

Decision No. 90795 SEP 12 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the Pacific South-)
coast Freight Bureau for Authority)
to Increase California Freight)
Rates and Charges to Cover Fuel)
Cost Increases Between January 1,)
1979 and July 9, 1979, X-311)
(Sub-Nos. 1, 1A and 1B).)

Application No. 59030
(Filed July 27, 1979)

And Related Matters)

-) Case No. 5432
-) Case No. 5433
-) Case No. 5436
-) Case No. 5437
-) Case No. 5438
-) Case No. 5439
-) Case No. 5440
-) Case No. 5441
-) Case No. 5603
-) Case No. 5604
-) Case No. 7857
-) Case No. 7858
-) Case No. 8908
-) Case No. 9819
-) Case No. 9820

OPINION AND ORDER

Pacific Southcoast Freight Bureau, on behalf of California common carriers^{1/} participating in its tariffs, requests authority to make effective on California intrastate traffic the same freight rate increases to cover fuel cost increases which became effective June 5, July 7 and July 28, 1979, on interstate traffic in Tariff of Increased Rates and Charges X-311.^{2/}

^{1/} The common carriers are listed in Exhibit A attached to the application.

^{2/} The increases which are contained in Tariff of Increased Rates and Charges X-311 and Supplements 5, 8, 12 and 13 to said tariff are set forth in Exhibits L, M, N, O and P attached to the application.

In support of the relief sought, ten of the common carrier applicants have submitted exhibits detailing their financial positions and income statements for the period ending May 31, 1979. Applicants have also prepared an exhibit detailing the amount of additional gross revenues that will be derived from the fuel cost pass-through for all Class I carriers operating in California.^{3/}

The rates and charges proposed to be increased are those which are described in Decision 90134, dated March 27, 1979, in Applications 58543, 58556, 58623, 58687 and 58691. That decision provided for an increase to levels named in the Interstate Commerce Commission Tariff of Increased Rates and Charges 357-A on charges other than commodity rates for transportation of wood chips and sugar beets. The increases proposed herein would increase all the charges provided in said decision, including the interim seven percent increase granted on wood chips, and whatever increase is finally approved on commodity rates for wood chips and sugar beets.

The applicants have experienced substantial fuel cost increases since the start of the year, and they have a need for the revenues to be generated by the rate increases sought in this application. Economic studies prepared by the Western Railroad Association for Class I railroads in California, reveal that the average cost of fuel as to freight service revenues among five Class I carriers increased 1.48 percent during a base period of January - April, 1979; 1.96 percent during a base period of April - June 1, 1979; and 1.49 percent during a base period of June 1 - July 9, 1979. In each instance the increased cost of fuel incurred by the Class I railroads exceeded the rate increases granted by the Interstate Commerce Commission and exceeds the increases sought herein.^{4/}

^{3/} Carrier's estimated intrastate annual gross freight revenue is shown in Exhibit T attached to the application.

^{4/} Economic studies in support of the proposed increases are presented in Exhibits Q, R and S attached to the application.

It is anticipated that the 3.6 percent increase proposed would increase the annual gross revenue of the applicants by \$4,612,000. The proposed increase will bring intrastate freight rates and charges in line with interstate freight rates and charges. The increased freight rates and charges sought herein will be just and reasonable, and are necessary to offset the increasing fuel costs being experienced and, as such, are within the President's wage-price guidelines.

The application was listed on the Commission's Daily Calendar of July 31, 1979. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that applicant's proposal is reasonable and justified as indicated in the ensuing order. A public hearing is not necessary. The Commission concludes that the application should be granted. Because applicants have shown a need is necessary for the proposed increased surcharges to offset further increases in fuel costs for railroad operations which have occurred subsequent to July 9, 1979, and are presently being incurred, the effective date of this order should be the date hereof.

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau, on behalf of the common carriers listed in the application, is authorized to establish by appropriate tariff supplements the same increases in California intrastate rates and charges under the same conditions as previously authorized by orders of the Interstate Commerce Commission for interstate traffic as set forth in Tariff of Increased Rates and Charges - Account Increase in Fuel Costs X-311.

2. Tariff publications authorized to be made as a result of the foregoing authority shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public, and said authority shall

expire unless exercised within sixty days after the effective date of this order. To the extent that departure from the terms and rules of General Orders Nos. 80-Series and 125 is required to accomplish such publications, authority for such departure is hereby granted.

3. The authority set forth herein is granted subject to the express condition that applicant and the carriers on whose behalf it is participating herein will never urge before the Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge. The filing of rates pursuant to the authority herein granted constitutes an acceptance by applicant and said carriers as a consent to this condition.

4. Common carriers maintaining, under outstanding authorization permitting the alternative use of rail rates, rates below the specific minimum rate levels otherwise applicable are authorized and directed to increase such rates to the level of the rail rates established pursuant to the authority granted in paragraph 1 hereof or to the level of the otherwise applicable specific minimum rates, whichever is lower. To the extent such common carriers have maintained such rates at differentials above previously existing rail rates, they are authorized to increase such rates by the amounts authorized in paragraph 1 hereof, provided, however, that such increased rates may not be lower than the rates established by the rail lines pursuant to the authority granted in paragraph 1 hereof, nor higher than the otherwise applicable minimum rates.

5. Common carriers maintaining, under outstanding authorization permitting the alternative use of rail rates, rates based on rail rates which have been changed or canceled and which are below the specific minimum rate levels otherwise applicable are hereby directed to increase such rates to applicable minimum rate levels and to abstain from publishing or maintaining in their tariff rates, charges, rules, and accessorial charges lower in volume or effect than those established in rail tariffs or the applicable minimum rates, whichever are lower.

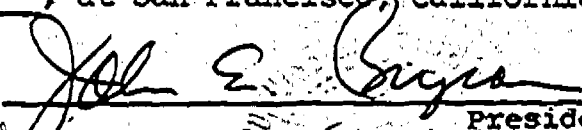
6. Tariff publications required or authorized to be made by common carriers as a result of paragraph 4 hereof may be made effective not earlier than the fifth day after the publication by applicant made pursuant to the authority granted in paragraph 1 hereof, on not less than five days' notice to the Commission and to the public; and such tariff publications as are required shall be made effective not later than thirty days after the effective date of the tariff publications made by applicant pursuant to the authority granted in said paragraph 1.

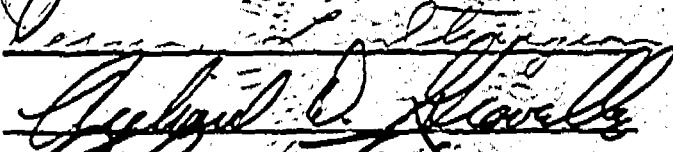
7. In making tariff publications authorized or required by paragraphs 4 through 7, inclusive, common carriers are authorized to depart from the terms and rules of General Order No. 80-Series to the extent necessary to comply with said ordering paragraphs.

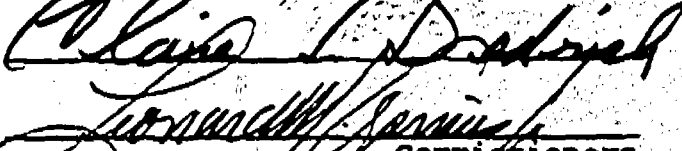
8. Applicant and common carriers, in establishing and maintaining the rates authorized hereinabove, are authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby 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.

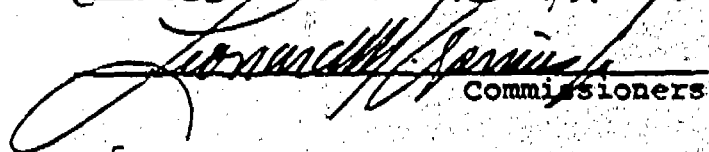
The effective date of this order is the date hereof.

Dated SEP 12 1979, at San Francisco, California.



President






Commissioners