

ORIGINALDecision No. 58965

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HERMAN NEUMANN, dba EL CAJON VALLEY)
 LINES, to sell, and SAN DIEGO)
 ECONOMY LINE, INC., to buy, the)
 operating rights and good will of)
 the El Cajon Valley Lines pursuant)
 to the provisions of Division 1,)
 Part 1, Chapter 4, Article 6,)
 Section 851 of the Public Utilities)
 Code of the State of California.)

Application No. 41395

O P I N I O N

Herman Neumann, doing business as El Cajon Valley Lines, requests authority to sell and transfer and San Diego Economy Line, Inc., to purchase and acquire certain passenger stage operative rights and good will.

San Diego Economy Line, Inc., is presently rendering service as a passenger stage corporation pursuant to Decisions Nos. 45304, 45599, 47026, and 56928. As of June 30, 1959, applicant buyer indicated a net worth of \$11,446.14. It owns and operates five buses.

The operative rights to be transferred include the authority to transport passengers and their baggage shipments of express, not exceeding 100 pounds, between the City of El Cajon, on the one hand, and Santee, Edgemore Farm, Lakeside and Bostonia, on the other hand, and intermediate points; and an on-call service between the City of El Cajon, on the one hand, and El Monte Park and Gillespie Field, on the other hand, and intermediate points; subject to certain restrictions.

According to a copy of the sales agreement attached to the application as Exhibit A, the transfer will be made for a consideration of \$7,500 payable in the following manner: \$2,000 in cash and

the balance to be secured by a promissory note to be paid in monthly installments of \$100 or more at the rate of 6½ per cent interest per annum.

After consideration the Commission is of the opinion and so finds that the proposed transfer would not be adverse to the public interest and further finds that the money, property or labor to be procured or paid for by the issue of the securities herein authorized is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income. A public hearing is not necessary.

San Diego Economy Line, Inc., is hereby placed 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

1. That on or before December 15, 1959, Herman Neumann may sell and transfer, and San Diego Economy Line, Inc., may purchase and acquire the good will and operative rights granted in Decision

No. 52236, as amended by Decision No. 56084, according to the terms set forth in Exhibit A attached to the application.

2. That, within thirty days after the consummation of the transfer herein authorized, the purchaser shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. That, on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs and timetables on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved, to show that Herman Neumann has withdrawn or canceled, and San Diego Economy Line, Inc., has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 79.

4. That applicant San Diego Economy Line, Inc., may issue a promissory note in the amount of \$5,500.

The authority herein granted to issue a note will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25. In all

other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 1st day of September, 1959.

Everett W. Page
President
W. Mitchell
Matthew G. ...
E. J. Fox
Theodore J. ...
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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BY _____