

INVESTIGATION AND SUSPENSION DOCKET NO. 1347.¹
 ANTHRACITE COAL TO STATIONS IN NEW YORK.

Submitted July 27, 1921. Decided August 10, 1921.

Respondents have not justified the proposed increased rates on anthracite coal from the Wyoming, Lehigh, and Schuylkill regions in Pennsylvania to stations in New York, and an order will be entered requiring the carriers to cancel the suspended schedules, but without prejudice to the presentation of another plan of revision designed to bring about greater uniformity in the rates.

R. W. Barrett and *J. L. Seager* for respondents.

J. G. Duffy for Utica Chamber of Commerce; *N. D. Chapin* for Syracuse Chamber of Commerce; *Thomas P. Kilgallon* for Troy Chamber of Commerce; *D. J. Sims* for Geneva Chamber of Commerce and others; *William J. Delaney* for Common Council of Saratoga Springs; *H. B. Darling* for Cortland Chamber of Commerce; and *Josiah D. Greene* for protestants.

F. W. Burton for Rochester Chamber of Commerce; *C. D. Marvin* for Oswego Chamber of Commerce; *Edward A. Kiley* for Canastota Chamber of Commerce; and *Earl O. Stowitts* for Amsterdam Board of Trade.

REPORT OF THE COMMISSION.

DIVISION 4, COMMISSIONERS MEYER, EASTMAN, AND POTTER.

MEYER, *Commissioner*:

The suspended schedules, filed to become effective during the period from June 1, 1921, to August 1, 1921, inclusive, contain increases and reductions in the rates on anthracite coal from producing points in the Wyoming, Lehigh, and Schuylkill regions in Pennsylvania to stations in New York. Upon protests of the chambers of commerce of Utica, Syracuse, Geneva, N. Y., and others, the schedules were suspended until September 29, 1921, and November 29, 1921. Except as otherwise indicated, the points hereinafter mentioned are in the state of New York. Rates will be stated in amounts per ton of 2,240 pounds.

The points of destination, located along the line and immediate vicinity of the New York Central from Buffalo to Albany, inclusive,

¹ This report also embraces Investigation and Suspension Docket No. 1360, Anthracite Coal to Stations in New York (2).

are served from the coal fields by one-line routes, by joint-line routes, or by both one-line and joint-line routes. The latter points will be referred to as common points. The most important one-line routes are those of the Delaware, Lackawanna & Western, hereinafter referred to as the Lackawanna, branching out at Chenango Fork to Utica and to Cortland, Syracuse, and Oswego; of the Lehigh Valley, which branches at Sayre, Pa., to Auburn and north and to Geneva and west; of the Delaware & Hudson, serving the so-called capital district, Schenectady, Albany, Troy, Cohoes, and Mechanicville; of the New York, Ontario & Western, serving Oswego, Oneida, and Utica; and of the Erie, at Binghamton extending west to Jamestown, Buffalo, and Rochester. The lines of these carriers, in conjunction with those of the New York Central, Central Railroad of New Jersey, Lehigh & New England Railroad, West Shore Railroad, Philadelphia & Reading, and Delaware & Hudson, compose the most important joint through routes, of which the New York Central is the principal delivering carrier.

For years prior to 1907, coal over joint routes generally moved on combination rates, but as the result of amendments to the act to regulate commerce, joint rates were established in that year, which were substantially the same as those of the one-line carriers. The rates generally ranged from \$1.90 to \$2. On April 1, 1916, following our report and order in *Rates for Transportation of Anthracite Coal*, 35 I. C. C., 220, numerous reductions were effected in the one-line rates, notably from \$2 to \$1.85 to Attica and Rochester via the Erie; from \$1.90 to \$1.85 to Rochester via the Lehigh Valley; from \$1.90 to \$1.65 to Syracuse via the Lackawanna; from \$1.95 to \$1.65 to Oneida via the New York, Ontario & Western; from \$2 to \$1.65 to Utica via the single lines of the Lackawanna and the New York, Ontario & Western; and from \$1.95 to \$1.65 to Albany, Troy, Cohoes, and Mechanicville via the Delaware & Hudson. Generally no changes were made in the rates of the joint-line carriers, and these reductions created a difference between the one-line and the joint-line rates of carriers serving common points, and also between the rates to common points and those to near-by points served only by joint lines. The difference was greatly accentuated by the general increases authorized by our order in Investigation and Suspension Docket No. 1111, *Anthracite Coal*, and in *Increased Rates, 1920*, 58 I. C. C., 220, and by the increases under general order No. 28 of the Director General of Railroads. At present it is, for instance, 70 cents per ton at Oneida and Utica, and 56 cents per ton at Syracuse, Schenectady, Albany, Troy, and Cohoes. This inequality of the rates has given a decided advantage to the dealers located on the single lines as against those located on the joint lines in the same locality.

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By the suspended schedules it is proposed to make the difference range from 14 to 30 cents generally by increasing the one-line and reducing the joint-line rates to common points. The rates to many points served only by single lines would be increased. Illustrative of the contemplated adjustment are the rates to Syracuse, Oneida, and Utica, where the single-line rates would be increased from \$2.94 to \$3.22, and the joint-line rates would be reduced at Syracuse from \$3.50, and at Oneida and Utica from \$3.64, to \$3.36, there remaining a difference of 14 cents a ton. At Schenectady, Albany, Troy, and Cohoes the one-line rates would be increased from \$2.94 to \$3.06, and the joint-line rate would be reduced from \$3.50 to \$3.36, leaving the one-line rates 30 cents a ton less than the joint-line rates. At many points the spread would be entirely wiped out, leaving the one-line rates the same as the joint-line rates. Reductions are also proposed to stations on joint lines in the vicinity of common points, to stations served by single lines, and to common points over all the lines.

Respondents state that the purpose of the suspended schedules is to provide substantially the same rates for one-line as for joint-line hauls to common points, and to equalize the relationship of the various communities to each other, without making any material change in the revenue of the carriers. The proposed adjustment affects 2,821 rates—2,312 reductions and 509 increases. The movement of anthracite coal is in proportion to the population, and the increases are to the most important centers. Based on 2,633,510 tons moved during the year beginning April 1, 1914, respondents estimate their revenue as a whole would be increased \$17,571.

Protestants contend that the proposed rates, whether resulting in increases or reductions, would be unreasonable or unjustly discriminatory. It is pointed out that to common points the larger amount of coal moves over the single lines and the suspended schedules would deprive the dealers located on such lines of the lower rates. Stations to which rates would be reduced claim to be discriminated against, as lower rates are proposed to neighboring localities.

It is apparent from the record that the difference between the one-line and joint-line rates to common points is too great. A proper adjustment would require a smaller spread or no spread at all. It does not exist in the rates on bituminous coal or on most, if not all, other commodities. The rates via the single-line carriers are those prescribed by us, with the various increases added. The burden of proof is on the carriers to justify the reasonableness of the level of the increased rates. This they have not attempted to do except by showing that the rates to many points would be reduced. No evidence was introduced bearing on the reasonableness of the rates. The

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theory was advanced that this being a general adjustment it should be considered as a whole.

The present rate situation leaves much to be desired. Coal dealers in the state generally welcomed the proposed adjustment as being a step in the right direction. In fact, many persons located on the joint lines, and who claim they are being driven out of business because of the advantage enjoyed by their more fortunate competitors located on the single lines in the same locality, at the hearing favored the proposed adjustment regardless of the amount of the rates, as it would place them on a more equal basis.

The removal of the inequalities is desirable and should be carried out; but the carriers have not shown the reasonableness of the proposed increased rates. The basic rates here in issue were established after a most thorough investigation in *Rates for the Transportation of Anthracite Coal, supra*. They were increased under our order in Investigation and Suspension Docket No. 1111, *Anthracite Coal*, under general order No. 28, and in *Increased Rates, 1920*. Any increase of the basic rates above the three increases here mentioned requires clear proof of reasonableness. This the record does not contain.

We therefore find that respondents have not justified the increased rates proposed. An order will be entered requiring respondents to cancel the suspended schedules, and discontinuing this investigation; but without prejudice to the presentation of another plan of revision of their anthracite coal rates from and to the territory involved designed to bring about greater uniformity than now exists. Respondents will be permitted to make the reduced rates carried in the suspended schedules effective upon five days' notice.

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