

Decision No. 83088

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ServiCar of Northern Calif., Inc.
for certificate of public convenience
and necessity to operate Passenger
Stage and Baggage Service between
San Jose, California, and Daly City,
Calif., and intermediate points; the
cities of Belmont, San Mateo, Foster
City, Hillsborough, Millbrae, San
Bruno, South San Francisco, Daly City,
Calif., and San Francisco, Calif.,
and intermediate points; Hayward,
Calif., and Brisbane, Calif., and
intermediate points; Half Moon Bay,
Calif., and San Mateo, Calif., and
intermediate points.

Application No. 54718
(Filed March 11, 1974)

Armand S. Cohn, for ServiCar of Northern California,
Inc., applicant.

Richard M. Hannon, Attorney at Law, for Greyhound
Lines, Inc., West Division; John R. Guilhamet,
for County of San Mateo; Alva Johnson, for
Metropolitan Transportation Commission; Richard
Evans, for City and County of San Francisco,
Department of Public Works; Paul H. Schneider,
Attorney at Law, for Commute Service; and
Richard K. Hopper, for City of San Mateo;
protestants.

Scott A. Shoaf, for City and County of San Francisco,
Department of Public Works; Arthur D. Fulton, for
Department of City Planning; Alan T. Smith, for
Falcon Charter Service; J. Dean Parnell, for San
Francisco State University; Frank Scheifler, for
San Francisco Municipal Railway; and John M.
Naff, Jr., Attorney at Law, Elwyn H. King,
Fred W. Wright, Michael V. Williamson, and
Frank J. Lichtanski, for themselves; interested
parties.

Ira R. Alderson, Attorney at Law, for the Commission
staff.

O P I N I O N

By this application ServiCar of Northern California, Inc., a California corporation, requests authority for a certificate of public convenience and necessity to operate as a passenger stage corporation between (1) San Jose and the Daly City Bay Area Rapid Transit District (BART) station, (2) Foster City, San Mateo, Burlingame, Millbrae, San Bruno, and the Daly City BART station, (3) Belmont, San Mateo Highlands, Hillsborough, and the Daly City BART station, (4) South San Francisco and the Daly City BART station, (5) the Daly City BART station and San Francisco, (6) Half Moon Bay and San Mateo, and (7) Hayward, Foster City, San Mateo, San Francisco International Airport, South San Francisco, and Brisbane. The matter came on for hearing May 2 and 3, 1974 at San Francisco before Examiner Pilling.

Applicant's president testified that his company's principal business is transporting school children, including physically handicapped school children, between various points in San Mateo County, and, in addition, under a charter permit issued by this Commission it operates approximately 500 charter-party trips a year. Applicant owns and operates 140 pieces of revenue bus equipment, including twenty-six 44-passenger vehicles, and employs 130 persons. He asserted that as of January 31, 1974 his company had a net worth of approximately \$253,403. Applicant will conduct a commuter operation under its requested certificate, i.e., it will operate only during the peak home-to-work hours in the morning and the work-to-home hours in the late afternoon and evening, with no Saturday, Sunday, or holiday service. Routes numbered 1 through 4 above are designed primarily to operate as a feeder line to and from the high-speed BART electric rail lines which terminate at Daly City and run underground through

San Francisco, then underneath the San Francisco Bay to points in Alameda and Contra Costa Counties. Route 5 will act as a connection for passengers wishing to transfer to or from applicant's other lines at Daly City for San Francisco State University and several other points in San Francisco. Route 6 will be a commuter run between Half Moon Bay and San Mateo. Route 7 is designed to provide commuter service between the East Bay, Foster City, and San Mateo, on the one hand, and, on the other hand, various airport maintenance shops in and around the San Francisco International Airport. Applicant intends to provide local service at intermediate points over all its routes. Applicant's president stated that applicant reserves the right to discontinue service over any particular route if in its opinion after 60 days of operation it finds that patronage does not warrant continuation of the route. Applicant estimates that nine buses will be required to initiate the operation.

A staff assistant of applicant testified that applicant made a survey and held several meetings with prospective passengers to determine the need for its proposed service and that in response to a polling of prospective passengers it received over 400 cards which showed interest in the proposed service. Additionally, his company, as an experiment, instituted service for a month over Route 2 and part of Route 3. He stated that, with the exception of Routes 6 and 7, the routes were designed to provide commuter bus service to persons living adjacent to Interstate Highway 280 between San Jose and the newly created BART system which has its most southerly and westerly station at Daly City. The witness also stated that his company operates the municipal bus service within the cities of Redwood City, San Carlos, and Menlo Park.

Applicant contends there is inadequate bus service in the territory it intends to serve; that parking facilities at the BART Daly City station are inadequate to meet the demand for those who wish to park their cars and use the BART system, thereby causing them to rely on the private automobile rather than public transportation; and that the proposed service will assist in the conservation of fuel energy and encourage the use of mass transit.

Three potential passengers appeared in support of a grant of authority to applicant. One witness testified that the nearest public transportation to his home was 5-1/2 miles distant and that he would catch applicant's bus on the same street where he lived. He stated that he used applicant's service during February in connection with BART at Daly City to get to his office in downtown San Francisco and that the passengers were congenial, the driver courteous and efficient, and the service very convenient to him. Another potential passenger testified that he worked in the San Francisco Civic Center and lived on the Peninsula; that Greyhound had poor scheduling and he had difficulty getting on Greyhound; that he had not used public transportation for years but would use applicant's service if the application is granted in connection with BART at Daly City; and that the BART Civic Center station was closer to the Civic Center than Greyhound's 7th Street terminal. Another witness testified that he lives on the Peninsula and works in Oakland; that he would use applicant's service in connection with BART at Daly City and transfer to an A-C bus at the Transbay Transit Terminal just one block from the BART Montgomery Street station for transportation to Oakland; that in order to take public transportation now to Oakland he would have to drive to a Greyhound stop on the Peninsula, transfer to a Muni car or bus at 7th and Market in San Francisco, and then transfer to an A-C bus at the Transbay Transit Terminal; and that when BART starts running under the Bay to Oakland, only one transfer will be necessary in using applicant's proposed service in connection with BART.

A representative of San Francisco State University, in charge of parking facilities at the University as well as student transportation problems, testified that the University has approximately 30,000 students and faculty; that there are only 3,000 parking spaces, and this number is to be reduced to 2,700 spaces because 300 spaces are being taken over for a new building site; that 19.5 percent of the students live on the Peninsula in either Santa Clara or San Mateo Counties; that transportation to and from the University for the students who live in those counties is a real problem; that there is constant friction among the local authorities, persons who reside close to the campus, students, and University officials because student parking clogs the streets close to the University; that the University supports the application because it believes that the proposed service will greatly assist in alleviating the parking problem and the friction it causes; and that one bus company, Northgate, has recently started a service from the BART Daly City station to the nearby University campus.

The director of traffic for protestant Greyhound Lines, Inc., West Division (Greyhound) testified that his company's terminal in San Francisco is located on 7th Street just off Market Street (which is around the corner from one of the entrances to BART's Civic Center station) and that his company operates a total of approximately 300 regular and supplemental schedules per day into and out of its San Francisco terminal serving the area between San Francisco and San Jose. He testified that his company's regular scheduled service includes 9 express and 14 local runs each way per day, Monday through Friday (16 local runs on Saturdays, Sundays, and holidays), between San Francisco and San Jose, plus supplemental service during the peak commute hours which go when loaded; 46 local schedules between

San Francisco and Redwood City serving among other points Brisbane, Burlingame, San Mateo, Hillsdale, Belmont, and San Carlos, plus supplemental schedules during peak commute hours; 51 schedules between San Francisco and San Mateo serving Daly City (3 blocks from BART), Colma, San Bruno, Millbrae, and Burlingame, plus extra schedules during the commute hours; 35 regular schedules between San Francisco and Redwood City and intermediate points; and 34 regular schedules between San Francisco and San Mateo and intermediate points on Saturdays, Sundays, and holidays. In addition, Greyhound operates 5 schedules per day between Half Moon Bay and San Francisco and intermediate points. Greyhound's operation between San Francisco and San Jose and intermediate points follows primarily Highway 101 to the east of Interstate Highway 280, the principal route to be used by applicant. Greyhound protests the application because it contends that it is presently operating within the territory proposed to be served by the applicant; that its service has not been shown to be unsatisfactory; and that it fears that, if applicant conducts the operation as proposed, it will dilute the presently available passenger traffic within the territory to Greyhound's detriment and economic loss and will cause Greyhound to reduce the number of its schedules to offset its loss in passengers. Greyhound contends that its service has not been shown to be unsatisfactory nor because of the almost lack of supporting public witnesses has the applicant proved that public convenience and necessity require the granting of the requested certificate. Additionally, Greyhound contends that its San Francisco-San Jose peninsula operations are unprofitable, having suffered a loss of \$1,095,596 for the year ending June 30, 1973, and that any further reduction of traffic will only increase its losses.

The Metropolitan Transportation Commission (MTC) opposes the application. MTC and the county of San Mateo are presently sponsoring a countywide local bus study and one of the recommendations of the study is to establish a county transit district, and a bill is presently before the state legislature which, if passed, would permit the voters of the county to vote on the transit district proposal in November 1974. MTC contends that if the transit district proposal is approved by the voters then MTC would be required to buy out applicant's operations. However, MTC would not be opposed to the granting of a certificate if the certificate had a condition in it providing for its cancellation at the request of MTC and at no cost to MTC in the event the proposed transit district is formed and operations are initiated by the district. The county of San Mateo and the city of San Mateo oppose the application for the same reasons. MTC also questions the legality of our granting the application under the present circumstances and quotes Sections 99220 and 99282 of the Public Utilities Code and Section 66517 of the Government Code in support of its position.

A representative of the Department of Public Works for the city of San Francisco testified that the city objects to the proposed use by applicant of St. Charles Avenue within the city as a bus route stating that that street is only 30 feet wide with 10-foot sidewalks and homes on either side, making it an unsatisfactory street over which to route buses. The witness also objected to applicant's proposed use of presently existing bus stops within the city before coordinating such use with his department. The representative of the San Francisco Municipal Railway objected to applicant's proposed use of bus stops within the city established by the former because of the possible congestion at such stops which may interfere with its operations.

The Passenger Operations Branch of the Commission's staff appeared through its representative who testified that in the staff's opinion the Commission may be precluded from granting a passenger stage certificate to applicant for operations over most of the proposed routes because of the operation of the last sentence of Section 1032 which reads as follows:

" . . . The commission may, after hearing, issue a certificate to operate in a territory already served by a certificate holder under this part only when the existing passenger stage corporation or corporations serving such territory will not provide such service to the satisfaction of the commission."

The witness stated that in the staff's opinion proposed Routes 1, 2, 3, and 4 would pose substantial competition to Greyhound's peninsula service. Although the proposed routes do not in most instances traverse the same highways or streets as do Greyhound's routes, they are close enough to and are designed to serve the same points and the same passenger market as those of Greyhound's. The witness pointed out that the service over proposed Routes 1 through 4 is principally aimed at catering to persons who use the Peninsula as a corridor to travel to and from work in San Francisco. For all intents and purposes delivering those persons at the Daly City BART station where they proceed into the city by BART is in effect serving the same San Francisco-Peninsula traffic market as Greyhound. Additionally, the principal points proposed to be served by applicant are presently being served by Greyhound. The witness stated that proposed Route 5 would be competitive to the recently certificated passenger stage operations of Northgate Transit Co., Inc. between the Daly City BART station and San Francisco State University. The witness conceded that proposed Route 6 is not competitive with any other passenger stage operation but that proposed Route 7 would be competitive with Greyhound's operations between San Mateo and Brisbane but not between the BART Hayward station and San Mateo.

Findings

1. Applicant requests a certificate to operate as a passenger stage corporation between San Jose and the Daly City BART station and points intermediate thereto using Interstate Highway 280 as the principal route of traversal; between South San Francisco and the Daly City BART station; between Half Moon Bay and San Mateo; and between Hayward and Brisbane.

2. Applicant proposes to operate only during the peak commute hours in the morning and late afternoon and not at all on Saturdays, Sundays, or holidays.

3. Applicant's peninsula routes are designed to be a feeder line to and from the high-speed electrical rail lines of BART which run from Daly City into San Francisco and will eventually run under the San Francisco Bay to points in Alameda and Contra Costa Counties.

4. Applicant's proposed route from the Hayward BART station to Brisbane is designed to serve the employees of the aircraft maintenance shops in and around the San Francisco International Airport.

5. The few public witnesses who appeared in support of the application came forward with no material criticism of Greyhound's service.

6. No public witnesses appeared in support of applicant's proposed Hayward-Brisbane route, San Jose-Daly City route, Half Moon Bay-San Mateo route, and South San Francisco-Daly City route.

7. Protestant Greyhound operates approximately 300 passenger stage schedules, Monday through Friday, between its 7th Street terminal in San Francisco and San Jose and points intermediate thereto and 85 schedules on Saturdays, Sundays, and holidays.

8. Greyhound's 7th Street terminal is around the corner from the BART Civic Center station.

9. Greyhound presently provides service along applicant's proposed Routes 1, 2, 3, 4, and 7 to the satisfaction of the Commission.

10. A public transit district is in the process of being formed for the purpose of satisfying the public transportation needs of citizens of San Mateo County with plans to interconnect with BART at Daly City.

11. Public convenience and necessity have not been shown to require the granting of a certificate to applicant to operate as a passenger stage corporation over any of the routes requested in the application.

Conclusion

The relief requested should be denied. Because of the result reached a Section 1032 finding is not needed.

O R D E R

IT IS ORDERED that the relief requested is denied.

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

Dated at San Francisco, California, this 2nd day of JULY, 1974.

Thomas L. Stevenson
President

William J. Brown

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.