

Decision No. 46353**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of NEVADA COUNTY BUS LINE (a cor-)
poration) to Sell and JAMES)
UNDERWOOD and MARTINE UNDERWOOD,) Application No. 32770
his wife, to Buy Passenger Stage)
Certificate Authorizing Operations)
Between Marysville and Colusa, and)
certain equipment.)

O P I N I O N

This is an application for an order authorizing Nevada County Bus Line to sell certain operative rights and one unit of equipment to James Underwood and his wife, Martine Underwood.

The equipment proposed to be sold is one 1941 GMC passenger bus, Motor No. 308-3365, which is stated to have been reconstructed and placed in first class operating condition and not needed or useful in transferor's operations. The operative right proposed to be sold is a certificate of public convenience and necessity created by the Commission in Decision No. 43264, dated August 29, 1949, in Application No. 30488. ⁽¹⁾ It authorized the establishment and operation by Nevada County Bus Line, transferor, of a passenger stage service for the transportation of passengers, baggage, and shipments of express weighing not in excess of 100 pounds each on passenger-carrying vehicles only, between Marysville and Colusa and intermediate points via State Highway No. 20 and county roads through Sutter Junction, Sutter, Tarke and Meridian,

(1) Said Decision No. 43264 authorized transferor herein to acquire the right involved from Pacific Greyhound Lines, and upon the consummation of such acquisition, a new certificate was issued to transferor in the place and stead of the right which it was authorized to acquire from Pacific Greyhound Lines.

subject to the restriction that no passengers, baggage or express be transported locally between Marysville and Yuba City.

The agreement for the sale and purchase provides for a cash payment of \$2,500 for the operative right, upon approval of the request by the Commission, and the payment of \$3,250 for the equipment involved, six months after the effective date of approval of the transaction by the Commission. The payment of \$3,250 for the equipment is to be represented by a promissory note with interest at 6% secured by a second deed of trust or mortgage on real property of transferees.

In addition to the operations involved herein, the transferor is engaged in the transportation of passengers, baggage and express between Colfax and Auburn, on the one hand, and Grass Valley, Nevada City and Marysville, on the other hand, and points intermediate thereto. As justification for the proposed transfer, the application states that the operation between Marysville and Colusa is purely local in character and, as such, can be given more personal attention by the purchasers. ⁽²⁾

It is further stated that the operative rights proposed to be sold are in the nature of off-line operations which cannot be efficiently integrated with transferor's principal operations; that frequent trips from transferor's headquarters at Grass Valley to supervise the operations add an undue burden of expense thereto; and that the equipment used in that service must be operated to Grass Valley for maintenance or maintained in local shops at additional expense.

(2) According to Exhibit B, Nevada County Bus Line during 1950 transported 19,969 passengers over the Marysville-Colusa line, operated 54,820 miles, and received total revenues of \$10,596.75, or an average of \$0.1933 per bus mile.

The application states that James Underwood, one of the transferees, is experienced in the operation of passenger stages and presently maintains his own automobile garage and thereby will be able to effect many economies in the conduct of the operation.

The Commission has considered this application and is of the opinion that the transfer of the operative rights and equipment, as proposed, will not be adverse to the public interest and will therefore be authorized. No public hearing appears to be necessary.

James Underwood and Martino Underwood 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.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted as herein provided,

IT IS ORDERED as follows:

(1) Nevada County Bus Line, after the effective date hereof and on or before December 31, 1951, may sell to James Underwood and Martino Underwood the operative rights and equipment referred to in the foregoing opinion, such sale to be in accordance with the terms of the agreement of sale attached to the application as Exhibit "D," which agreement applicants may execute.

(2) The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

(3) Within thirty (30) days after the consummation of the transfer herein authorized, transferees shall notify the Commission in writing of that fact and shall within said period file with the Commission a true copy of any bill of sale or other instrument of transfer which may have been executed to effect such transfer.

(4) On not less than five (5) days' notice to the Commission and the public, applicants shall comply with the provisions of General Orders Nos. 79 and 80 and Part 19 of General Order No. 98 by filing, in triplicate, and concurrently making effective, appropriate tariffs and timetables.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 30th day of October, 1951.

A. J. [Signature]
 President

Justice F. [Signature]

[Signature]

[Signature]

[Signature]
 Commissioners