

Decision No. 37251

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOHN BUFFO to sell and HORACE)
CONIGLIO to purchase an automobile)
passenger line operated between)
Pittsburg, California and the indus-)
tries situated along the public)
highway extending east of the city)
limits of Pittsburg a distance of)
about one and one-half miles and)
intermediate points and vicinity.)

Application No. 26244

ORIGINAL

BY THE COMMISSION:

O P I N I O N

For many years, applicants John Buffo and Horace Coniglio, copartners, have conducted a passenger stage service between Pittsburg and the industrial district extending about 1½ miles east of that community. (1) The operation is devoted principally to the transportation of those employed at various industrial plants situated within this district. Because of ill health, Buffo desires to retire and turn over his interest in the business to Coniglio.

In this proceeding Buffo seeks authority to transfer to Coniglio his interest in the operative right described, and in the equipment used to conduct the service. In consideration of the transfer of the property described, Coniglio has agreed to pay Buffo the sum of \$1,000, of which, the application recites, \$500 represents the value of Buffo's interest in the equipment and the

(1) By Decision No. 13966, rendered August 27, 1924, in Application No. 9748, applicants John Buffo and Horace Coniglio were authorized to conduct the service described above.

remaining \$500 represents the value of his interest in the operative right.

To provide the service two busses have been employed, the depreciated value of which is reported at \$1,800. The service, it appears, has been conducted continuously.

As required by law \$100 in filing fees have been paid for filing the applications in connection with the operative right involved herein. If the buyer acquires such operative right and pays therefor the sum of \$500 he may charge to Intangible Capital a sum not in excess of \$100. The remaining \$400 should be charged to Proprietor's Investment account.

Authorization for the proposed transfer would be in the public interest, and, accordingly, the application will be granted. This is not a matter requiring a public hearing.

Horace Coniglio is hereby 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

Application having been made as above entitled, and good cause appearing,

IT IS ORDERED:

(1) That John Buffo be and he hereby is authorized, on or before December 31, 1944, to transfer to Horace Coniglio, and the latter is authorized to acquire the operative right and passenger stage equipment described in the foregoing opinion, and thereafter to operate under said operative right.

(2) That if Horace Coniglio acquires the operative right and property referred to in paragraph (1) of this order he may charge to Intangible Capital not more than \$100 of the purchase price of the operative right, the remainder of the payment for such operative right to be charged to Proprietor's Investment account.

(3) That applicants shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables satisfactory to the Commission within sixty (60) days from the effective date hereof, and on not less than one (1) day's notice to the Commission and the public.

(4) That within thirty (30) days after the transfer of the properties as herein authorized, Horace Coniglio shall file with the Commission a copy of any bill of sale or other instrument of transfer executed under the authority herein granted.

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

Dated at San Francisco, California, August 8 1944.

Richard H. Hatcher
Julius J. Gallivan
Francis L. Havens
Harold Olson
Frank J. Russell
COMMISSIONERS