

Decision No. 22472

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
FORTIER BROTHERS,
a Co-partnership consisting of G.L.
Fortier and C. E. Fortier for auth-
ority to sell, and of HUNTINGTON
STAGE LINES, INC., a corporation, for
authority to acquire the automobile,
passenger and property carrying rights
between Fresno and Reedley and between
Fresno and Kingsburg in the County of
Fresno, and of Huntington Stage Lines,
Inc. for authority to issue stock.

ORIGINAL

Application No. 20312

Chester R. Andrews, for applicants.

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order authorizing C. E. Fortier as surviving member of Fortier Brothers, a co-partnership composed of C. E. Fortier and G. L. Fortier, to sell and transfer automotive operating rights and properties to Huntington Stage Lines, Inc., and authorizing Huntington Stage Lines, Inc. to issue in payment 3500 shares of its common capital stock of the aggregate par value of \$3,500.00.

It appears that Fortier Brothers, the co-partnership, heretofore has been engaged in the operation of automotive equipment for the transportation of passengers and property generally between (1) Fresno and Florence Lake, (2) Fresno and Kingsburg via Malaga, Fowler and Selma and intermediate points, and (3) Fresno and Reedley via Del Rey and Parlier and intermediate points.

During the current year pursuant to authority granted by Decision No. 28202, dated September 3, 1935, in Application No. 19975, the co-partnership transferred to Huntington Stage Lines, Inc. the operating rights providing for the operations between Fresno and Florence Lake, along with certain physical properties. It now is reported that G. L. Fortier has died and that C. E. Fortier as surviving partner has made arrangements, in winding up the affairs of the co-partnership, to transfer the remaining operating rights, and certain physical property, to the corporation.

The operating rights, now to be transferred, which permit the transportation of property between Fresno and Kingsburg and between Fresno and Reedley, were obtained by Fortier Brothers, pursuant to authority granted by Decision No. 24486, dated February 15, 1932, in Application No. 17954. The physical property consists of one New-comer trailer, one Utility trailer, one Ford truck and one Reo truck, together with miscellaneous furniture and fixtures, all, according to the application, having an estimated present value of \$3,500.00.

The agreement of sale, a copy of which is filed as Exhibit "B" provides for a purchase price for the rights, equipment and other property, of \$3,500.00, payment to be made by 3,500 shares of the common capital stock of the corporation of the aggregate par value of \$3,500.

The Commission has considered this application and is of the opinion that it is a matter in which a public hearing is not necessary and that the requests of applicants should be granted, as herein provided. In making the order it wishes to put Huntington Stage Lines, Inc. upon notice that operating 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 in the number of rights which may be given. The Commission is further of the opinion that the money, property or labor to be procured or paid for through the issue of the 3500 shares of stock (\$3,500. par value) is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that C. E. Fortier, as surviving member of Fortier Brothers, a co-partnership, be, and he hereby is, authorized to sell and transfer to Huntington Stage Lines, Inc. the operating rights heretofore acquired by Fortier Brothers, under authority granted by Decision No. 24486, dated February 15, 1932, in Application No. 17954, and the equipment and other property referred to in Exhibit "B" attached to the application herein.

IT IS HEREBY FURTHER ORDERED that Huntington Stage Lines, Inc. be, and it hereby is, authorized in acquiring said equipment and operating rights to issue not exceeding \$3,500.00 par value of its common capital stock.

The authority herein granted is subject to the following conditions:-

1. C. E. Fortier and Huntington Stage Lines, Inc., a corporation, applicants herein, shall join in common supplement to be filed in triplicate, the former withdrawing from the tariffs on file by Fortier Brothers with the Commission naming rates and charges for the transportation of passengers and property, and the latter adopting and establishing as its own such tariffs and all effective supplements thereto.

2. Huntington Stage Lines, Inc. shall file, in duplicate, time schedules covering its service under the operating rights herein authorized to be transferred to it, such time schedules to be identical with those heretofore filed by Fortier Brothers, or time schedules satisfactory to the Commission.
3. The rights and privileges herein authorized to be transferred may not hereafter be sold, transferred, leased nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission has first been secured.
4. No vehicle may be operated by Huntington Stage Lines, Inc. under the authority herein granted, unless such vehicle is owned by it or is leased by it under a contract or agreement on a basis satisfactory to the Commission.
5. Huntington Stage Lines, Inc. shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty(30) days thereafter, a verified report such as is required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.
6. The authority hereinabove granted will become effective upon the date hereof.

DATED at San Francisco, California, this 31st day of
December, 1935.

M. J. Lee

W. B. Quinn

W. H. ...

Frank ...
Commissioners.