

Decision No. 80183**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
 of HARBOR CARRIERS, INC., a
 corporation, for an Order author-
 izing increases in its rates and
 charges for the transportation
 of petroleum and petroleum products
 in bulk.

Application No. 53352
 (Filed May 24, 1972)

INTERIM OPINION AND ORDER

By this application, Harbor Carriers, Inc., a vessel common carrier, seeks authority to increase its rates for transportation of petroleum and petroleum products in bulk between points in San Francisco Bay and its tributaries and to cancel certain rates for said transportation. Applicant also requests authority to publish the proposed rates on less-than-statutory notice.

Applicant states that the proposed rate increases approximate 20 percent and that the rates to be canceled apply to movements which no longer exist. Applicant declares that the rates in question were last increased pursuant to Decision No. 72815, dated July 25, 1967. Applicant alleges that, since that time, it has experienced increases in labor and other costs which now cause it to sustain a net operating loss. Applicant contends that the financial data presented in this proceeding demonstrate that it is in no position to continue to sustain the current losses. Applicant avers that, unless prompt action is taken in this matter, it will be forced to discontinue service.

Applicant states that it has discussed the proposed rate adjustments with its customers and they expressed no opposition thereto. The application was listed on the Commission's Daily Calendar of May 25, 1972. No objection to the granting of the application has been received.

Applicant competes with River Lines Company, a vessel common carrier also engaged in the transportation of petroleum and petroleum products in bulk between points on San Francisco Bay and its tributaries. Both carriers maintain the same rates in San Francisco Barge Tariff Bureau Local Freight Tariff No. 1, Cal. P.U.C., No. 2, of William M. Larimore, Agent. In Application No. 53302, River Lines Company seeks authority to increase those same rates as proposed herein (20 percent), and to cancel the same rates as applicant proposes to cancel herein. By Decision No. 80144, dated June 7, 1972, in said application, River Lines Company was authorized as an interim measure to apply a 5-1/2 percent surcharge to the rates in question pending decision on evidence to be adduced at a public hearing in the application, and to cancel the rates as proposed.

Financial statements appended to the application show that for the year 1971 Harbor Carriers, Inc., incurred a net loss from its operations of \$371,018, of which approximately \$59,000 was attributed to losses from transportation of bulk petroleum products at the rates involved herein. It estimates that without an increase in rates its annual loss from the transportation of bulk petroleum products will increase to \$140,000 because of the aforementioned increases in costs. An interim increase of 5-1/2 percent in rates as was authorized River Lines Company would provide applicant with additional annual revenues of approximately \$24,870. Such interim increase would not come close to affording applicant opportunity to conduct petroleum transportation profitably, it merely will lessen applicant's losses while this application is pending. It is desirable that applicant and River Lines Company be authorized to continue to maintain rates at the same competitive level until their respective applications can be heard and decided. Without such action the stability of applicant's financial position, as well as the financial position of River Lines Company, may be seriously impaired. We find that an interim increase of 5-1/2 percent is justified and is required by

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existing conditions, that said increase is consistent with the guidelines of the Price Commission, as more specifically set forth in Appendix A attached hereto, and that the cancellation proposed by applicant of rates on which there is no longer any traffic is justified.

IT IS ORDERED that:

1. Harbor Carriers, Inc., a corporation, is authorized to have certain of its rates canceled from San Francisco Barge Tariff Bureau Local Freight Tariff No. 1, Cal. P.U.C. No. 2 of William M. Larimore, Agent, as proposed in the application, and to have certain of its other rates in said tariff increased by computing the total charges resulting from the application of such rates and increasing the amount so obtained by 5-1/2 percent. Fractions resulting from application of the surcharge shall be disposed of by dropping those which are less than one-half cent and increasing those which are one-half cent or greater to one cent.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and to the public.

3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application and full disposition thereof.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 20th
day of JUNE, 1972.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

William J. ... Chairman
...
Herman L. Stinger
... Commissioners

APPENDIX A

Certificate of the Public Utilities
Commission of the State of California Re
Increases in Rates for Certain Transportation
Services Performed by Harbor Carriers, Inc.,
within California

Pursuant to provisions of Section 300.16 of the Economic Stabilization Act Amendments of 1971, the Public Utilities Commission of the State of California does hereby certify to the Federal Price Commission as follows:

1. The decision of the California Public Utilities Commission to which this certification is attached authorizes Harbor Carriers, Inc., to increase its rates and charges on an interim basis by 5-1/2 percent pending public hearing in the matter. The authority also permits the cancellation of rates to certain points where movements no longer exist.
2. The carrier has incurred increases in labor and related costs since 1967 when the rates in question were last increased. The increases authorized herein are the minimum required to assure continued, adequate and safe service by the carrier pending public hearing in the matter and full disposition thereof.
3. The dollar amount of the increased revenue which the increases in rates are expected to provide the carrier is approximately \$24,870.
4. The rate increases are cost-based and do not reflect future inflationary expectations. They will have little, if any, effect upon the carrier's operating ratio and/or rate of return.