

Decision No. 39454

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ERNEST L. BELLINGER, doing business)
 as Chico-Paradise-Stirling City)
 Stage Line, to sell and ANTHONY)
 ESPINOSA to purchase an automotive)
 passenger and freight line operated)
 between Chico, Paradise and Stirling)
 City, California.)

Application No. 27758

O P I N I O N

ORIGINAL

By the above entitled application, Ernest L. Bellinger requests authority to sell to Anthony Espinosa, who desires to purchase the operative right for the transportation of passengers, baggage and express between Chico and Stirling City and intermediate points. This right was created by Decision No. 5704, dated August 26, 1918, and through successive transfers was eventually acquired by Ernest L. Bellinger, the seller herein; by virtue of Decision No. 36938, dated March 14, 1944.

By the terms of an agreement attached to the application as Exhibit "A", the buyer proposes to pay the seller the sum of \$4,000 for the operative right and one 1939 Dodge one and one-half ton truck. According to the application, of this amount \$740.60 represents the value of the equipment and \$3,259.40 represents the value of the operative right. Applicant Bellinger reports the following earnings from the operations involved:

	<u>Operating</u> <u>-Revenue</u>	<u>Operating</u> <u>-Expense</u>	<u>Net Operating</u> <u>Revenue</u>
1944	\$ 5,539:23	\$ 5,069:31	\$ 469.92
1945	7,677:94	6,301:93	1,376.01
	\$13,217:17	11,371:24	\$1,845.93

According to Exhibit "D" attached to the application, the purchaser

has personal assets in the amount of about \$12,000, consisting of cash, accounts receivable and an equity in a home and furnishings and one 1941 Chevrolet pick-up truck.

After full consideration the Commission is of the opinion that a public hearing is not necessary in this matter and that the authority requested should be granted. In making this order, the Commission is not making a finding of value of the rights and properties herein authorized to be transferred.

Anthony Espinosa 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

An application having been made requesting authority to transfer operative rights and property, and,

Good cause appearing,

IT IS ORDERED as follows:

(1) That Ernest L. Bellinger may, after the effective date hereof and on or before December 31, 1946, sell and transfer to Anthony Espinosa, and the latter may purchase and acquire the

equipment and operative rights referred to in the foregoing opinion and thereafter operate thereunder, such transfer to be made pursuant to the terms and conditions of the agreement attached to the application as Exhibit "A".

(2) That applicant shall comply with the provisions of 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 and the public.

The effective date of this order shall be 20 days from the date hereof.

Dated at Los Angeles, California, this 15 day of October, 1946.

Harold P. Huber
Justin F. Calmes
Samuel W. Love
A. F. [unclear]