

HEC/RI

Decision No. 91222 JAN 8 - 1986

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Application of the Pacific South-)
coast Freight Bureau for Authority)
to Make Effective on California)
Intrastate Traffic General)
Increases in Local and Joint)
Freight Rates and Charges as Pub-)
lished in Tariff of Increased)
Rates and Charges, X-368-(sic).)

Application No. 59299
(Filed November 23, 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. 8808
- 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 which became effective October 15, 1979, on interstate traffic in Tariff of Increased Rates and Charges X-368-A.^{2/}

^{1/} The common carriers are listed in Exhibit A attached to the application, and includes all common carrier railroads operating in California.

^{2/} The increases which are contained in "Tariff of Increased Rates and Charges X-368-A and "Supplements 1 through 19" are set forth in Exhibit 1 attached to the application.

The increased rates requested by applicant are needed to offset increased costs incurred since the period covered by the Ex Parte No. 357-A increase (Decision 90134, dated March 27, 1979). The application details the areas of increases and some decreases as they are reflected in wages, payroll taxes, health and welfare benefits, materials and supplies, and miscellaneous items. The increases in specific operating expenses are applicable to the involved carriers and indicate the necessity for the general rate increase being sought. Applicant requests that the proposed increases be made effective immediately. Applicant states: "Each day that goes by without the increase becoming effective will cost applicants lost revenues of \$28,615."

The proposed increase will bring intrastate freight rates to the level with interstate freight rates and charges. The increases sought herein are in compliance with the President's Wage and Price Guidelines as established for the first program year, and are expected to comply with the guidelines for the second program year which are not yet firmly established. In its decision granting the Ex Parte No. 368-A increase on interstate traffic, the Interstate Commerce Commission found that the proposed increase is consistent with last year's guidelines and that the increase in revenues will not cover the increased costs which already have been incurred and which appear to have been unavoidable.

Applicant alleges that the increases proposed herein would yield an estimated additional annual gross revenue of \$10,444,421 for the Class I railroad applicants. The percentage by which such estimate exceeds the gross revenue of the involved traffic handled during the preceding calendar year is 8.07 percent. Financial data detailing supporting justification for the proposed increases are set forth in Exhibits M through Q attached to the application.

The present application seeks authority to increase all the charges provided in Decision 90134 (excluding the fuel related

increases authorized in Decisions 90795 and 90695) by the amounts set forth in Tariff of Increased Rates and Charges X-368-A and Supplements 1 through 19 thereto, copies of which are attached to the application as Exhibit L. The proposed increase would apply to the interim increase granted by the Commission on wood chips and sugar beets, and, also on whatever increase is finally granted by this Commission in the pending proceedings on wood chips and sugar beets.

Applicant also seeks authority, in the interest of tariff simplification, to incorporate the fuel surcharges authorized by the Commission in Decisions 90795 and 90965 in the master X-368-A tariff.

Applicant states that there will be no increase on the trainload rate on iron ore from Ferrum to Kaiser in lieu of the 10.8 percent increase effective on interstate movements. Further, a 7.8 percent increase is sought on sugar beets in lieu of the 13.8 percent increase applicable on interstate traffic. Incorporation of the Ex Parte No. 311 (fuel) increases in the Ex Parte No. 368-A would apply to the excepted commodities described above.

Applicants have satisfied the requirements of Resolution M-4704^{3/} by references to the prior finding of the Interstate Commerce Commission to the effect that the Tariff of Increased Rates and Charges X-357-A conforms to the price standards. We shall accept and rely upon this finding by the Interstate Commerce Commission.

Findings

1. Applicant seeks to increase intrastate rail freight rates and charges to the levels named in TIRC X-368-A.
2. Applicant's present intrastate freight rates and charges were authorized by Decision 90134, dated March 27, 1979 (TIRC X-357-A).
3. The application shows that the proposed increases would produce an additional annual gross revenue of approximately \$10,444,421 for the Class I railroad participants to the tariff.
4. The Interstate Commerce Commission has approved the increases contained in TIRC X-368-A for application to interstate traffic nationwide and has found the increase to conform to the price standards set forth by the Council on Wage and Price Stability.
- X 5. TIRC X-368-A generally provides for an increase of 7.8 percent with exceptions.
- \ 6. TIRC X-368-A incorporates the fuel surcharges authorized by the Commission in Decisions Nos. 90795 and 90965, Ex Parte No. 311 series of fuel increases.
- 4 7. The proposed increase would apply to the interim increase granted by the Commission on wood chips and sugar beets (D.90134), and, also whatever increase is finally approved by this Commission on rates on wood chips and sugar beets in pending proceedings.

^{3/} Resolution M-4704, adopted January 30, 1979, requires all utilities and regulated entities requesting general rate increases to show whether the sought increase complies with the Voluntary Wage and Price Standards. Those applications which were filed prior to January 30, 1979, were amended to address this topic.

8. There will be no increase on the trainload rate on iron ore from Ferrum to Kaiser.

9. The incorporation of the Ex Parte No. 311 increases into the Ex Parte No. 368-A tariff would apply to the excepted commodities in Findings 8 and 9 above.

10. Notice of the filing of the application appeared on the Commission's Daily Calendar of November 27, 1979.

11. An increase to the levels named in TIRC X-368-A in applicant's freight rates and charges, other than commodity rates for the transportation of wood chips, sugar beets and iron ore as set forth above, is justified and should be granted.

12. Limited authority to depart from the provisions of Section 461.5 of the Public Utilities Code should be granted.

13. Limited authority to depart from the terms and rules of General Orders 80-Series and 125-Series should be granted.

14. A public hearing is not necessary.

15. The proposed increase in applicant's rates and charges has been shown to be justified.

16. In view of the fact that the proposed increase will bring applicant's intrastate rates into conformity with rates already in effect for interstate transportation, the ensuing order should be made effective on the date hereof.

Conclusion

We conclude that the applicant should be granted the relief specified herein.

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 on California intrastate rates and charges under the same conditions as authorized by orders of the Interstate Commerce Commission as set forth in Tariff of Increased Rates and Charges X-368-A which became effective on Interstate traffic October 15, 1979.

2. The increase in commodity rates for the transportation of sugar beets shall be seven and eight-tenths (7.8) percent. (This 7.8 percent increase shall be applied to the present TIRC-X-357-A 7 percent increase authorized by Decision 90134 and to any further increase authorized by further order of the Commission in that proceeding.)

3. Trainload rates on iron ore from Ferrum to Kaiser will not be subject to the increase authorized in "Tariff of Increased Rates and Charges X-368-A".

4. Authorization is granted to incorporate the Ex Parte No. 311 increases into the Ex Parte No. 368-A tariff.

5. The exceptions set forth in Paragraphs 2 and 3 above shall be subject to the increases in Ex Parte No. 311 as incorporated into the Ex Parte No. 368-A tariff.

6. 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 ten days after the effective date hereof on not less than ten 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 80-Series and 125-Series is required to accomplish such publications, authority for such departure is hereby granted.

7. 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.

8. 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 paragraphs 1, 2, 3 and 4 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 paragraphs 1, 2, 3 and 4 hereof, nor higher than the otherwise applicable minimum rates.

9. 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.

10. Tariff publications required or authorized to be made by common carriers as a result of paragraph 8 hereof may be made effective not earlier than the tenth day after the publication by applicant made pursuant to the authority granted in paragraphs 1, 2, 3 and 4 hereof, on not less than ten 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 paragraphs 1, 2, 3 and 4.

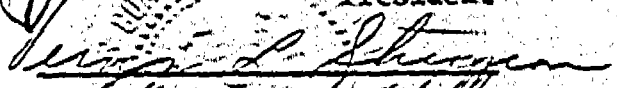
11. In making tariff publications authorized or required by paragraphs 8 through 10, inclusive, common carriers are authorized to depart from the terms and rules of General Order No. 80-Series to the extent necessary to comply with said ordering paragraphs.

12. Applicant and common carriers, in establishing and maintaining the rates authorized hereinabove, are authorized to depart from the provisions of Section 461.5 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.

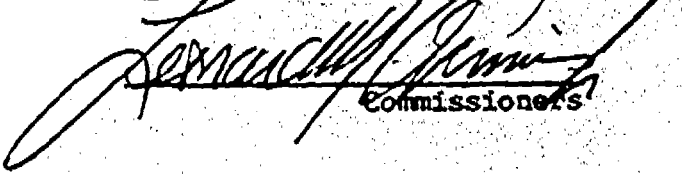
Dated JAN 8 - 1980, at San Francisco, California.


President








Commissioners