

Decision No. 86409**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CONTINENTAL TRAILWAYS, INC., a)
 Delaware corporation and AMERICAN)
 BUSLINES, INC., a Delaware 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. 56508
 (Filed May 25, 1976)

O P I N I O N

By this application, applicants seek authority for a nine percent increase in their California intrastate local and joint passenger fares and express rates.

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

1. Increase all one-way fares by nine 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 are to be 190 percent of one-way fares.
4. The minimum one-way fare is to be 60¢.
5. Increase rates on express shipments by nine percent.

Applicant's present fare structure in California was established by Decision 85481 as follows:

ONE-WAY DISTANCE FARES

<u>Miles</u>		<u>Rate per Mile</u>	<u>With No Fare Less Than Fare For:</u>
<u>Over -</u>	<u>But not Over</u>		
0	25	.0648	Minimum fare
25	50	.0605	25 Miles
50	100	.0571	50 Miles
100	150	.0521	100 Miles
150	200	.0499	150 Miles
200	250	.0485	200 Miles
250	300	.0477	250 Miles
300	400	.0465	300 Miles
400	-	.0455	400 Miles

Minimum Fare 60¢

Round-trip Fare 190%

Decision 84581 authorized applicants to publish fares based on combinations over junction and main line points on the level previously authorized Greyhound Lines.

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 85825. 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 85481. The proposed increases are the same as authorized Greyhound in Decision 85825. In connection with the requested 9.0

percent increase in express rates applicants propose that any increase not ending in "0" or "5" cents be adjusted to the nearest "0" or "5" cents (2.5 cents being considered nearest to the next higher amount ending in "0" or "5" cents).

Applicants assert that the findings made in Decision 85825 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. 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 intrastate operation during 1975. Exhibit 5 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 99.9 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.

In accordance with Section 730.3 of the Public Utilities Code, affected state and local public agencies and corporations operating passenger transit systems were notified of the application and were requested to furnish an analysis of the effect of the proposed rate increase on overall transportation problems within the territories served by such passenger transit systems. Nevada County Transportation Commission and Southern California Rapid Transit District have advised that the proposed increase would have no effect upon their operations. No comments from the other parties so notified have been received.

In accordance with Section 730.5 of the Public Utilities Code, we find that the fare increase granted by this decision will

Result in an insignificant decrease in patronage. The fare increase will have no effect upon public transit systems as proposed in required transportation plans prepared pursuant to Chapter 2.5 of Title 7 of the Government Code.

The staff of the Transportation Division has reviewed the application and recommends that the application be granted without hearing if no protests are received.

Copies of the application were served on interested parties. It was listed on the Commission's Daily Calendar of May 27, 1976. No protest has been received.

After consideration the Commission finds that:

1. Applicants seek a general 9.0 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. The requested increase would result in additional annual revenue in the amount of \$182,400.
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 and round-trip fares and express rates on the same level as that authorized Greyhound. Present fares and express rates are approximately 9.0 percent below the fare levels presently charged by Greyhound. An increase of 9.0 percent in applicants' local and joint passenger fares and express rates to the level authorized Greyhound by Decision 85825 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.

On the basis of the foregoing findings we conclude that the application should be granted as set forth in the following order:

O R D E R

IT IS ORDERED that:

1. Continental Trailways, Inc., and American Buslines, Inc., are authorized to establish the increased passenger fares and express rates proposed in Application 56508, 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 85825 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. Applicants' request for a waiver of Rule 23 (g) of the Commission's Rules of Practice and Procedure is granted.

4. 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.

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

6. 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.

7. Applicants, in establishing and maintaining the fares and express rates authorized hereinabove, 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.

Since the intrastate operations are presently being conducted at a loss, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 21st
day of SEPTEMBER, 1976.

President
William Symons Jr.

Vernon L. Steigman

Leonard Ross

Robert Bateman
Commissioners

Commissioner D. W. Holmes, being
necessarily absent, did not participate
in the disposition of this proceeding.