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Decision No. 75573

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE GRAY LINE TOURS COMPANY for Authority to Increase Rates for Passenger Fares for its Services covered by Local Passenger Tariffs, California Public Utilities Commission Numbers 19 and 20.	Application No. 49603 (Filed August 14, 1967)

(Appearances are Listed in Appendix A to Proposed Report)

O P I N I O N

Examiner Thompson filed his proposed report in this application on November 27, 1968. Exceptions were filed by applicant, by Orange Coast Sightseeing Company, et al.[1/] and by the Commission staff. California Parlor Car Tours and The Gray Line, Inc., who are not parties to the proceeding, urge that portions of the proposed report not be included in the decision of the Commission.

Applicant made motions to strike the exceptions of Orange and to strike the exceptions of staff. It filed replies to the exceptions in the alternative of its motions. The matter is ready for decision.

Applicant's motions to strike the exceptions are denied. The due date for exceptions was Tuesday, December 24, 1968. Staff filed its exceptions on Friday, December 27, 1968. The holiday of Christmas was between the due date and the actual filing date. Applicant has not been disadvantaged by the late filing of staff's

1/ Orange Coast Sightseeing Company, Airport Service, Inc., Airport Coach Service, California Sightseeing Tours, Inc., and M & M Charter Lines, Inc., hereinafter referred to collectively as Orange.

exceptions. Orange's exceptions do not comply with the technical requirements of Rule 80 of the Rules of Procedure in that they do not specify the portions of the record relied upon, set forth proposed substitute findings, proposed additional findings, nor do they cite statutory provisions or principal authorities relied upon in exceptions to conclusions. It should be mentioned, however, that the parties were not accorded opportunity to argue the case nor to make any closing statements of position. Orange's exceptions constitute assertions of position with respect to three issues and we shall so consider them. It is desirable that such positions be heard rather than be dismissed because of technicalities.

Following the filing of its exceptions, staff, on December 30, 1968 filed two amendments requesting deletion of its proposed modified Appendices C and D and proposed modified Table 2 and all references thereto. Applicant moves that said portions be physically removed from the file and asserts,

> "This motion is made in order to avoid the possibility that the 'withdrawn' portions of the Exceptions would be inadvertently used or relied upon in this or some other proceeding. The deletion from the Exceptions and the physical removal from the file would eliminate the possibility of such inappropriate use of these documents to the Exceptions. Because Staff Counsel has withdrawn these attachments and the reference thereto in the body of the Exceptions, applicant will not reply thereto herein."

Physical withdrawal of the reference in the body of the exceptions would not be feasible. The deletions shall be indicated on the face of the exceptions by interlining and the notation "deleted".

The Advertising Issue

The proposed report states that at the close of the hearing on October 2, 1968, the taking of evidence relating to the level of

fares for performing transportation had been completed but further evidence was to be taken concerning the issues of whether applicant should be required to make the fares in its advertising conform to the fares published in its tariffs or make its tariffs conform to the advertising. The proceeding was continued to a date to be set for that purpose. It is the Examiner's opinion that the taking of further evidence at this time regarding that issue may be pointless. He made findings to the effect that applicant is holding itself out to provide transportation, admission to places of interest and a lunch as a package service at a particular price, which price is different than the fare published in its tariff. He concluded that such price was the fare for the service it offered and further concluded:

> "5. Where a common carrier's tariff provides a fare for a particular tour and the carrier requires persons to pay a fare different from that specified in its tariff in order to take the tour, the carrier is charging a different compensation for the transportation of persons than the applicable fare specified in its schedules.
>
> "6. A directive to applicant requiring it to make its advertising specify the fares presently published in its tariff separately from the add-on charges may not be within the power of the Commission because said directive may countenance an act that is specifically probibited by law."

Applicant, staff and Orange take exception to those conclusions. It is those conclusions which are the subject of the letter from California Parlor Car Tours and The Gray Lines, Inc. The latter and applicant assert that under Section 487 of the Public Utilities Code the Commission is free to determine that admission

charges and meals included in the price of a package tour need not be stated in the tariff, and that has been its interpretation for 40 years. It is unnecessary to resolve that issue here, however, because as applicant and staff point out the taking of evidence on the advertising issue was deferred and therefore any findings or conclusions concerning that issue should also be deferred until the record is complete. Staff also asserts that other sightseeing companies who are not parties to this proceeding would be directly affected by the conclusions proposed by the Examiner and such companies should be given opportunity to be heard. The letter from California Parlor Car Tours and The Gray Line, Inc. supports that contention. It may be that in order to provide a vehicle by which all interested parties can be notified and be heard concerning this issue, an investigation of the operations and practices of all sightseeing companies should be instituted, but that need not be determined here.

Findings Nos. 3 and 4 and Conclusions Nos. 1, 2, 3, 4, 5, 6 and 7 are not adopted and in lieu thereof the Commission makes the following finding:

> The taking of evidence on the issue raised by the Commission staff concerning applicant's advertising has been deferred and therefore the record is not complete concerning said issue.

and makes the following conclusion:

> A determination of the advertising issue should be made following the taking of evidence at further hearings in this proceeding, or in some other appropriate proceeding, which will afford all parties herein and other persons who may also be affected thereby an opportunity to be heard.

In view of the above finding and conclusion further discussion of the exceptions relating to this issue is not necessary.

Single Fare Structure Issue

Orange states,

> "We take exception to the general principle that pickup service, no matter how far, may be rendered free of charge. This is an additional expense to be sustained by the company and should be paid for by its patrons unless said pickup area is within a reasonable radius of the starting point of the tour."

The exception does not take issue with any particular finding, conclusion or discussion in the proposed report but merely with the "general principle" involved. The Examiner found that the points of interest on applicant's tours are widely distributed in Los Angeles and Orange Counties and the points of pickup of passengers are generally hotels located within that same area and that all regular tours, with one possible exception, originate and terminate at applicant's terminal at Los Angeles. The manner in which applicant conducts its operations is described in the report. From those facts the Examiner found (Finding No. 8) that a single fare structure for tours conducted out of the Los Angeles terminal is reasonable and will not result in any unjust discrimination among passengers taking the same tour.

Orange apparently contends that the area served by applicant out of its Los Angeles terminal is too large a pickup area and that some area of shorter radius (it says "perhaps ten miles") would be appropriate. There is no support to its contention. Insofar as applicant's service is concerned the entire area covers origin points and points visited on the various tours. The discussion in the proposed report recites the circumstances which justify the single fare structure; however, in further response to Orange's contention the question might be asked, why would a ten mile radius be reasonable and not 15 miles or 25 miles? In other words, is there any evidence

which would permit a delineation of rate zones. The discussion in the report regarding applicant's operations is that there is no such evidence and strongly indicates that the delineation of rate zones would be neither feasible nor practical for those operations. The exception is overruled.

Conclusion 15 - Tour Route Change Limitation

Conclusion 15 states,

"15. For the reasons indicated in Decision No. 73641 the authority to establish the increased fares should be made subject to the express condition that applicant will not urge before the Commission in Application No. 49177 or in any other proceeding that the opinion and order herein constitute any authorization to change or modify any of its tours, tour routes or tour designations."

Orange requests that the following language be added to Conclusion No. 15 at the top of page 46: ", nor constitute approval of any tours, tour routes or tour designations presently being operated by applicant if the same are at variance with the authorities set forth in its various certificates of public convenience and necessity."

One of the issues in Application No. 49177 (now pending) is the scope of the operations applicant is authorized to conduct. The condition set forth in Conclusion No. 15 was prescribed in Decision No. 73641 so as to forestall any possibility of applicant utilizing the authority to increase fares in said proceeding as evidence of its authority to transport passengers over any particular route.

No reason is presented by Orange for the proposed modification. The condition proposed in Conclusion No. 15 is sufficient for the purpose stated above. The exception is overruled.

The Triangular Parcel of Land

Finding No. 14 of the report states,

"14. The triangular parcel of land described herein is not used or useful in applicant's passenger stage operations."

Applicant takes exception to Finding No. 14 and proposes the following substitute findings,

> "The triangular parcel of land described herein while not presently being used in applicant's passenger stage operations it was initially purchased for such use, used in such operations for several years, is now landscaped and to some extent beautifies the property used in such operations and awaits use by applicant in its passenger stage operations. (Instead of Finding No. 14).
>
> "Further, it appears that it cannot be now found that such property is not useful in applicant's passenger stage operations. Should such a finding be justified at a later time, the triangular parcel should then be removed from applicant's rate base. (Instead of Finding No. 14)."

The triangular parcel is separated from applicant's terminal by a city street, namely Boylston Street. At the time applicant's parent company acquired the entire parcel of property, and for a short time thereafter, there were tanks and pumps on the triangular parcel where buses were fueled and serviced. Several years ago tanks and pumps were installed at the terminal property. At present the triangular parcel has some plantings of shrubs. There is evidence that there have been discussions in applicant's executive committee concerning more extensive landscaping of the parcel and the construction of benches and a shelter where tourists can wait for the tour buses. There was testimony that the bank of vending machines could be moved to said location, thereby relieving some of the congestion in the driveway and in the waiting room.

The evidence shows that at one time the property was used in applicant's passenger stage operation for the fueling of buses. At the present time it is not used in the passenger operation nor has the parcel been improved to the extent that it presently can be used.

The exception is overruled.

Value of the Land

Staff takes exception to the inclusion in the rate base of any investment in land. Applicant takes exception to the failure of the Examiner to find that the price paid for the Third Street land in 1965 and recorded on the books of The First Gray Line West Corporation and Grand Rent-A-Car Corp. totaling $1,060,000 was the fair market value of the said land arrived at in that arm's-length purchase transaction. Applicant also asserts that inasmuch as this land has never been wholly utilized by it and has never been owned by it, the fair market value of the portion of the land rented from its affiliate should be considered in the rate base.

In the proposed report the Examiner states that he is not satisfied that $458,105 is the cost of the land to the affiliate of applicant. He states that there is sufficient evidence to show three payments to a Howard Lang totaling $204,550.81 for the acquisition of the property by C.M.A.C. in 1949 and there is some evidence of subsequent improvements or acquisitions amounting to $114,605.50. There is some $136,049 which is not accounted for except that substantial preparation of the land was necessary because it is over an old subway. He concluded that the lack of a reliable cost of land would not be fatal to a determination of reasonable fares in this case because in his opinion the rate of return on rate base would be the least reliable measure of the reasonableness of this applicant's earnings.

The findings of fact (Nos. 9 through 13 and 15) concerning the transactions involved in this issue are not assailed. Finding No. 5 recites affiliation of some eleven different corporations, including: applicant, C.M.A.C., Grand Rent-A-Car Corp. and The First Gray Line West Corporation. Apparently what occurred in 1965 is that the present ownership of applicant acquired the stock of Tanner Motor Lines, Ltd. and its affiliated corporations and the latter were continued in existence; however, there were recorded intercompany transactions by which certain properties were distributed among the various affiliates. Prior to 1965, as stated in Decision No. 67371 (63 Cal. P.U.C. 1), Tanner Motor Lines, Ltd., operated a passenger stage service out of the terminal at 1207 West Third Street. The property had been utilized in the passenger stage service and therefore had been dedicated to a public use. When applicant took over the operation in 1965 it continued the passenger stage operation at said terminal and from the time Tanner Motor Lines, Ltd. first commenced operations out of said property to the present time it has continuously been necessary or useful in the performance of the passenger stage service to the public.

Although the Commission in the past has considered the fair market value of land for rate-making purposes, at least since 1950 it has consistently followed the concept of original investment prudently made. In circumstances such as here where the land has been necessary and useful since 1949 in the conduct of the same passenger stage operation, although under different management and control, the proper value for rate-making purposes is the original cost together with the investments in betterments or improvements useful or necessary to the performance of such service. In this case it has not been established

that the change in title to the land in 1965 from C.M.A.C. to The First Gray Line West Corporation and to Grand Rent-A-Car Corp. resulted from an "arm's-length" transaction; however, even if it were, because of the continuing operation of the passenger stage service and the use of the land in connection therewith, the reasonable valuation of the property for rate-making purposes would not be changed thereby. It must be pointed out that the same result would obtain if Tanner Motor Lines, Ltd. had owned the property and had sold it together with its operative rights to applicant directly under an authorization from the Commission pursuant to Section 851 of the Public Utilities Code. Applicant's exception is overruled.

Staff agrees with the examiner's finding that the original cost of land together with the investment in improvements on the land has not been established and asserts that since the applicant in a rate proceeding has the burden of establishing such original cost as a prerequisite to its inclusion in the rate base the staff sees no alternative to its exclusion for rate-making purposes.

The examiner found that the evidence did not support the figure of $458,105 as the original investment in land and land improvement. His recitation of the evidence discloses $136,049 of that amount which was not supported at the hearing by any entries of books of account and is explained only that the land is over an old subway which necessitated substantial preparation of the land before a structure could be built thereon. At the very least, applicant has presented evidence which would support a valuation of $319,156.

The crux of staff's exception, and to a certain extent the finding of the Examiner, is the burden of proof concerning the original cost of the land. In Tanner Motor Lines, Ltd., supra, the Commission

accepted the valuation presented by applicant and by Mr. Newton. In Exhibit 29 prepared by Witness Brozosky of the Commission staff the valuation of the land included in the suggested rate base is predicated upon the amount of $458,105, the same amount included in Tanner. That was the staff's figure, not applicant's. The exhibit was distributed in advance and deposition was taken of Mr. Brozosky concerning his estimate of expense and rate base. Under such circumstances, and particularly because the land involved here is the same land involved in Tanner, applicant was entitled to believe that no burden would be placed upon it to support a valuation adopted by the Commission in the prior proceeding or to support the valuation proposed by the staff in this proceeding.

The record shows that on August 9, 1968 the staff submitted a list of questions to applicant pertaining to the land. On August 22, 1968, applicant's treasurer provided written answers to those questions. Thereafter there were other communications between applicant's counsel and a member of the Commission's Division of Finance and Accounts regarding the furnishing of documents which would support the answers provided in applicant's letter of August 22. Thereafter during the hearings counsel for the staff requested applicant to produce records and documents concerning the acquisition and improvements to the land by C.M.A.C. At several of the hearings thereafter counsel for applicant stated that pursuant to such request records were then available in the courtroom. The record indicates that the parties were not in agreement concerning what records were involved or should be produced. The staff was the party making the request and therefore had the burden of stating specifically what it desired to be produced. The staff has available to it all of the process available to any party to a

proceeding, including subpoenas and subpoenas duces tecum. It also has privileges not available to other parties under Sections 313 and 314 of the Public Utilities Code to examine and inspect any books, accounts, papers or records kept by any public utility and to examine under oath any officer, agent or employee of a public utility in relation to its business and affairs. The procedures to exercise those rights and privileges are set forth in the Commission's Rules of Procedure and in the Public Utilities Code. Certain safeguards have been provided in order to protect against any unnecessary intrusion.

By reason of the adoption by the Commission in Decision No. 67371 of $458,105 as the investment in the land and betterments, and the evidence that it is the same land utilized for the same passenger stage service, said amount is prima facie the reasonable valuation of that land for rate-making purposes. Where a party disagrees with such valuation, it is his burden to present evidence to support that contention. Applicant does not have the burden of supporting that valuation. At best the staff presented evidence from which the Examiner was not satisfied that the $458,105 is the cost of the land. Such evidence is not sufficient to overcome the presumption that said amount is the reasonable valuation resulting from the Commission's adoption of said amount in Decision No. 67371. If, in fact, such adoption by the Commission in that proceeding was erroneous, under the procedures prescribed in the Rules of Procedure and in the statutes the staff could have obtained and presented evidence of the true facts; this it did not do.

The exception of the staff is overruled; however, because of the circumstances related above we do not adopt the findings and

conclusions of the Examiner concerning this subject and we find that in the Commission's Decision No. 67371 in Tanner the original cost and betterments of the land at 1207 West Third Street, Los Angeles, was established at $458,105; that the evidence herein does not disclose a different investment in the cost of the land or betterments. We further find that with respect to the joint use of the land by applicant and Grand Rent-A-Car $280,000 is the reasonable allocation of the value of the land for rate-making purposes for the use of such land by applicant in its passenger stage operations.

We place the applicant on notice that in any future rate proceeding where the staff through the procedures available to it under Sections 313 and 314 of the Public Utilities Code, or under our Rules of Procedure, demands the production of books, papers, accounts and records of applicant's affiliate C.M.A.C. concerning transactions involving the land and improvements, and such books, papers, accounts and records are either not produced or fail to set forth the transactions mentioned herein, a different result might obtain. It has been established that applicant presently has custody of the records of its affiliate C.M.A.C. It has also been established that the facts pertaining to the cost of land and improvements at the Third Street Terminal are pertinent and material to the public utility operations.

The Eight Buses

Applicant takes exception to the finding that $78,399 is the value that should be accorded to eight buses applicant acquired from an affiliate in 1966. It proposes the following additional finding:

> "That the $161,500 was the fair market value of the said eight busses and if applicant had been financially able to purchase similar busses from a non-affiliated company it would have had to pay substantially the same price for similar busses. (Add to Finding 19)."

It urges the Commission to conclude that the California ratepayers utilizing applicant's service would be fully and fairly protected by the utilization of the fair market value of the eight buses under the circumstances which prevailed at the time of the transaction.

The exception is overruled and we adopt the conclusions of the Examiner at page 24 of the proposed report,

> "Fair market value of property is not ordinarily considered by the Commission in the valuation of property for rate making purposes. The historical cost of property is the criteria which has been consistently followed by the Commission. The price paid to an affiliate should not be considered as the historical cost of acquiring the property even though such price may in fact represent a fair market value of the property at the time of the transaction. To do so would permit the ownership of the affiliates to receive a return upon an amount in excess of that which was invested in the property."

Bad Debts

The staff takes exception to the ratio of 1.2 percent of bad debts to gross revenue found by the Examiner to be a reasonable basis for estimating applicant's exposure and risk of bad debt expense for 1969. It does not disagree with any of the statements made by the Examiner in his recital of the evidence regarding applicant's experience with uncollectibles. The staff's contention that the 1.2 percent ratio is excessive is based upon the following,

> "Turning to the years 1965 to 1967 we agree with the Examiner's report that bad debts recorded for 1965 reflect write offs resulting from change of management. But write offs for the year 1967 reflect not merely the occasions upon which applicant suffered losses as a result of its appointment of local agents and dealings with travel agents not known to it; they also reflect entries made to balance the accounts receivable control to the individual accounts, and to set up a reserve adequate for accounts receivable in 1967. When we add to these facts the testimony of Witness Dullabaun (Tr. 337) that no study was made to determine the actual age of receivables written off in 1967, it appears likely that the bad debt ratio for the three-year period 1965-7 is probably quite high in relation to what the applicant's future experience is likely to be. As the Examiner correctly states, it may reasonably be expected the applicant will not continue to have individuals sell tickets who have defaulted on their obligations in 1967. Yet despite this fact, the recommended allowance for bad debts (1.20%) is higher than the three-year average for a period (1965-1967) characterized by large non-recurring write offs."

With respect to the age of the bad debts written off in 1967 the record discloses that Mr. Moriwaki, a witness for the staff, reviewed the records of applicant and found that some of the debts were two years old and some a year old and as far as he knew none of the debts were over two years old.

As of December 31, 1967 (following adjusting entries for bad debts made in early 1968), the reserve for uncollectibles on applicant's books amounted to a credit balance of $13,989. Applicant recorded $43,345 as bad debts for 1967. It is the staff's contention that the latter amount includes the credit balance of the reserve account together with entries made to balance the accounts receivable control to the individual accounts. This contention is not borne out by the testimony of the staff's accounting witness regarding the actual entries to the reserve account which is that during 1967 applicant made monthly credit entries into the reserve totalling

$25,500 and at December 31, 1967 prior to adjusting entries the reserve account had a credit balance of $52,982 which means that the December 31, 1966 balance, together with other type credits such as collection in 1967 of debts previously deemed uncollectible, amounted to $27,472. The year-end adjusting debit entries to the reserve totaled $71,838, which then left a debit balance of $18,856. $32,845 was then credited to the account which provided the credit balance of $13,989 shown on the books as of December 31, 1967. The December 31, 1967 credit balance is about $13,000 less than the December 31, 1966 credit balance plus receipts of debts previously deemed to be uncollectible which would seem to refute the contention that the reserve account was being built up in 1967. It should be pointed out that the accounting witness did not make any investigation of the debit entries totalling $71,838 other than to ascertain the postings.

The problem of determining future bad debt expense of applicant is similar to that of attempting to forecast the bad debt experience of an enterprise just going into business. There is no past experience that can be relied upon in making an appropriate estimate. The actual experience may be an expense less than the .87 percent of gross revenues estimated by the staff or greater than the 1.43 percent estimated by applicant, or it could be somewhere in between such as the Examiner's recommended 1.2 percent. An estimate must be made, however, and we are of the opinion that for the purpose of this proceeding the rationale set forth in the proposed report leading to the recommended finding of a bad-debt ratio of 1.2 percent is reasonable and is appropriate. That amount, however, is higher than that usually experienced by transportation companies and in order to adequately protect the ratepayers and to be assured of the

bad-debt experience of applicant in any future proceeding we conclude that no portion of the reserve for uncollectibles accumulated by applicant by charges to operations should be transferred to any surplus or non-operating income account without express approval of the Commission. The exception is overruled.

Wages and Pensions

Staff takes exception to Finding No. 17 which states,

"17. By reason of economic conditions it may reasonably be expected that applicant will be required to provide its employees with wage increases and a pension plan as set forth in its estimate for the year 1969."

Staff states,

> "It is clear that the proposed report gives effect to expenses for both prospective wage increases and a prospective pension plan in ascertaining revenue requirements for the year 1969, despite the fact that applicant has not committed itself either to grant such increases or institute such plan. A fortiori applicant has not taken steps to notify its employees of such commitment.
>
> "This position is contrary to Commission precedent. For many years it has been Commission policy not to require patrons of common carrier service to pay transportation rates predicated upon unsettled wage demands (Leon R. Meeks, 46 Cal. R.R.C. 166 1945)) or upon increases in wages regarded by management as 'inevitable', but not yet granted (S.P.Carr, 46 Cal. R.R.C. 166 (1945)). That same policy has been applied to utilities as well. (Pacific Lighting Gas Supply Company, 60 Cal. P.U.C. 69) (1957)."

In Meeks, the carrier was being confronted with the termination of a union contract and negotiations for a new collective bargaining agreement. The union had made known that it would demand an increase of 11 cents per hour and would strike if its demands were not met. The Commission refused to provide for the eleven cents per hour increase in forecasting expenses, holding:

> "It does not appear from the record that any contract for the payment of higher wages has been executed, nor does it appear that Meeks has offered or agreed to such payment. In view of the uncertainty often present in matters of this kind, the patrons of Meeks' common carrier service should not be required to pay transportation rates predicated upon the unsettled wage demands."

In its exception staff states that recently the Commission has given effect to future wage increases for nonunionized employees in ascertaining revenue requirements for future years, citing Dominguez Water Corporation, unreported, Decision No. 74833 dated October 15, 1968. It implies that such effect has been given only when the applicant unilaterally binds itself to make such future wage increase and has announced the same to the employees. In Dominguez the Commission found: "5. Applicant's directors authorized an across-the-board cost-of-living increase to all employees effective July 1, 1968." (Hearings were held in this application between June 5 and June 28, 1968.) There is no mention therein that a formal resolution was adopted by the directors and that the employees were provided written notice of the same prior to July 1, 1968.

The facts regarding the wage increases and pension plan are accurately stated in the proposed report and are not challenged by any party. The issue is whether such wage increases and pension plan are "speculative", "indefinite" or "uncertain" as those terms have been used by the Commission in many of its decisions, including Meeks, cited by the staff. Applicant has no contract with its employees to provide the wage increases or pension plan because there is no collective bargaining agent or official representative of its employees with whom applicant could enter into such a contract. The lack of a contract with its employees does not necessarily make

any wage rates or benefits planned for the future speculative. (Dominguez Water Corporation.) If by evidence in a proceeding it is shown that plans of such nature have been formulated and are firm, including all details, and no negotiations or further planning are necessary to place them into effect, such plans are reasonably definite and are not speculative. This record shows that plans for the wage increases and pensions have been formulated and firmed by applicant and are contingent upon only one event before they can be effected, namely, the granting of rate relief in this application. It is of record that applicant's treasurer is a member of the executive committee that has the power to determine the wages and working conditions of applicant's employees. The following is the sworn testimony of the treasurer responding to questions from the Examiner (RT 402, 403):

> "EXAMINER THOMPSON: Assuming that this application is granted either under the original basis provided for in your application or on the so-called two fare structure basis that you have put in here, does the company intend to provide a three and a half percent increase in pay prior to the calendar year 1969, plus another three and a half percent effective March 1, 1969, and in addition provide a pension plan? Now I think that has been your testimony, and that's what I want to get clear. Is that your understanding of what you said? (Emphasis added)
>
> "THE WITNESS: It certainly is, Mr. Examiner. In fact, it is a little stronger than that. The company has to do this.
>
> "Q. All right.
>
> "A. There is no question about it."

The Commission regards this testimony as a firm commitment of applicant to put the wage increases and the pension plan into effect upon the effectiveness of the increases in fares authorized herein.

The Examiner's proposed Finding No. 17 quoted above does not correctly set forth the reason why the proposed wage increases and pension plan expenses are proper considerations in estimating reasonable expenses applicant will incur for the rate year. It is the fact that the plans for such increases and pension funds are complete and definite that is important, although it is true, as stated by the Examiner, that economic reasons necessitated the formulation of such plans. We do not adopt proposed Finding No. 17. We find that although applicant has no contract to provide wage increases or pension plan during the rate year 1969, such increases and plan are so definite and certain as not to be speculative, conjectual or uncertain within the meaning of those terms as used in Meeks and the other decisions cited.

In all other respects the exception is overruled.

Fuel Tax Exemption

Staff takes exception to the conclusion that the fuel tax exemption provided in the Mills-Hayes Act is not applicable to applicant.

Staff acknowledges there is very little question that a literal interpretation of Section 8655(b)(2) of the Revenue and Taxation Code results in the exemption not being applicable to applicant. The staff objects to a literal reading or interpretation of Section 8655 and calls attention to two factors which it asserts (by implication) change the literal reading or interpretation of this section of the Revenue and Taxation Code, to wit:

1. Title 18 Section 1323 of the California Administrative Code recently (December 6, 1968) adopted by the Board of Equalization; and

2. The fact that Section 9651.5 of the Revenue and Taxation Code exempts a portion of applicant's revenue from the gross receipts highway license tax.

It does not appear, however, that either of these considerations alter the literal meaning of Section 8655. In fact, these considerations support the Examiner's interpretation.

The portion of the Ruling adopted by the State Board of Equalization quoted in the Exceptions at the bottom of Page 7 and the top of Page 8, includes the following language:

> "The full rate of tax applies to the use of such fuels for the propulsion of motor vehicles in operations other than in local transit service. The exemption does not apply to fuel used by a passenger stage corporation in passenger stage operations over any line or lines:
>
> "(1) The one-way mileage of which exceeds fifty miles, or
>
> "(2) The one-way mileage of which is less than fifty miles, if the operations are not exclusively within urban or suburban areas or between cities in close proximity."

The fact is that applicant's operations are not exclusively within urban or suburban areas or between cities in close proximity unless one can consider all of the places served by applicant from Los Angeles between San Diego and Santa Barbara to be suburbs of Los Angeles. We think that any such claim is somewhat far-fetched. The exception is overruled.

Purchase of Ten Buses

Staff recommends that a paragraph be added to the Order directing applicant to purchase ten new buses in the year ended December 31, 1969. It states,

> "In view of the Commission policy of encouraging passenger stage operators to upgrade and replace their equipment, the staff does not oppose the inclusion of those purchased buses in the rate base, nor reasonable allowance for expenses in the test year.

> "We respectfully urge, however, that the Commission in its order, direct the company to make such purchases. There is precedent for the imposition of such a condition in an order allowing a fare increase (Pasadena City Lines, 60 Cal. P.U.C. 603 (1963))."

The Commission did order Pasadena City Lines to acquire a certain number of buses. It also directed San Jose City Lines to acquire a certain number of buses each year for a specified number of years (San Jose City Lines, 59 Cal. P.U.C. 231). However, in both such cases the Commission found that the equipment operated was old and that the carriers had not made any attempt to improve their operating equipment nor had they formulated any program to replace the older equipment with newer buses. The Commission concluded that where a public utility is in a financial position to provide better facilities, the requirements of public convenience and necessity are not met when transportation of passengers is performed with antiquated and fully depreciated equipment. It was further concluded that inasmuch as the carriers had not formulated a replacement program the Commission would prescribe one and require the carriers to comply with such program.

Applicant here has established a replacement program. The issue presented is only whether the buses to be acquired during the rate year pursuant to such program should be given effect in the rate base. This the staff does not oppose. The recommendation will not be adopted.

Reasonableness of Earnings

Applicant and staff take exception to the proposed finding that fares which will provide an operating ratio of 95.0 percent will be reasonable. Applicant contends that the evidence, including that presented by the staff, shows that an operating ratio of 92.0 percent at the very least is justified.

Staff takes exception to the conclusion by the Examiner that,

"A rate of return on a depreciated rate base is only one measure of the reasonableness of earnings and in this particular case, in my opinion, is the least reliable measure."

and to his refusal to consider the rate of return in considering the reasonableness of applicant's earnings.

That exception is now moot by reason of our finding of a reasonable rate base and because we will give consideration to rate of return as well as all other measures of the reasonableness of earnings.

Staff also takes the position that fares which will provide applicant with an operating ratio of 94.9 percent would be excessive. This position, however, is contrary to the one taken by staff at the hearing. Its recommendation made by the witness it presented as an expert and also propounded by staff's counsel is set forth in Exhibit 29:

> "22. After consideration of the various factors, it is recommended that applicant be allowed a return of 16% on common stock equity. Under the assumption that rate base and capitalization are approximately equal, this will require a return on rate base of approximately 11.0%, and should produce an operating ratio of approximately 95%."

The Examiner found that a 95% operating ratio would be reasonable for applicant. The recommended fare structure is estimated to provide an operating ratio of 94.9%. The difference of one-tenth of a percentage point is insignificant and no doubt a fare structure with fares in multiples of 25 cents, which was also found to be reasonable, could not be achieved which would provide a ratio of exactly 95.0 percent. The staff contends that a rate of return of

11.6% on applicant's rate base and an operating ratio of 95.8% would be reasonable. Why the changes from 95.0% to 95.8% operating ratio and from 11.0% to 11.6% rate of return is not explained. Presumably the contention of the staff is predicated upon the testimony of its own witness and the factors he thought important in considering a reasonable return for applicant.

Paragraph 21 of Exhibit 29 sponsored by this witness states,

> "21. In considering a reasonable return for The Gray Line Tours Company the following factors, among others, must be considered:
>
> "a. Sightseeing tours are discretionary, related to entertainment, and therefore are affected by the general economic climate.
>
> "b. The high effective interest rate of 9.14% on debt capital.
>
> "c. The high debt captial structure increasing the financial risks. [2/]
>
> "d. The continuing need to attract capital for purchases of carrier operating property.
>
> "e. Earnings of other transportation companies."

Cross-examination of the witness disclosed that in his opinion the factors (a) through (c) provided a greater risk to the stockholders than that ordinarily encountered by transportation companies. With respect to (d) he said that probably all transportation companies have need of capital to purchase operating equipment.

2/ The capital structure on a recorded basis as of December 31, 1967 was 79.43% debt and 20.57% equity. After adjustments for the transactions involving the acquisition by applicant of 10 buses in 1965 and of 8 buses in 1966, the capital structure of applicant as of December 31, 1967 was 75.53% debt and 26.47% equity.

The transportation companies that he considered in connection with (e) are set forth in Tables B-3 and B-4 of Exhibit 29.

Table B-3 lists ten passenger stages conducting operations in California. One of these showed an operating loss and had an application on file for a fare increase, and the witness stated that it was not included in his consideration. Four are principally engaged in transportation of passengers to and from airports; however, two of them also conduct sightseeing tours. One is a major urban transit company in Nevada with less than three percent of its operations in California. Three conduct urban transit operations and charter operations. The remaining one provides a transit service and operates a sightseeing tour between Monterey and San Simeon. The witness stated that he did not include Gray Lines, Inc. (of San Francisco) nor California Parlor Tours because it is his understanding that those companies are subsidiaries of The Greyhound Corporation and the results of those companies may have been influenced by intercompany transactions. He also stated that it was his opinion that those companies had achieved excessive earnings. Why Orange Coast Sightseeing Company, California Sightseeing Tours, Inc. and M & M Charter Lines, Inc., all parties to this proceeding, were not included was not explained. Nevertheless, Table B-3, which was considered by the witness in the exercise of his judgment discloses that the average of the five years' averages of return on year-end total capital of the nine carriers involved is 12.68% and the median is 10.68%. It shows the average of the averages of return on year-end capital stock is 19.19 percent and the median 15.52 percent; the average of the equity ratios is 68.73 percent and the median 65.78 percent; the average of the operating ratios is 91.98 percent and the

median 92.13 percent. It is difficult to perceive the effect of any influence of this table upon the witness's judgment which resulted in an opinion that a return on common equity of 16 percent, assuming that rate base and capitalization are approximately equal, a rate of return of 11 percent and an operating ratio of 95 percent, would be reasonable. Table B-3 supports applicant's contention that an operating ratio of at least 92 percent would be reasonable. It must also be pointed out that the witness averaged averages. Rebuttal testimony presented by applicant shows that if the five-year earnings and the total equity of five years were averaged the average return on common equity would be higher than shown in Table B-3.

Table B-4 shows similar averages for eight large carriers of passengers by motor vehicle. Only two, The Greyhound Corporation and Transcontinental Bus System have subsidiaries operating in California. It is within our knowledge that The Greyhound Corporation owns and controls a great number of subsidiaries with many diversified activities not involving the transportation of passengers. The averages of the five-year averages shown on the exhibit are as follows: Average return on year-end capital 10.26 percent, median 9.98 percent; average return on year-end common stock equity 12.52 percent, median 12.13 percent; average equity ratio 68.65 percent, median 66.84 percent; average operating ratio 93.46 percent, median 93.47 percent. Again, it is difficult to perceive how this table had any effect upon the witness's judgment, considering the results of those carriers and the effect of factors (a), (b) and (c) in paragraph 21 of Exhibit No. 29, set forth hereinabove. It too, would seem to support applicant's contention that a 92 percent operating ratio is reasonable for its operations.

A careful study of the testimony of this witness, his exhibit and his cross-examination reveals little, if any, correlation between his opinion of reasonable earnings for this carrier and the various data he seems to rely upon and provides little opportunity to test or determine his reasoning or his final judgment. The best summation of his presentation is set forth in applicant's reply to the exceptions,

> "In summary, the Staff has not submitted any assertion, argument or evidence supporting an operating ratio of 'approximately 95%' or a rate of return of 11.6% in this proceeding.
>
> "The Staff 'recommendation' is based on nothing more than an undisclosed mental process-a mystery. (Tr. 1469, 1496-7, 1499)
>
> > 'EXAMINER THOMPSON: Can I interrupt for a moment, Mr. Geernaert, before we go into a recess? Mr. Tomita, I am gathering from the answers to the questions that this 16% on common equity was some kind of a figure that was developed in your mind after looking at the Table B-3, Table B-4, all of the considerations that are in paragraph 21 ...as well as those 123 industrials and it is just kind of a, let's say, a gathering in your mind and all of a sudden being 16%, is that essentially what it is?
> >
> > 'THE WITNESS: Yes.' (Tr 1499) (Emphasis added)
>
> "Yet the Staff states in its Exceptions (Page 14)
>
> > 'We reaffirm our contentions that the 11% (sic 11.6%) rate of return is reasonable... This 11% (sic 11.6%) recommended rate of return should be applied, in our opinion, to rate base. (Emphasis added)
>
> "In the final analysis, the Staff has submitted 'its opinion' that this applicant should have a return comparable to the average or median earnings of the motor carriers shown on Table B-3 of Exhibit 29. Ironically, its opinion is refuted by its own exhibit, Page B-6, Exhibit 29, Par. 21."

The applicant's proposed fares will provide it with an operating ratio of 92.7 percent and a rate of return on depreciated

rate base of 19.0%. This would provide a return on common stock equity of about 50 percent. Such return would be excessive for this applicant. Although, as stated hereinabove, the data appearing in Tables B-3 and B-4 of Exhibit No. 29 might seem to support an operating ratio of 92 percent the averages of the results for five years experienced by the companies listed therein are of little probative value in measuring the reasonableness of applicant's earnings. The results of The Greyhound Corporation for five years indicates an operating ratio of 92.04 percent, an average return on total capital of 17.08 percent and an average return on common stock equity of 21.18 percent. By comparison, as stated in the proposed report, in 1961 the Commission found that passenger fares which would provide operating results of a 96.3 percent operating ratio and a rate of return of 7.0 percent would be reasonable for Greyhound's California intrastate operations. In Decision No. 71787, dated December 29, 1966 (66 Cal. P.U.C. 646), the Commission authorized Greyhound to establish proposed increased fares which would provide operating results of an operating ratio of 97.2 percent and a rate of return of 5.7 percent. By Decision No. 74519, dated August 13, 1968 in Application No. 49658, Greyhound was authorized to establish proposed increased fares estimated to provide operating results of a 98.9 percent operating ratio and a rate of return of 1.9 percent. By Decision No. 74831, dated October 15, 1968 in Application No. 50366, Greyhound was authorized to establish increased mainline fares proposed in its application on a showing that its earnings under such fares would produce a rate of return of 2.5 percent and an operating ratio of 98.6 percent. The data provided in Tables B-3 and B-4 purporting to show operating results achieved by other

companies is of little value as a measure of the reasonableness of applicant's earnings unless it is also shown that the operations producing such earnings are comparable and the circumstances and conditions which would have an effect upon the earnings of such companies are the same or closely similar to those confronting applicant, and that the earnings of those companies are reasonable by regulatory standards. One need only consider for the moment whether data showing operating losses by all companies would have any material effect upon the issue of the reasonableness of applicant's earnings; in other words, should an applicant be required to operate at a loss if it is shown that other transportation companies operate at a loss?

The Examiner found that earnings which would provide an operating ratio of 94.9 percent will be reasonable. The proposed report recites that this finding is based upon what the Commission found to be reasonable in Decision No. 62959 for Greyhound in 1961 giving due effect to changes in the cost of capital generally since 1961, and to the elements of risk inherent in applicant's operations not present in Greyhound's. As stated in the report, within recent years there have been relatively few decisions of this Commission in which reasonable operating ratios or rates of return of passenger stage corporations have been prescribed and which did not involve unusual considerations. This is particularly true regarding sightseeing operations. In Gray Line, Inc., 60 Cal. P.U.C. 51 (1962) the Commission found that because the full costs of providing services, including charter, other than sightseeing exceeded the revenues produced thereby, it would authorize an interim increase in sightseeing fares which would provide an operating ratio of 94.7 percent for sightseeing operations only. It should be pointed out that after

the record was complete in that matter, the Commission authorized the establishment of the proposed increased fares when it was shown that the operating ratio from all operations under those fares was 100.6 percent.

The fares proposed by the Examiner will provide a rate of return of 12.3 percent which, on the capitalization as of December 31, 1967 adjusted for the equipment transactions, represents a return on common equity of 21 percent. Such results are reasonable for this carrier.

Other Exceptions

Staff proposes the following additional finding of fact:

> "Prior to January 16, 1968, when applicant received interim authority to increase certain fares, its last authorization to increase fares was granted on June 12, 1964, pursuant to Decision No. 67371."

In its reply applicant opposes the suggested finding and asserts that it would be misleading since the referred to decision affirmed a fare increase which was actually made effective in 1962.

Whether applicant's fares were made effective in 1962 or 1964 and by which decision of the Commission is not material to the issue of whether increases are now justified. The proposed finding is rejected.

Other exceptions made by the parties either directly or indirectly concern the advertising issue. Our conclusions on that issue make all such exceptions moot; for purposes here they are overruled.

Findings and Conclusions

All exceptions and replies have been considered and ruled upon. We have adopted some of the findings and conclusions proposed

by the Examiner and have rejected others. All findings of fact and conclusions of law as separately stated follow.

We find that:

1. On August 14, 1967 applicant filed the instant application seeking authority to increase sightseeing fares and fares for performing transportation to and from race tracks.

2. On January 16, 1968, by Decision No. 73641 the Commission granted applicant interim authority to increase certain fares, and the increased fares so authorized are characterized herein as present fares.

3. The Commission staff in this proceeding seeks an order from the Commission directing applicant to set forth in its advertising the fares which are authorized by the Commission as passenger fares.

4. The taking of evidence on the issue raised by the staff concerning applicant's advertising has been deferred and therefore the record is not complete concerning said issue.

5. A single fare structure for tours conducted out of the Los Angeles terminal is reasonable and will not result in any unjust discrimination among passengers taking the same tour.

6. The following corporations are (or were as the case may be) affiliated and either directly or indirectly are subsidiaries of the First Gray Line Corporation: The Gray Line Tours Company, The Gray Line Motor Tours Company, C.M.A.C., Tanner Motor Livery Corporation, Grand Rent-A-Car Corporation, The First Gray Line West Corporation, The Gray Line, Inc. (of Washington D.C.), Tanner Motor Tours of Nevada, Ltd., Gray Line Company of Las Vegas, and Las Vegas Transit System.

7. Applicant conducts operations at a terminal located at 1207 West Third Street, Los Angeles, which is jointly occupied and used by applicant and Grand Rent-A-Car Company.

8. C.M.A.C. purchased the land which is now the terminal property from Howard Lang in 1949 for which C.M.A.C. paid Lang $204,550.81. In 1950 Tanner Motor Livery Corp. constructed the buildings on said property and certain improvements (paving) were made to the land at the same time.

9. In 1965, or thereabouts, the property (land) was transferred from C.M.A.C. to Tanner Motor Livery and to The First Gray Line West Corporation. Under an agreement the land owned by the latter is leased to Tanner Motor Livery (now Grand Rent-A-Car) and in 1969 the buildings (now owned by Grand) will revert to First Gray Line West Corporation. The values recorded for the land are $795,000 on the books of West and $265,000 on the books of Grand, totalling $1,060,000.

10. Applicant pays Grand Rent-A-Car $5,000 per month rent for the use of the property at 1207 West Third Street, Los Angeles.

11. The triangular parcel of land described herein is not used or useful in applicant's passenger stage operations.

12. The remaining property which is shared with Grand Rent-A-Car is used and useful in operations by applicant and a reasonable estimate of the utilization of the land by applicant is 68.6 percent and of the building is 49.2 percent.

13. In Decision No. 67371 (Tanner Motor Lines, Ltd., 63 Cal. P.U.C. 1) the original cost and betterments of the land at 1207 West Third Street, Los Angeles, including the triangular parcel was established at $458,105 and the triangular parcel was valued at $50,000.

14. It has not been shown that the original cost and the cost of betterments since said land was dedicated to public use as a terminal for passenger stage and sightseeing operations is other than $408,105, excluding the triangular parcel.

15. $280,000 is the reasonable valuation for rate-making purposes of the land at 1207 West Third Street, Los Angeles, which is used and useful in applicant's passenger stage operations; and the average depreciated investment of applicant in properties it has dedicated to public use is $1,464,800, which is the reasonable depreciated rate base of applicant for rate-making purposes in this proceeding.

16. A ratio of 1.2 percent of bad debts to gross revenues is a reasonable basis for estimating applicant's exposure and risk of bad debt expense for 1969.

17. Although applicant has no contract to provide wage increases or pension plan during the rate year 1969, such increases and pension plan are so definite and certain as not to be speculative, conjectural or uncertain.

18. In 1965 applicant acquired ten buses under a deferred payment plan consisting of a lease with an option to purchase. If applicant exercises that option the cost to it of the ten buses will be $558,187 of which $143,330 represents expenditures occasioned by the form of payment called for in the agreement.

19. In January 1966 applicant purchased eight used buses from its affiliate The Gray Line, Inc. of Washington, D. C. for $161,500. At the time of the sale the value recorded on the seller's books was $78,399.

20. Operations for a rate year under present fares will be at a loss of $38,900 and such fares are insufficient and are, and for the future will be, unreasonable.

21. Operations for a rate year under the proposed fares will provide a net income of $278,000 for an operating ratio of 92.7 percent and a rate of return on depreciated rate base of 19.0 percent which results are excessive and the proposed increases in fares are not justified.

22. The proposed increased race track fares and the sightseeing fares set forth in Appendix A attached hereto, together with other operations conducted by applicant will provide a net income of $180,000 for an operating ratio of 94.9 percent and a rate of return on depreciated rate base of 12.3 percent, which will provide revenues sufficient for applicant to meet its financial obligations and which results are reasonable for the operations conducted by applicant.

23. The increases in fares which will result from the establishment of the proposed race track fares and the fares set forth in Appendix A hereto are justified.

We conclude that:

1. A determination of the advertising issue should be made following the taking of evidence at further hearings herein or in some other appropriate proceeding which will afford all parties herein, and other parties who may be affected thereby, full opportunity to be heard.

2. Applicant's motion that the matter be taken under submission for decision on the issue of its request to increase fares should be granted, and it is granted.

3. Adoption by the Commission of a valuation for rate-making purposes is an implied finding of its reasonableness.

4. The finding or adoption of the original cost of land and betterments for rate-making purposes by the Commission establishes a presumption of its reasonableness.

5. Where it is urged in a proceeding that the finding or adoption by the Commission of a valuation of land and betterments for rate-making purposes was erroneous or not proper for consideration, it is the burden of the party making such contention to present evidence which will clearly overcome the presumption of the reasonableness of such valuation. Evidence which merely casts doubt upon the manner in which said valuation was developed in the prior proceeding is not sufficient to overcome the presumption.

6. Where property used and useful for the transportation of persons by a common carrier is rented or leased from an affiliate, for rate-making purposes the expenses relating to the use of that property should be considered as if the property were owned by the common carrier.

7. Intercompany transactions among affiliates reflecting sale or transfer of properties should not be considered in the valuation of property for rate-making purposes.

8. When a common carrier acquires from an affiliate property used or useful in the transportation of persons, the valuation of that property for rate-making purposes should be that amount which would be the net book value of the property had applicant, rather than its affiliate, acquired the property directly.

9. When operating property is purchased by a passenger stage corporation under a plan involving deferred payments such as a lease-purchase agreement, the valuation of such property for rate-making purposes shall not include payments or charge for interest, insurance, or any other expenditures occasioned by the form of payment.

10. Applicant should be authorized to establish the proposed increased race track fares.

11. Applicant should be authorized to establish the increased sightseeing fares set forth in Appendix A attached hereto.

12. The authority to establish the increased fares should be made subject to the express condition that applicant will not urge before the Commission in Application No. 49177 or in any other proceeding that the opinion and order herein constitute any authorization to change or modify any of its tours, tour routes or tour designations.

13. Applicant should be prohibited from transferring to any surplus or non-operating income account any portion of the reserve for uncollectibles accumulated by charges to operations unless and until it receives prior authorization from the Commission.

14. In all other respects Application No. 49603 should be denied.

O R D E R

IT IS ORDERED that:

1. The fare proposals in Application No. 49603 are taken under submission and further hearings herein on the issue of applicant's advertising shall be scheduled at a time and place to be set.

2. The Gray Line Tours Company is authorized to establish the increased race track fares proposed in Application No. 49603.

3. The Gray Line Tours Company is authorized to establish the fares for sightseeing specified as authorized fares in Appendix A attached hereto and by this reference made a part hereof.

4. 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.

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

6. 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.

7. The authorities herein granted are subject to the express condition that applicant will never urge before the Commission in Application No. 49177 or in any other proceeding that the opinion and order herein constitute any authorization to change or modify any of its tours, tour route or tour designations, and that the filing of fares pursuant to the authority herein granted constitutes an acceptance and consent by applicant of said condition.

8. Unless and until authority is granted by the Commission, applicant shall not transfer any portion of its reserve for uncollectibles accumulated by charges to operations to any surplus or non-operating income account.

A. 49603 Mjo/JR *

9. In all other respects Application No. 49603 is denied.

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

Dated at San Francisco, California, this 15th day of APRIL, 1969.

William Symons, Jr.
President

Fred P. Morrissey

J. P. Vukasin, Jr.

Thomas Moran
Commissioners

Commissioner A. W. GATOV
Present but not participating.

APPENDIX A

THE GRAY LINE TOURS COMPANY

LOS ANGELES TOURS

Tour No.	Description	Authorized Fare
1	Pasadena	$ 4.75
2	Hollywood-Beverly Hills	4.75
2-S	Deluxe Studio Tour	10.00
4	Palm Springs-San Diego	36.60
5	Hollywood and Movie Studio	5.50
6	Forest Lawn	4.75
7	Santa Barbara-Ojai	10.50
8	Los Angeles City Tour	5.50
9	Los Angeles-Hollywood, Evening	5.50
11	One Day San Diego	12.75
12	Combination Disneyland	9.50
12-A	Disneyland	5.25
16	Night Club	6.50
17	Disneyland All Day	9.50
19	Knott's Berry Farm	5.25
20	Marineland	5.50

SAN DIEGO TOURS

4	City Tour	4.50
5	La Jolla	4.75
6	Mexico	4.50