

Decision No. 87453 June 7, 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GREYHOUND LINES, INC.,)
 for Authority to Modify and Reduce)
 Regular Route Operations Via "C",)
 "D", & "F" Routes Between San)
 Francisco and San Jose, California.)

Application No. 56881
 (Filed November 18, 1976)

W. L. McCracken, Attorney at Law, for Greyhound
 Lines, Inc., applicant.

Donald H. Maynor, Attorney at Law, for City of
 Palo Alto, and Emily Lyon, for City of Mountain
 View, protestants.

Alva Johnson, for Metropolitan Transportation
 Commission, and Judith Moss, for herself,
 interested parties.

Thomas Grant, Attorney at Law, and F. W. Foley,
 for the Commission staff.

O P I N I O N

Greyhound Lines, Inc. (Greyhound) requests authority to discontinue and modify its passenger stage operations between San Francisco and San Jose via Routes C, D, and F. It is proposed that scheduled operations between Palo Alto and San Jose via timetable Routes C and F be discontinued. The Santa Clara County Transit District (District) supports Greyhound's sought authority.

Public hearing was held before Examiner Gagnon at Palo Alto on March 30, 1977. At that time it was agreed the matter should be continued to May 13, 1977 for further hearing if prior to that date no agreement could be reached between the city of Palo Alto and the District for additional extended service if Greyhound's application was approved. On May 2, 1977 the Commission was advised that the extended local service requested by the city of Palo Alto was given

final approval by the Board of Supervisors for the county of Santa Clara. Therefore, no further hearing being required Application No. 56881 was submitted for decision.

Notice of hearing was published in papers of general circulation and posted in buses operating over the involved routes of service. Representatives for the cities of Palo Alto and Mountain View appeared in opposition to the proposed discontinuance.

By Decision No. 87256 dated April 26, 1977 in Applications Nos. 56099 and 57039, Greyhound was granted authority to discontinue its local transit and commute operations between San Francisco and Palo Alto concurrently with the inauguration of like services by the San Mateo County Transit District (SamTrans). Greyhound's sought authority in Application No. 56881 to discontinue the remaining segment of its San Francisco peninsula local transit and commute operations between Palo Alto and San Jose is directly related to and, in fact, a part of Greyhound's overall sought relief now partially granted by Decision No. 87256.

Prior to hearing of this matter Greyhound and the District reached a basic understanding for the orderly withdrawal from service by Greyhound and the implementation of an extended alternative service by the public transit District within Santa Clara County. The District commenced operations under public ownership in January 1973. During the first year of operation the District had about 78 buses and carried approximately 4-5 million passengers. At present the District has 230 buses and carried 11-12 million passengers during 1976. It has received a federal grant to purchase 100 additional motor coaches.

If Greyhound is authorized to discontinue its C and F routes, the District has received approval to institute a new Evelyn-Central Expressway route serving various communities, including Palo Alto and Mountain View, within the county of Santa Clara.

This proposed service would commence from the vicinity of El Camino Real and Fair Oaks Avenue to Evelyn Avenue, thence to Mountain View, over the Central Expressway to the Mayfield Mall on San Antonio Road. In order to resolve the city of Palo Alto's specific concern over the potential elimination of all service via Alma Street (now served by Greyhound), the District has obtained approval to extend the proposed Evelyn/Central Route from the Mayfield Mall terminus along Alma - Evelyn Avenue to the vicinity of El Camino Real and Page Mill Road at which point the District will make a direct connection with SamTrans (also the SP Depot at California Avenue). With the approval of the District's contemplated extension of its proposed Evelyn/Central Route along Alma Street, the community opposition to Greyhound's proposed discontinuance of service was largely resolved.

A series of exhibits were introduced by Greyhound to show the local transit and commute services that would remain available between points within Santa Clara County would be more than adequate should Greyhound's sought relief be granted. A representative for the District, testifying on behalf of Greyhound, thoroughly explained the rather extensive transit operations conducted by the District within Santa Clara County which, of course, is now in direct competition with Greyhound's local transit service. Greyhound also submitted various schedules of through intercity services operating between San Francisco and San Jose that would continue in operation under the sought authority. Reference was also made to the alternative rail commute service offered by Southern Pacific Transportation Company between San Francisco and San Jose.

The results of several traffic studies conducted by Greyhound within the Palo Alto - San Jose service area was also presented in evidence. The studies rather dramatically demonstrate that, with the introduction of public subsidized local transit service

by the District, Greyhound experienced a significant loss of patronage. The traffic surveys indicate that Greyhound is currently experiencing a load factor per bus substantially less than 50 percent over its several routes of operations within Santa Clara County. The diversion of Greyhound's traffic is due largely to the existing differential between the District's basic one-way fare of 25 cents and Greyhound's minimum one-way fare of 60 cents. Finally, an assistant to the vice president-accounting for Greyhound introduced two exhibits showing that Greyhound's Santa Clara commute operations for 1977 experienced out-of-pocket and fully allocated operating deficits amounting to \$415,566 and \$516,787, respectively.

Findings

1. By Decision No. 87256 dated April 26, 1977 in Applications Nos. 56099 and 57039, Greyhound was granted authority to discontinue its local transit and commute operations between San Francisco and Palo Alto concurrently with the inauguration of like service by SamTrans.
2. The District is empowered to provide local transit service throughout the Santa Clara County.
3. The District has commenced extensive local transit service within and between various communities within the county of Santa Clara and wishes to provide an integrated local and intercity service connecting directly with SamTrans.
4. The public financed transit services of the District are in direct competition with the like services performed by Greyhound.
5. The District's current one-way basic fare of 25 cents for its public subsidized local service is substantially less than Greyhound's minimum one-way fare of 60 cents.
6. With the inauguration of public subsidized service by the District Greyhound's operations within Santa Clara County have experienced a substantial diversion of traffic due to its inability to economically compete with the District.

7. Greyhound's Santa Clara commute operations experienced an out-of-pocket operating deficit of approximately \$416,000 for the year 1977.

8. The District is in basic agreement with Greyhound's request for authority to discontinue scheduled services between Palo Alto and San Jose.

9. With the proposed retention of existing and certain modified through intercity service by Greyhound, the local and contemplated commute service of SamTrans (Decision No. 87256) and the extended local transit operations of the District, the proposed discontinuance of Greyhound's local and commute operations between Palo Alto and San Jose will not be adverse to the public interest.

Conclusions

1. The authority requested in Application No. 56881 to discontinue and modify Greyhound's scheduled services as generally set forth in Exhibits 1 and 2 should be granted.

2. Greyhound should also be authorized to cancel its present scheduled service between San Jose and Palo Alto and intermediate points, on the one hand, and San Francisco, on the other hand, which had been ordered to be continued by Decision No. 87256 pending the Commission's order pursuant to Application No. 56881.

3. So that the services of SamTrans and the District contemplated by Decision No. 87256 and the authority herein may be implemented by July 2, 1977, the instant order should be made effective immediately.

O R D E R

IT IS ORDERED that:

1. Greyhound Lines, Inc. is hereby authorized to discontinue its scheduled services as a passenger stage corporation requested in Application No. 56881 and generally described in Exhibits 1 and 2,

including the present temporary scheduled service between San Jose and Palo Alto and intermediate points, on the one hand, and San Francisco, on the other hand, ordered by Decision No. 87256, on timetable Routes C and F, subject to all the limitations and restrictions set forth in the certificate granted by Decision No. 55893, as amended.

2. For a period of ten days prior to the discontinuance of service authorized by Ordering Paragraph 1 hereof, applicant shall post notice at its terminals and on its equipment and on two occasions within said time shall provide written notice to each passenger boarding the schedules to be discontinued by Greyhound Lines, Inc. and the schedules of the new service provided by San Mateo County Transit District.

3. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the authority granted.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service, and file tariffs and timetables, in triplicate, in the Commission's office.

- (c) The tariff and timetable filings shall 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, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the authorized service by Greyhound Lines, Inc. and San Mateo County Transit District.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79-Series and 98-Series.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th day of JUNE, 1977.

Robert Bateman
President
William Synovec Jr.
Terrence L. Stanger
Richard D. Howell

Commissioners