

# ORIGINAL

Decision No. 55119

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 TANNER MOTOR TOURS, LTD., )  
 to purchase operative rights of )  
 GRAY LINE MOTOR TOURS CO., )  
 and )  
 In the matter of the Application of )  
 GRAY LINE MOTOR TOURS CO., )  
 to sell operative rights. )

Application No. 38664

Edward M. Berol and William A. Knight  
for applicants.

M. Kroman of the Department of Public Utilities  
and Transportation of the City of Los Angeles.

Martin J. Porter, for the staff of the Public  
Utilities Commission of the State of California.

## O P I N I O N

Tanner Motor Tours, Ltd., and Gray Line Motor Tours Co., are California corporations engaged in the business of operating common carrier sight-seeing services by motorbus within Southern California territory under authority of certificates of public convenience and necessity granted by this Commission and under certain prescriptive authorities resulting from operations prior to January 1, 1927. They are also engaged in the transportation of passengers in so-called charter services. Gray Line is a wholly-owned subsidiary of Tanner.

By this application, as amended, Gray Line seeks authority to sell its operating rights to Tanner, and Tanner seeks authority to buy said rights. The consideration involved is \$1.00.<sup>1/</sup>

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<sup>1/</sup>The operating rights which are involved are purportedly those as described in the amendment to the application.

Public hearing on the application was held before Examiner C. S. Abernathy at Los Angeles on January 15, 1957. The record in the matter was closed with the filing of an amendment to the application on March 27, 1957.

According to testimony of the assistant treasurer of both applicants, Tanner and Gray Line are undertaking to realign their respective services to the end that in the future Tanner will operate principally in the field of public utility transportation and Gray Line will operate in the field of charter transportation. The authority which is sought in this matter is for the purpose of enabling applicants to effectuate this program. Applicant's witness stated that service to the public would not be affected; that both companies have sufficient equipment to continue to maintain the service standards of the present operations; and that with the transfer of Gray Line's public utility services to Tanner, Tanner will adopt Gray Line's tariffs which govern said services so that there will be no change in fares.

No one indicated any opposition to the sought transfer.

It appears, and the Commission finds, that authorization of the transfer of operating rights which is proposed in this matter is not adverse to the public interest. The application will be granted.

No finding is made concerning the reasonableness of the consideration to be paid for the operative rights involved herein, nor is any determination made of the scope or validity of said operative rights. In passing on this application we authorize the sale of only whatever rights to operate as a passenger stage corporation as Gray Line Motor Tours Co. may possess at this time.

Tanner Motor Tours, Ltd., 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. 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

Based on the evidence of record and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that:

1. Gray Line Motor Tours Co. be and it hereby is authorized to sell and transfer to Tanner Motor Tours, Ltd., its rights to operate as a passenger stage corporation within this State, and Tanner Motor Tours, Ltd., be and it hereby is authorized to acquire said rights.
2. Within thirty days after consummation of the transfer herein authorized, Tanner Motor Tours, Ltd., shall notify the Commission in writing of that fact.
3. Applicants shall, on not less than five days' notice to the Commission and to the public, supplement or reissue the tariffs on file with the Commission naming the rates, rules and regulations governing the common carrier services involved herein to show that Gray Line Motor Tours Co. has withdrawn from or cancelled, and Tanner Motor Tours, Ltd., has adopted or established, as its own, said rates, rules and regulations. The consummation of the transfer herein authorized shall not be made complete until the aforesaid tariff supplements or reissues have been filed and have become effective.

4. The authority herein granted shall expire unless exercised within sixty days after the date hereof.

Dated at San Francisco, California, this 11th day of JUNE, 1957.

[Signature]  
President

[Signature]

[Signature]

[Signature]

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Commissioners