

Decision No. 22748

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the Application of  
L. E. NEWTON to sell and B. F. WOODWORTH  
to purchase an Automobile Passenger and  
Freight Line operated between Hornbrook  
and Happy Camp, California.

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)  
) Application No. 15736  
)  
)

**ORIGINAL**

BY THE COMMISSION -

OPINION and ORDER

L. E. NEWTON has petitioned the Railroad Commission for an order approving the sale and transfer by him to B. F. WOODWORTH of operating rights for an automotive service for the transportation of passengers and property between Hornbrook and Happy Camp, California, and B. F. WOODWORTH has petitioned for authority to purchase and acquire said operating rights 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 TWO THOUSAND (\$2000.00) DOLLARS, all of which is declared to be the value of intangibles.

The operating rights herein proposed to be transferred were originally established by one J. W. Bower who operated prior to May 1, 1917, as shown by tariffs indicating service for the transportation of passengers and freight between Hornbrook and Happy Camp and intermediate points. L. E. Newton acquired the line under authority of Decision No. 10375, dated April 27, 1922 issued on Application No. 7793.

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, provided that in recording the transaction on his books of account applicant may charge to his fixed capital account not more than \$500.00.

B. F. Woodworth 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 L. E. Newton shall immediately unite with applicant B. F. Woodworth in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant L. E. Newton on the one hand withdrawing, and applicant B. F. Woodworth on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicant L. E. Newton shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant B. F. Woodworth shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant L. E. Newton, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant L. E. Newton, 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 E. F. Woodworth 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 and the Auto Stage and Truck Transportation Act to be paid 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 5<sup>th</sup> day of

August, 1930.

W. C. Seamy  
Edward  
Leon  
W. C. Seamy

Commissioners.