

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 946

| | | |
|-----------------------------|---|---------------------|
| IN THE MATTER OF: | | Served May 20, 1969 |
| Application of Alexandria, |) | Application No. 555 |
| Barcroft and Washington |) | |
| Transit Company for Author- |) | Docket No. 198 |
| ity to Increase Fares. |) | |

APPEARANCES:

S. HARRISON KAHN, Attorney for Alexandria, Barcroft and Washington Transit Company, applicant.

JOHN F. O'NEILL, (pro se), protestant.

JAMES M. HENDERSON, for the Mount Vernon Council of Citizens Associations, protestants.

DAVID A. SUTHERLAND, for Fairfax County Federation of Citizens Associations, protestants.

JERRY K. EMRICH, for the Arlington County Board, protestants.

DOUGLAS N. SCHNEIDER, JR., General Counsel, Washington Metropolitan Area Transit Commission.

PROCEDURAL BACKGROUND

This proceeding arises from the filing of an application on February 10, 1969, by Alexandria, Barcroft and Washington Transit Company, hereafter referred to as A. B. & W. for authority to increase fares.

A. B. & W.'s application, accompanied by appropriate tariffs, testimony and exhibits, requests authority to establish the following fares:

1. Discontinuance of the sale of tokens
2. Institution of an exact fare system and a ten-ride commute ticket
3. 5¢ increase in interstate cash fares for Zones 2 through 8
4. 10¢ increase in fares between the District of Columbia and Lorton-Occoquan, Virginia
5. 5¢ increase in the interline fare in Zone 1 and a 10¢ increase in all other interstate zones between D. C. Transit System, Inc., and WMA Transit Company
6. A 5¢ increase in children's interstate cash fares from Zones 2, 4, 6, and 8

By Order No. 927, served February 18, 1969, the Commission suspended the above mentioned tariffs until May 12, 1969, and scheduled the matter for public hearing on April 14, 1969. By Order No. 944, served May 9, 1969, the Commission further suspended the proposed tariffs until June 12, 1969.

Messrs. Richard F. Lawson, the applicant's Vice-President and General Manager, Michael A. Bresnahan, Traffic Manager, and George R. Snyder, Accountant, testified for the applicant; the Commission's Chief Engineer, Mr. Charles W. Overhouse, and the Commission's Chief Auditor, Mr. Richard C. Kirtley, testified for the staff; James M. Henderson presented as a witness for the Mount Vernon Council of Citizens Associations

Mr. Glenn B. Fatzinger; and, patrons of the applicant, Messrs. Hobart E. Harris II, Fred A. Tansey, James Seeley, John Herrity, John F. O'Neill, and Miss Barbara Church testified on their own behalf. The record consists of a transcript of 402 pages of testimony and 40 exhibits: 1-30 applicant; 1-2 intervenor; and 1-8 staff.

The nature of our task may be summarized briefly. Rates must be established which will produce revenues sufficient to cover all of the company's legitimate expenses and provide it with a fair return. To that end, we determine revenues and expenses incurred in a past historical period and, with appropriate adjustments, project these revenues and expenses for a period of time in the future. Only those expenses which are both justifiable and reasonably predictable are allowed.

In this proceeding, both the staff and the applicant utilized a historical twelve-month period ending on November 30, 1968, and a future annual period ending March 31, 1970, in order to calculate the need for a change in fares.

II

PROJECTED ANNUAL RESULTS

1. The Historical Year

We begin our analysis of the company's revenue requirements by determining the financial results of its operations during a past historical period -- in this case, the twelve months ending November 30, 1968. There are no issues for us to resolve in this regard since the staff made certain adjustments to the company figures which were concurred in by the company.

No adjustment was made in the historical figures due to the civil disturbances in and around the District of Columbia during April 1968, as the trend of passenger volume developed by the Commission staff (WMATC Exhibit No. 1, Appendix C) showed practically no aberration for April or May 1968.

The historical results for the twelve-month period ended November 30, 1968, are as follows:

TABLE I

Operating Revenue:

| | |
|---------------------------------|---------------------|
| Passenger Revenue | \$ 5,984,556 |
| Charter and Sightseeing Revenue | 527,476 |
| Other Operating Revenue | <u>38,404</u> |
| Total Operating Revenues | <u>\$ 6,550,436</u> |

Operating Revenue Deductions:

| | |
|------------------------------------|---------------------|
| Operating Expenses | \$ 5,216,807 |
| Depreciation Expense | 467,737 |
| Operating Taxes and Licenses | 437,952 |
| Operating Rents | 75,600 |
| Income Taxes | <u>164,007</u> |
| Total Operating Revenue Deductions | <u>\$ 6,362,103</u> |
| Net Operating Income | <u>\$ 188,333</u> |

Operating Ratio 97.12%

Rate of Return on Operating Revenue 2.88%

The above statement gives effect to normalized income taxes in the amount of \$164,007. This treatment is consistent with the applicant's practice of showing normalized tax each year, off-set by a reserve for deferred taxes, which, at November 30, 1968, stands at \$481,228.

Neither the applicant nor the staff gave effect to investment tax credit accruing on qualifying equipment purchased during the historical year in the amount of \$28,600. If this credit were recognized as an above-the-line item, it would have had the effect of raising the rate of return on operating revenue from 2.88% by .43% to 3.31%.

2. The Future Annual Period -- At Present Fares

On the basis of these historical year figures, we undertake to compute projected operating results for the future annual period. The period used by the parties was the year ending March 31, 1970. In making this computation, the company and the staff based their projections on essentially the same assumptions as to ridership, as well as charter and sightseeing revenues. Thus, their projected operating revenues were practically identical.

There were certain minor differences between the parties with regard to adjustments in operating expenses during the future annual period. The net operating loss of \$242,562 shown in Table II below is some \$20,000 less than the loss forecast by the company, but the company's figures failed to reflect audit adjustments made by the staff and adjustments for non-recurring costs. The company is willing to accept the staff figures. Thus, Table II sets forth the operating results to be expected during the twelve months ending March 31, 1970, without a fare increase.

TABLE II

Operating Revenue:

| | |
|---------------------------------|---------------------|
| Passenger Revenue | \$ 5,841,379 |
| Charter and Sightseeing Revenue | 527,476 |
| Other Operating Revenue | <u>38,404</u> |
| Total Operating Revenues | <u>\$ 6,407,259</u> |

Operating Revenue Deductions:

| | |
|--------------------------------------|---------------------|
| Operating Expenses | \$ 5,631,285 |
| Depreciation Expense | 486,075 |
| Operating Taxes and Licenses | 456,861 |
| Operating Rents | 75,600 |
| Income Taxes | <u>-0-</u> |
| Total Operating Revenue Deductions | <u>\$ 6,649,821</u> |
| Net Operating Income (Loss) | <u>\$ (242,562)</u> |
| Operating Ratio | 103.79% |
| Rate of Return on Operating Revenues | (3.79%) |

We cannot legally maintain the present fare structure if it will not produce revenues adequate to cover the company's costs. Adjustments to the fare structure must, therefore, be made.

Additionally, on April 7, 1969, the hourly employees of A. B. & W. received a 4¢ per hour cost-of-living increase under the Union contract. This adjustment will increase projected operating costs for the future annual period by a gross amount of \$42,500. In accordance with our usual practice, we will base our computations on wage rates existing on the date we issue our order.

3. The Future Annual Period -- At Adjusted Fares

We turn now to a consideration of the evidence concerning financial results under an adjusted fare structure.

Any dollar differences between the forecasts by the staff and by the company for the future annual period with rates in effect as requested by the applicant, were minor. The net operating income forecast in WMATC Exhibit No. 3 differed from the company's forecast in its Exhibit No. 24 by \$41,796; but \$31,684 of this was due to an error by the company in calculating its income tax provision.

Accepting, then, the staff's forecast per Exhibit No. 3, the operating results expected for the future annual period under the fares proposed by applicant, after adjusting for the April 7, 1969, wage increase noted above, would be:

TABLE III

Operating Revenue:

| | |
|---------------------------------|--------------------|
| Passenger Revenue | \$6,610,621 |
| Charter and Sightseeing Revenue | 527,476 |
| Other Operating Revenue | <u>38,404</u> |
| Total Operating Revenues | <u>\$7,176,501</u> |

Operating Revenue Deductions:

| | |
|--|-----------------|
| Operating Expenses | \$5,655,978 |
| Effect of Wage Increase of April 7, 1969 | 42,500 |
| Depreciation Expense | 486,075 |
| Operating Taxes and Licenses | 456,861 |
| Operating Rents | 75,600 |
| Income Taxes, Normalized | 237,834 |
| Effect of April 7 Wage Increase on Income Tax | <u>(23,443)</u> |

Total Operating Revenue Deductions \$6,931,405

Net Operating Income \$ 245,096

Operating Ratio 96.58%

Rate of Return on Operating Revenues 3.42%

There is one item of expense which requires discussion. The company's premium for liability insurance is based on a percentage of gross operating revenues. Both parties computed the expense on the basis of revenues projected under the new fares. One intervenor suggested that the percentage figure might be reduced in recognition of the fact that the increased revenues would stem from a rate increase, rather than additional ridership, thus providing a revenue growth.

without any increase in exposure to risk. We believe, however, that we must base our computation of this expense on the existing contract. No retrospective adjustments can be made under that contract and any future adjustments would be purely conjectural. We will base our projection on the terms of the present contract.

Both the company and the Commission staff gave no effect to the investment tax credit which would accrue to the company during the future annual period. This is consistent with the Commission's past practice in rate proceedings. We have not taken this credit into consideration in computing tax expense, relying on the Congressional policy expressed in Section 203(e) of the 1964 Revenue Act (26 USC §§ 38, 46-48). In Williams v. WMATC, F.2d (D. C. Cir., No. 20,200, 1968), the court of appeals directed us to re-examine that policy. Our proceeding on remand of that case, in which we will consider the investment tax credit question, among others, is just getting under way. Until that proceeding is complete, we do not know whether our past treatment of investment tax credit will continue or will change.

Meanwhile, in this proceeding, we must make some disposition of this question. The amount involved here is quite small, only \$8,800, and its disposition will have a minimal effect, if any, on fares. After due consideration, we have concluded that the most appropriate procedure is to follow our past practice in this proceeding, but to provide in the order that if we ultimately decide in the remand proceeding that the "flow through" treatment should be accorded the investment tax credit, and if the actual return earned in the period in question so justifies, the excess tax expense here allowed shall be expended for the benefit of the riding public as the Commission shall direct.

III

RATE OF RETURN

The return indicated in Table III, under the proposed rate structure, ranges in the 3-1/2% area. The approximate \$245,000 net operating income would provide coverage for the projected interest expense of about \$58,000 in the coming year

and leave some \$187,000 as a return to the equity holder; this represents a return of 8% on equity. Further, the return in terms of its relation to average rate base of \$3,330,000 equates to 7-1/2%.

This is a return which falls clearly into a reasonable range for this company. It is the lowest return we have authorized for this company in the history of this Commission's regulation of the company. That history is summarized in the following table:

TABLE IV

| WMATC ORDER NO. | DATE ISSUED | <u>Fares Approved Were Estimated to Produce</u> | | |
|-----------------------|----------------|---|-------------------------------------|--|
| | | <u>OPERATING RATIO</u> | <u>NET OPERATING INCOME</u> | <u>RETURN ON GROSS OPERATING REVENUE</u> |
| 59 | 9/7/61 | 95.00% | \$225,000 | 5.00% |
| 369 | 6/22/64 | 94.13% | \$321,109 | 5.87% |
| 462 | 3/31/65 | 94.80% | \$296,346 | 5.10% |
| 703 | 8/14/67 | 93.81% | \$412,109 | 6.19% |
| Present Case | | 96.58% | \$245,096 | 3.42% |

The company has been declaring a modest dividend in recent years ranging in the last five years between \$37,000 and \$74,000. A return of about \$187,000 will permit the payment of dividends in similar amounts and at the same time permit a growth in retained earnings in the amount of about \$100,000. The company buys new equipment regularly. For instance, in January, 1969, it purchased fifteen new buses at a cost in excess of \$500,000. If the company is to continue to upgrade its fleet in this manner, a growth in retained earnings of the magnitude here allowed is highly desirable, if not essential. This company's debt-equity ratio is currently about 1 to 2. It has remained in this range for some time. The company has avoided heavy financing on its equipment purchases, making substantial down payments on such purchases. We have considered the company's policy in this regard in judging the adequacy of the return allowed.

In short, we believe that the return here allowed will permit the company to pay interest on its debt, provide a modest but adequate dividend, and allow a sufficient growth in retained earnings to provide it with financial stability. Since it meets these standards, the return is a fair one. D. C. Transit System, Inc. v. WMATC 350 F. 2d 753 (D. C. Cir., 1965).

IV

THE RATE STRUCTURE

Although we have determined that the amount of return to be generated by the new fare structure is fair and reasonable, the Commission must consider whether or not the rate structure proposed is just, reasonable and non-discriminatory.

At page 186 of the transcript of proceedings in this case for April 14, 1969, on cross-examination, the General Manager of the company stated "...I have to agree there are some inequities in the zones." He indicated that the equalizing of the zone structure would take 13 or 14 weeks just to get the traffic checks, preliminary to redesigning the zones. He also stated that it was very possible that he might want to call a consultant in on this particular project. Specific attention was directed also to the fact that no change in cash fare was being asked for Zone 1, the reason being the rather untenable rationale that the company wished to keep that fare on a level with the fare charged by W. V. & M. in its first zone.

Testimony and exhibits by the Commission's Chief Engineer indicate that major adjustments are needed in the interstate fare zone boundaries. Nor is this a new development; in applicant's last previous rate case, by Commission Order No. 703, served April 14, 1967, this Commission ordered applicant to "undertake an active program of research and development, hiring the necessary personnel and engaging the necessary equipment, to revise its schedules, its routes, and its standard of service so that riding on this carrier is an attractive choice

for its patrons and for the residents and workers in its service area." Applicant did engage an outside consulting firm, and did make some service adjustments since 1967. Company Exhibit 18 listed 12 route changes made between May 1967 and September 1968. Some of these changes were in response to Commission Order No. 829, specifically the four route changes made effective September 1968.

The new difficulty propounded in this rate case revolves around the basic inequities of the zone fare structure.

The following are examples of some of the inequities in A. B. & W.'s fare zone boundaries:

A passenger can travel twelve and one-half miles on Route 16 for fifty-five cents (55¢), but another passenger who rides one-quarter of a mile less on Routes 7 and 18 pays ten cents (10¢) more.

A passenger can travel twelve and one-half miles on Route 11 for seventy cents (70¢), while another passenger can ride the same distance on Route 17 and pay only fifty-five cents (55¢).

On Route 9, a passenger can travel eleven and one-half miles for sixty cents (60¢) and another passenger can ride one mile further and pay five cents (5¢) less.

We believe that the time has come for a specific and concentrated effort to reform this rate structure to achieve a more just, reasonable and non-discriminatory pattern. For this reason, we will, in this Order, direct the staff to study the rate structure and propose reforms for Commission consideration. The company will be directed to undertake the necessary traffic checks and other studies forthwith to provide data essential to a rate structure study. Meanwhile, weighing the evidence of unfairness to particular customers against the harm to the public which would inevitably result should the company be forced to maintain rates that would quickly undermine its financial health, we will make adjustments to the fare structure now. Payne v. WMATC, ___ F. 2d ___, (D. C. Cir. Nos. 20,714, 20,988, 1968)

SERVICE COMPLAINTS

Intervenors, and individual riders speaking for themselves, appeared and testified about the lack of service to burgeoning areas in Mount Vernon, Kings Park, and Fairfax County generally; there were pointed comments made about the thoroughly unsatisfactory policy of the applicant of not placing bus stop markers on new routes.

There were allegations made at the hearing that A. B. & W. provides air-conditioned buses on certain A. M. and P. M. rush hour trips during the winter, but takes these buses off regular route service in the summer and places them into charter service. In order to clarify this matter for the record, it was agreed by all interested parties that A. B. & W. submit an exhibit depicting the assignment of air-conditioned and non-air-conditioned buses during the peak day rush hours in regular route and charter service for the summer months of June, July and August 1968, and the winter months of November and December 1968, and January 1969, for comparison.

A review of this exhibit indicates no increase in the number of air-conditioned buses used in charter service during the A. M. and P. M. peak hours by A. B. & W. during the summer months over the winter months.

The aforementioned exhibit does not bear out the protestants allegations that A. B. & W. provides commuters with air-conditioned buses in the winter, but takes them away in the summer.

The Commission will continue its past policy of closely supervising the company's efforts to provide additional and improved service. Specifically, in this connection, we are informed by the Commission staff that the company will very shortly be instituting route extensions in the Kings Park section of Fairfax County, a subject discussed at the hearing.

There were three subjects discussed at the hearing on which we wish immediate and intensive effort to take place:

(1) The lack of express service through Alexandria on routes serving the Mount Vernon area; (2) The possibility of a faster route through Alexandria for A. B. & W. buses; (3) The possibility of rerouting buses from the Mount Vernon area into Alexandria by a route other than through the Hunting Towers area on Mount Vernon Parkway. We will direct the Commission staff and the company to undertake immediate efforts with regard to these problems, working with other governmental agencies and citizens associations as appropriate. A report will be filed with us in not more than forty-five (45) days.

VI

PROPOSED EXACT FARE PLAN

The applicant, in addition to eliminating tokens in its fare structure, asked for an exact fare plan which would obviate the need for bus operators to carry any cash. The applicant proposed a 10-ride ticket for commuters, to be available for sale at principal terminals of the company. The company's plan for an exact fare system requires it to acquire a new type of farebox and a new facility for handling the farebox for money-counting purposes.

The exact fare plan would work in similar fashion to the scrip system used by D. C. Transit and W. V. & M.

The standard which must control our approval of the scrip system is the public interest. That interest of course includes a concern for the safety of the bus driver. It also includes a concern that the passenger receive adequate and convenient service.

We are not unaware that our pioneering step in authorizing the use of scrip on D. C. Transit was a success in terms of dealing with the crime problem and that it has now been adopted in a number of other major cities. A bulletin issued by the American Transit Association on December 17, 1968, states that its statistical department has been continuing a study of exact fare experience of thirteen (13) major systems. Each of those systems reported a speed-up in service, and all thirteen (13) reported "highly favorable public reaction." The bulletin continued, "crime has declined to almost nothing on the buses of these companies."

The experience of this Commission with the scrip system at D. C. Transit agrees with the final statement in the ATA bulletin which is that issuance of scrip is high initially, "then rapidly drops as riders become accustomed to the need for correct change."

That same experience, however, showed that institution of the scrip system caused a demonstrable and significant initial drop-off in ridership -- a sign, we are sure, that scrip involves inconvenience to the riding public.

On the one hand, we have our responsibility for the drivers' safety and the threat, fortunately mostly potential in this instance, which robberies pose to his safety. We have, on the other hand, our responsibility to ensure that bus service is adequate and convenient for the riding public.

Applicant avoids the use of the term scrip using the more euphemistic term "change receipt"; these change receipts can be redeemed, according to the plans of the company, at its headquarters, 600 North Royal Street, Alexandria, at its garage on South Glebe Road at Jefferson Davis Highway, at the Pentagon Concourse information booth, and at its 12th and Pennsylvania Avenue information booth. The change receipts would have a limitation of six months for redemption purposes.

Balancing all considerations, we have concluded that before taking final action authorizing institution of the scrip system on A. B. & W., the company must submit to us a plan which will minimize the inconvenience of that system for the riding public. It should provide for sale of commuter ticket books to be sold not only at the scrip redemption locations, but also perhaps by mail, with self-addressed envelopes available on buses. Additional steps, such as making arrangements to have change readily available at terminal locations should be considered and proposed if feasible. A change in the limitation period for redemption of the receipts, to a full year, should be considered.

In sum, the institution of a scrip plan involves a balancing of interests. The actual threat of driver safety is not as severe here as in the case of D. C. Transit. There-

fore, we must have means before us which minimize the burdens of the scrip system for the riding public. When such means are presented, we will make a final judgment as to the appropriate disposition of the question in the public interest.

VII

FINDINGS OF FACT

We have stated our findings of fact on the issues in this proceeding in the foregoing discussion.

VIII

CONCLUSIONS OF LAW

The Commission concludes as a matter of law:

1. That the present fare structure of applicant is unjust and unreasonable in that it will produce an operating deficit that will imperil the financial health of the company.

2. That the fares authorized by this Order (together with those now to be authorized by the Virginia State Corporation Commission) will produce sufficient net earnings to allow applicant to service its debt, pay reasonable dividends, retain a reasonable amount of earnings in its business, and will enable applicant to render proper, adequate and satisfactory service to the public.

THEREFORE, IT IS ORDERED:

1. That the fares proposed by A. B. & W. Transit Company in tariffs filed February 10, 1969, and previously described in and suspended by Orders No. 927 and 944, be, and they are hereby, denied.

2. That applicant, A. B. & W. Transit Company, be, and is hereby, authorized to file a tariff on or before May 23, 1969, to become effective, at or after 12:01 A. M., May 24, 1969, reflecting the fares as set forth in Appendix A, attached hereto and made a part hereof.

3. That applicant shall file appropriate tariffs on or before May 23, 1969, to become effective, at or after 12:01 A. M., May 24, 1969, instituting an interline ticket fare collection system whereby the originating company shall collect its appropriate zone fare and issue an interline ticket, for no extra charge, which will permit a five cent discount on the connecting carrier's regular service. This interline ticket is effective among the participating carriers only between points and places in Virginia and points and places in the District of Columbia.

4. That upon issuance of this Order, the applicant be, and is hereby, authorized to discontinue the sale of tokens, provided all outstanding tokens shall be honored as the equivalent of thirty cents (30¢) cash toward an interstate ride.

5. That the staff of the Commission review the fare zones and fare zone structure of A. B. & W. with a view toward re-designing same to provide an equitable rate structure for all of its interstate patrons, reporting to the Commissioners within one hundred and twenty (120) days.

6. That the applicant shall make such studies and checks as may be necessary to enable the staff of the Commission to carry out the terms of paragraph 5 above.

7. That jurisdiction be, and it is hereby, retained in this proceeding to enter such further orders with regard to changes of fare zones as may appear appropriate.

8. That the company is hereby directed to file further information with regard to institution of a scrip system in accordance with the provisions of the foregoing opinion, on or before August 1, 1969.

9. That jurisdiction be, and it is hereby, retained in this proceeding to enter such further orders with regard to institution of a scrip system as may appear appropriate following the compliance by the company with Section 8 hereof.

10. That jurisdiction be, and it is hereby, retained in this proceeding to enter such further orders with regard to the investment tax credit in accordance with the discussion in the foregoing opinion.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in cursive script, appearing to read "George A. Avery".

GEORGE A. AVERY
Chairman

APPENDIX A

| INTERSTATE | <u>FARES IN EFFECT PRIOR TO THIS ORDER</u> | <u>COMPANY'S PROPOSED FARES</u> | <u>FARES AUTHORIZED HEREIN</u> |
|--------------------------------|--|---|--|
| <u>Cash Fares</u> | | | |
| Zone 1 | \$.35 | \$.35 | \$.35 |
| 2 | .40 | .45 | .45 |
| 3 | .45 | .50 | .50 |
| 4 | .50 | .55 | .55 |
| 5 | .55 | .60 | .60 |
| 6 | .60 | .65 | .65 |
| 7 | .65 | .70 | .70 |
| 8 | .70 | .75 | .75 |
| <u>Child's Cash-Half Fares</u> | | | |
| Zone 1 | \$.20 | \$.20 | \$.20 |
| 2 | .20 | .25 | .25 |
| 3 | .25 | .25 | .25 |
| 4 | .25 | .30 | .30 |
| 5 | .30 | .30 | .30 |
| 6 | .30 | .35 | .35 |
| 7 | .35 | .35 | .35 |
| 8 | .35 | .40 | .40 |
| <u>Token - Cash Fares</u> | | | |
| Zone 1 | \$.3125 | - | - |
| 2 | .3625 | - | - |
| 3 | .4125 | - | - |
| 4 | .4625 | - | - |
| 5 | .5125 | - | - |
| 6 | .5625 | - | - |
| 7 | .6125 | - | - |
| 8 | .6625 | - | - |
| <u>Interline Ticket Fares</u> | | | |
| Zone 1 | \$.55 | \$.60 | \$.60 |
| 2 | .60 | .70 | .70 |
| 3 | .65 | .75 | .75 |
| 4 | .70 | .80 | .80 |
| 5 | .75 | .85 | .85 |
| 6 | .80 | .90 | .90 |
| 7 | .85 | .95 | .95 |
| 8 | .90 | 1.00 | 1.00 |

| INTERSTATE (Cont'd) | <u>FARES IN EFFECT PRIOR TO THIS ORDER</u> | <u>COMPANY'S PROPOSED FARES</u> | <u>FARES AUTHORIZED HEREIN</u> |
|---------------------------------|--|---|--|
| <u>U. S. Government Tickets</u> | | | |
| Zone 1 | \$.2500 | \$.30 | \$.30 |
| 2 | .2625 | .35 | .35 |
| 3 | .3125 | .40 | .40 |
| 4 | .3625 | .45 | .45 |
| 5 | .4125 | .50 | .50 |
| 6 | .6625 | .75 | .75 |
| <u>Lorton-Occoquan Fare</u> | \$1.00 | \$1.10 | \$1.10 |