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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Transportation Division

RESOLUTION TL-18371\*  
Date July 18, 1990

R E S O L U T I O N

RESOLUTION NO. TL-18371. MINIMUM RATE TARIFF 3-A (MRT 3-A),  
LIVESTOCK, 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 is imposed on the 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 first become effective on August 1, 1990, this resolution is intended to: 1) inform Livestock Carriers and Highway Common Carriers subject to MRT 3-A rate minimums of Transportation Division's calculation of the cost impact of these increases; and, 2) grant Highway Common Carriers hauling livestock authorization to increase their rates by that amount if they so choose.

BACKGROUND

The Commission prescribes minimum rates, rules and regulations for livestock transportation performed by Livestock Carriers and Highway Common Carriers over the public highways of the State. Livestock Carriers are free to charge rates above those published in MRT 3-A without prior authorization from the Commission. Highway Common Carriers who transport livestock, however, must seek authority from the Commission to raise their rates, pursuant to Public Utilities Code Section 454. The present

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rate levels contained in MRT 3-A are based on underlying costs presented in Case 5433, Petition No. 80, filed in November 1988, and adopted by D.89-12-026 on December 6, 1989.

### 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 model, the MRT 3-A datum plane of record in D.89-12-026. It varied the fuel and weight fees contained therein by the amounts to become effective on August 1, and estimated the change these changed factors would cause in the total costs upon which MRT 3-A is based. The tabulation of the results is shown in Appendix A. It indicates that an average cost increase of 1.36% would be incurred by livestock haulers, if no other costs had changed.

Livestock Carriers are free to raise their rates by this amount without prior Commission authorization. However, Highway Common Carriers who haul livestock must obtain Commission authorization before they can increase their rates. Highway Common Carrier livestock hauling rate increases of 1.4%, effective August 1, 1990 are justified to allow this class of carrier the same cost recovery opportunity as Livestock Carriers enjoy. Since we are only permitting, not requiring, common carrier rate increases to reflect the impact of Proposition 111, this authorization should be noncontroversial and public hearings to consider it 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 highway carriers subject to MRT 3-A by 1.36%, if all other costs remained constant. All carriers subject to MRT 3-A should be informed of this.

2. Although Livestock Carriers are free to raise their rates by the amount set forth in Finding 1 without prior Commission authorization, Highway Common Carriers subject to MRT 3-A are not.

3. We should authorize Highway Common Carriers who publish rates for livestock hauling to increase those rates by up to 1.4%, effective August 1, 1990.

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4. The rate increase authorization referred to in Finding 3 is justified because it allows Highway Common Carriers the same opportunity to increase rates to deal with the impact of Proposition 111 as is enjoyed by Livestock Carriers.

5. A public hearing is not necessary.

**THEREFORE, IT IS ORDERED that:**

1. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision 55587, as amended, are authorized to increase the rates for the transportation of livestock they publish subject to Decision 55587, as amended, by up to 1.4%.

2. Tariff publications by common carriers pursuant to this order shall be made effective no sooner than August 1, 1990, on not less than five days' notice to the Commission and to the public.

3. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of PU Code Section 461.5 to the extent necessary to adjust long-haul and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to increase rates by the amounts authorized in this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long-haul and short-haul departures and to this order.

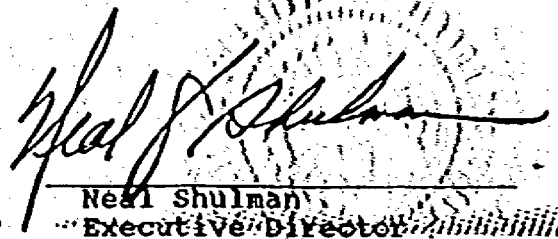
4. The Executive Director shall serve a copy of this resolution on every common carrier, or such carrier's authorized tariff publishing agent, performing transportation services subject to Minimum Rate Tariff 3-A.

5. The Executive Director shall serve a copy of this resolution on each subscriber to Minimum Rate Tariff 3-A.

6. 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

TABLE 1  
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 SUMMARY OF DIRECT COSTS AND DEVELOPMENT OF FULL COSTS PER TON AT 100 OPERATING RATIO  
 TRUCK AND TRAILER FEES  
 FAT CATTLE  
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Year	Item	Leading and Unloading	Bedding	Line Coal	Is Route	Weighting Fee	Total Direct	Direct and Indirect	Full Costs @ 100 O.R.	% Increase (CVC)
(1)	(2)	(3) T-3(4)	(4) T-4(6)	(5) T-5 L11	(6) T-6 L7	(7)	(8) (2)+(7)	(9)	(10) (8) / 0.9064	(11)
10 Constructive Miles										
88	38000 lbs but less than 41000	23.57	3.78	27.05	2.32	2.00	58.72	64.95	71.70	
	41000 lbs and over	24.43	4.41	27.05	2.32	2.00	60.21	66.87	73.70	
89	38000 lbs but less than 41000	23.77	3.82	27.45	2.35	2.00	59.39	65.68	72.47	1.07
	41000 lbs and over	24.64	4.49	27.45	2.35	2.00	60.93	67.57	74.55	1.05
30 Constructive Miles										
88	38000 lbs but less than 41000	23.57	5.39	66.55	4.75	2.00	102.61	115.79	127.75	
	41000 lbs and over	24.43	6.66	62.99	4.75	2.00	100.83	110.25	120.66	
89	38000 lbs but less than 41000	23.77	5.36	76.06	4.82	2.00	108.01	117.20	129.31	1.22
	41000 lbs and over	24.64	6.74	70.66	4.82	2.00	108.86	119.66	132.04	1.21
75 Constructive Miles										
88	38000 lbs but less than 41000	23.57	8.81	147.10	5.10	2.00	182.58	204.67	225.81	
	41000 lbs and over	24.43	10.65	147.76	5.10	2.00	185.94	207.57	229.00	
89	38000 lbs but less than 41000	23.77	8.91	149.63	5.25	2.00	189.56	207.57	229.94	1.33
	41000 lbs and over	24.64	10.77	145.63	5.25	2.00	192.30	210.45	232.18	1.33
150 Constructive Miles										
88	38000 lbs but less than 41000	23.57	10.65	272.51	5.66	2.00	314.39	341.64	380.23	
	41000 lbs and over	24.43	10.65	272.51	5.66	2.00	315.25	345.59	381.28	
89	38000 lbs but less than 41000	23.77	10.77	277.22	5.74	2.00	319.50	349.75	385.87	1.40
	41000 lbs and over	24.64	10.77	277.22	5.74	2.00	320.38	350.72	386.93	1.40
350 Constructive Miles										
88	38000 lbs but less than 41000	23.57	12.09	626.85	5.61	2.00	670.15	733.86	808.76	
	41000 lbs and over	24.43	12.09	626.85	5.61	2.00	671.01	734.88	809.80	
89	38000 lbs but less than 41000	23.77	12.23	639.40	5.72	2.00	691.18	748.18	820.94	1.51
	41000 lbs and over	24.64	12.23	639.46	5.72	2.00	692.05	749.64	821.98	1.50
500 Constructive Miles										
88	38000 lbs but less than 41000	23.57	14.96	822.68	5.61	2.00	935.12	1023.63	1129.34	
	41000 lbs and over	24.43	14.96	822.68	5.61	2.00	935.60	1024.57	1130.37	
89	38000 lbs but less than 41000	23.77	15.13	904.40	5.65	2.00	956.99	1030.81	1146.88	1.40
	41000 lbs and over	24.64	15.13	904.49	5.69	2.00	958.06	1035.75	1147.13	1.40