

ORIGINAL

Decision No. 85533

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE GRAY LINE, INC.,
for an order authorizing an increase
in sightseeing fares and sightseeing
tour pickup and return service fare.

Application No. 55968
(Filed September 29, 1975)

O P I N I O N

The Gray Line, Inc. (Gray Line) is a passenger stage corporation engaged in providing round-trip sightseeing tours and other transportation in the San Francisco Bay Area, pursuant to operating authority granted by this Commission. It here seeks a 15 percent increase in its sightseeing fares.

Applicant's present and proposed fares are set forth in its revised Exhibit A which was submitted on October 16, 1975 and is received in evidence as Exhibit 1.

Gray Line avers that the purpose of the application is to obtain additional revenues to offset labor and other cost increases recently incurred and to obtain a reasonable operating ratio.

The Passenger Operations Branch of the Commission's Transportation Division has analyzed the application and has reviewed the last Commission decision which authorized a fare increase to Gray Line, Inc. (D.79906, dated April 4, 1972 in A.52625). Revisions have been made in applicant's estimates by the staff to reflect findings reached in D.79906 with respect to services performed for limousine operators and income tax calculations, and to include imputed revenue for charter operations so that the fare-regulated operations do not bear the increased cost of the charter operations.

The staff's revised estimates are contained in a document entitled "Commission Staff Estimate of Operating Results for Future Rate Year" which is received in evidence as Exhibit 2. The estimates indicate an operating ratio of 98.1 percent under present fares and a 94.95 percent operating ratio under the staff's recommended fare increase of 7 percent.

By letter dated January 29, 1976, the applicant stated it was willing to accept a 7 percent fare increase provided it would produce an operating ratio of 95 percent, and requested that it be granted ex parte.

Notice of the filing of the application was mailed in accordance with Rule 24 of the Commission's Rules of Practice and Procedure. No protests or requests for public hearing have been received.

Applicant provides a specialized sightseeing service which we find not to be included within Sections 730.3 and 730.5 of the Public Utilities Code; therefore, notification and findings pursuant to those sections are not required.

Findings

1. Gray Line is a passenger stage corporation performing a sightseeing service in the San Francisco Bay Area.
2. Gray Line's fares were last increased in 1972.
3. Gray Line has recently incurred increases in labor and other costs.
4. An increase in fares of 7 percent, recommended by the Commission staff, will produce additional annual passenger stage revenue of \$192,800 and produce an operating ratio (after taxes) of 94.95 percent.
5. Applicant is willing to accept a 7 percent increase.
6. A 7 percent fare increase is justified.
7. A public hearing is not necessary.

The Commission concludes that:

1. Applicant should be granted a 7 percent increase in its fares.
2. To the extent not granted herein Application No. 55968 should be denied.
3. In effecting the increase granted herein applicant should be authorized to adjust fares to the nearest 0 or 5 cent figure.
4. The effective date of this order should be the date on which it is signed because there is no known opposition and there is no reason to delay the increased fares.

O R D E R

IT IS ORDERED that:

1. The Gray Line, Inc. is authorized to increase the present fares set forth in Exhibit 1 by seven percent. In effecting the increase applicant may adjust fares to the nearest 0 or 5 cent figure. 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. 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.

4. To the extent not granted herein Application No. 55968 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th day of MARCH, 1976.

I dissent
Robert Bateman
Commissioner

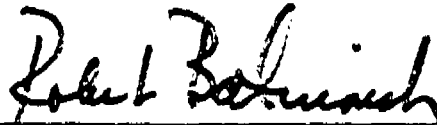
[Signature]
President
William J. [Signature]
Vernon L. [Signature]
Flora
Commissioners

D. 85633

A. 55968

COMMISSIONER BATINOVICH, DISSENTING.

I dissent from the rate increase. This Commission should not simultaneously restrict entry and grant rate increases in a business as inherently competitive as sightseeing. I propose that the Commission liberalize its entry provisions by offering the routes to competitors at the old fares, as I have proposed for airlines.

A handwritten signature in dark ink, appearing to read "Robert Batinovich", written in a cursive style.

Robert Batinovich, Commissioner

Dated: March 30, 1976

San Francisco, California