

ORIGINAL

Decision No. 50934

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Florence Duggan, doing business as
Redding City Lines, to sell, and
N. T. Chastain, doing business as
Redding City Lines, to purchase a
passenger stage corporation operated
between Redding, California, on the
one hand and Oak Grove, Girvan, Enter-
prise and Benton Tract, on the other hand.

Application
No. 36417

O P I N I O N

In this application Florence Duggan seeks authorization to transfer the Redding City Lines to N. T. Chastain.

The transfer will include operative rights authorizing the operation of passenger bus lines between Redding and Oak Grove, Girvan, Benton Tract and Enterprise, which rights were acquired by applicant Duggan under authorization granted by Decision No. 49193, dated October 13, 1953, as amended by Decision No. 49304, dated November 10, 1953, together with one 1947 20-passenger Dodge bus, two fare boxes, one change maker, and benches at bus stops. The agreed purchase price is \$1,000, of which \$50 was paid in cash as a down payment, \$700 will be represented by a promissory note heretofore executed by applicant Duggan but which will be assumed by applicant Chastain, and \$250 will be payable in cash.

The purchaser has a permit from the City of Redding to operate passenger buses and has acquired two new buses in addition to the one he now proposes to acquire from applicant Duggan, and, according to information furnished the Commission, is negotiating for the acquisition of two more units. It appears that he is experienced in the transportation business and that financially he

should be in a position to take over the enterprise and to continue the operations. It appears to us, and we so find, that the proposed transfer will not be adverse to the public interest.

In making our order in this proceeding we wish to place applicants 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 as to the number of rights which may be given.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

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; therefore,

IT IS HEREBY ORDERED as follows:

1. Florence Duggan may sell and transfer to N. T. Chastain, on or before March 31, 1955, the operative rights and equipment referred to in the preceding opinion, such sale and transfer to be made substantially upon the terms and conditions of the

agreement of sale filed in this proceeding as Exhibit A. N. T. Chastain may assume the payment of an outstanding note in the principal amount of not exceeding \$700 in acquiring such rights and equipment.

2. On not less than five days' notice to the Commission and to 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 operations here involved to show that Florence Duggan has withdrawn or canceled and N. T. Chastain has adopted or established as his own said rates, rules, regulations and schedules.

3. The authority herein granted will become effective twenty days after the date hereof.

Dated at San Francisco, California, this 4th day of JANUARY, 1955.

Arthur E. [Signature]
President

Matthew J. [Signature]
Ray [Signature]

Commissioners