

Decision No. 30432

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC ELECTRIC RAILWAY COMPANY to
transfer and MOTOR TRANSIT COMPANY to
acquire certain motor coach lines and
operating rights between (1) Upland
and Ontario; (2) Pomona, North Pomona
and Claremont; and (3) San Dimas
Southern Pacific Station and San Dimas
Business District.

ORIGINAL
Application No. 21610

BY THE COMMISSION:

O P I N I O N

The Pacific Electric Railway Company, a corporation, and Motor Transit Company, a corporation, have petitioned the Railroad Commission for an order approving the sale and transfer by Pacific Electric Railway Company, a corporation, to Motor Transit Company, a corporation, of certain operating rights for the automotive transportation of passengers as a common carrier between:

- (1) Upland and Ontario as described by in lieu Decision No. 24854, dated June 13, 1932, on Application No. 17984 as amended by Decision No. 24258, dated December 10, 1932, of Pacific Electric Railway Company.
- (2) Pomona, North Pomona and Claremont as described in Decision No. 29955, dated July 16, 1937, on Thirty-Fourth Supplemental Application No. 17984 of Pacific Electric Railway Company.
- (3) San Dimas Southern Pacific Station and San Dimas Business District as described by in lieu Decision No. 24854, dated June 13, 1932, on Application No. 17984 of Pacific Electric Railway Company.

The Motor Transit Company, a corporation, 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 "B" 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 the nominal sum of \$1 which is to be the value of the intangibles.

No equipment is to be transferred.

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

Motor Transit Company 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 granted.

O R D E R

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

1. Applicant Pacific Electric Railway Company shall within twenty (20) days after the effective date of the order herein unite with applicant Motor Transit Company in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Pacific Electric Railway Company withdrawing and applicant Motor Transit Company accepting and establishing such tariffs and all effective supplements thereto.

2. Applicant Pacific Electric Railway Company 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 Motor Transit Company shall within twenty (20) days after the effective date of the order herein file, in duplicate, in its own name time schedules covering service heretofore given by applicant Pacific Electric Railway Company which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant Pacific Electric Railway Company or time schedules satisfactory to the Railroad Commission.

3. 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.

4. No vehicle may be operated by applicant Motor Transit Company 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.

5. 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 20th day of
December, 1937.

William H. Miller
Leon J. Whelan
Frank R. Allen
Robert L. Smith
Ray L. Rice
COMMISSIONERS.