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Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
North American Van Lines, Inc. For)
authority to cancel participation)
in the issues of Pacific Motor)
Tariff Bureau, Inc., Agent and in)
lieu thereof publish North American)
Van Lines, Inc., Tariff No. 300)
CAL. P.U.C. No. 2.)

Application 90-04-021
(Filed April 12, 1990;
amended May 31, 1990)

O P I N I O N

North American Van Lines, Inc. (North American), seeks authority to cancel its participation in Tariffs 125, CAL PUC No.2, 150, CAL PUC No. 4, 260, CAL PUC No. 6 and 551, CAL PUC No. 7 issued by Pacific Motor Tariff Bureau (PMTB) and in turn, be allowed to adopt and establish as its own the rates and rules of its own issue, namely, North American Van Lines, Inc., Tariff No. 300, CAL PUC No. 2 as shown in its application as EXHIBIT B. In addition to the transfer from PMTB tariffs to its own tariff, North American seeks authority for a 20% increase above the rates contained in the PMTB tariffs.

North American states its best interest is served by publishing its own tariff and that the current charges found in its PMTB tariffs do not yield sufficient revenues required for North American's specialized handling of general commodity traffic.

The proposed changes are necessary to offset increased operating expenses in the cost of labor and insurance. The proposed new tariff provides distance and commodity rates applicable to the transportation of general commodities moving in truckload and less-than-truckload quantities which contributes one-half of one percent (.05%) of the total revenue enjoyed by North American. The proposed increase in rates of 20% is due to the specialized handling necessary to move "high value merchandise", i.e., uncrated

electronic equipment, computers, business machines and other sensitive products not normally handled by freight carriers.

The new tariff will allow North American to recover the increases in its fixed and variable costs and also provide an element of profit to the overall operations. Although certain rates are increased in excess of the allowable (10%), the overall impact in gross revenue is estimated to be less than (1%).

North American has furnished financial data for the 12-month period ending December 30, 1989, setting forth actual revenues and expenses as well as projected results under the proposed rates.

From that data, the staff has prepared a comparison of North American's financial position using current costs in conjunction with current and proposed revenues:

Test Period Ending December 30, 1989

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	3,171,700	3,187,559
Expenses	2,937,200	2,937,200
Profit	234,500	250,359
Operating Ratio	92.6	92.1

The application and amendment to the application were listed on the Commission's Daily Transportation Calendars of April 19, 1990 and June 11, 1990 respectively. No protest to the granting of the amended application has been received.

Findings of Fact

1. North American has experienced increased operating expenses.
2. North American seeks a general increase of approximately 20% on "high value merchandise".

3. The proposed rates would increase North American's annual intrastate revenue by approximately \$15,859.

4. The increase would impact gross revenue by less than 1%.

5. The increases resulting from this proposal are justified.

6. A public hearing is not necessary.

Conclusions of Law

1. The application, as amended, should be granted.

2. The proposed tariff should be adopted as set forth in EXHIBIT B to the application.

3. This order should be made effective today, since there is an immediate need for rate relief.

O R D E R

IT IS ORDERED that:

1. North American Van Lines, Inc., is authorized to cancel its participation in PMTB tariffs and simultaneously publish North American Van Lines, Inc., Tariff No. 300, CAL P.U.C. No.2, as set forth in EXHIBIT B of the application.

2. Tariff publications authorized of 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. North American Van 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. The authority shall expire if not exercised within 60 days after the effective date of this order.

5. The application, as amended, 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 AUG 21 1990, at San Francisco, California.

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

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONER

Neal J. Schulman
NEAL J. SCHULMAN, Executive Director
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