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Decision No. 89025 JUN 27 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Douglas Bus Lines, Inc., doing business as COMMUTER BUS LINES, for a partial general rate increase of $ 41,200 per year to offset higher operating costs, and for interim relief	Application No. 57929 (Filed March 15, 1978)

O P I N I O N

Douglas Bus Lines, Inc. (Douglas), doing business as Commuter Bus Lines, presently provides service as a passenger stage corporation (PSC-453). Douglas operates an extensive network of "home-to-work" bus services in the greater Los Angeles Area. In addition, by Application No. 57675 filed November 7, 1977, Douglas seeks authority to acquire certain commuter and race track routes from California Sightseeing Tours (Associated Charter Bus Company). Last year, control of Douglas was transferred by Decision 87912 dated September 27, 1977 in Application No. 57469. By this application, Douglas seeks authority to increase fares on its commute routes and on the race track routes it is acquiring from California Sightseeing.

The present and proposed fares for the commute routes are as follows:

PRESENT AND PROPOSED COMMUTE ROUTE FARES

Route Group	Destination	Route No.	Origin	Present Fares Weekly	Present Fares Daily	Proposed Fares Weekly	Proposed Fares Daily
01	Rockwell Space, Downey	1	Laguna Niguel	$12.50	$3.25	$13.50	$3.50
		5	Canoga Park	12.50	3.25	13.50	3.50
			Riverside Dr.	12.50	3.25	13.00	3.25
		7	East Anaheim	9.00	2.25	10.00	2.50
			Buena Park	8.00	2.00	9.00	2.25
10	McDonnell-Douglas, Long Beach	12	Mission Viejo	12.00	3.25	13.00	3.25
		14	Bristol	9.00	2.50	10.00	2.50
		16	Huntington Beach	8.00	2.25	9.25	2.50
			Seal Beach	8.00	2.25	8.50	2.25
		18	La Habra	8.00	2.25	10.00	2.50
			Buena Park	8.00	2.25	9.25	2.50
30	Rockwell Autonetics, Anaheim	32	Southgate-Downey	9.50	2.50	10.75	2.75
			Norwalk-Artesia	9.50	2.50	10.00	2.50
		35	Seal Bch, Lng Bch, Lakewood	9.50	2.50	10.75	2.50
			Norwalk-Artesia	9.50	2.50	10.00	2.50
40	Rockwell L.A. Div. (B-1)	41	Buena Park	10.25	2.75	11.50	3.00
		42	East Anaheim	10.25	2.75	11.50	3.00
		45	Huntington Beach	10.25	2.75	11.50	3.00
		46	Mission Viejo	14.50	3.75	15.25	4.00
			Irvine	10.25	2.75	12.25	3.00
		47	Hunt Bch, Seal Bch	10.25	2.75	11.50	3.00
		54	Buena Park	10.25	2.75	11.50	3.00
		55	Long Beach-Lakewd.	10.25	2.75	10.75	2.75
		57	Corona	15.00	3.75	15.25	4.00
			East Anaheim	10.25	2.75	11.50	3.00
60	General Telephone, Santa Monica	61-62	Pomona	11.25	3.00	12.50	3.25
			Covina-El Monte	10.75	2.75	12.00	3.00
		63-64	Huntington Beach	11.25	3.00	12.50	3.25
			Long Beach	10.75	2.75	12.00	3.00
			Torrance	7.75	2.00	8.50	2.25
70	ITT Cannon, Santa Ana	76	Lincoln Heights	15.00	3.75	16.00	4.00
			Rosemead, Bevery Bls	15.00	3.75	15.25	4.00
80	U.S.A.F. Space & Missile Org., Aerospace Corp.	81	Huntington Beach	12.00	3.25	13.00	3.25
		82	Cypress, Los Alam.	12.00	3.25	12.25	3.25
		83	Huntington Beach	12.00	3.25	13.00	3.25
		84	Bristol, Warner Avs.	12.00	3.25	13.00	3.25
		85	Huntington Beach	12.00	3.25	13.00	3.25

The following list (included in the application by Douglas) indicates the race track fares that the applicant proposes to charge and the fares of other carriers for similar service:

TABLE 2

COMPARISONS OF RACE TRACK FARES

		Miles	Santa Anita	Hollywood Park
Gray Line -	Santa Monica	34	$ 4.50	
	Long Beach	32	3.90	
	Hollywood	23	3.00	
	North Hollywood	23	3.00	
Town Tours-	Anaheim (Disneyland)	32		$ 4.50
Applicant -	Anaheim, Orange & Santa Ana	32		4.50
Proposed	San Pedro Area	18		3.50
fares)	All other areas	25-41	4.00	4.00

The present fares for the commute routes currently authorized for Douglas were established by Decision No. 86816 dated January 5, 1977 in Application No. 56799.

Douglas alleges that the proposed fare increase will offset higher operating costs. The applicant also alleges that there has been (and will continue to be) a decline in patronage and revenue due to the layoff of workers in the aerospace industry since production of the B-1 bomber has been canceled. In its application, Douglas states that there is no increase proposed for the commute routes it is seeking to acquire from California Sightseeing, but it will be necessary to increase the race track fares in order to operate the routes on a break-even or profitable basis.

The Transportation Division staff has made an analysis of the applicant's operation and has submitted a report on the estimated results of operations based on the future year ending June 30, 1979 under present and proposed fares. The report is hereby received as Exhibit 1. The exhibit indicates the following results:

TABLE 3

ESTIMATED RESULTS OF OPERATIONS
RATE YEAR ENDING JUNE 30, 1979

Item or Account Number	Description	Present Fares	Requested Fares
(1)	(2)	(3)	(4)
	Bus Miles	662,540	662,540
	Revenue		
320	Passenger	$503,300	$544,500
	Expenses		
410	Maintenance	$148,670	$148,670
420	Transportation	159,710	159,710
440	Traffic	1,000	1,000
450	Insurance	71,660	71,660
460	Administration	98,790	98,790
500	Depreciation	48,020	48,020
520	Taxes	51,800	51,800
530	Rent	15,300	15,300
400 & 500	(Total Expenses)	$594,950	$594,950
	Operating Income	$-91,650	$-50,450
800	Income Tax	200	200
	Net Income	$-91,850	$-50,650
	Operating Ratio-%	118.2	109.3

Notice of filing of this application appeared in the Commission's Daily Calendar on March 17, 1978. Additionally, the Commission staff notified public transit operation and planning agencies of the filing of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests have been received. The Southern California Rapid Transit District sent a statement that "passenger checks indicate that seats are available on the present services operated

by the District to absorb any additional ridership if deflection occurs as a result of a fare increase."

F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increase would result in additional annual revenue of $41,200.

2. The proposed fare increase is justified.

3. A public hearing is unnecessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Douglas Bus Lines, Inc. is authorized to establish the increased fares proposed in Application No. 57929. Tariff publications authorized to be made as a result of this order shall 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 90 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 a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare increase and shall remain posted for a period of not less than 30 days.

Since the carrier is currently operating at a loss, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 27th day of JUNE, 1978.

President

William Symons Jr.

Vernon L. Sturgeon

Richard D. Gravelle

Claire T. Dedrick

Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.