

Decision No. _____

32777

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CHARLES CRANDALL, also known as C.W. CRANDALL, to sell, and TANNER MOTOR TOURS, LTD., to purchase an automobile passenger line operated between Palm Springs Station, on the Southern Pacific Railway, and Palm Springs, Riverside County, California, and vice versa.

ORIGINAL

Application No. 23250

BY THE COMMISSION:

O P I N I O N

Charles Crandall, operating under the name and style of Palm Springs Stage and Express Company, has petitioned the Railroad Commission for an order approving the sale and transfer by him to Tanner Motor Tours, Ltd. of an operating right for the automotive transportation of passengers and baggage between Whitewater and Palm Springs.

Tanner Motor Tours, Ltd. 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 executed by Charles Crandall and Tanner Motor Livery, Ltd. or its assigns, marked Exhibit "A." By an assignment, marked Exhibit "B" Tanner Motor Livery, Ltd. transferred all its rights, title and interest in the above agreement to Tanner Motor Tours, Ltd. Both exhibits are attached to the application herein and made a part thereof.

The consideration to be paid for equipment and operating right herein proposed to be transferred is given as \$1,000.

The operating right herein proposed to be transferred was created by Decision No. 13477, dated April 1, 1924, on Application No. 9997.

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

Tanner Motor Tours, Ltd. 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 Charles Crandall, operating under the name and style of Palm Springs Stage and Express Company, is hereby authorized to transfer to Tanner Motor Tours, Ltd., and Tanner Motor Tours, Ltd. is hereby authorized to acquire the operative right referred to in the foregoing opinion, in accordance with the terms of the agreement marked Exhibit "A" and the assignment marked Exhibit "B," subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicant 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.
2. 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.

3. Applicant Charles Crandall 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 Tanner Motor Tours, Ltd in common supplement to the tariffs on file with the Commission covering the service given under the operative rights herein authorized to be transferred, applicant Crandall withdrawing and applicant Tanner Motor Tours, Ltd. accepting and establishing, such tariffs and all effective supplements thereto.

4. Applicant Crandall 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 Tanner Motor Tours, Ltd. 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 service heretofore given by applicant Crandall, which time schedules shall be satisfactory to the Railroad Commission.

5. 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 of discontinuance has first been obtained.

6. No vehicle may be operated by applicant Tanner Motor Tours, Ltd. 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.

7. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all the provisions of this Commission's General Order 91.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 2nd day of February, 1940.

Ray L. Riley

Robert W. Johnson

Justice D. Cooney
COMMISSIONERS