

ORIGINAL

Decision No. 50247

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Greyhound Lines, a corporation, for an order authorizing increases in commutation fares in Marin County service.)))))	Application No. 34362
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In the Matter of the Application of Pacific Greyhound Lines, a corporation, for an order authorizing increases in commutation fares in Sonoma County service.)))))	Application No. 34363
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Douglas Brookman, Allen P. Matthew and
Gerald H. Trautman, for applicant.
Phillips, Avakian & Johnston, by Spurgeon
Avakian, for Marin County Federation of
Commuter Clubs, protestant.
Delger Trowbridge, for San Rafael Chamber
of Commerce, and Dion R. Holm and Paul
L. Beck, for City of San Francisco,
interested parties.
J. T. Phelps, J. F. Donovan, J. L. Pearson
and J. K. Gibson, for the Commission's
staff.

O P I N I O N

Pacific Greyhound Lines is a passenger stage corporation engaged in state-wide transportation of passengers and their baggage and of shipments of express. In Application No. 34362, as amended, the company seeks authority to increase the local commutation fares applicable between San Francisco and points in Marin County and also between points within the county. Application No. 34363, as amended, involves proposed upward adjustments in the local commutation fares applicable between San Francisco and certain points in Sonoma County.¹

¹The Sonoma County points in question are situated on Highway U.S. 101 as far north as Santa Rosa. The schedules operated in this service also serve a few Marin County points situated south of the Marin-Sonoma Counties boundary.

The applications were consolidated for convenience of hearing and decision, and public hearings were held at San Francisco as indicated below.² Evidence relative to the proposed fare adjustments was introduced during the hearings as shown in the margin by a number of Greyhound's officials and by a consulting engineer and an economist from a research organization retained by the company, by transportation engineers and an accountant of the Commission's staff and by a certified public accountant retained by the Federation of Marin County Commuter Clubs, protestant. In addition, the submission of the matters was set aside and the proceedings were reopened for receipt of evidence showing the financial results of applicant's California intrastate operations for the year 1953. Briefs have been filed. The matters are ready for decision.

Only commutation fares are involved in the upward adjustments proposed by Greyhound in these proceedings.³ For movements between San Francisco and points in Marin and Sonoma Counties (hereinafter referred to as the Marin-Sonoma services), the company maintains monthly commutation fares valid for daily use and similar fares good for use five days per week. A similar monthly (daily use) commutation fare is provided also for movements within Marin County. Under Greyhound's proposal, the existing monthly fares would be replaced by individual 20-ride commutation fares constructed on percentages of the existing one-way fares between the points.⁴ The proposed increases in the fares

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Hearings were held on July 29 and 30, 1953, before Commissioner Harold P. Huls and Examiner Henry Jacopi. On Greyhound's request, further hearing was postponed until October 14, 1953, to afford it an opportunity to study a new formula for the separation of operating expense introduced by the Commission's staff. Further postponements of the hearings to February 10, 1954, and to April 28, 1954, requested by Greyhound also were granted. The hearings were resumed on the latter date and continued on April 29, 30, May 5, 6, 7 and 10, 1954, before Commissioner Kenneth Potter and Examiner Henry Jacopi.

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No change is sought in these proceedings in the existing one-way and round-trip fares applicable in the areas in question.

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The proposed Marin County commutation fares would be based upon 90 per cent of the one-way fares. For the Sonoma County service, the proposed basis is 75 per cent of the one-way fares.

average about 62 per cent.⁵ Comparisons of the costs per ride under the various existing commutation fares and the higher fares being sought are set forth in Appendix "A" hereof.

Greyhound's position is that the present Marin-Sonoma commutation fares are unreasonably low and that heavy losses have been and still are being incurred in performing the services. The record shows that Greyhound commenced the Marin County operations on March 1, 1941, when the interurban passenger services of the Northwestern Pacific Railroad Company were discontinued. As a result of downward adjustments in bridge tolls and the subsequent establishment of monthly (5-day week) fares that were lower than the monthly (daily use) fares, three reductions in the 1941 Marin-Sonoma fares were made during the period December 1941 to May 1948. No change was made in the fares thereafter until an increase of 25 per cent was authorized by Decision No. 44758 of September 1, 1950 (50 Cal.P.U.C. 199). The fares as so adjusted are still in effect at the present time. Applicant pointed out that the present commutation fares generally are no higher than those that were in effect in the year 1941.

Applicant's witnesses alleged that the Marin-Sonoma operations were unusually expensive to perform by reason of the concentration of most of the passenger movements in two relatively short peak periods. The commuter movements were shown to occur between 7:00 a.m. and 9:00 a.m. and between 4:00 p.m. and 6:00 p.m., Mondays through Fridays. According to the record, 19 buses are

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The new 20-ride fares and the existing monthly (daily use) and the monthly (5-day week) fares are not directly comparable. The bulk of the commuter traffic, however, moves under the monthly (5-day week) fares. The individual increases that would result in these fares, based upon equivalent costs per ride, range generally from 47 per cent to 136 per cent.

required to perform the off-peak service whereas 90 buses are needed to handle the peak movements. It was indicated that but little use can be made of the peak-period equipment and personnel during the off-peak periods because of the small amount of patronage. Assertedly, applicant's labor contracts provide for payment for the idle time of drivers between the two peak periods. In addition to these conditions, the record shows that under steady increases in expenses the cost of operating the services amounts to about double the costs prevailing in the year 1941. Particular attention was directed by applicant's witnesses to the substantial advances in the wages of various classes of employees, in fuel and highway user taxes, tires, insurance and materials and supplies that occurred during the year 1953 and in the early part of 1954.

Financial Results of Operations

Exhibits dealing with the results of studies of the earning position of Greyhound's various operations were presented by the company's vice-president and by a transportation engineer and by an accountant of the Commission's staff. The exhibits included comparative balance sheets and income, revenue and expense statements for past periods, studies of traffic trends and depreciation schedules and estimates of traffic volume, revenues and expenses for future 12-month periods under the present and proposed fares. The accountant retained by the Federation of Marin County Commuter Clubs, protestant, introduced exhibits calculated to reveal alleged uncertainties in the estimates and calculations of the other witnesses.

The results of operation of the Marin and Sonoma Counties services under the present fares were shown in exhibits attached to the application covering the 9-month period ended February 28, 1953.⁶

⁶ These results of operation were the latest available when the applications were filed. It was pointed out that only nine months were used due to interruption of operations during the months of March, April and May 1952 because of work stoppages.

According to the exhibits, a loss of \$258,500 was incurred on the Marin County service and \$3,000 on the Sonoma County service during the period in question. The corresponding operating ratios were 129.08 per cent and 100.9 per cent. For the year 1953, another exhibit submitted by the company at the further hearing following the reopening of the proceedings, supra, shows that the Marin and Sonoma Counties operations were conducted at a loss of \$250,200 and \$8,500, respectively. The corresponding operating ratios were 119.4 per cent and 102.1 per cent. The staff witness calculated that the losses for the year 1953 amounted to \$212,442 for the Marin operations and \$3,620 for the Sonoma service. The corresponding operating ratios were 116.6 per cent and 100.9 per cent. The variations in the figures of the two witnesses are attributable to differences in the methods of calculating the revenues and in the development of the operating expenses. In these results, no adjustments were made to show the effect on an annual basis of the various cost increases that were experienced during the aforesaid periods. These advances in costs were provided for in the estimated future operating results set forth in Table No. 1 below.

Estimates of what the earnings would be for the Marin-Sonoma services if the present fares were continued in effect during the future 12-month period ending June 30, 1955, were included in the exhibits presented by Greyhound's vice-president and by the staff engineer. In these calculations, the revenues anticipated from all sources, including those from one-way, round-trip and commutation fares, were included. All known advances in expenses were given effect on an annual basis. The exhibits in question also included estimates of what the operating results would be if the proposed commutation fares and the present one-way and round-trip fares were charged in the aforesaid 12-month period. According to the company's estimates, the new commutation fares would produce additional annual revenue of \$235,700 for the Marin County operations and \$24,700 for the Sonoma County service. The estimated operating results in question as summarized from exhibits of record are shown in Table No. 1 which follows.

TABLE No. 1

Estimated Results of Operations Under Present and Proposed Fares for Pacific Greyhound Lines' Local Services Between San Francisco and Points in Marin and Sonoma Counties for the 12-Month Period Ending June 30, 1955

	<u>Present Fares</u>			
	<u>Marin County</u>		<u>Sonoma County</u>	
	<u>Applicant</u>	<u>Commission Engineer</u>	<u>Applicant</u>	<u>Commission Engineer</u>
Revenues	\$1,291,600	\$1,241,500	\$407,900	\$389,400
<u>Operating Expenses:</u>				
Equipment Maintenance	\$ 222,300	\$ 223,900	\$ 67,000	\$ 76,400
Transportation	864,800	846,700	178,000	171,800
Station	89,700	85,300	52,300	51,200
Traffic	48,900	48,800	13,700	18,400
Insurance and Safety	100,600	101,700	37,300	24,200
Administrative and General	117,600	117,300	30,900	30,700
Depreciation	77,200	69,200	31,600	5,000
Operating Taxes	134,000	125,200	41,900	40,100
Operating Rents	8,200*	7,400*	7,300*	7,800*
Total Expenses	\$1,646,900	\$1,610,700	\$445,400	\$410,000
Net Operating Revenue	\$ (355,300)	\$ (369,200)	\$ (37,500)	\$ (20,600)
Operating Ratio	127.5%	129.7%	109.2%	105.3%

	<u>Proposed Fares</u>			
	<u>Marin County</u>		<u>Sonoma County</u>	
	<u>Applicant</u>	<u>Commission Engineer</u>	<u>Applicant</u>	<u>Commission Engineer</u>
Revenues	\$1,527,300	\$1,481,300	\$432,600	\$410,500
<u>Operating Expenses:</u>				
Equipment Maintenance	\$ 212,900	\$ 220,200	\$ 67,000	\$ 76,300
Transportation	832,100	830,400	178,000	171,500
Station	94,100	91,600	52,900	51,900
Traffic	48,100	48,800	13,700	18,400
Insurance and Safety	97,400	99,300	37,300	24,000
Administrative and General	113,900	117,300	30,900	30,700
Depreciation	76,900	69,200	31,600	5,000
Operating Taxes	138,800	131,400	42,700	40,600
Operating Rents	7,700*	7,400*	7,300*	7,800*
Total Expenses	\$1,606,500	\$1,600,800	\$446,800	\$410,600
Net Operating Revenue	\$ (79,200)	\$ (119,500)	\$ (14,200)	\$ (100)
Operating Ratio	105.2%	108.1%	103.3%	100.02%

* Indicates credit figure.

() Indicates loss.

The record in the instant proceedings indicates that when Greyhound was seeking authority in the year 1939 to substitute its service for the then existing rail-ferry Marin County service the company gave assurance that the costs for future rate-making purposes would be computed on an "added cost" basis without provision for general or overhead expenses which were not direct costs of the Marin service.⁷ In this connection, Greyhound submitted an exhibit showing what the operating results would be if the Marin County operations were conducted in the 12-month period ending June 30, 1955, under the proposed fares and with the expenses taken on the "added cost" basis.⁸ The exhibit indicated that a loss of \$52,700 would be incurred in performing the Marin County operations under the proposed fares in the aforesaid rate year. This estimated result was based upon revenues of \$1,527,300 and expenses on the "added cost" basis amounting to \$1,580,000. The operating ratio would be 103.3 per cent.

California Intrastate Operations

Greyhound's earning position on its over-all California intrastate operations, including the Marin-Sonoma services, were portrayed in exhibits introduced by the company's vice-president and by the staff engineer.⁹ According to the vice-president's exhibits, for

⁷ In response to questions by counsel for the Marin County Federation of Commuter Clubs, Greyhound's vice-president stated "yes, we will stand by our commitment that was made in 1939."

⁸ The testimony shows that the "added cost" basis generally would fall somewhere between the out-of-pocket costs and full costs. The vice-president stated that he had prepared the aforesaid exhibit to the best of his ability in accordance with bases developed from a review of the testimony and the exhibit entered in the certificate proceeding where the aforesaid assurance was given. A copy of the exhibit was submitted in the instant proceedings as Exhibit No. 14.

⁹ An exhibit attached to the application shows that the company earned net income of \$500,700, after provision for income taxes, from its over-all California intrastate service in the 9-month period ended May 31, 1953. The corresponding operating ratio was 97.85 per cent.. It was pointed out that these figures made no provision for substantial increases in wages effective October 1, 1953, nor for further advances in costs that occurred on and after July 1, 1953. The increased costs and changes in traffic trends were given effect in other exhibits covering a future rate year as shown in Table No. 2.

the year 1953 Greyhound earned net operating income of \$551,400 after provision for income taxes and a rate of return of 4.4 per cent. The intrastate revenues amounted to \$24,615,700, the operating expenses were \$23,419,100 and the operating ratio after taxes was 97.8 per cent. In his exhibit, the staff engineer calculated that the 1953 net operating income after taxes amounted to \$710,396, that the rate of return was 6.4 per cent and that the operating ratio after taxes was 97.1 per cent. The variations in the figures resulted principally from differences in the methods used in the separations of the intrastate expenses and rate base. According to the witnesses, no adjustments were made in the 1953 figures to give effect on an annual basis to cost increases that occurred during the year. For example, fuel taxes, payroll taxes and highway user taxes were increased in July, 1953, and drivers' wages were advanced on October 1, 1953. ✓
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✓

Estimated operating results for the future 12-month period ending June 30, 1955 also were submitted by applicant's vice-president and by the staff engineer showing the earnings anticipated if the present fares were continued during the period and also what the earnings would be if the proposed fares were in effect. In these calculations, provision was made covering the entire period for the downward trend of traffic and for all known advances which occurred in taxes, wages and other costs of operation. The California intrastate operating results in question are summarized in Table No. 2 below.

TABLE No: 2

Estimated Results of Greyhound's Over-All California Intrastate Operations Anticipated in the 12-Month Period Ending June 30, 1955, Under the Present Fares and the Proposed Fares

	Present Fares		Proposed Fares (1)	
	Applicant	Staff Engineer	Applicant	Staff Engineer
Revenues	\$21,734,800	\$21,349,000	\$21,995,200	\$21,609,400
Operating Expenses	23,365,300	22,551,200	23,326,300	22,541,900
Net Operating Revenue	\$(1,630,500)	\$(1,202,200)	\$(1,331,100)	\$(932,500)
Operating Ratio	107.5%	105.6%	106.1%	104.3%
Rate Base	\$15,293,200	\$15,063,100	\$15,293,200	\$15,063,100

() - Indicates loss.

(1) In calculating the revenues under the proposed fares, provision was made only for the fare increases in the Marin-Sonoma commutation fares sought in these proceedings. The other California intrastate fares are not involved herein and no change was made therein in calculating the revenues.

As previously indicated, the over-all California intrastate operating results shown above include those for the Marin-Sonoma services.

Economic Studies

An economist from a large research organization testified that his group was retained by Greyhound to determine and analyze the extent of changes in income levels and in cost of living factors in relation to changes in the level of bus commutation fares in California, with particular reference to Marin County. He presented a detailed report of the studies as made by the organization's economic research division. The division's findings were summarized in the report as follows:

1. All available indications show large increases in the level of income in Marin County since 1941, ranging from 114 per cent to 192 per cent.

2. The Consumer Price Index reveals substantial increases in cost-of-living factors in Marin County and Northern California since 1941. The total index increased 87.3 per cent from 1941 to 1953.

3. Commutation bus fares in other parts of California have risen substantially since 1941 while commutation fares between San Francisco and Marin County have declined or increased only slightly.

4. In contrast to large upward increases in the level of income and in cost-of-living items in Marin County, commuter fares between San Francisco and Marin County show relatively little change in 1954 from the level of 1941.

Commutation Fare Structure

The proposed changes in the existing Marin-Sonoma commutation fares were explained by applicant's assistant general traffic manager. He pointed out that in addition to the sought fare increase the company proposed to substitute 20-ride tickets for the present forms of monthly commutation tickets. The 20-ride tickets, he said, would be valid for use during the calendar month in which sold and during the next calendar month, between points where the distance is 30 miles and under. For greater distances, the limit would be thirty days after the date of sale. Assertedly, the shorter limit is necessary to avoid the application of federal transportation tax on the commutation fares between the latter points.

According to the traffic official, the new form of ticket was designed to be advantageous for commuters. Full use of the number of trips provided would be possible. Studies made by the company disclosed that the average use obtained by commuters from the present monthly (5-day week) ticket amounted to an average of 34 trips as compared with the average of 44 trips per month available under such tickets. The failure to make full use of the present type of ticket assertedly resulted from vacations, holidays, illness and other reasons. Other benefits indicated by the witness were the smaller cash outlay at one time for tickets, relief of congestion at ticket offices as a result of eventual spacing of ticket buying during the month and the fact that the new tickets would be valid for use by the purchaser any day including Sunday and for as many rides per day as desired upon surrender of a coupon for each ride.

Service Matters

A staff engineer submitted an exhibit containing a detailed report of his investigation of the company's Marin-Sonoma service.

His studies included review of the frequency of the schedules, passenger loads on buses passing check points, condition of equipment, on-time performance and other service matters. The establishment of load standards on various routes was recommended by the witness. Greyhound's superintendent of transportation subsequently reported during the course of the hearings that 20 of the buses theretofore operated in the Marin service had just been replaced with new buses having a greater seating capacity of five passengers per bus.¹⁰ The staff engineer's studies covered the operations as conducted prior to the new buses being placed in service. With the new equipment in operation only a short time, there is no information in this record suitable for determining to what extent, if at all, load standards might be necessary for operations with these larger buses. In the circumstances, Greyhound is expected to take steps to avoid overcrowding of buses and to assure the maintenance of schedules adequate for the amount of traffic offering. The Commission's staff will be instructed to report to the Commission any adverse bus loading or other service conditions which the company does not appropriately adjust upon being called to its attention.

Protestant's Position

Representatives of the Marin County Federation of Commuter Clubs maintain on brief that the propriety of the commutation fare increase sought in these proceedings has not been shown and that the applications should be denied. They take the position generally that (1) Greyhound must show a need for additional revenue in its over-all California intrastate operations before it may increase its fares in

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Greyhound points out in its brief that the 20 new buses cost a total of \$445,000.

the Marin-Sonoma segment and (2) the operating expenses for the Marin service should be computed on the "added cost" basis offered by the company when it sought the Marin operative authority in 1939-1940 rather than on the full cost basis.

The protestant maintains that the over-all intrastate operating results submitted by Greyhound and by the Commission's staff are not appropriate as bases for determining applicant's revenue needs. Objection is raised on various grounds to the calculation of revenues based upon forecasts of future traffic volume which give effect to downward trends in patronage and also to the allocation formulae used for separating the operating expenses as between interstate and intrastate traffic. Detailed studies of traffic flows showed that Greyhound's California intrastate passenger business has declined steadily since the end of the Korean conflict and that the ticket sales at five of the military installations in California now amount to about \$100,000 per month less than in 1952.¹¹ The studies indicated also that a decline in the volume of bus traffic is being experienced at many other California points served by applicant and also throughout the nation.

In regard to the aforesaid allocation formulae, the protestant Federation objects to the use of passenger miles, number of passengers and revenue as composite factors for the separation of certain of the California intrastate expenses from the interstate expenses. It argues at length that these bases have the effect of assigning a disproportionate share of common expenses to the intrastate service. Briefly stated, protestant maintains that the expense separations would reflect more appropriate results if made solely on the basis of passenger miles, a factor characterized as

¹¹ The military installations in question were shown as Camp Roberts, now closed, Camp Stoneman, San Diego, Hamilton Field and Treasure Island.

being related to use of the services. Exhibits were presented at the hearings through an accountant retained by protestant in which it was developed that California intrastate expenses so calculated amounted to substantially less than those developed by Greyhound and by the Commission's staff.

The record contains evidence, however, indicating that the aforesaid passenger-mile basis does not give appropriate effect to the cost elements involved and produces expense separations which are inadequate. The evidence shows, for example, that when applied to certain services the total cost of the transportation as developed under the passenger-mile formula amounted to materially less than the actual cost of the drivers' wages. To a lesser degree, inconsistencies were indicated in other expense comparisons made.

In regard to the Marin operations, the protestant challenged the validity of the exhibit introduced by Greyhound purporting to show the estimated results of operation with the expenses calculated on an "added cost" basis. It is argued that the exhibit was prepared on bases different from those employed by Greyhound in 1940 although the company indicated its willingness to have the instant fare proposal considered on that basis. Greyhound's vice-president testified that he had prepared the so-called "added cost" exhibit in 1940 (Exhibit No. 14 in the instant proceedings) and that he endeavored to observe the principles then employed in preparing the current showing (Exhibit No. 21) of the operating results under the "added cost" theory. Admittedly, this was a difficult undertaking because of numerous changes since occurring in the accounting system and book accounts and also in the operation of the service and in the properties devoted thereto. The witness explained in detail the procedure followed in dealing with the changed conditions. The difference between the full cost figures and the "added cost" basis referred to is relatively small.

The Commission finds from the evidence that the bases employed by the staff engineer in developing the revenue and expense estimates for the Marin-Sonoma services and for the over-all California intrastate operations as shown in Tables Nos. 1 and 2 produced reasonable results and are hereby adopted for the purpose of the determinations to be made in these proceedings. The record shows that the staff's treatment of the reasonably predictable downward trend in traffic and of the loss of patronage expected to result from the increase in fares and of the bus mileage to be operated and the associated expenses was more precise than that employed in Greyhound's figures. In addition, the straight line method of calculating depreciation expense on bus equipment based upon a 10-year service life is more appropriate for rate-making purposes than the graduated, shorter life basis used in the company's accounting records for tax purposes.

Conclusions

In reaching the conclusions which follow, the Commission has carefully reviewed the studies of revenues and expenses that were introduced in evidence and has fully considered all of the objections raised by protestant. The record shows, as summarized in Table No. 1, that if the present fares were continued during the 12-month period ending June 30, 1955, a loss of \$369,200 would be experienced on the Marin operations and \$20,600 on the Sonoma service. It is clear that continuance of adequate service in the Marin-Sonoma areas is vitally important to the commuting public. It is equally clear that additional revenue is needed if adequate service is to be maintained. Under those circumstances it is necessary to call upon the public to support the operations through higher fares and greater off-peak use.

If the fares as proposed by Greyhound were authorized in full, the resulting increases over the present commutation fares would range up to 136 per cent and would average more than 60 per cent.¹² Regardless of the estimated cost of performing the service, it is evident that such sharp increases in fares would divert from Greyhound a substantial part of its commutation patronage between the points involved herein. In this instance, the differences between the existing commutation fares, on the one hand, and the estimated cost of rendering this service, on the other, are so great that the law of diminishing returns alone would preclude the establishment of commutation fares wholly upon a cost basis, whether "full cost" or "added cost" is taken as the measure.

Since the record in this proceeding presents a situation in which the estimated cost of performing the service exceeds the revenues which can be recovered from the fares under existing conditions, the Commission in effect is called upon to determine a reasonable fare basis which will return the greatest amount of needed revenue to the company. The establishment of commutation fares upon the basis hereinafter authorized will afford the commuter ample opportunity to utilize 100 per cent of the transportation purchased, and will provide the company with additional revenues which are necessary to permit it to maintain reasonable commutation services. While these fares will not be sufficient, according to the cost estimates of record, to provide net earnings to the company for the particular service herein involved, they are the highest which are justified upon the present record for reasons hereinbefore stated.¹³

¹² See Footnote 5, supra.

¹³ The authorized fares represent an increase of about 30 per cent on the present tariff monthly (5-day week) fares and are expected to produce about \$84,100 additional revenue per year. See Appendix "A" for comparisons of the various fares.

Additional revenues will accrue if the number of passengers now handled on one-way and round-trip fares in the off-peak periods of the day are increased. The record shows that of the 90 buses used to handle the morning and evening peak commuter movements only 19 buses are needed for the off-peak travel. The company has not undertaken any activity directly in the area covered by the Marin-Sonoma operations to attract additional passengers to these services. It will be directed to develop and put in effect an aggressive traffic promotion plan designed to attract more patronage primarily to its off-peak schedules and to report to the Commission within ninety days after the effective date of the order herein a detailed explanation of the activities undertaken. In this connection, applicant should give consideration to revising its present general traffic promotion program in the Marin-Sonoma areas to one directed mainly to furthering the patronage of the local services.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and hereby finds that increased commutation fares to the extent provided for in the order which follows are justified and that in all other respects the proposals have not been justified.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Pacific Greyhound Lines be and it is hereby authorized to establish, on not less than five days' notice to the Commission and the public, 20-ride commutation fares as set forth in Appendix "B" hereof, and changes in forms of tickets and governing rules, to the extent applicable, as proposed

in Applications Nos. 34362 and 34363, as amended, filed in those proceedings and to cancel Local Passenger Tariff No. L-455, Cal. P.U.C. No. 877, Local Passenger Tariff No. L-456, Cal. P.U.C. No. 878, Local Passenger Tariff No. L-457, Cal. P.U.C. No. 879, and supplements thereto, concurrently with the effectiveness of the 20-ride commutation fares authorized herein.

IT IS HEREBY FURTHER ORDERED that in all other respects Applications Nos. 34362 and 34363, as amended, be and they are hereby denied.

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

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby directed to develop and undertake an aggressive business promotion program for the Marin-Sonoma operations and to report to the Commission within ninety days after the effective date of this order the activities undertaken or programmed for those services.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby directed to post and maintain in its vehicles and depots a notice of the increased commutation fares herein authorized. Such notice shall be posted not less than five days prior to the effective date of such fares and shall remain posted for a period of not less than thirty days.

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

Dated at San Francisco, California, this 4th day of November, 1954.

John E. McArthur
PRESIDENT
Madhu S. Ghose
Kenneth L. Potter
Deane Roggins
Raymond L. Williams
COMMISSIONERS

MARIN-SONOMA COUNTIES COMMUTATION FARES - PACIFIC GREYHOUND LINES

APPLICATIONS NOS. 34362 AND 34363, AS AMENDED

COMPARISONS OF PRESENT COMMUTATION FARES, THOSE SOUGHT BY GREYHOUND AND THOSE AUTHORIZED BY THE COMMISSION

Between San Francisco and	Present Commutation Fares				20-Ride Fares Proposed by Greyhound		20-Ride Fares Authorized by Commission	
	Monthly (Daily Use) Fares		Monthly (5-Day Week) Fares		Fare	Cost per Ride in Cents	Fare	Cost per Ride in Cents
	Fare	Cost per Ride in Cents		Fare				
		(1)	(2)		(3)	(4)		
Marin Bridgehead	\$ 8.75)			\$ 8.15)			\$ 6.30)	\$ 5.50)
Fort Baker Gate	8.75)			8.15)			6.30)	5.50)
Marin City	8.75)	14.6	21.9	8.15)	18.5	24.0	6.30)	5.50)
Manzanita	8.75)			8.15)			6.30)	5.50)
Sausalito	8.75)			8.15)			6.30)	5.50)
Stinson Beach	18.25	30.4	45.6	16.60	37.7	48.8	6.30)	5.50)
Bolinas	22.85	38.1	57.1	20.65	46.9	60.7	12.60	63.0
Tamalpais Valley	10.00	16.7	25.0	9.40	21.4	27.6	15.30	76.5
Almonte	10.00)			9.40)			8.10	40.5
High School	10.00)			9.40)			6.25)	31.3
Locust Avenue	10.00)	16.7	25.0	9.40)	21.4	27.6	9.00)	6.25)
Park Avenue	10.00)			9.40)			9.00)	6.25)
Mill Valley	10.00)			9.40)			9.00)	6.25)
Alto	10.00)			9.40)			9.00)	6.25)
Tiburon Wye	10.00)			9.40)			9.00)	6.25)
Greenwood Beach	11.25)			10.35)			9.00)	6.25)
Corte Madera Road	11.25)			10.35)			9.00)	6.75)
Corte Madera	11.25)	18.8	28.1	10.35)	23.5	30.4	9.00)	6.75)
Baltizore Avenue	11.25)			10.35)			9.00)	6.75)
Larkspur	11.25)			10.35)			9.00)	6.75)
Greenbrae	11.25)			10.35)			9.00)	6.75)
							10.80	54.0
								6.75)

- (1) Cost per ride based on average of 60 rides per month available under monthly fares good for daily use.
 (2) Cost per ride based on 40 rides per month, the average use being made of monthly fares good for daily use.

- (3) Cost per ride based on average of 44 rides per month available under monthly 5-day week fares.
 (4) Cost per ride based on 34 rides per month, the average use being made of monthly 5-day week fares.

APPENDIX "A" (Continued)

Between San Francisco and	Present Commutation Fares				20-Ride Fares Proposed by Greyhound		20-Ride Fares Authorized by Commission	
	Monthly (Daily Use) Fares		Monthly (5-Day Week) Fares		Fare	Cost per Ride in Cents	Fare	Cost per Ride in Cents
	Fare	Cost per Ride in Cents	Fare	Cost per Ride in Cents				
	(1)	(2)	(3)	(4)				
Tiburon	\$12.50		\$11.25		\$10.80		\$ 7.50	
Belvedere	12.50		11.25		10.80		7.50	
California Park	12.50		11.25		10.80		7.50	
Escalle	12.50		11.25		10.80		7.50	
Kentfield	12.50	20.8	11.25	25.6	10.80	54.0	7.50	37.5
Kentfield Corners	12.50		11.25		10.80		7.50	
Ross	12.50		11.25		10.80		7.50	
San Anselmo	12.50		11.25		10.80		7.50	
San Rafael	12.50		11.25		10.80		7.50	
Fairfax	12.50		11.25		10.80		7.50	
Manor	12.50		11.25		10.80		7.50	
Woodacre	16.00	26.7	14.40	32.7	13.50	67.5	9.50	47.5
San Geronimo	17.10	28.5	15.65	35.6	14.40	72.0	10.25	51.3
Lagunitas	18.50	30.8	16.90	38.4	15.30	76.5	11.00	55.0
Pt. Reyes Station	25.20	42.0	23.15	52.6	19.80	99.0	15.25	76.3
Inverness	28.40	47.3	25.35	57.6	21.60	108.0	16.50	82.5
		(1)		(3)				
		(5)		(4)				
St. Vincent School	16.25		14.70		11.70	58.5	9.75	
De Witt	16.25		14.70		12.60	63.0	9.75	
Ignacio	16.25	27.1	14.70	33.4	13.50	67.5	9.75	48.8
Novato	16.25		14.70		14.40	72.0	9.75	
Burdell	16.25		14.70		15.75	78.8	9.75	
San Antonio Road	16.25		14.70		15.75	78.8	9.75	
Petaluma	21.25	35.4	19.40	44.1	15.75	78.8	12.75	63.8
Ely Road Jct.	25.65	42.8	23.15	52.6	17.25	86.3	15.25	
Penn Grove	25.65	42.8	23.15	52.6	18.00	90.0	15.25	76.3
Gotati	25.65	42.8	23.15	52.6	18.00	90.0	15.25	
Wilfred	30.00	50.0	26.90	61.1	18.75	93.8	17.50	
Bellevue Avenue	30.00	50.0	26.90	61.1	19.50	97.5	17.50	87.5
Santa Rosa	30.00	50.0	26.90	61.1	20.25	101.3	17.50	

See page 1 hereof for explanation of reference marks (1), (2), (3) and (4).

(5) Cost per ride based on 42 rides per month, the average use being made of monthly daily use fares on the Santa Rosa route.

APPENDIX "B"

Statement of 20-Ride Commutation Fares
 Authorized for Pacific Greyhound Lines'
Marin-Sonoma Counties Operations

<u>Between San Francisco and</u>	<u>Authorized 20-Ride Fares</u>
Marin Bridgehead) Fort Baker Gate) Marin City) Manzanita) Sausalito)	\$ 5.50
Tamalpais Valley Jct.) Almonte) High School) Locust Avenue) Park Avenue) Mill Valley) Alto) Tiburon Wye) Tamalpais Valley)	\$ 6.25
Greenwood Beach) Corte Madera Road) Corte Madera) Baltimore Avenue) Larkspur) Greenbrae)	\$ 6.75
Tiburon) Belvedere) California Park) Escalle) Kentfield) Kentfield Corners) Ross) San Anselmo) Fairfax) Manor) San Rafael)	\$ 7.50
St. Vincent School) De Witt) Ignacio) Novato) Burdell) San Antonio Road) Sonoma-Marin Line)	\$ 9.75
Petaluma)	\$12.75
Ely Road Jct.)	15.25
Penn Grove)	15.25
Cotati)	15.25
Wilfred)	17.50
Bellevue Avenue)	17.50
Santa Rosa)	17.50
Dias Ranch)	\$ 6.75
Muir Woods Jct.)	6.75

APPENDIX "B" (Continued)

<u>Between San Francisco and</u>	<u>Authorized 20-Ride Fares</u>
Alpine Lodge	\$ 7.50
Mountain Home	7.50
Stinson Beach	\$10.75
Bolinas	13.50
Woodacre	\$ 9.50
San Geronimo	10.25
Lagunitas	11.00
Pt. Reyes Station	15.25
Inverness	16.50
Golden Gate Bridge	
Toll Plaza	\$ 3.25
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Between Intra-Marin Points as defined in Tariff L-456, Cal. P.U.C. No. 878	\$ 3.75

Note - Fares from or to intermediate points not provided for shall be the fare from or to the next more distant point for which a fare is named.