

Decision No. 57460

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) TRANSCONTINENTAL BUS SYSTEM, INC.,) for authority under the provisions) of Section 454 of the Public) Utilities Code to increase fares.)	Application No. 37556 (Fifth Supplemental)
---	---

In the Matter of the Application of) CONTINENTAL PACIFIC LINES for auth-) ority under the provisions of) Section 454 of the Public Utilities) Code to increase fares.) (Special Service Charge))	Application No. 38137 (Second Supplemental)
--	--

In the Matter of the Application of) AMERICAN BUSLINES, INC., a Delaware) corporation, Debtor, in Corporate) Reorganization Under Chapter X, by) Its Trustee Richard W. Smith, and) Its Additional Trustee, W. F.) Aikman, for Authority Under the) Provisions of Section 454 of the) Public Utilities Code to Increase) Fares (Special Service Charges))	Application No. 38257 (First Supplemental)
---	---

In the Matter of the Application of) TRANSCONTINENTAL BUS SYSTEM, INC.,) and AMERICAN BUSLINES, INC., a) Delaware corporation, Debtor, In) Corporate Reorganization Under) Chapter X, by its Trustee, Richard) W. Smith, and Its Additional) Trustee, W. F. Aikman, for Author-) ity under the Provisions of) Section 732 of the Public Utilities) Code to Establish Joint Through) Special Reserve Seat Charges and) Services.)	Application No. 38258 (Third Supplemental)
--	---

SUPPLEMENTAL OPINION AND ORDER

Applicants are passenger stage corporations. They operate between various points in the State of California. By Decision No. 52376 of December 20, 1955, as amended, in Application No. 37556, Transcontinental Bus System, Inc., was authorized to establish special service charges in connection with de luxe express service operated on certain schedules between San Francisco, Los Angeles, Stockton, Long Beach, San Clemente, Ocean-¹side and San Diego and certain intermediate points. Special

¹ The special services include attending stewardesses, lavatory facilities on board the equipment, blankets and pillows furnished on request and without charge and snack bars providing sandwiches, soft drinks and coffee on request and without charge.

charges for similar special services were authorized for Continental Pacific Lines by Decision No. 53288 of June 26, 1956, as amended, in Application No. 38137, between San Francisco, Oakland, Richmond, Vallejo, Sacramento, Redding, Mount Shasta and Yreka; and for American Buslines, Inc., by Decision No. 53508 of July 31, 1956 in Application No. 38257, between Sacramento and Stockton, Decision No. 53506 of July 31, 1956, in Application No. 38258, authorized Transcontinental Bus System, Inc., to establish joint through special service charges for deluxe services with American Buslines, Inc., between Sacramento and San Diego and certain intermediate points.

By these supplemental applications, authority is sought by applicants to increase their local and joint special charges for the special services in question. Authority is also sought to establish the proposed increases on less than statutory notice. American Buslines, Inc., also requests authority to modify Rule 1(a) of its Special Service Charge Tariff-Cal-S-3, Cal. P.U.C. No. 8, with respect to references to schedules. No changes in authorized service points are proposed.

The present special service charges range from 50 cents to \$2.00. The variations are related generally to the transit time. The proposed charges would range from 65 cents to \$2.50.

Applicants state that for the past two years or more, since the deluxe service has been in operation, the number of persons using said service has increased steadily. They further state that load factors on equipment operated in this service have been consistently better than the load factors developed in regularly scheduled service. Applicants assert that, notwithstanding the steadily increased load factors, the revenues derived from the special service charges now in effect have not been sufficient to meet and pay even the direct cost of furnishing the service.

Original

The supplemental applications allege that the primary reason for the inability of applicants to recover their cost of providing the deluxe type service has been the increases in the cost experienced in rendering the services in question. They state that the principal items of cost in providing such services are wages, food, drinks, laundry, ice, and toilet articles. They show that the increases in the service charges as proposed will have the effect of reducing the amount of the losses being sustained in providing such services but will not be sufficient to permit applicants to recover fully the costs of providing the special services. The following statement shows applicants' estimated results of operations under existing and proposed charges:

Statement Showing Estimated Results of
Operations under Current and Proposed Special Service Charges
For Twelve Months Period Ending May 31, 1958

Continental Pacific Lines

	<u>Number of Passengers</u>	<u>Service Charge Revenue</u>	<u>Service Charge Direct Expenses</u>	<u>Net</u>
Current Charges	34,139	\$77,649.50	\$107,120.57	(\$29,471.07)
Proposed Charges	34,139	\$97,062.00*	\$107,121.00	(\$10,059.00)

Transcontinental Bus System, Inc.

Current Charges	65,715	\$90,601.79	\$125,053.43	(\$34,451.64)
Proposed Charges	65,715	\$113,252.00*	\$125,053.00	(\$11,801.00)

* Based on estimated 25 percent increase in service charges.

(_____) = Loss

Applicants allege that the period of August through December is the period of heaviest bus travel. They seek authority to establish the proposed increases on less than statutory notice so that the increases will become effective during the heavy travel period and afford applicants the best opportunity to recover their costs for these services.

The supplemental applications were served on or about August 18, 1958, upon the City Attorney of each of the cities affected by applicants' proposals. No objection to the sought increases has been received.

It is clear from the showing of applicants that even under the proposed charges the special services will be conducted at a loss. The service involved is provided only on certain schedules. Other schedules, without the deluxe features, will continue to be operated between all of the affected points at no change in fares. The Transportation Division staff has reviewed the applications and has recommended that they be granted.

Upon consideration of all the facts and circumstances of record, it appears, and the Commission finds, that applicants' proposals are justified and reasonable. The supplemental applications will be granted. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That Transcontinental Bus System, Inc., is hereby authorized, on not less than five days' notice to the Commission and to the public, to increase its special service charges as proposed and set forth in Fifth Supplemental Application No. 37556.

(2) That Continental Pacific Lines is hereby authorized, on not less than five days' notice to the Commission and to the public, to increase its special service charges as proposed and set forth in Second Supplemental Application No. 38137.

(3) That American Buslines, Inc., is hereby authorized, on not less than five days' notice to the Commission and to the public, to increase its special service charge and to publish the rule change as set forth in First Supplemental No. 38257.

(4) That Transcontinental Bus System, Inc., and American Buslines, Inc., are hereby authorized, on not less than five days' notice to the Commission and to the public, to increase their joint special service charges as proposed and set forth in Third Supplemental Application No. 38258.

(5) That the authorities herein granted shall expire unless exercised within ninety days after the effective date hereof.

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

Dated at San Francisco, California, this 15th day of October, 1958.

C. Lynn Fox
President
Robert E. Mitchell
Robert L. L. L. L.
Michael J. Dale
Theodore J. Jenner
Commissioners