

those receipts to cover the damage costs that are involved in whatever trouble occurs. This is essentially correct, is it not?

Mr. GRANGE. Yes.

Mr. WYDLER. What law?

Dr. MEHREN. The ICC regulation and I presume the ICC statute; I don't know the precise law. This is a standard procedure.

Mr. GRANGE. If I might add—

Mr. WYDLER. The law prohibits you from requiring them to obliterate markings? Is that what you are telling me, Dr. Mehren?

Dr. MEHREN. No, it requires that the product, in a partially damaged case or container involving damage which has occurred in the process of transportation, can be salvaged by the railroads.

Our regulations don't require, for this one exception, the obliteration of the USDA markings, but we do require them to overstamp with "Railroad salvage," so the product is identified to the consumer.

Mr. WYDLER. Fine; now you are back to my question: "Why the exception?"

Dr. MEHREN. The exception really is because this is a part of standard procedure in the transportation claim matters; and I believe it is also authorized under the ICC statute. I am not sure. Do you know?

Mr. GRANGE. I am not positive of that. I know, as you say, that it is standard, accepted, longstanding practice. We have had no misunderstanding or confusion, as far as I know, concerning the matter of railroad salvage.

This is usually caused by some rough handling, an accident or something. You have physical damage to the goods. You see the stamp "Railroad salvage" on the goods and it is obvious to everyone what it is being used for.

Mr. WYDLER. I understand exactly what you have said three times now, that you don't require it and that instead of requiring the obliteration of the markings you require them to stamp it with "Railroad salvage." That is clear. What I don't understand is why we make that exception.

Mr. GRANGE. It seems—

Dr. MEHREN. I also answered that three times, but if it pleases you I will try it again.

Mr. WYDLER. All right, try it again, Dr. Mehren, without telling me you stamp it "Railroad salvage." I know that. Why do we make the exceptions?

Dr. MEHREN. My understanding again, Congressman, if the reason for the exception is that if they be wholesome and no deception be involved in their handling, it is standard procedure, I know—and I believe law, the legal authority of the transport carrier—to salvage that which under standard law can effectively be sold in commerce as a means of minimizing or mitigating the impact of the transport loss and the consequent damage claims that impinge upon the transportation company.

This, to my knowledge, is the reason for this exception.

Mr. WYDLER. That is just another reason for introducing the matter into commercial channels. It is not a reason for not requiring them to obliterate the markings as you require everybody else to do.

Dr. MEHREN. We require an overstamp of the marking in this case.

Mr. ROSENTHAL. Maybe we should leave the record open on this