

ORIGINAL

Decision No. ~~10702~~
19702

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 A. L. WENTZ to sell, and WALTER C. CLIFTON)
 to purchase an automobile passenger and) Application
 freight line operated between Placerville) No. 14641
 and Pino Grande, California.)

BY THE COMMISSION -

OPINION and ORDER

A. L. Wentz has petitioned the Railroad Commission for an order approving the sale and transfer by him to Walter C. Clifton of an operating right for an automotive service for the transportation of passengers, packages and baggage between Placerville and Pino Grande, and Walter C. Clifton has asked for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$4000 of which sum \$1200 is said to represent the value of equipment and \$2800 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established by T. E. Simas through operation prior to May 1, 1917. C.R.C. No. 1 of Simas does not show service to intermediate points. By Railroad Commission Decision No. 14912, dated May 12, 1925, and issued on Application No. 11062, the right was transferred by Simas to E. S. Albush. The latter, under authority of Decision No. 19459, dated March 10, 1928, and issued on Application No. 14436, transferred the right to applicant A. L. Wentz.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Walter C. Clifton is hereby placed upon notice that "Operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. 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.

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby granted, subject to the following conditions:

1- The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.

2- Applicant A. L. Wentz shall immediately unite with applicant Walter C. Clifton in common supplement to the tariffs on file with the Commission, applicant Wentz on the one hand withdrawing, and applicant Clifton on the other hand accepting and establishing such tariffs and all effective supplements thereto.

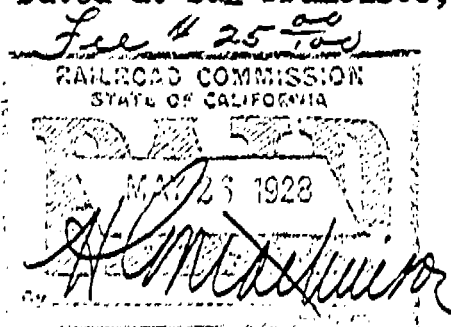
3- Applicant Wentz shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Clifton shall immediately file, in duplicate, in his own name, time schedules covering service heretofore given by applicant Wentz, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Wentz, or time schedules satisfactory to the Railroad Commission.

4- The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5- No vehicle may be operated by applicant Clifton unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

6- This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

Dated at San Francisco, California, this 27th day of May, 1928.



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COMMISSIONERS.