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Decision No. 83451

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FALCON CHARTER
SERVICE, INC. to increase fares)
between San Francisco and)
Foster City.)

Application No. 54439
(Filed November 8, 1973;
amended April 22, 1974)

Eldon M. Johnson, Attorney at Law, and Alan T. Smith,
for Falcon Charter Service, Inc., applicant.
Ira R. Alderson, Jr., Attorney at Law, and Milton J.
DeBarr, for the Commission staff.

O P I N I O N

Falcon Charter Service, Inc. (Falcon) operates as a passenger stage corporation and as a charter-party carrier. Under its certificate as a passenger stage corporation, Falcon provides a commuter bus service between Foster City and San Francisco. In this application Falcon seeks to increase the fares for such service as follows:

	<u>Present Fare</u>	<u>Proposed Fare</u>	<u>Increase</u>
Ten One-way Ride Ticket	\$10.00	\$11.00	10.0%
Calendar Monthly Ticket	\$37.50	\$40.00	6.7%

Public hearing was held before Examiner Mallory at San Francisco on May 14 and 15, 1974. The matter was submitted subject to the receipt of a late-filed exhibit of the Commission staff, which has been received.

Evidence in support of the application was presented by applicant's president. Witnesses appearing for the Commission's Finance and Accounts Division and Transportation Division oppose the granting of the relief sought herein.

Description of Commute Operations

The evidence shows the following with respect to Falcon's operations. Falcon began its commuter bus operations in 1972 with one bus. That operation has grown to the extent that at the end of 1973 six buses were used. It is estimated that 10 buses will be required by June 1975. At the time of hearing Falcon operated 15 buses, eight of which were used in commute operations. The buses and drivers are used for commute operations in the morning and evening commute hours. During other periods some of the buses and drivers are used in Falcon's charter operations in the San Francisco Bay area.

Issues

Applicant and the Commission staff agree that Falcon's commute operations would not be economically feasible if such operations had to stand alone. The issues in this proceeding concern the proportion of the joint operating expenses which reasonably should be allocated to the common carrier operations and to the charter operations of Falcon. The expenses used as well as the method of allocating joint expenses used by applicant shows that the common carrier operations will be performed at or below the breakeven point at present fares. The staff's allocation methods assign more of the common expenses to Falcon's charter service than applicant's method. The results of operations for a future year as estimated by the staff indicate that Falcon's common carrier operations will be profitable under existing fares.

Applicant's Showing

Exhibit 1 contains the signatures of 176 riders attesting that they have no objection to the proposed increases in fares. Assertedly that number represents approximately 50 percent of the daily patronage of Falcon's Foster City-San Francisco service.

Exhibit 5 is a comparison of Falcon's proposed fares with similar fares maintained by Greyhound Lines, Inc. and Southern Pacific Transportation Company. The comparison includes municipal railway fares in San Francisco in connection with Greyhound, Southern Pacific, and Falcon, and automobile mileage costs between the commuters' residence and the common carrier terminals of Greyhound and Southern Pacific. Automobile mileage cost is excluded for Falcon because Falcon picks up and returns its riders at points in the vicinity of the riders' residence in Foster City. The following is a summarization of the comparisons in Exhibit 5:

TABLE 1

Examples of Annual Costs of
Falcon, Greyhound, and Southern Pacific
 Between Peninsula Points and
 Financial District in San Francisco

	<u>Greyhound</u> (San Mateo)	<u>Southern Pacific</u> (San Mateo)	<u>Falcon</u> (Foster City)
Auto Expense (1)	\$152.00	\$118.66	\$ -
Annual Commute Service (2)	348.45	327.20	480.00
S. F. Muni Bus Fare (3)	<u>115.50</u>	<u>115.50</u>	<u>115.50</u>
Total	\$615.95	\$561.36	\$595.50

- (1) Auto mileage expense and local parking at San Mateo.
- (2) Based on the following:
 - Greyhound - 23 twenty-ride tickets at \$15.15 each.
 - Southern Pacific - 11 five-day monthly tickets at \$29.00 and one weekly ticket at \$8.20.
 - Falcon - 12 calendar-month tickets at \$40.00.
- (3) Muni bus fare - 50 cents round trip, 231 working days per year.

Many of Falcon's patrons work within walking distance of Falcon's stops in San Francisco's financial district and Civic Center, and thus would not incur a local transit fare; Falcon's annual cost for such patrons would be \$480.00. Exhibit 5 was presented to show that the commute costs under Falcon's proposed fares would not be out of line with commute costs of other services in the mid-peninsula area.

Exhibit 2 contains a breakdown of operating and maintenance expenses for Falcon's combined charter and commute operations for the year ended December 31, 1973; an income and expense statement of Falcon's commute operations for the year ended December 31, 1973; an estimate of the additional annual gross revenue from the proposed fare increase (based on 1973 level of operations); a statement of estimated income and expense of commute operations (based on 1973 level of operations and 1974 expenses); and a statement of projected system average cost of operations and maintenance.

Exhibit 3 is a statement containing the justification for estimates of increased expenses used in Exhibit 2 and the method used to allocate such expenses to commute operations.

Falcon's estimate of the operating results for its commute service, as set forth in Exhibit 2, is as follows:

TABLE 2

FALCON CHARTER SERVICE, INC.

Statement of Estimated Income & Expense of Commute Operations
 (Based on 1973 Level of Operations and 1974 Expenses)

	<u>Without Increase</u>	<u>With Increase</u>
<u>Commute Operations Expenses</u>		
Cost of operations and maintenance (at \$.66 per mile based upon 80,320 commute miles) (See Note 1)	\$ 53,011.00	\$ 53,011.00
Cost of availability (not in miles, based upon three hours per day, five drivers per day; \$4.05 per hour per driver until August 1; \$4.21 per hour per driver after August 1; 22 working days per month)	16,302.00	16,302.00
Administrative expense	45,000.00	45,000.00
Rental on Foster City overnight parking (\$325.00 to March 1; \$350.00 after March 1)	<u>4,150.00</u>	<u>4,150.00</u>
Total	\$118,463.00	\$118,463.00
Commute Operations Income	\$113,961.00	\$125,015.00
Projected Net Commute Income	\$ (4,502.00)	\$ 6,552.00
Projected Commute Operating Ratio	103.95%	94.76%
Carrier operating property depreciated rate basis (per actual 1973 operations)	\$300,833.00	\$300,833.00
Carrier operating property depreciated rate basis attributable to commute operations equipment (5 of 14 buses; or 35.71%)	\$107,427.00	\$107,427.00
Projected rate of return	-	6.10%

(Red Figure)

Note 1:

Total miles operated (per actual 1973 operations)	531,333
Projected cost of operations and main- tenance (including equipment mainte- nance, transportation, and insurance and safety expenses; excluding rental on Foster City overnight parking [\$4,150.00] and cost of availability [\$16,302.00])	\$349,371.00
Projected system average of cost of operations and maintenance (per mile)	\$.66

It is applicant's position that, in addition to the costs directly assignable to commute operations, sufficient operating costs must be assigned to commute operations to cover the expense of the equipment and driver associated with making the equipment available for commute operations. Applicant's president testified that in the event a commute run is combined with a midday charter the equipment and driver must deadhead to and from the points of origin and destination of the charter. This time is included in three hours per day, per driver, assigned to commute operations on a "cost of availability" basis in Table 2. In the event that the commute run is not combined with a midday charter, union rules require that the driver and bus return to Foster City for the midday layover. The driver must deadhead to and from Foster City when no midday charter is available. The driver's time and bus miles for these deadhead operations are included in the "cost of availability" expenses and bus-mile expenses, respectively, in Table 2.

Staff Evidence

A financial examiner from the Commission's Finance and Accounts Division presented an accounting and financial report of applicant's operations (Exhibit 6). The report shows that Falcon Charter Service, Inc. is a corporation wholly owned by its president, Alan T. Smith.

Exhibit 6 states that the staff of the Finance and Accounts Division examined the accounting records of applicant in connection with the application herein. Applicant's records contain revenues segregated between charter and common carrier operations. However, expenses are not segregated in this manner in applicant's accounting records.

Exhibit 6 contains a comparative balance sheet as of December 31, 1972, as recorded, and December 31, 1973, as adjusted by the staff; comparative income statements for calendar years of 1972 and 1973, as recorded, and 1973, as adjusted by the staff; an operating statement for 1973 containing a separation of revenues and expenses for charter and common carrier operations; and a detail of the expenses that were directly assignable to charter operations by the staff.

The following table, extracted from Exhibit 6, shows the staff estimates of 1973 operating results for commute and charter services based on allocation methods described therein:

TABLE 3
FALCON CHARTER SERVICE, INC.
Operating Statement Calendar Year 1973
(As Adjusted by the Staff)

	<u>Transit</u>	<u>Charter</u>	<u>Total</u>	<u>Acctg. Method Used to Sep. Expenses</u>
<u>Revenues</u>				
Passenger	\$113,961	\$535,029	\$648,990	Actual
Other	-	6,997	6,997	Actual
Total Operating Revenue	\$113,961	\$542,026	\$655,987	
<u>Operating Expenses</u>				
Maintenance	\$ 14,325	\$ 79,601	\$ 93,926	Cost Per Mile
Driver Wages	24,631	158,035	182,666	Cost Per Mile
Workmen's Compensation				
Insurance	824	4,576	5,400	Cost Per Mile
Payroll Taxes	2,559	14,231	16,790	Cost Per Mile
Employee Welfare	1,246	6,922	8,168	Cost Per Mile
Fuel and Oil	3,087	17,153	20,240	Cost Per Mile
General Insurance	3,736	20,765	24,501	Cost Per Mile
Gen. Office & Administrative	8,685	46,583	55,268	Other Expenses
Depreciation	3,608	20,048	23,656	Cost Per Mile
Fuel Taxes	827	4,595	5,422	Cost Per Mile
Vehicle Licenses	1,013	5,631	6,644	Cost Per Mile
Property & Other Taxes	706	5,924	4,630	Cost Per Mile
Charter Expenses	-	13,763	13,763	Actual
Rents	2,378	79,539	81,917	Revenue
Total Operating Expenses	\$ 67,625	\$475,366	\$542,991	
Net Oper. Revenue Before Income Taxes	\$ 46,336	\$ 66,660	\$112,996	
State Income Tax	2,869	4,129	6,998	
Federal Income Tax	7,784	11,201	18,985	
Total Income Taxes	\$ 10,653	\$ 15,330	\$ 25,983	
Net Operating Profits	\$ 35,683	\$ 51,330	\$ 87,013	
Operating Ratio (After Taxes)	68.7%	90.5%	86.7%	
Rate Base	\$ 39,950	\$222,080	\$262,030	
Return on Net Investment	89.3%	23.1%	33.2%	

The principal factor for the allocations used by the financial examiner in the preparation of Table 3 is cost per bus mile. Annual bus miles for commute operations were developed by the witness on the basis of the number of days the commute service was performed multiplied by the number of buses in service; which figure, in turn, was multiplied by the round-trip miles (64) between Foster City and San Francisco. All other bus miles were allocated to charter operations.^{1/}

A transportation engineer from the Commission's Transportation Division presented Exhibit 8 which contains estimated results of operations for a future test year ending June 30, 1975. In preparing his estimates, the witness used the same procedures as the financial examiner for the development of commute service bus miles, but increased the number of bus miles in the test year to reflect the additional equipment to be assigned to that service because of increased patronage. The engineer estimated that ten buses will be required to perform the commute service in the rate year ending June 30, 1975.

In developing his estimates, the engineer adjusted depreciation expense for new buses based on service lives of 12 years and 16 percent salvage value, using an annual depreciation rate of 8.4 percent for the first five years and 6.0 percent for the next seven years. For used buses, the engineer adjusted depreciation expense based on a service life of 25 years from original purchase with no salvage value.

^{1/} The financial examiner used the following numbers of buses as a basis for the determination of historical bus-mile operations for commute service:

January 1 through March 20, 1973	4 buses
March 31 through October 3, 1973	5 buses
November 1 through December 31, 1973	6 buses

The staff witness estimated increased drivers' wages in the test year on a basis lower than used by applicant. The engineer used a cost of \$0.25 per gallon for fuel and oil expenses in the test year, which also is less than applicant's estimate. The engineer increased officer and office personnel salaries by 17 percent and adjusted bus parking expenses to reflect the greater number of buses operated.

Falcon presented rebuttal testimony designed to show, among other things, that the method of estimating bus miles for commute operations fails to recognize "deadhead" buses required to return the transit equipment to Foster City when no midday charter is available, or to position buses for the return trip in commute operations when a midday charter is available. The engineer conceded that the estimates furnished in Exhibit 8 should be revised to reflect the assignment of added bus miles to commute operations. Late-filed Exhibit 12 contains the revisions of Exhibit 8 necessary to show the effect of the addition of 16,320 deadhead bus miles to transit operations in the historical year ended December 31, 1973. An addition of 16,320 deadhead bus miles was also made to the estimates for the test year ending June 30, 1975. The added deadhead miles represent one additional round trip per day between San Francisco and Foster City. The staff witness concluded from testimony of applicant's president that all drivers not assigned other work must be returned to Foster City after the conclusion of the commute run, but that their buses could be parked during the day at Falcon's lot in San Francisco. Thus, one bus could accommodate all drivers not assigned other work between commute runs.

The following table depicts the revised test year estimates of the Commission staff set forth in Exhibit 12:

TABLE 4

FALCON CHARTER SERVICE INC.

Comparative Results of Operations
 Revised to Include Deadhead Transit Bus Miles at Requested Fares
 Estimated Results (July 1, 1974 to June 30, 1975)
 (Exhibit 12 - Table 4)

	<u>Total</u>	<u>Charter</u>	<u>Transit</u>
Bus Miles	575,305	433,993	141,312
<u>Revenue</u>			
Passenger	\$646,400	\$466,800	\$179,600
Other	7,000	7,000	-
Total	<u>\$653,400</u>	<u>\$473,800</u>	<u>\$179,600</u>
Operating Exp.	\$561,660	\$425,010	\$136,650
Operating Income	\$ 91,740	\$ 48,790	\$ 42,950
Income Taxes	\$ 15,450	\$ 8,220	\$ 7,230
Net Operating Inc.	\$ 76,290	\$ 40,570	\$ 35,720
Operating Ratio	88.3%	91.4%	80.1%
Rate of Return	26.4%	18.6%	50.3%
Rate Base	\$289,140	\$218,130	\$ 71,010

(Income tax calculations in above table have been adjusted, resulting in revised net operating income for charter and transit services from that shown in Exhibit 12.)

Late-filed Exhibit 12 also contains revisions of the historical year (1973) results of operations contained in Exhibit 6 to reflect the same number of added deadhead miles for commute operations that were included in the test year (July 30, 1975) estimates. This change revises the estimated net operating income from commute operations in 1973 to \$26,450, which produces an operating ratio (after taxes) of 76.8 percent.

Reconciliation of Test Year Estimates

The test year estimates of operating results presented by applicant (Exhibit 2) and the staff (Exhibit 12) are not directly comparable because the estimates are constructed on different premises. Applicant's estimates are for a 1974 test year and assume that the same number of buses will be operated in commute service in 1974 as was operated in 1973. On the other hand, the staff's estimates are for a test year ending June 30, 1975, and such estimates are based on a greater number of buses for commute operations.

The record shows that Falcon's Foster City commute operations provide a needed service to the public, that such service is convenient because the pickup and discharge points are close to patrons' homes and businesses, and that such service has sustained a continuous growth since its inauguration in 1972. At the time of the hearing Falcon used eight of its 15 buses in commute service. It is apparent applicant's estimates which reflect the operation of only five buses in 1974 are not indicative of the service now performed by applicant. It would appear that a test year entirely in the future, and estimates which are based on the approximate numbers of buses to be used in commute operations, would provide a more accurate basis for determining the reasonableness of the proposed fares.

In its Exhibit 4, Falcon revised the 1973 results of operations set forth in the staff's Exhibit 8 to show the adjustments applicant believes are necessary to accurately portray the profitability of its commute operations in 1974. The 1974 projections in Exhibit 4 are based on 1973 level of operations adjusted to show 1974 expenses. Falcon increased annual bus miles for commute operations by 25 percent, in order to include the deadhead bus miles necessary to return drivers to Foster City when no midday charters are available. Falcon also included in its estimate additional bus miles to cover 50 percent of the deadhead miles between the conclusion of commute operations and the start of charter operations for those buses

used in both commute and charter operations on the same day. The deadhead miles added by the staff in its Exhibit 12 are only for the purpose of returning drivers to Foster City and are not for positioning buses for midday charter operations.

In Exhibit 4, applicant also increased the amount allocated by the staff to administrative and general expense from \$16,680 to \$32,176. It is applicant's contention that allocation of this expense in the relationship of bus miles operated in commute and transit service, as done by the staff, fails to recognize the greater amount of time required to be spent by general office employees and management in supervising the commute operations as compared to the charter operations. Applicant maintains that ticket sales and dispatching of buses for commute operations require the full-time services of one of its two office employees and a substantial portion of the time of applicant's president. Assertedly, Falcon receives many daily telephone calls concerning the scheduling of its commute buses and other types of inquiries from potential or current users of that service, which require the services of its general office staff out of proportion to the revenues earned from commute service. Applicant contends that the staff did not make any provision in its estimate of administrative and general expense for the added services assertedly accorded to commute operations.

Applicant and the staff differ with respect to the increases in wages, fuel, and other operating expenses which will occur in the future. However, these differences are relatively minor in comparison with those described above. As explained above, no direct comparison can be made between applicant's and the staff's final estimates of operating results for a future year, as different levels of commute operations are assumed and different test year periods have been selected.

Discussion

Until 1972 Falcon's operations were solely that of a charter-party carrier. Charter operations apparently were profitable before commute operations were begun by Falcon. In 1972 Falcon initiated commute operations between Foster City and San Francisco. The same buses are used in both services. It is undisputed on this record that the Foster City commute operations would not be economically feasible unless such services are conducted in conjunction with Falcon's charter operations. In other words, the revenues from commute operations could not support that service if no other use was made of the buses required for commute service. However, Falcon achieves greater utilization of its buses and drivers by using them in both commute and charter operations than if it performed only charter services. Therefore, inauguration of commute service by Falcon permitted it to maximize its profits because it achieved greater overall productivity from its equipment and manpower through the operation of the combined services than it could have achieved by operating only charter service.

The combined charter and commute services incur operating expenses which cannot be directly assigned to either service; therefore, such common operating expenses must be allocated between the two services in order to determine whether commute (or charter) service operations are profitable. The philosophy underlying the allocation procedures utilized by applicant and the staff are different. Applicant has attempted to assign to commute services a greater proportion of the common expenses than the staff. It appears to be the theory of the staff that general and administrative expenses which cannot be directly assigned should be allocated between commute and charter in the same proportion as the total of the other operating expenses are assigned. It is applicant's position that failure in this fare proceeding to fully allocate all reasonable expenses to commute operations will discourage applicant and other charter operators from

starting or expanding commute operations in the future.^{2/} It is applicant's view that, unless such procedures are followed, charter operators will be convinced that it is Commission policy that charter operations subsidize commute operations.

In order that present public utility transit operations will continue and to stimulate the formation of additional transit operations, it is the policy of this Commission to ensure that transit revenues are adequate and sufficient.

In line with the foregoing policy statement, adjustment of the staff's historical year and test year expense estimates are necessary to fully reflect expenses which are reasonably allocable to transit operations. As heretofore indicated, there is no direct comparison between the test year estimates of applicant and the staff. For the purposes of the proceeding, the staff's test year estimates which reflect the increased patronage and increased number of buses required to perform the commute service, and which cover a year entirely in the future, will provide the better foundation to develop test year estimates we believe will be reasonable herein.

^{2/} In this respect, Falcon purchased two used commuter-type buses from Greyhound Lines, Inc. to replace two of the reclining-seat charter coaches operated in Foster City commute service. Patrons have complained informally that the newer buses are less comfortable than the buses that were replaced,

Adjustments to Staff Estimates

The staff's late-filed Exhibit 12 should be adjusted by increasing bus miles allocated to commute service to cover 50 percent of the nonrevenue miles required to position commute buses for use in mid-day charter service. This would require the addition of 9,600 miles annually to commute service. Operating expenses for commute service allocated on a bus mile basis will be increased as a result of the revised allocation of bus miles. A related adjustment should also be made in bus depreciation expense. The depreciation expense of the staff will be recalculated to give a 50-50 weighting to bus miles and to the number of buses dedicated to commute service in comparison to the carrier's total bus fleet.

The staff study allocates administrative and general expenses on the basis of other operating expenses. Applicant's evidence showed that proportionately greater amounts of time and effort are expended for supervision, customer information services, dispatching, and ticket sales for commute services than for charter services. Applicant's estimates in this regard will be adopted.

The foregoing adjustments apply solely to the circumstances and conditions present in the operations of Falcon Charter Service and are not to be considered as applicable to other transit operations, which must be decided on their individual merits.

The foregoing adjustments to operating expenses would produce the following estimated results of transit operations under present and proposed fares for the staff's test year:

TABLE 5

FALCON CHARTER SERVICE, INC.

Adopted Results of Transit Operations under Present
and Proposed Fares for Test Year Ended June 30, 1975

	Present Fares			Proposed Fares		
	<u>Total</u>	<u>Charter</u>	<u>Transit</u>	<u>Total</u>	<u>Charter</u>	<u>Transit</u>
Bus Miles	575,305	424,393	150,912	575,305	424,393	150,912
<u>Revenue</u>						
Passenger	\$633,900	\$466,800	\$167,100	\$646,400	\$466,800	\$179,600
Other	7,000	7,000	-	7,000	7,000	-
Total	<u>\$640,900</u>	<u>\$473,800</u>	<u>\$167,100</u>	<u>\$653,400</u>	<u>\$473,800</u>	<u>\$179,600</u>
Operating Exp.	\$561,660	\$401,660	\$160,000	\$561,660	\$401,660	\$160,000
Operating Income	\$ 79,240	\$ 72,140	\$ 7,100	\$ 91,740	\$ 72,140	\$ 19,600
Income Taxes	\$ 8,860	\$ 8,070	\$ 790	\$ 15,450	\$ 12,150	\$ 3,300
Net Operating Inc.	\$ 70,380	\$ 64,070	\$ 6,310	\$ 76,290	\$ 59,990	\$ 16,300
Operating Ratio	89.0%	86.5%	96.2%	88.3%	87.3%	90.9%
Rate of Return	24.3%	37.6%	5.3%	26.4%	35.3%	13.7%
Rate Base	\$289,140	\$170,180	\$118,960	\$289,140	\$170,180	\$118,960

Findings

1. Falcon seeks authority to increase its multiple-ride fares for commute passenger bus services performed between Foster City and San Francisco.
2. Falcon provides such commute service in conjunction with its charter operations, and some of its buses and drivers are used during part of the day to perform commute bus service and in the same day to perform charter operations.
3. In order to arrive at the reasonable operating expenses for Falcon's commute operations it is necessary to separate and allocate expenses between Falcon's charter and commute operations.

4. Falcon and the Commission staff presented estimates of operating results under present fares for the year 1973 and under proposed fares for the year 1974 (Falcon) and the year ended June 30, 1975 (staff).

5. The estimates for a future year presented by Falcon and by the staff are difficult to reconcile inasmuch as the estimates were developed for different periods and because the estimates were constructed on different premises, as described in the opinion. Reasonable reconciliation of these differences are set forth in the opinion.

6. The estimated results of Falcon's operations for a test year ended June 30, 1975 are set forth in Table 5 and such operating results are adopted for the purposes of this proceeding.

7. Table 5 indicates that Falcon's test year commute operations between Foster City and San Francisco under present fares will produce a net operating income of \$7,100, resulting in an operating ratio (after taxes) of 96.2 percent.

8. Operating ratios of up to 96.2 percent have been found reasonable in the past by this Commission for transit bus operations. However, levels of earning for this transit bus operation represented by an operating ratio of 96.2 percent will not encourage it to continue essential services or to expand them.

9. An operating ratio of 96.2 percent is inadequate for Falcon's transit operations. Commute fares which produce an operating ratio (after taxes) of 90.9 percent fall within the zone of reasonableness for Falcon's transit operations, and fares which result in such operating ratio will not produce excessive earnings.

10. The fare increases sought in Application No. 54439 will be reasonable and are justified.

Conclusion

The application should be granted.

O R D E R

IT IS ORDERED that:

1. Falcon Charter Service, Inc. is authorized to establish the increased fares proposed in Application No. 54439. 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 ten days' notice to the Commission and to the public.

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 shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 17th
day of SEPTEMBER, 1974.

Vernon L. Sturgeon
President
William J. ...
...
...
Commissioners