

# ORIGINAL

Decision No. 46573

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Peerless Stages, Inc., a corporation, )  
for an order authorizing increases in )  
rates and charges and changes in rules ) Application No. 32656  
applicable to express shipments by )  
Peerless Stages, Inc., a corporation. )

and

Related Applications of Pacific )  
Greyhound Lines and connecting bus )  
lines, Orange Belt Stages, Gibson )  
Lines, and American Bus Lines, Inc., ) Applications Nos. 32658,  
for authority to increase rates and ) 32677, 32684 and 32715  
change rules on express shipments. )

### Appearances

Douglas Brookman, Allan P. Matthew, Gerald K.  
Trautman, Reginald L. Vaughan, John F.  
Balaam and John D. Maata, for applicants.  
Edgar G. McLellan, for California State  
Florists Association, protestants.  
Thomas R. Dwyer, for Motor Truck Association  
of Southern California and Truck Owners  
Association of California, interested  
parties.

### O P I N I O N

Applicants are passenger stage corporations engaged in the transportation of passengers and their baggage. Incidental to these operations, they also transport shipments of property, commonly referred to as express shipments, weighing not more than 100 pounds.<sup>1</sup> These movements are handled on the regular passenger schedules. By these applications, as amended, applicants seek authority to increase all of their intrastate express rates and charges except those

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<sup>1</sup> Applicants' tariffs provide that no single shipment of express weighing in excess of 100 pounds will be accepted for transportation.

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applicable to newspapers. The applications were consolidated for convenience of hearing and decision.

Public hearings of the applications were held at San Francisco on October 31 and November 1 and 2, 1951, before Commissioner Potter and Examiner Jacopi. Evidence in support of the proposed rate adjustments was presented by applicants and by the Motor Truck Association of Southern California and the Truck Owners Association of California. The California State Florists Association introduced evidence in opposition to the amount of the rate increase proposed on cut flowers. In addition, studies of the financial results of applicants' intrastate operations were presented by a transportation engineer of the Commission's staff.

Peerless Stages, Inc., maintains a scale of express rates applicable on merchandise. The other applicants have two scales of rates. One of them applies on merchandise and the other one names monthly rates. The merchandise scales name charges per shipment that vary with the weight of the shipment and the distance it is transported. The other scale provides monthly rates for the movement of not more than one shipment per day weighing one pound or less and having a value of not more than \$1.00 shipped from one shipper to one consignee. The monthly rates vary with the distance involved in the movement. They apply only upon prior arrangement with the carrier. The mileage blocks and weight brackets in the merchandise scales and the mileage blocks in the monthly scales of the several applicants differ materially. Under the proposals herein, all applicants would establish uniform increased express rates based upon the mileage blocks and weight brackets used in the present rate scales of Pacific

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The present express rates on newspapers are being separately studied by applicants in conjunction with the publishers. The action to be taken by applicants depends upon the results of the studies.

Greyhound Lines.<sup>3</sup> Because of the foregoing differences, a direct comparison of the present and proposed distance rate scales is not possible. However, a comparison of the present and proposed rates on merchandise for representative distances and weights are set forth in Appendix "A" hereof.

The rate comparison discloses that the proposed increases in the merchandise rates range from 25 cents to 40 cents per shipment for Pacific Greyhound Lines and Orange Belt Stages and from 25 cents to 50 cents per shipment for Peerless Stages, Inc. The comparison also shows that American Bus Lines, Inc., and Gibson Lines propose no change in their present rates for shipments weighing 10 pounds or less transported not more than 50 miles. Their present rates for these shipments are already on the levels sought by the other applicants. On other movements, the proposed increases per shipment range from 5 cents on shipments weighing 10 pounds or less handled for a distance of 75 miles to \$1.50<sup>4</sup> on shipments weighing 100 pounds involving a haul of 250 miles. On movements of cut flowers, all of the applicants propose to charge on the basis of double the rates on merchandise.

The present monthly rates of Orange Belt range from \$3.00 for 45 miles or less to \$8.00 for 151-200 miles. The proposed rates range from \$16.90 to \$20.25 per month. Greyhound's present monthly rates ranging from \$6.00 for 50 miles or less to \$12.75 for 451-500 miles would be superseded by rates ranging from \$16.90 to \$27.00 per month. The present monthly rates of American and Gibson commence

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<sup>3</sup> The mileage blocks in Greyhound's merchandise and monthly rate scales uniformly progress in blocks of 50 miles. The weight brackets in the merchandise scale are stated in 10-pound brackets to and including 20 pounds and thereafter in 20-pound brackets to and including 100 pounds.

<sup>4</sup> Except for shipments weighing 10 pounds or less, the present rates of American and Gibson are materially lower than those of the other applicants.

with \$9.00 for 45 miles or less and progress to \$24.00 for 206-245<sup>5</sup> miles. The proposed rates range from \$16.90 to \$21.40 per month.

Applicants' officials testified that the express rates were last adjusted in the years 1947 and 1948<sup>6</sup>. They asserted that operating expenses, particularly wages and the cost of fuel and tires, had increased substantially since that time and that costs had continued to advance after applicants' passenger fares were adjusted in the fore part of 1951. They further asserted that the express rates are inadequate under present conditions and that the proposed rates are designed to have the express traffic bear a fair share of the higher costs of operation.

Exhibits showing estimates of the over-all results of operations for the year 1951 under the present and proposed express rates were introduced by Gibson, Orange Belt and Peerless. Similar calculations covering each applicant were submitted by a transportation engineer of the Commission's staff. Greyhound's exhibits dealt with the results of operation of only its intrastate express traffic under the present and proposed rates based on book figures for the 12 months ended August 31, 1951. American submitted calculations of the amount of additional revenue anticipated from the proposed rates but did not introduce calculations of the results of operation. The company's assistant auditor explained that both interstate and intrastate transportation services were performed with the same busses and that separate records are not maintained. The several witnesses pointed out that the calculations of operating expenses submitted did not include the additional costs resulting from the Federal tax of 2 cents per gallon on diesel fuel nor the additional tax of one-half cent per gallon on gasoline established under the Revenue Act of 1951

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<sup>5</sup> The proposed rates result in reductions on a few of the longer hauls. This is due to the realignment of the mileage blocks in order to achieve uniformity with the other applicants.

<sup>6</sup> Applicants' tariffs show that the express rates of American and Gibson were last increased effective June 2, 1947, Greyhound on October 1, 1948, Orange Belt on October 7, 1948, and Peerless on November 1, 1948.

effective November 1, 1951. The estimated results of operation summarized from exhibits of record as adjusted to reflect increased income tax rates also established under the aforesaid Act, are shown in the tabulation set forth below:

Estimated Operating Results for Each Applicant's Entire  
Intrastate Operations for the Year 1951, Except As  
Indicated, Based on Present and Proposed Express Rates

Applicants	Revenues	Operating Expenses	Operating Net(2)		(3) Operating Ratio (Percent)	Rate of Return
			Before Taxes	After Taxes		
<u>Present Rates (1)</u>						
Gibson Lines	\$664,592	\$663,084	\$1,508	\$1,008	99.8	(4)
Orange Belt Stages	167,200	164,500	2,700 (6)	1,850	98.9	(4)
Peerless Stages	576,562	*568,494	8,068	6,018	98.9	(4)
Pacific Greyhound Lines(5)	758,600	962,600	(204,000)	—	126.9	—
<u>Proposed Rates</u>						
Gibson Lines:						
Applicant	\$669,556	\$663,742	\$5,814	\$3,864	99.4	(4)
Engineer	665,000	646,900	18,100	12,200	98.2	(9)4.4%
Orange Belt Stages:						
Applicant	170,800	166,500	4,300 (6)	2,850	98.3	(4)
Engineer	169,470	165,450	4,020 (6)	2,670	98.4	(9)4.4%
Peerless Stages:						
Applicant	581,596	*571,057	10,539	7,039	98.8	(4)
Engineer	603,148	572,898	30,250	19,400	96.8	(9)5.1%
Pacific Greyhound Lines:(5)						
Applicant (7)	999,400	949,600	49,800	23,500	97.6	(4)
Applicant (8)	940,600	921,100	19,500	9,200	99.0	(4)
Engineer	20,099,600	18,869,400	1,230,200	572,350	97.2	(9)5.55%
American Bus Lines:						
Engineer	156,245	197,286	(41,041)	—	126.3	—

( ) - Indicates loss.

- (1) Estimates under present express rates were submitted by applicants.
- (2) Income taxes calculated by Commission's staff in accordance with increased rates provided for years 1951 and 1952 by Revenue Act of 1951 (Public Law 183, 82d Congress, 1st Session).
- (3) Operating ratio after provision for income taxes except where loss is shown.
- (4) Rate of return and rate base not submitted by applicants. See (9) below.
- (5) Estimate covers intrastate express operations only based upon 12 months ended August 31, 1951.
- (6) Copartnership. Income tax data not available. For purposes of this table, income tax was calculated by Commission's staff on corporation basis.
- (7) Based on loss of traffic from increased rates equal to 15 percent of percentage increase in rates and related 7.5 percent reduction in expenses.
- (8) Based on loss of traffic from increased rates equal to 20 percent of percentage increase in rates and related 10.0 percent reduction in expenses.
- (9) Intrastate rate base developed by commission engineer as follows: \$280,046 for Gibson Lines, \$60,530 for Orange Belt Stages, \$379,020 for Peerless Stages, Inc., \$10,316,100 for Pacific Greyhound Lines and \$78,170 for American Bus Lines, Inc.

\* Adjusted by eliminating interest charges.

There are fundamental differences in the foregoing estimated operating results. The witnesses for applicants and the staff witness did not employ identical periods of past operations as the bases for the calculations. In addition, the annual over-all revenue figures submitted by Orange Belt and Gibson were developed from book records for the first 7 and 9 months of 1951, respectively, and no adjustment was made to include the beneficial effect of increases in passenger fares established June 18, 1951, under authority of Decision No. 45785 as shown in the margin.<sup>7</sup> The estimates of the staff witness were adjusted to reflect the increased passenger revenues. Differences of opinion on the part of the witnesses relative to the amount of traffic that would be lost as a result of the proposed express rates also produced variations in the figures submitted.

The staff witness pointed out that his calculations of the operating results for Greyhound were based upon those for the year 1951 as shown in Decision No. 45785, supra, revised to include the cost of wage increases and associated expenses not provided for in the figures in question. He said that the decision showed that a total of \$335,300 per year was included in the operating expenses at that time to cover Greyhound's offer of increased wages made during negotiations with its employees and the associated pension costs. According to the witness, the final settlement subsequently made during a strike of the employees involved a total of \$593,600 per year for the intrastate operations. He stated that he had made provision in the operating expenses submitted herein for the additional wages, pension costs and other expenses amounting to a total of

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<sup>7</sup> Decision No. 45785 of May 29, 1951, in Applications Nos. 30868, 30869, 30870, 31425, 31540, 31562, 31597, 31674, 31753 and 31869, authorized Burlington Transportation Co. (now American Bus Lines, Inc.), Pacific Greyhound Lines, Orange Belt Stages, Continental Pacific Lines, Gibson Lines, Interstate Transit Lines and Santa Fe Transportation Company to increase all of their intrastate one-way and round-trip fares and a number of other fares.

\$268,400 per year. He also adjusted the revenues to include the effect of the advances in express rates sought herein. The witness further stated that his calculations of the over-all operating results for American and Orange Belt likewise were based upon the figures shown in the said decision for these companies adjusted to provide for the increased express revenues and associated expenses.

In further support of the proposed rates, applicants introduced exhibits showing that their present express rates are substantially lower than those for railway express service and, except for the smaller shipments, generally lower than those of parcel post and also the minimum per shipment charges observed by highway common, radial highway common and highway contract carriers and the rail lines on intrastate shipments weighing 100 pounds or less. Assertedly, the lower rates coupled with frequent bus schedules have been attracting an increasing amount of express traffic to applicants' services. It was explained that the traffic had increased despite the fact that applicants provide only depot-to-depot service whereas the rates of the competing carriers include store-door pickup or delivery, or both.

According to the testimony of applicants' traffic officials, the amount of terminal work and loading or unloading enroute involved in the movement of the increased express traffic has resulted in the slowing down of bus schedules. Assertedly, applicants' facilities were not constructed with the view of handling a large amount of express. It was explained that the shipments are moved on the regular passenger schedules, that the busses are designed primarily for the movement of passengers and their baggage, and that the amount of space in the baggage compartments that can be devoted to express is extremely limited. Considerable testimony relative to the increase in express traffic, the large amount of time consumed in handling express and the crowding of the limited station facilities devoted to

the traffic was introduced through a number of station agents, operating officials and traffic representatives. In this connection, applicants' traffic officials testified that a substantial number of bus stations were operated on a commission basis involving payment of 5 percent of the express charge to the origin agent and a like amount to the destination agent. It was asserted that the work involved on the express traffic is causing difficulty in retaining such agents and that all applicants had arranged to advance the rate of compensation to 10 percent of the express charge.

Applicants also contended that the value of their express services to the shippers was greater than that of competing services. The evidence shows that applicants generally provide frequent schedules throughout the day. In many instances, shipments turned over to applicants during the morning hours are delivered at points of destination on the same day. Other traffic is generally available for delivery early the next morning. The evidence also shows that in the main applicants' competitors offer only overnight service.

Evidence was also introduced by applicants in support of individual rate proposals involving increases that are substantially higher than those sought on the other express traffic and in support of proposed changes in tariff rules and regulations.

On movements for which monthly rates are provided, the proposed rates would be equal to 75 percent of the regular rates. On this basis, the increases in Greyhound's rates range from 182 percent on the short hauls to 112 percent on the long hauls. Comparable increases are sought by Orange Belt and Peerless. American and Gibson

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Applicants assert that in handling the express traffic they are complying with the Commission's General Order No. 98 which, among other things, provides that the quantity of express transported on busses may not be such as to cause discomfort or unreasonable annoyance to passengers or to deprive a passenger of a seat.

seek authority to discontinue their rates because there has been no movement thereunder for the past three years. The monthly rates were said to be used largely by photo processing concerns and for shipments of drugs. Applicants contended that there was little justification for reduced rates for daily shipments. It was stated, however, that such rates had been in effect for many years and that rather than to discontinue the rates it was proposed to maintain them on the level of 75 percent of the increased regular rates.

Cut flowers are now accorded the regular merchandise rates. Under the proposals herein, the flowers would be charged for on the basis of double the merchandise rates. Considerable testimony was introduced by operating officials and a number of station agents relative to the handling of cut flowers. The evidence shows that the flowers are packed in large boxes which approximate the maximum size of container that can be handled in baggage compartments. The weight of the packages is small in relation to bulk. It was urged that a single box of flowers often occupied as much space as two or more packages of other commodities having a greater total weight. According to the evidence, expedited service, careful loading and particular attention to the movements are required because of the perishable nature of the flowers. The testimony of the station agents shows that they frequently are called upon to communicate with consignees and arrange for immediate delivery of shipments ordered late in the day that arrive after business hours. Assertedly, the regular express rates contemplate reasonable space occupancy in relation to weight and a reasonable amount of effort at destination to effect prompt delivery to the consignees.

The vice-president of California State Florists Association testified in opposition to the amount of the rate increase sought on cut flowers.. He said that he considered the present rates inadequate

for the services performed under present conditions. He asserted, however, that the proposed rates were too high and, if authorized, would cause a reduction in flower shipments of about 35 percent. He stated that the selling price of flowers has dropped below previous levels despite steady increases in the cost of production. The witness pointed out that the flowers shipped by applicants' services were not emergency movements but rather daily shipments made in the ordinary course of business. He said that on the whole applicants provided good service and that its maintenance was essential to the florists.

On refused or unclaimed shipments, other than C.O.D. shipments, which are returned to the consignor on request, applicants propose to amend their tariff rules by requiring the consignor to deposit with the agent an amount equal to the accrued charges before such shipments would be transported back to point of origin. It was asserted that in many instances consignors refused to pay the charges due and to accept delivery of shipments they had ordered returned. Assertedly, the salvage values of the shipments have been insufficient to cover the accrued charges.

On C.C.D. shipments, applicants' tariffs name charges for the service of collecting and remitting the amount of the invoice to the consignor. When such a shipment is refused or unclaimed by the consignee and is returned to the consignor without the services of collecting and remitting being performed, the tariff charges for such services are not applicable. Applicants' traffic officials and a number of station agents outlined the difficulties and delays generally encountered in prevailing upon consignees to take delivery of C.O.D. shipments. An undue amount of time and a number of phone calls are usually involved. In other respects, it was asserted, the work, including clearance of the C.O.D. amount from the books, is

similar to, and the total expense incurred is as great as if not greater than, that for C.O.D. shipments which are delivered to the consignees. To compensate for the expenses, applicants propose to assess on the refused or unclaimed shipments the same additional C.O.D. charges that apply when delivery of such shipments to consignees is accomplished.

It is also proposed to publish a tariff rule providing for a charge of 10 cents per shipment when the express charges are to be collected at the point of destination. In support of the proposal, it was asserted that collect shipments involved additional expense of accounting and agency work which is not incurred when the charges are prepaid at the point of origin.

A storage charge of 10 cents per day, subject to a maximum charge of \$1 per month is now charged by applicants when the consignee does not take delivery of shipments until after the expiration of a period of 24 hours commencing with the first 7:00 a.m. after the day on which notice of arrival is sent or given by the carrier. It is proposed to increase the storage rate to 20 cents per day, subject to a maximum charge of \$2 per month. According to the record, the storage charges have not been adjusted for a number of years and do not reflect the increased cost of labor and maintenance of facilities. It is alleged that in many instances consignees do not take delivery of their shipments for substantial periods of time. Witnesses for applicants stated that this practice results in congestion of their limited storage facilities.

Authority is also sought to provide in applicants' tariffs that, except as otherwise provided, a shipment will consist of not more than a single package forwarded by one shipper to one consignee. However, no evidence of probative value was introduced in support of the proposal.

The granting of the sought increases in applicants' express rates was supported by a representative of the Motor Truck Association of Southern California and the Truck Owners Association of California. He asserted that highway carriers were in keen competition with applicants for shipments weighing 100 pounds or less. Past increases in the truck rates to reflect advances in the cost of operation, he said, had widened the previously existing differentials over the bus rates to a point where the trucks were operating under a serious competitive disadvantage. The witness said that the truckers were encountering complaints by shippers because their charges were substantially higher than those of the applicants. He urged the Commission to authorize the sought express rates.

#### Conclusions

Rate increases are not justified merely because the volume of express traffic has increased substantially as a result of the maintenance of rates lower than those of other carriers. Under their operative rights, it is applicants' duty to the public to transport shipments of express weighing not more than 100 pounds as well as passengers and their baggage. The record in the instant proceedings indicates that a considerable proportion of applicants' express traffic consists of packages or pieces of substantial size or weight in relation to the available loading space in the busses. If the increased traffic volume is becoming as burdensome to the principal common carrier undertaking of passenger transportation as applicants have indicated, they should seek to have their operative rights amended by imposing appropriate limitations on the weight or size of express shipments that will be accepted for movement. No such proposals have been made here. It should be observed in passing that it may well be that the proposed rates would not cause the reduction in traffic volume apparently considered desirable. Applicants' rates would still be generally lower and the frequency of service materially greater than offered by other services.

In regard to the estimated results of operation submitted by Greyhound for its intrastate express traffic, the system transportation costs, exclusive of station and traffic expenses, were assigned to the intrastate service under a revenue prorate based upon the proportion that the express revenue bore to the total operating revenue. The company's auditor stated that he was unable to develop any other basis for the calculations. For the purpose of this proceeding, we do not consider this method of allocation a proper one.

However, other evidence of record as a whole is persuasive that applicants' express rates should be adjusted. The cost of operation has steadily increased and related advances in passenger fares were made in the year 1949 and in the fore part of 1951. The express rates, however, have not been changed during that time and prior thereto. They do not, therefore, reflect a share of the increased cost of operation. With respect to Greyhound, the record shows that \$268,400 per year of the final wage settlement that was made after the close of the hearings in the last passenger fare proceedings, supra, necessarily was not included in the operating expenses considered by the Commission at that time. The additional annual express revenue that would be produced for Greyhound by the rates sought herein amounts to about \$257,400 per year. Upon deduction of the increased payments to be made on express shipments to agencies operated on a commission basis, the additional revenue is reduced to a total of \$203,000 per year. Both amounts fall short of covering the wage increase above referred to of \$268,400 per year.

The tabulation hereinbefore set forth shows that applicants' over-all intrastate operations, with the express rates at the proposed levels, would result in rates of return of 4.4 percent for Gibson Lines and Orange Belt Stages, 5.1 percent for Peerless Stages, Inc., and 5.55 percent for Pacific Greyhound Lines. The figures also show

that American Bus Lines, Inc., would continue to operate at a loss. As previously stated, however, no provision was made in the figures on which these returns were based for the increases in costs resulting from the recently enacted Federal taxes on diesel fuel and gasoline. The evidence of record is convincing that the present express rates are inadequate as a result of further increases in the cost of operation since the rates were last adjusted and that the establishment of the proposed rates, except as hereinafter indicated, would not result in excessive earnings.

Increases sought in the monthly rates range from as high as 112 percent to 182 percent. No studies were presented specifically dealing with the movements under such rates. Rate advances as great as those proposed should be granted only upon a clear showing that they are justified. Such a showing has not been made here. An upward adjustment of the monthly rates in the same proportion as the increases proposed on merchandise is as much as this record will support.

On cut flowers, the proposed basis of double the regular rates in lieu of the regular rates has not been justified on this record. A few comparisons of the sizes of containers and weights of flower shipments were made with those of selected other shipments rather than the general run of traffic, including light and bulky articles. These comparisons tend to indicate that packages of flowers occupy a disproportionate amount of space in relation to weight but they fail to establish the relationship of such conditions to those surrounding other representative express traffic handled. The evidence shows and it is not disputed, however, that flowers require careful handling in loading and unloading; that the perishable nature of flowers makes it necessary to forward them on the first schedule out; and that services are often involved at points of destination that are not generally necessary in connection with the delivery of other traffic. The evidence also shows that there is a steady

movement of flowers and that no other carriers regularly provide the frequency and speed of service needed by the industry. It may well be that the rates on flowers should be higher than the regular express rates but this record affords no sound basis for so determining nor for developing an appropriate rate differential.

The record does not support the authorization of the proposal to charge on C.O.D. shipments that are refused or unclaimed by consignees the full C.O.D. charge applicable under applicants' tariffs when such shipments are delivered to consignees. The C.O.D. tariff charge is in addition to the transportation charge. It includes the service of collecting from the consignee and remitting to the consignor the amount of the invoice value of the shipment. On the shipments referred to by applicants, these services are not performed. However, the record shows that in other respects the additional accounting and other work directly associated with the C.O.D. feature of the shipment is identical regardless of whether the goods are returned to the consignor or delivered to the consignee. Applicants should be compensated for the special services not ordinarily involved on other shipments. On this record, a charge equal to 50 percent of the regular tariff C.O.D. charge is appropriate and will be authorized.

The proposed charge of 10 cents on shipments on which the express charges are to be collected at the point of destination has not been substantiated. The forwarding of shipments with charges collect is common practice. Collection of the charges at the point of destination is a service that is generally included in the transportation rate. The station and other costs involved are reflected in the operating expenses and thereby receive consideration in the rate levels maintained by the carrier.

No substantial reasons were advanced in support of the proposal to limit a shipment of express to one package per shipping document. Moreover, shippers frequently have more than a single package to move at one time from one point of origin to one consignee at one point of destination. The forwarding of each package as a separate shipment under applicants' proposal would result in a further increase in charges over those resulting from the rate adjustments sought herein. Such increases have not been justified. The proposal will not be authorized.

The other changes sought in the tariff rules dealing with storage of shipments and payment of accrued charges on refused or unclaimed shipments are appropriate and will be adopted.

It should be pointed out that partial authorization of some proposals and denial of others cause a reduction in the amounts of additional revenue involved in applicants' proposals. Detailed data necessary for the calculations are not of record. It is apparent, however, that with such changes the over-all intrastate operating results would be less favorable than those hereinbefore indicated.

As hereinbefore indicated, applicants' individual showings in support of the proposed rate increases are deficient in several respects. American Bus Lines, Inc., and Pacific Greyhound Lines, who perform both interstate and intrastate transportation services, did not develop the over-all financial results of their intrastate operations. The other applicants failed to submit rate base and rate of return with their calculations of revenues and operating expenses. In addition, the latter applicants, with the exception

of Peerless Stages, Inc., submitted revenue figures which included the effect of recent increases in passenger fares for only a portion of the test year. Applicants must keep in mind that the burden of proof to justify a rate increase rests most heavily upon them. In some circumstances, the foregoing deficiencies in the showings would require that the applications be denied. As previously stated, however, there is sufficient evidence in this record to justify granting relief to the extent hereinabove indicated. Applicants are placed on notice, however, that in any future proceedings involving increases in intrastate rates or fares they will be required, as a condition precedent to consideration of the proposals, to make complete showings in support of the sought increases, including the financial results of intrastate operations under the then current and the proposed rates or fares.

Upon careful consideration of all of the facts and circumstances of record, we are of the opinion and hereby find that increases in applicants' intrastate express rates and charges to the extent indicated in the foregoing opinion and as provided by the order herein have been justified; and that in all other respects applicants' proposals have not been justified.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that applicants be and they are hereby authorized to establish, within sixty (60) days after the

effective date of this order and on not less than five (5) days' notice to the Commission and to the public, increased express rates and charges and changes in tariff rules, as proposed in the applications, as amended, filed in these proceedings, subject to the following exceptions:

1. In lieu of the charge proposed in the applications, as amended, establish on refused or unclaimed C.O.D. shipments which are returned on request to the consignor without collection of the amount of the invoice, a charge equal to 50 percent of that published in applicants' tariffs on C.O.D. shipments that are delivered to consignees.

2. Except as shown in subparagraph 3 hereof, establish increased monthly express rates as shown below in lieu of those as proposed in the applications, as amended:

<u>MILES</u>		<u>Monthly Rates</u>
<u>Over</u>	<u>But Not Over</u>	
0	50	\$ 9.00
50	100	10.80
100	150	12.75
150	200	13.65
200	250	14.40
250	300	15.15
300	350	15.90
350	400	16.65
400	450	17.40
450	500	18.15

3. American Bus Lines, Inc., and Gibson Lines are authorized to discontinue their monthly express rates.

4. Cut flowers shall not be charged for at double the merchandise rates, no additional charge shall be made on express shipments forwarded with charges collect, and the definition of a shipment shall not be changed, as proposed in the applications, as amended.

IT IS HEREBY FURTHER ORDERED that, except to the extent hereinabove granted, the above-entitled applications, as amended, be and they are hereby denied.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 18<sup>th</sup> day of December, 1951.

Ph. J. [Signature]  
President  
Justin J. [Signature]  
Harold P. [Signature]  
Samuel [Signature]  
Robert E. [Signature]  
Commissioners

APPENDIX "A"

Comparison of Present and Proposed Express Charges on Shipments of Merchandise, Not Otherwise Specified, For Typical Weights and Distances

(Charges are in Cents per Shipment)

- (1) This column shows the present express charges
- (2) This column shows the proposed express charges

MILES	10 POUNDS		20 POUNDS		40 POUNDS		60 POUNDS		80 POUNDS		100 POUNDS	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)

PACIFIC GREYHOUND LINES

25	50	75	50	80	55	90	65	100	75	110	85	120
50	50	75	50	80	55	90	65	100	75	110	85	120
75	50	80	55	90	75	110	95	130	115	150	135	170
100	50	80	55	90	75	110	95	130	115	150	135	170
150	50	85	65	100	95	130	125	160	155	190	185	220
200	55	90	75	110	115	150	155	190	195	230	235	270
250	60	95	85	120	135	170	185	220	235	270	285	320
300	65	100	95	130	155	190	215	250	275	310	335	370
400	75	110	115	150	195	230	275	310	355	390	435	470
500	85	120	135	170	235	270	335	370	435	470	535	570
600	95	130	155	190	275	310	395	430	515	550	635	670
700	105	140	175	210	315	350	455	490	595	630	735	770

ORANGE BELT STAGES

25	50	75	50	80	55	90	65	100	75	110	85	120
50	50	75	50	80	55	90	65	100	75	110	85	120
75	50	80	50	90	75	110	95	130	115	150	135	170
100	50	80	50	90	75	110	95	130	115	150	135	170
150	50	85	65	100	95	130	125	160	155	190	185	220
200	55	90	75	110	115	150	155	190	195	230	235	270

FEEBLESS STAGES, INC.

25	50	75	50	80	50	90	55	100	65	110	70	120
50	50	75	50	80	65	90	75	100	90	110	105	120
75	50	80	55	90	75	110	95	130	115	150	135	170

AMERICAN BUS LINES, INC. AND GIBSON LINES

25	75	75	75	80	75	90	75	100	80	110	90	120
50	75	75	75	80	75	90	75	100	90	110	90	120
75	75	80	75	90	75	110	75	130	90	150	90	170
100	75	80	75	90	75	110	90	130	110	150	110	170
150	75	85	75	100	85	130	105	160	130	190	130	220
200	75	90	75	110	95	150	120	190	150	230	150	270
250	75	95	75	120	105	170	135	220	170	270	170	320

End of Appendix "A"