

ORIGINALDecision No. 74519

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GREYHOUND LINES, INC.,
 WESTERN GREYHOUND LINES DIVISION, for
 an order authorizing the elimination
 of commutation fares and increases in
 commutation area casual fares.

Application No. 49658
 Filed September 1, 1967

(Appearances are shown in Appendix A)

O P I N I O N

Greyhound Lines, Inc., Western Greyhound Lines Division (Greyhound), seeks authority to eliminate commutation fares and to increase one-way and round-trip (casual) fares within commute areas. Applicant provides service at commutation fares within the San Francisco Bay Area, between Long Beach and Santa Monica, between Sacramento and Woodland, and between DeWitt Hospital and Auburn/Nevada City. The fares in question were last increased pursuant to Decision No. 71787, dated December 30, 1966, in Application No. 48692 (66 Cal. P.U.C. 646).

A duly noticed public hearing was held before Commissioner Morrissey and Examiner Mallory at San Francisco in the period February 7 through April 15, 1968. The matter was submitted, following oral argument, on April 23, 1968. Twenty-seven days of hearing were held, 88 exhibits were introduced, testimony was received from 45 witnesses, and 3,414 pages of transcript were recorded.

Applicant alleged that its commute operations now, and for several years past, have been conducted at a loss; that the

revenue deficiencies of the commute operations heretofore have been subsidized by its California intrastate mainline operations; that its mainline operations cannot continue to subsidize the commute operations; and that the fare increases sought in this application are necessary to provide sufficient revenues to operate the commutation services at the break-even point. The cities of Long Beach, Bakersfield and San Diego urge that the application be granted in order to eliminate or reduce the asserted subsidization of San Francisco Bay Area commute operations by Greyhound's mainline service serving these communities.

Increased fares to the levels sought in the application were opposed by the Commission staff, Marin County Transit District, the Contra Costa County Commuters Association, the Davis Area Chamber of Commerce, the Montara-Moss Beach Improvement Association, Contra Costa County, the City and County of San Francisco, the cities of Pacifica, Walnut Creek, Pleasanton and Woodland, and by several individual commuters. An alternate fare structure was proposed by the Commission staff which would provide increased fares lower than those proposed in the application and which would continue to provide multiple-ride fares for commuters lower than one-way or round-trip fares.¹

The Commission considers the following to be the principal issues in this proceeding:

1. Estimated operating results for a current period and for a future year at present and proposed fares; as one measure of the

¹ A comparison of the fares between selected points requested by applicant and proposed by the Commission staff is shown in Appendix B.

adequacy and reasonableness of the levels of the present fares and the proposed fares.

2. The effect upon individuals, communities and public bodies of present and proposed commute fares, as a different measurement of the reasonableness of proposed fare levels.

3. As a concomitant of paragraph 2 above, our appraisal of the potential operations of rapid transit services by public transit districts or other transportation agencies within the commute areas now served by Greyhound.

4. Proposed revisions of, or improvements in, the services offered by Greyhound within commute areas.

Proposed Fares

Greyhound's proposal would raise the current one-way fares within commute areas by 5 cents, where the fare is less than \$1, and by 10 cents, where the fares are \$1 or more; establish round-trip fares on the basis of 180 percent of the increased one-way fares; cancel all present commute fares; and establish 20-ride book fares on the basis of 10 times the increased round-trip fares. The proposed 20-ride books would be sold as a convenience to commuters, as the per-ride cost would be the same as if a round-trip ticket were purchased.² The increases in multiple-ride fares range from 16 to 146 percent, and average approximately 50 percent. Greyhound's witnesses testified that fares on the levels sought are necessary to provide sufficient revenues to offset the fully allocated expenses of providing suburban commute services.

² Round-trip tickets are not sold on buses; they may be purchased only at ticket offices. Many commuters embark or debark at points intermediate to ticket sales offices.

The staff proposes that one-way fares be retained at current levels (except for the reduction of fares between San Francisco and short-line points in Marin County); that the minimum one-way fare be increased to 35 cents; that round-trip fares be canceled when the one-way fare is less than \$1; that multiple-ride fares be increased, but to levels less than would result from Greyhound's proposal; that the present monthly commute book for Contra Costa County and Vallejo be discontinued and a 20-ride book be substituted therefor; that commute tickets be honored on the San Jose express buses; that student reduced fares in the Long Beach-Santa Monica service be retained; and that commute fares be established in certain areas where no fares of this type are now published.³ The increases in the multiple-ride fares proposed by the staff range from 3 to 58 percent, and average approximately 25 percent. The staff's position is that factors other than Greyhound's asserted need for additional revenues must be considered herein. The staff witness testified that the Southern Pacific Company commute fares on the Peninsula set the practical limits on what Greyhound can charge on its paralleling routes. For Contra Costa and Marin services, the staff witness testified that the fares which he proposed are those which would balance Greyhound's revenue needs with the minimum diversion of traffic from Greyhound's commute operations.

Contra Costa County Commuters Association and Marin County Transit District recognize that some increases in fares are necessary, but urge that fares be established which are less than those proposed by Greyhound or the staff. They argued that Greyhound is the only public transportation service now operating between Marin County or eastern Contra Costa County and San

³ The staff, as part of the proposal for Marin fares, recommended that fare zones be established for all of the Marin County operations. Greyhound concurred in the staff proposal in this respect (Exhibit 68).

Francisco; that Greyhound provides an essential service to a large segment of the public in those counties; that increases in fares of the amount sought are so great as to cause a substantial diversion of traffic from public transport to private automobiles; that such diversion will burden already crowded highways and bridges; and that fares so high as to cause any substantial diversion of traffic is a dereliction of Greyhound's obligation to serve the public.

Davis Area Chamber of Commerce pointed out that the present commute service between Sacramento and Woodland is operated via Davis; neither Greyhound nor the Commission staff proposed specific multiple-ride fares to and from Davis. The Chamber of Commerce urges that a commute fare between Sacramento and Davis not to exceed 35 cents per ride be established as a result of this proceeding.

The record shows that no commute tickets have been sold in any recent period between DeWitt Hospital and Auburn/Nevada City. Greyhound and the Commission staff proposed that such multiple-ride fares be canceled.

Greyhound Lines, Inc.
Organizational Structure
and Western Operations

Descriptions of applicant's operations and corporate structure and those of its parent and affiliated corporations are set forth in the decision issued in the last general rate increase proceeding (Decision No. 69539, 64 Cal. P.U.C. 641, at 644).⁴ No material changes have occurred in the period since that decision was issued, except that Greyhound Corporation has acquired all the

⁴ An offset increase of 7 percent in mainline and commute fares, to reflect wage increases incurred in 1966, was granted by Decision No. 71787 (supra).

capital stock of General Fire and Casualty Company. As a result of this acquisition, Greyhound Lines, Inc. has discontinued acting as a self-insurer for public liability and property damage risks.

Separations Manual

In order to arrive at revenues, expenses and rate base for Greyhound's California intrastate mainline and local services, it is necessary to use allocation and separation procedures. Such procedures were adopted by the Commission in Decision No. 62959 (59 Cal. P.U.C. 213, 215).⁵

Assertedly, these procedures were followed by Greyhound and the Commission staff in the development of historical revenue and expense studies submitted in this proceeding.

Results of Operations, Historical Period

Exhibits were presented by the Commission's Finance and Accounts Division staff dealing with applicant's financial condition, sources of funds, financing of property and rate of return.

Applicant and the Commission's Transportation Division staff introduced comprehensive exhibits dealing with results of operations for the year ending June 30, 1967. These exhibits were bottomed upon the accounting records of Western Greyhound Lines Division, adjusted to give effect to bus depreciation rates and salvage values adopted as reasonable in prior proceedings, and to eliminate dues and donations. Allocation procedures were applied to such data to arrive at, successively, results for total California operations, total California intrastate operations and local operations. Summaries of the results of operations for Greyhound's

⁵ The procedures are set forth in the Allocations and Separations Manual (Exhibit No. 78 in Application No. 40057). Said exhibit was incorporated in this record by reference. (See Decision No. 69539, 64 Cal. P.U.C. 641, 644 and 645.)

California intrastate mainline and local operations, for the historical period, as developed by Greyhound and the Commission staff are set forth in Tables 1 and 1-A (Appendix C). Such tables indicate that the differences between the showing of Greyhound and the staff are minor. In its closing argument Greyhound stated that the differences in such data are not an issue in this proceeding.

Table 1-A discloses that commute operations were conducted at a loss in all areas.⁶ Table 1 shows that California intrastate mainline operations were conducted at a profit; however, the losses from local operations reduced the total California intrastate net operating revenues to near the break-even point for the historical period.

As previously indicated, the data presented by Greyhound and the Commission staff also included system results of operations for Western Greyhound Lines Division, and total California operating results which include both interstate and intrastate operations within the State's geographic borders. The following is a comparison of such results for the historic period:

Actual Operating Results
(Year Ending June 30, 1967)

Item	Western Greyhound Lines		California Total	
	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²
Revenues	\$100,823,500	\$100,762,900	\$64,164,500	\$64,209,800
Expenses	89,828,800	90,331,600	59,328,900	59,526,400
Net Operating Income*	6,065,200	6,291,000	2,667,600	2,916,700
Rate Base	48,665,600	50,037,000	31,998,000	32,236,000
Rate of Return*	12.5%	12.6%	8.3%	9.1%
Operating Ratio*	94.8	93.8	95.8	95.5

* After income taxes.
1 Exhibit 26.
2 Exhibit 64.

⁶ Results of operations for the Woodland-Sacramento service are included in Table 1 under the heading "mainline." Other commute operations are shown in Table 1-A under appropriate headings.

As may be seen from the foregoing table, California operations produce approximately 64 percent of the revenues of Greyhound's 11 state operations. Exhibit 37 (Greyhound) shows that 66 percent of Western Greyhound Lines System bus-miles were operated in California.

Results of Operations, Future Period

Applicant and the Commission staff also introduced exhibits showing estimated results of operations for the year 1968 at present fares and under the fares proposed by Greyhound. The staff also showed, in its exhibits, the estimated results of operations for the test year at fares proposed by it.

Summaries of estimated results of operations under present fares are set forth in Tables 2 and 2-A (Appendix D). It is apparent from these tables that commute operations will continue to be conducted at a loss and that Greyhound's total California intrastate service will be operated near the break-even point. For California intrastate operations as a whole, Greyhound estimates an operating ratio of 100.8 percent; the staff, an operating ratio of 99.3 percent.

Comparisons of summaries of operating results under fares proposed by Greyhound and the staff are set forth in Tables 3, 3-A and 3-B (Appendix D). Greyhound estimates that under its proposed fares the commute service operating results will be slightly below the break-even point; and that its intrastate service, as a whole, will produce an operating ratio of 98.6 percent (after taxes), and a rate of return of 2.4 percent for the test year. The staff's estimates of the results of operations under Greyhound's proposed fares are more favorable; they show that local operations would break even, and that total California intrastate service would produce an operating ratio of 96.9 percent (after taxes), and a rate of return of 5.6 percent.

Greyhound disagreed with the staff's estimates for the forecast year. Greyhound presented evidence designed to show that the staff's estimates of operating revenues for mainline charter and local services were overstated. Greyhound also urged that the staff's forecast year studies do not properly reflect expenses for the following: bus maintenance expense, license and registration fees, California gross receipt taxes, and income taxes. Explanations of the bases of Greyhound's contentions in this regard, and proposed adjustments of the staff revenue and expense estimates for test-year operations at current fares (Exhibit 70) are set forth in Greyhound's Exhibit 85. That exhibit also contains adjustments in commissions paid, and income taxes made necessary by other adjustments to revenues and expenses. The effect of the adjustments to the staff study contained in Exhibit 85 is to reduce the revenue estimates and to increase the expense estimates. A summary of operating revenues, expenses, and adjustments thereto, as proposed in Exhibit 85, is shown in the following tabulation:

Estimated Operating Results Year 1968

PRESENT FARES

Item	California Intrastate		
	Total	Mainline	Local
<u>Revenues</u>			
Exhibit 70	\$45,292,300	\$34,236,000	\$11,056,300
As Adjusted	44,538,300	33,719,000	10,819,300
<u>Expenses</u>			
Exhibit 70	44,818,700	31,979,800	12,838,900
As Adjusted	44,950,000	31,940,700	13,009,300
<u>Net Operating Income*</u>			
Exhibit 70	302,200	1,439,700	(1,137,500)
As Adjusted	(265,000)	1,144,900	(1,409,900)
<u>Operating Ratio*</u>			
Exhibit 70	99.3%	95.8%	110.3%
As Adjusted	100.6	96.6	113.0

(Red Figure)

* After income taxes.

We have carefully considered the adjustments to Exhibit 70, as proposed by Greyhound in Exhibit 85, which are hereinafter discussed.

The staff's revenue estimates for mainline operations were projected from passenger-mile statistics for an 8-year period ending June 30, 1967. The staff estimated that traffic, as reflected in the passenger-mile statistics, would be higher at the end of 1968 than at the end of the period for which statistics were available when its study was undertaken. Greyhound, in its estimates for 1968, forecast a level trend in passenger miles using passenger-mile figures for the year ending October 30, 1967. Statistics introduced by the staff showed that mainline passenger-miles had decreased in the period from June 30, 1967 to February 29, 1968.⁷ Greyhound contends that the staff's estimates of mainline traffic trends in past proceedings have been overly optimistic. It contends that the traffic trends are downward, and its estimates more reasonably reflect actual current traffic trends than do the staff's estimates. After consideration, we conclude that mainline passenger-miles for the test year should be projected on a level

⁷ The passenger-mile statistics are for 12-month periods ending the last day of the calendar month. The following are reflected in Exhibit 72:

Date	1,000 Passenger Miles		
	WGL System	California	California Intrastate*
June 30, 1967 ¹	2,922,889	1,803,300	1,014,985
Oct. 30, 1967 ²	2,768,157	1,712,146	996,835
Feb. 29, 1968 ³	2,717,811	1,691,108	997,000
Dec. 30, 1968 ⁴	2,804,000	1,758,000	1,006,500

* Equivalent passenger-miles.

¹ End of period on which staff's projections were based.

² Greyhound's 1968 test year estimate based on this period.

³ Latest available statistics.

⁴ Staff's estimate for 1968 test year.

trend, based upon the latest available statistics for a 12-month period, i. e., the 12 months ended February 29, 1968. Adjustments in revenues should be based upon such data and the average fares used in the staff study (except as hereinafter noted), rather than the adjustments proposed on sheet 3 of Exhibit 85. This adjustment requires a downward revision in expenses based on bus-miles. The bus-miles to be used are those which correspond to the passenger-mile statistics used herein.

Greyhound also contends that charter revenue estimates of the staff were overstated when compared with current charter revenues per bus-mile. It appears appropriate also to use the latest available statistics for charter revenues per bus-mile. The data for the 12 months ended February 29, 1968, projected for a full year should be used, applied against the bus-miles estimated by the staff.

Greyhound urged that the staff's revenues per passenger for Marin operations and Peninsula (Bay) operations were too high in consideration of current average revenues per passenger in those areas. The adjustments to such revenues as set forth on sheet 2 of Exhibit 85 are proper and should be adopted.

Greyhound presented evidence to show that maintenance expenses should be adjusted. Such expenses were determined by using separate costs per mile for each class of bus in use, and multiplying such cost by the estimated number of miles that each class of bus would be operated in the test year. Greyhound furnished data concerning its planned usage of buses during the test year, which differed from staff estimates developed before such data were available. As Greyhound's data on bus usage

reflects current plans of the company's management, it will result in more accurate estimates. Maintenance expenses should be adjusted as proposed on sheets 5 and 6 of Exhibit 85.

Greyhound proposed that license fees for commute buses be adjusted to reflect the total amounts paid for such expenses for all buses used in commute operations. The staff assigned this expense on the basis of the bus-miles operated by such buses in commute service, excluding mileage operated in charter or other service. Greyhound's method appears to overstate this expense, and should not be adopted.

Greyhound proposed that the income tax calculations of the staff be adjusted to include therein income taxes paid in other states, which would reduce the federal income tax liability; and to include interest income for Western Greyhound Lines Division, which would increase the federal and state income tax liability. These adjustments appear proper except with respect to interest income. Said income is derived from the financing of nonoperative property (used buses) and does not relate to the matters here in question. The method of calculating income taxes as set forth in sheet 10 of Exhibit 85, modified to exclude interest income, should be adopted.

The foregoing adjustments relate to operations at present fares. In arriving at results of operations for proposed fares, further adjustments of revenues and expenses are required in order to give effect to diminution factors. Greyhound and the staff furnished different estimates of the amount of traffic which will be lost to commute operations because of the increased fares. Greyhound estimated that the loss of traffic would be 20 percent of the average percentage increase in fares. The staff estimate

was based on a sliding scale, depending upon length of haul, as well as the percent increase in fares. Each witness testified that judgment, based on figures adopted in prior fare increase proceedings, formed the basis for his estimates. For the purpose of this proceeding, the staff estimates of diminution factors will be adopted, although neither estimate can be tested for accuracy.

Marin County Transit District, through a consultant employed by it, presented in evidence a study designed to show that Marin County results of operations for a test year under present fares are more favorable than for other commute areas; and that if certain types of revenues had been properly allocated to Marin, and if certain expenses improperly allocated to Marin were removed, revenue deficiencies attributable to Marin operations would be substantially reduced;⁸ therefore, lesser increases in fares than proposed by applicant or the staff would be appropriate. The revenue and expense allocations attacked in Marin County Transit District's showing primarily are those which resulted from a proper application of the separations manual heretofore adopted by the Commission in Decision No. 62959 (supra). That decision states that "future improvement (in the separations manual) should be considered at hearings separate from applications involving fare increases. ..." While this statement is dictum, and not necessarily binding in the current proceeding, the adjustments suggested

⁸ Marin asserted that commute buses are used in charter operations, and that the net revenues from said operations should be credited to Marin commute operations; that Marin passengers are carried in mainline buses operating through Marin County, and revenue from Marin passengers on such buses should also be credited to Marin operations; and that certain overhead expenses, such as station expense and advertising expenses, which do not benefit Marin operations, should not be allocated to the expenses for Marin commute operations.

by Marin Transit District are but a portion of the possible adjustments to the manual made apparent during the course of the hearing to reflect changed conditions since the manual was adopted. It is urged that Greyhound, the Commission staff, and other interested parties proceed expeditiously to present, in an appropriate proceeding, the changes in separations procedures required to bring such procedures up to date, and to reflect the current organization and operations of Greyhound.

Fuel Taxes and Bridge Tolls

During the course of the hearing it was brought to the Commission's attention that Senate Bill 202 (Mills-Hayes Act), introduced in the current session of the Legislature, proposed a reduction in fuel taxes for certain local bus operations. The staff presented Exhibit 74, which showed the effect on Greyhound's expenses for local commute operations if fuel taxes were reduced. It was agreed by the parties that if SB 202 was passed by the Legislature subsequent to the close of the hearing, the Commission would take official notice of this fact, and that test-year expenses should be adjusted to give effect to the revised fuel taxes. SB 202 was signed by the governor on June 19, 1968, and became effective on that date (Stats. 1968, Ch. 318). Test year expenses adopted herein have been adjusted to give effect to the reduced fuel taxes.

It was also brought to our attention that the California Toll Bridge Authority had held hearings in January of this year on a proposal to reduce bridge tolls for commute buses on the San Francisco-Oakland Bay Bridge and the Richmond-San Rafael Bridge.

It was also indicated on the record that the Commission would take official notice of any reduction in such tolls, and give effect thereto in test year expenses. To date, no action has been taken with respect to this proposal.

Adjusted Results of Operations

Tables 4 and 4-A (pages 16 and 17) summarize test year results of operations, adjusted as indicated heretofore, and also to give effect to the additional commute operations on Skyline Boulevard and Ygnacio Valley Road prescribed in Decision No. 72297 (Exhibit 76).⁹

Table 4 shows adjusted results of test-year operations for mainline and local operations under present and proposed fares. Table 4-A shows adjusted test year results of operations for San Francisco Bay Area commute operations under present and proposed fares. The operating results under fares proposed by the Commission staff have been adjusted to eliminate proposed reductions in one-way fares in Marin County and the proposed establishment of commute fares between points where such fares are not now published.

The results of operations, including rate base, set forth in Tables 4 and 4-A are adopted as reasonable for the purposes of this proceeding.

⁹ Decision No. 72297 (68 Cal. P.U.C. _____), affirmed by the California Supreme Court on March 29, 1968, (68 AC 419, 67 Cal. Repr. 97). Said decision was made operative by Decision No. 74412, dated July 17, 1968, in Case No. 8009.

TABLE 4
Western Greyhound Lines
Adopted Results of Operations - Year 1968

Item	WGL System	California	California Intrastate		
		Total	Total	Mainline	Local
<u>Present Fares</u>					
Operating Revenues	\$101,757,000	\$65,461,000	\$44,724,000	\$33,807,000	\$10,917,000
Operating Expenses	93,610,000	62,339,000	44,654,000	31,859,000	12,795,000
Net Operating Income*	4,694,000	1,899,000	42,000	1,185,000	(1,143,000)
Operating Ratio*	95.4%	97.1%	99.9%	96.5%	110.5%
Rate of Return*	8.3	5.1	0.2	5.5	0
<u>Proposed Fares</u>					
<u>Western Greyhound Lines</u>					
Operating Revenues	\$103,044,000	\$66,747,000	\$46,012,000	\$33,884,000	\$12,128,000
Operating Expenses	93,105,000	61,834,000	44,149,000	31,838,000	12,311,000
Net Operating Income*	5,561,000	2,766,000	1,049,000	1,152,000	(103,000)
Operating Ratio*	94.6%	95.9%	97.7%	96.6%	100.8%
Rate of Return*	9.9	7.4	4.0	5.3	0
<u>Proposed Fares</u>					
<u>Commission Staff</u>					
Operating Revenues	\$102,395,000	\$66,099,000	\$45,362,000	\$33,810,000	\$11,552,000
Operating Expenses	93,472,000	62,201,000	44,516,000	31,848,000	12,668,000
Net Operating Income*	5,070,000	2,275,000	494,000	1,145,000	(651,000)
Operating Ratio*	95.0%	96.6%	98.9%	96.6%	105.6%
Rate of Return*	9.0	6.1	1.9	5.3	0

(Red Figure)

* After income taxes.

TABLE 4-A

Western Greyhound Lines
Adopted Results of Operations - Year 1968

Item	San Francisco : Area Total	Peninsula : (Ocean)	East Bay : (Vallejo)	Contra Costa : Marin	Peninsula : (Bay)
<u>Present Fares</u>					
Operating Revenues	\$ 8,161,000	\$327,000	\$505,000	\$1,891,000	\$3,462,000
Operating Expenses	10,289,000	530,000	717,000	2,733,000	3,996,000
Net Operating Income*	(1,295,000)	(124,000)	(129,000)	(512,000)	(325,000)
Operating Ratio*	115.9%	137.9%	125.5%	127.1%	109.4%
Rate of Return*	0	0	0	0	0
<u>Proposed Fares</u>					
<u>Western Greyhound Lines</u>					
Operating Revenues	\$ 9,356,000	\$394,000	\$600,000	\$2,293,000	\$3,692,000
Operating Expenses	9,807,000	499,000	703,000	2,579,000	3,824,000
Net Operating Income*	(254,000)	(59,000)	(58,000)	(161,000)	(75,000)
Operating Ratio*	102.7%	115.0%	107.7%	107.0%	102.0%
Rate of Return*	0	0	0	0	0
<u>Proposed Fares</u>					
<u>Commission Staff</u>					
Operating Revenues	\$ 8,785,000	\$379,000	\$568,000	\$2,137,000	\$3,654,000
Operating Expenses	10,162,000	513,000	715,000	2,671,000	3,975,000
Net Operating Income*	(803,000)	(78,000)	(86,000)	(311,000)	(187,000)
Operating Ratio*	109.1%	120.6%	115.1%	114.6%	105.1%
Rate of Return*	0	0	0	0	0

(Red Figure)

* After income taxes.

Out-of-Pocket Study

The Commission staff furnished estimates of out-of-pocket expenses for Greyhound's San Francisco Bay Area suburban services, based on the concept that the expenses so developed were those that would be avoidable if Greyhound's commute services were discontinued. On an overall basis, the staff estimated that 89 percent of the fully allocated expenses for Greyhound's San Francisco Bay Area operations are avoidable. The staff urged that said estimated out-of-pocket expenses be used in this proceeding as a measure of the revenue needs of Greyhound for its San Francisco Bay Area operations. The staff witness stated that his fare proposals were developed with this concept in mind.

Marin Transit District also urged that out-of-pocket expenses be used for the purposes of this proceeding. The District pointed to an asserted commitment of Greyhound, as stated in Decision No. 50747, to maintain fares on an "added cost" basis, and urged that the terms "added cost" basis and "out-of-pocket" expense basis should be considered to be synonymous.¹⁰ Greyhound argued that "added costs" fall somewhere between full costs and out-of-pocket costs, as indicated in Decision No. 50747, and that the discussion in that decision is dicta, and not necessarily binding upon Greyhound in the instant proceeding.

Greyhound presented Exhibit 69 showing the result of ascribing to its total California intrastate results of operation

¹⁰ Decision No. 50747 (53 Cal. P.U.C. 634), involving increased commutation fares in Marin County in 1954, stated (at page 638) that "when Greyhound was seeking authority in the year 1939 to substitute its service for the then existing rail-ferry service, the company gave assurance that costs for future rate-making purposes be computed on an 'added cost' basis without provision for general or overhead expenses which were not direct costs of Marin service."

the amount of the expenses eliminated from its San Francisco Bay Area service, if the latter expenses were reduced to an out-of-pocket basis. Such exhibit is summarized in the following table:

Tabulation Reflecting the Effect of
Reducing Expenses of Commutation Operations
to an Out-of-Pocket Basis

	<u>California Intrastate¹</u>		
	<u>Total</u>	<u>Mainline</u>	<u>Local</u>
<u>Operating Revenues</u>	\$45,292,000	\$34,236,000	\$11,056,000
<u>Operating Expenses</u>			
Full Cost Basis	44,384,000	31,654,000	12,730,000
Out-of-Pocket Adjustment	-	1,068,000	(1,068,000)
<u>Net Income after Income Taxes</u>			
Full Cost Basis	566,000	1,610,000	(1,044,000)
Adjusted	566,000	944,000	(378,000)
<u>Operating Ratio</u>			
Full Cost Basis	98.8%	95.3%	109.4%
Adjusted	98.8	97.2	103.4

(Red Figure)

1 Figures are developed
from staff's Exhibit 40.

The purpose of the above showing was to indicate that expenses of local operations in excess of the out-of-pocket expenses do not disappear, but must be assigned to some other portion of the operations. In the above tabulation, Greyhound assigned to its California intrastate mainline service the difference between fully allocated expenses and out-of-pocket expenses for its local operations. The effect of this showing is to increase the net income (reduce the loss) for commute operations, and to reduce the net income for mainline operations.

Greyhound's Revenue Needs

Applicant's president testified concerning the plans and policies of its Western Greyhound Lines Division, and the effect

thereon of its San Francisco Bay Area commute operations. His testimony is summarized in the following statements. Commute services in the San Francisco Bay Area constitute approximately half the number of passengers transported by Greyhound in its California intrastate operations. These commute services have been conducted at a loss since their inception. In prior years, operating profits from Greyhound's intrastate mainline services were sufficient to offset the operating losses from commute operations.¹¹ Mainline operations can no longer subsidize commute operations, because the magnitude of commute losses is growing yearly, and because competition with low-cost air transportation does not permit Greyhound to raise its mainline fares to the levels which would return a profit sufficient to offset the ever increasing commute losses.¹²

Greyhound's president also testified that if the full amount of the increases sought in this application is not granted, Greyhound would seriously consider seeking authority to abandon commute services in the San Francisco Bay Area. The witness also testified that the company would not consider investing additional funds for capital improvements, such as for new terminals in San Francisco and San Diego, until it is satisfied that it will be permitted to increase commute fares to the break-even point.

11 In prior decisions the Commission has authorized levels of casual fares for mainline service which permitted Greyhound to earn a reasonable rate of return on its overall intrastate operations, even though Bay Area commute operations were conducted at a loss. (See Decision No. 69539, 64 Cal. P.U.C. 641, 662.)

12 The witness asserted that the deficit from Bay Area commute operations was \$675,000 in 1960 and \$2,074,000 in the year ending June 30, 1967.

Effect of Fare Increases on the Public

The position of protestants with respect to proposed commute fares is that regular users of commute services have evaluated the cost and convenience of such service as compared with alternate means of transportation, and that any abrupt or substantial increases in such fares will cause a significant number of passengers to alter their riding patterns and will cause hardship upon other commuters having no alternate means of going to and from work.

Individual commuters, testifying on their own behalf or for protestants, showed that the fares proposed for the longer commute distances can exceed the cost of using a private car including parking costs, particularly if more than one person shares the use of the vehicle. Others testified that they now drive their cars to the point where they board Greyhound; if the fares were increased substantially they would drive further, to a station of another carrier, such as Alameda-Contra Costa Transit or Southern Pacific Company. Other commuters testified that they have no alternative means of transportation and that increases to the extent sought by applicant or proposed by the staff would create a financial burden upon them.

An officer of Contra Costa Commuters Association testified concerning a poll of commuters in Contra Costa County, which showed that 67 percent of those responding to the poll would use alternate means of transportation if the sought fare increases were granted. The witness testified that this poll was conducted by circulating copies of the Association's bulletin, which requested that the recipient, in his reply, state whether he would continue to ride Greyhound, would drive his own car, or would join a car pool.

The Association tabulated 439 returns, of which 110 indicated that the respondent would continue to use Greyhound, 296 would either use their own car or would join in a ride-pool, and 33 did not fit either category.¹³

The representatives of the Cities of Pacifica, Woodland, Concord, Walnut Creek and Pleasant Hill, the City and County of San Francisco, the County of Contra Costa, and the San Mateo Council of Mayors, testified in opposition to the application. They stated that each public body had passed resolutions opposing the proposed fare increases. The witnesses indicated that these actions were taken on the belief that the increases were inordinate, and would cause commuters to use other means of transportation, principally private automobiles. The witnesses testified that if this should occur, the increased automobile traffic would add congestion to the already overburdened streets and highways, and require greater maintenance and other costs to be borne by the cities and counties. Exhibit 60 was presented by a representative of the Golden Gate Bridge and Highway District, to show that the bridge and its access roads are nearing capacity and that any additional automobile traffic would cause the capacity of the bridge to be reached sooner than it will under present traffic conditions.

A traffic engineer employed by the City of San Francisco presented Exhibit 62, which was designed to show that the access streets within San Francisco to the Golden Gate Bridge are now used nearly to capacity, and that additional traffic lanes would be

¹³ The witness indicated that the results of the poll may be distorted because he believed that only those who felt the strongest concerning the proposed increase responded.

necessary to accommodate additional auto traffic during the peak commute hours. He also presented evidence to show the cost of building additional off-street parking facilities. He stated any additional full-day parking would require such facilities, as there is no available on-street parking, and only a limited amount of off-street parking at the present time. Representatives of the Cities of Concord, Walnut Creek and Pleasant Hill testified that increased auto traffic during commute hours would cause congestion of streets and parking facilities within these cities.

Representatives of the Cities of Long Beach, San Diego and Bakersfield testified in support of the proposed fare increases. These witnesses stated that such communities believe that the users of Greyhound's mainline services should not pay higher fares in order to subsidize the San Francisco Bay Area commute operations. In recent years, each of these communities has formed a transit district to supply suburban bus transportation to its residents. Said transit district operations require subsidization, which is provided by local residents. The witnesses testified that transit subsidies, if necessary for Greyhound's suburban operations, should be provided by the residents of the San Francisco Bay Area.

Transit Districts

Four transit districts within the San Francisco Bay Area have been formed by legislative action.¹⁴ They are the Alameda-Contra Costa Transit District (AC Transit), the San Francisco Bay Area Rapid Transit District (BARTD), Marin County Transit District (Marin Transit) and West Bay Rapid Transit Authority (West Bay).¹⁵

¹⁴ Pursuant to Division 10, Parts 1, 2, 7, and Appendix 3, Public Utilities Code.

¹⁵ Marin Transit is authorized to provide transit service within Marin County and between that county and San Francisco. West Bay is authorized to provide transit operations in San Mateo County and between that county and San Francisco.

Only AC Transit is now providing service.¹⁶ Representatives of other transit districts testified concerning the steps taken to date towards providing viable transportation services within their districts.

The record indicates that construction of a rail transit system by BARTD is well under way and possibly portions of the system may be operating as early as 1970. Said system, when completed, will provide service between the East Bay communities of Fremont, Union City, Hayward, Concord, Pleasant Hill, Walnut Creek, Lafayette, Orinda, Oakland, Berkeley, El Cerrito and Richmond; and between those communities, on the one hand, and San Francisco and Daly City, on the other hand. The record shows that AC Transit will continue to provide local and transbay bus service when BARTD becomes operative, and also will provide feeder service for BARTD. The president of County Transit Lines, a local bus operator in Contra Costa County, offered to provide feeder bus service to BARTD stations in that county. Evidence was introduced concerning studies made looking to the coordination of the transit operations of BARTD, AC Transit and San Francisco Municipal Railway (Final Report of the Northern California Transit Demonstration Project, prepared by Simpson & Curtin, Consulting Transportation Engineers). Probable

¹⁶ AC Transit provides local bus service between East Bay communities of Alameda, Emeryville, Oakland, Berkeley, Hayward, San Leandro, El Cerrito, San Pablo and Richmond and transbay bus service between those cities, on the one hand, and San Francisco, on the other hand.

one-way fares for BARTD transbay operations, as shown in said report, are as follows:

Between San Francisco and:

Orinda	\$0.75
Lafayette	.80
Walnut Creek	.85
Pleasant Hill	.90
Concord	1.00

Witnesses for Marin Transit and West Bay testified that their operations are in the planning stage. Consulting engineering concerns have made studies of the transit needs of residents of those districts, but that no affirmative actions have yet been taken by the districts to implement the recommendations contained in such studies. The witnesses for these districts were unable to predict with certainty when transit operations by said districts would be initiated. ✓

West Bay's witness testified that it has compiled a master plan for San Mateo County transit operations, which contemplates replacement of much of the present Greyhound commute service in that county. The plan will be offered to voters in the Spring of 1969. If approved by the voters, the authority will implement the plan. West Bay requested that fares of Greyhound not be raised to a level "that would be injurious to the transit user base" on which the authority could build.

The Marin Transit District presented evidence to show that Marin County does not have sufficient taxing power to provide adequate revenues for the conduct of commute operations by it; that it has approached the Golden Gate Bridge and Highway District with the plan to use the Bridge District reserves to supplement tax revenues; and that the matter has been given study by the Bridge District.

Representatives of the transit districts testified that, in their opinion, no commutation service, public or private, can generate sufficient revenues to fully cover operating costs, and that subsidies must be furnished to supplement fare-box deficits.

Discussion

In the usual utility rate proceeding the Commission is called upon to determine a level of rates which will produce a fair return on the fair value of the property devoted to utility services. In this proceeding applicant does not request a "fair return"; it seeks to raise its commute fares only to a level where revenues will balance the fully allocated expenses for the portion of its operations here under consideration.

Historically, Greyhound has maintained its commute fares at levels well below its corresponding casual fares. Greyhound desires, in one fare proceeding, to alter this long-maintained disparity. A fare increase of the magnitude sought may be so substantial as to drive away a large portion of its patronage and, as a consequence, seriously affect broad segments of the public in addition to its patrons.

Unlike the services of the more monopolistic and non-transportation utilities, there is an alternative to Greyhound's services which its patrons more or less can freely choose. Such alternative is the use of private automobiles.

From the riders' standpoint, there are many subjective considerations, which cannot be measured exactly, to take into account. These considerations determine whether riders will continue to use Greyhound's service after a fare increase. They are convenience, comfort, flexibility, time in transit, availability of one's own private automobile or a ride-pool, and availability of

parking. The record indicates that the private automobile is more comfortable and convenient, and provides more flexibility than does the use of public transportation.

All of the estimates of revenues and expenses presented herein recognize that fare increases cause loss of traffic. The methods employed by the applicant, the staff and Marin Transit District, attempt to measure the amount of revenue which would be lost from fare increases. In Exhibit 28, Greyhound's accounting witness used a figure of one-fifth (20 percent) of the percentage of fare increase. The witness testified that one-fourth (25 percent) of the percentage of fare increase had been used by Greyhound in prior proceedings. The Commission staff, in Exhibit 63, adopted diminution factors which varied according to length of ride, as well as percentage of fare increase. These factors range from 10 percent of the percent of fare increase to 40 percent of the percent of fare increase. The expert witness for Marin County Transit District, in Exhibit 54, adopted Greyhound's estimate of 20 percent of the percentage of fare increase.¹⁷ None of these methods attempt to show the actual numbers of passengers which would be lost. The only estimate on this basis is that furnished by a witness for Contra Costa County Commuters Association, based on the poll conducted by that organization. The poll indicated that 296 persons would not continue to use Greyhound if the sought fare increase was granted. This represents 7 percent of the total daily passengers using the Contra Costa services of Greyhound. It is approximately 14 percent of the largest number of persons (2,000) which could have responded

¹⁷ The witness attempted to show that for Marin County fares, the fare increases average 51.85 percent, and the loss of revenue would be 10.37 percent.

to the poll. The most favorable estimates furnished herein indicate a loss of passenger revenue exceeding 10 percent, and the least favorable indicate a loss of traffic far in excess of that amount. It should be noted that the estimates were based heavily upon the experience of the witnesses, and were not bottomed on current economic data concerning recent fare increases. We can only conclude that a substantial number of passengers will be diverted from Greyhound's commute service to the public highways and, further, that once such passengers have decided to use their automobiles, it is unlikely that many will return to public transport. It should be commented here that on the Peninsula the fares of Southern Pacific Company appear to set the maximum for Greyhound's fares at competing points.

In the San Francisco Bay Area Greyhound serves approximately 47,000 persons per day during the work week. The preponderance of these passengers are riding to or from work in the communities of San Francisco or Oakland. The geographic area of San Francisco is small; the business area of the city is even smaller. The majority of the people working in San Francisco come from other communities in the Bay Area. The limited size of the city does not allow sufficient on-street parking. Off-street parking facilities must compete for the limited available space and are costly to construct.

San Francisco is built on the tip of a peninsula; other than from the south, access is only by bridges. These bridges are now used nearly to capacity, particularly the bridge from and to Marin County. Even if the capacity of the bridges to San Francisco should be enlarged, the connecting streets and highways to such bridges cannot handle any great amount of additional traffic.

Bridges, highways, city streets, and parking facilities in the San Francisco Bay Area are now used nearly to capacity. Any greater use will require that such facilities be enlarged.

Access to San Francisco from the south is not subject to the bottleneck of bridges; however, Southern Pacific Company provides rail commute service to and from many of the San Francisco Peninsula points served by Greyhound. The fares sought herein are higher at several competing points than those maintained by Southern Pacific. The railroad provides only a single route, and only a limited number of stops compared with Greyhound. If passengers were to switch from Greyhound to Southern Pacific, many would need to travel a greater distance to board the train. However, many bus passengers who do not live adjacent to bus routes now use their automobiles to reach Greyhound. Such passengers could easily ride farther to use Southern Pacific service.

The State Legislature and local public officials have concluded that an effective alternative to building additional freeways and bridges is to provide adequate rapid transit services, built with public funds. Four transit districts have been created; such districts have the authority to perform the same type of service now performed by Greyhound within the Bay Area. Such transit district operations are in their formative stage (except for AC Transit). Transit districts ultimately should replace Greyhound's suburban service in Contra Costa, Marin and San Mateo Counties.

Until this proceeding, there was no spur for the Marin and West Bay districts to finalize their plans and to seek voter approval and financial support for viable public transit services within their districts. Assuming that the fare increases sought herein are granted, other public agencies within the same geographic

areas as Marin and West Bay Districts will be burdened with the necessity for expenditures of public funds to provide additional facilities for private automobiles. Such expenditures would draw, in part, on the same reservoir of public funds as would public transit operations. The transit districts contend that any large movement from transit operations to private automobile will be non-reversible, thus eroding the rider base for future public transit operations.

It is clear that this Commission has great latitude in its approach to rate-making orders. The mass of evidence does not point unequivocally to a particular result. The result to reach herein is what is best in the public interest, that is, the greatest good to the greatest number of people. With respect to the particular situation before us, it seems clear that the interest of the public is in securing the continuation of service by Greyhound for the period necessary to permit the initiation of public transit district operations, without causing a substantial diversion of traffic resulting from a large fare increase. We believe that the fare structure for Greyhound's commute services in the San Francisco Bay Area cannot cover the full costs of operation without causing substantial diversion of its patrons. The record clearly indicates that no mass transit operation can exist solely upon the revenues earned by it. The Commission has, in past fare proceedings, not looked beyond Greyhound's California intrastate operations in setting fares. We cannot but note, however, that the California intrastate operations are but a small part of the giant Greyhound Corporation. A sore spot in the local area, while painful, is not fatal to the continued financial health of the Greyhound Corporation.

In the pricing of Greyhound's commute services within the San Francisco Bay Area, the Commission must consider, in addition to Greyhound's revenue needs, the effect of fare increases upon the entire community. We believe that, for service between San Francisco and Contra Costa and Marin Counties, fares should be kept as low as possible to prevent diversion from Greyhound's commute service to private automobile, and thus avoid placing any additional burden on crowded bridges, freeways and city streets. For Greyhound's Peninsula fares, an additional limiting factor is the probable diversion to Southern Pacific's commute operations. A further reason for keeping fares low is that ultimately Greyhound will be relieved of the necessity of providing commute service in the San Francisco Bay Area when public transit districts are in full operation. The habit of riding public transportation should be maintained. The time is approaching when public convenience and necessity will not require Greyhound's Bay Area commute operations; in the meantime, it will not be improper to maintain fares for commute service for the time being below a level which covers fully allocated costs, as we conclude that the transit districts must provide the essential needs of the public for mass transit in the future.

As heretofore mentioned, the staff studies estimated that out-of-pocket costs are 89 percent of full costs. Marin urged that the methods used in the separations manual to determine fully allocated costs result in the assigning of terminal expenses and advertising expenses to commute operations, and that commute operations do not benefit from such services. Marin argued that such expenses would continue in the same amount if commute services were

discontinued; therefore, such assignment of expenses is improper, even though provided in the separations manual.

Marin also urged that net revenues from charter services performed in Marin County be allocated to Marin revenues. While the dollar amounts in the Marin studies to be allocated for charter revenues do not appear to be substantiated in the record, the premise has merit. The record shows that some of the commute buses and drivers assigned to Marin service (and in other commute services) are used in off-peak periods for school bus service and the revenues and expenses therefor are assigned to charter service. It also appears that commute buses are used on weekends for charter services. The record is not specific as to this usage; therefore, no adjustments to revenues and expenses can properly be made on this record.

Passenger train fares for Peninsula service have recently been established on an out-of-pocket basis. In a proceeding before the Interstate Commerce Commission in 1965, the Southern Pacific Company sought increases in its Peninsula commute fares of 30 to 100 percent (ICC Docket 34631). The ICC found that such fares should produce sufficient revenues to cover the out-of-pocket costs of the service, and that fares on this level would make a fair contribution to Southern Pacific's revenue needs. A fare increase of 20 percent was found to cover such out-of-pocket costs, and to be just and reasonable.¹⁸ This Commission, in its order in Decision No. 72889, dated August 15, 1967, authorized the fares found reasonable by the ICC.

¹⁸ The hearing examiner's recommended report and order cites Illinois Central Suburban Fares, 1958, 305 ICC 221, 229 and Chicago Intrastate Suburban Fares, Milwaukee Road, 305 ICC 73, 77. The hearing examiner's report and order became the order of the Commission on June 27, 1967.

The following table summarizes the 1968 results of operations for Greyhound's San Francisco commutation area developed on an out-of-pocket expense basis, under fares proposed by Greyhound and by the Commission staff:

TABLE 5
1968 Results of Operations
San Francisco Commutation Area

Item	Under Fares Proposed by	
	Greyhound	Commission Staff
Operating Revenues	\$9,356,000	\$8,785,000
Out-of-Pocket Expenses	8,787,000	9,106,000
Net before Income Taxes	569,000	(321,000)
Net after Income Taxes	347,000	(195,000)
Out-of-Pocket Costs	89.6%	89.6%

(Red Figure)

On the basis of the assignment of expenses as used in Table 5, Greyhound's San Francisco Bay Area operations would be conducted at very nearly the break-even point under the staff's proposed fares. In light of the previous discussion concerning economic factors other than results of operation, we conclude that out-of-pocket expenses should provide the measure for Greyhound's present revenue needs for its San Francisco Bay Area commute operations for the purposes of this proceeding, and that the fares on the level proposed by the Commission staff should be authorized. Expenses assignable to San Francisco Bay Area operations on a fully allocated basis, in the amount of \$1,195,000, have been eliminated from commute operations in the development of the figures shown in Table 5. As pointed out in Greyhound's Exhibit 69, the eliminated expenses do not disappear, but must be recouped from its other operations. Greyhound, in a subsequent proceeding relating to its

mainline fares, may desire to present evidence concerning the reasonableness of recovering additional revenues to offset the difference between out-of-pocket and fully allocated expenses for its San Francisco Bay Area commute services.

Service Matters

The Commission staff prepared and presented a study in response to a request from the City of San Francisco concerning the feasibility of rerouting of Marin County buses within the financial district of San Francisco. The study in Exhibit 55 shows that the Marin County bus routes in question now terminate at the Ferry Building. The present route to and from said terminal is via the Embarcadero. The staff study portrays two possible new routes to serve the financial district on inbound (morning) operations, using either Sansome or Battery Streets. The staff witness recommended a route via the Embarcadero, Sacramento Street, and Sansome Street, with stops on Sacramento Street at Market Street and at Sansome Street. The City of San Francisco supported this proposal, and indicated that it would cooperate with Greyhound by providing curb space for required bus stops.

The staff witness testified that the rerouting, as proposed, would provide better service to Marin County commuters working in the financial district. The staff study indicates that the stop at Sacramento and Sansome Streets is in the approximate center of the complex of high-rise office buildings in San Francisco. The study shows that outbound (evening) commute service via either of the proposed routes would be impractical because on-street loading of buses would be required, and that insufficient space for bus parking and heavy traffic conditions would prevent on-street loading in the evening rush-hour period.

The Commission staff witness estimated that the additional costs to Greyhound of operating inbound buses via the Sacramento-California Streets route would amount to approximately \$2,336 per year. The witness stated that no additional buses would be required.

Greyhound's regional manager for its Division 5 (San Francisco Bay Area suburban operations) testified that he had made an analysis of the proposed financial district operations, and concluded that additional costs would be greater than those estimated by the staff witness. He estimated that additional annual costs for the rerouting of inbound Marin commute buses would amount to \$53,462. A portion of the estimated costs reflect the addition of six buses to the morning service.

The estimates of the additional cost of providing the service vary widely, and it is difficult to determine which estimate is the more accurate. Assuming that Greyhound's estimate is correct, the company would be burdened with substantial additional cost, for which no provision was made in proposed fares. Inasmuch as commute fares for Marin service, authorized herein, have been kept at the lowest possible level, it would not be reasonable to harness Greyhound with additional expenses without providing additional revenues to offset them.

Also, commuters working elsewhere than in the financial district may be inconvenienced by the proposed rerouting. The rerouting is only for inbound trips; requiring that financial district riders go to the present terminal at the Ferry Building for outbound service in the evenings. The streets upon which passengers would be disembarked are crowded and narrow. The record discloses that consideration has not, as yet, been given to safe discharge of

passengers at the locations suggested. We conclude that the proposal to reroute Marin commute buses should not be adopted at this time but should be given further study.

The Commission staff also recommended (Exhibit 58) that the first buses on three routes start 10 minutes earlier in the morning.¹⁹ The witness stated that the first bus on such routes operates with a capacity load, and sometimes has standees or passes up passengers. The witness believed that passengers who go to work at early hours should not have to stand or be passed up. It appears that such rescheduling would provide better service and should be adopted.

The Commission staff witness pointed out that, because of a change in scheduling, "U" route bus service to Mill Valley depot via Miller Avenue is not available after 5:24 p.m.; that the 6:00 p.m. "V" schedule bus operates to Mill Valley via Blithedale Avenue; and that a few passengers who live adjacent to Miller Avenue leave too late in the evening to ride the last "U" bus and must ride the "V" schedule. The "V" schedule terminates at the Mill Valley depot and deadheads on Miller Avenue to the bus storage yard near the junction of U. S. Highway 101 and Miller Avenue turnoff. The Commission staff witness proposed that the last "V" bus schedule, on its return trip to the storage yard, carry passengers who wish to disembark on Miller Avenue, at no additional fare. Greyhound opposed this recommendation on the basis that, at most, three passengers are affected; that its tariff requires

¹⁹ The routes and location of the starting points are as follows: -

<u>Route</u>	<u>Origin</u>	<u>Departure Time</u>
Y	Concord	5:40 a.m.
Z	Novato	6:26 a.m.
T	Walnut Creek	6:06 a.m.

the assessment of an additional fare; and that drivers on deadhead trips lay over at the depot before returning the bus to the storage yard. Greyhound pointed out that if the driver carries passengers on the return trip, his run would not end at the depot, but at some point along Miller Avenue. Depending on the length of the driver's day and other schedules operated by him, additional wage expense could be charged to Greyhound. It is clear that Greyhound's tariffs require the assessment of an additional fare for service beyond its Mill Valley depot in the reverse direction. It also appears that additional wage costs could be assessed against Greyhound. The proposal should not be adopted.

The consultant testifying on behalf of Marin County Transit District proposed, in general terms, that Greyhound institute additional service with Marin County buses: (a) between its Seventh Street depot and its Ferry Building terminal; (b) along Geary Street in San Francisco; and (c) within Marin County to and from areas of recent growth. The record does not show the number of additional passengers who would use such services, the number of buses needed to provide the additional services, nor the additional expenses and revenues which would accrue therefrom. The record does not contain sufficient evidence to justify the proposals of this witness.

Public witnesses proposed several changes in applicant's printed schedules to improve their usefulness. A recommended change which has merit is that the schedules contain maps of the routes covered by each schedule. This recommendation should be adopted when suburban schedules are reissued.

Several witnesses also proposed that bus stops on city streets and county roads be marked with signs. Greyhound's witnesses indicated that specific bus stops at locations in Marin

County mentioned in the course of the hearing would be so marked. It appears that other stops should be marked with signs, but the exact locations of these stops do not appear in the record.

Interim Order

In its final argument Greyhound requested that the Commission issue an interim order in this proceeding. Greyhound indicated during the course of the hearing that its 11 states' wage contract with its drivers had expired on February 29, 1968, and that it was negotiating a new 2-year contract with the Amalgamated Transit Union. Greyhound argued that an interim decision herein would speed up the decisional process.

No useful purpose would be served by the issuance of an interim order herein, as the evidence is complete. ✓ Generally, interim relief is granted only when, pending final disposition of the application, the company's total earnings are so low as to constitute a severe threat to its ability to provide service. No contention was made herein that overall earnings are that low. Moreover, the decision herein will dispose of this proceeding. The request for an interim order is denied. }

The Commission finds as follows:

1. Greyhound seeks to: (a) increase its 1-way and round-trip fares in the San Francisco Bay Area; (b) to cancel commute fares within this area and between Woodland and Sacramento, between Long Beach and Santa Monica, and between DeWitt Hospital and Auburn/Nevada City; and (c) to establish 20-ride books, in lieu of commute fares, based on 10 times the increased round-trip fares.

2. No commute books have been sold in recent periods for transportation between DeWitt Hospital and Auburn or Nevada City.

3. Suburban service within the San Francisco Bay Area, and between Long Beach and Wilmington, has been conducted at a loss for several years. Said losses have grown greater in recent years, being in excess of \$2,000,000 (before income taxes) for the year ended June 30, 1967.

4. In prior proceedings, Greyhound has been authorized to maintain its intrastate mainline fares at levels sufficiently high to offset losses on its San Francisco Bay Area suburban services, and to provide a reasonable rate of return on its overall intrastate operations within California. The last increase in mainline and commute fares was made pursuant to Decision No. 71787, dated December 30, 1966, in Application No. 48692. The rate of return previously authorized for Greyhound's intrastate operations as a whole was 6.4 percent, and the operating ratio (after taxes) was 96.7 percent.

5. The results of operation for Greyhound's California intra-state service, as a whole, for the year ended June 30, 1967 indicate a rate of return of 0.6 percent and an operating ratio (after taxes) of 99.6 percent. Said rate of return is less and said operating ratio is higher than authorized in prior proceedings. An increase in fares is justified.

6. Applicant and the Commission staff estimate a slightly more favorable operating ratio for Greyhound's local operations at present fares in the test year (Table 2-A, Appendix D) than the operating results achieved in the historical period (Table 1-A) even though expenses in the test year are greater than in the historical year. The more favorable operating results stem from estimated increases in revenues from increased patronage for Greyhound's suburban operations in the test year.

7. Greyhound's San Francisco Bay Area (Division 5) operations serve an average of 47,230 passengers per day (midweek), and said operations provide an essential service to residents of the Bay Area.

8. The fare proposals of Greyhound in this proceeding are designed to reduce operating losses on its services within San Francisco Bay Area (Division 5), and between Long Beach and Santa Monica, to a point where such operations would be conducted at or near the break-even point.

9. The levels in fares necessary to achieve the aforementioned purpose would result in percentage increases in commute fares ranging upward to 176 percent, and averaging approximately 50 percent.

10. Increases of the magnitude sought in this application would adversely affect many of the patrons of Greyhound's

San Francisco Bay Area commute service, and will cause many of said patrons to discontinue patronage of said services.

11. Increases in commute fares to the levels sought in the application herein will cause substantial diversion of traffic from Greyhound to alternate means of transportation. Such diversion will be primarily to private automobiles except on the San Francisco Peninsula, where said diversion will also be to Southern Pacific Company's rail commute services.

12. Any substantial diversion from Greyhound's commute service to private automobiles will burden the already crowded bridges, freeways and city streets in Bay Area communities.

13. The estimates of loss of traffic from increased fares presented by expert witnesses vary considerably. Said estimates are not bottomed upon current studies of diminution factors, but are primarily based upon factors adopted in prior proceedings where the percentage of increase in fares is less than that sought herein. For the purpose of developing estimated revenues and expenses for a test year, the diminution factors set forth in the staff's Exhibit 63 will be reasonable.

14. In many cases suburban transit operations in California conducted by entities other than Greyhound have been unsuccessful in operating on fare-box revenues.

15. The San Francisco Bay Area Rapid Transit District (BARTD) is a tax-supported public body organized to provide rapid transit service within the Counties of Contra Costa, Alameda and San Francisco. BARTD is constructing a rail rapid transit system within said counties; portions of said system in Alameda and Contra Costa Counties probably will be in operation by 1970, and transbay portions of the system probably will be in operation by 1975.

16. The system being built by BARTD between Contra Costa County and Oakland and San Francisco will provide service to the same group of riders now served by Greyhound's Contra Costa service (Zone Group 54).

17. Commute service by Greyhound will not be necessary between points within its Zone Group 54 when BARTD service becomes fully operative.

18. Marin County Transit District (Marin) is a tax supported public body organized to provide rapid transit service within Marin County and between that county and San Francisco. Rapid transit operations in Marin are still in the planning stage. It cannot be determined on this record when such operations will be commenced by Marin.

19. West Bay Rapid Transit Authority (West Bay) is a tax-supported public body organized to provide rapid transit service within San Mateo County and between that county and San Francisco. Plans for operations of a rapid transit system by said agency will be presented to voters in San Mateo County in the Spring of 1969. The plan to be presented has not been completed in its final form. If voter approval is accorded, further procedural steps to implement the plan will be necessary.

20. The operations of BARTD, Marin and West Bay are and will be subsidized by tax revenues from residents of those districts, when transit systems within those areas become operative.

21. The Commission staff furnished estimates of out-of-pocket expenses of providing suburban service within the San Francisco Bay Area. Said estimates, on a composite basis, are approximately 89 percent of fully allocated expenses.

22. The fully allocated expenses for Greyhound's suburban services were developed by the use of the separations manual approved by the Commission in Decision No. 62959 (59 Cal. P.U.C. 213). Certain overhead expenses allocated to suburban operations would still be incurred if said services were discontinued.

23. At the time Greyhound took over suburban service in Marin County from its predecessor (Northwestern Pacific Railroad), Greyhound indicated that fares for the future would be maintained on an "added cost" basis, without provision for general or overhead expenses (Decision No. 50747, 53 Cal. P.U.C. 634).

24. In view of Findings 6 through 17 and 20 through 23, and as Greyhound commute fares historically have been maintained at levels below the break-even point, fares sought in the application herein will be excessive.

25. An alternate fare structure was proposed by the Commission staff which would increase the minimum fare, round-trip fares and commute fares; but which would retain commute fares at a level below the per-ride costs based on round-trip fares. The increase in commute fares would range upward to 58 percent, and would average approximately 25 percent.

26. Protestant Contra Costa County Commuters Association recommended that commute fares for that county be increased by the percentage increase in expenses for local services since the fares were last adjusted. Such increase in expenses is approximately 6.2 percent.

27. Protestant Marin County Transit District recommended that the increase in commute fares for Marin County not exceed 10.4 percent.

28. The Davis Chamber of Commerce recommended a commute fare between Sacramento and Davis of 35 cents per ride, an increase of 61 percent. No specific commute fare was recommended by Greyhound between Sacramento and Davis; the Commission staff proposed the same commute fares as between Woodland and Sacramento (50 cents per ride).

29. The alternate fare structure proposed by the Commission staff would provide a substantial contribution toward needed additional revenues, would cause less diversion of traffic, and would in general retain commute fares at levels below the cost of round-trip fares. ✓

30. The alternate fare structure proposed by the Commission staff, modified as follows, will result in just and reasonable fares for Greyhound's suburban operations:

- a. No reductions shall be made in 1-way fares for Marin County and Sonoma County, on the one hand; and San Francisco, on the other hand, except as necessary in connection zone changes approved herein.
- b. No commute fares shall be established where commute fares are not now applicable.
- c. A 20-ride book fare of \$8 shall be applicable for service between Davis and Sacramento.
- d. Commute fares between DeWitt Hospital and Nevada City/Auburn may be canceled.

31. The increases resulting from the establishment of the fares described in Finding 30, above, are justified.

32. The results of operations set forth in Table 4 hereof reasonably represent operations for a test year at the fares found justified herein.

33. The difference between fully allocated expenses and out-of-pocket expenses for Greyhound's San Francisco Bay Area commute operations is \$1,195,000.

34. The City of San Francisco, Marin Transit and the Commission staff joined in a proposal (Exhibit 55) that Marin commute buses on inbound (morning) trips stop in the center of the San Francisco financial district. Such proposal will result in additional time and expense for such inbound trips. Outbound (evening) commute service from pickup points in the financial district would not be feasible from the standpoint of safety and convenience. Inbound operations over narrow city streets and over streets where construction is in progress also will be hazardous. Public convenience and safety do not require the proposed rerouting of inbound commute service from Marin County through the financial district at this time.

35. The proposal (Exhibit 57) that Marin County "V" bus, leaving San Francisco at 6:00 p.m., should loop back from the depot at Mill Valley along Miller Avenue to discharge passengers, without the assessment of an additional fare, is contrary to Greyhound's present tariff rules, and would convenience only a very limited number of riders. This proposal is not justified.

36. Greyhound's schedules for its San Francisco Bay Area suburban service will be more convenient to the users thereof if such schedules contain maps of the routes served.

37. The proposals (Exhibit 58) concerning earlier starting times of buses would provide more convenient service and should be adopted.

38. Other proposals concerning rerouting of buses or the establishment of additional service are unsupported by the record herein, and should not be adopted.

Based upon the foregoing findings, the Commission concludes as follows:

1. Greyhound should be authorized to establish the increased fares found reasonable and justified herein, on 10 day's notice to the Commission and the public.

2. Greyhound should be directed to include in its timetables for its San Francisco Bay Area commute service, a map or maps of the routes embraced within said timetables, when such timetables are republished.

3. Earlier starting times for morning schedules as recommended in Exhibit 58 should be established.

4. Other proposals and suggestions concerning Greyhound's operations and service should not be adopted herein.

5. Commute tickets for service between San Jose and San Francisco should be honored on the San Jose express schedules.

6. To the extent not granted by the order herein, increases in fares sought in the application should be denied.

O R D E R

IT IS ORDERED that:

1. Greyhound Lines, Inc. (Western Greyhound Lines Division), is hereby authorized to establish increased one-way, round-trip and commutation fares, as set forth in Appendix E hereof.

2. The tariff rule for round-trip fares may be amended to exclude one-way fares of \$1 or less.

3. Except to the extent authorized herein the relief sought in the application herein is denied.

4. The authority granted in paragraph 1 hereof shall expire unless exercised within ninety days after the effective date of this order.

5. The tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public.

6. Revised zone description for Marin County as set forth in Exhibit 68 shall be filed with the new fares authorized herein.

7. Commute tickets for service between San Jose and San Francisco shall be honored on the San Jose express schedules.

8. In addition to the required posting and filing of tariffs, applicant shall give notice to the public of the fare increases established pursuant to the order herein by the posting of a printed explanation of its fares in its buses and terminals. Such notice shall be posted not less than five days before the effective date of the fare changes and remain posted for a period of not less than thirty days.

9. Greyhound Lines, Inc., in the next revision of its timetables for San Francisco Bay Area suburban service shall include in said timetables maps showing the routes over which service is performed.

10. Greyhound Lines, Inc., is directed to place in effect, within thirty days after the effective date of this order, the

earlier starting times for initial morning service over certain routes, as recommended in Exhibit 58 herein.

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

Dated at San Francisco, California, this 13th day of AUGUST, 1968.

William Synors, Jr.
President
Ed. E. Mitchell
Augason
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

List of Appearances

For Applicant: W. L. McCracken, for Greyhound Lines, Inc.,
Western Greyhound Lines Division.

Protestants: Robert C. Marks, for Contra Costa County Commuters
Association; Douglas J. Maloney and Thomas Hendricks, for Marin
County Transit District; Mark L. Kermit, for Contra Costa County;
Dennis Johnston, for the City of Pleasant Hill; Verne H. Pynn,
for the City of Concord.

Interested Parties: Thomas J. O'Connor, by William C. Taylor and
Robert R. Laughead, for the City and County of San Francisco;
Kenneth A. Hoagland, for the City of Bakersfield; Daniel J.
Curtin, Jr., and Charles R. Bras, for the City of Walnut Creek;
Warren Marsden, for San Francisco Bay Rapid Transit District;
Chester F. Berzgren, in propria persona; John W. Witt, for the
City of San Diego.

Other Appearances: Vincent Mackenzie, Counsel, for the Commission
staff.

PENINSULAComparison of Present and Proposed Fares

					<u>Multiple-ride Fares (20-Rides)</u>					
		<u>1-Way Fares</u>			<u>Present</u>		<u>WGL Proposed</u>	<u>Staff Proposed</u>		
					<u>Cost</u>		<u>Cost</u>	<u>Cost</u>		
<u>Miles:</u>	<u>Between</u> <u>San Francisco</u> <u>and</u>	<u>Present</u>	<u>Proposed</u>	<u>Staff</u>	<u>Fare</u>	<u>Per Ride</u>	<u>Fare</u>	<u>Per Ride</u>	<u>Fare</u>	<u>Per Ride</u>
		(1)	(1)	(2)						
6	Bayshore)									
8	Colma)	\$0.30	\$0.35	\$0.35	\$ 5.60	\$ 0.28	\$ 6.50	\$0.325	\$6.50	\$0.325
11	So. San Francisco	.45	.50	.45	7.00	.30	9.00	.45	8.50	.425
16	Millbrae	.55	.60	.55	7.50	.375	11.00	.55	9.00	.45
19	Burlingame	.65	.70	.65	8.05	.4025	12.60	.63	10.00	.50
21	San Mateo	.75	.80	.75	8.60	.43	14.40	.72	10.50	.525
25	Belmont)									
28	Redwood City)	.90	.95	.90	9.10	.445	17.10	.855	11.50	.575
31	Atherton)									
32	Menlo Park)	1.00	1.05	1.00	9.65	.4825	18.90	.945	12.50	.625
33	Palo Alto	1.10	1.20	1.10	10.20	.51	21.60	1.08	13.50	.675
40	Mountain View	1.30	1.40	1.30	10.70	.535	25.20	1.26	15.00	.75
43	Sunnyvale	1.45	1.55	1.45	11.80	.59	27.90	1.395	16.00	.80
48	Santa Clara	1.55	1.65	1.55	12.35	.6175	29.70	1.485	17.00	.85
50	San Jose	1.65	1.75	1.65	12.85	.6425	31.50	1.575	18.00	.90

- (1) Round-trip fare 180% of 1-way fare.
- (2) Round-trip fare 180% of 1-way fare where 1-way fare is over \$1. No round-trip discount for 1-way fares of \$1 or less.

MARIN COUNTY

Comparison of Present and Proposed Fares

Miles:	Between San Francisco and	1-Way Fares			Multiple-ride Fares (20-Rides)					
					Present		WGL Proposed		Staff Proposed	
		Present	Proposed	Staff	Fare	Per Ride	Fare	Per Ride	Fare	Per Ride
		(1)	(1)	(2)						
10	Sausalito) Marin City)	\$0.55	\$0.60	\$0.45	\$ 6.75	\$0.3375	\$11.00	\$0.55	\$ 8.00	\$0.40
16	Mill Valley	.70	.75	.65	9.10	.455	13.50	.675	11.00	.55
16	Green Brae	.85	.90	.65	9.65	.4825	16.20	.81	11.00	.55
17	Corte Madera	.70	.75	.65	9.65	.4825	13.50	.675	11.00	.55
21	Ross) San Anselmo) Fairfax)	.85	.90	.75	10.70	.535	16.20	.81	12.00	.60
19	Tiburon) Belvedere)	.85	.90	.90	10.70	.535	16.20	.81	12.00	.60
24	Terra Linda	1.00	1.05	.90	13.15	.66	18.90	.945	13.00	.65
30	Ignacio	.90	.95	1.00	13.15	.66	18.90	.945	14.00	.70
	Novato	1.05	1.15	1.00	13.15	.66	20.70	1.035	14.00	.70
41	Petaluma	1.46	1.56	1.50	16.35	.82	28.10	1.405	17.00	.85
49	Cotati	1.66	1.76	1.65	19.00	.95	31.70	1.585	20.00	1.00
57	Santa Rosa	1.87	1.97	1.90	21.40	1.07	35.50	1.775	23.00	1.15
34	Bolinas	1.20	1.30	1.20	16.40	.82	23.40	1.17	17.00	.85
47	Inverness	1.66	1.76	1.60	20.35	1.02	31.70	1.585	21.00	1.05

(1) Round-trip fare 180% of 1-way fare.

(2) Round-trip fare 180% of 1-way fare where 1-way fare is over \$1. No round-trip discount for 1-way fares of \$1 or less.

CONTRA COSTA COUNTY - SAN FRANCISCO
Comparison of Present and Proposed Fares

Miles	Between San Francisco and	1-Way Fares			Present		Multiple-ride Fares (20-Rides)			
		WGL		Staff	(Monthly)		WGL Proposed		Staff Proposed	
		Present	Proposed	Proposed	Book	Ride	Book	Ride	Book	Ride
		(1)	(1)	(2)	(3)					
18	Orinda	\$0.75	\$0.80	\$0.75	\$18.20	\$0.52	\$14.40	\$0.72	\$12.00	\$ 0.60
22	Lafayette	.85	.90	.85	21.40	.58	16.20	.81	14.00	.70
26	Walnut Creek	.95	1.00	.95	23.45	.63	18.00	.90	15.00	.75
29	Pleasant Hill	1.05	1.15	1.05	25.55	.69	20.70	1.035	16.00	.80
32	Concord	1.20	1.30	1.20	27.50	.74	23.40	1.17	17.00	.85
35	Hartinez	1.30	1.40	1.30	(4)	-	(4)	-	18.00	.90
38	Port Chicago	1.40	1.50	1.40	(4)	-	(4)	-	19.00	.95
43	Pittsburg	1.50	1.60	1.50	(4)	-	(4)	-	20.00	1.00
48	Antioch	1.60	1.70	1.60	(4)	-	(4)	-	21.00	1.05

- (1) Round-trip fare 180% of 1-way fare.
 (2) Round-trip fare 180% of 1-way fare
 where 1-way fare is over \$1.
 (3) Based on usage of 37 rides per month.
 (4) No commute fares in effect or proposed.

TABLE 1
HISTORICAL YEAR OPERATING RESULTS
Western Greyhound Lines
Results of California Intrastate Operations
(Year Ending June 30, 1967)

ITEM	INTRASTATE					
	TOTAL		MAIN LINE		LOCAL	
	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²
<u>Revenues</u>						
Passenger	\$35,549,500	\$35,465,400	\$25,559,400	\$25,576,800	\$ 9,990,100	\$ 9,888,600
Charter	2,724,500	2,724,500	2,724,500	2,724,500	-	-
Express	2,630,000	2,655,000	2,630,000	2,655,000	-	-
Other	1,308,300	1,386,200	1,131,500	1,182,400	176,800	203,800
Total	42,212,300	42,231,100	32,045,400	32,138,700	10,166,900	10,092,400
Total Expenses	41,966,700	42,039,000	29,725,700	29,795,200	12,241,000	12,243,800
Operating Income	245,600	192,000	2,319,700	2,343,500	(2,074,100)	(2,151,400)
Income Taxes	110,100	72,500	1,040,000	884,000	(929,900)	(811,500)
Net Operating Income	135,500	119,600	1,279,700	1,459,500	(1,144,200)	(1,339,900)
Operating Ratio after Taxes	99.7%	99.7%	96.0%	95.4%	111.3%	113.3%
Rate Base	\$22,696,200	\$22,513,400	\$18,065,500	\$17,743,800	\$ 4,630,700	\$ 4,769,600
Rate of Return	0.6%	0.5%	7.1%	8.2%	-	-

(Red Figure)

1 Exhibit 26

2 Exhibit 64

TABLE 1-A
HISTORICAL YEAR OPERATING RESULTS

Western Greyhound Lines
Results of Local Operations
(Year Ended June 30, 1967)

ITEM	Total Local		Vallejo		Contra Costa		Marin	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$10,166,900	\$10,092,400	\$449,900	\$455,200	\$1,792,400	\$1,736,700	\$1,838,400	\$1,835,000
Operating Expenses	12,241,000	12,243,800	679,600	681,000	2,553,700	2,543,400	2,329,600	2,308,000
Net Operating Income after Taxes	(1,144,200)	(1,339,900)	(126,700)	(140,600)	(420,000)	(502,400)	(271,000)	(294,600)
Operating Ratio after Taxes	111.3%	113.3%	128.2%	130.9%	123.4%	120.9%	114.7%	116.0%
Rate Base	\$ 4,630,700	\$ 4,769,600	\$250,900	\$265,900	\$ 489,400	\$ 592,000	\$ 999,400	\$1,026,000
Rate of Return	-	-	-	-	-	-	-	-

	Peninsula		Coastside		Long Beach		Other	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$ 3,108,600	\$ 3,121,100	\$301,900	\$303,100	\$ 110,900	\$ 111,400	\$2,564,800	\$2,529,900
Operating Expenses	3,848,400	3,871,500	491,200	509,800	196,900	200,200	2,141,600	2,129,900
Net Operating Income after Taxes	(408,100)	(467,400)	(104,400)	(128,700)	(47,400)	(55,300)	233,400	249,100
Operating Ratio after Taxes	113.1%	115.0%	134.6%	142.5%	142.7%	149.6%	90.9%	90.2%
Rate Base	\$ 1,822,100	\$ 1,890,400	\$193,100	\$118,300	\$ 102,900	\$ 111,600	\$ 772,900	765,400
Rate of Return	-	-	-	-	-	-	30.2%	32.5%

(Red Figure)

Exhibit 26 (Greyhound)
Exhibit 64 (Staff)

TABLE 2

TEST YEAR OPERATING RESULTS
Western Greyhound Lines
Estimated Results of California Intrastate Operations
 YEAR 1968 - PRESENT FARES

Item	TOTAL		INTRASTATE		LOCAL	
	MAIN LINE		LOCAL			
	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²
<u>Revenues</u>						
Passenger	\$36,824,700	\$37,725,000	\$26,335,800	\$26,880,000	\$10,488,900	\$10,845,000
Charter	2,938,700	3,045,700	2,938,700	3,045,700	-	-
Express	2,924,000	3,046,100	2,924,000	3,046,100	-	-
Other	1,393,700	1,475,500	1,216,000	1,264,200	177,700	211,300
Total	44,081,100	45,292,300	33,414,500	34,236,000	10,666,600	11,056,300
Total Expenses	44,762,400	44,818,700	31,924,400	31,979,800	12,838,000	12,838,900
Operating Income	(681,300)	473,600	1,490,100	2,256,200	(2,171,400)	(1,782,600)
Income Taxes	(313,300)	171,400	685,300	816,500	(998,600)	(645,100)
Net Operating Income	(368,000)	302,200	804,800	1,439,700	(1,172,800)	(1,137,500)
Operating Ratio after Taxes	100.8%	99.3%	97.6%	95.7%	111.0%	110.3%
Rate Base	\$25,552,900	\$26,321,100	\$21,510,200	\$21,711,600	\$ 4,042,700	\$ 4,609,500
Rate of Return	-	1.2%	3.7%	6.6%	-	-

(Red Figure)

1 Exhibit 27

2 Exhibit 70

TABLE 2-A

TEST YEAR OPERATING RESULTS
Western Greyhound Lines
Estimated Results of Local Operations
 YEAR 1968 - PRESENT FARES

ITEM	Total Local		Vallejo		Contra Costa		Marin	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$10,666,600	\$11,056,300	\$ 470,800	\$ 505,100	\$1,909,300	\$1,891,000	\$1,945,800	\$2,054,900
Operating Expenses	12,838,000	12,838,900	717,100	723,800	2,724,500	2,750,500	2,413,200	2,337,900
Net Operating Income after Taxes	(1,172,800)	(1,137,500)	(133,000)	(139,600)	(440,300)	(548,400)	(252,400)	(180,600)
Operating Ratio after Taxes	111.0%	110.3%	128.2%	127.6%	123.1%	129.0%	113.0%	108.8%
Rate Base	\$ 4,042,700	\$ 4,609,500	\$ 216,900	\$ 319,500	\$ 464,500	\$ 524,300	\$ 837,700	\$ 915,500
Rate of Return	-	-	-	-	-	-	-	-

	Peninsula		Coastside		Long Beach		Other	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$ 3,291,200	\$ 3,522,00	\$ 315,500	\$ 326,700	\$ 121,800	\$ 96,400	\$2,612,200	\$2,660,200
Operating Expenses	3,983,100	3,982,800	516,000	535,700	202,800	192,600	2,281,300	2,315,600
Net Operating Income after Taxes	(37,700)	(294,000)	(108,300)	(133,400)	(43,800)	(61,400)	178,700	219,900
Operating Ratio after Taxes	111.4%	108.4%	134.3%	140.8%	136.0%	163.7%	93.2%	91.7%
Rate Base	\$ 1,615,700	\$ 1,843,500	\$ 171,400	\$ 100,500	\$ 91,700	\$ 142,200	\$ 644,800	\$ 764,000
Rate of Return	-	-	-	-	-	-	27.7%	28.8%

(Red Figure)

Exhibit 27 (Greyhound)
 Exhibit 70 (Staff)

TABLE 3

TEST YEAR OPERATING RESULTS
Western Greyhound Lines
Estimated Results of California Intrastate Operations
 YEAR 1968 - PROPOSED FARES

ITEM	INTRASTATE					
	TOTAL		MAIN LINE		LOCAL	
	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²	Greyhound ¹	Staff ²

GREYHOUND'S PROPOSED FARES

Operating Revenues	\$45,761,300	\$46,601,000	\$33,510,200	\$34,314,000	\$12,251,100	\$12,287,000
Operating Expenses	44,576,600	44,305,000	31,921,300	31,959,000	12,655,300	12,346,000
Net Operating Income*	617,900	1,465,000	828,800	1,503,000	(210,900)	(38,000)
Operating Ratio*	98.6%	96.9%	97.5%	95.6%	101.7%	100.3%
Rate of Return*	2.4	5.6	3.9	6.9	-	-

STAFF'S PROPOSED FARES

	(3)	(3)	(3)
Operating Revenues	\$ -	\$45,937,000	\$ -
Operating Expenses	-	44,688,000	-
Net Operating Income*	-	797,000	-
Operating Ratio*	-	98.3%	-
Rate of Return*	-	3.0	-

(Red Figure)

* After Income Taxes.

1 Exhibit 28.

2 Exhibit 88.

(3) No Estimate Furnished.

TABLE 3-A

TEST YEAR OPERATING RESULTS
Western Greyhound Lines
Estimated Results of Local Operations
 YEAR 1968 - GREYHOUND'S PROPOSED FARES

ITEM	Total Local		Vallejo		Contra Costa		Marin	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$12,251,100	\$12,287,000	\$575,800	\$600,000	\$2,315,000	\$2,293,000	\$2,397,500	\$2,472,000
Operating Expenses	12,655,300	12,346,000	701,200	709,000	2,685,600	2,597,000	2,349,600	2,227,000
Net Operating Income after Taxes	(210,900)	(38,000)	(65,400)	(69,000)	(193,300)	(194,000)	25,000	156,000
Operating Ratio after Taxes	101.7%	100.3%	111.4%	111.5%	108.3%	108.5%	99.0%	93.7%
Rate of Return	-	-	-	-	-	-	3.0	17.0

	Peninsula		Coastside		Long Beach		Other	
	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff	Greyhound	Staff
Operating Revenues	\$ 3,819,100	\$ 3,756,000	\$394,300	\$394,000	\$ 137,200	\$ 112,000	\$2,612,200	\$2,660,000
Operating Expenses	3,937,500	3,803,000	497,600	505,000	202,500	190,000	2,281,300	2,315,000
Net Operating Income after Taxes	(61,800)	(30,000)	(53,900)	(71,000)	(34,100)	(50,000)	172,600	220,000
Operating Ratio after Taxes	101.6%	100.8%	113.7%	118.0%	124.9%	144.6%	93.4%	91.7%
Rate of Return	-	-	-	-	-	-	26.8	34.6

(Red Figure)

Exhibit 28 (Greyhound)
 Exhibit 88 (Staff)

TABLE 3-B
TEST YEAR OPERATING RESULTS
Western Greyhound Lines
Estimated Results of Local Operations
 YEAR 1968 - STAFF* PROPOSED FARES

ITEM	Total Local	Vallejo	Contra Costa	Marin	Peninsula	Coastside	Long Beach	Other
Operating Revenues	\$11,698,000	\$568,000	\$2,137,000	\$2,129,000	\$3,718,000	\$379,000	\$107,000	\$2,660,000
Operating Expenses	12,719,000	723,000	2,689,000	2,314,000	3,966,000	519,000	193,000	2,315,000
Net Operating Income after Taxes	(651,000)	(99,000)	(352,000)	(118,000)	(158,000)	(89,000)	(55,000)	(220,000)
Operating Ratio after Taxes	105.6%	117.4%	116.5%	105.5%	104.2%	123.5%	151.4%	91.7%
Rate of Return	-	-	-	-	-	-	-	28.8%

(Red Figure)

Source: Exhibit 88

* No estimates furnished by Greyhound.

APPENDIX E

Fares Authorized
To Be Published By
GREYHOUND LINES, INC.,
Pursuant To Order In
Application No. 49658

APPENDIX E
Page 2 of 22

ZONE GROUP 52, PENINSULA (OCEAN-SKYLINE)

Between Zone and Zone	Adult 1-Way Fares		Adult 20-Ride Commutation Fares	
	1	2	1	2
1	\$0.35	\$ -	\$6.50	\$ -
2	0.35	-	6.50	-
3	0.45	-	8.50	-
4	0.55	0.35	9.00	6.50

ZONE FARE LIMITS

Zone: No.:	Station Within Zone	Zone Fare Limit
1	San Francisco	North: Bus Depot (7th Street) South: Junipero Serra Blvd.
2	Westlake (Alemany Boulevard)	North: Junipero Serra Blvd. South: Jct. Skyline Blvd. and Alemany Blvd.
3	Westlake (Skyline Blvd.) Manor Drive (Serramonte)	North: Jct. Skyline Blvd. and Alemany Blvd. South: Jct. Skyline Blvd. and Extension of Barryrae Lane.
4	College Drive Sheath Lane San Bruno Avenue	North: Jct. Skyline Blvd. and Extension of Barryrae Lane. South: Jct. Skyline Blvd. and 300 feet south of Millbrae Avenue.

ZONE GROUP 53 EAST BAY (VALLEJO)ADULT ONE-WAY FARES

AND BETWEEN	San Francisco	Oakland	Emeryville	Berkeley and West Berkeley	Albany	El Cerrito	Richmond	San Pablo (23rd St.)	San Pablo Jct.	Tank Farm	Pinole	Franklin Canyon Jct.	Rodeo	Oleum	Tormey	Crockett Jct.	North Bridgehead	Morrow Cove	South Vallejo (Lemon St.)
Oakland	\$0.50																		
Emeryville	0.50	0.35																	
Berkeley & West Berkeley	0.65	0.35	0.35																
Albany	0.70	0.35	0.35	0.35															
El Cerrito	0.75	0.35	0.35	0.35	0.35														
Richmond	0.75	0.45	0.45	0.35	0.35	0.35													
San Pablo (23rd St.)	0.80	0.45	0.45	0.35	0.35	0.35	0.35												
San Pablo Jct.	0.80	0.45	0.45	0.35	0.35	0.35	0.35	0.35											
Tank Farm	0.85	0.50	0.50	0.40	0.35	0.35	0.35	0.35	0.35										
Pinole	0.90	0.60	0.60	0.50	0.45	0.45	0.35	0.35	0.35	0.35									
Franklin Canyon Jct.	0.95	0.65	0.65	0.55	0.50	0.45	0.35	0.35	0.35	0.35	0.35								
Rodeo	1.00	0.75	0.65	0.60	0.55	0.55	0.45	0.35	0.35	0.35	0.35	0.35							
Oleum	1.05	0.75	0.70	0.65	0.60	0.55	0.45	0.40	0.40	0.35	0.35	0.35	0.35						
Tormey	1.10	0.80	0.75	0.65	0.65	0.60	0.50	0.45	0.45	0.35	0.35	0.35	0.35	0.35					
Crockett Jct.	1.10	0.85	0.75	0.70	0.65	0.65	0.55	0.45	0.45	0.40	0.35	0.35	0.35	0.35	0.35				
North Bridgehead	1.20	0.90	0.85	0.75	0.70	0.70	0.60	0.55	0.55	0.50	0.35	0.35	0.35	0.35	0.35	0.35			
Morrow Cove	1.20	0.90	0.90	0.80	0.75	0.70	0.65	0.60	0.60	0.50	0.40	0.35	0.35	0.35	0.35	0.35	0.35		
South Vallejo (Lemon St.)	1.30	0.95	0.95	0.85	0.80	0.75	0.65	0.60	0.60	0.55	0.45	0.40	0.35	0.35	0.35	0.35	0.35	0.35	
Vallejo	1.30	0.95	0.95	0.90	0.85	0.80	0.70	0.65	0.65	0.60	0.50	0.45	0.35	0.35	0.35	0.35	0.35	0.35	0.35

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ZONE GROUP 53, EAST BAY (VALLEJO)

ADULT 20-RIDE COMMUTATION FARES

Between and	Vallejo	Crockett Jct.
Oakland	\$15.00	\$13.00
San Francisco	18.00	16.00

ZONE GROUP 54 CONTRA COSTA
ADULT ONE-WAY FARES

Between and Zone	1	2	3	4	5	5-C	6	6-A	6-B	6-C	7	7-A	7-B	7-C
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3	0.75	0.40	0.35											
4	0.85	0.50	0.35	0.35										
5	0.95	0.60	0.40	0.35	0.35	0.35				0.35				
5-C	0.95	0.60	0.40	0.35	0.35	0.35	0.35	0.40	0.40	0.35				
6	1.05	0.70	0.50	0.40	0.35	0.35	0.35	-	-	0.35				
6-A	1.05	0.70	0.50	0.40	0.35	0.40	0.35	0.35	-	0.35				
6-B	1.05	0.70	0.50	0.40	0.35	0.40	0.35	0.40	0.35	0.40				
6-C	1.05	0.70	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.35				
7	1.20	0.80	0.60	0.50	0.40	0.40	0.35	0.50	0.50	0.35	0.35			
7-A	1.20	0.80	0.60	0.50	0.40	0.40	0.50	0.35	0.50	0.50	0.60	0.35		0.60
7-B	1.20	0.80	0.60	0.50	0.40	0.40	0.50	0.50	0.35	0.50	0.60	0.60	0.35	0.60
7-C	1.20	0.80	0.60	0.50	0.40	0.40	0.50	0.50	0.50	0.35	0.35	0.35	-	0.35
8	1.30	0.90	0.70	0.60	0.50	0.50	0.40	0.60	0.60	0.40	0.35	0.70	0.70	0.35
8-A	1.30	0.90	0.70	0.60	0.50	0.50	0.40	0.60	0.60	0.40	0.35	0.70	0.70	0.35
8-B	1.30	0.90	0.70	0.60	0.50	0.50	0.60	0.40	0.60	0.60	0.70	0.35	0.70	0.70
9	1.40	1.00	0.80	0.70	0.60	0.60	0.50	0.70	0.70	0.50	0.40	0.80	0.80	0.40
9-A	1.40	1.00	0.80	0.70	0.60	0.60	0.50	0.70	0.70	0.50	0.40	0.80	0.80	0.40
9-B	1.40	1.00	0.80	0.70	0.60	0.60	0.50	0.70	0.70	0.50	0.40	0.80	0.80	0.40
10	1.50	1.10	0.90	0.80	0.70	0.70	0.60	0.80	0.80	0.60	0.50	0.90	0.90	0.50
11	1.60	1.25	1.00	0.90	0.80	0.80	0.70	0.90	0.90	0.70	0.60	1.00	1.00	0.60

Between and Zone	8	8-A	8-B	9	9-A	9-B	10	11
8	0.35							
8-A	0.40	0.35						
8-B	0.80	0.80	0.35					
9	0.35	0.50	0.90	0.35				
9-A	0.40	0.50	0.90	0.35	0.35			
9-B	0.40	0.30	0.90	0.35	0.35	0.35		
10	0.50	0.40	1.00	0.40	0.40	0.35	0.35	
11	0.60	0.50	1.10	0.50	0.50	0.40	0.35	0.35

Refer to pages 7 and 8 (Appendix E) for Zone Fare Limits

APPENDIX E
Page 6 of 22ZONE GROUP 54, CONTRA COSTA
ADULT 20-RIDE COMMUTATION FARES

Between:			
Zone:		1	2
and			
Zone			
3	\$12.00		\$ 7.50
4	14.00		9.50
5	15.00		11.00
5-C	15.00		11.00
6	16.00		12.00
6-A	16.00		12.00
6-B	16.00		12.00
6-C	16.00		12.00
7	17.00		13.00
7-A	17.00		13.00
7-B	17.00		13.00
7-C	17.00		13.00

Refer to pages 7 and 8 (Appendix E)
for Zone Fare Limits.

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ZONE GROUP 54 - CONTRA COSTA
ZONE FARE LIMITS

Zone No.	Stations Within Zone	Zone Fare Limit
1	San Francisco	West-Bus Depot - (7th St.) East-Bay Bridge Toll Plaza
2	Oakland Berkeley Temescal Jct.	West-Bay Bridge Toll Plaza West-Addison & Shattuck St. East-Broadway & Landvale Road
3	East Portal Orinda	West-Broadway & Landvale Rd. East-Davis Rd.
4	Charles Hill Hidden Valley Road Upper Happy Valley Road Lafayette Lafayette Orchards	West-Davis Rd. East-Willow Drive
5	Acalanes Saranap Road Walnut Creek S.O.S. Drive	West-Willow Drive East-Third Avenue and North Main St.
5-C	Walnut Blvd. Shepard Road	West - N. Broadway Avenue East - Bancroft Rd. & Walnut Ave.
5	Crystal Pool Mayhew Way (Munson Tract) Pleasant Hill	West-Third Avenue and North Main St. East-Monument Blvd. & Lisa Lane
6-A	Reliez Valley Road Geary Road West Monument	South-Stanley Blvd. North-Gregory Lane
5-B	Alamo	North-Lilac Drive South-Las Trampass Rd.
5-C	Via Monte Treat Blvd.	West-Bancroft Rd. & Walnut Ave. East-Oak Grove Rd. & Risdon Rd.

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ZONE GROUP 54 - CONTRA COSTA
ZONE FARE LIMITS

Zone No.	Stations Within Zone	Zone Fare Limit
7	Four Corners Concord	West-Monument Blvd. & Lisa Lane East-Colfax St. & Concord Blvd.
7-A	Muir Oak Jct.	South-Gregory Lane North-Truitt Ave.
7-B	Danville	North-Las Trampass Rd. South-Bus Stop
7-C	Keswick Lane	West-Oak Grove Rd. & Risdon Rd. East-Oak Grove Rd. & Monument Blvd.
8	Adeline Ohmer Clyde	West-Salvio St. East-Essex St.
3-A	Concord Vista 3 Miles East of Concord	West-Colfax St. & Concord Blvd. East-Contra Costa Canal
3-B	Martinez	South-Truitt Ave. North-Bus Depot
9	Port Chicago	West-Essex St. East-Minnesota & Mereen Ave.
9-A	Nichols	West-Minnesota & Mereen Ave. East-Pacific Ave.
9-B	Willow Pass Jct. Bella Vista	West-Contra Costa Canal East-Highway Ave.
10	Pittsburg	West-Highway Ave. East-East 9th St.
11	Los Medanos Antioch	West-East 9th St. East-Bus Depot

ZONE GROUP 55 - MARIN
ADULT ONE-DAY FARES

BETWEEN AND ZONE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	-																	
2	0.55	0.35																
3	0.70	0.40	0.35															
4	0.85	0.45	0.40	0.35														
5	0.90	0.55	0.55	0.40	0.35													
6	1.00	0.70	0.70	0.50	0.40	0.35												
7	1.45	1.00	0.95	0.80	0.70	0.60	0.35											
8	1.60	1.25	1.20	1.10	1.00	0.85	0.70	0.35										
9	1.85	1.50	1.45	1.30	1.15	1.00	0.75	0.40	0.35									
10	0.70	0.35	0.35	0.45	0.60	0.80	1.00	1.35	1.60	0.35								
11	0.75	0.40	0.40	0.55	0.70	0.85	1.20	1.45	1.75	0.35	0.35							
12	0.90	0.50	0.45	0.75	0.85	1.05	1.35	1.60	1.85	0.45	0.40	0.35						
13	1.20	0.80	0.75	1.00	1.20	1.35	1.60	1.95	2.15	0.65	0.60	0.50	0.35					
14	1.05	0.70	0.65	0.35	0.65	0.80	1.15	1.40	1.65	0.75	0.85	1.00	1.20	0.35				
15	1.25	0.90	0.80	0.60	0.85	1.00	1.30	1.60	1.85	0.90	1.00	1.15	1.40	0.40	0.35			
16	1.45	1.05	1.00	0.75	1.10	1.25	1.55	1.85	2.10	1.10	1.20	1.35	1.60	0.55	0.40	0.35		
17	1.65	1.25	1.10	0.95	1.30	1.35	1.70	2.00	2.20	1.30	1.40	1.60	1.80	0.65	0.55	0.40	0.35	
18	0.85	0.45	0.40	0.50	0.50	0.65	1.00	1.30	1.50	0.45	0.50	0.65	0.90	0.80	0.95	1.15	1.30	0.35

Refer to pages 11, 12 and 13 (Appendix E) for Zone Fare Limits

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ZONE GROUP 55, MARIN

ADULT 20-RIDE COMMUTATION FARES

Between: Zone: and Zone	1	2	3	4	18
2	\$ 8.00	\$ -	\$ -	\$ -	\$ -
3	11.00	7.00	-	-	-
4	12.00	8.00	7.00	-	8.00
5	13.00	9.00	8.00	7.00	9.00
6	14.00	10.00	9.00	9.00	11.00
7	17.00	-	-	-	-
8	20.00	-	-	-	-
9	23.00	-	-	-	-
10	11.00	-	-	-	-
11	12.00	-	-	-	-
12	14.00	-	-	-	-
13	17.00	-	-	-	-
14	14.00	-	-	-	-
15	15.00	-	-	-	-
16	20.00	-	-	-	-
17	21.00	-	-	-	-
18	12.00	-	-	-	-

Refer to pages 11, 12 and 13 (Appendix E)
for Zone Fare Limits.

ZONE GROUP 55 - MARIN
ZONE FARE LIMITS

Zone: No.:	Station Within Zone	Fare Limits	Fare Limits
1	San Francisco	South: W.G.L. Depot - San Francisco	North: Midspan of Golden Gate Bridge
2	Marin Bridgehead Sausalito Manzanita	South: Midspan of Golden Gate Bridge	North: Southend Richardson Bay Bridge West: 300 feet west of U.S. 101 and S.S.R.1 Turnoff ✓
3	Tamalpais Valley Jct. High School Mill Valley ✓	East: 300 feet west of U.S. 101 and S.S.R.1 Turnoff	North: W.G.L. Depot - Mill Valley
	Tiburon Wye Corte Madera Wye ✓	South: Southend Richardson Bay Bridge and U.S. 101	North: Northend Greenbrae Bridge and U.S. 101 West: 200 feet West of Sir Francis Drake Blvd. and Eliseo Drive
	Corte Madera Larkspur	South: Southend Richardson Bay Bridge and U.S. 101	West: Magnolia Avenue and Bon Air Road
4	Greenbrae Oaks San Rafael Kentfield Ross San Anselmo ✓ Fairfax Manor	South: Northend Greenbrae Bridge and U.S. 101 South: Magnolia Avenue and Bon Air Road East: 200 feet west of Eliseo Drive and Sir Francis Drake Blvd.	North: Linden Lane and U.S. 101 North: W.G.L. Depot - Manor
5	Terra Linda St. Vincent School	South: Linden Lane and U.S. 101	North: 300 feet north of Miller Creek Road and U.S. 101 ✓
6	Hamilton Field Ignacio Novato	South: 300 feet north of Miller Creek Road and U.S. 101 ✓	North: 200 feet north of San Marin Drive Turnoff and U.S. 101

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ZONE GROUP 55 - MARIN
ZONE FARE LIMITS

: Zone:	:	:	:
: No.:	Station Within Zone	Fare Limits	Fare Limits
7	San Marin Drive Petaluma	South: 200 feet North of San Marin Drive Turnoff and U.S. 101	North: Petaluma Blvd. and U.S. 101 (North of Petaluma)
8	Willow Beade Penngrove Cotati	South: Petaluma Blvd. and U.S. 101 (North of Petaluma)	North: Transport Avenue and U.S. 101
9	Wilfred Avenue Santa Rosa	South: Transport Avenue and U.S. 101	North: W.G.L. Depot - Santa Rosa
10	Dias Ranch Muir Wood Jct.	East: S.S.R. 1 and Almonte Road	West: Panoramic Highway (Dias Road) and Shoreline Highway
11	Alpine Lodge Mountain Home	South: Panoramic Highway (Dias Road) and Shoreline Highway	North: 200 feet west of Mountain Home (Panoramic Highway)
12	Bootjack Stinson Beach	East: 200 feet west of Mountain Home (Panoramic Highway)	West: W.G.L. Depot Stinson Beach
13	Bolinas	East: W.G.L. Depot Stinson Beach	West: W.G.L. Depot - Bolinas
14	Woodacre San Geronimo	East: Jct. Bothin Road and Sir Francis Drake Blvd.	West: San Geronimo - West Road Sign
15	Forest Knolls Lagunitas Taylorsville	East: San Geronimo - West Road Sign	West: West Boundary Sign - Taylor State Park

ZONE GROUP 55 - MARIN
ZONE FARE LIMITS

: Zone:		:	:	:
: No.:	Station Within Zone	:	Fare Limits	Fare Limits
16	Jewel Olema Point Reyes Station	:	East: West Boundary Sign - Taylor State Park	West: 1.5 Miles east of W.G.L. Depot - Inverness
17	Inverness	:	East: 1.5 Miles east of W.G.L. Depot-Inverness	West: W.G.L. Depot - Inverness
18	North Knoll Drive Belvedere Tiburon	:	West: Jct. of Knoll Road and Tiburon Road	East: W.G.L. Depot - Tiburon East: W.G.L. Depot - Belvedere

ZONE GROUP 56 - PENINSULA (BAY)													
Between and Zone	1	2	3	4	5	6	7	8	9	10	11	12	13
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ADULT ONE-WAY FARES													
1	0.35												
2	0.35	0.35											
3	0.45	0.35	0.35										
4	0.55	0.45	0.35	0.35									
5	0.65	0.55	0.45	0.35	0.35								
6	0.75	0.65	0.55	0.45	0.35	0.35							
7	0.90	0.75	0.65	0.55	0.45	0.35	0.35						
8	1.00	0.90	0.75	0.65	0.55	0.45	0.35	0.35					
9	1.10	1.00	0.85	0.75	0.65	0.55	0.45	0.35	0.35				
10	1.30	1.10	0.95	0.90	0.80	0.65	0.55	0.45	0.35	0.35			
11	1.45	1.25	1.05	1.00	0.90	0.80	0.65	0.55	0.45	0.35	0.35		
12	1.55	1.40	1.25	1.10	1.00	0.90	0.80	0.65	0.55	0.45	0.35	0.35	
13	1.65	1.50	1.35	1.25	1.10	1.00	0.90	0.75	0.65	0.55	0.45	0.35	0.35
ADULT TWENTY-RIDE COMMUTATION FARES													
1	6.50												
2	6.50	6.50											
3	8.50	6.50	6.50										
4	9.00	8.50	6.50	6.50									
5	10.00	9.00	8.50	6.50	6.50								
6	10.50	10.00	9.00	8.50	6.50	6.50							
7	11.50	10.50	10.00	9.00	8.50	6.50	6.50						
8	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50					
9	13.50	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50				
10	15.00	13.50	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50			
11	16.00	15.00	13.50	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50		
12	17.00	15.50	15.00	13.50	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50	
13	18.00	16.00	15.50	15.00	13.50	12.50	11.50	10.50	10.00	9.00	8.50	6.50	6.50

Refer to pages 15 and 16 (Appendix E) for Zone Fare Limits

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ZONE GROUP 56 PENINSULA (BAY)

ZONE FARE LIMIT ROUTE MISSION - EL CAMINO	ZONE NUMBER AND STATIONS WITHIN ZONE	ZONE FARE LIMIT ROUTE BAYSHORE
North: Depot (7th St.) South: Regent St.	ZONE 1 San Francisco	North: Depot (7th St.) South: Raymond Ave.
North: Regent St. South: "C" Street	ZONE 2 Daly City Bayshore Colma Brisbane Rd.	North: Raymond Ave. South: Brisbane So. City Limits (at over- pass to enter old Bayshore Freeway)
North: "C" Street South: # Brentwood Dr.	ZONE 3 Lawndale South San Baden Francisco	North: Brisbane So. City limits (at over- pass to enter old Bayshore Freeway) South: # Mitchell Ave.
North: # Brentwood Dr. South: Irwin Pl.	ZONE 4 Tanforan San Francisco San Bruno Airport Lomita Park Millbrae	North: # Mitchell Ave. South: East Millbrae Ave.
North: Irwin Pl. South: Δ State St. & San Mateo Drive	ZONE 5 Burlingame (Adeline Ave.) Burlingame (Broadway) Burlingame	North: East Millbrae Ave. South: Peninsular Ave.
North: Δ State St. & San Mateo Drive South: Anita Ave.	ZONE 6 San Mateo Hillsdale (Bay Meadows)	North: Peninsular Ave. South: San Mateo So. City Limit
North: Anita Ave. South: James St.	ZONE 7 Belmont San Carlos Redwood City	North: San Mateo So. City Limit South: Middlefield Road and Veterans Blvd.
North: James St. South: Harvard Ave.	ZONE 8 Atherton Menlo Park	

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ZONE GROUP 56 PENINSULA (BAY)

ZONE FARE LIMIT ROUTE MISSION - EL CAMINO	ZONE NUMBER AND STATIONS WITHIN ZONE	ZONE FARE LIMIT ROUTE ALMA AND EVELYN STREETS
North: Harvard Ave.	ZONE 9 Palo Alto So. Palo Alto Fernando Ave. Barron Park	North: Harvard Ave.
South: Vista Ave.		South: Ely Place
North: Vista Ave.	ZONE 10 Alta Mesa Junction Mountain View Jct. Mountain View Naval Air Station	North: Ely Place
South: Stevens Creek Freeway Over- pass		South: Calhoun Ave.
North: Stevens Creek Freeway Over- pass	ZONE 11 Sylvan Ave. Sunnyvale Jct. Sunnyvale Dawson Jct. Butchers	North: Calhoun Ave.
South: Henderson Ave.		South: Henderson Ave.
North: Henderson Ave.	ZONE 12 Milliken Santa Clara	
South: San Jose No. City Limits		
North: San Jose No. City Limits	ZONE 13 San Jose	
South: Depot		

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ZONE GROUP 57 - LONG BEACH

ADULT ONE-WAY FARES

AND BETWEEN						
	Long Beach	West Long Beach	Wilmington	Wilmington Jct. (West Wilmington)	Harbor City (San Pedro Jct.)	South Harbor City
Wilmington	\$.35	\$	\$	\$	\$	\$
Wilmington Jct. (West Wilmington)	.35	.35	.35			
Harbor City (San Pedro Jct.)	.35	.35	.35	.35		
South Harbor City	.35	.35	.35	.35		
San Pedro	.35	.35	.35	.35		
South Lomita	.40	.35	.35	.35	.35	.35
Lomita	.45	.35	.35	.35	.35	.35
Torrance	.50	.35	.35	.35	.35	.35
West Torrance	.60	.45	.40	.35	.35	.35
Redondo Beach	.65	.55	.45	.45	.35	.40
Hermosa Beach	.70	.60	.55	.50	.45	.45
Manhattan Beach	.75	.65	.55	.55	.45	.50
East Manhattan Beach	.85	.70	.65	.65	.55	.60
East El Segundo	.85	.70	.65	.65	.55	.60
El Segundo	.90	.75	.70	.65	.60	.65
Inglewood Jct.	.90	.75	.70	.65	.60	.65
Los Angeles International Airport	.90	.85				
Westchester	.90	.85	.80	.75	.70	.70
University City	1.00	.90	.85	.80	.75	.80
East Venice	1.05	.95	.90	.90	.85	.90
Venice	1.05	.95	.90	.90	.85	.90
Ocean Park	1.10	1.00	.90	.90	.90	.90
Santa Monica	1.20	1.05	1.00	.95	.90	.90

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ZONE GROUP 57 - LONG BEACH

ADULT ONE-WAY FARES

<div> <div>BETWEEN</div> <div>AND</div> </div>	San Pedro	South Lomita	Lomita	Torrance	West Torrance	Redondo Beach
South Lomita	.35					
Lomita	.35	.35				
Torrance	.35	.35	.35			
West Torrance	.45	.35	.35	.35		
Redondo Beach	.55	.35	.35	.35	.35	
Hermosa Beach	.60	.40	.35	.35	.35	.35
Manhattan Beach	.65	.45	.40	.35		
East Manhattan Beach	.70	.55	.50	.45	.35	.35
East El Segundo	.70	.55	.50	.45	.35	.35
El Segundo	.75	.55	.55	.45	.35	.35
Inglewood Jct.	.75	.55	.55	.45	.35	.35
Los Angeles International Airport	.85	.65	.65	.55	.45	.40
Westchester	.85	.65	.65	.55	.45	.40
University City	.90	.70	.70	.65	.55	.45
East Venice	.95	.80	.80	.70	.65	.55
Venice	.95	.80	.80	.70	.65	.55
Ocean Park	1.00	.85	.80	.75	.65	.60
Santa Monica	1.05	.90	.90	.80	.70	.65

<div> <div>BETWEEN</div> <div>AND</div> </div>	Hermosa Beach	Manhattan Beach	East Manhattan Beach	East El Segundo	El Segundo	Inglewood Jct.
Manhattan Beach	.35					
East Manhattan Beach	.35	.35				
East El Segundo	.35	.35	.35			
El Segundo	.35	.35	.35	.35		
Inglewood Jct.	.35	.35	.35	.35	.35	
Los Angeles International Airport	.35	.35	.35	.35	.35	.35
Westchester						
University City	.40	.35	.35	.35	.35	.35
East Venice	.50	.45	.35	.35	.40	.35
Venice	.50	.45	.35	.35	.40	.35
Ocean Park	.55	.50	.40	.40	.45	.35
Santa Monica	.60	.55	.45	.45	.50	.45

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LOCAL ZONE FARES

City	Defined Fare Limits	One-Way Cash Fare
South Lomita	EAST: Bellporte Avenue & Pacific Coast Highway WEST: Narbonne Avenue & Pacific Coast Highway	35 cents
Lomita	SOUTH: Pacific Coast Highway NORTH: Sepulveda Blvd. & Narbonne Ave.	35 cents
Torrance	SOUTH: Sepulveda Blvd. & Narbonne Ave. WEST: Crenshaw Blvd. & Torrance Blvd.	35 cents
Redondo Beach	EAST: City Limits on Torrance Blvd. NORTH: Redondo St. & Hermosa Ave.	35 cents

ADULT ONE-WAY FARES

<div> <div>BETWEEN</div> <div>AND</div> </div>	Los Angeles International Airport	Westchester	University City	East Venice
Westchester				
University City		.35		
East Venice		.35	.35	
Venice		.35	.35	
Ocean Park	.35	.35	.35	
San Monica	.40	.35	.35	.35

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ADULT TWENTY-RIDE COMMUTATION FARES

BETWEEN AND								
	Long Beach	Wilmington	San Pedro	Harbor City (San Pedro Jct.)	South Lomita Lomita	Torrance	Redondo Beach	Hermosa Beach
West Wilmington	\$ 6.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Pedro	6.50	-	-	-	-	-	-	-
South Lomita	7.50	-	-	-	-	-	-	-
Torrance	-	-	6.50	-	-	-	-	-
Redondo Beach	-	8.50	9.00	6.50	6.50	-	-	-
Hermosa Beach	-	-	-	-	-	6.50	-	-
Manhattan Beach	-	-	-	-	-	6.50	-	-
Santa Monica	17.00	-	-	-	-	13.00	11.50	11.00

TWENTY-RIDE SCHOOL FARES

BETWEEN AND					
	Long Beach	San Pedro	South Lomita	Lomita	Torrance
Wilmington	\$3.25	\$ -	\$ -	\$ -	\$ -
South Lomita	3.75	-	-	-	-
Lomita	4.55	3.25	3.25	-	-
Torrance	5.00	3.25	-	-	-
Redondo Beach	6.40	-	-	3.25	3.25

SACRAMENTO-WOODLAND
ADULT ONE-WAY FARES

Between And	Sacramento	Broderick	Bryte	Rose Orchard	Beardsley	Lovdal	Helvetia Park	Monument School	Merkeley	Vin	Kiesel	Fremont	Siphon	Conoway	Birch	Hebron
Bryte	0.35	0.35														
Rose Orchard	0.35	0.35	0.35													
Beardsley	0.35	0.35	0.35	0.35												
Lovdal	0.35	0.35	0.35	0.35	0.35											
Helvetia Park	0.35	0.35	0.35	0.35	0.35	0.35										
Monument School	0.35	0.35	0.35	0.35	0.35	0.35	0.35									
Merkeley	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35								
Vin	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35							
Kiesel	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35						
Fremont	0.50	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35					
Siphon	0.50	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35				
Conoway	0.55	0.50	0.40	0.40	0.40	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35			
Birch	0.60	0.55	0.50	0.50	0.50	0.50	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35		
Hebron	0.64	0.60	0.50	0.50	0.50	0.50	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	
Woodland	0.71	0.64	0.60	0.60	0.60	0.60	0.45	0.40	0.40	0.40	0.40	0.35	0.35	0.35	0.35	0.35

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SACRAMENTO-WOODLAND-DAVIS
ADULT 20-RIDE COMMUTATION FARES

BETWEEN	AND	FARE
Sacramento	Davis	\$ 8.00
Sacramento	Woodland	10.00