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Decision No. \_\_\_\_\_

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
SAN JOSE CITY LINES, INC., For )	Application No. 45601
authority to discontinue token rate )	(Filed July 17, 1963)
of fare to off-set partial cost of )	
wage increase by ex parte order. )	

OPINION AND ORDER

San Jose City Lines, Inc., a passenger stage corporation conducting urban operations in San Jose and vicinity, seeks authority to discontinue the adult token fare of 14-2/7 cents (sold 7 for \$1.00) so that the adult fare will be the present cash fare of 15 cents. The present fare structure was authorized by the Commission in Decision No. 64523, dated November 7, 1962, in Application No. 44577. The application states that San Jose City Lines, Inc. recently entered into an agreement with the collective bargaining agent of its employees which provides for increases in wages and fringe benefits effective July 1, 1963. Applicant estimates the increased labor costs for the first year of the agreement will amount to approximately \$21,750 and since none of this additional cost was known when Decision No. 64523 was issued establishing the current rates of fare, applicant considers it necessary to offset some of this additional cost through an increase in fare.

Notices of the proposal to discontinue the token fare were posted in applicant's buses. Notice, in the form of a news release, also appeared in a newspaper of general circulation in the San Jose area. Copies of the application were served upon officials of the

Cities of San Jose and Santa Clara. No protests have been received nor has the Commission been made aware of any opposition to the proposed fare increase.

Applicant estimates that the discontinuance of the token fare will increase its annual gross revenue by approximately \$11,200 which is only slightly more than one half of the estimated increase in expense.

The Commission staff made a study of the effect of the proposed fare increase in applicant's operating results. The report of that study is received herein as Exhibit 1. The report shows that for operations under the fare proposal the rate of return and operating ratio will be approximately the same as those found to be reasonable in Decision No. 64523. It also shows that for the year ended June 30, 1963 applicant conducted operations at a loss.

We find that the proposed increase has been shown to be justified and that a public hearing is not necessary. We conclude that the application should be granted and that applicant should be authorized to make effective the change in fare on not less than five days' notice; therefore,

IT IS ORDERED that:

1. San Jose City Lines, Inc. is authorized to establish the increased fare as proposed in Application No. 45601. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

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

Dated at San Francisco, California, this 5<sup>th</sup> day of NOVEMBER, 1963.

*William W. Bennett*  
 President

*George L. Hoover*

*Fredrick B. Holbrook*  
 Commissioners