

Decision No. 18412.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MT. TAMALPAIS and MUIR WOODS RAILWAY)
for an order authorizing it to abandon)
the operation of the "LEE STREET)
LOCAL.")
) Application No. 11761

Thomas, Beedy & Presley, by William Thomas, for Applicant,
 H. C. Symonds, for Town of Mill Valley and for interested
 citizens, Protestants.

BY THE COMMISSION -

O P I N I O N

Mt. Tamalpais and Muir Woods Railway, a corporation, has petitioned the Railroad Commission for an order authorizing the abandonment of service on its Lee Street Local Line, operated from the Northwestern Pacific Station in the Town of Mill Valley to the station of Lee Street, a distance of approximately 1.12 miles.

Public hearings on this application were conducted by Examiner Handford at San Francisco, the matter was duly submitted following the filing of briefs, and is now ready for decision.

Applicant alleges that the operation of its Lee Street Local service has been conducted at a material loss; that changes in schedules and rates of fare have been made from time to time in an endeavor to eliminate the operating loss; and that the line has steadily lost patronage in spite of the efforts of applicant to render effective service.

Exhibits filed as a portion of the application herein show, in elaborate detail, the revenues and expenses of the Lee Street Local operation (1) on the basis of actual out-of-pocket costs and (2) on the basis of operating costs including maintenance of track and roadway, proportion of general expense, fixed charges, interest

and taxes. Other exhibits show the receipts and expenditures resulting from the operation of the entire line of applicant.

From these exhibits we have abstracted the following tabulation showing the revenues derived from the "Lee Street Local" operation and the expense of same, the latter figures including only the direct operating charges with no allowance for superintendence, track and roadway maintenance, general expense, depreciation, taxes or any return on the investment -

<u>Year</u>	<u>Revenue</u>	<u>Operating Expenses</u>	<u>Loss</u>
April 1 to Dec. 31, 1920.	2789.05	2500.25	288.80 *
1921	3511.50	4124.00	612.50
1922	3153.55	3369.40	215.85
1923	2233.75	2714.02	480.27
1924	1898.78	3136.87	1238.09
1925	1600.70	4161.70	2561.00
Jan. 1 to May 31, 1926.	<u>522.20</u>	<u>1085.92</u>	<u>563.72</u>
TOTALS -	\$15709.53	\$21092.16	\$5382.63

Note - * Indicates gain.

From the above it appears that not alone has there been a substantial loss, amounting to \$5382.63 during the six year period but also that the patronage has resulted in a decrease in revenue from the year 1921 as compared to the year 1925 of 54.41%, operating expenses for the two years remaining practically the same.

The matter of the discontinuance of the "Lee Street Local" service has heretofore been considered by the Commission in the following proceedings:

Decision No.2944 on Application No.1898, decided November 30, 1915. (C.R.C. No.8, 552).

Decision No.4927 on Application No.3272, decided December 6, 1917. (C.R.C. No.14, 670).

Decision No.6385 on Application No.4262, decided June 5, 1919. (C.R.C. No.16, 843).

Decision No.7165 on Application No.5211, decided February 27, 1920. (C.R.C. No.17, 838).

In the Applications Nos.1898 and 3272, supra, the discontinuance of all service of applicant was sought during the winter seasons of each year, and the Commission found in its decisions that the "Lee Street Local" service should be maintained, although permitting the discontinuance of the main line, or mountain, service during the periods for which authority was sought. In Application No.4262 the Commission found that no showing had been made as to rearrangement of schedules, plans for the reduction of schedules or application for increased rates, which might have enabled operation to be more economically conducted, and denied the application. In Application No.5211, the Commission authorized applicant to discontinue the carrying of local passengers on its mountain trains between Mill Valley and Lee Street, and granted permission to increase fares and reduce schedules on the "Lee Street Local" line. All the foregoing decisions contain much data as to the history and development of this local service and it would serve no useful purpose to restate the data herein.

The granting of the application is protested by the Town of Mill Valley and by residents served by the "Lee Street Local" line.

Mr. A. M. Whittle, Mr. A. J. Penfield, Mr. G. E. Chapin, Mrs. Flora R. Hawkins and Mr. H. C. Symonds, all patrons of the local line, testified in behalf of the protestants, in effect that the population along the line had consistently increased since 1921; that the service now rendered was a considerable improvement over that formerly rendered, for which improvement a

change in management was responsible; that school children would be deprived of regular transportation service and residents would be inconvenienced during inclement weather if the service were to be discontinued; that there was no substitute service available; and that property values in Blythedale Canyon would be depressed if a discontinuance of service were to be authorized. Witnesses admitted that the line was not heavily patronized notwithstanding that an improvement in service had been observed, one protesting witness not using the line personally but finding it to be of advantage to his family. The privately owned automobile was stated by some of the witnesses to be the principal cause for the lack of local line patronage, there being no competing jitney or automobile stage service.

Counsel for protestants contends that, by reason of the main line of applicant being operated at a deficit although serving non-operative property which is profitable, the instant application should have included a request for the discontinuance of service upon the entire line; and that the patrons of the "Lee Street Local" should continue to receive service unless and until the entire unprofitable rail service shall have been authorized to be abandoned. The applicant is not before the Commission seeking authority to discontinue its main line service, which is now operated only during a portion of the year under authority obtained from this Commission in its Decision No.2944 on Application No.1898, and Decision No.4927 on Application No.3272. In both these decisions provision was made for the continuous operation of the "Lee Street Local" throughout the entire year. Previous applications for the relief of the deficits arising from the operation of this local service have been denied and the applicant, in compliance with the orders of the Commission has amended schedules, adjusted service and rates in an attempt to continue service. The record herein and the foregoing tabulations abstracted from exhibits show the public have not responded with

patronage to an extent that the revenue: is equivalent
to the out-of-pocket/^{operating} expenses, and the volume of patronage
is steadily decreasing.

We have given careful consideration to the evidence, exhibits and briefs of record in this proceeding. We conclude therefrom and hereby find as a fact that public convenience and necessity do not require the operation by applicant of its "Lee Street Local" line; that the revenue derived therefrom is insufficient to defray the out-of-pocket costs of operation; and that there appears no possibility of increased traffic which would justify continued operation.

O R D E R

Public hearings having been held on the above entitled application, the matter having been duly submitted upon the filing of briefs, the Commission being now fully advised and basing its order on the conclusions and findings of fact as appearing in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant Mt. Tamalpais and Muir Woods Railway, a corporation, be and the same hereby is authorized to discontinue the operation of its so-called "Lee Street Local" service between the station of the Northwestern Pacific Railroad in Mill Valley to the station of Lee Street; provided, however, that prior to the discontinuance of service notices advising the public of such discontinuance shall be

posted at all stations affected and in all cars operated on said local line at least ten (10) days prior to the date of discontinuance as herein authorized, and to file a copy of said "notice of discontinuance" with this Commission. Applicant is also hereby directed to file cancellation of all tariffs and time schedules affecting said "Lee Street Local" service in accordance with the provisions of this Commission's Tariff Circular No.2.

The effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25th day of May, 1927.

Edward DeCosta
H. B. Blanding
C. Seamy
Paul D. Raitt
COMMISSIONERS.