

T/ctb

Decision 82 01 92

JAN 1 9 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
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 60963
(Filed October 5, 1981)

O P I N I O N

General Request

In this application, Trailways, Inc. (Trailways) and American Buslines, Inc. (American) seek authority to increase passenger fares and express rates by 14.8%. Minimum fare is proposed to be \$0.80 instead of \$0.65. Trailways and American (applicants) request permission to apply the percentage increase to the present passenger fares instead of to the present rates per mile, their historical method of increasing fares.

Applicants request authorization to round the passenger fares to the nearest 0 to 5 cents as they are presently authorized to do in computation of their express charges. No change is proposed in establishing round-trip passenger fares at 190% of one-way passenger fares.

Passenger Stage Operations of Applicants

Each applicant is presently conducting operations as a passenger stage corporation. Trailways (PSC-838) conducts its operations generally between (1) San Francisco and Los Angeles and intermediate points via Stockton, Fresno, and Bakersfield; (2) Los Angeles and the California/Arizona state line at Needles and Blythe via San Bernardino and Riverside; and (3) San Francisco and Stockton

A.60963 T/ctb "

and the California/Oregon state line. American (PSC-284) conducts its operations between (1) Los Angeles and San Diego and intermediate points; (2) Sacramento and the California/Nevada state line; (3) San Diego and the California/Arizona state line via El Centro; and (4) Calexico and Los Angeles. Both applicants serve most intermediate points along the various routes. There are restrictions against local service along certain authorized routes. ✓

Each applicant, Trailways (TCP-146A) and American (TCP-22A), also conducts operations as a Class A charter-party carrier of passengers.

American is a wholly owned subsidiary of Trailways.

Authority for Existing Fares and Rates

Applicants' existing California intrastate local and joint passenger fares and express rates were established March 19, 1981 on authority of Decision (D.) 92740 dated February 18, 1981 in Application (A.) 59846.

Reasons for the Proposed Increases

Applicants state that the purpose of this application is to secure increases in passenger fares and express charges in order to offset increases in operating costs encountered since the previous rate increases authorized by D.92740, and thereby reduce their operating losses. Applicants estimate that their intrastate California operations in 1980 were conducted at a net loss of \$1,994,000 after taxes and an operating ratio after taxes of 149.5%. For a 1980 year adjusted for current expenses and known increases in costs and requested increases in fares and express charges, applicants estimate the net loss after taxes to be \$1,603,000 and the operating ratio after taxes to be 130.2%. They estimate the requested increases in fares and express rates will produce \$644,000 for the test year.

Applicants compete with Greyhound for traffic between all points applicants serve in California and, therefore, to remain competitive, applicants are not attempting to eliminate their intrastate loss with this application. Certainly one factor bearing on whether an intrastate loss or profit is shown depends on how expenses are allocated among inter- and intrastate operations.

In previous decisions the Commission has authorized applicants to set fares and rates at the level of Greyhound fares. By this proposal, applicants' fares and express charges will be brought into substantial parity with the passenger fares and express charges of Greyhound.

Notice to Public

This application was published in the Commission's Daily Calendar on October 7, 1981.

In accordance with Public Utilities (PU) Code Section 730.3 the Commission staff notified all affected state and local agencies and corporations operating passenger transit systems of the application and asked them to analyze the effect of the proposed rate increase on transportation in their territories.

This fare increase will not result in a significant decrease in patronage. The fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Applicants seek a general 14.8 percent increase in their California intrastate passenger fares and express rates.
2. Applicants' California intrastate passenger stage operations are being conducted at a loss.
3. The requested increase would result in additional annual revenue in the amount of \$644,000 and an alleged net intrastate loss of \$1,603,000.

4. Applicants in prior proceedings have been authorized to maintain their local and joint one-way and round-trip passenger fares and express rates at the same level as that authorized Greyhound.

5. The application contains sufficient information to justify the relief sought.

6. The proposed increases in fares and express rates will bring the applicants into substantial parity with the passenger fares and express rates of Greyhound.

7. No protests have been received.

8. The proposed fares and express rates are reasonable and the rate increase is justified.

Conclusions of Law

1. An increase of 14.8% in applicants' local and joint passenger fares and express rates is just and reasonable.

2. Applying the 14.8% increase to present passenger fares is justified.

3. 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.

4. The order should become effective the day it is signed since there is a demonstrated need for rate relief.

O R D E R

IT IS ORDERED that:

1. Applicants Trailways, Inc. and American Buslines, Inc. are authorized to establish the increased rates proposed in A.60963. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 5 days or more after the effective date of this order on not less than 5 days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within 90 days after the effective date of this order.

3. In addition to posting and filing tariffs, applicants shall post a printed explanation of their fares in their buses and terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

4. Pending the filing of tariffs to reflect the increases authorized in Ordering Paragraph 1, 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.

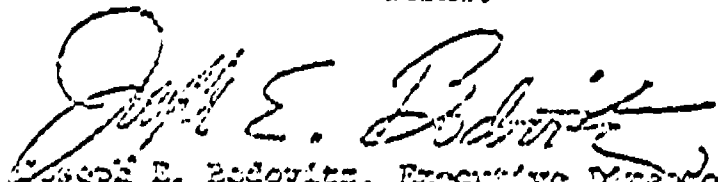
5. Applicants, in establishing and maintaining the passenger fares and express rates, are authorized to depart from the provisions of PU Code Section 460 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorization. Such outstanding authorization is modified only to the extent necessary to comply with this order. Schedules containing the rates published under this authorization shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

This order is effective today.

Dated JAN 19 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director