the rights herein acquired.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from date hereof, on not less than five days' notice to the Commission and the public, time schedules 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.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25th day of November, 1933.

C. L. Harvey
Leon A. Harvey
W. J. Linn
W. H. [unclear]
COMMISSIONERS.