

Decision No. ~~37083~~

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
W. PAUL BUTLER to sell, and HUGH S.)	
RAWLINGS to purchase an interest in)	
the Arlington Motor Service, operating)	Application No. 26132
between Arlington, California and the)	
United States Army Staging area known)	
as Camp Anza, California.)	

BY THE COMMISSION:

ORIGINAL

O P I N I O N

In the above-entitled application Leonard J. Difani and W. Paul Butler, partners, request the authority of the Commission to sell and transfer, and Leonard J. Difani and Hugh S. Rawlings, partners, request authority to purchase the certificate of public convenience and necessity granted by the Commission in Decision No. 35787, on Application No. 25147, and three pieces of automotive equipment. This certificate authorized a passenger stage service between Arlington, a suburb of Riverside, and the United States Army Staging Depot at Camp Anza, a short distance from Arlington.

According to the application and a copy of the bill of sale attached thereto as Exhibit "A" the buyer has agreed to pay the seller the sum of \$2,000 for the seller's interest in the operative right and equipment. According to the bill of sale the purchase price has been paid by the buyer to the seller, the sale being subject to the approval of the Railroad Commission. The amendment to the application states that the equipment involved in the proposed transfer consists of two Ford stages, school bus type, 30-passenger seating capacity, and one Reo stage, 30-passenger seating capacity, the original purchase price of which was \$3,075.

It is stated that since the acquisition of this equipment the two Ford stages have been completely overhauled and new engines and clutches installed which resulted in a total expenditure, including the purchase price and overhauling, of \$4,200. Applicants estimate that the present value of this equipment is \$4,000.

A Commission engineer examined the equipment involved in the transfer and reported that the present market value of this property is approximately \$3,050. As required by law, a \$50 filing fee was paid in Application No. 25147. Adding the \$50 to \$3,050, found to be the value of the equipment, makes a total of \$3,100. If Rawlings acquires the one-half interest of Butler in the operative right and equipment and pays therefor \$2,000, he may credit such amount to his Proprietor's account. He should then charge to such account \$450 which represents the difference between the amount paid and one-half the amount of \$3,100.

According to a financial statement submitted by applicant, Rawlings' net worth is approximately \$129,000.

The Commission is of the opinion that the authority sought should be granted as provided in the following order. No public hearing is necessary.

Leonard J. Difani and Hugh S. Rawlings are 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.

O R D E R

An application having been made as above entitled, and the Commission being fully informed, and good cause appearing,

IT IS ORDERED as follows:

(1) That Leonard J. Difani and W. Paul Butler are hereby authorized to sell and transfer, on or before September 1, 1944, and Leonard J. Difani and Hugh S. Rawlings are hereby authorized to purchase and acquire the equipment described in the amendment to the application herein and the operative right created by Decision No. 35787, and hereafter to operate thereunder.

(2) That if said Leonard J. Difani and Hugh S. Rawlings acquire the operative right and property referred to in paragraph (1) of this order Hugh S. Rawlings shall charge \$450 to Proprietor's account.

(3) That applicants shall comply with the rules of the Commission's General Order No. 79 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 60 days from the effective date hereof, and on not less than 5 days' notice to the Commission and the public.

(4) That within 30 days after the transfer of the property as herein authorized, applicants Leonard J. Difani and Hugh S. Rawlings shall file with the Railroad Commission a copy of the bill of sale of the properties involved.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, May 31 1944.

Richard K. Kasse
Justus D. Caserio
Frank W. Allen

COMMISSIONERS