

ORIGINAL

Decision 89 11 050 NOV 2 2 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
KLX Inc. (T-144182) for authority to)	
depart from the provisions of)	
General Order 147-A by establishing)	Application 89-04-055
within Local Freight Tariff 1)	(Filed April 24, 1989)
generally applicable common carrier)	
rates.)	

OPINION

By this application, KLX Inc. (KLX), a highway common carrier, seeks authority to depart from the provisions of Rule 7.1 of General order (GO) 147-A, which requires the submission of cost justification for common carrier tariff changes resulting in reduced rates. The application is filed pursuant to Rule 2 of GO 147-A.

Applicant wishes to publish in its Local Freight Tariff No. 1 certain exception ratings currently in effect by other common carriers on less than truckload shipments. The specific exception ratings sought are attached to the application as Exhibit 1. All of the exception ratings shown (specifically Items 320, 339, 380, 383, and 390 of Local Freight Tariff No. 1 of Kings County Truck Lines) are generally applicable common carrier rates as defined in Rule 3.12 of GO 147-A. KLX's class rates are at the same base rate level as those of other common carriers, including Kings County Truck Lines. These exception ratings were originally published in the Commission's Minimum Rate Tariff 2. They apply to the transportation of canned goods and other food items.

GO 147-A would allow the publication without cost justification of the exception ratings referred to in this application under certain circumstances. Rule 7.6 of GO 147-A would allow a new common carrier or a common carrier expanding its

authority to publish these ratings. Also, any contract carrier establishing a new contract could publish these exception ratings. GO 147-A contains no provision for an existing common carrier to adopt the same provisions in the same way.

In order to establish the exception ratings sought, KLX asserts it would have to prepare an expensive and time-consuming cost study for a less than truckload rate reduction, or else it would have to execute a large number of contracts for the involved shippers.

KLX seeks authority to publish the exception ratings referenced in this application primarily in order to reduce paperwork. If the authority is not granted applicant would prepare, execute, and file a number of contracts with various shippers. These contracts would contain the exception ratings referenced and would be filed under Rule 7.6 of GO 147-A without cost justification. It would be simpler and less costly for applicant to publish the exception ratings in its tariff, and perform the transportation as a highway common carrier.

Generally applicable common carrier rates such as those in question can be published without justification by contract carriers filing new contracts or by new common carriers establishing new tariffs. Therefore, in most circumstances when such rates are filed no cost justification is required by the Commission. By the grant of this request, KLX will be put on an equal footing with other carriers who have published similar tariff provisions.

Notice of filing of the application appeared in the Daily Transportation Calendar. No objection to granting the request has been received. In the circumstances, the application will be granted.

Findings of Fact

1. K LX is a highway common carrier, engaged in the transportation of general commodities.

2. K LX wishes to publish reduced exception ratings for the transportation of canned goods and other food items in its Local Freight Tariff 1. The ratings are presently published in Local Freight Tariff 1 of Kings County Truck Line, a competing carrier.

3. Rule 7.6 of GO 147-A allows a new common carrier, or one expanding its authority pursuant to Commission authority, to publish such reduced ratings; however, Rule 7.6 does not allow such publication by existing highway common carriers such as K LX.

4. K LX requests authority to depart from the provisions of Rule 7.1 of GO 147-A requiring cost justification in order to publish the subject exception ratings without the elaborate showing required thereunder. Rule 2 of GO 147-A allows such departures when reasonable and necessary.

Conclusions of Law

1. The request of K LX is reasonable and necessary. The application should be granted.

2. A public hearing is not necessary.

3. This order should be effective today.

ORDER

IT IS ORDERED that KLX Inc. is authorized to depart from the provisions of Rule 7.1 of General Order 147-A by publishing in its Local Freight Tariff 1 the reduced ratings contained in Exhibit 1 of its application.

This order is effective today.

Dated NOV 22 1989, at San Francisco, California.

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

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

- 4 -

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director