

**ORIGINAL**Decision No. 50704

## 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 )  
 carriers and city carriers relating )  
 to the transportation of general )  
 commodities (commodities for which )  
 rates are provided in Minimum Rate )  
 Tariff No. 2). )

Case No. 5432  
(Pet. No. 28)

Norman R. Moon and T. A. L. Loretz, for  
 petitioners.  
 Phil Jacobson, for Oilfield Haulers Con-  
 ference, protestant.  
 Arlo D. Poe, J. C. Kaspar and Herman  
 C. Kuhnert, for Motor Truck Associa-  
 tion of California; R. D. Boynton,  
 for Truck Owners Association of  
 California; and J. J. Holloway, for  
 Kaiser Steel Corporation; interested  
 parties.  
 C. S. Abernathy, for the Commission's staff.

O P I N I O N

By Petition for Modification No. 28, as amended, American  
 Brass and Iron Foundry Company, Herco Foundry Company, Pacific Cast  
 Iron Pipe and Fitting Company, and Rich Manufacturing Co., seek  
 modification of the minimum class ratings applicable to the trans-  
 portation of cast iron soil pipe and fittings provided by Minimum  
 Rate Tariff No. 2 (formerly Highway Carriers' Tariff No. 2).<sup>1</sup>

Public hearing of the petition was held at Los Angeles on  
 May 20 and June 15, 1954, before Examiner Carter R. Bishop.

<sup>1</sup> The plant of American Brass and Iron Foundry Company is located in  
 Oakland, those of Herco Foundry Company and Pacific Cast Iron Pipe  
 and Fitting Company are in Southgate, and that of Rich  
 Manufacturing Co., is in Los Angeles.

Item No. 365-B of Minimum Rate Tariff No. 2 names class ratings applicable on a substantial list of articles, under the general heading "Oil, Water or Gas Well Outfits and Supplies, and Other Articles, viz:" The list of articles includes pipe, tubing and fittings, inside diameter four inches or greater. The class ratings made applicable to all the articles so listed are 115 per cent of Class A, minimum weight 30,000 pounds, and 130 per cent of Class A, minimum weight 20,000 pounds.<sup>2</sup> With respect to cast iron soil pipe and fittings of the specified diameter these ratings supersede the Western Classification carload rating of 5th class which is otherwise generally applicable to cast iron pipe regardless of the diameter of the pipe. This rating is subject to a minimum weight of 30,000 pounds. For shipments of lesser weight than the minimum weights provided in Item No. 365-B the applicable basis is the less carload rating of 4th class provided in the Western Classification. This rating applies to cast iron pipe without limitation as to size.

In the petition it is proposed that the present Tariff No. 2 ratings of 115 and 130 per cent of Class A shall be made inapplicable to cast iron soil pipe and fittings, allowing the ratings of 4th class, less-than-carloads, and 5th class, minimum 30,000 pounds, carloads, published in the Western Classification, to apply.

According to the petition, as amended, petitioners manufacture approximately ninety per cent of all cast iron soil pipe and fittings produced in this state. An exhibit of record shows the total production of petitioners of all sizes of cast iron soil pipe for the last three calendar years. It amounted to 33,800, 34,700 and 40,200 tons for 1951, 1952 and 1953, respectively.

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<sup>2</sup> An exception to the ratings named in Item No. 365-B is provided in connection with cast iron pressure pipe, not less than 12 feet and not more than 18½ feet in length, in straight shipments or in mixed shipments with cast iron pressure pipe fittings. Item No. 378 of the tariff in question names a rating of 5th class, minimum 36,000 pounds on articles so described.

A witness for petitioners described the process involved in the manufacture of soil pipe and the uses to which it is put. The witness explained that cast iron soil pipe is purely a plumbing item, used to convey waste from homes and public buildings to public sewers. It is also used, he said, for vents from the plumbing fixtures of a building to the roof. According to the witness the smaller sizes of pipe are used for homes while the larger sizes are used for hotels, industrial and other large buildings. Shipper and carrier witnesses alike testified that none of the shipments of cast iron soil pipe are consigned to oil, water or gas well locations. Assertedly, the pipe is cast in sections which are uniformly 5 feet in length. No machining is done before the pipe is shipped from the plant.

The witness testified that cast iron soil pipe competes with common or vitrified clay pipe, and so-called "Orangeburg" and "Transite" pipe.<sup>3</sup> All of these latter types are subject to lower classification ratings than those provided in the minimum rate tariff for cast iron soil pipe. The record shows that Class C rates apply on "Orangeburg" and "Transite" pipe, while clay pipe takes Class E rates. According to the witness, cast iron soil pipe is not competitive with cast iron pressure pipe, which is used in water supply systems.

A traffic consultant introduced a series of exhibits in which the density, value and carrier revenues for the transportation of cast iron soil pipe are compared with those of the kinds of pipe with which it is competitive. According to the exhibits, cast

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<sup>3</sup> According to the record "Orangeburg" pipe is made of wood fibre and coal tar, pressed and extruded, and "Transite" pipe is extruded from a composite of cement and asbestos fibre.

iron soil pipe is substantially heavier than the competing pipes, and the revenue per ton mile for shipments of cast iron soil pipe under the proposed ratings would in all instances be well in excess of that for any of the competing pipes. On a per vehicle mile basis the revenue on shipments of cast iron soil pipe under the proposed 5th class rating would exceed in varying degrees that of "Orangeburg" and clay pipe and would be approximately the same as that of "Transite" pipe.

In his comparison of values the traffic consultant attempted to contrast the wholesale price of cast iron soil pipe with those of a series of commodities subject to a carload rating of 5th class, and of the lower-rated competitive pipes. According to this comparison the value of the pipe here in issue was less than that of nearly all the other commodities shown, including "Orangeburg" pipe. However, the prices of the compared commodities were F.O.B. plant or mill, whereas that shown for cast iron soil pipe was an estimate, determined by deducting an average freight rate from the price of the pipe F.O.B. point of destination.

<sup>4</sup> The relative weights per lineal foot of the various kinds of pipe, as set forth in the exhibit, are as follows:

Size (inches)	(In Pounds)				
	Cast Iron Soil Pipe	"Transite"	"Orangeburg"	Common Clay	Cast Iron Pressure Pipe
4	12.6	6.9	2.7	8.0	15.9
6	20.0	12.0	5.8	16.0	25.5
8	31.4	18.6	10.0	22.0	38.3
10	45.0	29.9	--	31.0	51.8
12	57.0	40.6	--	41.0	65.6
15	79.0	--	--	65.0	--

<sup>5</sup> The minimum weights used were: for cast iron soil pipe and "Orangeburg" pipe, 30,000 pounds; "Transite" pipe 36,000 pounds; and clay pipe 26,000 pounds. The earnings per vehicle mile on cast iron soil pipe would be proportionately higher if computed on a weight of 36,000 pounds in accordance with a suggested modification of the proposal, offered at the hearing by counsel for petitioners.

<sup>6</sup> According to the record cast iron soil pipe in carload quantities is uniformly sold by petitioners F.O.B. point of destination.

The petitioner witnesses testified regarding the truck loading practices at their plants: The trucks, it was stated, are mechanically loaded. In some instances the pipe is manually re-stacked on the trucks before they leave the plant. No bracing or blocking is required, the load simply being roped in place. Assertedly, no special carrier equipment is required for the transportation in question and the transportation characteristics of the pipe here in issue are generally the same as those of the smaller sizes of cast iron pipe:

The traffic consultant introduced an exhibit in which were listed rail and motor freight classifications and commodity tariffs in which the same rates or ratings are provided on cast iron pipe, including cast iron pressure pipe, regardless of size. Some were applicable on shipments moving from or to California, while others applied elsewhere in the United States. The fifth class carload rating specified in the Western Classification, supra, it was pointed out, applies on all sizes of cast iron soil pipe moving via rail between points in California, to the extent that carload class rates are applicable.

The record discloses that the loss and damage claim experience in connection with the movement of cast iron soil pipe is very favorable. The claim payments to all four petitioners on shipments of all sizes of this pipe, for the calendar year 1953, amounted to only \$213. The freight charges on all of the cast iron soil pipe shipped by petitioners during the same period totaled \$117,352. Assertedly, "Transite" and "Orangeburg" pipe are susceptible to chipping and these types together with clay pipe are more susceptible to damage than is cast iron pipe.

Counsel for petitioners stated at the close of the hearing that, since the pipe here in issue is uniformly made in 5-foot lengths, and in order to avoid any conflict with Item No. 365-B, petitioners

would be satisfied if the sought ratings were confined to cast iron soil pipe not less than 5 feet and not more than 5½ feet in length, in straight shipments or in mixed shipments with cast iron soil pipe fittings, subject to a minimum weight of 36,000 pounds.

The Oilfield Haulers Conference protested the granting of the petition. Counsel for that organization confined his participation to extensive cross-examination of petitioners' witnesses. He offered no evidence to show that the oilfield haulers were involved in the transportation of cast iron soil pipe, or would be injured by the establishment of the sought ratings. At the close of the hearing he moved that the petition be dismissed on the ground that no probative evidence had been adduced in support thereof. The motion will be denied.

The record is convincing that the petition, in so far as it relates to the modified commodity description and minimum weight provision suggested at the hearing by counsel for petitioners, has been justified. Upon consideration of all the evidence of record the Commission is of the opinion and hereby finds that the petition, as amended, should be granted to the extent provided in the order which follows. In all other respects it will be denied.

Not related to the foregoing petition, but included in Item No. 365-B of Minimum Rate Tariff No. 2, is the matter of description of oil well drilling mud compounds. The description will be clarified hereinafter. This is a matter not requiring public hearing.

O R D E R

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

IT IS HEREBY ORDERED that Minimum Rate Tariff No. 2 (Appendix "D" to Decision No. 30616 as amended) be and it is hereby further amended by incorporating therein the revised pages attached

hereto and by reference made a part hereof, to become effective December 1, 1954, which pages are numbered as follows:

Eleventh Revised Page 8 cancels Tenth Revised Page 8  
Third Revised Page 38-A cancels Second Revised Page 38-A  
Eighth Revised Page 39 cancels Seventh Revised Page 39

IT IS HEREBY FURTHER ORDERED that tariff publications required or authorized to be made by common carriers as a result of the order herein shall be made effective not earlier than December 1, 1954, and on not less than five days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that common carriers be and they are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code, and Article XII, Section 21, of the Constitution of the State of California, to the extent necessary to carry out the effect of the order herein.

IT IS HEREBY FURTHER ORDERED that in all other respects Petition No. 28, as amended, in Case No. 5+32 be and it is hereby denied.

In all other respects said Decision No. 30616, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 26<sup>th</sup> day of OCTOBER, 1954.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

## INDEX OF COMMODITIES (Continued)

COMMODITY	Item Number	COMMODITY	Item Number
Peas, cow	652½, 654	Powders, Citrus Fruit	
Peas, split or whole (M)	653, 654	Juice	360
Peat Moss	652½, 654	Power Pumps (M)	365
Pectin, Fruit or Vegetable	(1)	Powers, Pumping	365
Pencil Slats	660, 690	Protectors, Box and Pin	365
Perfumery	395	Prunes (dried)	350, 640
Permanent hair-waving sets	395	Puddings	(1)
Petroleum and Petroleum Products as described in Western Classification	723-726	Pulleys, Tug	365
Petroleum Jelly	395	Pull Rod Blocks, wooden	365
Pickets	660, 690	Pulp, Beet	652½, 654
Pickles	(1)	Pulp, Fruit or Vegetable	(1)
Pie Preparations	(1)	Pummies	652, 652½, 654
Pilasters	660, 690	Pumps, Power (M)	365
Piles	660, 690	Puree, Tomato	(1)
Pimentos	(1)	Rails, Hand	660, 690
Pins, insulator	660, 690	Raisins	350, 640
Pins, wooden	365	Rams, Bit	365
Pipe, cast or wrought iron or steel	365	Ravioli (prepared)	(1)
Pipe, cast iron pressure	378	Red Dog	652, 652½, 654
*Pipe, cast iron soil	378	Redwood Bark	652½, 654
Pipe material, wooden	660, 690	Reels, Measuring	365
Pipe, plate or sheet iron or steel	365	Reels, Sand	365
Pipe, wooden	660, 690	Repellents, insect (M)	723-726
Plugs, Cementing	365	Rice-and-Milk	(1)
Plugs, Dry Hole	365	Rice, Brewers'	728
plywood	660, 690	Rice, Cleaned	728
Poles, Plant	660, 690	Rice, Paddy	728
Poles, Telegraph and Telephone	660, 690	Rig Irons	365
Polish, floor (M)	723-726	Rings and Wedges	365
Polish, furniture (M)	723-726	Rods, Polished or Valve	365
Polish, metal (M)	723-726	Rods, Pull (M)	365
Polish, Rice	652½, 654	Rods, Sucker	365
Polish, vehicle (M)	723-726	Rope (M)	365
Popcorn	360	Rope, Wire	365
Porch Work	660, 690	Rose Water	395
Porter	310, 360, 600	Rosettes	660, 690
Posts	660, 690	Running Gears, steam boiler (M)	365
Potato Chips	360	Rye	652, 652½, 654
Poultry Litter	652½, 654	Saddles, Jack	365
Powder, Baking or Yeast	360	Sago	360
Powder, Sachet or Toilet	395	Sago (M)	653, 654
		Salads, Fish, Macaroni, Meat or Vegetable	360
		Salt	360, 380
		Sand Reels	365
		Sandwich Spread	(1)
		Sash	660, 690
		Sauce, pepper	(1)



Sauces, table	(1)	Seed, Hemp	652, 654
Sausage	(1)	Seed, Melilotus	652 $\frac{1}{2}$ , 654
Sausage Casings	610	Seed, Millet	652, 654
Savers, Oil	365	Seed, Rape	652, 654
Sawdust	660, 690	Seed, Sorghum	652 $\frac{1}{2}$ , 654
Scourings	652, 652 $\frac{1}{2}$ , 654	Seed, Sunflower	652 $\frac{1}{2}$ , 654
Scrap, Fish	652 $\frac{1}{2}$ , 654	Seed, Sweet Clover	652 $\frac{1}{2}$ , 654
Screenings, Alfalfa		Seed, Vetch	652 $\frac{1}{2}$ , 654
Seed	652 $\frac{1}{2}$ , 654	Seed, Wild Mustard	652, 654
Screenings, Bean	652 $\frac{1}{2}$ , 654	Semolina	652, 652 $\frac{1}{2}$ , 654
Screenings, Flaxseed	652 $\frac{1}{2}$ , 654	Shakes	660, 690
Screenings, Grain,		Shampoo	395
ground	652, 652 $\frac{1}{2}$ , 654	Shallu	652, 652 $\frac{1}{2}$ , 654
Screenings, Grain,		Shavings	660, 690
unground	652, 652 $\frac{1}{2}$ , 654	Shellacs	377
Screenings, Millet	652 $\frac{1}{2}$ , 654	Shells (M)	652 $\frac{1}{2}$ , 654
Screenings, Paddy		Shelves	660, 690
Rice	652 $\frac{1}{2}$ , 654	Shelves, Mantel	660, 690
Screenings, Pea	652 $\frac{1}{2}$ , 654	Shingles	660, 690
Screens	660, 690	Ship Knees	660, 690
Scroll Work	660, 690		
Seed, Broom Corn	652, 654		
Seed, Flaxseed	652, 654		

# Addition, Decision No. 50764

(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 DECEMBER 1, 1954

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.

Correction No. 633

Item No.	SECTION NO. 1-RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)	
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)	Class Rating
<p>*365-C Cancels 365-B</p>	<p>OIL, WATER OR GAS WELL OUTFITS AND SUPPLIES and Other Articles, viz.:</p> <p>Adapters, Casing, Adjusters and Boards, Arms, Cants, Handles or Pins, Band, Bull or Calf Wheel, wooden, Band, Bull or Calf Wheels or Tug Pulleys, Barrels, Pump Working (Well Pump Cylinders), Bits, Drilling, Blocks, Casing, Crown or Underreamer Dressing, Boiler Flues, Boiler Tubes, Boxes, Oil, Water, Gas Well Derrick or Stuffing, Caps, Sand Line, Casing Shoes, Casting, Swing Post, Catchers, Tubing Clamps, Disconnecting, Dril- ling, Drive or Gas Packing, Clamps or Grips, Anchor, Casing, Pipe, Polished Rod or Pull Rod, Countershafts, Oil Well, Derrick Cranes or Derricks, including necessary equipment of ladders, Drill Bithoods, Elevators, Pipe or Sucker Rod, Fittings, Pipe, iron or steel, cast wrought, plate or sheet, inside diameter 4 inches or greater, (See Note), Forges, Oil, Water or Gas Well Derrick, Gauges, Bit, Grate, Bars, Guides, wire lines, wooden, Heads, Control Casing, Drive Pipe or Casing, Hooks, Casing, Sucker Rod, Throwoff or Tubing, or Links, Jacks, Oil Well Pumping, or Parts, Jacks, Oil, Water or Gas Well Tool, Joints, Rotary Tool and Sucker Rod, Liners, Polished Rod, Lines, Measuring, Machines, Oil, Water or Gas Well Rotary Drilling, and Parts thereof,</p>	<p>Pipe or Tubing, iron or steel, inside diameter 4 inches or greater: Cast or Wrought, (See Note), Plate or Sheet, 16 gauge or thicker, Well casing or well drilling, Plugs, Cementing, Plugs, Dry Hole, Powers, Pumping, Protectors, Box and Pin, Pull Rod Blocks, Wooden, Rams, Bit, Reels, Measuring, Rig Irons, including necessary quantity of nails, Rings and Wedges, Rods, Polished or Valve, Rods, Sucker, Saddles, Jack, Sand Reels, Chain Driven, Savers, Oil, Spiders, Liners or Slips, or Spudding Shoes and Rings, Stirrups, Disconnect- ing, Swabs, Steel and Rubber, Swivels, Hydraulic Rotary, Temper Screws and Parts, Templates, Box and Pin, Thief Hole Covers, Iron, Tongs, Pipe, weighing each 20 pounds or over, Tools, Oil, Water or Gas Well Drilling or Fishing (Covers only such tools as are com- monly known and recognized as Oil, Water or Gas Well Drilling or Fishing Tools and as used under the sur- face of the ground in the process of drilling an oil, water or gas well), Tubs, Oil, Water or Gas Well Cooling, Underreamers, Valves, Pump Working Barrel, Wagons, Casing or Bit, Wobblers,</p>

Mud Mixer Parts, Iron,  
 \*Mud or Compounds, or  
 Mud Treating Compounds, well  
 drilling,  
 Oil Well Pulling Machines,  
 Outfits; Wire Line Pumping,  
 Packers,

Wrenches, Drive Clamp,  
 Sucker Rod or Swivel,  
 also Tool Wrenches  
 weighing each 20 pounds  
 or over,

Minimum Weight 20,000 pounds .....  
 Minimum Weight 50,000 pounds .....

130% of A  
 115% of A

The following articles when shipped in mixed shipments  
 with one or more of the articles named above will be subject  
 to ratings provided in this item:

Air Compressors,  
 Anvils,  
 Atmospheric Water Cooling  
 Towers,  
 Belts,  
 Blacksmith's Rotary Blowers,  
 Boiler Fronts,  
 Boiler Parts,  
 Boilers, including Fire Clay  
 for setting,  
 Brick, Fire  
 Electric Generators,  
 Engines,  
 Fittings, Pipe, iron or  
 steel, cast, wrought,  
 plate or sheet, inside  
 diameter less than  
 4 inches, (See Note)  
 Iron or Steel, plate or  
 sheet,  
 Pipe or Tubing, iron or  
 steel, inside diameter  
 less than 4 inches:  
 Cast or Wrought,  
 (See Note)  
 Plate or Sheet, 16 gauge  
 or thicker,

Power Pumps,  
 Pull Rods,  
 Rope,  
 Smokestacks,  
 Steam Boiler Trucks or  
 Running Gears, knocked  
 down,  
 Tanks, iron or steel,  
 knocked down,  
 Tanks, Oil and Gas  
 Separating, Automatic,  
 Tank Steel,  
 Tools, Mechanics' (one box),  
 second-hand (used), not  
 exceeding 1,000 pounds in  
 weight,  
 Valves, iron or brass,  
 Wire Rope.

NOTE—Will not apply on cast iron pipe or  
 fittings as described in Item No. 378.

\*Change )  
 Reduction ) Decision No. 50704

EFFECTIVE DECEMBER 1, 1954

Issued by the Public Utilities Commission of the State of California,  
 San Francisco, California.  
 Correction No. 631

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)		
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)		Class Rating
370	Ice cream, less carload.....		2
375	Malt, milk and cocoa compound ) Milk and cocoa compound ) less carload Milk, malted )		4
377-A Cancels 377	Paints or Varnishes, not otherwise indexed by name in the Western Classification, Bronzing Liquids, Lacquers or Shellacs, liquid or paste, less carload..... Paint, Lacquer or Varnish Reducing, Removing or Thinning Compounds, not otherwise indexed by name in the Western Classification, less carload.....		4
*378-A Cancels 378	Pipe, cast iron pressure, not less than 12 feet and not more than 18½ feet in length, in straight shipments or in mixed shipments with cast iron pressure pipe fittings δPipe, cast iron soil, not less than 5 feet and not more than 5½ feet in length, in straight shipments, or in mixed shipments with cast iron soil pipe fittings. Minimum weight, 36,000 pounds .....		5
380	Salt, common, less carload.....		90% of 4
390-A Cancels 390	Sugar (Applies only in connection with rates which are subject to a minimum weight of less than 10,000 pounds)		90% of 4
*Change δReduction ) Decision No. 50704			
EFFECTIVE DECEMBER 1, 1954			
Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 632			