

Ridge Road. Applicants Russell et al propose an operation from San Quentin westwardly to Mill Valley and thence over the new highway. Applicant Caltoft proposes to extend his passenger and freight service north from Sausalito to Mill Valley, and thence over the new road.

Public hearings herein were conducted by Examiner Williams at Mill Valley and Stinson Beach.

The route to be traversed is under construction and has just been prepared for initial use. It is to be made a link in the new Seashore Highway which is to be a state highway running from Sausalito to Mill Valley and thence to Stinson Beach, and thence north through Marin, Sonoma, Mendocino and Humboldt Counties to Eureka. A special highway district, to provide this road in conjunction with the State Highway Commission, is to be organized by these counties and San Francisco City and County. At present, this link between Mill Valley and Stinson Beach is merely graded for use, and is not to be finished in any manner until the state highway work begins. It varies from twenty-four to eighteen feet in width and has few excessive grades on it, and only one of ten per cent and this for a short distance. In contrast with the so-called Manzanita Road, which has grades as high as fourteen per cent, the testimony shows it will be a better road so far as grades are concerned, but will have the disadvantage of being a newly constructed dirt road with imminent danger of obstruction from slides during wet weather. It will put passengers in contact with Muir Woods Trail and White Gate Ranch, and is of particular scenic beauty.

Applicant Russell and his associates, residents of Mill Valley, undertook the establishment of a line largely as a civic promotion, and selected the San Quentin terminus to avoid conflict

with other established service. The testimony reveals practically no demand for transportation between Mill Valley and San Quentin. Admittedly the bulk of transportation is to come from the Richmond-San Quentin Ferry or is to be picked up at Mill Valley, a terminus of the Northwestern Pacific rail line.

Applicant Caltoft has been maintaining since 1921 stage service between Sausalito and Bolinas, for passengers, baggage, express and freight, following the Manzanita Road by Big Lagoon, thence northerly to Stinson Beach, thence going around Bolinas Lagoon to its west side to serve Bolinas. Incidentally this line carries United States mail. Caltoft purposes to continue north from Manzanita over the highway to Mill Valley and thence to Stinson Beach and Bolinas over the new highway. His fare for one way between Sausalito and Stinson Beach is one dollar (\$1.00) without round-trip fares. The distance now traversed by Caltoft in his operations to Bolinas is 22.4 miles. By the new route, the distance is 23 miles.

Caltoft represented that the operation as conducted by him has never been profitable; that it is seasonal in character, usually between July 1 and September 1; that it is largely week-end travel, and that he has held himself in readiness to serve the new route for the past two years. He asserted willingness to provide service via Mill Valley and make this route his main operation, but maintaining service also over the Manzanita Road. He also agreed to provide modern equipment.

Much of the hearing concerned the character of the new route, and it was the opinion of Mr. C. J. Gardner, Chairman of the Board of Supervisors of Marin County, that the road would not be safe at all times during the rainy season, and that no certificate should be authorized until the winter of 1928-9 had past. The mountainous

country through which this road passes is to some extent of soft material, and there are frequent slides blocking the roads and impeding transportation.

It appears from a careful review of the testimony, that a new routing, as proposed by applicant Caltoft, would be at least a convenience for those at Mill Valley and other points north to reach Stinson Beach without the longer trip by way of Fairfax. It cannot be said there has been any great demand for the establishment of this service, and the testimony discloses that 95% of those who go to Stinson Beach use their own vehicles. There is, however, in the summer season, a passenger movement which originates in the East Bay Districts of Oakland, Berkeley, Alameda and Contra Costa County, that would find transportation convenient and probably necessary to get from Mill Valley to the Beach. As Caltoft offers to provide this service by a daily schedule in each direction, and extra schedules on Saturdays and holidays, and has equipment available for that purpose, or will procure suitable equipment, and as the service he proposes conflicts with no other carrier now in the field, we believe the Commission is justified in authorizing the certificate for such operation between Sausalito and Stinson Beach, upon schedules shown in applicant's Exhibit "B," leaving the applicant free to use either route, as physical conditions may require, but conducting main operation through Mill Valley.

In view of this conclusion, we believe the application of James Russell and others should be dismissed without prejudice, as stipulated by these applicants upon Caltoft's offer to provide adequate service through Mill Valley with good equipment.

The certificate to be granted herein will provide for an extension and enlargement of Caltoft's service by operating schedules via Mill Valley, and will not be a new or separate right.

W. H. Caltoft 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

W. H. Caltoft having made application for a certificate of public convenience and necessity to operate automotive passenger, baggage, express and freight service between Sausalito and Bolinas, via Mill Valley, a public hearing having been held, the matter having been duly submitted, and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment by W. H. Caltoft as an extension of his existing operating right between Sausalito and Bolinas of automotive stage service for passengers, baggage, express and freight service between Manzanita and Stinson Beach, and all points intermediate, over and along the following route:

From the junction of Mill Valley highway and Manzanita Road over Mill Valley highway to Mill Valley, thence westwardly over Ocean View Ridge Road to Stinson Beach; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be granted; provided, however, that such certificate permits no sale of transportation for passengers, baggage, express or freight between Sausalito and Mill Valley and intermediates, subject to the following conditions:

1. Applicant shall file with this Commission, within a period of not to exceed twenty (20) days from date hereof, his written acceptance of the certificate herein granted as an extension and enlargement of his present operative rights, as defined by Decision No. 9851 on Application No. 7205, dated September 30, 1921, and not as a new or separate right.

2. Applicant shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariff of rates and time schedules, such tariff of rates and time schedules to be identical with 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 ninety (90) days from the date hereof.

3. 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.

4. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

James Russell and others having made application for a certificate of public convenience and necessity for the operation of automotive stage service between San Quentin and Stinson Beach via Mill Valley, a public hearing having been held, the matter having been duly submitted, and now being ready for decision,

IT IS HEREBY ORDERED that the application herein be dismissed without prejudice.

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 *17* day of April, 1929.

Thos D. Loutin

C. J. Seamy
Emmerson

Leon Whitehall
W. J. Carr