

ORIGINAL

Decision No. 31596.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of TANNER MOTOR TOURS, LTD., a corporation, for a certificate of public convenience and necessity to operate sightseeing bus services from Los Angeles, California to Lake Arrowhead, and return.) Application No. 22162.

Faries & McDowell, by McIntyre Faries, for Applicant.

C. W. Cornell and E. L. H. Bissinger, for Mountain Auto Line, Pacific Electric Railway Company and Motor Transit Company, Protestants.

BY THE COMMISSION:

O P I N I O N

Tanner Motor Tours, Ltd. filed the above entitled application seeking a certificate of public convenience and necessity to operate a sightseeing motor coach tour from Los Angeles to Lake Arrowhead and return.

A public hearing in this matter was conducted by Examiner Gorman at Los Angeles on October 6th, 1938, at which time the matter was duly submitted.

Applicant now operates several sightseeing tours in and around Southern California under certificates of public convenience and necessity granted by this Commission. The company owns 45 parlor cars and 200 limousines.

Applicant requests authority to operate a sightseeing tour, leaving Los Angeles at 8:30 A.M. on Tuesdays, Thursdays and Saturdays, with the privilege of operating on other days if the demand exists; also, a special trip leaving Los Angeles on Saturdays at 12:30 P.M., via San Marino, Huntington Library and

Museum, Santa Anita Race Track, Pony Express Museum, Foothill cities, passing orange and lemon groves, mouth of San Gabriel Canyon, Boulder Canyon power line, Scripps College, Pomona College, San Bernardino and Arrowhead Hot Springs to Lake Arrowhead, arriving at approximately 12:30 P.M. in time for lunch. The sightseeing trip will also be operated around Lake Arrowhead, passing Lakeshore cottages, South Shore residential section, the Dam, North Shore estates, Tavern and cottages, upper Lake Road, Movie Point and Golf Course to Lake Arrowhead Village or vice versa.

Applicant also proposes to operate a special car from Mission Inn at Riverside to connect with the tour from Los Angeles at either Colton or San Bernardino, depending upon the route used for the Los Angeles tour. Applicant does not propose to transport any one-way passengers between Los Angeles and Lake Arrowhead or between any intermediate points, except Riverside. Applicant proposes to pick up at and return passengers to various hotels in Los Angeles, namely, Roosevelt, Christie, Plaza, Knickerbocker, Ambassador, Biltmore, Clark and Rosslyn Hotels. It is proposed that the line haul sightseeing equipment will call at the Biltmore and Rosslyn Hotels, while the other hotels will be served by pick-up limousines.

The rates proposed by applicant are as follows:

The rate for the round trip sightseeing tour, Los Angeles to Lake Arrowhead and return, over sightseeing route named in Route and Time Schedule - - - - - \$6.00

All expense tours (meals, room, etc.) per day per person in single room - - - - - 16.00
 Made up of \$6.00 transportation and \$10.00 for room and meals at Arrowhead Lodge.

All expense tours (meals, room, etc.) per day, two persons to a room, each - - - - - 14.75
 Made up of \$6.00 transportation and \$8.75 for room and meals at Arrowhead Lodge.

(Where the all expense tour starts from and returns to Riverside, the rate of transportation will be \$3.00, and the all expense total will be cut by this amount, making \$13.00 per day per person for a single room, and \$11.75 per day for two persons to a room).

Applicant proposes to add the proposed tour, if granted, to Subdivision 11 of Section 1 of its local passenger tariff C.R.C. No. 11, now on file with this Commission, thereby making the existing rules and regulations applicable to this tour.

It will be noted that, in addition to the sightseeing trip, applicant proposes one, two and three-day all-expense tours.

Applicant, in support of its request, alleges that Lake Arrowhead, located in San Bernardino County at an elevation of 5,000 feet, with a shore line of 14 miles, is visited by persons not only on extended vacations but on short trips; that visitors at various Los Angeles hotels often do not have time to make an extended trip but desire to see Lake Arrowhead and the points of interest enroute; that there is a demand from tourist agencies and hotels, locally and in the East, for such a trip; that sightseers desire information enroute as to the points of interest, the methods of growing and harvesting oranges and lemons, the names of various mountains and valleys passed, etc., the names of resorts, the distances between various points and matters of history, and that there is a demand in the East and in Los Angeles for all-expense tours which can be purchased in advance.

Applicant proposes to utilize limousines for six passengers or less and parlor cars for more than six passengers, which vehicles are equipped with loud speaker systems and will be driven over the route of 175 miles by uniformed driver-guides who are thoroughly familiar with the territory, its history and points of interest.

Attached to the application are copies of letters from Biltmore Travel Bureau, Arrowhead Lake Corporation, Consolidated Hotels, Inc., The Gaylord, the Los Angeles Ambassador Hotel and The Town House, indicating a need for a sightseeing service between Los Angeles and Lake Arrowhead.

Representatives of Lake Arrowhead Corporation, Ambassador Hotel, Rosslyn Hotel, Clark Hotel, Biltmore Hotel, Hollywood Knickerbocker Hotel, Consolidated Hotels, Inc., Roosevelt Hotel, North Shore Tavern at Lake Arrowhead, Ask Mr. Foster Travel Service, Inc., Biltmore Travel Bureau and American Express Company testified at the hearing in support of the application. The testimony of these witnesses may be briefly summarized as follows - that Lake Arrowhead is one of the most picturesque resorts in the world; that several hundred thousand folders advertising Lake Arrowhead are distributed throughout the United States and Canada annually; that approximately 50,000 persons visited Arrowhead Village during the summer of 1938; that the present transportation facilities between Los Angeles and Lake Arrowhead are not conducive to the attraction of visitors desiring a sightseeing trip or winter guests desirous of participating in skiing, skating and tobogganing conducted at the Lake; that the various enterprises at Lake Arrowhead spend several thousand dollars annually in advertising the Lake area by radio, newspapers, magazines, travel services, etc.; that there is no sightseeing service of any kind now being operated between Los Angeles and Lake Arrowhead; that many requests are received annually for a sightseeing service as proposed, and that there is a need for a sightseeing and all-expense tour between Los Angeles and Lake Arrowhead.

The record also shows that the tourist business is the second largest business in Southern California; that during 1937 1,750,000 out-of-state tourists visited Southern California; that approximately \$260,000,000 is spent in Southern California by tourists annually, and that the All-Year Club of Southern California, Ltd. is continuously endeavoring to open new attractions for tourists.

The only public transportation service now being operated between Los Angeles and Lake Arrowhead is a combination service,

i.e., by motor coach or rail via Motor Transit Company and Pacific Electric Railway Company, respectively, between Los Angeles and San Bernardino, and motor coach service by Mountain Auto Line between San Bernardino and Lake Arrowhead. The Pacific Electric Railway Company operates two round trip schedules daily (leaving Los Angeles at 6:15 A.M. and 7:10 A.M. and leaving San Bernardino at 6:35 P.M. and 7:30 P.M.), between Los Angeles and San Bernardino, which connect with the motor coaches of Mountain Auto Line at San Bernardino. The Mountain Auto Line operates one round trip daily between San Bernardino and Lake Arrowhead, leaving San Bernardino at 9:20 A.M., arriving at Lake Arrowhead at 11:30 A.M., and leaving Lake Arrowhead at 4:50 P.M., arriving at San Bernardino at 6:30 P.M.

Mr. Max Green, owner of the Mountain Auto Line, testified that he proposes to transport the mail by truck, which would reduce the running time between San Bernardino and Lake Arrowhead for passenger schedules approximately forty minutes, and to operate a schedule leaving San Bernardino at 6:00 P.M. during the summer months. Mr. Green protested the granting of the application, on the grounds that the Mountain Auto Line is not now being operated profitably and any diversion of traffic from his line may result in necessary abandonment. He was of the opinion that the proposed service would detract passengers from his line, particularly those destined to Lake Arrowhead for one, two or three-day periods.

The fare between Los Angeles and Lake Arrowhead via Pacific Electric Railway Company or Motor Transit Company and Mountain Auto Line is \$4.00 round trip. This fare is considerably lower than the \$6.00 round trip fare proposed by applicant. The proposed service of applicant does not permit a stop-over at Lake Arrowhead except in connection with all-expense tours.

It is apparent that a service leaving Los Angeles at 6:15 or 7:10 A.M. and returning to Los Angeles at 9:25 P.M., and involving two transfers enroute, would not be attractive to persons desiring to travel to Lake Arrowhead for sightseeing purposes. A person at one of the hotels in Hollywood would be required to leave approximately forty minutes earlier and would be required to make a transfer enroute to Pacific Electric Railway Company's depot at Sixth and Main Streets, Los Angeles.

It has been well established that tourists desiring to see the points of interest in a particular locality will generally seek personally conducted sightseeing tours, rather than utilize other forms of public transportation.

The Pacific Electric Railway Company opposed the granting of the application, on the grounds that the proposed service may detract from the revenues of Mountain Auto Line, which operation was sold by Motor Transit Company to Max Green under authority of this Commission's Decision No. 30091, dated September 7th, 1937. At the time of sale, Motor Transit Company, a subsidiary of Pacific Electric Railway Company, agreed to underwrite the continuance of adequate service over the line of Mr. Green.

After carefully considering all of the evidence in this proceeding, we are of the opinion and hereby conclude that there exists a public demand for a service of the type proposed and, in view of the differential in rate and the manner in which the proposed service will be operated, there is little likelihood that it will detract any substantial volume of patronage from the existing carriers but will develop considerable new traffic not now travelling between Los Angeles and Lake Arrowhead.

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 which may be given.

O R D E R

The above entitled application having been filed, a public hearing having been held and the Commission being fully advised of the facts;

The Railroad Commission of the State of California Hereby Declares that public convenience and necessity require the establishment and operation by Tanner Motor Tours, Ltd. of an automotive sightseeing service, including one, two and three-day all-expense tours, as a common carrier of passengers as a passenger stage corporation, as such is defined in Section 2½ of the Public Utilities Act, between the City of Los Angeles, County of Los Angeles, on the one hand, and Lake Arrowhead, San Bernardino County, on the other hand, and between the City of Riverside, Riverside County, on the one hand, and said Lake Arrowhead, on the other hand, over and along the following route:

Leaving Los Angeles via Los Angeles Street, thence via Macy Street, Mission Road, Huntington Drive to U.S. Highway 66, thence via U.S. Highway 66 to San Bernardino, passing Huntington Library and Museum, Santa Anita Race Track, Pony Express Museum, Orange and Lemon groves, mouth of San Gabriel Canyon, Boulder Canyon power line, Scripps College and Pomona College, thence leaving San Bernardino via State Highway 18 through Arrowhead Hot Springs to State Highway 2, thence circling Arrowhead Lake via undesignated highway passing Lake Shore cottages, South Shore residential section, the Dam, North Shore Estates, Tavern and cottages, upper Lake Road, Movie Point and Golf Course to Lake Arrowhead (Village) or vice versa. (Trip around Arrowhead Lake may be reversed).

Returning from Lake Arrowhead (Village) circling Arrowhead Lake (optional), thence via Stage Highway 18 to San Bernardino, thence via U.S. Highway 395 and State Highway 18 to Riverside, thence via State Highway 18 and U.S. Highway 60 to Ontario, thence via U.S. Highway 99 to Mission Road, Macy Street to Main Street in Los Angeles, or vice versa.

Stop-overs will be allowed at Lake Arrowhead for one, two and three-days.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Tanner Motor Tours, Ltd., subject to the following conditions:

- (1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
- (2) Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file in triplicate, and concurrently make effective on not less than ten (10) days' notice to the Railroad 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, in so far as they conform to the certificate herein granted, or rates and rules 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 (5) days' notice to the Railroad Commission and the public, a time schedule or time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.
- (4) Applicant shall not transport any one-way passengers between Los Angeles and Lake Arrowhead, nor shall it transport any passengers to or from points intermediate between Los Angeles and Lake Arrowhead, except between the City of Riverside and Lake Arrowhead, when such passengers have both origin and destination at Riverside.
- (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 obtained.
- (6) No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant

or is leased by applicant 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 and after the date hereof.

Dated at San Francisco, California, this 27th day of December, 1938.

Ray Swabey

Frank D. ...

H. ...

Commissioners.