

ORIGINAL

Decision No. 55248

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CONTRA COSTA COUNTY COMMUTERS)
ASSOCIATION, a corporation,)

Complainant,)

vs.)

Case No. 5623

THE GREYHOUND CORPORATION,)
(formerly Pacific Greyhound)
Lines), a corporation,)

Defendant.)

John E. McKirahan, Leroy W. Sowers and Ray
E. Smith for Contra Costa Commuters
Association, Inc., complainant.

Douglas Brookman and Earl A. Bagby for The
Greyhound Corporation, defendant.

O P I N I O N

On February 24, 1955, Contra Costa County Commuters Association, complainant, filed its complaint against The Greyhound Corporation, defendant. An answer was filed by said defendant on March 23, 1955. A hearing was held before Examiner Cline in San Francisco on June 8, 1955. At the close of the hearing defendant filed its motion to dismiss the complaint. Said motion to dismiss was denied by Decision No. 52481, issued January 16, 1956.

On March 1, 1956, complainant filed its amended complaint requesting the Commission to issue an order requiring the defendant to establish for use on its passenger bus service along its Martinez route between Pleasant Hills in Contra Costa County, on the one hand, and points either in Oakland or San Francisco, on the other hand, commute fares at a level of rates and subject to rules and regulations comparable to those which apply to defendant's passenger bus

service between San Francisco and Oakland, on the one hand, and points in the Pleasant Hills area along defendant's Concord route and areas adjacent to Pleasant Hills, on the other hand. Defendant's answer to the amended complaint was filed on March 13, 1956. Further hearings were held before Examiner Cline in San Francisco on September 12 and October 8, 1956. The matter was taken under submission on November 16, 1956, after the filing of briefs by the parties.

On June 3, 1957, this Commission was formally notified by The Greyhound Corporation that pursuant to Decision No. 54875 in Application No. 38923 The Greyhound Corporation, effective on the 1st day of June, 1957, acquired through merger all the operative rights and properties of Pacific Greyhound Lines and requested the substitution of The Greyhound Corporation for Pacific Greyhound Lines in various applications of Pacific Greyhound Lines pending before this Commission. Said substitution will also be made in this proceeding.

Description of Pleasant Hills Area

The Pleasant Hills area is an unincorporated residential area in Contra Costa County north of Walnut Creek. Its northern boundary extends six or seven hundred feet north of Gregory Lane; the eastern boundary extends some distance east of State Highway 24; the southern boundary is Geary Boulevard, and the western boundary extends two or three thousand feet west of Pleasant Hill Road. The general areas of Lafayette, Concord, Danville, Walnut Creek, and Pleasant Hills are all similar residential areas from which most of the employed residents commute to work in the various Bay area cities.

The Greyhound Corporation operates frequent passenger bus commute service from Concord through the Pleasant Hills area on State Highway 24, Walnut Creek, Lafayette, and Orinda, and on to Oakland and to San Francisco and return.

A Greyhound Corporation bus leaves Danville at 6:50 a.m. and goes through Alamo, Walnut Creek, Lafayette, and Orinda and arrives at Oakland at 8:03 a.m. The bus to Danville leaves Oakland at 5:35 p.m. and arrives at Danville at 6:48 p.m. Passengers desiring to travel between Danville and San Francisco may transfer at Walnut Creek.

The Greyhound Corporation also operates one bus schedule each way per day between Martinez and Oakland through the Pleasant Hills area (via Pleasant Hill Road), Lafayette and Orinda and Berkeley. This bus leaves Martinez at 6:50 a.m. and arrives in Lafayette at 7:26 a.m., Berkeley at 8:05 a.m., and Oakland at 8:20 a.m. The return bus leaves Oakland at 5:20 p.m., Berkeley at 5:40 p.m., and Lafayette at 6:12 p.m. and arrives at Martinez at 6:50 p.m. Although Exhibit No. 8 which is the Pocket Folder of Contra Costa Locals shows no stops in the Pleasant Hills area along the Pleasant Hill Road, stops actually are made at West Monument, Oak Park Road and Geary Boulevard. Passengers who wish to go to San Francisco or who wish more direct service to Oakland can transfer at Lafayette.

Present Fares

Monthly commutation fares are offered to the public between San Francisco or Oakland, on the one hand, and points in the Pleasant Hills area on State Highway 24 and Alamo and Danville, on the other hand. San Francisco or Oakland commuters in the Pleasant Hills area desiring to board the Martinez bus along Pleasant Hill

Road must use a combination of one-way fares between the Pleasant Hills area and Lafayette and the monthly commutation fares between Lafayette and San Francisco or Oakland, as no commutation fares are offered between San Francisco, Oakland and points in the Pleasant Hills area along Pleasant Hill Road.

The following is a table of the fares between Oakland or San Francisco, on the one hand, and certain Contra Costa points, on the other hand, together with the mileage between San Francisco and said Contra Costa points.

	<u>Oakland</u>		<u>San Francisco</u>		<u>Mileage</u>
	<u>One-Way Fare</u>	<u>Monthly Commutation Fare</u>	<u>One-Way Fare</u>	<u>Monthly Commutation Fare</u>	
Danville	.65	12.00	.90	19.25	33
Alamo	.55	10.45	.85	17.70	29
Pleasant Hill Area					
Monument	.55	9.90	.85	17.20	29
West Monument	.50	12.75*	.80	20.00*	28
Geary Boulevard	.50	12.75*	.80	20.00*	27
Walnut Creek	.45	8.35	.75	15.60	26
Acalanes Junction	.40	8.35	.70	15.60	24
Lafayette	.35	6.75	.70	14.00	22

* Combination of 40 one-way fares @ \$0.15 each and Lafayette monthly commute.

Usage Made of Service

At the time of the first hearing one of the witnesses for the complainant testified that two passengers board the morning Martinez bus at Boyd Road or West Monument, two at Charlton Drive which is between Boyd Road and Oak Park Road, two just before Oak Park Road, three to five at the curve around Oak Park Road, one or two between Oak Park Road and Geary Boulevard, one or two halfway

between Geary Road and the top of the hill which is approximately halfway between Geary Boulevard and Acalanes Junction and one at the Reliez Valley Road, making a total of 16 or 17 passengers. Approximately one third of the passengers who board the Martinez bus at Gregory Lane or beyond toward Lafayette get off at Lafayette to transfer to the San Francisco bus. The remaining two thirds of such passengers go to Oakland or Berkeley.

Defendant's Exhibit No. 6 shows that the following inbound and outbound usage was made of the Martinez bus during the six-day period August 27 through September 1, 1956, by passengers who boarded in or were destined to the Pleasant Hills area:

Inbound Service

<u>Date</u>	<u>Origination</u>	<u>On</u>	<u>Destination</u>	<u>Off</u>
8/27/56	Oak Park	3	San Francisco Berkeley	2 1
8/28/56	Oak Park	8	Berkeley Oakland San Francisco	1 1 6
9/29/56	West Monument Oak Park	1 6	Berkeley Berkeley San Francisco	1 1 5
8/30/56	West Monument Oak Park	1 7	Berkeley Oakland San Francisco	1 1 6
8/31/56	West Monument Oak Park	1 5	Berkeley San Francisco	1 5
9/1/56		0		0

Outbound Service

<u>Date</u>	<u>Origination</u>	<u>On</u>	<u>Destination</u>	<u>Off</u>
8/27/56	Berkeley	1	Oak Park	1
	Lafayette	2	Oak Park	2
8/28/56	Berkeley	1	Oak Park	1
	Lafayette	3	West Monument	1
			Oak Park	2
8/29/56		0		0
8/30/56	Berkeley	2	West Monument	2
	Lafayette	4	Oak Park	2
			West Monument	2
8/31/56	Berkeley	2	Oak Park	1
			West Monument	1
	Lafayette	6	Oak Park	4
			West Monument	2
9/1/56		0		0

Operating Results

Exhibit No. 7 shows that the total revenue on the inbound schedule of the Martinez bus for the period August 27 through September 1, 1956, amounted to \$36.05 of which \$7.59 was applicable to the Martinez-Acalanes Junction portion of the operation. The Martinez-Acalanes portion of the outbound schedule produced \$9.39 during this same period.

The following table pertaining to the operating results of the San Francisco-Contra Costa Service of The Greyhound Corporation is taken from the data appearing on defendant's Exhibit No. 5.

	<u>Year</u> <u>1955</u>	<u>Jan. 1 to</u> <u>June 30,</u> <u>1956</u>	<u>Forecast</u> <u>Year 1957</u>
Operating Revenues	\$624,100	\$322,600	\$682,100
Operating Expenses	668,400	361,000	752,000
Operating Loss	\$ 44,300	\$ 38,400	\$ 70,100
Operating Ratio	107.10	111.9	110.3
Rate Base	\$351,800	\$497,300	\$442,200

Evidence regarding the California intrastate operating results of defendant is set forth in defendant's Exhibits No. 3 and 4. In this proceeding, however, the Commission will take official notice of the Commission's own estimates of California intrastate results of operations of The Greyhound Corporation under authorized fares, which are set forth as follows in the decision on The Greyhound Corporation Application No. 38019 for statewide bus fare increase, which decision was issued on the same date as this decision.

	<u>Forecast</u> <u>Year 1957</u>
Revenues	\$26,068,900
Expenses	23,924,100
Operating Income	2,144,800
Income Taxes	1,119,600
Net Income	1,025,200
Estimated Rate Base	14,527,100
Estimated Rate of Return	7.1%
Operating Ratio after Income Taxes	96.1%

Defendant's Objections to
Establishment of Commute Fares

Defendant objects to the establishment of commute fares on the Martinez route through the Pleasant Hills area on the ground that commute fares at the level now existing on the Concord route through this area are noncompensatory. It urges that the fare differential is really an undue preference in favor of those who now enjoy commute fares rather than an unjust discrimination against those who do not enjoy commute fares. Defendant requests that the prejudice or discrimination complained of be removed through the cancellation of the commute fares in Local Passenger Tariff No. 222 and Supplement No. 1 thereto which are the monthly commutation fares between San Francisco, Oakland, and Berkeley,

on the one hand, and points in Contra Costa County, on the other hand.

Defendant is fearful that if commute fares are established in the Pleasant Hills area on the Martinez route comparable to the existing commute fares in the Pleasant Hills area on the Concord route that persons now using the Concord buses will elect to use the Martinez bus instead; and that the ultimate result may be a demand for direct commutation service on the Martinez route to San Francisco and to Oakland.

Conclusion

After review of the entire record the Commission concludes and hereby finds that the failure of defendant to provide commutation fares between West Monument, Oak Park, and Geary Boulevard which are points in the Pleasant Hills area on Pleasant Hill Road along defendant's Martinez bus route, on the one hand, and San Francisco and Oakland, on the other hand, results in unjust, unreasonable and discriminatory fares being charged those passengers who use defendant's bus service between said points on a volume basis.

The fares authorized in the decision on Application No. 38019 issued on the same date as this decision will enable defendant to earn a reasonable rate of return and maintain a satisfactory operating ratio even though it be ordered to establish commutation fares as requested by complainants herein.

The Commission hereby further finds that commutation fares issued subject to the same rules and regulations and at the same level as commutation fares between Monument in the Pleasant Hills area, Contra Costa County, on the one hand, and Oakland and

San Francisco, on the other hand, are just and reasonable fares on a volume basis between West Monument, Oak Park, and Geary Boulevard in the Pleasant Hills area, Contra Costa County, on the one hand, and Oakland and San Francisco, on the other hand, and defendant should establish and hereafter observe and maintain such fares in force.

O R D E R

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

IT IS ORDERED that:

1. The Greyhound Corporation is hereby substituted for Pacific Greyhound Lines as the defendant herein.

2. The defendant, The Greyhound Corporation, within ten days after the effective date of this order, shall establish and thereafter observe and maintain in force until further order of this Commission commutation fares between West Monument, Oak Park and Geary Boulevard in the Pleasant Hills area, Contra Costa County, on the one hand, and Oakland and San Francisco, on the other hand, under the same rules and regulations and at the same level as commutation fares are presently maintained between Monument in the Pleasant Hills area, Contra Costa County, on the one hand, and Oakland and San Francisco, on the other hand.

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

Dated at San Francisco, California, this 9th day of JULY, 1957.

President
[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

Commissioners
-9 Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the meeting.