

Decision No. 55939**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THOBURN S. HAWORTH, RUTH H. HAWORTH,)
 BRYAN W. HAWORTH and MARGARET HAWORTH,)
 dba ORANGE BELT STAGES, for an ex)
 parte order for authority to increase)
 rates of fares.)

Application No. 38766

O P I N I O N

Thoburn S. Haworth, Ruth H. Haworth, Bryan W. Haworth and Margaret Haworth, doing business as Orange Belt Stages, operate as a passenger stage corporation. They operate generally in the southern end of the San Joaquin Valley, and between such valley points and King City and Paso Robles. These operations have been conducted by applicants since 1935. In 1955, they acquired a line operating between Bakersfield and Barstow.

By this application, as amended, authority is sought to increase fares as follows:

- a. To increase the minimum fare from 15 to 20 cents and to increase by 10 per cent all other passenger fares.
- b. No stop-over privileges are to be allowed where one-way fare is \$1.10 or less.
- c. Fares from or to points on main line to or from points on branch lines are to be constructed in combination over the junction point.
- d. Any increased one-way fares resulting in figures less than 60 cents and not ending in "0" or "5" cents, and any increased round-trip fares resulting in figures less than \$1.10 and not ending in "0" or "5" cents may be further increased to the next higher figure ending in "0" or "5" cents, as the case may be. Any increased one-way fares resulting in figures greater than 60 cents, any increased round-trip fares resulting in figures greater than \$1.10, shall be rounded to the nearest cent, "0.5" cent being considered to the next higher cent.

The Commission staff made a study of applicant's operations. This study is hereby made a part of this record and identified as Exhibit No. 1. The study shows that since its acquisition in 1955, the Bakersfield-Barstow line has eclipsed the rest of the system. The success of the Bakersfield-Barstow line comes principally from three sources: (a) handling of passengers for The Atchison, Topeka and Santa Fe Railway between Bakersfield and Barstow; (b) the operation of a through Dallas-San Francisco service over Orange Belt's line (an extra revenue boost from this traffic results from the higher interstate fares received by Orange Belt for transportation of these passengers), in which Orange Belt, Western Greyhound Lines, New Mexico Transportation Co., T.N.M. and O. Coaches, Inc., and Southwestern Greyhound buses operate this service under a pool agreement; and (c) the fast, frequent Bakersfield-Barstow service (now seven schedules each way per day) which has tended to increase traffic.

A large part of applicants' passenger revenue comes from Western Greyhound Lines' interline tickets. Another important portion of revenue comes from The Atchison, Topeka and Santa Fe interline tickets used on Orange Belt's Barstow line to facilitate passage of Santa Fe through or intermediate passengers between Bakersfield and Barstow, and from tickets sold to Santa Fe pass riders. Considerably less than one half of ticket revenue comes from Orange Belt's own tickets.

A detailed analysis of the Bakersfield-Barstow operation was made and the results separated into interstate and intrastate traffic. This analysis showed that for the 12-month period ended March 31, 1957, interstate traffic accounted for 71.8 per cent of the revenue and 68 per cent of the passenger miles, and intrastate traffic represented 28.2 per cent of the revenue and 32.0 per cent

of the passenger miles. For all practical purposes, the remainder of applicants' operations can be considered as all intrastate. Operating results for this period, as developed by the staff, are shown in the following table:

OPERATING RESULTS - ORANGE BELT STAGES
Year ended March 31, 1957

Item	From Applicants' Books			Adjusted	
	Total	Allocated by staff		Intrastate*	
	Oper-	Inter-	Intra-	Present	Proposed
	tions	state	state	Fares	Fares
<u>Operating Revenues</u>					
Passenger Revenue	\$378,818	\$212,278	\$166,540	\$166,540	\$180,930
Charter Revenue	50,212	-	50,212	50,212	50,212
Mail Revenue	9,980	2,114	7,866	9,600	9,600
All Other Oper. Revenue	23,207	1,177	22,030	22,030	22,030
Total Oper. Revenue	462,217	215,569	246,648	248,382	262,772
<u>Operating Expenses</u>					
Equipment Maintenance	63,537	18,956	44,581	45,297	45,297
Transportation	144,909	44,434	100,475	108,500	108,500
Station Expense	37,940	20,128	17,812	17,812	19,251
Traffic	3,299	1,064	2,235	2,235	2,235
Ins. and Safety Expenses	15,014	4,840	10,174	10,174	10,174
Admin. and Gen. Expenses	31,656	10,176	21,480	21,480	21,480
Depreciation	21,335	11,645	9,690	7,244	7,244
Oper. Taxes and Licenses	42,016	15,279	26,737	24,064	24,280
Equipment Rents	23,041	20,458	2,583	2,583	2,583
Total Oper. Expense	382,747	146,980	235,767	239,389	241,044
Net Revenue from Operations	79,470	68,589	10,881	8,993	21,728
Income Taxes, Federal and State	-	-	-	1,888	5,008
Net Operating Income after Income Taxes	-	-	-	7,105	16,720
Operating Ratio after Taxes				97.1%	93.6%

* Adjusted to reflect current wages and other current conditions and lengthened service lives on buses purchased in 1957.

In the amendment to the application, applicants' point out that by Decision No. 55226, dated July 9, 1957, in Application No. 38017 et al., certain bus lines, including Transcontinental Bus Lines, Inc., Continental Pacific Lines, and Western Greyhound Lines, were authorized to increase their fares by approximately the same amount as is being requested by applicants herein. Applicants state

that they participate in many forms of interline fares with the above-mentioned carriers and maintain similar rates of fare in areas competitive with these carriers. In addition to the financial need for an increase, applicants allege that the sought amount of increases are necessary to maintain comparative fares with the other bus lines and to maintain existing tariff differentials based on the variance in territory served.

The public has been adequately informed of the proposed increase in fares. Public notice was given by announcements posted in applicants' buses. Copies of the application and amendment were sent to local authorities. No protests have been received.

The results of operation, as estimated by the staff and as shown in the table above, indicate that under present fares the net operating income after income taxes is \$7,105, resulting in an operating ratio of 97.1 per cent, while under proposed fares the net operating income after income taxes is \$16,720, with an operating ratio of 93.6 per cent.

In view of the circumstances, including the fact that comparable increases were granted to other carriers operating in the same area, and who maintain interline fares with applicants, the Commission is of the opinion and finds that the proposed increases in passenger fares are justified and will not result in unreasonable charges. The application, as amended, will be granted. A public hearing is not necessary.

O R D E R

Application having been made, the Commission being fully advised in the premises and having found that the sought increases are justified,

IT IS HEREBY ORDERED:

1. That Thoburn S. Haworth, Ruth H. Haworth, Bryan W. Haworth and Margaret Haworth, copartners doing business as Orange Belt Stages, be and they are hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased passenger fares proposed in the application, as amended, filed herein.

2. That, in addition to the required filing of tariffs, applicants shall give notice to the public by posting in their buses a statement of the increased fares herein authorized. The notices shall be posed at least five days prior to the effective date of the increased fares and shall remain posted for not less than ten days thereafter.

3. That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 10th day of December, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners