

ORIGINAL

Decision No. 49309

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
KEY SYSTEM TRANSIT LINES, a corpor-
ation, for an order pursuant to
Section 454 of the Public Utilities
Code authorizing the establishment of
increases and adjustments in rates and
fares for transportation of passengers
between points in the Counties of Ala-
meda and Contra Costa, and the City and
County of San Francisco, in the State
of California.

Application No. 34399

Appearances

Donahue, Richards, Rowell & Gallagher, by Frank
S. Richards and George F. Thomas, for appli-
cant.

Dion R. Holm, City Attorney, Paul L. Beck, for
City and County of San Francisco, interested
party.

Arthur M. Carden, for City of San Leandro,
interested party.

J. Marcus Hardin and Clair W. MacLeod, for City
of Piedmont, interested party.

Fred C. Hutchinson, City Attorney, Robert T.
Anderson, Assistant City Attorney, for City
of Berkeley, interested party.

L. R. Ficklin, City Manager, for City of Hayward,
interested party.

J. P. Clark, for City of Alameda, interested party.

Mrs. Kathie Zahn, for herself as a protestant.

Arthur J. Melka, for himself and as Vice-President
of Our Lady of Lourdes Dad's Club, protestant.

Vincent S. Bruno, for the Diamond Improvement Assoc-
iation, protestant.

Wayne E. Thompson and Sherrill Luke, for City of
Richmond, protestant.

Maude Severson, for herself, protestant.

Horace Chiselin, for himself, protestant.

Marston Campbell, Jr., for himself, interested
party.

Edward R. Plotner, for City of Albany, interested
party.

John W. Collier, City Attorney, for City of Oakland,
interested party.

J. T. Phelps and T. A. Hopkins, for the Commission
Staff.

O P I N I O N

The Key System Transit Lines is engaged in the transportation of passengers within and between East Bay communities and between those communities and San Francisco.

By this application, as amended, authority is sought to establish increased fares.

Public hearing of the application was held in Oakland on October 16, 1953, before Commissioner Potter and Examiner Lake. The record shows that advance notices of the hearing were duly posted in applicant's operating equipment and in its terminals. In addition notices of the hearing were published in newspapers of general circulation in the area served and were sent to persons and organizations believed to be interested. Evidence was submitted by petitioner, by members of the Commission's staff, by patrons of applicant's lines, and by other parties interested in the proposals.

The present fares and those which applicant seeks to establish are set forth in the following table.

TABLE I

Transbay Fares (Including Toll and Federal Tax)

	<u>Present</u>	<u>Proposed</u>
<u>Between San Francisco and-</u>		
<u>1st Zone</u>		
Adult Cash	35¢	50¢
20-Ride Commute	\$6.50	\$ 8.50
Child Cash	15¢	20¢
<u>2nd Zone</u>		
Adult Cash	46¢	60¢
2 Trip Ticket	75¢	None
20-Ride Commute	\$7.50	\$10.00
Child Cash	20¢	25¢
<u>3rd Zone</u>		
Adult Cash	57¢	70¢
2 Trip Ticket	\$1.02	None
20-Ride Commute	\$9.00	\$11.50
Child Cash	20¢	25¢
<u>Treasure Island</u>		
T.I. - East Bay - Toll Pay	20¢	25¢
T.I. - East Bay - Toll Free	15¢	20¢
T.I. - S.F. - Toll Pay	15¢	20¢
T.I. - S.F. - Toll Free	10¢	15¢
<u>Local Fares</u>		
<u>Intrazone</u>		
Cash	15¢	20¢
Token	None	5/90¢
School	5¢	40/\$4.00
Toll Plaza	15¢	20¢
<u>2 Zones</u>		
Cash	25¢	30¢ or
School	5¢	One Token and 10¢
		40/\$4.00
<u>3 Zones</u>		
Cash	35¢	35¢
School	10¢	40/\$4.00
<u>All Overrides - Transbay and Local</u>		
	10¢	12¢

Applicant's fares were last adjusted by Decision No. 47432 of July 8, 1952, in Application No. 33113. Applicant contends that the net earnings and rate of return anticipated under Decision No. 47432, supra, have not been realized, that since the last fare adjustment the costs of operations have substantially increased due to increased wages, increased fuel taxes, increased local franchise taxes and upward adjustments in other expenses. It also contends that the downward trend in patronage is greater than was anticipated in the above referred to decision.

According to applicant, wage increases for employees will increase its annual operating costs approximately \$700,000 under present fares. Increased taxes and materials and supplies will further increase expenses approximately \$90,000. It is alleged that the downward trend in traffic experienced during the past two years will be accelerated by a loss of patronage due to a 76-day work stoppage caused by a strike of its employees.¹

Exhibits were submitted consisting of operating statements, studies of traffic trends, rate base statements, estimates of future mileage and forecasts of estimated results of operations for a test year under present, proposed and alternate fare structures.

It is to be noted that here as in past proceedings involving this carrier the estimated results of operations were determined by treating the operations of Key System and its parent company, the Railway Equipment and Realty Company, Ltd., on a consolidated basis. By this method of treatment all financial transactions between the carrier and its parent company are eliminated from consideration in determining the revenue needs of the carrier for fare-making purposes. The figures set forth in the following tables were taken from these exhibits.

Table No. 2 shows the estimated results of operations under present and proposed fares.

¹The strike period was from July 24 to October 8, 1953; all services were suspended during this period.

TABLE NO. 2

Estimated Results Of Operations Under Present And Proposed
Fares For The 12-Month Period Ending December 31, 1954

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Commis- sion Engineer</u>	<u>Applicant</u>	<u>Commis- sion Engineer</u>
System Operations				
Mileages	20,248,800	20,560,100	19,773,200	20,116,100
Revenues	\$11,690,138	\$12,098,700	\$13,972,456	\$14,378,900
Expenses	12,869,454	12,887,100	12,712,527	12,737,300
Operating Income	(1,179,316)	(788,400)	1,259,929	1,641,600
Income Taxes	---	---	581,593	772,700
Net Income	(1,179,316)	(788,400)	678,336	868,900
Rate Base	8,239,358	7,228,700	8,239,358	7,228,700
Rate of Return	---	---	8.23%	12.0%
Operating Ratio after Taxes	110.09%	106.5%	95.15%	94.0%
Transbay Operations				
Mileages	5,942,900	6,066,900	5,800,600	5,926,100
Revenues	\$4,434,107	\$4,556,900	\$5,362,918	\$5,489,500
Expenses	5,087,568	5,014,000	5,035,128	4,966,800
Operating Income	(653,461)	(457,100)	327,790	522,700
Income Taxes	---	---	151,310	261,100
Net Income	(653,461)	(457,100)	176,480	261,600
Rate Base	3,879,651	2,960,100	3,879,651	2,960,100
Rate of Return	---	---	4.55%	8.8%
Operating Ratio. after Taxes	114.74%	110.0%	96.71%	95.2%
Local Operations				
Mileages	14,305,900	14,493,200	13,972,600	14,190,000
Revenues	\$7,256,031	\$7,541,800	\$8,609,538	\$8,889,400
Expenses	7,781,886	7,873,100	7,677,399	7,770,500
Operating Income	(525,855)	(331,300)	932,139	1,118,900
Income Taxes	---	---	430,283	511,600
Net Income	(525,855)	(331,300)	501,856	607,300
Rate Base	4,359,707	4,268,600	4,359,707	4,268,600
Rate of Return	---	---	11.51%	14.2%
Operating Ratio after Taxes	107.25%	104.4%	94.17%	93.2%

() Indicates Loss

Differences in the company's and staff's figures appear in the estimates of passenger revenues, operating expenses and in the depreciation expense and rate base. They will be discussed in the order named.

Revenues

The differences in the forecasts of operating revenue as will be noted from the foregoing table are substantial. The company's figures for probable system wide revenues for the test year under present fares are \$11,690,138, while the engineer estimated \$12,098,700, the difference between the two estimates being \$408,562. Both estimates are the product of the judgment of men highly skilled in making such determinations. Both estimates were predicated upon the trend in traffic experienced by the carrier, adjusted to reflect the patronage which will be lost to the carrier as a result of its 76-day strike and the traffic which would diminish due to resistance to the higher fares here sought. The principal difference appears to stem from estimating the normal downward trend of traffic and in estimating the loss of traffic due to the recent strike. With respect to the latter, the company witness was of the opinion that a 6.58 percent decrease would result in all services except those rendered under the school children's fares. The Commission's engineer estimated that the transbay service would experience an 8 percent loss on week days and a 4 percent loss on Saturdays and Sundays. He estimated that the loss in local traffic would be 80 percent of the transbay loss. The company witness testified that in arriving at his estimated loss of traffic he gave consideration to the effect of a 17-day strike of his company in 1947 and to the effects upon the traffic experienced by the Pacific Greyhound Lines' Marin County operations as a result of a 79-day strike in 1952. The staff witness stated that he also gave consideration to the effect of the work stoppage experienced by

Greyhound in determining the percent loss on transbay weekday traffic but that his other estimates were "purely an opinion." Because more reliable data or criteria upon which the estimates of traffic loss can be bottomed are not available, we believe a reasonable basis therefor is the result of a composite of the estimates of the two witnesses. The estimates of the staff witness however with respect to diminution of traffic due to resistance to higher fares and with respect to token use will be used.

With the adjustments hereinabove indicated, the estimated revenues which may reasonably be expected under the present and proposed fares for the test year would be as follows:

TABLE NO. 3

	<u>System</u>	<u>Transbay</u>	<u>Local</u>
Present Fares	\$11,893,700	\$4,494,600	\$7,399,100
Proposed Fares	14,182,200	5,430,900	8,751,300

Operating Expenses

Although substantial variations appear in some of the anticipated expenses, the over-all results of the estimates, as will be noted in Table No. 2, are so close that a detailed analysis is unnecessary. However the circumstances under which some of the expenses are claimed are such as to require comment.

In the development of anticipated variable costs (those costs associated with miles of operations), the company estimated its annual mileage for the test year as 19,773,200. This estimate, according to the record, is 1,786,700 miles less than the mileage operated in June, 1953, converted on an annual basis. The Commission engineer based his estimates upon an anticipated mileage of 20,116,100 miles. It was stated that this mileage estimate was made on the assumption that the same standard of service would be provided

throughout the system as that offered to the public prior to the work stoppage, irrespective of the Commission's maximum allowable load standards. It was assumed that under the proposed fares the same route coverage of the area would be offered during the same time coverage of the day as that provided in June of 1953. It is to be noted, however, that the engineer's estimate of the cost of increased wages exceeded by approximately \$47,000 the cost which would occur during the rate year under the terms of the labor contract. In addition, the witness did not give consideration to increased labor costs for electrical employees, with which the carrier expects to be confronted during the rate year. According to the record, the carrier has made a firm offer to the electrical workers of increases identical to those recently granted other employees. The amount involved for the test year would be approximately \$11,500. Although at the time of hearing the offer had not been accepted by the employees, the company stated that final settlement would not be less than the amount offered.

We are of the opinion that the estimates of the Commission's staff, adjusted to provide for wage increases in accordance with the terms of the labor contract and adjusted to include the increased labor costs which may reasonably be anticipated for the electrical workers, fairly reflect the results which may be expected during the rate year. Moreover, the staff's estimates, adjusted as indicated above, would enable the carrier to accord a full measure of service to the public. These estimates will be adopted.² It is to be noted that of these expenses approximately \$142,800 under the proposed fares would be paid to the various cities in the form of franchise taxes.

²The company claimed approximately \$93,000 for certain track rebuilding no portion of which, however, was allowed by the engineer. This amount is largely offset by the difference in the two estimates for depreciation.

Rate Base

For its rate base and depreciation expense, the company used its recorded book figures adjusted to the mid-point of the rate year. The amounts claimed were \$8,239,358 and \$1,014,963, respectively. The rate base and depreciation expense allowed by the engineer were bottomed upon the rate base determined by the Commission for rate-making purposes in Decision No. 48687, dated June 9, 1953, in Case No. 5259, as amended, adjusted for additions and betterments and for depreciation and amortization expense to the mid-point of the rate year. The amounts thus developed are as follows:

TABLE NO. 3

Rate Base	\$7,228,700
Depreciation and Amortization	\$1,115,100

The engineer's estimates founded upon values declared by the Commission in Decision No. 48687, supra, will be adopted.

With the adjustments hereinabove indicated, the results of operations for the test year which may reasonably be anticipated under present and proposed fares are as follows:

TABLE NO. 4

Estimated Results of Operations Under Present And Proposed
Fares For 12-Month Period Ending December 31, 1954,
Adjusted As Hereinbefore Indicated

	<u>Present Fares</u>	<u>Proposed Fares</u>
System Operations		
Revenues	\$11,893,700	\$14,182,200
Expenses	12,884,900	12,734,900
Adjust Wage Increase To Contract	(47,900)	(47,200)
Allow Electric Wage Increase	11,500	11,500
Adjusted Expenses	12,848,500	12,699,200
Operating Income	(954,800)	1,483,000
Income Taxes	-	692,800
Net Income	(954,800)	790,200
Rate Base	7,228,700	7,228,700
Rate of Return	-	10.9%
Operating Ratio After Taxes	108.0%	94.4%
Transbay Operations		
Revenues	\$ 4,494,600	\$ 5,430,900
Expenses	5,013,500	4,966,200
Adjust Wage Increase To Contract	(18,800)	(18,600)
Allow Electric Wage Increase	10,900	10,900
Adjusted Expenses	5,005,600	4,958,500
Operating Income	(511,000)	472,400
Income Taxes	-	235,400
Net Income	(511,000)	237,000
Rate Base	2,960,110	2,960,110
Rate of Return	-	8.0%
Operating Ratio After Taxes	111.4%	95.6%
Local Operations		
Revenues	\$ 7,399,100	\$ 8,751,300
Expenses	7,871,400	7,768,700
Adjust Wage Increase To Contract	(29,100)	(28,600)
Allow Electric Wage Increase	600	600
Adjusted Expenses	7,842,900	7,740,700
Operating Income	(443,800)	1,010,600
Income Taxes	-	457,400
Net Income	(443,800)	553,200
Rate Base	4,268,600	4,268,600
Rate of Return	-	12.9%
Operating Ratio After Taxes	106.0%	93.7%

() Indicates Loss.

Representatives of the cities and communities herein involved participated in the development of the record. Several patrons of applicant's lines testified in opposition to the fare increases

generally. Some of the witnesses were particularly concerned with the amount of the increase in school fares and with the proposal of the company to sell these fares in multiple lots.⁴

Protests were also made with respect to the curtailment of service on some of the applicant's feeder lines. The witnesses testified that since the work stoppage applicant had failed to resume service on certain lines and that it had published time schedules indicating discontinuance of service on other lines.

Conclusions

It is apparent from the record that unless applicant is able to develop additional revenues, its ability to continue to render an adequate service to the public will be seriously jeopardized. It is estimated that under present fares applicant will suffer a net loss of approximately one million dollars during the year 1954. This loss is occasioned largely by increases in the cost of labor arrived at through collective bargaining processes and through the loss of traffic stemming from the effects of the strike and the general downward trend of passenger traffic. It is clear that increased fares are necessary. It is apparent, however, that the indicated system earnings of more than \$790,000, reflecting a rate of return of almost 11 percent and resulting in an operating ratio of 94.4 percent after provision for income taxes, are greater than are reasonable, especially when viewed in the light of the fare increases necessary to produce them.

The present school-fare is 5 cents cash when presented with a school identification card. Under applicant's proposal the fare would be 10 cents and would have to be purchased in lots of 40 rides. Under this basis a school child not having a book of tickets would be required to pay a minimum cash fare of 20 cents.

The Commission engineer submitted estimated results of operations under two alternative fare structures. One of them contemplated the same local cash fares as proposed by applicant except that tokens would sell 4 for 70 cents and school tickets 25 for \$2.00. For transbay operations the commute fares would be \$7.50, \$9.00 and \$11.50 for Zones 1, 2 and 3, respectively. This fare structure is not equitable and the results thereunder are disproportionate as between the two services. The other fare structure, proposed as an alternative by the engineer, is as follows:

TABLE NO. 5

Transbay Fares (Including Toll and Tax)Between San Francisco and1st Zone

Adult Cash	50¢
20-Ride Commute	\$ 8.00
Child Cash	20¢

2nd Zone

Adult Cash	60¢
20-Ride Commute	\$ 9.50
Child Cash	25¢

3rd Zone

Adult Cash	70¢
20-Ride Commute	\$11.00
Child Cash	25¢

Treasure Island

T.I. - E. Bay - Toll pay	25¢
T.I. - E. Bay - Toll Free	20¢
T.I. - S.F. - Toll pay	20¢
T.I. - S.F. - Toll Free	15¢

Local FaresIntrazone

Cash	20¢
Token	6/\$1.00
School	25/\$2.00
Toll Plaza	20¢

2 Zones

Cash	30¢
Token	Token + 10¢
School	25/\$2.00

3 Zones

Cash	35¢
School	25/\$2.00

Over-rides - Transbay and Local

13¢

It is to be noted that this fare structure includes a school fare of 8 cents which would be sold in books of 25 rides for \$2.00. According to the record, applicant's patrons prefer a cash fare rather than a multiple ride fare as here proposed. Moreover, a cash fare, according to applicant's witness, is easier to administer in that it eliminates almost entirely the problem of the distribution of the multiple ride books. The amount of increase under this fare, however, is more than is reasonable. Under the circumstances the Commission finds that a 7 cent fare is reasonable. It will be authorized as a cash fare.

This fare structure would produce the following operating results which we hereby find to be reasonable:

TABLE NO. 6

	<u>Transbay Operations</u>	<u>Local Operations</u>	<u>System Operations</u>
	(After Provision for Income Taxes)		
Net Income	\$ 165,300	\$ 306,000	\$ 471,300
Operating Ratio	96.9%	96.3%	96.5%
Rate of Return	5.6%	7.2%	6.5%

In the light of the circumstances of record, fares which would produce these results are fully justified.

There remains to be discussed the standard of service to be accorded by the applicant under the proposed fares. As heretofore indicated, the expenses herein allowed in determining the estimated results of operations contemplate that the same standard of service will be provided throughout the system as that offered to the public prior to the recent work stoppage and that the same route coverage of the area will be offered during the same time coverage of the day as that provided in June of 1953. In the circumstances applicant will be required to accord such service and route coverage as it provided in June of 1953 unless otherwise authorized by the Commission.

In light of the several fare increases granted to this applicant in the recent past and the results flowing from such increases, it is not beyond the realm of possibility that the

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operations of this carrier are closely approaching the economic level governed by the law of diminishing returns. Only experience can demonstrate when such level is reached. There is no legal presumption that an increase of rates will increase revenue or that a decrease of rates will decrease revenue. (Chicago etc. Ry. Co. v. Wellman, 143 U.S. 338, 343-344, 36 L. ed. 176, 179.) In order that we may know as soon as possible whether this carrier's operations are running afoul of the law of diminishing returns, we will direct our staff to make periodic checks of applicant's operating results and to report their findings to the Commission.

The Key System is admonished that it holds no monopoly for the transportation of passengers between the points it serves. While the Commission sees justification for the increases in rates herein allowed, it is mindful that such rate increases do not constitute a complete and satisfactory solution to the problem now existing. Key System operations are in direct competition with automobiles operated by private individuals or in so-called car pools. Neither increased rates nor curtailment of service provide a reliable answer to the problem. In this proceeding, as in past proceedings, the record shows more and more traffic being lost to the private automobile. Increased fares tend to stimulate this trend. Curtailment of service obviously has the same effect. The record makes clear that there is need for continuous review of the operating policies of the System. Such reviews should be made in the light of a public relations program in which the interest of all communities served has been enlisted. Community and area concern which manifests itself through cooperative effort by management and community leaders offers a potential for stability which should not be ignored.

The Commission directs the applicant to advise it within a reasonable time the action it is taking along these lines.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact

that the increased fares sought in this proceeding are justified to the extent hereinbefore indicated and provided by the order herein.

O R D E R

This application, as amended, having been heard and submitted upon full consideration of the record, and based upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Key System Transit Lines be and it is hereby authorized to establish, in lieu of its present fares and on not less than five days' notice to the Commission and the public, increased fares as follows:

A. Transbay Fares

1. Establish a cash fare of 50 cents between San Francisco and points within the Central Zone, including Bridge Toll and Federal Transportation Tax as follows:

Rail -	Net Fare	41.9565
	Bridge Toll	1.75
	15% Federal Tax	<u>6.2935</u>
	Total Cash Fare	50.00

Motor Coach -	Net Fare	41.3043
	Bridge Toll	2.50
	15% Federal Tax	<u>6.1957</u>
	Total Cash Fare	50.00

2. Establish a cash fare of 60 cents between San Francisco and points within Zone 2, including Bridge Toll and Federal Transportation Tax as follows:

	Net Fare	50.00
	Bridge Toll	2.50
	15% Federal Tax	<u>7.50</u>
	Total Cash Fare	60.00

3. Establish a cash fare of 70 cents between San Francisco and points within Zone 3, including Bridge Toll and Federal Transportation Tax as follows:

	Net Fare	58.6957
	Bridge Toll	2.50
	15% Federal Tax	<u>8.8043</u>
	Total Cash Fare	70.00

4. Quantity Purchase Fares

- Commit 2. ride*
- (a) Establish 20-ride ticket book to sell for \$8.00 good for passage between San Francisco and points within the Central Zone.
 - (b) Establish 20-ride ticket book to sell for \$9.50 good for passage between San Francisco and points within Zone 2.
 - (c) Establish 20-ride ticket book to sell for \$11.00 good for passage between San Francisco and points within Zone 3.
 - (d) Over-rides beyond zone to which fare has been paid, as included in items (a) to (c) above, will be subject to an over-ride charge of 13 cents per additional zone.

5. Child Cash Fares

- (a) Establish a cash fare of 20 cents for children over five years but under twelve years of age between San Francisco and points within Central Zone (such fare including Bridge Toll).
- (b) Establish a cash fare of 25 cents for children over five years but under twelve years of age between San Francisco and points within Zones 2 and 3 (such fare including Bridge Toll).

B. Local Fares

- 1. Establish single zone fare of 20 cents cash, or 6 tokens for \$1.00 with transfer privilege to any point within zone to which fare applies.
- 2. Establish interzone cash fare as follows:
 - (a) Two contiguous zones 30 cents, or one token and 10 cents.
 - (b) Three contiguous zones 35 cents.

Over-rides beyond zone to which fare has been paid will be subject to 13 cents additional fare per zone.

- 3. Eliminate present 5 cents cash school fare and 20-ride school book for \$1.00 and in lieu thereof establish a cash fare of 7 cents without zone limitation, i.e., good within or through any series of zones in applicant's local service, between the hours of 6:30 a.m. and 5:30 p.m. only.
- 4. Establish ticket fare of 20 cents between Oakland Bay Bridge Toll Plaza and San Francisco or East Bay Central Zone for persons employed at the San Francisco-Oakland Bay Bridge Toll Plaza. Tickets for this fare will be sold only in books containing 25 tickets each. Users of such tickets may transfer into Zones 2 and 3 upon payment of interzone over-ride fare of 13 cents for each additional zone beyond the Central Zone.

C. Treasure Island Fares

1. Establish fares between Treasure Island and East Bay First Zone (Central) as follows:
 - (a) U.S. Military Personnel in uniform (toll free) - 20 cents.
 - (b) Civilian - 25 cents.
 2. Establish fares between Treasure Island and San Francisco as follows:
 - (a) U.S. Military Personnel in uniform (toll free) - 15 cents.
 - (b) Civilian - 20 cents.
- D. In all other respects than as specifically set forth above, all rates, rules, regulations and privileges presently in effect shall remain unchanged.

IT IS HEREBY FURTHER ORDERED that, concurrently with the establishment of fares herein authorized and continuously thereafter, unless otherwise authorized by the Commission, applicant shall provide:

- (a) The same standard of service throughout the system as that provided in June of 1953.
- (b) The same route coverage of the area during the same time coverage of the day as that provided in June of 1953.

IT IS HEREBY FURTHER ORDERED that, in addition to the required filing and posting of tariffs, applicant shall give notice to the public by posting in its busses and terminals a printed explanation of its fares. Such notices shall be posted not less than ten days before the effective date of the fare changes, and shall remain posted until not less than twenty days after said effective date.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 34399, as amended, be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 10th day of November, 1953.

R. E. Davidson
President

Justus J. Calver

Frederick Patten

John L. Hill

Gene Isaacson
Commissioners