In the Matter of the Application of PACIFIC GREYHOUND LINES, a corporation, for a certificate of public convenience and necessity to operate an automotive Application No. 23561 stage service for the transportation of passengers, baggage and express between Stockton and Hedgeside, via Sharps Lane through Stockton Airport, California, and to consolidate same with remainder of applicant's system. BY THE COMMISSION: <u>opinion</u> By this application Pacific Greyhound Lines, a corporation, requests authority to establish and operate an automotive service as a common carrier of passengers, baggage and express between Stockton and Hedgeside via Sharps Lane serving Stockton Airport, as an extension and enlargement of its existing rights and consolidated therewith. As justification for the granting of the authority sought applicant alleges that there is, at the present time, no common carrier service between Stockton and Stockton Airport where there are now plans underway to establish a United States Government air pilot training school. Applicant proposes to provide the service here contemplated by operating a part of its existing service between Stockton and Manteca, via Sharps Lane, serving the Airport. Service and rates, rules and regulations are to be in accordance with Exhibits "B" and "C," respectively, attached to and made a part of this application and applicant asserts that should developments at Stockton Airport so require, additional service will be made available. The distance -1-

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

13/2005/5/2

Decision No. \_\_\_

between Stockton and Hedgeside is given as 6.5 miles. The granting of this application appears to be in the public interest and a matter in which a public hearing is not necessary. The application 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 THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Pacific Greyhound Lines of an automotive service for the transportation of passengers, baggage and express, as a passenger stage corporation, as such is defined in section 2% of the Public Utilities Act, between Stockton and Hedgeside, via Sharps Lane, serving Stockton Airport, as an extension and enlargement of its existing rights, consolidated therewith and subject to all restrictions and conditions heretofore imposed therein and subject further to the following condition: No single shipment of express may be accepted for transportation which exceeds one hundred (100) pounds in weight, and all express is to be transported on passenger vehicles only, except that the limitation as to shipment weight and vehicle of transportation shall not apply to, -2-

(a) shipments transported for or through the agency of Railway Express Agency, Incorporated; (b) milk and cream and empty containers of such commodities when being transferred to or from a rail junction point in con-nection with rail transportation thereof. IT IS ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Pacific Greyhound Lines, 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. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof. 3. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file, in triplicate, and concurrently make effective on not less than ten (10) days' notice to the Railroad Commission and the public, a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which in volume and effect shall be identical with the rates and rules shown in the exhibit attached to the application in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission. 4. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five (5) days' notice to the Railroad Commission and the public, a time schedule or time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained. 6. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission. -3The effective date of this order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 234 day of 1940.

Justus De Commissioners