

Decision No. 43667

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|   |  |
|---|--|
| In the Matter of the Application of )                         |  |
| WILLIAM H. SHACKLEFORD to sell and )                          |  |
| FRED MEINERT to purchase an automobile) Application No. 30828 |  |
| passenger line operated between Yreka )                       |  |
| and Orleans, California. )                                    |  |

O P I N I O N

The Commission is herein requested to authorize William H. Shackelford, who is providing a passenger stage service generally between Yreka and Orleans, and Hornbrook and Grey Eagle Mine, to sell his operative rights <sup>(1)</sup> and one 1942 GMC stage to Fred Meinert.

Attached to the application is a copy of a contract dated October 27, 1949, which sets forth the terms of the proposed sale. The consideration to be paid is \$3500, of which \$2000 is allocated to the equipment and \$1500 to the operative rights. Meinert is to pay \$500 down, and \$125 or more per month plus interest at the rate of 5% per annum until the balance is fully paid, at which time Shackelford will execute and deliver to him a bill of sale. The agreement contains the customary conditional sales contract forfeiture provisions.

At the request of this Commission, Shackelford submitted additional information in affidavit form, disclosing that for the first eleven months of 1949 his operating revenues were \$2380.01, and expenses were \$3233.40, and alleging that those figures have been revealed to Meinert. An amendment to the application states as a reason for the proposed transfer, that Shackelford has been ill and unable properly to conduct the business, and that Meinert,

(1) The operative rights proposed to be transferred were granted by the following decisions: Decision No. 34667, October 14, 1941; Decision No. 35793, September 22, 1942; Decision No. 35909, October 30, 1942; Decision No. 39726, December 16, 1946.

who is a young man, will be able to give the public better service.

No protests against granting the application have been presented, and a public hearing does not appear to be necessary.

We find that the public interest will not be adversely affected by approval of the transfer of the operative rights and property with which we are here concerned. We further find that the money, property or labor to be procured or paid for by Fred Meinert by the execution of the conditional sales contract is reasonably required for the purpose specified herein. The application will, therefore, be granted. However, in taking this action, we are making no finding of the value of the operative rights and property involved.

Fred Meinert 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 as above entitled having been filed and the Commission having found that the public interest would not be adversely affected,

IT IS ORDERED:

(1) That William H. Shackelford, after the effective

date hereof and on or before March 31, 1950, may sell and transfer to Fred Meinert the operative rights and property referred to herein, and said Fred Meinert may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the conditional sales contract attached to the application as Exhibit "A", and said Fred Meinert may incur an indebtedness of \$3000 under the terms of said contract to finance in part the purchase of said rights and property.

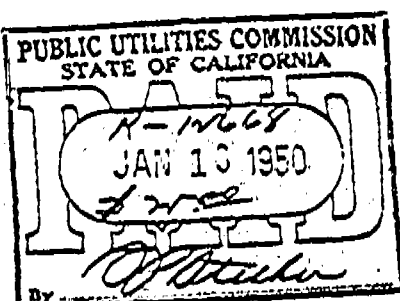
(2) That within 30 days after payment of said indebtedness, Fred Meinert shall notify this Commission in writing of that fact and shall file with it a true copy of the bill of sale executed by William H. Shackelford to effect the transfer.

(3) William H. Shackelford and Fred Meinert shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty days after the effective date hereof, and on not less than 5 days' notice to the Commission and the public.

(4) That the authority herein granted will become effective when Fred Meinert has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Except as herein otherwise expressly provided, this order shall become effective 20 days after the date hereof.

Dated at San Francisco, California, this 4<sup>th</sup> day of January, 1950.



*R. E. ...*  
*James J. ...*  
*...*  
*...*  
*...*  
COMMISSIONERS