

Decision No. 37357

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
RODNEY M. ADDCOX, doing business as)
SANTA BARBARA SPECIAL DELIVERY, for) Application No. 26248
certificate of public convenience)
and necessity.)

ORIGINAL

PHIL JACOBSON, for applicant.

RALPH W. MICHAELSON, for Transportation Committee of
Board of Transportation of motion picture industry,
interested parties.

BY THE COMMISSION:

O P I N I O N

In this proceeding Rodney M. Addcox, doing business as Santa Barbara Special Delivery, seeks a certificate of public convenience and necessity under Section 50-3/4, Public Utilities Act, authorizing the operation of a special delivery film service between Santa Barbara and Atascadero and intermediate points, serving also the off-route points of Lompoc, Camp Cooke, Guadalupe and Morro Bay. A public hearing was had before Examiner Hunter at Los Angeles on August 24, 1944, when the matter was submitted. No one appeared in opposition to the granting of the application.

The Commission, by its interim order in Decision No. 37220, dated July 21, 1944, granted applicant a certificate to conduct a special film delivery service between Santa Barbara and Atascadero and certain intermediate points comprising Santa Maria, Arroyo Grande and Pismo Beach and also authorizing service at the off-route points of Lompoc and Guadalupe, on a temporary basis, pending further order of the Commission and subject to modification or revocation of this authority. Applicant now provides a special film delivery service in accordance with the terms of this interim

order, operating six round trips each week between Santa Barbara and Atascadero.

Under date of August 11, 1944, applicant filed an amended application, requesting authority to serve all points intermediate to Santa Barbara and Atascadero as well as the off-route points of Lompoc, Camp Cooke, Guadalupe and Morro Bay. At the hearing, applicant's attorney requested that the application be further amended to provide that authorization be granted to conduct a special film delivery service between Santa Barbara and Atascadero and all intermediate points, as well as certain off-route points, on the ground that no other common carrier is now providing a film delivery service along this route. No objection was raised to this proposal, and, accordingly, the request to modify the application was granted.

There is shown in the following table the rates applicant proposes to charge, as set forth in his supplemental application, together with those now on file with the Commission. It may be noted that increases are proposed at five locations, with one decrease.

Between Los Angeles and	PRESENT		PROPOSED	
	Per change	Weekly minimum	Weekly Minimum (3 changes)	Each Additional Change
Lompoc	6.25	19.00	19.00	6.00
Santa Maria	6.00	17.00	17.50	6.00
Guadalupe	6.00	17.50	22.00	8.00
Arroyo Grande	6.00	18.00	18.00	6.00
Pismo Beach	6.00	18.00	18.00	6.00
Atascadero	6.25	19.00	20.00	7.00
Solvang	--	---	12.50	6.00
Camp Cooke	--	---	19.00	6.00
San Luis Obispo	--	---	18.00	6.00
Morro Bay	--	---	22.00	8.00
Red Cross				
San Luis Obispo	--	---	4.00	2.00
Red Cross				
Camp Cooke	--	---	4.00	2.00

In support of the proposed revised rates, applicant Addcox testified that operating expenses had materially increased within the past year and that the proposed service could not be conducted at rates lower than those outlined in his supplemental application. However, he was not prepared at that time to offer operating estimates to support his position. At his request, authority was granted to file a revenue and cost estimate within two weeks covering the proposed operation, this filing to be identified as Exhibit No. 1. The exhibit has been received in accordance with this plan. This exhibit shows the following operating results on a monthly basis, employing the period July 26⁽¹⁾ to August 26, 1944.

Miles operated	9490
Total Operating Revenue	\$988.00
Revenue per mile	\$ 0.1041
Total Operating Expense	\$918.28
Expense per mile	\$ 0.0967
Operating Income	\$ 69.72

A number of representatives of motion picture theaters which are served or to be served by applicant testified that a service of a character such as that proposed by Addcox was necessary to the conduct of their business; and that the rates proposed herein appeared to be reasonable. Those not now being served by applicant

(1) Depreciation	\$ 50.00
Taxes - 3%, etc.	29.64
Garage Rent	8.00
Licenses	2.07
Truck insurance	13.52
Payroll insurance	8.80
Drivers' salaries	440.00
Gas and Oil	112.50
Transportation of films	
Los Angeles to Santa Barbara	90.00
Tires	47.25
Truck maintenance	46.50
Terminal expense	40.00
Administrative	30.00
	<u>\$918.28</u>

would engage his services if afforded the opportunity, it was stated.

A review of this record leads to the conclusion that the application as modified should be granted, and the following order will so provide.

Rodney M. Addcox is hereby placed upon 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 to the number of rights which may be given.

O R D E R

Application having been made as above entitled; a public hearing having been had, and the matter having been duly submitted; and the Commission now finding that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be and it hereby is granted to Rodney M. Addcox, an individual doing business as Santa Barbara Special Delivery, authorizing the establishment and operation of a service as a highway

common carrier, as defined by Section 2-3/4, Public Utilities Act, between Santa Barbara and Atascadero and intermediate points, serving also the off-route points of Lompoc, Camp Cooke, Guadalupe and Morro Bay. Said service shall be limited to the transportation of motion picture films; motion picture theater accessories and supplies, viz.: advertising matter, crayons (water or oil colors), brushes, poster paper, display cards, electric lighting effects (including globes, bulbs and reflectors), tickets (in rolls), ticket choppers and motion picture projection machinery and parts.

(2) That the certificate herein granted shall supersede the temporary certificate granted by Decision No. 37220, rendered herein July 21, 1944.

(3) That in providing service pursuant to the certificate herein granted, the following service regulations shall be complied with:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
2. Applicant shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time schedules within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.
3. Subject to the authority of the Commission to change or modify them by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following routes:

Between Santa Barbara and Atascadero via U. S. Highway No. 101; between Buellton and Lompoc via State Highway No. 150; between Santa Maria and Guadalupe via State Highway No. 166; between San Luis Obispo and Morro Bay via State Highway No. 1; serving Camp Cooke over all available public highways.

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

Dated at San Francisco, California, this
26th day of September, 1944.

Justus F. Casner
Frank R. Havenner
Ernest Powell
COMMISSIONERS