

ORIGINALDecision No. 73087

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 TRANSCONTINENTAL BUS SYSTEM, INC.,)
 a Delaware corporation; AMERICAN)
 BUSLINES, INC., a Delaware corpora-)
 tion; CONTINENTAL PACIFIC LINES, a)
 California corporation; and GIBSON)
 LINES, a California corporation,)
 for authority to increase one-way)
 and round-trip intrastate passenger)
 fares pursuant to Sections 454 and)
 491 of the Public Utilities Code.)

Application No. 49543
 (Filed July 7, 1957)

O P I N I O N

Transcontinental Bus System, Inc. (Transcontinental), American Buslines, Inc. (American), Continental Pacific Lines (Continental Pacific) and Gibson Lines (Gibson) seek an ex parte order authorizing increases in their intrastate, local and joint passenger fares (except commute fares).

Continental Pacific, Gibson and American are wholly owned subsidiaries of Transcontinental.

Transcontinental operates generally between San Francisco and Los Angeles and intermediate points via Stockton, Fresno and Bakersfield and between Los Angeles and the California-Arizona state line at Needles and Elythe via San Bernardino and Riverside, respectively.

American operates between Los Angeles and San Diego, via U.S. Highway 101, via Long Beach, and between Sacramento and the California-Nevada state line.

Continental Pacific conducts operations between San Francisco and Stockton and the California-Oregon state line, via U.S. Highways 40 and 99.

Gibson operates between Roseville and Sacramento.

The operations of Transcontinental, American, Continental Pacific and Gibson are over main line routes and there are no branch lines in California.

Applicants maintain in addition to local fares, joint-through intrastate fares applicable over the several routes operated by them as described above. Applicants other than Gibson also have extensive operations outside California.

The local and joint fares of applicants other than Gibson, and Gibson's joint fares, historically have been maintained on the same mileage scale as that authorized to Greyhound Lines, Inc. (Greyhound) for its California intrastate operations.^{1/} At the present time applicants' fares (except Gibson's local fares) are below the most recent increase in fares authorized to Greyhound pursuant to Decision No. 71787, dated December 30, 1966 in Application No. 48692. Applicants (other than Gibson) seek to increase their local and joint fares and their joint fares with Gibson to the fare levels authorized to Greyhound in Decision No. 71787. The increase sought in these fares is approximately seven percent. Applicants also seek authority to publish combinations of fares over junctions for service between branch line and main line points; authority to depart from the proposed mileage scale of fares to the extent necessary to establish them on a point-to-point basis at the level currently maintained by Greyhound between points served both by applicants and by Greyhound; and authority to round fares constructed

^{1/} Decision No. 71629, dated November 29, 1966, in Application No. 47847 and Decision No. 70407, dated March 1, 1966, in Application No. 47847, and Decision No. 65989, dated September 10, 1963, in Application No. 44747.

on a mileage basis to the next higher "0" or "5" cents for one-way fares of 60 cents or less and round-trip fares of \$1.10 or less, and to the nearest cent for fares exceeding those amounts.

Gibson currently maintains local fares on the basis of 4 cents per mile, except for a fare of 70 cents between Sacramento and Roseville.^{2/} Gibson seeks to increase its mileage fares to 4.28 cents per mile, and its Roseville-Sacramento fare to 75 cents, an increase of seven percent. It also seeks authority to round resulting fares constructed on a mileage basis in the same manner as other applicants.

Applicants seek to establish the increased fares by use of a conversion table rather than republish all tariffs to reflect the fare changes proposed. The application states that to republish the tariffs would require approximately six-months' time, and that applicants desire to place the increased fares in effect at the earliest possible time.

The application alleges that wages paid to drivers and other personnel subject to collective bargaining agreements have substantially increased since the last fare adjustment was authorized. Also applicants have experienced increases in costs of materials, supplies and equipment averaging about 10 percent.

The application contains results of operations under present fares and, for applicants other than Gibson, related statistical information to show the development of California intrastate operations separately from applicants' combined California intrastate and other operations. The application also contains adjusted results of operation (for applicants other than Gibson) to show the effect of eliminating the additional patronage

^{2/} Decision No. 69402, dated July 13, 1965, in Application No. 47406.

temporarily accruing to applicants because of the strike of Greyhound employees in the summer of 1966, during which no operations in California were conducted by Greyhound.

Statements showing projected revenues and expenses for a future rate year, adjusted to eliminate the effect of the Greyhound strike upon applicants' operations, and to reflect increased revenues under proposed fares and increased expenses because of higher labor and material costs, are also attached to the application. Summarizations of these data are set forth in the following tables:

TABLE I

Summarization of Projected Revenues and Expenses and Operating Ratio for California Intrastate Operations Under One-Way and Round-Trip Fares for Year Ended September 30, 1967.

	<u>Transcontinental and Continental Pacific*</u>	<u>American</u>	<u>Transcontinental, Continental Pacific and American</u>
Revenues	\$386,892	\$243,100	\$629,992
Operating Expenses	401,476	207,084	608,560
Net Operating Revenue	(14,584)	36,016	21,432
Operating Ratio (before taxes)	103.77%	85.18%	96.60%

() = Loss

*Continental Western Lines (Division of Transcontinental Bus System, Inc. and Continental Pacific Lines operating results are combined in the application.

Gibson's operating results for the twelve months ended September 30, 1966, as set forth in the application, are summarized in the following table. The application does not contain estimated operating results for Gibson under proposed fares.

TABLE II

Gibson Lines, Inc. - Income Statement
For Twelve Months ended September 30, 1966.

Operating Revenues	\$30,350
Operating Expenses	30,986
Net Operating Revenue	(636)
Operating Ratio	102.09%
() = Loss	

Gibson's estimated results of operation adopted in Decision No. 69402, supra, indicated Gibson would obtain an operating ratio of 102.9 percent under increased fares authorized therein. Considering that wage costs have risen since the date of that decision, and that no increase in commute fares is sought herein, it appears that Gibson will continue to operate at or below the break-even point under the fares sought herein.

The application was served in accordance with the Commission's procedural rules. There are no protests.

The Commission finds as follows:

1. Applicants heretofore have been authorized to maintain their local and joint one-way and round-trip fares (except local fares of Gibson Lines) on the same level as that authorized to Greyhound Lines, Inc. Present fares (except local fares of Gibson) are below the fare levels authorized to Greyhound in Decision No. 71787. Increases in applicants' local and joint fares to the level of authorized Greyhound fares will be reasonable and such fares will not produce excessive earnings for applicants' California intra-state operations as a group.

2. Gibson's present one-way fares are based on a rate of 4.0 cents per mile, except for the 70-cent one-way between Sacramento and Roseville. An increase of seven percent in said fares as sought herein will not provide excessive earnings to Gibson.

3. The increases in fares proposed in the application herein are justified.

4. Pending amendment of tariffs to reflect the revised fares sought herein, the publication of the fares by means of a conversion table is justified.

5. A public hearing is not necessary.

The Commission concludes the application should be granted.

O R D E R

IT IS ORDERED that:

1. Transcontinental Bus System, Inc., American Buslines, Inc., Continental Pacific Lines and Gibson Lines are authorized to establish the increased fares proposed in Application No. 49543, and are authorized to depart from the mileage scale of fares to the extent necessary to establish fares on a point-to-point basis at the level currently authorized to Greyhound between points served both by the applicants and Greyhound. 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 of the order herein, on not less than ten days' notice to the Commission and to the public.

2. Pending establishment of specific fares, increased as authorized in paragraph 1 hereof, applicants are authorized to make effective increases in their passenger fares by means of appropriate conversion tables, provided said increased fares do not

exceed the fares authorized in paragraph 1 hereof. Thereafter, applicants shall proceed to further amend their tariffs so that said increased fares may be determined without use of conversion tables, said further amendment to be completed within six months after the effective date hereof.

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, applicants shall give notice to the public by posting in their buses and terminals a printed explanation of their 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 is twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of SEPTEMBER 1967.

[Signature]
President

[Signature]
[Signature]
[Signature]
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.