

Decision No. 20462

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Appli-)
 cation of PACIFIC GREYHOUND LINES,)
 INC., a corporation, CALIFORNIA)
 TRANSIT CO., a corporation, and)
 PACIFIC GREYHOUND CORPORATION, a)
 corporation, to transfer certain)
 operating rights.)

Application No. 20925

BY THE COMMISSION:

ORIGINALO P I N I O N

By this application Pacific Greyhound Lines, Inc., a corporation, California Transit Co., a corporation and Pacific Greyhound Corporation, a corporation, seeks:

1. Subject to permission of the Interstate Commerce Commission having been heretofore granted in Interstate Commerce Commission Docket No. MC-F 155, an order authorizing Pacific Greyhound Lines, Inc. to transfer as of midnight December 30, 1936, all of its intrastate California operating rights to Pacific Greyhound Corporation;
2. An order approving the merger between Pacific Greyhound Corporation and California Transit Co., in so far as such approval is necessary to transfer the operating rights heretofore mentioned from Pacific Greyhound Corporation to California Transit Co. (then to be known as Pacific Greyhound Lines) as the surviving corporation of said merger; said transfer to California Transit Co. (then to be known as Pacific Greyhound Lines) to be effective December 31, 1936, upon the filing of said merger agreement with the Secretary of State of the State of California.

The intrastate California operating rights referred to are those acquired or created under certificates of public convenience and necessity issued by the Railroad Commission of the State of California to Pacific Greyhound Lines, Inc. as an automotive common carrier of passengers baggage and express for compensation over the highways of this state and as more specifically set forth in Decision No. 23244, dated December 31, 1930, on Application No. 16989, and orders and decisions supplementary and amendatory thereto.

The transfer herein sought to be in accordance with an agreement of merger, a copy of which, marked Exhibit "B" is attached to the application herein and made a part thereof.

This appears to be a matter in which a public hearing is not necessary. The application will be granted.

Pacific Greyhound Lines 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.

O R D E R

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby granted subject to the following conditions:

1. On or before December 30, 1936, applicants shall file with the Railroad Commission of the State of California a certified copy of the order of the Interstate Commerce Commission made on Docket No. MC-F 155, which said order shall authorize the Pacific Greyhound Lines, Inc. to transfer to Pacific Greyhound Corporation the interstate operating rights as set forth in said Docket No. MC-F 155.
2. On or before December 30, 1936, applicant Pacific Greyhound Corporation shall file with this Commission a bill of sale, or other appropriate document, duly executed by said Pacific Greyhound Lines, Inc. and delivered to said Pacific Greyhound Corporation, transferring said operating rights to said Pacific Greyhound Corporation outright as of midnight, December 30, 1936.
3. On or before December 31, 1936, applicants shall file with this Commission a duplicate original of the certificate required by Section 361 of the Civil Code of the State of California.
4. On or before December 31, 1936, applicants shall file with this Commission an affidavit of counsel for applicants showing that applicants have filed with the Secretary of State of the State of California on December 31, 1936, a certificate as required by Section 361 of the Civil Code.
5. 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 other purpose other than the transfer herein authorized.
6. Applicant Pacific Greyhound Lines, Inc. shall immediately unite with applicant California Transit Co. (then to be known as Pacific Greyhound Lines) in common supplement to be filed in triplicate to the tariffs on file with the Commission covering services given under the certificates herein authorized to be transferred, applicant Pacific Greyhound Lines, Inc. on the one hand withdrawing, and applicant California Transit Co. (then to be known as Pacific Greyhound Lines) on the other hand accepting and establishing such tariffs and all effective supplements thereto.
7. Applicant Pacific Greyhound Lines, Inc. shall immediately unite with applicant California Transit Co. (then to be known as Pacific Greyhound Lines) in common supplement to be filed in duplicate to the time schedules on file with the Commission covering services heretofore given by applicant Pacific Greyhound Lines, Inc., applicant Pacific Greyhound Lines, Inc. on the one hand withdrawing, and applicant California Transit Co. (then to be known as Pacific Greyhound Lines) on the other hand accepting and establishing such time schedules and all effective supplements thereto.

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

9. No vehicle may be operated by applicant California Transit Co. (then to be known as Pacific Greyhound Lines) 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.

10. 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.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 23rd day of December, 1936.

M. B. Lewis

Leon Whitehall

M. H. ...

COMMISSIONERS.