

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Rail Safety and Carriers Division**

**RESOLUTION TL-18944  
October 5, 2000**

**RESOLUTION**

**RESOLUTION EXTENDING THE AUTHORITY GRANTED TO VESSEL  
COMMON CARRIERS BY RESOLUTION TL-18927 TO ADJUST THEIR  
FARES WITHOUT SPECIFIC APPROVAL OF THE COMMISSION**

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**SUMMARY**

This resolution extends the authority granted by Resolution TL-18927 allowing vessel common carriers (VCCs) to adjust their fares without specific Commission authorization.

**BACKGROUND**

By Resolution TL-18927, dated April 20, 2000, we authorized VCCs for a 180-day period to file tariffs with fares that are within a "zone of reasonableness" whose upper limit is 15% above their current fares. This action was taken in response to the significant increases in fuel prices that had occurred in California. We wanted VCCs to be able to obtain needed fare relief with minimum regulatory burden. Without this special authority carriers would have to make formal application to the Commission for a fare increase. The Rail Safety and Carriers Division (RSCD) reports that 8 of the 21 VCC certificate holders have filed fare increases of varying degrees under authority of Resolution TL-18927. This authority is scheduled to expire October 17, 2000.

**DISCUSSION**

The problem of rising fuel prices in California has not diminished since we issued Resolution TL-18927. We wish to continue to provide VCCs with a simple process to obtain fare relief. It is therefore appropriate that the authority to adjust fares given to VCCs by Resolution TL-18927 continue. We will extend the authority for a period of one year. RSCD will be monitoring fuel prices, and if

price changes warrant cancellation or modification of this authority during the one-year period, we will act accordingly.

In Resolution TL-18927 we noted that by Decision 98-12-016, Catalina Channel Express, Inc. (Express) had been granted a zone of rate freedom (ZORF) of 10% above and below its existing fare levels. We further noted that Express had exercised the ZORF by making various levels of fare increases, up to the 10% limit. Resolution TL-18927 authorized Express to use the upper limit of its ZORF as the base for applying any increase under the temporary authority. We will continue to allow Express to apply the increase in this manner.

### **COMMENTS ON DRAFT RESOLUTION**

To comply with Pub. Util. Code § 311(g), RSCD commenced publication of a Daily Calendar notice on September 5, 2000, that apprised the public of the availability of its draft of this resolution and solicited comments by September 25, 2000. The draft resolution was also mailed to every VCC holding a certificate from the Commission and to other parties on the service list to Resolution TL-18927.

Comments were filed by Edward J. Hegarty, Attorney at Law, on behalf of Express and Blue & Gold Fleet, L.P. Mr. Hegarty strongly urged adoption of the resolution. He attached a letter and invoice received by Express from its fuel supplier to demonstrate a continuing escalation of fuel prices to, according to the supplier, unprecedented levels.

### **THEREFORE, IT IS ORDERED that:**

1. The authority granted by Resolution TL-18927 permitting vessel common carriers (VCCs), except Catalina Channel Express, Inc. (Express), to file tariffs with fares that are within a “zone of reasonableness” whose upper limit is 15% above their current fares is extended to October 17, 2001, unless earlier modified or cancelled by the Commission.
2. The authority granted by Resolution TL-18927 permitting Express to file tariffs with fares that are within a “zone of reasonableness” whose upper limit is 15% above its authorized zone of rate freedom is extended to October 17, 2001, unless earlier modified or cancelled by the Commission.

3. VCCs shall be allowed to exercise the actions permitted by Ordering Paragraphs 1 and 2 by making a tariff filing showing a percentage surcharge on any or all of their tariff fares and charges within the range authorized.
4. Tariff filings pursuant to this order may be made effective on one day's notice (one day after filing with the Commission).
5. Any tariff filings authorized by this order shall expire October 17, 2001, absent further order by this Commission. Any VCC that made a tariff filing under Resolution TL-18927 shall make an amended filing reflecting the new expiration date of October 15, 2001.
6. The Executive Director shall serve a copy of this resolution on every vessel common carrier holding a certificate from the Commission and every other party on the service list to this resolution.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted by the Commission at its regularly scheduled meeting on October 5, 2000. The following Commissioners voted favorably thereon:

/s/ WESLEY M. FRANKLIN  
WESLEY M. FRANKLIN  
Executive Director

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
CARL W. WOOD  
Commissioners