

**ORIGINAL**

Decision No. 48511

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation	)	
into the rates, rules, regulations,	)	
charges, allowances and practices	)	
of all common carriers, highway	)	Case No. 4808
carriers and city carriers relating	)	
to the transportation of property.	)	

Appearances

- Calhoun E. Jacobson and Angelo M. Russo, for Kelite Products, Inc., petitioner.
- Gilbert A. Frilot, for Turco Products, Inc., interested party supporting petitioner.
- Arlo D. Poe, J. C. Kaspar and Theodore W. Russell, for California Motor Transport Associations, Inc., Truck Owners Association of California and Motor Truck Association of Southern California, protestants.
- Edward M. Berol and James F. Bartholomew, for Signal Trucking Service and Culy Transportation Co., protestants.
- William J. Knoell, for Pacific States Motor Tariff Bureau, protestant.
- John L. Beeler, for Southwestern Motor Tariff Bureau, interested party.

SUPPLEMENTAL OPINION

Kelite Products, Inc., seeks the establishment of reduced less-carload and less-truckload ratings and minimum rates for the transportation of cleaning, scouring and washing compounds.

Public hearings were held at Los Angeles on September 22, 1952, and at San Francisco on November 25, 1952, before Examiner Mulgrew.

Transportation of the commodities in question is subject to the state-wide minimum class rates set forth in Highway Carriers' Tariff No. 2. The ratings designated in the Western Classification generally govern the application of these rates. However, ratings stated as exceptions to the Classification's ratings are provided for

certain commodities. There being no exception covering the compounds involved in the Kelite petition, these commodities are subject to the Classification's provisions. Thereunder, third class ratings and rates are applicable to the liquid compounds and fourth class to the dry compounds. Third class rates are 80 percent of first class and fourth class rates 70 percent of first class. Petitioner proposes the establishment of a 90 percent of fourth class exception rating (the equivalent of 63 percent of first class) for all of the compounds.<sup>1</sup>

Petitioner's products are sold principally to commercial and industrial users. They are shipped in drums weighing for the most part over 500 pounds each. Petitioner's rate witness submitted a study of the densities and values of its products. The study discloses the density of this freight as ranging from 40.83 to 57.83 pounds per cubic foot and the value as ranging from \$5.20 to \$9.07 per cubic foot. Densities and values are substantially similar for the liquid and dry compounds.

The witness for petitioner pointed out that canned goods and other designated foodstuffs are now subject to an exception rating of 90 percent of fourth class in Tariff No. 2. He submitted no study of the densities of these commodities. He testified, however, that he had determined the values of chili powder, catsup, salad oil, canned meat and canned tuna, commodities subject to the 90 percent of fourth class rates, as ranging from \$3.29 to \$27.15 per cubic foot.

Witnesses for carrier protestants testified that they handle substantial quantities of detergents and soap under fourth class rates. They pointed out that the detergents, like petitioner's

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<sup>1</sup> Initially petitioner also proposed that soap now rated at fourth class be included in the sought 90 percent of fourth class exception rating. It amended its proposals at the hearings by eliminating soap.

compounds, are classified and rated under the cleaning, scouring and washing compound description of the Western Classification. The detergents, they said, are less dense than soap. The volume of the detergent traffic has increased as the volume of the soap traffic has decreased. Detergents now account for some 60 percent of protestants' total detergent and soap traffic.

Studies made by one of the carrier protestants show the average density of detergents and soap as 26.4 pounds per cubic foot and the average density of canned goods as 35.9 pounds.

Shipper witnesses testified that from handling and stowing standpoints the 500-pound drums in which their products are shipped are better containers than the cases in which canned goods and food-stuffs are packaged. This was disputed by carrier witnesses who testified that the cases are handled easier and stow more readily. The carrier witnesses also said that the drums require the use of expensive dunnage and shoring in order to permit transporting them with safety.

With respect to the relationship of rates for the liquid and dry compounds, petitioner's rate witness testified that throughout the west and elsewhere throughout the United States these commodities have been accorded the same basis of rates. He pointed out that 55 percent of first class recently has been established as the less-carload and less-truckload classification basis for both liquid and dry compounds in Uniform Freight Classification No. 1 and in National Motor Freight Classification No. A-1.<sup>2</sup> These classifications are not applicable to California traffic. The rail classification covers transportation east of the Rocky Mountains and the truck classification has general

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<sup>2</sup> This action was the outgrowth of the investigations of the Interstate Commerce Commission in its Dockets Nos. 28300, Class Rate Investigation, 1939, and 28310, Consolidated Freight Classification.

application throughout the United States. In both of them the new basic rating of 100 replaced first class. Ratings stated as percentages of the basic rating superseded the other classes. Rating 55, the equivalent of 55 percent of first class, generally replaced fourth class.

Protestants argue that the problem presented here is a general classification problem and that any necessary adjustments should be made by revision of the Western Classification, not by the establishment of exceptions. They contend that the making of exceptions tends to break down the classification and rate structures and unless held within reasonable limits would result in their collapse. They also argue that the 90 percent of fourth class basis has been strictly limited to foodstuffs and that it should continue to be confined to such commodities.

The densities and values of petitioner's products have not been shown to be representative of the densities and values for all of the cleaning, scouring and washing compounds involved. Similarly, the values petitioner determined for five of the numerous articles taking the canned goods and foodstuffs basis of rates have not been shown to be typical of the value of this group of commodities. Soaps and detergents are competitive articles. No justification whatsoever has been offered in support of lower rates for detergents than for soaps. There is no foundation for concluding that the 90 percent of fourth class basis should be extended to cleaning, scouring and washing compounds. It has been shown, however, that equality of rates between the liquid and dry compounds has been achieved by recent classification adjustments of general application to other than California traffic. The 55 percent of first class basis thus established covers commodities having the same transportation characteristics as those subject to a fourth class (70 percent of first class) rating

in California. Fourth class rates will, therefore, likewise be established for California traffic.

Upon consideration of all the facts and circumstances of record we are of the opinion and hereby find that the establishment of fourth class ratings and rates applicable to both the liquid and dry compounds hereinbefore described has been justified and that in other respects petitioner's proposals have not been justified.

O R D E R

Based on the evidence of record and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein, to become effective May 25, 1953, the revised pages attached hereto and by this reference made a part hereof, which pages are numbered as follows:

Fifteenth Revised Page 5 Cancels Fourteenth Revised  
Page 5.

Eleventh Revised Page 37 Cancels Tenth Revised  
Page 37.

IT IS HEREBY FURTHER ORDERED that tariff publications of common carrier respondents filed pursuant to this order may be made effective not earlier than May 25, 1953, and on not less than five days' notice to the Commission and to the public; and that said respondents be and they are hereby authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California and from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long and short haul departures now maintained under outstanding authorizations.

IT IS HEREBY FURTHER ORDERED that, except to the extent provided for in the preceding ordering paragraphs hereof, the petition of Kelite Products, Inc., filed August 4, 1952, in this proceeding, and as amended, be and it is hereby denied.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of April, 1953.

A. J. [Signature]  
President

Justus F. [Signature]

Harold A. [Signature]

Frederick [Signature]

David E. [Signature]  
Commissioners.

INDEX OF COMMODITIES (Continued)			
COMMODITY	Item Number	COMMODITY	Item Number
Candles (M)	723-726	Compounds, paint, lacquer or varnish reducing, removing or thinning	377
Candy	360	Compound, radiator or cleaning (M)	723-726
Canned Goods and Other Articles as described in Item No. 610 series	320, 360, 610 620, 630	Compound, rust preventing or removing (M)	723-726
Cants, Wheel, wooden	660, 690	Compound, type cleaning (M)	723-726
Cants, wooden	365	Compound, waterproofing (M)	723-726
Caps, column	660, 690	Confectionery	360
Caps, Sand Line	365	Containers, Beverage	600
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Cases (Built-in Fixtures)	660, 690	Corn	(1), 652, 652½, 654
Casing, Door and Window Panel	660, 690	Corn Cobs	652, 652½, 654
Casing Shoes	365	Cornice Brackets	660, 690
Castings, Swing Post	365	Corn, Kaffir	652, 652½, 654
Catchers, Tubing	365	Corn Steep Water	652, 652½, 654
Catsup	(1)	Countershafts, Oil Well	365
Cement, pipe fitting (M)	723-726	Covers, cotton cloth	335
Cereal and Nuts combined	360	Covers, Guy Wire	660, 690
Cereal Food	360	Covers, Thief Hole	365
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Cheese (including cottage and pot cheese) (M)	315, 605	Cupboards	660, 690
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Chocolate	360	Dessert Preparations	360
Chocolate Coating	360	Disinfectants	730
Chops	652, 652½, 654	Distillers' Grains	652, 652½, 654
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Citrus Fruit Juice	360	Drain Pipe Solvent	730
Powders or Crystals	360	Dressing, Automobile Top (M)	723-726
Clamps	365	Dressing, Bolt (M)	723-726
Clamps, Disconnecting, Drilling, Drive or Gas Packing	365	Dressing, Salad	(1)
Clay, Fire (M)	365	Drill Bitheads	365
Clippings	652, 652½, 654	Dry Milk Solids	(1)
Clothing, staple work	333	Durra	652, 652½, 654
Coating, Chocolate	360	Dust, Elevator	652, 652½, 654
Cocoa	360	Earth, Infusorial	650
Cocconut, prepared	(1)	Eggs, Shelled	360
Coffee	360	Egyptian Wheat	652, 652½, 654
Coffee, extract of (condensed coffee), dry	334, 360	Elevator Dust	652, 652½, 654
Coffee Substitutes	360	Elevators, Pipe or Sucker Rod	365
Colorings, Confectioners	360		
Columns	660, 690		
Compound, anti-freeze (M)	723-726		
Compound, carbon removing (M)	723-726		

Compound, cleaning (M)	723-726	Emmer	652, 652 <sup>1</sup> / <sub>2</sub> , 654
*Compounds, Cleaning, Scouring or Washing	334 <sup>1</sup> / <sub>2</sub> , 730	Engines (ii)	365
Compound, electrical insulating (M)	723-726	Ether (M)	723-726
Compounds, Flavoring	360	Exterminators, vermin (M)	723-726
Compounds, Food Curing, Preserving or Seasoning	360	Extracts	360
Compounds, Lard	360	Extracts, coffee (con- densed coffee), dry	334, 360
Compound, malt, milk and cocoa	360, 375	Extracts, Malt	600
Compound, milk and cocoa	375	Farina	652, 652 <sup>1</sup> / <sub>2</sub> , 654
Compounds, Oil Well Drilling Mud	365	Feed, Animal	(1), 652, 652 <sup>1</sup> / <sub>2</sub> , 654
Compound, paint thinning (M)	723-726	Feed, Barley Hay	652 <sup>1</sup> / <sub>2</sub> , 654
		Feed, Bean Straw (M)	652 <sup>1</sup> / <sub>2</sub> , 654

\* Change, Decision No. **48511**

- (1) See "Canned Goods and Other Articles as described in  
Item No. 610 series."  
(M) Denotes articles on which application of rates is limited  
to mixed shipments.

--- EFFECTIVE MAY 25, 1953 ---

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 550



Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)	
PACKING REQUIREMENTS	
<p>Except as otherwise provided, articles will not be subject to the packing requirements of the Western Classification or Exception Sheet, but may be accepted for transportation in any container or any shipping form, providing such container or form of shipment will render the transportation of the freight reasonably safe and practicable.</p> <p>If two or more ratings which are subject to different packing requirements are provided for an article in the form in which it is shipped, the lowest of such ratings will apply.</p> <p>The term "form in which it is shipped" means the form of the article itself as prepared for shipment or for the trade (exclusive of packing requirements), such as set up, knocked down, nested, not nested, compressed, not compressed, folded flat, not folded flat, in metal can inner containers, in glass bottle inner containers, in carton inner containers, in bulk (not in inner containers), dry, liquid, paste, solid, powdered, granulated. The term "packing requirements" means (1) the outer shipping containers such as boxes, barrels, crates, bags, and (2) the shipping forms such as bundles, bales, rolls, loose, on skids (other than lift truck or platform), which are provided in the Western Classification or Exception Sheet.</p>	
300-B Cancel 300-A	
305	Batteries, dry cell, electric, less carload----- Class Rating 4
310	Beverages, malt, viz.: Ale, Beer, Beer Tonic, Porter, Stout, less carload----- 4
315	Butter, dairy Cheese (including cottage cheese and pot cheese) Margarine (1) Applies only in connection with rates for mixed shipments determined under the provisions of Item No. 90 series. (1) 4
320-B Cancel 320-A	Canned Goods and Other Articles as described in and subject to the provisions of Item No. 610 series, less carload----- 90% of 4
330-D Cancel 330-C	Carriers (used packages), second-hand, empty, as described in and subject to the provisions of Item No. 300 series of the Exception Sheet: Less than carload----- (2) Subject to minimum rate of 23 cents per 100 pounds or actual 4th class rate, whichever is lower. (2) ½ of 4 Carload: Minimum weight 12,000 pounds----- Minimum weight 30,000 pounds----- (3) B (3) E (3) Not to exceed less-than-carload rate.

333	<p>Clothing, staple work, viz.: Dungarees, coveralls, overalls, breeches, pants, shirts or jackets (See Note 1) made of any one or any combination of the following fabrics made wholly of cotton:</p> <p>Denim      Drills      Flannels      Corduroys      Moleskins.  Jeans      Chambrays      Coverts      Duck      Whipcords  Twill      Cottonades      Poplins</p> <p>NOTE 1. Includes work jackets with blanket lining made of cotton and not to exceed 50% of wool shoddy.</p>	3
334	Coffee, extract of (condensed coffee), dry, less carload-----	4
#334 <del>2</del>	Compounds, cleaning, scouring or washing, not otherwise indexed by name in the Western Classification, less carload-----	6 4
335	Covers, hood, radiator, seat, spring, steering wheel, tire or top, cotton cloth, not fitted or formed, less carload--	3
340	Flowers, fresh, cut, less carload-----	1
350	Fruit, dried, including Raisins, Prunes (dried), Figs (dried), and Fig Pulp or Fig Paste, less carload-----	90% of 4
# Addition    } 6 Reduction    }    Decision No. <b>48511</b> EFFECTIVE MAY 25, 1953		
<p style="text-align: center;">Issued by the Public Utilities Commission of the State of California,  San Francisco, California.</p> <p>Correction No. 551</p>		