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ORIGINAL

Decision No. 82774

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

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

Application No. 54271

(Filed August 23, 1973)

O P I N I O N

Continental Trailways, Inc. (Trailways), a corporation, American Buslines, Inc. (American), a corporation, and Continental Pacific Lines (Continental Pacific), a corporation, seek an ex parte order authorizing increases in their intrastate local passenger fares, joint passenger fares, and express rates. The proposed rate schedules are the same as the rates authorized to Greyhound Lines in Decision No. 81647 dated July 31, 1973 in Application No. 53787. The proposal will increase applicants' fares and express rates by approximately five percent. Applicants anticipate an increase in gross operating revenue of \$86,022 from the proposed rate increases.

The operations of applicants are described in Decision No. 81133 dated March 13, 1973 in Application No. 53740. Decision No. 81133 established applicants' present rates by authorizing applicants to establish rates at the same level as the then effective rates of Greyhound Lines - West Division of Greyhound Lines, Inc. (Greyhound). The local and joint fares and express rates of applicants have been maintained at the same level as the

rates authorized Greyhound for California intrastate operations (see Decision No. 81133, Footnote 1).

Applicants' essential claim is that the proposed rate increases will not produce unreasonably high earnings on California intrastate operations. Since the three applicant companies are part of the nationwide Continental Trailways System, applicants' intrastate results of operations requires a separation of revenues and expenses from System to California and then from California to Intrastate. The "System" results of operations refers to the total operations of the three applicants; the "California" operations refers to interstate and intrastate operations originating in the State of California; and the "Intrastate" operations are the operations in California intrastate commerce. Applicants' intrastate operations are presented for a constructive year using the 12 months ended June 30, 1973 as a base (Exhibit 9). After reflecting approved increases and proposed increases in rates and known increases in costs, applicants arrive at an operating ratio of 103.1 percent.

The Finance and Accounts Division of the Commission staff has reviewed the application. The staff concluded that if a staff audit were conducted, staff operating results might differ from applicants'. However, the staff concludes that there would have to be significant changes before it could recommend that applicants' request be reduced or denied. Since the Commission considers Greyhound as the rate making carrier and the requested increase would bring applicants' fare structure up to Greyhound's level, the staff recommends that applicants' request be granted ex parte.

Findings

1. Applicants have been authorized to maintain local and joint one-way and round trip fares and express rates at the same level authorized to Greyhound Lines, Inc. Present fares and express rates are below the fare levels authorized to Greyhound in Decision No. 81647.

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

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

We conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Continental Trailways, Inc., American Buslines, Inc., and Continental Pacific Lines are authorized to establish the increased fares proposed in Application No. 54271, and are authorized to depart from the mileage scale of fares to the extent necessary to establish fares on a point-to-point basis at the level currently authorized to Greyhound Lines, Inc. between points served both by applicants and Greyhound. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order, on not less than five days' notice to the Commission and to the public.

2. Pending the filing of tariffs to reflect the increases authorized in paragraph 1 hereof, applicants are authorized to make effective increases in their passenger fares by means of appropriate conversion tables, provided the increased fares do

not exceed the fares authorized in paragraph 1 hereof. Within six months after the effective date hereof, applicants shall proceed to further amend their tariffs so that the increased fares may be determined without use of conversion tables.

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

4. In addition to the required posting and filing of tariffs, applicants shall give notice to the public by posting in their buses and terminals a printed explanation of their fares. Such notices 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 twenty days after the date hereof.

Dated at San Francisco, California,
this 23^{rd.} day of APRIL, 1974.

Vernon L. Spitzer
President
William J. Symon
[Signature]
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Commissioners