

Decision No. 55570**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SPECIAL SERVICE TRANSPORTATION )  
 CORPORATION, LTD., for authority to )  
 increase its rates. )

Application No. 38912  
 As Amended

OPINION AND ORDER

Special Service Transportation Corporation, Ltd., is engaged in the transportation of motion picture films and accessories, as a highway common carrier, between motion picture film exchanges in Los Angeles on the one hand and theaters in the southern San Joaquin Valley and in the Mojave Desert areas on the other hand. It also performs certain transportation as a radial highway common carrier and as a highway contract carrier.

By this application it seeks authority to increase its rates for the transportation of motion picture film and accessories. The sought increases range from 17 percent to 25 percent with respect to rates to San Joaquin Valley points. They approximate 10 percent with respect to rates to Mojave Valley points. Applicant asks that as part of these increases an increase of 5 percent of the rates be made retroactive to June 1, 1956.<sup>1</sup>

Applicant alleges that the increases are necessary to restore its highway common carrier operations to a profitable basis. It reports that said operations for the year 1956 resulted in revenues of \$45,340, expenses of \$54,525 and a net operating loss of \$9,185. It states that as of May 1, 1957, it has become

<sup>1</sup> Applicant's present rates, and the rates which it seeks to establish, are set forth in exhibits attached to the amended application which was filed July 3, 1957.

committed to the payment of higher wages which will add more than \$900 annually to the costs of its highway common carrier operations. It further says that during the past year it has experienced increases in other of its operating expenses, such as for fuel, tires and taxes, which expenses are not fully reflected in the report of operations for 1956. Applicant predicts that the sought rate increases, if put into effect, would return additional revenues of \$8,161; that the services will continue to be unprofitable, and that the operating results for the coming year will be as indicated by an operating ratio of 101.9 percent.

As to the reasonableness of the individual increases applicant states that the proposals take into consideration and reflect current rate relationships and operating costs and changes in operating circumstances since the present rates were established. With reference to the requested increase of 5 percent to be applied retroactively, applicant explained that approval is sought of an increase of this amount which was established in June, 1956, as a result of a misunderstanding of orders of the Commission relating to minimum rates for transportation generally (Decisions Nos. 52961 and 53052 in Case No. 5432).

The revenue and expense data which applicant submitted in this matter have been reviewed by the Commission's staff. It appears that said data reasonably reflect applicant's revenues and expenses under present and proposed rates.

Applicant's patrons have been informed of the proposed rate increases. No objections thereto have been received by the Commission. Public hearing on this matter is not necessary.

In the circumstances the Commission is of the opinion and finds that the sought rates, as they would apply for the future, have been shown to be justified. In these respects the application will be granted. However, applicant's request for authority to make certain increases effective retroactively will be denied. To the extent that retroactive rate relief may be granted, it will be authorized only in extraordinary circumstances. The granting of such relief is not warranted on this record.

Good cause appearing,

IT IS HEREBY ORDERED that Special Service Transportation Corporation, Ltd., be, and it hereby is, authorized to establish the increased rates which are set forth in Exhibits BB and DD attached to the amended application in this proceeding.

IT IS HEREBY FURTHER ORDERED that except as otherwise provided herein, the above-numbered application be, and it hereby is, denied.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire if not exercised within sixty days after the effective date of this order.

Dated at San Francisco, California,  
this 17th day of September, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners