

Decision No. 27566

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GREYHOUND LINES, INC., a
corporation, to purchase and J. C.
STORMONT, G. E. GILLEN, and C. C.
GILLEN, doing business under the name
and style of Anchor Bus & Truck Co.,
to sell certain operative rights for
the transportation of passengers,
baggage, and express between Selma
and Visalia via Dinuba.

Application No. 19721.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

J. C. Stormont, G. E. Gillen and C. C. Gillen, co-partners, operating under the name Anchor Bus and Truck Co., have petitioned the Railroad Commission for an order approving the sale and transfer by them to Pacific Greyhound Lines, Inc. of an operating right for an automotive service for the transportation of passengers and property between Selma and Visalia, via Dinuba and Pacific Greyhound Lines, Inc. 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 \$500.00 which is declared to be the value of intangibles. No equipment is being transferred.

This service was sold to the co-partnership by Pacific

Greyhound Lines in April 1933. It has not been profitable and Greyhound is repurchasing it understanding that situation and solely for the purpose of keeping it as a feeder line to its main system.

The operating right herein proposed to be transferred was created by Decision No. 25793 on Application No. 18768.

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.

Pacific Greyhound Lines, Inc. 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. Applicants J. C. Stormont, G. E. Gillen and C. C. Gillen shall within twenty (20) days after the effective date of the order unite with applicant Pacific Greyhound Lines, Inc. in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants J. C. Stormont, G. E. Gillen and C. C. Gillen on the one hand withdrawing, and applicant Pacific Greyhound Lines, Inc. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicants J. C. Stormont, G. E. Gillen and C. C. Gillen shall within twenty (20) days after the effective date of the order withdraw time schedules filed in their names with the Railroad Commission and applicant Pacific Greyhound Lines, Inc. shall within twenty (20) days after the effective date of the order file, in duplicate, in its own name time schedules covering service heretofore given by applicants J. C. Stormont, G. E. Gillen and C. C. Gillen which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants J. C. Stormont, G. E. Gillen and C. C. Gillen 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 Pacific Greyhound Lines, Inc. unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 3rd. day
of December 1934.

Leon A. Wilson

W. A. Carr

W. E. Harris

Walter J. Brown

Frank R. Nelson

COMMISSIONERS.