

Decision No. 30309

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of MOTOR
TRANSIT COMPANY, a corporation, for permission
to sell and assign, and of F. M. Snell to
acquire, certain motor coach line operating
rights between San Bernardino and Highland
and Patton and intermediate points.) Application
No. 22550

BY THE COMMISSION:

O P I N I O N

Motor Transit Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to F. M. Snell of an operating right for the automotive transportation as a common carrier of passengers, baggage and express between San Bernardino and Highland and Patton, more specifically described in Decision No. 30309, dated November 8, 1937, on Fourth Supplemental Application No. 20948; and F. M. Snell 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 \$1 which is alleged to be the value of the intangibles. No equipment is to be transferred.

The operative right herein proposed to be transferred was created by Decisions Nos. 29660 and 30309, on Application No. 20948.

A petition signed by the superintendent of Patton State Hospital and of San Bernardino County Hospital, together with numerous residents and patrons along the route of the right herein

proposed to be transferred, favor the granting of the authority herein requested.

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

F. M. Snell 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 ORDERED that Motor Transit Company is hereby authorized to transfer the above described operative right to F.M. Snell and F. M. Snell is hereby authorized to acquire said operative right and to hereafter operate thereunder, 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 Motor Transit Company shall within twenty (20) days after the effective date of the order herein unite with applicant F. M. Snell in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Motor Transit Company withdrawing and applicant F. M. Snell accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Motor Transit 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 F. M. Snell 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 applicant Motor Transit Company which time schedules shall be identical with the

time schedules now on file with the Railroad Commission, in the name of applicant Motor Transit Company 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 F. M. Snell 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 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 14th day of February, 1939.

Robert H. Smith
Frank R. Dwyer
Ray L. Chey
W. H. Baker
Justus J. Coe
COMMISSIONERS