

Decision No. S1045 NOV 20 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Application of)
 Mark IV Charter Lines, Inc. for)
 the authority to increase commuter)
 passenger rates.)

Application No. 58702
 (Filed February 23, 1979)

O P I N I O N

Mark IV Charter Lines, Inc., a corporation, is operating as a passenger stage corporation (PSC-889) in home to work service between certain points in Los Angeles County on the one hand and the McDonnell-Douglas Huntington Beach Plant on the other hand and in ski bus service between certain points in Los Angeles, San Bernardino, Orange and Ventura counties on the one hand and Mammoth Mountain Ski Resort on the other hand. Applicant also conducts charter bus service under Class "A" Certificate No. TCP 171-A.

By this application Mark IV seeks to increase its home to work passenger fares by approximately 30%.

The present fares were originally established by Decision No. 84343, dated April 22, 1975 in Application No. 54641.

Applicant alleges that his present rates do not yield sufficient revenue to allow it to conduct its passenger stage operations at a profit.

Applicant further alleges that additional revenue is required because of increased cost in all phases of operation, including fuel, insurance, labor and maintenance.

Applicant's application and annual reports were deficient in data required by the Commission staff economic evaluation of the proposed fare increase. The staff was assured by telephone that the requested data would be forthcoming. Since no data had been received, the staff sent to applicant a letter dated September 19, 1979, informing it that the staff would recommend dismissal of the application if the data were not provided. The requested data were provided to the staff on September 28, 1979.

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The staff of the Transportation Division has made an analysis of the applicant's operations and submitted a report on the estimated results of operations based on the future year ending December 31, 1980 under present and proposed fares, which is summarized as follows:

<u>Item</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 95,680	\$124,800
Expenses	136,383	136,383
Income Tax	-5,698	-1,621
Net Income	-35,005	-9,962
Operating Ratio-%	136	107

The report is hereby received as Exhibit 1. The results of operation show that with the proposed 30 percent fare increase, the operating ratio of the passenger stage service would be 107 percent with a net loss of \$ 9,962.

Applicant's passenger stage service is but a small part of its overall operation which is predominantly charter.

In accordance with Sections 730.3 and 730.5 of the Public Utilities Code, the State and Local agencies operating or planning public transit systems were notified and asked for comments regarding the proposed rate increases. No replies were received.

While the fare increase authorized herein is an exception to the President's Guidelines for wage and price increases, the proposed fares are reasonable and necessary to ensure the continued viability of this transportation service.

Notice of filing of this application appeared in the Commission's Daily Calendar on February 27, 1979. No protests have been received.

After consideration the Commission finds that :

1. The requested fare increase would result in additional annual revenue of \$29,120.
2. The proposed fare increase is justified.
3. A public hearing is unnecessary.

O R D E R

IT IS ORDERED that:

1. Mark IV Charter Lines, Inc., is authorized to establish the increased fares proposed in Application 58702. Tariff publications authorized to be made as a result of this order may be made effective not earlier than on 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.

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

The effective date of this order shall be the date hereof.

Dated NOV 20 1979, at San Francisco, California.

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

John E. Boyer

President

William L. Sturgeon

Alvin J. DeAngelis

James W. Quinn

Commissioners