

Decision 90 04 001 APR 02 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Condor Freight Lines, Inc. authorizing an increase in rates in tariffs to which applicant is a participant, for this carrier only, namely, Condor Freight Lines, Inc., tariff 300, and PMTB tariff 12, including reissues of such publications.

**ORIGINAL**

Application 90-02-041  
(Filed February 13, 1990)

AND

For authority pursuant to Section 454, and to depart from the terms of Sections 460 and 491 of the Public Utilities Code when accomplishing such publication.

O P I N I O N

Condor Freight Lines, Inc. (Condor) seeks authority to increase rates and charges by 14% in Condor Freight Lines, Inc. Tariff 300, CAL PUC No.1 and in Pacific Motor Tariff Bureau, Inc., Agent, Local Freight Tariff No. 12, CAL PUC No. 15.

Condor last increased its rates and charges by implementing the Truck Freight Cost Index (TFCI) increase of 2.9% on rates and charges not subject to minimum weights of 10,000 pounds or more, effective October 10, 1989 pursuant to Resolution TS-684. Previously, Condor was authorized a general rate increase of 14%, by Decision (D.) 89-03-064 in Application (A.) 89-02-003, effective March 23, 1989.

Condor has experienced increases in operating expenses, in vital areas as labor, additional salaried personnel, health insurance, facility rents and computer enhancement. In addition, the carrier increased its wages by approximately 6% in April of 1989.

Condor has provided financial data for the 12-month period ending December 31, 1989, setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of Condor's

financial position using projected expenses in conjunction with current and restated proposed revenues.<sup>1</sup>

Test Period Ending December 31, 1990

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$12,579,123 <sup>2</sup>	\$14,340,200
Projected Expenses	13,095,746	13,095,746
Profit (Loss)	(516,623)	1,244,454
Operating Ratio	104.1	91.3

The application was listed on the Commission's Daily Transportation Calendar of February 26, 1990. No protest to the granting of the application has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities Code.

Findings of Fact

1. Condor has experienced increases in operating expenses.
2. Condor is seeking a 14% increase in its rates and charges.
3. Condor implemented the TFCI increase of 2.9% on rates and charges not subject to minimum weights of 10,000 pounds or more effective October 10, 1989, pursuant to Resolution TS-684. Previously, Condor applied a general rate increase of 14% under authority of D. 89-03-064 in A. 89-02-003, effective March 23, 1989.

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1 If the 14% increase is fully employed, the carrier will have exceeded the zone of reasonableness, as defined in D. 90-02-021. Additional increases will only be considered after formal application.

2 The TFCI increase and the 14% increase, authorized by D. 89-03-064, were annualized from January 1, 1989.

4. The proposed rates would increase Condor's annual revenue by approximately \$1,761,077.

5. 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. Condor Freight Lines, Inc. is authorized to increase its base rates and charges by 14% in Condor Freight Lines, Inc., Tariff 300, CAL PUC No.1 and in Pacific Motor Tariff Bureau, Inc. Local Freight Tariff No. 12, CAL PUC No. 15.

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. Condor Freight Lines, Inc., in establishing and maintaining the 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. 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.

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 APR 02 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

Neal J. Stulman  
NEAL J. STULMAN, Executive Director