

Decision No. 37795

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of RODNEY M. ADDCOX doing business as SANTA BARBARA SPECIAL DELIVERY to sell, and WILLIAM P. BROWN, WILLIAM P. BROWN, JR., and WOODROW WILSON KIRK, copartners, doing business under the firm name of BEEKAY FILM DELIVERY to purchase an automobile freight line between Long Beach, Wilmington, San Pedro, Lomita, Gardena, Compton, Los Angeles, Redondo Beach, Hermosa Beach, Manhattan Beach, El Segundo, Hawthorne, and Inglewood on Route 1; and Hynes, Clearwater, Bellflower, Artesia, Norwalk and Downey on Route 2, and intermediate points.

**ORIGINAL**

Application No. 26546

BY THE COMMISSION:

O P I N I O N

In this application Rodney M. Addcox, doing business as Santa Barbara Special Delivery, proposes to sell, and William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk propose to purchase, certain highway common carrier operative rights and equipment used by the vendor in his present operations.

By virtue of Decision No. 37435, dated October 31, 1944, in Application No. 26182, applicant Addcox acquired by transfer from J. N. Anderson an operative right as a highway common carrier in the transportation of motion picture films, theater supplies and accessories, in general, between Long Beach and Wilmington, Torrance, Compton, Huntington Park, Redondo Beach, Clearwater, Artesia, Downey, Los Angeles and intermediate points, together with certain automotive equipment and other property. These are the operative rights and equipment which Addcox now proposes to sell to the Browns and Kirk.

The consideration is \$9,000, of which sum \$7,000 is said to represent the value of the equipment and \$2,000 the value of the good will and operative rights. The entire purchase price is to be paid in cash upon the approval of the sale by the Commission. This is the same consideration which Adcox paid for the properties. Decision No. 37435 provides that Adcox may charge only \$100 to Intangible Capital. As required by law, filing fees of \$150 have been paid for filing applications in connection with the operative rights involved herein. If the buyers acquire such operative rights and pay therefor the sum of \$2,000, they may charge to Intangible Capital a sum not to exceed \$150. The remainder, \$1,850, should be charged to Proprietor's Investment Account.

Applicant Adcox also operates as a highway common carrier of motion picture films between Los Angeles and Santa Barbara and intermediate points, and between Santa Barbara and Atascadero and intermediate points, and alleges that it is not practical for him to properly supervise these operations and also the operations herein proposed to be transferred, and that William P. Brown, with the assistance of William P. Brown, Jr., and Woodrow Wilson Kirk, has been managing the operations acquired by him from Anderson.

The Commission has fully considered this matter and is of the opinion, and finds, that the proposed transfer should be authorized. It does not appear that a public hearing is necessary.

William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk are 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 Rodney Addcox be, and he hereby is, authorized to transfer to William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk the operative rights acquired by Decision No. 37435 and other property referred to in the foregoing opinion, and that William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk be, and they hereby are, authorized to purchase and acquire said rights and property and thereafter to operate thereunder.

(2) That if William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk acquire the operative rights and property referred to in Paragraph (1) of this order, they may charge to Intangible Capital Account not more than \$150 of the purchase price of the operative rights; the remainder of the payment for such rights is to be charged to Proprietor's Investment Account.

(3) That within thirty (30) days after the transfer of the properties, as herein authorized, William P. Brown, William P. Brown, Jr., and Woodrow Wilson Kirk shall file with the

Railroad Commission a copy of the bill of sale executed under the authority herein granted.

(4) 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 17<sup>th</sup> day of April, 1945.

Richard Anderson  
Justice Z. C. Cooper  
Richard Parker  
Franklin  
James Russell  
COMMISSIONERS