

Decision No. 42346

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
W. B. McLERAN, doing business as McLERAN )  
TRANSIT CO., to sell, and SWENSON'S LIVERY, )  
INC., a corporation, to purchase certifi- )  
cates authorizing the transportation of )  
passengers between Santa Monica and Holly- )  
wood Park Race Track, and Santa Anita Race )  
Track. )

Application No. 29909

O P I N I O N

Applicant W. B. McLeran was certificated by Decision No. 38222 in Application No. 26950 to provide passenger stage service between Santa Monica and Hollywood Park Race Track at Inglewood and was also certificated by Decision No. 39540 in Application No. 27581 to provide passenger stage service between Santa Monica and Santa Anita Race Track. Each certificate authorizes operations during the periods when racing is conducted at the respective race tracks.

Swenson's Livery, Inc., a California corporation, states that it is engaged in the operation and rental of limousines, buses, and other passenger vehicles but conducts no common carrier operation and is not affiliated with any common carrier.

In this proceeding applicant McLeran proposes to sell and applicant Swenson's Livery, Inc., proposes to buy the operative rights above referred to, in accordance with an agreement entered into by the parties on December 10, 1948, a copy of which is attached to the application and marked as Exhibit A. By the terms of said agreement, the purchaser will pay to the seller the sum of \$400 upon approval of the transfer of the certificates by the

Commission.

According to the application, applicant McLeran has conducted the authorized service during the racing periods at the respective tracks. Applicant Swenson's Livery, Inc., states that it has all the facilities, personnel and experience necessary to provide service under the certificates proposed to be transferred to it and is prepared to begin such service on December 28, 1948, which is the first day of the racing season at Santa Anita Race Track. The transfer as proposed herein does not appear to be adverse to the public interest and the application will be granted. However, the action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred. No public hearing is necessary.

Swenson's Livery, Inc., is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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

In application therefor having been filed, the Commission being fully informed in the premises and good cause appearing,

IT IS ORDERED:

(1) That W. B. McLeran is hereby authorized to sell and transfer to Swenson's Livery, Inc., and the latter is hereby authorized to purchase from said W. B. McLeran the operative rights described in the foregoing opinion and thereafter operate thereunder.

(2) That applicants shall comply with the provisions of General Orders Nos. 79 and 93-A by filing in triplicate and concurrently making effective appropriate tariffs and time tables within 60 days from the effective date hereof on not less than 4 days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of December, 1948.

R. E. Dunning  
Justice J. Casper  
Joseph H. Knull  
Harold A. Kille  
Benjamin P. Pottel  
 COMMISSIONERS