

**ORIGINAL**

Decision No. 63812

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Petition of Frank A. Riehle, Jr.,	)	
dba Pacific Salt & Chemical	)	
Company, for suspension and investi-	)	
gation of Tariff 250-A, items	)	(I&S) Case No. 7367
(x) 3508 and (x) 3557 of Pacific	)	
Southcoast Freight Bureau.	)	

Petition of Western Salt Company,	)	
San Diego, California, for suspen-	)	
sion and investigation of Freight	)	(I&S) Case No. 7369
Tariff 250-A, Items 3508 and 3557	)	
of Pacific Southcoast Freight Bureau.)	)	

ORDER OF INVESTIGATION AND SUSPENSION

By separate petitions, filed May 29 and May 31, 1962, respectively, Frank A. Riehle, Jr., doing business as Pacific Salt & Chemical Company (hereinafter called "Pacific"), and Western Salt Company (hereinafter called "Western") seek suspension of certain reduced carload rail rates and an investigation as to their lawfulness. These proposed reduced rates have been filed with the Commission by the Pacific Southcoast Freight Bureau, Agent, on behalf of member rail carriers, to become effective June 15, 1962.<sup>1</sup>

Pacific alleges that the proposed reduced rates are unfair to its company; that they violate Section 453 of the Public Utilities Code as they grant a preference and advantage to the Newark source of salt at the expense of Pacific's Trona source; that the rates now in effect to Los Angeles from Trona when compared with the proposed

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<sup>1</sup>The reduced rates would apply to the transportation of crude salt, subject to a minimum weight of 120,000 pounds, from various California points in the vicinity of Newark and Redwood City to Los Angeles and certain other related points, and are published as Items 3508 and 3557 in Supplement 47-A to the Bureau's Freight Tariff 250-A, issued by W. O. Gentle, Tariff Publishing Officer.

reduced rates to that same point from Newark, indicate the discrimination which exists therein; and that the existing rate differentials have been in effect for over ten years, or since Pacific's company was established.

In its petition, Pacific asserts that the establishment of reduced rates for Leslie Salt Company, hereinafter referred to as "Leslie", without proportionate reductions accorded to Pacific, is unjust and unreasonable and is not in the public interest; that the reduced rates involved may well eliminate it as a competitor and thus serve to give Leslie a monopoly over traffic destined to the whole Los Angeles area which Leslie serves from its sources located at Saltus, Amboy and the San Francisco Bay Area; that the carriers should be compelled to grant proportionate reductions in rates from Trona to Los Angeles and certain other rail points, or that the Commission should do so under Section 728 of the Public Utilities Code.

Pacific points out that similar reductions in rates published in Items 3480-A, 3482-A, 3510-A, 3520-C and 3525-C of Supplement 44 to Tariff 250-A, which it previously petitioned this Commission to suspend and investigate for similar reasons, are currently under suspension by this Commission's order dated April 10, 1962, in (I&S) Case No. 7304.<sup>2</sup> Pending hearings and decision in that case, Pacific asks that the reduced rates involved herein likewise be suspended and investigated to preclude any conflict or advantage in the application of rates from competitive salt sources to Los Angeles; also so as not to nullify the purpose of the Commission's existing suspension of the reduced rates involved therein.

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<sup>2</sup>Hearings in this case are scheduled for June 13, 14 and 15, 1962, in San Francisco, California.

Similarly, by its petition, Western alleges that the rates published in the aforesaid tariff items are unfair to its company; that they violate Section 453 of the Public Utilities Code as they grant preference and advantage to the Newark area sources of salt; and that equal consideration has not been given by the rail carriers to the southern California sources of salt. For these reasons, Western asks that the reduced rates be suspended and that an investigation be ordered to determine their lawfulness.

Replies to the petitions were filed by M. A. Nelson, Chairman, Pacific Southcoast Freight Bureau, for and on behalf of railroads party to the assailed rates, by Leslie Salt Co. and by Morton Salt Company. The replies denied various allegations made by the petitioners, and requested that the proposed rates not be suspended and that the petitions for suspension be denied. Leslie's reply also moves the Commission for an order striking from the petition for suspension certain references to an alleged monopoly upon the grounds that such allegations are irrelevant, impertinent, scandalous and sham, and have as a matter of law no place in a petition filed pursuant to Rule 1 of General Order No. 113 of this Commission.

Upon consideration of the allegations contained in the petitions and replies, the Commission is of the opinion and finds that the effective date of the rates herein assailed should be suspended until August 10, 1962, pending a hearing thereon to determine their lawfulness. Leslie's motion to strike certain allegations in Pacific's petition will be considered in connection with the hearing in this matter.

Good cause appearing,

IT IS ORDERED that:


1. The operation of Items 3508 and 3557 in Supplement 47-A to Pacific Southcoast Freight Bureau, Agent, Freight Tariff 250-A,


W. O. Gentle, Tariff Publishing Officer, filed to become effective June 15, 1962, is hereby suspended and the use thereof deferred until August 10, 1962, and that no change shall be made in said tariff items or supplement during the period of suspension or any extension thereof unless otherwise ordered by the Commission.

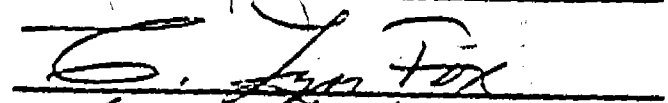
2. A copy of this order shall be filed with said tariff in the office of the Commission.


3. Copies of this order shall be forthwith served upon W. O. Gentle, Tariff Publishing Officer for Pacific Southcoast Freight Bureau, Agent, as agent for the carriers parties to the aforesaid tariff, upon each petitioner herein, upon M. A. Nelson and upon Leslie Salt Company.

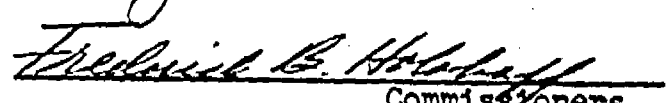
Dated at San Francisco, California, this 12th day of June, 1962.

  
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President

  
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D. L. Mitchell

  
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E. Lynn Fox

  
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George L. Brown

  
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Fredrick B. Holbeck  
Commissioners