

Decision No. 19389

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LESLIE T. ALWARD to lease to)
GEORGE A. MANLEY and to)
HUMBOLDT MOTOR STAGES, INC., an) Application
automobile passenger, baggage, express) No. 19389
and freight line operated between)
Redding and Burnt Ranch, via Weaverville,)
California.)

BY THE COMMISSION -

OPINION

ORIGINAL

Leslie T. Alward, operating under the name Redding-Weaverville Stage Company, has petitioned the Railroad Commission for an order approving the lease and conditional sale and transfer by him to George A. Manley and Humboldt Motor Stages, Inc. of operating rights for an automotive service for the transportation of passengers and property between Redding and Weaverville (to Manley), and Weaverville and Burnt Ranch (to Humboldt Motor Stages, Inc.), and George A. Manley and Humboldt Motor Stages, Inc. have petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with agreements, copies of which, marked Exhibits "A", "B" and "C" are 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 \$27,300., including certain equipment.

Applicant Manley agrees to pay \$17,100. for the operating right of Alward between Redding and Weaverville and is to discharge this obligation by the payment of \$285.00 monthly, with the option of acquiring unimpaired title at any time by paying any balance due.

The lease period is five (5) years and the monthly payments are a division of the gross amount without interest. Applicant Humboldt Motor Stages, Inc. is controlled by B. P. Mc Connaha, and now operates between Eureka and Burnt Ranch. This corporation is to pay \$10,200 for the right and equipment for a period of fifty-one months at the rate of \$200.00 a month. In neither sale is there segregation of the value of the operating rights and the equipment. Both operations will enjoy United States mail as sub-contractors of applicant Alward.

The right of Alward is continuous between termini. He has operated most of it for 17 years. By the contracts with the purchasers the operation will be divided into two parts at its natural point - Weaverville. Applicant Manley, who seeks to operate the eastern half, has been with Pacific Greyhound Lines and its predecessors. His recommendations are satisfactory. Humboldt Stages, Inc. is also in the hands of an experienced operator, Mc Connaha, who has long experience in stage management. Both operators, according to the contracts, are to have the assistance of Alward. The entire operation is 105 miles long, of which 58 miles is the distance between Redding and Weaverville. Through connecting service is to be maintained.

The operating rights herein proposed to be transferred were created by Decision No.21060, dated May 9, 1929, on Application No.15575, and Decision No.22445, dated May 17, 1930, on Application No.16547, and as modified by Decision No.24820, dated May 31, 1932, on Application No.18153, and Decision No.26136, dated July 10, 1933, on Application No.18966.

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.

George A. Manley and Humboldt Motor Stages, Inc. are 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

IT IS HEREBY ORDERED that the above entitled application be, and the same hereby is granted, to-wit:

That said operating right between Redding and Weaverville shall be assumed and operated under the contract marked Exhibits "A" and "C", attached to and made a part of the application, by said applicant George A. Manley;

That said operating right between Weaverville and Burnt Ranch shall be assumed and operated under the contract marked Exhibits "B" and "C", attached to and made a part of the application, by said applicant Humboldt Motor Stages, Inc. and 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 Leslie T. Alward shall within twenty (20) days after the effective date of the order unite with applicants Manley and Humboldt Motor Stages, Inc. in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Leslie T. Alward on the one hand withdrawing, and applicants Manley and Humboldt Motor Stages, Inc. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3.

3. Applicant Leslie T. Alward shall within twenty (20) days after the effective date of the order withdraw time schedules filed in his name with the Railroad Commission, and applicants Manley and Humboldt Motor Stages, Inc. shall within twenty (20) days after the effective date of the order file, in duplicate, in their own names, time schedules covering service heretofore given by applicant Leslie T. Alward, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Leslie T. Alward, or time schedules satisfactory to the Railroad Commission.

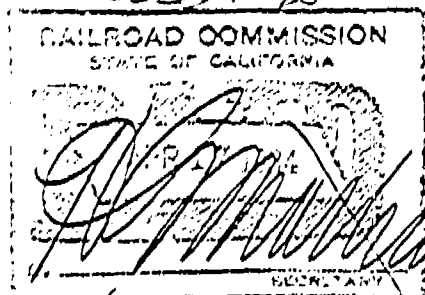
4. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5. No vehicle may be operated by applicants Manley and/or Humboldt Motor Stages, Inc. unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00

7. The authority herein granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

Dated at San Francisco, California, this 16th day of April, 1934.



Fee # 30848

W. C. Leavelle
Leon C. Whelan
M. P. C...
W. B. Harris
Adolph...
COMMISSIONERS.