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Decision No. 91987 JUL 2 1980

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of EAGLE EXPRESS, INC., a Cali-)
fornia corporation, for an Order)
authorizing Applicant to deviate)
from certain minimum rates on)
shipments transported for SHAKLEE)
CORPORATION, pursuant to Section)
3666 of the Public Utilities Code)
of the State of California.)

Application No. 59504
(Filed March 6, 1980)

ORDER OF DISMISSAL

By this application, Eagle Express, Inc., (Eagle), a California corporation, seeks authority to charge less than the rates set forth in the Commission's Minimum Rate Tariff 2 (MRT 2) for transportation performed for Shaklee Corporation.

In Decision No. 90663, the Commission abolished minimum rate regulation of general commodity transportation and established in lieu thereof a more competitive regulatory system of carrier-filed rates. General commodity minimum rate tariffs, including MRT-2, were cancelled April 30, 1980. New procedures established in Decision No. 90663 to begin the transition to carrier-set rates became effective on the same date. Under these transition rules, no formal application is required for carriers to reduce rates. Depending upon the nature of the rate proposed, however, advance notice and a statement of justification may be required.

In summary, the transition procedures applicable to rate reductions are as follows. Transition tariffs were established and effective April 30, 1980, to serve as a threshold for rate justification requirements during the transition period. The transition tariffs consist of the rates contained in general commodity minimum rate tariffs on April 30, 1980, and include any rate deviations in effect on that date. Any contract rate at or higher than the

applicable rate level in the transition tariff may be filed with the Commission without justification and may be effective the date filed or such later date as may be provided by the terms of the contract. Common carrier tariff rate reductions, which result in rates at or higher than the applicable transition tariff rates, may be filed without justification, but must be filed on at least 30-days' notice except where filed to meet the charges of a motor carrier competitor. Rates lower than the lowest applicable rate in the transition tariff must be filed with a statement of justification. Such justification may consist either of a simple reference to a motor carrier competitor's rate being met, or operational and cost data showing that the proposed rate will cover prevailing labor costs and contribute to the profitability of the filing carrier. Rates filed to meet the charges of motor carrier competitors must be accompanied by a reference to the rate being met, but may be filed without further justification and may be made effective the date filed with the Commission. Rates below both the transition tariff and the charges of competing carriers must be filed with operational and cost data showing that the proposed rate will cover prevailing labor costs and contribute to the filing carrier's profitability. All rates, below the transition tariff and charges of competing carriers, must be filed on 30-days' notice and will become effective 30 days after the date filed, absent protest. All All rates will be subject to review upon the filing of a formal complaint. See Decision No. 90663 for a complete outline of the new regulatory program.

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Since these transition rules require no formal application for ~~contract carrier~~ rate reductions, this application should be dismissed without prejudice to the filing of the proposed rates ~~in~~ ~~a contract~~ under our new procedures.

IT IS ORDERED that Application No. 95904 is dismissed without prejudice.

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

Dated JUL 2 1980, at San Francisco, California.

J. E. Gray
President
Vernon L. Sturgeon
Robert D. Givels
Charles J. DeLuca
Thomas W. Jones
Commissioners