

Decision No. 92093 JUL 29 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the Pacific)	
Southcoast Freight Bureau for)	
Authority to Make Effective on	)	Application No. 59681
California Intrastate Traffic	)	(Filed May 21, 1980).
Selective Increases in Local and)	
Joint Freight Rates and Charges)	
as Published in Tariff of In-)	
creased Rates and Charges X375B)	
)	
	)	Case No. 5330
	)	Case No. 5433
	)	Case No. 5436
	)	Case No. 5437
	)	Case No. 5438
And Related Matters.	)	Case No. 5604
	)	Case No. 7857
	)	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 July 12, 1980, on interstate traffic in Tariff of Increased Rates and Charges X375B (TIRC X375B).^{2/}

The increases sought herein are the same as authorized by the Interstate Commerce Commission (I.C.C.) granting the nation's railroads authority to increase freight rates and charges nationwide. The rate increases constitute the second and final phase of the Ex Parte No. 375 increases. The second phase contains selective increases which vary commodity by commodity. The selective rate increases vary up and down from a base level of 8 percent and are in addition to the 4 percent increase authorized in the first phase.

^{1/} The common carriers are listed in Exhibit A attached to the application and Appendix A of this order.

^{2/} The increases which are contained in Tariff of Increased Rates and Charges X375B are set forth in Exhibit L attached to the application.

The interstate increases became effective July 12, 1980 in the Western and Southern Territories.

Authority is sought to apply this increase to the rates and charges previously increased by this Commission in Decision 91828, dated May 20, 1980 in Application 59538. That decision authorized a 4 percent general increase plus the incorporation of the 1.1 percent fuel related increase authorized by this Commission in Decision 91447, dated March 18, 1980 in Application 59412.

Authority is also sought to incorporate the above increases (Tariff of Increased Rates and Charges X375A (TIRC X375A)) into the master tariff X375B. This incorporation will aid tariff simplification. Also, the incorporation of TIRC X375A into TIRC X375B will prevent a compounding of the increase. This compounding will be prevented by applying the TIRC X375B increase to the Tariff of Increased Rates and Charges X368A level of rates rather than to the TIRC X375A level of rates.

The rate increases sought herein are the same as authorized by the I.C.C. except that only an 8 percent increase is sought on sugar beets instead of the 12 percent increase applicable on interstate movements. Applicant in the interest of further tariff simplification seeks to incorporate the 0.8 percent fuel related increase authorized by the I.C.C. under the Ex Parte No. 311 procedures into the tariff sought to be published. This 0.8 percent increase was made effective May 23, 1980 on interstate traffic. By Decision 92071, dated JUL 29 1980 in Application 59707, this Commission authorized the 0.8 percent fuel related increase on California intrastate traffic.

The increases sought herein are needed to offset cost increases now being incurred by the California railroads and such costs have not been covered by any prior rate increase application. The application enumerates cost increases occurring in the following categories: 1) wage costs (cost of living and general wage increase effective July 1, 1980), 2) railroad retirement and medicare taxes, 3) health and welfare benefits (on-duty injury premium), 4) materials

and supplies, 5) interest expense, and 6) other elements of expense (depreciation, equipment rentals, freight loss and damage, casualties and insurance).

The California Class I railroads have submitted detailed financial support data in justification for the proposed increases (Exhibits M through R - attached to the application). The carriers estimate that the increases proposed herein would yield approximately \$13.9 million additional annual gross revenue. The railroads estimate that the increase in revenues to be derived from the rate increase would approximate a 9.29 percent general increase in rates and charges. Applicant requests that the sought increases be made effective immediately in view of a continuing cost emergency situation. Applicant states, "Each day that goes by without the increase becoming effective will cost the rail carriers loss revenues of \$38,135 per day."

The proposed rate increases are consistent with the President's anti-inflation program and would not raise the level of general rate increases above the ceiling established by the Council on Wage and Price Stability.

Findings of Fact

1. Applicant seeks to increase intrastate rail freight rates and charges to the levels named in TIRC X375B.
2. Applicant's present intrastate freight rates and charges were authorized by Decision 91828, dated May 20, 1980 in Application 59538 (TIRC X375A).
3. The application shows that the proposed increase would produce an additional gross revenue of approximately \$13.9 million for the Class I railroad participants to the tariff.
4. The Interstate Commerce Commission has approved the increases contained in TIRC X375B for application on interstate traffic within the Western Territory.

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5. Applicant, for tariff simplicity, seeks to incorporate the TIRC X375A increases into the master TIRC X375B tariff.

6. Applicant, in a further effort towards tariff simplicity, seeks to incorporate the Tariff of Surcharges Account Increases in Fuel Costs X311B into a master TIRC X375C. The fuel surcharge increase was authorized by the Commission in its Decision 92071 dated JUL 29 1980 in Application 59707.

7. Applicant has proposed an exception to the master TIRC X375B tariff on the movement of sugar beets intrastate. The exception should be adopted and authority should be granted to publish an 8 percent increase on intrastate sugar beet movements instead of the 12 percent increase as published in TIRC X375B.

8. The Interstate Commerce Commission has found that the relevant level of the general rate increase is consistent with the President's anti-inflation program and if approved the increases conform with the price standards set forth by the Council on Wage and Price Stability.

9. TIRC X375B generally provides selective rate increases which vary up and down from a base level of 8 percent.

10. The application shows that the proposed increases would produce an additional annual gross revenue of approximately \$13.9 for the Class I railroad participants to the tariff.

11. Notice of the filing of the application appeared on the Commission's Daily Calendar of May 23, 1980. No objection to the granting of the application has been received.

12. An increase to the levels named in TIRC X375B in applicant's freight rates and charges, other than the exception on sugar beet movements, is justified and should be granted.

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

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

15. A public hearing is not necessary.

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

17. 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 X375B except for the transportation of sugar beets.

2. Pacific Southcoast Freight Bureau, on behalf of the common carriers listed in the application, is authorized to incorporate the 0.8 percent fuel surcharge into the TIRC X375B.

3. The Tariff of Increased Rates and Charges X375A and the Tariff of Surcharges Account Increases in Fuel Costs X311B shall be cancelled upon the effectiveness of Tariff of Increased Rates and Charges X375B and incorporated into the Tariff of Increased Rates and Charges X375C.

4. The increase in commodity rates for the transportation of sugar beets shall be eight (8) percent exclusive of the fuel surcharge authorized in paragraph 2.

5. Tariff publications authorized to be made as a result of the foregoing authority shall be filed not earlier than five days after the effective date of this order and may be made effective

not earlier 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 80-Series and 125-Series is required to accomplish such publications, authority for such departure is hereby granted.

6. Nothing in this opinion and order constitutes a finding of fact regarding the reasonableness of any particular rate or charge filed pursuant to this order, and applicant, by reason of this declaration, has no ground to contend to the contrary in any proceeding under Section 734 of the Public Utilities Code or in any other proceeding.

7. Common carriers maintaining, under outstanding authorization permitting the alternative use of rail rates, rates below the otherwise applicable minimum rate levels named in the Commission's Minimum Rate Tariffs 3-A, 4-B, 6-B, 7-A, 8-A, 12-A, 14-A, 17-A, 18 and/or 20 are authorized and directed to increase such rates to the level of the rail rates established pursuant to the authority granted in paragraphs 1 and 2 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 and 2 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 and 2 hereof, nor higher than the otherwise applicable minimum rates.

8. Common carriers maintaining, under outstanding authorization permitting the alternative use of rail rates, rates based on rail rates which have been changed or cancelled 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.

9. Tariff publications required or authorized to be made by common carriers as a result of paragraph 7 hereof may be made effective not earlier than the fifth day after the publication by applicant made pursuant to the authority granted in paragraphs 1 and 2 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 paragraphs 1 and 2.

10. Tariff publications required to be made by common carriers as a result of paragraph 8 hereof, shall be filed not earlier than the effective date of this order on not less than five days' notice to the Commission and to the public and shall be made effective not later than thirty days after the effective date of this order.

11. In making tariff publications authorized or required by paragraphs 7 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 authorization; 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.

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13. Rate increases authorized herein for the transportation of sugar beets by Southern Pacific Transportation Company shall be collected subject to refund pending the final determination of Application 58543.

The effective date of this order is the date hereof.
Dated JUL 29 1980, at San Francisco, California.

John E. Bryan
President

Richard P. Gandy

Edward J. Quinn

Clair T. Doolittle
Commissioners

I abstain

Vernon L. Sturgeon

APPENDIX A

Alameda Belt Line	(a California Corporation)
Almanor Railroad Company	(a California Corporation)
Anador Central Railroad Company	(a California Corporation)
Arcata & Mad River Railroad Company (The)	(a California Corporation)
Atchison, Topeka and Santa Fe Railway Company (The)	(a Kansas Corporation)
Burlington Northern	(a Delaware Corporation)
California Western Railroad	(a California Corporation)
Camino, Placerville and Lake Tahoe Railroad Company	(a California Corporation)
Central California Traction Company	(a California Corporation)
Fikse Brothers Incorporated	(a California Corporation)
Harbor Belt Line Railroad	(unincorporated)
Holton Inter-Urban Railway Company	(a California Corporation)
Los Angeles Junction Railway Company	(a California Corporation)
McCloud River Railroad Company	(a California Corporation)
Miles & Sons Trucking Service	(a California Corporation)
Modesto & Empire Traction Company	(a California Corporation)
Northwestern Pacific Railroad Company	(a California Corporation)
Oakland Terminal Railway (The)	(a California Corporation)
Pacific Motor Trucking Company	(a California Corporation)
Petaluma and Santa Rosa Railroad Company	(a California Corporation)
Quincy Railroad Company	(a California Corporation)
Sacramento Northern Railway	(a California Corporation)
Santa Fe Trail Transportation Company (The)	(a Kansas Corporation)
Santa Maria Valley Railroad Company	(a California Corporation)
Sierra Railroad Company	(a California Corporation)
Southern Pacific Transportation Company	(a Delaware Corporation)
Stockton Terminal & Eastern Railroad	(a California Corporation)
Sunset Railway	(a California Corporation)
Tidewater Southern Railway Company	(a California Corporation)
Trona Railway Company	(a California Corporation)
Union Pacific Railroad	(a Utah Corporation)
Ventura County Railway Company	(a California Corporation)
Visalia Electric Railroad Company	(a California Corporation)
Western Pacific Railroad System (The)	(a Delaware Corporation)
Yreka Western Railroad Company	(a California Corporation)

(END OF APPENDIX A)