

Decision No. 59163

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of FIALER'S LIMOUSINES, INC., a  
Corporation, to Sell and Transfer,  
and OAKLAND INTERNATIONAL AIRPORT  
LIMOUSINE SERVICE, a Corporation,  
to Purchase Operative Rights.

Application No. 41562  
(and Amendment)

O P I N I O N

Fialer's Limousines, Inc., is a California corporation which is engaged in the transportation of airline passengers and their baggage between Oakland, Alameda and Berkeley, on the one hand, and the Oakland International Airport, on the other hand, under certificates of public convenience and necessity granted by the Commission. In this application it reports that its operations have been conducted at a loss, that it desires to withdraw from the operations and that it has made arrangements, and herein seeks authorization, to sell its operative rights to Oakland International Airport Limousine Service for the sum of \$1. <sup>1/</sup>

Oakland International Airport Limousine Service, the purchaser, is a California corporation which was organized on

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In a financial statement attached to the application Fialer's Limousines, Inc., for the 11 months ended July 31, 1959, reports revenues of \$54,406 from its airport operations and a net loss of \$45,003. Its report shows approximately 4,000 passengers transported in July, 1959.

September 2, 1959. It is set forth in the application that the principal organizer has been engaged successfully in the transportation of passengers in intra- and inter-city service for 28 years and for the last four years in the operation of the Tulsa Municipal Airport Limousine Service and that he is of the opinion, on the basis of his experience, that the Oakland airport operations can be conducted so as to provide service at a profit. The application indicates that the new corporation has on order three 1960 Cadillac limousines and one 1960 Volkswagen deluxe station wagon which it intends to place in the service. The corporation seeks authorization to issue and sell \$1,000 of common stock for working capital.

Upon considering this matter, we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest. Oakland International Airport Limousine Service is placed on 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.

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

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. Fialer's Limousines, Inc., on or after the effective date hereof and on or before December 31, 1959, may transfer to Oakland International Airport Limousine Service, a corporation, its operative rights to transport airline passengers and their baggage between Oakland, on the one hand, and the Oakland International Airport, on the other hand, and between Alameda, on the one hand, and the Oakland International Airport, on the other hand, and between Berkeley, on the one hand, and the Oakland International Airport, on the other hand.

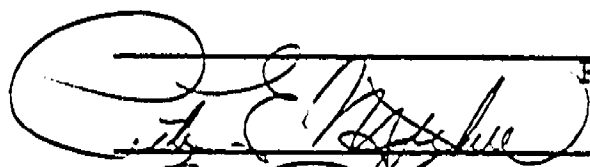
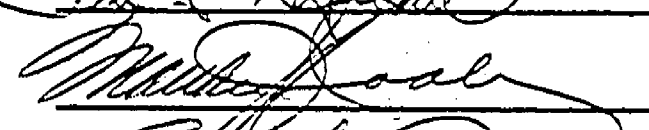
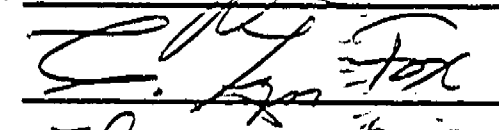
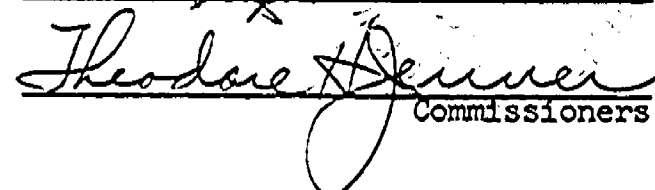
2. Oakland International Airport Limousine Service may issue not to exceed \$1,000 of stock at par, for cash, on or before February 29, 1960, for the purpose of providing working capital, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs and timetables on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operations here involved to show that Fialer's Limousines, Inc., has withdrawn or canceled and Oakland International Airport Limousine Service has adopted or established, as its own, said rates, rules, regulations and schedules. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 79.

4. Oakland International Airport Limousine Service shall file with the Commission a report, or 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 on the date hereof.

Dated at San Francisco, California, this  
20th day of October, 1959.

  
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President  
  
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Commissioners