

Decision No. 20570

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MOTOR TRANSIT COMPANY for a certificate)
 of public convenience and necessity)
 authorizing it to conduct a special)
 passenger motor service between the) application
 Biltmore Hotels at Los Angeles and) No. 15236
 Flintridge, California.)

BY THE COMMISSION -

OPINION and ORDER

Motor Transit Company, a corporation, engaged in the business of operating an automotive passenger stage service in the vicinity of Los Angeles, has petitioned for an order of the Railroad Commission declaring that public convenience and necessity require the operation by it of an automotive service for the transportation of passengers and their baggage between the Biltmore Hotel in the City of Los Angeles and the Biltmore Hotel in Flintridge, a distance of 13 miles, with certain restrictions as to service between points intermediate thereto.

De luxe equipment is proposed to be used and applicant proposes to charge fares and give service in accordance with tariffs and time schedules, copies of which, marked exhibits B and C, are attached to the application herein and made a part thereof.

The Los Angeles Biltmore Hotel, applicant declares, is a large hotel catering to the traveling public and to tourists. At all seasons of the year large numbers of the public are accustomed to patronize the hotel and to make it their headquarters while in Los Angeles. The Biltmore Hotel, at Flintridge, has now been taken over and will be operated under the same management as the Los Angeles Biltmore. The Biltmore at Flintridge is also a large and exclusive hotel, catering to tourists who will make it their home both for short periods and also for periods of a month or more while in Southern California. There will be, according to applicant, a fre-

quent exchange of guests between the two hotels. The public in considerable numbers patronizes the Biltmore Hotel at Los Angeles, staying there for short or long periods of time. Many of these patrons desire quieter surroundings and it is expected that they will move to the Biltmore Hotel at Flintridge and make that hotel their headquarters thereafter. It is also expected there will be a considerable volume of daily movement of passengers between the two hotels occasioned by various conditions, such as the fact that guests at the Flintridge Hotel will desire to come into Los Angeles for lunch or dinner at the Los Angeles hostelry, or for shopping or amusement purposes, returning at the close of the day to the hotel at Flintridge, and it is expected that there will be a similar daily movement of guests from the Biltmore Hotel at Los Angeles to the hotel at Flintridge. There is also a need for a public transportation service between the Biltmore Hotel at Flintridge and the town or community of Flintridge, and also to Chevy Chase, a point nearby, and also to Glendale. Guests at the Biltmore Hotel at Flintridge, residents of Flintridge and Chevy Chase frequently desire to visit Glendale for shopping or amusement purposes, and also have a need for said service for getting their children to and from school at Glendale.

Applicant declares that in its proposed operations from the Biltmore Hotel in Los Angeles to the Biltmore Hotel at Flintridge:

That no passengers will be carried between any two points in the city of Los Angeles, nor between any point in Los Angeles and any point within the city limits of Glendale.

That passengers will be picked up by applicant at the Biltmore Hotel at Los Angeles, or any intermediate point along the proposed route, when said passengers are destined to any point in Chevy Chase or Flintridge, or for the Biltmore Hotel at Flintridge;

That in the operations from the Biltmore Hotel at Flintridge to the Biltmore Hotel at Los Angeles, applicant will accept passengers at the Biltmore Hotel at Flintridge, or at Flintridge, or at Chevy Chase, or at any intermediate points between Chevy Chase and the Biltmore Hotel at Flintridge, when such passengers are destined to Glendale or for the Los Angeles Biltmore Hotel or for any point along applicant's proposed route south of the southerly city limits of the City of Glendale.

That applicant will not accept for transportation any passengers originating at any point within the city limits of Glendale and destined for any other point either in the City of Glendale or for any point along applicant's proposed route south of said city limits.

Pacific Electric Railway Company, in view of the restrictions set forth herein, has advised the Commission, in writing, under date of November 30, 1928, that it will not oppose the granting of the application herein.

The Biltmore Hotel at Flintridge will open for the present season on or about December 20, 1928.

Motor Transit Company has been requested to establish the service contemplated by this application by the management of the two Biltmore Hotels and by residents of Chevy Chase and Flintridge and by other persons living along the route proposed to be served.

It is believed and anticipated, applicant declares, that said service will be self sustaining, but Mr. Bert Farrar, the owner of the Chevy Chase tract, has agreed, in writing, to subsidize and assist applicant financially in the proposed operation and maintenance of said service to the extent as set forth in Exhibit D attached to and forming a part of this application.

We are of the opinion in view of all the circumstances set forth herein, that this is a matter in which a public hearing is not necessary and that the application should be granted.

Motor Transit Company 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity require the oper-

ation by Motor Transit Company, a corporation, of an automotive stage service for the transportation of passengers and their baggage between the Biltmore Hotel, situated at the corner of Fifth and Olive Streets in the City of Los Angeles, and the Biltmore Hotel at Flintridge, California, and intermediate points, subject to the following restrictions:

That no passengers will be carried between any two points in the city of Los Angeles, nor between any point in Los Angeles and any point within the city limits of Glendale.

That passengers will be picked up by applicant at the Biltmore Hotel at Los Angeles, or any intermediate point along the proposed route, when said passengers are destined to any point in Chevy Chase or Flintridge, or for the Biltmore Hotel at Flintridge;

That in the operations from the Biltmore Hotel at Flintridge to the Biltmore Hotel at Los Angeles, applicant will accept passengers at the Biltmore Hotel at Flintridge, or at Flintridge, or at Chevy Chase, or at any intermediate points between Chevy Chase and the Biltmore Hotel at Flintridge, when such passengers are destined to Glendale or for the Los Angeles Biltmore Hotel or for any point along applicant's proposed route south of the southerly city limits of the City of Glendale.

That applicant will not accept for transportation any passengers originating at any point within the city limits of Glendale and destined for any other point either in the City of Glendale or for any point along applicant's proposed route south of said city limits.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same hereby is granted to Motor Transit Company, a corporation, subject to the following conditions:

1- That pending completion of a bridge across the Los Angeles River applicant shall detour the service herein authorized around said bridge construction work, as shown by Exhibit A herein; that on completion of said bridge service shall be established over the regular route shown in said exhibit.

2- No authority is herein conveyed to Motor Transit Company to link up or join the operating right granted herein with other rights owned by said Motor Transit Company.

3- Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

4- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical to those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.

5- 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.

6- 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.

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 10th day of December, 1923.

Leon Whitell

C. J. ...

Ernest ...

W. D. ...

W. J. ...

COMMISSIONERS.