

Decision No. 33825

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
of RHODES STAGES, a corporation, to)
sell and PACIFIC GREYHOUND LINES, a)
corporation, to purchase, certain pas-)
senger stage operative rights for the)
transportation of passengers, baggage)
and express between Berkeley and)
Walnut Creek, and between San Francisco)
and Mineral, California.)

Application No. 23927

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Rhodes Stages, a corporation, has petitioned the Commission for an order authorizing the sale and transfer by it to Pacific Greyhound Lines, a corporation, of two operative rights, one for the transportation of passengers, baggage and express between Walnut Creek and Berkeley and intermediate points via St. Mary's College and Lafayette, and the other for the transportation of passengers, baggage and snow sports equipment between San Francisco and certain east bay points, on the one hand, and Mineral, Tehama County, on the other hand. It is also proposed to transfer one unit of passenger stage equipment. Pacific Greyhound Lines has petitioned for authority to purchase and acquire these operative rights and property as an extension and enlargement of its present operative rights and hereafter to operate thereunder. The sale and transfer is to be made in accordance with the terms of an agreement, a copy of which, marked Exhibit "A," is attached to the application herein.

The operative rights proposed to be transferred were created by Decision No. 31612, on Application No. 22400, and Decision No. 33224, on Application No. 23127.

The consideration to be paid for the property proposed to be transferred is stated to be \$430. Of this sum \$100 is alleged to be the value of the intangibles and the remainder is to be paid to the Pennsylvania Greyhound Lines upon the receipt of a release of a conditional sales contract held by it with respect to the passenger stage proposed to be transferred.

This does not appear to be a matter in which a public hearing is necessary.

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 Rhodes Stages, a corporation, is hereby authorized to transfer to Pacific Greyhound Lines, and Pacific Greyhound Lines is hereby authorized to acquire the operative rights and property 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 as an extension and enlargement of the operative right of Pacific Greyhound Lines created by Decision No. 23244. 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 Rhodes Stages shall within thirty (30) days after the effective date of the order herein, and upon one (1) day's 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 Rhodes Stages withdrawing, and applicant Pacific Greyhound Lines accepting and establishing such tariffs and all effective supplements thereto.

4. Applicant Rhodes Stages shall within thirty (30) days after the effective date of the order herein, and upon one day's 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 one day's notice to the Commission and the public, file in triplicate, in its own name, time schedules covering service heretofore given by applicant Rhodes Stages 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 21st day of
January, 1941.

[Signature]
[Signature]
[Signature]
Justin J. Casimer
Francis D. Havenue
COMMISSIONERS