

Decision No. 75154

**ORIGINAL**

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  
corporation; and

CONTINENTAL PACIFIC LINES, a California  
corporation, for authority to increase  
one-way and round trip intrastate  
passenger fares and express charges  
pursuant to Sections 454 and 491 of the  
Public Utilities Code.

Application No. 50672  
(Filed November 6, 1968)

O P I N I O N

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

Continental Pacific and American are wholly owned subsid-  
aries of Transcontinental. The interstate operating rights and  
property of Transcontinental were transferred to Continental Trailways,  
Inc. (Trailways) pursuant to an order of the Interstate Commerce  
Commission in Docket No. MC-F-10160. The application herein indicates  
that an application will be filed with this Commission seeking transfer  
of the intrastate certificate. The application herein requests that  
the relief sought by Transcontinental be granted to that company and  
to its successors and transferees, including Trailways, in order to  
avoid the necessity of the filing of a supplemental application herein  
at a later time.

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 Blythe via San Bernardino and Riverside, respectively.

American operates between Los Angeles and San Diego, both via U. S. Highway 101 and 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.

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

The local and joint fares of applicants historically have been maintained on the same mileage scale as that authorized to Greyhound Line, Inc. (Greyhound) for its California intrastate operations.<sup>1/</sup> At the present time applicants' fares are below the most recent increase in fares authorized to Greyhound pursuant to Decision No. 74831, dated October 15, 1968 in Application No. 50366. Applicants seek to increase their local and joint fares to the fare levels authorized to Greyhound in Decision No. 74831. The increase sought in these fares is approximately four percent. Applicants also seek authority to publish combinations of fares over junctions for service between branch line and main line points; authority

<sup>1/</sup> Decision No. 73087, dated Sept. 19, 1967, in Application No. 49543; Decision No. 71629, dated Nov. 29, 1966, in Application No. 47847; Decision No. 70407, dated Mar. 1, 1966, in Application No. 47847; and Decision No. 65989, dated Sept. 10, 1963 in Application No. 44747.

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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 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.

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.

Applicants also seek to increase their local and joint express rates by four percent to the level authorized to Greyhound in Decision No. 74831, supra. Applicants propose that any increase in rates not ending in "0" or "5" be further increased to the next higher "0" or "5". Applicants' present express rates were authorized by Decision No. 69593, dated August 24, 1965, in Application No. 47737.

The application alleges that wages paid to drivers and other personnel subject to collective bargaining agreements have substantially increased since the last fare and express rate adjustments were authorized. Also applicants have experienced increases in costs of materials, supplies and equipment.

The application avers that the increases in operating expenses incurred by Greyhound, as discussed in Decision No. 74831, apply equally to applicants. Applicants are competitive with

Greyhound at substantially all points they serve. The application states that past experience has demonstrated that an increase in fares to Greyhound without a corresponding increase in the fares of applicants results in increased losses to applicants because any increase in the volume of traffic handled by applicants as a result of the disparity in rates does not offset the added costs of performing such additional transportation service. The application alleges that it is therefore necessary for applicants to increase their fares to a parity with those of Greyhound.

There are a number of exhibits attached to the application which show applicants' results of operation for their system and California intrastate services under present fares. Applicants estimate that the proposed increased fares will produce \$19,892.34 additional revenue annually, and that the proposed express rates will produce additional annual revenues of \$634.44.

The following table contains a development of the operating results for applicants' California intrastate operations for the year 1967, adjusted to give effect to the proposed increases in fares and express rates.

TABLE I

Summarization of Projected Revenues and Expenses  
and Operating Ratio for California Intrastate  
Operations Under Proposed Fares and Express Rates

Operating Revenues

Passenger	\$489,657.68
Express	13,498.65
All Other	<u>429,178.22</u>

Total	\$932,334.55
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Incr. Passenger Fares	19,823.34
Incr. Express Rates	<u>634.44</u>

Total	\$952,792.33
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Operating Expenses

Total	\$910,789.24
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<u>Net Operating Revenue</u>	\$ 42,003.09
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Operating Ratio (Before Taxes)	95.7%
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The application was served in accordance with the Commission's procedural rules, and also was listed on the Commission's Daily Calendar of November 8, 1969. 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 and express rates on the same level as that authorized to Greyhound Lines, Inc. Present fares and express rates are below the fare levels authorized to Greyhound in Decision No. 74831. 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 intrastate operations.

2. The increases in fares and express rates proposed in the application herein are justified.

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

4. A public hearing is not necessary.

5. Applicants should be permitted to deviate from the provisions of Rule 23(e) and (g) of the Commission's Rules of Procedure, as requested in the application.

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 their successors and transferees, including Continental Trailways, Inc. are authorized to establish the increased fares proposed in Application No. 50672, 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 Lines, Inc. between points served both by 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 27th  
day of DECEMBER, 1967.

William Symons Jr.  
President

William B. Bennett

Fred P. Monsey  
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.