

Decision No. 38619

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
 DEE DODGE to sell and ROBERT F. HINES)
 and ALLEN P. WILLIAMS, a co-partner-)
 ship, doing business as HINES-WILLIAMS,) Application No. 27164
 to purchase an automobile passenger and)
 freight line operated between Oroville)
 and Lumpkin, California.)

INTERIM OPINION

In this application Dee Dodge requests authority to sell and Robert F. Hines and Allen P. Williams, partners, request authority to acquire an operative right for the transportation of passengers and property between Oroville and Lumpkin. This operative right was created by Decision No. 8183 in Application No. 5944 and acquired by Dee Dodge pursuant to the authority of the Commission's Decision No. 27405 in Application No. 19626. Applicants Hines and Williams also request the Commission to grant to them a certificate authorizing the transportation of passengers and property between Lumpkin and Cascade and intermediate points as an extension and enlargement of the right they desire to acquire from Applicant Dodge between Oroville and Lumpkin. This extended service would be operated seasonally between the approximate dates of April 16 to November 15 of each year between Lumpkin and Camp 18, an intermediate point, and between the approximate dates of June 16 and September 15 beyond Camp 18 to Cascade.

The application states that the transfer is to be made in accordance with an agreement marked Exhibit "A" attached to the application for a cash consideration of \$900. No physical

property is to be transferred.

The Commission has been requested to issue its interim order authorizing the transfer of operative rights as above set forth pending the filing of a schedule of the proposed rates and fares applicable to the proposed service between Lumpkin and Cascade.

The Commission has considered this matter and is of the opinion that the proposed sale and transfer is not adverse to the public interest and the application for such transfer will be granted as herein provided. Action on the remainder of the application for a certificate to extend the operation from Lumpkin to Cascade and intermediate points will be considered in a subsequent decision. No public hearing is necessary. The action taken herein shall not be construed to be a finding of value for any purpose other than this proceeding.

Robert F. Hines and Allen P. Williams 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.

INTERIM ORDER

Good cause appearing,

IT IS ORDERED:

(1) That Dew Dodge, within 90 days from the date hereof may transfer to Robert F. Hines and Allen P. Williams, partners, the operative right created by Decision No. 8183 and said Hines and Williams may acquire such right and thereafter operate thereunder.

(2) That applicants shall comply with the rules of the Commission's General Orders Nos. 79 and 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.

(3) That if Hines and Williams acquire such operative right for \$900, they shall charge to Account 24, Intangible Property, the sum of \$50, representing the filing fee paid for the certificate of public convenience and necessity, and shall charge \$850 to Account 28, Deferred Debits, and amortize the same in equal annual amounts over a period of four years by charges to Account 92, Miscellaneous Charges to Income.

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

Dated at San Francisco, California, this 22nd day of January, 1946.

Charles C. Quinn
Justice F. C. Quinn
Frank W. Clark
Irving L. Lane
Harold P. Huls
COMMISSIONERS