

State of California

Public Utilities Commission
San Francisco

M E M O R A N D U M

Date : April 12, 1991

To : COMMISSIONERS
(For Regular Meeting of May 22, 1991)

From : Wesley M. Franklin
Assistant Executive Director

File No.:

Subject : Level of Transportation Rate Fund Fee to be
Imposed for Fiscal Year 1991-92

RECOMMENDATION: The Commission should fix the captioned fee as follows:

One-tenth of one percent (.001) of gross operating revenue for highway carriers of property whose rates are not regulated by the Commission, and one-half of one percent (.005) of gross operating revenue for highway carriers of property whose rates are regulated.

BACKGROUND: Pursuant to Section 5003.1 of the Public Utilities Code, every express corporation, freight forwarder, motor transportation broker and highway carrier subject to the jurisdiction of this Commission must, on a quarterly basis, file a report of gross operating revenue and pay to the Commission a fee equal to not more than one-third of one percent of its gross operating revenue (in addition to a base quarterly fee of \$10.00). Notwithstanding Section 5003.1, Public Utilities Code Section 5003.2 (a) requires all highway carriers of property 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% of the amount of gross operating revenue. PU Code Section 5003.2 (b) provides that 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 for the Transportation Rate Fund.

The current-year (1990-91) fee for highway carriers of property whose rates are regulated is two-tenths of one percent (.002). The fee level for these carriers has remained unchanged since the 1988-89 fiscal year to reduce a surplus in the Transportation Rate Fund. The staff's recommendation will increase the fee for

these carriers to one-half of one percent (.005). The proposed fee level will produce enough revenue to fund the Commission with its authorized expenditures to regulate highway carriers of property for the 1991-92 fiscal year.

A proposed Resolution and detailed fund condition statement are attached.

Attachments (2)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution No. M-4759

(RESOLUTION ADOPTING LEVEL OF TRANSPORTATION)
(RATE FUND FEE THAT SHOULD BE IMPOSED)
(FOR FISCAL YEAR 1991-92)

Public Utilities Code Section 5003.1 provides that:

"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...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."

Section 5003.2 (amended 1988, Chapter 375) of the PU Code further provides that:

"(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.
(b) 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 for the Transportation Rate Fund."

The Commission finds that for fiscal year 1991-92, the Transportation Rate Fund fee should be fixed as follows:

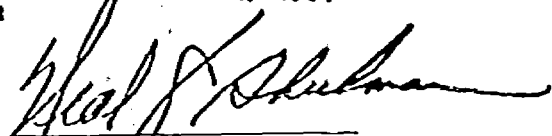
One-tenth of one percent (.001) of gross operating revenue for highway carriers of property for whom the Commission does not establish minimum rates or require rates to be on file with the Commission, and one-half of one percent (.005) of gross operating revenue for highway carriers of property for whom the Commission establishes minimum rates or requires rates to be on file with the Commission.

IT IS ORDERED THAT:

For the fiscal year 1991-92, the fee provided for in Public Utilities Code Sections 5003.1 and 5003.2 is hereby fixed at the following level:

One-tenth of one percent (.001) of gross operating revenue for highway carriers of property for whom the Commission does not establish minimum rates or require rates to be on file with the Commission, and one-half of one percent (.005) of gross operating revenue for highway carriers of property for whom the Commission establishes minimum rates or requires rates to be on file with the Commission.

I certify that this resolution was adopted by the Public Utilities Commission at its regular Meeting on MAY 22, 1991.
The following Commissioners approved it:


NEAL J. SHULMAN
EXECUTIVE DIRECTOR

PATRICIA M. ECKERT
President
G. MITCHELL WILK
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

Fund Condition

412 - TRANSPORTATION RATE FUND

Actual Reserve, June 30, 1990 (1991-92 Governor's Budget)		\$6,907,000
Estimated 1990-91 Revenues		
Quarterly Fees:		
Regulated Fees (.002)	\$7,580,000	
Exempt Fees (.001)	<u>1,704,000</u>	
Total, Quarterly Fees		\$9,284,000
Penalties		320,000
Regulatory Licenses and Filing Fees		2,900,000
Sale of Documents		80,000
Income from Surplus Money Investment Fund		350,000
Miscellaneous		<u>3,000</u>
Total, Revenues		\$12,937,000
 Total Resources		 \$19,844,000
1990-91 Expenditures:		
Public Utilities Commission (estimated)		\$19,747,000
 Estimated Reserve, June 30, 1991		 \$97,000
Estimated 1991-92 Revenues		
Quarterly Fees:		
Regulated Fees (.005)	\$16,273,000	
Exempt Fees (.001)	<u>1,704,000</u>	
Total, Quarterly Fees		\$17,977,000
Penalties		320,000
Regulatory Licenses and Filing Fees		2,900,000
Sale of Documents		80,000
Income from Surplus Money Investment Fund		228,000
Miscellaneous		<u>3,000</u>
Total, Revenues		\$21,508,000
 Total Resources		 \$21,605,000
1991-92 Expenditures:		
Public Utilities Commission (1991-92 Governor's Budget)		\$21,346,000
 Estimated Reserve, June 30, 1992		 \$259,000