

OCT 3 1978

Decision No. 89516

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion to establish require-)
ments to be met by applicants for)
highway carrier authority issued)
by the Commission.)

Case No. 10278
(Filed March 9, 1977)

ORDER MODIFYING DECISION
AND DENYING REHEARING

California Manufacturers Association, California Trucking Association, Western Growers Association, Agricultural Council of California, California Fertilizer Association, and the Office of the Attorney General of the State of California filed petitions for rehearing of Decision No. 88967. The petition of the Attorney General was subsequently withdrawn by letter dated August 29, 1978. The Commission has considered each and every allegation contained in the remaining petitions and is of the opinion that although no good cause for granting the relief requested has been shown, the decision should nevertheless be modified in part.

The petitions display considerable misunderstanding both as to the nature of this phase of Case 10278 and as to our decision.

Concern has been expressed that Decision 88967 establishes a "barrier to entry," and may reduce the number of carriers to the extent that service may be impaired. Much of this concern appears derived from our requirement that applicants for permit authority include with their application a certificate of shipper support in the form set out in pages five and six of Appendix C to Decision 88967. We feel that this concern is unfounded.

We are requiring only that a shipper support the application. We are not requiring that the applicant obtain certification sufficient to cover his entire intended operation, nor are we at this time requiring that any particular part of such operation or volume

of freight be documented. Neither are we requiring that applicants have contracts with shippers certifying their support of the application. It is sufficient that the shipper have a genuine intent to employ the services of the applicant should the authority sought be obtained. The certification is not intended to insure the financial success of applicants, but rather to provide some credibility to applicants' projected estimate of operating revenues. We feel this requirement to be a rather moderate burden to applicants, yet an important element of the application. Where the applicant intends to conduct subhaul operations, this purpose can be served by obtaining a certificate of support from an overlying carrier. The instructions to applicants will reflect this option.

IT IS ORDERED that in order to allow the industry to adjust to our explanation herein and to allow the staff sufficient lead time to implement the decision, the order will be modified to provide implementation of the additional qualification and/or criteria to be made effective ninety days after the effective date of this order.

IT IS FURTHER ORDERED that the form appearing as page 5 of 7 of Appendix "C" should be modified by adding to the upper right hand corner thereof "To be completed by prospective shipper or overlying carrier."

IT IS FURTHER ORDERED that except as provided herein, rehearing, reconsideration, and suspension of Decision No. 88967 are denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 3rd day of OCTOBER, 1978.

*I would grant
rehearing
William Quon*

*I dissent
Vernon L. Sturgeon*

Robert Bateman
President

Richard D. Howell
Clair T. Davis
Commissioners