

Decision No. 28165

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of  
RICHARD C. WINCHELL to sell and  
GEORGE MEHM to purchase an Auto-  
mobile Passenger Line operated  
between Tustin and Santa Ana,  
California. )

) Application No. 20063.  
)  
)  
)

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Richard C. Winchell operating under the name of Tustin - Santa Ana Stage Line has petitioned the Railroad Commission for an order approving the sale and transfer by him to George Mehm of an operating right for an automotive service for the transportation of passengers between Tustin and Santa Ana, and George Mehm has petitioned 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 \$250.00. This sum is declared to be the value of equipment and the value of intangibles.

Applicant George Mehm has likewise sought authority in writing under date of July 23, 1935 to establish an alternate route to packing houses only during packing season.

The operating rights herein proposed to be transferred were created by Decision No. 24419 dated January 25, 1932 and Decision No. 25923 dated October 24, 1932 on Application No. 17912

and first supplemental thereto.

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.

George Mehm 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 Richard C. Winchell shall within twenty (20) days after the effective date of the order ~~write~~ with applicant George Mehm in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Richard C. Winchell on the one hand withdrawing, and applicant George Mehm on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Richard C. Winchell shall within twenty (20) days after the effective date of the order withdraw time schedules filed in his name with the Railroad Commission and applicant George Mehm shall within twenty (20) days after the effective date of the order file, in duplicate, in his own name time schedules covering service heretofore given by applicant Richard C. Winchell, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Richard C. Winchell, 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 George Mehm 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.

IT IS HEREBY FURTHER ORDERED that George Mehm be and he hereby is authorized to establish an alternate route for the transportation of packing house passengers only during the packing season in accordance with the following:

"From Main and 'D' Streets in Tustin, left on Main Street to Newport Road, right on Newport Road to San Juan Street and left on Newport Road to Irvine Road."

Dated at San Francisco, California, this 12<sup>th</sup> day of August, 1935.

Leon Wheeler

W. A. Curran

W. B. Johnson

COMMISSIONERS.