

ORIGINAL

Decision No. 68734

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GREYHOUND LINES, INC.,)
 WESTERN GREYHOUND LINES DIVISION, for) Application No. 46833
 an order authorizing increases in San) (Filed July 23, 1964;
 Francisco Bay Area commutation fares.) Amended January 25, 1965)

Application of Greyhound Lines, Inc.,)
 Western Greyhound Lines Division, for) Application No. 46904
 an order authorizing a statewide) (Filed August 19, 1964)
 increase in intrastate passenger)
 fares other than commutation fares in)
 Peninsula, Contra Costa and Marin)
 Commutation Services.)

Investigation into the operations,)
 rates of fares, practices, routes,)
 schedules, tariffs, service, equip-)
 ment and facilities of Greyhound) Case No. 8009
 Lines, Inc., Western Greyhound Lines) (Filed September 22, 1964)
 Division, in the San Francisco Bay)
 Area.)

SECOND INTERIM OPINION

By Application No. 46833, Greyhound Lines, Inc., Western Greyhound Lines Division (Greyhound) seeks to increase San Francisco Bay Area commutation fares. By Application No. 46904, Greyhound seeks to increase its California intrastate one-way and round-trip fares. Case No. 8009 is an investigation on the Commission's own motion into the operations, fares and services of Greyhound with respect to the aforementioned commutation services. Fifteen days of public hearing have been held in these matters before Commissioner Grover and Examiner Mallory.

In Application No. 46833, Greyhound seeks, among other things, to increase its commutation fares applicable between San Francisco and points in San Mateo and Santa Clara Counties (Peninsula service). Greyhound plans to order and place in service 60 new

transit-type buses, of which 40 will be assigned to Peninsula commutation service.¹ In Case No. 8009, the Commission staff has made recommendations concerning, among other things, the service and operations of Greyhound's Peninsula commutation service. The staff urged that the Commission give consideration to whether the new buses to be purchased by Greyhound should be air-conditioned. Testimony concerning the desirability of air-conditioning the new buses and the cost thereof was offered by Commission staff witnesses and by Greyhound's Central-Western Division vice-president of transportation.

At the hearing on March 3, 1965, Greyhound informed the Commission that Greyhound Corporation's board of directors, on February 25, 1965, authorized the immediate purchase of 60 new transit-type buses without specifying whether or not such buses should be equipped with air-conditioning; that since the issuance of Decision No. 68661 (February 25, 1965), Greyhound has been in communication with General Motors Corporation; that the latter company informed Greyhound that the new buses can be obtained for August delivery if nonair-conditioned buses of 102-inch width are ordered, or for June delivery if nonair-conditioned buses of 96-inch width are ordered; that Greyhound believes that the 20 new nonair-conditioned buses for Marin commute service should be 102-inch width for the comfort and convenience of its passengers; and that if the

¹ Twenty of the new buses will be assigned to Marin County commutation service. Decision No. 68661, dated February 25, 1965, in these proceedings, discontinued the portion of Application No. 46833 seeking increased commutation fares in Marin-Sonoma service, and discontinued the portion of Case No. 8009 dealing with recommendations concerning air-conditioning of new bus equipment for respondent's Marin commutation service and establishment of a 90% loading standard for respondent's Marin-Sonoma commutation service, concurrently with the reduction in Greyhound's operating costs due to lowered bridge tolls on the Golden Gate Bridge.

Commission indicates within the next few days that nonair-conditioned buses may be purchased for Peninsula commute service, Greyhound can order all 60 new buses in time for June or August delivery.

Greyhound moved that the Commission issue a further interim order specifying whether the 40 new buses to be ordered for Peninsula commute service should be air-conditioned or nonair-conditioned. Greyhound represented that an order will be placed immediately to ensure August delivery, subject to cancellation if no action is taken by the Commission within a 10-day period. (In the event an order is not placed in early March, the next "run" in which buses could be obtained would provide delivery in December 1965.)

The Commission staff made no recommendation that the new buses be air-conditioned. However, the staff testimony concerning the necessity for air-conditioning the new buses indicates that air-conditioning has the following advantages:

1. During the summer months air-conditioning would provide a cooler and more pleasant ride.
2. Forty air-conditioned buses would permit the entire Peninsula midday (off-peak) service to be air-conditioned, and thereby encourage additional off-peak patrons who typically pay higher fares than commuters.

On the other hand, the record also shows:

1. The latest model nonair-conditioned buses have an improved ventilating system with draft-free air circulating at a rate of 1,500 cubic feet per minute, which rate can be increased if needed by adjusting cowl ventilators over the windshield. At the rate of 1,500 cubic feet per minute air would be replaced once every minute.
2. Due to California Vehicle Code weight restrictions on the rear axle, an air-conditioned bus would have two seats less (51 seats versus 53 seats) or 4 percent less than the nonair-conditioned model, thereby requiring more buses to handle the same amount of passengers (4% of 40 buses equals 1.6 buses).

3. Also due to weight restrictions, an air-conditioned bus would have to be reduced in width from 102 inches to 96 inches; aisles would be 2 inches narrower and each pair of seats would be 2 inches narrower than in a nonair-conditioned bus, thus reducing year-round passenger mobility and seating comfort.
4. Air-conditioning would be used a maximum of three months per year.

Information developed by the staff indicates that many transit companies operating in similar or warmer climates do not operate air-conditioned buses; even where such buses are operated, only a portion of the fleet is air-conditioned. A number of transit companies now operating air-conditioned buses do not plan to add to or replace current fleets with air-conditioned buses. The staff studies indicate that air conditioning will add \$4,300 per bus (\$194,000 for 40 buses) to the cost of purchase of the new buses.

Greyhound's witness estimated that new buses will cost approximately \$30,000 each if not air-conditioned, and will cost an additional \$4,500 per bus if air-conditioned. Greyhound took the position that air-conditioning is not necessary in the Peninsula area. An amendment to Application No. 46833, filed January 25, 1965, seeks an additional increase in fares if such a requirement is imposed. The amendment to the application indicates that \$21,000 additional annual expense would be incurred in the acquisition, operation, and maintenance of air-conditioned buses, over buses not air-conditioned.

No representations from the public were made concerning air-conditioning of new buses for Peninsula service.

The record concerning the question of air-conditioning is complete, although hearings will continue for the purpose of receiving evidence on other issues involved in these proceedings. Even though cross-examination of the company's and the staff's

financial exhibits has not been completed, it is clear that the Peninsula operations are conducted at a substantial loss and are being supported by Greyhound's mainline operations throughout the state; the only question still to be resolved in this connection is the exact amount of the loss.

We find that the latest transit buses with improved ventilation will be satisfactory, especially in view of the reduced seating capacity, aisle space and individual seating space of air-conditioned buses, and in view of the higher costs of acquiring and operating air-conditioned buses; and that existing conditions presently do not require that the new transit-type buses in Greyhound's local Peninsula operations be air-conditioned; and that Greyhound's 60 new buses for Peninsula and Marin service should be 102 inches in width for the convenience and safety of its passengers.

The Commission concludes that Greyhound should be directed to order 60 new nonair-conditioned transit-type buses seating 53 passengers and having 102-inch width.

In order that the new buses may be ordered and placed in operation as soon as possible, the order herein will be made effective in ten days.

SECOND INTERIM ORDER

IT IS ORDERED that Greyhound Lines, Inc., Western Greyhound Lines Division, shall place orders for sixty new transit-type buses for earliest possible delivery, and that such buses shall seat not less than fifty-three passengers and shall be not less than 102 inches in width.

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

Dated at San Francisco, California, this 15th day of MARCH, 1965.

Frederick B. Hololoff
President

George H. Grover

Angela

Commissioners

*I assent in
the order of
C. W. Mitchell*

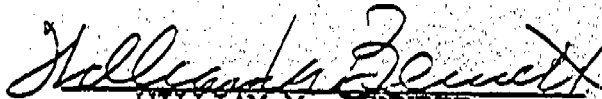
A. 46833, A. 46904, C. 8009

DISSENT

BENNETT, William M., Commissioner, Dissenting Opinion:

This belated dissent is filed in protest to the order which was signed herein. Apparently the affluent society is not so affluent that it can be transported in air-conditioned buses. And, considering the long service life of the new bus equipment to be purchased, this decision which was really compelled by the previous order relating to Marin County now makes it almost certain that for at least a decade air-conditioning will not be a luxury available to Greyhound commuters. With the clear ability at minimal cost to the commuter and over the life of the property to purchase modern air-conditioned buses, today's decision is erroneous in my judgment. The best was available and it was not obtained. Commuters on the Alameda-Contra Costa Rapid Transit System enjoy the benefits of air-conditioning and it seems only proper that Greyhound commuters should have the same status.

When the long hot days of summer and fall come upon the Bay Area, the argument against air-conditioning will be small comfort to overheated, homeward bound commuters. It is ironic that air-conditioning was not ordered in view of the fact that Greyhound was encouraged months ago to modernize its equipment completely and to provide air-conditioning even at the expense of a modest fare increase. This decision goes against the trend to order complete modernization in transportation equipment.


WILLIAM M. BENNETT
Commissioner

San Francisco, California
March 17, 1965

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(Filed July 23, 1964;
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Case No. 8009
(Filed September 22, 1964)

SECOND INTERIM OPINION

COMMISSIONER PETER E. MITCHELL - CONCURRING OPINION:

I concur in the order. My decision to approve the order was made after a full review of the record and a personal inspection of the types of buses involved.

The hearing in the Greyhound matters on March 12, 1965, reveals the following statement by the presiding examiner: ^{1/}

"We adjourned yesterday at noon to give the Commissioners, as many as wished to attend, an opportunity to look at the type of equipment that Greyhound would possibly purchase. ^{2/} Three Commissioners, Counsel for Greyhound Lines, Counsel for the Staff, and others, went to the Alameda-Contra Costa Transit

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2/ Commissioners Holoboff, Mitchell and Grover. Commissioners Bennett and Gatov were absent.

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District Terminal yesterday and looked at
two types of bus equipment."

My trip was illumed by comprehension of the manner in which
buses with air conditioning and those with air circulation equipment
were operated and the experience of those present in the conduct
thereof. A judgment on instinct alone in this proceeding, without
the actual examination of the buses involved, can lead to erroneous
results.

Therefore, based upon the supplementation of the record
and the reality of experience, I have signed the order.



Peter E. Mitchell, Commissioner

San Francisco, California
March 22, 1965