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DEC - 1 1981

ORIGINAL

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of Highway Carriers Association)
for authority to increase rates)
in Highway Carriers Association)
Tariff Nos. 1, 2, 3, 4, 5, 6, &)
7, (including reissues thereof))
containing rates of common)
carriers for the transportation)
of commodities and performances)
of specified services related)
thereto.)

Application 60597
(Filed May 28, 1981; amended
September 8, 1981; and
October 19, 1981)

O P I N I O N

By this application as amended, Highway Carriers Association (HCA) seeks authority under Public Utilities (PU) Code Sections 454 and 496 to publish general increases in its tariffs.^{1/} These tariffs name class and commodity rates with

1/ Highway Carrier^A Association Tariffs:

Tariff No. 1	Cal. P.U.C. No. 1	Participating Carriers & General Rules
2	2	Class & Commodity Freight Rates
4	4	Truckload Transportation of Building Materials, Contractor's Equipment, Iron & Steel, Machinery, & Heavy Hauling
5	5	Transportation of Beer
6	6	Point to Point Rates (Los Angeles Area)
7	7	Truckload Rates - Freight All Kinds

related rules and conditions applicable for the transportation of general commodities in truckload and less than truckload movements. By amendment HCA has deleted its Tariff No. 3, which provides rates for the movement of mobile homes, from this application.

HCA operates as a rate bureau under authority granted by Decision 90171 dated April 10, 1978 in Application 58546. Approximately 303 highway common carriers participate in the HCA tariffs.

HCA, in seeking an 8% increase for its members, alleges that higher labor costs have been incurred by many of the members who are party to collective bargaining agreements. Further, HCA alleges that there is virtually no area of carrier activity which has remained stable since the last general increase was authorized. In reference to these activities HCA cites: fuel cost increases, the impact of inflation on cost of equipment, and for replacement and repair parts.

Staff analysis of the application has determined that applicant's data support the carriers' contentions for additional revenue needs. These data justify an 8% increase to the

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participants of HCA's general commodity tariffs.^{2/} Recognizing that an agreement for HCA's operations accords to each party participating in its tariffs free and unrestrained right to independent action, we will make increases granted by the following order permissive. HCA intends to publish any increases resulting from this order in supplement form (surcharges) and to incorporate the increases into the specific rates and charges as soon as possible.

This proposal is not considered to be a major action significantly affecting energy efficiency within the meaning of PU Code Sections 3502.1 and 3502.2.

Findings of Fact

1. HCA is a rate bureau operating under PU Code Section 496.
2. HCA seeks to publish increases in its Cal. P.U.C. Tariffs 1, 2, 4, 5, 6 and 7.
3. The increases are needed to offset cost increases now being incurred by highway common carriers parties to these tariffs. The sought increases have not been covered by any prior rate increase application.

^{2/} From the data and amendments, applicant estimates that if all participants elect to increase their rates by the full 8% sought, an annual increase of \$2.8 million could result.

4. The tariffs now contain rates and charges generally on the same levels as the related Commission Transition Tariffs.

5. The transition tariffs and the HCA tariffs reflect the cost level generally experienced by motor carriers of general commodities in effect on April 20, 1980.

6. The carriers subject to the rates in the HCA tariffs have experienced substantial increase in their labor and fringe benefit costs, operational and maintenance expenses, fuel costs, and indirect costs since April 20, 1980.

7. The increases in rates and charges by up to 8% sought by HCA on behalf of the individual common carriers participating in the HCA tariffs are justified.

8. HCA intends to publish the increases as supplements (surcharges) to the tariffs and to incorporate such increases into the specific rates and charges as soon as possible.

9. Notice of the application and amendments appeared on the Commission's Daily Calendars of June 1, September 15 and October 20, 1981. No objections to the granting of the application as amended have been received.

10. Since the carriers are already experiencing the increased operating costs, the order which follows should be made effective on the date of signature.

11. A public hearing is not necessary.

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

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

14. The following order has no reasonably foreseeable impact on the energy efficiency of highway carriers.

Conclusion of Law

The application should be granted as provided in the ensuing order.

O R D E R

IT IS ORDERED that:

1. Highway Carriers Association is authorized to publish surcharge increases as sought on behalf of the individual carriers participating in their tariffs enumerated in Application 60597, as amended.

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

3. Highway Carriers Association, in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of PU Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are 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.

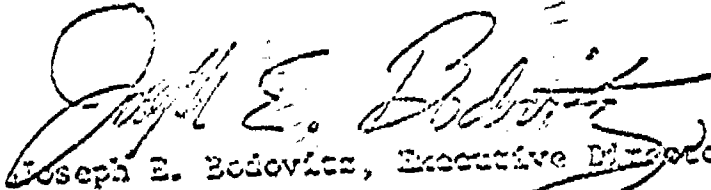
4. Highway Carriers Association is authorized to depart from the Commission's General Order 80-Series only to the extent necessary in establishing the surcharge supplements authorized by this order.

This order is effective today.

Dated DEC 1 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR GALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovick, Executive Director