

ORIGINAL

Decision No. 56140

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
LONG BEACH MOTOR BUS COMPANY)	
requesting authority to increase)	Application No. 39633
certain of its rates of fare.)	
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John Munholland, for Long Beach Motor Bus Company, applicant.
Arthur A. Knoll, for Long Beach Unified School District, protestant.
 Walhfred Jacobsen, by Leslie B. Still, and Henry E. Jordan, for the City of Long Beach; Glenn A. Irvin, for the Long Beach Chamber of Commerce, interested parties.
Martin J. Porter and Timothy J. Canty, for the Commission's staff.

INTERIM OPINION

Long Beach Motor Bus Company operates an urban passenger stage service in Long Beach and the surrounding area. By this application, filed December 12, 1957, it seeks authority to increase its present single zone cash fare from 15 cents to 20 cents and to establish a single zone token fare of five tokens for 90 cents. No change is proposed in zone boundaries or in the additional five-cent charge for each zone travelled beyond the initial zone.¹ Applicant requests an immediate interim increase of one cent in the single zone fare.

¹ Changes in school fares are also proposed, but as school fares are not involved in the interim phase, those changes will not be discussed herein.

Public hearing was held before Commissioner Ray E. Untereiner and Examiner William E. Turpen at Long Beach on January 9, 1958. Evidence was submitted by applicant and by the Commission's staff. Cross-examination of the witnesses was deferred until an adjourned hearing now set for March 18, 1958. Applicant's request for the interim increase was taken under submission.

In December of 1957, following several months of negotiations, applicant entered into a new labor contract which provided increased wages and fringe benefits retroactive to October 1, 1957. This settlement averted a strike which was imminent. The increased labor costs, according to the applicant, make immediate relief necessary.

Exhibits were introduced by applicant and by a Commission engineer showing estimated operating results under the present, proposed and several alternate fare structures for a 12-month period ending March 31, 1959. These exhibits show that the new labor contract will increase operating costs by over \$100,000 during the test year. As a result of these added costs, applicant estimates that under the present fares it would incur an operating loss of \$102,840 during the test year, and the staff estimates a loss of \$51,396.

An interim increase of one cent in the basic single zone fare would provide little more than enough to cover the increased labor expense. Representatives of the City of Long Beach and of the Long Beach Chamber of Commerce stated that they would not oppose the sought interim increase.

It appears, and the Commission so finds, that the sought interim increase is justified and necessary for the adequate maintenance of applicant's operations pending further hearing and consideration of the full fare increase sought in this application. As the increased costs are now being experienced, and as no one opposes the interim adjustment, the order which follows will be made effective in five days.

INTERIM ORDER

Based on the findings and conclusions set forth in the preceding interim opinion,

IT IS ORDERED that Long Beach Motor Bus Company be and it hereby is authorized to establish, on not less than five days' notice to the Commission and to the public, increases of one cent in each of its adult cash fares.

IT IS FURTHER ORDERED that, in addition to the customary filing and posting of tariffs, applicant shall give not less than five days' notice to the public by distributing and posting in its buses a printed explanation of the increased fares.

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

Dated at San Francisco, California, this 2/28 day of January, 1958.

[Signature]
President
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Commissioners