

ORIGINAL

Decision No. 88161 NOV 29 1977

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 Dela-)
 ware 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. 57519
 (Filed August 16, 1977)

O P I N I O N

By this application, applicants seek authority for a 5.2 percent increase in their California intrastate local and joint passenger fares and express rates.

The proposed increase is to be applied as follows:

1. Increase all passenger fares by 5.2 percent.
2. Any increased one-way passenger fare resulting in an amount greater than \$0.60 shall be rounded to the nearest cent, 0.5¢ being considered nearest to the next higher cent.
3. Round-trip passenger fares shall be 190 percent of one-way passenger fares.
4. The minimum one-way passenger fare shall remain at 60¢.
5. Increase rates on express shipments by 5.2 percent.

Applicants' present passenger fare structure in California was established by Decision 86409. The following tabulation shows the applicants' present and proposed fare structure:

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>	<u>Present</u>	<u>Proposed</u>	
0	25	.0706	.0743	Minimum Fare
25	50	.0659	.0693	25 Miles
50	100	.0622	.0654	50 Miles
100	150	.0568	.0598	100 Miles
150	200	.0544	.0572	150 Miles
200	250	.0529	.0557	200 Miles
250	300	.0520	.0547	250 Miles
300	400	.0507	.0533	300 Miles
400	---	.0496	.0522	400 Miles

	<u>Rate Per Mile</u>	
	<u>Present</u>	<u>Proposed</u>
Minimum Fare	60¢	60¢*
Round-Trip Fare	190%	190%
* No Change.		

Decision 86409 authorized applicants to publish passenger fares based on combinations over junction and mainline points on the line previously authorized Greyhound Lines, Inc.

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 87632. Applicants further request that in the case of a ticket covering travel over both branch lines and mainline 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 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 86409. The proposed increases are the same as authorized Greyhound in Decision 87632. In connection with the 5.2 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 87632, granting Greyhound authority to increase its passenger fares and express rates, apply with equal or greater force to each of the applicants.

The exhibits attached to the application allege that applicants operated at a loss in California intrastate operations during 1976. Exhibit 7 reveals that increased revenues to be derived from the proposed increases on passenger fares and express rates will result in a non-profit operating ratio of 101.1 percent after taxes. 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. No comments from the 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.

No protests to the proposed passenger fare and express rate increase have been received. The Transportation Division staff recommends that the application be granted ex parte.

After consideration, the Commission finds that:

1. Applicants seek a general 5.2 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, and would still be operated at a loss with the requested rate increase.

3. The requested increase would result in additional annual revenue in the amount of \$107,758.

4. Applicants and Greyhound are competitive at substantially all common points of service.

5. The historical relationship between the applicants' and Greyhound's passenger fares and express rates has been long established.

6. Applicants heretofore have been authorized to maintain their local and joint one-way and round-trip passenger fares and express rates on the same level as that authorized Greyhound. Present passenger fares and express rates are approximately 5.2 percent below the levels charged by Greyhound. An increase of 5.2 percent in applicants' local and joint passenger fares and express rates to the level authorized Greyhound by Decision 87632 is justified.

7. 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 57519 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 87632 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 passenger 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 29th day of NOVEMBER, 1977.

Robert Botwinch

President

William J. Snow

Terence L. Stinson

Philip D. Cavall

Clare L. Delord

Commissioners