

Decision No. 45012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
PACIFIC GREYHOUND LINES )  
for authority to restrict its )  
authority to render local service )  
within the City and County of )  
San Francisco. )

Application No. 31533

**ORIGINAL**

Douglas Brookman, for applicant.  
Jack G. McBride, Deputy City Attorney, for City and  
County of San Francisco, interested party.  
Harry F. Cooley, for Public Utilities Commission,  
City and County of San Francisco, interested party.  
Herman C. Hextrum, Jr., for Visitation Valley Improve-  
ment Club and Visitation Valley Merchants Association,  
protestants.  
Mrs. Ray M. Burgin and Mrs. Winifred J. Casey, in  
propriae personae, protestants.  
Ward Hall for Transportation Department, California  
Public Utilities Commission.

O P I N I O N

Pacific Greyhound Lines herein requests authority to dis-  
continue the transportation of passengers, their baggage, and  
express, when both the points of origin and destination thereof are  
within the City and County of San Francisco. The application recites  
that Pacific Greyhound Lines now is and has been rendering such  
local service by virtue of various prior decisions of this Commission,  
the earliest being Decision No. 23244, dated December 31, 1930, and  
seeks the relief sought because the Public Utilities Commission of  
the City and County of San Francisco has demanded that such local  
service be discontinued, by Resolution No. 10794, dated June 12, 1950,  
a copy of which is attached to the application as Exhibit "A".

A public hearing was held in San Francisco on October 2,  
1950, before Commissioner Potter and Examiner Gillard, and the matter  
submitted on briefs, since filed.

Counsel for applicant stated that the application had been filed solely because of the demand of the Public Utilities Commission of the City and County of San Francisco, and that Pacific Greyhound Lines did not want to discontinue its transportation service within the city, nor lose the revenue therefrom. He further stated that applicant would present no evidence in support of the application. The only testimony produced by applicant was through its vice president, who testified that applicant and its predecessors had been rendering local service in San Francisco at least since 1920 on a 15¢ fare basis. At the present time it carries approximately 75,000 local passengers yearly, for \$11,000 gross revenue. Such service, if rendered by the San Francisco Municipal Railway at its 10¢ fare, would gross \$7,500. These intra-city passengers are carried only to the extent of available seats on Greyhound's commuter buses that run out of the city to peninsular points and Marin County. A tabulation of intra-city operations by applicant for two days shows a total of 50+ passengers carried: 362, or 72% on the Bayshore route to the peninsula; 49, or 9% on the Mission Street route to the peninsula; and 93, or 19% on the Golden Gate Bridge route to Marin County.

The issue presented is one of public convenience and necessity. Therefore, we must determine whether or not public convenience and necessity require the continuance of the service here sought to be abandoned.

The first contention of the City is that there is adequate transportation rendered throughout the entire city by the Municipal Railway and therefore Greyhound's local service should be stopped for the financial benefit of the Municipal Railway. In support thereof, the City presented evidence relative to the service of the

Municipal Railway throughout the city, and particularly between Visitacion Valley (the area served by Greyhound on its Bayshore and Mission Street runs) and downtown San Francisco. These schedules show, in general, frequent schedules serving the areas in question. For example, on the No. 15 motor coach line, from Visitacion Valley to 3rd and Market, via 3rd Street, there are 181 daily schedules each way, including seven express schedules in the morning and three express schedules in the evening. Scheduled running time is 31 minutes on the local service, and 29 minutes on the express service. The local makes 69 passenger stops and the express 37 passenger stops.

Greyhound, on the other hand, between peninsular points and 7th and Mission via Bayshore, operates 117 schedules northbound and 113 schedules southbound, with 12 passenger stops within San Francisco and scheduled running time of 17 minutes, except between 4 and 5 p.m., when the scheduled time is 22 minutes, between Visitacion Valley and 7th and Mission Streets.

Municipal Railway's No. 25 motor coach line operates 139 daily schedules each way, between Visitacion Valley and 5th and Jessie Streets, via Bayshore and Bryant, with 50 passenger stops and scheduled running time of 34½ minutes.

On Mission Street, the Municipal Railway operates its No. 14 motor coach from the Ferry Building to Daly City, with 244 daily schedules each way including 25 morning and 19 evening express trips.

On its Mission Street run, Greyhound operates 54 northbound and 43 southbound schedules.

On the Marin County run, most of Greyhound's intra-city passengers are destined to or from the Golden Gate Bridge toll plaza. The Municipal Railway operates no similar competitive service. Its

No. 45 motor coach line starts at Sansome and Sutter Streets and terminates in the Presidio.

The Municipal Railway's profit and loss statement for the fiscal year ending June 30, 1950, shows a system-wide loss in excess of \$2,000,000, and a substantial loss on each of the lines above referred to, except No. 14, which showed a \$7,000 profit.

The protestants presented petitions signed by 585 residents in the Visitacion Valley area asking that the Greyhound local service on Bayshore be continued. One of the protestants testified she lived in Visitacion Valley and worked in the Civic Center. She stated it takes her 20 minutes to get to 7th and Mission Streets by Greyhound, and 5 minutes to walk from there to her place of employment, whereas by municipal service, because of waits between transfers and numerous stops en route it requires an hour or more for the same trip.

No evidence was introduced concerning the financial results of Greyhound's intra-city operations.

Upon the facts of record herein we cannot find that the local Greyhound operation is truly competitive with the Municipal Railway, nor that it is seriously affecting the gross or net revenue of the Municipal Railway.

Greyhound operates over three routes within the city and renders local service thereon to the extent of an \$11,000 annual gross. The Municipal Railway operates 85 routes and grosses 18½ million dollars. Greyhound's Bayshore route grosses \$7,920 (72% of the annual gross of \$11,000) as compared with \$1,088,000 gross on Municipal's No. 15 and No. 25 routes. On Mission Street, Greyhound grosses \$990 as compared with \$1,042,000 on Municipal's No. 14 route.

The Municipal Railway offers no service to compete for the \$2,090 Greyhound grosses on its route to the Golden Gate Bridge.

Greyhound charges a 15¢ local fare as compared to Municipal's 10¢ fare. The 50% fare differential and the gross revenue figures cited above would indicate the two services are not competitive. Patrons obviously use Greyhound's local service only when it meets their needs and convenience to such an extent that they are willing to pay an extra 5¢ per ride therefor.

On this record we must therefore find that discontinuance of Greyhound's San Francisco intra-city service would be adverse to the public convenience and necessity.

The second contention of the City is that Greyhound's local service should be stopped because such service is contrary to the express wishes and policy of the people of San Francisco.

In support of this proposition, copies of applicable sections of the Charter of the City and County of San Francisco, effective January 8, 1932, were introduced into evidence.

Charter Section 119 states: "It is the declared purpose and intention of the people of the City and County, when public interest and necessity demand, that public utilities shall be gradually acquired and ultimately owned by the City and County."

Charter Section 131 provides that the City and County may at any time require and possess operative street railway property (which is defined so as to include buses) upon paying fair value therefor, to be fixed by agreement with the owner or by condemnation proceedings in the event agreement cannot be reached.

Charter Section 132 prohibits abandonment of any portion of a street railway unless the board of supervisors so authorizes by ordinance, and Charter Section 123 requires an ordinance approved by a majority vote of the people for any new franchise to any public utility whose franchise has expired or is about to expire.

From these sections counsel for the City and County argues that the only manner by which Greyhound could be granted a franchise to render local service in San Francisco would be by a vote of a majority of the voters, and that this Commission, if it does not grant the order requested by the application herein, would, in effect, be granting Greyhound a franchise to engage in local operations contrary to the policy and desires of the electors of the City and County of San Francisco.

The argument ignores the fact that applicant is now rendering, and the evidence of record herein discloses that it has rendered since 1920 (twelve years before the effective date of the charter sections discussed), a local passenger transportation service. A denial of the application would not, therefore, amount to a grant of a franchise to conduct local operations.

It would appear that the primary purpose of counsel in introducing into evidence these charter provisions was to show that the majority of the people in San Francisco, by adopting them, expressed their desire to own and operate a municipal transportation system. If this were an original application by Greyhound for a certificate of public convenience and necessity, the rights of the City and County of San Francisco would be protected to the same extent afforded a private operator under our jurisdiction. In this case, however, Greyhound was in the field first, and it is not willingly seeking the discontinuance of this intracity service, the

evidence showing that the within application was prompted as a result of action taken by the Public Utilities Commission of the City and County of San Francisco. Under the circumstances and upon the evidence we find that public convenience and necessity require the continuance of the service herein sought to be discontinued.

O R D E R

A public hearing having been held, and based upon the findings and conclusions set forth in the opinion,

IT IS ORDERED:

That the application be and it is hereby denied.

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

Dated at San Francisco, California, this 8<sup>th</sup> day of November, 1950.

R. E. Anderson  
Justice J. Casper  
Joseph Powell  
Harold P. Hills  
Francis P. Potter  
Commissioners