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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Petition of Frank A. Riehle, Jr.,
dba Pacific Salt & Chemical
Company, for suspension and
investigation of Tariff 250-A,
Items (x) 3508 and (x) 3557 of
Pacific Southcoast Freight Bureau.

(I&S)
Case No. 7367

Petition of Western Salt Company,
San Diego, California, for suspen-
sion and investigation of Freight
Tariff 250-A, Items 3508 and 3557
of Pacific Southcoast Freight
Bureau.

(I&S)
Case No. 7369

Frank A. Riehle, Jr., for Pacific Salt & Chemical
Company, and David M. Miller, for Western Salt
Company, petitioners.

Charles W. Burkett, Jr., for Southern Pacific
Company and Pacific Electric Railway Company,
respondents.

Chickering & Gregory, by John P. MacMecken, for
Leslie Salt Co., D. Livengood, for West Coast
Salt & Milling Co., and Ralph J. Graffis, for
Morton Salt Company, interested parties.

O P I N I O N

By petitions filed May 29, 1962, and May 31, 1962,
respectively, Frank A. Riehle, Jr., doing business as Pacific Salt
& Chemical Company, and Western Salt Company sought suspension of
certain reduced carload rail rates applicable to the transportation
of crude salt from San Francisco Bay Area points to Los Angeles Area
points as set forth in Items 3508 and 3557 in Supplement 47-A to
Pacific Southcoast Freight Bureau, Agent, Freight Tariff 250-A,
W. O. Gentle, Tariff Publishing Officer.

By order dated June 12, 1962, operation of the tariff
items involved was suspended by the Commission until August 10, 1962.

Public hearing was held before Examiner William E. Turpen at San Francisco on July 17, 1962.

Petitioners alleged, among other things, that the reduced rates here involved are unfair to their companies; that they violate Section 453 of the Public Utilities Code in that they grant preference and advantage to salt sources other than theirs; and that a comparison of rates now in effect with those under suspension will show a discrimination against their companies.

A witness for the railroad respondents testified that there has been no intrastate movement of crude salt from points other than San Francisco Bay Area points; that undried salt moves under different lower rates; and that the rates here involved were reduced to permit Bay Area producers to meet competition of salt moving from Great Salt Lake due to a recent reduction of the interstate rate from that area to Los Angeles. He also stated that due to the suspension of the intrastate rate some of the salt formerly supplied to the Los Angeles market from the Bay Area is now being supplied from Utah. Another witness gave evidence to the effect that the rates in question produce adequate car-mile and ton-mile earnings and compare reasonably with salt rates between other points considering distances involved.

A salt producer located at Bakersfield, who secures his undried crude salt from one of the petitioners, testified that intermediate application of the reduced rate at Bakersfield would enable the Bay Area producers to undersell him in his local area. He requested that the reduced rates be limited to apply via the coast route only. Respondents said they had no objection to so restricting the rates. One of the petitioners said that he would have no

objection to the reduced rates if the routing were so restricted.

It is clear from the record that the reduced rates would not be preferential to producers in the Bay Area as opposed to petitioners, and that instead the withholding of the reduced rates will grant preference and advantage to producers located outside of California. Therefore, we find that the reduced rail carload rates here involved are not unreasonable, discriminatory nor in any other respect unlawful, and that they are justified by transportation conditions. As the period of suspension has expired, it is now only necessary to discontinue the investigations. It appears that restriction of the routing as suggested would remove a great deal of the objections raised here and would have no adverse effects. Respondents will be authorized to restrict the routing. We find that the increase in rates resulting from this restriction is justified.

Leslie Salt Co. filed a motion to strike from the petition for suspension filed by Pacific Salt & Chemical Company certain allegations in paragraphs 5(c) and 5(e) thereof. The allegations involved were not brought into issue during the hearing; the motion will be denied.

O R D E R

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

IT IS ORDERED that:

1. Cases Nos. 7367 and 7369 are hereby discontinued.
2. Pacific Southcoast Freight Bureau is hereby authorized, on not less than ten days' notice to the Commission and to the

public, to amend Items Nos. 3508 and 3557 of Supplement 47-A to its Freight Tariff No. 250-A, by restricting the routing so that it applies only via the Coast route. The authority granted in this paragraph shall expire unless exercised within ninety days after the effective date of this order.

3. The motion by Leslie Salt Co. to strike certain allegations in the petition for suspension filed by Pacific Salt & Chemical Company is hereby denied.

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

Dated at San Francisco, California, this 14th day of AUGUST, 1962.

George H. Grover
President
Robert E. Ketchum
Fredrick B. Blahoff

Commissioners

C. Lyn Fox

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.