

ORIGINAL

Decision No. 82844

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Sightseeing
Tours, Inc. for authority to increase
rates for passenger fares for its
service between Santa Monica and
McDonnell-Douglas Aircraft Company,
Huntington Beach and Long Beach,
California.

Application No. 54700

(Filed March 1, 1974)

INTERIM OPINION

California Sightseeing Tours, Inc., applicant, is engaged in the transportation of passengers for compensation via numerous routes and between many points pursuant to authority from this Commission.^{1/} Included is authority to transport passengers on a round trip basis only (commuters) between McDonnell-Douglas Aircraft Company plants in Santa Monica, Huntington Beach, and Long Beach. Round trip fares for this service are now \$1.75. Applicant requests an immediate interim increase for this service to \$2.50 with a subsequent increase to \$2.75 per round trip.^{2/} The present fares were established in 1964.

^{1/} Decision No. 76608 dated December 23, 1969 in Application No. 51537; Decision No. 77922 dated November 10, 1970 in Application No. 52058; Decision No. 78285 dated February 9, 1972 in Application No. 51678; Decision No. 79272 dated October 8, 1971 in Application No. 52338.

^{2/} It appears that a similar application was filed sometime in 1973, but was inadvertently misplaced. We have no record of the filing.

Applicant alleges that at present rates its operating ratio for 1972 was 111 percent, with a claimed loss of \$26,806, and for the year 1973 (estimated) was 111 percent, with a claimed loss of \$28,567^{3/} (Exhibit C on application). Applicant estimates that at \$2.50 per round trip fare for three months in 1974 and at \$2.75 for nine months in 1974, it will have a net profit of \$22,387 and that the net result of both such increases would give it an operating ratio of 92.3 percent.

Applicant alleges that there is an urgent need for an increase in its fares by approximately 57 percent. It alleges that the present fare of \$1.75 for a round trip was established in 1964; that there has been no subsequent increase in the fare; that the costs of operation have steadily increased over the 10 years of service; and that passengers' desire and requests for later model intercity coaches have increased the capital outlay for this equipment from \$20,000 per unit in 1964 to upwards of \$65,000 per unit in today's market.

Applicant mailed notices to the concerned governmental agencies and posted notices of the proposed fare increases in each of its buses as required by this Commission. No protests have been received. A public hearing is not necessary.

Findings

1. Applicant is a passenger stage corporation transporting, among other passengers, round trip (commuter) passengers between McDonnell-Douglas Aircraft Company plants in Santa Monica, Huntington Beach, and Long Beach.

^{3/} Unfortunately applicant chose to lump his various operations together. In addition, he has given us no breakdown of revenues and expenses for the particular operations for which an increase is here requested.

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2. Applicant's present fares for such service resulted in a loss for the year 1972 of \$26,816 and a loss for the year 1973 of \$28,567.

3. Applicant proposed fare increases set forth in the body of this opinion.

4. On the basis of the verified application, the applicant is in need of an immediate rate increase. The interim rates proposed by the applicant do not appear excessive and should be allowed on an interim basis pending further study and possible hearing relative to the further increase requested.

5. An interim fare increase as requested by the applicant is justified as an interim emergency increase.

Conclusions

1. Interim fare increases as specified in the following order should be authorized subject to a reduction in the event the final level of increased rates is less than the interim rates authorized herein.

2. The applicant should be authorized to establish the increased fares on less than thirty days' notice to the Commission and to the public. The tariffs authorized herein should be made effective five days after the date hereof.

INTERIM ORDER

IT IS ORDERED that:

1. California Sightseeing Tours, Inc. is authorized to establish the initial increased rate of \$2.50 per round trip proposed in Application No. 54700. Tariff publications authorized 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 ten days after the effective date of this order

on not less than five days' notice to the Commission and to the public. The increased rates herein authorized are subject to a reduction to the extent that any part thereof is not found justified by subsequent decision in this proceeding. Prior to exercising the authority granted herein applicant shall inform the Commission, in writing, that it accepts this condition. ✓

2. The authority 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 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.

The effective date of this order is the date hereof.

Dated at Los Angeles, California, this 7th
day of MAY, 1974.

William J. Gray, Jr. President
Paul H. ...
... .. Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.