

Decision No. 3S416

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
of VINCENT B. COBB and ONAN H. MARBOT :
for an order of the Commission trans-)
ferring from Vincent B. Cobb to Onan H. :
Marbut all interest in that certain)
Certificate of Public Convenience and :
Necessity originally granted by Rail-)
road Commission Decision No. 7075, and :
now owned by applicants jointly.)
-----)

ORIGINAL

Application
No. 27042

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Vincent B. Cobb and Onan H. Marbut for an order of the Railroad Commission authorizing the transfer of motor vehicle operative rights and properties.

The application shows that Vincent B. Cobb and Onan H. Marbut, co-partners doing business under the firm name and style of Triangle Transfer Company, are engaged in the business of operating motor vehicles for the transportation of property in general between Fresno, Sunnyside, Clotho, Sanger, Centerville, Clovis and intermediate points as more particularly defined in Decision No. 30791, dated April 18, 1938. Their revenues and expenses for the last five calendar years have been reported as follows:

<u>Year</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
1940	\$ 6,939	\$ 4,330	\$2,609
1941	8,522	6,525	1,997
1942	9,391	8,760	631
1943	12,634	11,673	961
1944	11,584	11,093	491

It appears that arrangements have been made for the transfer by Vincent B. Cobb of his interest in the business, together with certain personal property, including two 1935 Chevrolet trucks, to Onan H. Marbut for the sum of \$5,000, payable in cash, of which amount the sum of \$1,000 is said to represent the value of the physical properties and \$4,000 the value of the operative rights. A copy of the agreement between the two parties, dated October 20, 1945, is filed in this proceeding as Exhibit "A". Of the purchase price, \$50 may be charged to intangible and \$1,000 to tangible property accounts. The remainder of the purchase price should be charged to a suspense account and written off within three years by charges to proprietors investment account.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the request of applicants should be granted, as herein provided. In authorizing the transfer we are making no finding of the value of the operative rights and wish to place the purchaser 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 in the number of rights which may be given.

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

involved.

IT IS HEREBY ORDERED that Vincent B. Cobb, on or before January 30, 1946, may transfer to Onan H. Marbut his interest in the rights and properties referred to in this application, such transfer to be in accordance with the terms of the agreement dated October 20, 1945, filed in this proceeding as Exhibit "A", provided:

1. That Vincent B. Cobb and Onan H. Marbut 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 sixty (60) days from the effective date of this order and on not less than five (5) days' notice to the public and to the Commission.

IT IS HEREBY FURTHER ORDERED that if Onan H. Marbut acquires said properties he shall charge to a suspense account \$3,950 of said purchase price and write off said \$3,950 within three (3) years after the date hereof by a charge or charges to proprietors investment account.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

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

Harold Rubin
Justin J. Cassin
Ernest Brown
Robert J. Russell
Harold P. Kula
Commissioners