

T-6

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Transportation Division

RESOLUTION TL-18370*

Date July 18, 1990

R E S O L U T I O N

RESOLUTION TL-18370. MINIMUM RATE TARIFF 4-C (MRT 4-C), USED HOUSEHOLD GOODS, ADJUSTMENTS IN ACCORDANCE WITH THE PASSAGE OF PROPOSITION 111, FORMERLY KNOWN AS SCA 1.

SUMMARY

On June 5, 1990, the voters of California approved Proposition 111. This statewide traffic congestion relief program provides new revenues to be used to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. The new revenues are generated by enactment of a 40% increase in truck weight fees and a five cents per gallon increase in the state fuel tax, effective August 1, 1990. An additional annual one cent per gallon increase will be imposed on fuel tax on January 1, 1991, and each January thereafter, until the total increase amounts to nine cents per gallon. Another increase of 10% on truck weight fees will be imposed on January 1, 1995.

Since these weight fee and fuel tax increases will first become effective on August 1, 1990, this resolution is intended to inform Household Goods Carriers subject to MRT 4-C of Transportation Division's calculation of the cost impact of these increases.

BACKGROUND

The Commission prescribes minimum rates, rules and regulations for used household goods transportation performed by Household Goods Carriers over the public highways of the State. Household Goods Carriers are free to charge rates above those published in MRT 4-C without prior authorization from the Commission. The present rates set forth in MRT 4-C are based on

the underlying costs established in Case 5330 by D.87-01-066 (hourly rates) and D.87-09-045 (distance rates) on January 28, 1987 and September 10, 1987, respectively. On November 3, 1989, we issued Order Instituting Investigation (OII) 89-11-003 into whether and to what extent prior Commission decisions in the area of household goods transportation should be modified. This OII also suspended OSH 100 in Case 5330 and held in abeyance any action on interim or permanent rate changes to MRT 4-C.

DISCUSSION

In order to determine the cost impact of the Proposition 111 August 1, 1990 weight fee and fuel tax increases, the Transportation Division staff used, as its cost models, the MRT 4-C datum planes of record for hourly and distance rates expressed in D.87-01-066 and D.87-09-045, respectively. It varied the fuel and weight fees in these datum planes by the amounts to become effective on August 1, and estimated the changes these changed factors would create in the total costs upon which MRT 4-C hourly and distance rates are based. The tabulations of the results are shown in Appendix A. They indicate the following average increases in costs would be incurred by Household Goods Carriers, if no other costs had changed:

- o In the case of hourly rates:

<u>Territory</u>	<u>Vehicle with Driver & Helper</u>	<u>Vehicle with Driver only</u>
A	0.53¢	0.83¢
B	0.58¢	0.87¢
C	0.66¢	1.01¢

- o In the case of distance rates, 0.76¢ on average for Region 1 and 0.77¢ on average for Region 2 and between Regions 1 and 2.

Since Household Goods Carriers are free to raise their rates by these amounts without prior Commission authorization, public hearings on the issue should be unnecessary.

FINDINGS

1. The weight fee and fuel tax increases mandated by Proposition 111 and effective August 1, 1990 would increase the average operating costs of Household Goods Carriers by the amounts shown herein, if all other costs remained constant. All carriers subject to MRT 4-C should be informed of this.

2. A public hearing on this matter is not necessary.

3. We are currently investigating possible changes to our prior decisions regulating Household Goods Carriers, and have held in abeyance any action on interim or permanent rate changes to MRT 4-C.

THEREFORE, IT IS ORDERED that:

1. The Executive Director shall serve a copy of this resolution on each subscriber to Minimum Rate Tariff 4-C.

2. This order is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on July 18, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners


Neal Shulman
Executive Director

100 O.R. COST PER REVENUE HOUR
 Vehicle With Driver and Helper

	2-Axle Truck	2-Axle Trac. & Trailer	80' X 2-Axle Truck + 20' 2-Axle Trac. & Trailer
Territory A	0.470¢	0.770¢	0.530¢
Territory B	0.520¢	0.820¢	0.580¢
Territory C	0.590¢	0.950¢	0.662¢
Low:	0.470¢	0.770¢	0.530¢
High:	0.590¢	0.950¢	0.662¢
Average:	0.527¢	0.847¢	0.591¢
Total Low:	0.470¢		
Total High:	0.950¢		
Total Average:	0.655¢		

100 O.R. COST PER REVENUE HOUR
 Vehicle With Driver

	2-Axle Truck	2-Axle Trac. & Trailer	80' X 2-Axle Truck + 20' 2-Axle Trac. & Trailer
Territory A	0.750¢	1.140¢	0.828¢
Territory B	0.790¢	1.170¢	0.866¢
Territory C	0.920¢	1.370¢	1.010¢
Low:	0.750¢	1.140¢	0.880¢
High:	0.920¢	1.370¢	1.010¢
Average:	0.820¢	1.227¢	0.901¢
Total Low:	0.750¢		
Total High:	1.370¢		
Total Average:	0.983¢		

Table 9
 Full Cost Per 100 Pounds at 100 Operating Ratio
 Region I

	Length of Haul Constructive Miles					Low	High	Average
	50	100	250	400	600			
Less than 1000 Lbs.	0.550%	0.600%	0.780%	0.790%	0.860%	0.550%	0.860%	0.716%
1000 - 1999 Lbs.	0.550%	0.630%	0.840%	0.850%	0.950%	0.550%	0.950%	0.764%
2000 - 4999 Lbs.	0.530%	0.630%	0.870%	0.880%	1.000%	0.530%	1.000%	0.782%
5000 - 7999 Lbs.	0.510%	0.610%	0.840%	0.860%	0.990%	0.510%	0.990%	0.762%
8000 - 11999 Lbs.	0.490%	0.590%	0.840%	0.860%	0.990%	0.490%	0.990%	0.754%
12000 - 15999 Lbs.	0.490%	0.600%	0.840%	0.860%	1.000%	0.490%	1.000%	0.758%
16000 Lbs and Over	0.490%	0.590%	0.840%	0.860%	1.000%	0.490%	1.000%	0.756%
Low:	0.490%	0.590%	0.780%	0.790%	0.860%			
High:	0.550%	0.630%	0.870%	0.880%	1.000%			
Average:	0.516%	0.607%	0.836%	0.851%	0.970%			
Total Low:	0.490%							
Total High:	1.000%							
Total Average:	0.756%							

APPENDIX A
 RESOLUTION TL-18370
 MRT 4-C - USED HOUSEHOLD GOODS
 REGION II and BETWEEN
 REGIONS I and II

Table II
 Full Cost Per 100 Pounds at 100 Operating Ratio
 For Various Lengths of Haul in Region 2 and Between Regions 1 and 2

	Length of Haul Constructive Miles					Low	High	Average
	50	100	250	400	600			
Less than 1000 Lbs	0.550%	0.600%	0.800%	0.810%	0.860%	0.550%	0.840%	0.724%
1000 - 1999 Lbs.	0.550%	0.630%	0.860%	0.890%	0.950%	0.550%	0.950%	0.776%
2000 - 4999 Lbs.	0.530%	0.630%	0.900%	0.930%	1.000%	0.530%	1.000%	0.798%
5000 - 7999 Lbs.	0.510%	0.620%	0.870%	0.910%	0.990%	0.510%	0.990%	0.780%
8000 - 11999 Lbs.	0.490%	0.600%	0.870%	0.900%	0.990%	0.490%	0.990%	0.770%
12000 - 15999 Lbs.	0.490%	0.610%	0.880%	0.910%	1.000%	0.490%	1.000%	0.778%
16000 Lbs and Over	0.490%	0.600%	0.870%	0.910%	1.000%	0.490%	1.000%	0.774%
Low:	0.490%	0.590%	0.780%	0.790%	0.860%			
High:	0.550%	0.630%	0.870%	0.880%	1.000%			
Average:	0.516%	0.613%	0.864%	0.894%	0.970%			
Total Low:	0.490%							
Total High:	1.000%							
Total Average:	0.771%							