

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
Mt. Tamalpais & Muir Woods Railway ) APPLICATION NO. 5211.  
to Increase rates and Reduce Service.)

BY THE COMMISSION:

Thomas, Beedy & Lanagan, by Mr. Thomas, for Applicant.

John F. Barnett, for Citizens Committee of Mill Valley.

O P I N I O N

On December 27, 1919, the Mt. Tamalpais & Muir Woods Railway filed an application for authority to increase the through passenger fares between Mill Valley and the summit of Mt. Tamalpais and Muir Woods; the local fares between Mill Valley and Lee Street; abandon passenger trains Nos. 60, 59, 66 and 65 operating between Mill Valley and Lee Street, and discontinue entirely the carrying of local passengers on what are known as the mountain trains, except that on week days the train connecting with the 9:45 a.m. ferry boat from San Francisco will continue to serve the local traffic.

The application sets forth that with the exception of Train No. 66 none of these local trains connect with trains of the Northwestern Pacific, and that the financial results from all of them are unprofitable.

It is proposed to increase the one-way fare between Mill Valley and Lee Street from 5 to 10 cents, sell individual monthly

commutation tickets, good for 26 round trips, for \$3.25, or 6 $\frac{1}{2}$ ¢ per ride, family 20-ride tickets for \$1.50, or 7 $\frac{1}{2}$ ¢ per ride, and 20-ride tickets for children for \$1.00, or 5¢ per ride. It is also proposed to increase the one-way fare between Mill Valley and Muir Woods, West Point and Mt. Tamalpais 30 cents, the round trip 50 cents and the joint fare to Mt. Tamalpais via Muir Woods 60 cents one way and 80 cents round trip.

The application alleges that the main-line trains from Mill Valley to the summit of Mt. Tamalpais and to Muir Woods are patronized exclusively by tourists and that there are no patrons dependent upon them for regular transportation.

The instant application is in reality a continuation of Application No. 4262 (16 C.R.C.848), wherein authority was sought to discontinue entirely the local trains between Mill Valley and Lee Street, upon the claim that the service was being rendered at a loss and had been operated at a loss since its beginning. In denying Application No. 4262 the Commission said:

"That the percentage of net profit earned upon its total investment is not a reasonable nor a fair and adequate compensation \* \* \* \*. It has not been shown that the service furnished by the 'Lee Street Local' cannot be operated except at a loss. Applicant has not yet placed before this Commission any application for a reduction or re-arrangement of schedule on the basis of conserving operating expense, neither has any request for an increase in rates been made. Either a re-adjustment or diminution of schedule or an increase in rates, or a possible combination of both, present possibilities of reducing the deficit or of eliminating it entirely."

This application sets forth that following the suggestions made by the Commission, numerous conferences were had with committees of its patrons and the changes now proposed in the fares and the elimination of the local trains between Mill Valley and Lee Street.

had been agreed to. The only point upon which there is still disagreement is in connection with the local service on the mountain trains.

The instant application was set for hearing before Examiner Satterwhite at San Francisco February 5, 1920, but owing to the illness of attorneys for both the company and the protestants, an adjourned hearing was held February 11th, and the case is now ready for a decision.

This applicant has been before the Commission on numerous occasions in the past in proceedings involving valuation, stock issues and the adjustment of fares and train services:

Application No.	437,	2,	C.R.C.	610,	April	12,	1913
"	"	437,	6,	"	910,	May	10, 1915
"	"	1380,	5,	"	666,	Oct.	26, 1914
"	"	1384,	5,	"	733,	Nov.	19, 1914
"	"	1384,	5,	"	950,	Dec.	24, 1914
"	"	1898,	8,	"	552,	Nov.	30, 1915
"	"	3272,	14,	"	670,	Dec.	6, 1917
"	"	4262,	16,	"	843,	June	5, 1919

It would be idle to again recite the history of the railway, or to make any further detailed analysis of the valuations of the property or its net income, the subject having been dealt with in great detail in the different decisions. It is sufficient to say that for the calendar year 1919 the railway operating income of \$12055.03 showed no improvement over the average for the previous years. This is less than 3% on the depreciated value of the railroad operating property, which previous investigation shows to be in excess of \$450,000.00. The unsatisfactory results are due to a decline in traffic and to a heavy increase in operating expenses. In 1919 the operating expenses were \$19368.14 in excess of the year 1918, chargeable principally to the costs of fuel oil, materials and labor.

The testimony of applicant's witnesses showed that in the distance of 1.12 miles between Mill Valley and Lee Street, where authority is sought to discontinue carrying local passengers on the mountain trains, there are five stops, some of them on seven per cent grades; also that during the entire year of 1919 but \$68.60 was collected from the local passengers traveling on the mountain trains between these points. Trains going to Mt. Tamalpais are usually heavily loaded, run under 5 minute headways in sections of two or more trains and the General Manager of the company stated in his testimony that the stopping of the trains to let off local passengers was extremely dangerous. The amount collected annually would indicate that there is no real demand for the service.

Protestants evidenced a desire to cooperate, there being no opposition to the discontinuance of the four trains referred to in the application, the objections at the hearing being directed to the rule providing that coupons from the 20-ride tickets would only be accepted when presented in connection with the book; this, it is claimed, would discourage travel. It was also contended the mountain trains provide accommodations on Sundays and holidays which should not be taken away. However, it was admitted, and the train collections so indicated, that the local people prefer to walk the short distance rather than pay a fare on the crowded mountain trains, using them only in cases of emergency.

The Mt. Tamalpais & Muir Woods Railway was constructed to serve tourists and pleasure seekers and has never developed any commercial traffic, unless the service between Mill Valley and Lee Street, a distance of 1.12 miles, may now be considered of such importance as to constitute a public convenience and necessity. The company, however, provides and will continue the local cars upon reduced schedules satisfactory to its patrons. This local service

during the entire year of 1919 produced but \$2316.18, which the testimony in this proceeding and in Application No.4262, supra, demonstrated conclusively was not sufficient to meet even direct operating expenses. The stopping of the mountain trains at points between Mill Valley and Lee Street on Sundays and holidays appears to be unnecessary and, being surrounded with certain elements of danger by reason of the severe grades encountered, should be discontinued.

Sale of 20-ride tickets is intended to encourage residents to use the local Lee Street service who might otherwise walk because of the short distances involved and for this reason it would appear more satisfactory results would obtain both to the company and its patrons if the proposed restrictions on these tickets were removed, and it will be so ordered.

Upon consideration of all the evidence, we find as a fact that the present passenger fares are unremunerative and are of the opinion that the application should be granted, with the exception that the 20-ride tickets instead of being sold in books under the rule requiring presentation of the book with each coupon shall be sold in strips of 20 tickets for \$1.50, tickets to be honored whenever presented.

#### O R D E R

The Mt. Tamalpais & Muir Woods Railway having petitioned the Railroad Commission for an order authorizing the discontinuance of certain local passenger trains between Mill Valley and Lee Street and discontinuing entirely the carrying of local passengers on through mountain trains, except that on week days the train connecting with

the 9:45 boat from San Francisco will continue to stop; also petitioning for certain increases in fares, as set forth in the exhibit attached to the application and as referred to in the opinion, and the matter having been duly heard and submitted, the Commission being fully advised and basing its order on the finding of fact as set forth in the preceding opinion.

IT IS HEREBY ORDERED that this application be and the same is hereby granted, with the exception that the adult and childrens' reduced fare tickets shall be sold in strips of twenty instead of in coupon books, single tickets to be honored when presented.

Dated at San Francisco, California, this 27<sup>th</sup> day of

*February*, 1920.

Edwin O. Egan

H. B. ...

Frank R. ...

H. V. ...

Commissioners.