

Decision 89 02 051 FEB 24 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Mailed

In the Matter of the Application of )  
Jim Carroll Cassil for authority to )  
depart from the provisions of )  
General Order 147-A in order to )  
eliminate application of the Central )  
Coastal Surcharge to certain )  
contract rates. )

**FEB 24 1989**

Application 88-11-024  
(Filed November 14, 1988)

OPINION

By this application Jim Carroll Cassil, doing business as Cassil Trucking (Cassil), seeks authority to depart from the provisions of General Order (GO) 147-A to eliminate application of the Central Coastal Surcharge to certain contract rates.

Cassil is a for-hire carrier conducting operations in California as a highway contract carrier, a highway common carrier, and a dump truck carrier in accordance with authority issued by the Commission in File T-123729. The relief sought by this application is applicable to Cassil's contract carrier operations.

By this filing, Cassil seeks authority to depart from provisions of Rule 7.1 of GO 147-A which requires submission of a cost justification for reduced rates. Rule 2.G of the General Order exempts certain transportation, including that which has been exempted for certain carriers by Commission decision.

Cassil sets forth the following particulars in connection with this application:

Earlier this year Cassil filed an application with the Commission seeking authority to execute a contract which substantially eliminated paperwork requirements for both the shipper and the carrier, and which in the process resulted in an enhanced revenue condition for the carrier. In approving that request, the Commission said that:

"This application represents the type of innovative ratemaking we contemplated in issuing our decisions in the general freight reregulation proceeding."

After the contract provisions were filed with the Commission and became operable, Cassil and his shipper (Michelin Tire Corporation) found that assessment of Central Coastal Surcharges created an impediment to a smooth paperwork operation because of the need to assign the surcharges to each delivery component at the time of billing. Because these surcharges are based on weight, and because the actual weight is not always known in advance, it is difficult to determine freight charges prior to shipment. Furthermore, the shipper has had difficulty establishing computer criteria to minimize the problem.

In May 1988, the Commission responded to a request by Cal-West Tariff Bureau, Inc. in Decision (D.) 88-05-034 and authorized carrier members not to assess Central Coastal Surcharges. In doing so, the Commission said:

"We would prefer to eliminate the need for carriers to justify rates based solely on elimination of Central Coastal Territory Surcharges; it appears that the administrative burden caused by these justifications would serve no useful purpose."

The Commission then invited the Transportation Division staff to petition to modify GO 147-A to remove any requirements for carriers to justify reductions in rates based solely on the elimination of Central Coastal Territory Surcharges. To date, however, no such petition has been forthcoming.

It is in the spirit of D.88-05-034 that Cassil asks the Commission to authorize reduction of its rates based solely on the elimination of the Central Coastal Territory Surcharges. In addition to the reasoning advanced by the Commission in D.88-05-034, the reasons for establishment of the Central Coastal differentials are not relevant to Cassil, since he does not pay a

different wage scale to his employees in this territory than in other areas of operation.

Cassil further seeks relief from GO 147-A because the conduct of the cost study in these circumstances would be unwarranted by the relief sought. Although the revenue impact upon Cassil is expected to be less than 1% annually, there is no existing mechanism for the Commission to consider this request except through presentation of cost justifications or formal application. Because there is a need to realize the paperwork economies associated with these proposals, because these charges have such limited financial impact upon the carrier, and because the Commission has effectively endorsed the removal of Central Coastal Surcharges, Cassil requests that an expedited ex parte handling of this application be accorded.

The Transportation Division staff has reviewed the application and believe that it is one which, in the absence of protest, may be granted by ex parte order. Since there have been no protests to the application, we will grant the requested relief.

Findings of Fact

1. In Decision 88-05-034, dated May 11, 1988, the Commission granted the request of Cal-West Tariff Bureau, Inc. to retain tariff provisions which eliminated the application of the Central Coastal Territory Surcharge in class and commodity rate tariff filed by Cal-West Tariff Bureau.

2. 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 reduced rates.

3. Because these surcharges are based on weight, and because the actual weight is not always known in advance, it is difficult to determine freight charges prior to shipment.

4. The establishment of the Central Coastal differentials are not relevant to Cassil, since he does not pay a different

wage scale to his employees in this territory than in other areas of operation.

5. Granting the request of authority will have no adverse effect.

Conclusions of Law

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

ORDER

IT IS ORDERED that Jim Carroll Cassil is authorized to depart from the provisions of General Order 147-A which requires submission of a cost justification for reduced rates affecting the application of Central Coastal Territory Surcharges.

This order is effective today.

Dated FEB 24 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
Commissioners

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

*[Signature]*  
Vendor Welfare, Executive Director