

No. 15006

RATES, CHARGES, REGULATIONS, AND PRACTICES
GOVERNING TRANSPORTATION OF ANTHRACITE
COAL

Decided January 4, 1926

Proposed readjustment of rates on anthracite coal from Pennsylvania to destinations in upper New York State, in order to remove existing disparities in rates over different routes to the same destination, approved. Original report, 101 I. C. C. 363, modified in part.

SUPPLEMENTAL REPORT OF THE COMMISSION

CAMPBELL, *Commissioner*:

In the original report, 101 I. C. C., at page 374, we discussed complaints from representatives of anthracite coal dealers served by joint-line routes at points in upper New York State and New England, over which routes the rates on anthracite coal are higher than over single lines. We said, page 375:

We shall not authorize any increases in rates on anthracite, and we expect the carriers to reduce the higher rates on domestic sizes and pea size of anthracite applicable over the longer routes to the level of the rates applicable over the shorter routes between the same points, to the end that where the carriers maintained the same level of rates to given points prior to our order in *Rates for Transportation of Anthracite Coal, supra* [35 I. C. C. 220], that parity of rates shall be restored.

Respondents now come to us for approval of a proposal for removing these disparities at points in upper New York State which contemplates some increases in the single-line rates and generally reductions in the rates for joint-line hauls. Respondents state that since our original report they have made sincere efforts to work out a plan for restoring to common points in upper New York State the parity of rates which existed prior to *Rates for Transportation of Anthracite Coal, supra*. They have finally agreed upon a plan, which may be illustrated by taking Albany, N. Y., as a typical destination. Rates or differences in rates will be stated in amounts per ton of 2,240 pounds.

104 I. C. C.

The present rates and routes to Albany are shown in the following table:

Route	Distance	Rate
	<i>Miles</i>	
Delaware & Hudson.....	203	\$2.65
Central R. R. of New Jersey, Jersey City, West Shore.....	340	3.02
Delaware, Lackawanna & Western, Scranton or Plymouth, Delaware & Hudson.....	216	2.77
Delaware, Lackawanna & Western, Utica, New York Central.....	262	3.02
Erie, Avoca, Delaware & Hudson.....	211	2.77
Erie, Newburgh, West Shore.....	217	3.02
Lehigh & New England, Campbell Hall, West Shore.....	222	3.02
Lehigh & New England, Campbell Hall, New York, Ontario & Western, Cornwall, West Shore.....	236	3.02
Lehigh & New England, Hauto, Central R. R. of New Jersey, Jersey City, West Shore.....	282	3.02
Lehigh Valley, Jersey City, West Shore.....	330	3.02
New York, Ontario & Western, Jermyn Transfer, Delaware & Hudson.....	187	3.02
New York, Ontario & Western, Utica, New York Central.....	260	3.02
Reading Co., Newberry Junction, New York Central.....	490	3.02

It is proposed to increase the single-line rate to Albany to \$2.75 and to increase or reduce, as the case may be, the rates for joint-line hauls to \$2.88, the rates on pea size and generally on smaller sizes to be 25 cents less. The single-line rate of \$2.65 to points east of Geneva, N. Y., applies only from the Wyoming region. The joint-line rates apply from the Wyoming, Lehigh, and Schuylkill regions. The proposed rates would apply from all three regions. The average distance from the Lehigh and Schuylkill regions is substantially greater than that from the Wyoming region. Respondents state that the net result of their proposal would be a decrease in revenue to the anthracite carriers as a whole, and that a reduction of the present joint-line rates to the one-line basis would result in a serious and unwarranted loss in revenue.

The present single-line rates to these destinations are on basis of those prescribed in *Rates for Transportation of Anthracite Coal, supra*. In that case we prescribed rates only for single-line hauls. Those rates would not be reasonable maxima for joint-line hauls, at least in instances where the joint-line routes are longer than the single line. Where not unduly circuitous it is desirable that all of these routes be retained. The difference of 13 cents between the single and joint line hauls in this proposed readjustment does not appear to be unreasonable, nor is it great enough to place the retail coal dealer served by the joint routes under any serious handicap in competing with the dealer served by the single line at the same point.

We find that the readjustment proposed by respondents will remove the undue prejudice complained of at points in the State of New York, and will not result in unreasonable rates. This finding is without prejudice to different conclusions which may be reached upon a more adequate record with respect to the reasonableness of any of these rates.

104 I. C. C.

EASTMAN, *Chairman*, dissenting:

The respondent carriers were, in my judgment, treated very liberally in our original report in this proceeding. Considering the character and value of the commodity, their rates on anthracite coal are undoubtedly relatively high, as compared with the rates on many other commodities. Owing to the financial showing of the principal anthracite carriers, as disclosed by the record in this proceeding, for the period covered by the record, we declined to make any general reduction in the anthracite rates. We did, however, state that—

we expect the carriers to reduce the higher rates on domestic sizes and pea size of anthracite applicable over the longer routes to the level of the rates applicable over the shorter routes between the same points.

In this connection we made the following statement, at pages 374-375:

It is within the power of the respondent carriers to reduce materially the difference of mileage between the short routes on the one hand and several of the longer routes on the other by the formation of new through routes. Moreover, the present structure of rates on anthracite reflects grouping of mines and grouping of numerous points of destination. This grouping principle is inconsistent with the differences in rates which are now maintained between the shorter and the longer routes. And it may be noted that if equalization of rates over all these routes should be brought about the carriers that would suffer reductions on the longer routes are all carriers that have the advantage of numerous relatively high rates for the shorter hauls. We can not authorize equalization of the rates through any increases of rates.

As the report of the majority shows, some of the joint routes are unduly circuitous. Thus, in the case of the routes to Albany, the short-line distance is 187 miles, but the Reading Company and the New York Central have a route which is 490 miles long, and there are two routes via Jersey City in connection with the West Shore which are respectively 340 and 330 miles long. New York Central or West Shore delivery can be obtained at Albany without the use of such unreasonable and uneconomic routes. Except for joint routes of this character which might well be closed in favor of more reasonable routes, it seems to me that in view of the way in which these anthracite rates are constructed we may lawfully require the present single-line rates to be published over the joint-line routes as well. I see no good reason, therefore, why we should now retreat from the position taken as to this matter in our original report.

I am authorized to say that COMMISSIONER McMANAMY joins in this expression of dissent.

HALL, *Commissioner*, dissenting:

Certain expressions in the original report have led the carriers of anthracite coal serving upstate consuming points in New York,

104 I. C. C.

of which Albany is taken as typical, to propose a readjustment by increase of some rates and reduction of others. The majority find no violation of law in the existing adjustment, but they sanction increases on which shippers and consumers have had no chance to be heard. In this I do not concur.

COMMISSIONER AITCHISON dissents.

No. 15904

ROCBOND COMPANY v. ATCHISON, TOPEKA & SANTA
FE RAILWAY COMPANY ET AL.

Submitted August 3, 1925. Decided December 5, 1925

Rates on magnesite stucco from Cedar Rapids, Iowa, to destinations in Nebraska, Colorado, Wyoming, Kansas, and southwestern Missouri, found unreasonable. Reasonable rates prescribed for the future and reparation awarded.

H. F. Sundberg and *L. C. Spaight* for complainant.

No appearance for defendants.

REPORT OF THE COMMISSION

DIVISION 3, COMMISSIONERS HALL, CAMPBELL, AND COX

BY DIVISION 3:

No exceptions were filed to the report proposed by the examiner.

At Cedar Rapids, Iowa, complainant manufactures a magnesite stucco, under the trade name of Rocbond, which it ships to destinations in Nebraska, Colorado, Wyoming, Kansas, and southwestern Missouri. Rocbond is used as an exterior wall coating, similar to the ordinary pebble-dash covering. The base is magnesite, to which is added sand and granulated cork, to make a so-called stucco mix. Other ingredients are magnesium chloride and crushed-rock dash. The three articles are shipped in separate containers in the same car, the stucco mix in 100-pound paper bags, the magnesium chloride in 100-pound burlap bags, waterproof lined, or in 300-pound metal drums, and the crushed-rock dash in 100-pound burlap bags. This separation is necessary because the chloride of magnesium, if shipped with the other articles in containers not air tight, would set or harden the mixture, upon absorption of moisture. The governing classification, by an exception, rates magnesite stucco in class D. A com-

104 I. C. C.