

Decision No. 23351

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of HOWARD M. LANG, doing business as EL SEGUNDO MOTOR TRANSPORTATION COMPANY, to sell, and of PACIFIC GREYHOUND LINES, a corporation, to buy, operating rights between El Segundo and Inglewood, California.

ORIGINAL  
Application No. 23351

BY THE COMMISSION:

O P I N I O N

Howard M. Lang, doing business as El Segundo Motor Transportation Company, has petitioned the Railroad Commission for an order approving the sale and transfer by him to Pacific Greyhound Lines, a corporation, of an operative right for the automotive transportation of passengers between El Segundo, Inglewood and Mines Field and intermediate points, as more particularly set forth in the Commission's decisions creating said operative right. Pacific Greyhound Lines has petitioned for authority to purchase and acquire said operative right and hereafter to operate thereunder, as an extension and enlargement of the operative right created by Decision No. 23244, on Application No. 16989. The sale and transfer is to be made 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 \$500. It is not indicated that any equipment is involved in the proposed transfer.

The operative right herein proposed to be transferred is that which was created by the Commission's Decisions Nos. 20112, 20168 and 21410, all on Application No. 14672 and acquired by applicant Lang under the authority of the Commission's Decision No. 23937, on Application No. 17578. Said right was subsequently modified by Decision No. 29020, on Application No. 20470.

This does not appear to be a matter in which a public hearing is necessary. We are of the opinion that the authority sought is in the public interest and it will be granted.

Pacific Greyhound Lines 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 Edward M. Lang is hereby authorized to transfer to Pacific Greyhound Lines, and Pacific Greyhound Lines 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," attached to the application herein and hereafter to operate thereunder.

IT IS FURTHER ORDERED that said operative rights are hereby consolidated with and made a part of the operative rights

heretofore created by the Commission's Decision No. 23244, on Application No. 16989.

The authority herein granted is 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 Howard M. Lang 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 Pacific Greyhound Lines 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 Howard M. Lang withdrawing, and applicant Pacific Greyhound Lines accepting and establishing such tariffs and all effective supplements thereto.
4. Applicant Howard M. Lang 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 Pacific Greyhound Lines 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 Howard M. Lang, 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 Pacific Greyhound Lines 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.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of March, 1940.

Ray L. Riley  
James R. Brown  
Robert A. [unclear]  
[unclear]  
Justus J. Craven  
COMMISSIONERS