

INVESTIGATION AND SUSPENSION DOCKET No. 6341  
FREIGHT IN TRAILERS ON FLATCARS, DELAWARE,  
LACKAWANNA & WESTERN RAILROAD COMPANY

---

*Decided December 5, 1955*

---

On reconsideration, reduced charge for split pickup services within the terminal area of the point of origin, with the addition of one more stop for partial loading of foodstuffs, canned, preserved, or prepared, from New York, N. Y., to Chicago, Ill., Cleveland, Ohio, Detroit, Mich., and St. Louis, Mo., in connection with freight loaded in or on trailers and transported on flatcars, found just and reasonable. Findings in prior report, 296 I. C. C. 431, reversed, and proceeding discontinued.

Appearances as shown in prior report.

REPORT OF THE COMMISSION ON RECONSIDERATION

DIVISION 3, COMMISSIONERS ARPAIA, CLARKE, AND FREAS

BY DIVISION 3:

In the prior report, 296 I. C. C. 431, we found not shown to be just and reasonable a proposed reduced charge for split pickup services within the terminal area of the point of origin, with the addition of one more stop for partial loading of foodstuffs, canned, preserved, or prepared, from New York, N. Y., to Chicago, Ill., Cleveland, Ohio, Detroit, Mich., and St. Louis, Mo., in connection with freight loaded in or on trailers and transported on flatcars. Upon petition of the respondent, sometimes called the Lackawanna, the effective date of the order requiring cancellation of the proposed schedules was stayed and the proceeding reopened for reconsideration. The schedules became effective on September 16, 1955. The facts set forth in the prior report will be repeated only to the extent deemed necessary for a clear understanding of the issues.

The rates on foodstuffs from and to these points apply on movements in or on trailers on flatcars. Prior to September 16, 1955, respondent's tariff provided that one stop, in addition to the initial pickup, would be permitted within the confines of the primary point of origin (which on traffic originating in the New York terminal area includes stopping in the Hoboken-Jersey City terminal area) for the purpose of picking up a component part of a shipment. A charge of \$14.25 was provided for the stop in addition to all other lawful charges. The suspended schedule proposed that 2 stops, in addition to the initial pickup, be permitted at a charge of \$10 for each stop, or a  
297 I. C. C.

total of \$20 for 2 stops as against \$14.25 for 1 pickup stop. Two competing carriers, Packers Express, Inc., and Emery Transportation Company, now charge \$10 for each such intermediate stop. Emery allows four stops, excluding final delivery. There are no substantial differences in the line-haul rates as between the respondent and Packers Express on this traffic from New York to Chicago, Cleveland, Detroit, and St. Louis.<sup>1</sup>

Prior to September 16, 1955, Packers Express and Emery were handling most of the foodstuff traffic requiring multiple pickups, while the respondent was not moving any of this traffic requiring such pickups. Apparently, the difference in the pickup charge had the effect of preventing respondent, and motor carriers which maintain pickup charges similar to respondent's from participating in the transportation of the traffic.

The Lackawanna was one of the respondents in *Trailers on Flatcars, Eastern Territory*, 296 I. C. C. 219, decided July 6, 1955. In that proceeding, the Commission found that the rates on freight loaded in or on trailers and transported on flatcars between New York and Buffalo, N. Y., Baltimore, Md., Philadelphia and Pittsburgh, Pa., Cleveland and Cincinnati, Ohio, Chicago, and St. Louis, and certain points contiguous or adjacent thereto, were just and reasonable. It there appeared that those rates were for a service competitive with those of motor carriers, and included pickup service in the New York terminal area; also that the rates for the through service were compensatory.

The prior report herein stated that the evidence of record afforded no basis for a conclusion as to the compensatory character of the charge proposed and the competitive necessity therefor. The maximum reduction in the through charges here concerned is \$4.25 per carload. Upon further consideration of the record, in the light of the Commission's decision of July 6, 1955, just referred to, dealing with the compensatory character of the rates there in issue, we conclude that the proposed reduced charge for split pickup service will have little effect upon the earnings derived from the through charges including the pickup charge, and that the proposed charge is no lower than necessary to meet the existing competition.

On reconsideration, we find that the schedules under investigation are just and reasonable. The prior findings are reversed, and the proceeding will be discontinued.

---

<sup>1</sup> Prior to July 15, 1955, respondent's and Packers' rates were the same to the aforementioned points. On the latter date, respondent established a reduced rate on "nuts" to Cleveland.