

Decision No. 22932

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HUMBOLDT MOTOR STAGES, INC., a corporation, and GEORGE A. MANLEY, doing business as REDDING WEAVERVILLE STAGE COMPANY, for the approval of a lease of the operative right and certain equipment used in connection with an automobile passenger, baggage, express, and freight line operated between Redding and Weaverville, California.

ORIGINAL

Application No. 22932

BY THE COMMISSION:

O P I N I O N

George A. Manley, doing business as Redding Weaverville Stage Company, has petitioned the Railroad Commission for an order approving the leasing to Humboldt Motor Stages, Inc., a corporation, of certain operative rights and automotive equipment, for the transportation of passengers and property, between Redding and Weaverville and intermediate points, said operative rights as particularly described in the decisions of the Commission, as hereinafter set forth, creating operative rights therefor; and Humboldt Motor Stages, Inc. has petitioned for authority to lease such operative rights and equipment, and to hereafter operate thereunder.

The lease and option to purchase, is 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 term or period of leasehold provided for is five (5) years and eight (8) months, commencing on the first day of September, 1939. The lessee has agreed to pay to the lessor, as rental, the sum of \$9,634.81,

payable in monthly stated sums during the period of such leasehold. Of such sum, \$500 is allocated as the amount to be paid for the lease of the intangibles, and the remainder is allocated as rental of the equipment involved, such equipment being that as set forth and described in Exhibit "B," attached to the application herein and made a part thereof.

The operative rights proposed to be leased, are those created by Decision No. 26946, dated April 16, 1934, on Application No. 19389, as amended by Decision No. 26986. A portion of the right created by Decision No. 26946, was revoked by Decision No. 30965, dated June 13, 1938, on Application No. 21986. Applicants herein were authorized by the Commission in its Decision No. 31138, dated August 1, 1938, on Application No. 22048, to enter into joint express rate arrangements, as passenger stage corporations. Applicants, by the Commission's Decision No. 31545, dated December 12, 1938, on Application No. 22384, were authorized to interchange equipment at Weaverville to provide a through service between Eureka and Redding. Applicant Manley and Sacramento - Corning Freight Lines were authorized by the Commission's Decision No. 31767, dated February 20, 1939, on Application No. 22518, to enter into joint freight rate arrangements.

This is not a matter requiring a public hearing, and we are of the opinion that the authority requested is in the public interest and will be granted. However, applicants will be required to file a supplemental application with the Commission, requesting approval of the exercise of the option contemplated by the lease and option arrangement entered into by applicants, as hereinbefore referred to.

Humboldt Motor Stages, Inc. 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

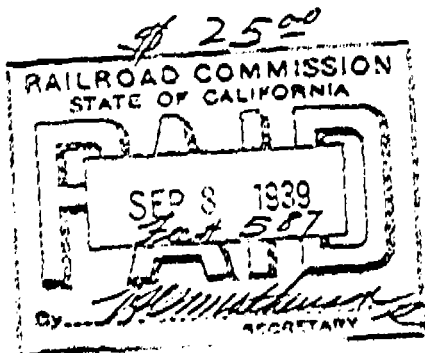
IT IS ORDERED that George A. Manley, doing business as Redding Weaverville Stage Company, is hereby authorized to lease to Humboldt Motor Stages Inc., a corporation, and Humboldt Motor Stages, Inc. is hereby authorized to lease from applicant Manley, with an option to purchase the operative rights and equipment referred to in the foregoing opinion, subject to the terms of an agreement, marked Exhibit "A," a copy of which is attached to the application herein and made a part thereof, and to hereafter operate thereunder, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicant shall not have complied with all of 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.
2. Upon the exercise of the option to purchase, the rights and property as herein authorized to be leased, applicants shall file a supplemental application with the Railroad Commission requesting the appropriate authority therefor.
3. The consideration to be paid as rental for the property herein authorized to be leased, 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 lease and rental herein authorized.

4. Applicant George A. Manley shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, unite with applicant Humboldt Motor Stages, Inc. in common supplement to the tariffs on file with the Commission, covering service given under the operative rights herein authorized to be leased, applicant Manley withdrawing and applicant Humboldt Motor Stages, Inc. accepting and establishing such tariffs and all effective supplements thereto.
5. Applicant Manley shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, withdraw all time schedules filed in his name with the Railroad Commission, and applicant Humboldt Motor Stages, Inc. shall within thirty (30) days after the effective date of the order herein, and upon not less than five (5) days' notice to the Commission and the public, file, in duplicate, in its own name, time schedules covering the service heretofore given by applicant Manley which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of applicant Manley or time schedules satisfactory to the Railroad Commission.
6. 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.
7. No vehicle may be operated by applicant Humboldt Motor Stages, Inc. 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.
8. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all of the provisions of this Commission's General Order No. 91.

IT IS FURTHER ORDERED that the authority herein granted shall become effective when Humboldt Motor Stages, Inc. has paid the minimum fee required by Section 57 of the Public Utilities Act, which minimum fee is \$25.

Dated at San Francisco, California, this 5<sup>th</sup> day of September, 1939.



*[Handwritten signatures of five commissioners]*  
COMMISSIONERS