

ORIGINAL

Decision 90 01 056 JAN 24 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
TNT Bestway Transportation, Inc.,)
seeking authority to increase rates)
and charges in TNT Bestway Transpor-)
tation, Inc., CA PUC No. 3 (Tariff)
TNBW Tariff 300) only.)

Application No. 89-12-022
(Filed December 15, 1989)

O P I N I O N

TNT Bestway Transportation, Inc. (TNT Bestway) seeks authority to increase the charges contained in Tariff TNBW Tariff 300, CA PUC 3 by 5.5%.

TNT Bestway's last rate increase was 17% on August 21, 1988, as authorized by PUC Decision 88-05-044, and increases issued pursuant to the TFCI; Resolution TS 683, effective August 21, 1988, and Resolution TS 684, effective September 25, 1989. Window increases of 5% have been taken whenever and wherever possible, however applicant states that due to the competitive nature of the industry, it was not possible to increase all shippers' rates by the maximum allowable rate window.

TNT Bestway asserts that since the last increase, it has experienced increases in the purchase price of new equipment, fuel, tires, parts, labor, maintenance, fuel insurance and operating costs. For example labor costs rose by 3.5% for both salaried and hourly personnel in February of 1989. In December, 1988, Group Health Insurance increased by 16% and Workmen's Compensation rose by 19%.

TNT Bestway has furnished recorded and pro forma financial data for the 12-month period ending December 31, 1988, setting forth actual revenues and expenses as well as projected results under the proposed increases.

Test Period Ending December 31, 1988

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$14,934,176	\$15,755,555
Expenses	15,581,791	15,581,791
Profit	(647,615)	173,764
Operating Ratio	104.3	98.9

These data indicate that the carrier will realize approximately \$821,379 in addition California intrastate revenue. However the applicant states there are certain instances where current conditions dictate rates at less than the amount authorized. Therefore the above revenue anticipated may not be realized.

The application was listed on the Commission's Daily Transportation Calendar of December 19, 1989. No protest to the granting of the application has been received. Applicant also requests that its application be granted by ex parte action on less than 30 days' notice.

Finding of Fact

1. TNT Bestway has experienced further increased operating expenses since last receiving authority to increase its intrastate rates and charges.
2. TNT Bestway seeks an increase of 5.5% on all rates contained in TNBW Tariff 300, CA PUC 3.
3. The application, if granted, would increase TNT Bestway's intrastate revenues by \$821,379 annually.
4. The increases resulting from this decision are justified.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. This order should be effective on less than 30 days' notice.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. TNT Bestway Transportation, Inc. (TNT Bestway) is authorized to increase its rates and charges as specifically set forth in the body of the opinion.

2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date of this order and may be made 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. TNT Bestway, in establishing and maintaining 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 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. The authority granted herein shall expire if not exercised within 60 days after 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.

This order is effective today.

Dated JAN 24 1990 San Francisco, California.

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

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

Wesley Franklin

- 3 - WESLEY FRANKLIN, Acting Executive Director

po