

ORIGINAL

Decision No. 43047

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MT. LASSEN MOTOR TRANSIT, INC., to
transfer, and HAROLD A. STOY and
ORVILLE T. STOY, partners doing
business as FEATHER RIVER STAGES, to
acquire, a passenger stage line, and
for the latter applicants to execute
two promissory notes.

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No. 30382
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O P I N I O N

This is an application for an order from this Commission authorizing (1) the sale and transfer from Mt. Lassen Motor Transit, Inc. to Harold A. Stoy and Orville T. Stoy of certain operative rights and motor buses, and (2) Harold A. Stoy and Orville T. Stoy to issue two promissory notes to Mt. Lassen Motor Transit, Inc.

Mt. Lassen Motor Transit, Inc. is a corporation organized in 1938 under the laws of the State of California. By Decision No. 38902, dated May 2, 1946, the Commission granted to Mt. Lassen Motor Transit, Inc. a "certificate of public

convenience and necessity authorizing the establishment and operation of service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers, baggage and shipments of express weighing not in excess of 20 pounds each on passenger vehicles, provided that such weight limitation shall not apply to shipments of motion picture film, between Keddie and a point on the California-Nevada State Line near Purdy where U. S. Highway No. 395 crosses such line, and intermediate points via Portola, Delleker and Quincy and the off-route points of Feather River Camp, Blairsden, Grizzly Ice Camp, Graeagle, Mohawk, Camp Layman, Cromberg and Sloat, as an extension of and consolidated with the operative right created by Decision No. 24922."

The operative rights now proposed to be transferred are those granted by Decision No. 38902, excluding the portion between Keddie and Quincy and intermediate points.

The motor buses proposed to be transferred consist of the following:

International 6, Model 1938 D 35, Serial No. D35-7044, Engine No. FAB-241-1136, capacity 13 passengers;

GMC School Bus, Model CC-8305, first sold 9/24/41, Serial No. 16821, Engine No. C23601384, capacity 17 passengers.

A copy of the agreement on file in this application as Exhibit "Y", provides that the purchase price of the operative

rights, including certain rights granted by the Interstate Commerce Commission, and the two motor buses is \$12,000, payable in accordance with the terms of two promissory notes. One note is in the amount of \$5,000, and is payable in monthly installments of \$100 plus accrued interest at the rate of six percent per annum on deferred balances. The other note is in the amount of \$7,000, and is payable in monthly installments which shall be ten percent of the gross income from the operations of the stage line between Reno and Quincy, plus accrued interest at the rate of five percent per annum on deferred balances, provided that all principal and interest shall be payable on or before five years from the date of the note.

Mt. Lassen Motor Transit, Inc. alleges that its headquarters are at Susanville; that experience has developed that the operation between Quincy and Reno is, as a practical matter, a separate and distinct operation, entirely disconnected from its other operations; that it has proved to be difficult for it to conduct efficiently and economically the operations between Quincy and Reno with its headquarters so far removed from such operations.

The application shows that Harold A. Stoy and Orville T. Stoy reside and have other business interests directly on the route between Quincy and Reno, and that it will be easier for them to supervise the operations than it has been for Mt. Lassen Motor

Transit, Inc. They intend to drive the buses themselves and believe they will be able to conduct the operations more economically than Mt. Lassen Motor Transit, Inc. They have had experience in driving trucks and other motorized equipment over a period of many years.

The application shows that Quincy rather than Keddie is the logical terminal for the operations east of Quincy as far as Reno, and for the operations south from Westwood and Susanville to the Feather River area. Quincy is the county seat and has adequate terminal facilities. Keddie on the other hand, applicants report, is little more than a station on the Western Pacific Railroad. Mt. Lassen Motor Transit, Inc. proposes to continue the operation of its buses from Westwood and Susanville through Keddie to Quincy. Harold A. Stoy and Orville T. Stoy will assess and apply the same rates, rules, regulations and time schedules to the operations which they now propose to acquire, as those presently assessed and applied by Mt. Lassen Motor Transit, Inc.

The purchase price of \$12,000 is alleged to consist of \$10,000 for the interstate operative rights and \$2,000 for the passenger buses, with no additional consideration for the intrastate operative rights.

Harold A. Stoy and Orville T. Stoy are 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.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission has considered this application and is of the opinion that a hearing thereon is not necessary, that the transfer should be authorized as herein provided, that the money, property or labor to be procured or paid for through the issue of \$12,000 of notes is reasonably required by Harold A. Stoy and Orville T. Stoy for the purpose of acquiring the operative rights and properties referred to in the foregoing opinion; therefore,

IT IS HEREBY ORDERED as follows:

1. Mt. Lassen Motor Transit, Inc., after the effective date hereof and on or before December 31, 1949, may sell and transfer the intrastate operative rights granted by Decision No. 38902, dated May 2, 1946, excluding the portion between Keddie and Quincy and intermediate points, and the two motor buses referred to in the foregoing opinion, to Harold A. Stoy and Orville T. Stoy, who may

acquire said operative rights and properties and engage in the transportation business pursuant to the provisions of said operative rights, said sale and transfer to be made pursuant to the terms of the agreement on file in this application as Exhibit "Y".

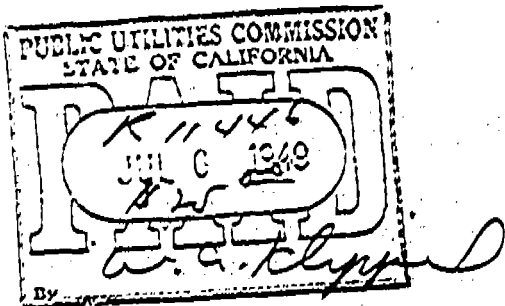
2. Harold A. Stoy and Orville T. Stoy, after the effective date hereof and on or before December 31, 1949, for the purpose of acquiring the operative rights and properties specified in Exhibit "Y" on file in this application, may issue to Mt. Lassen Motor Transit, Inc. a \$5,000 note and a \$7,000 note in, or substantially in, the form of the notes on file as Exhibits "A" and "B", respectively, to said Exhibit "Y".

3. Applicants shall comply with the provisions of General Orders Nos. 79 and 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days from the effective date hereof and on not less than five (5) days' notice to the Commission and to the public.

4. Within thirty (30) days after the issuance of the notes, Harold A. Stoy and Orville T. Stoy, or either of them, shall file a true and correct copy of each of said notes with the Commission.

5. The authority granted by this order will become effective twenty (20) days after the date hereof, and when Harold A. Stoy and Orville T. Stoy, or either of them, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 28th day
of June, 1949.



A. Z. Jordan
Justus J. Casper
Joseph H. Linnell
Harold P. Kida
Samuel H. Patton
Commissioners