

Decision 90 01 055 JAN 24 1990**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
 Service Air Cargo, seeking authority )  
 to increase rates and charges in )  
 Service Air Cargo, CA PUC Nos. 1 and )  
 2, Local Freight Tariff No. 1 and )  
 Local All Motor Tariff. )

Application 89-08-042  
 (Filed August 25, 1989;  
 amended November 13, 1989)

O P I N I O N

Service Air Cargo (applicant) seeks authority to increase its rates and charges by 17% in its Local Freight Tariff Nos. 1 and 2, CA PUC Nos. 1 and 2 respectively. Applicant is a common carrier of freight by truck and operates within California.

Applicant states that since the last 2.4 TFCI increase adjustment in December 1988, its operating costs have continued to increase. The most significant increase has been in labor, terminal rental and insurance costs. Upon the implementation of the authorized 17% increase, Service Air Cargo will increase its net annual revenue by \$107,258.

Applicant has furnished financial data for the year ending December 31, 1988, setting forth actual revenue and expenses as well as projected results under proposed rates. From that data, the staff has prepared a comparison of applicant's financial position using current costs in conjunction with current and proposed revenues.

Test Period Ending December 31, 1988  
Present Rates      Proposed Rates

Revenue	1,819,977	2,145,153
Current Expenses	2,037,895	2,037,895
Profit	(217,918)	107,258
Operating Ratio	111.9	95.0

The application and amendment were listed on the Commission's Daily Transportation Calendars of September 6, 1989 and November 21, 1989. No protest to the granting of the application, as amended, has been received.

Findings of Fact

1. Applicant's rates have not been increased since December 1988.
2. Applicant is seeking a rate increase of 17%.
3. Applicant estimates that the proposed rate increase would increase its net annual revenue by approximately \$107,258.
4. The increases resulting from this proposal are justified.

Conclusions of Law

1. The application should be granted.
2. This order should be made effective today since there is an immediate need for rate relief.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Service Air Cargo (applicant), is authorized to increase its rates and charges by 17% in its Local Freight Tariff 1, CA PUC No. 1 and Local All Motor Tariff No. 2, CA PUC No. 2.
2. Tariff publications authorized to be made as a result shall be filed on or after the effective date and may be effective not earlier than 5 days after the effective date of this order on not less than 5 days' notice to the Commission and to the public.

3. Service Air Cargo in establishing and maintaining these rates authorized by this order, is authorized to depart from the provisions of Public Utilities Code Section 461.5 to the extent necessary to adjust to long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. This authority will expire if not exercised within 60 days of the effective date of this order.

5. The application is granted as set forth above.

6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated JAN 24 1990, at San Francisco, California.

*William R. Schulte*  
WILLIAM R. SCHULTE, Director  
Transportation Division

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

*Wesley Franklin*  
WESLEY FRANKLIN, Acting Executive Director

*Do*