

Decision No. 27591

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of TANNER MOTOR TOURS, LTD., a California corporation, for certificate of public convenience and necessity to operate a motor service as a common carrier between Los Angeles and Hollywood and Arcadia Race Track, Arcadia, California.

Application No. 19585.

Harry C. Cogen, for applicant.

D. A. Campbell & R. C. Cahill, for Pasadena Ocean Park Stage Line, protestant.

R. E. Wedekind, for Motor Transit Company and Los Angeles Motor Coach Company, protestants.

Gibson, Dunn & Crutcher, Woodward M. Taylor and H. G. Weeks, for Los Angeles Railway Corporation, an interested party.

BY THE COMMISSION:

O P I N I O N

This is an application by the Tanner Motor Tours, Ltd., a California corporation, for a certificate of public convenience and necessity to establish common carrier passenger service by motor bus or automobile sedan between Hollywood-Los Angeles and Pasadena on the one hand, and the Arcadia Race Tract at Arcadia on the other. Applicant will accept passengers at the Roosevelt, Christie and Hollywood Plaza Hotels in Hollywood; Ambassador and Biltmore Hotels in Los Angeles; and the Vista del Arroyo, Maryland and Huntington Hotels in Pasadena; and these hotels are the only stopping places where passengers will be received or discharged enroute to the Race Track.

The route to Race Track will be from Hollywood via the

Hollywood Boulevard, Los Feliz Boulevard and Colorado Street from Los Angeles (Ambassador Hotel) via the Wilshire Boulevard and Sixth Street to Biltmore Hotel, thence via Fifth Street-Los Angeles Street-Macy Street-Mission Road, and Huntington Drive.

The services will be purely seasonal and function only during the racing period beginning on December 25 and continuing for about 56 days each year. The equipment will consist of 24 passenger coaches of the highest type and when the number of passengers for any particular trip totals 7 or less, special sedan cars will be provided. The tours are to be personally conducted, all seats reserved for the round trip, the coaches operated into the race track property to within 400 feet of the grand stand, and there held for the inbound movement. The round trip fare as set forth in the application is \$1.00 from all hotels to the race track, regardless of the distances. The proposed fare of \$1.00 is substantially higher than the charges now in effect by use of the facilities of the existing common carriers: viz. Pacific Electric Railway, Los Angeles Railway Corporation, Los Angeles Motor Coach Company, Motor Transit Company or Pasadena Ocean Park Stage Line.

As justification for the certificate applicant testified to receiving numerous requests from guests residing at the leading hotels in the three communities. The managers of the four hotels to be served showed by their testimony that guests arriving at the first class resorts during the winter months demanded the best and will not patronize the regular transportation lines to the Arcadia Race Track. This is evidenced by the fact that these people have in the past insisted upon employing special automobile coaches or limousines for their transportation to the annual Rose Bowl Football Game and similar events, and would follow the same procedure in connection with the Race Track movements.

Four other witnesses in the hotel business stipulated that if called to the stand they would each testify in verification of the

previous witnesses to the effect that the public required and would support the proposed services.

Applicant's services are altogether new to a new amusement park and will cater to a group of traffic different from those using the conventional transportation.

The Pacific Electric, Los Angeles Railway Corporation, Los Angeles Motor Coach Company, Motor Transit Company and Pasadena Ocean Park Stage Line protested the granting of the application. The Los Angeles Railway Corporation withdrew its protest when assured that applicant would only pick up and deliver passengers at the specified hotels. The other protestants described in much detail their operating schedules, fares and plans for co-ordinating these schedules and fares to meet the Race Track passenger requirements when the season commences in December, 1934. The Pacific Electric has expended substantial sums to improve the Arcadia terminals and will endeavor to anticipate and meet all demands for the service.

A careful consideration, however, of the opposition interposed leads to the conclusion that applicant's proposed operations, being an unlike transportation for a different class of service at higher fares, could not compete to any appreciable extent with protestant's local services.

After consideration of the record in this proceeding we conclude and find as a fact that there is a substantial demand for the proposed operations and that public convenience and necessity require the establishment of the services.

Tanner Motor Tours, 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 may be given.

O R D E R

Public hearing having been held in the above entitled proceeding, the matter having been duly submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation during any season when racing is conducted at Santa Anita Race Track at Arcadia only, by Tanner Motor Tours, Ltd. of motor bus or automobile sedan operation between (a) Roosevelt, Christie and/or Hollywood Plaza hotels in Hollywood; (b) Ambassador and Bitlmore hotels, downtown Los Angeles and (c) Vista del Arroyo, Maryland and Huntington hotels, Pasadena, and Santa Anita Race track at Arcadia, over and along the following routes:

- (a) From Hollywood, via Hollywood Boulevard, Los Feliz Boulevard, Colorado Street and/or Foothill Boulevard or Huntington Drive to race track.
- (b) From Los Angeles (downtown), via Wilshire Boulevard, Sixth Street, Fifth Street, Los Angeles Street, Macy Street, Mission Road and Huntington Drive; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service be and the same is hereby granted to TannerMotor Tours, Ltd., subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than ten days' notice to the 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 insofar as they conform to the certificate herein granted, or rates 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 Commission and the public, 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 secured.

5. 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 10<sup>th</sup> day of December, 1934.

Leon J. Whalley

W. H. Ann

M. B. Lewis

W. H. [unclear]

Francis R. [unclear]

Commissioners.