

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution No. M-4747

(RESOLUTION ADOPTING LEVEL OF TRANSPORTATION)
(RATE FUND FEE THAT SHOULD BE IMPOSED)
(FOR FISCAL YEAR 1987-88)

Section 5003.1 of the Public Utilities Code Provides:

"Every express corporation, freight forwarder, motor transportation broker, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, at the time of the filing such report, pay to the commission a fee equal to one-third of one percent of the amount of such gross operating revenue; provided, however, that for any particular fiscal year the commission, with the approval of the Department of Finance, may fix said fee at less than one-third of one percent of said amount."

Public Utilities Code Section 5003.2 (Added Chapter 1142, Statutes of 1985) Provides:

" (a) Notwithstanding Section 5003.1, the commission shall require every highway carrier otherwise subject to Section 5003.1 for whom the commission does not establish minimum rates, or require rates to be on file with the commission, to pay a fee equal to 1/10 of 1 percent of the amount of gross operating revenue. This reduced fee shall remain in effect from July 1, 1986 to June 30, 1987.

(b) From July 1, 1986, to June 30, 1987, the commission may raise the fee imposed by Section 5003.1 upon those persons and corporations subject to that section for whom the commission establishes minimum rates or requires rates to be on file, up to a maximum of one-half of 1 percent of gross operating revenue, if the commission decides this increase is necessary to maintain adequate financing during this period."

Senate Bill 1597 (Montoya) would amend Public Utilities Code Section 5003.2 as follows:

5003.2 (a) Notwithstanding Section 5003.1, the commission shall require every highway carrier otherwise subject to Section 5003.1 for whom the commission does not establish minimum rates, or require rates to be on file with the commission, to pay a fee equal to 1/10 of 1 percent of the amount of gross operating revenue. This reduced fee shall remain in effect until June 30, 1988.

(b) Until June 30, 1988, the commission may raise the fee imposed by Section 5003.1 upon those persons and corporations subject to that section for whom the commission establishes minimum rates or requires rates to be on file,

up to a maximum of one-half of 1 percent of gross operating revenue, if the commission decides this increase is necessary to maintain adequate financing during this period.

The Transportation Rate Fund Fee for the 1986-87 fiscal year is 1/10 of 1% of gross operating revenue for all carriers whose rates are not regulated by this Commission, and 4/10 of 1% of gross operating revenue for those carriers whose rates are subject to regulation by the Commission. The Commission finds that for fiscal year 1987-88, the Transportation Rate Fund Fee should be set as follows:

- If Senate Bill 1597 is signed into law: One-tenth of one percent of gross operating revenue for highway carriers subject to the fee whose rates are not regulated by this Commission, and one-third of one percent of gross operating revenue for these carriers subject to the fee whose rates are subject to Commission regulation; or
- If Senate Bill 1597 does not become law: One-fourth of one percent of gross operating revenue for all highway carriers subject to the fee.

IT IS ORDERED that:

For the fiscal year 1987-88 , the fee provided for in Sections 5003.1 and 5003.2 of the Public Utilities Code is hereby fixed as follows:

- If Senate Bill 1597 is signed into law: One-tenth of one percent of gross operating revenue for highway carrier subject to the fee whose rates are not regulated by this Commission, and one-third of one percent of gross operating revenue for those carriers subject to the fee whose rates are subject to Commission regulation; or
- If Senate Bill 1597 does not become law: One-fourth of one percent of gross operating revenue for all highway carriers subject to the fee.

Fees hereby fixed are subject to approval of the Department of Finance.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 29, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



VICTOR WEISSNER
Executive Director

TRANSPORTATION RATE FUND

Actual Revenue Subject to Fee:

Dollars in thousands

1st quarter 86-87	1,178,937
2nd quarter 86-87	1,368,400
3rd quarter 85-86	1,114,134
4th quarter 85-86	973,056

Total revenue	4,634,527
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Rate regulated (65%)	3,012,443
Rate exempt (35%)	1,622,084

Rate Regulated Fee	0.0033
Rate Exempt Fee	0.0010
Est. reserve, 7/1/87	8,410,000

Revenues:

Quarterly fees:

1st quarter:

Rate regulated (0.0040)	3,065,000
Rate exempt (0.0010)	413,000

2nd - 4th quarters:

Rate regulated (0.0033)	7,412,000*
Rate exempt (0.0010)	1,209,000

Total, qrtly fees	12,099,000
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Quarterly fees (\$10)	872,000
Penalties	293,000
Regulatory licenses	1,938,000
Sale of documents	336,000
Income from SMIF	170,000
Miscellaneous	6,000

Total, Revenue	15,714,000
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Total, Resources	24,124,000
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Expenditures:

1987-88 Gov's Budget (CPUC)	17,496,000
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Total, Expenditures	17,496,000
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Est. reserve, 6/30/88	6,628,000
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% of expenditures	38%
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* Assumes SB 1597 becoming law.

TRANSPORTATION RATE FUND

Actual Revenue Subject to Fee:	
Dollars in thousands	
1st quarter 86-87	1,178,937
2nd quarter 86-87	1,368,400
3rd quarter 85-86	1,114,134
4th quarter 85-86	973,056
Total revenue	4,634,527

Est. reserve, 7/1/87	8,410,000
Revenues:	
Quarterly fees:	
1st qtr	
Rate regulated (0.0040)	3,065,000
Rate exempt (0.0010)	413,000
2nd-4th qtrs (0.0025)	8,639,000*
Total, qrtly fees	12,117,000
Quarterly fees (\$10)	872,000
Penalties	293,000
Regulatory licenses	1,938,000
Sale of documents	336,000
Income from SMIF	170,000
Miscellaneous	6,000
Total, Revenues	15,732,000
Total, Resources	24,142,000
Expenditures:	
1987-88 Gov's Budget	17,496,000
Total, Expenditures	17,496,000
Est. reserve, 6/30/88	6,646,000
% of expenditures	38%

* Assumes SB 1597 does not become law.

Introduced by Senator Montoya

March 6, 1987

An act to amend Section 422 of the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 1597, as introduced, Montoya. Public Utilities Commission: reimbursement fees.

Under existing law, the Public Utilities Commission annually establishes and imposes regulatory fees on carriers and related businesses subject to its jurisdiction sufficient to meet the costs of its regulation of those carriers and businesses.

This bill would restrict the amount of the fee to not more than 1% of the annual gross intrastate revenue of a carrier or business for the year preceding the year in which the fee is imposed.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 422 of the Public Utilities Code
- 2 is amended to read:
- 3 422. The commission shall establish the fee pursuant
- 4 to Section 421 with the approval of the Department of
- 5 Finance and in accordance with the following:
- 6 (a) In its annual budget request, the commission shall
- 7 specify, at a minimum, both of the following:
- 8 (1) The amount of its budget to be financed by the fee.
- 9 (2) The dollar allocation of the amount of its budget to
- 10 be financed by the fee by each class of carrier and related
- 11 business subject to the fee. Each class of carrier and

1 related business subject to this article shall pay fees
2 sufficient to support the commission's regulatory
3 activities for the class from which the fee is collected and
4 to establish an appropriate reserve, *except that no fee*
5 *imposed on any carrier or related business shall exceed 1*
6 *percent of that carrier's or business's gross intrastate*
7 *revenue for the year preceding the year in which the fee*
8 *is imposed.*

9 (b) The commission may establish different and
10 distinct methods of assessing fees for each class of carrier
11 and related business, if the revenues collected are
12 consistent with paragraph (2) of subdivision (a).

13 (c) Within each class of carrier and related business
14 subject to the fee, the commission shall allocate, among
15 the members of the class, the amount of the commission's
16 budget to be financed by the fee based on the ratio that
17 each member's gross intrastate revenues bears to the
18 total gross intrastate revenues of the class.

19 (d) Any carrier or related business which is a member
20 of more than one class of carrier or related business shall
21 be subject to the fee for each class of which it is a
22 member.

23 (e) For every carrier and related business having
24 annual gross intrastate revenues of one hundred
25 thousand dollars (\$100,000) or less, the commission shall
26 annually establish uniform fees, which shall be not less
27 than a minimum annual fee, to be paid by each such
28 carrier and related business, if the revenues collected are
29 consistent with paragraph (2) of subdivision (a). Every
30 carrier and related business paying fees pursuant to this
31 subdivision shall show proof of eligibility at the time of
32 payment in a form the commission may specify.

33 (f) The commission shall annually establish a uniform
34 fee, which shall be not less than a minimum annual fee,
35 to be paid by every commercial air operator and for-hire
36 vessel operator, if the revenues collected are consistent
37 with paragraph (2) of subdivision (a).

AMENDMENTS TO SENATE BILL NO. 1597
AS AMENDED IN SENATE APRIL 20, 1987

Amendment 1

On page 2, line 11, strike out "January 1, 1990"
and insert:

July 1, 1988

Amendment 2

On page 2, lines 12 and 13, strike out "January
1, 1990" and insert:

July 1, 1988

Amendment 3

On page 2, line 32, after "SEC. 2." insert:

The Public Utilities Commission shall, on or before
January 1, 1988, prepare and submit to the Legislature a
report on its study regarding a permanent reduced fee for
highway carriers conducted pursuant to subdivision (c) of
Section 5003.2 of the Public Utilities Code, together with
its recommendations in this regard.

SEC. 3.

Amendment 4

On page 3, line 8, strike out "January 1, 1990"
and insert:

July 1, 1988

Amendment 5

On page 3, line 9, after the first "to" insert:

and considered by