

ORIGINAL

Decision No. 45359

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SHORELINE TRANSIT, INC., a California)
 corporation, for authority to sell and)
 transfer highway common carrier's opera-) Application No. 32003
 tive rights to HOWARD VAN WAGNER and)
 HENRY TURCOTTE, a copartnership, and for)
 authority that said copartnership be)
 authorized to acquire said rights.)

O P I N I O N

By this application, Shoreline Transit, Inc., a California corporation, requests permission to sell, and Howard Van Wagner and Henry Turcotte, copartners, seek permission to purchase the operating rights of said Shoreline Transit, Inc. (1).

(1) The operative rights referred to were granted by Decision No. 39324, dated August 13, 1946, and were modified by Decision No. 39802, dated December 30, 1946; Decision No. 40112, dated April 1, 1947; Decision No. 40411, dated June 17, 1947; and Decision No. 40696, dated September 10, 1947. Shoreline Transit, Inc. subsequently filed Application No. 31812 for authority to operate the Santa Monica-Malibu Beach line on a seasonal basis. The requested authority was granted by Decision No. 45015, dated November 21, 1950. A petition for reopening and rehearing was filed on behalf of certain protestants. This petition was granted by the Commission on December 12, 1950, and a further hearing on Application No. 31812 was scheduled for December 20, 1950, at which time, with the consent of applicant and protestants, the hearing was continued to December 28, 1950. As the application herein, filed on December 21, 1950, requests authority to transfer the operative rights which are the subject of Application No. 31812, pursuant to which rights Shoreline Transit, Inc. renders a passenger stage service between Santa Monica and Malibu Beach on a year-round basis, and the requested authority has been granted by the decision herein, Application No. 31812 has this day been dismissed by the Commission.

The application alleges that the consideration for the property proposed to be transferred is \$1,000.

The financial statement of the purchasers, attached to the application as Exhibit A, indicates that Howard Van Wagner has net assets totaling approximately \$80,000, and that Henry Turcotte has net assets of over \$20,000, a total of net assets of approximately \$100,000.

The Commission is of the opinion, and finds, that the proposed transfer does not appear to be contrary to the public interest and that the authority sought should be granted. A public hearing is not necessary. The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

Howard Van Wagner and Henry Turcotte 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.

O R D E R

Application therefor having been filed and considered, the Commission now being fully advised and finding that the proposed transfer is not adverse to the public interest,

IT IS ORDERED:

(1) That Shoreline Transit, Inc., after the effective date hereof, and on or before March 15, 1951, may sell and transfer to Howard Van Wagner and Henry Turcotte the operating rights referred to herein, and Howard Van Wagner and Henry Turcotte may acquire and operate the same.

(2) That, within thirty (30) days after the consummation of the transfer herein authorized, applicants Howard Van Wagner and Henry Turcotte shall notify the Commission in writing of that fact, and shall, within said period, file with the Commission a true copy of any bill of sale or other instrument which may have been executed to effect said transfer.

(3) That applicants Howard Van Wagner and Henry Turcotte shall comply with the provisions of General Order No. 79 and Part 19 of General Order No. 98 by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days after the effective date hereof, and on not less than five (5) days' notice to the Commission and to the public.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco California, this 13th day of February, 1951.

R. F. Dunning
Justin J. Casper
Harold A. Hula
Kenneth L. Patten
Peter E. Mitchell
COMMISSIONERS