

**ORIGINAL**

Decision No. 47432

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
KEY SYSTEM TRANSIT LINES, a corporation,  
for an order pursuant to Section 454 of  
the Public Utilities Code authorizing  
the establishment of increases and  
adjustments in rates and fares for  
transportation of passengers between  
points in the Counties of Alameda and  
Contra Costa and the City and County of  
San Francisco, in the State of  
California.

Application No. 33113

Appearances

Donahue, Richards, Rowell & Gallagher, by Frank S.  
Richards and George E. Thomas, for applicant.  
John W. Collier and Loren W. East for City of Oakland;  
J. Frank Coakley and William R. Channel, for  
Executive Committee of the Joint Investigation of  
Key System Transit Lines, Railway Equipment and  
Realty Company, Ltd., and related companies; Fred  
C. Hutchison and Robert T. Anderson, for City of  
Berkeley; Edward Plotner, for City of Albany;  
Kathie Zahn, for Transportation Committee of  
Albany; P. W. Barnard, for Alameda Citizens  
Transportation Association; J. P. Clark, for City  
of Alameda; Arthur Carden, for City of San Leandro;  
John J. Garvey and Steven H. Welch, for City of  
Richmond, protestants.  
Dion R. Holm and Paul L. Beck, for City and County of  
San Francisco and John D. Preston, for City of  
Piedmont, interested parties.  
J. T. Phelps, for the Commission staff.

O P I N I O N

Key System Transit Lines is engaged in the transportation  
of passengers. It operates a unified transportation system consisting  
of interurban rail lines and passenger stage lines within and between  
the various communities of the East Bay area in the Counties of

Alameda and Contra Costa and between points in these counties, on the one hand, and San Francisco on the other hand.

By this application, as amended, it seeks authority to establish increased fares.<sup>1</sup>

Public hearings of the application were held in Oakland on May 26, June 2 and 4, 1952, before Commissioner Potter and Examiner Lake.

Applicant's fares were last adjusted by Decision No. 45205 of December 28, 1950, in Application No. 31179.<sup>2</sup> Applicant contends that, since the last fare adjustment, it has failed to realize sufficient income to provide a reasonable return on its investment; that it has effected rigid economies in the reduction of its operating expenses and in the elimination of nonproductive mileages; and that there continues to be a downward trend of its traffic. It claims that wage rates effective January 13 and June 1, 1952, will result in increased annual costs in excess of \$600,000; that fuel prices have been adjusted upward; and that added federal income taxes have further reduced its net earnings.

Evidence was offered by applicant, by members of the Commission's staff, by the Superintendent of Schools for the City of Alameda and by patrons of applicant's lines. Counsel for the Commission's staff and representatives of the East Bay cities participated in the proceeding and assisted in the development of the record.

Exhibits were submitted consisting of balance sheets, operating statements, studies of traffic trends, rate base statements

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<sup>1</sup> The present and proposed fares here in issue are set forth in the appendix attached hereto.

<sup>2</sup> This decision authorized increased fares for local service only. A request was made, but not granted, to increase the transbay and children's fares.

and forecasts of estimated results for operations for a test year made under present and proposed fares. The figures set forth in the following tables were taken from these exhibits.

Table No. 1 depicts the operating results for the year ending December 31, 1951.

TABLE NO. 1

Railway Equipment and Realty Company and Wholly-owned Key System Transit Lines Consolidated Income Statement Year ended December 31, 1951, as Reflected in Company's Books and Records.

	<u>Local</u>	<u>Transbay</u>	<u>Total</u>
Operating Revenue	\$8,304,733	\$5,215,690	\$13,520,423
Operating Expenses	7,532,331	4,921,883	12,454,214
Operating Income*	\$772,402	\$293,807	\$1,066,209

\*Before Income Taxes

Table No. 2 shows estimated results of operations under present and proposed fares.

TABLE NO. 2

Estimated Results of Operations under Present and Proposed Fares for the 12-Month Period Ending June 30, 1953

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Commission Engineer</u>	<u>Applicant</u>	<u>Commission Engineer</u>
<b>System Operations</b>				
Revenues (1)	\$12,561,533	\$12,795,030	\$14,323,362	\$14,535,140
Expenses	13,011,577	12,881,306	12,916,534	12,782,806
Operating Income	(450,044)	(86,276)	1,406,828	1,752,334
Income Taxes	---	--	775,570	934,270
Net Operating Income	(450,044)	(86,276)	631,258	818,064
Rate Base	10,038,589	10,092,700	10,038,589	10,092,700
Rate of Return	--	--	6.29%	8.11%
Operating Ratio: After Taxes	103.58%	100.67%	95.59%	94.37%
<b>Transbay Operations (Rail and Motor)</b>				
Revenues	\$ 4,907,054	\$ 5,052,890	\$ 5,521,210	\$ 5,685,330
Expenses	4,944,918	4,894,121	4,908,909	4,862,271
Operating Income	(37,864)	158,769	612,301	823,059
Income Taxes	--	44,740	337,528	438,830
Net Operating Income	(37,864)	114,029	274,773	384,229
Rate Base	4,488,578	5,011,500	4,488,578	5,011,500
Rate of Return	--	2.28%	6.12%	7.67%
Operating Ratio: After Taxes	100.77%	97.74%	95.02%	93.24%
<b>Local Operations</b>				
Revenues	\$ 7,654,479	\$ 7,742,140	\$ 8,802,152	\$ 8,849,810
Expenses	8,066,659	7,987,185	8,007,625	7,920,535
Operating Income	(412,180)	(245,045)	794,527	929,275
Income Taxes	--	--	438,042	495,440
Net Operating Income	(412,180)	(245,045)	356,485	433,835
Rate Base	5,550,011	5,081,200	5,550,011	5,081,200
Rate of Return	--	--	6.42%	8.54%
Operating Ratio: After Taxes	105.38%	103.17%	95.95%	95.09%

(1) Adjusted for error in token write off.

( ) - Indicates loss.

Variations in the forecasts of the estimated results appear in the passenger revenue estimates, in certain operating expenses and in the rate base. They will be discussed in the order named.

#### Revenues

According to the witnesses, revenue estimates under present and proposed fares for the test year ending June 30, 1953, were based upon current conditions adjusted to give effect to the decline in passengers which has been experienced by the carrier. In addition, effect was given to the diminution which would likely occur from resistance to the proposed higher fares.

The difference between the revenue estimates of the company witness and the staff witness for local service is approximately 1 percent. For transbay operations the difference is slightly less than 3 percent. The variation of the two estimates appears largely to be attributable to a difference in the judgment of the witnesses of the number of passengers which would be lost to applicant's lines due to the downward trend of traffic and resistance to the sought increased fares. For the purpose of the determination to be made here the staff's estimate appears to be the more reasonable and will be used.

We turn now to the operating expenses.

#### Operating Expenses

The estimates of operating expenses submitted by the witnesses were founded upon book costs. These costs were adjusted to include the higher costs of labor and increases and reductions in the cost of materials and supplies. Further adjustments were made to reflect reductions in costs resulting from decreased mileage on account of the anticipated loss of patronage.

For the most part, the witnesses' estimates of the totals of the various expense groups are relatively close and tend to offset

each other. Minor differences appear which largely are occasioned by the judgment of the witnesses. The principal variations which require reconciliation appear in the estimates for repairs to revenue equipment and additional cost for track maintenance. The estimates submitted are as follows:

TABLE NO. 3  
Under Present Fares

	<u>Applicant</u>	<u>Commission Engineer</u>
Repairs to Revenue Equipment	\$991,256	\$918,600
Additional cost for Track Maintenance	48,500	None

The estimates for repairs to revenue equipment were predicated upon 1951 cost per coach mile. Applicant's witness adjusted the unit cost to reflect an increase of 10 percent to compensate for the increased age of the equipment. The increased amount so claimed is .45 cents per coach mile. The staff witness allowed only .09 cents per coach mile for additional expense during the test year over the actual expense experienced in 1951. The amount claimed by applicant was not substantiated. The estimate of the engineer will be used.

The item of \$48,500 claimed by applicant for additional cost for track maintenance was, according to the witness, an estimate of the amount which would be expended over and above the amount spent in 1951 to maintain tracks and rights of way in a safe operating condition. The staff engineer, on the other hand, allowed only the 1951 expense. He made no provision for increased cost of track maintenance for the test year. The amount claimed by the carrier for this account appears reasonable and will be adopted.

There remains to be discussed the amounts claimed for depreciation expense and rate base.

Rate Base and Depreciation Expense

Applicant's estimates of rate base and depreciation expense for the test year amount to \$10,038,589 and \$1,030,392, respectively. The development of these figures was not explained. Apparently the rate base reflects the December 31, 1951, recorded book figures adjusted for additions, betterments and corrections, estimated for the mid-point of the test year. Further adjustments were made to give effect to the estimated depreciation reserve which will have accumulated by that time. The annual depreciation expense likewise appears to be the anticipated annual expense for the future period.

The estimates for rate base and depreciation included in the staff study of operating results were developed by an engineer of the Commission's staff. He testified that the estimated investment for the mid-point of the test year reflected only operative properties in use and useful in rendering the services in which applicant is engaged. Except for rights of way and other land the amount allowed, he stated, was based upon the company's records which in turn reflected operating property surviving out of an appraisal made by the Commission in 1926, plus additions and betterments since that time.<sup>3</sup> According to the witness the estimated service lives for property placed in operation after the 1926 valuation were based upon subsequent investigations made by the Commission for this purpose.

The witness testified that for the investments in rights of way and other lands he had used the recorded book values for all items

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<sup>3</sup> The Commission by Decision No. 19027 dated November 9, 1927, in Application No. 11329 established for rate-making purposes the historical values of the operating plant as of December 31, 1926. This valuation will be referred to as the 1926 appraisal.

except those surviving out of a valuation established by the Commission as of 1914.<sup>4</sup> Values established in that proceeding, he said, were employed only for the lands surviving the proceeding. The rate base developed by this witness was \$10,092,700 and the annual depreciation was \$964,900.

Upon request of counsel for the Commission's staff, the record in Case No. 5259 was incorporated in the record of this proceeding. That proceeding is an investigation instituted upon the Commission's own motion into the reasonableness, lawfulness and propriety of the fares, rules, regulations, charges, services, operations and practices of the Key System Transit Lines and its affiliates.

Hearings in the investigation proceeding have been had but the record has not yet been submitted. All the record which was developed at the time of the submission of the application here in issue is made part of this record by stipulation.

Among the matters to be decided in the investigation proceeding is the undepreciated investment of the operating properties of applicant which are used and useful in conducting its common carrier operation. Two studies of this nature were introduced in evidence in that proceeding. One of them was submitted by the Commission engineer who developed the rate base for use by the staff in this proceeding. The other study was submitted by the Commission's Assistant Director of the Department of Finance and Accounts.

The engineer's study in the investigation proceeding was developed in the same manner as the study he introduced here except that it had for its termination December 31, 1950. The Assistant Director's study developed the original cost of the operative property at the time of its dedication to public use.

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<sup>4</sup> Decision No. 2412, Case No. 321, dated May 24, 1915 (6 Cal.P.U.C. 1023).



It included the development of the original cost of lands and rights of way, and other properties used by the carrier as of December 31, 1951, which had not been fully depreciated nor depreciated to estimated salvage value on the company's books. In the determination of the original cost extensive studies were undertaken. In connection with lands, examination was made of the deeds, purchase agreements and resolutions of the board of directors relating to the original acquisition by Key System or its predecessors of those lands which were currently classified at the time of the study as operative on the company's records. In all, the study embraced a verification of the regularity of over 75 percent of the recorded costs of facilities in all accounts which were <sup>5</sup> not fully depreciated or were not depreciated to net salvage value.

The witness recommended, as a result of his investigation, that the recorded investment of the operating property be adjusted by according reductions in road and equipment accounts to reflect the transfer of certain equipment to a nonoperative status, by the elimination of overhead items, by the adjustment to original cost of the values assigned to certain salvage material on articulated units and by the elimination of items of donated property and certain land appraisal figures. The original cost developed by this witness, of the depreciated investment of carrier's operating facilities as of December 31, 1951, was shown to be \$9,753,542. When adjusted for materials and supplies in the amount of \$521,269, the rate base, as of December 31, 1951, would be \$10,274,811. At the hearing in the instant proceeding the Assistant Director testified that adjustments necessary in his estimate of net investment to determine a rate base

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As stated above this proceeding has not been submitted and further hearings are scheduled to be held. Still to be developed or verified are the original cost values of certain lands and rights of way. The items in issue are relatively small when compared with the total investment. They involve the values of lands and rights of way which are recorded on the carrier's books at a value of approximately \$400,000.

for the mid-point of the test year would require consideration of an additional one-year's depreciation expense, elimination of the investment in a minor item of real estate which had been sold, provision for materials and supplies and an adjustment for the amortization reserve. With these adjustments, the rate base for the test period, he stated, would be approximately \$9,700,000. A summary of the details of the various rate bases is set forth in the following table:

TABLE NO. 4

<u>Rate Base</u>	<u>Applicant</u>	<u>Engineer</u>	<u>Accountant</u>
<u>System Total</u>			
Track and Roadway Accounts	\$ 7,971,664	\$ 8,207,600	\$ 8,448,212
Land and Rights of Way	1,319,614	1,265,200	1,155,916
Overhead Accounts	206,191	77,400	149,414
Materials and Supplies	541,120	542,500	521,269
Total as of December 31, 1951	---	---	\$10,274,811
Total as of December 31, 1952*	\$10,038,589	\$10,092,700	\$9,700,000

\* Mid-point of test year.

It is not our purpose, nor do we propose in this proceeding to pass upon all the issues embraced in Case No. 5259. These are matters to be decided upon a full and complete record made in that proceeding. We are, however, here concerned with the establishment of a rate base to be used in determining the propriety of the fares herein sought to be established. The rate base submitted by applicant, although reflecting book records, does not give due consideration to service lives and overheads heretofore found proper. Further consideration of applicant's proposed rate base under the circumstances is not warranted. The estimate of the staff accountant, although predicated upon original cost, does not give consideration to the service lives and overheads established by the Commission in prior investigations.<sup>6</sup> On the other hand, the staff engineer, although treating service lives in accordance with past policies of the Commission in

<sup>6</sup> Apparently this was so because the scope of the witness' investigation was limited to original cost.

matters of that kind, did not take into consideration the original costs of certain lands.

For the purposes of this decision, we will adopt a rate base which reflects the original costs of land developed by the witness from the accounting staff of the Commission. For the value of other investments those values determined by the staff engineer will be adopted. On this basis, the total rate base for the mid-point of the test year would be \$9,983,400<sup>7</sup>, which we hereby find to be reasonable. The detail thereof is as follows:

TABLE NO. 5

<u>Rate Base</u>	<u>Local</u>	<u>Transbay</u>	<u>System Total</u>
Track and Roadway Accounts	\$4,368,300	\$3,839,300	\$8,207,600
Land and Rights of Way	432,300	723,600	1,155,900
Overhead Accounts	---	77,400	77,400
Materials and Supplies	<u>232,600</u>	<u>309,900</u>	<u>542,500</u>
TOTAL	\$5,033,200	\$4,950,200	\$9,983,400

Because depreciation expense is a collateral computation in the determination of depreciation reserve used in developing the rate base, the engineer's depreciation expense estimate will also be used.<sup>8</sup> This amounts to \$964,900.

With the adjustments hereinabove indicated to provide additional cost of track maintenance and adjustment in the rate base, the estimated result of applicant's operations, as calculated by the Commission, for the future 12-month period would be as follows:

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<sup>7</sup> There remains to be established or verified the recorded costs of some \$400,000 worth of lands. The staff engineer testified in the instant proceeding that were the recorded amounts of the lands in question accorded a zero value, the effect of such an adjustment upon the rate of return would be only about two-tenths of one percent.

<sup>8</sup> The adjustments in the staff's estimate of rate base hereinbefore discussed apply only on land. No adjustment is necessary, therefore, in the estimate of the depreciation expense.

TABLE NO. 6

Estimated Results of Operations for Twelve-month period  
ending June 30, 1953, under Present and Proposed Rates  
under Staff Proposal with Transbay and System Expenses  
Adjusted as Hereinbefore Indicated

	<u>Present</u>	<u>Proposed</u>
<b>System Operations</b>		
Revenues	\$12,795,030	\$14,535,140
Expenses	12,929,806	12,831,306
Operating Income	(134,776)	1,703,834
Income Taxes	--	901,418
Net Operating Income	(134,776)	802,416
Rate Base	9,983,400	9,983,400
Rate of Return	--	8.04%
Operating Ratio: After Taxes	101.05%	94.48%
<b>Transbay Operation (Rail and Motor)</b>		
Revenues	5,052,890	5,685,330
Expenses	4,942,621	4,910,771
Operating Income	110,269	774,559
Income Taxes	16,614	409,785
Net Operating Income	93,655	364,774
Rate Base	4,950,200	4,950,200
Rate of Return	1.89%	7.37%
Operating Ratio: After Taxes	98.15%	93.58%
<b>Local Operations</b>		
Revenues	7,742,140	8,849,310
Expenses	7,987,185	7,920,535
Operating Income	(245,045)	929,275
Income Taxes	--	491,633
Net Operating Income	(245,045)	437,642
Rate Base	5,033,200	5,033,200
Rate of Return	--	8.70%
Operating Ratio: After Taxes	103.17%	95.05%

( ) - Indicates loss.

For the purposes of this decision we hereby adopt the foregoing results of operations and rate base.

Except for the submission of resolutions by the Cities of Oakland and Berkeley and the Executive Committee of the cities and county group<sup>9</sup> in opposition to the sought fares, the participation of these representatives was confined to the cross-examination of witnesses and to the introduction of balance sheets, income statements and the carrier's annual report to the stockholders.

The Superintendent of Schools for the City of Alameda testified that the proposed increase in school children's fares was, in his opinion, exorbitant. He said that the school children's rides were usually short; that the users were not wage earners and that the burden of the increase would fall upon the family income. In addition, he stated, the practice of school children hitchhiking rides to and from school had practically ceased through the efforts of the Board of Education. He was fearful that an increase of the amount sought by applicant would bring about a return of this practice. Another witness testified that the proposed children's fares could well cause a diminution in the school fare revenues which would result in less revenues than would obtain under the present fares.

It is clearly apparent from the evidence of record that the revenues generated by applicant's present fare structures are insufficient. This is largely occasioned by the continuing change being experienced in the travel habits of applicant's patrons which results in a downward trend in traffic and by the approximate \$600,000 annual increase in the costs of labor which results from wage rates arrived at through the required collective bargaining processes. For its local operations these fares would produce a loss of \$245,045. The operating ratio would be 103.17 percent. With

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<sup>9</sup> The cities and county group comprise representatives of the Cities of Alameda, Albany, Berkeley, El Cerrito, Emeryville, Hayward, Oakland, Piedmont, Richmond, San Leandro and San Pablo and Alameda County.

respect to transbay service, the present fares would produce a net operating income of \$93,655, an operating ratio of 93.15 percent and a rate of return of 1.89 percent, after provision for income taxes. The record shows the operating results for the transbay service would not leave applicant a sufficient margin between revenues and expenses to provide adequate service.

Applicant's proposed fare structure for transbay operations appears to be reasonable and will be authorized. The fares sought to be established for local service, it is to be noted, include an increase of 80 percent in the fare for school children.<sup>10</sup> An increase of this amount in this type of fare appears to be greater than is reasonable or necessary. It will not be authorized. With this exception applicant will be authorized to establish the sought fares.

Under the estimates submitted by the Commission's staff witness, adjusted as hereinbefore discussed, applicant's proposed fares, to the extent herein authorized, would produce the following operating results for its transbay, local and combined services which we hereby find to be reasonable.

TABLE NO. 7

	<u>Transbay Operations</u> (After Provision for Income Taxes)	<u>Local Operations</u>	<u>Combined Operations</u>	
Net Operating Income	\$382,223	\$385,453	\$767,676	✓
Operating Ratio	93.30%	95.58%	94.68%	✓
Rate of Return	7.59%	7.79%	7.69%	✓

Whether measured by the rate of return or the operating ratio method fares which would produce these results, in the light of the conditions of record, are fully justified.

Upon consideration of all of the facts and circumstances of record we are of the opinion and hereby find that the sought fare

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<sup>10</sup> As indicated in the Appendix hereto, applicant proposed to increase the school children's fare from 5 cents to 9 cents. The latter to be sold in lots of 40 rides for \$3.60.

increases are justified to the extent hereinabove indicated and as provided for by the order herein.

O R D E R

This application, as amended, having been heard and submitted upon full consideration of the record, and based upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Key System Transit Lines be and it is hereby authorized to establish, in lieu of its present fares and on not less than five (5) days' notice to the Commission and the public, increased fares as follows:

A. Transbay Fares

1. Between San Francisco and points within the central zone - 35 cents.
2. Between San Francisco and points within zone 2 - 40 cents.
3. Between San Francisco and points within zone 3 - 50 cents.
4. Quantity purchase fares.
  - (a) Between San Francisco and points within zone 2 - 2 tickets for 75 cents.
  - (b) Between San Francisco and points in zone 3 - 2 tickets for 90 cents.
  - (c) Between San Francisco and points within the central zone - 20-ride ticket book to sell for \$6.50.
  - (d) Between San Francisco and points within zone 2 - 20-ride ticket book to sell for \$7.50.
  - (e) Between San Francisco and points within zone 3 - 20-ride ticket book to sell for \$9.00.
  - (f) Over-rides beyond zone to which fare has been paid - 10 cents per additional zone.

B. Local Fares

1. Single zone - 15 cents. Transfer privilege to be accorded to any point within zone to which fare applies.
  2. Two contiguous zones - 25 cents.
  3. Three contiguous zones - 35 cents.
  4. Four contiguous zones - 45 cents.
  5. Over-ride beyond zone to which fare has been paid - 10 cents per additional zone.
  6. Between Oakland Bay Bridge Toll Plaza and San Francisco or East Bay central zone for persons employed at the San Francisco-Oakland Bay Bridge Toll Plaza - 15 cents in books of 25 tickets each. Over-rides beyond central zone - 10 cents per each additional zone.
- C. In all other respects than as specifically set forth above, all rates, rules, regulations and privileges presently in effect shall remain unchanged.

IT IS HEREBY FURTHER ORDERED that, in addition to the required filing and posting of tariffs, applicant shall give notice to the public by posting in its busses and terminals a printed explanation of its fares. Such notices shall be posted not less than ten (10) days before the effective date of the fare changes, and shall remain posted until not less than twenty (20) days after said effective date.



IT IS HEREBY FURTHER ORDERED ~~that~~ in all other respects Application No. 33113, as amended, be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty (60) days after the effective date of this order.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 8<sup>th</sup> day of July, 1952.

*A. J. [Signature]*  
President  
*Justin S. Calver*  
*Harold Hule*  
*Thurmond Potter*  
Commissioners

Commissioner ~~Robert E. Mitchell~~, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX "A" TO DECISION NO. 47432

	<u>Present</u>	<u>Proposed</u>
<u>LOCAL FARES</u>		
<u>Adult 1-Way Fares</u>		
<u>Single Zone</u>		
Cash	13¢	15¢
Token	2/25¢ = 12½¢	—
Toll Plaza	13¢	15¢
<u>Two Zones</u>		
Cash	20¢	25¢
Toll Plaza	23¢	25¢
<u>Three Zones</u>		
Cash	30¢	35¢
Toll Plaza	33¢	35¢
<u>Four Zones</u>		
Cash	40¢	45¢
Toll Plaza	43¢	45¢

<u>School Fares*</u>		
One Zone	5¢)	
Central Zone to 2nd Zone North	10¢)	(40 Rides for
Central Zone to 2nd Zone South	5¢)	\$3.60) = 9¢
Central Zone to 3rd Zone South	10¢)	

TRANSBAY FARES

<u>San Francisco to/or from Eastbay 1st Zone</u>		
One-Way Cash or Ticket	30¢	35¢
20-Ride Commute	\$5.40 (27¢ each)	\$6.50 (32.5¢ each)
<u>San Francisco to/or from Eastbay 2nd Zone</u>		
One-Way Cash or Ticket	35¢	40¢
Two Tickets	—	75¢ (37.5¢ each)
20-Ride Commute	\$6.30 (31.5¢ each)	\$7.50 (37.5¢ each)
<u>San Francisco to/or from Eastbay 3rd Zone</u>		
One-Way Cash or Ticket	45¢	50¢
Two Tickets	—	90¢ (45¢ each)
20-Ride Commute	\$8.10 (40.5¢ each)	\$9.00 (45¢ each)

No changes are proposed in Treasure Island fares  
or in transbay children's fares.

\*The present fare is 5¢ cash or 20-Ride school book for \$1.00. Under applicant's proposal a 40-Ride school book would be sold for \$3.60, good within or through any series of zones in applicant's local service.