

**ORIGINAL**

Decision No. 59475

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|  |   |                         |
|--|---|-------------------------|
| In the Matter of the Applications of<br>J. P. Hackler, Tariff Publishing<br>Officer, for approval of changes in<br>classification provisions.  | ) |                         |
|  | ) | Applications Nos. 41131 |
|  | ) | and 41159               |
| In the Matter of the Investigation<br>into the rates, rules and regulations,<br>charges, allowances and practices of<br>all common carriers, highway carriers<br>and city carriers relating to the<br>transportation of any and all commo-<br>dities between and within all points<br>and places in the State of California<br>(including but not limited to, trans-<br>portation for which rates are provided<br>in Minimum Rate Tariff No. 2), | ) |                         |
|  | ) | Cases Nos. 5432, 5435,  |
|  | ) | 5441 and 5603           |
|  | ) | (Order Setting Hearing  |
|  | ) | dated July 28, 1959)    |
| and related matters.   | ) |                         |

Wm. Meinhold and J. P. Hackler, for applicant.  
G. E. Lowe and Theron L. Carothers, for Kaiser  
 Aluminum and Chemical Corporation; Russell L.  
 Bell, for Aluminum Co. of America, intervenors.  
Ralph Hubbard, for California Farm Bureau Federa-  
 tion; A. D. Poe, J. C. Kaspar and J. X. Quintrall,  
 for California Trucking Associations, Inc.,  
 interested parties.  
John F. Specht, for the Commission staff.

O P I N I O N

J. P. Hackler is the chairman of the Western Classification Committee and is its tariff publishing officer. The Western Classification Committee is the agent for the railroads operating west of the Mississippi River and of a number of motor carriers operating in California and is authorized by those carriers to publish and file classification ratings and rules governing their tariffs.

By Application No. 41131, authority is sought to establish released value ratings on boron carbide rods, nuclear reactor cores

or core assemblies or fuel blanket assemblies, uranium fluorides, oxides, salts or uranates, thorium metal, molybdenum metal, uranium metal, and zirconium metal. The establishment of the ratings sought would result in increases and reductions.

By application No. 41159, authority is sought to establish reduced ratings on a number of aluminum articles. The articles include primary aluminum, such as billets and pigs, semi-finished articles, such as plate, pipe and extrusions and scrap materials, such as borings, dross and turnings.

On July 28, 1959, the Commission ordered hearings in Cases Nos. 5432, 5435, 5441 and 5603 to be held concurrently with hearings in the instant applications to determine whether the sought classifications, if approved, should be adopted as reasonable ratings to govern minimum rates prescribed in City Carriers' Tariff No. 1-A, City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A, Minimum Rate Tariff No. 2, Minimum Rate Tariff No. 5 and Minimum Rate Tariff No. 11-A.

Public hearing was held in these matters before Examiner Jack E. Thompson on October 15, 1959 at San Francisco, wherein evidence was adduced and the matters were taken under submission for decision.

Supplement 4 to Western Classification No. 77, effective June 15, 1959, contains the items sought in Application No. 41131. The articles are used in the Atomic Energy Program and the ratings were published, applicable to interstate commerce, at the request of the Atomic Energy Commission and its contractors who make the materials involved. None of the articles are irradiated and therefore are not dangerous from a radioactive standpoint. There is an extremely wide range in the values per pound of these materials; for

example, uranium metal has a range of from \$12 per pound to \$11,000 per pound. At present there are no specific ratings on the articles. They take ratings applicable to Chemicals, NOIBN or Super Alloys, NOIBN.

Applicant requests that the limitations and conditions to the application of the proposed ratings be those regularly adopted and approved by the Commission for released value ratings rather than those prescribed by the Interstate Commerce Commission. The California Trucking Associations, Inc., supported this application. No one appeared in opposition to the granting of the authorities sought. Upon consideration of all of the facts and circumstances we are of the opinion and find that released value ratings are reasonable and are necessary to promote the movement of the articles involved herein, that the reductions which would result from the establishment of the proposed ratings are justified by transportation conditions and that the increases are justified.

Kaiser Aluminum and Chemical Corporation and Aluminum Company of America intervened in support of Application No. 41159. By this application authority is sought to reduce the less carload and carload ratings on numerous articles under the generic heading of aluminum, and on one or two aluminum articles not under that generic heading, to the same bases of the ratings applicable on similar or comparable articles made of brass, bronze or copper. In general, the proposals involve reductions in the carload ratings of primary aluminum (billets, ingots, pigs, etc.) and scrap aluminum (borings, buffings, turnings, etc.) and changes in the less carload ratings of semi-finished aluminum articles (angles, bars, beams, etc.).

The present ratings of the articles have been in effect for a number of years. The less carload ratings have been practically

unchanged since 1910. The evidence shows that the percentage of aluminum production to the production of copper was 11.42 percent in 1920, 69.75 percent in 1951 and 108.14 percent in 1958. From 1951 to 1958 primary aluminum production nearly doubled, while copper production increased twenty percent. Aluminum competes with brass, bronze, copper and stainless steel. Exhibit No. 2 shows the values per pound of aluminum articles and corresponding articles of copper, brass and stainless steel. In 1939, in general, aluminum had about the same value as stainless steel and was about double the value of brass and copper. As of October 1959, the value of primary aluminum was somewhat less than copper, brass and stainless steel. The value of aluminum sheet and bars is substantially below that of copper, brass and stainless steel sheet and bars.

Evidence was presented showing the densities of the articles involved herein. Primary aluminum (pigs, ingots and billets) has an average density exceeding 100 pounds per cubic foot. Bars and rods have an average density of about 100 pounds per cubic foot. Sheets, plates and blanks have an average density of about 75 pounds per cubic foot. Angles, channels and beams have an average density of about 50 pounds per cubic foot. Extrusions have a wide range of densities because of differences in shapes; however, it appears that extrusions, as well as wire, have an average density of around 25 pounds per cubic foot. Pipe and tubing also have a relatively wide range of densities. As was testified by applicant, the density of pipe will vary according to the diameter of the pipe and the gauge of the metal of the pipe. A tabulation presented by Kaiser Aluminum and Chemical Corp. of eleven shipments shows an average density of 12.9 pounds per cubic foot.

Applicant stated that the principal considerations given by the Western Classification Committee in determining ratings for the articles involved herein were density and value. He said that where the density exceeds 30 pounds per cubic foot, it makes little difference in classification how much greater the density exceeds that amount. He was of the opinion that third class, less carload, is a proper rating of these articles because they are of high density and medium value.

The California Trucking Associations, Inc., pointed out in connection with proposed ratings on pipe that applicant relied only upon considerations involving density and value and did not give consideration to problems such as damage and excessive lengths occasioned by the movement of thin-walled pipe in California, particularly for irrigation purposes.

While applicant publishes a rating of third class on certain sizes of irrigation pipe, the Western Classification sets forth various ratings, depending upon size and wall thickness, for pipe or tubing, iron or steel, plate or sheet. Many of those ratings exceed the rating proposed for aluminum pipe. We are of the opinion and find that the applicant has not shown ratings on aluminum pipe lower than those for steel pipe of comparable size to be reasonable or justified by transportation conditions.

Upon consideration of all of the facts and circumstances, the Commission is of the opinion and finds that the proposed ratings, other than those proposed for pipe or tubing and pipe fittings, are reasonable, are justified by transportation conditions, and are suitable and proper to govern class rates established by the Commission as minimum rates for the transportation of the articles involved herein.

Inherent in the adjustment of classification ratings is the authorization to common carriers to continue to maintain long- and short-haul departures presently authorized under outstanding orders of the Commission; such authority will be granted.

O R D E R

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

IT IS ORDERED:

1. That J. P. Hackler, Tariff Publishing Officer, for carriers in the Western Classification be and he hereby is authorized to establish, on not less than ten days' notice to the Commission and to the public, the ratings proposed in his Application No. 41131 and, other than the proposed ratings on pipe or tubing and pipe fittings (proposed items 29700 and 29920), the ratings on aluminum articles proposed in his Application No. 41159.

2. That to the extent that amendments in the classification ratings, rules and regulations are hereinabove approved to govern tariffs of the carriers represented in the above-numbered applications, said amended ratings, rules and regulations are also approved to govern minimum rates, rules and regulations promulgated by the Commission in City Carriers' Tariff No. 1-A, City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A, Minimum Rate Tariff No. 2, Minimum Rate Tariff No. 5 and Minimum Rate Tariff No. 11-A.

3. That common carriers in establishing and maintaining the ratings prescribed hereinabove are authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California, and Section 460 of the Public Utilities Code, to

the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations and that such outstanding authorizations are modified only to the extent necessary to comply with this order.

4. That authority to establish ratings on aluminum pipe and aluminum pipe fittings as proposed in items 29700 and 29920 of Application No. 41159 is denied.

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

Dated at San Francisco, California, this 5<sup>th</sup> day of January, 1960.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Theodore Heiner  
Commissioners