

**ORIGINAL**

Decision No. 91929 JUN 17 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GREYHOUND LINES, INC. )  
for authority to redescribe Routes )  
9.01, 9.02, 9.03, 9.04, 9.05, and )  
9.07 from Regular, Alternate, and )  
Seasonal Routes to Special Operations )  
only between Santa Rosa and Monte Rio.)

Application No. 59131  
(Filed September 11, 1979)

Lat J. Celmins, Attorney at Law,  
for applicant.  
Hal Wood, Department of Public Works,  
for County of Sonoma, interested  
party.  
Marc E. Gottlieb, P.E., for Commission  
staff.

O P I N I O N

By application filed September 11, 1979, Greyhound Lines, Inc. (Greyhound) requests authority to redescribe the following routes as Special Operations: Route 9.01 between Santa Rosa and Monte Rio, Routes 9.02, 9.03, 9.04, and 9.05 currently operated as alternate portions of Route 9.01, and Route 9.07 between Sebastopol and Cotati currently operated in summer season service only.

Greyhound requests that the proposed operating authority be consolidated with the remainder of its system and that such authority be incorporated in Appendix "A" to Decision No. 55893.

Duly noticed public hearing was held in Santa Rosa on February 20, 1980 before Administrative Law Judge Mary Carlos and the matter was submitted on that date. Testimony was given by the applicant, by the County of Sonoma (County), through supervising

engineer Hal Wood from the Department of Public Works, by Sonoma County Supervisors Eric Koenigshofer and Brian Kahn, by David Knight from the Sonoma County Paratransit Coordinating Council, and by Cecil Heden from the Amalgamated Transit Union in San Francisco representing the Greyhound employees out of this region and eight other bus companies.

Positions of the Parties

Greyhound asserts that ridership on its Santa Rosa-Monte Rio schedules has fallen to very low levels and that such statistics reflect a shameful waste of fuel and other transportation resources. Greyhound also asserts that there are other duplicative services in the Santa Rosa-Monte Rio area by the Golden Gate Bridge, Highway, and Transportation District (GG Bridge District) and by Sonoma County Area Transit (SCAT).

Greyhound currently makes one round trip a day between Santa Rosa and Monte Rio, leaving Monte Rio for Santa Rosa at 9 a.m. (except Sundays and holidays when the bus leaves at 6:30 a.m.) and from Santa Rosa to Monte Rio at 5:20 p.m.

In support of its application, Greyhound filed exhibits showing a map of its present route, a schedule of its service, a traffic study, a statement of avoidable cost, schedules of SCAT and GG Bridge District service, a proposed description of Route Group 9, and a letter from Greyhound to the Sonoma County Department of Public Works which discusses various proposals for subsidized service between Santa Rosa and Monte Rio.

County opposes Greyhound's application and supports retention of the current Greyhound service between Santa Rosa and Monte Rio. County submitted an exhibit in letter form requesting the continuation of Greyhound service until the County can award a contract for service to either replace or expand the Greyhound service. County requests that if the Commission grants Greyhound's request to redescribe the subject routes that it reject the request to describe the routes as Special Operations. This would allow County to contract with any public carrier for a route unencumbered with a Special Operations authority.

Supervisor Koenigshofer testified in opposition to the withdrawal of Greyhound service from the Russian River area noting that the area was clearly in need of more, not less, public transportation.

Supervisor Brian Kahn testified as a member of the North Coastal Counties Supervisors Association, presenting a letter resolution from that body opposing any reduction of rural transit service on the ground that such withdrawal could establish a precedent for serious service reductions in rural areas throughout Northern California.

David Knight testified as a member of the Paratransit Coordinating Council of Sonoma County. He stated that County had a number of concerns: (1) it does not want to see any reduction of public transportation anywhere in the County, (2) it only wants this service by Greyhound discontinued if there is a replacement for it, and (3) if Greyhound is permitted to discontinue regular service to the Russian River area, that it be completely removed from the corridor. With respect to the last concern, the Council fears that if Greyhound remains in the corridor for any purpose, even under Special Operations, this fact would allow Greyhound to protest any new service applications or otherwise delay receipt of federal funding by other rural transit operators.

Cecil Heden testified that from the standpoint of a businessman he sympathized with Greyhound's application to cease unprofitable service but that he opposed the application and would prefer to see Greyhound subsidized and continue to provide the service. Mr. Heden's concern, as a representative of the Greyhound employees in the area, is that if Greyhound's application is granted, even though drivers would not lose their jobs because of it, their runs would be adversely affected, and that adverse effect will require some consideration under a portion of the Urban Mass Transportation Act (UMTA) known

colloquially as 13-C (49 USCA 1609(c)). This section provides that any federal financial assistance under UMTA shall be conditioned on fair and equitable arrangements being made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance.

Discussion

Greyhound's Avoidable Cost Statement (Exhibit 6) shows a net avoidable loss of \$12,585 for the 12 months ended December 31, 1979. It also shows an average load (passengers traveling the full distance between Santa Rosa and Monte Rio) of 3.8 in 1979, down from a high of 8.9 in 1972. Based on a 43-passenger bus, this works out to a load factor percentage of 8.8 percent, or less than 9 percent of the bus occupied. A ten-year history of the service between Santa Rosa and Monte Rio shows that the bus has never been more than 21 percent occupied, and patronage has declined steadily except for the year 1977 when it improved slightly, only to plummet the following year.

Greyhound conducted a seven-day traffic study between Santa Rosa and Monte Rio for the period February 4 through February 10, 1980. (Exhibit 5.) A summary of that study showed a total of 68 passengers traveling from Santa Rosa to Monte Rio (9.7 average per day) and 35 passengers traveling from Monte Rio to Santa Rosa (5.0 average per day). The reason for the disparity between numbers of eastbound and westbound travelers is obvious when Exhibit 8, the SCAT schedule, is examined. SCAT provides service from Monte Rio leaving at 8:00 a.m. and at 10:45 a.m., effectively bleeding off passengers from Greyhound's 9:00 a.m. schedule. On the return trip from Santa Rosa, SCAT's last service leaves at 3:15 p.m. and Greyhound's leaves at 5:20 p.m. SCAT does not bracket Greyhound's westbound service and consequently more people ride Greyhound in the westbound direction.

Not only does SCAT bracket Greyhound service in the morning eastbound service, Exhibit 8 shows SCAT fares to be about one-half those of Greyhound. For example, Santa Rosa to Forestville on SCAT costs \$.90 (\$.40 for seniors and handicapped), but costs \$1.95 on Greyhound. Exhibit 10, presented by County, shows an average SCAT ridership from Monte Rio to Santa Rosa of 63 passengers per day in November, 1979, 51 per day in December, 1979, and 75 per day in January, 1980. The peak day had 82 passengers. Greyhound only carried 103 passengers in the entire week of February 4-10, 1980.

SCAT does not provide weekend bus service nor does it provide service on seven specified holidays. It has three eastbound runs, leaving Monte Rio at 8:00 a.m., 10:45 a.m., and 1:45 p.m. for Santa Rosa. It has three westbound schedules, leaving Santa Rosa at 9:15 a.m., 12:00 noon, and 3:15 p.m. for Monte Rio.

Similarly, GG Bridge District provides service on Schedule 78 between Sebastopol and Cotati (which Greyhound operates as Route 9.07 in summer season only). There are five a.m. schedules offered by GG Bridge District, leaving Sebastopol for Cotati at 5:15, 5:45, 6:00, 6:15, and 6:38 a.m. There are five p.m. schedules leaving Cotati for Sebastopol at 5:36, 6:02, 6:23, 6:40, and 7:19 p.m. This service too is provided only on a Monday through Friday basis, holidays excepted.

SCAT service is a subsidized service provided through contract between County and the City of Petaluma entered into on July 24, 1979 and continuing until July 1, 1980. The operator of the service is the Union City Bus Company which actually operates the buses. Funds are allocated for the provision of this service by the Metropolitan Transportation Commission (MTC) and are derived from sales tax revenues.

Greyhound was not a party to the contract signed by County and the City of Petaluma, nor was it offered the formal opportunity to participate as a bidder or otherwise participate in the contract. Greyhound did submit a letter to County dated December 5, 1979 which contains four proposals for various levels of service between Santa Rosa and Monte Rio on a subsidized basis through Caltrans. Neither Supervisor Koenigshofer nor Supervisor Kahn had seen this proposal and both were totally unfamiliar with it. County testified that as of the date of hearing, the proposal had not even been forwarded to Caltrans or MTC for their consideration. This notwithstanding, County wants Greyhound to continue service between Santa Rosa and Monte Rio until County can award a contract to provide this service on an expanded basis after July 1, 1980. County states that it is currently preparing documents to solicit formal proposals from qualified operators and that Greyhound will receive a proposal when approved by the Sonoma County Board of Supervisors.

Given the background of County's action in entering into a contract to provide subsidized transportation service over a route which Greyhound currently runs without offering Greyhound an opportunity to bid on that contract and further inactivity in submitting Greyhound's proposal for subsidized operations to Caltrans for consideration, it appears likely that Greyhound's service between Santa Rosa and Monte Rio will continue to go unsubsidized. This is reinforced by the testimony of County's witness Wood when asked:

"Q. Now, Mr. Wood, Greyhound's understanding is that with respect to the Santa Rosa-Monte Rio service that Caltrans has no interest in funding that Greyhound service.

"Do you have any information to the contrary?"

"A. I do not have anything in writing indicating they're eager and willing to submit--to provide funds for this.

"And you would be talking about discretionary Caltrans SB 620 and Section 18 (UMTA), I assume?"

We can find no justification for requiring Greyhound to continue to provide a service which is losing money, particularly when there is a competing service subsidized by County which can be expected to drain off any ridership which might contribute sufficient revenues to make Greyhound's service profitable. Although this service does not duplicate Greyhound's service exactly in that there is no weekend service provided and no service in the westbound direction after the 3:15 p.m. schedule, it appears that there is sufficient service in the three existing schedules in both east and westbound directions to satisfy the public need for transportation over this route. We note that no members of the public appeared to testify in support of continued service by Greyhound, and we conclude that there is no demonstrated need for weekend service. We will authorize Greyhound to discontinue regular scheduled service over the routes that are the subject of this application.

We come now to the matter of Greyhound's request to designate the routes in question as Special Operations. Greyhound conducts all special operations under tariffs and the rules and regulations provided with respect thereto filed with the Commission. Special operations are conducted in nonscheduled service to accommodate groups of 32 people or more moving over authorized routes of Greyhound between common points of origin and destination in cases where payment for the transportation is on an individual fare basis.

Greyhound wishes to retain a Special Operations designation over this route since it runs through a recreational area and since it connects with a route from Monte Rio north on Highway 101. This route continues north to Fort Bragg where Greyhound runs a scheduled service which it states is highly patronized.

County requests that if the Commission grants Greyhound's request to discontinue regular service, that the Commission reject Greyhound's request to redesignate the route in Special Operations. This will allow County to contract with any public carrier who would apply for a certificate of public convenience and necessity on a route unencumbered with the special operations designation. County apparently fears that retention of such authority would allow Greyhound to protest, and therefore delay, (1) certification of another carrier, or (2) applications for federal funding under UMTA.

We think the first concern is groundless. Greyhound itself testified that if it were to retain special operations rights over this route there would be no basis for it to protest an application by another private operator for authority to operate over this route either with or without subsidy. We concur.

The second concern is, we think, speculative at this point. The party voicing the concern, County, did not detail any specifics as to how, when, or under what circumstances such a protest might occur; nor did it offer any testimony or examples of what federal reaction might be should such a protest be made. Under the circumstances we believe that it is speculative to conclude that retention of special operations authority by Greyhound will necessarily be adverse to the interest of any party seeking federal subsidy for operations over this route. Accordingly, we will authorize Greyhound to redescribe these routes as Special Operations.

#### Findings of Fact

1. Greyhound is a passenger stage corporation under the jurisdiction of the Commission providing transportation of passengers, baggage, and express over regular route numbered 9.01, alternate routes numbered 9.02, 9.03, 9.04, and 9.05, and over Summer Season Route numbered 9.07. Greyhound's current operating authority is set forth in Appendix "A" of Decision No. 55893, dated December 3, 1957 in Application No. 39394 which was transferred to Greyhound by Decision No. 55634 dated December 27, 1963 in Application No. 45946.



2. Greyhound currently has one schedule per day in the eastbound direction over the routes that are the subject of this application and one schedule per day in the westbound direction.

3. Greyhound carries an average of 15 passengers a day based on a test week, February 4-10, 1980, in the westbound direction.

4. Greyhound's avoidable cost statement for the 12 months ended December 31, 1979 shows a net avoidable loss of \$12,585 for operations over these routes.

5. SCAT currently has three schedules per day in the eastbound direction and three schedules per day in the westbound direction over the routes from Santa Rosa to Monte Rio.

6. SCAT service is provided by contract between County and the City of Petaluma and is subsidized through sales tax revenues.

7. SCAT has a fare schedule that is approximately one-half that charged by Greyhound and has further reduced fares for senior citizens and handicapped persons.

8. SCAT carried an average of 76 passengers per day based on January, 1980 data.

9. GG Bridge District has five morning and five afternoon schedules over the Sebastopol and Cotati portion of the routes that are the subject of this application.

10. Redesignation of these routes as Special Operations only will permit Greyhound to connect with routes it already possesses from Monte Rio north to Fort Bragg to serve tour groups being charged individual fares.

#### Conclusions of Law

1. Public convenience and necessity are being adequately met by alternative service provided by SCAT and by GG Bridge District and no longer require a continuation of Greyhound's service.

2. Greyhound should be authorized to discontinue regular service over Routes Nos. 9.01, 9.02, 9.03, 9.04, 9.05, and 9.07.

3. Greyhound should be authorized to redesignate Routes Nos. 9.01, 9.02, 9.03, 9.04, 9.05, and 9.07 as Special Operations only as set forth in Appendix A attached hereto.

O R D E R

IT IS ORDERED that:

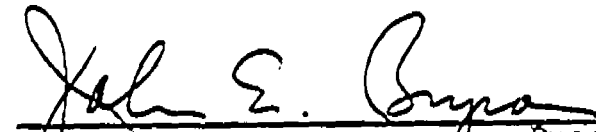
1. On the effective date of this decision and on not less than ten days' notice to the Commission and to the public, Greyhound Lines, Inc., is authorized to discontinue its regular passenger stage service over Routes Nos. 9.01, 9.02, 9.03, 9.04, 9.05, and 9.07.

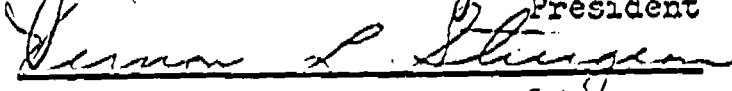
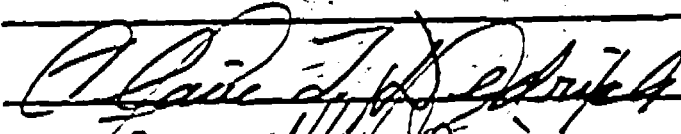
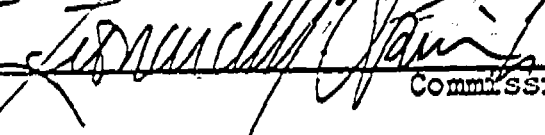
2. All tariffs and timetables presently on file with this Commission relating to the above described routes are cancelled.

3. Greyhound Lines, Inc., is authorized to redescribe these routes in Special Operations only as set forth in Appendix A attached hereto.

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

Dated JUN 17 1980, at San Francisco, California.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
  
  
\_\_\_\_\_  
Commissioners

Commissioner Richard D. Gravello, being necessarily absent, did not participate in the disposition of this proceeding.

ROUTE GROUP 9

\*9.01 - Between Santa Rosa and Monte Rio:

From Santa Rosa, over California Highway 12 to junction California Highway 116 (Sebastopol), thence over California Highway 116 to junction unnumbered highway east of Graton (East Graton Junction), thence over unnumbered highway via Graton to junction California Highway 116 (North Graton Junction), thence over California Highway 116 to junction unnumbered highway (Forestville), thence over unnumbered highway via Mirable Park, Korbel Ranch and Rio Nido to junction California Highway 116 (Guerneville), thence over California Highway 116 to junction unnumbered highway south of Guerneville (Monte Rio Junction), thence over unnumbered highway to Monte Rio.

Service is authorized to be conducted in Special Operations only.

\*9.02 - Between East Graton Junction and North Graton Junction:

From East Graton Junction, over California Highway 116 to North Graton Junction.

Service is authorized to be conducted in Special Operations only.

\*9.03 - Between Santa Rosa and North Graton Junction:

From Santa Rosa, over College Avenue and unnumbered highway via Souza's Corner to North Graton Junction.

Service is authorized to be conducted in Special Operations only.

\*9.04 - Between Forestville and Guerneville:

From Forestville over California Highway 116 to Guerneville,

Service is authorized to be conducted in Special Operations only.

\*9.05 - Between Korbel Ranch and Santa Nella:

From Korbel Ranch, over unnumbered highway to Santa Nella.

Service is authorized to be conducted in Special Operations only.

Issued by California Public Utilities Commission.

\*Revised by Decision No. ~~91929~~, Application No. 59131.

## 9.06 - Between Santa Rosa and San Francisco:

From Santa Rosa, over Business U. S. Highway 101 to junction U. S. Highway 101 (South Santa Rosa Junction), thence over U. S. Highway 101 to junction California Highway 116 (North Cotati Junction), thence over unnumbered highway via Cotati and Petaluma to junction U. S. Highway 101 south of Petaluma (Petaluma Junction), thence over U. S. Highway 101 to San Francisco.

Passengers travelling between San Francisco and Santa Rosa only, will be transported on schedules destined to or originating at points beyond Santa Rosa or beyond San Francisco. No passengers will be transported having point of origin or destination at points intermediate thereto unless originating or destined beyond San Francisco or Santa Rosa.

Exception: Passengers will be transported locally to, from or between intermediate points on such schedules between San Francisco and Santa Rosa after the last departure and before the first departure of the Golden Gate Bridge, Highway and Transportation District schedules.

These restrictions will not apply to operations conducted over Route 9.06 in special-operations service in connection with special events.

## \*9.07 - Between Sebastopol and Cotati:

From Sebastopol, over California Highway 116 to junction U. S. Highway 101 (North Cotati Junction), thence over unnumbered highway to Cotati.

Service is authorized to be conducted in Special Operations only.

## 9.08 - Between North Cotati Junction and Petaluma Junction:

From junction U. S. Highway 101 and California Highway 116 (North Cotati Junction), over U. S. Highway 101 to junction unnumbered highway south of Petaluma (Petaluma Junction), to be operated as an alternate route.

## 9.09 - Between Richmond and San Rafael:

From Richmond, over Richmond-San Rafael Bridge to San Quentin, thence over direct unnumbered highway to San Rafael.

Service is authorized to be conducted in Special Operations only.

Issued by California Public Utilities Commission.

\*Revised by Decision No. 91929, Application No. 59131.