

Decision No. 38413

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
J. H. BALLEW to sell and DOYLE R.)
SORENSEN to purchase an automobile) Application No. 26955
freight line operated at Chico and)
one mile beyond city limits.)

O P I N I O N

In this application, J. H. Ballew proposes to sell and Doyle R. Sorenson to buy the highway common carrier operative right granted to the former by Decision No. 35163, dated March 24, 1942, on Application No. 24807, as amended by Decision No. 35633, together with two trucks and certain other physical property used in connection with the highway common carrier operative right conducted between Chico and the Chico Basic Flying School. The operative right is limited to the transportation of traffic moving over the rail lines of the Sacramento Northern Railway or its connecting carriers.

The consideration to be paid for the property proposed to be transferred is \$2,500, of which amount \$2,000 is stated to represent the value of the equipment, and \$500 represents the value of the operative right.

The purchaser, if he acquires the property involved, may charge to intangible capital not more than \$50 and to tangible property accounts not more than \$2,000. 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 that the sale and transfer of the operative right and equipment described herein is not adverse to

the public interest and the application will, therefore, 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.

Doyle R. Sorenson 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 in the above entitled matter and the Commission being fully advised, and hereby finding that public convenience and necessity so require,

IT IS ORDERED:

(1) That J. H. Ballew is hereby authorized to sell and transfer and Doyle R. Sorenson to acquire, on or before February 1, 1946; the operative right and equipment referred to in the foregoing opinion and thereafter to operate thereunder.

(2) That applicants 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 Doyle R. Sorenson acquires such properties, he may charge to intangible capital not more than \$50 and to tangible property accounts not more than \$2,000. He 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 immediately.

Dated at San Francisco, California, this 20th day of November, 1945.

David Ruden
Justin J. Quisenberry
Frank D. ...
Joseph ...
Harold P. ...
 COMMISSIONERS