

AH \*

Decision No. 50152**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
Sacramento City Lines requesting )  
authority to increase certain rates )  
of fare. )

Application No. 35110

In the Matter of the Application of)  
Sacramento City Lines for a passen- )  
ger stage certificate to operate )  
within the City of Sacramento and )  
contiguous areas, such certificate )  
to be an in-lieu certificate super- )  
seding all existing certificates. )

Application No. 35193

Harry B. Seymour and George H. Hook, for applicants.  
Bartley W. Cavanaugh, Everett M. Glenn, D. J.  
Faustman and M. A. Samuelson, for City of  
Sacramento; T. W. O'Brien, for California State  
Employees Association Local Regions 9 and 16;  
Nicholas LaFranco and Norris Heil, for Local  
Federation No. 5, A. F. of L., Southern Pacific  
Employees; Hugh W. Ferrier, for Sacramento Junior  
Chamber of Commerce and Sacramento Area Planning  
Association; Julius F. Uhlig, William L. Singleton  
and Erwin E. Shaltes, in propria personae;  
protestants in Application No. 35110 and inter-  
ested parties in Application No. 35193.  
Calvin W. Kramer, for Brotherhood of Maintenance  
of Way Employees, Railroad Employees of Bus  
Transportation, protestant in Application  
No. 35110.  
A. F. Paska, F. H. Mier, Mrs. Delos Bardue and  
William L. Singleton, in propria personae,  
protestants in Application No. 35193.  
Ellen L. Doermer, interested party.  
Frank B. Austin and John L. Pearson, for the staff  
of the Public Utilities Commission of the State  
of California.

INTERIM OPINION

Sacramento City Lines is a passenger stage corporation engaged in the transportation of passengers within and in the vicinity of Sacramento. In Application No. 35110, as amended, it seeks authority to increase its passenger fares on less than statutory notice. In Application No. 35193, the company proposes to reroute a number of its lines and to extend certain others into nearby areas not now directly

A-35110, 35193 AH \*

served. In addition, it requests the issuance of a new certificate of public convenience and necessity corresponding with and superseding its existing intrastate operative authorities described in various decisions and orders heretofore issued by the Commission, with modifications thereof as proposed in Application No. 35193.<sup>1</sup>

A prehearing conference held in Sacramento on March 15, 1954, before Commissioner Mitchell was attended by city officials, representatives of various commercial, civic and labor organizations and citizens concerned with community development and welfare. Officials of Sacramento City Lines and members of the Commission's staff also participated. Commissioner Mitchell explained that solution of the serious problems being created by the steady decline in the number of people using mass transit services in the face of increasing costs and fares needed vigorous cooperative action by all concerned on a community-wide basis. In this connection, he said, the Commission desired, among other things as shown in the notice of the conference, to receive suggested means of halting the steady drop in transit patronage. The conference was productive of discussions of passenger fare and service problems in Sacramento and possible remedies therefor. A number of the suggested remedies subsequently were presented at the public hearing of the applications in question held in Sacramento on April 14 and 15, 1954, before Commissioner Mitchell and Examiner Jacopi. The matters were submitted upon receipt of late-filed exhibits on May 5, 1954.<sup>2</sup>

---

1

Applicant requests that the new certificate of public convenience and necessity be issued in loose-leaf form in order to facilitate any modifications of the operative rights which might become necessary in the future.

2

The matters were consolidated for convenience of hearing and decision.

Applicant's passenger fares are based upon three fare zones. The present adult fares are 10 cents for transportation within any one zone and 15 cents, 20 cents and 25 cents for the respective interzone movements. The fare for school children is \$1 for 20 rides. It is proposed to advance the single zone fare to 15 cents cash and the interzone fares to 20 cents, 30 cents and 35 cents cash, with tokens being offered at the rate of two for 25 cents.<sup>3</sup> No increase is proposed in the school fare. Applicant alleges that the higher fares are needed because of advances in the cost of operation, particularly in the wages of employees, the cost of fuel and in fuel taxes.

Exhibits dealing with analyses of applicant's earning position were introduced at the hearing by its general auditor and by a transportation engineer of the Commission's staff. The exhibits included balance sheets, studies of traffic volume and trends, analyses of revenues and expenses for past periods and forecasts of the estimated results of operations under the present and proposed fares. In regard to the past operations, the auditor's exhibits showed that the company earned \$19,337 after provision for income taxes on its operations in the year 1953 under the present fares. The corresponding operating ratio was 98.6 per cent. Similar studies for the 12-month period ended February 28, 1954, made by the staff engineer showed that the present fares produced net revenue of \$20,270 before provision for income taxes and a corresponding operating ratio of 98.6 per cent.

The forecasts of the results of operation anticipated if the present fares were continued in effect during the future 12-month period ending April 30, 1955, and what the results would be if the increased fares proposed were charged during that period, as summarized

---

<sup>3</sup> Under the sought fare structure, one token would be accepted in lieu of the 15-cent cash fare, one token plus 5 cents for the 20-cent fare, two tokens for the 30-cent fare and two tokens plus 5 cents for the 35-cent fare.

from the exhibits submitted by applicant's auditor and by the staff engineer, are shown in the tabulation which follows. In these calculations, the witnesses gave full effect on an annual basis to the downward trend in traffic and to various advances and reductions in costs experienced during the year 1953.

Estimated Results of Operations Under Present and Proposed Fares for 12-Month Period Ending April 30, 1955

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Commission Engineer</u>	<u>Applicant</u>	<u>Commission Engineer</u>
<u>Revenues</u>	\$1,265,450	\$1,268,500	\$1,499,350	\$1,497,575
<u>Operating Expenses</u>				
Equipment Maintenance and Garage	\$ 246,880	\$ 243,260	\$ 246,880	\$ 243,260
Transportation	665,200	657,248	665,200	657,248
Traffic and Advertising	3,450	3,240	3,450	3,240
Insurance and Safety	103,975	92,550	103,975	92,550
Administrative and General	72,000	71,630	72,000	71,630
Depreciation	128,400	128,110	128,400	128,110
Operating Taxes	122,900	120,580	127,405	124,138
Operating Rents	600*	-	600*	-
Total Expenses	<u>\$1,342,205</u>	<u>\$1,316,618</u>	<u>\$1,346,710</u>	<u>\$1,310,533</u>
Net Before Income Taxes	( <u>\$76,755</u> )	( <u>\$48,118</u> )	\$ 152,640	\$ 187,042
Income Taxes	-	-	76,485	95,035
Net After Income Taxes	( <u>\$76,755</u> )	( <u>\$48,118</u> )	\$ 76,115	\$ 92,007
Rate Base	\$ 434,338	\$ 413,574	\$ 434,338	\$ 413,574
Rate of Return	-	-	17.53%	22.2%
Operating Ratio	106.1%(a)	103.8%(a)	94.9%(b)	93.9%(b)
Estimated Bus Miles	2,679,643	2,671,600	2,679,643	2,639,540

\* - Red Figure.

(    ) - Indicates Loss.

(a) - Loss. No income taxes involved.

(b) - After provision for income taxes based upon tax rates aggregating 52 per cent.

The foregoing estimates are not entirely comparable because of differences in the past operating periods used by the witnesses as the bases for the figures except for the cost of public liability and property damage insurance. The auditor's estimate was developed from the operating results for the year 1953. The more recent 12-month period ended February 28, 1954, used by the staff engineer involved greater revenue and lower operating expenses than those experienced for 1953. The insurance premiums are paid on the basis of a percentage of the gross revenue subject to retroactive adjustment in accordance with the accident experience. The staff engineer's estimate, however, reflected the average annual cost actually experienced for the past several years. In the rate base calculations, the auditor provided for prepaid insurance and working cash which were not included in the staff engineer's figures.

We turn now to applicant's request for authority to reroute and to extend certain portions of its lines as indicated briefly in the margin.<sup>4</sup> Applicant's superintendent of transportation explained the proposed route changes in detail. According to his testimony, some of the changes were designed to afford better service via more direct routes over one-way streets or to avoid relatively unfavorable conditions on other existing routes which hampered on-time performance

---

<sup>4</sup> The proposals in question involve (1) reroute Route 2 now operating along 8th Street between O Street and X Street to operate on 9th and 10th Streets which are northbound and southbound one-way streets, and also change the Land Park Drive end of this route to operate along Land Park Drive between Larkin Way and Caramay Way in lieu of via Larkin, 16th and Caramay Way, (2) revise Route 3 from 57th and H Streets via H and Camelia Streets to the State College to operate via Carlson Drive between J and H Streets and via J Street and an unnamed Street to the college, (3) change Route 4 operations via 55th Street, V Street, 57th Street and Broadway to operate via T Street, S Street and 59th Street, (4) revise Route 6 now along 2nd Avenue between 24th Street and Freeport Boulevard to operate on 24th Street between Broadway and 2nd Avenue, and (5) operate Routes 11 and 13 over portions of existing Routes 5 and 6, respectively.

of the buses. Other changes assertedly were designed to extend service to newly developed residential areas and to large office facilities established at new locations. Another route change was shown to be required because of traffic regulations connected with the construction of the J Street Freeway. It was pointed out that no reduction in schedules would result from and the public would not be materially inconvenienced otherwise by the establishment of the proposed route changes. The record indicates that with the revised routes in operation the maximum walking distance thereto would not exceed two and one-half blocks.

A study undertaken by the Commission's staff to determine the adequacy of applicant's service in Sacramento and vicinity was presented at the hearing. The study included detailed showings of the frequency of the daily schedules operated, the on-time performance of buses at various check-points, the passenger loads on the buses at maximum load-points and the passenger distribution in a number of areas. These data were developed in detail for each of the routes operated. As a result of analyses of the operating data, a transportation engineer of the Commission's staff recommended that applicant's services should be improved in the respects listed below and also that the rerouting and extension of certain lines proposed by applicant as hereinbefore indicated would facilitate the development of better service to the public.

1. The maximum load factor permitted by Commission order during morning and evening peak periods of 150 per cent average passenger-seat ratio by half-hour intervals should be reduced to 140 per cent. The standard for mid-day and evenings of at least a seat per passenger should be maintained.

2. Continued effort should be given to improving on-time performance of buses.

3. Further study should be given to the possibility of operating Lines 2, 4 and 6 eastbound on J Street in downtown Sacramento instead of L Street, so that all lines would provide service by making stops on the main business thoroughfares of J and K Streets.

4. An additional two schedules should be extended from Sacramento Junior College to Sandra Heights on the No. 6 line before 10 a.m. and time schedules extended after 2 p.m. so that 24-minute frequency of service is extended inbound until 10 a.m. and outbound after 2 p.m. on weekdays.

5. Three night schedules should be extended on the No. 6 line from the Junior College to the intersection of Fruitridge Road and Franklin Boulevard on weekdays and Saturday, leaving downtown at 7:30 p.m., 8:30 p.m. and 10:30 p.m.

6. One experimental schedule on the No. 4 line and one schedule on the No. 7 line, should be extended from 7th Street to arrive at the S. P. Depot at about 6:30 a.m. Also, one experimental schedule on the No. 4 line and one on the No. 7 line should be scheduled to leave the S. P. Depot at about 3:40 p.m. to determine whether S. P. employees will use such direct service when provided.

7. A few midday schedules should be extended on the No. 5 line from 64th Street to Power Inn Road on Fruitridge Road to make some service available for shoppers.

It was recommended also in the staff study that applicant should undertake a program designed to develop community-wide knowledge of its routes and bus schedules. It was suggested in this connection that particular consideration be given to (1) posting large route maps at loading points and distributing smaller maps to the public, (2) reproducing clear route diagrams in the pocket timetables and (3) making such timetables available to the public at downtown loading points and from the bus drivers.

Applicant has advised the Commission that the staff recommendations shown above were being adopted except for number 3. The rerouting suggested in that recommendation, it was indicated, involved substantial problems which should be further considered jointly by applicant, the city authorities and the Commission's staff. The company stated also that suitable route diagrams would be included in the pocket timetables and that the schedules would be made available to the public at loading points and through the drivers. It was indicated, however, that preparation of the suggested large

route maps was costly and should be deferred until it appeared that no changes therein were necessary as a result of the city's street traffic program.

The city manager of the City of Sacramento asserted that further increases in fares would result only in temporary solution of applicant's financial problems. He pointed out that each past raise in fares in Sacramento had caused a reduction in the number of people using applicant's services and a comparable drop in revenue. In turn, the company's attempts to effect operating economies by reducing the amount of service offered, he said, had caused still further diversion of traffic to private automobiles which again created a need for additional revenue. Assertedly, continual fare increases in past years had resulted in a vicious cycle which intensified both the company's financial and the city's street traffic problems. He insisted that an approach other than upward adjustments of fares was needed to preserve the mass transit service in full vigor.

The city manager asserted that the city was prepared to join with applicant in an experiment to determine whether greater frequency and improved performance of bus schedules would result in increased use of the service by the public. As explained by the city manager, the city traffic engineer and a consultant retained by the city, it is proposed to use Route 2 - Riverside Drive in the experiment and to increase the frequency of the service thereon substantially to the level of that provided on Route 3. Studies introduced by the city traffic engineer disclosed that the areas served by the two routes were generally comparable from an economic standpoint. The studies included development of the population density per 1,000 feet of bus route, age groups of potential bus riders, average assessed value per dwelling, automobile registrations and other factors affecting the general economic level of the two areas. The experiment would



be conducted for a period of three months during Monday through Friday of each week. If the experiment results in a net out-of-pocket loss, the City of Sacramento proposed to bear one half the amount by according the company a corresponding credit on its franchise tax payments. Full details of the terms and conditions for the experiment are set forth in a resolution adopted by the City Council and in an agreement entered into by the city and the company furnished to the Commission since the hearing.

It was the city manager's position that the experiment should be conducted prior to the granting of any fare increase to applicant. Assertedly, the city authorities were hopeful that the experiment would demonstrate that frequent service would increase the patronage sufficiently so that the sought fare increase would not be necessary. Applicant's vice-president asserted that the company was interested in participating in a plan designed to improve its earning position. He pointed out, however, that applicant had incurred operating losses in the first quarter of 1954 and he maintained that the company should not be expected to undertake any experiment without first being authorized to make the upward adjustment in fares proposed.

Several patrons of applicant's lines testified relative to the proposed changes in bus routes. One patron suggested an alternate routing for that submitted for Route 6 and another patron suggested a loop extension at the end of that route. A representative of property owners along Larkin Way endorsed the company's proposal to transfer the buses to Land Park Drive. Assertedly, Larkin Way is a very narrow street and not suitable for bus operations. A representative of employees at the railroad shops indicated that the extension of certain schedules to the railroad depot recommended by the Commission's staff was needed by the shop employees.

Representatives of a number of organizations actively participated in the hearing. The president of the Retail Merchants Association testified that the board of directors had adopted a resolution urging improvement and extension of applicant's service. A witness appearing for the Junior Chamber of Commerce and the Area Planning Association testified that these organizations had taken formal action favoring an experiment designed to increase patronage of bus service as proposed by the city authorities without any change in fares at this time. The attorney for the California State Employees' Association objected to the fare increase sought by applicant on the ground that applicant has no program for promoting greater use of its services and that the fare adjustment would result in diminishing returns. He considered that the changes in portions of routes proposed by applicant were meritorious and should be adopted.

#### Conclusions

According to the record, net income of \$100,942 after provision for income taxes at current rates (47 per cent) would be earned by applicant if the proposed fares were in effect during the future 12-month period ending April 30, 1955. The corresponding rate of return would be 24.4 per cent and the operating ratio 93.3 per cent. Increased fares which would produce earnings as favorable as those indicated are not justified on this record.

Applicant's position in this proceeding is that declining trends in traffic and rising costs of operation will continue in the future and that the company "is confronted with an emergency so far as our earning position is concerned." In the face of these allegedly serious circumstances, applicant is before this Commission with no plan for providing revenue relief for itself other than by resorting once again to a fare increase. And this is so despite the fact

that the company's officers must realize that each raise in fares in the past resulted in loss of patronage, which, in turn, resulted in reductions in service, in still further loss of patronage and in only temporary financial relief for the company.<sup>5</sup> Continuation of this vicious cycle of declining traffic and increasing fares eventually will result in a level of patronage so low that further operation of the service will be impracticable and therefore detrimental to the public interest.

The time has come when the public interest requires that the company make a sincere and vigorous effort to better its earning position by attempting to attract more patronage to its services rather than to seek to do so entirely by raising the fares. The company's services appear to have been reasonably well supported by the people of Sacramento in the past. Material taken from the annual reports filed with the Commission shows that applicant issued 50,000 shares of its capital stock of an aggregate par value of \$500,000 for the properties acquired when it took over the operations on November 1, 1943. By the end of 1953, the company's total investment in tangible property had risen to \$1,437,780, before allowance for accrued depreciation, without issuing any additional capital stock. The investment in land and structures amounted to about \$115,000, the depreciable property had been depreciated down to \$318,000, cash or special

---

<sup>5</sup> The Commission considered the situation generally prevailing in the mass transit industry serious enough to state in its annual report for the 1952-1953 fiscal year to Governor Goodwin J. Knight "This combination of circumstances together with increased use of private automobiles is slowly undermining mass transportation efficiency in the State's larger population areas. The Commission is of the opinion that this serious situation calls for concerted action, not only by the transit companies concerned, but by civic leaders, governmental agencies and all groups concerned with community development and welfare."

deposits aggregated \$146,000, the earned surplus was \$18,000 and total current and long-term liabilities amounted to \$139,000. The company paid dividends in six of the ten calendar years of operations. The average dividend per year for the 10-year period was 7.85 per cent of par value and the payments aggregated \$392,500. It is clear that the company is in a sound financial position and well able to spend some money in an effort to help itself. Although there has been some fluctuation of traffic and an operating loss in the past three months, no such emergency as claimed by applicant has been created thereby. It should be stated, however, that the foregoing does not indicate that the profits from operations in past years should be used to offset current or anticipated losses. The Commission is well aware of the fact that it may not properly direct that this be done.

In the absence of a company plan, the experiment suggested by the city manager of Sacramento appears to afford a practical means of developing a reasonable indication of whether more frequent service would attract additional passengers in sufficient numbers to make a fare increase unnecessary or at least to minimize the amount thereof. The record shows that no like plan has been tried in California or elsewhere. It shows also that the company, the city authorities and various organizations and persons interested in community welfare would actively support the experiment.<sup>6</sup> Under

6

Representatives of the Retail Merchants Association, California State Employees' Association, Junior Chamber of Commerce, Area Planning Association, Council of Churches and others concerned with community welfare offered to assist actively in publicizing and otherwise furthering the experiment through their members and through their publications.

A-35110, 35193 AH \*

these favorable circumstances; the Commission is encouraged in the thought that the test would have reasonable opportunity to achieve its objective and that the company should be directed to undertake it in accordance with its written agreement with the city not later than thirty days after the effectiveness of the fare adjustment hereinafter authorized. Members of the Commission's staff will participate in the test only to the extent of rendering assistance in assembling, analyzing or evaluating pertinent statistical data as requested by applicant and the city. It should be understood that neither the Commission nor its staff will undertake to pass upon or settle disputed matters relating to the test or otherwise act in the capacity of referee or moderator.

Applicant will be required to render a full report to the Commission upon the conclusion of the experiment giving details of the results achieved and of the possibility of patronage development indicated thereby. Thereafter, the Commission will give consideration to the permanent adjustment which should be made in the fare structure in the light of the results of the experiment. In the meantime, however, it appears that some upward adjustment of the fares should temporarily be made. The record shows that operating losses were experienced in the first quarter of 1954 under the present fares and that under ordinary conditions such trends are expected to continue. An interim increase of two cents per ride in the intrazone and interzone cash fares with tokens offered at the rate of four for 45 cents should provide the company with an operating ratio on an annual basis of 97.2 per cent after provision for income taxes at current rates (47 per cent) and a rate of return of 9.6 per cent on a depreciated rate base of \$413,574. The Commission hereby finds such earnings and rate base to be reasonable for the purpose of this decision.

In calculating the estimated operating results under the interim adjustment an allowance of \$1,250 per month was included for advertising and promotion. This amount should be sufficient for developing and carrying out a forceful advertising and traffic promotion campaign, including the services of a representative to further the patronage of the service. Applicant will be required to render a monthly report to the Commission of the amounts expended and the means employed in the advertising and promotional activities.

The reroutings and extensions of bus lines as proposed by applicant on the whole appear to be reasonable and will be authorized.<sup>7</sup> The company is expected to have in operation throughout the experiment these authorized changes in routes and also those service improvements suggested by the staff as provided for in the order which follows. The added costs of these service changes as shown in the record have been included in the estimate of the operating results under the aforesaid interim fare adjustment. To insure adequate service on the various routes in question, particularly during the experiment, the interim adjustment will be conditioned upon the route changes and service improvements referred to being established prior to or concurrently with the effectiveness of the increased fares.

Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and hereby finds that (1) the public interest requires that a service experiment be conducted by applicant as provided in the order which follows, (2) the interim increase in fares as hereinafter authorized is justified and (3) public convenience and necessity require that the sought route changes and extensions be granted.

---

<sup>7</sup> The "in lieu" certificate in loose-leaf form also requested by applicant will be dealt with in a separate order as soon as it is prepared by the Commission's staff.

INTERIM ORDER

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

IT IS HEREBY ORDERED that pending further order of the Commission, Sacramento City Lines be and it is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, an intrazone fare of 12 cents per ride in lieu of the present fare of 10 cents and interzone fares of 17 cents, 22 cents and 27 cents in lieu of the present fares of 15 cents, 20 cents and 25 cents, with tokens offered at the rate of four for 45 cents and one token being accepted in lieu of 12 cents cash, subject to the following conditions:

1. Prior to or concurrently with the establishment of the increased fares herein authorized and continuously thereafter unless otherwise ordered by the Commission, applicant shall place in operation the service improvements described in recommendations numbers 1, 2, 4, 5, 6, 7, 11 and 13 as described in Exhibit No. 5 in Application No. 35193; and the changes in and extensions of routes numbers 2, 3, 4, 6, 11 and 13 as described in Application No. 35193 and hereinafter authorized.

2. Not later than thirty days after the effectiveness of the increased fares herein authorized unless otherwise ordered by the Commission, applicant shall undertake a service experiment on Route 2 - Riverside Drive in accordance with and under the terms and conditions set forth in Resolution No. 680 of the City Council of the City of Sacramento dated April 22, 1954, and in the agreement entered into on May 4, 1954, by applicant and the City of Sacramento.

IT IS HEREBY FURTHER ORDERED that as soon as possible after the conclusion of the experiment referred to in condition 2 above applicant shall render a report to the Commission showing the detailed operating results achieved together with the views of applicant and the city authorities relative to the solution of mass transit problems indicated thereby.

IT IS HEREBY FURTHER ORDERED that Sacramento City Lines be and it is hereby authorized to reroute or extend portions of its

existing routes proposed in Application No. 35193 as follows:

Route 2 - Riverside Boulevard. Discontinue the portion of route from intersection of 9th and O Streets along O Street, 8th Street, X Street to 9th Street and reroute outbound or southbound buses along 9th Street and inbound or northbound buses along 10th Street.

Route 2 - Land Park Drive. Discontinue the portion of route extending from Larkin Way and Land Park Drive, thence Larkin Way, 16th Street, Caramay Way to Land Park Drive and operate instead via Land Park Drive from Larkin Way to Caramay Way.

Route 3 - J Street. Discontinue the portion of route from intersection of H and 57th Streets, thence H Street and Camelia Street to Sacramento State College and operate instead from 57th and J Streets, thence J Street and an unnamed street to Sacramento State College. Also via Carlson Drive from J Street to H Street.

Route 4 - T Street. Discontinue the portion of the route from intersection of T and 55th Streets, thence 55th Street, V Street, 57th Street to Broadway and operate instead via T Street, S Street, 59th Street to Broadway.

Route 6 - Jr. College, Sandra Heights, 24th and Coleman. Discontinue the portion of the route along 2nd Avenue between 24th Street and Freeport Boulevard and operate instead via 24th Street between Broadway and 2nd Avenue.

Routes 11 and 13. Reroute Route 11 - Signal Depot over present Route 5 from Broadway and Stockton Boulevard to Fruitridge Road and Power Inn Road and reroute Route 13 - Campbell Soup Plant over Route 6 from terminal to Fruitridge Road and Franklin Boulevard.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby directed (1) to post and maintain in its vehicles a notice of the increased fares, route changes and service improvements herein authorized, such notice to be given not less than five days prior to the effective date of the fares and be maintained for a period of not less than thirty days, (2) to develop and undertake an aggressive business promotional plan and (3) to render a monthly report to the Commission showing detailed expenditures of the amount provided



for the business promotional plan together with a brief description of the activities undertaken and of advertising purchased.

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 ten days after the date hereof.

Dated at San Francisco California, this 18 day of June, 1954.

Justus E. Craomer  
President

Kenneth L. Potts

Gene Higgins

\_\_\_\_\_

\_\_\_\_\_

Commissioners

Justus E. Craomer, being necessarily absent, did not participate in the disposition of this proceeding.