

**ORIGINAL**

Decision No. 51151

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of	:	
C. J. BLACK	)	
to sell the interest of C. J. Black	:	
and	)	
LOUIS W. KLEASNER, JR.	:	
and	)	Application
JOSEPH J. DOHNALEK	:	No. 36665
to purchase the interest of C. J. Black	)	
in an automotive passenger line operated	:	
between Huntington Beach and Santa Ana,	)	
and an extended route between Santa Ana	:	
and Orange, and an extended route between	)	
Orange and El Modena.	:	
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O P I N I O N

In this application the Commission is asked to make an order authorizing C. J. Black to sell operative rights and properties to Louis W. Kleasner, Jr. and Joseph J. Dohnalek.

Applicant Black is engaged in the operation of an automotive stage line for the transportation of passengers between Huntington Beach and Santa Ana, between Santa Ana and Orange, and between Orange and El Modena under certificates of public convenience and necessity granted by Decision No. 44990, dated November 8, 1950, Decision No. 48928, dated August 4, 1953, and Decision No. 49897, dated April 8, 1954. <sup>1/</sup> The application shows that said Black desires to discontinue his activities because of ill health and that he has made arrangements to sell his operative rights and equipment to

<sup>1/</sup> Applicant Black's 1953 annual report, the latest now on file with the Commission, shows that he used one bus in his operations and that during the year his annual revenues amounted to \$8,474 with net income of \$28, after making deduction of \$1,007 for depreciation and \$1,503 for driver's wages.

applicants Kleasner and Dohnalek for the sum of \$6,800, of which \$4,800 has been, or will be, paid in cash and \$2,000 will be represented by a purchase contract with Crown Body and Coach Corporation in the amount of \$2,000 which will be assumed by the purchasers.

It appears that there will be no change in the rates as a result of the transfer, that the purchasers financially are in a position to continue the operations, and that they own a 37-passenger bus in addition to the one which they will acquire from the seller. Under the circumstances set forth in this proceeding we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest.

In making this order we wish to place applicants on 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:

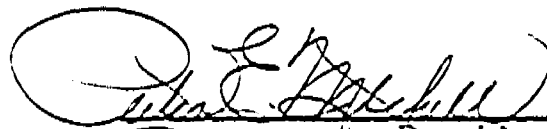
1. C. J. Black, on or after the effective date hereof and on or before July 31, 1955, may transfer his operative rights and equipment to Louis W. Kleasner, Jr. and Joseph J. Dohnalek under the terms and conditions set forth herein.

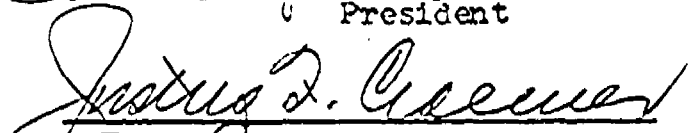

2. Louis W. Kleasner, Jr. and Joseph J. Dohnalek, in acquiring said rights and equipment, may assume the payment of outstanding indebtedness in favor of Crown Body and Coach Corporation in the amount of not exceeding \$2,000.

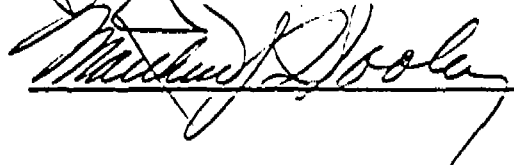
3. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs and time tables on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operations here involved to show that C. J. Black has withdrawn or canceled and Louis W. Kleasner, Jr. and Joseph J. Dohnalek have adopted or established, as their own, said rates, rules, regulations and schedules.

4. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 1st day of March, 1955.

  
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President

  
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Commissioners