

Decision No. 23295

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HUMBOLDT MOTOR STAGES, INC., a corporation,)
and LESLIE T. ALWARD, d/b/a Shasta Dam)
Transit Company, for the approval of a)
lease of the operative right and certain)
equipment used in connection with an auto-)
mobile circle tour sightseeing service for)
the transportation of passengers and their)
hand baggage as a common carrier for com-)
pensation between Redding and Shasta Dam)
site, California, and intermediate points.)

Application
No. 23295

ORIGINAL

In the Matter of the Application of)
HUMBOLDT MOTOR STAGES, INC., a corporation,)
and LESLIE T. ALWARD, d/b/a/Shasta Dam)
Transit Company, for the approval of a)
lease of the operative right and certain)
equipment used in connection with an auto-)
mobile passenger line operated between)
Redding and Kennett, California.)

Application
No. 23296

BY THE COMMISSION:

O P I N I O N

In Application No. 23295, Leslie T. Alward has petitioned the Railroad Commission for an order approving a lease, and option to purchase arrangement, to Humboldt Motor Stages, Inc., a corporation, of a circle tour sight-seeing operative right beginning and ending at Redding, which was created by the Commission's Decision No. 31745, dated February 14, 1939, on Application No. 22205, together with certain automotive equipment; and Humboldt Motor Stages, Inc. has petitioned for authority to enter into said lease and option to purchase arrangement of said operative right and equipment and hereafter to operate thereunder.

In Application No. 23296, Leslie T. Alward has petitioned the Railroad Commission for an order approving an arrangement to

lease, with an option to purchase, to Humboldt Motor Stages, Inc., a corporation, of an operative right and automotive equipment for the transportation of passengers and baggage between Redding and Kennett and intermediate points, said operative right being that which said Leslie T. Alward has heretofore been authorized to acquire under the authority of the Commission's Decision No. 32855, dated March 5, 1940, on Application No. 23292; and Humboldt Motor Stages, Inc. has petitioned for authority to enter into said lease, with option to purchase arrangement and hereafter to operate thereunder.

The lease, and option to purchase, is to be in accordance with an agreement, copy of which, marked Exhibit "A," is attached to each of the applications herein and made a part of said each application. The term or period of the leasehold provided for is four (4) years commencing on the first day of the month next succeeding the date of the order of the Railroad Commission approving said leasehold. Under the terms of said lease the lessee has agreed to pay to the lessor, as rental, the sum of \$125 for each and every month during said term, in the total amount of \$6,000.

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 it will be granted. However, applicants will be required to file a supplemental application with the Railroad 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 Leslie T. Alward is hereby authorized to lease, with an option to purchase, to Humboldt Motor Stages, Inc., a corporation, and said Humboldt Motor Stages, Inc. is hereby authorized to lease from Leslie T. Alward, 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 each of the applications herein and made a part of said each application, and hereafter to operate thereunder, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicants 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. 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 Leslie T. Alward 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 the service given under the operative rights herein

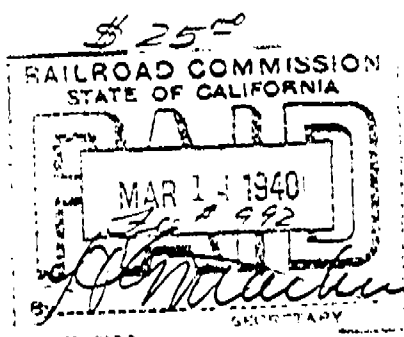
authorized to be transferred, applicant Alward withdrawing, and applicant Humboldt Motor Stages, Inc. accepting and establishing such tariffs and all effective supplements thereto.

4. Applicant Alward 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 triplicate, in its own name, time schedules covering service heretofore given by applicant Alward 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 or discontinuance has first been obtained.
6. 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.

IT IS FURTHER ORDERED that Humboldt Motor Stages, Inc. shall operate the service between Redding and Kennott and intermediate points as an extension and enlargement of its present operations to and from Redding.

IT IS FURTHER ORDERED that the authority herein granted shall become effective when there has been paid to the Railroad Commission the minimum fee required by Section 57 of the Public Utilities Act, which minimum fee is \$25.

Dated at San Francisco, California, this 12th day of March, 1940.



Ray L. Riley
Robert ...
Justice J. Casner
COMMISSIONERS