

Decision No. 85481

ORIGINAL

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. 55546
(Filed March 5, 1975)

O P I N I O N

Applicants seek an ex parte order authorizing a general 7.8 percent increase in their California intrastate local and joint passenger fares and express rates.

The proposed rates are the same as the rates authorized Greyhound Lines, Inc. (Greyhound Lines - West Division) in Decision No. 83777. Applicants are competitive with Greyhound at substantially all common points served. The California intrastate local and joint passenger fares of applicants historically have been maintained at the same level as those of Greyhound between points served both by applicants and Greyhound. Traditionally Greyhound has been considered as the fare-basing carrier for California intercity fares.

Applicants' present fare structure in California was established by Decision No. 83924 as follows:

One-Way Distance Fares

<u>Miles</u>		<u>Rate Per Mile</u>	<u>With No Fare</u>
<u>Over</u>	<u>But Not Over</u>		<u>Less Than Fare For</u>
0	25	\$.0601	Minimum Fare
25	50	.0561	25 miles
50	100	.0530	50 miles
100	150	.0483	100 miles
150	200	.0463	150 miles
200	250	.0450	200 miles
250	300	.0442	250 miles
300	400	.0431	300 miles
400	-	.0422	400 miles

Minimum Fares 55¢

Round-trip Fare 190% of
one-way fare

Decision No. 83924 authorized applicants to publish fares based on combinations over junction and main line points on the level previously authorized Greyhound.

The proposed passenger fare increases are to be applied as follows:

1. Increase all fares by 7.8 percent.
2. Any increased one-way fare is to be rounded to the nearest cent, 0.5¢ being considered nearest to the next higher cent.
3. Round-trip fares to be 190 percent of one-way fares.
4. The minimum one-way fare to be 60¢.
5. Increase rates on daily express shipments, per item XVI, National Express Tariff No. A-600, Cal PUC No. 43, to the same level as those authorized to Greyhound by Decision No. 83777.

Applicants request authority to depart from the mileage scale of rates to such extent as may be necessary to permit them to maintain rates between common points at the same level as authorized Greyhound by Decision No. 83777. Applicants further request that in the case of a ticket covering travel over both branch line and main line routes the fare will be based upon the full combination of fares. This is the same basis for constructing rates heretofore authorized applicants and Greyhound. Applicants intend to continue all of their present rules and regulations in conjunction with the proposed fare structure.

Applicants state that if the general passenger fare increase is authorized, approximately six months will be required to rework all of the point-to-point fares over their lines within California. Applicants request authority to place the sought fares into effect by means of a conversion table.

The present express rates of applicants were authorized by Decision No. 83924 (1974). The proposed increases are the same as authorized Greyhound in Decision No. 83777. In connection with the requested 7.8 percent increase in express rates applicants propose that any increase not ending in "0" or "5" cents be adjusted to the nearest next "0" or "5" cents (2.5 cents being considered nearest to the next higher amount ending in "0" or "5" cents). The proposed express rates are set forth in Exhibit 2 to the application.

Applicants assert that the findings made in Decision No. 83777 as justification for the grant of authority for Greyhound to increase its fares apply with equal or greater force to each of the applicants. The application states that past experience has demonstrated that an increase in the fares of Greyhound without a corresponding increase in the fares of applicants results in increased losses to applicants. They state that the volume of traffic handled

by applicants increases as a result of the disparity in rates, but each fare collected is less than the per capita cost of transporting the passenger and the increasing patronage requires that additional drivers and vehicles be assigned to the more popular routes, which further increases operating costs. Applicants contend it is necessary that their fares be increased to the same level authorized Greyhound.

The exhibits attached to the application show that applicants operated at a loss in California during 1974. Exhibit No. 8 reveals that increased revenues to be derived from the proposed increases on passenger fares and express rates will result in an almost no-profit operating ratio of 99.0 percent. Applicants allege that if they are to maintain adequate public service in California it is imperative that they have increased revenue to offset the increasing costs of providing service.

Notice of the proposal to increase fares and rates was served by applicants in accordance with Rule 24 of the Commission's Rules of Practice and Procedure. The application was noticed in the Commission's Daily Calendar and there were no protests. The staff recommends that the application be granted. A public hearing is not necessary.

Findings

1. Applicants seek a general 7.8 percent increase in the California intrastate passenger fares and express rates.
2. Applicants' California intrastate passenger stage operations are being conducted at a loss on a consolidated basis.
3. Anticipated revenues from the proposed increase in passenger fares and express rates will result in an operating ratio of 99.0 percent for applicants' California intrastate operations.
4. Applicants and Greyhound are competitive at substantially all common points served.

5. Applicants heretofore have been authorized to maintain their local and joint one-way round-trip fares and express rates on the same level as that authorized Greyhound. Present fares and express rates are approximately 7.8 percent below the fare levels presently charged by Greyhound. An increase of 7.8 percent in applicant's local and joint passenger fares and express rates to the level authorized Greyhound by Decision No. 83777 is justified.

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

We conclude that the application should be granted. The effective date of this order should be the date on which it is signed because there is an immediate need for rate relief.

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 passenger fares and express rates proposed in Application No. 55546, and are authorized to depart from the mileage scale of passenger fares to the extent necessary to establish fares on a point-to-point basis, at the level authorized Greyhound by Decision No. 83777 between points served both by applicants and Greyhound.

2. Pending the filing of tariffs to reflect the increases authorized in paragraph 1 hereof, applicants are authorized to make effective increases in passenger fares published on a point-to-point basis by means of appropriate conversion tables, providing the tariffs containing such fares are republished within six months after the effective date of this order to eliminate the use of conversion tables.

3. The tariff filing requirements as specified in Ordering Paragraphs 2 of Decisions Nos. 82774, 83487, 83791, 83924, and 84516 are hereby rescinded.

4. Applicants' request for a waiver of Rule 23(g) of the Commission's Rules of Practice and Procedure is granted.

5. 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 five days after the effective date of this order on not less than five days' notice to the Commission and to the public.


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

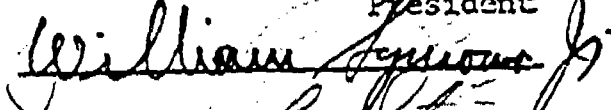

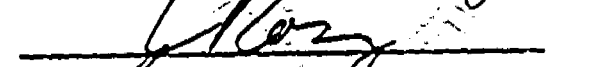

7. In addition to the required posting and filing of tariffs applicants shall give notice to the public by posting in their buses and terminals a printed explanation of their fares. Such notices shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

8. Applicants, in establishing and maintaining the fares and express rates authorized herein above, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorization; such outstanding authorization is hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th
day of FEBRUARY, 1976.



President





Commissioners