

Public hearings were held in this matter in Oakland on September 15th, 25th and 29th, 1931.

The present fare structure of the East Bay Street Railways, Ltd. is founded on a zone basis, five zones in all. The central zone, including both Berkeley and Oakland, extends for a distance of over sixteen miles. Adjacent to the central zone, both on the east, or Hayward district, and north, or Richmond district, are two outer zones, varying from about two to four miles in width. The basic zone fare is ten cents with tokens seven for fifty cents or 7-1/7 cents each.

In this proceeding, two of applicant's major lines are involved. One, known as the Oakland-Hayward Line, passes through San Leandro and is all in Alameda County; the other, referred to as the Oakland-Richmond Line, operates in both Alameda and Contra Costa Counties. Both of these lines pass through three zones, with certain lap-zone privileges, as shown on Exhibit No. 3 filed in this proceeding. On the Hayward Line, the two zone lines are located at the east city limits of San Leandro and at Ashland Avenue, respectively. On the Richmond Line, the two zone lines are located at the county line and at 20th Street, Richmond, respectively.

It is proposed herein to consolidate the two outer zones by abolishing the zone lines at Ashland Avenue and at 20th Street, referred to above. By this arrangement, a passenger coming from Richmond or Hayward to Oakland would pay either two tokens or two 10-cent cash fares instead of the present fare of three tokens or three 10-cent cash fares. In addition to the zone fares, the company has commute and round trip rates at a lesser rate than the present or proposed zone fare; therefore, under the proposed fare structure, there will be a slight increase to the patrons now riding

on commute or round trip tickets. The fare structure proposed herein would also effect an increase in rates to certain patrons who now avail themselves of the lap-zone privileges. The record shows that the percentage of riders on these lines, whose fare would be increased under the proposed plan, is comparatively small. On the other hand, a slightly greater number of riders will enjoy a reduction of fare under the proposed plan.

Applicant's Exhibits Nos. 5, 6, 6-A, 7 and 8, based on 1930 traffic, show that the proposed change in fare structure would result in a loss in gross revenue to the company of \$9,887.08. To offset this loss, it is shown by Exhibit No. 8 that the adoption of the proposed fare structure will permit of a saving in operating expenses of \$17,663.35, leaving a net increase in revenue to the applicant of \$7,776.27. This saving in operating expenses primarily results from a decrease in platform labor, amounting to some \$13,000.00 per year. In addition, there will be a reduction in the operating expenses of register rentals, printing and auditing. The saving in platform labor is brought about largely through the elimination of swing men at the zone lines at both Ashland Avenue and 20th Street, as without the zone lines the business can be handled on the cars with one man throughout, except, perhaps, for swing men at the two remaining zone lines at the county boundary, Richmond Line, and at the east city limits of San Leandro, Hayward Line.

The granting of this application was opposed by Peerless Stages, Inc., which operates a line between Oakland and Hayward parallel to applicant's Hayward Line. It is contended by this protestant that the proposed modification of rates will not only reduce the net revenue of applicant but will also reduce the net

revenue of Peerless Stages, Inc. This protestant, furthermore, presented a suggested three-zone plan to apply on applicant's Hayward Line.

It is apparent that the protest of the Peerless Stages, Inc. is based, primarily, upon the assumption that a portion of its patrons will be attracted to applicant's line, as a result of the proposal to consolidate the two outer zones on its Hayward Line. Under the present arrangement, the two outer zones on this line, which are proposed to be consolidated, extend over a distance of about 5.2 miles, whereas the zone riders in the central zone are offered a ride in excess of 16 miles for one fare. To deny this carrier the right to consolidate these two short outer zones would not appear to be in public interest. There is nothing in the record to show that this plan is discriminatory to any of the patrons on applicant's system.

Both the City of Hayward and the City of San Leandro entered a protest against the proposed abolition of commute and round trip tickets, on the ground that it would increase fares for the riders using these forms of tickets; furthermore, San Leandro protested the discontinuance of the lap-zone plan between Ashland Avenue and Davis Street, San Leandro, on the ground that two fares would be required in traveling between Ashland Avenue and the business district of San Leandro.

Applicant's Exhibit No. 5, dealing with the Hayward Line and based upon the traffic for 1930, shows that under the proposed plan, out of 10,656 passengers carried on this line, 126, or 1.7 per cent, in the San Leandro-Hayward district will have their fare increased and 196, or 1.8 per cent, will enjoy a decrease. This exhibit also shows that the company's revenue on this line under

the new zone plan will be decreased from \$513,397.00 to \$510,817.00.

After carefully considering the record in this proceeding, the conclusion is reached that it will be in public interest to consolidate the two outer zones, as proposed, in that it will simplify fare collections, permit of a saving to the company and, at the same time, place the fares on a zone basis, which is consistent with the general fare structure of this carrier; therefore, public convenience and necessity justify the conclusion that this application should be granted and the following recommended order will so provide.

O R D E R

Public hearing having been held upon the above entitled proceeding, the matter now being under submission and ready for decision,

IT IS HEREBY ORDERED that East Bay Street Railways, Ltd. is hereby authorized to consolidate the two outer zones of its fare structure, as applied for herein, by the elimination of the zone lines at 20th Street, Richmond, and at Ashland Avenue, Hayward.

IT IS HEREBY FURTHER ORDERED that East Bay Street Railways, Ltd. is authorized to revise its fare structure, so as to provide for zone fares as applied for, eliminate the commute and round trip tickets and file new tariffs in accordance with the Commission's rules, on not less than ten days' notice, provided, however, that the public is given not less than ten days' notice of such proposed change in fares by posting notices in the cars affected.

The Commission reserves the right to make such further orders in this proceeding as to it may seem right and proper and to revoke its permission if, in its judgment, public convenience

and necessity demand such action.

The effective date of this order shall be twenty (20) days from the date hereof.

The foregoing opinion and order is hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 19th day of October, 1931.

C. J. Seavey
Leon Whittell
M. J. Carr
W. B. Harris
Fred G. Stewart
 Commissioners.