

ORIGINAL

Decision No. 48598

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ROBERT LANDIER, doing business as)
 SAN PEDRO TRANSIT COMPANY, Seller,)
 and V. M. McDONALD and JOHN D. HANSEN,)
 Purchasers, for the Sale and Purchase)
 of a Passenger Motor Coach Service)
 operated by ROBERT LANDIER between)
 Points in San Pedro, City of)
 Los Angeles and the La Rambla District)
 of the County of Los Angeles under a)
 Certificate of Public Convenience)
 and Necessity granted by the Public)
 Utilities Commission of the State of)
 California on August 29, 1949 by)
 Decision No. 43263 on Application)
 No. 30438.)
 -----)

Application
No. 34277

George M. Stephenson, for applicants;
 Roger Arnebergh, Assistant City Attorney of the
 City of Los Angeles, T. M. Chubb, Chief Engineer
 and General Manager, and T. E. Hoffman, Franchise
 Engineer, by T. E. Hoffman, for Board of Public
 Utilities, City of Los Angeles, interested party.

O P I N I O N

This is an application for an order of the Commission authorizing Robert Landier, doing business as San Pedro Transit Company, to transfer operative rights and properties to V. M. McDonald and John D. Hansen.

The application was filed with the Commission on April 20, 1953. Thereafter, a public hearing was held before Examiner Coleman in Los Angeles on May 8, 1953, at which time the matter was taken under submission. The Commission has received no protests to the application.

The operative rights to be transferred authorize the operation of a passenger motor coach service between points in San Pedro, City of Los Angeles, and the La Rambla district of the County of Los Angeles, said rights being represented by a certificate of public convenience and necessity granted by the Commission by Decision No. 44752, dated September 1, 1950, in Application No. 31612. The tangible properties include nine buses, one pickup, equipment and small tools, parts and materials, along with certain deposits and prepaid expenses. In addition, applicant Landier has agreed to give to the purchasers a five-year lease of certain garage, yard and office facilities at no rental for the first year and at a monthly rental of \$125 during the last four years.

The agreed purchase price is \$30,000, of which \$6,500 will be paid in cash and \$23,500 will be represented by a note, secured by a mortgage of chattels covering the equipment, payable in monthly installments of \$400, or more, with interest at the rate of 4% per annum.

The record shows that applicant Landier is unable to continue his operation of the line, that applicant McDonald is experienced in the passenger carrier business, that he and applicant Hansen intend to participate in the operation and maintenance of the equipment and that they are familiar with the operations of the San Pedro Transit Company. It appears that no curtailment in service is contemplated by the purchasers.

In reviewing this matter the Commission is of the opinion that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the

purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should be entered authorizing the transfer.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred. Applicants 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 as to the number of rights which may be given.

ORDER

A public hearing having been held on the above entitled matter, and the Commission having considered the evidence and being of the opinion that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Robert Landier, doing business as San Pedro Transit Company, may sell and transfer to V. M. McDonald and John D. Hansen, on or before December 31, 1953, the operative rights, properties and assets referred to in this proceeding.

2. V. M. McDonald and John D. Hansen may issue a note in the principal amount of not exceeding \$23,500, on or before December

31, 1953, in part payment for said rights, properties and assets, and may execute a mortgage of chattels, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

3. Within 60 days after the effective date hereof and on not less than five days' notice to the Commission and to the public, V. M. McDonald and John D. Hansen shall establish the service herein authorized and file, in triplicate, and concurrently make effective, appropriate tariffs and time tables.

4. V. M. McDonald and John D. Hansen shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective when V. M. McDonald and John D. Hansen have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 19th day of May, 1953.

A. J. ...
President

Justus F. ...
Harold ...

... Potter
... D. ...
Commissioners

