

Decision No. 77722

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of The Atchison, Topeka and Santa Fe Railway Company, Northwestern Pacific Railroad Company, Southern Pacific Transportation Company, and Union Pacific Railroad Company, for authority to cancel round-trip discount on local and joint intrastate passenger fares. }

Application No. 51818  
(Filed April 10, 1970)

Charles W. Burkett and Leland E. Butler,  
for applicants;  
John S. Molinari and Reginald Stocking II,  
protestants; and  
William H. Well, for the Commission staff.

By this application The Atchison, Topeka and Santa Fe Railway Company (ATSF), Northwestern Pacific Railroad Company (NWP), Southern Pacific Transportation Company (SP), and Union Pacific Railroad Company (UP) seek authority to cancel the round-trip discount of 10 percent on local and joint intrastate passenger fares, except on the SP's San Francisco peninsula service.

Public hearing on the application was held June 30, 1970, at San Francisco before Examiner Turpen. Officials of the Western Railroad Traffic Association, located in Chicago, and of the SP and ATSF testified in behalf of applicants. An engineer from the Commission's Transportation Division assisted in developing the record by cross-examination of the witnesses.

The record shows that the railroads have traditionally offered round-trip tickets at a 10 percent discount, or 180 percent of the one-way fare. One of the witnesses testified that last year it was decided to cancel the round-trip discount in a further attempt to reduce the passenger deficit. The discount was cancelled on

interstate fares effective February 1, 1970, and has been cancelled on intrastate fares in 18 of the 25 western states.

Applicants estimate that cancellation of the discount will increase their annual gross revenue by approximately \$87,900. This is distributed between the four applicants as follows:

Santa Fe	\$36,100
Northwestern Pacific	1,200
Southern Pacific	50,000
Union Pacific	600

One of the witnesses testified that no diminution of traffic is anticipated if the sought increase is authorized.

The record shows that the above amounts are far less than the carriers' annual deficits for California intrastate passenger operations. A witness said that interstate and intrastate tariff provisions should be the same to avoid confusion. He cited several examples where a combination of an intrastate round-trip fare and an interstate round-trip fare for different portions result in a lower charge than the published interstate fare. For example, the published interstate round-trip coach fare between Oakland and Reno is \$19.40, whereas a combination of the intrastate round-trip Oakland-Truckee fare of \$15 and interstate round-trip fare Truckee-Reno of \$2.88 totals \$17.88.

The Commission finds that:

1. Applicant railroads now offer a 10 percent discount on round-trip fares for California intrastate traffic, whereas there is no such discount on interstate fares in the 25 western states.
2. Applicants' intrastate passenger operations result in annual deficits which may be reduced by the proposed tariff revisions.
3. Increases resulting from granting of the application are justified.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Applicant railroads are hereby authorized to establish increases in round-trip intrastate passenger fares as proposed in Application No. 51818, in the tariffs named in Exhibit A attached to said application.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof on not less than thirty 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.

This order shall become effective twenty days after the date hereof.

Dated at Los Angeles, California, this 15<sup>th</sup> day of SEPTEMBER, 1970.

[Signature]  
Chairman

[Signature]

[Signature]  
Commissioners

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

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.