

ORIGINAL

Decision No. 88789 MAY 2 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
on the Commission's own motion into)
overlying-underlying carrier)
relationships, with respect to)
transportation performed at deviated)
rates authorized pursuant to)
Section 3666 of the Public)
Utilities Code.)

Case No. 10367
(Filed July 6, 1977)

ORDER DISCONTINUING INVESTIGATION

In the Order Instituting Investigation (OII) in Case No. 10367, the Commission stated the following:

"Accordingly, in an effort to establish uniform policy on the issues surrounding the use of subhaulers in performing deviated rate transportation, we will address the following questions in this investigation:

- "1. Should deviated rate authority require carriers to use their own equipment and employees to perform the transportation?
- "2. If the above question is answered in the negative, in future deviation application proceedings should subhauler costs and compensation be presented and addressed?
- "3. If carriers holding deviated rate authority are permitted to use subhaulers:
 - "a. How should subhauler costs be developed and presented?
 - "b. Should subhaul compensation be regulated?"

The questions posed in the OII are fundamental to our general investigation into highway carrier regulation. Yet they are just one facet of broader areas of concern surrounding subhauling and the relationship between carriers. Variations of these

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questions are relevant to any discussions of how carrier-initiated ratemaking should be administered.

The issue of subhauling generally is already before the Commission in Case No. 10278. The relationship between carriers and attendant issues will be considered in a phase of that proceeding: We think it would be more constructive to consider the subhauling issues outlined in the OII in Case No. 10367 along with subhauling generally in Case No. 10278. We will try to hold hearings on the subhauling phase of Case No. 10278 in the near future. This order should not be taken to mean we are completely satisfied with the way in which overlying-underlying carrier relationships are explored and treated in deviation proceedings. The ramifications of using owner operators to subhaul as a basis for obtaining deviated rates by an overlying carrier are troublesome. This order can be read to mean that we want to avoid duplicatory reregulation proceedings, thereby hopefully maximizing the quality of input by the staff, the highway carrier industry, shippers, labor organizations, and other interested parties.

Therefore, the Commission concludes that the questions to be addressed by Case No. 10367 should be addressed in Case No. 10278.

IT IS ORDERED that:

1. Case No. 10367 is discontinued.
2. The Executive Director shall cause copies of this order to be served by mail upon all motor carriers of property holding Commission operating authorities.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 2nd day of MAY, 1978.

Robert Batyand
President
William Sproun-Jr
William A. Sturgeon
Richard D. Howell
Clare T. Deitch
Commissioners