

Decision No. 36442

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
VINITA A. JONES, operating as THE )  
MARYSVILLE-NEVADA CITY AUTO STAGE )  
CO., to sell and FRANK E. BAYS to )  
purchase an automobile passenger, )  
freight and express line operated )  
between Nevada City and Marysville, )  
California and intermediate points. )

**ORIGINAL**

Application No. 25584

BY THE COMMISSION:

O P I N I O N

The above-entitled application requests authorization for the transfer of a passenger stage operative right between Marysville and Nevada City, together with one piece of equipment, from Vinita A. Jones to Frank E. Bays.

The passenger right involved is a prescriptive operative right between Marysville and Nevada City and intermediate points acquired under the authorization of Decision No. 15256 by the late Edward A. Jones. Thereafter, by Decision No. 20490, Jones was granted a certificate to transport baggage and express between the same points. His widow, Vinita A. Jones, applicant herein, after inheriting this right, obtained a limitation of 100 pounds on shipments of express under the authority of Decision No. 31144.

The total consideration involved is \$1750. The applicants assert that \$1000 of this sum represents the value of the operative right and the remainder the value of the equipment. Such may be the understanding between the parties, but it should be clearly understood that the authorization hereinafter granted is not an approval of the purchase price in any respect, nor a

finding of value for the purpose of rate fixing, issuance of securities, accounting, or for any other purpose. No examination has been made by this Commission, nor by its authorized representatives, of the physical assets involved in this transfer as to their existence, value or ownership.

Frank E. Bays is 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 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.

Under the terms of the agreement of sale, marked Exhibit "A," payment will be made in monthly installments extending over a period of thirteen months.

It appears that this is a matter in which a public hearing is not necessary and the application will be granted.

O R D E R

Good cause appearing,

IT IS ORDERED as follows:

(1) That Vinita A. Jones is hereby authorized to sell and transfer to Frank E. Bays the equipment described in Exhibit "A" attached to the application herein, and the passenger stage operative right described in the foregoing opinion. Frank E. Bays is hereby authorized to purchase and acquire said equipment and operative right and hereafter to operate thereunder.

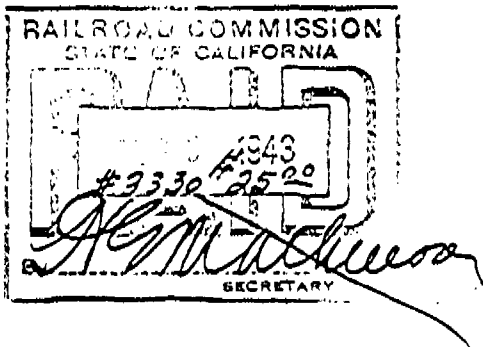
(2) That the authority herein granted is subject to the provisions of section 52(b) of the Public Utilities Act and further to the condition that Frank E. Bays, his successors or assigns, shall never claim before this Commission, or any court or other public body, a value for said operative right or claim as the cost thereof, an amount in excess of that paid for said right by the original grantee thereof.

(3) That applicants shall comply with the rules of the Commission's General Orders Nos. 79 and 80 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, tariffs and time tables satisfactory to the Commission within sixty (60) days from the effective date hereof, and on not less than five (5) days' notice to the Commission and the public.

The authority herein granted shall become effective when there has been paid to the Railroad Commission the minimum fee of \$25 required by section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 27<sup>th</sup> day of June, 1943.

James C. Havenue



Richard L. Jackson  
Francis B. Bays  
COMMISSIONERS