

Decision No. 31072

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SPECIAL SERVICE TRANSPORTATION CORPORA-
TION, LTD., a corporation, for certificate
of public convenience and necessity to
operate an express and special messenger
film service for transporting motion
picture films and film accessories between
Los Angeles and Shafter, Wasco, Button-
willow, Tehachapi, Mojave, and Lancaster.

Application No. 21985

ORIGINAL

PHILIP M. WAGY, for applicant.

EARL C. COOK, for Cooks Stages and Orange Bolt
Stage Lines, Inc., protestants.

E. L. BISSINGER, for Southern Pacific Company
and Pacific Motor Transport Company, as their
interests may appear.

H. B. ELBERT, for Arvin Line, Besone Motor Express, Bakersfield-Shafter-Wasco Auto Truck Line, and Bakersfield-Wasco Stage Line, protestants.

RILEY, Commissioner:

O P I N I O N

By this application as amended, Special Service Transportation Corporation, Ltd., seeks authority to establish an automotive service as a highway common carrier between Los Angeles, on the one hand, and Buttonwillow, Tehachapi, Mojave and Lancaster, on the other hand, limited to the transportation of motion picture films for theatres, churches, schools and other places where films are to be exhibited and film accessories such as advertising matter, programs, carbons and tickets.

A public hearing in this matter was had in Los Angeles on Thursday, June 23, 1938, where testimony was received, the matter duly submitted, and it is now ready for decision.

Cooks Stages, Orange Belt Stages, Inc., The Arvin Line, Besone Motor Express, Bakersfield, Shafter, Wasco Auto Truck Line, and Bakersfield, Wasco Stage Line, protested the granting of this application. Southern Pacific Company and Pacific Motor Transport Company appeared as interested parties.

Upon the assurance by applicant that the certificate sought herein would be limited strictly to the transportation of motion picture films and film accessories such as advertising matter, programs, carbons and tickets and upon the further agreement that applicant would not seek to serve this territory as a highway contract carrier, protestants withdrew their objections to the granting of this certificate.

R. B. Gates and Frank T. Baumgart, theatre owners in Buttonwillow and Tehachapi, respectively, testified in favor of applicant and stated that the service was necessary to their business and that they would use said service if certificated. Through the testimony of these witnesses the highly specialized type of service required in this type of transportation work was shown. The necessity for prompt, direct and individualized service from exchange to theatre was clearly shown. The importance of the time element as well as the need for accuracy and care in handling the films was also developed. It appears, also, that in this business bookings are made well in advance of the playing date and that the carrier is furnished with each theatre's individual bookings and it is said carrier's responsibility to pick up the proper "show" at the proper time and transport it to the theatre to which he has a key. At the time of delivery of the films the current film is picked up for return to the exchange. Penalty for failure to return films on time (which is limited and defined) is reflected in a loss of standing with the exchange in so far as obtaining quality films is concerned.

Nick Gombos, a director of the applicant corporation, testified that he was engaged in the transportation of motion picture films between Los Angeles, Bakersfield and Taft under certificate of public convenience and necessity granted by the Commission in 1934. He further testified that he is transporting newspapers for the Los Angeles Examiner, under contract, to Bakersfield, Taft, Avenal, Coalinga, Kettleman City and other San Joaquin Valley points and believes that he can readily combine the proposed service with his paper route. He, also, testified that he now serves some twenty film exchanges in Los Angeles.

Special Service Transportation Corporation, Ltd., proposes a daily service between termini with pickup at Los Angeles as late as 11:45 P.M. daily except Saturday either at film exchanges or Los Angeles Examiner Building. A branch office is also maintained in Los Angeles. Following is the service proposed and route to be followed as set forth in applicant's amended Exhibit C:

"1. Regular Daily Run: Los Angeles North. Films and accessories picked up at Film Exchanges or Film Row in Los Angeles each afternoon and evening, and assembled at Los Angeles branch office at 1965 South Vermont Avenue.

"Truck leaves Los Angeles branch office daily, except Saturday, at 11:00 P.M. with films and accessories; picks up newspapers at publishing plant of Los Angeles Examiner, leaves Los Angeles at 11:45 P.M. proceeds north via San Fernando Road, New Ridge Route and U. S. Highway No. 99.

"Truck leaves on Saturday Los Angeles Branch office at 9:45 P.M., proceeds to plant of Los Angeles Examiner, leaves Los Angeles at 10:30 P.M. (This truck being more heavily laden on Saturdays than on other days, is slower going over Ridge Route than on daily runs, but arrives at all points in San Joaquin Valley at same time as daily runs.)

"Truck arrives at Maricopa Junction on United States Highway No. 99 at 2:15 A.M., where newspapers, films and film accessories for points west of Bakersfield are transferred

to Ford pickup. Truck continues to Bakersfield with films, film accessories and newspapers for Bakersfield and points East and North of Bakersfield. Arrives at Bakersfield at 3:15 A.M.

"Ford Pickup arrives at Taft at 3:15 A.M., proceeds through Fellows, McKittrick, Reward, arrives at Avenal at 5:15 A.M., proceeds to Coalinga, arrives Coalinga 5:45 A.M., proceeds through Kettleman City, Lost Hills, arrives at Wasco at 8:00 A.M., proceeds to Shafter, arrives at Shafter at 8:20 A.M., proceeds to Buttonwillow, arrives at Buttonwillow at 8:50 A.M., proceeds to Bakersfield, arrives at Bakersfield at 9:25 A.M.

"II Regular Daily Run: South to Los Angeles:

"Truck leaves daily from Wasco at 12:00 midnight, arrives at Shafter at 12:20 A.M., arrives at Buttonwillow at 1:05 A.M., arrives at Bakersfield at 1:50 A.M.

"Truck leaves Bakersfield daily at 3:30 A.M., proceeds via U. S. Highway No. 466 to Tehachapi, arrives at Tehachapi at 4:45 A.M., arrives at Mojave at 5:15 A.M., arrives at Lancaster at 5:45 A.M., arrives at Palmdale at 5:55 A.M., proceeds through Mint Canyon to Saugus, via San Fernando Road to Los Angeles, arrives at Los Angeles at 8:30 A.M."

Rates to be assessed are those appearing in applicant's Exhibit B eliminating therefrom rates to Shafter and Wasco, as the offer of service to these points was eliminated from the application at the hearing. Vehicles equipped with fireproof compartments and designed for this service are to be used by applicant.

After fully considering the record in this proceeding, I am of the opinion that applicant's past experience in specialized service of this kind will materially assist him in successfully conducting the additional transportation service herein proposed which appears definitely to be essential to the theatre operators in the towns to be served. Taken in conjunction with applicant's existing services for both papers and films, I believe this operator

can conduct a compensatory service and, as protests thereto were withdrawn, I recommend that the application be granted and suggest the following form of order.

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 state which is not in any respect limited to the number of rights which may be given.

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Special Service Transportation Corporation, Ltd., of an automotive service as a highway common carrier as such is defined in section 2-3/4 of the Public Utilities Act between Los Angeles, on the one hand, and Buttonwillow, Lancaster, Tehachapi and Mojave, on the other hand, as a separate and distinct right and not consolidated with applicant's existing certificated right and limited to the transportation of motion picture films for theatres, churches, schools and other places where films are to be exhibited, and film accessories such as advertising matter, programs, carbons and tickets, and no other commodities, over and along the following route:

Via San Fernando Road, New Ridge Route, U.S. Highway 99, and County Road to Buttonwillow. Returning via California State Route No. 466 and California State Route No. 6, serving Tehachapi, Mojave and Lancaster, thence San Fernando Road to Los Angeles.

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

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file in triplicate, and concurrently make effective on not less than ten days' notice to the Railroad 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 in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
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 days' notice to the Railroad Commission and the public, a time schedule or 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 obtained.
5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.
6. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all of the provisions of this Commission's General Order No. 91.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 30th day of June, 1938.

Walter A. Brown
Leon J. Whelan
Frank A. Brown
Raymond A. Brown
Ray A. Brown
COMMISSIONERS.