

Decision No. 32722

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
B. A. WHITE to sell, and J. L. COUTTS,	)	
to purchase his interest in an auto-	)	Application No. 26569
motive freight line operating between	)	
Sacramento and Lakeport, California.	)	

BY THE COMMISSION:

O P I N I O N

B. A. White and J. L. Coutts are associated as co-partners in the conduct of a highway common carrier business between Sacramento and Lakeport and intermediate points. The operative right involved was subjected to a series of transfers and was finally acquired by applicants on September 22, 1942, pursuant to our Decision No. 35797.

Applicant White owns only a part interest in the operative right, and has no interest whatsoever in the equipment, which is owned entirely by applicant Coutts. White proposes to sell his interest in the operative right to Coutts for the sum of \$20, which is said to represent White's entire interest in the business. Coutts proposes to acquire complete ownership of the operative right and equipment, and thereafter conduct the business on his own account.

It appears that White has not at any time been actively engaged in the conduct of the business, and that the operation has been under the sole management and control of Coutts. The proposed transfer apparently is in the interest of a unified ownership and management, and the application will be granted. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

J. L. Coutts 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

IT IS ORDERED,

(1) That B. A. White is authorized to sell and transfer, and J. L. Coutts to acquire, all the right, title and interest held by said B. A. White in the operative right described in the foregoing opinion.

(2) 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 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.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of March, 1945.

David Anderson  
Justus F. Coe  
Richard K. Ketchum  
Ernest C. Brown  
James H. Linn  
COMMISSIONERS