

Decision No. 26661

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GREYHOUND LINES, INC., a
corporation, to sell and C. D. CHAMBERLAIN
to purchase certain operative rights for
the transportation of passengers,
baggage and express between Chico and
Red Bluff.

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) Application
) No. 19231
)
)

BY THE COMMISSION -

OPINION and ORDER

Pacific Greyhound Lines, Inc. has petitioned the Railroad Commission for an order approving the sale and transfer by it to C. D. Chamberlain, operating under the name "Orland-Chico Stage Line," of an operating right for an automotive service for the transportation of passengers and property between Chico and Red Bluff and intermediate points via the main highway through Proberta, Gerber and Tehama, to Los Molinos; or via the main highway through Dairyville to Los Molinos, thence via the main highway through Vina Junction, with optional service to and from Vina according to traffic demands, and C. D. Chamberlain 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 \$1.00. No equipment is to be transferred, applicant Chamberlain having equipment adequate for the service.

The operative right herein proposed to be transferred was created by Decision No. 23244, dated December 30, 1930, on Application No. 16989.

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.

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 right as it exists.

C. D. Chamberlain 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 Pacific Greyhound Lines, Inc. shall immediately unite with applicant C. D. Chamberlain 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 C.D. Chamberlain 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 C.D. Chamberlain 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 C. D. Chamberlain 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 18th day of December, 1933.

C. C. Leary
Leon Whitely
W. J. Lee
M. B. Harris
Walter Moore
COMMISSIONERS.