



Angeles.

A public hearing was conducted by Examiner Gorman at Los Angeles.

Many witnesses were presented by applicant in support of its offers of service. It appears from its testimony that all of the operations, except for films and accessories, are conducted on specific contracts. The movement of newspapers is a distribution conducted under contract for a Los Angeles newspaper. It has been so conducted for a number of years. The circulation manager of the newspaper testified he would not employ applicant if it opened its service to another newspaper. Applicant, through its president, Nick Gombos, stated it intended to offer the service to no other newspaper. The northward movement of flowers is under similar exclusive arrangement with Altman Floral Company, of Los Angeles, and concerned only one commodity - gladiolus - under refrigeration. The southbound movement of flowers from San Leandro and San Lorenzo is under written contract with Golden West Farms, and San Leandro Nurserymen, jointly. Gombos testified that no other service is desired by him. Protestants moved the denial of certificate for such service upon the grounds that it was not a public service, and applicant expressed the belief that a certificate is not needed therefor and that the only reason for including the operation was to fully advise the Commission.

In view of the record, the Commission can only deny the application insofar as it relates to flowers and newspapers.

As to the transportation of films and the usual accessories, the presentment is the opposite. This service was begun many years ago by Nick Gombos and has been continued by the applicant corporation which succeeded to his business. It serves seven of the eight motion picture houses in Bakersfield and one in Taft. Witnesses operating theaters in both places testified to the need and efficiency of the service. The record is satisfying that the request to be placed under regulation as a public carrier be granted, as applicant offers such service to the public. Applicant's largest stockholder is Charles A. Hare, who was plaintiff in Case No.2443, Hare v. Gilboy, adjudicated by Decision No.19613, April 13, 1928. (C.R.C. 31, 566). Prior to that date Nick Gombos had acquired a certificate for the transportation of films, etc., to Bakersfield and Taft (Decision No.15127, dated July 3, 1925, on Application No.10720), and was conducting operations thereunder. Upon the rendering of the decision Gombos asked the cancellation of his certificate, which was granted (Decision No.20118, dated August 15, 1928, on Application (supplementary) No.10720). The interest of Gombos passed to the corporation and the film service continued until Decision No.25493, dated November 27, 1932, on Application No.18271, of Goldberg Bros. wherein the Commission held that it was vested with jurisdiction over such operations. Thereafter, applicant filed the instant application to conform to law.

The record fully justifies the granting of the certificate sought for the transportation of films etc. only. In other respects it should be denied.

Special Service Transportation Corporation, Ltd. is hereby placed upon notice that "operative rights" do not constitute

a class of property which should be capitalized or used as an element of value in determining reasonable rates. 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 estate which is not in any respect limited to the number of rights which may be given.

O R D E R

Special Service Transportation Corporation, Ltd. having made application, as above entitled, a public hearing having been held and the matter being duly submitted,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation of an auto truck service for the transportation of films for theaters, churches, schools and other places where films are to be exhibited, and film accessories, limited to projecting machinery and parts therefor, advertising matter, electrical lighting effects, including carbons and bulbs, advertising slides, and tickets, and no other commodities, between Los Angeles and Bakersfield and Taft, over and along the following route:

Over State highway via Castaic, Ridge Route and Bakersfield, and between said highway and Taft, via either road between Maricopa Junction and Taft or Greenfield's Corners and Taft; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be granted to Special Service Transportation Corporation, Ltd., subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

2. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than ten days' notice to the Commission and the public a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application insofar as they conform to the certificate herein granted.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five (5) days' notice to the Commission and the public, time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

4. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that in all other respects the application be and it is hereby denied.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 14th day of May, 1934.

C. C. Seaver  
Leon Sullivan  
W. A. Linn  
W. B. Lanning  
A. J. Lanning  
COMMISSIONERS.