

Decision 88 05 034 MAY 11 1988

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to RULE No. 2 of the)
 Commission's General Order 147-A,)
 departure from the Cost Justification)
 requirements of Resolution TS-674 is)
 requested to allow common Carriers)
 participating, in tariffs issued by)
 CAL-WEST TARIFF BUREAU, INC., AGENT)
 to maintain provisions previously)
 authorized by a competitive rate)
 filing affecting the application of)
 Central Coastal Territory surcharges)
 in certain tariffs issued by CAL-WEST)
 TARIFF BUREAU, INC., AGENT)

Application 87-10-024
(Filed October 19, 1987)

OPINION

By this application Cal-West Tariff Bureau, Inc., Agent (CWTB) requests permission to retain tariff provisions which eliminated the application of the Central Coastal Territory surcharge in class and commodity rate tariffs published by CWTB.

The applicant asserts that authority to publish the provisions eliminating the surcharge was the result of a "me-too" filing under General Order (GO) 147 of Rate Reduction (RR) 208.

Effective April 16, 1981 CWTB eliminated the provisions which formerly required a surcharge on shipments destined to the Central Coastal Territory, consisting of certain counties extending from Mendocino on the north to Monterey on the south. The surcharge had been published in two tariffs issued by CWTB:

1. CWTB General Commodity Rate Tariff No. 21; and
2. CWTB Class and Exception Ratings Tariff No. 22.

Authority is also requested to except individual carriers for whom CWTB acts as tariff publishing agent from the same surcharge.

By authority granted in Decision (D.) 90663 dated August 14, 1979 in Case (C.) 5432, Petition for Modification 884, et al., CWTB, on behalf of its participating carriers, met the competitive provisions of RR 208 by cancelling the Central Coastal Territory surcharge provisions named in the above tariffs. Pursuant to Commission Resolution TS 674, CWTB is now required to cost justify its "me-too" of RR 208. This is because D.86-04-045, dated April 16, 1986 in C.10368, et al. directed carriers with active RR's or "me-too's" thereof on file to rejustify the reduced rates by furnishing relevant operational and cost data. CWTB asserts that the amount of data required to be compiled and furnished in order to accomplish this "me-too" is formidable, requiring detailed financial information from over 480 participating carriers. The applicant maintains that the intent of its original "me-too" was not to meet competition, as is the case with so many other rate reductions; rather, the intent was to eliminate still another step in the complicated calculation of rates on many California intrastate shipments.

CWTB maintains that the majority of its tariff participants are small to medium sized carriers in terms of revenue, equipment, and manpower and that every possible savings in clerical and related administrative costs is necessary to maintain their operations at a profitable level. CWTB further notes that the surcharges applicable to shipments moving into the Central Coastal Territory are nominal, generating almost negligible revenue. For example, a class 35 rated shipment of 40,000 pounds for a typical haul of 400-425 miles would produce revenue of approximately \$1,000. The surcharge applicable to this shipment would be \$3.14. A minimum charge shipment of 100 pounds is subject to a charge of \$15.46, and a surcharge of only 17 cents. CWTB believes that to impose upon its carriers the cost justification requirements contained in GO 147-A would be an unreasonable burden in these circumstances.

In summary, CWTB requests authority on behalf of its member carriers to retain the current tariff provisions which eliminated the Central Coastal Territory surcharge formerly published in CWTB Tariffs 21 and 22, and in participating carriers' tariffs issued on an individual basis. Authority is also requested to exempt member carriers from the requirements of Resolution TS 674 as it relates to cost justification of RR 208.

The Transportation Division staff, in its Advice of Participation dated February 18, 1983, states that it has no objection to the ex parte granting of the request, provided the authority is granted to carriers who are participating in CWTB issued tariffs on the effective date of this decision. Notice of filing of the application appeared in the Daily Transportation Calendar of October 28, 1987. No objection to the request has been received.

We will grant the sought request, limiting the authority to those carriers for whom CWTB acts as tariff publishing agent on the effective date of this decision, as urged by the staff. This will ensure that carriers who participate in other agency tariffs, or who publish their own tariffs with Central Coastal Territory surcharge provisions, do not precipitately change their present agency participation or individual publishing status because of the opportunity to pass along to shippers these savings in freight charges.

We would prefer to eliminate the need for carriers to justify rates based solely on the elimination of the Central Coastal Territory surcharges; it appears that the administrative burden caused by these justifications would serve no useful purpose. However, we will refrain from such a broad conclusion in the instant case because we are granting this relief on an ex parte basis to a single tariff bureau.

We will invite the Transportation Division staff to petition to modify GO 147A to remove any requirement for carriers to justify reductions in rates based solely on the elimination of Central Coastal Territory surcharges.

Findings of Fact

1. By authority granted in D.90663 CWTB, on behalf of its participating carriers, met the competitive provisions of RR 208 by cancelling the Central Coastal Territory surcharge provisions appearing in CWTB Tariffs 21 and 22.

2. Pursuant to Resolution TS 674, CWTB is required to cost justify its "me-too" of RR 208.

3. The amount of revenue produced by application of the Central Coastal Territory surcharge is negligible, when considered in light of the prodigious amount of data required to be compiled and furnished in order to cost justify the "me-too" of RR 208 on behalf of the many carriers for whom CWTB acts as tariff publishing agent.

4. CWTB requests authority to retain the current tariff provisions which eliminated the Central Coastal Territory surcharge formerly published on behalf of its participating carriers, and to except its participating carriers from the requirements of Resolution TS 674 as it relates to cost justification of RR 208.

5. Granting the sought authority will have no adverse effect provided the authority is restricted to those carriers for whom CWTB acts as tariff publishing agent on the effective date of this decision.

Conclusions of Law

1. The application should be granted, subject to the restriction set forth in Finding 5.

2. Since there is no protest to this application, the effective date of this decision should be today.

ORDER

IT IS ORDERED that:

1. Cal-West Tariff Bureau, Inc., Agent (CWTB) is authorized to retain, on behalf of the carriers for whom it acts as tariff publishing agent on the effective date of this decision, the current tariff provisions which eliminated the Central Coastal Territory surcharge.

2. CWTB is authorized to depart from the provisions of Resolution TS 674, as it relates to cost justification of Rate Reduction 208.

This order is effective today.

Dated MAY 11 1988, at San Francisco, California.

STANLEY W. HULETT
President

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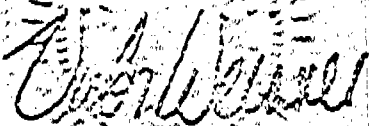
FREDERICK R. DUDA

G. MITCHELL WILK

JOHN B. OHANIAN

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Victor Weiss, Executive Director

In summary, CWTB requests authority on behalf of its member carriers to retain the current tariff provisions which eliminated the Central Coastal Territory surcharge formerly published in CWTB Tariffs 21 and 22, and in participating carriers' tariffs issued on an individual basis. Authority is also requested to exempt member carriers from the requirements of Resolution TS 674 as it relates to cost justification of RR 208.

The Transportation Division staff, in its Advice of Participation dated February 18, 1988, states that it has no objection to the ex parte granting of the request, provided the authority is granted to carriers who are participating in CWTB issued tariffs on the effective date of this decision. Notice of filing of the application appeared in the Daily Transportation Calendar of October 28, 1987. No objection to the request has been received.

We will grant the sought request, limiting the authority to those carriers for whom CWTB acts as tariff publishing agent on the effective date of this decision, as urged by the staff. This will ensure that carriers who participate in other agency tariffs, or who publish their own tariffs with Central Coastal Territory surcharge provisions, do not precipitately change their present agency participation or individual publishing status because of the opportunity to pass along to shippers these savings in freight charges. Carriers who may wish to participate in the subject tariffs after the effective date of this decision will be subject to Central Coastal Territory surcharges until such time as CWTB obtains authority to eliminate application of the surcharge for their accounts. Granting the sought authority will obviate the need for presenting the hundreds of expensive and cumbersome cost justifications on behalf of CWTB's participating carriers.

Findings of Fact

1. By authority granted in D.90663 CWTB, on behalf of its participating carriers, met the competitive provisions of RR 208 by cancelling the Central Coastal Territory surcharge provisions appearing in CWTB Tariffs 21 and 22.

2. Pursuant to Resolution TS 674, CWTB is required to cost justify its "me-too" of RR 208.

3. The amount of revenue produced by application of the Central Coastal Territory surcharge is negligible, when considered in light of the prodigious amount of data required to be compiled and furnished in order to cost justify the "me-too" of RR 208 on behalf of the many carriers for whom CWTB acts as tariff publishing agent.

4. CWTB requests authority to retain the current tariff provisions which eliminated the Central Coastal Territory surcharge formerly published on behalf of its participating carriers, and to except its participating carriers from the requirements of Resolution TS 674 as it relates to cost justification of RR 208.

5. Granting the sought authority will have no adverse effect provided the authority is restricted to those carriers for whom CWTB acts as tariff publishing agent on the effective date of this decision.

Conclusions of Law

1. The application should be granted, subject to the restriction set forth in Finding 5.

2. Since there is no protest to this application, the effective date of this decision should be today.

ORDER

IT IS ORDERED that:

1. Cal-West Tariff Bureau, Inc., Agent (CWTB) is authorized to retain, on behalf of the carriers for whom it acts as tariff

We will invite the transportation Division staff to petition to modify GO 147A to remove any requirement for carriers to justify reductions in rates based solely on the elimination of Central Coastal Territory surcharges.

Findings of Fact

1. By authority granted in D.90663 CWTB, on behalf of its participating carriers, met the competitive provisions of RR 208 by cancelling the Central Coastal Territory surcharge provisions appearing in CWTB Tariffs 21 and 22.

2. Pursuant to Resolution TS 674, CWTB is required to cost justify its "me-too" of RR 208.

3. The amount of revenue produced by application of the Central Coastal Territory surcharge is negligible, when considered in light of the prodigious amount of data required to be compiled and furnished in order to cost justify the "me-too" of RR 208 on behalf of the many carriers for whom CWTB acts as tariff publishing agent.

4. CWTB requests authority to retain the current tariff provisions which eliminated the Central Coastal Territory surcharge formerly published on behalf of its participating carriers, and to exempt its participating carriers from the requirements of Resolution TS 674 as it relates to cost justification of RR 208.

5. Granting the sought authority will have no adverse effect provided the authority is restricted to those carriers for whom CWTB acts as tariff publishing agent on the effective date of this decision.

Conclusions of Law

1. The application should be granted, subject to the restriction set forth in Finding 5.

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publishing agent on the effective date of this decision, the current tariff provisions which eliminated the Central Coastal Territory surcharge.

2. CWTB is authorized to depart from the provisions of Resolution TS 674, as it relates to cost justification of Rate Reduction 208.

This order is effective today.

Dated _____, at San Francisco, California.