

Decision No. 84786

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FRANCISCAN LINES, INC., a California  
corporation, for a fare increase on  
its certificated commute operations,  
to offset cost increases.

Application No. 55467  
(Filed January 30, 1975)

William E. Lee and James A. Drucker, for applicant.  
Karel Leeuwenberg, for Commuters' Rights; John C. Finan,  
for Commuters; and Robert Lee and Donald "H" Dreyer  
for themselves; protestants.  
Ora A. Phillips, for the Commission staff.

### O P I N I O N

Applicant Franciscan Lines, Inc. conducts operations as a passenger stage corporation and as a charter-party carrier. By this application authority is requested to increase fares applicable to the commuter passenger stage service between Livermore, Pleasanton, and Dublin, on the one hand, and Oakland and San Francisco, on the other hand. The current fares for the San Francisco and Oakland service are \$22.50 and \$19.00, respectively, for 20 rides. Fares of \$30.00 and \$25.35 are requested, an increase of 33.3 percent.

A duly noticed public hearing was held before Examiner Tanner on April 10, 1975 in San Francisco. The matter was submitted April 15, 1975 upon receipt of late-filed Exhibits 15 and 16.

The service for which the fare increase is sought was authorized by Decision No. 80980 dated January 23, 1973 in Application No. 53303. The authority was made subject to the condition that:

"This certificate may be canceled on motion of any party herein, after either the Alameda-Contra Costa County Transit District or the Bay Area Rapid Transit District extends bus or rail passenger service to Dublin, Pleasanton, and Livermore." (Third ordering paragraph, Decision No. 80980.)

According to applicant, the request for relief sought here was delayed as it was assumed that the Bay Area Rapid Transit District (BART) would request cancellation when it extended service. No action has been taken by BART to cancel applicant's service. According to the application, BART feeder buses commenced operation on December 2, 1974, but no apparent shift of traffic from applicant to BART has occurred; therefore, the decision to seek the fare increase was made.

Applicant's vice president presented evidence which depicted the nature of applicant's business. Exhibit 8 is an income statement for the year 1974 which indicates that while the total operation enjoyed a net profit of \$33,673, the commute service experienced a loss of \$56,348.

Exhibit 10 is a comparison of the commute rates of applicant with Greyhound Lines between San Jose and San Francisco (48 miles) and Golden Gate Transit between Santa Rosa and San Francisco (52 miles). The charges for 20 rides are \$22.50, \$30.43, and \$30.00, respectively, resulting in a per mile rate of 2.39 cents for applicant, 3.17 cents for Greyhound Lines, and 2.88 cents for Golden Gate Transit. The witness also called attention to applicant's current rate of \$30.00 between Danville and San Francisco a distance of 31 miles, resulting in a rate of 4.84 cents per mile.

The Commission's Transportation Division introduced in evidence an engineering economic report including allocated results of operations on present fares and proposed fares. The staff's evidence shows that the total net operating income would be increased by the requested fares from an estimated \$29,937 to \$43,880 after taxes, producing operating ratios of 96.6 and 95.1 percent, respectively. The study further indicates that the Livermore Route would be operated at a \$24,816 loss after taxes under present fares and an

\$11,553 loss after taxes under proposed fares. The staff studies did not differ in any significant degree from the data presented by applicant. The staff recommended that the application be granted.

Three patrons appeared and testified in opposition to the fare increase. All were of the opinion that the increase was excessive. They were primarily critical of the service and the condition of equipment used. They complained of poor heating, leaking windows, poor or inoperative reading lights, dirt and litter, and little or no attention to smoking rules. It was alleged that schedules have been canceled without notice, buses are often late, and drivers are not always aware of schedules or routes. One protestant suggested that consideration be given to holding increased fares in trust until applicants buses are in proper operating condition.

There were complaints expressed regarding the fare structure. It was contended that smaller fare zones would remove some of the burden on the patron traveling shorter distances. It was contended that the present fare structure does not properly reflect the true value of the service rendered.

Prior to the hearing a number of letters and cards were received from patrons protesting the fare adjustment. Some outlined many of the same problems described by the three protestant appearances. One letter outlining service problems was signed by 106 individuals who purport to be patrons of applicant's service.

Applicant's vice president, in rebuttal to the patron's complaints, explained that schedules had been changed after conducting passenger surveys. He stated that any change in schedule will cause certain individual problems and that none were made without notice. He pointed out that the equipment used in this service is subject to the regulations administered by the Highway Patrol. He testified that the equipment has been inspected on several occasions and only minor deficiencies have been noted.

The witness was aware that problems had occurred in the past. He did not believe that the operations were particularly unusual. He testified that the company had experienced but a single injury accident and that their service failure experience was one or two per month, which he believed to be better than many operators have experienced. He confessed that commute buses are sometimes dirty. He explained that the equipment is used for charter work and on occasions a charter unit will not have time to be cleaned before beginning a commute run.

According to the witness, three buses have been converted from 39-passenger to 45-passenger units. This has resulted in the reading lights being out of line with the new seat configurations. Regarding smoking, the witness explained that proper no smoking signs had been installed, but smoking rules are difficult to effectively enforce.

The showing of financial need made by applicant and supported by the staff removes any questions that the relief request is justified. The only remaining issue requiring disposition is the service question raised by the protesting patrons.

The condition in the original authority involved here was apparently regarded as a "Sword of Damocles" by the operator. The obvious "temporary" regard for the service delayed filing this application, and unquestionably had an effect on the total operations. The events of the past few months indicate that the tenure of this operation will not be as brief as anticipated.

There is, therefore, no valid reason for applicant not to devote the attention this operation deserves. Applicant will be expected to comply with General Order No. 98-A, which provides regulations governing the operations here in question. Such compliance should satisfy the complaints brought to the Commission's attention.

After consideration the Commission finds:

1. Applicant's present or proposed fares between Livermore, Pleasanton, and Dublin, on the one hand, and Oakland and San Francisco, on the other hand, will not produce sufficient revenue to meet expenses incurred in providing that service as a common carrier of passengers.
2. The staff estimates that \$23,115 in additional revenue would result from the proposed fare increase.
3. The proposed increase in fares has been shown to be justified.

The Commission concludes that the application should be granted.

#### O R D E R

IT IS ORDERED that:


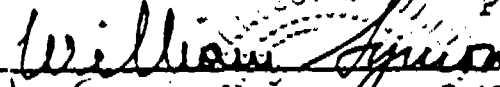
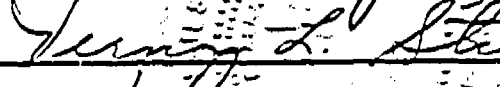
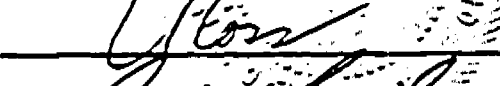
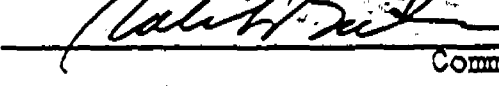
1. Franciscan Lines, Inc. is authorized to establish the increased fares proposed in Application No. 55467. Tariff publications authorized to be made as a result of this order may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within ninety days after the effective date of this order.
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses

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and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th  
day of AUGUST, 1975.

  
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President  
  
  
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Commissioners