

**ORIGINAL**

Decision No. 40073

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

MILTON MAXWELL NEWMARK,

Complainant,

vs.

KEY SYSTEM,

Defendant.

Case No. 4860

MILTON MAXWELL NEWMARK, for Complainant.  
 DONOHUE, RICHARDS & HAMLIN, by Frank S. Richards,  
 for Defendant.  
 P. W. BARNARD, for Alameda Citizens Transportation  
 Association.  
 MRS. JOHN C. STIRPAT, for Apartment House  
 Association of Alameda County.  
 ROBERT T. ANDERSON, Assistant City Attorney for  
 City of Berkeley.  
 JOHN J. O'TOOLE, DION R. HOLM and PAUL L. BECK, by  
 Paul L. Beck, for City and County of San Francisco.  
 JAMES P. CLARK, for City of Alameda.  
 THOMAS L. CARLSON, City Attorney for the City of  
 Richmond, by Miss B. M. McAndrew.  
 MRS. KATHIE ZAHN, in propria persona.  
 WALTER J. KLADKO, in propria persona.  
 D. R. MacDONALD, interested party.

I N T E R I M O P I N I O N

This is a complaint brought by Milton Maxwell Newmark, requesting that the Commission make its order directing the Key System to establish a 5-day week commute to apply to transportation between San Francisco and East Bay cities.

A public hearing was conducted in this matter at San Francisco, February 10, 1947, and it is now ready for decision.

Mr. Newmark takes the position that the majority of the regular commuters on the Key System have need for transportation only five days out of the week, Monday through Friday, whereas under the present fare structure the only fare available to the

(1)  
Public is either a monthly commute or a cash fare. The monthly commute, so the complainant alleges, imposes an unreasonable financial burden on the patrons who do not have use for, or desire to purchase, this daily transportation but are required to do so or, in the alternative, pay the single trip cash fare.

It is further alleged that as time goes on the number of people desiring a 5-day week commute instead of a monthly commute is materially increasing due to the trend toward shorter hours of employment. Mr. Newmark points out in his complaint that at a hearing in the Commission's courtroom in San Francisco, September 18, 1946, in connection with the previous complaint filed by Mr. Newmark, Case No. 4844, Decision No. 39423, dated September 24, 1946, a representative of Key System stated that the company would offer a 5-day a week commute subject to the Commission's approval as soon as it had an opportunity to study the effect of an increase in fare which the Commission authorized. The Commission issued its order in Application No. 27595, by Decision No. 39437, granting an increase in the fares on the lines

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(1) a. Transbay fare structure as of February 10, 1947:

Regular service (all lines except Hayward and Richmond motor coach lines)

Adult one-way	\$0.25
Child " "	0.15
Monthly Commutation	8.50

Richmond and Hayward motor coach lines

Adult one-way	0.35
Monthly commutation	9.75

b. Effective March 1, 1947, the following fares were added:

Regular service

20 one-way, undated, tickets	\$4.50
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Richmond and Hayward motor coach lines

20 one-way, undated, tickets	\$6.30
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of Key System, effective October 1, 1946. The complainant contends that the company has failed to keep its promise in this matter and, therefore, is charged with procrastination and delay. At the hearing Newmark made a rather comprehensive statement in support of the allegations contained in his complaint.

The establishment of a 5-day week commute was urged by the Apartment House Association of Alameda County as evidenced by a resolution passed by that organization, dated January 28, 1947, which was read into the record. The City of Berkeley, through its Assistant City Attorney, stated that it was the expressed view of the City Council that it would be in the public interest to establish the 5-day week commute if possible. Representation from certain organizations in the City of Alameda supports the proposed plan for a commute fare based upon the use by the patrons.

The Commission's file in this matter contains many petitions and letters urging the establishment of a 5-day week commute, some of which, by stipulation of the parties, were made a part of the record in this proceeding.

The Key System takes the position that it did not promise to put in a 5-day week commute at the hearing before the Commission September 18, 1946, referred to above, but on the other hand did obligate itself to make a study along this line to determine whether or not it was feasible to establish a "Limited Use" commute in light of the company's earnings and the public need for such a form of ticket, based upon the earning experience and flow of traffic following the change in fares. A witness for the company testified that in keeping with this promise a questionnaire was handed to all

purchasers of commute books during the first part of December, 1946. The purpose of this questionnaire was to secure information as to the travel habits of the passengers with respect to the number of days they normally employed the Key System's transbay service. (2)

The following tabulation is a summarization of the results of the traffic check conducted by the company.

Normal Commute Needs	Cards Returned Applying To			
	\$8.70 Monthly Commute		\$9.75 Monthly Commute	
	Number	Per Cent	Number	Per Cent
Mon. through Fri.,	9,180	68	1,159	62
Mon. through Fri. plus Saturday but not Sunday	3,321	25	497	27
Mon. through Fri. plus Saturday and Sunday	972	7	211	11
Mon. through Fri. plus Sunday but not Saturday	60	-	8	-
<b>TOTAL</b>	<b>13,533*</b>	<b>100</b>	<b>1,875**</b>	<b>100</b>

\* 67% return of the 20,284 cards distributed  
 \*\* 52% return of the 3,626 cards distributed

Following this study the company filed with the Commission two new forms of transbay fares which were superimposed upon the existing rate structure. One provides for 20 one-way rides to be sold for \$4.50, good for transportation between San Francisco and the first commute zone in the East Bay, and the other,

(2) The questionnaire consisted of the following questions:

1. Do you usually use your commutation ticket on SATURDAY Yes \_\_\_ No \_\_\_
2. Do you usually use your commutation ticket on SUNDAY Yes \_\_\_ No \_\_\_

20 rides for \$6.30 between San Francisco and the second zone in the East Bay. The allowed time limit on these two forms of fare is through the month purchased and the entire following month. These new fares were made available to the public March 1, 1947. It is the company's position that these added fares meet the financial requirements of that portion of the public which does not have use for a full commute service and, at the same time, is entitled to something less than the one-way cash fare.

A witness for the company testified that the gross revenues have been declining during the past few months to a greater extent than was estimated in the rate proceeding and that it cannot afford to offer any reduction in its fare structure at this time other than the 20-ride tickets referred to above.

In reviewing this record it is apparent that the company's plan to establish the 20-ride ticket at the stated fares does not satisfy the public demand for a 5-day week commute. It is also obvious that the major factor causing dissatisfaction among the majority of the company's transbay patrons regarding fares is that they are required to purchase transportation for the full month whereas their transportation needs are limited to 5 days a week.

This situation presents a problem which must be determined upon a plan that will equitably spread the cost of transportation among the transbay patrons of the system on a basis which would return a gross revenue sufficient to meet the total cost of providing the service.

This record clearly shows that the present fare structure of the Key System, in so far as transbay service is

concerned, is not satisfactory or equitable to a large percentage of its patrons. This record does not afford a sufficient basis for finally determining the issues now before the Commission. To this end the Commission will require the Key System to submit, within ~~20~~ 30 days from the date hereof, a suggested fare structure which will more nearly distribute the cost of transportation among its patrons on a basis of normal needs and use than now obtains. It is important that this company's fares and service be such as to attract the largest volume of traffic that can be obtained which, in turn, will reflect in lower rates. Consideration should be given to a plan which will attract traffic during off-peak periods.

The regular riders should be afforded a lower fare than casual riders through the use of some token or ticket arrangement.

The Commission's staff will also study this situation and present the results of its investigation to the Commission at the appropriate time.

I N T E R I M \_ O R D E R

Based upon the foregoing interim opinion,

IT IS ORDERED that said defendant is hereby directed to make a study of the issues presented by the record developed thus far in this case and to submit to this Commission within a period of ~~20~~ 30 days from the date hereof a proposal for commutation fares that reasonably meets the public demand for commutation fares based upon normal use.

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

Dated at San Francisco, California, this 17<sup>th</sup> day of March 1947.

Harold P. Hill  
Justice J. Calmes  
Scott Rawell  
B. F. Dunning  
Thomas W. Butler  
COMMISSIONERS