

Decision No. 30226

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
(a) AIRDROME TRANSPORT, LTD., a Corpo- )  
ration, to sell, and Joe FERRANT, in )  
person, to purchase the operative rights )  
equipment and all other assets used in )  
the transportation of air line passen- )  
gers and their baggage for compensation )  
by automobile between San Francisco and )  
Oakland and East Bay airports, between )  
San Francisco and Mills Field, between )  
Los Angeles and outlying airports, )  
California, and (b) authorize applicant )  
JOE FERRANT to use San Francisco-Oak- )  
land Bay Bridge as an alternative route )  
between San Francisco and East Bay )  
Airports. )

Application No. 21491

BY THE COMMISSION:

O P I N I O N

Airdrome Transport, Ltd., a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Joe Ferrant, an individual, of operating rights for the automotive transportation of air line passengers and their baggage between San Francisco and Oakland, on the one hand, and East Bay airports, on the other hand; between San Francisco and Mills Field, San Mateo County, California; and between Los Angeles and certain outlying airports; and Joe Ferrant has petitioned for authority to purchase and acquire said operating rights 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 the nominal sum of one dollar.

The operating rights herein proposed to be transferred were created by Decision No. 26912, dated April 2, 1934, on Application No. 19372, and Decision No. 27782, dated March 4, 1935, on Application No. 19809. Those rights created by Decision No. 26912 had been originally granted to Joe Ferrant, one of the applicants herein, and by said decision applicant Joe Ferrant was authorized to transfer such rights to a newly formed corporation, Airdrome Transport, Ltd. The right created by Decision No. 27782 was a direct grant to Airdrome Transport, Ltd.

Applicants allege that it has been found that the handling of the affairs of the corporation has not been successful and it is now proposed to re-establish the business on a sole ownership basis. It is alleged that no stock of the corporation has been sold.

Applicant Joe Ferrant also requests authority to use the San Francisco-Oakland Bay Bridge, its approaches and extensions, between San Francisco and East Bay airports as an alternative route to the common carrier ferries operating between said points.

It appears to be in the public interest to grant the authorities requested and a public hearing does not appear necessary. The application will be granted.

Joe Ferrant 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.- 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 for any purpose other than the transfer herein authorized.
2. Applicant Airdrome Transport, Ltd. shall within twenty (20) days after the effective date of the order herein unite with applicant Joe Ferrant in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Airdrome Transport, Ltd. withdrawing and applicant Joe Ferrant accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Airdrome Transport, Ltd. shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in its name with the Railroad Commission and applicant Joe Ferrant shall within twenty (20) days after the effective date of the order herein file, in duplicate, in his own name time schedules covering service heretofore given by applicant Airdrome Transport, Ltd. which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant Airdrome Transport, Ltd. 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 obtained.
5. No vehicle may be operated by applicant Joe Ferrant 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.
6. 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

IT IS HEREBY FURTHER ORDERED that Joe Ferrant is authorized to operate his passenger vehicles between San Francisco and Oakland

via the San Francisco-Oakland Bay Bridge, it approaches and extensions, as an alternative route in addition to the use of the common carrier ferries between said points, provided that such authority may not be construed as in any manner enlarging applicant's existing operating rights, and that such operations remain subject to all conditions and limitations attached to applicant's existing rights except as to the deviation in route herein authorized.

IT IS HEREBY FURTHER ORDERED that Decision No. 29296, dated November 23, 1936, as amended by Decision No. 29240, dated December 28, 1936, both in Application No. 20849, is hereby revoked and annulled.

Dated at San Francisco, California, this 11<sup>th</sup> day of October, 1937.

W. H. ...  
John ...  
Stan ...  
Ray ...  
Pat & Alley  
COMMISSIONERS