

ORIGINAL

Decision No. 46275

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 FORREST M. SNELL and LYLE V. SCOTT)
 for an order authorizing the trans-)
 fer of a certificate of public)
 convenience and necessity for bus) Application No. 32691
 service between San Bernardino and)
 the Victorville Army Air Base and)
 the Air Base Housing Project.)

O P I N I O N

By Decision No. 43356, dated October 4, 1949, this Commission granted to Forrest M. Snell a passenger stage certificate of public convenience and necessity for the transportation of persons and their baggage or express, between San Bernardino, on the one hand, and the Victorville Army Air Base (also known as George Air Force Base) and Air Base Housing Project, on the other hand, with the restriction that "all passengers and their baggage or express must either originate at, or be destined to, the Victorville Army Air Base or the Air Base Housing Project adjacent to said air base."

By this application authority is sought by Snell to sell said certificate to Lyle V. Scott for a consideration of \$50. No other public utility equipment or property is being sold or transferred.

Because of delay in the construction of the housing project and in reactivating the air base, the service was not established on schedule and compliance with service regulations was also delayed. The Commission transportation engineer reports that the service has been established and is now operating. One

schedule in each direction is now operated. At present only 3,000 military personnel are at the base. It is expected that from 3,000 to 4,000 additional men will be located there, and as they will be mostly enlisted personnel an increase of passengers is anticipated.

Lyle V. Scott owns two used buses, one a 1937-model 25 Mack, and a 1944-model 53 Crown. The latter is now being used. His financial statement as of June 28, 1951, shows tangible assets of \$24,360.23, consisting principally of equity in a residence in San Bernardino of \$10,838.66, and an equity in Scott Transportation Company, a radial and city carrier, of \$9,342.57. No liabilities were listed.

Having considered the matter, this Commission finds that the proposed sale and transfer is not adverse to the public interest and, therefore, the application will be granted. A public hearing is not necessary.

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

Lyle V. Scott 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

Application having been made in the above-entitled matter, the Commission being duly advised, and good cause appearing,

IT IS ORDERED:

(1) That Forrest M. Snell be, and he hereby is, authorized to sell and transfer, on or before December 31, 1951, to Lyle V. Scott, and the latter is authorized to acquire and operate, the passenger stage service created by Part I of Decision No. 43356, in Application No. 30499.

(2) That within sixty (60) days after the effective date hereof, and upon not less than five (5) days' notice to the Commission and the public, Lyle V. Scott shall establish the service herein authorized and comply with the provisions of General Orders Nos. 79 and 80 and Part 19 of General Order No. 98, by filing in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.

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

Dated at San Francisco, California, this 2th day of October, 1951.

R. F. [Signature]
President

Justin F. [Signature]
Harold P. [Signature]

[Signature]
[Signature]
Commissioners