

Decision No. 23352

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOTOR COACH CORPORATION, a corporation, to)
sell, and PACIFIC GREYHOUND LINES, a) Application No. 23352
corporation, to purchase operating rights)
between Long Beach, Santa Monica and San)
Fernando, California.)

BY THE COMMISSION:

ORIGINAL

O P I N I O N

Motor Coach Corporation, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Pacific Greyhound Lines, a corporation, of an operative right for the automotive transportation of passengers between Long Beach, Santa Monica, San Fernando 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 its operations under 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 \$4,500. Only one piece of equipment, a 1927 Fageol bus, 25-passenger capacity, is included in the proposed transfer.

The operative right herein proposed to be transferred is that which was created by the Commission's Decision No. 28178, on

Application No. 20014, as modified by Decision No. 29232, and Decision No. 29908, on Application No. 20471. That portion of said right as created by Decision No. 28178 is now being operated by applicant Pacific Greyhound Lines under a year to year lease arrangement with applicant Motor Coach Corporation, as currently authorized by the Commission's Decision No. 32893, on Supplemental Application No. 18591. Upon the acquisition of the operative right by Pacific Greyhound Lines, it is proposed that the lease arrangement will be abandoned.

Applicant Pacific Greyhound Lines also requests certain modifications of Decision No. 23244 in regard to restrictions on its operations in the territory which it will serve under the operative right herein proposed to be acquired. It does not appear to be necessary to disturb such restrictions as they will not prevent said applicant from providing the same service now being provided by applicant Motor Coach Corporation.

This does not appear to be a matter in which a public hearing is necessary. We are of the opinion that the authority herein 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.

ORDER

IT IS ORDERED that Motor Coach Corporation, a corporation, 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, and

IT IS FURTHER ORDERED that said operative right is hereby consolidated with and made a part of the operative rights heretofore created by the Commission by 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 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. 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 Motor Coach Corporation 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 Motor Coach Corporation withdrawing, and applicant Pacific Greyhound Lines accepting and establishing such tariffs and all effective supplements thereto.
4. Applicant Motor Coach Corporation 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 its 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 Motor Coach Corporation 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.

IT IS FURTHER ORDERED that the lease arrangement between applicants heretofore authorized by the Commission's Decision No. 32893, on Supplemental Application No. 18591, is hereby revoked and annulled concurrently effective with the establishment by applicant Pacific Greyhound Lines of service as herein authorized.

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

Dated at San Francisco, California, this 19th day of March, 1940.

Ray L. Rice
James D. Smith
Raymond A. ...
Justice J. Casner
COMMISSIONERS