

ORIGINALDecision No. 69402

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of: GIBSON LINES, a California
corporation, for authority to
discontinue presently existing
commuter fares and to increase
one-way and round-trip intrastate
passenger fares pursuant to
Sections 454 and 491 of the
Public Utilities Code.

Application No. 47406
(Filed March 12, 1965)

Russell & Schureman, by R. Y. Schureman, for applicant.
Eric A. Mohr, for the Commission staff.

O P I N I O N

This application was heard June 2, 1965 before Examiner Thompson at Sacramento. It was submitted on June 4, 1965 on the receipt of late-filed Exhibit 8. Copies of the application were served and notices of hearing were posted and published in accordance with the Commission's procedural rules. There are no protests.

Gibson Lines, a wholly owned subsidiary of American Bus Lines, Inc., operates between Roseville and Sacramento along Auburn Boulevard. It here seeks authority to increase one-way and round-trip fares and to discontinue commutation fares. Applicant estimates that the proposed increases in fares will provide it with \$5,625 additional revenue annually. It showed that it is operating at a loss under present fares and will continue to operate at a loss under the proposed fares.

The Commission staff presented evidence showing that applicant will continue to operate at a loss at the proposed fares. It suggested some modifications in applicant's proposed rate structure which are intended to diminish applicant's loss of passenger traffic.

and will provide applicant with approximately the same revenue it would receive under the proposed fares. Following the presentation by the staff, counsel for applicant stated that the fare structure proposed by the staff would be satisfactory to applicant.

The present fares, applicant's proposed fares and the fares suggested by the staff for transportation to or from Sacramento are shown below:

Gibson Lines
Fares between Sacramento and Points Shown
(Fares in Dollars)

	Present		Applicant's	Staff Proposal	
	<u>One-Way</u>	<u>30-Ride</u>	<u>Proposal</u> <u>One-Way</u>	<u>One-Way</u>	<u>30-Ride</u>
Del Paso Park	.30	3.00	.40	.40	11.00
Antelope Jct.	.35	9.00	.45	.45	12.50
12 Mile House	.35	9.50	.50	.50	13.00
Sylvan Corner	.45	12.00	.60	.60	16.00
Roseville	.60	16.00	.80	.70	18.50

Note: In all instances round-trip fares are 180 percent of one-way fares.

The modifications in the rate structure proposed by the staff are the retention of the 30-ride ticket fares and a smaller increase in the fare between Roseville and Sacramento. The latter modification is intended to permit applicant to be competitive with other agencies and modes of transportation.

As stated above, the forecasts of applicant and of the staff are that the proposed fares will not provide revenues in excess of the total expense of providing service. For that reason, we will use the staff's estimates to compare the results of operation under the fares proposed by applicant with the results under the fares proposed by the staff.

Estimated Results of Operation
Under Present, Proposed and Alternate Fares
for the Year Ending June 30, 1966

	<u>Book Record</u> <u>Year End.</u> <u>12-31-64</u>	<u>Present</u> <u>Fares</u>	<u>Applicant's</u> <u>Proposal</u>	<u>Staff's</u> <u>Proposal</u>
Bus Miles Operated	75,942	74,050	74,050	74,050
<u>Revenue</u>				
Passenger	\$28,068	\$27,030	\$32,080	\$31,540
Express	1,322	1,320	1,320	1,320
Other	130	130	130	130
	<u>29,520</u>	<u>28,480</u>	<u>33,530</u>	<u>32,990</u>
<u>Expense</u>	35,311	33,840	33,840	33,340
Net Before Income Taxes	<u>(5,791)</u>	<u>(5,360)</u>	<u>(310)</u>	<u>(850)</u>
Income Taxes	100	100	100	100
Net Income	<u>(5,891)</u>	<u>(5,460)</u>	<u>(410)</u>	<u>(950)</u>
Operating Ratio	120.0%	119.2%	101.2%	102.9%

(Red Figure)

It is estimated that applicant's proposed fares will provide \$540 more revenue than the fare structure proposed by the staff. The reasonableness of fares involves more than consideration of operating results to be provided by the proposed increase. Commuter transportation traditionally is sold in wholesale quantities at fares lower than regular fares, which benefits not only the commuter but also the carrier which receives working cash capital well in advance of providing the service. Commuter fares also encourage the retention of regular traffic and the expansion of business into suburban areas. (Gibson Lines, 1962, 59 Cal. P.U.C. 596).

Applicant's counsel stated that the modified fare structure proposed by the staff is satisfactory. Upon consideration of all of the facts we find that the increases which will result from the establishment of the fares proposed by the staff are justified and that in all other respects the increases sought by applicant have not been shown to be justified.

We conclude that applicant should be authorized to establish, on not less than ten days' notice, the increased fares suggested by the staff and more particularly described and set forth in Exhibit 8 herein; and that in all other respects the application should be denied.

- O R D E R

IT IS ORDERED that:

1. Gibson Lines is authorized to establish the increased fares proposed in Application No. 47406 except the proposed fare for transportation between Sacramento and Roseville and except for the proposed cancellation of 30-ride ticket fares, and, with respect to such transportation is authorized to establish the following fares:

One-Way Fare

Between Sacramento and Roseville \$0.70

30-Ride Ticket Fares

<u>Between</u>	<u>Price for 30 Tickets</u>
Sacramento and Roseville	\$18.50
Sacramento and Sylvan Corners	16.00
Sacramento and 12-Mile House	13.00
Sacramento and Antelope Jct.	12.50
Sacramento and Del Paso Park	11.00
Roseville and Del Paso Park	11.00
All other Points less than 10 miles Distant	9.00

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

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

4. 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.

5. In all other respects Application No. 47406 is denied.

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

Dated at San Francisco, California, this 13th day of July, 1965.

Fredrick B. Holshoff
President

George L. Grover

Augustin

Mallory Bunnell
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.