

ORIGINAL

Decision No. 60820

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of J. P. HACKLER, Tariff Publish-  
ing Officer, for approval of  
changes in classification provi-  
sions.

Application No. 41933

In the Matter of the Investigation  
into the rates, rules and regula-  
tions, charges, allowances and  
practices of all common carriers,  
highway carriers and city carriers  
relating to the transportation of  
any and all commodities between  
and within all points and places in  
the State of California (including,  
but not limited to, transportation  
for which rates are provided in  
Minimum Rate Tariff No. 2).

Case No. 5432  
(Order Setting Hearing dated  
March 29, 1960)

And related matters.

Cases Nos. 5435,  
5441 and 5603

John MacDonald Smith, for J. P. Hackler,  
applicant.  
G. R. Arvedson and William Davidson, for  
Alladin Plastics, Plas-tex Corp.,  
Burroughs Mfg. Co., B-W Molded Plastics,  
Royal Plastics, Westland Plastics and  
All-Power Mfg. Co.; D. E. Emory, for  
All-Power Mfg. Co., protestants.  
A. D. Poe, J. C. Kaspar and J. X. Quintrall,  
for California Trucking Assns., Inc.; B. P.  
Garcia, for California Redwood Assn.;  
Wm. G. Higgins, for Pacific Cement and Aggre-  
gates, Inc.; W. N. Greenham, for Pacific Motor  
Trucking Co.; Eugene A. Read, for California  
Manufacturers Assn.; Ralph Hubbard, for  
California Farm Bureau Federation; Pete J.  
Antonio, for Rheem Mfg. Co.; Edgar J. Langhofer,  
for San Diego Chamber of Commerce; R. C. Fels,  
for Furniture Mfgs. Assn. of California;  
W. Y. Bell, for Richfield Oil Corp.; Wm. G. Bevan,  
for The Cal-Dak Company, interested parties.  
Edw. E. Tanner, for the Commission's staff.

O P I N I O N

The Western Classification Committee is composed of three persons appointed by the Traffic Executive Association of Western Railroads. J. P. Hackler is its chairman and tariff publishing officer. By application filed February 8, 1960, he seeks authority to make effective, on California intrastate commerce, a number of changes in Western Classification No. 77 some of which would result in increases in rating and others in reductions.

The Western Classification governs not only the tariffs of the railroads but is also the governing classification for tariffs of numerous highway common carriers in California. The Commission also has adopted the ratings in the Western Classification as governing minimum class rates for highway carriers. In this latter connection, on March 29, 1960, the Commission ordered that hearings in the several minimum rate investigation cases be held with hearings in this application for the purpose of determining whether the changes in classification proposed by applicant should be approved and adopted to govern the aforesaid minimum rates.

Public hearing was held before Commissioner Matthew J. Dooley and Examiner Jack E. Thompson on June 15, 1960, at San Francisco and June 17, 1960, at Los Angeles. On June 27, 1960, applicant filed late-filed Exhibit No. 1 and on July 11, 1960, he withdrew his request for authority to change Item 17245 of Western Classification No. 77 covering steel chimneys.

Applicant testified in his own behalf. Exhibits appended to the application contain applicant's statements of the reasons for the various changes in ratings. Generally speaking applicant is seeking to increase ratings on light and bulky articles and to make other adjustments which have heretofore been made effective on interstate commerce and on intrastate commerce in other western states.

A group of manufacturers of plastic articles, particularly plastic housewares, protested the proposed changes in ratings on plastic articles. Other than that there were no protests or opposition to the changes sought.

Many articles made of synthetic plastic are specifically provided for in the Western Classification. Those that are not are covered by ratings on synthetic plastic articles, noibn, of First Class, 1cl and Third Class, Carload Minimum Weight 20,000 pounds, subject to Rule 34. Several years prior to 1958 there was published and made effective in National Motor Freight Classification No. 4-A, ratings on synthetic plastic articles based upon weight density of the articles. The Western Classification Committee, believing that because of the truck ratings, the heavy density articles were moving via truck and the rail lines were receiving the light and bulky articles, established weight density ratings effective September 12, 1958, on synthetic plastic articles, noibn, moving in interstate commerce. The Society of the Plastics Industry filed petitions for suspension with the Interstate Commerce Commission. The Interstate Commerce Commission refused to suspend the ratings but initiated an investigation. Prior to the investigation getting under way, however, the Society of the Plastics Industry filed a new proposal with the Classification Committee. The proposal was adopted by the Committee and made effective August 20, 1959. At the request of the Society, the I. C. C. on October 16, 1959, discontinued the investigation. The proposed ratings herein are the same as those made effective on interstate commerce on August 20, 1959. The proposed ratings are:

Articles weighing less than	)		
4 lbs. per cu. ft. ....	2½ tl)		
Articles weighing 4 lbs. per cu.	)		
ft. or over but not less than	)		
7 lbs. ....	1½ )		
Articles weighing 7 lbs. per cu.	)10,000 R	2	
ft. or over but not less than	)20,000 R	3	
12 lbs. ....	1 )30,000 R	4	
Articles weighing 12 lbs. per cu.	)		
ft. or over ....	2 )		

Protestants contend that the weight density scale of ratings is nothing more than a form of cubic foot rule of the type which the Commission found to be unreasonable, unjust and discriminatory in J. P. Haynes, (1958), 56 Cal. P.U.C. 176. They further suggest that the proposed ratings are ambiguous and subject to several interpretations. ✓

The proposed scale does have one feature which in J. P. Haynes we stated is undesirable; to wit, it requires the taking of the measurements of the container as well as a weighing of it. That is the only similarity. We agree that the ratings based wholly upon density or wholly upon valuation are not desirable. However, where the range of values, or densities, of the same article is extremely wide, such ratings are necessary in order to prevent exorbitantly high rates or unreasonably low ones.<sup>1</sup> The plastic industry is a new and rapidly expanding industry. Articles formerly made of wood, metal or paper are now being made of plastics. New articles and uses for plastics are developing rapidly. There are a number of compounds coming under the generic term synthetic plastics. Their properties in many instances are not similar. In the case of Urethane (isocyanate) alone the density ranges from 1.5 pounds per cubic foot to 70 pounds per cubic foot. When one considers that when after the basic material is formed, molded or shaped into an article, the density is further affected, it is readily apparent that the range of densities of articles which would be included in the present ratings as well as the proposed ratings is extremely wide.

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\* Applicant was granted authority to publish released value ratings on a number of articles including uranium metal which has a range of value from \$12 per pound to \$11,000 per pound, Decision No. 59475 dated January 5, 1960, in Application No. 41131.

Protestant's contentions regarding ambiguity appear to be groundless. As brought out in the record, the protestants have shipped articles under the proposed ratings in interstate commerce for the past several years without difficulty or encountering the problems they claim may arise if the proposed ratings are made applicable on California intrastate traffic.

California Trucking Associations, Inc., presented a report of a survey made by its division of research of the densities and values of the articles involved in the application as they are tendered to motor carriers for transportation.

Upon consideration of all of the facts and circumstances, the Commission is of the opinion and finds that the proposed ratings 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:

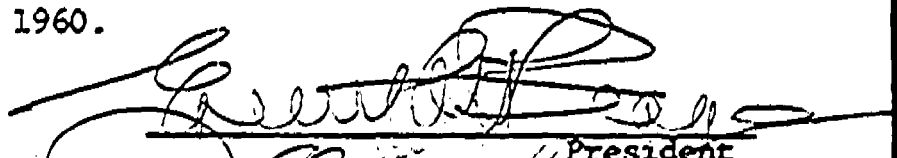
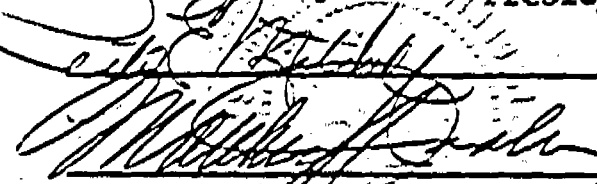
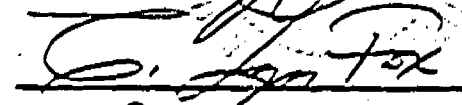
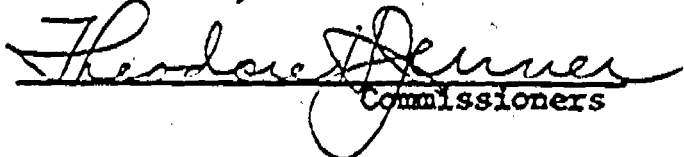
1. That J. P. Hackler, Tariff Publishing Officer, for carriers in the Western Classification be and he hereby is authorized to establish, on not less than ten days' notice to the Commission and to the public, the ratings proposed in his application.

2. That to the extent that amendments in the classification ratings, rules and regulations are hereinabove authorized 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.

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

Dated at SAN FRANCISCO, California, this 4th day of October, 1960.

  
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President  
  
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Commissioners