

Decision No. 49428**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JEROME LOFGREN, doing business as)
 CHICO TRANSIT LINES to sell, and)
 C. B. GREEN to purchase an automo-)
 tive passenger line operated in)
 Chico and its vicinity.)

Application No. 34876

O P I N I O N

The Commission is herein requested to authorize Jerome Lofgren to sell and C. B. Green to purchase a local passenger stage operative right and certain equipment.^{1/}

The contract of sale, a copy of which is attached to the application, provides that Green is to pay \$5,225, of which \$4,500 is allocated to the equipment and \$725 to the operative rights, miscellaneous supplies, tickets and stationery. The vendee is to pay \$1,225 in cash and assume a General Motors Contract of Sale with a balance of \$2,500 payable at the rate of \$219 plus interest per month. After the payment of the General Motors Contract of Sale in full the \$1,500 balance of the purchase price plus interest is to be paid at the rate of \$100 per month. The vendor will retain legal title to the equipment until the contract of sale between vendor and vendee is fully performed.

^{1/} The operative right involved in this proceeding is set forth in Decision No. 42056, dated September 21, 1948, and was acquired by Jerome Lofgren (along with other operative rights subsequently disposed of) through Decision No. 44730, dated May 13, 1952. The equipment consists of one 1951 G.M.C. bus, model TGH 3101, together with appliances and spare parts of the local passenger stage service known as Chico Transit Lines.

The application discloses that the proposed purchaser has assets of \$24,900 including \$1,000 cash in bank, liabilities of \$9,280, and a net worth of \$15,620. Green has had experience as a common carrier and since May of 1952 has been operating the Chico-Paradise-Stirling City Lines.

Under the circumstances presented, we find that the proposal of the applicant is not adverse to the public interest, and therefore will be authorized. No public hearing appears to be necessary.

We further find that the property to be procured or paid for by C. B. Green by the execution of the above-mentioned contract is reasonably required for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. The action taken herein, however, is not to be construed to be a finding of the value of the properties or operative right involved.

C. B. Green 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 filed and the Commission having found that the public interest would not be adversely affected,

IT IS ORDERED that:

1. Jerome Lofgren, after the effective date hereof and on or before March 31, 1954, may sell and transfer to C. B. Green the operative right and property referred to herein, and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit A; and said C. B. Green may assume an indebtedness of \$2,500 on the General Motors Contract of Sale referred to in said Exhibit A and may incur an indebtedness of \$1,500 under the terms of said contract to finance in part the purchase of said right and property.
2. Within thirty days after the completion of the transfer herein authorized, C. B. Green shall notify the Commission in writing of that fact and file with it a true copy of any bill of sale or other instrument of transfer executed to effect the same.
3. On or before March 31, 1954, and on not less than five days' notice to the Commission and the public, applicants shall supplement or reissue the tariffs and time tables on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operation here involved to show that Jerome Lofgren has withdrawn or canceled and C. B. Green has adopted or established as his own said rates, rules, regulations and schedules.
4. The authority herein granted will become effective when C. B. Green shall have paid the minimum fee of \$25 prescribed in Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 15th day of December, 1953.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

