

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution TL-18380-A
Transportation Division
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R E S O L U T I O N

**RESOLUTION AUTHORIZING CERTAIN HIGHWAY COMMON CARRIERS,
PASSENGER STAGE CORPORATIONS, VESSEL COMMON CARRIERS AND HIGHWAY
CONTRACT CARRIERS TO MAKE TARIFF AND CONTRACT FILINGS IN RESPONSE
TO MAJOR FUEL COST CHANGES DUE TO THE CRISIS IN THE MIDDLE EAST**

In response to recent events in the Middle East and rising oil prices, the Commission ordered, in Resolution TL-18374 on August 8, 1990, a revised "zone of reasonableness" for highway common carriers subject to General Order 147-B. This revised zone of reasonableness is set to expire on September 30, 1990.

On August 10, 1990 United Parcel Service filed Application 90-08-026, asking that Commission Resolution TL-18374 be amended "to authorize United Parcel Service, Inc. and other similarly situated carriers to file tariffs in response to major fuel cost changes due to the crisis in the Middle East upon the same terms and conditions as detailed in Resolution TL-18374". The Commission has also received informal requests from a large number of highway common carriers, passenger stage corporations, vessel common carriers and highway contract carriers, all seeking similar relief and asserting that their situation is no different than the circumstances which prompted Resolution TL-18374.

The facts detailed in Resolution TL-18374 apply similarly to United Parcel Service and other highway common carriers not subject to General Order 147-B; to passenger stage corporations; to vessel common carriers; and to highway contract carriers. We believe that expanding the temporary emergency relief authorized by Resolution TL-18374 to include the aforementioned carriers is appropriate.

Any party who wishes to request extension of the temporary relief granted by this Resolution should apply for such additional relief, in accordance with the Commission's Rules of Practice and Procedure, no later than September 18, 1990.

Findings of Fact

1. Recent events in the Middle East have resulted in precipitous and unforeseeable fuel price increases associated with abnormal market conditions.
2. Some carriers have reported that they are already paying significantly higher fuel prices.
3. A number of carriers may be unable to recover cost increases due to this emergency without additional authority.

Conclusions of Law

1. United Parcel Service, Inc., all other highway common carriers not subject to General Order 147-B, passenger stage corporations, and vessel common carriers should be permitted to file tariffs within a "zone of reasonableness", whose upper limit is ten percent above their current rates, due to the unforeseen rise in fuel costs.
2. Passenger stage corporations who have been individually granted a "zone of rate freedom" pursuant to P.U. Code Section 454.2 should be permitted to file tariffs within a "zone of reasonableness" whose upper limit is ten percent above their authorized zone of rate freedom, due to the unforeseen rise in fuel costs.
3. Highway contract carriers should be permitted to file amendments to contracts currently on file to reflect the sudden fuel price increases described in this resolution, subject to the same conditions applicable to common carriers under this resolution.
4. The tariff filing and contract amendments described in Conclusions of Law 1, 2 and 3 above should expire September 30, 1990.

5. Because carriers may need to respond promptly to changes in fuel costs, as outlined in our Findings of Fact above, there is good cause to authorize tariff and contract filings on one days' notice.
6. The tariff filings authorized by this order are justified.

O R D E R

IT IS ORDERED that:

1. Until September 30, 1990, United Parcel Service, Inc., all other highway common carriers not subject to General Order 147-B, passenger stage corporations, and vessel common carriers are permitted to file tariffs within a "zone of reasonableness" whose upper bound is ten percent above their current rates.
2. Until September 30, 1990 passenger stage corporations who have been individually granted a "zone of rate freedom" pursuant to P.U. Code Section 454.2 are permitted to file tariffs within a "zone of reasonableness" whose upper bound is ten percent above their authorized zone of rate freedom.
3. These common carriers shall be permitted to exercise this authority by making a tariff filing showing a percentage surcharge on any or all of their tariffs within the range authorized by ordering paragraphs 1 and 2, and further justifying the surcharge by a simple calculation showing the percent by which increases in fuel costs have increased their overall costs. This calculation shall show the carriers' overall costs; the percentage of those overall costs that consist of fuel costs; and the increase in fuel costs the carrier has experienced after August 1, 1990, due to the current emergency in the Middle East, both in dollar figures and as a percentage.
4. Until September 30, 1990 highway contract carriers are permitted to file an amendment to any existing contract showing a percentage surcharge on any contract

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This resolution is effective today.

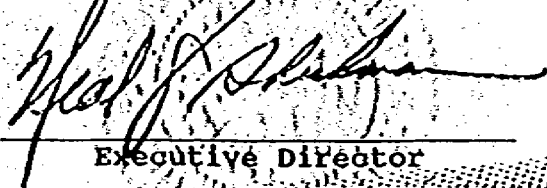
I certify that this resolution was adopted by the Public
Utilities Commission at its regular meeting on August 29, 1990.

The following Commissioners approved it.

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

Commissioner JOHN B. OHANIAN,
being necessarily absent, did
not participate.

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OF THE STATE OF CALIFORNIA



Executive Director

rate (up to a maximum of 10 percent), and further justifying the surcharge by a simple calculation showing the percent by which increases in fuel costs have increased their overall costs. This calculation shall show the carriers' overall costs; the percentage of those overall costs that consist of fuel costs; and the increase in fuel costs the carrier has experienced after August 1, 1990, due to the current emergency in the Middle East, both in dollar figures and as a percentage.

5. Tariff filings and contract amendments pursuant to this order may be made effective upon one day's notice (one day after filing with the Commission).
6. Any tariff filings and contract amendments authorized pursuant to this order shall expire September 30, 1990, absent further order by this Commission.
7. This resolution does not authorize any collective ratemaking or other collective action pursuant to P.U. Code Section 496. However, independent carrier action within rate bureaus is not prohibited. Individual carriers may use rate bureaus as their publishing agent for individual tariff filings pursuant to this resolution.
8. Any party who wishes to request extension of the temporary relief granted by this Resolution, shall apply for such additional relief, in accordance with the Commission's Rules of Practice and Procedure, no later than September 18, 1990.
9. The Executive Director shall serve a copy of this resolution on United Parcel Service, all highway common carriers, all passenger stage corporations, all vessel common carriers, and all highway contract carriers.