

ORIGINAL

Decision No. 79872

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ANTELOPE VALLEY BUS, INC.,)
for authority to increase)
certain fares.)

Application No. 52521

(Filed March 26, 1971;
amended July 22, 1971.)

James H. Lyons, Attorney at Law, for
Antelope Valley Bus, Inc., appli-
cant.

Eric E. Harris, for Antelope Valley
Bus Lines Passengers for Edwards
Air Force Base, Rocket Base and
Main Base, protestant.

E. J. Spielman, Attorney at Law, for
NASA (National Aeronautics and
Space Administration) and NASA
employees, protestant.

Rufus G. Thayer, Attorney at Law, for
the Commission's staff.

O P I N I O N

Applicant, Antelope Valley Bus, Inc., is engaged in the transportation of persons and their baggage, as a passenger stage corporation, between points which are mainly located within the Antelope Valley area of Los Angeles County. Its principal services are operated between Lancaster and Palmdale, on the one hand, and various points on Edwards Air Force Base, on the other hand. Its services also include a local passenger service within Lancaster, the transportation of students to and from schools in the Lancaster, Palmdale and Quartz Hill areas, transportation between the Los Angeles International Airport and Lancaster, Palmdale and Newhall and between the industrial plant of the Bermite Company

near Saugus and Lancaster, Quartz Hill, Palmdale and certain other points. In addition to its services as a passenger stage corporation, applicant also operates as a charter-party carrier of passengers. Although different from the passenger stage corporation services, the charter operations are largely integrated with the passenger stage services in that with some exceptions the same vehicles, terminal facilities and personnel are used in each.^{1/}

By this application Antelope Valley Bus, Inc., seeks authority to effect increases in the fares which apply to its passenger stage operations. In general the sought fare increases are as follows:

<u>Service</u>	<u>Approximate Increase in Fares (in percent)</u>
Edwards Air Force Base	
One-way	43% to 54%
Commute	27% to 29%
Local Lancaster and School	31%
Bermite Plant	9%
Los Angeles International Airport	9%

Applicant anticipates that under such fare increases it will realize an increase of about \$35,000 in its annual revenues from its operations as a passenger stage corporation.

^{1/} Applicant also operates a taxi-cab service within and in the vicinity of Lancaster. In contrast to the passenger stage and charter operations which are substantially intermingled, the taxi-cab operations are mainly conducted as a separate service. Unless otherwise stated, the references herein to applicant's services do not extend to the taxi-cab services.

Applicant's present fares and the increased fares herein sought are set forth in Appendix A hereof.

On September 14 and 15, 1971, duly noticed public hearings on the application were held before Examiner C. S. Abernathy at Lancaster. The matter was taken under submission on October 18, 1971, with the receipt of a statement from applicant. However, certain of the cost increases upon which the application was based in part and which were scheduled to become effective on September 1, 1971, did not become applicable as expected due to regulations of the Federal Wage Control Board. The record with respect to said cost increases was subsequently completed with the receipt of information from applicant on December 20, 1971, that the cost increases would be permitted to become effective January 1, 1972. The matters involved are now ready for decision.

As grounds for the sought fare increases, applicant alleges that the increases are necessary to compensate for increases in operating costs which it has experienced or which it will experience in the near future. According to testimony which was presented by applicant's treasurer at the public hearings, the company's basic fares have not been increased for ten years or longer. Meanwhile virtually all of its operating costs have increased. One of the principal cost increases to which the company has recently been subjected has been in the costs of labor, whereby applicant has had to grant increases of about 10 percent -- about \$10,000 annually -- in its outlays for drivers' and mechanics' wages.

Applicant's treasurer reported that the company operated profitably during the year 1970 -- that its financial operating results for the year were as follows:

Table No. 1

Financial Results of Operations
Under Present Fares
Year 1970

Revenues	
Local Lancaster and School	\$ 29,379
Interurban	173,221
Charter	124,134
Miscellaneous	<u>773</u>
Total	\$327,507
Expenses	
Maintenance	\$ 34,009
Transportation	134,979
Insurance	27,582
Administration	34,437
Depreciation	30,180
Operating Taxes	33,294
Income Taxes	<u>5,445</u>
Total	\$299,934
Net Operating Income	\$ 27,573
Rate Base	\$166,797
Operating Ratio	91.6%
Rate of Return	16.5%

He further reported, however, that in present circumstances the company is operating at a loss.

In Table No. 2 below are shown estimates which the treasurer submitted to show expected operating results for the year through August, 1972, if the operations are continued under present fares. Also shown are his estimates of operating results if the sought fares are established.

Table No. 2

Estimated Financial Operating Results (per Applicant)
Under Present and Proposed Fares
Year Ending August 31, 1972

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues		
Local Lancaster and School	\$ 29,379	\$ 35,518
Interurban	131,032	160,225
Charter	169,400	169,400
Miscellaneous	773	773
Total	\$330,584	\$365,916
Expenses		
Maintenance	\$ 38,535	\$ 38,535
Transportation	159,109	159,109
Insurance	30,997	30,997
Administration	38,478	38,478
Depreciation	35,063	35,063
Operating Taxes	37,226	37,226
Income Taxes	100	7,675
Total	\$339,508	\$347,083
Net Operating Income	(\$8,924)	\$ 18,833
Rate Base	\$196,876	\$196,876
Operating Ratio	102.7%	94.9%
Rate of Return	-	9.6%

() Indicates loss.

Evidence pertaining to the financial aspects of applicant's operations was also presented by an accountant and an engineer of the Commission's staff. In general, the accountant submitted and explained the results of an analysis which he had made of applicant's books of account. Also, he submitted certain recommendations concerning applicant's accounting procedures and records.^{2/} The presentation of the engineer was confined mainly to the future financial results of applicant's operations if present fares are continued in effect and if the sought increased fares are established. Estimates which the engineer submitted and explained in these respects are set forth in the following table:

^{2/} Discussion herein of the accountant's recommendations is not necessary inasmuch as applicant's representatives indicated a willingness to consider the recommendations and to adopt them where feasible.

Table No. 3

Estimated Financial Operating Results (per Commission Engineer)
Under Present and Proposed Fares
Year Ending August 31, 1972

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues		
Local Lancaster and School	\$ 26,400	\$ 32,000
Interurban	125,700	148,900
Charter	198,300	198,300
Miscellaneous	800	800
Total	\$351,200	\$380,000
Expenses		
Maintenance	\$ 53,030	\$ 53,030
Transportation	181,320	181,320
Insurance	28,350	28,350
Administration	27,790	27,790
Depreciation	30,450	30,450
Operating Taxes	40,890	41,320
Income Taxes	100	130
Total	\$361,930	\$362,390
Net Operating Income	<u>(\$10,730)</u>	\$ 17,610
Rate Base	\$248,300	\$248,300
Operating Ratio	103.0%	95.4%
Rate of Return	-	7.1%

 Indicates loss.

The granting of the fare increase authority which applicant seeks was conditionally opposed by representatives of patrons of applicant's passenger stage services to and from Edwards Air Force Base. These representatives presented testimony charging, in effect, that the vehicles which applicant uses in its operations are not, at times, in safe operable condition; that they are not kept reasonably clean and sanitary, and that they are not kept reasonably warm in the winter nor cool in the summer. The representatives asserted that any fare increase authority which may be granted in this matter should be conditioned upon applicant's upgrading the quality of its services in the aforesaid respects.

Responding to the foregoing charges, applicant's vice president and general manager outlined the procedures which are followed in the maintenance of the vehicles. He denied that applicant utilizes vehicles which are not in safe operable condition, and stated that the company meets the safety requirements of the California Highway Patrol. Regarding the problems of cleanliness of the vehicles and also the heating and cooling thereof, he stated that steps would be taken to improve the conditions involved. As to the heating and cooling of the buses, however, he indicated that because of extreme temperatures within the Antelope Valley area it is difficult, as a practical matter, to maintain temperatures within the buses within reasonably comfortable zones, and thus to keep the patrons of the services satisfied.^{3/}

^{3/} It appears that ambient temperatures within the Antelope Valley area may range from a low of about 10 degrees below zero in winter to a high of about 115 degrees above zero in summer. Also, wind velocities of as much as 70 miles per hour are not uncommon.

Discussion

Precedent to any fare increase authority which may be herein granted, the Commission must find that the fare increases are justified. Other issues which also must be resolved in this particular proceeding are whether undue discrimination in charges would result under the increased fares and whether the quality of applicant's passenger stage services is reasonable in relation to said increased fares.

The issue of discrimination arises from the fact that applicant is proposing fare increases which are limited to its passenger stage services even though its services as a charter-party carrier of passengers account for about 46 percent of its total revenues.^{4/} A question which is thus presented is whether applicant is seeking to recover from patrons of its passenger stage services losses which properly should be borne by patrons of the charter services.

^{4/} The percentage relationship of 46 percent is based on applicant's revenue estimates (including the additional revenues that would be realized under the sought fares) for the year through August, 1972. The corresponding percentage relationship of charter revenues to total revenues is 52 percent under the estimates of the Commission engineer.

The financial data which applicant submitted as justification for sought fare increases reflect the operating results of the passenger stage and charter operations combined. Hence, they do not disclose the financial operating results of the passenger stage services only. More particularly, they do not show whether or to what extent the predicted operating losses are attributable to the passenger stage services or to the charter services. Applicant's position is that a segregation of the data would show that the operating results of the passenger stage services by themselves are less favorable than those represented by the combined data. Consequently, the estimated earnings under the sought fares represent the optimum expectations that may be anticipated reasonably. As grounds for this position applicant argued through its counsel and through its treasurer that the charter services bear operating costs which, otherwise, would be charged to the passenger stage services; that the fares for the charter services are more reflective of present costs than are the passenger stage fares,^{5/} and that charges for the charter services can be, and are, more closely correlated with the applicable costs than is the case in connection with the charges for the passenger stage services.

^{5/} Testimony which was presented by the treasurer indicates that applicant's charges or fares for the charter services are maintained at a level consistent with charges or fares of competing charter-party carriers. On the other hand, as pointed out previously herein, the level of applicant's basic fares has not been increased for more than ten years.

Although segregated data as between the passenger stage and charter operations were not submitted by applicant, such a presentation was made by the Commission engineer. His estimates of operating results under proposed fares, heretofore summarized in Table No. 3, above, are set forth in the following table according to type of service involved:

Table No. 4

Estimated Financial Operating Results (per Commission Engineer),
By Type of Service, Under Proposed Fares
Year Ending August 31, 1972

	<u>Passenger Stage</u>	<u>Charter</u>
Revenues		
Passenger	\$180,900	\$198,300
Miscellaneous	460	340
Total	\$181,360	\$198,640
Expenses	\$161,720	\$200,670
Net Operating Income	\$ 19,640	\$ (2,030)
Rate Base	\$165,620	\$ 82,680
Operating Ratio	89.17%	101.0%
Rate of Return	11.86%	-

 Indicates loss.

Notwithstanding the loss of \$2,030 which the engineer predicted would result from the charter operations for the year ending with August, 1972, the engineer agreed with applicant for similar reasons that the charter operations contribute to the support of the passenger stage services by bearing a portion of applicant's operating costs that otherwise would be charged to the passenger stage services.

For the purposes of this proceeding we are of the opinion that the record supports the positions of applicant and of the engineer with respect to the bearing of the charter operations upon the passenger stage operations. We note from Table No. 3 that the engineer's estimate of applicant's administrative expense for the year through August, 1972, is in the amount of \$27,790. In arriving at the data which are summarized in Table No. 4, the engineer allocated \$11,890 of the \$27,790 to the charter operations. The record supports the conclusion that most of this amount of \$11,890, if not all, would be charged to the passenger stage services were it not for the charter services. Furthermore, taking into consideration the relationships of said amount to the predicted loss of \$2,030 from the charter operations, to the estimate of earnings of \$19,640 from the passenger stage services under the proposed fares and to the estimated earnings (Table No. 3) of \$17,610 from the combined operations with corresponding operating ratio and rate of return figures of 95.4 percent and 7.1 percent, respectively, we are of the opinion that the charter services are not a burden upon the passenger stage services and that establishment of the increased rates which applicant seeks would not subject the patrons of applicant's passenger stage services to undue prejudice stemming from the charter services.

Another aspect of discrimination which must also be considered is one which arises from the fact that applicant is proposing to increase its revenues by fare increases which, for some of its passenger stage services, would be six times (in terms of percent) the increases in fares which would apply to other of applicant's passenger stage services. Thus, the question is whether by the disparate increases in fares the patrons of some of the services would be subjected to undue prejudice whereas patrons of other of the services would be afforded undue preference.

Neither applicant nor the Commission engineer presented specific cost evidence directed to this question. Both pointed out

that the greatest increases would apply to those fares which constitute applicant's basic fare structure and which have not been increased for more than ten years. The smallest increases would apply to fares for services which have been more recently established. It appears from these witnesses' testimony that the latter fares contain provision for cost increases which are not reflected in the basic fares. Therefore, in order to give commensurate weight to cost increases which have been incurred in recent years, the greatest fare increases should apply to the basic fares. In the circumstances we are of the view that the differences in question are reasonably supported by cost considerations. We conclude that undue discrimination will not result from the differences among the rate increases which are sought.

Adverting from the issue of discrimination to that of financial justification for the sought fare increases, we note that the estimates of applicant's treasurer and of the Commission engineer of financial operating results under the sought fares are similar insofar as said results are measured in terms of rate of return and operating ratio. The respective estimates are as follows:

	<u>Applicant</u>	<u>Commission Engineer</u>
Operating Ratio	94.9%	95.4%
Rate of Return	9.6%	7.1%

In dollar amounts, however, the estimates are quite different. The principal differences are in the estimates of revenues from the passenger stage services, in the revenue and expense estimates applicable to the charter operations, and in the estimates of administrative, depreciation and income tax expense and rate base.

The engineer's forecasts of charter revenues exceed those of the treasurer by about \$30,000 or almost 17 percent and his expense estimates also reflect the higher level of expected

charter activity. On the other hand his estimates of passenger stage revenues, administrative expense, depreciation expense and of income taxes are lower than those of applicant. With respect to rate base, the engineer's estimate is the higher. The differences between the latter items are shown in the following comparison:

	<u>Applicant</u>	<u>Engineer</u>
Passenger Stage Revenues	\$195,743	\$180,900
Administrative Expense	38,478	27,790
Depreciation Expense	35,063	30,450
Income Taxes	7,675	130
Rate Base	196,876	248,300

In arriving at their respective estimates of revenues and expenses applicable to the charter operations, both applicant's treasurer and the Commission engineer took into consideration past experience and known or expected factors. It appears, however, that charter operations of the type in which applicant is principally engaged are quite subject to uncertainties because of a considerable reliance thereof upon defense industrial activity. The rather substantial differences between the treasurer's and engineer's estimates do not appear to be exceptional in the circumstances. Since the engineer's figures show that the charter operations are being conducted at an approximate break-even point, a resolution of the differences is not necessary. Inasmuch as the figures of the engineer afford details of the operations which are not provided by the estimates of the treasurer, the engineer's estimates with respect to the charter operations will be utilized herein for the purposes of this decision.

The estimates of the treasurer and of the Commission engineer relative to anticipated revenues from applicant's passenger stage services were both based on projections of revenues earned during 1970. Both reflect anticipated diminutions in traffic as a consequence of passenger resistance to the payment of increased fares. In addition, the engineer's estimates were developed from an intensive analysis which he had made of applicant's traffic. We conclude that the engineer's estimates fairly represent applicant's revenue experience that may reasonably be expected under present and proposed fares. The engineer's estimates should be adopted.

The treasurer's estimate of administrative expenses includes a rental allowance for applicant's terminal properties which are rented from one of applicant's officers. In order to avoid the question of whether the rental allowance properly reflects arm's-length dealing between applicant and the officer, the engineer considered the terminal properties as though they were owned by applicant. Accordingly, he substituted ownership expenses such as taxes and depreciation for the rental, and he included valuations for the properties in the amount which he developed for rate base. In other respects he adjusted his administrative expense estimate to a level which he deemed to be consistent with and reasonable for the operations. Applicant did not challenge the engineer's estimate by undertaking to show that said estimate does not include reasonable provision for the expenses involved. The engineer's estimate should be adopted.

The differences between the treasurer's and the engineer's estimates of depreciation expense are attributable mainly to differences in the period of time for which the expense estimates were calculated and to errors in the calculation of the treasurer's estimate. Also, for reasons hereinabove stated, the engineer's estimate includes depreciation on the terminal properties which he contained in his provision for rate base. We are of the opinion that the engineer's estimate of depreciation is proper. It should be adopted.

With reference to the difference between the estimates for income taxes, it appears that the treasurer's estimate was calculated without reference to the bearing that payments which applicant makes for interest has upon the applicable tax. On the other hand the engineer took into consideration the interest payments in order to arrive at applicant's actual tax liability. The engineer's estimate should be adopted.

It appears that the engineer's estimate of rate base, together with his related expense estimates, reasonably take into account the properties which constitute, or may reasonably be deemed to constitute, applicant's rate base. The engineer's estimate should be adopted.

Our considerations above cover the principal differences between the showings of applicant's treasurer and of the Commission engineer with regard to expected operating results under the proposed fares. For the reasons stated we adopt the engineer's showing as detailed in Tables Nos. 3 and 4 above, as fairly portraying said operating results.

There remains to be considered the issue of reasonableness to which reference was made at the outset of this discussion -- the reasonableness of the fare increases in relation to the quality of applicant's services.

The complaints of applicant's patrons concerning the quality of applicant's operations from a safety standpoint involve two distinct considerations:

- a. Whether sufficient funds are provided by applicant's fares to permit operations in a manner required by public safety;
- b. Whether the operations are, in fact, being conducted in a manner required by public safety.

In view of the operating losses which were predicted both by applicant's treasurer and by the Commission engineer if present fares are continued in effect, there appears adequate basis for concluding that the interests of the public in the maintenance of applicants' buses in a safely operable condition requires that additional funds be provided applicant through the medium of increased fares.

Despite the instances of unsafe operating conditions which were reported by representatives of applicant's patrons, we are not persuaded that applicant's operations fall short of meeting the State's safety standards which apply to for-hire common carriage of persons by passenger stages. In this connection it should be pointed out that control over the safety of such operations is vested in the California Highway Patrol. The evidence shows that the California Highway Patrol makes inspections of applicant's operations and that said inspections indicate that the applicable safety standards are being met. If applicant's patrons are convinced that serious safety deficiencies exist, notwithstanding the inspection reports to the contrary, it appears that their first recourse should be to the California Highway Patrol.

Nevertheless, the complaints of the patrons concerning the safety of applicant's operations, and of the cleanliness of the buses, and of the heating and cooling deficiencies point up one area where applicant's operations do not reasonably meet the public's needs. Said area centers about an apparent insufficiency of attention to corrective actions that should be undertaken on a day-to-day basis. For example, applicant has followed a practice of sweeping its buses but once weekly. Hence, in between sweepings the buses may be operated for several days in an unsanitary condition. In various other respects also it appears that applicant relies mainly on periodic inspections as basis for remedial maintenance with a consequence that breakdowns in heating, airconditioning equipment or other equipment may go unheeded for several days.

We are of the opinion that applicant's patrons justifiably have complained about the quality of applicant's services, particularly if consideration is given to the extremes in temperatures under which the operations are conducted. Moreover, the

increased fares which we hereinafter authorize contain sufficient provision for the observance of reasonably necessary service standards on a daily basis.^{6/} It is noted, furthermore, that by its advertising on its buses applicant holds itself out to provide air-conditioned transportation. Consequently, a failure of applicant to provide the quality of service for which provision is contained in the fares is tantamount to a withholding of services which applicant is being paid to render and which, moreover, applicant is holding itself out to furnish. In the circumstances we regard a continuance of applicant's operations at an insufficient quality level as being prejudicial to an unqualified finding that the sought fare increases are justified.

Applicant's general manager indicated that steps would be undertaken to upgrade the quality of the services to an acceptable level. Applicant is hereby placed on notice that it will be expected to follow such course aggressively and to make periodic reports -- not less frequent than each ninety days -- to the Commission's staff concerning the progress of the program undertaken in this regard. Such reports should be continued until the staff is satisfied that an acceptable level of quality of service has been achieved and is being maintained. Should such result not be attained within a reasonable time, the staff should bring the matter to the Commission's attention for such action as is then appropriate.

^{6/} The level of earnings under the sought fares is somewhat higher than that which we might ordinarily deem reasonable. However, an upgrading of the quality of applicant's services may entail some additional costs over those included in the expense estimates. In recognition of such additional costs the expected level of earnings under the sought fares appears reasonable.

Findings

We find that:

1. Applicant is incurring losses from its operations under present fares.
2. The predicted earnings of \$19,640 (as represented by a rate of return of 11.86 percent on a rate base of \$165,620 and by an operating ratio of 89.17 percent) for the passenger stage operations under the proposed fares during the coming year (as represented by the estimated operating results for the year through August 31, 1972) are reasonable in view of the contribution thereto provided by the charter services and in view, also, of the indicated requirements upon applicant to upgrade the quality of its passenger stage services.
3. The increases in fares which applicant seeks have been shown to be justified.

Conclusions

1. We conclude that the sought fare increases should be authorized.
2. Because of applicant's need for relief from the losses which it is experiencing under present fares, we conclude that applicant should be authorized to establish the increased fares on less than thirty days' notice, and the order herein should be made effective five days after the date hereof.

O R D E R

IT IS ORDERED that:

1. Applicant, Antelope Valley Bus, Inc., is authorized to establish the increased fares identified as Proposed Fares in the attached Appendix A, which appendix by this reference is made a part hereof.

Amendments to applicant's tariff to be made as a result of this order shall be filed not earlier than the effective date of this order, and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

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

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals an 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.

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

Dated at San Francisco, California,
this 4th day of APRIL, 1972.

[Signature]
Chairman
William J. Harrison
[Signature]
[Signature]
[Signature]
Commissioners

Appendix A

Present and Proposed FaresLocal Fares

(Applicable between all points on Routes Nos. 1, 2 and 4, including free transfers between such lines at Lancaster Boulevard and Sierra Highway.)

	PRESENT		PROPOSED	
	ONE-WAY	COMMUTE	ONE-WAY	COMMUTE
Adult	20c	\$3.50 20-ride ticket	25c	-
Child (5 years through 17 years of age)	15c	-	20c	-
College Student	-	\$3.50 20-ride ticket	-	-
Senior Citizens, 60 years or older	-	\$1.50 15-day pass*	-	-

*Between points on Route 4 only.

Local School Fares

(Applicable to school service operated only for the transportation of children attending elementary, junior high, high schools or junior college.)

	PRESENT		PROPOSED	
	ONE-WAY	COMMUTE	ONE-WAY	COMMUTE
Between points within single school service area: Lancaster, Palmdale, or Quartz Hill	-	\$2.50 20-ride ticket	20c	\$3.50 20-ride ticket
Between points within Quartz Hill school service area and points within Lancaster or Palmdale school service areas	20c	\$3.50 20-ride ticket	25c	\$4.50 20-ride ticket
Between Palmdale and Lancaster School	25c	\$4.50 20-ride ticket	30c	\$5.50 20-ride ticket

(Continued)

Appendix A (Continued)

Interurban Fares, in general

(Applicable between all points on Routes 5A, 5B, 5C, 5D and 5E;
or between all points on Routes 6, 14, 15, 16, 17 and 18.)

<u>BETWEEN</u>	<u>AND</u>	<u>PRESENT</u>			<u>PROPOSED</u>		
		<u>ONE WAY</u>	<u>ROUND TRIP</u>	<u>10-RIDE COMBINE TICKET</u>	<u>ONE WAY</u>	<u>ROUND TRIP</u>	<u>10-RIDE COMBINE TICKET</u>
Lancaster Service Area or Points along 90th Street East, Avenue E and 120th Street East	Edwards Air Force Base	\$.50	\$1.00	\$5.00	\$.75	-	\$6.50
Points between Lancaster Service Area	Edwards Air Force Base	.35	.70	3.50	.50	-	4.50
Palmdale Service Area and points along Palmdale Blvd., east of Palmdale Service Area and west of 90th Street East or Quartz Hill Service Area	Edwards Air Force Base	.65	1.25	6.25	1.00	-	8.00
Lancaster Service Area	Rocket Base-Edwards Air Force Base	.65	1.25	6.25	1.00	-	8.00
Quartz Hill Service Area and Palmdale Service Area	Rocket Base-Edwards Air Force Base	.75	-	7.50	1.15	-	9.50

Interurban Fares, other

<u>BETWEEN</u>	<u>AND</u>	<u>PRESENT</u>		<u>PROPOSED</u>	
		<u>ONE WAY</u>	<u>10-RIDE TICKET</u>	<u>ONE WAY</u>	<u>10-RIDE TICKET</u>
Lancaster	General Wm. J. Fox Airport	\$1.00	-	\$1.25	-
Lancaster	Palmdale Airport	1.00	-	1.25	-
Lancaster	Los Angeles Airport	5.50	-	6.00	-
Edwards Air Force Base	Palmdale	2.00	-	2.25	-
Edwards Air Force Base	Palmdale Airport	2.00	-	2.25	-
Edwards Air Force Base	General Wm. J. Fox Airport	3.00	-	3.25	-
Edwards Air Force Base	Los Angeles Airport	6.00	-	6.75	-
Palmdale or Palmdale Airport	Los Angeles Airport	5.00	-	5.50	-
Newhall Service Area	Palmdale Airport	2.50	-	2.75	-
Newhall Service Area	Los Angeles Airport	2.75	-	3.00	-
Berwick Plant	Lancaster Service Area	-	\$6.25	.75	\$6.75
" "	Quartz Hill Service Area	-	6.25	.75	6.75
" "	Palmdale Service Area	-	5.50	.75	6.00
" "	Points south and/or west of Palmdale Service Area	-	5.00	.75	5.50
" "	San Fernando	-	5.50	.75	6.00
" "	Santa Paula Area	-	6.50	.75	7.00
" "	Yillmore Area	-	5.50	.75	6.00
" "	Piru Area	-	5.00	.75	5.50

(End)

APPENDIX B

Certificate of the Public Utilities Commission
of the State of California Re Increases in Fares for
Passenger Stage Transportation Services Performed by
Antelope Valley Bus, Inc.

Pursuant to provisions of Section 300.16 of the Economic Stabilization Act Amendments of 1971, the Public Utilities Commission of the State of California (Cal. P.U.C.) does hereby certify to the Federal Price Commission as follows:

1. That the increases in fares which are ordered by the Cal. P.U.C. by its Decision No. , dated 1972, copy attached, range from about 9 to 54 percent. In revenue effect they average 18.9 percent.
2. That the dollar amount of increased annual revenues for Antelope Valley Bus, Inc., which the increases in fares are expected to produce is about \$28,800.
3. That said fare increases are cost based and do not reflect future inflationary expectations.
4. That said fare increases will not increase the carrier's rate of return on capital over that earned in 1970.
5. That the fare increases are the minimum required to assure continued, adequate and safe service.
6. That sufficient evidence was taken at public hearings held before the Cal. P.U.C. in connection with said fare increases to support the certification herein made.