

Decision No. 36692

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
RODNEY M. ADDCOX dba Santa Barbara	)	
Special Delivery for an order auth-	)	Application
orizing him to increase rates and to	)	No. 25767
alter rules and regulations so as to	)	
effect increases in rates on motion	)	
picture films and advertising matter.	)	

ORIGINAL

Rodney M. Addcox and F. W. Turcotte,  
for applicant

Phil Jacobson, interested party

CLARK, Commissioner,

O P I N I O N

In this proceeding applicant seeks authority to increase his rates for the transportation of motion picture films and advertising matter in Los Angeles, Ventura and Santa Barbara Counties.

A public hearing was held at Los Angeles on October 7, 1943, and the matter submitted on that date.

Applicant is engaged in the transportation of motion picture films, theatrical advertising matter and supplies between Los Angeles and Santa Barbara and intermediate points<sup>1</sup> as a highway common carrier.<sup>2</sup>

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1 Applicant serves theatres in Burbank, North Hollywood, Studio City, Van Nuys, Canoga Park, San Fernando, Newhall, Saugus, Fillmore, Santa Paula, Oxnard, Ventura, and Santa Barbara, together with military camps en route.

2 Applicant operates as a highway common carrier, subject to a certificate of public convenience and necessity granted Frank Miller and H. L. Shrider by Decision No. 15819, December 31, 1925, transferred to Frank Miller by Decision No. 21349, July 8, 1929, then transferred to Dulcie A. Miller by Decision No. 24285, December 7, 1931, and later transferred to the applicant by Decision No. 32573, November 21, 1939. The holder of this certificate of public convenience and necessity is authorized "for the transportation of newspapers, moving picture film and paper advertising for films (not to exceed five pounds for each reel of film) between Los Angeles and Santa Barbara and intermediate points ...."

The film distributing agencies from whom films and advertising matter are obtained are generally located on "Film Row" in Los Angeles. Other supplies transported by the applicant are collected at other locations in the business section of Los Angeles.

The applicant conducts his transportation service by the use of two 1941 Dodge panel body trucks.

Authority is sought to change certain transportation rates, some of which represent increases, and to apply minimum charges for certain weekly services as shown in the following schedule:

Between Los Angeles and	Rate per change of films		Proposed Min. Charge per Week
	Present	Proposed	
Burbank <sup>4</sup>	1.25	1.25	4.00
North Hollywood	1.25	1.25	4.00
Canoga Park	2.00	2.00	6.00
Fillmore	2.21	2.50	8.00
	(2.36)		
Santa Paula	(2.38)	2.75	8.50
Oxnard	2.06	2.25	7.00
Ventura	3.10	3.25	9.75
Santa Barbara	3.33	3.65	11.00

In addition certain changes are proposed in the rules and regulations of the present tariff so as to more clearly define the technical terms employed; clarify the application of the rates; provide a rule to cover the application of the proposed minimum rates; and provide a rule for assessing charges for accessorial services performed. The present rule governing the handling of C.O.D. shipments is to remain in effect.

3 "Film Row" is generally considered to be South Vermont Avenue between Washington Boulevard and 23rd Street in Los Angeles.

4 At the time the present tariff was issued this community was named Lankershim.

5 At the time the present tariff was issued this community was named Owensmouth.

The application alleges that the present rates were established in November 1932, which was the time that the national depression was at its worst and costs of labor, material, repairs, supplies and equipment were at the lowest ebb; and that subsequent to that time, and particularly during recent years, the cost of performing the service has materially increased as a result of increases in labor, material and supplies and due to war time restrictions, such as the application of the 35 miles per hour allowable highway speed and dim out restrictions.

The record shows that the applicant's gross revenue during the year 1941 was \$8,871.96 and in 1942 was \$10,338.56, while the net revenue in 1941 was \$2,349.07 and in 1942 was \$1,391.29. The net revenue represents the compensation received by the applicant as manager of the business and by his wife for office and book-keeping services, without providing for return on the investment required to perform the transportation services.

The applicant testified that the drivers employed in this service must have a special knowledge of the film exchange agencies and of the theatres served, which knowledge requires several months to acquire.

An exhibit regarding the applicant's operations was introduced by Senior Engineer C. H. Jacobsen of the Commission's staff. This statement verified that made by the applicant in regard to the relation of the revenue and expense during 1941 and 1942, and in addition showed that during the first nine months of 1942 the gross revenue was \$7,585.70; the total expenses were \$6,692.24 and a net revenue of \$893.46, while during the same period of 1943 the gross revenue was \$8,296.86 with total expenses of \$8,362.28, a loss of \$65.42. The report reflected no provision for managerial salary for the applicant; clerical salary for his wife; nor interest on the investment required.

The testimony of this witness indicated that the drivers' wages in January, 1942 were \$32.00 per week and \$50.00 in July, 1943, or an increase of 56.3%.

Accompanying the application is a petition signed by the theatre operators, whose rates the applicant proposes to increase, evidencing that they are not opposed to such increase. No opposition developed to the granting of this application.

A review of this record supports the finding that this application should be granted; therefore, I recommend the following form of order:

O R D E R

A public hearing having been held in the above entitled matter, evidence having been received and the matter submitted for decision,

IT IS HEREBY ORDERED that Rodney M. Addcox, doing business as Santa Barbara Special Delivery, be and he is hereby authorized to establish on not less than one (1) day's notice to the Commission and to the public, the rates proposed in the above entitled application and as set forth in the foregoing opinion.

The authority herein granted shall be void unless the rates authorized by this order are published and made public not less than sixty (60) days from the effective date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day of

November, 1943.

Francis R. Havens  
W. H. Hall  
Justus F. Roebuck  
Richard L. Lusk  
Francis W. Bell  
COMMISSIONERS