

Decision No. 38367

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
ALDEN L. BRIDGHAM to sell and ELMER)
WORTHINGTON and CLAYTON ESLINGER to)
purchase an automobile passenger and)
bus service, with parcel-carrying)
privilege, operated between San Diego,)
California, and Campo, California)

Application No. 26966

BY THE COMMISSION:

O P I N I O N

In this application Alden L. Bridgham proposes to sell, and Elmer Worthington and Clayton Eslinger to buy; the passenger operative right granted to the former in Decision No. 37687, dated February 27, 1945, in Application No. 26360; together with certain described equipment.

The operative right owned by Bridgham authorizes the transportation of passengers, baggage and express between San Diego and Campo, and intermediate points, via State Highway 94, with a limitation on the weight of baggage and express of 50 pounds per shipment, and a restriction against transporting passengers from San Diego to a point nearer than the junction of State Highway 94 and Spring Valley Road. Operation on the line was commenced August 22, 1945. Total revenue to September 30 is given as \$1,093.28 with an operating expense of \$1,175.78.

The consideration to be paid for the property proposed to be transferred is \$1,600; of which amount \$1,100 is alleged to represent the value of the equipment, \$10 the value of the operative right, and \$490 the value of good will. An Agreement of Sale

attached to the application alleges that the equipment involved in the transaction consists of one coach automobile and one 8-passenger La Salle automobile.

The purchasers, if they acquire said properties, may charge to intangible capital not more than \$50 and to tangible property accounts not more than \$1,100. The remainder of the purchase price should be charged to "Other Debits" and written off by a charge to "Proprietor's Investment".

We are of the opinion, and so find, that the sale and transfer of the operative right and equipment described in the foregoing opinion is not adverse to the public interest and the application will, therefore, be granted. 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.

Elmer Worthington and Clayton Eslinger 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

Application having been made in the above entitled matter

and the Commission being duly advised and finding that public convenience and necessity so require,

IT IS ORDERED

(1) That Alden L. Bridgham is authorized to sell and transfer and Elmer Worthington and Clayton Eslinger to acquire, on or before January 1, 1946, the operative right and equipment referred to in the foregoing opinion and thereafter to operate thereunder.

(2) That Alden L. Bridgham, Elmer Worthington and Clayton Eslinger shall comply with the rules of the Commission's 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 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public.

(3) That if Elmer Worthington and Clayton Eslinger acquire said properties they may charge to intangible capital not more than \$50 and to tangible property accounts not more than \$1,100. They shall charge the remainder of the purchase price to "Other Debits" and write it off by a charge to "Proprietor's Investment".

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

Dated at San Francisco, California, this 6th day of November, 1945.

Harold Anderson
Justus J. Casper
Francis W. Cary

Leo H. Powell
COMMISSIONERS