

ORIGINAL

Decision No. 38578

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of	)	
F. A. WERMUTH, doing business as	)	
WERMUTH TRANSFER, to sell and	)	Application No. 27159
VINCENT	)	
A. TORRAS to purchase an automobile	)	
Freight Line operated between Monterey	)	
and Carmel, California.	)	

O P I N I O N

In this application F. A. Vermuth proposes to sell and Vincent A. Torras to buy the highway common carrier operative right granted to the former by Decision No. 7382, dated April 8, 1920, on Application No. 4689, together with the equipment used in conducting the highway common carrier operations between Monterey and Carmel.

According to the application, the consideration to be paid for the property proposed to be transferred is the sum of \$4000 of which amount \$3000 represents the value of the equipment and \$1000 represents the value of the operative right.

The purchaser, if he acquires the property involved, may charge to tangible property accounts not more than \$3000. The remainder of the purchase price shall be charged to deferred 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.

Vincent A. Torras 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.

ORDER

Application having been made in the above entitled matter and the Commission being fully advised, and hereby finding the public convenience and necessity so require,

IT IS ORDERED:

(1) That F. A. Wermuth is hereby authorized to sell and transfer and Vincent A. Torras to acquire on or before March 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 Vincent A. Torras acquires such property, he may charge to tangible property accounts not more than \$3000. He shall charge the remainder of the purchase price to deferred debits and write it off by charges to income over a period of not

more than four years.

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

Dated at San Francisco, California, this 2<sup>nd</sup>  
day of January, 1946.

Harold Anderson

Justus F. Calmer  
Frank C. Clegg

W. H. Clegg