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PIGGYBACK TRANSPORTATION

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HEARING

BEFORE THE

SURFACE TRANSPORTATION SUBCOMMITTEE

OF THE

COMMITTEE ON

INTERSTATE AND FOREIGN COMMERCE

UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

TRAILER ON FLATCAR SERVICE, KNOWN POPULARLY AS TOFC OR PIGGYBACK SERVICE, AND ITS EFFECTS ON THE TRANSPORTATION PATTERN OF WYOMING AND CONTIGUOUS AREAS

APRIL 10, 1961

CHEYENNE, WYOMING

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Committee on Interstate and Foreign Commerce

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PIGGYBACK TRANSPORTATION

April 12, 1961.

Hon. George A. Smathers,
Chairman, Surface Transportation Subcommittee,
Senate Commerce Committee, Washington, D.C.

Dear Senator Smathers: The decision of the Surface Transportation Subcommittee of the Senate Commerce Committee to hold a hearing on the TOFC, or piggybacking, in Cheyenne was much appreciated.

I believe the record of the testimony taken at this hearing will prove very useful to our committee. The question of whether or not the practice of piggybacking has had a discernible economic impact upon the community as well as the extent of that impact has been thoroughly and skillfully explored by witnesses representing several interested groups. In my opinion, it is of special significance that these witnesses are intimately involved in the subject matter of the hearing.

Several questions have been raised but not resolved by the testimony of these witnesses which may well merit further consideration.

1. It has been asserted that the savings which result from the much lower transportation charges for the shipment of automobiles by piggyback, have not been passed on to the local automobile retailer or to the public. The scope of this hearing did not lend itself to a definitive answer to the question of what happens to these savings, but is is certainly a question which needs answering.

2. There was relatively little testimony to demonstrate exactly how many additional men the railroads had been able to employ because of the increase in tonnage carried resulting from the piggyback operation.

3. Testimony did establish that in many cases individual truckers own and are making payments on their tractor unit. The result of this fact is that when business decreases, the individual who has the least financial flexibility bears such a substantial proportion of the burden of the decrease that he loses both his investment and his tractor and is out of business.

This brief list does not, of course, cover all of the questions which were raised in our Cheyenne hearing. It does indicate, it seems to me, the range and depth of the inquiry and something of the real intensity of feeling which surrounds this subject.

It is my earnest hope that these questions as well as the others suggested in the body of the record, will receive the attention which their seriousness merits.

The subcommittee owes its thanks to the State of Wyoming and to its Governor, Jack R. Gage, for making available the chamber of the house of representatives, in which the hearing was held, and for the very helpful cooperation which contributed so much to its success.

Sincerely,

Gale W. McGee,
U.S. Senator.

MONDAY, APRIL 10, 1961

U.S. SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
SURFACE TRANSPORTATION SUBCOMMITTEE,
Washington, D.C.

The subcommittee was called to order, pursuant to notice, at 9 a.m., in the chambers of the house of representatives, State Capitol Building, Cheyenne, Wyo.

Senator McGEE. The meeting will come to order.

This hearing has been authorized by the Surface Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce, of which I am a member.

With us today is Mr. Frank L. Barton, staff counsel of the Surface Transportation Subcommittee.

The subject of this hearing, as approved by the committee, is confined to trailer on flatcar service, known popularly as TOFC or piggyback service, and its effects on the transportation pattern of Wyoming and contiguous areas. As a part of this subject the committee is interested in the influence of TOFC on employment in the various modes of transportation, and its general effect on other related economic activities in this area. I shall be grateful if witnesses will confine their testimony to these subjects.

Congress is continually concerned with the orderly development of a stable and productive transportation system for the Nation. This concern lies within the particular jurisdiction of the Senate Committee on Interstate and Foreign Commerce. In attempting to make this concern effective it is necessary for the committee to hold hearings from time to time in order to be adequately informed of the opinion of interested groups and individuals on the various aspects of this complex industry. In this case it was felt that the only way to build a legislative record which would really inform the committee was to get out and get the testimony of those actually involved in and affected by the practice of TOFC or piggybacking. Members of the committee—myself included—have received many communications from those interested in this subject during recent months, and it is the purpose of this hearing today to give all groups a chance to express their points of view of this subject in the public interest.

On behalf of the committee I want to thank station KFBC of Cheyenne for offering to televise a portion of the hearing. It seems to me that television has demonstrated, during the recent political campaign and here today, a constructive willingness to use its great powers to help inform the American people on the difficult public issues which must, in our democracy, be understood by all if they are successfully to be resolved by all.

In addition to the difficulty presented by the complexity of the subject with which we are about to deal we have an additional difficulty stemming from the fact that more than 40 persons have requested the

opportunity to testify. Naturally, the committee wishes to give everyone a chance to have his say. Obviously, however, in order that this may be done it will be necessary for each witness to present his written statement for inclusion in the record in full and to confine his oral testimony to a brief exposition of the heart of the information which he wishes to present. We shall make every attempt to allow everyone to testify even though it will be necessary to testify very briefly. It should be understood, however, that written statements included in the record will be just as much a part of the record as one's oral testimony and will thus serve equally the same function in informing Congress. In addition, the record of this hearing will remain open for a period of 14 calendar days after the hearing in order that additional statements may be included. I ask you to keep constantly in mind that we must finish this hearing today.

Our first witness today is Mr. L. E. Meredith.

Would you now proceed, Mr. Meredith?

STATEMENT OF L. E. MEREDITH, MANAGING DIRECTOR, WYOMING TRUCKING ASSOCIATION, INC.

Mr. MEREDITH. Senator McGee, and gentlemen, my name is L. E. Meredith. I am managing director of the Wyoming Trucking Association, Inc., Casper, Wyo. This association is a trade association of the trucking industry in the State of Wyoming, representing all forms of motor carriage as well as industry suppliers.

The statement which I will read today has been prepared in cooperation with the American Trucking Association and at least most of the statements which I will make out of the printed form here have been cleared by the American Trucking Association.

The industry welcomes this opportunity to present its views on piggyback, which is the first ever held on this specific aspect of transportation, and on behalf of the citizens of Wyoming I think I can say that we are greatly honored that the hearings are being held here and by your interest in this problem, Senator.

The piggyback plans have been separated from the rest of the statement because we did not know in what order we would appear, and if you think it would be well, I can read the five various piggyback plans which are presently in use.

Senator McGEE. I think in the interest of time it might be well to pass over the description of the five plans without reading them.

Mr. MEREDITH. I will just proceed with the statement.

At the outset, let me make it eminently clear that the trucking industry is not opposed to all forms of piggyback as such. It is opposed to the use of piggyback by other modes of carriage as a means of engaging in traditional motor carrier operations. It is most emphatically opposed to the use of piggyback as a weapon of destructive competition. It must also be remembered that piggyback gives all of its economic and service benefits to businesses located in major population centers. It ignores the needs of the businessman serving consumers in small and more remote areas.

The through movement of loaded highway trailers from shipper's dock to consignee's dock constitutes the essential uniqueness of motor transportation. When the Motor Carrier Act was passed in 1935,

Congress carefully limited railroads to motor carrier operations only for the purpose of improving their overall train service.

Yet, in the so-called *New Haven* case, the Commission departed from the congressional policy against "railroad invasion of the motor carrier field," clearly reaffirmed in 1940 after congressional attention was specifically called to Commission decisions implementing the policy. The decision freed the railroads from their limitation to motor operations auxiliary and supplemental to their train service. It permitted them to engage in unrestricted trucking service between major points on their lines.

The *New Haven* opinion not only opened the door to railroad invasion of the motor carrier field, but also permitted freight forwarders and shippers' associations to undertake motor carrier service in direct competition with independent motor carriers.

A freight forwarder has always been conceived of as one who assembles and consolidates less-than-volume shipments from numerous shippers and arranges for the movement of the consolidated freight in volume lots by a carrier actually performing the physical transportation. The freight forwarder breaks bulk and then distributes the shipments at destination.

Freight forwarders were never envisioned as owners or operators of line-haul freight carrying vehicles—yet, under plan III, piggyback operations, the railroad transports the forwarder's loaded highway trailers and, under plan IV, the railroad moves the forwarder's trailer on the forwarder's own flatcars.

In this connection, it is pertinent to consider a related decision by the ICC which approved freight forwarder volume rates applicable for minimum weights ranging from 10,000 to 30,000 pounds. The Commission concluded that nothing in the act limited the weight of the shipments which forwarders can handle. Thus, from consolidators of smaller shipments, freight forwarders have been transformed into transporters of truckload shipments in their own vehicles utilizing rail motive power. Needless to say, this decision is being appealed and will be heard in the near future by the Federal District Court for the Southern District of Indiana.

The trucking industry feels that piggyback can be a progressive step if properly regulated and utilized. Under the present "hands off" attitude taken by the ICC, the current developments in this area are rapidly destroying the motor carrier industry.

To add insult to injury, it is also undermining the stability of the railroads which hail it as a cure-all. The rates and practices surrounding present day operations are entirely alien to our theory of adequate and economic service for the shipping public.

The trucking industry has not stood idly by and watched the railroads institute rate cut after rate cut. We have protested the rates, we have participated in investigations, and we have brought formal complaints. In some of these cases, the findings have been startling.

In a recent examiner's report on one of our complaints, the examiner found that certain plan III and IV rates were set at approximately 11 to 17 percent of the first-class rate. These rates were for the movement of mixed freight, generally of the higher rated type and yet the rate was at a level which is applied only to such low value items as sand, crushed stone, and the like. By comparison, the rail-

roads have tariffs which they regularly use for boxcar movement of this same mixed freight which are classified at 45 percent of first-class, three to four times as high as the piggyback rates.

Further examples of these extremely low piggyback rates were brought out in last year's hearing before the Subcommittee on Merchant Marine and Fisheries and are cited in the subcommittee's report.

The question was raised at these hearings as to whether or not the savings brought about by piggyback were being passed on to the consumer.

It is obvious that plan III and plan IV piggyback rates at the present levels must attract the higher grades of traffic and leave the conventional common carrier services both rail and highway with the "skim milk." There has been a great deal of comment on the effect of such loss of high-grade traffic on the motor common carriers and I certainly agree that its impact on the trucking industry and particular segments of it has been severe. But no adequate consideration is being given to its effect on conventional boxcar traffic. I believe it is self-evident that piggyback rates of 12 to 17 percent of first-class must inevitably draw heavily on the railroad's own boxcar traffic on which they maintain carload commodity rates on items other than the low-rated bulk commodities as high as 87 percent of first class.

Does it make sense for the rail carrier to one day carry an item in a boxcar at X cents per hundred pounds and the very next day to carry that item at one-third as much inside a highway trailer on a flatcar? Does it make any more sense for a rail carrier to take this same item away from a motor common carrier who has been carrying it at about the same rates as the boxcar rate and carry it at one-third that rate?

These rail practices result in upheavals of whole rate structures. If your business is making less money on one product than previously, then you must raise the price on something else if you are to stay in the black. This is the situation in which the railroads find themselves today. Are the prices of rail transportation to be raised on commodities that do not lend themselves to piggyback movement or will they be forced to raise their rates in some manner at all those thousands of smaller towns and communities which have no piggyback service?

The trucking industry is seriously alarmed by the impact of the largely unregulated growth of piggyback. Piggyback has been used as a very effective weapon in a concerted attack on certain segments of the industry. While motor transportation overall has felt the effects of piggyback, the automobile transporters have been hit with particular intensity. Very substantial inroads have been made in their traffic and revenue volumes and a number of the carriers have been thrust into precarious financial situations. There is nothing to suggest, once the automobile transporters have been eliminated for all practical purposes, as a competitive factor, that the same sort of intensive campaign cannot be commenced against other segments of the trucking industry until motor freight transportation is removed from the national scene.

We are concerned and we have made a real effort to get out of the plight we have been thrust into. The industry actively participated

in the *New Haven* case where the railroads and the forwarders were given the greenlight to get into the motor transportation field through the back door. When we saw how the ground rules laid down in the *New Haven* case were being used and misused, the industry sought to have that case reopened in February 1960, but that request was denied by the Commission. Individual motor carriers and associations of carriers have participated in many of the proceedings involving piggyback rates. Industry representatives appeared and testified during the hearings of the Merchant Marine and Fisheries Subcommittee on the "Decline of the Coastwise and Intercoastal Shipping Industry" on this related problem. We have supported the suggestion contained in the August 1960 report of that subcommittee that the Commission undertake a general investigation "of current problems in the motor vehicle field caused by these new developments."

Senator McGee. I wonder, Mr. Meredith, if I could interrupt there for just a moment. The basic concern, as I understand it following your testimony, is in regard to the inequities in the rate structure.

Mr. Meredith. That is mainly true.

Senator McGee. Your fear is that in rail transportation utilizing the piggyback operation now, that commodities that are not available for piggybacking may suffer by having to pay higher rates and that small communities not available on the ordinary piggyback operation may likewise suffer from having to meet higher minimum weights. I am wondering if it would be agreeable with you if the balance of your statement could be filed, again in the interest of time? As I follow along and glance quickly ahead, the real burden of the petition seems to me is contained in that rather brief summary there.

Mr. Meredith. That would be fine. I would like to refer to the bill which is now before your committee, this S. 1197——

Senator McGee. May I hasten to interject here that there is no bill before our subcommittee.

Mr. Meredith. OK.

Senator McGee. There have been some bills referred to the full committee for study ultimately, but they have not come to the subcommittee and they are not the subject of this hearing. I want to make sure the ground rules are understood. We can't receive testimony on those.

Mr. Meredith. That's fine, because that is mostly what concerns the rest of this.

Senator McGee. I saw that.

Mr. Meredith. In the meantime, the present hearing has certainly served and is serving a highly useful purpose by focusing attention on the subject of piggyback.

We thank you for giving us the opportunity to present this testimony on behalf of our industry.

I am sure there are copies of this testimony available.

Senator McGee. Thank you very much, Mr. Meredith.

Did you have any questions?

Mr. Barton. No questions, Senator.

Senator McGee Thank you very much, Mr. Meredith.

(The balance of Mr. Meredith's statement as filed is as follows:)

Despite the recommendation of the subcommittee, the Commission has not yet taken any such action. We have appealed the Commission's decision in the *Forwarder Volume Commodity Rates* proceeding to the Federal courts to

secure a reversal of what we believe is an erroneous decision by the Commission that forwarders may transport vehicle-loads of traffic with only token consolidation. We have instituted a number of complaints with the Commission against some of the practices and activities of supposedly exempt shippers' associations.

But all of these efforts have thus far been to no avail. The situation is getting worse, not better.

The trucking industry is rapidly exhausting every possible administrative and legal remedy at its disposal. Out of necessity, we are turning to the Congress for action which will add a significant measure of stability to the otherwise chaotic condition of our national transportation system.

There is pending before your committee a bill, S. 1197, which will substantially alleviate at least one major aspect of this problem—that of unjustified and unreasonable rate reductions. My testimony has shown that one of the most unsettling ramifications of current piggyback developments is its harsh impact on a just and reasonable rate structure fair to carrier and shipper alike.

The proposal would amend the so-called rule of ratemaking, section 15(a)3 of the Interstate Commerce Act, and would direct the ICC to once again consider traditional criteria in passing upon competitive rate levels. This legislation will go a long way toward insuring the proper adaptation of piggyback operation in our national transportation scheme. It will also once again give evidence that Congress intends that all modes of transportation be given the right environment for sound economic development.

It is the hope of the trucking industry that hearings will soon be held on S. 1197. While this measure is not under consideration today, we wanted to take the opportunity to stress its importance and show its relationship to the piggyback problem.

* * * * * * *

DESCRIPTION OF PIGGYBACK PLANS

PLAN I

The railroad moves the loaded trailers owned or controlled by a common carrier trucking company. The shipments move on a motor carrier bill of lading under regular motor carrier tariffs. The trucking company pays the railroad on a "division" basis or a flat charge per trailer.

PLAN II

The railroad furnishes all equipment and service, including pickup and delivery, at railroad rates.

PLAN III

The railroad moves two loaded trailers owned or leased by a shipper or freight forwarder. The flatcar loading and unloading is done by the railroad, while cartage to and from the piggyback ramp is the responsibility of the shipper or forwarder. Rates are based on a flat charge; in other words, a stated amount in dollars and cents per car.

PLAN IV

Plan IV is similar to plan II except that both the flatcar and the trailers are furnished by the shipper or forwarder, with the railroad furnishing only line-haul movement.

PLAN V

The railroad and a motor common carrier undertake a joint-rate, through-route arrangement under which they perform a joint line-haul service over their connecting operating authorities. The shipper is charged a single-factor rate from origin to destination and the motor carrier's "division" of the rate is usually the same as its local charge for that portion of the service which it performs. The trailer, under plan V, is generally provided by the motor carrier.

* * * * * * *

Senator MCGEE. The second witness, Mr. Gus Fleischli. Is Mr. Fleischli here?

Mr. FLEISCHLI. I am sorry, I just came in and I didn't hear your ground rules.

Senator McGee. Well, I was suggesting, Mr. Fleischli, if you care to sit at the table and give your name and identify the group you represent, and before you adjourn today, leave a mailing address where the clerk may find it possible to reach you in the event any unclear matters emerge in your testimony, and if you have a copy of your testimony, leave a copy with the clerk and here at the desk if you have extra copies.

STATEMENT OF GUS FLEISCHLI, JR., MANAGER, HUSKY TERMINAL, CHEYENNE, WYO.

Mr. Fleischli. Well, Senator, my main purpose here is, I represent a group of people that operate truck stops. A truck stop is, of course, a dispensing location for fuel for primarily Commercial Carriers, Inc.

Senator McGee. To make sure the record is clear on this, you do not represent truckers as truckers or trucking organizations as such?

Mr. Fleischli. No.

Senator McGee. You represent filling stations?

Mr. Fleischli. Filling stations.

Senator McGee. And other similar facilities?

Mr. Fleischli. Yes, sir. Our big concern, of course, with the car hauls, I would say there are probably five truck shops in Wyoming that are primarily interested in this car hauling. I could name them if you would like. There is Little America, The Diamond Horseshoe in Laramie, Husky Terminal in Cheyenne, Medicine Bow, the Oasis, Gay Johnson in Rawlins, and a number of other smaller ones, but I would just say those people represent the big share of gasoline diesel fuel dispensed to these people primarily.

Senator McGee. We will assume that these are unsolicited commercials.

Mr. Fleischli. That's right. They are unsolicited. I think probably the most important thing, it will probably be introduced by someone else, but I do have the figures from the department of revenue, the State department of revenue, the difference between the revenue of Commercial Carriers in 1960 paid to the State of Wyoming and the difference in the figures in 1961.

Senator McGee. How detailed are those figures, are they better included in the record, or could you refer to them now?

Mr. Fleischli. I can refer to them very quickly. I will just give them to you in one or two instances here. Dallas & Mavis Car Hauling Co., in January of 1960 they paid $2,125.48 to the State department of revenue. In February of 1960 they paid $2,603 to the State department of revenue. In the 2 months in 1961 they paid $2,254.59, almost one-half of what they paid in 1960.

I can submit the rest of these figures to you.

(The information requested follows:)

To Whom It May Concern:

Subject: Supplementary report to study made on compensatory fees for months of July 1959 to December 1959 and July 1960 to December 1960 including January and February 1960 and January and February 1961.

Below is the comparison of 11 car carriers for the above-mentioned months.

Month	Total fees
Commercial:	
January 1960	$4,289.69
February 1960	.500
March 1960	10,371.99
KAT:	
January 1960	8,738.22
February 1960	602.65
Dallas & Mavis:	
January 1960	2,125.48
February 1960	2,603.03
Dealer Transport:	
January 1960	3,714.94
February 1960	3,897.66
Dealers Transport:	
January 1960	131.36
February 1960	99.71
Associated:	
January 1960	6,432.88
February 1960	878.17
Arco:	
January 1960	----------
February 1960	37.42
K. W. McKee:	
January 1960	72.41
February 1960	182.44
Dealer Transit:	
January 1960	----------
February 1960	----------
Truck Away:	
January 1960	----------
February 1960	58.47
Jack Cooper:	
January 1960	1,547.75
February 1960	1,757.30
Company Nos. 3750, 8760:	
January 1961	$4,579.53
February 1961	4,002.51
Company No. 639:	
December 1960	1,211.04
January 1961	1,111.32
February 1961	899.84
Company No. 1507:	
December 1960	1,499.10
January 1961	----------
February 1961	2,254.69
Company No. 1537:	
December 1960	807.76
January 1961	594.64
February 1961	1,003.09
Company No. 3995:	
December 1960	47.59
January 1961	47.63
February 1961	----------
Company No. 227:	
December 1960	507.37
January 1961	623.22
February 1961	188.70
Company No. 20:	
December 1960	420.07
January 1961	416.54
February 1961	258.75
Company No. 1862:	
December 1960	2,522.74
January 1961	1,092.28
February 1961	3.02
Company No. 4600:	
December 1960	496.96
January 1961	224.84
February 1961	71.34
Company No. 3597:	
December 1960	489.21
January 1961	112.19
February 1961	197.15
Company No. 1421:	
December 1960	285.80
January 1961	312.63
February 1961	249.80

Senator McGee. If you do, submit the rest for the record, so the record may be complete on that subject. This is illustrative and this is the point I think you are trying to make.

Mr. Fleischli. I am sure that you are interested in this. We are tax collectors. Sometimes we say we are filling station people, but when we get into the truck business we are tax collectors for the State of Wyoming and for the Federal Government. Now, we make a profit, too, I don't mean that, but we do collect a great deal of money for the State.

Senator McGee. Well, other tax collectors have been known to make profits, too.

Mr. FLEISCHLI. When the revenue department is down on their revenue from traffic over the road, then our business, of course, it is pretty obvious. I think probably I could go into an awful lot of detail, but there are many, many people affected by this thing in our industry and we are very concerned with it. The gallonage that we have lost is something terrific and every time we lose a gallon of gasoline sale that is going down on the railroad, the State of Wyoming is losing a nickel, the Federal Government is losing 4 cents a gallon, and I am not sure, Senator, I have no idea because I don't know anything about the railroad business, but I bet the taxes the railroad pays to the Federal Government and the State of Wyoming is nowhere in comparison to what we have collected for you in the past.

Senator MCGEE. Again, the record will have to speak for itself from the statement you have made. Be sure and leave your figures with the reporter. Did you have a prepared statement?

Mr. FLEISCHLI. I have a prepared statement of my own. I just picked up the balance of the figures from the department of revenue.

Senator MCGEE. Leave the prepared statement with the reporter as well.

Mr. FLEISCHLI. I would give you this figure, and our business is not too secretive, I guess. In January the purchase from Commercial Carriers alone, to my company, was $9,943.83 gasoline, lubrication services, diesel fuel. In January of 1961, $3,310.17, a drop of over $6,000 in 1 year.

Senator MCGEE. I ought to add, after your testimony, that we have grouped the morning witnesses so that individuals in general representing the questioning group, who have some deep concern in this, will appear pretty much in a body, and then those who have an interest in this from the other end of the line, that is, the railroads, will appear as a group. Then spokesmen officially for railroad management and the railroads in general will appear. We have tried to group them together so that related statements can hang in the same context rather than to alternate between the various segments, which would be like watching a tennis match, I suppose.

Thank you very much, Mr. Fleischli.

(Information referred to above follows:)

HUSKY

CHIEF TERMINAL

2200 W. Lincolnway | | Cheyenne, Wyoming

Phone 4-4466

April 10, 1961

Honorable Senator Gale McGee,

Dear Sir:

We of Husky Terminal, located west of Cheyenne on Highway 30, would like to submit comparative figures on gas and diesel fuel purchases from our company by Commercial Carriers, Inc., Detroit, Mich. for the months of January and February 1960 and 1961.

1960		1961	
January purchases	$9,943.83	January purchases	$3,310.17
February purchases	7,730.74	February purchases	1,813.62

We have used Commercial Carriers as an example. All auto haulers fueling here have had their account drop off in like manner.

HUSKY TERMINAL

Gus Fleischli, Jr., Mgr.

To Whom It May Concern:

Subject: Comparison of compensatory fees and fuel taxes from July 1959 to December 1959 and July 1960 to December 1960.

Below is the comparison of 19 Car Carriers for the above mentioned months.

E & L Transport of Kentucky — Company Number #3398
Louisville, Kentucky

Month	Miles	Compensatory fees	Fuel	Total
July 1959	8,636	$ 122.17	$ 0	$ 122.17
July 1960	13,998	$ 194.16	$ 0	$ 194.16
August 1959	12,538	$ 175.97	$ 0	$ 175.97
August 1960	5,285	$ 71.67	$ 11.34-D	$ 83.01
September 1959	14,667	$ 210.02	$ 0	$ 210.02
September 1960	11,266	$ 154.79	$ 0	$ 154.79
October 1959	3,464	$ 48.37	$ 0	$ 48.37
October 1960	10,317	$ 139.46	$ 0	$ 139.46
November 1959	6,172	$ 82.78	$ 0	$ 82.78
November 1960	16,564	$ 226.93	$ 0	$ 226.93
December 1959	14,279	$ 208.64	$ 0	$ 208.64
December 1960				

Total for 1959 - - - - - $ 847.95
Total for 1960 - - - - - $ 798.35
Total $1,646.30

Western Transport Service — Company Number #3777
Sidney, Nebraska

Month	Miles	Compensatory fees	Fuel	Total
July 1959	80	$ 1.47	$ 0.77	$ 2.24
July 1960	0	$ 0	$ 0	$ 0
August 1959	0	$ 0	$ 0	$ 0
August 1960	0	$ 0	$ 0	$ 0
September 1959	0	$ 0	$ 0	$ 0
September 1960	0	$ 0	$ 0	$ 0
October 1959	80	$ 1.47	$ 0.70	$ 2.17
October 1960	0	$ 0	$ 0	$ 0

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Comparison of 19 Car Carriers (cont'd)

Western Transport Service — Company Number #3777
Sidney, Nebraska

Month	Miles	Compensatory fees	Fuel	Total
November 1959	0	$ 0	$ 0	$ 0
November 1960	304	$ 5.57	$ 2.66-D	$ 8.23
December 1959	416	$ 8.74	$ 0	$ 8.74
December 1960				

Total for 1959 - - - - - $13.15
Total for 1960 - - - - - $ 8.23
Total $21.38

"K.S.T." Kenosha Auto Transport Corp. — Company Number #639
Kenosha, Wisconsin

Month	Miles	Compensatory fees	Fuel	Total
July 1959	190,115	$ 3,307.71	$1,615.76	$ 4,923.47
July 1960	451,762	$ 7,849.54	$3,624.80	$11,474.34
August 1959	259,241	$ 4,466.77	$1,900.78	$ 6,367.55
August 1960	321,623	$ 5,657.08	$2,698.02	$ 8,355.10
September 1959	298,680	$ 5,216.88	$2,394.63	$ 7,611.51
September 1960	273,604	$ 4,632.27	$2,293.13	$ 7,125.40
October 1959	707,453	$12,125.45	$4,582.55	$16,707.98
October 1960	140,508	$ 2,498.35	$1,277.36	$ 3,775.71
November 1959	145,131	$ 2,564.36	$1,274.50	$ 3,838.86
November 1960	40,516	$ 708.54	$ 330.19	$ 1,038.73
December 1959	331,873	$ 5,866.26	$2,841.79	$ 8,708.05
December 1960				

Total for 1959 - - - - - $48,157.42
Total for 1960 - - - - - $31,769.28
Total $79,926.70

Convoy Company (Transport) — Company Number #1424
Portland, Oregon

Month	Miles	Compensatory fees	Fuel	Total
July 1959	1,547	$ 26.91	$ 17.57	$ 44.48
July 1960	0	$ 0	$ 0	$ 0

Comparison of 19 Car Carriers (con'd)

Convoy Company (Transport) Company Number #1424
Portland, Oregon

Month	Miles	Compensatory fees	Fuel	Total
August 1959	411	$ 5.67	$ 0	$ 5.67
August 1960	28,779	$ 428.94	$ 123.76	$ 552.70
September 1959	1,323	$ 18.26	$ 0	$ 18.26
September 1960	0	$ 0	$ 0	$ 0
October 1959	0	$ 0	$ 0	$ 0
October 1960	17,531	$ 245.64	$ 44.66	$ 290.30
November 1959	3,451	$ 62.47	$ 19.36	$ 81.86
November 1960	2,666	$ 44.14	$ 20.79	$ 64.93
December 1959	27,195	$ 426.45	$ 95.69	$ 522.14
December 1960				

Total for 1959 - - - - - $ 670.41
Total for 1960 - - - - - $ 907.93
Total $1578.34

Auto Transport, Inc. Company Number #644
Oklahoma City, Oklahoma

Month	Miles	Compensatory fees	Fuel	Total
July 1959	22,326	$ 301.79	$ 0	$ 301.79
July 1960	1,441	$ 20.02	$ 0	$ 20.02
August 1959	40,459	$ 556.94	$ 0	$ 556.94
August 1960	1,008	$ 14.31	$ 0	$ 14.31
September 1959	57,082	$ 772.77	$ 0	$ 772.77
September 1960	5,058	$ 71.78	$ 0	$ 71.78
October 1959	8,180	$ 110.58	$ 0	$ 110.58
October 1960	5,568	$ 79.02	$ 0	$ 79.02
November 1959	44,090	$ 596.01	$ 0	$ 596.01
November 1960	24,379	$ 347.09	$ 0	$ 347.09
December 1959	65,644	$ 888.74	$ 0	$ 888.74
December 1960				

Total for 1959 - - - - - $3,226.83
Total for 1960 - - - - - $ 532.22
Total $3,759.05

Comparison of 17 Car Carriers (con'd)

Automobile Transport Inc. Company Number #236
Wayne, Michigan

Month	Miles	Compensatory fees	Fuel	Total
July 1959	69,994	$ 975.60	$ 0	$ 975.60
July 1960	12,828	$ 197.84	$ 43.62	$ 241.46
August 1959	75,375	$ 1,044.25	$ 0	$ 1,044.25
August 1960	2,663	$ 38.21	$ 395.44	$ 433.65
September 1959	97,858	$ 1,354.09	$ 0	$ 1,354.09
September 1960	5,587	$ 82.01	$ 1.76	$ 83.77
October 1959	86,199	$ 1,209.05	$ 0	$ 1,209.05
October 1960	8,551	$ 130.10	$ 9.28	$ 139.38
November 1959	47,071	$ 658.86	$ 0	$ 658.86
November 1960	0	$ 0	$ 0	$ 0
December 1959	85,167	$ 1,197.36	$ 0	$ 1,197.36
December 1960				

Total for 1959 - - - - - $6,439.21
Total for 1960 - - - - - $ 898.26
Total $7,337.47

Dallas & Mavis Forwarding Co. Inc. Company Number #1507
South Bend, Indiana

Month	Miles	Compensatory fees	Fuel	Total
July 1959	0	$ 0	$ 0	$ 0
July 1960	132,790	$ 2,099.61	$ 516.76	$ 2,616.37
August 1959	367,693	$ 5,449.14	$ 661.13	$ 6,110.27
August 1960	94,568	$ 1,473.04	$ 236.19	$ 1,709.23
September 1959	180,355	$ 2,655.66	$ 302.12	$ 2,957.78
September 1960	66,975	$ 1,072.48	$ 151.71	$ 1,224.19
October 1959	93,031	$ 1,415.68	$ 132.90	$ 1,547.58
October 1960	43,438	$ 703.06	$ 141.06	$ 844.12
November 1959	131,040	$ 1,964.11	$ 213.71	$ 2,177.82
November 1960	64,694	$ 1,029.15	$ 179.68	$ 1,208.83

Comparison of 19 Car Carriers (con'd)

Dallas & Mavis Forwarding Co. Inc. Company Number #1507
South Bend, Indiana

Month	Miles	Compensatory fees	Fuel	Total
December 1959	134,810	2,010.78	$ 282.44	$ 2,293.22
December 1960				

Total for 1959 - - - - - $15,086.67
Total for 1960 - - - - - $ 7,602.74
Total $22,689.41

Dealer's Transport Co. Company Number #1537
Liberty, Missouri

Month	Miles	Compensatory fees	Fuel	Total
July 1959	38,127	$ 522.72	$ 0	$ 522.72
July 1960	24,770	$ 355.89	$ 0	$ 355.89
August 1959	24,823	$ 343.69	$ 0	$ 343.69
August 1960	14,324	$ 209.18	$ 0	$ 209.18
September 1959	22,286	$ 312.84	$ 0	$ 312.84
September 1960	8,011	$ 121.69	$ 0	$ 121.69
October 1959	48,435	$ 680.99	$ 0	$ 680.99
October 1960	58,864	$ 853.70	$ 0	$ 853.70
November 1959	134,360	$ 1,775.67	$ 0	$ 1,775.67
November 1960	60,994	$ 880.89	$ 0	$ 880.89
December 1959	217,126	$ 2,897.14	$ 0	$ 2,897.14
December 1960				

Total for 1959 - - - - - $6,533.05
Total for 1960 - - - - - $2,421.35
Total $8,954.40

Dealer's Transport Co. Company Number #3995
Memphis, Tennessee

Month	Miles	Compensatory fees	Fuel	Total
July 1959	25,846	$ 344.99	$ 0	$ 344.99
July 1960	16,115	$ 211.69	$ 0	$ 211.69
August 1959	31,865	$ 423.75	$ 0	$ 423.75
August 1960	4,281	$ 58.33	$ 0	$ 58.33

Comparison of 19 Car Carriers (con'd)

Dealer's Transport Co. Company Number #3995
Memphis, Tennessee

Month	Miles	Compensatory fees	Fuel	Total
September 1959	25,589	$ 347.98	$ 0	$ 347.98
September 1960	5,094	$ 72.32	$ 0	$ 72.32
October 1959	14,391	$ 190.45	$ 0	$ 190.45
October 1960	5,222	$ 72.04	$ 0	$ 72.04
November 1959	10,035	$ 136.62	$ 0	$ 136.62
November 1960	5,131	$ 71.47	$ 0	$ 71.47
December 1959	25,292	$ 338.56	$ 0	$ 338.56
December 1960				

Total for 1959 - - - - - $1,782.35
Total for 1960 - - - - - $ 485.85
Total $2,268.20

Associated Transport, Inc. Company Number #227
Hazelwood, Missouri

Month	Miles	Compensatory fees	Fuel	Total
July 1959	16,549	$ 221.66	$ 0	$ 221.66
July 1960	13,424	$ 198.19	$ 0	$ 198.19
August 1959	25,564	$ 344.88	$ 0	$ 344.88
August 1960	9,926	$ 138.59	$ 0	$ 138.59
September 1959	38,729	$ 523.74	$ 0	$ 523.74
September 1960	45,810	$ 658.43	$ 0	$ 658.43
October 1959	0	$ 0	$ 0	$ 0
October 1960	60,492	$ 874.46	$ 0	$ 874.46
November 1959	26,957	$ 365.96	$ 0	$ 365.96
November 1960	54,328	$ 775.37	$ 0	$ 775.37
December 1959	62,032	$ 870.17	$ 0	$ 870.17
December 1960				

Total for 1959 - - - - - $2,326.41
Total for 1960 - - - - - $2,645.04
Total $4,971.45

Comparison of 19 Car Carriers (con'd)

Complete Auto Transit, Inc. Company Number #53.72
St. Louis, Missouri

Month	Miles	Compensatory fees	Fuel	Total
July 1959	0	$ 0	$ 0	$ 0
July 1960	632	$ 8.91	$ 0	$ 8.91
August 1959	0	$ 0	$ 0	$ 0
August 1960	5,676	$ 79.38	$ 0	$ 79.38
September 1959	0	$ 0	$ 0	$ 0
September 1960	3,964	$ 54.79	$ 0	$ 54.79
October 1959	0	$ 0	$ 0	$ 0
October 1960	0	$ 0	$ 0	$ 0
November 1959	0	$ 0	$ 0	$ 0
November 1960	7,593	$ 107.06	$ 0	$ 107.06
December 1959	0	$ 0	$ 0	$ 0
December 1960				

Total for 1959 - - - - - $000.00
Total for 1960 - - - - - $250.14
Total $250.14

"Arco" Auto Carrier's Inc. Company Number #200
Chicago, Illinois

Month	Miles	Compensatory fees	Fuel	Total
July 1959	31,152	$ 468.14	$ 0	$ 468.14
July 1960	75,110	$ 1,103.02	$ 11.34	$ 1,114.36
August 1959	43,812	$ 667.13	$ 19.81	$ 686.94
August 1960	47,482	$ 696.77	$ 40.25	$ 737.02
September 1959	46,307	$ 705.62	$ 8.19	713.81
September 1960	29,406	$ 418.99	$ 0	$ 418.99
October 1959	29,366	$ 437.66	$ 0	$ 437.66
October 1960	12,323	$ 191.66	$ 0	$ 191.66
November 1959	11,928	$ 184.90	$ 0	$ 184.90
November 1960	19,513	$ 274.68	$ 11.34	$ 286.02

Comparison of 19 Car Carriers (con'd)

"Arco" Auto Carrier's Inc. Company Number #200
Chicago, Illinois

Month	Miles	Compensatory fees	Fuel	Total
December 1959	51,800	$ 77[illegible].63	$ 1[illegible].90	$ 791.53
December 1960				

Total for 1959 - - - - - $3,282.98
Total for 1960 - - - - - $2,748.05
Total $6,031.03

W. R. Arthur & Company, Inc. Company Number #399
Janesville, Wisconsin

Month	Miles	Compensatory fees	Fuel	Total
July 1959	0	$ 0	$ 0	$ 0
July 1960	11,125	$ 163.84	$ 0	$ 163.84
August 1959	0	$ 0	$ 0	$ 0
August 1960	0	$ 0	$ 0	$ 0
September 1959	0	$ 0	$ 0	$ 0
September 1960	0	$ 0	$ 0	$ 0
October 1959	0	$ 0	$ 0	$ 0
October 1960	0	$ 0	$ 0	$ 0
November 1959	0	$ 0	$ 0	$ 0
November 1960	0	$ 0	$ 0	$ 0
December 1959	0	$ 0	$ 0	$ 0
December 1960				

Total for 1959 - - - - - $000.00
Total for 1960 - - - - - $163.84
Total $163.84

K. W. McKee, Inc. Company Number #1862
St. Paul, Minnesoda

Month	Miles	Compensatory fees	Fuel	Total
July 1959	0	$ 0	$ 0	$ 0
July 1960	67,305	$ 976.94	$ 0	$ 976.94
August 1959	42,681	$ 560.28	$ 0	$ 560.28
August 1960	980	$ 13.23	$ 0	$ 13.23

Comparison of 19 Car Carriers (con'd)

K. W. McKee, Inc. Company Number #1862
St. Paul, Minnesoda

Month	Miles	Compensatory fees	Fuel	Total
September 1959	0	$ 0	$ 0	$ 0
September 1960	233	$ 3.50	$ 0	$ 3.50
October 1959	1,216	$ 15.96	$ 0	$ 15.96
October 1960	49,229	$ 691.53	$ 0	$ 691.53
November 1959	0	$ 0	$ 0	$ 0
November 1960	350,172	$ 4,847.67	$ 0	$ 4,847.67
December 1959	0	$ 0	$ 0	$ 0
December 1960				

Total for 1959 - - - - - $ 15.96
Total for 1960 - - - - - $6,532.87
Total $6,548.83

Carr Carrier Company Company Number #599
Lincoln, Nebraska

Month	Miles	Compensatory fees	Fuel	Total
July 1959	134	$ 1.83	$ 0	$ 1.83
July 1960	512	$ 6.14	$ 0	$ 6.14
August 1959	0	$ 0	$ 0	$ 0
August 1960	0	$ 0	$ 0	$ 0
September 1959	229	$ 3.13	$ 0	$ 3.13
September 1960	0	$ 0	$ 0	$ 0
October 1959	0	$ 0	$ 0	$ 0
October 1960	0	$ 0	$ 0	$ 0
November 1959	0	$ 0	$ 0	$ 0
November 1960	0	$ 0	$ 0	$ 0
December 1959	0	$ 0	$ 0	$ 0
December 1960				

Total for 1959 - - - - - $ 4.96
Total for 1960 - - - - - $ 6.14
Total $11.10

Comparison of 19 Car Carriers (con'd)

Dealers Transit, Inc. Company Number #4600
Chicago, Illinois

Month	Miles	Compensatory fees	Fuel	Total
July 1959	0	$ 0	$ 0	$ 0
July 1960	0	$ 0	$ 0	$ 0
August 1959	2,055	$ 43.15	$ 27.35	$ 70.50
August 1960	5,218	$ 96.67	$ 29.89	$ 126.56
September 1959	0	$ 0	$ 0	$ 0
September 1960	4,730	$ 82.99	$ 14.28	$ 97.27
October 1959	0	$ 0	$ 0	$ 0
October 1960	16,19[illegible]	$ 303.30	$ 77.56	$ 380.59
November 1959	0	$ 0	$ 0	$ 0
November 1960	0	$ 0	$ 0	$ 0
December 1959	0	$ 0	$ 0	$ 0
December 1960				

Total for 1959 - - - - - $ 70.50
Total for 1960 - - - - - $604.42
Total $674.92

Truck Away Corporation Company Number #3597
Pontiac, Michigan

Month	Miles	Compensatory fees	Fuel	Total
July 1959	4,717	$ 66.51	$ 0	$ 66.51
July 1960	53,361	$ 754.09	$ 0	$ 754.09
August 1959	6,094	$ 83.51	$ 0	$ 83.51
August 1960	15,939	$ 228.23	$ 0	$ 228.23
September 1959	7,476	$ 104.62	$ 0	$ 104.62
September 1960	0	$ 0	$ 0	$ 0
October 1959	864	$ 11.99	$ 0	$ 11.99
October 1960	14,531	$ 206.91	$ 0	$ 206.91
November 1959	2[illegible]	$ 3.92	$ 0	$ 3.92
November 1960	908	$ 13.60	$ 0	$ 13.60

Comparison of 19 Car Carriers (con'd)

Truck Away Corporation Company Number #3597
Pontiac, Michigan

Month	Miles	Compensatory Fees	Fuel	Total
December 1959	360	$ 5.00	$ 0	$ 5.00
December 1960				

Total for 1959 - - - - - $ 275.55
Total for 1960 - - - - - $1,202.83
Total $1,478.38

Jack Cooper Transport Co. Inc. Company Number #1421
Kansas City, Missouri

Month	Miles	Compensatory fees	Fuel	Total
July 1959	34,339	$ 471.15	$ 0	$ 471.15
July 1960	19,790	$ 279.83	$ 0	$ 279.83
August 1959	50,104	$ 692.40	$ 0	$ 692.40
August 1960	19,368	$ 428.94	$ 0	$ 428.94
September 1959	24,936	$ 346.14	$ 0	$ 346.14
September 1960	16,341	$ 227.51	$ 0	$ 227.51
October 1959	24,967	$ 343.28	$ 0	$ 343.28
October 1960	5,523	$ 76.34	$ 0	$ 76.34
November 1959	0	$ 0	$ 0	$ 0
November 1960	25,720	$ 44.14	$ 0	$ 44.14
December 1959	42,323	$ 593.07	$ 0	$ 593.07
December 1960				

Total for 1959 - - - - - $2,446.04
Total for 1960 - - - - - $1,056.76
Total $3,502.80

Western Auto Transports, Denver, Colo. Company Number #3750
Commercial Carriers, Inc, Detroit, Mich. Company Number #8706
(These two are the same company.)

Month	Miles	Compensatory Fees	Fuel	Total
July 1959	0	$ 4,782.96	$ 0	$4,782.96
July 1960	590,035	$ 9,023.08	$2,389.07	$11,412.15

Comparison of 19 Car Carriers (con'd)

Western Auto Transports, Denver, Colo. Company Number #3750
Commercial Carriers, Inc., Detroit, Mich. Company Number #8706
(These two are the same company.)

Month	Miles	Compensatory fees	Fuel	Total
August 1959	155,293	$ 2,416.25	$ 554.58	$ 2,970.83
August 1960	369,035	$ 5,955.18	$1,624.77	$ 7,579.95
September 1959	162,003	$ 2,504.42	554.79	$ 3,027.21
September 1960	466,524	$ 7,405.34	$1,964.46	$ 9,369.80
October 1959	103,326	$ 1,606.79	$ 348.78	$ 1,955.57
October 1960	333,493	$ 5,294.22	$1,353.43	$ 6,647.65
November 1959	104,691	$ 1,644.66	$ 427.73	$ 2,072.39
November 1960	234,949	$ 3,759.15	$1,069.88	$ 4,829.03
December 1959	208,218	$ 3,244.77	$ 702.96	$ 3,947.73
December 1960				

Total for 1959 - - - - - $18,756.69
Total for 1960 - - - - - $39,838.58
Total $58,595.27

Grand Total for 1959 - - - - - - - - - - - $109,936.13

Grand Total for 1960 - - - - - - - - - - - $100,472.88

The totals of the compensatory fees and fuel taxes from July 1960 to December 1960 compared with July 1959 to December 1959 shows a decrease of $9,463.25.

Comparison of 1959 and 1960 trip permits per entry received from the Check Stations Highway Shops and Highway Patrol.

Check Stations

	CV 4's	No. of Trip Permits	Total Money
1959	412,467	56,942	$828,674.14
1960	431,177	50,327	$687,998.74

Highway Shops

	CV 4's	No. of Trip Permits	Total Money
1959	1,764	2,530	$ 28,165.99
1960	2,379	2,497	$ 25,723.72

Highway Patrol

	CV 4's	No. of Trip Permits	Total Money
1959	23,724	2,835	$ 32,701.88
1960	32,229	3,248	$ 35,882.93

Trip Permits

Total for 1959 - - - - - - - - - - - 62,307
Total for 1960 - - - - - - - - - - - 56,072

CV 4's

Total for 1959 - - - - - - - - - - - 437,955
Total for 1960 - - - - - - - - - - - 465,785

Money

Total for 1959 - - - - - - - - - - - $889,542.01
Total for 1960 - - - - - - - - - - - $749,605.39

The totals of the money received from July 1960 to December 1960 compared with July 1959 to December 1959 shows a decrease of $139,936.62.

Compensatory Fees and Fuel Taxes

Total for 1959 - - - - - - - - - - - $3,984,308.87
Total for 1960 - - - - - - - - - - - $4,319,893.31 December not included

The totals of the compensatory fees and fuel taxes received at the Check Stations Highway Shops and Highway Patrol from July 1960 to December 1960 compared with July 1959 to December 1959 shows an increase of $335,584.44.

Senator McGee. We will proceed to the third witness, Mr. Paul Bornhorn.

STATEMENT OF PAUL BORNHORN, TERMINAL MANAGER, COMMERCIAL CARRIERS, INC., CHEYENNE, WYO.

Mr. Bornhorn. I, Paul Bornhorn, terminal manager of Commercial Carriers, Inc., on 2200 West Lincoln Way, Cheyenne, Wyo., have been authorized by Mr. Rigby L. Leighton, vice president of Commercial Carriers, Inc., to represent our company and that I furnish you with the following facts.

Commercial Carriers, Inc., is a common carrier by motor vehicle of automobiles and related commodities authorized to operate in interstate and foreign commerce by the Interstate Commerce Commission under a certificate of public convenience and necessity issued in docket No. MC-43038. Commercial Carriers, Inc., and predecessor company has operated a terminal in Cheyenne, Wyo., for a number of years. This terminal had 225 drivers working as recently as 1959 and at this date we have only 23 drivers working.

On shipments from Detroit to the Rocky Mountain and Pacific Coast States, the automobile shippers we serve changed its method of shipping from all truck to truck-rail-truck and/or rail-truck, the rail portion being either by T.O.F.C. or multilevel rail cars. In these methods, the autos are either trucked to Proviso, Ill., thence by rail to Cheyenne, Wyo., and thence to destination by truck, or go directly out of Detroit by rail to Oakland/Richmond, Calif., and thence to destination by truck.

Beginning with January 1960, 10,213 autos, or, for our figures, 2,043 five-car loads, were lost to the rail movement from Proviso, Ill., to Cheyenne, Wyo.——

Senator McGee. Over what interval of time was that?

Mr. Bornhorn. From January—starting January 1960.

Senator McGee. Till when? I mean, you tell us that 2,043 transport loads have been lost in this interval of time. I missed the interval of time you alluded to.

Mr. Bornhorn. It was beginning January 1960.

Senator McGee. Until now or until January 1961?

Mr. Bornhorn. Until January 1961, yes, sir—a distance of 979 miles. Payload miles lost, therefore, were 2,043×979 or a total of 2,000,097 miles for the full year or 166,675 miles per month. Also beginning in August 1960 through December 1960 there were 4,125 autos diverted from all-truck to multilevel rail movement from Detroit all the way to Oakland, Calif., a distance of 2,454 miles with truck beyond. This is 825 five-car loads lost to rail. Payload miles lost, therefore, were 825×2,454 or a total of 2,024,550 for a period of only 5 months, or 404,910 per month. This adds up to 571,585 payload miles lost per month and produces a potential loss in 1961 on west coast traffic even if the pattern doesn't change with more going rail directly from Detroit of almost 7 million miles.

On Commercial's 1960 report to the Interstate Commerce Commission, we showed a total transportation gross of $25,628,922 and total miles traveled of 65,208,656. Since in the delivery of automobiles we travel only one way loaded, this would mean 32,604,282 payload miles.

Arithmetic computation shows that we grossed 78.6 cents per payload mile. Seven million payload miles lost to the rails at 78.6 cents per payload mile would shrink our gross by $5,502,000 while taking equipment off the highways for 14 million miles with resultant effect on gasoline, tires, restaurants, motels, and so forth.

Thank you.

Senator McGee. Thank you very much.

Did you have any questions?

Mr. Barton. No questions, Senator, thank you.

Senator McGee. Thank you very much. Leave your statement with the reporter.

Now, I will mention in the order of appearance the next three or four witnesses so that we may avoid the delays of each succeeding witness coming up here and so that each witness may ready himself and be here at the stomping ground as soon as the preceding witness adjourns.

The next witness will be Mr. Paul W. Leach. He will be followed by Mr. Conrad Lavin, Mr. Harry Bath, Mr. William Myrick, Mr. Harry Schaefer, in that order.

Mr. Leach.

STATEMENT OF PAUL W. LEACH, DIRECTOR, TAX DEPARTMENT, KENOSHA AUTO TRANSPORTS CORP, KENOSHA, WIS.

Mr. Leach. This is fairly unfamiliar to me but I will do the best I can.

Senator McGee. Speak up a little bit.

Mr. Leach. My name is Paul W. Leach. I am director of the tax department of Kenosha Auto Transports Corp., with its principal office located at 4519 76th Street, Kenosha, Wis.

I have been engaged in motor carriers' taxation for the past 9 years.

The Kenosha Auto Transport Corp. is a common carrier engaged in the transportation of motor vehicles under authority issued by the Interstate Commerce Commission, docket No. MC-30837 and hauls primarily automobiles manufactured by the American Motors Corp. and trucks manufactured by the International Harvester, Inc.

My principal duties are to study the tax laws of the respective States and to prepare and file the tax forms required by the statutes of such States.

In 1959, when the piggyback or TOFC of automobiles began, we of Kenosha Auto Transport Corp. were hauling a large number of the automobiles moving into the Western States. This service was performed by Kenosha Auto Transport Corp. and, in part, interlined with the Western Auto Transports, Inc., at Cheyenne, Wyo. (This operation has now been purchased by Commercial Carriers, Inc.)

Western Auto Transports was maintaining a large termnial here and had a large fleet and personnel. Today, all of this traffic is moving in TOFC service to points in California, Oregon and Washington. As a result of this diversion, our revenues, miles traveled and taxes paid have declined to almost zero.

A recent study completed by me shows that for the State of Wyoming for the fourth quarter of 1959 our company paid $39,000 in mileage taxes and fuel taxes, while in the fourth quarter of 1960

our company paid only $3,000. These figures do not include any taxes that are lost because of our drivers no longer operating into and through the State of Wyoming.

Our projections for 1961 show that there will be a loss of $89,000 in mileage taxes, $53,000 in fuel taxes, $55,000 in moneys expended for meals and $44,000 in lodging. Also, our purchases in fuel will decrease $275,000 from the 1959 year. Similar reductions will occur in surrounding States.

In 1959 we had 911 drivers operating equipment, while in 1961 we had only 437 drivers. This represents a drop of more than 50 percent of our driving personnel who were individual businessmen operating their own equipment.

This picture is the same or worse in neighboring States. Nevada, for example, we paid $22,000 in the fourth quarter of 1959, while in the fourth quarter of 1960 we paid $1,000.

Utah has enjoyed the same unfortunate problem. In the fourth quarter of 1959 we paid $16,600 in taxes, while in 1960 we paid $670.

Senator McGee. If you could file your figures for the surrounding States for the record, it would save us a little bit of time here, or perhaps you could summarize again areawise the general impact. I do think here is a rare instance where it is a reversal of what we usually think of. We are all interested in paying less taxes. Here is a case where paying less taxes is a hardship rather than a benefit.

Mr. Bornhorn. This picture doesn't look good and if the railroads continue this unwarranted rate war on automobiles, we at KAT expect that all of the tax forms will be eliminated because we will not have any traffic moving through the States upon which we will pay these taxes.

Our experience in the decrease in miles operated in the fourth quarter of 1960 over 1959 in Wyoming is representative of decreases in surrounding States with corresponding losses in licenses and taxation in corresponding States. The decrease in the fourth quarter 1960 from 1959, in Idaho, 82 percent; in Montana, 93 percent; in North Dakota, 89 percent; in Colorado, 93 percent; in Nevada, 95 percent; and in Utah, 96 percent. The average decline over this period in miles operated in the 11 Western States is in excess of 85 percent and would be higher except for the terminal deliveries made in the Pacific Coast States. These terminal deliveries required our company to establish three new terminals.

It is not apparent that these losses in business, taxation, or number of persons employed experienced by the motor carriers are compensated for in any way by increased business, taxation, or number of persons employed by the railroads.

Senator McGee. Any questions?

Mr. Barton. One question. Mr. Leach, do not the railroads pay taxes on their increased activities in connection with hauling freight?

Mr. Leach. In which respect, sir?

Mr. Barton. Well, in any respect?

Mr. Leach. I would assume property taxes or something along that line. I am not really qualified.

Mr. Barton. It is not a total loss to the States, then, that they lose the revenue you speak of?

Mr. Leach. I wouldn't know, sir.

Mr. BARTON. Thank you.

Senator McGEE. Again, I think it would be very obvious, if I may say so, that the healthy operations of the railroads and the truckers in Wyoming contribute to State revenue and they cannot be considered in a vacuum, the setting of figures from either side in terms of its impact on the State's revenue.

Mr. Lavin? Mr. Harry Bath.

STATEMENT OF HARRY BATH, PRESIDENT, LINE DRIVERS LOCAL UNION NO. 961, DENVER, COLO.

Mr. BATH. Senator McGee and members of the subcommittee, my name is Harry Bath. I am president of Line Drivers Local No. 961. I am here on behalf of Joint Council 54, Teamsters, which covers the Colorado-Wyoming area. I have been in office since 1957, and since 1957 we have seen truckdriver jobs going out the window due to the piggyback rates that the railroad is putting into force. I have some figures.

In 1959 there were 28,000 piggyback trailers shipped out of Denver, Colo.—rather, on Rock Island's entire system, 18,000 of which came and went into and out of Denver, Colo. Since January 1, 1961, through the present time, there have been 10,000 cars and pickups delivered in the piggyback lot in Denver which could have moved by truck. There have been 3,000 piggyback trailers carrying freight of a different nature other than automobiles.

The one carrier that has been affected that we have is Commercial Carriers. In May of 1960 this company had 151 employees, of which 24 are presently working. I have here a seniority list and the information is here in my report for the committee. One of these drivers, specifically driver No. 25 on the above seniority list, was an employee of Commercial Carriers until the 19th day of February 1961. He has been employed for approximately 8 years. He is now furloughed and working, trying to make $450 a month payments on a tractor which he formerly operated as a leased piece of equipment to Commercial Carriers, prior to the railroads hauling of piggyback cars.

Senator McGEE. Again, for the record, when he handles his tractor on a lease basis, he handles it with whom?

Mr. BATH. With Commercial Carriers. We have here Rio Grande Motorways, which was one of our companies, with a 26-percent decrease in employment due to piggyback; Merchants Motor Freight with a 40-percent decrease in employment due to piggyback; Ringsby Truck Lines, although Ringsby has employed 150 to 155, employed regularly since 1958 and has not reduced the number of employees because of lack of freight, a look at the piggyback trailers which were shipped in and out of Denver, Colo., for Ringsby on March 25 and 26, 1961, will indicate the effect of this operation upon the employment of line drivers. The trailer numbers and——

Senator McGEE. The Ringsby figures, for example, were all auto transport?

Mr. BATH. No; this was other piggyback operations.

Senator McGEE. We are trying to keep this focused on auto transport.

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Mr. BATH. We will term it "Ringsby operation dry freight." There were 32 trailers on March 25 and 26 which arrived in Denver, the weights ranging from 42,000 to 26,000.

If it were not for the selective and discriminatory rate-cutting practices which were permitted by the present ICC rulings, it would have been competitively possible, for an economic advantage, for Ringsby Truck Lines, Inc., to ship this freight in this manner, and these employed drivers, many of whom are by necessity taking advantage of their unemployment benefits in order to survive, would be earning a just salary for their services. It is my opinion and the opinion of the members of the local union which I represent that immediate action should be taken to alleviate the unfair and discriminatory economic advantage which has been given to the railroad industry through the rating structure presently allowed.

We implore you to consider the plight of the 20,000 individual employees throughout the States of Colorado and Wyoming as you deliberate and investigate the overall effect of these practices on surface transportation throughout the United States.

Senator McGEE. As I gather now, Mr. Bath, the burden of your objection is levied against the present ICC policy or ruling. You don't have any place in your contention, again for the record, that there is anything that the railroads are doing outside the pattern or underneath the pattern of what is legitimate and legal and authorized by the ICC?

Mr. BATH. No, sir.

Senator McGEE. I wanted to be sure that the record showed that. Thank you very much.

Do you have any questions?

Mr. BARTON. No, thank you.

(The prepared statement of Mr. Bath follows:)

Mr. Chairman and members of the committee, I am Harry Bath, president of Line Drivers of Local Union No. 961 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; prior to my election as president of local No. 961, I drove a truck for 13 years and was elected president of the local union in 1957. I have served as president of that local union from that date forward. I am married, have one daughter and live in Denver, Colo. Since 1957 I have been appointed to the Central States Drivers Council; I am chairman of the Colorado-Wyoming Joint Area Labor Management Committee that processes grievances between management and employees; I am a member of the Joint Western Labor Management Committee of the Eleven Western States; I am a trustee of joint council No. 54 of the Colorado-Wyoming area and a representative for joint council No. 54 in the negotiations for over-the-road master freight agreement for the 11 Western States, and a member of the executive board of the Over-the-Road Master Freight Division of the Western Conference of Teamsters.

It is my purpose here today to inform you to the best of my ability and knowledge about the economic impact upon the individual long-haul truckdriver and his family because of the present piggyback operations in the transportation industry.

As president of Line Drivers Local Union No. 961 I have daily contact with the drivers who are affected by this change of operations which has been increased tremendously in the past 3 years. The discriminatory and selective price cutting of freight rates through piggyback operations has seriously disrupted the lives of many of the members of my local union in the States of Wyoming and Colorado.

It has been reliably estimated that during the year 1959 there were 28,000 piggyback trailers shipped on the Rock Island Railroad's entire system, 18,000 of which were shipped out of Denver, Colo. to points east. It has further been

estimated by employees working in the piggyback lot in Denver, Colo., that from January 1, 1961, until the end of March 1961, there were 10,000 piggyback trailers with freight shipped in and out of Denver, Colo. These figures, of course, have a tremendous impact upon the income of the individual drivers who were working for the companies who would normally be hauling this freight, if the discriminatory price cutting were not allowed.

Although the Denver metropolitan area and the areas of Casper and Cheyenne, Wyo., are experiencing tremendous growth and the amounts of manufactured products used in these areas are increasing daily, there are fewer truckdrivers employed in Colorado and Wyoming today than there were during the recession period of 1958. This is a direct result of piggyback operations.

We have since 1958 seen decline in the employment of long-haul truckdrivers and the situation continues to become more serious each month as more and more trucklines lay off drivers, either because of lack of freight to be hauled over the highways and the loss of business to the railroads because of the discriminatory differential in rating practices through the piggyback operations. All these things are occurring during a period of great growth, where with normal control in the transportation industry, it would be expected that the public carriers would be growing and hiring additional people to service the many communities not served by railroad facilities, rather than losing this highly valued business because of the rate differentials which now exist.

As an example of the effect and the economic impact to an area, let me cite some employment statistics for the past few years of Commercial Carriers, Inc., a nationwide car hauling carrier which presently employs 151 long-haul truckdrivers in Cheyenne, Wyo. On May 1, 1960, of these 151 employees, 24 were working and 127 drivers were furloughed, not working, without jobs, and the majority of them were drawing unemployment compensation. In January of 1958 this same company, Commercial Carriers, or in reality its predecessor company in this area, Western Auto Transport Co., was employing 299 long-haul truckdrivers. Of these 299, approximately 75 or 100 were on an extra board and were not working regularly. However, these extra board employees were driving occasionally during the slow season and during the peak season were working regularly.

That work force from January 1958, to May 1, 1960, has been cut in half, and the number of those actually steadily employed has been reduced to one-twelfth of its original size.

A trucking company employing 300 long-haul drivers is one of considerable size and doing a substantial volume of business. A trucking company using 24 drivers, operating only twelve 2-men tractor and trailer units, is a small common carrier, and under normal conditions, such a carrier would be expected to grow, rather than to disintegrate and die. Yet, the latter circumstance appears to be the fate of Commercial Carriers. As can be seen by the following seniority list of Commercial Carriers, Inc., which shows the date of employment opposite the listed initial of each driver, there is no driver presently working for this company, who was initially employed after March 7, 1953. These drivers are listed by initials rather than names; the names will be supplied to the committee in confidence if they so desire.

COMMERCIAL CARRIERS, INC., SENIORITY ROSTER AS OF MAY 1, 1960

List of working drivers

1. F.S	Mar. 17, 1948.	13. A.D	Feb. 11, 1952.
2. C.A.J	Jan. 9, 1949.	14. M.F	Feb. 21, 1952.
3. I.M.G	April 13, 1950.	15. D.O	April 17, 1952.
4. F.M	Aug. 21, 1950.	16. J.J.H	April 19, 1952.
5. M.B.G	Feb. 2, 1951.	17. R.T	June 17, 1952.
6. W.M	Mar. 20, 1951.	18. J.W	Aug. 14, 1952.
7. C.L	May 20, 1951.	19. A.W	Aug. 18, 1952.
8. V.U	June 8, 1951.	20. J.T	Sept. 16, 1952.
9. L.W	Nov. 13, 1951.	21. H.S	Dec. 5, 1952.
10. J.L	Nov. 15, 1951.	22. A.D	Dec. 9, 1952.
11. J.H	Feb. 5, 1952.	23. C.R.T	Mar. 5, 1953.
12. M.C.S	Feb. 11, 1952.	24. L.W	Mar. 7, 1953.

List of drivers not working, on furlough because of lack of freight

25.	B.T	Mar. 20, 1953.
26.	A.W	May 27, 1953.
27.	R.H	Oct. 14, 1953.
28.	B.P	Oct. 4, 1954.
29.	D.M.B	Oct. 7, 1954.
30.	L.N	Oct. 12, 1954.
31.	W.M	Nov. 2, 1954.
32.	H.W	Dec. 17, 1954.
33.	A.H	Dec. 23, 1954.
34.	E.J.T	Dec. 31, 1954.
35.	L.H	Jan. 10, 1955.
36.	R.D	Jan. 13, 1955.
37.	L.H	Feb. 17, 1955.
38.	F.S	April 12, 1955.
39.	G.W	April 20, 1955.
40.	R.L	April 26, 1955.
41.	C.S	May 24, 1955.
42.	G.V.M	May 27, 1955.
43.	G.H	Do.
44.	R.P	June 16, 1955.
45.	V.R	July 19, 1955.
46.	D.W	Sept. 7, 1955.
47.	F.D	Do.
48.	A.D	Sept. 12, 1955.
49.	W.S	Sept. 15, 1955.
50.	P.A.R	Do.
51.	W.D	Sept. 16, 1955.
52.	C.S	Sept. 29, 1955.
53.	W.D.S	Oct. 1, 1955.
54.	R.S	Oct. 11, 1955.
55.	H.B	Oct. 25, 1955.
56.	F.L.R	Do.
57.	D.J	Oct. 28, 1955.
58.	W.C	Nov. 1, 1955.
59.	C.S	Nov. 2, 1955.
60.	J.A	Nov. 14, 1955.
61.	E.A	Dec. 6, 1955.
62.	G.W	Aug. 7, 1956.
63.	L.L.B	Do.
64.	J.W.C	Aug. 11, 1956.
65.	L.J	Aug. 30, 1956.
66.	L.R	Sept. 7, 1956.
67.	H.M	Do.
68.	G.S	Sept. 18, 1956.
69.	C.W	Do.
70.	M.T.M	Do.
71.	M.G	Sept. 24, 1956.
72.	W.G	Do.
73.	C.P	Sept. 25, 1956.
74.	R.C	Oct. 2, 1956.
75.	J.P	Do.
76.	G.E	Oct. 3, 1956.
77.	B.C	Oct. 16, 1956.
78.	D.E	Jan. 10, 1957.
79.	D.A	Feb. 11, 1957.
80.	J.C	Feb. 14, 1957.
81.	W.C.I	Feb. 26, 1957.
82.	L.B.A	Feb. 28, 1957.
83.	E.P	Do.
84.	L.B	June 16, 1957.
85.	L.H	Sept. 26, 1957.
86.	H.T	Oct. 10, 1957.
87.	H.M	Do.
88.	J.C	Dec. 28, 1959.
89.	V.R	Do.
90.	A.H	Do.
91.	G.V.S	Dec. 29, 1959.
92.	F.M	Jan. 1, 1960.
93.	H.H	Jan. 2, 1960.
94.	R.H	Do.
95.	R.K	Do.
96.	D.C	Jan. 3, 1960.
97.	L.A	Do.
98.	G.D	Jan. 5, 1960.
99	D.S	Do.
100.	C.M	Jan. 6, 1960.
101.	J.E	Do.
102.	E.C	Do.
103.	V.A.K	Do.
104.	K.C	Do.
105.	D.H	Do.
106.	G.W	Do.
107.	R.M	Jan. 7, 1960.
108.	D.T	Do.
109.	W.M	Jan. 9, 1960.
110.	N.S	Do.
111.	W.W	Do.
112.	F.M.B	Do.
113.	J.D	Jan. 10, 1960.
114.	L.W	Do.
115.	J.G	Jan. 12, 1960.
116.	W.L	Do.
117.	W.C	Jan. 13, 1960.
118.	P.M	Do.
119.	K.C	Do.
120.	H.M.S	Jan. 15, 1960.
121.	J.W	Jan. 17, 1960.
122.	C.G	Jan. 20, 1960.
123.	G.L	Do.
124.	V.N	Jan. 21, 1960.
125.	K.K	Jan. 22, 1960.
126.	B.W.T	Do.
127.	A.P.B	Jan. 24, 1960.
128.	M.T	Jan. 25, 1960.
129.	J.L.K	Jan. 26, 1960.
130.	A.H	Do.
131.	R.G.B	Do.
132.	J.L.R	Jan. 27, 1960.
133.	J.E	Do.
134.	R.J	Jan. 28, 1960.
135.	R.J	Do.
136.	O.F	Jan. 29, 1960.
137.	M.A	Do.
138.	L.F	Do.
139.	F.V	Do.
140.	L.S.D	Jan. 30, 1960.
141.	C.R	Feb. 1, 1960.
142.	O.G	Feb. 2, 1960.
143.	J.G	Do.
144.	L.W.S	Feb. 3, 1960.
145.	D.O	Feb. 4, 1960.
146.	N.M	Do.
147.	W.M	Feb. 10, 1960.
148.	C.M	Feb. 17, 1960.
149.	R.M	Do.
150.	W.M	Do.
151.	F.W	Feb. 20, 1960.

As can be readily seen, here are men with as much as 8 years continuous experience in the same employment who are now looking for work, drawing unemployment compensation and otherwise attempting to survive with little likelihood of ever returning to their employment because of the financial inability of the employer to continue to operate his business. This is the direct result of selective rate cutting in a competitive transportation field.

As a specific example, No. 25 on the above seniority list was an employee of Commercial Carriers until the 9th day of February 1961. He had been employed for approximately 8 years, from March 20, 1953, until February 9, 1961. He earned approximately $8,000 per year in wages from 1956 through 1960 and purchased a tractor in October of 1956 with a small downpayment, and payments of $450 per month which he leased to his employer, Commercial Carriers. The tractor's total cost was $17,800 of which approximately $2,500 was owed on the date he was laid off because of the lack of work that could be supplied by his employer. The tractor has a quick sale value today of approximately $5,000 and has been sitting idle for a period of more than a month and a-half.

This employee has become reemployed as a machinist in Denver, Colo., and presently earns approximately $6,500 a year out of which he must make the payments of $450 per month on his tractor while he is waiting and hoping that his job may again become available and the tractor may again be useful to him. He is, of course, making an attempt to lease the tractor to others or have the tractor driven by one of the 24 employees who presently work for Commercial Carriers and may have some success in deriving some income from that piece of equipment.

This employee estimates that there are approximately 50 small truckowners and lease operators who were employed by Commercial Carriers and at present have their tractors sitting idle.

As another specific example, we shall look at the case of employee No. 29. D. B. was employed by the company for approximately 7 years and had an average net income in excess of $9,000 per year during that period. He also owned a tractor from 1954 until the date that he was laid off. During the period from late 1957 until November of 1958, he owned two tractors, both of which were leased to his employer, one driven by himself during the course of his employment and the other driven by others in the employ of his company. However, between March 1958 and November 1958, during which time the large railroad hauls of automobiles began, one of his tractors sat idle for 10 months, and it was necessary for him to sell it for a price of about $9,000, which paid off the debt on that tractor and reduced the debt on the tractor which he was driving.

This employee was in a better financial condition than many others because prior to February 9, 1961, the date he was laid off, his remaining tractor had been fully paid for, and he was not saddled with large monthly payments. Although this employee is not yet working, he refuses to draw unemployment compensation and presently has his application in at several trucking companies for a job along with a lease for his tractor.

Other specific examples of the decrease of employment throughout the Colorado-Wyoming areas may be shown by the following employment records in regard to other common carriers active in this area.

1. Denver-Chicago Trucking Co.

Date	Line drivers employed	Working	Laid off
June 4, 1958	571	571	
Dec. 16, 1959	373	355	18
March 1961	357	344	13

NOTE.—An adjustment of 220 employees should be made to the figures cited from June 4, 1958, to December 16, 1959, because of the movement of part of D–C's operations to Los Angeles, Calif., and the movement of 220 drivers to that area.

2. Rio-Grande Motorways, Inc.

Date	Line drivers employed	Working	Laid off
1956 forward	60–71	All	
March 1961	71	51	20

NOTE.—26 percent of the line drivers were unemployed due to piggyback operations.

3. Merchants Motor Freight

Date	Line drivers employed	Working	Laid off
Jan. 8, 1960	7	7	
Feb. 15, 1961	5	4	1

NOTE.—A decrease of 40 percent in employment due to piggyback operations.

4. Burlington Freightlines

Date	Line drivers employed	Working	Laid off
March 1961, Casper	13	10	3

NOTE.—A decrease of 22 percent in employment due to piggyback operations.

All of the three drivers were laid off in January of 1961; they live in Casper and are all presently drawing unemployment compensation and were employed for not less than 4 years by Burlington. These three drivers earned approximately $7,000 per year and have been unable to find any employment since their layoff in the early part of 1961.

5. Ringsby Truck Lines

Although Ringsby has employed from 150 to 155 employees regularly since 1958 and has not reduced the number of employees because of lack of freight, a look at the number of piggyback trailers which were shipped in and out of Denver, Colo., for Ringsby on March 25 and 26, 1961, will indicate the effect of this operation upon the employment of line drivers. The trailer number, tonnage, and its destination for the dates of March 25 and 26, 1961, are set out below.

Mar. 25 and 26, 1961—Ringsby Truck Lines, Inc.

Trailer No.	Tonnage	In from—	Out to—
1. 40–75	25,100	Chicago	
2. 3659–Watson	19,000	do	
3. 7–401	26,062	Kansas City	
4. 7–89	34,003	do	
5. 40–73	33,168	do	
6. 7299	27,555	Chicago	
7. 4670–Hoover	23,400	do	
8. 9–277	29,300	do	
9. 9–205		do	
10. 40–101		do	
11. 7–23	33,900	do	
12. 8–121	32,100	do	
13. 2–3	22,100	do	
14. 2–33		do	
15. 9–295	21,200	do	
16. 8–159	40,142	do	
17. 9–249	42,744	do	
18. 2–19	26,853	do	
19. 7–221		do	
20. 7–20		do	
21. 7–257		do	
22. 8–179	36,100	do	

Mar. 25 and 26, 1961—Ringsby Truck Lines, Inc.—Continued

Trailer No.	Tonnage	In from—	Out to—
23. 7-43	32,039	Chicago	
24. 9-219	28,694	do	
25. 7-253	34,531	do	
26. E.B.-612	26,707	do	
27. 9-227	40,148	do	
28. 7-227	33,650	do	
29. 9-283	46,500	do	
30. 8-123	16,220	do	
31. 7-25		Kansas City from Denver	
32. 7-257		do	

Had these 32 trailers with freight been moved through the normal transportation channels, 64 of the unemployed drivers throughout the Wyoming-Colorado areas could have been employed to move that freight.

If it were not for the selective and discriminatory rate-cutting practices which are permitted by the present ICC rulings, it would not have been competitively possible, or an economic advantage for the Ringsby Truck Lines, Inc., to ship this freight in this manner and these unemployed drivers, many of whom are by necessity taking advantage of their unemployment benefits in order to survive, would be earning a just salary for their services.

It is my opinion and the opinion of the members of the local union which I represent that immediate action should be taken to alleviate the unfair and discriminatory economic advantage which has been given to the railroad industry through the rating structure presently allowed; we implore you to consider the plight of the 20,000 individual employees throughout the States of Colorado and Wyoming as you deliberate and investigate the overall effect of these factors on surface transportation throughout these United States.

Respectfully submitted.

Senator McGee. The next witness is Mr. Myrick, Mr. William Myrick.

STATEMENT OF WILLIAM E. MYRICK, GENERAL COUNSEL FOR LINE DRIVERS LOCAL UNION NO. 961, DENVER, COLO.

Mr. Myrick. Senator McGee and Mr. Barton, I am William E. Myrick. I am general counsel for Line Drivers Local No. 961, of which Mr. Bath is president.

My primary concern from this standpoint in the overall transportation picture is one perhaps more of philosophy and what I feel the effect is on the rather selective price cutting that has been going on, specifically, I think, in the industry of hauling cars at this particular time more than in the other particular areas. But we are very fearful, of course, that this will continue to go into the other areas and the entire transportation system of this country is going to be jeopardized.

Senator McGee. Your point is that while we are concerned here with the auto transport problem, that this is only a beginning?

Mr. Myrick. It is an example.

Senator McGee. In other words, if it works here or this is the result here, that it will be translated into other areas?

Mr. Myrick. Very definitely, Senator. I feel this is an example, if we let the policy continue which has happened since the 1938 amendment, which I feel has been misinterpreted from the language, and I do not think the national transportation policy as set out in the act is actually being carried out, by the manner in which it is being interpreted by the ICC in regard to suspending freight rates. The sus-

pension policies, particularly, I think they are wrong, I think they are procedurally wrong, in that the time element after a rate is initially filed is some 18 days, that you must make the protest some 6 days after, then another 2 or 3 days in order to have a hearing.

Now, the ICC, of course, never actually looks at these rates. It is a clerical thing, it is being done by rate clerks, and it is something that perhaps because of the time element involved is not properly looked into.

Now, I think the report of the other Subcommittee on Intercoastal Affairs is an excellent report. I think it points out to anybody who is interested in this problem exactly what does occur with the selective price cutting.

Senator McGee. Is your point there, Mr. Myrick, that the existing provision that permits this greater latitude in ratemaking for the railroads for competitive reasons should be returned completely to where it was before, or is there a margin in there?

Mr. Myrick. I think there is a margin in there, Senator. Here is what I am concerned about. From an overall policy standpoint, I don't think from our other laws—take the Federal Trade Commission as an example and the way it controls in this country, although it is certainly not applicable in this situation, but the theory behind that and the cases behind that theory is not to destroy competition. The competition is protected for competition sake alone.

Now, in this situation we are destroying competition within a completely controlled area, and it is something that is very vital to the national defense as set forth in the policy, in the public policy alone, that we must have a transportation system. In this specific instance where we are allowing discriminatory price cutting—now, I am not talking about a cut in price which can be justified and can be shown, but I think some of the Federal Trade Commission rulings and the cases as set out—I would like to cite as an example there, perhaps, some wording out of the *Morton Salt* case, an *FTC* case which I think shows some of the overall public policy of the United States in this regard, in protecting competition, and in an area where it is not even completely controlled and where we are protecting competition for competition sake alone.

Mr. Barton. That doesn't apply to the interstate carriers operating under the Interstate Commerce Act, does it?

Mr. Myrick. What was that?

Mr. Barton. This materiel you are about to read.

Mr. Myrick. What I am trying to do, Mr. Barton, is from a philosophical standpoint and a public policy standpoint only to show—I know that this is not in effect something that we are talking about, but I am trying to show the overall public policy of the United States in relation to our other laws and how the ICC—well, the interpretation of the national transportation policy, in my opinion, has subverted some of the other policies of this country and is at least crossways with them.

Now, in that particular case, which was a 1948 case, in the definition of the type of price discrimination which tends to destroy competition, the Supreme Court concluded that if the price discrimination was sufficient to influence the resale price of the buyer, the discrimination substantially lessens competition and was therefore unlawful.

In that case the court held that a practice substantially lessened competition within the meaning of the Robinson-Patman amendment if there was a reasonable possibility of having this effect.

Now, this is not what is being done in the ICC today. They state, and they have stated on many occasions, that they don't understand what this word means, as far as "discrimination," and "destructive competition" that is used in the act, they don't seem to understand, the ICC Commissioners have stated that they don't know what it is.

Now, I would suggest to them that they could look at some of these Federal Trade Commission cases and apply the philosophy that has been applied throughout the Clayton Act and the Robinson-Patman amendment to that act into this industry, although the resultant effect is only destruction of competition, whereas in one case we get it in one manner and the effect can remain the same within the transportation industry.

Now, I think it was pointed out in that intercoastal report that was done, that the committee did not know exactly what these words meant and that their interpretation as to what it was to mean was to allow price reductions without considering what the effect is.

Mr. BARTON. Mr. Myrick, did you say the committee or the Commission?

Mr. MYRICK. The Commission, I should have said. Perhaps I did say the committee; I am sorry. I think the major problem, and we have a letter that one of our members got back from Oren Harris, or it was to Oren Harris and signed by Everett Hutchinson, who is Chairman of the Interstate Commerce Commission at this time. One of the paragraphs in that letter I think is quite interesting. This was written, incidentally, on January 19, 1961:

> Information as to the characteristics of the trailer-on-flatcar traffic and the structure of applicable rates isn't presently adequate and in the light of rapid developments in this and related fields the Commission recently authorized a staff study of the economic implications of new departures in ratemaking. The first phase of this study will deal with rates for piggyback and similar service. Included will be an examination of the characteristics of trailer on flatcar and similar rates and an evaluation of their economic significance and the terms of their effects on the economy and on the various types of carriers constituting a national transportation system as well as their suitability to the needs of shippers.

Now, to me, this points out something that is very sadly lacking when we have a Commission stating they don't have the information, when they have already granted the rate cuts, and it is a little like the farmer who attempts to bar the door after the horse is gone, but instead of actually putting the bar on the door he is going to study the economic value of the horse.

Now, it would seem to me these practices very, very definitely almost put the industry, the trucking industry in regard to car hauling, almost out of business when 24 men out of a former list of some 300 in 1958 that were employed and working at their peak capacity, now hiring 24 people and these people are on unemployment, many of them own their own trucks and are taking bankruptcy, and this is the type of effect it is having, it is having it right here in Wyoming with Commercial Carriers and right here in Cheyenne with the other companies that have been coming through here, and the union records very definitely show that this is what occurred as shown by Mr. Bath's statement.

I would like to cite in closing just a few figures on the impact in Wyoming in regard to some of the highway users' taxes. In Wyoming alone, directly in the State of Wyoming, there is $7,750,000 directly from motor fuel taxes and for the Federal Government there is an additional $4,138,000, making a grand total of $11,888,000. That is from highway users' taxes.

Now, if you take a reduction as little as 9 percent of that and you reduce that amount by a million dollars, it will total $11 million, and if these funds were needed to actually extend the Interstate Highway program in Wyoming and to add the 10 percent to matching funds—you are talking about $9 or $10 million reduction in highway taxes that are paid—well, two-thirds of these taxes are paid by the trucking industry.

Now, I am not saying from a philosophical standpoint on taxes alone we should save any specific industry, but when the public policy of the United States has recognized, and statutorily recognized, that an industry is vital to the national defense and that all of these areas are areas of transportation that must be kept, I feel that we must have some different attitudes in the ICC or pass some legislation to control this entire matter.

Thank you.

Senator McGee. May I ask one question, Mr. Myrick, so that you may make for the record a clear position of your organization. Where does your group draw the line between the factor of the jobs, the unemployment, and the factor of technological advancements in transportation? Now, very clearly, this is a factor present in this business.

Mr. Myrick. As far as drawing a line, now, of course, my primary interest when representing the union in something, we are, of course, interested in jobs and people working. However——

Senator McGee. You are not interested in retarding advancement?

Mr. Myrick. Certainly not; none whatsoever. Let me go on with this statement. What we are interested in is what we feel is a selective price cutting that has been going on because of the method in allowing price cuts to go into effect through the suspension door instead of making the proof—the burden of proof in our opinion is wrong—that they must show that this is economically feasible and not consider just the cost here but must also consider the other effects on the entire railroad industry. When you are hauling automobiles, for example, at half the price that they can be hauled by the trucking industry, this is fine if this is entirely through technological advancement——

Senator McGee. Even if it put all the truckers out of business?

Mr. Myrick. Even if it put all the truckers out of business if we did not need them for some other purpose, this is entirely fine, because this is something that the public interest is bound to consider, the cheapness of transportation. It is certainly a point of view that must be considered. However, you have one further thing that must also be considered, that railroad lines do not go into every town and community within the United States, and you must consider the overall cost of hauling cars from the point that they are either manufactured or assembled and delivered to the ultimate consumer, and it is my opinion that all of these things must be taken into consideration

at the time that you are actually discussing the rates, and I do not think they have been taken into consideration at this time.

Senator McGee. Then what you are saying is that it isn't a matter of the low cost of transporting, let's say, an automobile alone, that you have to consider, in your judgment, the impact economically on a trucking service to all areas, in some of which areas there would be no piggybacking alternative, anyway?

Mr. Myrick. That is very definitely correct. Instead of talking about the long haul, you are talking now only what that cost is when it comes from the manufacturer, say, from Detroit to the rail line here in Cheyenne and what that cost is. Those automobiles must by some mode of transportation be distributed to the dealers around the State of Wyoming where there are no railheads.

Senator McGee. I was just thinking a little bit historically now as when we used to lecture a bit on transportation history in the classroom. As I recall, this may not be accurate, but the kids used to have to memorize it, anyway, that in the evolution of our transportation in this country the truckers at one time placed the short-haul railroads in jeopardy in the advancement of trucking operations. Now here, of course, the shoe is on the other foot and it represents one of those very difficult areas where the line properly, in fairness, ought to and can be drawn in the national interest.

Mr. Myrick. Senator, I would agree with that, and I will agree—I think the problem is not specifically, perhaps, because of the technological advancements that they have made in car hauling as such, I certainly think this will continue, but I think that the problem still basically gets down to the rating and the method of rating itself and the philosophy that has been displayed by the Interstate Commerce Commission.

Senator McGee. If I understand your position, the rating that is now operating under this clause enables them to unfairly lower the costs on the auto transport service on flatcar and that it necessarily must be made up in areas that do not lend themselves to piggyback?

Mr. Myrick. Senator, the rates on the vehicles themselves are lower than the rates on the component parts of these vehicles. This, to me——

Senator McGee. Let me hasten to add that a car put together is worth a lot more to me than a load of parts.

Mr. Myrick. I think that the Commission has simply not carried out what I feel was a direct charge in the national transportation policy of protecting all of these modes of transportation. I think it is set out clearly that we nurture and protect all of the modes of transportation. They are controlled industries and certainly they are going to be very strong competitive factors. Now, we should have these competitive factors evaluated and not allow the discriminatory rates to put one specific segment out of business. I think that is what is happening.

Senator McGee. Do you have any questions?

Mr. Barton. I have a single question. Mr. Myrick, if the railroads showed that they covered their full costs and made some money in addition, with these rates they have used in competition with the truckers, would you still take the position you have just taken?

Mr. Myrick. If you mean full costs, Mr. Barton——

Mr. BARTON. All costs.

Mr. MYRICK. The full cost of operation, normal profit, and also considering what their rates are in their other fields. Now, at the same time it is my understanding that at the first of this year——

Mr. BARTON. You are getting away from my question. I asked if the competitive rail rates covered fully distributed costs, if these rates constituted fully distributed costs, would you still have the same position you have just taken?

Mr. MYRICK. Well, perhaps I don't fully understand.

Mr. BARTON. In other words, these rates, assuming they are not below cost but do cover the railroads' costs, all their costs, and something above would you still take the position you have?

Mr. MYRICK. I would take that position if I may put one other factor in, that we must take the entire railroads' operation and see what they are doing to prices at the same time, if it can be broken down, and I can't do that.

Mr. BARTON. I don't think anyone else can, either, Mr. Myrick.

Mr. MYRICK. If it could actually be broken down product by product I would say fine, whatever that product is, certainly you can carry that, and I think it has been going on for years, in certain areas that the railroad does carry almost all——

Senator MCGEE. The only way that could be done, if I were to do it personally, wouldn't it, one man arbitrarily had to make a decision? It would be real difficult to separate those.

Mr. MYRICK. I think the inequity of the whole thing to me, as I understand, the mail increase is about $64 million that went into the revenue of the railroads the first of this year because of an increase in rates. At the same time these railroads, which also might have a mail car on with a piggyback haul of any type of produce or commercial goods, would be cutting these rates at the same time you are raising the mail car, and I can't see that it costs any more to pull one than the other.

Senator MCGEE. Is it your point there that in a case of auto transport, for example, that the railroads are using these increased mail rates to help cover a lower rate on transporting automobiles?

Mr. MYRICK. I think through selective rate cutting this is entirely possible. From the reading and the information that I have, I feel it very definitely appears to be there has certainly been some deliberate effort in that manner to select certain areas in which they are going to cut rates until another industry disappears, and at that point I think the rates will come back up because there is nobody looking at these rates. Rate cuts are not being examined today.

Senator MCGEE. That is, your organization, your group, has of itself no evidence to this effect because you would have no access to such records.

Mr. MYRICK. That is perfectly correct, Senator. It is a conclusion on my part.

Senator MCGEE. It is a hypothesis you advance in view of the fact one operation is taking place, therefore the other is possible and may well be taking place?

Mr. MYRICK. That is very true.

Senator MCGEE. That is the burden of your charge?

Mr. BARTON. I just wonder, Mr. Myrick, what your philosophy was, or would have been, when the truckers took this traffic from the railroads with selective rate cuts. Do you have a position on that?

Mr. MYRICK. I think the analogy is not too good, Mr. Barton.

Mr. BARTON. Same traffic, sir.

Senator MCGEE. The railroads carried the automobiles at one time, didn't they, almost completely?

Mr. MYRICK. Yes.

Senator MCGEE. My father was an automobile man for many, many years, and I used to help him unload cars from the railroad boxcars that came into Norfolk, Nebr., and yet the truckers at one point took this traffic.

Mr. MYRICK. Well, the trucking industry has grown, there is no question about it, and substantially, and I think is recognized by the statement in the national transportation policy as one of the modes of transportation that it is necessary for us to have in this country. I am not as particularly interested in any specific one, if actual rate cutting—even if we had the same method of rating, but the suspension system is something that, when you cut the rate, goes into effect after 30 days, and this is done not nearly to the degree by which you must show an increase and why you should have the increase.

Mr. BARTON. No further questions.

Senator MCGEE. Thank you very much, Mr. Myrick.

Now, if the witnesses will hand the statements in the future to Mrs. Durkee here to my right, she will distribute them while you assume your position on the firing line.

(The statement of William E. Myrick as filed with the subcommittee is as follows:)

My name is William E. Myrick, and I am a member of the law firm of Myrick, Smith & Criswell of Denver, Colo. We have for some years past been representing Line Drivers Local Union No. 961 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, as their general counsel. I am also a member of the 43d Colorado General Assembly and am presently a member of the Labor and Employment Relations Committee of the Colorado House of Representatives. In these capacities I have become generally aware of, and familiar with, the labor-management problems which exist in the Rocky Mountain region. More particularly, due to my association with the Teamsters organization and discussions with numerous officials of the trucking industry, I have become aware of the foremost problem facing the industry today—that problem is, of course, the relatively recent practices of the railway industry in engaging in selective price cutting and destructive competition directed toward the trucking industry.

While, because of the associations which I have just enumerated to you, I cannot be considered as an impartial observer, nevertheless, I do feel that I am a more detached observer of this problem than the officials of either the railway or the trucking industries. It is, therefore, as an attorney and as a person interested not only in the survival of the trucking industry for the trucking industry's sake but one interested in all of the present forms of transportation for the public good, I am grateful for the opportunity to appear before this committee and to submit my observations upon the problem of rate cutting and the advantages of the pending legislation.

At the outset let me say that there should be unanimity of view that no one mode of transportation should, as a matter of public policy, be favored by any of the public agencies of this Nation, if the favoritism results in the destruction of any other mode of transportation. In the perilous times in which we live, we need all the advantages that each method of transportation has to offer, whether it be transportation by rail, highway, airline, or water. We need each method of transportation, not only to preserve a vital economic system, but to be able to maintain and utilize a complete transportation system should this

Nation, as a matter of national defense, be called upon to make use of its transportation systems for military means.

I am certain that this overriding consideration was the main purpose of the U.S. Congress when it enacted the national transportation policy. Indeed, that policy clearly and unambiguously states that it shall be the policy of this Nation—

(1) To provide fair and impartial regulations of all modes of transportation;

(2) To recognize and preserve the inherent advantage of each mode of transportation;

(3) To foster sound economic conditions in transportation as a whole and among the several carriers;

(4) To encourage the establishment of reasonable charges for transportation services, without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices;

(5) To cooperate with the several States; and

(6) To encourage fair wages and equitable working conditions.

It was only through the accomplishment of these goals that Congress felt that the national transportation system could be preserved in an adequate manner to meet the needs of the commerce of the United States, of the postal service, and of the national defense.

It is to be noted that among these goals, to be achieved as a part of the national policy, Congress recognized that the charges for service in the various modes of transportation not only had to be reasonable in and of themselves, but also should not result in discrimination, undue preference or, particularly, unfair or destructive competitive practices.

Like so many other human endeavors, however, the statement of the goals for national policy does not always result in their ascertainment. Indeed, the events of the past 3 years tend to indicate, in my mind, that the goals of our national transportation policy, particularly in the fields of unjust discrimination and unfair or destructive competition, have been neglected, not applied, and, at times abrogated.

Apparently, I am not the only person who feels an imperative concern about this matter. In August of 1960 another subcommittee of this Committee on Interstate and Foreign Commerce reported on the decline of the coastwise and intercoastal shipping industry. In its conclusion, the majority members of that subcommittee had this to say:

"The constant question before your subcommittee during the course of the hearings was: How well has the Commission performed its dual role? Particularly emphasized was the ICC's adjustment to the now 20-year-old function of coordinator of different modes of transportation—regulation by planning. The results speak for themselves. They suggest that the public does not now enjoy a balanced and healthy transportation system by rail, highway, and water. However, it further appears to your subcommittee that the Commission's methods, procedures, and, in some cases, its judgment, were not reasonably designed to achieve the objectives envisioned by the framers of the national transportation policy" (p. 49 of the "Report of the Merchant Marine and Fisheries Subcommittee of the Committee on Interstate and Foreign Commerce, U.S. Senate," 86th Cong., 2d sess.).

This subcommittee report, in my opinion, is an enlightening document and can be read with profit by anyone seeking an insight to the problem as it exists today. Of course, that subcommittee was not holding hearings on specific legislation, and it made no recommendations for specific legislation. It did make various recommendations concerning the procedure, data needs, and other matters which can be cured by Commission action itself. However, the subcommittee did acknowledge that one of the problems as it exists was the failure of the Interstate Commerce Commission to give full effect to the national transportation policy. Some suggestion was made that the 1958 amendment to section 15A(3), title 49, the United States Code was the reason for this disregard.

As you know, that amendment incorporated the provisions of the national transportation policy and enjoined the Interstate Commerce Commission to give due consideration to the objectives stated in that policy. However, the evidence presented to that subcommittee indicated that the Commission was not taking the objectives of that policy into consideration in rate reduction cases. Instead it was, for the most part, relying primarily upon the return to the carrier, particularly railway carriers, of their net cost in establishing rates. Indeed,

there was testimony in the subcommittee report which reflected that the Commission felt that the 1958 amendment, which provided that rates of a carrier should not be held up to a particular level to protect the traffic of any other mode of transportation, reversed the previously existing national transportation policy, insofar as that policy enjoined the Commission to take into account the effect upon other carriers of a proposed rate reduction. The testimony before that subcommittee further indicated that the Commission had never been able to clearly define for itself what "destructive competition," as those words are used in the national transportation policy, were. As a result, it appears to me, that, because of the present factors used in determining rate reductions for carriers under the provisions of the Interstate Commerce Act, the effect of a rate reduction upon the other modes of transportation is almost entirely disregarded, and the determination of the lawfulness of such a rate reduction is made by relying almost entirely upon the cost to the carrier requesting the change.

As a matter of fact, as late as January 19, 1961, Mr. Everett Hutchinson, Chairman of the Interstate Commerce Commission in a letter addressed to Mr. Oren Harris indicated that the Commission still had little idea of the effect of recent rate reductions for trailer-on-flatcar operations, and that the Commission had recently authorized a staff study of "economic implications of new departures in ratemaking." Yet, this interest in, and study of, the economic effect of these rate changes commences several months subsequent to the time that similar rate changes have been approved by the Commission. With all due respect to the Interstate Commerce Commission, I suggest that, in this particular instance, they are much like the farmer barring the door after the horse's escape, except that the Commission, unlike the farmer, intends to make a study of the economic value of the horse prior to the time that the bar is placed across the door.

It is frankly inconceivable to me that a regulatory agency charged with the responsibility to nurture and protect the entire transportation system of these United States would allow basic concept changes to go into effect without even studying the end result of the change in concept.

In addition, I'm certain the Interstate Commerce Commission itself has recognized that the cost data which it has available when it approves a rate is inadequate. It was indicated in the subcommittee report that there were various deficiencies in the formulas and procedures used by the Commission in determining cost data. It is further indicated that some of the technical criticisms of constructing cost data were presented to Chairman Winchell of the Commission and that there were no fundamental disagreements with those criticisms.

With the apparent disregard by the Commission of the effect of a reduced rate structure on other modes of transportation, combined with what appears to be an inadequate program for obtaining cost data when a particular reduction is requested, I submit that the railway industry of this Nation has been allowed to engage in selective rate reductions for the purpose of destroying other modes of transportation.

For example, in one Interstate Commerce Commission case in 1959, the ICC condemned a proposed rate change by a motor carrier, which was to apply to all freight and which exceeded only very slightly 35 percent of the first-class rate. (Rates—All Kinds—Chicago to Columbus, Ohio, 308 I.C.C. 517.) On the other hand, the railway industry established rates on all kinds of freight which ranged from only 12 to 15 percent of the first-class rate. The ICC refused to suspend this rate.

In a very recent case involving a railway request to lower rates on piggyback operations to about 16 percent of the first-class rate (Docket No. 32533, *Eastern-Central Motor Carriers Association, Inc.* v. *Baltimore & Ohio Railroad Company*) the hearing examiner pointed out that:

"Of more than 12,000 carload ratings in the rail uniform classification, only 10 ratings are lower than 16.5 percent of first-class; 1 at 16 percent of first-class (class 16) and the other 9 at 13 percent of first-class (class 13). The class 16 rating applies on sand, mixed with clay, crushed stone, and gravel or pebbles, in bulk, minimum 80,000 pounds, and the class 13 ratings apply on such commodities, minimum 80,000 pounds, as sand, n.o.i.b.n., granulated or lump slag, n.o.i.b.n., and gravel, n.o.i.b.n."

The railroads in that case wanted the rates to apply to all commodities. In essence, therefore, the railroads were requesting to carry Cadillacs or Rolls Royce automobiles at the same price that they would carry sand, gravel, or slag, without any regard to the value of the commodity carried.

Speaking of automobiles, another example of what is taking place can also be given. In one ICC case (Automobiles from Duluth, Minn., to Wash., 308 I.C.C. 523), the ICC, Division 2, decreed that motor carrier rates were not justified and ordered them canceled on the grounds that the rates were to be applied to all automobiles, regardless of their size or value. Seven months later, in Suspension Board Case No. 22950, suspension of railway carrier rates for automobiles was refused, although the rates also applied to all automobiles, regardless of size or value. In both cases the transportation was to be in highway trailer, the only difference being that in one case the trailer would be carried by flatcar on a railway and, in the other case, the trailer was to be transported by automotive tractor over the highway.

As an attorney, I recognize that it may well be possible from a legal standpoint to distinguish these various cases and to make them consistent, one with the other. I submit however, from a matter of public policy, they cannot be. Indeed, at the same time that the railways were requesting and receiving rate reductions, some of which rate reductions would have established rates at only 16 percent of first-class rates, the railways were requesting and receiving rate increases for the carriage of U.S. mails. It is my understanding at the first of this year that the railways were granted a rate increase which produces an additional $64 million in revenue from the U.S. Government for carrying the mail. In addition, it is also my understanding that the railways have requested permission to increase rates on other goods not capable of being carried on a flatcar, through piggyback operations, which will have the effect of increasing the rates on these other commodities approximately 2 percent. I understand that these rate increases will go into effect commencing in May of this year.

Now, what has been the effect of this rate structure? Figures compiled by the Association of American Railroads and furnished to U.S. Representative Oren Harris from Mr. Everett Hutchinson, Chairman of the ICC, on January 19, 1961, reflect that from the years 1955 through 1957 railways increased their trailer-on-flatcar carloadings from 168,150 to 249,065. This was an increase in the 3-year period of approximately 80,000 loadings. On the other hand, from 1958 through the year 1960, a comparable period of time, but subsequent to the 1958 amendment, the trailer-on-flatcar carloadings increased from the 249,065 to 554,212—an increase of 305,147 carloadings. Thus, in the past 6 years, carloadings have increased approximately 385,000, but the overwhelming majority of the increase has come since 1957.

Whether this selective rate-changing policy has been an intentional one to drive small trucking companies out of business, I do not know. I do know, however, that it has had this effect. Mr. Harry Bath, president of the local union that I represent, has collected figures showing unemployment of his members in this area, and they show, particularly, in the automobile driveaway industry that large trucking companies employing hundreds of personnel, paying thousands in taxes and directly or indirectly supporting small businessmen operating restaurants, motels, gasoline stations, and garages, have been reduced to skeleton operations, if not now defunct. This, too, is in an area where the railway operations have not been so extensive as they have been in other areas.

I am sure that I need not impress upon the members of this subcommittee the seriousness of the economic setbacks suffered by the economy as a whole during the past 18 months. While it would be absurd to attribute to the problem about which we're now concerned a major portion of the fault for these conditions, nevertheless, I am certain that the transfer of the overwhelming amount of the automobile carriage traffic from the motor carriers to the rail lines has resulted in areas of serious local unemployment, without a corresponding increase in employment elsewhere.

In addition to this serious effect upon the small businessmen and employees of the motor common carriers there has also been serious inroads made upon the national policy of regulated carriage. In the years since the war, this Nation has seen an amazing growth of two types of organizations which, while engaging in the transportation industry remain unregulated and nearly uncontrollable.

The first is the private carrier. In 1945 private carriers, who are not subject to the Interstate Commerce Act or the Commission's regulations, carried approximately 40 billion ton-miles of the Nation's freight. In 1957, the latest statistics at my disposal, indicate that they were carrying 176 billion ton-miles of freight. While I have, certainly, no objection to a private individual carrying his own freight from an abstract point of view, if the national transportation agency's policies are such that this manner of transportation increases to the

point that it begins to cripple public transportation, a very real effect upon our national defense programs will be felt.

Secondly, the business of forwarding freight has also seen a tremendous postwar growth. From 1945 to 1957, the amount of freight tonnage originated by freight forwarders increased over 100 percent. Of course, persons in the business of forwarding freight are now subject to the Interstate Commerce Act. However, the growth of shippers' associations, specifically exempted from the act, has had its effect. These shipper associations, together with "car poolers," engage in the business of shipping goods through our public transportation facilities without regulation or rule and with no control to assure that their operations are in the public's interest.

I am certain that both the railway and motor carriers are in agreement that the private carriers and shippers' associations, if allowed to continue their growth unfettered by regulations imposed on the public's behalf, will pose a serious threat to all modes of transportation. As a matter of fact, the railways have on occasion attempted to justify lower rates to meet this threat. The real effect of lower rates for rail transportation is to aid these two groups. This was vividly pointed out by the trial examiner in docket 32533, where he said:

"The operations of the primary and sole users of plans III and IV are dependent upon the spread between the less-than-carload rates and the carload rates; the wider the spread, the more extensive are the operations of the regulated and exempt forwarders. The ability of these forwarders to get into the truckload and carload business in competition with the underlying common carriers is an indication of a probable excessive difference between the less-than-carload rates and the plan III and plan IV rates and charges so as to raise the question as to whether undue preference of the shipper under the plan III and plan IV rates has been created" (I. & S. docket No. 76, *Western Classification Case*, 25 I.C.C. 442, 465).

"The plan III and plan IV rates and charges have widened the spread to such an extent that the door to Pandora's box has opened wide. The freight forwarders have expanded the area of their businesses. They have established and intend to further establish volume commodity rates the same as the truckload and carload commodity rates of their underlying motor and rail common carriers. (Also, see *Forwarder Volume Commodity Rates*, supra.) Moreover, the plan IV rates and charges enable them to undercut motor common carrier rates. For example, Universal has diverted a substantial volume of traffic from a motor common carrier by undercutting the section 22 rates of the latter. The exempt forwarders, such as shipper associations, consolidators, and the so-called car leasing companies, have come to flourish. The practices of some such exempt forwarders, in particular those at the south Pacific coast points which are vying for traffic by promiscuous rate quotations and for bids on the traffic of industrial shippers, are, in the least, questionable. The Commission has repeatedly refused to allow common carriers to establish rates on the added traffic theory of ratemaking. Yet rate quotations for both the shipper portion and rail portions of the transportation are made at less than the plan IV rates and charges by the unregulated forwarders. Motor common carriers should not be faced with such unfettered competition, which has reached the point where a shipper's only interest is what the motor carrier will bid in competition with the unregulated forwarders for the traffic. Nor should they be faced with the competition of any intermediate agency of transportation in and area opened only by 'wholesale' rates of a competitive underlying mode of transportation" (pp. 119–120, hearing examiner's report, supra).

In summary, therefore, it is my sincere conviction that the rate-cutting practices during the past 18 months has resulted in serious local areas of unemployment, without a corresponding gain in employment elsewhere, loss of revenue to various small businesses and a contribution to the unregulated private carriers' and shippers' associations.

The question is, therefore, what can be done about it? The first step, I submit, is to insure that the Commission will take into consideration the adverse effect upon other modes of transportation. The passage of Senate bill No. 1197 does this. The purpose of this amendment to section 15a(3) is to prevent destructive competition, as envisioned by the national transportation policy. This amendment in clear and unambiguous language enjoins the Commission to consider, among other factors:

1. The competitive necessity for the changed rate.
2. The effect of a lower rate upon another carrier's lawful rate structure.

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3. The tendency of a lower rate to cast an undue burden upon other carriers.

The amendment also provides, however, that no rate is to be held artifically high solely to protect another carrier's traffic. Thus, the amendment is aimed only at "destructive competition" and it outlines the factors to be considered in determining whether this type of competition is threatened.

As I have pointed out previously, there has been a feeling that it is nearly an impossible task to define the concept of "destructive competition" and to apply this concept to a particular rate reduction.

Quite frankly, in my opinion, such an attempt to define this concept is neither impossible nor overly difficult. For years, the Federal Trade Commission and the Federal courts have been called upon to determine, under the Robinson-Patman amendment to the Clayton Antitrust Act (section 13, title 15, United States Code), when a discrimination in price has the effect of substantially lessening "competition" or tends to create a monopoly in any line of commerce, or to injure, destroy or prevent competition.

While there may be a sincere difference of opinion upon the matter, I submit that the Federal courts through such decisions as *Corn Products Refining Company* v. *The Federal Trade Commission* (324 U.S. 726, 55 Sup. Ct. 951 (1945)); *The Federal Trade Commission* v. *Morton Salt Company* (334 U.S. 37, 68 Sup. Ct. 822, 1 A.L.R. 2d 260 (1948)); and *Samuel H. Moss, Inc.* v. *The Federal Trade Commission* (148 F. 2d 378 (1945)) have given an adequate definition of the type of price discrimination which tends to destroy competition. For example, in *The Federal Trade Commission* v. *Morton Salt Company, supra*, the Supreme Court concluded that if the price discrimination was sufficient to influence the resale price of the buyer the discrimination "substantially lessened competition" and was, therefore, unlawful. In that case the court held that a practice substantially lessened competition, within the meaning of the Robinson-Patman amendment, if there was a reasonable possibility of it having this effect.

Of course, the antimonopoly statutes of the Federal Government have no application to common rail or motor carriers. However, in view of the fact that the rate-reduction policies of the railway industry has been carried on so that the reduced rates of the railroads, in the majority of instances, are obtainable only by those shippers capable of shipping in large quantities. I respectfully suggest that the philosophy of those statutes should be considered. If I have assessed the effect of some of the rate reductions properly, it appears to me that a large shipper is able to transport over the rail lines of this Nation commodities at less than 20 percent of the cost that a small shipper, having less than a trailer load of commodities, would have to pay.

If this is the case, I submit that the ICC should begin to apply the philosophy of some of the price discrimination statutes, even though they are not technically applicable to the situation.

For example, unlike the procedure under the ICC, a seller, under section 13 of title 15, United States Code, has the burden of proving that the difference in price is justified. *FTC* v. *Morton Salt Company, supra; Samuel H. Moss, Inc.*, v. *FTC, supra; American Can Company* v. *Logaga Canning Company* (44 F. 2d 763 (1930)). Presently, the burden of proof, under ICC procedure, at least in suspension proceedings, rests with the protestant.

Furthermore, discounts for quantity purchases under title 15 cannot be given, unless there is proof by the seller that there is a direct savings because of the increased quantities purchased, under the procedure of the ICC, cost data is inadequate and there have been reported instances of the Commission denying to protestants the cost data available (subcommittee report, supra, p. 32).

Finally, while the Federal Trade Commission does not set or approve prices of private competitors, there appears to me to be consistent policy of protecting small private businesses from the ravages of price warfare with larger private concerns. On the other hand, it also appears to me that, since the advent of the railway selective price-cutting policies, the Interstate Commerce Commission has been largely unaware or, if aware, unconcerned with the literal destruction of small trucking operations. Yet, unlike the Federal Trade Commission, the Interstate Commerce Commission has direct regulatory supervision over, and responsibility for the sound operation of, these very same concerns, which by reason of the rail rate reductions are being victimized.

It is my firm belief that in an economy which protects and nurtures competition for competition's sake alone, in order not to have measures of Government price control and other controls which would be necessary without the competi-

tive factor, we cannot allow the destruction of an entire controlled system of transportation through the actions or inactions of a regulatory agency, which either by ignorance, negligence, or preformed intent ignore one of the basic concepts of our form of government, as well as the declared public policy of the statute to which the agency owes its existence.

I do not, of course, suggest that the present amendment is a cure-all for the problem. As the Maritime and Fisheries Subcommittee's report points out, certain fundamental changes in the procedures and regulations of the Commission should be made by the Commission itself. However, this amendment will accomplish two purposes which are of vital importance.

To begin with, it will reaffirm the principles as enunciated in the national transportation policy and will deny any implications which may have been mistakenly drawn from the language of the 1958 amendment.

Secondly, in specific language, it will point out to the Commission, some of the factors which are to be considered in defining the concept of "destructive competition" and "unfair discrimination." It is to be hoped that this amendment will act as an incentive for the Commission to further particularize this concept.

In addition to these immediate advantages, I am convinced that this amendment will begin to halt the destruction of the motor-carrier industry.

No one can deny the substantial impact and effect of the trucking industry upon the economy of the United States, as well as the population as a whole. For the purpose of the record, let me briefly outline a few specific examples.

1. Figures derived from studies conducted by the Bureau of Public Roads show that in 1958, highway user taxes paid by the trucking industry amounted to more than $2,300 million. Based upon current average costs of construction, this amount, paid in 1 year, is sufficient to construct 2,300 miles of modern highways according to interstate standards. Roughly two-thirds of these taxes go directly to the several States to provide matching funds for Federal highway projects and for the construction of exclusively State facilities—for instance, the State of Wyoming received in the calendar year 1959, $7,750,000 directly from truck operations in that State, as a result of motor fuel taxes and related highway user taxes and collected for the Federal Government to be earmarked for the Federal highway program an additional $4,138,000 for a grand total of $11,888,000. A reduction of as little as 9 percent in truck operations in Wyoming would cost this State in excess of $1 million of available highway funds. If these funds happened to be needed to match Federal funds for highway construction, the loss this particular State might suffer could be as much as $9 million; all from a 9-percent reduction in truck traffic.

Statistics show that trucks are responsible for at least one-third of all highway taxes paid in the United States and that any serious curtailment of trucking operations will seriously jeopardize the Federal highway program established in 1957 and scheduled to be completed in 1972.

In addition to the highway user tax consideration, the trucking industry and its employees are important to the economy of the local areas and communities as customers. The trucking industry is a major consumer of goods, services, and supplies. Truckers consistently purchase their materials in the locality where they do business. This has been done principally because it is economically sound for the truckers as well as offering a convenient supply source. These buying practices have been outstanding factors in the economic growth of local communities, since the money spent in these purchases is retained and recirculated in the local communities.

Trucking (for hire and private) provides employment for more than 7 million people, buys 14 billion gallons of fuel annually, spends $3.3 billion for new equipment and replacement parts. In all, total expenditures by the trucking industry are equivalent to one-twelfth of the country's gross national product.

The trucking industry's steady growth which has enabled it to pay for one-third of the cost of our highways certainly cannot be regarded as anything but an enormously important factor in the growth of such important industries as the automotive, tire, petroleum refining, and automotive parts and accessories.

Many local businesses depend primarily on sales to the trucking industry for their existence; others look to the industry for a substantial portion of their income.

To provide for replacement and expansion, the industry each year purchases thousands of new trucks. Not only motortruck manufacturers benefit, but also new-truck dealers, located in local communities.

Operation of a truck fleet within a State also requires huge quantities of tires, tubes, batteries, gasoline, oil, and parts and accessories. Automotive retail outlets and gasoline filling stations look to the trucking industry as one of their major customers.

Trucking industry payrolls—a significant factor in each State—pass into the stream of the State's and local community's economic life by the purchase of a vast multitude of goods and services from firms situated throughout the State.

Small businesses that depend on the trucking industry are feeling the effects of destructive competition—service stations, motels, roadside restaurants, laundries, etc.

The drastic impact of new car piggybacking operations at discriminatory rates on local businesses can be readily demonstrated. In 1958, about 25,000 new cars were shipped by truck-away from Detroit to Cheyenne, Wyo. A truckaway driver, averaging 400 miles a day, made the round trip from Detroit to Cheyenne in about 7 days, spending 6 nights on the road. With five automobiles on each load, 4,000 trips were required to move the 25,000 automobiles.

Truckaway drivers on this run therefore spent a total of 30,000 nights in a motel thus supporting the motel industry, local laundries, etc. These drivers bought approximately 90,000 meals on the trip and substantially supported local restaurants, eating facilities, and rest stops.

Transportation of the 25,000 cars referred to above has for example a direct effect upon the State of Wyoming; although only 41 miles of this route are in Wyoming, from Cheyenne east to Pine Bluff, the 5,000 trips referred to would require 8 gallons of diesel fuel at an average mileage rate of 5 miles per gallon and would produce for Wyoming, at its tax rate of 5 cents per gallon, $2,000 in 1 year; this on only 41 miles of highways and transporting only one commodity—if the drivers required for these trips were domiciled at the Cheyenne terminal, their income, at union scale, for the number of miles driven would flow into the economy of Wyoming—$1,008,000 per year.

It can thus be readily seen that the illustrations regarding transport of automobiles applies equally well to other commodities. Virtually every citizen of every State will feel the economic impact of rate fixing, which allows destructive competition to effectively undermine and ultimately destroy an industry so directly influential in our economy.

In Docket No. 32533, *The Eastern-Central Motor Carriers, Inc.*, v. *Baltimore & Ohio Railroad Company*, supra, decided in 1960, the hearing examiner has summed up the effect upon small communities by saying:

"In general, the motor common carriers meet intense competition from the railroads as well as from the freight forwarders, shipper associations, and consolidators at principal points in the territory. They are able to maintain their necessary facilities and perform services consistent with the needs of the public on a free flow of traffic between large metropolitan centers as well as small intermediate communities, many of which are not served by any other mode of transportation. The traffic between major cities is the nucleus of the motor carriers' operations and enables them to serve the public at nondiscriminatory and reasonable rates. Their services at the small intermediate communities are, in many instances, performed in so-called peddle-run operations which are somewhat more costly than operations between major points. A substantial erosion of traffic between the large metropolitan centers will necessarily place a heavier burden on transportation costs from and to the small intermediate points. An increase in such costs would result in increased rates at the intermediate points. If the erosion is big enough, it might be necessary to discontinue or curtail service between major points and a diminution or elimination of such service would result in an abridgment in the service to and from the small points."

The whole problem is well illustrated and summarized when a shippers association or a consolidator can advertise and select business on the basis that "your rates with us will be common carrier (truck) rate less 10 percent."

In closing I wish to implore this subcommittee and the Congress of the United States to consider favorably Senate bill 1197, which will only define by statute for the Interstate Commerce Commission, the duty which they now hold, to prevent and prohibit destructive competition through selective rate reduction within the national transportation system.

Senator McGee. The next witness is Mr. Harry Schaefer. He will be followed by Mr. Gus Panos and he by Mr. James Strange.

Mr. Schaefer.

STATEMENT OF HARRY SCHAEFER, BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Mr. SCHAEFER. My name is Harry Schaefer and I represent the Brotherhood of Locomotive Engineers.

We don't believe that any legislation can possibly correct any unemployment due to automation because there is such a wide range of it in this country today. The Secretary of Labor Goldwater stated last week——

Senator MCGEE. Did you say Secretary of Labor Goldwater?

Mr. SCHAEFER. Goldberg.

Senator MCGEE. I think the record ought to be corrected on that.

Mr. SCHAEFER. I wouldn't want to attribute anything Mr. Goldwater said to Mr. Goldberg. Nevertheless, Mr. Goldberg stated that of the 5 million unemployed in this country at the present time, 1.8 million are unemployed due to automation.

This has been a great problem to many labor organizations and nobody seems to have the answer to it.

We have the same problem on the railroads. We have lost something over 400,000 people, through loss of jobs, in the last 10 years due to a great deal of automation in our industry, and to legislate for a certain segment of our labor force and protect their jobs, it would be no more than right that everybody else would be given the same consideration by Congress, and if we were to protect the jobs of the truckdrivers we most certainly would want to protect the jobs of the railroad and the other people who are brought up in this problem. A good illustration would be, if we were to use that kind of thinking, we should have legislated the automobile out of existence in favor of the buggy-whip makers. We wouldn't have any automobiles or no highways or no trucks and, consequently, no truckdrivers.

Better yet, if we were going to use that sort of thinking, we had better begin to legislate against atomic energy. The potentials of this thing is coming into the forefront and I think we are going to see a great many changes in employment and our way of living due to atomic energy, and if we want to legislate in this field in that manner, to protect the unemployment of these people losing their jobs in the trucking industry, we most certainly would have to use that kind of philosophy.

Senator MCGEE. Could I ask you here while we are on this particular point, Mr. Schaefer, the unemployment in railroads that is partially the result of automation that you alluded to, the loss of 400,000 jobs in the last 10 years. For example, there has been a resurgence of business and activity among the railroads, part of which is obviously due to the success of their efforts in piggyback. What has this produced in the way of reemployment and new employment on the railroads? Has the employment increased on the railroads?

Mr. SCHAEFER. In the past 5 years is where our automation has taken the greatest effect and the piggybacking in this respect, in addition to the recession that we recently had, didn't increase employment but it maintained it at a higher level.

Senator MCGEE. You mean it kept falling at the continuing rate of 400,000 every 10 years?

Mr. SCHAEFER. Yes.

Senator McGee. At least there was a plateau reached.

Mr. Schaefer. It probably contributed to some break on the downward trend although——

Senator McGee. But there was no actual reversal, so far as your organization is aware of, by an upturn in employment?

Mr. Schaefer. Well, due to the recession that would be difficult to describe.

Senator McGee. Well, I was only trying to establish some kind of reasonable connection here between the obvious improvement in the economy of the railroads through the success of ingenuity in piggybacking.

Mr. Schaefer. There is no doubt about it that we have experienced some improvement, some benefits, not only in the engine service but in every other department on the railroad where you have clerks and mechanics and machinists. In other words, 21 organizations that are represented on the railroads are all affected by any increase in business.

Senator McGee. Again, what I am still getting at there, while this may improve, due to, let's say, some maintenance operations or the replacement of outworn equipment a little sooner, and that sort of thing, I am trying to get down to the specifics of the job picture. Again, as I think you rightly put it, if the truckers are interested in jobs, so are the railroad men interested in jobs. I was trying to find out for the record if there was any measurable connection between this upsurge in piggybacking and better times economically with the job pattern overall in the railroads. So far as you know, there are not more jobs in the railroad?

Mr. Schaefer. Well, due to the recession, as I said, I couldn't possibly say there were more jobs. I would say it tended to help break the downward trend.

Senator McGee. In other words, your point is that there is no breakdown that exists between other descending factors in the economy that affects the railroads and the ascending factor of piggybacking?

Mr. Schaefer. That's right.

Senator McGee. That you have no way of measuring or describing those gains that might be the gains of piggybacking as offset by other economic factors in the Nation's economy?

Mr. Schaefer. That's right, although we do experience some——

Senator McGee. If the other economic factors in the country were to reach a balance, that is, level off, so we would be in whatever you want to describe our economic state, would the piggybacking operations as an operation itself result in more jobs for the railroad?

Mr. Schaefer. Oh, definitely.

Senator McGee. Of course, you probably wouldn't be prepared to submit your estimate of any percentages?

Mr. Schaefer. I am not familiar with those things, Senator McGee, at all.

Senator McGee. Thank you very much. That's all I wanted to know on more jobs because of piggyback.

Mr. Schaefer. There are a great many piggybacks going through Cheyenne at the present time in the form of automobiles and also in the form of boxes. It does contribute a great deal to it, there is no question about it, and as business increases there is no doubt but what it will continue. It hasn't had quite the effect on the western rail-

roads that we have had in the eastern railroads, although it is beginning to shape and is growing. We have quite a number of cars that they build and they have to have more men to inspect them, and all those things contribute to it, of course. But the main philosophy of this thing in legislating to protect one segment of labor because they are losing their jobs due to automation, I think must be taken into consideration, because if they are entitled to that kind of consideration, we are, too, and I don't think it is a contributing factor because if you are going to legislate to protect jobs, at the same time you are going to legislate to stop progress, and you can't stop progress, no one can. Progress is ruthless in its march, it does not pay any particular attention to any group. It will walk on someone's toes one day or one year and walk on someone else's the next. We realize that. This sort of thing is a challenge against progress rather than one group against another, I believe.

Senator McGee. Do you think in that same pattern, Mr. Schaefer, there is any place for or obligation, or absent legislation as has been demonstrated in the past to assist in the transitions involving people because of the impact of automation, its obvious impact in your own business, for example, railroading, does that belong in the formula? Or do we let every man take his own chances and when automation puts him out of business let him suffer?

Mr. Schaefer. While automation so far has never given anybody any opportunity to have anything to say, I think that is the wrong field when we try to stop it in the form of legislation. I think you are right, I think if automation hurts you, you're hurt, that's all, because it involves the businessman as well as the laboring man. Automation puts just as many people out of business as it does labor people. They are troubled with that. Competition becomes keener and thereby you have these unemployment problems. I don't think we should legislate in that field. I don't think it should be a governing factor at all, because I feel this way, I would rather be unemployed due to automation than to be a buggy-whip maker under some other form of government, because progress has put us where we are, progress is keeping us where we are. If we try to stop it we are just liable to be making buggy whips under another form of government. I think labor has an obligation in that field just the same as everybody else does. We must take this thing in our stride just as our railroaders have in the last 10 years. In fact, in the last 35 years we have lost almost 50 percent of our employment and a great deal of that to the trucking industry.

Senator McGee. Do you have any questions?

Mr. Barton. No question. I would like to comment I think he has a very enlightened and realistic attitude with regard to technological unemployment.

Senator McGee. I would only reemphasize we keep in our thinking wherever technological unemployment arises that we are concerned with people, too, and not merely with inventions or inventive genius. We have to assist in the adjustment, in the transition to other areas and to other accommodations in jobs and new pursuits. We can't simply abandon whole areas, and I think the railroad is a very noticeable case in point where this has been an extremely painful adjustment, and notably here. To those of us who live along the Burlington

and Colorado and Southern, it has been felt very deeply in most of our communities. That is the reason I do believe there belongs in there the media that takes into account the people affected.

Mr. SCHAEFER. I believe the State of California has already made an effort in that regard in helping people who have lost their jobs due to automation, to help in the transition to other fields of employment, in the field of education and such things as that. A good example of that in the trucking industry, or it probably could even be applied to our industry, where a man is a truck driver and handles a 20-ton truck on the highway, he most certainly would be able to run a boom or Caterpillar and therefore expand his qualifications for other jobs in the field of big machinery operation. Those are things we are going to have to look at and we have to face up to them whether we like them or not. We simply can't stop progress by trying to stop the unemployment in one segment and causing it to grow in another. It just simply is not going to work.

Senator MCGEE. Thank you very much.

The statement of Mr. Harry Schaefer as filed with the committee is as follows:)

The United States has the most dependable and flexible transportation system in the world. The point to which our railroad, highway, and air transportation has developed is ample proof of this. Not many people take this important fact into consideration until their daily lives are affected by some disruption of service that has been taken for granted. The very growth and development of the three transportation systems has created the problem under discussion here today. It was evident that sooner or later two or more of the forms of transportation would clash head-on when the saturation point would be reached. The pros and cons discussed here today resolve themselves around this very problem. There is always the danger that under the avalanche of the pros and cons lie buried the proper reasoning that is necessary to arrive at a proper conclusion.

It would be well, then, if we were to stop for just a few minutes and evaluate some of the important facts concerning our transportation system. No country in the world can develop from a wilderness into a world power without an adequate transportation system. It was the railroads that provided the transportation system that gave this country the boost that was necessary to develop into a world power and to sustain this position through two World Wars. This should leave very little doubt in anyone's mind that railroad transportation is necessary in time of peace and war.

The fact that railroad transportation was the only dependable transportation in the country for many years is the reason it developed into what was later discovered to be a monopoly. Eventually laws were written to control this condition in order to protect the general welfare; agencies were created to enforce these laws, which consisted of such things as regulations of rates to be charged, the supervision of services to be provided. Safety and sanitation facilities were also included in these regulations.

During this same period the automobile was coming into its own. This form of transportation could not be developed until proper roads could be built. From the beginning, roads for automobiles were little more than cow paths; later roads were graded and graveled, and finally we began to build paved roads. It would be well to remember that at this point the trucking industry was unknown. Therefore, it deserves no credit for the basic development of either the railroad or highway transportation systems.

The far-reaching restrictive regulations on railroads, and after the completion of highways that had been built by and for the automobile, created a condition that permitted trucks to enter the field of transportation, unmolested, as a competitor. However, due to the depression years of the 1930's and the restrictions placed on fuels and rubber during World War II, the trucking industry did not come into its own until after the war ended in 1945. During the 10-year period from 1945 to 1955 the trucking industry, by its own admission, developed from almost nothing to the second largest industry in the country. This

phenomenal growth could not have been accomplished without some form of subsidy. The records will indicate that during this 10-year period the volume of railroad business was declining, while at the same time the trucking industry was gaining, until the railroads were in severe financial difficulties.

The day of reckoning came when the Transportation Act of 1958 permitted the railroads to use competitive freight rates and with the development of new equipment were able to place at the disposal of shippers and trucking industry a new, dependable, fast and cheaper form of moving cargo. The shippers and the trucking industry having the distinction of knowing a good thing when they see it, immediately took advantage of this service. This cooperation between the shippers, the railroads, and the trucking industry is the greatest advancement in the field of transportation since the beginning of the railroads. This represents a breakthrough of the barrier that has existed between the two forms of transportation. This is the beginning of an orderly process that will revolutionize our entire transportation system. This has also helped to eliminate the complaints concerning trucks on our highways, from a safety standpoint of view, and also will relieve complaints in regard to the problem of the trucking industry paying their way in the financing of highways. Piggybacking truck trailers on railroad flatcars has brought a solution to so many problems in the field of transportation, that it most certainly deserves everyone's deepest consideration before we permit anyone to stop this progress for the sake of what amounts to selfishness.

This leaves us with but one problem, unemployment. The unemployment problem is not new to the railroad employee. In the past 35 years railroad employment has been reduced by more than 1 million jobs, and what is the greatest concern is that these jobs have been lost forever. The unemployment problem due to automation and technical advancements has plagued almost every labor organization in the country and has lately included the Teamsters organization. No solution to the problem has been found by the Federal Government, industry, or labor. It has contributed its share of unemployment to our recent recession of our economy. The Teamsters Union has approached the problem by requesting our National Congress to reverse progress by again placing restrictive regulations on the railroads in the form of higher freight rates in order to force shipments by trucks back on the highways. Should the request of the Teamsters' organization be granted by our National Congress at least two very serious problems would be the result. First, progress in the field of transportations would be reversed, as has been already stated. Second, to solve the Teamsters' unemployment problem by this type of legislation would establish a precedent that would most certainly give every other labor organization every reason to expect the same consideration by the National Congress, which could only lead to chaos on a national basis.

Many industries are involved in the field of automation and technical advancements and are using these advancements for the sole purpose of eliminating employees in order to make more profits. The unemployment that has been created from this source in addition to the unemployment that has been created by the recent recession has been of great concern to the Federal Government and labor for fear that we might unemploy ourselves into a depression that would weaken us to a point of great danger in relation to the present world crisis. An employee is not only useful to produce goods and to transport them, but is also an important link in the chain of our economy. This link must not be weakened or broken. Therefore, an employer that contributes to the problem of unemployment through the use of automation for the sole purpose of making profits should be required to assume some of the responsibility of the unemployment problem. This could be accomplished by a gradual process rather than by a crash program by the Federal Government or to attempt to legislate one industry out of existence for the sake of another and thereby deprive the country of the progress that is necessary in the field of transportation.

Senator McGee. The next witness is Mr. Gus Panos. Following Mr. Panos will be Mr. Strange, Mr. Roddewig, and Mr. Showalter.

Mr. Panos. Mr. Chairman, Mr. McWilliams is not going to be present and he gave me this statement to file.

Senator McGee. Fine. We will file Mr. McWilliams' statement in the record.

(The document referred to is as follows:)

STATEMENT OF H. J. MCWILLIAMS, CHICAGO, BURLINGTON & QUINCY RAILROAD

As an employee holding rights on the Chicago, Burlington & Quincy Railroad for 37 years, I wish to make a few remarks in behalf of the railroad industry in their fight for fair treatment in connection with the piggyback service that has been inaugurated in the industry the past few years.

At the present time I am the general chairman of the Brotherhood of Maintenance of Way Employees on the Chicago, Burlington & Quincy Railroad and the secretary-treasurer of the northwestern region comprising 25 railroads. I have worked in many fields for the railroad and feel familiar with the various phases of the industry.

I am sure everyone knows but some do not realize to what extent the railroads of this country, in the past several years, have suffered competitively speaking from the different types of transportation, especially from the truck, bus, air, and waterway lines. I realize competition is essential to the prosperous growth in any type of business. The railroad industry is not fearful of competition and is ready to meet such competition. In this connection I mean some relief in the industry's tax burden and revision of the obsolete regulatory restraints that were placed on the railroads years ago when they were the only form of surface transportation. These restraints were never applied to other forms of transportation in such a degree. There are many other like situations that are surely crushing the very life from the industry, reducing the industry to a mere shell through the abolishment of certain lines and the merger of others.

In the 1930 depression era the trucking industry began showing its force in the transportation field. From that time on the Government, through the Interstate Commerce Commission, has repeatedly placed a cover over the motor carriers from the competitive rate structure angle. A great deal of business was also lost to the motor carriers due to the door-to-door service they can and are furnishing. This is service the railroads are unable to furnish without great extra cost to the rail carriers. As we all know the railroad industry is the pioneer in the transportation field. With the steady competition facing them they have tried repeatedly to get relief from different sources in order they might meet this competition. The relief in this connection has been small to nonexistent.

During the era when the railroads were losing business to other modes of transportation little thought was given to the thousands of railroad workers who lost their jobs due to lack of business in the railroad industry. The job loss in the railroad industry has indeed been staggering since approximately 275,000 rail workers have lost their jobs during the past 5-year period alone.

The question confronting this committee is the war that has been declared on the rail carriers' piggyback service by James Hoffa, general president of the Teamsters Union. The piggyback service truly is a competitive service the railroads are exercising to recoup lost business. This service has been met by the public wholeheartedly since it provides both rail and motor service. The tax dollars saved to the general public on our highways alone would be staggering if correct figures could be compiled by the use of the piggyback rail service on long hauls. The war Mr. Hoffa is waging on both the rail carriers and the Interstate Commerce Commission in this connection is absurd. For him to demand a law that would prohibit rail carriers from performing piggyback service would be nothing less than dictatorship in the transportation field. This could easily put the railroads out of business entirely for he could dictate just what commodities the rail carriers could haul.

It is with regret that I cannot give testimony in person to the committee and I wish to thank you for this opportunity in giving you my remarks pertaining to this very important issue.

STATEMENT OF GUS PANOS, SECTION FOREMAN, UNION PACIFIC RAILROAD CO., CHEYENNE, WYO.

Mr. PANOS. Mr. Chairman, my name is Gus Panos. My address is 111 East 11th Street, Cheyenne, Wyo.

I am an employee of the Union Pacific Railroad Co., as section foreman. I am also State legislative representative of Wyoming, and

member of the executive board of the Union Pacific System Federation of the Brotherhood of Maintenance of Way Employees.

My statement is against any legislation or further restriction that would amend the ratemaking provisions of the Interstate Commerce Act.

Such action would be another subsidy to the trucking industry against the public and our railroads forcing the public to pay higher rates for transportation and take business away from the railroads for the benefit of the truckers. That seems to be what the truckers are asking to be done.

I wish to state that I am not against the trucking industry, if the trucks can transport freight cheaper than the railroads, they should do so, but, likewise, if the railroads can transport it cheaper, then the railroad should do so.

We, the employees of the railroads, do not ask for any favors, but do also oppose any favor given to our competition, be they truckers, waterways, or airplanes. In fact, we believe the railroads are now under more strict regulation than our competitors and Congress should be considering ways to give equal competitive opportunity rather than adding restrictions.

We are sorry that it is necessary to layoff the truckdrivers, but we also must not forget that there are about 400,000 railroad employees out of jobs.

In the maintenance of way department on the Union Pacific Railroad during October 1955 we had 7,397 men working; July 1, 1960, we had 6,216 men working; and on January 1, 1961, we had only 4,656 men working. I hope that with traffic increase it would not be necessary for further force decrease.

The railroad industry during the last 10 to 15 years has been spending millions of dollars to modernize their equipment, power, and facilities so they can service the public with better service and faster service at less cost.

Are we now to penalize the railroad industry for this? Are we to charge higher rates to the public for truckers' benefits? We have faith in our representation in the Senate and the House, for justice to all and favors to none.

Senator McGee. Thank you, Mr. Panos. I think it would be well if you would stay for just a moment. I want to ask you about a point or two. I want to assure you that the concern of the Senate and all of the Congress is for a balanced transportation industry and fair treatment for all.

For a long time, as you know, there has been legislation in the transportation field. The question here is not whether we have legislation or not but that whatever legislation we have has an effect that tends to encourage and stimulate and help to grow in all factors of the transportation industry. We like to avoid alining one industry against the other for sheer survival because the national interest depends upon the help of them all. That is the criteria that we continually explore. They are under examination here as we examine a fair national transportation policy.

I take it from your statement that you aren't against legislation but you are against any further legislation that would tamper with the existing ratemaking provisions as they affect the railroads at the present time?

Mr. PANOS. We wish the railroads to be given an opportunity to compete with other transportation in equal terms.

Senator MCGEE. And the petition, I am sure, states it fairly, that the trucking interest would only ask the same opportunity. The disagreement arises as to what is the fair atmosphere of opportunity for reasonable competitive operations. This is where the dispute arises.

Mr. PANOS. Yes.

Senator MCGEE. They would make exactly the same statement, I think, that you have so eloquently made here this morning. I think you raise a point here that is of very notable interest and is a very commendable point. That is, the real measure in all of this is how we can get better service at lower costs to consumers, to people. Does your group have any feeling or any evidence of the extend to which these savings, for example, are being passed along to the consumers? I dare say that is not your category.

Mr. PANOS. Well, I might state it this way. In the past we were told that there were two sides to the story, but at the present on this question we find out there are three sides to the story, the side of the truckers, the side of the railroads, and, after all, the majority of the public where they have to pay the rates. We ask justice for all.

Senator MCGEE. I think there is probably a fourth side. In addition to the railroads and the truckers and the consumer who pays the rates, there is the national interest from the standpoint of security and emergency and that sort of thing that hopes to keep all of these segments going so we have access to them in an emergency. There is a fourth side to this.

Mr. PANOS. Thank you, sir.

Senator MCGEE. Do you have a question?

Mr. BARTON. No questions, Senator.

Senator MCGEE. The next witness is Mr. James Strange.

STATEMENT OF JAMES S. STRANGE, BROTHERHOOD OF RAILWAY CAR MEN OF AMERICA, CHEYENNE, WYO.

Mr. STRANGE. Senator McGee and members of the committee, the Senator raised——

Senator MCGEE. Would you identify yourself, Mr. Strange?

Mr. STRANGE. James Strange, representing the Brotherhood of Railway Car Men of America and representing the shop crafts in the Cheyenne shops. I am an employee of 19 years of the Union Pacific Railroad.

The Senator raised a question as to what the possible outcome would be as far as employment by the innovation of piggyback. As it is known, any new innovations, any new equipment at the outset does affect our particular craft very definitely. We build these piggyback cars. While we do not build them locally, they are built in the eastern shops, they are built by our craft. Any new product, any new equipment naturally has a tendency the first few years of holding up very well and does not reflect a picture of reemployment to the workers on the whole railroad system, but as they wear out and as they require more repairs they do result in very definite reemployment pictures. I have been fortunate enough to have an example of that particular thing just in the last 2 months. I have had several—

to be exact, it doesn't sound like a lot of people, but 13 people reemployed in the upgrading of boxcars due to the fact that the boxcars eventually wore out.

I foresee the same thing will happen in piggyback, that the piggyback cars will eventually need more repairs and will result in higher employment particularly in our craft, and if we are unable to recover some of the trade that piggybacking seems to be bringing back to us, then I think we will no doubt see further gains of employment in the other segments of the railroad crafts, the operating brotherhoods and also the nonoperating brotherhoods.

There have been some charges made by the teamsters' organization that piggybacking itself was instrumental in causing a widespread unemployment amongst the truck drivers. Gentlemen, I don't believe that the facts will sustain that charge.

Now, while I will admit that there are segments of the trucking industry, and particularly the motor carriers, who have suffered some losses, there is no doubt about it and we admit it, but the overall picture and by the American Trucking Association's own report they show the 1960 gross income gain was 3.3. In the same period for the railroads the gross carloadings showed a practically similar decline in the railroad industry.

Now, the piggybacking has resulted in a gain of approximately 2 percent, or a little over, to the railroads. That is the overall picture throughout the railroad industry. So then I say to the teamsters and I say to the truck drivers, and I, of all people, hate to see any man unemployed, I have seen my forces cut practically 50 percent since 1949. I don't like to see an unemployed truck driver, I don't think the committee does, but I do say to the committee that quite possibly the truckers are attacking the wrong objects, that they are attacking the piggybacking when actually the piggybacking is not the one that is causing the injury. I say that the recession that we have just gone through, the truck driver probably caused the depression, the unemployed truck driver. By the same token, so does the unemployed railroad man. So I don't believe that anything should be done now that would take a step backward from the steps that were taken in 1958 to help the railroads pull themselves out of the doldrums that they had apparently gotten into, possibly some of it was their own fault, as a laboring man I am not able to say definitely whether it was or not, but undoubtedly they were in the doldrums.

Today some of the railroads, particularly back East, are on the verge of bankruptcy. I will name you one, the New Haven, practically fighting for its life. I think I am fair in stating that that fight was caused primarily because some of the business was drained off either by trucks, either through coastal shipping or through possibly barge lines.

Senator McGee. Not to mention automobiles?

Mr. Strange. And possibly automobiles. New Haven is quite a passenger railroad. We can't say to the public, "You are all going to have to give up driving an automobile so you can keep the railroad alive." We know they are not going to do that.

So, to sum up, gentlemen, I say this, that we do have a great sympathy for the unemployed trucker. I am a laboring man myself. I work by the day. So I know what it is to be unemployed. You have

to meet the monthly bills. But I say to the unemployed trucker, we are all in the same boat. So let's find out how we get that boat to shore. I don't think this is the way to do it, to see that legislation is instituted that will cause a railroad man to be unemployed so that a trucker can be employed. I thank you.

Senator McGee. Thank you very much. I think, so that the record may be again kept straight here, we ought to bear in mind, if I understand the testimony this morning correctly, that the real substance of the charge is not that there has been any real black conspiracy to do this sort of thing to the detriment of the motor carriers, that this is the result of the present operation of the existing regulation of the ICC that permits the ratemaking as it is. There has been relatively less evidence, or it has been insinuated, at least, that what we are talking about is the result of what you call a recession. The concern is not how we cope with the recession, everybody suffers from that, but rather whether there is any kind of unfairness in the operation of the present ratemaking situation. That is the burden of the petition, as I understand it, carried by the people representing the trucking interests here this morning. I think the record ought to show that, so that we keep it straight.

Mr. Strange. Yes, Senator. While there has been some implication by, I won't say the trucking industry, but by the teamsters' organization that there has been a combination or a collusion between the Interstate Commerce Commission and the railroads, I have not personally agreed with some of the decisions made by the Interstate Commerce Committee but——

Senator McGee. Commission, you mean. Committees don't make such decisions. The Commission does.

Mr. Strange. Excuse me. I will say this, that I think each and every one of them are dedicated gentlemen and I do think they are doing what they are doing in the public interest. Thank you.

Senator McGee. Do you have any questions?

Mr. Barton. No questions, sir.

Senator McGee. The next witness is Mr. Roddewig.

Will further witnesses be sure to give your address to the reporter as you identify yourself?

STATEMENT OF CLAIR M. RODDEWIG, PRESIDENT OF THE ASSOCIATION OF WESTERN RAILWAYS, CHICAGO, ILL.

Mr. Roddewig. Senator McGee, gentlemen of the staff, it is a privilege for the railroad industry to be represented here today. We appreciate the courtesy of the Senator and I think out of these hearings will come a better understanding of what we are talking about in this whole area of piggyback and especially the piggybacking of new automobiles.

Senator McGee. I repeat, this is the only purpose of this session, to get at the facts.

Mr. Roddewig. We understand that.

Senator McGee. Did you identify yourself?

Mr. Roddewig. My name is Clair M. Roddewig. I am president of the Association of Western Railways, with offices in the Union Station Building in Chicago, Ill. The association membership is

comprised of all the class I railroads, 40 in number, operating in States west of the Mississippi River and in Illinois and Wisconsin. I have been president of the Association since 1957. Before that time, I was president of the Chicago and Eastern Illinois Railroad.

I have served the U.S. Government as General Counsel for the Office of Defense Transportation and as counsel for the Interstate Commerce Commission at Minneapolis, Minn. Before Federal Government service, I was atorney general of the State of South Dakota.

I appear here today in behalf of the nation's railroads.

I am going to try to summarize as rapidly as I can. I might say we in the railroad industry have been somewhat perplexed as to just what testimony should be submitted, but I think now the thing has gone far enough so we know on what to concentrate.

I might say, first, of all, the Teamsters Union has been very active in recent months and they have placed great emphasis on the effect railroad piggyback service is having on truckdrivers and other employees of the motor carrier industry who are members of the teamsters organization, and particular emphasis has been placed on the fact that some members of the Teamsters Union, who formerly drove tractors pulling racks loaded with new automobiles, are now unemployed. We know this is true because the railroads are now transporting a considerable number of new cars in piggyback service and a growing number on newly developed bilevels and trilevels railroad cars, which does not involve piggybacking by the railroad.

We are quite willing to tell the public that this relatively new piggyback service and the use of these newly developed railroad cars make for lower freight charges and make possible to charge a lower freight charge per new automobile than that charged by the over-the-road haulers. This represents progress in transportation and a portion of the economies resulting from these services and this equipment innovation is being shared with the shippers. We in the railroad industry think it is good for the Nation's economy——

Senator McGee. May I interrupt, Mr. Roddewig, just for one question there? Do you have any evidence or any experience from your end of the line to suggest whether these lower freight charges to the shipper, to which you refer, end up as a benefit to the consumer?

Mr. Roddewig. I have made inquiry from all the automobile manufacturers and they assure me it is.

Senator McGee. That this is passed along in savings?

Mr. Roddewig. That's right. I don't know their business and I think the committee should make inquiry from them as to the exact situation in this regard.

Senator McGee. That is, you would think it would be important, of course, to round out this picture, that such an inquiry be made?

Mr. Roddewig. I am not suggesting that, Senator. I think the committee itself would be in better position to judge that. But transportation is just one segment of the overall cost of producing an automobile.

Senator McGee. Yes, For example, in the case of the automobiles, with whom is the contract? Who is the shipper in the case of the automobile?

Mr. Roddewig. The shipper in the case of the automobiles is the automobile manufacturer, and I might say right here much of the

traffic that we are talking about moves on rates that are filed with the Interstate Commerce Commission, not by the railroads, but by the trucking industry. These are not all railroad rates that we are talking about. These are trucking rates in many instances filed by the truck-lines where the railroads merely participate in that rate by an adoption notice and through what we call a substitute service arrangement. There are some traffic witnesses who will follow me and I think they can enlighten the committee a little better on that point.

I have some charts. This first chart here is a chart that shows what has happened in the transportation of new automobiles since the year 1921, and the solid line up there shows the part that has been transported by railroads. This goes down through 1958. You will notice it has been a steady decline.

This new business at one time, this new automobile business, was substantially all on the railroads, almost 80 percent. Starting at the same time the portion that was hauled by motor vehicles was just slightly above 20, and it has gone up, up, up, up, up, and in 1950 it almost reached 90 percent. Now, we have gotten part of this business back, but it is just a very, very small part of it back, and they still are handling more automobiles than they ever did and far more automobiles than we are handling.

Senator McGee. Your chart goes to 1958 there, I notice on the lines for trucking.

Mr. Roddewig. It goes to 1958 and I think we can give figures and supply them later.

Senator McGee. I wondered whether you had more recent figures that could be supplied for the record.

Mr. Roddewig. Yes, sir.

Senator McGee. Fundamentally, as I understand it, it has been the impact roughly since 1958 that is really the nub.

Mr. Roddewig. Actually, I think in 1959 the railroads hauled less automobiles than they did in 1958. That is because there were less automobiles to haul. That is another factor in this thing. We talk about people being unemployed, the drivers being unemployed. The whole economy is down. Actually, in the first quarter of this year, that is, 1961, there were 40 percent less automobiles hauled than there were in the first quarter of last year. That in itself means, assuming that they had all the business, that they would have 40 percent less opportunities to haul automobiles than they had a year ago. So it is not all going to the railroads.

Now, I would like to go on——

Senator McGee. On the same point there, again to keep the record completely across the board, even with the 40 percent cut, let's say, in the number of cars being hauled anywhere by anybody, it is the relationship between the railroads and the automobile haulers.

Mr. Roddewig. There is more going by railroad, perhaps, proportionately than there was a year ago.

Senator McGee. And your figures will show that.

Mr. Roddewig. But the amount of automobiles going in piggyback service on the railroads is down. That is a decline factor and again that is because of technological improvements in railroad equipment.

I have some charts here. It will take just a moment to show them. We have three pictures that demonstrate what has happened in the equipment line.

This, gentlemen, is the way new automobiles were hauled by a railroad in 1921, and all through the years when our volume continues to go down, and starting at about 1958 the railroads became worried. We couldn't compete with the trucklines then. They got the business because of service and also because of lower rates. They could produce lower rates because their cost was lower than ours. So we went to work on new equipment and new concepts and this is the next development.

This was the development of taking the highway transport that hauled four automobiles and putting two of them on a piggyback car so as to double the load of automobiles on a railroad car. So when they moved this way you had twice the number of cars that you had when they moved before when you had four in a box car.

Now, the next concept is one further step. This concept is what we call the bilevel car—it is a trilevel car instead of bilevel. Here you have got three decks and each one of those decks hauls four cars.

This is the movement of cars directly on a railroad freight car, and whereas before this development of this new type of equipment you had 4 automobiles in a railroad car, here you have got 12 automobiles in a railroad car.

Senator McGee. Would it be fair to say that you physically carry three times as many cars with the same amount of rolling stock as you did before?

Mr. Roddewig. That's right. That's a fair statement to make.

The next step, then, was in the case of compacts. That is the smaller car. Now, we had nothing to do with that. The automobile people began to make shorter cars. These same trilevel cars will haul 15 compact cars in 1 railroad car. So here, instead of 4 automobiles you had originally in a box car, today in the case of compacts you have got 15, and again you have got 1 car doing almost four times as much work as it did before this.

Here is a very simple way where you load the trilevel cars and the bilevel cars. That is an adjustment ramp. You drive the cars on the upper deck, the middle deck, or the lower deck, as the case may be; the ramp adjusts up and down to the different levels of the car itself.

We go on now to the next. Here is another type. This is a bilevel car where you have two tiers of automobiles. The number of cars or pieces of equipment transported will vary depending upon the height of the equipment, the length of it, and what-not, and this is to handle traffic where you have got low clearances on railroads or where you have got extraordinary high automobiles themselves.

Another factor that makes it possible to have three tiers of automobiles is the fact that the automobile today is a substantially lower car from top to ground than it was before. So you can take three tiers and they are not nearly as high in the air as three tiers of cars would have been 15 years ago.

Now we are going to talk about what railroads get on this traffic. This is a case of the Frisco Railroad and this chart here, the first bar on the top there shows that their average revenue per carload in 1960, on sand and gravel, was $62.56 a car, bituminous coal was $72.98, iron ore was $171.35, manufactures and miscellaneous, which is the highest rated traffic which moves on the railroad, averaged $186.03, all auto-

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mobiles, that is, including piggyback, inside box cars, what-not, the average was $436.34, and the trailer on flat car and the trilevel and the bilevel cars, the average revenue was $510.35 a car—a railroad car I am talking about. That is $510 of railroad revenue per car on the Frisco Railroad for 1960 on an average compared with gravel and sand average revenue of $62.56.

The next chart is average earnings per ton. This is on the basis of per ton load on a car. Sand and gravel in 1960 on the Frisco—and I use the Frisco because all the Teamster literature that they put out has referred to the Frisco Railroad as the arch villain in this—and I say this somewhat humorously, but they have used the Frisco Railroad, so to speak, as the horrible example. In 1960 gravel and sand average revenue per ton was $1.01, bituminous coal average revenue per ton $1.33, iron ore average revenue per ton $2.26, manufactures and miscellaneous average revenue per ton $6.01, and average revenue per ton on automobiles handled on the Frisco Railroad $27.65, or 27 times the average revenue of gravel and sand, and that's the statements in the Teamsters' literature to the contrary notwithstanding.

Mr. BARTON. Mr. Roddewig, pardon me, how would the figures stack up if they were converted to ton-miles?

Mr. RODDEWIG. We have got ton-mile figures. Mr. Gilliland's statement of the Frisco Railroad, which will be filed, will show the ton-miles.

I would like to take just one more chart. Actually, what is involved here, and what the Teamsters and the trucking industry are saying, is that we should reduce our rates. That is actually what they are saying, we should cut our rates—I mean that we should raise our rates, that our rates are too low. Now then, they say that we should be compelled to raise our rates either by the Interstate Commerce Commission or the Congress itself should legislate to make us raise our rates on the basis that they are noncompensatory. Now, this gives cents per car-mile. If we are going ot say that on the railroad movement of new automobiles from Kansas City to Los Angeles—and that's a very heavy movement that goes through Cheyenne; on that the railroads get 88.5 cents per car-mile, and on new automobile traffic from Proviso, which is right at Chicago, to Cheyenne, the revenue per car-mile that the railroads receive is 85.4 cents per car-mile—if those rates have to be raised because they are noncompensatory and because they are too low, then there is a whole scale of rates that are much below that on products of Wyoming that move out of Wyoming to find markets in other States that are going to have to be raised.

Let's take wool, which is a very important crop in Wyoming. The railroad revenue on wool from Rawlins to Boston is 42 cents per car-mile and the rate on soda ash, which is a new product——

Senator MCGEE. You'd better add there we hope to reduce some of the dirt and grease in that wool so we don't have to dirty up your cars any more.

Mr. RODDEWIG. I am sure that can be worked out. Soda ash, which is a new movement moving from Westvaco to St. Louis, the revenue there to the railroads is 42.9 cents per car-mile.

Another product that Wyoming is exporting is wood chips and wood pulp, and those products are moving in increasing amount to

the paper mills in Wisconsin. In the case of wood chips, the average revenue per car-mile is 28 cents; pulpwood, the average revenue per car-mile from North Park to Green Bay is 30.6 cents. When we come to crushed stone, again this gets into the category where they say we are charging less for automobiles than for sand and gravel. Crushed stone moves from Wyoming to Louisiana. The reason it moves there is because it has an iron content in it that they like down there in the oilfields. To move that, the railroads are charging 36.2 cents per car-mile.

The point is, if the automobile rates have to go up because they are noncompensatory, then the Commission on the same basis, on the same cost data, is going to have to require that all these other rates go up, and this is just an example of products that are important to the State of Wyoming.

So, gentlemen, what we are talking about here, we are talking about competition, we are talking about fair competition, we are talking about technological change, and I am going——

Senator McGee. I wanted to ask a question. I just asked counsel to make sure I was straight on this. When you are referring to these comparative figures, these are comparative revenues per mile, these are not the actual costs?

Mr. Roddewig. These are what the railroads charge the shipper. These are what the railroads receive for hauling freight.

Senator McGee. Yes. This is the charge that you levy?

Mr. Roddewig. That we make and we collect; that's right.

Senator McGee. Now, this does not bear any relationship to the cost to the railroad of rendering the service?

Mr. Roddewig. The cost will vary somewhat, but I might point this out. Much has been said that these automobiles move one way and the equipment comes back empty. Wool, generally speaking, moves in the conventional box car, and that equipment theoretically moves both ways. Soda ash moves in special equipment: the car moves one way loaded and moves back empty. Wood chips move one way loaded, comes back empty. Pulpwood, one way loaded, comes back empty. Crushed stone goes one way loaded and comes back empty.

I might say this is a competitive situation. Really, we look at it that here is an industry that has been doing all right. Their business, the trucking industry business, actual volume of business in 1960, was higher than it was in 1959. They are still growing. Our business in 1960 was below 1959.

Mr. Barton. How about their net profit in 1959?

Mr. Roddewig. I think the net in both cases was down. This is a competitive situation——

Senator McGee. These figures are for the whole trucking industry?

Mr. Roddewig. Yes, sir; for the whole trucking industry. I would like to quote from a statement that Judge Ganey made recently when he imposed sentence on some equipment manufacturers and some of their officers for price fixing. We look upon this thing as merely a device, this campaign of our competitors and their employees, as a campaign by which they are trying to get the Federal Government to rig prices in the very same manner, to do it under a law that they are asking Congress to pass, to have the Government rig the prices, which is the very contrary thing that the Sherman Act is designed to do and all our antitrust acts are designed to do.

Here is what Judge Ganey said when he sentenced these manufacturers and the officers:

> What really is at stake here is the survival of the kind of economy under which America has grown to greatness, the free enterprise system. The conduct of those who have conspired to restrict competition by price fixing—

he continued—

> has flagrantly mocked the image of that economic system of free enterprise which we profess in this country and destroyed the model which we offer today as a free world alternative to State control and an eventual dictatorship.

I say, Senator McGee, that these words are of historic significance, and all we say is that better goods and services and increased productivity are not the results of restraining competition and rigging prices. They are the results of good, wholesome, fair competition, giving play to the fruits of technological improvement and the passing of those fruits of progress on to the shipping public.

Thank you very much.

Mr. BARTON. Mr. Roddewig, I am much interested in your last statement that you believe in free enterprise, is that right, and the enforcement of the antitrust laws?

Mr. RODDEWIG. Beg pardon?

Mr. BARTON. I take it you believe in free enterprise and the enforcement of the antitrust laws?

Mr. RODDEWIG. Yes, sir; I do.

Mr. BARTON. Why did the railroads so vigorously seek exemption from the antitrust law in making rates under the Reed-Bulwinkle bill? Do they have such exemption today?

Mr. RODDEWIG. I would think if we didn't have any rate regulation we wouldn't need that. The only reason you need that immunity is because you have a system of rate regulation by the Interstate Commerce Commission. If you didn't have that, the railroad industry would have to take its place right alongside of every other industry under the Sherman Act and all the other antitrust action.

Mr. BARTON. You would be willing to have complete freedom from antitrust laws?

Mr. RODDEWIG. I am not going so far as to say that today. I don't think that issue necessarily is here, but the point I am suggesting here is that this campaign to have Congress, in effect, regulate freight rates, or through the Interstate Commerce Commission, is the very opposite of what the antitrust laws seek to bring about.

Mr. BARTON. The railroads can do that under the exemption free of the antitrust laws at present, can they not?

Mr. RODDEWIG. They are not free of the antitrust laws, by any means. The only thing Reed-Bulwinkle says is that we can get together with rate bureaus and suggest through rates and joint rates.

Mr. BARTON. That is not rigging rates, exactly?

Mr. RODDEWIG. They are filed with the Commission and the Commission can suspend them, and many of them are suspended.

Mr. BARTON. Mr. Roddewig, about your comparisons, I take it those comparisons were chosen not because they meant anything ratewise, I think you would agree that wood chips and pulpwood, crushed stone, soda ash, and wool do not constitute the valuable traffic nor have the characteristics of a new automobile, one of our most desirable forms of traffic?

Mr. RODDEWIG. What I am suggesting is this: The railroads can make money charging 28 cents to move wood chips from Wyoming to Wisconsin; if it takes a rate that low to move them to support the economy out of here, if we can make money doing it, then we can certainly make money by moving automobiles from Kansas City to Los Angeles at 88 cents.

Mr. BARTON. As a rate comparison?

Mr. RODDEWIG. The rate comparisons, I think they have lost the same meaning that they used to have because of the competitive situation.

Now, the statement was made here—I want to comment on it—the statement was made that we are charging less for new automobiles than we charge for the components that go into new automobiles. That is not true.

Senator MCGEE. If you want to turn the coin over to the other side, the cost of shipping a carload of pulpwood, for example, actual cost to the railroad company, would be what in relation to a carload of automobiles?

Mr. RODDEWIG. There would be situations where actually the cost of moving automobiles would be less, and I will say why. If the Union Pacific, which many times they do, if they get a full trainload of new automobiles in Omaha and if that full trainload of new automobiles is going to run from Omaha as a solid train through to Ogden, Utah, or to Los Angeles, you have got a very low-cost piece of transportation involved there, while, on the other hand, if you have got some wood chips that are coming from up in Wyoming and you move it over two or three branch lines where you have got low-density traffic and you finally get it into Wisconsin, you have a higher cost piece of transportation.

Senator MCGEE. Of course, you have selective instances in each case there.

Mr. RODDEWIGG. That's right.

Senator MCGEE. In terms of over-the-road business in general.

Mr. RODDEWIG. I don't know. Your equipment used in hauling new automobiles, especially these trilevels, certainly it costs more than the wood chip cars but they are both expensive cars. As against that, your new automobiles, your cars to handle new automobiles, I believe in most instances they are roller-bearing cars, they probably have to be shopped less than the old type car, and you have all these different factors that have to be brought into play.

Senator MCGEE. Because it came up at another point in the hearing this morning, perhaps you can shed a little light on this for us. Employmentwise in the railroad, what does this segment we are interested in, piggybacking, mean in terms of new employment?

Mr. RODDEWIG. I tried to find that out in our industrywide statistics, just how much of the automobile business we handled actually went piggyback. I couldn't even isolate that because the statistics come in "new automobiles," regardless whether they move in boxcars, piggyback, or whatnot. The individual railroads have it because they keep a separate record of it. But getting back to employment, I don't know that you can isolate that, Senator. But I do know this. We talk about the railroads today—actually, we are handling less business than we had in 1958, we are in worse shape today than we were

in 1958, but if the railroad industry today could increase their business by 15 percent, of business that would give us the revenue that we are receiving on new automobiles, you wouldn't have a squawk from a single railroad in the United States on the basis of earnings. The railroad industry would have earnings and have prosperity that we have never had before from the 15-percent increase in traffic or that would give us the equivalent of that in revenue.

Senator McGee. I think the record again ought to be reemphasized that as far as the Congress is concerned, as far as this Subcommittee on Surface Transportation is concerned, we do not regard any issue here as involving rate rigging. We are interested in a fair rate structure and practice and that's the reason we want to give the fullest possible hearing to all sides on this subject. It makes a difference whose ox is being gored as to what your view is, as to what is free enterprise or what is free competition or what is fair competition. One of the reasons for the ICC being created in the very first place was because of the inability of private interests to view that objectively because of the fact they left out of consideration the public interest. That is the long history of the past. We have grown up and matured and sophisticated this whole operation. It is a part of the continuation of that sophistication, if I may say, we feel the ratemaking in all transportation, because of its bearing on the Nation as a whole, has to be under constant surveillance. It is not a matter of rigging whatsoever. It is a matter of fairness and soundness. That is the only point.

Mr. Roddewig. The suggestion of rate rigging is our own suggestion and certainly doesn't come from any member of the committee.

Again, may I close on this note, that if the railroad industry can't compete pricewise for the transportation business of this country, then we are running headlong into Government ownership of the railroads. When you get Government ownership of railroads you may get Government ownership of the trucking industry. This competition isn't too bad. Can't we pass on the fruits of progress? If our industry as a part of the competitive economy of this country comes up with something that permits us to do something cheaper for our country, shan't we have the right to pass on some of those fruits to our customers?

Senator McGee. Assuming the customers are the consumers. That, of course, is another question.

Mr. Roddewig. If there are automobile companies today that are not passing these on to their customers, it is just a question of time until competition in turn will make them pass it on. They tell me they are passing it on. Now, whether they are or not, I am not representing them.

Senator McGee. I think the benefit to the consumer is of utmost importance, and whatever else, Congress stands as almost the only spokesman for the consumer. The railroads have very able representation through men such as yourself, the truckers have excellent representation, and labor has excellent representation. Congress has to speak for the consumer.

Mr. Roddewig. All we want to do is to do a better job for the consumer. We want to pass on the fruits of our organization.

Senator McGee. Thank you very much.

Mr. Roddewig. Some of these charts I used are from Mr. Gilliland's statement. We want permission to file that statement.

Senator McGee. We would hope, if we could, to get copies of the material on the charts for the record.

Mr. Roddewig. Some of them are in Mr. Gilliland's statement.

Senator McGee. Mr. Gilliland's statement will be in the record.

Mr. Roddewig. Very good.

Mr. Gilliland. May I file it with you now?

Senator McGee. Please do.

(The prepared statement of Mr. Roddewig follows:)

My name is Clair M. Roddewig. I am president of the Association of Western Railways, with offices in the Union Station Building in Chicago, Ill. The association membership is comprised of all the class I railroads, 40 in number, operating in States west of the Mississippi River and in Illinois and Wisconsin. I have been president of the association since 1957. Before that time, I was president of the Chicago & Eastern Illinois Railroad.

I have served the U.S. Government as General Counsel for the Office of Defense Transportation and as counsel for the Interstate Commerce Commission at Minneapolis, Minn. Before Federal Government service, I was attorney general of the State of South Dakota.

I appear here today in behalf of the Nation's railroads.

We, in the rail industry, have been somewhat perplexed as to just what testimony should be submitted at this hearing.

The hearing, we understand, is for the purpose of inquiring into railroad piggyback service, and its effect on other modes of transportation, along with loss of jobs by member of the Teamsters Union. So far as I am informed, there is no proposed legislation pending in Congress which specifically refers to piggyback service.

We are aware that James Hoffa, general president of the Teamsters Union, has declared war on railroad piggyback service—the movement of truck trailers on railroad flatcars. Acceptance of this comparatively new transportation service by shippers and the public is clearly shown by its explosive growth in the last few years.

Mr. Hoffa and his union have placed great emphasis on the effect railroad piggyback service is having on truckdrivers and other employees of the motor carrier industry who are members of the Nation's largest labor organization. Particular emphasis has been placed on the fact that some members of the Teamsters Union, who formerly drove tractors pulling racks loaded with new automobiles, are now unemployed. We know this is true, because the railroads are now transporting a considerable number of new cars piggyback service, and a growing number on newly developed bilevel and trilevel railroad cars which have been designed for this service.

We are quite willing to tell the public that this relatively new piggyback service and the use of these newly developed railroad cars make lower freight charges possible per new automobile than that charged by the over-the-road haulers. This represents progress in transportation, and a portion of the economies resulting from these services and equipment innovations is being shared with the shippers. We, in the railroad industry, think it is good for the Nation's economy, but evidently Mr. Hoffa and his Teamsters Union would like to have Congress enact a law against it.

Let's look back 25 or 30 years to the days when almost all new automobiles moved from point of manufacture to dealers in railroad boxcars. Then motor carrier operators offered rack trailer haulaway service at lower rates, in addition to providing delivery at the dealer's place of business. They got the business and as this traffic left the railroads for the trucks, railroad employees lost their jobs.

Railroad employees are members of unions, too, but railroad unions did not demand that Congress outlaw the movement of new automobiles on highway trailers from the Nation's highways. Nor did the railroad industry.

Maybe we should have been more aggressive. But the record is clear that the railroads cannot be accused of hampering transportation progress when consideration is given to the public interest.

It is regrettable that men lose jobs, whether they be employees of trucking companies, railroads or any other industry, but progress cannot be halted or hampered by enactment of selfish legislation.

While Mr. Hoffa seeks to place blame for teamster union unemployment on the doorstep of the railroads, he conveniently overlooks the fact that automobile manufacturing in the first quarter of this year was about 40 percent under a year ago. Likewise, other industries in the Nation, for the most part are producing less than they did a year ago, and as a result, freight traffic volume is below what it has been in recent years. Witnesses who will follow me will give the subcommittee factual statistical evidence.

I do, however, want you to note two charts I have brought with me. These two charts, as I will demonstrate, point out the shift that has taken place in the transportation of new automobiles. (Extemporaneous remarks.)

At this time it seems appropriate to state that we suspect that this attack by the Teamsters Union on railroad piggyback service is just one prong of a many-pronged attack to place the railroad industry in a legalized regulatory straitjacket which would preclude competition with newer forms of transportation for the country's transportation business. If the efforts of these selfish interests are successful, it would mean slow death for the Nation's railroads as a privately owned industry. The railroad industry cannot exist if it is denied the right to compete on a fair and equal basis with other modes of transportation. I make this statement with all the sincerity I can command.

Prior to 1958 and enactment of the Transportation Act of 1958, the railroad industry was rapidly approaching serious deterioration. Congress wisely recognized the seriousness of the situation and passed legislation which loosened some of the regulatory shackles which had held the industry in restraint while competitors grew strong and healthy.

One of the most important provisions of the 1958 act was its clarification of the ratemaking provision of the existing law.

This act granted the railroads a measure of freedom to compete fairly for the transportation business of the country that they did not have prior thereto.

The railroads are now exercising that right to compete, as Congress clearly expected them to do. They are trying to bring about an orderly adjustment of the rate structure more nearly to reflect transportation costs, rather than leave the rate structure rigidly tied to philosophies which have been unrealistic for many years.

The railroads are cooperating with shippers in developing means of providing more satisfactory transporation services, and means of reducing transportation costs. They are sharing the resulting savings with the shippers.

All of this is producing more business for the railroads. And in no area of transportation have the results been more spectacular than in the explosive growth of piggyback.

Some business lost to motor carriers and barge lines over the years has been regained and some new traffic has been developed as a result of railroads being permitted to exercise a degree of competitive freedom. Naturally, rail competitors have lost some traffic, and they don't like it.

Teamster Union propagandists have been assigned to the task of convincing Members of Congress that legislation is needed to thwart the alleged menace of piggback service to Teamster members who are employed in intercity trucking.

They already have turned out a number of pamphlets on what they represent as the perils of piggyback, but their output so far looks like they are having a rather difficult time putting together a convincing recital of how the public interest will be better served by keeping the truck trailers on the highways instead of allowing them to ride over the railroads' right-of-way.

It takes the burning of a lot of midnight oil to dream up any kind of an explanation as to how shippers are being injured by piggyback that has resulted in the explosive growth of this combination of truck and rail transportation in the last few years.

So all in all, it is not surprising that the Teamsters' propaganda is an amazing conglomeration of arguments that don't make much sense—and more frequently than not wind up in head-on collisions with each other.

For example, the railroads are given a pat on the back for the improvements and the economies in the transportation of freight which they have been able to effect through the development of piggyback—but a kick in the pants for sharing the resulting savings with the users of the new services because it is attracting business and reducing the job opportunities for the over-the-road teamsters.

The Teamsters say "there is no doubt" about the railroads making money on their piggyback operation—and they point out why, with figures to show how piggyback cuts transportation costs. "These figures," to quote the Teamsters,

"illustrate what a lucrative operation it really is." But, in an effort to drum up producer and shipper opposition to piggyback, the Teamsters then go on to state that the railroads are forced to "charge higher rates for shipping low-priced goods * * * to cover the losses they are forced to take" on piggyback service, in order to compete with the motor carriers for the high-grade business How these alleged "losses" can be incurred in an operation which the Teamsters freely concede to be highly profitable is conveniently left unanswered.

The Teamsters' propaganda costars the railroads and the Interstate Commerce Commission as the villains responsible for the success of piggyback.

The ICC is portrayed as being under the thumb of the railroads. But in charging that the Commission is unduly disposed to favor the railroads, no attempt is made to explain why, if this were the case, the railroads' troubles have been steadily worsening during the last 30 years, while their competitors by air, water, and highway have taken over the greater portion of the Nation's tremendously expanded freight and passenger business.

In the earlier stages of modern piggyback, Mr. Hoffa forced intercity motor carriers to agree to restrict their use of piggyback. This strategy slowed down, but did not halt, the development of this new means of transportation.

More recently, Mr. Hoffa negotiated a new contract with trucking companies in the Midwestern States. At first, he demanded that these companies pay into the Teamsters' welfare fund 1 cent a mile for every trailer moved by railroad. Later he changed this to a flat charge of $5 per trailer.

The new contract with trucking companies operating in the Midwest includes the $5-per-trailer provision, and this provision is to become effective February 1, 1962, unless some other mutually agreed upon arrangement is worked out.

Obviously, if a levy of $5 per trailer fails to discourage the trucking companies from having the cross-country portion of their hauling performed by rail instead of by highway, there is nothing to prevent the Teamsters from increasing the penalty to whatever figure is necessary to achieve that purpose.

The Teamsters are appealing to the public to join them in their attack on the railroads and the Interstate Commerce Commission on the grounds that millions of dollars in highway taxes "are being lost to Federal and State Governments when the railroads haul truck trailers." This, they say, deprives the respective States of needed highway revenues, and perils the national highway program.

But, the railroads' competitors pay relatively little for the support of the various responsibilities of State and local governments—except for the highways they use. The railroads, on the other hand, in addition to furnishing their own facilities, pay about $400 million every year to State and local governments for the support of education, welfare, police and fire protection, and similar public services. How long does anyone suppose the railroads can continue to pay $400 million a year to the State and local governments for the support of education and similar services if their opportunities to attract business are restricted in order to provide more tax revenues for the highways?

Surely, the funds with which to finance highway programs, whether Federal, State, or local, should not have to depend upon laws and regulations which restrict competition.

What is behind the Teamster charges of Interstate Commerce Commission bias in favor of railroads? Simply that truckers have sometimes been what three members of a Senate subcommittee in 1960 termed "disappointed parties in proceedings before that agency." In a signed statement of "separate views" following the subcommittee's investigation and report on charges of Interstate Commerce Commission bias, Senators Butler, Morton, and Scott said: "The crux of all the complaints made to the subcommittee is that the Interstate Commerce Commission's Suspension Board has not and will not suspend the effectiveness of a proposed railroad tariff upon complaint by a water carrier or motor carrier that the proposed rate is destructive. We cannot agree that this raises any proper suspicion that the Interstate Commerce Commission is failing to carry into effect the intent of Congress."

Underlying the railroads' increased competitive ability is not an alleged railroad-Interstate Commerce Commission combination, but an impressive record of advancement in railroad technology. In addition to such general and well-known advances as dieselization, centralized traffic control, and automatic freight yards, there have been significant "breakthroughs" in major problem areas. Included are advances in methods and equipment for loading and unloading trailers and in new types of railroad cars.

The Teamsters have charged that the Interstate Commerce Commission has on nearly every occasion overruled the truckers, and allowed the railroads to put their rates for piggyback service into effect.

The truth is that this statement really means the Interstate Commerce Commission (1) has refused to kill off arbitrarily a new and formidable competitor of the trucking industry; (2) has refused to sacrifice and subordinate the public interest in piggyback growth and development to the vested interests of the trucking interests; and (3) has refused to guarantee to truckers the right to handle traffic they are not economically qualified to handle.

The Teamsters allege that "* * * the railroad industry selects a very lucrative market of the trucking industry, such as the hauling of cars. It goes to the Interstate Commerce Commission, and because this so-called regulatory agency is prorailroad oriented, the railroads are able to obtain discriminatory rates."

The implication here is that the Interstate Commerce Commission allows railroads to charge rates that are unduly low in relation to the cost of providing piggyback service. Yet at another point, where it is noted that the average piggyback car earns about seven times more revenue a year than the average boxcar, the Teamster booklet concludes: "These figures illustrate what a lucrative operation piggyback really is."

Another charge: "In effect, the other users of the railroad's services must subsidize the shipment of new cars until the railroads are able to put the truckaway companies out of business, and obtain a monopoly in this industry."

If piggyback traffic is paying its way—and even the Teamster publications say that it is—then it is axiomatic that piggyback traffic is not being "subsidized" by other railroad traffic.

Other witnesses will testify as to the revenue accruing to the railroads from the transportation of new automobiles, and will demonstrate that the earnings therefrom are fully compensatory and are in excess of railroad revenue from other categories of traffic. Especially interesting is the comparison of revenue from new automobile traffic with the revenue from various commodities produced in Wyoming and shipped to points of consumption in other States.

If Congress or the Interstate Commerce Commission should say that the rates on new automobile traffic must be raised to make them compensatory, then the rates on a large number of Wyoming products must also be raised. The per-car-mile revenue on new automobile traffic, in some instances, is three times that of the per-car-mile revenue on Wyoming products that must be shipped to other States to find a market.

As to monopoly, no one knows better than the Teamsters that it is the motor carriers—not the railroads—which have held a virtual monopoly on new automobile traffic for years. This, in fact, is acknowledged in the Teamster pamphlet, "A Dangerous Combination," where it reported: "It used to be that truckaway had the vast majority of all automobile transportation up to 900 miles, and a majority of the business up to 1,200 miles."

Before concluding I would like to answer one more charge that the Teamsters have made. They say:

"The Interstate Commerce Commission and the railroad industry have created a revolution in the transportation industry that threatens to force the car hauling truckaway companies into bankruptcy, and destroy the jobs of over 15,000 Teamster members employed in the truckaway business."

Piggybacking does indeed add up to a revolution in transportation, but the implication that its development has resulted from skulduggery or conspiracy on the part of the railroads and the Interstate Commerce Commission is clearly absurd. As indicated earlier, it is the outgrowth of advancing technology.

As to loss of jobs, railroad men can speak from experience on this score. Due in no small part to truck competition, railroad employment in just 10 years has decreased from 1,220,000 in 1950 to fewer than 750,000 today. As stated editorially by the Locomotive Engineer: "The whole concern about 15,000 men whose jobs are threatened is perfectly understandable, however. Would it be in order for the 450,000 rail employees who have lost their jobs because of what the trucking industry has done to send condolence cards?"

Thank you.

SUPPLEMENTAL STATEMENT OF CLAIR M. RODDEWIG, PRESIDENT, ASSOCIATION OF WESTERN RAILWAYS

The railroad industry is engaged in a struggle with competitive forms of transportation which seek to impose restrictive policies that would have the practical effect of preventing the railroads from competing pricewise for the transportation business of the country.

The railroads maintain they are entitled to the right to compete for the Nation's transportation business on fair and equal terms with their competitors and that imposition of governmental policies which allow price rigging and foster restraint of competition are detrimental to shippers and the general public.

Unless the railroads have equality in freedom to compete, they will be left with the business their competitors don't find profitable enough to transport, or which their facilities are incapable of handling. The railroads could not survive for long under such restrictive conditions.

This was precisely the precarious situation into which the railroads were being forced by discriminatory regulation before the enactment of the Transportation Act of 1958.

The 1958 act gave the railroads at least a fingertip hold on the right to price their transportation services so as to be able to meet the competition of the newer forms of transportation.

Although this right to compete has, to date, proved uncertain and highly controversial, the railroads, nevertheless, have been able to regain some of the business they at one time enjoyed. They also have been able to slow down the inroads their competitors have been making on other business that has been moving by rail; and they have been able to increase their participation in new business.

But their competitors are outraged. They are crying "foul." Every freight rate proposed by the railroads to enable them to compete effectively with these newer forms of transportation is, from their point of view, "discriminatory," "unfair," "predatory," and "ruinous."

The protected competitors of the railroads insist that nothing at all was changed by the 1958 act—that the Interstate Commerce Commission has erred in interpreting the act or has been unduly influenced by the railroads. They pointedly suggest that some of the competitive rail rates which the ICC has approved since the 1958 act are the illegitimate offspring of an "ICC-railroad combination."

The railroads rivals have ganged up in an all-out effort to herd the railroads back behind the regulatory stockade, and to fasten the gates so securely that these newer forms of transportation need never again be concerned with competition from the railroads.

These newer modes of transportation are engaged in a campaign to force Congress to restore the competitive shelter which they have enjoyed since their birth.

Meanwhile, they are continuing their efforts to intimidate the Interstate Commerce Commission, which has been extremely hesitant about loosening the competitive restraints on railroad transportation as clearly intended by the 1958 act.

They have the support, too, of powerful allies who are the special beneficiaries of these newer forms of transportation, or whose selfish interests are otherwise identified with them. James Hoffa and his powerful Teamsters Union are in the front ranks.

It would appear that the competitors of the railroads have a great deal of confidence in their political strength, demanding, as they do, that Congress rescind a long and carefully considered policy that it adopted only a couple of years before.

The railroads, on the other hand, have confidence in the justice of their position. They believe that when the chips are all down, and the public understands what is involved, the railroads' freedom to compete will be upheld as being in the best interests of the people of this country.

It would be useless to attempt to set the record straight on all of the untruths, half-truths, deceptive statements, self-contradictory arguments, and sheer nonsense that are being ground out by the railroads' competitors in the effort to extinguish the railroads' freedom to compete.

A lot of this propaganda concerns itself with ancient history—with things as they used to be, and not as they are today. The selfish interest behind it is apparent. A lot of it is demagoguery. Most of it probably can be brushed

aside; all of it disregards a few facts that add up to plain, everyday commonsense.

In a competitive economy, the right to compete is the right to survive. Unless the railroads' freedom to compete is firmly established in the law of the land, Government ownership of the railroads is inevitable. There is no middle ground on either of these propositions.

Now, consider this: Government in this country is already in the transportation business up to its neck.

Government owns the highways—a public investment of $150 billion in these transportation facilities.

Government owns the inland waterways—a public investment of more than $5 billion in these transportation facilities.

With Canada, the United States Government owns the St. Lawrence Seaway—an investment by this country, to date, of $131 million in this transportation facility.

Government owns the airports—a public investment of about $5 billion in these transportation facilities.

And this list could be extended considerably. It would include the Panama Canal; navigation aids for air and water transportation; harbor improvements; and so on.

How much money is involved? Who knows? Whatever the total, it is many times more than the investment of private capital in railroad rights-of-way, tracks, bridges, tunnels, signals, and the other "roadway facilities" of the railroads.

These "roadway facilities" used by railroad trains are comparable to—indeed, are the counterparts of—the "roadway facilities" owned by government at various levels, and used by the motor vehicles, barges, ships, and airplanes which are owned and operated by private interests in competition with the railroads.

The railroads and the privately owned pipelines are the only forms of transportation whose "roadway facilities" are not owned by the Government.

And it should be reasonably clear that unless the Government takes its feet off the necks of the railroads, it won't be long before the Government will own them too.

If the railroads' freedom to compete, as provided by Congress in 1958, is frustrated by the Interstate Commerce Commission, or if the 1958 change should be repealed by Congress as proposed by the pending bills, the commercial transportation business of the Nation will be allocated among the various transportation agencies by the simple device of price rigging. All would be as it was before the 1958 act.

The interests that oppose the railroads know that the railroads can haul most freight more cheaply than they can, and that the railroads can haul a great deal more freight than they now do, with relatively little additional cost, provided they are allowed to compete.

This ability to compete, of course, jeopardizes the position the newer forms of transportation have attained with the aid of Government, which furnishes their roadway facilities and has been rigging freight rates for their protection.

So today, the highway transportation interests are saying to Uncle Sam, and to the State and local governments:

"See here, you've got so much money tied up in highways—and you're committed to put so much more money into them—that you've got to protect commercial highway transportation from railroad competition. If you think you're going to pay part of the cost of these highways with the user taxes you collect, you'd better keep on rigging freight rates for our protection."

The inland waterway interests, which have successfully fought off tolls or user charges, say to Uncle Sam: "You've got a lot of tax dollars sunk in these inland waterways, and while we're not paying you back anything, you're going to get in mighty bad with a lot of our political friends if you don't keep the railroads out of our hair."

The St. Lawrence Seaway interests remind Uncle Sam: "You've spent a lot of money on this job, and you know you've got to spend a lot more before it's finished. But how do you think we can make a success of it if you don't make the railroads keep their rates high enough so that the business will be steered to us? We're supposed to be paying for this seaway through tolls, you know, and you'd better keep in mind where the dough's coming from."

They're interesting questions, aren't they?

On the other hand, the railroads pay about $400 million a year in taxes on their roadway facilities to State and local governments. These taxes are used for education, police and fire protection, health and welfare purposes, highways, airports, and the other functions of State and local governments.

In contrast, the roadway facilities used by the railroads' competitors, being publicly owned property, are not taxed at all—although motor vehicles, of course, do pay license fees and fuel taxes for the use of the highways. Such taxes, however, generally are dedicated to the maintenance and improvement of the highways.

To digress a moment, it might be asked why, with the railroads paying taxes of $400 million a year on the roadway facilities they use, for the support of State and local governments, the railroads' competitors—whose revenues and profits are now more than those of the railroads—shouldn't be expected to make a proportionate contribution to the support of State and local governments, in consideration of the use they make of publicly owned facilities?

If the United States were to take over the railroads, State and local governments, of course, would lose the $400 million in taxes the railroads are paying them each year.

It is a pretty safe guess, however, that if the Government should ever take over the railroads of this country it will be through necessity—brought on by Government itself—and not in response to any popular demand.

It is almost inconceivable that the railroads will ever be folded up, and supplanted by other forms of transportation. They are the only form of transportation that can transport "anything, anywhere, anytime." They require less manpower and fuel per ton of freight moved than any other form of land transportation. Last, but not least, the railroads are mass producers of transportation, whose unit costs go down as volume goes up.

This ability to reduce costs through volume, and to obtain volume through reduced charges, is to the advantage of consumers and industry alike. But the public can be deprived of these benefits by regulation that denies the railroads the freedom to compete. And without that freedom, the railroads cannot obtain the volume of business needed to justify lower charges.

The principal threat to common carriers and other types of regulated public transportation today is the growth of private and unregulated transportation. Ninety percent of intercity travel today is by private automobile. A large and rapidly increasing portion of the intercity freight transportation is now being done by motor vehicles, barges, and even ships, that are not engaged in furnishing transportation for the general public. These are operated by producers, processors, manufacturers, wholesalers, and retailers, for the distribution mainly of their own goods.

With the exception of the railroads' new piggyback services, private transportation is the fastest growing form of transportation in this country today.

The reason for the rapid growth of this do-it-yourself type of transportation can only be this: Shippers are finding it more satisfactory to provide their own transportation either because of greater convenience, or lower costs, or both. The restriction on the freedom of the railroads to establish competitive prices blocks them from effective competition.

The regulated motor carriers engaged in public transportation have been unable to meet this competition for other reasons. Unlike the railroads, their costs do not drop appreciably as they increase their volume. The railroads, on the other hand, with the development of piggyback, that it, trailers on flatcars, are now combining the advantages of truck transportation with low-cost rail haul; and the more business shippers give them, the cheaper they can haul it.

However, even with the change in the ratemaking provision of the Interstate Commerce Act made by the 1958 amendment—a change which could have had no other purpose than to give the railroads freedom to compete—the railroads have been having a difficult time with the Interstate Commerce Commission. Contract rates, guaranteed rates, and volume rates, and other competitive rates are invariably opposed by the railroads' competitors. The Interstate Commerce Commission has allowed some of these to go into effect; it has knocked out others.

For instance, a few weeks ago the ICC ordered the New York Central to cancel a contract rate that it had put into effect nearly a year before. The rate was contingent on volume. Such rates are permitted in Canada, Britain, and France. No shipper had complained—only the motor carriers and the water carriers. The Commission, in what appeared to be a far-reaching decision, de-

clared that the rate constituted "a destructive competitive practice within the meaning of the national transportation policy." "The inevitable effect of a contract rate," it stated, was "to destroy competition for the duration of the contract."

A sharply dissenting opinion pointed out the obvious—that "any competition tends to be destructive of competing interests in some degree." An attempt, "by means otherwise lawful," to stem diversions or to regain traffic, "can hardly be called unduly destructive."

The Commission used its interpretation of the meaning of the national transportation policy in another recent and astounding decision to circumvent the 1958 act and raise a "rate umbrella" for the protection of a water carrier operating between the east coast and Texas. The Commission arbitrarily pegged railroad piggyback rates at 6 percent higher than rates for similar service by a water carrier.

The people of this country are firmly committed to fair competition. They recognize competition as the motivating force that pushes the economy of the United States, and the standard of living of its people, ever upward.

Witness the antitrust laws of the United States and their vigorous enforcement by the Department of Justice.

Witness the fines recently imposed on 29 of the country's largest manufacturers of electrical equipment for collusion in curtailing competition through price fixing.

Witness the jail sentences imposed on seven of their officers for participating in this collusion to restrict competition.

Witness the breaking up of some of the largest industrial empires in the Nation because they were found to have been engaged in practices that restricted competition.

But look who is restraining competition in the transportation industry. Look who is doing the price fixing. It's the same Government that is enforcing competition elsewhere. It's the same Government that is hauling offenders into court, fining them, and sending some to jail.

"But," wail the railroads' competitors, "the railroads are big fellows; they can put us all out of business. They are monopolies and have to be restrained." And that may have been true a long, long time ago.

Half a century ago, practically all of the intercity travel in this country was by railroad train. Today, 90 percent of the intercity travel is by private automobile; 2¾ percent by bus; 4⅔ percent by airplane; and 3 percent still travel by railroad. Times and conditions do change.

Half a century ago, practically all of the intercity freight movement in this country was by railway. Today, other forms of transportation—motor carriers, both regulated and unregulated, pipelines and bargelines, ships and airplanes—account for more than half of this business; or 56 percent. The railroads' portion has dropped to 44 percent.

The regulated motor carriers' traffic volume last year, measured in ton-miles, was three times what it was in 1946. By contrast, railroad freight business last year, also measured in ton-miles, was 4 percent less than in 1946.

Comparable figures for the transportation service performed by unregulated motor vehicles are not available. It is estimated, however, to be about twice that of the regulated motor carriers. This is the type of transportation that is growing at a phenomenal pace.

A recent Government study predicts that private and exempt carriage (by water, pipeline, and air, as well as by highway) can be expected to account for half of the intercity freight not later than 1975.

The revenues of the regulated motor carriers alone in 1960 are estimated at $7½ billion. The railroads' revenues for the transportation of freight, mail, and express were about $9 billion.

The railroads hauled most of the heavy, bulky and least valuable traffic—which, of course, moves at the lowest rates, and is the least profitable to handle. This is evidenced by the fact that the railroads, to collect the $9 billion that shippers paid them, had to transport six times as many ton-miles of freight as the regulated motor carriers transported to earn $7½ billion.

Times and conditions do change, indeed.

The situation today is a far cry from the monopolistic bogeyman image of the railroads that their detractors are trying to convey to the public.

The railroad industry, for its part, has no desire to detract from the images their competitors have built for themselves—a spectacular rise from infancy, generated by initiative and enterprise, to the creditable positions they have now

attained, where some of them in the motor carrier field now surpass good-sized railroads in miles of road service and gross revenues. Nor is there any wish to detract from their claims of important benefits accruing to shippers and the general public from their varied services.

But if these images represent the whole story, why are they all so insistent that price rigging by government takes the place of fair competition?

If all forms of transportation have an equal opportunity to compete and are not permitted to engage in unfair competitive practices, then if one form of transportation succeeds in getting more patronage than another, it will be because that form of transportation is giving shippers the kind of service they want at prices the shippers are willing to pay. Isn't that the way it should be?

From the standpoint of the interests of the public, isn't that better than having a body of regulators deciding what business shall go to whom, rigging freight rates accordingly, and then justifying their decisions by obstinate misinterpretations of the "meaning of the national transportation policy"—decisions that wholly ignore the condemnation of price rigging written into the Interstate Commerce Act by Congress in 1958?

And who is going to take issue with what Federal Judge J. Cullen Ganey said in imposing the fines and sentences on the electrical equipment manufacturers?

"What really is at stake here," he declared, "is the survival of the kind of economy under which America has grown to greatness—the free enterprise system.

"The conduct of those who had conspired to restrict competition by price fixing," he continued, "had flagrantly mocked the image of that economic system of free enterprise which we profess to the country, and destroyed the model which we offer today as a free world alternative to State control, and eventual dictatorship."

These words are of historic significance. Their application to what has been going on in the regulation, by government, of the business of transportation in this country, and the two rate-rigging bills now before Congress, deserves the sober consideration of every Member of Congress. Judge Ganey's words deserve similar respect by all those who are occupied with the administration of present regulation of transportation.

The Court's observations should have a very special meaning to everyone who appreciates the American standards of living, which have their roots in individual initiative, personal incentive, and private enterprise, and blossom only in the climate of fair competitive freedom.

Better goods and services and increased productivity are not the results of restraining competition and rigging prices.

STATEMENT OF J. E. GILLILAND, VICE PRESIDENT, ST. LOUIS-SAN FRANCISCO RAILWAY CO., ST. LOUIS, MO.

My name is J. E. Gilliland. I am vice president in charge of traffic and industrial development of the St. Louis-San Francisco Railway Co., whose offices are located at 906 Olive Street, St. Louis, Mo. In that capacity I have charge of the sales and service functions, the ratemaking functions, and the development of new industries along the lines of our company.

St. Louis-San Francisco Railway company, which is popularly called the Frisco, is a common carrier by railroad operating approximately 5,000 miles of railroad in the States of Missouri, Arkansas, Kansas, Oklahoma, Texas, Tennessee, Mississippi, Alabama, and Florida. Frisco's principal lines extend southwesterly from St. Louis, Mo., through Springfield, Mo., to Tulsa and Oklahoma City, Okla., and Fort Worth, Dallas, and Floydada, Tex., and from Kansas City, Mo., southeasterly through Springfield, Mo., and Memphis, Tenn., to Mobile and Birmingham, Ala., and Pensacola, Fla.

My company has requested the opportunity to appear before your subcommittee for the specific purpose of telling you about the development, in the past 2 years, of a new technique of handling new automobiles by rail. Our company is proud to have taken a leading role in this new development because it is our feeling that the public interest has been served and that it represents a step forward in transportation techniques.

The International Brotherhood of Teamsters has severely criticized this development in pamphlets circulated throughout the country, in its magazine and in the public press. As a result of this criticism many of its members have been exhorted to write to their Senators and Representatives seeking investigation of alleged illegalities and abuses in connection with the establishing of this

new method of handling automobiles and piggybacking of other commodities. In much of the teamster publicity, Frisco has been singled out for criticism because of its active role in this field. Therefore, I would like to describe for you the development of the Frisco piggyback and special rack car rates on new automobiles.

It is a matter of common knowledge that in the 25 years before 1959 the railroads had been almost completely replaced as carriers of new automobiles. The extent to which other carriers replaced the railroads in this field is demonstrated by the figures set forth in appendix A which show that the railroads' share in the transportation of new automobiles decreased from 75.6 percent in 1921 to 35.3 percent in 1940 and to 9.9 percent in 1958. Frisco's decline in automobile traffic followed the same general pattern. This decline in automobile traffic took place despite efforts by the railroads to remain competitive pricewise. Needless to say it has, through the years, been a matter of serious concern to railroad management.

The Frisco began preliminary investigation of new methods for handling automobiles in 1956. We took into consideration certain disadvantages associated with rail as compared with highway transportation of automobiles. Some of these were: slower total transit time, greater damage, no delivery to dealer's door, and higher rates in some instances.

Although railroads generally maintained advantages over highway transports in lower costs, faster service from terminal to terminal, and all-weather, 24-hour service, these advantages were frequently offset by terminal delays. In addition, the loading and unloading of rail boxcars equipped for handling automobiles required more manipulation of automobiles than is needed to load and unload highway trailers. This is shown by the first picture which shows diagrammatically how automobiles (were and are) carried in conventional boxcars. Since few dealers are located on a rail siding, they must take team track delivery and make arrangements for delivery of automobiles to their showrooms if the automobiles are handled in rail boxcar service. This inconvenience and expense was eliminated when automobiles were transported by highway carriers.

Our studies led us to the conclusion that piggybacking of automobiles would be a possible answer, and we approached the major automobile producers to determine whether they would be interested in this new service. They encouraged us to progress the idea to the point of devising a plan that would offer transportation from the end of the assemblyline to the dealer's door at comparable or faster transit times than the highway carries, insure minimum damage, and produce savings in total transportation costs.

We next approached a number of highway transporters with a proposal that we jointly work out some arrangement which would achieve the foregoing basic objectives. By mid-1958 the management of at least three highway carriers had offered their ready cooperation. We selected one of these in the Southwest which was more particularly suited to work with us in the territory we service. We borrowed some of their standard highway automobile trailers, loaded them with automobiles and placed the loaded trailers upon standard flatcars being use for piggybacking other commodities. The second picture shows one of Frisco's experimental automobile piggyback loads. These units were operated extensively over the Frisco system in standard operating conditions and proved that the physical handling of automobiles in trailer-on-flatcar service by rail would meet all of the physical requirements stipuated by manufacturers and dealers.

We had only one remaining problem to solve, namely, a set of rates to fit the proposed new joint rail-truck service. We arrived at these rates by simply asking our highway transporter what measure of rates he would require for that portion of the service he would perform. His answer was that he wanted the same revenue that he was presently receiving and had been receiving for many years for similar hauls. Since this highway transporter was a common carrier, his rates were on file with the Interstate Commerce Commission. Stated otherwise, the motor carrier portion of the revenue was to be neither more nor less than he was then being paid by automobile shippers for similar hauls. With this information, we then determined what Frisco should get for its part of the complete transportation service. After extensive cost studies, we proposed, as our proportion, a factor which would return to us more than 100 percent of our fully distributed costs from St. Louis to Oklahoma and Texas. Fully distributed costs include all items of cost and a return on investment. Thus, the joint through single factor rates finally decided upon were made up of the motor carrier's existing local rate and a fully compensatory rail factor.

Perhaps I should explain briefly how the motor carriers' rates had been published in order that you will understand how we were able to isolate the existing local motor carrier rate from the rail interchange point to final destination. Some automobile transporters have what are called initial rights. This means that they may haul from the point of manufacture to final destination or to another interchange point. The "initial" carriers generally published through rates all the way from origin to destination. The "secondary" carriers published rates from intermediate points to various destinations. If an "initial" carrier delivered a shipment to a "secondary" carrier for delivery to final destination, the "secondary" carrier was in many cases given his local rate from the point of interchange to final destination as his share of the total revenue. Our joint rates were formed upon the same basis, i.e., we were the initial carrier and the secondary carrier got his regular local rate from the point of interchange to final destination.

The tariff providing for these joint rates was published to become effective May 15, 1959. So far as I am advised, it was the first tariff providing for a joint rail-truck service on setup automobiles.

The idea of such joint rail-truck service was not new or novel. Provisions for such joint rates and services were included in the Motor Carrier Act of 1935 and now appear as section 216(c) of the Interstate Commerce Act. Many such rates are in effect on other commodities.

I have gone through this explanation to demonstrate that the initial Frisco automobile piggyback tariff did not involve any new or significantly different principles. Every feature of this tariff except the amount of the rate had been approved either directly or indirectly by the Interstate Commerce Commission.

Now may I explain briefly how the amount of the rate was computed. The initial rates provided for rail transportation from St. Louis, Mo., to two railheads: Tulsa, Okla., where traffic destined to Oklahoma points would be interchanged with the highway hauler, and Irving, Tex. (the site of Frisco's piggyback ramp facilities in the Dallas area) where traffic destined to Texas points were interchanged. For its services beyond these interchange points the truckline had asked for its regular published mileage rate from either Tulsa or Irving to the final destination. To this was added a rail factor of $50 per automobile from St. Louis to Tulsa and $60 per automobile from St. Louis to Irving. Thus, the tariff published as a joint through single factor rate from St. Louis to Houston, Tex., $95.55 per automobile made up of $60 for the railroad and $35.55 for the truckline which was its regular charge per automobile for 240–245 miles.

A petition for suspension filed by the National Automobile Transporters Association against our first automobile rates contained an extensive cost study which showed that the rail revenue to Tulsa was 115 percent of out-of-pocket costs and 105 percent of fully distributed costs. In the case of Dallas this study showed that the rail revenue was 103 percent of out-of-pocket costs and 93 percent of fully distributed costs.

Our reply to that cost study demonstrated that the National Automobile Transporters Association's cost study had not only used incorrect mileages, but that it had also overstated certain other cost figures. The result of the Frisco's corrections was to demonstrate that the rail revenue from the rates to Texas amounted to 122 percent of fully distributed costs.

Therefore, the Interstate Commerce Commission's Suspension Board, in considering Frisco's original automobile rates, had before it an extensive petition for suspension including a cost study and an equally extensive reply including a cost study. Both of these cost studies showed that these rates produced compensatory revenues. Coupled with this fact was the fact that these rates involved no new principles and were a step in the direction of cooperation by two old competitors to coordinate their services so as to preserve the "inherent advantages" of each and to produce a lower rate for the shipper. I submit that the Commission very properly refused to suspend and that it thereby fostered a new development in transportation.

These first rates became effective on May 15, 1959. Initially only one motor carrier was a party to them. Subsequently other motor carriers have asked to be included. In all cases we have allowed motor carriers to participate within the scope of their certificate authority.

After the original automobile piggyback tariff became effective, Frisco added other origins and destinations to that today joint rail-truck service utilizing piggyback is available from the St. Louis area to Alabama, Arizona, Georgia, Mississippi, New Mexico, Oklahoma, and Texas, and from Kansas City to points

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in Texas. There were some important principles which directed the establishment of these rates:

1. They were all joint rail-truck rates. In other words, a motor common carrier of automobiles must transport each shipment from the railhead to destination.

2. There were no rates in which the Frisco participated within a circle approximately 300 miles in radius around each point of origin. We intentionally stayed out of this field, believing that for the shorter distances up to approximately 300 miles the highway hauler of automobiles could render a faster service than we could and at rates which would not be profitable to the railroad.

3. We restricted rail participation to a limited number of interchanges. Thus, shipments destined to any point in Texas are delivered to the truckline at Irving (Dallas); to Oklahoma the truckline receives all shipments at Tulsa; shipments to New Mexico and Arizona are interchanged at Floydada, Tex.; and all shipments to the Southeastern States are delivered to the truckline at Birmingham, Ala. In this manner the trucks were given a maximum haul at the destination end.

4. In setting the level of rates, we approached the matter by carefully considering our cost for hauls 400 miles and beyond. Experience had proven that for such longer rail hauls we could perform road haul service at lower cost than the highway haulers, and after adding profit to our costs and coupling them with the already profitable highway hauler's rates, the two in combination resulted in a total overall lower rate. Manifestly, this type of ratemaking is entirely proper and the fact that it does happen to result in lower rates than the highway hauler's rates for long hauls is not destructive rate cutting. To the contrary, it is simply passing along the inherent advantages of both types of transportation to the shipping public, which is sound economics and in line with the national transportation policy.

During the time that Frisco was experimenting with the handling of automobiles loaded in trailers on flatcars, our engineers were also working upon the design of a railroad car which would handle more automobiles. They had felt for some time that a railroad car upon which three levels of automobiles could be loaded was practical. In January of 1960 Frisco, in cooperation with Pullman Standard, produced a prototype trilevel car and began using it to transport experimental loads of automobiles over various parts of our system. From then until June of 1960 this car was tested extensively both by Frisco and other railroads. These tests had proved so satisfactory that in June Frisco placed an order to purchase 100 of these cars. The third picture shows one of these cars loaded with 12 standard-size automobiles and the fourth picture shows a load of 15 compact cars. One needs only compare these pictures with the first picture to which I referred to see the obvious economies in using this type of car. Not only does it carry three times the number of automobiles, but the automobiles can be driven onto the railroad car using their own power. The next picture shows the loading operation. Frisco's trilevel car weighs approximately 103,000 pounds. This means that the railroad must haul approximately 8,500 pounds of tare weight per automobile. In boxcar service the railroads generally had to haul not less than 15,000 pounds of tare weight per automobile.

We were again faced with the necessity of developing suitable rates to apply upon automobiles moved in the new trilevel car. Our experience with the joint rail-motor rates in the handling of automobiles in trailers-on-flatcars had proved so satisfactory that the initial trilevel tariff, which became effective on August 20, 1960, followed the same pattern.

The economies which are apparent from the pictures I have shown enabled us to further reduce the railroad revenue per automobile and at the same time realize substantially more revenue per carload. This meant that the trilevel rates were lower than the piggyback rates had been. In addition, the use of this new car enabled our connecting trucklines to increase their efficiency in the handling of the automobiles. For example, upon receiving the automobiles at the interchange point they were able to use five and six automobile trailers for their haul, whereas only four automobiles were generally loaded upon the trailers which had to be carried on the flatcars. In addition, there was another basic difference. In the trilevel tariff a slightly lower rate per automobile was published to apply on automobiles weighing under 3,150 pounds than applied on automobiles weighing 3,150 pounds or more.

This first tariff published rates from Frisco's automobile loading terminal at Valley Park, Mo., to points in Oklahoma and Texas. Subsequently, we have added destinations in Arizona and New Mexico and in the Southeastern States.

We have also joined with the trucklines in publishing truck-rail-truck rates from the automobile manufacturing points in Michigan, Wisconsin, and Indiana to the Southwestern States and we have joined with other rail lines in publishing joint rail-truck rates from Detroit, Mich., to these States. There are also published, both by Frisco and other lines, all rail rates which apply on the trilevel car. Some of these rates are published in a stated amount per carload and require the shipper to load the trilevel car. Others are published on a per vehicle basis and the railroad loads and unloads the car.

While the trilevel car was being developed and the shippers were beginning to use it, a bilevel car was developed to handle loads which for various reasons are not adaptable to the trilevel car and rates have been published to apply upon loads handled in this car.

It would hardly be possible to describe in detail all of the rates which have been published within the past year to apply on automobiles handled in trailer-on-flatcar service or on the bilevel and trilevel cars. Suffice it to say that a shipper of automobiles can now obtain, or will be able to obtain in the near future, transportation of automobiles in all three kinds of service to virtually every place in the West.

The principles which I have described, which dictated the establishment of Frisco's joint rail-truck rates on automobiles in TOFC service, have been adhered to in the establishment of our trilevel rates. We feel that these rates have been published so as to give the public the benefit of the improved techniques of handling automobiles on multilevel equipment and to combine those benefits with the flexibility of the motortruck.

There has not been a single petition for suspension filed against any of the Frisco trilevel or bilevel rates. While it is of course impossible to state exactly why no such petitions were filed, we feel that their absence is at least indicative that there was no unlawfulness and that the rates were fully compensatory to the railroad. In developing these rates we again gave the trucklines their regularly published local rate for the portion of the service which they performed and we set the railroad division of the joint rates at a point believed to be fully compensatory to the railroad. In all cases the railroad receives substantially more revenue per carload for handling a trilevel car than it did for handling a flatcar loaded with two trailers of automobiles. Because of the greater efficiency of the trilevel car and the increased efficiency of the motor carriers, we were still able to reduce the charges per vehicle to the shipper. This reduction undoubtedly accounts for the dramatic shift which occurred in Frisco's method of handling automobiles.

In the first 9 months of 1960 we handled approximately 53,000 automobiles in trailer-on-flatcar service and approximately 3,000 had been moved in trilevel service. During October of 1960 we handled 9,675 automobiles in trilevel service and only 1,140 in TOFC service. In November only 690 automobiles moved in TOFC service while 10,820 moved in trilevel service. In December automobiles in TOFC service had declined to 156 while 8,240 moved in trilevel service. So far this year Frisco has not handled any automobiles in trailer-on-flatcar service. Thus, it can be said that at least as far as Frisco is concerned the piggybacking of automobiles has given way to the handling of automobiles in the specially designed bilevel and trilevel rail cars.

In some of the Teamster publicity there have been charges that the railroads were handling automobiles for less than they are handling some low-grade commodities. In one of the Teamster pamphlets entitled "A Dangerous Combination," it is stated, "This is dramatically proved by the fact that in many instances the railroads are piggybacking the expensive Cadillac automobiles at rates cheaper than those they charge on sand and gravel." Nothing could be further from the truth.

On a carload of automobiles shipped piggyback via Frisco from St. Louis to Dallas (Irving), Tex., the railroad received $480 per car. This is at the rate of 3.48 cents per ton-mile and 67.5 cents per loaded car-mile. On a carload of sand and gravel between the same two points, the railroad receives only $167.30 per car, which is at the rate of 6.7 mills per ton-mile and 23.5 cents per loaded car-mile.

As shown in the following table, the difference is even more pronounced when the automobiles move on the new trilevel railroad cars:

Railroad rates, St. Louis-Dallas

	Automobiles (tri-level)		Sand and gravel	Bituminous coal
	Cadillacs (12)	Small autos (15)		
Carload rate	$619	$619	$167.30	$401.10.
Rate per ton-mile	3 cents	4.5 cents	6.7 mills	18.8 mills.
Rate per loaded car-mile	87.06 cents	87.06 cents	23.5 cents	56.4 cents.

To demonstrate graphically Frisco's average earnings on automobiles as compared with other commodities, I have had prepared two charts. The first (appendix B) shows that during 1960 our average per carload revenue from sand and gravel was only $62.56 as compared with our average revenue on passenger automobiles of $436.34 per carload. This automobile figure includes some boxcar traffic. If boxcar traffic is eliminated and Frisco's earnings on trailer-on-flatcar and multilevel automobile cars are taken alone, our average per carload revenue during 1960 on automobiles handled in those services was $510.35. During the first 2 months of 1961 our average revenue on automobiles in multilevel equipment was $614.64 per carload. These average earnings from automobiles in multilevel equipment were higher than all other commodities handled by the Frisco.

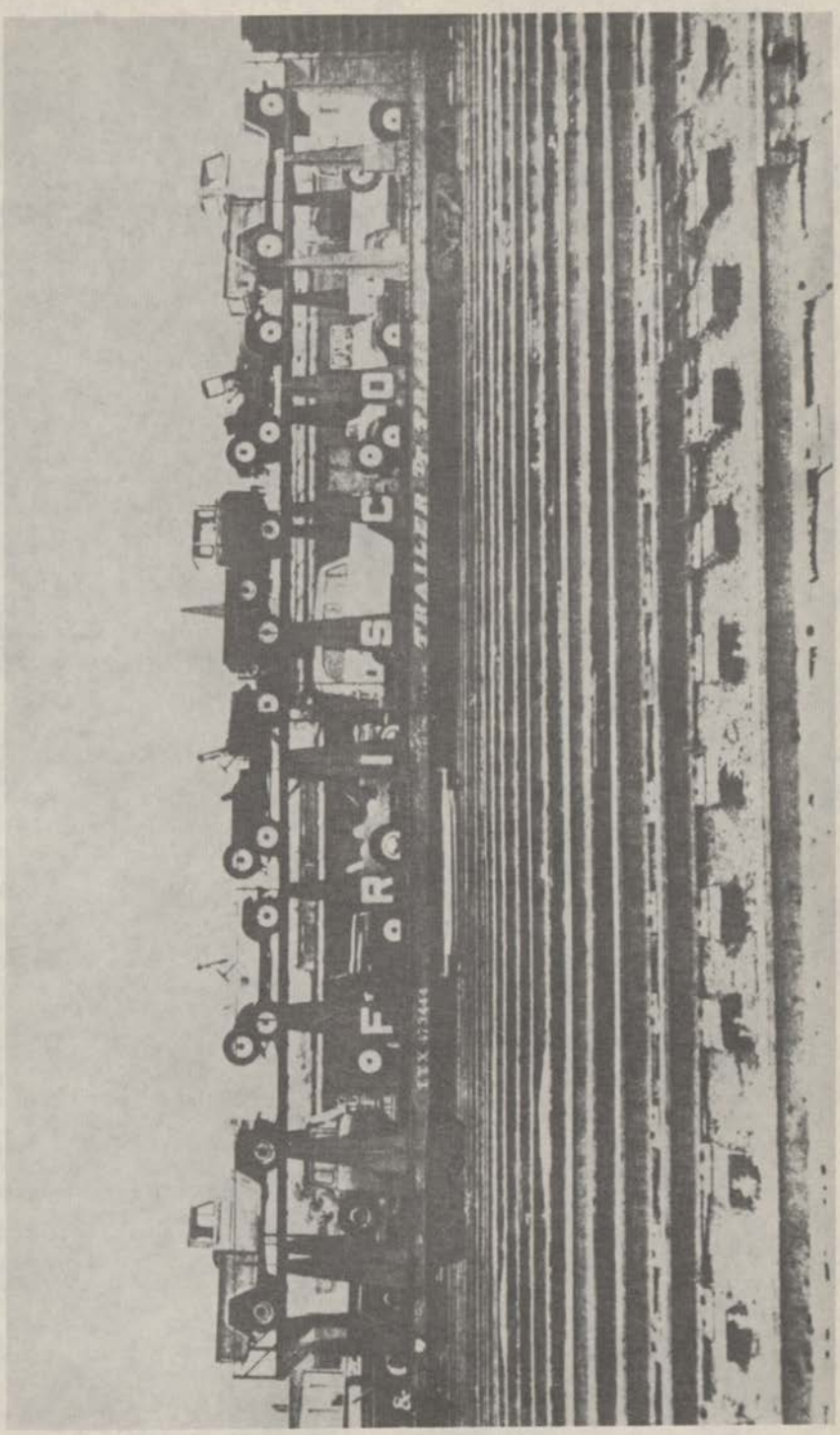
If average earnings per ton are considered, the next chart (appendix C) graphically demonstrates that Frisco's average earnings per ton from sand and gravel in 1960 were $1.01 while automobiles (including those handled in boxcars, in TOFC, and in multilevel equipment) produced $27.35 per ton. While I have not made a specific study of the figures of other railroads, I feel quite sure that their experience is substantially the same as ours. This would particularly be so for railroads operating in the same territory because, in general, we charge approximately the same rates for the same type of service. It is abundantly clear from these figures that the charge made by the Teamsters that excessive earnings from low-grade commodities are enabling us to make "cheap rates" on automobiles is absolutely without foundation. The truth of the matter is that, if it were not for the high revenue which we receive from commodities such as automobiles, we would not be able to survive on the low-grade commodities.

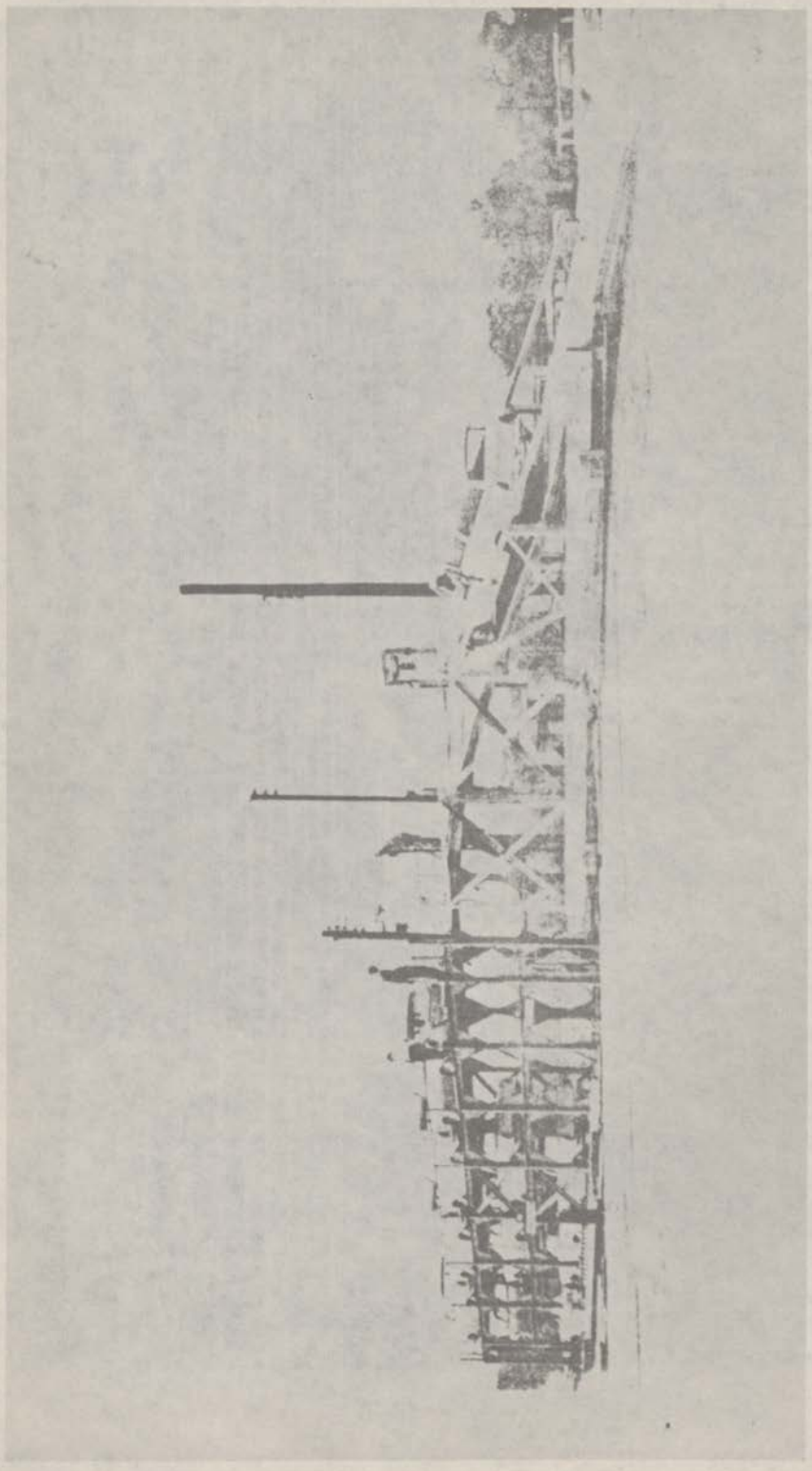
In summary, I submit to your subcommittee that the Frisco's automobile piggyback rates represented a step forward in the transportation of new automobiles. It was a step which was made by the Frisco in cooperation with established motor common carriers of automobiles. Our experience proved that the shippers found this new service satisfactory and used it for a portion of their shipments. It by no means replaced the over-the-road movement of automobiles and there was little prospect that it could ever be able to completely replace such movements. The trilevel or bilevel cars and the rates applicable thereto represent a further step forward in the transportation of new automobiles. As far as my company is concerned, our progress in this field has been materially aided by the close cooperation of some well-established motor common carriers of automobiles. Together we have produced a new transportation service which is proving to be highly attractive to the shippers. That service, I submit, clearly preserves the inherent advantages of each form of transportation and is in all respects fully in accord with the national transportation policy.

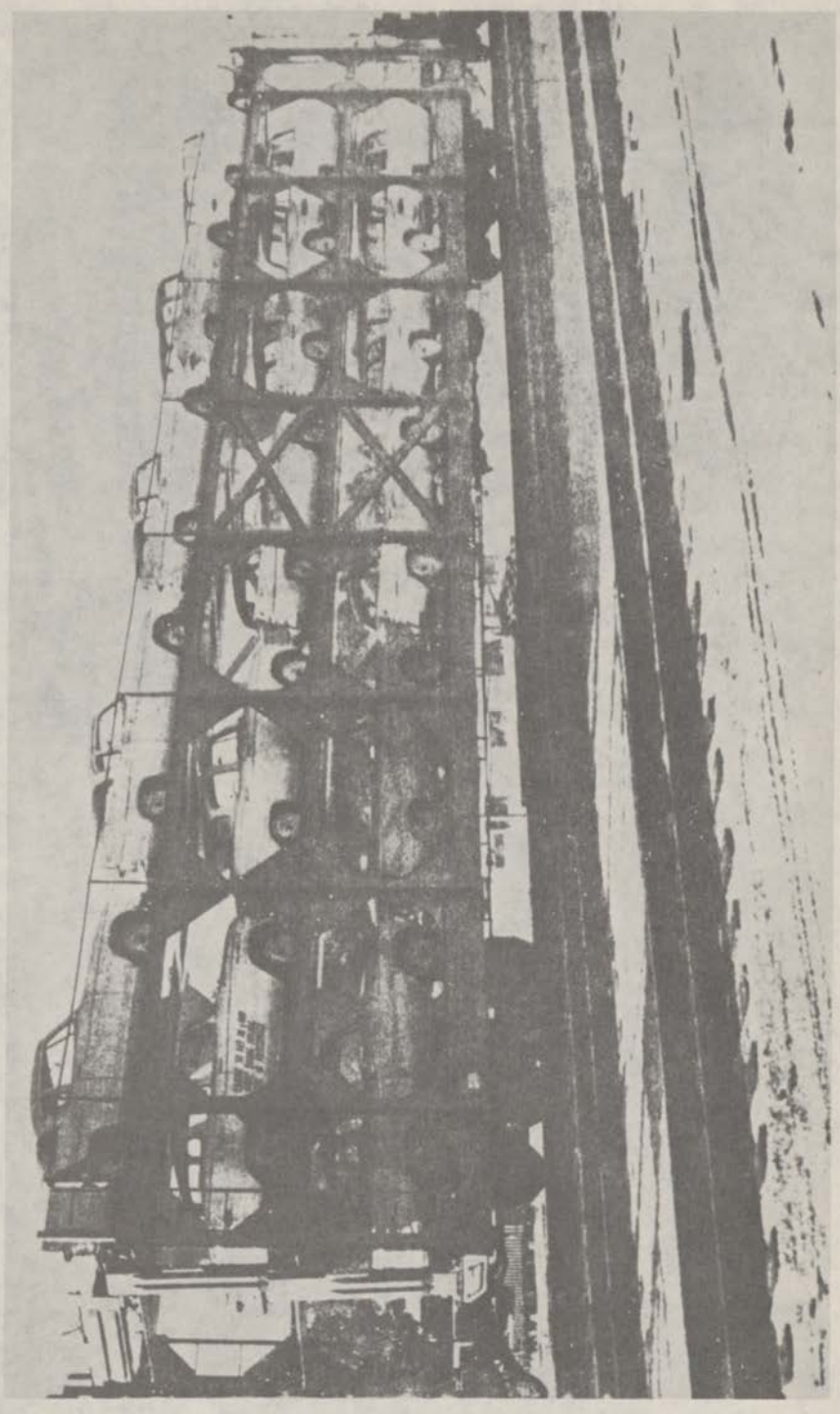
My company appreciates very much the opportunity to have presented our side of this story to your subcommittee. We think that it shows that within the framework of the present Interstate Commerce Act new methods of transportation can be developed and put into operation.

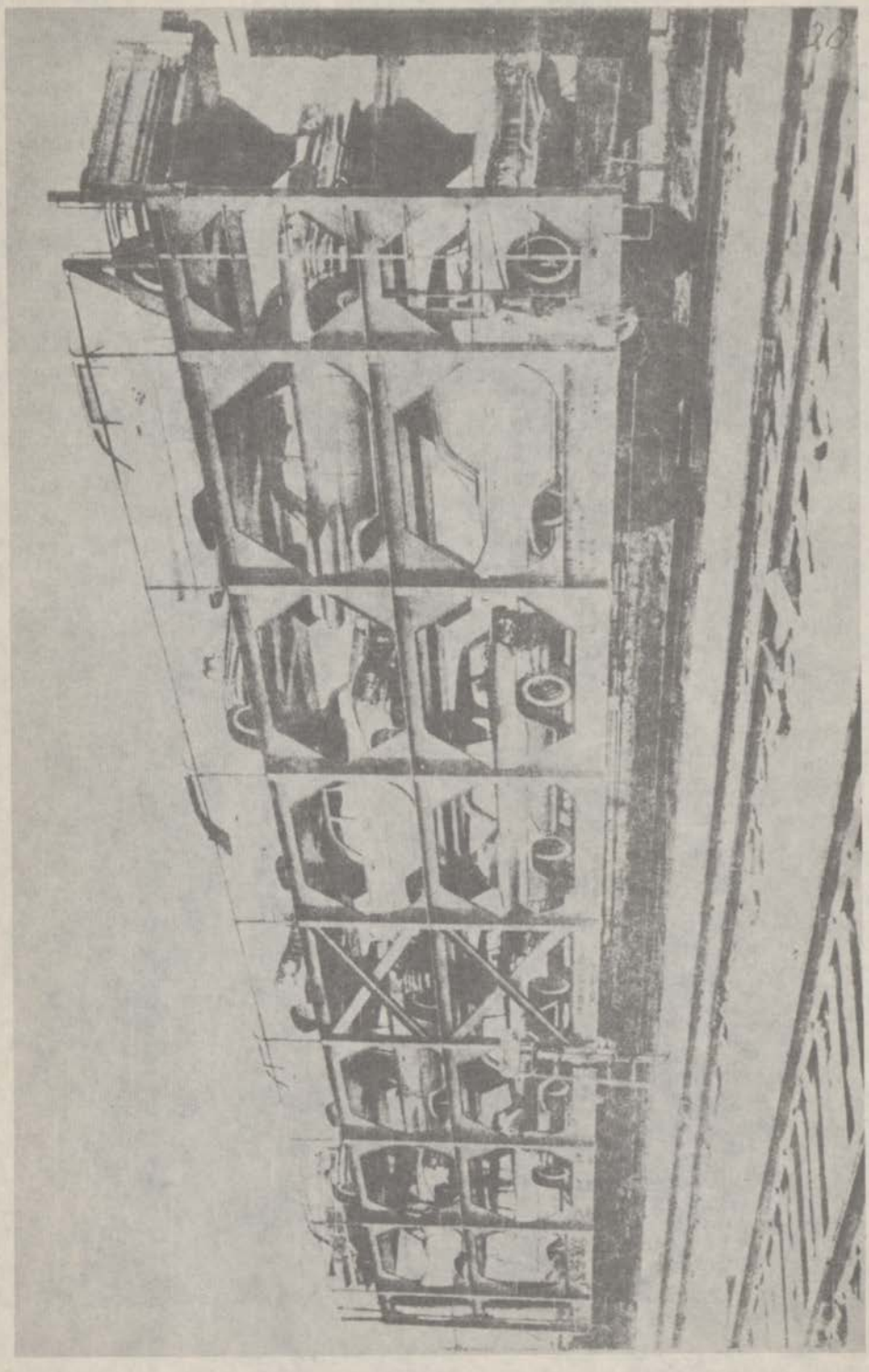
Thank you.

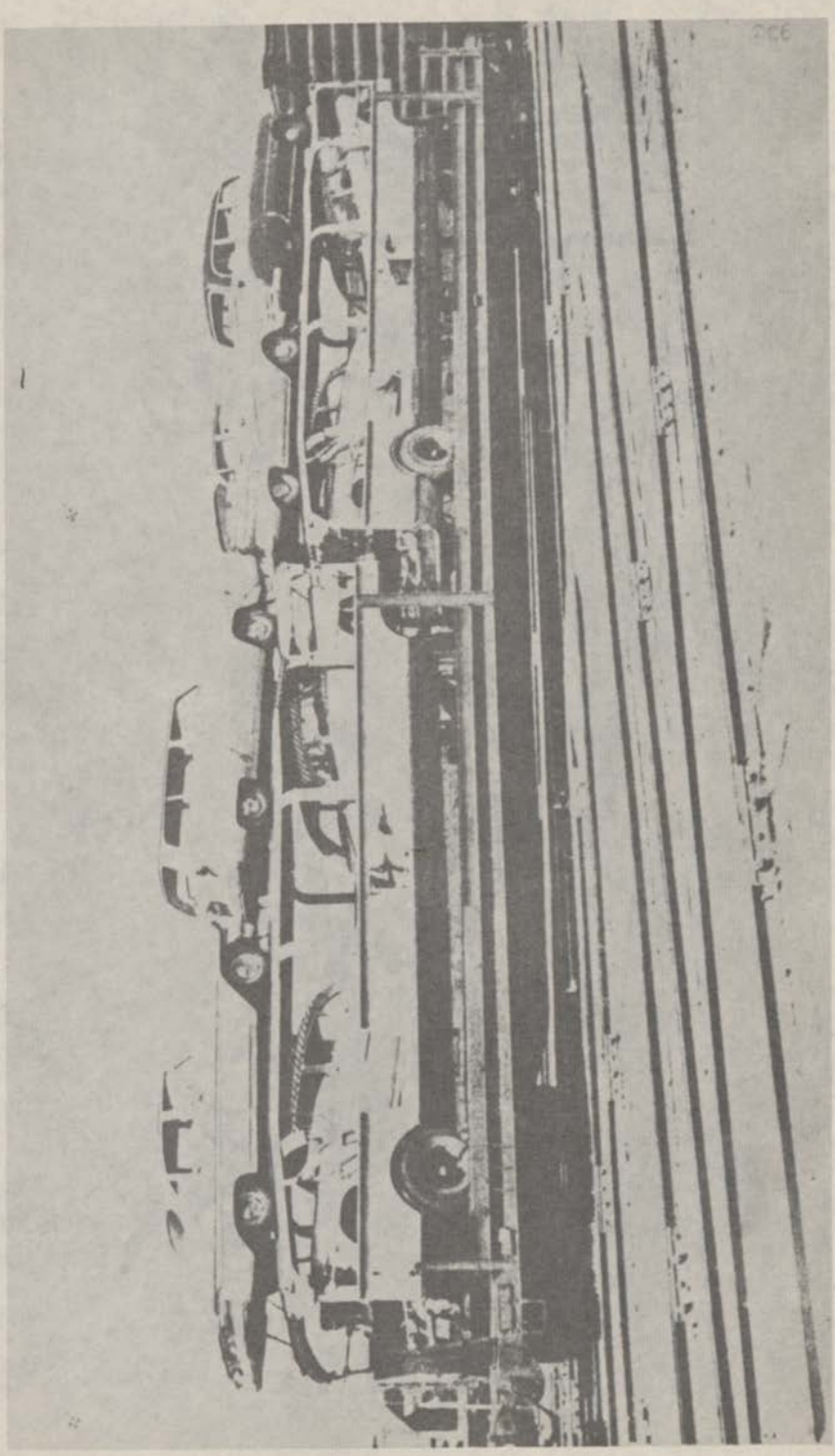
(Appendixes follow.)

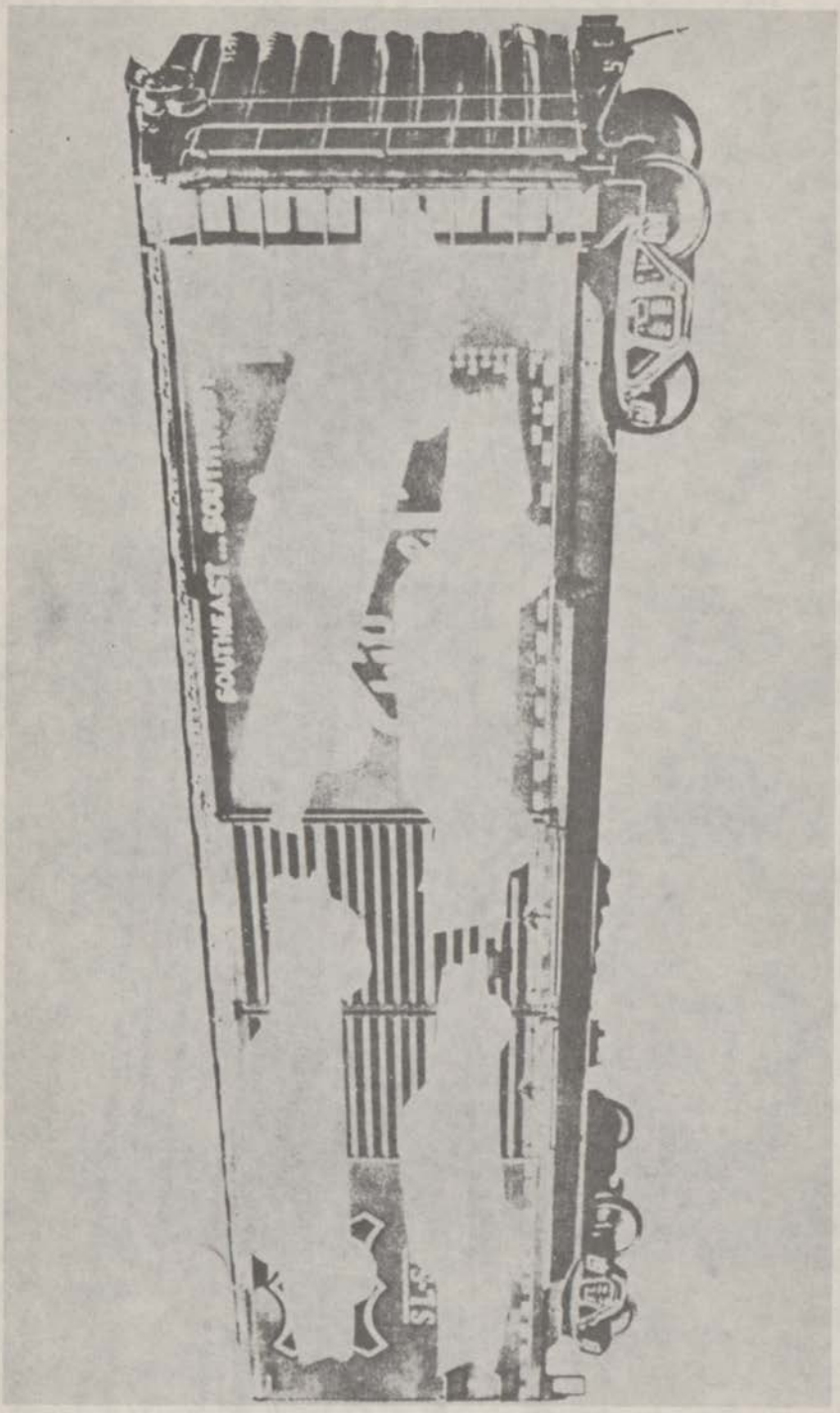


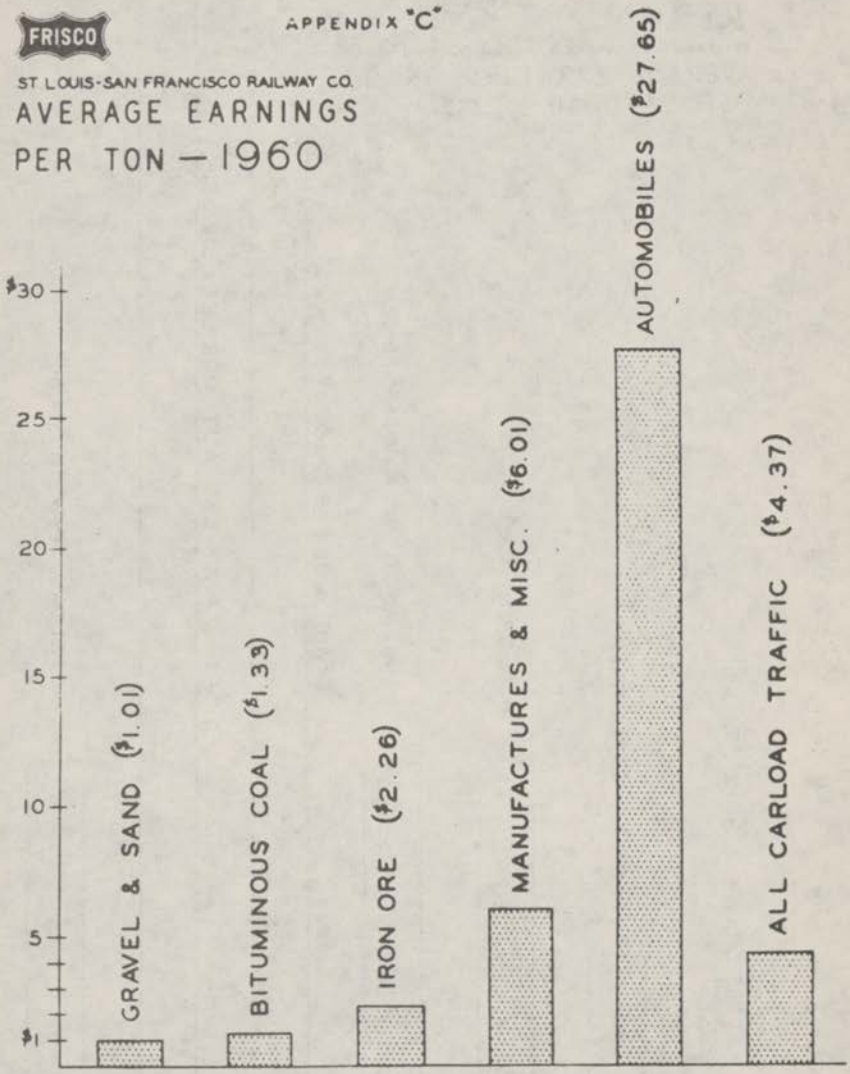


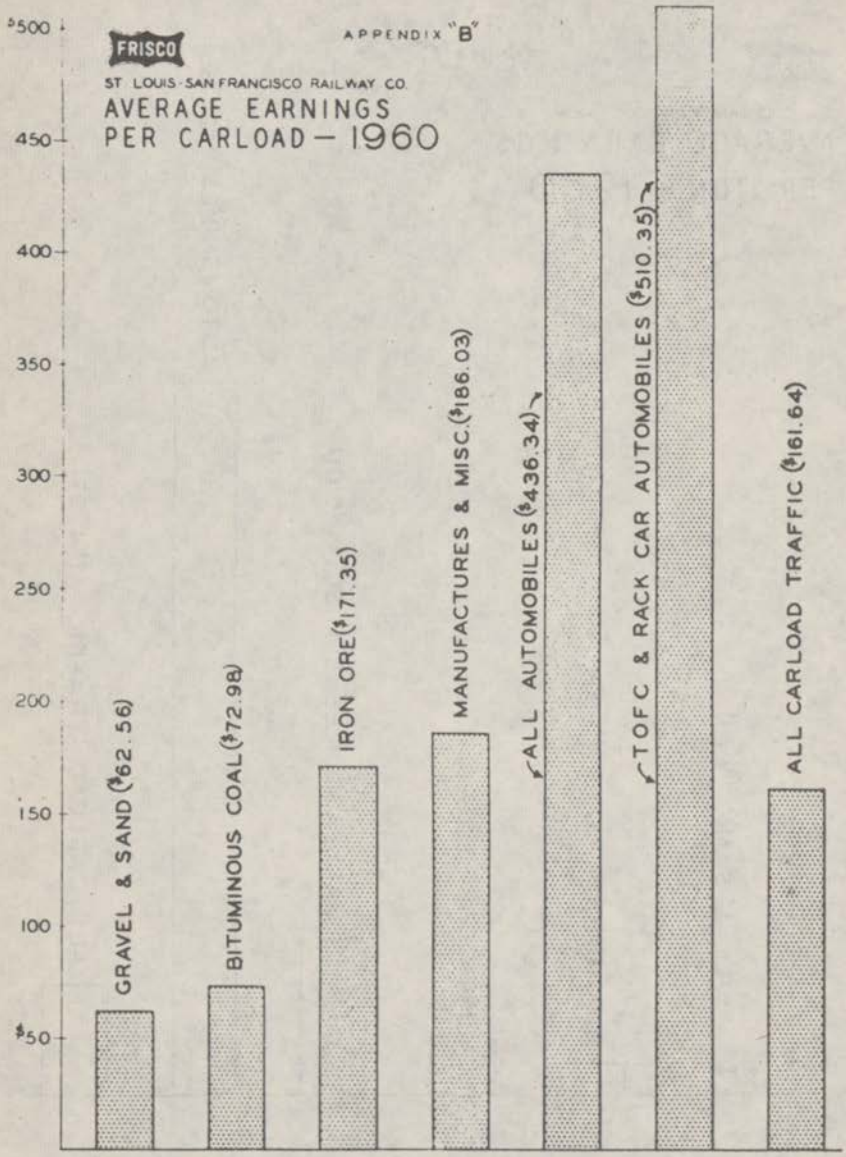







SOUTHEAST ... SOUTH


FRISCO
APPENDIX "C"
ST. LOUIS-SAN FRANCISCO RAILWAY CO.
AVERAGE EARNINGS
PER TON — 1960
$30
25
20
15
10
5
$1
GRAVEL & SAND ($1.01)
BITUMINOUS COAL ($1.33)
IRON ORE ($2.26)
MANUFACTURES & MISC. ($6.01)
AUTOMOBILES ($27.65)
ALL CARLOAD TRAFFIC ($4.37)

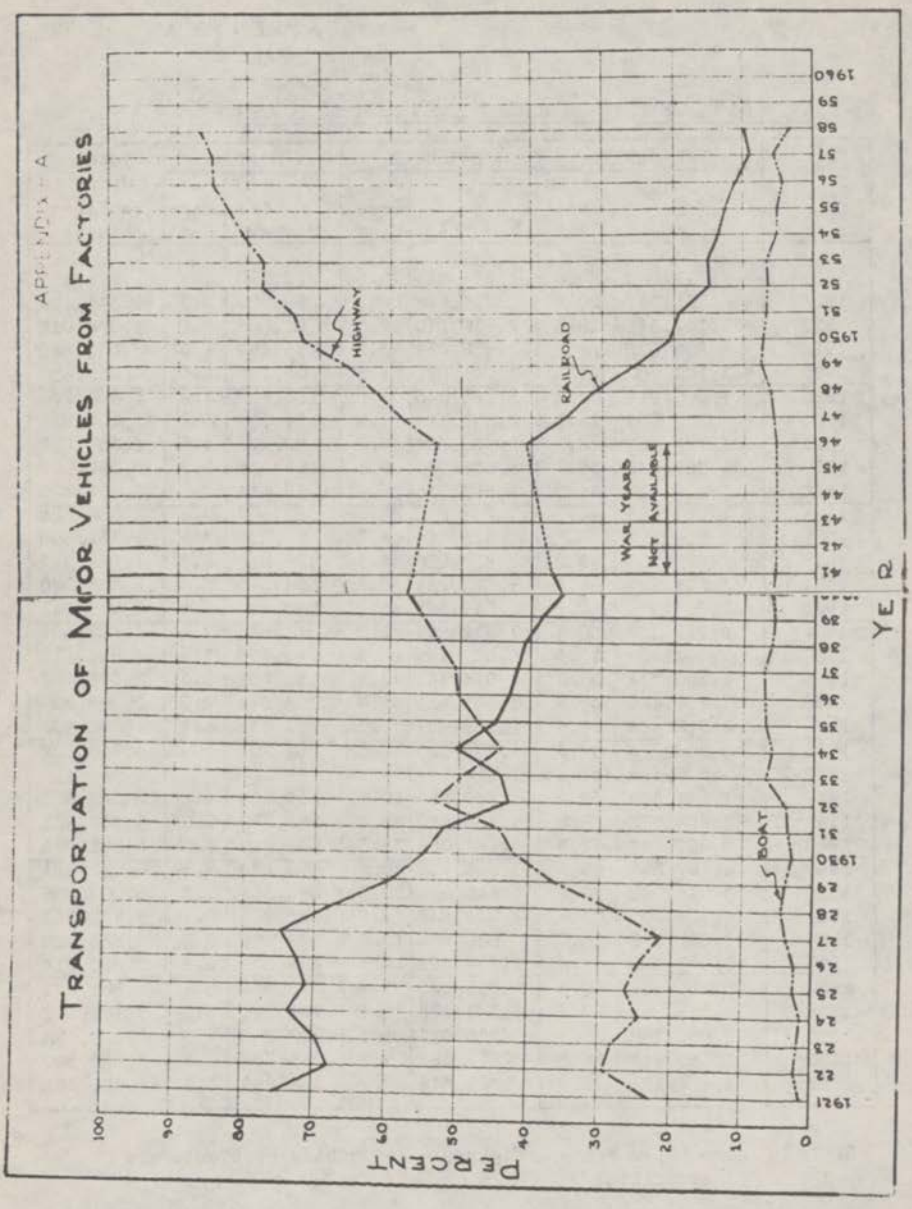

FRISCO
APPENDIX "B"
ST. LOUIS-SAN FRANCISCO RAILWAY CO.
AVERAGE EARNINGS
PER CARLOAD — 1960
$500
450
400
350
300
250
200
150
100
$50
GRAVEL & SAND ($62.56)
BITUMINOUS COAL ($72.98)
IRON ORE ($171.35)
MANUFACTURES & MISC. ($186.03)
ALL AUTOMOBILES ($436.34)
TOFC & RACK CAR AUTOMOBILES ($510.35)
ALL CARLOAD TRAFFIC ($161.64)

APPENDIX A
Page 2

METHODS OF SHIPPING MOTOR VEHICLES FROM FACTORIES

Year	HIGHWAY		RAILROAD		BOAT		Total Motor Vehicles Shipped
	Number	Per-Cent	Number	Per-Cent	Number	Per-Cent	
1921	372,764	23.0	1,221,045	75.6	22,310	1.4	1,616,119
1922	751,347	29.5	1,734,609	68.2	58,220	2.3	2,544,176
1923	1,142,315	28.3	2,810,110	69.7	81,587	2.0	4,034,012
1924	894,825	24.8	2,652,216	73.6	55,499	1.6	3,602,540
1925	1,120,780	26.3	3,041,892	71.3	103,158	2.4	4,265,830
1926	1,066,819	24.8	3,123,345	72.6	110,770	2.6	4,300,934
1927	738,839	21.7	2,538,118	74.6	124,369	3.7	3,401,326
1928	1,222,992	28.1	2,956,594	67.8	179,173	4.1	4,358,759
1929	1,958,738	36.7	3,178,773	59.6	199,576	3.7	5,337,087
1930	1,412,450	42.0	1,850,956	55.0	99,414	3.0	3,362,820
1931	1,050,545	44.1	1,244,272	52.3	85,609	3.6	2,380,426
1932	706,977	53.1	573,780	43.1	51,103	3.8	1,331,860
1933	930,303	49.2	833,256	44.1	126,258	6.7	1,889,817
1934	1,209,291	44.2	1,373,239	50.2	154,540	5.6	2,737,070
1935	1,899,974	47.8	1,798,809	45.3	272,458	6.9	3,971,241
1936	2,237,432	50.1	1,912,594	42.9	311,436	7.0	4,461,462
1937	2,452,300	50.9	2,027,146	42.1	340,773	7.1	4,820,219
1938	1,330,334	53.0	1,026,441	40.9	151,632	6.1	2,508,107
1939	1,996,629	55.6	1,383,711	38.6	208,549	5.8	3,588,889
1940	2,618,484	58.6	1,579,371	35.3	274,431	6.1	4,472,286
1941	2,756,974	57.0	1,795,825	37.1	287,703	5.9	4,840,502
1942-1945 War years not available.							
1946	1,661,637	53.8	1 258,264	40.7	169,664	5.5	3,089,565
1947	2,822,773	58.8	1,688,660	35.2	286,188	6.0	4,797,621
1948	3,289,641	62.2	1,664,088	31.5	331,815	6.3	5,285,544
1949	4,167,269	66.6	1,596,109	25.5	490,273	7.9	6,253,651
1950	5,776,706	72.2	1,640,994	20.5	585,356	7.3	8,003,056
1951	4,966,709	73.4	1,329,838	19.7	468,716	6.9	6,765,263
1952	4,321,273	78.0	840,262	15.2	377,424	6.8	5,538,959
1953	5,712,360	78.0	1,114,479	15.2	496,375	6.8	7,323,214
1954	5,314,842	80.5	916,185	13.9	370,044	5.6	6,601,071
1955	7,549,286	82.4	1,141,095	12.4	478,911	5.2	9,169,292
1956	5,859,768	84.7	760,019	11.0	300,805	4.3	6,920,592
1957	6,159,743	85.3	661,387	9.2	399,390	5.5	7,220,520
1958	4,414,131	86.9	502,542	9.9	164,649	3.2	5,081,322

SOURCE: Automobile Facts & Figures - Automobile Manufacturers Association.


APPENDIX - A
TRANSPORTATION OF MOTOR VEHICLES FROM FACTORIES
PERCENT
100
90
80
70
60
50
40
30
20
10
0
HIGHWAY
RAILROAD
BOAT
WAR YEARS
NOT AVAILABLE
1921
22
23
24
25
26
27
28
29
1930
31
32
33
34
35
36
37
38
39
41
42
43
44
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46
47
48
49
1950
51
52
53
54
55
56
57
58
59
1960
YEAR

Senator McGee. Mr. Showalter.

STATEMENT OF C. O. SHOWALTER, UNION PACIFIC RAILROAD CO., OMAHA, NEBR.

Mr. Showalter. My name is C. O. Showalter. My office address is 1416 Dodge Street, Omaha, Nebr. I am freight traffic manager, of the Union Pacific Railroad Co. I have been employed by the Union Pacific Railroad in various capacities for over 37 years, of which more than 31 years have been in the freight traffic department. The purpose of my appearance here today is to give the committee the view of the Union Pacific Railroad Co. on trailer-on-flatcar service. The statement I am about to make is presented on behalf of the Union Pacific Railroad Co.

The Union Pacific Railroad Co. serves 13 States and operates 9,741 miles of railroad. In the year 1960, the company's payroll in Wyoming was over $28 million, second only to Nebraska, in which the general headquarters are located.

I would digress a moment. There was something mentioned this morning about the taxes that entered the treasury of the State of Wyoming as a result of the motor carriers' patronage. I heard a couple of figures of around $2,000 or something. During 1959 the Union Pacific in Wyoming paid $2,262,000 in taxes.

Trailer-on-flatcar traffic, commonly known as piggyback service, constitutes an increasingly important segment of our business and it is our position that the public should not be deprived of this service by artificial barriers. It is also our position that neither the motor carriers nor their employees have a proprietary right to traffic which can be handled more economically and efficiently by the railroads under a fair and competitive rate system.

Senator McGee. Again I must ask the same question we asked the truckers and some of the railroad labor witnesses, do you allow, in your statement, an ingredient in your formula for the maintenance and sound operation of all of the transportation facilities, or do you insist, if it is a matter of lower costs completely, that the person who submits the absolute lower cost is the one who should stay in business and let the other one go to pot?

Mr. Showalter. Well, I think there is enough traffic for all of us, Senator, and I think there are certain needs of industry that we can each one service perhaps a little better than the other. But I think where it is open traffic that either industry can handle, that is, either mode, motor carriers or the railroads, that the low-cost agency ought to have it, and when I refer to low costs I mean all of the costs, those costs that the transportation industry itself pays as well as those that we pay out of the Public Treasury.

Senator McGee. That's all I have there.

Mr. Showalter. At this point I think it might be well to clarify for the record, too, that the Reed-Bulwinkle bill that was mentioned this morning as granting immunity under the antitrust laws to the railroad, that applies with equal force to the motor carriers. So to the extent that we are exempt from the antitrust laws in rate negotiations, the motor carriers are likewise, under agreements approved by the regulatory bodies.

Mr. BARTON. Mr. Showalter, it even goes farther, it applies to all carriers subject to the Interstate Commerce Act, doesn't it?

Mr. SHOWALTER. That's right.

Much has been said about the alleged unlawfulness of railroad rates for piggyback service, but nothing of substance has been offered to support such allegations.

Senator MCGEE. May I correct that? At least in my interrogation this morning, there was no charge of unlawfulness. I think the charge was unfairness in the existing rate pattern.

Mr. SHOWALTER. That is right, so far as the hearing here.

Senator MCGEE. I put the question specifically, are you charging unlawfulness? There was no charge addressed in those terms.

Mr. SHOWALTER. That is not the case, however, with the literature that has been handed out by the Teamsters' Union. There were three words, if I recall, that the rates were noncompensatory, they were discriminatory, and they were confiscatory in the literature passed out by the motor carrier employees, and that is what I hope to answer in part.

Now, for the sake of saving time, I am going to hurry over some parts of my statement. It is on file.

Senator MCGEE. Yes, the full statement will appear.

Mr. SHOWALTER. Of course, the principal targe of the attack of the motor carriers is on the carriage of new automobiles, and at one time, as you have been so well shown this morning by the charts, the automobiles all moved in railroad boxcars and you know the history of that from Mr. Roddewig's presentation. I would like to point out, however, that in the year 1929 the Union Pacific handled over 65,000 carloads of automobiles, passenger automobiles only. As late at 1946, which was the second full post-war year, we still had 34,000 cars of automobiles on our railroad, but by 1958 that traffic had dwindled to 9,235 carloads, a loss of 72 percent. And I would like to point out here that the Transportation Act as it read prior to 1958 did not prevent the motor carriers from taking that automobile traffic away from us. So it isn't necessarily the change that was made in the law in 1958, at least the law, the way it read prior to 1958, did not protect us from the motor carriers' rate on the automobile traffic.

In 1948 the Union Pacific had an average of 51,712 employees on its payroll. By 1958 that figure had shrunk to 41,780, a loss of nearly 10,000 jobs. In Wyoming alone in 1947 we had 8,600 employees and we now have about 4,200, 4,278, a loss of over 50 percent right here in the State of Wyoming alone.

While we deplored the loss of traffic and the loss of jobs by our employees, we did not ask the Congress to legislate artificial inflation of the motor carriers' rates to force the traffic back to the railroads, nor did we accuse the Interstate Commerce Commission of conspiring with the motor carriers. We said, to be sure, that the motor carriers should pay a proper amount for use of the public highways, and we still say it. So does the President of the United States.

Mr. Roddewig has pointed out the technological engineering advances that have made the low-cost rail transportation possible, so I am going to skip over that for the sake of brevity.

The loss of jobs by motor-carrier employees has been advanced as a reason why some sort of artificial barrier ought to be erected against

the transporting of highway trailers on flatcars. Aside from being unsound economically and unfair to the public, whose interest is paramount, that kind of reasoning assumes that all of the teamster unemployment is due to a shift of traffic from motor carriers to railroads. That, of course, is not the fact. According to Ward's automotive reports, the production of passenger automobiles by American manufacturers amounted to 778,885 units in January and February of this year as compared to 1,347,988 units in the same 2 months of 1960. This is a curtailment in excess of 42 percent. When a group of workers is entirely dependent on a single industry for employment, and that industry, by reason of reduced demand, cuts its production 42 percent, unemployment is inevitable. I do not know what percent of the total number of auto transport drivers were unemployed as of March 1, but loss of traffic to railroads was certainly only a secondary reason at best. The railroads also have some unemployment by reason of the reduced volume of traffic brought about by the general economic situation.

At this point I should like to offer for the committee's inspection three tariffs published by the motor carriers in which the Union Pacific and other railroads participate, and you can have them for the record, if you like.

Senator McGee. Yes, they will be received for the record.

Mr. Showalter. Under the terms of two of the tariffs, the railroads handle motor carrier trailer loads of automobiles between specified points, with the motor carriers performing terminal and over-the-road hauls on both the origin and the destination ends.

The third tariff authorizes rates for combination service under which automobiles are hauled over the road in trailers by motor carriers approximately 250 miles, are then loaded on railroad trilevel cars for a haul of about 1,000 miles, and are finally turned over to still another motor carrier for handling to destinations ranging from local distribution to hauls of several hundred miles.

May I repeat, these are tariffs published by the motor carriers, not the railroads, in which we, the railroads, have joined with the motor carriers in providing an efficient, all-inclusive service to the shipper at a lower relative cost than heretofore available to him.

Senator McGee. Are these tariffs plan I tariffs?

Mr. Showalter. One of them is Senator, one is plan I. The other two are plan V, and one of the plan V tariffs we employ the trailer on flatcar, and the other plan V tariff we use the trilevel car.

Mr. Barton. Explain the difference between plan I and plan V, Mr. Showalter, please.

Mr. Showalter. Plan I is where the railroad becomes the party to the motor carrier's tariff and the motor carrier at his option and in the absence of any objection by the shipper may substitute rail service for his own for a certain part of the haul. The plan V tariff is purely a joint rate where the rail carriers and the motor carriers both join in a rate over a route involving both carriers and the option of routing is with the shipper and not the motor carrier.

Mr. Barton. Go ahead.

Mr. Showalter. We respect our motor carrier associates in the joint venture represented by those tariffs. We respect them as far-sighted businessmen. They are conscious of their duties as common carriers, public servants, and their obligations as public utilities, and we are happy to work with them on it.

72199 O—62——7

Senator McGee. May I interrupt there for just a moment, Mr. Showalter? It is necessary for KFBC to go off the air in just a few seconds and I think a small break here is in order. We have tried to represent during the TV interval of these hearings as many cross section witnesses of all interested groups as we could possibly get in. We will continue this pattern following the TV portion of this.

I think it has become clear in the course of the testimony how complicated, how involved, the matter at hand really is because it includes people and jobs. The purpose of the Congress in soliciting this information this morning, in its quest for the facts, is only to try to maintain fairness and balance in the transportation industry, keeping healthy and alive both the trucking industry and the railroads and other parts of the country, the water carriers as well. I think that we have to bear in mind ultimately the effect of it all on the national interest, on the public in general, not just the shippers alone but the public in general. This is a factor that is of deep concern to the Congress.

The question has been raised here this morning about the propriety of looking into the circumstances of passing along the savings of the genius of technology to the people who should benefit at the other end. This is not within the scope of this hearing. It raises an interesting area that may require inquiry by the proper authorities.

I want to thank those who have participated thus far. I particularly want to thank KFBC for making its facilities available to this hearing and to the public in order to disseminate the widest possible information in the public interest.

Now we will return to Mr. Showalter. I am sorry for the interruption.

Mr. Showalter. That is quite all right.

In the propaganda campaign our opponents have accused the railroads of hauling automobiles for less than we charge for hauling sand. So far as the Union Pacific is concerned, that is not true, and as you have seen also is the case with the Frisco Railroad by the charts. Ordinarily, sand does not move distances comparable to that of automobiles because it is available in natural deposits locally in all parts of the country. Rate comparisons between sand and automobiles are therefore few. However, there are some types of sand which, because of peculiar characteristics, are required for certain uses and which, therefore, move fairly long distances.

I have prepared, and there is attached hereto, an exhibit which sets forth the rail rates and rail proportion of joint truck-rail-truck rates on automobiles in piggyback service and on bilevel and trilevel cars. The rates and rail proportions are broken down to show mathematically what the railroads earn for the entire haul of the carload and for each mile the car is hauled.

On the same exhibit there are shown the rail rates per 100 pounds, the revenue per car, and the earnings per car per mile on sand between points of actual movement. It will be noted that the railroads receive 43.2 cents per car per mile for hauling sand from Ottawa, Ill., to Oakland, Calif.; 53.4 cents per car per mile for hauling sand from Ottawa to Denver, Colo.; and 44 cents per car per mile for hauling sand from Boise, Idaho to New Orleans, La. And, incidentally, that sand is of the same characteristic as the sand or rock that moves from Wyoming to the same territory.

Now, compare those figures with our earnings on carloads of automobiles, ranging from 62.5 to 70.6 cents per car-mile for piggyback; from 70.9 to 76.5 cents per car per mile on bilevel cars; and from 82.7 to 88.5 cents per car mile on trilevel cars.

Senator McGee. Can you stop right there for a minute? Mr. Barton has a question.

Mr. Barton. Mr. Showalter, on these figures for sand, what percentage of empty haul for the cars involved is taken into account?

Mr. Showalter. Well, we have varying percentages of empty hauls on the different types of cars. On these particular cars that handle this particular traffic, I wouldn't be able to say, Mr. Barton, but I would say this, that we would have a fair chance, I would think, on the sand cars, of going to Louisiana to haul oil well supplies, gondola cars, perhaps, in the return movement.

Mr. Barton. In other words, there would be a substantial return movement in this equipment?

Mr. Showalter. Yes, I think there would be some.

Mr. Barton. What about the case of the cars used to piggyback automobiles; are they ordinarily moved back loaded or do they move back empty with no extra charge to the shipper?

Mr. Showalter. Well, we try, where we can, to have return loads for trailers.

Mr. Barton. What usually happens, what is the usual experience?

Mr. Showalter. Beg pardon?

Mr. Barton. What is the usual experience in the case of those cars?

Mr. Showalter. Well, of course, the automobile rack cars move back. They have to take the racks back to the point of origin.

Mr. Barton. It makes some difference, then, in the comparison, does it not, where you show 70.6 cents per car per mile for piggyback, when you know you are going to have almost 100-percent empty return haul?

Mr. Showalter. That would be true on the automobile piggyback but not on the piggyback as a whole, generally.

Mr. Barton. Yes. Well, you are talking about automobile piggyback. The figures are for that. Are not these figures misleading in making the comparisons. They are not quite comparable, are they?

Mr. Showalter. They are only misleading to the extent we would have a higher percentage of empty return haul on the automobile racked cars, which would be 100 percent, than we would have on the other cars, which might vary from a very low percentage to a very high percentage.

Mr. Barton. In other words, they are not entirely comparable. That is my point. Circumstances surrounding moving the traffic puts these on a noncomparable basis.

Mr. Showalter. Well, that isn't the only way that they are not entirely comparable, Mr. Barton. The sand and the gravel will range from 60 to 70 tons for the 42 or 43 cents a car-mile, where the automobiles would never exceed 30 tons. So if we wanted to be exact in all respects I think that the lower weight of the automobile cars as an operating expense would certainly offset the return or the difference between their percentage of return empty loading and that of the other cars.

Mr. Barton. Mr. Showalter, just roughly, what is the comparison in the value of a carload of sand and a carload of automobiles?

Mr. SHOWALTER. Well, I don't know, because we never tip any of them over. We never lose either one.

Mr. BARTON. But you must have some idea what the two are worth approximately, per pound or per ton.

Mr. SHOWALTER. I really don't, but I know it would vary accordingly to the type of sand.

Mr. BARTON. Sand is very cheap, isn't it?

Mr. SHOWALTER. The silica sands are not so cheap.

Mr. BARTON. But they don't compare with the value of automobiles?

Mr. SHOWALTER. I shouldn't think so.

Mr. BARTON. Thank you, sir.

Mr. SHOWALTER. I would also like to call attention to these low rates again that Mr. Roddewig showed you on the chart of the wood chips and the pulpwood. They are also much heavier loading commodities than automobiles are.

Mr. BARTON. Mr. Showalter, just a question on that. If you were just filing your rates on new automobiles with the ICC, would you make these rate comparisons as being on comparable traffic? Do you think you would offer them to the Commission in making your case on automobile rates?

Mr. SHOWALTER. I don't think I would have to.

Mr. BARTON. I say, would you offer them?

Mr. SHOWALTER. My opponents would do that.

Mr. BARTON. But would you offer those rates on wool and soda ash, wood chips, pulpwood, and crushed stone? Are these comparable traffic; do they have characteristics comparable with new automobiles?

Mr. SHOWALTER. Well, I am not sure that I understand what you mean by comparable characteristics, Mr. Barton.

Mr. BARTON. Would you say these commodities were similar in loading characteristics, in value, or most any other basis?

Mr. SHOWALTER. I would think not; no. Of course, the value would be a factor only to the extent that we would have a claim hazard.

Mr. BARTON. Yes; or the cost of handling, including the chance of loss, would be much higher for automobiles?

Mr. SHOWALTER. That's right.

Mr. BARTON. Thank you.

Mr. SHOWALTER. You will note, also, from the exhibit that on carloads of lettuce from California to Detroit the railroads earned 36.5 cents for each mile as compared to our earnings on the automobiles ranging in the 63- to 88-cent range, and a car of lettuce I think would be more comparable in value to the automobile.

Mr. BARTON. Let's see. Lettuce in my supermarket in Washington last Saturday was worth about 19 cents a pound. What kind of an automobile can you buy for 19 cents a pound, do you think?

Mr. SHOWALTER. I didn't say they would be entirely comparable, Mr. Barton. I think they would be more nearly than sand, more nearly comparable.

Senator MCGEE. Still a good spread.

Mr. SHOWALTER. Oh, I think so.

My presentation here this morning has dealt largely with the movement of automobiles, but other piggyback traffic is involved. The Union Pacific first inaugurated trailer-on-flat-car service on its lines in August 1953. That it has made no serious inroads into the motor

carriers' traffic is clearly demonstrated by the growth of their revenues in the period since 1954. The following table lists eight of the principal motor carriers operating in the territory served by the Union Pacific and shows their revenues from truckload traffic in the years 1954 to 1959, and I want to emphasize that these figures cover truckload traffic only, the equivalent of carloads on the railroad. This is the traffic on which the railroad is the low-operating-cost agency—the traffic which ought to be allowed the benefit of that low cost without legislative interference or allocation. The table shows the percentage ratio, 1959 versus 1954, and similar revenue figures for carload traffic of the Union Pacific are included for comparison.

I am not going to read all the figures, but of the eight motor common carriers operating in the territory served by the Union Pacific, from their 1959 revenues on truckload traffic, they showed a ratio 1959 to 1954 of 205 percent, an increase of 105 percent.

During the same years the revenue on the Union Pacific Railroad from carload traffic increased only 9 percent.

It was mentioned a while ago whose ox was being gored. I don't think it is very difficult from these figures to see whose ox is being gored.

One other thing I would like to correct, too, that this morning it was mentioned, I believe, a comparison between the freight charges on automobile parts and the setup automobiles. According to the best information that we can get and from our own rates in the tariff we understand that the parts to assemble one automobile, the freight charges from the Detroit area to the Los Angeles area, is somewhere around $130 to $150 per car, per automobile. Under the new rates, the combination of rail and motor carrier rates, on an automobile of average weight, the freight charges would be $321, more than 200 percent of the transportation charges on the parts necessary to assemble an automobile.

Another impression that might have been left in some of the earlier testimony and that I would like to correct is that the TOFC service of the railroads, the piggyback service, reaches only the metropolitan areas and it is of no value to the small towns. Nothing could be further from the truth. As a matter of fact, by use of the trailer-on-flat-car service to a railhead and then the use of these very motor carriers or other motor carriers that were here this morning, the trailer can then be transported to the small towns that are not able to take a large carload of, say, automobiles, for example, on the multi-deck racks. So the trailer-on-flat-car service has as one of its very objectives the servicing of the smaller towns.

Senator McGee. May I ask at this point whether you have some other materials there that you would like to correct the record on, whether you have many more of them? The reason I ask, we have an 11:45 dateline that we are trying to meet here on another matter just before we recess and then reassemble after lunch.

Mr. Showalter. The only thing I have left to do, Senator, is to thank you for the opportunity of appearing here. That just happened to complete my statement at this point.

Senator McGee. This was a happy coincidence both ways.

(Mr. Showalter's complete statement and appendixes as filed with the subcommittee is as follows:)

My name is C. O. Showalter. My office address is 1416 Dodge Street, Omaha, Nebr. I am freight traffic manager, rates, of the Union Pacific Railroad Co. I have been employed by the Union Pacific Railroad in various capacities for over 37 years, of which more than 31 years have been in the freight traffic department. The purpose of my appearance here today is to give the committee the view of Union Pacific Railroad Co. on trailer-on-flat-car service. The statement I am about to make is presented on behalf of Union Pacific Railroad Co.

Union Pacific Railroad Co. serves 13 States and operates 9,741 miles of railroad. In the year 1960, the company's payroll in Wyoming was over $27 million, second only to Nebraska, in which the general headquarters are located.

Trailer-on-flat-car traffic, commonly known as piggyback service, constitutes an increasingly important segment of our business and it is our position that the public should not be deprived of this service by artificial barriers. It is also our position that neither the motor carriers nor their employees have a proprietary right to traffic which can be handled more economically and efficiently by the railroads under a fair and competitive rate system.

Much has been said about the alleged unlawfulness of railroad rates for piggyback service, but nothing of substance has been offered to support such allegations. It does not constitute a violation of either the law of the land or the law of economics for any type of carrier to attract traffic by doing a better job at a lower cost that still results in a profit.

The principal target of the attack by motor carrier employees appears to be the traffic of new automobiles moving from assembly plants to consuming areas, and their objective, presumably, is the enactment of legislation which will divert all of this traffic to the motor carriers without regard to cost or public interest. It is claimed that the rail rates are noncompensatory, discriminatory and confiscatory merely because they have enabled the railroads to recapture—and I use the word recapture advisedly—a portion of the traffic which, for some years past, has been handled almost exclusively by motor carriers. But if priority in handling the traffic establishes an inherent right to continue to handle it to the exclusion of other modes of transportation, then the records will show that a clear and unencumbered title to it rests with the railroads in contrast to the claims of the motor carriers. We had it before they did.

At one time practically all new automobiles were handled in boxcars equipped with special loading racks. Delivery was taken by car dealers at freight house platforms or ramps. Then came the trailer, operating over the public highways from the end of the assembly line in the automotive centers direct to the dealers' show rooms, and our automobile traffic began to dwindle. So did the number of railroad jobs. In the year 1929, the Union Pacific System lines handled over 64,000 carloads of passenger automobiles. With the coming of assembly plants to the Midwest and west coast, accompanied by shorter hauls for local transportation and convenient drive-aways, we lost a considerable portion of the traffic. By 1947, the second complete post-World War II year, we transported 34,069 carloads of passenger automobiles, and by 1958 that traffic had dwindled to 9,325 carloads, a loss of 72 percent. In 1947, Union Pacific had an average of 51,712 employees on its payroll. By 1958 that figure had shrunk to 41,780, a loss of nearly 10,000 jobs. While we deplore the loss of traffic and the loss of jobs by our employees, we did not ask the Congress to legislate artificial inflation of the motor carriers' rates to force the traffic back to the railroads, nor did we accuse the Interstate Commerce Commission of conspiring with our competitors. To be sure, we said that the motor carriers should pay a proper amount for use of the public highways, and we still say it. So does the President of the United States.

Through technological and engineering advances, we can now operate heavier trains, run faster schedules, minimize or eliminate terminal delays and carry heavier loads per car. All of this has created a perfect climate for extensive development of piggyback, the ramping or power-lifting of loaded trailers onto flat cars at locations either in or adjacent to train yards and, after a fast and continuous run to destination, the immediate roll-off or lift-off and delivery to consignee. The multirack car is a product of the same era of advanced engineering in railroad equipment and thereby qualifies for a location in the target area under attack by our opponents.

At this point I should like to distinguish between piggyback and multideck cars. Although placed in a common category in the propaganda campaign which condemns the use of both, multideck cars are not piggyback anymore than various other types of cars which are loaded direct without use of a highway trailer or other detachable container as a superstructure. Multideck racks are a permanent part of the car to which they are attached. But in making the distinction, I want to emphasize that we admit no lesser right to the use of the one than the other in our efforts to tailor our service to the needs of the shipping public.

Also, I want to emphasize that if high-speed Diesel locomotives and high-capacity flat cars and their multideck racks are to be condemned because they are superior to rail equipment of the past and because they enable us to offer the public a better service at a lower cost, then the same "condemnation-of-progress" rule would have prevented the motor carriers from replacing or remodeling their trailers of four-auto capacity to handle five or six or even seven autos. Likewise, it would have forbid their acquisition and use of faster, more powerful and more efficient tractors as they became available. In short, it would have prevented the motor carriers from taking the traffic from us in the first place. We believe progress and technological improvement is essential to efficient operation in the transportation field, and it is our position that the public is entitled to the best service that the railroads or motor carriers, or both, can offer. That is exactly what piggyback does and exactly what we have been trying to do with multideck cars.

The national transportation policy, declared by Congress in the Interstate Commerce Act, provides:

"It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; * * *"

A rail car that will carry from 8 to 15 autos instead of 4 or 5 autos, and a Diesel locomotive that will move trains of 3,500 tons at high speeds with a regular crew of five men, are inherent advantages in the railroad industry. It is incomprehensible to suggest that the public is not entitled to whatever benefits may flow from full exploitation of these inherent advantages.

A frequent repeated allegation of the teamsters is that there is some sort of unholy alliance between the railroads and the Interstate Commerce Commission, only because the Commission has refused to suspend, postpone, or otherwise prevent the piggyback or multideck rates from becoming effective. Such charges are no more true than those with respect to the level of the rates themselves. In 1952, in a proceeding in which the railroads protested the rates of competing motor carriers on iron and steel in containers, and in which the motor carriers offered a more complete service, the Commission said that they considered it their duty under the law to encourage improvement in shipping methods which brings substantial benefits to the carriers, inaugurating such improvements, the shippers and the public (54 MCC 139, 153). Again, in 1956, dealing with a motor carrier's application for authority to transport automobiles, which was opposed by other motor carriers and the railroads, the Commission granted the application, saying:

"We do not conceive our function in proceedings such as this to preserve the status quo at all costs, denying improvements or augmentations in transportation service. The transportation industry should be dynamic, rather than static; and we would be remiss in our duty, if we hampered, rather than promoted, the free flow of commerce" (67 MCC 410, 413).

Surely, those who believe in regulation in the public interest will agree with this as well as the refusal of the ICC to interfere with rail or joint rates by rail and motor carriers which are fully compensatory and lawful in all respects.

Loss of jobs by motor carrier employees has been advanced as a reason why some sort of artificial barrier ought to be erected against the transporting of highway trailers on flatcars. Aside from being unsound economically and unfair to the public, whose interest is paramount, that kind of reasoning assumes that all of the teamster unemployment is due to the shift of traffic from motor carriers to railroads. That, of course, is not true. According to Ward's automotive reports, production of passenger automobiles by American manufacturers amounted to 778,885 units in January and February of this year as compared to 1,347,988 units in the same two months of 1960. This is a curtailment in excess of 42 percent. When a group of workers is entirely dependent on a single industry for employment, and that industry, by reason of reduced demand, cuts

its production 42 percent, unemployment is inevitable. I do not know what percent of the total number of auto transport drivers were unemployed as of March 1, but loss of traffic to railroads was certainly only a secondary reason at best. The railroads also have some unemployment by reason of reduced volume of traffic brought about by slack business conditions.

At this point, I should like to offer, for the committee's inspection and the record, three tariffs published by the motor carriers in which the Union Pacific and other railroads participate. Under the terms of two of the tariffs, the railroads handle motor carrier trailer loads of automobiles between specified points, with the motor carriers performing terminal and over-the-road hauls on both the origin and destination ends. The third tariff authorizes rates for combination service under which automobiles are hauled over the road in trailers by motor carriers approximately 250 miles, are then loaded on railroad trilevel cars for a haul of about 1,000 miles, and are finally turned over to still another motor carrier for handling to destinations ranging from local distribution to hauls of several hundred miles. May I repeat, these are tariffs published by the motor carriers, not the railroads, in which we, the railroads, have joined with the motor carriers in providing an efficient, all-inclusive service to the shipper at a lower relative cost than heretofore available to him. In two of these tariffs we are using the motor carriers' trailers, for which they are properly compensated by their share of the rate, and in the third tariff we are contributing to the joint venture the use of our trilevel cars.

We respect our motor carrier associates in this joint venture as farsighted businessmen, conscious of their duties as common carriers and their obligations as public utilities, and we are happy to work with them.

In their propaganda campaign, our opponents have accused the railroads of hauling automobiles for less than we charge for hauling sand. So far as the Union Pacific is concerned, that is not true. Ordinarily, sand does not move distances comparable to that of automobiles because it is available in natural deposits locally in all parts of the country. Rate comparisons between sand and automobiles are therefore few. However, there are some types of sand which, because of peculiar characteristics, are required for certain uses and which, therefore, move fairly long distances. I have prepared, and there is attached hereto, an exhibit which sets forth the rail rates and the rail proportion of joint truck-rail-truck rates on automobiles in piggyback service, and on bilevel and trilevel cars. The rates and rail proportions are broken down to show mathematically what the railroads earn for the entire haul of the carload and for each mile the car is hauled. On the same exhibit, are shown the rail rates per 100 pounds, the revenue per car and the earnings per car per mile on sand between points of actual movement. It will be noted that the railroads receive 43.2 cents per car per mile for hauling sand from Ottawa, Ill., to Oakland, Calif., 53.4 cents per car per mile for hauling sand from Ottawa to Denver, Colo., and 44 cents per car per mile for hauling sand from Boise, Idaho, to New Orleans, La. Now compare those figures with our earnings or carloads of automobiles, ranging from 62.5 cents to 70.6 cents per car per mile for piggyback; from 70.9 cents to 76.5 cents per car per mile on bilevel cars; and from 82.7 cents to 88.5 cents per car per mile on trilevel cars. This clearly disproves the false claims with respect to "lower rates on Cadillacs than on sand and gravel." Such allegations become even more ridiculous when we consider that the earnings per car per mile on sand are for loads weighing from 63 to 75 tons, while even the heaviest load of automobiles would not exceed 30 tons.

Note also from the exhibit that on carloads of lettuce from California to Detroit the railroads earn 36.5 cents for each mile as compared to our earnings per car per mile in the 63 cents to 88 cents range on automobiles. Also shown are some rates which open up distant markets for some of the raw materials and products of Wyoming. For these hauls our compensation ranges from 28 cents to 42.9 cents for each mile a car is hauled, and this is offered as further comparison to demonstrate that our earnings on automobiles are "compensatory," that they are not "discriminatory" to the motor carriers, their employees or the public, and they are not "confiscatory" of teamsters' jobs or motor carriers' business. Incidentally, the motor carriers have given the railroads no competition whatever for the traffic in these raw products on which the rates are necessarily low and the movement of which is so essential to the development of Wyoming and other Western areas. But I can say to you that if, in response to the teamsters' pleas, we are deprived of the more lucrative traffic, such as

trailers on flat cars and automobiles on multideck cars, our ability to make or maintain such low rates on these raw materials will be greatly impaired. This should be evident from the fact that our earnings on automobiles, which are about the same as on mixed carloads of highly manufactured articles, listed on the exhibit as "All freight," 69 cents to 73 cents per car per mile, are nearly double our average compensation of 37.6 cents per car per mile on all loaded freight car movements handled by the Union Pacific in the year 1960, and from two to three times our earnings on wood chips, pulpwood and soda ash.

There is one more thought I would like to leave with you on the subject of rate levels. We hear much these days about the "cost-of-service" and "value-of-service" concepts in ratemaking. I have been making freight rates for many years and to me these terms pose the simple question: "What rate can you make that will still show a profit and at the same time attract the traffic"? I emphasize the profit factor. We don't want any traffic that will not net us a profit. We don't want to handle any business at a loss. Rates are not established on the basis of the effect they may have on employment in any industry. They are made on a level which will attract the traffic and produce a reasonable profit. If, in order to attract the traffic, the rate must be so low as to produce no profit, we do not want the traffic. Without belaboring the subject of Cadillacs versus sand and gravel, I would like to say that we would be glad to haul many, many trainloads of sand and gravel at the same compensation that we receive for hauling automobiles on flatcars. But if we had to haul automobiles at lower rates than sand in order to get the traffic, and if we could still make a reasonable profit in so doing, I think that we should be permitted to do so—and that we should do so. I would find no fault with the motor carriers for managing their business in the same manner.

Although my presentation has dealt largely with the movement of automobiles, other piggyback traffic is also involved. Union Pacific first inaugurated trailer-on-flatcar service on its lines in August 1953. That it has made no serious inroads into the motor carriers' traffic is clearly demonstrated by the growth of their revenues in the period since 1954. The following table lists eight of the principal motor carriers operating in the territory served by the Union Pacific and shows their revenues from truckload traffic in the years 1954 and 1959. I want to emphasize that these figures cover truckload traffic only, the equivalent of carloads on the railroad. This is the traffic on which the roalroad is the low-operating-cost agency—the traffic which ought to be allowed the benefit of that low cost without legislative interference or allocation. The table shows the percentage ratio, 1959 versus 1954, and similar revenue figures for carload traffic of the Union Pacific are included for comparison.

It isn't very difficult to see whose ox is being gored.

On behalf of the Union Pacific and its thousands of employees, I appreciate the opportunity to appear here today and I hope that my presentation will be of help to your committee.

Thank you.

Automobiles		Actual miles via Union Pacific	Revenue per car			Revenue per car per mile (cents)			Tariff authority
From—	To—		Piggy-back	Bilevel	Trilevel	Piggy-back	Bilevel	Trilevel	
Detroit, Mich	Denver, Colo	1,294	$841	--------	$1,084.00	65.0	--------	83.8	WTL 463-B, ICC No. A-4366; CTR 147-E, ICC No. C-30.
Kansas City, Kans.-Mo	do	639	451	$489	564.00	70.6	76.5	88.3	WTL 463-B, ICC No. A-4366; WTL 224-I, ICC No. A-3939.
Detroit, Mich	Los Angeles, Calif	2,543	1,603	1,804	2,104.00	63.0	70.9	82.7	TCFB 26-A, ICC No. 1638; TCFB 1-I, ICC No. 1627.
Kansas City, Kans.-Mo	do	1,925	1,203	1,404	1,704.00	62.5	72.9	88.5	TCFB 26-A, ICC No. 1638; TCFB 1-I, ICC No. 1627.
Proviso, Ill	Cheyenne, Wyo	970	[1] 640	--------	[1] 828.50	66.0	--------	85.4	Common Carriers 5, ICC No. 1; NATA 504, ICC No. 5.

[1] Rail lines proportion of joint rates with motor carriers.

Other commodities	From—	To—	Rail-miles	Rate per hundred-weight	Minimum weight	Revenue		Tariff authority
						Per car	Per car per mile	
							Cents	
Silica sand	Ottawa, Ill	Oakland, Calif	2,174	$0.626	150,000 pounds	$939.00	43.2	TCFB 1-I, ICC No. 1627.
Do	do	Denver, Colo	966	[1] 8.19	63 tons [2]	515.97	53.4	WTL 111-O, ICC No. A-4329.
Common sand	Boise, Idaho	New Orleans, La	2,277	[1] 14.32	70 tons	1,002.00	44.0	WTL 124-M, ICC No. A-3851.
Lettuce	Salinas, Calif	Detroit, Mich	2,604	1.90	50,000 pounds	950.00	36.5	TCFB 44-N, ICC No. 1607.
Wood chips	Cow Creek, Wyo	Kaukauna Wis	1,356	----------	----------	380.00	28.0	WTL 120-J, ICC No. A-4123.
Pulpwood	Fox Park, Wyo	Green Bay, Wis	1,285	[3] 15.75	25 cords	393.75	30.6	Do.
Wool	Rawlins, Wyo	Boston Mass	2,164	2.27	40,000 pounds	908.00	42.0	WTL 172-H ICC No. A-3776.
Soda ash	Westvaco, Wyl	St. Louis, Mo	1,225	.525	100,000 pounds	525.00	42.9	WTL 120-J, ICC No. A-4123.
Crushed stone	Wheatland, Wyo	Harvey, La	1,540	[1] 8.86	63 tons [2]	558.18	36.2	WTL 122-N, ICC No. A-3861.
Mixed commodities (all-freight)	Chicago, Ill	Cheyenne, Wyo	970	2.25	30 000 pounds	675.00	69.6	WTL 277-Y, ICC No. A-3900.
Do	do	Los Angeles, Calif	2,273	4.61	36,000 pounds	1,659.60	73.0	TCFB 1-I, ICC No. 1627.

[1] Per ton of 2,000 pounds.
[2] Minimum weight is 90 percent of marked capacity of car, estimated at 63 tons (90 percent of 70 tons).
[3] Per cord of 128 cubic feet.

Source: Union Pacific RR., Freight Traffic Department, Apr. 3, 1961.

Supplement No. 1
to
I. C. C. No. 1
Supplement No. 4
Cancels and changes

COMMERCIAL CARRIERS, INC.

Certificate No. MC-43036

(For List of Participating Carriers, see Page 2)

SUPPLEMENT NO. 1

to

FREIGHT TARIFF NO. 5

NAMING

JOINT, SPECIFIC COMMODITY RATES

FOR THE TRANSPORTATION OF

AUTOMOBILES

AS DESCRIBED IN ITEM 15 OF TARIFF

FROM

DETROIT, MICHIGAN

AND

CHICAGO, ILLINOIS, AND VICINITY

AS DEFINED HEREIN

TO

POINTS AND PLACES IN THE STATES OF

COLORADO, IDAHO, NEVADA, UTAH AND WYOMING

ALSO

JOINT DISTANCE OR MILEAGE COMMODITY RATES

From Detroit, Michigan and Chicago, Illinois and vicinity, as defined herein, to points and places not provided with joint specific commodity rates in the States of California, Colorado, Idaho, Nevada, Utah and Wyoming.

VIA

MOTOR-RAIL (TOFC) - MOTOR SERVICE

For reference to governing publications, see Item 5 of tariff.

ISSUED: SEPTEMBER 15, 1960 EFFECTIVE: OCTOBER 19, 1960

Issued By:

R. E. BAKER, Traffic Manager

Rates - Divisions

8000 East McNichols Road

Detroit 18, Michigan

SUPPLEMENT NO. 1 TO FREIGHT TARIFF NO. 2 247

LIST OF PARTICIPATING CARRIERS

The List of Participating Carriers is as shown in tariff and as follows:

CHANGE	NAME OF CARRIER	ADDRESS	CONCURRENCE FCI NO.
ALD	Chicago, Rock Island and Pacific Railroad Company	Chicago, Ill.	28

Refer to page 7 of tariff and cancel all matter relating to "Routing-Column 1" and "Routing-Column 2" and in lieu thereof, substitute the following.

ROUTING - COLUMN 1

Route via Commercial Carriers, Inc., Chicago, Illinois, Chicago and North Western Railway Company or Chicago, Burlington & Quincy Railroad Company or Chicago, Rock Island and Pacific Railroad Company, Council Bluffs, Iowa, Union Pacific Railroad, Cheyenne, Wyoming, Commercial Carriers, Inc., or

Route via Commercial Carriers, Inc., Chicago, Illinois, Chicago, Burlington & Quincy Railroad Company, Cheyenne, Wyoming, Commercial Carriers, Inc.

ROUTING - COLUMN 2

Route via Chicago and North Western Railway Company or Chicago, Burlington & Quincy Railroad Company, or Chicago, Rock Island and Pacific Railroad Company, Council Bluffs, Iowa, Union Pacific Railroad, Cheyenne, Wyoming, Commercial Carriers, Inc., or

Route via Chicago, Burlington & Quincy Railroad Company, Cheyenne, Wyoming, Commercial Carriers, Inc.

- 2 -

I. C. C. NO. 1

COMMERCIAL CARRIERS, INC.

Certificate No. MC 11038
(For List of Participating Carriers See Page 2)

FREIGHT TARIFF NO. 5

NAMING

JOINT, SPECIFIC COMMODITY RATES

In Piggyback Transportation On

AUTOMOBILES

As Described In Item 15

FROM

DETROIT, MICHIGAN

AND

CHICAGO, ILLINOIS, AND VICINITY

As Defined Herein

TO

Points And Places In The States of

COLORADO, IDAHO, NEVADA, UTAH AND WYOMING

ALSO

JOINT DISTANCE OR MILEAGE COMMODITY RATES

FROM DETROIT, MICHIGAN, AND PROVISO, ILLINOIS TO
Points and Places Not Provided With Joint Specific Commodity
Rates in the States of California, Colorado, Idaho, Nevada, Utah and Wyoming.

VIA

MOTOR-RAIL (TOFC) — MOTOR SERVICE

For reference to governing publications, see Item 5

ISSUED JUNE 21, 1960 **EFFECTIVE JULY 25, 1960**

ISSUED BY

H. E. BAKER, Traffic Manager
Rates—Divisions
3399 East McNichols Road,
Detroit 12, Michigan

D388 THE STEIN PRINTING CO., ATLANTA, GA. (Printed in U.S.A.)

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NOTE: The item ( ) between [illegible] means the [illegible]

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LIST OF PARTICIPATING CARRIERS

NAME OF CARRIER	ADDRESS	CONCURRENCE FCI NO.
Chicago and North Western Railway Company	Chicago, Illinois	3
Chicago, Burlington & Quincy Railroad Company	Chicago, Illinois	3
Commercial Carriers, Inc.	Detroit, Michigan	Issuing
Union Pacific Railroad	Omaha, Nebraska	38

EXPLANATION OF ABBREVIATIONS, REFERENCE MARKS AND SYMBOLS

ABBREVIATION REFERENCE MARK OR SYMBOL	EXPLANATION	ABBREVIATION REFERENCE MARK OR SYMBOL	EXPLANATION
A.M.	Hours between twelve O'clock Midnight and twelve O'clock Midday.	Mt.	Mount.
Carrier	Participating Carrier herein.	N.	North.
C.O.D.	Collect on Delivery.	No.	Number.
E.	East.	P.M.	Hours between twelve O'clock Midday and twelve O'clock Midnight.
Equipment	Motor Carriers Trucks, Tractors, Trailers or Semi-trailers.	S.	South.
Ft.	Fort.	St.	Saint.
Hgts.	Heights.	TOFC	Trailer on flat car.
I.C.C.	Interstate Commerce Commission.	W.	West.
Inc.	Incorporated.	¢	Cent or cents.
Mill.	One tenth of a cent ($.001).	$	Dollar or dollars.

DEFINITIONS.

"CHICAGO, ILLINOIS AND VICINITY"

Chicago, Illinos, as applied herein means points and places in Chicago, Illinois and those within the area bounded on the North by Touhy Avenue, on the West and South by Illinois Highway 54, and on the East by Lake Michigan and the Illinois-Indiana State Line.

"DESTINATION"

The term "Destination", as applied herein, means one point of delivery.

"SHIPMENT"

The term "Shipment", as applied herein, means a consignment of commodities described herein on one bill of lading or receipt, to one consignee, to one destination, on one day.

"TRUCKLOAD"

The term "Truckload", as applied herein means a truck and trailer, or tractor and semi-trailer or trailer, loaded to its full visible capacity, or to the minimum weight or quantity specified whichever is the lesser (smaller) quantity, subject to truckload maximum weight or quantity where specified.

"TRUCKAWAY OR TRUCKAWAY SERVICE"

The term "Truckaway", or "Truckaway Service", as applied herein, means the transportation of one or more of the commodities described herein when loaded into or upon carrier's equipment constructed for the purpose of transporting such commodities over the highways.

"SINGLE DRIVEAWAY SERVICE"

The term "Single Driveaway Service", as applied herein, means the transportation of a single motor vehicle when driven under its own power by an authorized representative of the carrier.

For explanation of abbreviations, reference marks and symbols, see Page 2 (above).

FREIGHT TARIFF NO.5

APPLICATION OF RATES 250

ITEM	SUBJECT
	GOVERNING PUBLICATIONS
5	Governed by National Automobile Transporters Association,Agent,Authority Circular No.2-O,MF-I.C.C. No.426 supplements thereto or successive issues thereof.
	Governed by Household Goods Carriers Bureau,Agent, Mileage Guide No.6,MF-I.C.C.No.71,supplements thereto or successive issues thereof.
	Governed except as otherwise provided herein,by Uniform Classification No.5,Western Classification Committee,Agent,I.C.C.A-5.
	RULES IN UNIFORM FREIGHT CLASSIFICATION NOT APPLICABLE
10	The following rules in Uniform Freight Classification No.5,Western Classification Committee,Agent, I.C.C.A-5 are not applicable in connection with rates,rules or regulations named in this tariff, except as may be otherwise specified in connection with individual items: 10 11 13,14 15,16,23,24,27,29,30,31,32,34,35,43,44,47 and 48.
	COMMODITY DESCRIPTIONS
15	Rates and Charges named in this Tariff will apply to the following commodities: Automobiles,Jeeps,Chassis,and parts and accessories moving in connection with shipments thereof, Truckload minimum weight 15,000 pounds in each of a minimum of two truckloads,subject to a minimum weight of 3200 pounds per Vehicle,except as otherwise provided,see Notes 1 and 2. NOTE 1--The weight applicable to commodities named in this Item shall be the factory shipping weights as shown on Bill of Lading or Receipt,subject to correction. NOTE 2--Rates named herein include the transportation of oil,water,gasoline or anti-freeze solution necessary for the operation of each vehicle.
	LESS THAN MINIMUM WEIGHT SHIPMENTS
20	Less than minimum weight shipments will be accepted for transportation subject to the following conditions: (A) Such shipments will be held at the terminal of the carrier for movement with other shipments as hereinafter provided,subject to Item 45. (B) Such shipments,including those consigned to,intermediate to,or via holding terminals as provided in Item 25,will not be transported until shipments aggregate the minimum quantity specified in the tariff for movements under the provisions of this item or unless shipper has instructed carrier to transport such shipments as a minimum weight shipment. (C) Such shipments that aggregate the minimum quantity specified in the tariff will be transported at the rates hereinafter provided. (1) When shipments in either of the two truckloads are consigned: (a) to the same destination,or; (b) To destination whose distance from first destination,through each successive destination,does not exceed seventy-five (75) miles,or; (c) For carriers convenience only,single vehicles may be combined into truckloads with other vehicle that aggregate the specified minimum weight,or actual weight if greater, provided the destination of each single vehicle is intermediate to the destinations of the truckload. (2) When the limitations prescribed in sub-paragraph (1) above are exceeded the rates hereinafter provided will be applied plus an additional charge of sixty cents (60¢) per mile for each truckload,for the distance in excess of such limitations,such additional charge will apply only to the shipments consigned to the destination or destinations in excess of the limitation. NOTE--Where there are two or more payors of freight charges,the charges for such excess mileage shall be divided equally between all vehicles in excess of such limitation. (3) The rate applicable will be the truckload rate from origin to each destination plus an additional charge of $2.25 per destination,except shipments combined into truckloads for one destination or shipments consigned to holding terminals. The charge for a less than minimum weight shipment shall,in no case,exceed the charge on the same shipment at the truckload minimum weight and rate.
	HOLDING TERMINALS
25	Shipments destined to points intermediate to,to,or routed via the carriers' holding terminal specified for delivery to points and places indicated,will be forwarded from point of origin in truckload quantities and shipments routed beyond such holding terminals will be held where necessary,by the carrier,at its holding terminal specified,for additional shipments from the same or other shippers,at the same or other points of origin,and will be combined into truckloads as provided in tariff. For the purpose of applying the provisions of the less than minimum weight shipment Item 20 the holding terminal specified shall be considered a destination on shipments consigned from point of origin to,intermediate to or via such holding terminal.

CARRIER	HOLDING TERMINAL	DESTINATION OF SHIPMENT
Commercial Carriers,Inc.. . .	Cheyenne,Wyoming . . . . . . Chicago,Illinois . . . . . . Proviso,Illinois . . . . . . Salt Lake City,Utah.	Colorado,Idaho,Nevada,Utah and Wyoming Nevada and Utah

For explanation of abbreviations,reference marks and symbols,see Page 2.

FREIGHT TARIFF NO.5

APPLICATION OF RATES 251

ITEM	SUBJECT
30	**PICKUP AND DELIVERY** Rates published in this Tariff, except as otherwise provided, include pickup and delivery at points directly and conveniently accessible to carrier's equipment. The carrier may drive each vehicle from point offered for shipment to the carrier's terminal or storage yard located within the municipal limits of point of origin or adjacent thereto, and, in the event carrier's equipment cannot conveniently make delivery directly to the consignee, vehicles may be driven at destination from carrier's terminal to consignee's place of business, after preparing such vehicles for such method of delivery.
35	**REFUSED AND UNDELIVERED SHIPMENTS** All shipments refused or undelivered for any reason beyond the carrier's control, will be placed in a public licensed warehouse or garage (after tender of delivery to consignee or after notice of arrival has been given consignee) at the cost of the owner and subject to a lien for all transportation and other lawful charges including the charge for storage and transportation charges computed at four mills ($.004) per 100 pounds per mile from the billed destination to the nearest storage point. If such refused and/or undelivered vehicles are reconsigned by the owner to some other point, transportation charges, as computed at four mills ($.004) per 100 pounds per mile from original destination to final destination, will apply, subject to the specified minimum weight provisions and storage charges.
40	**RECONSIGNMENT OR DIVERSION** Reconsignment or diversion of shipments made subject to this Tariff will be permitted, viz: A change in name of consignee, destination or route. Shipments may be reconsigned without charge at any time before shipment leaves the terminal of originating carrier at point of origin. Shipments after leaving origin terminal may be reconsigned at a charge of $2.00 per shipment, in addition to charges provided below, under the following conditions: (a) At the through rate from origin to final destination published herein if new destination is beyond first destination and results in no deviation in route. (b) When a deviation in route is caused by the reconsignment, additional charges will be assessed on the basis of four mills ($.004) per 100 pounds per mile for each mile or fraction thereof in excess of mileage from origin to final destination via the shortest practicable route. (c) When reconsignment results in a back-haul from point stopped for reconsignment or diversion in transit, toward the point of origin, charges will be assessed on the basis of rate from point of origin to point stopped for reconsignment or diversion plus four mills ($.004) per 100 pounds per mile for the additional mileage in excess of the mileage from point of origin to point stopped for reconsignment or diversion that the shipment was carried in making the diversion. ONLY ONE CHANGE IN DESTINATION WILL BE PERMITTED UNDER THIS ITEM WHEN RECONSIGNMENT INSTRUCTIONS ARE RECEIVED AFTER SHIPMENT HAS LEFT TERMINAL AT POINT OF ORIGIN. Reconsignment at through rate from point of origin to final destination will not be protected when shipment has been unloaded from transportation vehicle at first destination (except as otherwise provided). In such instances rate published from origin point to first destination plus charges computed at four mills ($.004) per 100 pounds per mile will be assessed, subject to through rate to final destination as minimum. All requests for diversion or reconsignment must be made in writing and addressed to the originating carrier at the address shown in this Tariff.
	STORAGE CHARGES
	TRUCKLOAD SHIPMENTS At point of origin named in this tariff, rates published herein will include (3) three days' free storage from the first 7:00 A.M. following receipt or commodities in truckload quantities, and thereafter, when the act or failure to act by the consignor and/or consignee results in storage, the charges will be at the rate of 25¢ per vehicle per day or fraction thereof; Sundays and Legal Holidays, National, State and Municipal, but not half-holidays, will be excluded and when a legal holiday falls on Sunday, the following Monday will be excluded in detention time.
45	**LESS THAN TRUCKLOAD SHIPMENTS** At point of origin named in this tariff, less than truckload shipments will be accepted for transportation, subject to the following storage provisions: (A) Rates named in this Tariff include storage of such shipments for a period of fifteen days from the first 7:00 A.M. after receipt of the shipment by the carrier. (B) At the expiration of the fifteen days grace period, if it is found that the carrier cannot perform the transportation service as provided in Item 20, the carrier will notify the shipper and the shipper will have the option of: (1) Removing the shipment from the terminal of the carrier within twelve hours from receipt of notice, or (2) Instructing the carrier to hold the shipment for an additional period of time. (C) In the event the shipper does not remove the shipment from the terminal of the carrier within the prescribed twelve hour period, or if the shipper instructs the carrier to continue to hold the shipment for an additional period of time, a storage charge of twenty-five cents per vehicle will be assessed for each twenty-four hours or fraction thereof; (1) Storage charges will be computed from the first 7:00 A.M., which is twelve hours or more after the time the shipper received the notice from the carrier that options (1) or (2) of paragraph (B) above must be exercised.
50	**LOADING AND UNLOADING CHARGES** Except as otherwise specified, rates published in this Tariff include the expense of handling, loading and unloading, at point of origin and destination, except that consignor or consignee will perform the loading and unloading of commodities that cannot be loaded or unloaded under their own power.

For explanation of abbreviations, reference marks and symbols, see Page 2.

FREIGHT TARIFF NO.5

APPLICATION OF RATES 252

ITEM	SUBJECT
55	DELAYED AND/OR WAITING TIME Delayed and/or waiting time caused by the act or failure to act of consignor or consignee shall be charged at the rate of $3.50 per hour per man commencing one hour after arrival at origin point,intermediate point,and/or points of delivery.
60	CHARGES FOR EXTRA DRIVER When requested by shipper and/or when required by State or Federal regulations or otherwise, extra driver will be furnished at the applicable rate for the movement plus nineteen (19) cents per mile from point of origin to destination. When not requested by shipper,and extra driver is necessary,notice of such requirement will be given shipper in advance of movement of any shipment.
65	USED VEHICLES The rates on commodities,as named in Item 15 when such commodities are used (not new),will be subject to an additional handling charge of Two Dollars ($2.00) per vehicle.
70	C.O.D.SHIPMENTS C.O.D.(collect on delivery) shipments will be handled at a charge of $1.00 per shipment in addition to the rates named herein. The amount to be collected must be indicated in bold figures upon the face of the Bill of Lading or Shipping receipt. Each carrier shall remit each C.O.D.collection directly to the consignor or other person designated by the consignor as payee promptly and within ten (10) days after delivery of the C.O.D. shipment to the consignee.
75	ORDER BILL OF LADING SHIPMENTS Shipments tendered on an Order Bill of Lading will not be accepted unless prior specific arrangements have been made between the shipper and the carrier.
80	WASHING SERVICE When requested by the consignor and/or consignee,vehicles will be washed enroute or at destination before delivery at a charge of four dollars ($4.00) per vehicle.
85	CARRIER'S LIABILITY Except as otherwise provided,carriers will not be liable for damages caused by leaking brake fluids,lubricants,battery acids and/or cooling system anti-freeze solution.
90	PROTECTION OF COOLING SYSTEM During the season when cooling system requires protection from freezing,such protection will be furnished by,and at the expense of,the shipper.
95	EXTRA OR SPECIAL EQUIPMENT Carrier will not be responsible for special or extra equipment not attached to the vehicle unless specifically listed on the Bill of Lading or Shipping Receipt.
100	HOLD DOWN CLEVISES Rates provided herein include the return of hold down clevises furnished by the consignor to point of origin of shipments transported with such hold down clevises.
105	EMERGENCY SERVICE BY SINGLE DRIVE Single driveaway service at rates provided herein will be substituted in order to complete delivery when carrier's trucks and/or trailers are disabled en route or because of impassable roads or in the event of any other emergency.
110	DISPOSITION OF FRACTIONS When the transportation rates and/or charges computed by the rates named herein result in fractions of less than one-half of a cent,same will be reduced to the next lower whole cent and charges resulting in fractions of one-half of a cent or greater will be increased to the next higher whole cent.
115	METHOD OF CANCELLING ITEMS As this tariff is supplemented,numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example-Item 400-A cancels Item 400 and Item 410-B cancels 410-A in a prior supplement,which in turn cancelled Item 410.
120	METHOD OF DENOTING REISSUED MATTER IN SUPPLEMENTS Matter brought forward without change from one supplement to another will be designated as "Reissued" by a reference mark in the form of a square enclosing a number,the number being that of the supplement in which the reissued matter first appeared in its currently effective form. To determine its original effective date,consult the supplement in which the reissued matter first became effective.
125	AMENDMENTS TO ITEMS OR PAGES Whenever reference is made to any Item or Page in this Tariff,such reference is continuous and therefore include successive issues thereof.

For explanation of abbreviations,reference marks and symbols,see Page 2.

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72199 O - 62 - 8

FREIGHT TARIFF NO. 7

254

JOINT SPECIFIC COMMODITY RATES

COLUMN 1--Applies from Detroit, Michigan.
COLUMN 2--Applies as proportional rates only from Chicago, Illinois and vicinity, as defined herein, on traffic originating at Flint, Lansing or Pontiac, Michigan.

For rates to apply to points and places in California, Colorado, Idaho, Nevada, Utah and Wyoming, not provided with a specific commodity rate, refer to Joint Distance or Mileage Commodity Rates herein.

ROUTING - COLUMN 1

Route via Commercial Carriers, Inc., Chicago, Illinois, Chicago and North Western Railway Company or, Chicago, Burlington & Quincy Railroad Company, Council Bluffs, Iowa, Union Pacific Railroad, Cheyenne, Wyoming, Commercial Carriers, Inc., OR

Route via Commercial Carriers, Inc., Chicago, Illinois, Chicago, Burlington & Quincy Railroad Company, Cheyenne, Wyoming, Commercial Carriers, Inc.

ROUTING - COLUMN 2

Route via Chicago and North Western Railway Company or Chicago, Burlington & Quincy Railroad Company, Council Bluffs, Iowa, Union Pacific Railroad, Cheyenne, Wyoming, Commercial Carriers, Inc., OR Route via Chicago, Burlington & Quincy Railroad Company, Cheyenne, Wyoming, Commercial Carriers, Inc.

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FREIGHT TARIFF No. 5 255

JOINT SPECIFIC COMMODITY RATES
IN CENTS PER 100 POUNDS

FROM DETROIT MICHIGAN Apply Rate Column 1
FROM CHICAGO ILLINOIS and vicinity as defined herein Apply Rate Column 2 (Applies only as proportional Rate on Traffic originating at Flint Lansing or Pontiac Michigan)

ITEM	TO	RATE COLUMN 1	RATE COLUMN 2
	COLORADO		
	Akron	423	302
	Alamosa	496	375
200	Alma	444	323
	Antonito	503	382
	Arapahoe	480	359
	Arvada	413	292
	Ault	387	266
	Aurora	412	291
205	Bennett	415	294
	Boulder	409	288
	Brighton	403	282
	Brush	414	293
	Buena Vista	456	335
210	Burlington	462	341
	Canon City	454	333
	Castle Rock	421	300
	Center	490	369
	Cheyenne Wells	468	347
215	Colorado Springs	436	315
	Cortez	553	432
	Craig	477	356
	Cripple Creek	452	331
	Delta	520	399
220	Denver	410	289
	Dolores	557	436
	Dove Creek	567	446
	Durango	537	416
	Eads	466	345
225	Eagle	461	340
	Eaton	389	268
	Edgewater	412	291
	Elizabeth	428	307
	Englewood	414	293
	Estes Park	406	285
230	Fairplay	442	321
	Flagler	440	319
	Fort Collins	390	269
	Fort Lupton	401	280
	Fort Morgan	410	289
235	Fowler	466	345
	Georgetown	427	306
	Glenwood Springs	372	351
	Golden	414	293
	Granby	443	322
240	Grand Junction	507	386
	Greeley	391	270
	Gunnison	488	367
	Hartsell	449	328
	Haxtun	431	310
245	Holly	486	365
	Holyoke	437	316
	Hotchkiss	518	397
	Hugo	440	319
	Idaho Springs	422	301
250	Johnstown	398	277
	Julesburg	440	319
	Keenesburg	402	281
	Kit Carson	458	337
	Kremmling	453	332
255	Lafayette	406	285
	La Jara	498	377
	La Junta	472	351

ITEM	TO	RATE COLUMN 1	RATE COLUMN 2
	COLORADO		
	Lamar	475	354
	Las Animas	479	358
260	Leadville	451	330
	Limon	436	315
	Littleton	414	293
	Longmont	392	271
	Loveland	395	274
265	Meeker	495	374
	Minturn	450	329
	Monte Vista	491	370
	Montrose	512	391
	Olathe	516	395
270	Otis	428	307
	Ordway	464	343
	Pagosa Springs	516	397
	Placerville	531	410
	Pueblo	452	331
275	Rangley	516	395
	Rifle	482	361
	Rocky Fort	468	347
	Salida	464	343
	Silverton	534	413
280	Springfield	493	372
	Steamboat Springs	473	352
	Sterling	419	298
	Telluride	537	416
	Trinidad	484	363
285	Victor	454	333
	Walden	420	299
	Walsenburg	470	349
	Walsh	500	379
	Wheat Ridge	412	291
290	Windsor	395	274
	Wray	442	321
	Yuma	433	312
	IDAHO		
	Aberdeen	583	462
	Albion	592	471
300	American Falls	578	457
	Arco	600	479
	Blackfoot	577	456
	Boise	654	533
	Bonners Ferry	763	642
305	Buhl	613	492
	Burley	592	471
	Caldwell	664	543
	Carey	616	495
	Cascade	683	562
310	Coeur D'Alene	746	625
	Council	702	581
	Craigmont	742	621
	Declo	589	468
	Donnelly	689	568
315	Downey	560	439
	Driggs	614	493
	Emmett	665	544
	Fairfield	633	512
	Genessee	748	627
320	Glens Ferry	629	508
	Gooding	619	498
	Grace	548	427

ITEM	TO	RATE COLUMN 1	RATE COLUMN 2
	IDAHO		
	Grangeville	730	609
	Hailey	626	505
325	Homedale	669	548
	Idaho Falls	587	466
	Jerome	610	489
	Kellogg	732	611
	Ketchum	630	509
330	Lewiston	759	638
	Mackay	610	489
	Malad City	557	436
	Montpelier	532	411
	Moore	603	482
335	Moscow	771	650
	Mountain Home	638	517
	Nampa	662	541
	Newdale	601	480
	Orofino	751	630
340	Payette	676	555
	Pocatello	568	447
	Preston	549	428
	Priest River	760	639
	Rexburg	597	476
345	Rigby	592	471
	Ririe	593	472
	Rupert	593	472
	St. Anthony	601	480
	St. Maries	759	638
350	Salmon	647	526
	Sandpoint	752	631
	Shoshone	614	493
	Soda Springs	543	422
	Spirit Lake	755	634
355	Sugar City	598	477
	Twin Falls	607	486
	Victor	617	496
	Wallace	728	607
360	Weiser	681	560
	Wendell	615	494
	NEVADA		
	Austin	686	565
	Battle Mountain	656	535
375	Boulder City	710	589
	Caliente	670	549
	Carson City	741	620
	East Ely	832	511
	Elko	629	508
380	Ely	632	511
	Fallon	728	607
	Hawthorne	732	611
	Hazen	726	605
	Henderson	706	585
385	Las Vegas	701	580
	Lovelock	702	581
	McGill	624	503
	Mercury	726	605
	Mina	719	598
390	Panaca	665	544
	Pioche	664	543
	Reno	736	615

For explanation of abbreviations reference marks and symbols see Page 2

FREIGHT TARIFF NO. 5

JOINT SPECIFIC COMMODITY RATES
IN CENTS PER 100 POUNDS

256

FROM DETROIT, MICHIGAN Apply Rate Column 1
FROM CHICAGO, ILLINOIS and vicinity as defined herein. Apply Rate Column 2 (Applies only as proportional Rate on Traffic originating at Flint Lansing or Pontiac, Michigan.)

ITEM	TO	RATE COLUMN 1	RATE COLUMN 2
	NEVADA		
395	Tonopah	694	573
	Wabuska	736	615
	Winnemucca	675	554
	Yerington	740	619
	UTAH		
400	American Fork	554	433
	Bingham Canyon	554	433
	Bountiful	543	422
	Brigham City	548	427
	Castle Dale	580	459
405	Cedar City	633	512
	Clearfield	543	422
	Coalville	527	406
	Delta	588	467
	Draper	549	428
410	Duchesne	544	423
	Elsinore	599	478
	Ephraim	579	458
	Eureka	568	447
	Farmington	541	420
415	Fillmore	591	470
	Garland	549	428
	Grantsville	555	434
	Gunnison	584	463
	Heber	543	422
420	Henefer	527	406
	Junction	613	492
	Kamas	536	415
	Kanab	651	530
	Kaysville	541	420
425	Layton	542	421
	Lehi	552	431
	Logan	539	418
	Magna	550	429
	Manti	581	460
430	UTAH		
	Milford	625	504
	Midvale	548	427
	Moab	549	428
	Monroe	600	479
	Monticello	570	449
435	Morgan	531	410
	Mt. Pleasant	572	451
	Murray	545	424
	Nephi	568	447
	Ogden	540	419
440	Panguitch	626	505
	Park City	535	414
	Payson	559	438
	Price	568	447
	Provo	552	431
445	Richfield	596	475
	Roosevelt	534	413
	St. George	653	532
	Salina	589	468
	Salt Lake City	543	422
450	Spanish Fork	556	435
	Sugarhouse	543	422
	Tooele	554	433
	Tremonton	548	427
	Vernal	522	401
455	Wendover	588	467
	WYOMING		
475	Afton	541	420
	Basin	516	396
	Buffalo	487	366
	Casper	443	322
	Cheyenne	369	248
	WYOMING		
480	Cody	524	403
	Douglas	419	298
	Evanston	512	391
	Gillette	465	344
	Glendo	414	293
485	Glenrock	436	315
	Green River	479	358
	Greybull	519	398
	Hanna	419	298
	Hawk Springs	397	276
490	Jackson	540	419
	Kemmerer	504	383
	Lander	482	361
	Laramie	392	271
	Lingle	408	287
495	Lovell	531	410
	Lusk	425	304
	Medicine Bow	413	292
	Newcastle	454	333
	Pine Bluffs	388	267
500	Powell	532	411
	Rawlins	434	313
	Riverton	488	367
	Rock Sprgs	473	352
	Saratoga	421	300
505	Shawnee	418	297
	Sheridan	500	379
	Sinclair	432	311
	Sundance	472	351
	Thayne	546	425
510	Thermopolis	492	371
	Torrington	405	284
	Wheatland	400	279
	Wilson	542	421
	Worland	505	384

For explanation of abbreviations, reference marks and symbols, see Page 2.

FREIGHT TARIFF NO.5

257

JOINT DISTANCE OR MILEAGE COMMODITY RATES

COLUMN 1--Applies from Detroit,Michigan.
COLUMN 2--Applies as proportional rates only From Chicago,Illinois,And Vicinity,as defined herein,on traffic originating at Flint,Lansing or Pontiac,Michigan.

Distance or Mileage Commodity rates shown herein may be used only when no specific through Commodity rates from and to the same points have been provided.

APPLICATION

To determine commodity rates to points and places not provided with Joint Specific Commodity rates,first determine the mileage from Cheyenne,Wyoming,to the considered point,then apply such mileage to the mileage column shown herein and the rate shown for Column 1 will be the rate applicable from Detroit, Michigan,and for Column 2 will be the rate applicable from Proviso,Illinois.

ROUTING - COLUMN 1

Route via Commercial Carriers,Inc.,Chicago,Illinois,Chicago and North Western Railway Company or Chicago,Burlington & Quincy Railroad Company,Council Bluffs,Iowa,Union Pacific Railroad,Cheyenne, Wyoming,Commercial Carriers,Inc., OR
Route via Commercial Carriers,Inc.,Chicago,Illinois,Chicago,Burlington & Quincy Railroad Company, Cheyenne,Wyoming,Commercial Carriers,Inc.

ROUTING - COLUMN 2

Route via Chicago and North Western Railway Company or Chicago,Burlington & Quincy Railroad Company, Council Bluffs,Iowa,Union Pacific Railroad,Cheyenne,Wyoming,Commercial Carriers,Inc.,OR
Route via Chicago,Burlington & Quincy Railroad Company,Cheyenne,Wyoming,Commercial Carriers,Inc.

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FREIGHT TARIFF NO. 5

JOINT DISTANCE OR MILEAGE COMMODITY RATES
IN CENTS PER 100 POUNDS

258

FROM DETROIT MICHIGAN, Apply Rate Column 1
FROM CHICAGO ILLINOIS And Vicinity as defined herein, Apply Rate Column 2 (Applies only as proportional Rates on Traffic originating at Flint Lansing or West as Michigan

Apply Mileages from Cheyenne, Wyoming.

Where the exact mileage is not shown herein apply the next higher mileage

MILES	RATE COLUMN 1	RATE COLUMN 2	MILES	RATE COLUMN 1	RATE COLUMN 2	MILES	RATE COLUMN 1	RATE COLUMN 2	MILES	RATE COLUMN 1	RATE COLUMN 2	MILES	RATE COLUMN 1	RATE COLUMN 2	MILES	RATE COLUMN 1	RATE COLUMN 2
4	374	253	167	434	313	331	494	373	495	554	433	658	614	493	822	674	553
6	375	254	170	435	314	334	495	374	497	555	434	661	615	494	823	675	554
9	376	255	173	436	315	336	496	375	500	556	435	664	616	495	827	676	555
12	377	256	175	437	316	339	497	376	501	557	436	666	617	496	830	677	556
14	378	257	178	438	317	342	498	377	505	558	437	669	618	497	833	678	557
17	379	258	181	439	318	345	499	378	508	559	438	672	619	498	835	679	558
20	380	259	184	440	319	347	500	379	511	560	439	675	620	499	838	680	559
23	381	260	186	441	320	350	501	380	514	561	440	677	621	500	841	681	560
25	382	261	189	442	321	353	502	381	516	562	441	680	622	501	844	682	561
28	383	262	192	443	322	355	503	382	519	563	442	683	623	502	846	683	562
31	384	263	195	444	323	358	504	383	522	564	443	685	624	503	849	684	563
34	385	264	197	445	324	361	505	384	525	565	444	688	625	504	852	685	564
36	386	265	200	446	325	364	506	385	527	566	445	691	626	505	855	686	565
39	387	266	203	447	326	366	507	386	530	567	446	694	627	506	857	687	566
42	388	267	205	448	327	369	508	387	533	568	447	696	628	507	860	688	567
44	389	268	208	449	328	372	509	388	535	569	448	699	629	508	863	689	568
47	390	269	211	450	329	375	510	389	538	570	449	702	630	509	865	690	569
50	391	270	214	451	330	377	511	390	541	571	450	705	631	510	868	691	570
53	392	271	216	452	331	380	512	391	544	572	451	707	632	511	871	692	571
55	393	272	219	453	332	383	513	392	546	573	452	710	633	512	874	693	572
58	394	273	222	454	333	385	514	393	549	574	453	713	634	513	876	694	573
61	395	274	225	455	334	388	515	394	552	575	454	715	635	514	879	695	574
64	396	275	227	456	335	391	516	395	555	576	455	718	636	515	882	696	575
66	397	276	230	457	336	394	517	396	557	577	456	721	637	516	885	697	576
69	398	277	233	458	337	396	518	397	560	578	457	724	638	517	887	698	577
72	399	278	235	459	338	399	519	398	563	579	458	726	639	518	890	699	578
74	400	279	238	460	339	402	520	399	565	580	459	729	640	519	893	700	579
77	401	280	241	461	340	405	521	400	568	581	460	732	641	520	895	701	580
80	402	281	244	462	341	407	522	401	571	582	461	735	642	521	898	702	581
83	403	282	246	463	342	410	523	402	574	583	462	737	643	522	901	703	582
85	404	283	249	464	343	413	524	403	576	584	463	740	644	523	904	704	583
88	405	284	252	465	344	415	525	404	579	585	464	743	645	524	906	705	584
91	406	285	255	466	345	418	526	405	582	586	465	745	646	525	909	706	585
94	407	286	257	467	346	421	527	406	585	587	466	748	647	526	912	707	586
96	408	287	260	468	347	424	528	407	587	588	467	751	648	527	915	708	587
99	409	288	263	469	348	426	529	408	590	589	468	754	649	528	917	709	588
102	410	289	265	470	349	429	530	409	593	590	469	756	650	529	920	710	589
104	411	290	268	471	350	432	531	410	595	591	470	759	651	530	923	711	590
107	412	291	271	472	351	435	532	411	598	592	471	762	652	531	925	712	591
110	413	292	274	473	352	437	533	412	601	593	472	765	653	532	928	713	592
113	414	293	276	474	353	440	534	413	604	594	473	767	654	533	931	714	593
115	415	294	279	475	354	443	535	414	606	595	474	770	655	534	934	715	594
118	416	295	282	476	355	445	536	415	609	596	475	773	656	535	936	716	595
121	417	296	285	477	356	448	537	416	612	597	476	775	657	536	939	717	596
124	418	297	287	478	357	451	538	417	615	598	477	778	658	537	942	718	597
126	419	298	290	479	358	454	539	418	617	599	478	781	659	538	945	719	598
129	420	299	293	480	359	456	540	419	620	600	479	784	660	539	947	720	599
132	421	300	295	481	360	459	541	420	623	601	480	786	661	540	950	721	600
134	422	301	298	482	361	462	542	421	625	602	481	789	662	541	953	722	601
137	423	302	301	483	362	465	543	422	628	603	482	792	663	542	955	723	602
140	424	303	304	484	363	467	544	423	631	604	483	795	664	543	958	724	603
143	425	304	306	485	364	470	545	424	634	605	484	797	665	544	961	725	604
145	426	305	309	486	365	473	546	425	636	606	485	800	666	545	964	726	605
148	427	306	312	487	366	475	547	426	639	607	486	803	667	546	966	727	606
151	428	307	315	488	367	478	548	427	642	608	487	805	668	547	969	728	607
154	429	308	317	489	368	481	549	428	645	609	488	808	669	548	972	729	608
156	430	309	320	490	369	484	550	429	647	610	489	811	670	549	975	730	609
159	431	310	323	491	370	486	551	430	650	611	490	814	671	550	977	731	610
162	432	311	325	492	371	489	552	431	653	612	491	816	672	551	980	732	611
164	433	312	328	493	372	492	553	432	655	613	492	819	673	552	983	733	612

For explanation of abbreviations, reference marks and symbols, see Page 2.

FREIGHT TARIFF NO.5 259

JOINT DISTANCE OR MILEAGE COMMODITY RATES
IN CENTS PER 100 POUNDS

FROM DETROIT, MICHIGAN, Apply Rate Column 1.
FROM CHICAGO, ILLINOIS And Vicinity, as defined herein, Apply Rate Column 2 (Applies only as proportional Rates on Traffic originating at Flint, Lansing or Pontiac, Michigan

Apply Mileages From Cheyenne, Wyoming.

Where the exact mileage is not shown herein apply the next higher mileage.

MILES	RATE COLUMN		MILES	RATE COLUMN		MILES	RATE COLUMN		MILES	RATE COLUMN		MILES	RATE COLUMN		MILES	RATE COLUMN	
	1	2		1	2		1	2			2		1	2		1	2
985	734	613	999	739	618	1013	744	623	1026	749	628	1040	754	633	1054	759	638
988	735	614	1002	740	619	1015	745	624	1029	750	629	1043	755	634	1056	760	639
991	736	615	1005	741	620	1018	746	625	1032	751	630	1045	756	635	1059	761	640
994	737	616	1007	742	621	1021	747	626	1035	752	631	1048	757	636	1062	762	641
996	738	617	1010	743	622	1024	748	627	1037	753	632	1051	758	637	1065	763	642

For explanation of abbreviations, reference marks and symbols, see Page 2.

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C65 ③

Supplement No. 3
contains all changes.

SUPPLEMENT NO. 3
TO
I. C. C. NO. 5
(Cancels Supplement No.2)

NATIONAL AUTOMOBILE TRANSPORTERS ASSOCIATION, AGENT

SUPPLEMENT NO. 3
TO
TARIFF NO. 504

Naming

JOINT SPECIFIC AND MILEAGE COMMODITY RATES

For
The Transportation of

AUTOMOBILES AND OTHER COMMODITIES
(As described herein)

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing and Pontiac, Michigan	CALIFORNIA COLORADO IDAHO	MONTANA NEVADA OREGON	UTAH WASHINGTON WYOMING

VIA

MOTOR (TRUCKAWAY)-RAIL (TRI-LEVEL RAIL CAR SERVICE)-MOTOR (TRUCKAWAY)

Distance or Mileage Commodity Rates named herein may be used only when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

For reference to Governing Publications, See Item 10.

ISSUED FEBRUARY 10, 1961

EFFECTIVE MARCH 16, 1961
(except as otherwise noted)

Departure from the terms of Rule 9 (e) of Tariff Circular 20 is authorized under permission of the Interstate Commerce Commission No. 90999, dated February 10, 1961

Issued by:
T. V. BREITENBECK, Traffic Manager
2356 First National Building
Detroit 26, Michigan

LIST OF PARTICIPATING MOTOR CARRIERS

The List of Participating Motor Carriers is as shown on Page 2 of Tariff and below:

AMEND	NAME OF CARRIER	ADDRESS	CERTIFICATE OR ORDER NO MC-	POWER OF ATTORNEY FA 1 NO.
1 Add	Convoy Company.	Seattle, Washington	52858	2

LIST OF PARTICIPATING RAIL CARRIERS

The List of Participating Rail Carriers is as shown on Page 2 of Tariff and below:

AMEND	NAME OF CARRIER	ADDRESS	POWER OF ATTORNEY
Add	Northern Pacific Railway Company	St.Paul, Minn.	FA 1 No. 13

TABLE OF CONTENTS

SUBJECT	ITEM	PAGE
Commodity Description	20-A	2-3
Participating Carriers.	—	2
Rate Section 1-A.	500-860	4-8
Routing	5020-5040	10-11

CUMULATIVE INDEX OF CURRENT ITEMS

New "Items" added in supplements and "Items" in the original tariff which have been amended in supplements are listed below with reference to the supplements in which such "Items" may be found.

ITEM	SUPP.	ITEM	SUPP.	ITEM	SUPP.	ITEM	SUPP.	ITEM	SUPP.
20-A	3	570	3	650	3	730	3	810	3
500	3	580	3	660	3	740	3	820	3
510	3	590	3	670	3	750	3	830	3
520	3	600	3	680	3	760	3	840	3
530	3	610	3	690	3	770	3	850	3
540	3	620	3	700	3	780	3	5020	3
550	3	630	3	710	3	790	3	5030	3
560	3	640	3	720	3	800	3	5040	3

APPLICATION OF RATES

ITEM	SUBJECT
2 20-A cancels 20	COMMODITY DESCRIPTION Rates and charges named in this tariff apply on the following commodities (See NOTES 1 and 2): (a) Automobiles, new, passenger, complete or not complete, finished or not finished, chassis, set up, and (b) Automobiles, used, passenger, complete or not complete, finished or not finished, set up, used automobiles passenger will be subject to an additional handling charge of two dollars ($2.00) per vehicle. NOTE 1 - Rates include the charges for the transportation of oil, water, gasoline, and/or anti-freeze necessary for the operation of each vehicle. NOTE 2 - The weight applicable on the motor vehicles shall be the factory shipping weights as shown on the bill of lading or shipping receipt subject to correction. (continued)

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 3 to Tariff No. 504 252

APPLICATION OF RATES

ITEM	SUBJECT
	COMMODITY DESCRIPTION - Concluded
2	Minimum Truckload, Vehicles weighing 3150 pounds or less six (6) vehicles *
20-A cancels 20	Minimum Truckload, Vehicles weighing over 3150 pounds five (5) vehicles.
(concl)	* Does not apply for the account of Contract Cartage Company, Pontiac, Michigan or Motorcar Transport Company, Pontiac, Michigan. The minimum truckload for Contract Cartage Company, Pontiac, Michigan, or Motorcar Transport Company, Pontiac, Michigan, is five (5) vehicles.

1 Refer to Title Page of Section No. 1 on Page 7 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following:

SECTION NO. 1
ARBITRARY MILEAGES

FROM	TO POINTS IN THE STATES OF		
Basing Points - Cheyenne, Wyoming on traffic from Flint, Lansing and Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

Via
Motor (Truckaway)-Rail (Tri-Level Rail Car Service)-Motor (Truckaway)

BASING POINT - Cheyenne, Wyoming

For application of joint routing, see Item 5000, 5010, 5020 and 5030.

Refer to Section No. 1 on Page 10 of Tariff and add the following:

SECTION NO. 1
ARBITRARY MILEAGES
FROM BASING POINT - CHEYENNE, WYOMING

TO	MILES
WYOMING	
Cheyenne	2 4

SECTION NO. 1-A
JOINT SPECIFIC COMMODITY RATES

FROM	TO POINTS IN THE STATES OF	
Flint, Lansing and Pontiac, Michigan	Idaho	Montana

BASING POINT - MILES CITY, MONTANA

Via
Motor(Truckaway) - Rail(Tri-Level Rail Car Service)-Motor(Truckaway)

Rates named in this section are specific commodity rates and do not alternate with rates named in other sections of this tariff.

For application of Joint Routing, See Item 5040.

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

Supplement No. 3 to Tariff No. 104

SECTION NO. 1-A 263
JOINT SPECIFIC COMMODITY RATES
IN DOLLARS PER VEH. LB

ITEM	TO	Rates Apply From					
		Flint, Michigan		Lansing, Michigan		Pontiac, Michigan	
	IDAHO	(A)	(B)	(A)	(B)	(A)	(B)
	Aberdeen	187.17	221.09	179.82	211.84	188.57	222.84
	Albion	195.57	230.09	188.22	220.84	196.97	231.84
500	American Falls	188.37	222.39	181.02	213.14	189.77	224.14
	Arco	187.17	221.09	179.82	211.84	188.57	222.84
	Ashton	173.17	206.04	165.82	196.79	174.57	207.79
	Bancroft	191.37	225.59	184.02	216.34	192.77	227.34
	Blackfoot	182.42	215.99	175.07	206.74	183.82	217.74
510	Bliss	200.27	235.19	192.92	225.94	201.67	236.94
	Boise	211.57	247.29	204.22	238.04	212.97	249.04
	Bonners Ferry	202.07	237.09	194.72	227.84	203.47	238.84
	Buhl	201.52	236.49	194.17	227.24	202.92	238.24
	Burley	194.92	229.39	187.57	220.14	196.32	231.14
520	Caldwell	214.52	250.49	207.17	241.24	215.92	252.24
	Carey	192.57	226.89	185.22	217.64	193.97	228.64
	Cascade	220.47	256.89	213.12	247.64	221.87	268.64
	Couer d'Alene	200.27	235.19	192.92	225.94	201.67	236.94
	Council	227.07	263.99	219.72	254.74	228.47	265.74
530	Craigmont	219.92	256.29	212.57	247.04	221.32	258.04
	Declo	194.92	229.39	187.57	220.14	196.32	231.14
	Donnelly	222.87	259.49	215.52	250.24	224.27	261.24
	Downey	189.62	223.69	182.27	214.44	191.02	225.44
	Driggs	177.72	211.94	170.37	201.69	179.12	212.69
540	Dubois	183.02	216.59	175.67	207.34	184.42	228.34
	Eastport	205.02	240.29	197.67	231.04	206.42	242.04
	Emmett	215.17	251.19	207.82	241.22	216.57	252.94
	Fairfield	203.27	238.39	195.92	229.14	204.67	240.14
	Fort Hall	183.67	217.29	176.32	208.04	185.07	219.04
550	Genessee	212.22	247.99	204.87	238.74	213.62	249.74
	Glenns Ferry	203.27	238.39	195.92	229.14	204.67	240.14
	Gooding	199.07	233.89	191.72	224.64	200.47	235.64
	Grace	193.12	227.49	185.77	218.24	194.52	229.24
	Grangeville	223.47	260.09	216.12	250.84	224.87	261.84
560	Hailey	196.12	230.69	188.77	221.44	197.52	232.44
	Homedale	216.37	252.49	209.02	243.24	217.77	254.24
	Idaho Falls	179.47	212.79	172.12	203.59	180.87	214.54
	Jerome	199.07	233.89	191.72	224.64	200.47	235.64
	Kellogg	196.12	230.69	188.77	221.44	197.52	232.44
570	Ketchum	197.32	231.99	189.97	222.74	198.72	233.74
	Lewiston	214.52	250.49	207.17	241.24	215.92	252.24
	McCall	224.12	260.79	216.77	251.54	225.52	262.54

COLUMN A - Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B - Rates apply on vehicles weighing over 3150 pounds.

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 3 to Tariff No. 504

SECTION NO. 1-A 264

JOINT SPECIFIC COMMODITY RATES

IN DOLLARS PER VEHICLE

ITEM	TO	Rates Apply From					
		Flint, Michigan		Lansing, Michigan		Pontiac, Michigan	
	IDAHO	1 (A)	1 (B)	1 (A)	1 (B)	1 (A)	1 (B)
580	Mackay	190.77	224.94	183.42	215.69	192.17	226.69
	Malad City	191.92	226.19	184.57	216.94	193.32	227.94
	Meririam	212.77	248.59	205.42	239.34	214.17	250.34
	Moore	186.37	222.39	181.02	213.14	189.77	224.14
	Montpelier	196.72	231.34	189.37	222.09	196.12	233.09
590	Moreland	183.02	216.59	175.67	207.34	184.42	218.34
	Moscow	210.42	246.09	203.07	236.84	211.82	247.84
	Mountain Home	206.27	241.59	198.92	232.34	207.67	243.34
	Mullan	193.72	228.14	186.37	218,89	195.12	229.89
	Nampa	213.97	249.89	206.62	240.64	215.37	251.64
600	Newdale	176.62	209.74	169.27	200.49	178.02	211.49
	New Meadows	225.87	262.69	218.52	253.44	227.27	264.44
	Nezperce	221.67	258.19	214.32	248.94	223.07	259.94
	Orofino	219.92	256.29	212.57	247.04	221.32	258.04
	Paris	197.87	232.59	190.52	223.34	199.27	234.34
610	Payette	218.17	254.39	210.82	245.14	219.57	256.14
	Plummer	204.47	239.69	197.12	230.44	205.87	241.44
	Pocatello	185.42	219.19	178.07	209.94	186.82	220.94
	Potlatch	208.57	244.09	201.22	234.84	209.97	245.84
	Preston	193.12	227.49	185.77	218.24	194.52	229.24
620	Priet River	205.02	240.29	197.67	231.04	206.42	242.04
	Rexburg	176.02	209.09	168.67	199.84	177.42	210.84
	Rigby	177.72	210.94	170.37	201.69	179.12	212.69
	Ririe	178.87	212.14	171.52	202.89	180.27	213.89
	Ruport	194.32	228.79	186.97	219.54	195.72	230.54
630	St.Anthony	174.97	207.94	167.62	198.69	176.37	209.69
	St.Maries	205.02	240.29	197.67	231.04	206.42	242.04
	Salmon	196.72	231.34	189.37	222.09	198.12	233.09
	Sandpoint	202.62	237.69	195.27	228.44	204.02	239.44
	Shoshone	196.72	231.34	189.37	222.09	198.12	233.09
640	Smelterville	196.12	230.69	188.77	221.44	197.52	232.44
	Soda Springs	193.13	227.49	185.77	218.24	194.52	229.24
	Spirit Lake	203.82	238.99	196.47	229.74	205.22	240.74
	SugarCity	175.47	208.49	168.12	199.24	176.87	210.24
	Sun Valley	197.32	231.99	189.97	222.74	198.72	233.74
650	Tetonia	176.62	209.74	169.27	200.49	178.02	211.49
	Twin Falls	199.67	234.54	192.32	225.29	201.07	236.29
	Victor	178.32	211.54	170.97	202.29	179.72	213.29
	Wallace	194.92	229.39	187.57	220.14	196.32	213.14
	Weiser	219.92	256.29	212.57	247.04	221.32	258.04
	Wendell	200.27	235.19	192.92	225.94	201.67	236.94

COLUMN A - Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B - Rates apply on vehicles weighing over 3150 pounds.

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 3 to Tariff No. 504

SECTION NO. 1-A

JOINT SPECIFIC COMMODITY RATES

IN DOLLARS PER VEHICLE.

ITEM	TO	Rates from Flint, Michigan		Rates from Lansing, Michigan		Rates from Pontiac, Michigan	
	MONTANA	(A)	(B)	(A)	(B)	(A)	(B)
	Anaconda	169.22	201.79	161.87	192.54	170.62	203.54
	Augusta	164.57	196.79	157.22	187.54	165.97	198.54
660	Bainville	141.62	172.09	134.27	162.84	143.02	173.84
	Belgrade	156.42	188.04	149.07	179.79	157.82	189.79
	Belt	155.82	187.39	148.47	178.14	157.22	189.14
	Bigfork	185.97	219.79	178.62	210.54	187.37	221.54
	Big Sandy	167.47	199.89	160.12	190.64	168.87	201.64
670	Big Timber	147.57	178.49	140.22	169.24	148.97	180.24
	Billings	137.97	168.19	130.62	158.94	139.37	169.94
	Black Eagle	158.77	190.54	151.42	181.29	160.17	192.29
	Boulder	170.37	202.99	163.02	193.74	171.77	204.74
	Bozeman	154.62	186.09	147.27	176.84	156.02	187.84
680	Bridger	143.37	173.99	136.02	164.74	144.77	175.74
	Browning	173.17	202.04	165.82	196.79	174.57	207.79
	Butte	166.37	198.69	159.02	189.44	167.77	200.44
	Cascade	161.72	193.69	154.37	184.44	163.12	195.44
	Chester	173.17	206.04	165.82	196.79	174.57	207.79
690	Chinook	163.47	195.59	156.12	186.34	164.87	197.34
	Choteau	164.57	196.79	157.22	187.54	165.97	198.54
	Circle	134.97	164.94	127.62	155.69	136.37	166.69
	Columbia Falls	183.02	216.59	175.67	207.34	184.42	218.34
	Columbus	182.82	173.39	135.47	164.14	144.22	175.14
700	Conrad	165.72	198.04	158.37	188.79	167.12	199.79
	Corrallis	185.42	219.19	178.07	209.94	186.82	220.94
	Crow Agency	145.82	176.59	138.47	167.34	147.22	178.14
	Culbertson	139.82	170.14	132.47	160.89	141.22	171.89
	Cut Bank	171.47	204.19	164.12	194.94	172.87	205.94
710	Darty	187.77	221.74	180.42	212.49	189.17	223.49
	Deer Lodge	170.37	202.99	163.02	193.74	171.77	204.74
	Dillon	173.77	206.69	166.42	197.44	175.17	208.44
	Dodson	157.67	189.34	150.32	180.09	159.07	191.09
	Drummond	174.32	207.24	166.97	197.99	175.72	208.99
720	Dutton	162.83	194.94	155.52	185.69	164.27	196.69
	Ekalaka	133.77	163.64	126.42	154.39	135.17	165.39
	Ennis	164.02	196.19	156.67	186.94	165.42	197.94
	Eureka	190.17	224.29	182.82	215.04	191.57	226.04
	Fairfield	162.87	194.94	155.52	185.69	164.27	196.69
730	Fairview	136.77	166.89	129.42	157.64	138.17	168.64
	Fort Benton	163.47	195.59	156.12	186.34	164.87	197.34
	Fort Peck	146.97	177.84	139.62	168.59	148.37	179.59

COLUMN A - Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B - Rates apply on vehicles weighing over 3150 pounds.

For explanation of abbreviations, reference marks or symbols, see Page 17 of Tariff and last page herein.

SECTION NO. 1-A
JOINT SPECIFIC COMMODITY RATES
IN DOLLARS PER VEHICLE

266

ITEM	TO MONTANA	Rates Apply From Flint, Michigan (A)	Flint, Michigan (B)	Lansing, Michigan (A)	Lansing, Michigan (B)	Pontiac, Michigan (A)	Pontiac, Michigan (B)
	Froid	141.62	172.09	134.27	162.84	143.02	173.84
	Geraldine	155.82	187.39	148.47	178.14	157.22	189.14
	Glasgow	146.97	177.84	139.62	168.49	148.37	179.69
740	Great Falls	158.17	189.89	150.82	180.64	159.57	179.59
	Hamilton	185.42	219.19	178.07	209.94	186.82	220.94
	Hardin	143.97	174.64	136.62	165.39	145.37	176.39
	Harlem	161.07	193.04	153.72	183.79	162.47	194.79
	Harlowton	152.32	183.59	144.97	174.34	153.72	185.34
750	Harrison	161.07	193.04	153.72	183.79	162.47	194.79
	Marre	166.37	198.69	159.02	189.44	167.77	200.44
	Helena	166.92	199.29	159.57	190.04	168.32	201.04
	Hot Springs	191.92	226.19	184.57	216.94	193.32	227.94
	Kalispell	184.77	218.49	177.42	209.24	186.17	220.24
760	Kevin	170.92	203.59	163.57	194.34	172.32	205.34
	Klein	142.82	173.39	135.47	164.14	144.22	175.14
	Laurel	139.82	170.14	132.47	160.89	141.22	171.89
	Lewiston	145.17	175.94	137.82	166.69	146.57	177.69
	Libby	195.57	230.09	188.22	220.84	196.97	231.84
770	Lima	179.47	212.79	172.12	203.54	180.87	214.54
	Livingston	151.77	182.99	144.42	173.74	153.17	184.74
	Lodge Grass	147.57	178.49	140.22	169.24	148.97	180.24
	Malta	155.82	187.39	148.47	178.14	157.22	189.14
	Manhattan	157.67	189.34	150.32	180.09	159.07	191.09
780	Miles City	121.22	149.69	113.87	140.44	122.62	151.44
	Milltown	179.47	212.79	172.12	203.54	180.87	214.54
	Missoula	180.02	213.39	172.67	204.14	181.42	215.14
	Nashua	145.82	176.59	138.47	167.34	147.22	178.34
	Opheim	152.92	184.24	145.57	174.99	154.32	185.99
790	Phillipsburg	172.07	204.84	164.72	195.59	173.47	206.59
	Plains	189.62	223.69	182.27	214.44	191.02	225.44
	Plentywood	145.82	176.59	138.47	167.34	147.22	178.34
	Plevna	128.57	157.04	121.22	147.79	129.97	158.79
	Polson	188.37	222.39	181.02	213.14	189.77	224.14
800	Poplar	142.82	173.39	135.47	164.14	144.22	175.14
	Red Lodge	145.17	175.94	137.82	166.69	146.57	177.69
	Ronan	186.62	220.49	179.27	211.24	188.02	222.24
	Roundup	143.37	173.99	136.02	164.74	144.77	175.74
	Ryegate	149.32	180.39	141.97	171.14	150.72	182.14
810	Saco	152.32	183.59	144.97	174.34	153.72	185.34
	St. Ignatius	184.77	218.49	177.42	209.24	186.17	220.24
	Scobey	146.37	177.19	139.02	167.94	147.77	178.94

COLUMN A - Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B - Rates apply on vehicles weighing over 3150 pounds.

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 3 to Tariff No. 504

SECTION NO. 1-A
JOINT SPECIFIC COMMODITY RATES
IN DOLLARS PER VEHICLE

267

ITEM	TO MONTANA	Rates Apply From					
		Flint, Michigan		Lansing, Michigan		Pontiac, Michigan	
		(A)	(B)	(A)	(B)	(A)	(B)
820	Shelby	168.57	201.09	161.22	191.84	169.97	202.84
	Sheridan	168.07	200.54	160.72	191.29	169.47	202.29
	Sidney	135.57	165.59	128.22	156.34	136.97	167.34
	Somers	185.97	219.79	178.62	210.54	187.37	221.54
	Stanford	151.12	182.34	143.77	173.09	152.52	184.09
830	Stevensville	183.67	217.29	176.32	208.04	185.07	219.04
	Sunburst	172.97	204.84	164.72	196.59	173.47	206.59
	Superior	187.17	221.09	179.82	211.24	186.57	222.84
	Sweetgrass	172.62	205.44	165.27	196.19	174.02	207.19
	Thompson Falls	192.57	226.89	185.22	217.64	193.97	228.64
840	Three Forks	158.77	190.54	151.42	181.29	160.17	192.29
	Townsend	162.87	194.94	155.52	185.69	164.27	196.69
	Troy	197.87	232.59	190.52	223.34	199.27	234.34
	Valier	168.07	200.54	160.72	191.29	169.47	202.29
	Virginia City	165.72	198.04	158.37	188.79	167.12	199.79
850	Walkerville	166.37	198.69	159.02	189.44	167.77	200.44
	Warm Springs	168.57	201.09	161.22	191.84	169.97	202.84
	Westby	148.17	179.14	140.82	169.89	149.57	180.89
	Whitefish	184.22	217.89	176.87	208.64	185.62	219.64
	Whitehall	162.32	194.34	154.97	185.09	163.72	196.09
860	White Sulphur Springs	159.97	191.84	152.62	182.59	161.37	193.59
	Wibaux	132.52	162.29	125.17	153.04	133.92	164.04
	Winnett	139.17	169.49	131.82	160.24	140.57	171.24
	Wolf Point	141.02	171.44	133.67	162.19	142.42	173.19

COLUMN A - Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B - Rates apply on vehicles weighing over 3150 pounds.

For explanation of abbreviati[illegible] reference marks or symbols, refer to Page 17 of Tariff and last page her[illegible]

Supplement No. 3 to Tariff No. 504 268

1 Refer to Title Page of Section No. 2 on Page 11 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following:

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing or Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

(Basing Point - Cheyenne, Wyoming)

Via
Motor (Truckaway)-Rail (Piggyback Rail Car Service)- Motor (Truckaway)

Distance or Mileage Commodity Rates named herein may be used when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

Joint through rates named in this section apply from Flint, Lansing or Pontiac, Michigan via routing provided in Item 5000, 5010, 5020, and 5030, and are determined by applying to the mileage scale of rates the arbitrary mileages shown in Section No. 1 or the highway distance from the basing point of Cheyenne, Wyoming to points of destination in the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming as determined in accordance with the provisions of Item 10.

2 Refer to Section No. 2 on Page 16 of Tariff and cancel the rates shown thereon for the mileages indicated below and in lieu thereof apply the following, and also add the following:

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE, WYOMING

MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	A	B	A	B	A	B
1430	286.75	378.77	279.40	369.53	288.15	380.52
1433	287.07	379.21	279.72	369.97	288.47	380.96
1435	287.39	379.65	280.04	370.41	288.79	381.40
1438	287.71	380.09	280.36	370.85	289.11	381.84
1441	288.03	380.53	280.68	371.29	289.43	382.28
1444	288.35	380.97	281.00	371.73	289.75	382.72
1446	288.67	381.41	281.32	372.17	290.07	383.16
1449	288.99	381.85	281.64	372.61	290.39	383.60
1452	289.31	382.29	281.96	373.05	290.71	384.04
1454	289.63	382.73	282.28	373.49	291.03	384.48
1457	289.95	383.17	282.60	373.93	291.35	384.92
1460	290.27	383.61	282.92	374.37	291.67	385.36

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 1 to Tariff No. 504

SECTION NO. 4 269

ROUTING INSTRUCTIONS FOR RATE SECTIONS NOS. 1 AND 2.

ITEM	ROUTING
[1] 5020	Rates named in this tariff apply via the following routings to the States of California, Idaho, Oregon and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence Convoy Company, beyond. FROM LANSING, MICHIGAN VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company, beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company beyond.
[1] 5030	Rates named in this tariff apply via the following routes to the States of California, Idaho, Oregon, and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicaro Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via Chicago Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad to Cheyenne, Wyoming, thence via Convoy Company beyond. FROM LANSING, MICHIGAN VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero) Illinois, thence via the Chicago Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle terminal at Chicago (Cicero) Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming, or via the Chicago Burlington and Quincy Railroad Co., to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Rail-Road Company, to Cheyenne, Wyoming, thence via Convoy Company beyond.

For explanation of abbreviations, reference marks or symbols, refer to Page 17 of Tariff and last page herein.

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Supplement No. 3 to Tariff No. 104 270

SECTION NO. 4
ROUTING INSTRUCTIONS FOR RATE SECTION NO. 1-A

ITEM	ROUTING
	Rates named in this tariff apply via the following routings to the States of California, Colorado, Idaho, and Montana:
	FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to St. Paul, Minn., thence via N.P. to Miles City, Mont., thence via Convoy Company beyond.
5040	
	FROM LANSING, MICHIGAN VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to St. Paul, Minn., thence via N.P. to Miles City, Mont., thence via Convoy Company beyond.
1	
	FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to St. Paul, Minn., thence via N.P. to Miles City, Mont., thence via Convoy Company beyond.

Explanation of Abbreviations, Reference Marks or Symbols.

[1] Reissued from Supplement No. 1, effective January 9, 1961.

[2] Reissued from Supplement No. 2, effective February 13, 1961.

1 Denotes reduction.

Minn.-Minnesota.
Mont.-Montana.
N.P. -Northern Pacific Railway Company.

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Supplement No. 2
contains all changes.

SUPPLEMENT NO. 2
TO
I. C. C. NO. 5
Cancels
Supplement No. 1

NATIONAL AUTOMOBILE TRANSPORTERS ASSOCIATION, AGENT

SUPPLEMENT NO. 2
TO
TARIFF NO. 504

Naming

JOINT SPECIFIC AND MILEAGE COMMODITY RATES

For
The Transportation of

AUTOMOBILES AND OTHER COMMODITIES

(As described herein)

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing and Pontiac, Michigan	CALIFORNIA COLORADO IDAHO	NEVADA OREGON UTAH	WASHINGTON WYOMING

VIA

MOTOR (TRUCKAWAY)-RAIL (TRI-LEVEL RAIL CAR SERVICE)- MOTOR (TRUCKAWAY)

Distance or Mileage Commodity Rates named herein may be used only when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

For reference to Governing Publications, See Item 10.

ISSUED JANUARY 11, 1961

EFFECTIVE FEBRUARY 13, 1961
(Except as otherwise provided)

Issued By:
T. V. BREITENBECK, Traffic Manager
2356 First National Building
Detroit 26, Michigan

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LIST OF PARTICIPATING MOTOR CARRIERS

The List of Participating Motor Carriers is as shown on page 2 of Tariff and below:

AMEND	NAME OF CARRIER	ADDRESS	CERTIFICATE OR ORDER NO. MC-	POWER OF ATTORNEY FA 1 No.
1 Add	Convoy Company	Seattle, Washington	52858	2

LIST OF PARTICIPATING RAIL CARRIERS

The List of Participating Rail Carriers is as shown on page 2 of Tariff.

APPLICATION OF RATES

ITEM	SUBJECT
20-A Cancels 20	COMMODITY DESCRIPTION Rates and charges named in this tariff apply on the following commodities (See NOTES 1 and 2): (a) Automobiles, new, Passenger, complete or not complete, finished or not finished, chassis, set up, and (b) Automobiles, Used, passenger, complete or not complete, finished or not finished, set up, used automobiles passenger will be subject to an additional handling charge of two dollars ($2.00) per vehicle. NOTE 1 - Rates include the charges for the transportation of oil, water, gasoline, and/or anti-freeze necessary for the operation of each vehicle. NOTE 2 - The weight applicable on the motor vehicles shall be the factory shipping weights as shown on the bill of lading or shipping receipt subject to correction. Minimum Truckload, Vehicles weighing 3150 pounds or less six (6) vehicles* Minimum Truckload, Vehicles weighing over 3150 pounds five (5) vehicles. *Does not apply for the account of Contract Cartage Company, Pontiac, Michigan or Motorcar Transport Company, Pontiac, Michigan. The minimum truckload for Contract Cartage Company, Pontiac, Michigan, or Motorcar Transport Company, Pontiac, Michigan is five (5) vehicles.

1 Refer to Title Page of Section No. 1 on page 7 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following:

SECTION NO. 1

ARBITRARY MILEAGES

FROM	TO POINTS IN THE STATES OF		
Basing Points - Cheyenne, Wyoming on traffic from Flint, Lansing and Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

Via

Motor (Truckaway)-Rail (Tri-Level Rail Car Service)- Motor (Truckaway)

BASING POINT - Cheyenne, Wyoming

For application of joint routing, see Item 5000, 5010, 5020 and 5030.

For explanation of abbreviations, reference marks or symbols, refer to page 17 of Tariff and last page herein.

Refer to Section No. 1 on page 1[illegible] of Tariff and add the following

SECTION NO. 1
ARBITRARY MILEAGES
FROM BASING POINT - CHEYENNE, WYOMING

TO	MILES
WYOMING	
Cheyenne	◊ 4

[1] Refer to Title Page of Section No. 2 on page 11 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing or Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

(Basing Point - Cheyenne, Wyoming)
Via
Motor (Truckaway)-Rail (Tri-Level Rail Car Service)- Motor (Truckaway)

Distance or Mileage Commodity Rates named herein may be used when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

Joint through rates named in this section apply from Flint, Lansing or Pontiac, Michigan via routing provided in Item 5000, 5010, 5020 and 5030, and are determined by applying to the mileage scale of rates the arbitrary mileages shown in Section No. 1 or the highway distance from the basing point of Cheyenne, Wyoming to points of destination in the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming as determined in accordance with the provisions of Item 10.

Refer to Section No. 2 on page 16 of Tariff and cancel the rates shown thereon for the mileages indicated below and in lieu thereof apply the following, and also add the following:

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE, WYOMING

MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	◊ A	◊ B	◊ A	◊ B	◊ A	◊ B
1430	286.75	o378.77	o279.40	o369.53	o288.15	o380.52
1433	o287.07	o379.21	o279.72	o369.97	o288.47	o380.96
1435	287.39	379.65	280.04	370.41	288.79	381.40
1438	287.71	380.09	280.36	370.85	289.11	381.84
1441	288.03	380.53	280.68	371.29	289.43	382.28
1444	288.35	380.97	281.00	371.73	289.75	382.72
1446	288.67	381.41	281.32	372.17	290.07	383.16
1449	288.99	381.85	281.64	372.61	290.39	383.60
1452	289.31	382.29	281.96	373.05	290.71	384.04
1454	289.63	382.73	282.28	373.49	291.03	384.48
1457	289.95	383.17	282.60	373.93	291.35	384.92
1460	290.27	383.61	282.92	374.37	291.67	385.36

For explanation of abbreviations, reference marks or symbols, refer to page 17 of Tariff and last page herein.

PARTIN NO. 4

ROUTING INSTRUCTIONS FOR RATE SECTIONS [illegible]

ITEM	ROUTING
[1] 5020	Rates named in this Tariff apply via the following routings to the States of California, Idaho, Oregon and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence Convoy Company, beyond. FROM LANSING, MICHIGAN VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company, beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company, beyond.
[1] 5030	Rates named in this tariff apply via the following routes to the States of California, Idaho, Oregon and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via Chicago Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad to Cheyenne, Wyoming, thence via Convoy Company, beyond. FROM LANSING, MICHIGAN: VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle terminal at Chicago (Cicero), Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago Burlington and Quincy Railroad Co., to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Company, to Cheyenne, Wyoming, thence via Convoy Company, beyond.

◊ - Denotes increase.
δ - Denotes reduction.
o - Denotes no change in rate.
[1] - Reissued from Supplement No. 1, effective January 9, 1961.

For explanation of abbreviations, reference marks or symbols, refer to page 17 of Tariff and above.

SUPPLEMENT NO. 1
TO
I.C.C. NO. 5

NATIONAL AUTOMOBILE TRANSPORTERS ASSOCIATION, AGENT

SUPPLEMENT NO. 1
TO
TARIFF NO. 504

Naming

JOINT SPECIFIC AND MILEAGE COMMODITY RATES

For
The Transportation of

AUTOMOBILES AND OTHER COMMODITIES

(As described herein)

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing and Pontiac, Michigan	CALIFORNIA COLORADO IDAHO	NEVADA OREGON UTAH	WASHINGTON WYOMING

VIA

MOTOR (TRUCKAWAY)-RAIL (TRI-LEVEL RAIL CAR SERVICE)- MOTOR (TRUCKAWAY)

Distance or Mileage Commodity Rates named herein may be used only when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

For reference to Governing Publications, See Item 10.

ISSUED DECEMBER 30, 1960 EFFECTIVE JANUARY 9, 1961

Issued upon Five (5) days notice under Special Permission of the Interstate Commerce Commission No. 90534, dated December 30, 1960.

Issued By:
T. V. BREITENBECK, Traffic Manager
2356 First National Building
Detroit 26, Michigan

LIST OF PARTICIPATING MOTOR CARRIERS

The List of Participating Motor Carriers is as shown on page 2 of Tariff and below:

AMEND	NAME OF CARRIER	ADDRESS	CERTIFICATE OR ORDER NO. MC-	POWER OF ATTORNEY FA 1 No.
Add	Convoy Company	Seattle, Washington	52858	2

LIST OF PARTICIPATING RAIL CARRIERS

The List of Participating Rail Carriers is as shown on page 2 of Tariff.

Refer to Title Page of Section No. 1 on page 7 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following:

SECTION NO. 1
ARBITRARY MILEAGES

FROM	TO POINTS IN THE STATES OF		
Basing Points - Cheyenne, Wyoming on traffic from Flint, Lansing and Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

Via
Motor (Truckaway)-Rail (Tri-Level Rail Car Service)- Motor (Truckaway)
BASING POINT - Cheyenne, Wyoming

For application of joint routing, see Item 5000, 5010, &5020 and&5030.

Refer to Title Page of Section No. 2 on page 11 of Tariff and cancel all matter shown thereon and in lieu thereof substitute the following:

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing or Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

(Basing Point - Cheyenne, Wyoming)

Via
Motor (Truckaway)-Rail (Tri-Level Rail Car Service)- Motor (Truckaway)

Distance or Mileage Commodity Rates named herein may be used when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

Joint through rates named in this section apply from Flint, Lansing or Pontiac, Michigan via routing provided in Item 5000, 5010, &5020 and&5030, and are determined by applying to the mileage scale of rates the arbitrary mileages shown in Section No. 1 or the highway distance from the basing point of Cheyenne, Wyoming to points of destination in the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming as determined in accordance with the provisions of Item 10.

For explanation of abbreviations, reference marks or symbols, refer to page 17 of Tariff and last page herein.

SECTION NO. 4 2 77

ROUTING INSTRUCTIONS FOR RATE SECTIONS NOS. 1 and 2.

ITEM	ROUTING
♂ 5020	Rates named in this Tariff apply via the following routings to the states of California, Idaho, Oregon and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence Convoy Company, beyond. FROM LANSING, MICHIGAN VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company, Beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company, beyond.
♂ 5030	Rates named in this tariff apply via the following routes to the states of California, Idaho, Oregon and Washington: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via Chicago, Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad to Cheyenne, Wyoming, thence via Convoy Company, beyond. FROM LANSING, MICHIGAN: VIA: C. & J. Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago, Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thennce Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Convoy Company beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle terminal at Chicago (Cicero), Illinois, thence via the Chicago, Burlington & Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago Burlington & Quincy Railroad Co., to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Co., to Cheyenne, Wyoming, thence via Convoy Company, beyond.

♂ - Denotes reduction.

For explanation of abbreviations, reference marks or symbols, refer to page 17 of Tariff and above.

All Rates named herein are Reductions.

I. C. C. NO. 5

NATIONAL AUTOMOBILE TRANSPORTERS ASSOCIATION, AGENT

TARIFF NO. 504

NAMING

JOINT SPECIFIC AND MILEAGE COMMODITY RATES

FOR

THE TRANSPORTATION OF

AUTOMOBILES AND OTHER COMMODITIES

(As described herein)

FROM	TO POINTS IN THE STATE OF		
Flint, Lansing and Pontiac, Michigan	CALIFORNIA COLORADO IDAHO	NEVADA OREGON UTAH	WASHINGTON WYOMING

VIA

MOTOR (TRUCKAWAY)-RAIL (TRI-LEVEL RAIL CAR SERVICE)- MOTOR (TRUCKAWAY)

Distance or Mileage Commodity Rates named herein may be used only when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

For reference to Governing Publications, See Item 10.

ISSUED NOVEMBER 15, 1960 **EFFECTIVE DECEMBER 17, 1960**

ISSUED BY

T. V. BREITENBECK, Traffic Manager

2354 First National Building

Detroit 26, Michigan

(100) 5000 —THE BUGGS PRINTING CO., ATLANTA, GA (Printed in U.S.A.)

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TARIFF NO.304

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LIST OF PARTICIPATING MOTOR CARRIERS

NAME OF CARRIER	ADDRESS	CERTIFICATE OR ORDER NO. MC	POWER OF ATTORNEY FAI NO.
Automobile Carriers, Inc.	Flint, Mich.	113436	1
C.& J. Commercial Driveaway, Inc.	Lansing, Mich.	10345	1
Commercial Carriers, Inc.	Detroit, Mich.	43038	2
Contract Cartage Company	Pontiac, Mich.	61824	1
Industrial Transport, Inc.	Lansing, Mich.	72318	1
Motorcar Transport Company	Pontiac, Mich.	60470	1
Sober, Howard, Inc.	Lansing, Mich.	8989	1

LIST OF PARTICIPATING RAIL CARRIERS

NAME OF CARRIER	ADDRESS	POWER OF ATTORNEY
Chicago Burlington and Quincy Railroad Company	Chicago, Ill.	FA-1-No.12
Chicago and North Western Railway Company	Chicago, Ill.	FA-1-No.15
Union Pacific Railroad Company	Omaha, Neb.	FA-1-No.12

DEFINITIONS

POINT OF ORIGIN

"Point of Origin" means the precise location at which property is tendered to the motor carrier for transportation.

POINT OF DESTINATION

"Point of Destination" means one point of delivery.

TRI-LEVEL RAIL CAR

"Tri-Level Rail Car" as applied herein means an open railroad car specially designed or equipped to transport the commodities named in this tariff and having three loading decks.

DECKLOAD

"Deckload" as applied herein means one of the three loading decks of a tri-level rail car, loaded with five (5) or more vehicles, or to its full visible capacity, whichever is the lesser (smaller) quantity.

TRUCK

"Truck" as applied herein means; a truck, and trailer, or tractor and semi-trailer or trailer.

TRUCKLOAD

"Truckload" as applied herein means a truck, loaded to its full visible capacity, but not less than five vehicles.

TRUCKAWAY OR TRUCKAWAY SERVICE

"Truckaway or Truckaway Service" as applied herein means the transportation of the commodities named in this tariff when loaded in or upon equipment constructed for the purpose of transporting such commodities over the highways.

SINGLE DRIVEAWAY SERVICE

"Single Driveaway Service" as applied herein means the transportation of a single motor vehicle, when driven under its own power by an authorized representative of the Motor Carrier.

TRI-LEVEL RAIL CAR SERVICE

"Tri-Level Rail Car Service" as applied herein means the transportation of commodities named in this tariff when loaded in tri-level rail cars.

For explanation of abbreviations, reference marks or symbols, refer to concluding page.

TARIFF NO.504

DEFINITIONS

SHIPMENT

"Shipment" as applied herein means a consignment of one or more passenger automobiles from one shipper on one Bill of Lading or shipping order at one point of origin at one time for one consignee at one destination.

MOTOR-RAIL INTERCHANGE POINT

"Motor-Rail interchange point" as applied herein means the point at which motor carrier interchanges to rail carrier.

RAIL-MOTOR INTERCHANGE POINT

"Rail-Motor Interchange point" as applied herein means point at which rail carrier interchanges to motor carrier.

AND

"And" as applied herein couples the descriptive terms in connection with which it is used.

OR

"Or" as used herein includes any or all of the descriptive terms in connection with which it is used.

APPLICATION OF RATES

ITEM	SUBJECT
10	GOVERNING PUBLICATIONS Governed,except as otherwise provided herein,by Uniform Classification No.5,Western Classification Committee,Agent,I.C.C. A-5. Governed,except as otherwise provided,herein,by National Automobile Transporters Association, Agent,Authority Circular No.2-O,MF-I.C.C. 426. Governed,except as otherwise provided herein by Household Goods,Carriers Bureau,Agent, Mileage Guide No.6,MF-I.C.C. 71. Where arbitrary mileages are provided in Section No.1 of this tariff,between desired points,such arbitrary mileages will apply. Where arbitrary mileages are not shown in Section No.1 of this Tariff to desired destination apply the mileage shown in the Household Goods Carriers,Bureau,Agent,Mileage Guide No.6,MF-I.C.C. No.71 from Cheyenne,Wyoming to the desired destination. When mileages have been determined apply the number of miles so determined to the mileage table of rates shown in Section No.2 and where mileages so determined are not specifically shown in Section No.2, apply the rates shown for the next higher mileage.
20	COMMODITY DESCRIPTION Rates and charges named in this tariff apply on the following commodities (See NOTES 1 and 2): (a) Automobiles,new,Passenger,complete or not complete,finished or not finished,chassis,set up, and (b) Automobiles,Used,passenger,complete or not complete,finished or not finished,set up,used automobiles passenger will be subject to an additional handling charge of two dollars ($2.00) per vehicle. NOTE 1--Rates include the charges for the transportation of oil,water,gasoline,and/or anti-freeze necessary for the operation of each vehicle. NOTE 2--The weight applicable of the motor vehicles shall be the factory shipping weights as shown on the bill of lading or shipping receipt subject to correction. Minimum Truckload, Vehicles weighing 3150 pounds or less six (6) vehicles* Minimum Truckload, Vehicles weighing over 3150 pounds five (5) vehicles *Does not apply for the account of Contract Cartage Company,Pontiac,Michigan. The minimum truckload for Contract Cartage Company,Pontiac,Michigan is five vehicles.
30	PICK-UP AND DELIVERY SERVICE Rates named herein include pickup at point of origin (See NOTE) and delivery at destination to consignee's dock,platform,doorway,or other facility readily and conveniently accessible to truck. In event truck cannot conveniently make delivery to consignee's dock,platform,doorway,or other facility,the vehicles contained in the shipment will be driven (after preparing such vehicles for such delivery) from a location nearest consignee's dock,platform,doorway,or other facility,to which carrier's trucks can be conveniently operated. NOTE--Carrier may drive such motor vehicles from point of origin offered for shipment to carrier's own terminal yard at point of origin.
40	LOADING AND UNLOADING Rates named in this tariff include the expense of handling,loading and unloading at points of origin,interchange and/or destination,except vehicles that cannot be loaded,transfered or unloaded under their own power,consignor or consignee will perform the loading,transfer and/or unloading, at their expense.
50	COMMODITIES NOT ACCEPTABLE Passenger Automobiles described herein that exceed fifty-nine (59) inches in height will not be accepted for transportation.

For explanation of abbreviations,reference marks or symbols,refer to concluding page.

2.

TARIFF NO.504

APPLICATION OF RATES

ITEM	SUBJECT
60	**APPLICATION OF RATES AND SERVICES** Except as provided in Item 100,joint through rates published herein apply on commodities named in Item 20 loaded in trucks furnished by participating carriers and transported by motor carriers in truckaway service over highway to motor-rail interchange point for delivery of lading to rail carrier and transported by rail carrier in tri-level rail car service to rail-motor interchange point,for delivery of lading to motor carrier and transportation by latter in truckaway service over highway to final destination.
70	**CARRIER'S LIABILITY** Except as otherwise provided,carrier will not be liable for damages caused by leaking brake fluids,lubricants,battery acids and/or cooling system anti-freeze solution,and gasoline; or by freezing of radiators or batteries.
80	**DELAYED AND/OR WAITING TIME** Delayed and/or waiting time caused by the act or failure to act of consignor and/or consignee shall be charged at the rate of $3.50 per hour commencing one hour after arrival at point of origin and/or destination.
90	**PROTECTION OF COOLING SYSTEM** During the season when cooling system requires protection from freezing,such protection will be furnished by and at the expense of the shipper.
100	**EMERGENCY DRIVEAWAY SERVICE** (Applicable only for the account of participating motor carriers) Single driveaway service may be substituted in order to complete delivery when a truck is disabled en route,or because of impassable roads or in the event of any other emergency,but such service shall only be performed upon specific authority from the consignor.
110	**TRANSFER BETWEEN CONNECTING CARRIERS** The joint rates published herein include all charges for switching,drayage,or other transfer service at intermediate interchange points on shipments handled through and not stopped for special services at such intermediate interchange points.
120	**RECONSIGNMENT OR DIVERSION** Shipments may be reconsigned without charge at any time before shipment leaves the terminal of originating carrier at point of origin or holding terminal. Shipments after leaving origin terminal or holding terminal may be reconsigned or diverted at a charge of $5.00 per shipment in addition to conditions and charges provided below: A. All request for diversion or reconsignment must be confirmed in writing to the originating carrier. B. At the through rate from origin to final destination. C. When a deviation in route is caused by the reconsignment,additional charges will be assessed on the basis of five mills ($.005) per 100 pounds per mile for each mile or fraction thereof in excess of mileage from origin to final destination via shortest practicable route. D. When a reconsignment results in a back-haul from point stopped for reconsignment or diversion in transit,toward the point of origin,charges will be assessed on the basis of rate from point of origin to point stopped for reconsignment or diversion plus five mills ($.005) per 100 pounds per mile for the additional mileage in excess of the mileage from point of origin to point stopped for reconsignment or diversion that the shipment was carrier in making the diversion. E. Reconsignment at through rate from point of origin to final destination will not be protected when shipment has been unloaded from transportation vehicle at first destination. In such instances rate published from origin point to first destination plus charges computed at five mills ($.005) per 100 pounds per mile will be assessed,subject to through rate to final destination as minimum. NOTE: Applicable only for the account of the motor carriers.
130	**ORDER-NOTIFY BILL OF LADING SHIPMENTS** Unless otherwise specifically indicated, rates and services provided herein are not applicable on shipments moving under "Order Notify" bills of lading or otherwise consigned so as to require surrender of bill of lading,written order or other document in advance of delivery.
140	**REFUSED AND UNDELIVERED FREIGHT** Shipments refused or undelivered for any reason beyond the carriers' control will be returned to the carrier's nearest terminal or placed in a public storage warehouse or garage at destination or point nearest to destination at the cost and risk of the owner subject to a lien for all transportation and other lawful charges including charges for storage and transportation charges from billed destination to storage point computed at five mills per hundred pounds per mile, based on shipping weight furnished by shipper. Upon request of shipper,such shipments may be returned to point of origin,and the return movement will be subject to the rate in reverse direction,provided in this tariff,in effect on the date the shipment is tendered for return.
150	**STORAGE CHARGES** A. At carriers terminal in Cheyenne,Wyo.; the rates named herein will be considered to include 48 hours free storage time from the first 7:00 A.M. after notification of arrival to consignee and thereafter storage will be charged at twenty five cents (25¢) per vehicle per day. B. At Flint,Michigan,Lansing,Michigan or Pontiac,Michigan,seven (7) days free time will be allowed from the first 7:00 A.M. after receipt of vehicles. When vehicles are held in excess of free time they will be subject to storage charges of twenty-five (25) cents per vehicle per day or fraction thereof.

For explanation of abbreviations,reference marks or symbols,refer to concluding page.

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TARIFF NO.504

APPLICATION OF RATES

ITEM	SUBJECT
160	**LESS THAN MINIMUM QUANTITY SHIPMENTS** Less than truckload shipments will be accepted for transportation subject to the following conditions: A. That they be held at the holding terminal of the carrier for movement with other less than truckload shipments consigned to the same or different destinations as hereinafter provided. B. Two or more shipments which contain in the aggregate the truckload minimum weight specified, consigned to the same destination will be transported as one truckload. The rate to apply on each such less than truckload shipment shall be the truckload rate from the point of origin to destination,plus an additional charge of $2.50 per vehicle. C. Two or more shipments which contain in the aggregate the truckload minimum weight specified, consigned to more than one destination will be transported as one truckload under the following conditions: 1. When the distance from the first destination to the last destination computed over the shortest route through each intermediate destination does not exceed seventy-five (75) miles,the rate to apply on each such less than truckload shipment shall be the truckload rate applicable to the particular vehicle or vehicles in question from point of origin to the destination of each shipment,plus a charge of two dollars and fifty cents ($2.50) per vehicle. 2. When requested by the consignor carrier will transport less than truckload shipments when the distance from the first destination to the last destination computed over the shortest route through each intermediate destination exceeds seventy-five (75) miles, the rate to apply on each such less than truckload shipment shall be the truckload rate applicable to the particular vehicle or vehicles in question,from point of origin to the destination of each shipment,plus a charge of sixty (60) cents per mile for such excess mileage over seventy-five (75) miles and two dollars and fifty cents ($2.50) per vehicle. NOTE--Where there are two or more payers of freight charges the charges for such excess mileage shall be divided between all vehicles in the truckload.
170	**LOADING TRI-LEVEL CARS TO CAPACITY** Tri-level cars will not be forwarded from Proviso,Illinois until a sufficient number of automobiles from the same or other shippers at the same or other origins have been tendered to rail carrier to permit loading of car to maximum capacity.
180	**HOLDING TERMINALS** Shipments destined for delivery to points and places indicated below,will be forwarded from point of origin,to carrier's holding terminal indicated below and there held,where necessary,by the carrier for additional shipments from the same or other shippers,at the same or other points of origin,at the same or other rates lawfully on file with the I.C.C. and will be combined into truckloads.

LESS THAN TRUCKLOAD HOLDING TERMINALS

RAIL-MOTOR INTERCHANGE POINT	CARRIER	HOLDING TERMINAL	DESTINATION OF SHIPMENT
Cheyenne,Wyoming	Commercial Carriers,Inc.	Cheyenne,Wyo. . .	Calif.,Colo.,Ida.,Nev.
Proviso,Ill.	CNW	Proviso,Ill.. . .	Ore., Utah,Wash. and Wyo.
Cicero,Ill..	CBQ	Cicero.Ill. . . .	

190	**REFERENCE TO TARIFFS,ITEMS,NOTES,RULE AND SO FORTH** Where reference is made in this tariff to tariffs,items,notes,rules,etc.,such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items,notes,rules,and so forth.
200	**CONSECUTIVE NUMBERS** Where consecutive numbers are represented in this Tariff by the first and last numbers connected by the word "to" or a hyphen they will be understood to include both of the numbers shown. If the first number only bears a reference mark such reference mark also applies to the last number shown and to all numbers between the first and last numbers.
210	**METHOD OF CANCELLING ITEMS** As the tariff is supplemented,numbered items with letter suffixes cancel correspondingly numbered items in the original tariff,or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 100-A cancels Item 100,or Item 105-B(Cancels Item 105-A,in a prior supplement which,in turn cancelled Item 105.
220	**METHOD OF DENOTING REISSUED MATTER IN SUPPLEMENTS** Matter brought forward without change from one supplement to another will be designated as "Reissued" by a reference mark in the form of a square enclosing a number,the number being that of the supplement in which the reissued matter first appeared in its currently effective form. To determine its original effective date,consult the supplement in which the reissued matter first became effective.

For explanation of abbreviations,reference marks or symbols,refer to concluding page.

TARIFF NO.504

APPLICATION OF RATES

ITEM	SUBJECT
230	COMPUTATION OF CHARGES When computation of transportation charges results in charges,the last figure of which ends in less than three (3) cents,same shall be disregarded; when last figure ends in three (3) cents or more but less than eight (8) cents; same shall be changed to five (5) cents; and when last figure ends in eight (8) cents or more,same shall be increased to the next higher figure ending in naught. See Example: EXAMPLE: 52 cents apply 50 cents 53 cents apply 55 cents 57 cents apply 55 cents 58 cents apply 60 cents.
240	ITEMS AND RULES IN UNIFORM FREIGHT CLASSIFICATION NOT APPLICABLE Items 93321 to and including 93325 and the following rules in Uniform Freight Classification are not applicable in connection with rates,rules or regulations named herein,except as may be otherwise specified in connection with individual items: 6 13 16 27 31 35 10 14 23 29 32 43 11 15 24 30 34 47

For explanation of abbreviations,reference marks or symbols,refer to concluding page.

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TARIFF NO.504

SECTION NO. 1

ARBITRARY MILEAGES

FROM	TO POINTS IN THE STATE OF		
Basing Points- Cheyenne,Wyoming on traffic from Flint,Lansing and Pontiac, Michigan.	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

VIA

Motor (Truckaway) - Rail (Tri-Level Rail Car Service) - Motor (Truckaway)

BASING POINT - Cheyenne,Wyoming

For application of Joint Routing,see Item 5000.and 5010.

For explanation of abbreviations,reference marks or symbols,refer to concluding page.

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TARIFF NO. 504

SECTION NO. I
ARBITRARY MILEAGES
FROM BASING POINT - CHEYENNE, WYOMING

TO CALIFORNIA	MILES	TO CALIFORNIA	MILES	TO CALIFORNIA	MILES	TO CALIFORNIA	MILES
Alameda	1215	Escondido	1303	Los Gatos	1262	San Diego	1234
Albany	1220	Escalon	1187	Lower Lake	1202	San Fernando	1197
Alhambra	1177	Eureka	1371	Madera	1267	San Francisco	1218
Alturas	1151	Exeter	1254	Manteca	1179	San Gabriel	1177
Anaheim	1173			Martinez	1210	San Jacinto	1170
Angels Camp	1189	Fairfield	1172	Marysville	1118	San Jose	1251
Antioch	1187	Fair Oaks	1142	Merced	1233	San Leandro	1221
Arbuckle	1166	Fallbrook	1187	Mill Valley	1231	San Luis Obispo	1324
Arcadia	1167	Ferndale	1392	Milpitas	1236	San Mateo	1237
Arcata	1364	Fillmore	1234	Modesto	1196	San Pedro	1200
Arvin	1201	Florin	1131	Monrovia	1166	San Rafael	1215
Auburn	1094	Fontana	1134	Monterey	1327	San Ysidro	1248
Avenal	1271	Fort Bragg	1295	Morgan Hill	1271	Sanger	1305
Azusa	1159	Fortuna	1392	Mountain View	1256	Santa Ana	1177
Bakersfield	1182	Freedom	1271	Mount Shasta	1271	Santa Barbara	1275
Barstow	1050	Fremont	1235	Napa	1192	Santa Carla	1246
Banning	1160	Fresno	1289	National City	1238	Santa Cruz	1282
Bellflower	1184	Fullerton	1163	Needles	1000	Santa Maria	1356
Berkeley	1207	Gardena	1196	Newman	1223	Santa Monica	1199
Beverly Hills	1193	Garden Grove	1180	Newport Beach	1185	Santa Paula	1332
Bishop	989	Gilroy	1280	Niles	1243	Santa Rosa	1227
Blythe	1060	Glendale	1190	North Hollywood	1198	Saratoga	1266
Boyes Hot Springs	1206	Grass Valley	1081	Novato	1209	Sebastopol	1234
Brawley	1179	Greenville	1138	Oakdale	1181	Selma	1273
Brentwood	1201	Gridley	1137	Oakland	1213	Shafter	1195
Burbank	1194	Gustine	1227	Oceanside	1208	Soledad	1352
Burlingame	1236	Half Moon Bay	1247	Ontario	1148	Sonora	1172
Burney	1242	Hanford	1265	Orange	1173	South Gate	1189
Calexico	1177	Hawthorne	1197	Orland	1187	South San Francisco	1228
Cedarville	1177	Hayward	1230	Oroville	1145	South Pasadena	1176
Centerville	1236	Healdsburg	1242	Oxnard	1244	Stockton	1172
Chico	1167	Hemet	1168	Pacific Grove	1330	Suisun City	1175
Chino	1159	Hermosa Beach	1187	Palm Springs	1181	Sunnyvale	1249
Chowchilla	1241	Highland Park	1188	Palo Alto	1247	Susanville	1076
Chuala Vista	1251	Hollister	1291	Paradise	1167	Sutter	1128
Cloverdale	1261	Hollywood	1207	Parlier	1308	Sutter Creek	1121
Coalinga	1288	Huntington Beach	1197	Perris	1154	Taft	1221
Colton	1131	Huntington Park	1192	Paso Robles	1295	Temple City	1174
Colusa	1197	Indio	1157	Pasadena	1174	Torrance	1201
Compton	1195	Inglewood	1194	Petaluna	1218	Tracy	1192
Concord	1201	Isleton	1166	Pittsburg	1191	Tujunga	1203
Corcoran	1231	Jackson	1170	Placerville	1093	Tulare	1244
Corning	1241	Kelseyville	1231	Pleasanton	1223	Turlock	1205
Corona	1150	King City	1349	Pomona	1155	Ukiah	1241
Coronada	1252	Kingsburg	1310	Porterville	1232	Vacaville	1162
Costa Mesa	1188	Lafayette	1209	Portola	1038	Vallejo	1186
Covina	1161	Laguna Beach	1193	Quincy	1161	Van Nuys	1198
Crescent City	1386	La Habra	1181	Red Bluff	1207	Ventura	1247
Crockett	1217	La Jolla	1234	Redding	1216	Victorville	1087
Culver City	1198	Lake Port	1226	Redlands	1223	Visalia	1259
Daly City	1224	La Mesa	1242	Redondo Beach	1206	Vista	1198
Davis	1143	Lancaster	1134	Redwood City	1244	Walnut Creek	1206
Delano	1214	Larkspur	1232	Reedley	1279	Wasco	1209
Dinuba	1279	Lemoore	1273	Reseda	1206	Watsonville	1298
Dixon	1148	Lincoln	1106	Rialto	1130	Weed	1262
Dos Palos	1262	Lindsay	1283	Richmond	1202	West Los Angeles	1196
Downey	1188	Livermore	1213	Ridgecrest	1130	Whittier	1179
Dunsmuir	1280	Lodi	1160	Riverside	1136	Willows	1180
East Los Angeles	1176	Lompoc	1332	Roseville	1110	Wilmington	1203
El Cajon	1248	Lone Pine	1050	Sacramento	1128	Winters	1157
El Centro	1165	Loma Linda	1133	Salinas	1309	Woodland	1146
Elk	1338	Long Beach	1198	San Andreas	1187	Yreka	1291
Elk Grove	1155	Los Angeles	1183	San Bernardino	1127		
Elmonte	1168	Los Altos	1251	San Bruno	1231		
Emeryville	1217	Los Banos	1248	San Carlos	1242		

For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO. 504

SECTION NO. 1
ARBITRARY MILEAGES
FROM BASING POINT - CHEYENNE, WYOMING

TO	MILES
COLORADO	
Akron	135
Alamosa	336
Alma	195
Antonito	354
Arapahoe	291
Arvada	110
Ault	39
Aurora	107
Bennett	114
Boulder	98
Brighton	83
Brush	112
Buena Vista	226
Burlington	243
Canon City	220
Castle Rock	132
Center	318
Cheyenne Wells	258
Colorado Springs	172
Cortez	482
Craig	283
Cripple Creek	215
Delta	402
Denver	102
Dolores	501
Dove Creek	529
Durango	447
Eads	253
Eagle	239
Eaton	43
Edgewater	107
Elizabeth	150
Englewood	111
Estes Park	89
Fairplay	189
Flagler	182
Fort Collins	47
Fort Lupton	76
Fort Morgan	102
Fowler	254
Georgetown	147
Glenwood Springs	270
Golden	113
Granby	191
Grand Junction	365
Greeley	50
Gunnison	313
Hartsell	207
Haxtun	158
Holly	307
Holyoke	175
Hotchkiss	395
Hugo	184
Idaho Springs	133
Johnstown	67
Julesburg	183
Keenesburg	80
Kit Carson	233
Kremmling	218
Lafayette	81
La Jara	340
La Junta	269

TO	MILES
COLORADO	
Lamar	279
Las Animas	289
Leadville	214
Limon	171
Littleton	111
Longmont	79
Loveland	60
Meeker	332
Minturn	210
Monte Vista	323
Montrose	380
Olathe	391
Otis	149
Ordway	247
Pagosa Springs	395
Placerville	430
Pueblo	216
Rangley	391
Rifle	297
Rocky Ford	259
Salida	248
Silverton	439
Springfield	328
Steamboat Springs	273
Sterling	125
Telluride	446
Trinidad	303
Victor	221
Walden	127
Walsenburg	265
Walsh	347
Wheat Ridge	107
Windsor	61
Wray	189
Yuma	163
IDAHO	
Aberdeen	574
Albion	598
American Falls	558
Arco	618
Blackfoot	556
Boise	767
Bonners Ferry	1064
Buhl	655
Burley	598
Caldwell	793
Carey	662
Cascade	846
Coeur D'Alene	1016
Council	897
Craigmont	1006
Delco	589
Donnelly	862
Downey	510
Driggs	658
Emmett	797
Fairfield	708
Genessee	1024
Glens Ferry	697
Gooding	672
Grace	476

TO	MILES
IDAHO	
Grangeville	975
Hailey	691
Homedale	808
Idaho Falls	583
Jerome	647
Kellogg	978
Ketchum	702
Lewiston	1052
Mackay	646
Malad City	501
Montpelier	434
Moore	628
Moscow	1085
Mountain Home	724
Nampa	787
Newdale	623
Orofino	1032
Payette	826
Pocatello	532
Preston	481
Priest River	1055
Rexburg	611
Rigby	598
Ririe	600
Rupert	601
St.Anthony	622
St.Maries	1054
Salmon	748
Sandpoint	1033
Shoshone	658
Soda Springs	464
Spirit Lake	1043
Sugar City	615
Twin Falls	638
Victor	666
Wallace	967
Weiser	841
Wendell	660
NEVADA	
Austin	855
Battle Mountain	771
Boulder City	918
Caliente	810
Carson City	1004
East Ely	706
Elko	698
Ely	707
Fallon	968
Hagen	989
Hawthorne	979
Hazen	764
Henderson	709
Las Vegas	895
Lovelock	896
McGill	684
Mercury	962
Mina	945
Panaca	796
Pioche	793

TO	MILES
NEVADA	
Reno	989
Tonopah	875
Wabuska	989
Winnemucca	824
Yerington	1001
OREGON	
Albany	1208
Arlington	1075
Ashland	1252
Astoria	1312
Baker	902
Bandon	1368
Bend	1084
Brookings	1384
Burns	952
Clatskanie	1276
Condon	1113
Coos Bay	1332
Corvallis	1219
Cottage Grove	1243
Coquille	1350
Dallas	1233
East Portland	1213
Enterprise	1012
Eugene	1228
Florence	1283
Forest Grove	1237
Fossil	1134
Gladstone	1226
Grants Pass	1296
Gresham	1227
Hermiston	1030
Hillsboro	1231
Hood River	1149
John Day	1022
Joseph	1018
Junction City	1214
Klamath Falls	1188
La Grande	946
Lebanon	1194
Lakeview	1092
McMinnville	1248
Madras	1125
Medford	1264
Milton Freewater	1032
Milwaukee	1219
Monmouth	1233
Mt.Vernon	1030
Newberg	1237
Newport	1276
North Bend	1329
Nyssa	817
Oakgrove	1222
Oakridge	1193
Oswego	1222
Ontario	828
Oregon City	1226
Parkrose	1207
Pendleton	1001
Portland	1213
Prairie City	1035

For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO. 504

SECTION NO. 1
ARBITRARY MILEAGES
FROM BASING POINT - CHEYENNE, WYOMING

TO	MILES
OREGON	
Prineville	1119
Rainier	1259
Redmond	1100
Reedsport	1304
Roseburg	1297
St. Helens	1240
Salem	1218
Seaside	1292
Sheridan	1261
Silverton	1233
Springfield	1232
Stayton	1200
Taft	1283
The Dallas	1128
Tillamook	1290
Toledo	1268
Umatilla	1036
Vernonia	1257
Wasco	1118
Wheeler	1297
Woodburn	1237
UTAH	
American Fork	495
Bingham Canyon	493
Bountiful	464
Brigham City	477
Castle Dale	564
Cedar City	709
Clearfield	465
Coalville	420
Delta	586
Draper	480
Duchesne	467
Elsinore	617
Ephraim	561
Eureka	533
Farmington	457
Fillmore	595
Garland	479
Grantsville	497
Gunnison	575
Heber	463
Henefer	419
Junction	654
Kamas	444
Kanab	757
Kaysville	458
Layton	460
Lehi	487
Logan	454
Magna	484
Manti	568
Milford	687
Midvale	476
Moab	481
Monroe	618
Monticello	538
Morgan	431
Mt. Pleasant	544
Murray	469
Nephi	533
Ogden	455

TO	MILES
UTAH	
Panguitch	689
Park City	443
Payson	507
Price	533
Provo	488
Richfield	609
Roosevelt	438
St. George	763
Salina	589
Salt Lake City	464
Spanish Fork	499
Sugarhouse	464
Tooele	495
Tremonton	477
Vernal	406
Wendover	587
WASHINGTON	
Aberdeen	1349
Almira	1127
Anacortes	1360
Arlington	1336
Auburn	1318
Bellevue	1290
Bellingham	1371
Blaine	1393
Bothell	1330
Bremerton	1355
Brewster	1188
Buckley	1336
Burlington	1348
Camas	1233
Carson	1166
Cathlamet	1339
Centralia	1358
Chehalis	1363
Chelan	1215
Cheney	1067
Chewelah	1007
Clarkston	1054
Cle Elum	1212
Colfax	1111
College Place	1052
Colville	1130
Coulee City	1146
Davenport	1086
Dayton	1074
Dishman	1043
Eastsound	1395
Eatonville	1351
Ellensburg	1188
Elma	1355
Elmer City	1143
Enumclaw	1332
Ephrata	1207
Everett	1312
Everson	1391
Ferndale	1381

TO	MILES
WASHINGTON	
Gig Harbor	1327
Goldendale	1164
Grandview	1109
Harrington	1137
Hoquiam	1353
Ione	1147
Issaquah	1275
Kelso	1252
Kent	1313
Kennewick	1068
Kirkland	1395
Latah	1083
Leavenworth	1237
Lind	1133
Longview	1315
Lynden	1388
Mercer Island	1287
Monroe	1299
Montesano	1339
Moses Lake	1160
Mt. Vernon	1344
Newport	1096
Oak Harbor	1372
Odessa	1122
Olympia	1328
Okanogan	1191
Omak	1187
Othello	1185
Palouse	1110
Pasco	1066
Pomeroy	1084
Port Angeles	1451
Port Blakely	1388
Port Townsend	1430
Prosser	1101
Pullman	1095
Puyallup	1326
Raymond	1373
Reardan	1072
Redmond	1289
Renton	1306
Republic	1184
Richland	1077
Ritzville	1116
Rolling Bay	1365
Rosalia	1082
Seattle	1295
Sedro Woolley	1377
Shelton	1349
Snoqualmie	1269
South Tacoma	1318
Spokane	1049
Stanwood	1337
Sumas	1397
Sunnyside	1116

TO	MILES
WASHINGTON	
Tacoma	1318
Tekoa	1073
Toppenish	1139
Twisp	1230
Vancouver	1221
Walla Walla	1044
Wapato	1143
Washougal	1201
Waterville	1187
Wenatchee	1217
Wilbur	1115
Winlock	1281
Woodland	1239
Yakima	1152
WYOMING	
Afton	459
Basin	390
Buffalo	310
Casper	191
Cheyenne	...
Cody	411
Douglas	125
Evanston	380
Gillette	251
Glendo	111
Glenrock	172
Green River	289
Greybull	398
Hanna	125
Hawk Springs	65
Jackson	456
Kemmerer	357
Lander	296
Laramie	51
Lingle	96
Lovell	432
Lusk	142
Medicine Bow	109
Newcastle	222
Pine Bluffs	42
Powell	435
Rawlins	166
Riverton	314
Rock Sprgs	274
Saratoga	131
Shawnee	123
Sheridan	347
Sinclair	160
Sundance	269
Thayne	473
Thermopolis	325
Torrington	86
Wheatland	73
Wilson	461
Worland	359

For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO. 504

SECTION NO. 2

JOINT MILEAGE COMMODITY RATES

FROM	TO POINTS IN THE STATES OF		
Flint, Lansing or Pontiac, Michigan	California Colorado Idaho	Nevada Oregon Utah	Washington Wyoming

(Basing Point - Cheyenne, Wyoming)

VIA

Motor (Truckaway) - Rail (Tri-Level Rail Car Service) - Motor (Truckaway)

Distance or Mileage Commodity Rates named herein may be used when no Commodity Rates (other than Distance or Mileage Commodity Rates) have been published to apply from and to the same points over the same route.

Joint through rates named in this section apply from Flint, Lansing or Pontiac, Michigan via routing provided in Item 5000 and Item 5010 and are determined by applying to the mileage scale of rates the arbitrary mileages shown in Section No. 1 or the highway distance from the basing point of Cheyenne, Wyoming to points of destination in the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming as determined in accordance with the provisions of Item 10.

For explanation of abbreviations, reference marks or symbols, refer to concluding page.

TARIFF NO. 504

SECTION NO. 2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE WYOMING

MILES	RATES APPLY FROM						MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN			FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	A	B	A	B	A	B		A	B	A	B	A	B
4	119.39	148.65	112.04	139.41	120.79	150.40	167	138.59	175.05	131.24	165.81	139.99	176.80
6	119.71	149.09	112.36	139.85	121.11	150.84	170	138.91	175.49	131.56	166.25	140.31	177.24
9	120.03	149.53	112.68	140.29	121.43	151.28	173	139.23	175.93	131.88	166.69	140.63	177.68
12	120.35	149.97	113.00	140.73	121.75	151.72	175	139.55	176.37	132.20	167.13	140.95	178.12
14	120.67	150.41	113.32	141.17	122.07	152.16	178	139.87	176.81	132.52	167.57	141.27	178.56
17	120.99	150.85	113.64	141.61	122.39	152.60	181	140.19	177.25	132.84	168.01	141.59	179.00
20	121.31	151.29	113.96	142.05	122.71	153.04	184	140.51	177.69	133.16	168.45	141.91	179.44
23	121.63	151.73	114.28	142.49	123.03	153.48	186	140.83	178.13	133.48	168.89	142.23	179.88
25	121.95	152.17	114.60	142.93	123.35	153.92	189	141.15	178.57	133.80	169.33	142.55	180.32
28	122.27	152.61	114.92	143.37	123.67	154.36	192	141.47	179.01	134.12	169.77	142.87	180.76
31	122.59	153.05	115.24	143.81	123.99	154.80	195	141.79	179.45	134.44	170.21	143.19	181.20
34	122.91	153.49	115.56	144.25	124.31	155.24	197	142.11	179.89	134.76	170.65	143.51	181.64
36	123.23	153.93	115.88	144.69	124.63	155.68	200	142.43	180.33	135.08	171.09	143.83	182.08
39	123.55	154.37	116.20	145.13	124.95	156.12	203	142.75	180.77	135.40	171.53	144.15	182.52
42	123.87	154.81	116.52	145.57	125.27	156.56	205	143.07	181.21	135.72	171.97	144.47	182.96
44	124.19	155.25	116.84	146.01	125.59	157.00	208	143.39	181.65	136.04	172.41	144.79	183.40
47	124.51	155.69	117.16	146.45	125.91	157.44	211	143.71	182.09	136.36	172.85	145.11	183.84
50	124.83	156.13	117.48	146.89	126.23	157.88	214	144.03	182.53	136.68	173.29	145.43	184.28
53	125.15	156.57	117.80	147.33	126.55	158.32	216	144.35	182.97	137.00	173.73	145.75	184.72
55	125.47	157.01	118.12	147.77	126.87	158.76	219	144.67	183.41	137.32	174.17	146.07	185.16
58	125.79	157.45	118.44	148.21	127.19	159.20	222	144.99	183.85	137.64	174.61	146.39	185.60
61	126.11	157.89	118.76	148.65	127.51	159.64	225	145.31	184.29	137.96	175.05	146.71	186.04
64	126.43	158.33	119.08	149.09	127.83	160.08	227	145.63	184.73	138.28	175.49	147.03	186.48
66	126.75	158.77	119.40	149.53	128.15	160.52	230	145.95	185.17	138.60	175.93	147.35	186.92
69	127.07	159.21	119.72	149.97	128.47	160.96	233	146.27	185.61	138.92	176.37	147.67	187.36
72	127.39	159.65	120.04	150.41	128.79	161.40	235	146.59	186.05	139.24	176.81	147.99	187.80
74	127.71	169.09	120.36	150.85	129.11	161.84	238	146.91	186.49	139.56	177.25	148.31	188.24
77	128.03	160.53	120.68	151.29	129.43	162.28	241	147.23	186.93	139.88	177.69	148.63	188.68
80	128.35	162.97	121.00	151.73	129.75	162.72	244	147.55	187.37	140.20	178.13	148.95	189.12
83	128.67	161.41	121.32	152.17	130.07	163.16	246	147.87	187.81	140.52	178.57	149.27	189.56
85	128.99	161.85	121.64	152.61	130.39	163.60	249	148.19	188.25	140.84	179.01	149.59	190.00
88	129.31	162.29	121.96	153.05	130.71	164.04	252	148.51	188.69	141.16	179.45	149.91	190.44
91	129.63	162.73	122.28	153.49	131.03	164.48	255	148.83	189.13	141.48	179.89	150.23	190.88
94	129.95	163.17	122.60	153.93	131.35	164.92	257	149.15	189.57	141.80	180.33	150.55	191.32
96	130.27	163.61	122.92	154.37	131.67	165.36	260	149.47	190.01	142.12	180.77	150.87	191.76
99	130.59	164.05	123.24	154.81	131.99	165.80	263	149.79	190.45	142.44	181.21	151.19	192.20
102	130.91	164.49	123.56	155.25	132.31	166.24	265	150.11	190.89	142.76	181.65	151.51	192.64
104	131.23	164.93	123.88	155.69	132.63	166.64	268	150.43	191.33	143.08	182.09	151.83	193.08
107	131.55	165.37	124.20	156.13	132.95	167.12	271	150.75	191.77	143.40	182.53	152.15	193.52
110	131.87	165.81	124.52	156.57	133.27	167.56	274	151.07	192.21	143.72	182.97	152.47	193.96
113	132.19	166.25	124.84	157.01	133.59	168.00	276	151.39	192.65	144.04	183.41	152.79	194.40
115	132.51	166.69	125.16	157.45	133.91	168.44	279	151.71	193.09	144.36	183.85	153.11	194.84
118	132.83	167.13	125.48	157.89	134.23	168.88	282	152.03	193.53	144.68	184.29	153.43	195.28
121	133.15	167.57	125.80	158.33	134.55	169.32	285	152.35	193.97	145.00	184.73	153.75	195.72
124	133.47	168.01	126.12	158.77	134.87	169.76	287	152.67	194.41	145.32	185.17	154.07	196.16
126	133.79	168.45	126.44	159.21	135.19	170.20	290	152.99	194.85	145.64	185.61	154.39	196.60
129	134.11	168.89	126.76	159.65	135.51	170.64	293	153.31	195.29	145.96	186.05	154.71	197.04
132	134.43	169.33	127.08	160.09	135.83	171.08	295	153.63	195.73	146.28	186.49	155.03	197.48
134	134.75	169.77	127.40	160.53	136.15	171.52	298	153.95	196.17	146.60	186.93	155.35	197.92
137	135.07	170.21	127.72	160.97	136.47	171.96	301	154.27	196.61	146.92	187.37	155.67	198.36
140	135.39	170.65	128.04	161.41	136.79	172.40	304	154.59	197.05	147.24	187.81	155.99	198.80
143	135.71	171.09	128.36	161.85	137.11	172.84	306	154.91	197.49	147.56	188.25	156.31	199.24
145	136.03	171.53	128.68	162.29	137.43	173.28	309	155.23	197.93	147.88	188.69	156.63	199.68
148	136.35	171.97	129.00	162.73	137.75	173.72	312	155.55	198.37	148.20	189.13	156.95	200.12
151	136.67	172.41	129.32	163.17	138.07	174.16	315	155.87	198.81	148.52	189.57	157.27	200.56
154	136.99	172.85	129.64	163.61	138.39	174.60	317	156.19	199.25	148.84	190.01	157.59	201.00
156	137.31	173.29	129.96	164.05	138.71	175.04	320	156.51	199.69	149.61	190.45	157.91	201.44
159	137.63	173.73	130.28	164.49	139.03	175.48	323	156.83	200.13	149.48	190.89	158.23	201.88
162	137.95	174.17	130.60	164.93	139.35	175.92	325	157.15	200.57	149.80	191.33	158.55	202.32
164	138.27	174.61	130.92	165.37	139.67	176.36	328	157.47	201.01	150.12	191.77	158.87	202.76

COLUMN A. Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B. Rates apply on vehicles weighing over 3150 pounds.
For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO.504

SECTION NO.2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE,WYOMING

MILES	RATES APPLY FROM						MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN			FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	A	B	A	B	A	B		A	B	A	B	A	B
331	157.79	201.45	150.44	192.21	159.19	203.20	495	176.99	227.85	169.64	218.61	178.39	229.60
334	158.11	201.89	150.76	192.65	159.51	203.64	497	177.31	228.29	169.96	219.05	178.71	230.04
336	158.43	202.33	151.08	193.09	159.83	204.08	500	177.63	228.73	170.28	219.49	179.03	230.48
339	158.75	202.77	151.40	193.53	160.15	204.52	503	177.95	229.17	170.60	219.93	179.35	230.92
342	159.07	203.21	151.72	193.97	160.47	204.96	505	178.27	229.61	170.92	220.37	179.67	231.36
345	159.39	203.65	152.04	194.41	160.79	205.40	508	178.59	230.05	171.24	220.81	179.99	231.80
347	159.71	204.09	152.36	194.85	161.11	205.84	511	178.91	230.49	171.56	221.25	180.31	232.24
350	160.03	204.53	152.68	195.29	161.43	206.28	514	179.23	230.93	171.88	221.69	180.63	232.68
353	160.35	204.97	153.00	195.73	161.75	206.72	516	179.55	231.37	172.20	222.13	180.95	233.12
355	160.67	205.41	153.32	196.17	162.07	207.16	519	179.87	231.81	172.52	222.57	181.27	233.56
358	160.99	205.85	153.64	196.61	162.39	207.60	522	180.19	232.25	172.84	223.01	181.59	234.00
361	161.31	206.29	153.96	197.05	162.71	208.04	525	180.51	232.69	173.16	223.45	181.91	234.44
364	161.63	206.73	154.28	197.49	163.03	208.48	527	180.83	233.13	173.48	223.89	182.23	234.88
366	161.95	207.17	154.60	197.93	163.35	208.92	530	181.15	233.57	173.80	224.33	182.55	235.32
369	162.27	207.61	154.92	198.37	163.67	209.36	533	181.47	234.01	174.12	224.77	182.87	235.76
372	162.59	208.05	155.24	198.81	163.99	209.80	535	181.79	234.45	174.44	225.21	183.19	236.20
375	162.91	208.49	155.56	199.25	164.31	210.24	538	182.11	234.89	174.76	225.65	183.51	236.64
377	163.23	208.93	155.88	199.69	164.63	210.68	541	182.43	235.33	175.08	226.09	183.83	237.08
380	163.55	209.37	156.20	200.13	164.95	211.12	544	182.75	235.77	175.40	226.53	184.15	237.52
383	163.87	209.81	156.52	200.57	165.27	211.56	546	183.07	236.21	175.72	226.97	184.47	237.96
385	164.19	210.25	156.84	201.01	165.59	212.00	549	183.39	236.65	176.04	227.41	184.79	238.40
388	164.51	210.69	157.16	201.45	165.91	212.44	552	183.71	237.09	176.36	227.85	185.11	238.84
391	164.83	211.13	157.48	201.89	166.23	212.88	555	184.03	237.53	176.68	228.29	185.43	239.28
394	165.15	211.57	157.80	202.33	166.55	213.32	557	184.35	237.97	177.00	228.73	185.75	239.79
396	165.47	212.01	158.12	202.77	166.87	213.76	560	184.67	238.41	177.32	229.17	186.07	240.16
399	165.79	212.45	158.44	203.21	167.19	214.20	563	184.99	238.85	177.64	229.61	186.39	240.60
402	166.11	212.89	158.76	203.65	167.51	214.64	565	185.31	239.29	177.96	230.05	186.71	241.04
405	166.43	213.33	159.08	204.09	167.53	215.08	568	185.63	239.73	178.28	230.49	187.03	241.48
407	166.75	213.77	159.40	204.53	168.15	215.52	571	185.95	240.17	178.60	230.93	187.35	241.92
410	167.07	214.21	159.72	204.97	168.47	215.96	574	186.27	240.61	178.92	231.37	187.67	242.36
413	167.39	214.65	160.04	205.41	168.79	216.40	576	186.59	241.05	179.24	231.81	187.99	242.80
415	167.71	215.09	160.36	205.85	169.11	216.84	579	186.91	241.49	179.56	232.25	188.31	243.24
418	168.03	215.53	160.68	206.29	169.43	217.28	582	187.23	241.93	179.88	232.69	188.63	243.68
421	168.35	215.97	161.00	206.73	169.75	217.72	585	187.55	242.37	180.20	233.13	188.95	244.12
424	168.67	216.41	161.32	207.17	170.07	218.16	587	187.87	242.81	180.52	233.57	189.27	244.56
426	168.99	216.85	161.64	207.61	170.39	218.60	590	188.19	243.25	180.84	234.01	189.59	245.00
429	169.31	217.29	161.96	208.05	170.71	219.04	593	188.51	243.69	181.16	234.45	189.91	245.44
432	169.63	217.73	162.28	208.49	171.03	219.48	595	188.83	244.13	181.48	234.89	190.23	245.88
435	169.95	218.17	162.60	208.93	171.35	219.92	598	189.15	244.57	181.80	235.33	190.55	246.32
437	170.27	218.61	162.92	209.37	171.67	220.36	601	189.47	245.01	182.12	235.77	190.87	246.76
440	170.59	219.05	163.24	209.81	171.99	220.80	604	189.79	245.45	182.44	236.21	191.19	247.20
443	170.91	219.49	163.56	210.25	172.31	221.24	606	190.11	245.89	182.76	236.65	191.51	247.64
445	171.23	219.93	163.88	210.69	172.63	221.68	609	190.43	246.33	183.08	237.09	191.83	248.08
448	171.55	220.37	164.20	211.13	172.95	222.12	612	190.75	246.77	183.40	237.53	192.15	248.52
451	171.87	220.81	164.52	211.57	173.27	222.56	615	191.07	247.21	183.72	237.97	192.47	248.96
454	172.19	221.25	164.84	212.01	173.59	223.00	617	191.39	247.65	184.04	238.41	192.79	249.40
456	172.51	221.69	165.16	212.45	173.91	223.44	620	191.71	248.09	184.36	238.85	193.11	249.84
459	172.83	222.13	165.48	212.89	174.23	223.88	623	192.03	248.53	184.68	239.29	193.43	250.28
462	173.15	222.57	165.80	213.33	174.55	224.32	625	192.35	245.97	185.00	239.73	193.75	250.72
465	173.47	223.01	166.12	213.77	174.87	224.76	628	192.67	249.41	185.32	240.17	194.07	251.16
467	173.79	223.45	166.44	214.21	175.19	225.20	631	192.99	249.85	185.64	240.61	194.39	251.60
470	174.11	223.89	166.76	214.65	175.51	225.64	634	193.31	250.29	185.96	241.05	194.71	252.04
473	174.43	224.33	167.08	215.09	175.83	226.08	636	193.63	250.73	186.28	241.49	195.03	252.48
475	174.75	224.77	167.40	215.53	176.15	226.52	639	193.95	251.17	186.60	241.93	195.35	252.92
478	175.07	225.21	167.72	215.97	176.47	226.96	642	194.27	251.61	186.92	242.27	195.67	253.36
481	175.39	225.65	168.04	216.41	176.79	227.40	645	194.59	252.05	187.24	242.81	195.99	253.80
484	175.71	226.09	168.36	216.85	177.11	227.84	647	194.91	252.49	187.56	243.25	196.31	254.24
486	176.03	226.53	168.68	217.29	177.43	228.28	650	195.23	252.93	187.88	243.69	196.63	254.68
489	176.35	226.97	169.00	217.73	177.75	228.72	653	195.55	253.07	188.20	244.13	196.95	255.12
492	176.67	227.41	169.32	218.17	178.07	229.16	655	195.87	253.81	188.52	244.57	197.27	255.36

COLUMN A. Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B. Rates apply on vehicles weighing over 3150 pounds.
For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TATIFF NO. 504

SECTION NO 2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE, WYOMING

MILES	RATES APPLY FROM						MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN			FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	A	B	A	B	A	B		A	B	A	B	A	B
658	196.19	254.25	188.84	245.01	197.59	256.00	822	215.39	280.65	208.04	271.41	216.79	282.40
661	196.51	254.69	189.16	245.45	197.91	256.44	825	215.71	281.09	208.36	271.85	217.11	282.84
664	196.83	255.13	189.48	245.89	198.23	256.88	827	216.03	281.53	208.68	272.29	217.43	283.28
666	197.15	255.57	189.80	246.33	198.55	257.32	830	216.35	281.97	209.00	272.73	217.75	283.72
669	197.47	256.01	190.12	246.77	198.87	257.76	833	216.67	282.41	209.32	273.17	218.07	284.16
672	197.79	256.45	190.44	247.21	199.19	258.20	835	216.99	282.85	209.64	273.61	218.39	284.60
675	198.11	256.89	190.76	247.65	199.51	258.64	838	217.31	283.29	209.96	274.05	218.71	285.04
677	198.43	257.33	191.08	248.09	199.83	259.08	841	217.63	283.73	210.28	274.49	219.03	285.48
680	198.75	257.77	191.40	248.53	200.15	259.52	844	217.95	284.17	210.60	274.93	219.35	285.92
683	199.07	258.21	191.72	248.97	200.47	259.96	846	218.27	284.61	210.92	275.37	219.67	286.36
685	199.39	258.65	192.04	249.41	200.79	260.40	849	218.59	285.05	211.24	275.81	219.99	286.80
688	199.71	259.09	192.36	249.85	201.11	260.84	852	218.91	285.49	211.56	276.25	220.31	287.24
691	200.03	259.53	192.68	250.29	201.43	261.28	855	219.23	285.93	211.88	276.69	220.62	287.68
694	200.35	259.97	193.00	250.73	201.75	261.71	857	219.55	286.37	212.20	277.13	220.95	288.12
696	200.67	260.41	193.32	251.17	202.07	262.16	860	219.87	286.81	212.52	277.57	221.27	288.56
699	200.99	260.85	193.64	251.61	202.39	262.60	863	220.19	287.25	212.84	278.01	221.59	289.00
702	201.31	261.29	193.96	252.05	202.71	263.04	865	220.51	287.69	213.16	278.45	221.91	289.44
705	201.63	261.73	194.28	252.49	203.03	263.48	868	220.83	288.13	213.48	278.89	222.23	289.88
707	201.95	262.17	194.60	252.93	203.35	263.92	871	221.15	288.57	213.80	279.33	222.55	290.32
710	202.27	262.61	194.92	253.37	203.67	264.36	874	221.47	289.01	214.12	279.77	222.87	290.76
713	202.59	263.05	195.24	253.81	203.99	264.80	876	221.79	289.45	214.44	280.21	223.19	291.20
715	202.91	263.49	195.56	254.25	204.31	265.24	879	222.11	289.89	214.76	280.65	223.51	291.64
718	203.23	263.93	195.88	254.69	204.63	265.68	882	222.43	290.33	215.08	281.09	223.83	292.08
721	203.55	264.37	196.20	255.13	204.95	266.12	885	222.75	290.77	215.40	281.53	224.15	292.52
724	203.87	264.81	196.52	255.57	205.27	266.56	887	223.07	291.21	215.72	281.97	224.47	292.96
726	204.19	265.25	196.84	256.01	205.59	267.00	890	223.39	291.65	216.04	282.41	224.79	293.40
729	204.51	265.69	197.16	256.45	205.91	267.44	893	223.71	292.09	216.36	282.85	225.11	293.84
732	204.83	266.13	197.48	256.89	206.23	267.88	895	224.03	292.53	216.68	283.29	225.43	294.28
735	205.15	266.57	197.80	257.33	206.55	268.32	898	224.35	292.97	217.00	283.73	225.75	294.72
737	205.47	267.01	198.12	257.77	206.87	268.76	901	224.67	293.41	217.32	284.17	226.07	295.16
740	205.79	267.45	198.44	258.21	207.19	269.20	904	224.99	293.85	217.64	284.61	226.39	295.60
743	206.11	267.89	198.76	258.65	207.51	269.64	906	225.31	294.29	217.96	285.05	226.71	296.04
745	206.43	268.33	199.08	259.09	207.83	270.08	909	225.63	294.73	218.28	285.49	227.03	296.48
748	206.75	268.77	199.40	259.53	208.15	270.52	912	225.95	295.17	218.60	285.93	227.35	296.92
751	207.07	269.21	199.72	259.97	208.47	270.91	915	226.27	295.61	218.92	286.37	227.67	297.36
754	207.39	269.65	200.04	260.41	208.79	271.40	917	226.59	296.05	219.24	286.81	227.99	297.80
756	207.71	270.09	200.36	260.85	209.11	271.84	920	226.91	296.49	219.56	287.25	228.31	298.24
759	208.03	270.53	200.68	261.29	209.43	272.28	923	227.23	296.93	219.88	287.69	228.63	298.68
762	208.35	270.97	201.00	261.73	209.75	272.72	925	227.55	297.37	220.20	288.13	228.95	299.12
765	208.67	271.41	201.32	262.17	210.07	273.16	928	227.87	297.81	220.52	288.57	229.27	299.56
767	208.99	271.85	201.64	262.61	210.39	273.60	931	228.19	298.25	220.84	289.01	229.59	300.00
770	209.31	272.29	201.96	263.05	210.71	274.04	934	228.51	298.69	221.16	289.45	229.91	300.44
773	209.63	272.73	202.28	263.49	211.03	274.48	936	228.83	299.13	221.48	289.89	230.23	300.88
775	209.95	273.17	202.60	263.93	211.35	274.92	939	229.15	299.57	221.80	290.33	230.55	301.32
778	210.27	273.61	202.92	264.37	211.67	275.36	942	229.47	300.01	222.12	290.77	230.87	301.76
781	210.59	274.05	203.24	264.81	211.99	275.80	945	229.79	300.45	222.44	291.21	231.19	302.20
784	210.91	274.49	203.56	265.25	212.31	276.24	947	230.11	300.89	222.76	291.65	231.51	302.64
786	211.23	274.93	203.88	265.69	212.63	276.68	950	230.43	301.33	223.08	292.09	231.83	303.08
789	211.55	275.37	204.20	266.13	212.95	277.12	953	230.75	301.77	223.40	292.53	232.15	303.52
792	211.87	275.81	204.52	266.57	213.27	277.56	955	231.07	302.21	223.72	292.97	232.47	303.96
795	212.19	275.25	204.84	267.01	213.59	278.00	958	231.39	302.65	224.04	293.41	232.79	304.40
797	212.51	276.69	205.16	267.45	213.91	278.44	961	231.71	303.09	224.36	293.85	233.11	304.84
800	212.83	277.13	205.48	267.89	214.23	278.88	964	232.03	303.53	224.68	294.29	233.43	305.28
803	213.15	277.57	205.80	268.33	214.55	279.32	966	232.35	303.97	225.00	294.73	233.75	305.72
805	213.47	278.01	206.12	268.77	214.87	279.76	969	232.67	304.41	225.32	295.17	234.07	306.16
808	213.79	278.45	206.44	269.21	215.19	280.20	972	232.99	304.85	225.64	295.61	234.39	306.60
811	214.11	278.89	206.76	269.65	215.51	280.64	975	233.31	305.29	225.96	296.05	234.71	307.04
814	214.43	279.33	207.08	270.09	215.83	281.08	977	233.63	305.73	226.28	296.49	235.03	307.48
816	214.75	279.77	207.40	270.53	216.15	281.52	980	233.95	306.17	226.60	296.93	235.35	307.92
819	215.07	280.21	207.72	270.97	216.47	281.96	983	234.27	306.61	226.92	297.37	235.67	308.36

COLUMN A. Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B. Rates apply on vehicles weighing over 3150 pounds.
For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO. 504

SECTION NO.2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE, WYOMING

MILES	RATES APPLY FROM FLINT, MICHIGAN A	FLINT, MICHIGAN B	LANSING, MICHIGAN A	LANSING, MICHIGAN B	PONTIAC, MICHIGAN A	PONTIAC, MICHIGAN B
985	234.59	307.05	267.24	297.81	235.99	308.80
988	234.91	307.49	267.56	298.25	236.31	309.24
991	235.23	307.93	267.88	298.69	236.63	309.68
994	235.55	308.37	268.20	299.13	236.95	310.12
996	235.87	308.81	268.52	299.57	237.27	310.56
999	236.19	309.25	268.84	300.01	237.59	311.00
1002	236.51	309.69	269.16	300.45	237.91	311.44
1005	236.83	310.13	269.48	300.89	238.23	311.88
1007	237.15	310.57	269.80	301.33	238.55	312.32
1010	237.47	311.01	270.12	301.77	238.87	312.76
1013	237.79	311.45	270.44	302.21	239.19	313.20
1015	238.11	311.89	270.76	302.65	239.51	313.64
1018	238.43	312.33	271.08	303.09	239.83	314.08
1021	238.75	312.77	271.40	303.53	240.15	314.52
1024	239.07	313.21	271.72	303.97	240.47	314.96
1026	239.39	313.65	232.04	304.41	240.79	315.40
1029	239.71	314.09	232.36	304.85	241.11	315.84
1032	240.03	314.53	232.68	305.29	241.43	316.28
1035	240.35	314.97	233.00	305.73	241.75	316.72
1037	240.67	315.41	233.32	306.17	242.07	317.16
1040	240.99	315.85	233.64	306.61	242.39	317.60
1043	241.31	316.29	233.96	307.05	242.71	318.04
1045	241.63	316.73	234.28	307.49	243.03	318.48
1048	241.95	317.17	234.60	307.93	243.35	318.92
1051	242.27	317.61	234.92	308.37	243.67	319.36
1054	242.59	318.05	235.24	308.81	243.99	319.80
1056	242.91	318.49	235.56	309.25	244.31	320.24
1059	243.23	318.93	235.88	309.69	244.63	320.68
1062	243.55	319.37	236.20	310.13	244.95	321.12
1065	243.87	319.81	236.52	310.57	245.27	321.56
1067	244.19	320.25	236.84	311.01	245.59	322.00
1070	244.51	320.69	237.16	311.45	245.91	322.44
1073	244.83	321.13	237.48	311.89	246.23	322.88
1075	245.15	321.57	237.80	312.33	246.55	323.32
1078	245.47	322.01	238.12	312.77	246.87	323.76
1081	245.79	322.45	238.44	313.21	247.19	324.20
1084	246.11	322.89	238.76	313.65	247.51	324.64
1086	246.43	323.33	239.08	314.09	247.83	325.08
1089	246.75	323.77	239.40	314.53	248.15	325.52
1092	247.07	324.21	239.72	314.97	248.47	325.96
1095	247.39	324.65	240.04	315.41	248.79	326.40
1097	247.71	325.09	240.36	315.85	249.11	326.84
1100	248.03	325.53	240.68	316.29	249.43	327.28
1103	248.35	325.97	241.00	316.73	249.75	327.72
1105	248.67	326.41	241.32	317.17	250.07	328.16
1108	248.99	326.85	241.64	317.61	250.39	328.60
1111	249.31	327.29	241.96	318.05	250.71	329.04
1114	249.63	327.73	242.28	318.49	251.03	329.48
1116	249.95	328.17	242.60	318.93	251.35	329.92
1119	250.27	328.61	242.92	319.37	251.67	330.36
1122	250.59	329.05	243.24	319.81	251.99	330.80
1125	250.91	329.49	243.56	320.25	252.31	331.24
1127	251.23	329.93	243.88	320.69	252.63	331.68
1130	251.55	330.37	244.20	321.13	252.95	332.12
1133	252.87	330.81	244.52	321.57	253.27	332.56
1135	253.19	331.25	244.84	322.01	243.59	333.00
1138	253.51	331.69	245.16	322.45	253.91	333.44
1141	253.83	332.13	245.48	322.89	254.23	333.88
1144	254.15	332.57	245.80	323.33	254.55	334.32
1146	254.47	333.01	246.12	323.77	254.87	334.76

MILES	RATES APPLY FROM FLINT, MICHIGAN A	FLINT, MICHIGAN B	LANSING, MICHIGAN A	LANSING, MICHIGAN B	PONTIAC, MICHIGAN A	PONTIAC, MICHIGAN B
1149	254.79	333.45	246.44	324.21	255.19	335.20
1152	255.11	333.89	246.76	324.65	255.51	335.64
1155	255.43	334.33	247.08	325.09	255.83	336.08
1157	255.79	334.77	247.40	325.53	256.15	336.52
1160	256.07	335.21	247.72	325.97	256.57	336.96
1163	255.39	335.65	248.04	326.41	256.79	337.40
1165	255.71	336.09	248.36	326.85	257.11	337.84
1168	256.03	336.53	248.68	327.29	257.43	338.28
1171	256.35	336.97	249.00	327.73	257.75	338.72
1174	256.67	337.41	249.32	328.17	258.07	339.16
1176	256.99	337.85	249.64	328.61	258.39	339.60
1179	257.31	338.29	249.96	329.05	258.71	340.04
1182	257.63	338.73	250.28	329.49	259.03	340.48
1185	257.95	339.17	250.60	329.93	259.35	340.92
1187	258.27	339.61	250.92	330.37	259.67	341.36
1190	258.59	340.05	251.24	330.81	259.99	341.80
1193	258.91	340.49	251.56	331.25	260.31	342.24
1195	259.23	340.93	251.88	331.69	260.63	342.68
1198	259.55	341.37	252.20	332.13	260.95	343.12
1201	259.87	341.81	252.52	332.57	261.27	343.56
1204	260.19	342.25	252.84	333.01	261.59	344.00
1206	260.51	342.69	253.16	333.45	261.91	344.44
1209	260.83	343.13	253.48	333.89	262.23	344.88
1212	261.15	343.57	253.80	334.33	262.55	345.32
1215	261.47	344.01	254.12	334.77	262.87	345.76
1217	261.79	344.45	254.44	335.21	263.19	346.20
1220	262.11	344.89	254.76	335.65	263.51	346.64
1223	262.43	345.33	255.08	336.09	263.83	347.08
1225	262.75	345.77	255.40	336.53	264.15	347.52
1228	263.07	346.21	255.72	336.97	264.47	347.96
1231	263.39	346.65	256.04	337.41	264.79	348.40
1234	263.71	347.09	256.36	337.85	265.11	348.84
1236	264.03	347.53	256.68	338.29	265.43	349.28
1239	264.35	347.97	257.00	338.73	265.75	349.72
1242	264.67	348.41	257.32	339.17	266.07	350.16
1245	264.99	348.85	257.64	339.61	266.39	350.60
1247	265.31	349.29	257.96	340.05	266.71	351.04
1250	265.63	349.73	258.28	340.49	267.03	351.48
1253	265.95	350.17	258.60	340.93	267.35	351.96
1255	266.27	350.61	258.92	341.47	267.67	352.36
1258	266.59	351.05	259.24	341.81	267.99	352.80
1261	266.91	351.49	259.56	342.25	268.31	353.24
1264	267.23	351.93	259.88	342.69	268.63	353.68
1266	267.55	352.37	260.20	343.13	268.95	354.12
1269	267.87	352.81	260.52	343.57	269.27	354.56
1272	268.19	353.25	260.84	344.01	269.59	355.00
1275	268.51	353.69	261.16	344.45	269.91	355.44
1277	268.83	354.13	261.48	344.89	270.23	355.88
1280	269.15	354.57	261.80	345.33	270.55	356.32
1283	269.47	355.01	262.12	345.77	270.87	356.76
1285	269.79	355.45	262.44	346.21	271.19	357.20
1288	270.11	355.89	262.76	346.65	271.51	357.64
1291	270.43	356.33	263.08	347.09	271.83	358.08
1294	270.79	356.77	263.40	347.53	272.15	358.52
1296	271.07	357.21	263.72	347.97	272.47	358.96
1299	271.39	357.65	264.04	348.41	272.79	359.40
1302	271.71	358.09	264.36	348.85	273.11	359.84
1305	272.03	358.53	264.68	349.29	273.43	360.28
1307	272.35	358.97	265.00	349.73	273.75	360.72
1310	272.67	359.41	265.32	350.17	274.07	361.16

COLUMN A. Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B. Rates apply on vehicles weighing over 3150 pounds.
For explanation of abbreviations, reference marks or symbols, refer to concluding page.

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TARIFF NO.504

SECTION NO.2
JOINT MILEAGE COMMODITY RATES
IN DOLLARS PER VEHICLE
ON MILEAGES FROM BASING POINT - CHEYENNE,WYOMING

MILES	RATES APPLY FROM						MILES	RATES APPLY FROM					
	FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN			FLINT, MICHIGAN		LANSING, MICHIGAN		PONTIAC, MICHIGAN	
	A	B	A	B	A	B		A	B	A	B	A	B
1313	272.99	359.85	265.64	350.61	274.39	361.60	1381	280.99	370.85	273.64	361.61	282.39	372.60
1315	273.31	360.29	265.96	351.05	274.71	362.04	1384	281.31	371.29	273.96	362.05	282.71	373.04
1318	273.63	360.73	266.28	351.49	275.03	362.48	1386	281.63	371.73	274.28	362.49	283.03	373.48
1321	273.95	361.17	266.60	351.93	275.35	362.96	1389	281.95	372.17	274.60	362.93	283.35	373.92
1324	274.27	361.61	266.92	352.37	275.67	363.36	1392	282.27	372.61	274.92	363.37	283.67	374.36
1326	274.59	362.05	267.24	352.81	275.99	363.80	1395	282.59	373.05	275.24	363.81	283.99	374.80
1329	274.91	362.49	267.56	353.25	276.31	364.24	1397	282.91	373.49	275.56	364.25	284.31	375.24
1332	275.23	362.93	267.88	353.69	276.63	364.68	1400	283.23	373.93	275.88	364.69	284.63	375.68
1335	275.55	363.37	268.20	354.13	276.95	365.12	1403	283.55	374.37	276.20	365.13	284.95	376.12
1337	275.87	363.81	268.52	354.57	277.27	365.56	1405	283.87	374.81	276.52	365.57	285.27	376.56
1340	276.19	364.28	268.84	355.01	277.59	366.00	1408	284.19	375.25	276.84	366.01	285.59	377.00
1343	276.51	364.69	269.16	355.45	277.91	366.44	1411	284.51	375.69	277.16	366.45	285.91	377.44
1345	276.83	365.13	269.48	355.89	278.23	366.88	1414	284.83	376.13	277.48	366.89	286.23	377.88
1348	277.19	365.57	269.80	356.33	278.55	367.32	1416	285.15	376.57	277.80	367.33	286.55	378.32
1351	277.47	366.01	270.12	356.77	278.87	367.76	1419	285.47	377.01	278.12	367.77	286.87	378.76
1354	277.69	366.45	270.44	357.21	279.19	368.20	1422	285.79	377.45	278.44	368.21	287.19	379.20
1356	278.11	366.89	270.76	357.65	279.51	368.64	1425	286.11	377.89	278.76	368.65	287.51	379.64
1359	278.43	367.33	271.08	358.09	279.83	369.08	1427	286.43	378.33	279.08	369.09	287.83	380.08
1362	278.79	367.77	271.40	358.53	280.15	369.52	1430	286.79	378.77	279.40	369.53	288.15	380.52
1365	279.07	368.21	271.72	358.97	280.47	369.96	1433	287.07	379.21	279.72	369.97	288.47	380.96
1367	279.39	368.65	272.04	359.41	280.79	370.40							
1370	279.71	369.09	272.36	359.85	281.11	370.84							
1373	280.03	369.53	272.68	360.29	281.43	371.28							
1375	280.35	369.97	273.00	360.73	281.75	371.72							
1378	280.67	370.41	273.32	361.17	282.07	372.16							

COLUMN A. Rates apply on vehicles weighing 3150 pounds or less.
COLUMN B. Rates apply on vehicles weighing over 3150 pounds.
For explanation of abbreviations,reference marks,or symbols,refer to concluding page.

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TARIFF NO.504

SECTION NO.4
ROUTING INSTRUCTIONS FOR RATE SECTION NO.1

ITEM	ROUTING
5000	Rates named in this Tariff apply via the following routings to the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming: FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago, and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence Commercial Carriers, Inc., beyond. FROM LANSING, MICHIGAN VIA: C.& J.Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Commercial Carriers, Inc., beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago and North Western Railway Company Motor Vehicle Terminal located at Proviso, Illinois, thence via the Chicago and North Western Railway Company to Council Bluffs, Iowa or Fremont, Nebraska, thence via the Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Commercial Carriers, Inc., beyond.
5010	Rates named in this tariff apply via the following routes to the states of California, Colorado, Idaho, Nevada, Oregon, Utah, Washington and Wyoming. FROM FLINT, MICHIGAN VIA: Automobile Carriers, Inc., to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via Chicago, Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad to Cheyenne, Wyoming, thence via Commercial Carriers, Inc., beyond. FROM LANSING, MICHIGAN VIA: C.& J.Commercial Driveaway, Inc., Industrial Transport, Inc., or Howard Sober, Inc., to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal located at Chicago (Cicero), Illinois, thence via the Chicago, Burlington and Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago, Burlington and Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Commercial Carriers, Inc., beyond. FROM PONTIAC, MICHIGAN VIA: Contract Cartage Company or Motorcar Transport Company to the Chicago, Burlington and Quincy Railroad Company Motor Vehicle Terminal at Chicago (Cicero), Illinois, thence via the Chicago, Burlington or Quincy Railroad Company to Cheyenne, Wyoming or via the Chicago, Burlington or Quincy Railroad Company to Council Bluffs, Iowa or Grand Island, Nebraska, thence Union Pacific Railroad Company to Cheyenne, Wyoming, thence via Commercial Carriers, Inc., beyond.

EXPLANATION OF ABBREVIATIONS, REFERENCE MARKS OR SYMBOLS

ABBREVIATION REFERENCE MARK OR SYMBOL	EXPLANATION OF	ABBREVIATION REFERENCE MARK OR SYMBOL	EXPLANATION OF
A.M.	Before Noon	Nev.	Nevada
Ark.	Arkansas	No.	Number or North
Calif.	California	Ore.	Oregon
Carrier	Participating Carrier herein.	Per.	Each
C.B.& Q.	Chicago, Burlington & Quincy Railroad Co.	P.M.	Afternoon
C&NW	Chicago & Northwestern Railway	Pt.	Port or Point
Co.	Company	Sec.	Section
C.O.D.	Collect-on-Delivery	So.	South
Colo.	Colorado	St.	Saint
Comcl'd.	Concluded	Spgs	Springs
Cont'd	Continued	T.A.	Temporary Authority
Cty.	County	U.P.	Union Pacific Railroad Co.
d/b/a.	Doing business as	U.S.	United States
E.	East	Via.	By Way of
Equipment	Trucks, tractors, trailers or semi-trailers	Viz.	Namely
Etc.	So-forth	Wash.	Washington
Ft.	Fort	Wis.	Wisconsin
I.C.C.	Interstate Commerce Commission	Wyo.	Wyoming
Ida.	Idaho	W.	West
i.e.	That is	•	Denotes New Point
Ill.	Illinois	↓	Denotes Reduction
Inc.	Incorporated	↑	Denotes increase
Jct.	Junction	⊙	Denotes no change in rate
L.	License	↕	Denotes change which results in neither increase nor reduction
MC	Motor Carrier	&	And
MF	Motor Freight	$	Dollar Sign
Mich.	Michigan	¢	Cents
Mo.	Missouri	#	Pounds
Mt.	Mount	%	Percent
Neb.	Nebraska		

For explanation of abbreviations, reference marks or symbols, refer to above.

SUPPLEMENT NO. 1
TO
MF-I.C.C. NO. 219

KENOSHA AUTO TRANSPORT CORPORATION

(MC-30837)

SUPPLEMENT NO. 1

TO

MOTOR FREIGHT TARIFF NO. 74

NAMING

LOCAL AND JOINT COMMODITY RATES

FOR THE TRANSPORTATION OF

AUTOMOBILES

FROM KENOSHA, WISCONSIN

TO POINTS IN

CALIFORNIA

SEE ITEM 20 OF TARIFF FOR GOVERNING PUBLICATIONS

ISSUED: SEPTEMBER 2, 1960 EFFECTIVE: SEPTEMBER 5, 1960

ISSUED TO BECOME EFFECTIVE ON THREE DAYS' NOTICE BY SPECIAL PERMISSION OF THE INTERSTATE COMMERCE COMMISSION NO. M-28167 OF AUGUST 31, 1960.

DEPARTURE FROM THE RULES OF TARIFF CIRCULARS MF NO. 3 AND NO. 20 IS AUTHORIZED BY SPECIAL PERMISSION OF THE INTERSTATE COMMERCE COMMISSION NO. M-27540 OF JULY 25, 1960.

ISSUED BY

LYLE DEVUYST, VICE-PRESIDENT

BOX 351

KENOSHA, WISCONSIN

FOR EXPLANATION OF ABBREVIATIONS, REFERENCE MARKS AND SYMBOLS, SEE PAGE 2 OF TARIFF.

PAGE 2.

LIST OF PARTICIPATING CARRIERS

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THE LIST OF PARTICIPATING CARRIERS IS AS SHOWN ON PAGE 2 OF TARIFF, AND AS AMENDED BELOW.

AMEND	CARRIER	ADDRESS	CONCURRENCE	SYMBOL
ADD	THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY	CHICAGO, ILLINOIS	FC 4 No. 2	SFe
ADD	CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY	CHICAGO, ILLINOIS	FC 2 No. 40	CRI

PAGE 3 OF TARIFF, AMEND:

APPLICATION OF RATES

ITEM NO.	SUBJECT
5-A CANCELS 5	SUBSTITUTION OF RAIL FOR MOTOR SERVICE A. UNLESS THE SHIPPER DIRECTS THAT TRAILER-ON-FLAT-CAR SERVICE SHALL NOT BE PERFORMED, KENOSHA AUTO TRANSPORT CORPORATION MAY, AT ITS OPTION, SUBSTITUTE TRAILER-ON-FLAT-CAR RAIL SERVICE BETWEEN THE POINTS AND VIA THE RAIL CARRIERS NAMED IN PARAGRAPH B OF THIS ITEM FOR THE ACTUALLY AVAILABLE MOTOR CARRIER SERVICES FOR WHICH KENOSHA AUTO TRANSPORT CORPORATION HAS LAWFUL OPERATING AUTHORITY AS A MOTOR COMMON CARRIER. B. SUBJECT TO PARAGRAPH A OF THIS ITEM, TRAILER-ON-FLAT-CAR RAIL SERVICE MAY BE SUBSTITUTED FOR HIGHWAY SERVICE BETWEEN KENOSHA, WISCONSIN, AND LOS ANGELES, RICHMOND, AND OAKLAND, CALIFORNIA, OR RAIL UNLOADING RAMPS WITHIN 10 MILES THEREOF, OVER THE FOLLOWING ROUTES,

MOTOR CARRIER	BETWEEN	RAIL CARRIERS
KENOSHA AUTO TRANSPORT CORPORATION	KENOSHA, WIS. AND LOS ANGELES, CALIF.	CNW TO COUNCIL BLUFFS, IA., OR FREMONT, NEBR., UP TO LOS ANGELES, CALIF., OR CNW TO CHICAGO, ILL., SFe TO LOS ANGELES, CALIF. OR CNW TO DES MOINES, IA., CRI TO TUCUMCARI, N. MEX., SP TO LOS ANGELES, CALIF.
KENOSHA AUTO TRANSPORT CORPORATION	KENOSHA, WIS AND OAKLAND, CALIF.	CNW TO COUNCIL BLUFFS, IA., OR FREMONT, NEBR. UP TO OGDEN, UTAH, SP TO OAKLAND, CALIF. OR CNW TO COUNCIL BLUFFS, IA., OR FREMONT, NEBR., UP TO SALT LAKE CITY, UTAH, WP TO OAKLAND, CALIF. OR CNW TO COUNCIL BLUFFS, IA., CB&Q TO DENVER, COLO., D&RGW TO OGDEN, UTAH, SP TO OAKLAND, CALIF., OR CNW TO COUNCIL BLUFFS, IA., CB&Q TO DENVER, COLO, D&RGW TO SALT LAKE CITY, UTAH, WP TO OAKLAND, CALIF., OR CNW TO CHICAGO, ILL, SFe TO OAKLAND, CALIF., OR CNW TO COUNCIL BLUFFS, IA., CRI TO DENVER, COLO., D&RGW TO OGDEN, UTAH, SP TO OAKLAND, CALIF. OR CNW TO COUNCIL BLUFFS, IA., CRI TO DENVER, COLO, D&RGW TO SALT LAKE CITY, UTAH, WP TO OAKLAND, CALIF.

FOR EXPLANATION OF ABBREVIATIONS, REFERENCE MARKS AND SYMBOLS, SEE PAGE 2 OF TARIFF.

297 PAGE 3.

PAGE 3 OF TARIFF, AMEND:

APPLICATION OF RATES - CONTINUED

ITEM NO.	SUBJECT
5-A CANCELS 5 (CONT'D)	SUBSTITUTION OF RAIL FOR MOTOR SERVICE - CONTINUED

MOTOR CARRIER	BETWEEN	RAIL CARRIERS
KENOSHA AUTO TRANSPORT CORPORATION	KENOSHA, WIS. AND RICHMOND, CALIF.	CNW TO COUNCIL BLUFFS, IA. OR FREMONT, NEBR., UP TO OGDEN, UTAH, SP TO RICHMOND, CALIF.. OR CNW TO CHICAGO, ILL., SFe TO RICHMOND, CALIF. OR CNW TO COUNCIL BLUFFS, IA., CRI TO DENVER, COLO., DRGW TO OGDEN, UTAH, SP TO RICHMOND, CALIF.

C. WHEN SUBSTITUTED TRAILER-ON-FLAT-CAR SERVICE IS PERFORMED UNDER THE PROVISIONS OF THIS ITEM, THE RATES NAMED IN THIS TARIFF WILL APPLY FOR THE CONTINUOUS MOVEMENT OF SHIPMENTS FROM ORIGIN TO FINAL DESTINATION.

(NOTE: DEPARTURE FROM THE TERMS OF THE RULES OF TARIFF CIRCULAR NOS. 20 AND MF-NO. 3 IS AUTHORIZED BY PERMISSION OF THE INTERSTATE COMMERCE COMMISSION NO. M-27540, OF JULY 25, 1960)

PAGE 8 OF TARIFF, AMEND:

RATE SECTION

LOCAL SPECIFIC COMMODITY RATES IN CENTS PER 100 POUNDS
FROM KENOSHA, WISCONSIN
(SEE ITEM 10 OF TARIFF FOR APPLICATION OF RATE COLUMNS)

ITEM NO.	TO	RATE COLUMNS 1 A	1 E	2 A	2 D
	CALIFORNIA	●	●		
280-A CANCELS 280	ALAMEDA	816	779	● 675	● 597
	ALHAMBRA	797	767	● 675	● 597
	ALTURAS	772	755	● 797	◆ 719
	ANAHEIM	795	763	● 675	● 597
	ANTIOCH	805	777	● 675	● 597
340-A CANCELS 340	CORONADA	795	775	● 703	● 625
	COSTA MESA	796	768	● 675	● 597
	COVINA	790	759	● 675	● 597
	CRESCENT CITY	862	838	● 807	◆ 729
	CULVER CITY	797	774	● 675	● 597
390-A CANCELS 390	FRESNO	840	804	● 727	● 649
	FULLERTON	793	764	● 675	● 597
	GARDENA	797	77[illegible]	● 675	● 597
	GARDEN GROVE	795	76[illegible]	● 675	● 597
	GILROY	810	80[illegible]	◆ 686	◆ 608

FOR EXPLANATION OF ABBREVIATIONS, REFERENCE MARKS AND SYMBOLS, SEE PAGE 2 OF TARIFF.

MF-I. C. C. No. 219

KENOSHA AUTO TRANSPORT CORPORATION

(MC-30837)

MOTOR FREIGHT TARIFF NO. 74

NAMING

LOCAL AND JOINT COMMODITY RATES

For the Transportation of

AUTOMOBILES

From Kenosha, Wisconsin

to points in

California

See Item 20 herein for governing publications.

ISSUED AUGUST 3, 1960 EFFECTIVE SEPTEMBER 5, 1960

Departure from the rules of Tariff Circulars MF No. 3 and No. 20 is authorized by special permission of the Interstate Commerce Commission No. M-27540 of July 25, 1960.

ISSUED BY

LYLE DeVUYST, Vice President
BOX 351
KENOSHA, WISCONSIN

(200) D629—THE STEIN PRINTING CO., ATLANTA, GA. (Printed in U.S.A.)

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TARIFF NO.74 299

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LIST OF PARTICIPATING CARRIERS

CARRIER	ADDRESS	CONCURRENCE	SYMBOL
Chicago and North Western Railway Company	Chicago,Illinois	FC2 No.3	CNW
Chicago,Burlington and Quincy Railroad Company	Chicago,Illinois	FC2 No.7	CB&Q
Southern Pacific Company	San Francisco,California	FC2 No.3	SP
Union Pacific Railroad	Omaha,Neb.	FC4 No.1	UP
The Denver and Rio Grande Western Railroad Company	Denver,Colorado	FC4 No.1	D&RGW
The Western Pacific Railroad Company	San Francisco,California	FC4 No.2	WP

EXPLANATION OF ABBREVIATIONS,REFERENCE MARKS AND SYMBOLS

ABBREVIATION OR SYMBOL	EXPLANATION	ABBREVIATION OR SYMBOL	EXPLANATION
A.M.	Morning.	Spgs	Springs.
C.O.D.	Collection on delivery.	St.	Saint.
I.C.C.	Interstate Commerce Commission.	Viz.	Namely.
Jct.	Junction.	Wisc.	Wisconsin.
MF.	Motor Freight.	¢	Cents.
Mt.	Mount.	$	Dollars.
N.	North.	&	And.
No.	Number.	⊕	Denotes no change in rate.
Nos.	Numbers.	↓	Denotes reduction in rate.
P.M.	Afternoon.	↑	Denotes increase in rate.
S.	South.	*	New Point.

DEFINITIONS

VEHICLE	The term "vehicle" as applied to the transportation of shipments in this tariff means any single unit of the commodities named in Item No.10 on which rates and charges apply.
TRUCKLOAD	The term "Truckload" as used herein means a truck (including truck-trailer and tractor-semi-trailer combinations) loaded to full visible capacity,or to the minimum weight or quantity specified,whichever is the lesser (smaller) quantity,subject to maximum weight or quantity where specified.
TRUCKAWAY SERVICE	Truckaway Service means the transportation of one or more vehicles as described herein when loaded into or upon carrier's equipment constructed for the purpose.
SINGLE DRIVE-AWAY SERVICE	Single Driveaway Service as referred to in this tariff means the movement of a single motor vehicle when driven under its own power by an authorized representative of the carrier.
SHIPMENT	A shipment shall be considered a consignment of any of the commodities listed in this tariff,on one bill of lading or receipt,to one consignee,to one destination on one day.
DESTINATION	The term "Destination" as applied herein means one place of delivery.

For explanation of abbreviations,reference marks and symbols,see above.

TARIFF NO. 74

APPLICATION OF RATES 300

ITEM NO.	SUBJECT

SUBSTITUTION OF RAIL FOR MOTOR SERVICE

A. Unless the shipper directs that trailer-on-flat-car service shall not be performed, Kenosha Auto Transport Corporation may, at its option, substitute trailer-on-flat-car rail service between the points and via the rail carriers named in Paragraph B of this item for the actually available motor carrier services for which Kenosha Auto Transport Corporation has lawful operating authority as a motor common carrier.

B. Subject to Paragraph A of this item, trailer-on-flat-car rail service may be substituted for highway service between Kenosha, Wisconsin, and Los Angeles and Oakland, California, or rail unloading ramps within 10 miles thereof, over the following routes.

MOTOR CARRIER	BETWEEN	AND	RAIL CARRIERS
Kenosha Auto Transport Corporation.	Kenosha, Wisconsin	Los Angeles, Calif.	CNW to Council Bluffs, Ia. or Fremont, Nebr., UP to Los Angeles, Calif.
Kenosha Auto Transport Corporation.	Kenosha, Wisconsin	Oakland, Calif.	CNW to Council Bluffs, Ia. or Fremont, Nebr., UP to Salt Lake City, Utah, WP to Oakland, Calif.
Kenosha Auto Transport Corporation.	Kenosha, Wisconsin	Oakland, Calif.	CNW to Council Bluffs, Ia. or Fremont, Nebr., UP to Ogden, Utah, SP to Oakland, Calif.
Kenosha Auto Transport Corporation.	Kenosha, Wisconsin	Oakland, Calif.	CNW to Council Bluffs, Ia., CB&Q to Denver, Colo., D&RGW to Ogden, Utah, SP to Oakland, Calif.

C. When substituted trailer-on-flat-car service is performed under the provisions of this item, the rates named in this tariff will apply for the continuous movement of shipments from origin to final destination.

(NOTE: Departure from the terms of the rules of Tariff Circulars Nos. 20 and MF-No. 3 is authorized by permission of the Interstate Commerce Commission No. M-27540, of July 25, 1960)

10 **COMMODITY DESCRIPTION**

The rates and charges named in this tariff will apply on the transportation of AUTOMOBILES, FREIGHT AND PASSENGER, INCLUDING THEIR PARTS AND EQUIPMENT MOVING THEREWITH, subject to the following minimum weights:

A. 12,500 pounds on truckloads of 4 or less vehicles. (Apply Column 1(a) rates.)

B. 14,500 pounds on truckloads of 5 vehicles. (Apply Column 1(a) rates.)

C. 17,000 pounds on truckloads of 6 vehicles. (Apply Column 1(b) rates.)

D. 30,000 pounds on consignments of more than six vehicles, tendered by one consignor on one day for loading into not more than two trailers. (Apply Column 2(a) rates.)

E. 36,000 pounds on consignments of more than six vehicles, tendered by one consignor on one day for loading into not more than two trailers. (Apply Column 2(b) rates.)

The lowest charges obtainable under the different rates and minima applicable thereto, (or the actual quantities, if greater), will be applied.

20 **GOVERNING PUBLICATIONS**

This tariff is governed, as to mileage and distances, by mileage guide No. 6, Household Goods Carriers' Bureau, Agent, MF-I.C.C. No. 71, supplements thereto and successive issues thereof.

30 **PICKUP AND DELIVERY**

Rates named herein include pickup and delivery at points readily and conveniently accessible to carrier's trucks. The carrier may drive each vehicle from point offered for shipment to the carrier's own terminal yard located within the city limits of point of origin or adjacent thereto, and in the event carrier's vehicles cannot conveniently make delivery directly to the consignee, vehicles may be driven at destination from carrier's terminal to consignee's place of business, after preparing vehicles for such method of delivery.

40 **DROP-OFF IN TRANSIT**

Vehicles will be accepted at Kenosha, Wisconsin in less than truckload quantities, subject to the following conditions and service:

A. In the absence of specific instructions to the contrary, vehicles in less-than-truckload quantities will be accepted for transportation at the rates named herein at the truckload minimum weight or quantity applicable thereto (or actual weight or quantity if greater).

B. Bills of Lading, shipping receipts or other written instructions issued by the shipper directing that a less-than-truckload shipment tendered to the carrier be held for combinations with other less-than-truckload shipments into a truckload consigned to two or more destinations, must be cross-referenced with other bills of lading or shipping receipts to inform carrier as to the composition of the truckload and the completion of the tender as a truckload. Storage charges as provided in Item 130 of tariff will be applied on vehicles held for consolidation into a truckload as provided for in this paragraph.

(Concluded on following page)

For explanation of abbreviations, reference marks and symbols, see Page 2.

TARIFF NO.74

APPLICATION OF RATES (Continued) 301

ITEM NO.	SUBJECT
	DROP-OFF IN TRANSIT (Concl'd)

Vehicles will be accepted at Kenosha, Wisconsin in less than truckload quantities, subject to the following conditions and service: (Concluded)

C. When a shipment moving as a part of a truckload is ordered stopped in transit for drop-off or partial unloading, the rates to apply will be determined as follows:

1. Subject to Paragraph D, where the distance between first destination and final destination, via intermediate destination does not exceed 75 miles, the truckload rate to each destination will apply, plus $2.50 per destination.

2. Subject to Paragraph D, where the distance between first destination and final destination, via intermediate destinations, exceeds 75 miles, rates will be determined as follows subject to minimum weight provisions in paragraphs E and F (except as provided in Paragraph D below):

(A) Where the distance between origin and final destination via intermediate destinations, does not exceed by more than 75 miles the direct distance between origin and final destination, the rate to the highest rated destination point will be applied to each shipment, plus $2.50 per destination.

(B) Where the distance between origin and final destination via intermediate destinations exceeds by more than 75 miles the direct distance between origin and final destination, the rate to apply to each shipment will be the truckload rate to the highest rated destination point, plus 4 mills ($.004) per 100 pounds per mile for such distance over 75 miles, plus $2.50 per destination.

D. The charges for four vehicles moving to one destination as a less-than-truckload shipment moving on 5-vehicle or 6-vehicle equipment, or for five vehicles moving to one destination as a less-than-truck-load shipment moving on 6-vehicle equipment, shall not exceed the applicable truckload charges on the same quantity of vehicles moving as a straight truckload.

(1) When such four or five vehicles in a less-than-truckload shipment are consigned to that destination nearest origin, the rate to apply to the vehicle or vehicles moving beyond is the combination of the rate from origin to the first destination, minimum 3,000 pounds per vehicle, and the rate computed at four mills ($.004) per 100 pounds per mile, minimum weight 12,500 pounds, for that distance from first to final destination, via intermediate destinations if any, that exceeds 75 miles plus $2.50 per vehicle.

4 (Concl'd)

(2) When such four or five vehicles in a less-than-truckload shipment are consigned to a destination beyond the destination which is nearest origin, and the distance between origin and final destination, via intermediate destinations, exceeds by more than 75 miles, the direct distance between origin and final destination, the rate to apply to the other vehicle or vehicles in the truckload is the rate to the highest rated destination point, plus four mills ($.004) per 100 pounds per mile, minimum weight 12,500 pounds, for such distances over 75 miles, plus $2.50 per destination.

E. If the total weight of a truckload subject to this item is below the minimum truckload weight provided for in this tariff, each shipment included in such truckload shall be subject to a minimum weight equal to the same proportion of the applicable truckload minimum weight provided in Item 10 as the actual weight of each shipment bears to the actual weight of the truckload, except

(1) That where any unit in a 4-car load exceeds 3,125 pounds in weight or where any unit in a 5-car load exceeds 2,900 pounds where applicable truckload minimum is 14,500 pounds, 3,000 pounds where applicable truckload minimum weight is 15,000 pounds, or where any unit in a 6-car load exceeds 2,833 pounds, the difference between actual truckload weight and the applicable minimum truckload weight shall be allocated between the units weighing below the per-unit weight named in this paragraph in the determination of the total truckload charge, and;

(2) Where the truckload includes vehicles weighing not to exceed 2,500 pounds, the difference between the actual weight of such truckload and the minimum truckload weight prescribed in Item 10 shall be apportioned between those shipments containing vehicles weighing not to exceed 2,600 pounds in weight in the same proportion as the number of such vehicles in each shipment bears to the total number of such vehicles in the truckload.

F. If the total weight of a truckload subject to this item exceeds the minimum truckload weights provided for in this tariff, the charge for each shipment shall be determined by applying the applicable rate per 100 pounds to the actual weight of each shipment in the truckload.

50 Not Used.

For explanation of abbreviations, reference marks and symbols, see Page 2.

TARIFF NO.74

APPLICATION OF RATES(Continued) 302

ITEM NO.	SUBJECT
60	**RATES TO INTERMEDIATE POINTS** When any point of destination is not provided in this tariff with a commodity rate from point of origin over a particular highway,and such destination is between the considered origin and a point to which a commodity rate on the article is published herein,over the same highway from such origin,apply on such article the commodity rate to the next more-distance point to which a commodity rate is named thereon over the considered highway through the intermediate point,except as provided in NOTES 1,2 and 3. NOTE 1--When by reason of branch or diverging highways,there are more than one more-distant points to which commodity rates on the article from the considered origin are named herein,apply the rate to the more-distant point which,on that article from the same origin over the same highway, results in the lowest charge. NOTE 2--If the intermediate point is located between two points to which commodity rates on the same article are published in this tariff from the same origin over the same highway,apply that one of such rates which results in the higher charge. If due to branch or diverging highways there are two or more next more-distant points in the same direction,only that one of such points to which the lowest charge results will be considered in applying the provisions of this NOTE. NOTE 3--Where a lower rate can be determined or where the destination not shown is beyond any point to which a rate is published in this tariff,add four (4) mills per cwt. per mile to the rate to the point closest to the destination and nearer to the point of origin to which a rate is named herein.
70	**AMENDMENTS** Wherever reference is made to any rule or item in this tariff,such reference is to be construed as referring also to amendments or reissues of such rule or item.
80	**LOADING AND UNLOADING** Commodities named in Item No.10 capable of being operated under their own power will be loaded and unloaded at carrier's expense; otherwise loading and unloading will be performed by shipper and consignee.
90	**COMMODITIES NOT ACCEPTABLE** Any commodities described herein which because of defects,mechanical or otherwise can not be delivered to consignee in the same condition as when tendered the carrier or which on account of size,special construction,or any other cause,cannot safely or practicably be handled by the carrier,will not be accepted for transportation.
100	**EMERGENCY SERVICE VIA DRIVEAWAY** Single driveaway service may be substituted in order to complete delivery when trucks are disabled enroute,or because of impassable roads or in event of any other emergency,but such service shall only be performed upon specific authority from the owner.
110	**STOPS ENROUTE FOR SERVICING,EXHIBITION,OR FOR EQUIPMENT** Except as provided for in Item No.210,when requested by shipper,vehicles or shipments will be stopped en route at intermediate points via direct or normal routes for the installation of equipment,exhibition,servicing,or for any other reason,at no extra charge providing such stop does not require more than two hours. Thereafter,for each hour or fraction thereof,there shall be a charge of $5.00 per hour,the total charge so produced not to exceed $50.00 for any period of 24 consecutive hours. If point of stop-off is not intermediate to final destination via direct or normal route the rate from origin to final destination shall be determined by adding to the rate applicable from point of origin to point of stop-off four (4) mills per 100 pounds per mile for mileage from point of stop-off to final destination,mileage to be computed in accordance with Item No.20.
120	**REFUSED AND UNDELIVERED FREIGHT** Shipments refused or undelivered for any reason beyond the carrier's control will be returned to the carrier's nearest terminal or placed in a public warehouse or garage at destination or point nearest to destination at the cost and risk of the owner and subject to a lien for all transportation and other lawful charges including charges for storage.
130	**STORAGE CHARGES** At points of origin named in this tariff,rates published herein will include three days free storage from the first 7:00 A.M. following receipt of commodities in truckload quantities and thereafter when the act or failure to act by the consignor and/or consignee results in storage,the charges will be at the rate of 20¢ per vehicle per day or fraction thereof,subject to a maximum charge of $4.00 per month. Sundays and legal holidays,national,state,or municipal (but not half holidays) will be excluded from the computation of free time,but will not be excluded from computation of storage charges after expiration of free time.
140	**ORDER NOTIFY SHIPMENTS** Shipments consigned "To Order" will not be accepted.

For explanation of abbreviations,reference marks and symbols,see Page 2.

TARIFF NO.74

APPLICATION OF RATES (Continued) 303

ITEM NO.	SUBJECT
150	**RECONSIGNMENT OR DIVERSION** Reconsignment or diversion of shipments made subject to the tariff will be permitted,viz: A change in name of consignee,destination or route. Shipments may be reconsigned without charge at any time before shipment leaves the terminal of originating carrier or point of origin. Shipments after leaving origin terminal may be reconsigned at a charge of $2.00 per shipment in addition to charges provided below under the following conditions: (a) At the through rate from origin to final destination published herein if new destination is beyond first destination and results in no deviations in route. (b) When a deviation in route is caused by the reconsignment,additional charges will be assessed on the basis of 4 mills per 100 pounds per mile for each mile or fraction thereof in excess of mileage from origin to final destination via the shortest practicable route. (c) When a reconsignment results in a back-haul from original destination,or from point stopped in transit,toward the point of origin,charges will be assessed on the basis of rate from point of origin to original destination or point stopped plus 3 mills per 100 pounds per mile for the additional mileage in excess of the mileage from point of origin to original destination or stopping point that the shipment was carrier in making the diversion. Only one change in destination will be permitted under this rule when reconsignment instructions are received after shipment has left terminal at point of origin. Reconsignment at through rate from point of origin to final destination will not be effected when shipment has been unloaded from transportation vehicle at first destination (except as otherwise provided). In such instances rate published from origin point to first destination plus charges computed in accordance with Item No.50 will be assessed,subject to through rate to final destination as minimum. Shipments via connecting lines may be diverted at the through rate from origin to destination if the reconsignment is accomplished before shipments leave interchange points. Reconsignment at through rate from point of origin to final destination will not be effected when shipment has been unloaded from transportation vehicle at first destination (except as otherwise provided). In such instances rate published from origin point to first destination plus charges computed in accordance with Item No.50 will be assessed. Subject to through rate to final destination as minimum. Shipments via connecting lines may be diverted at the through rate from origin to destination if the reconsignment is accomplished before shipments leave interchange points. All request for diversion or reconsignment must be made in writing and addressed to the originating carrier at the address shown in this tariff.
160	**ADVANCE CHARGES** Upon request,the carriers will advance for collection from the consignee the following charges: (a) Charges for connecting rail,water or motor carrier lines. (b) Freight,storage,and other lawful charges,on commodities stored in public warehouse or garage.
*170	**DELAYED AND WAITING TIME** Delayed and/or waiting time beyond the control of the carrier,or caused by the act or failure to act of consignor or consignee shall be charged at the rate of $5.00 per hour or fraction thereof commencing two hours after carrier's employee has arrived at point of origin,point stopped, and/or points of delivery respectively. Charges for such waiting period and/or delayed time shall not exceed a maximum of $50.00 for any period of 24 consecutive hours.
180	**C.O.D. shipments** C.O.D. (Collect on Delivery) shipments will be handled at a charge of one ($1.00) dollar per shipment in addition to the rates named herein. The amount to be collected must be indicated in bold figures upon the face of the bill of lading or shipping receipt and also such collections will be remitted to the shipper by the carrier within five (5) days from the date of delivery.
190	**PROTECTION OF COOLING SYSTEMS AND BATTERIES - CARRIERS' LIABILITY** After carrier exercises due diligence to prevent damage caused by freezing by completely draining cooling and heating systes,or by accepting vehicles from the shipper containing anti-freeze for protection of cooling system,carrier's liability from damage caused by freezing ceases. Carriers will not be liable for damage caused by freezing of batteries,or for damage caused by leaking brake fluids,lubricants,battery acids,cooling system solutions,or other liquids.
200	**CHARGES FOR EXTRA DRIVER** When requested by shipper and/or when required by state or Federal regulations or otherwise, extra driver will be furnished at the applicable rate for the movement plus 16 cents per mile from point of origin to destination. When not requested by shipper,an extra driver is necessary, notice of such requirement will be given shipper in advance of movement of any such shipment.
210	**WASHING CHARGE** When requested by consignor or consignee,vehicles will be washed en route or at destination before delivery at a charge of $3.00 per vehicle.
220	**SPECIAL OR EXTRA EQUIPMENT** Carrier will not be responsible for special or extra equipment not attached to the vehicle unless specifically listed upon the bill of lading or shipping receipt.

For explanation of abbreviations,reference marks and symbols,see Page 2.

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TARIFF NO. 74

APPLICATION OF RATES (Concluded)

ITEM NO.	SUBJECT
230	**OPERATING AUTHORITY** The rates, rules and regulations named in this tariff, apply on interstate or foreign commerce only to the extent of the operating rights set forth below, and do not apply from or to any points or places not specifically authorized: Certificate MC-30837 Sub No. 227: Foreign-made automobiles over irregular routes in secondary movements in the truckaway service, from Kenosha, Wisc., to points in the United States except those in Arizona, Colorado, New Mexico, Oklahoma, and Texas. Certificate MC-30837, Sub 194: Automobiles, in initial movements, in truckaway service, over irregular routes from Kenosha, Wisc., to points in California, Nevada, Oregon, and Washington. Certificate MC-30837, authorizes transportation in interstate and foreign commerce, as a motor common carrier, over irregular routes, by the driveaway method, of: New Automobiles, in initial movements. From Kenosha, Wisconsin to all points and places in the United States except those in Mississippi and except to Milwaukee, Wisconsin.
240	**DAMAGED AND REJECTED SHIPMENTS RETURNED TO ORIGIN** The rate applicable to damaged or rejected shipments returned to origin is the rate published herein from origin to point from which shipment is returned.
250	**TOLL CHARGES** Where reference is made to this item, apply the rates shown in the rate column to the vehicles in the movement and add to the total charges, the toll charges per vehicle shown in the toll charge column. Where any charges are constructed by the use of any intermediate rule or mileage rate, such charges shall be subject to toll charges herein provided.
260	**PROTECTIVE COVERS** When requested by shipper, carriers will supply protective covers for motor vehicles described in Item 10 of Tariff, or as amended, at a charge of $5.00 per vehicle.
270	**TRANSIT PRIVILEGE** Subject to the conditions set forth in this Item, the rates and charges named in this Tariff, or as amended, include the privilege of stopping shipments at carrier's terminals in Montebello or Richmond, Calif., for storage or other services in transit. A. Shipping papers on movements from the transit points must bear notation showing the date and number of the freight bill covering the movement from origin. B. Local rates and charges, other than those named in this Item, applicable from origin to destination, must be paid at the time of delivery of the shipment to the transit point, or within the statutory credit period. No allowance will be made for pickup by consignee at the transit point, or when shipment is forwarded from the transit point via any carrier other than the carrier for which this tariff applies. C. Privileges specified in this Item apply only on shipments consigned to places of delivery within 30 miles of the transit point used. D. The services offered by carrier at the transit points, and the charges therefor, are as follows: (1) Washing. . . . . .$1.50 per vehicle (2) Storage. . . . . .30 per vehicle per day or fraction thereof, storage time to be computed from the second 7:00 A.M. following arrival of the vehicle at the transit point. Sundays, and the holidays of New Years Day, Veterans Day, Independence Day, Labor Day, Thanksgiving, and Christmas, shall not be counted in computation of free time, but shall be counted in computation of storage charges after expiration of free time.

For explanation of abbreviations, reference marks and symbols, see Page 2.

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TARIFF NO. 74

RATE SECTION

Local Specific Commodity Rates in Cents per 100 Pounds
From Kenosha, Wisconsin
(See Item 10 Herein for Application of Rate Columns)

ITEM NO.	TO	RATE COLUMNS 1 a	1 b	2 a	2 b
	CALIFORNIA				
280	Alameda	816	779	675	597
	Alhambra	797	767	675	597
	Alturas	772	755	797	619
	Anaheim	795	763	675	597
	Antioch	805	777	675	597
290	Arcadia	793	761	675	597
	Artesia	797	767	675	597
	Auburn	778	741	696	618
	Bakersfield	803	766	697	619
	Banning	768	745	686	608
300	Bashone	820	804	727	649
	Barstow	756	720	706	628
	Beaumont	769	748	684	606
	Bellflower	797	768	675	597
	Berkeley	816	779	675	597
310	Beverly Hills	797	770	675	597
	Bishop	745	708	759	681
	Blythe	745	708	742	664
	Brawley	749	737	731	653
	Burbank	797	770	675	597
320	Burlingame	816	785	675	597
	Calexico	757	737	742	664
	Cathedral City	759	736	698	620
	Chico	802	765	714	636
	Chula Vista	795	776	707	629
330	Coalinga	820	804	737	659
	Colton	779	748	675	597
	Compton	797	770	675	597
	Concord	811	774	675	597
	Corona	787	755	675	597
340	Coronada	795	775	703	625
	Costa Mesa	796	768	675	597
	Covina	790	759	675	597
	Crescent City	862	838	807	629
	Culver City	797	772	675	597
350	Daly City	816	781	675	597
	Davis	790	753	677	599
	Delano	816	779	710	632
	Dos Palos	836	802	709	631
	Downey	797	768	675	597
360	East Los Angeles	797	767	675	597
	El Cajon	791	771	707	629
	El Centro	754	732	737	659
	El Monte	797	767	675	597
	El Segundo	797	773	675	597
370	Encino	797	773	675	597
	Escondido	795	776	697	619
	Eureka	862	833	773	695
	Fairfield	810	773	675	597
	Fallbrook	803	768	693	615
380	Fallon	820	787	682	604
	Fillmore	812	781	677	599
	Fort Bragg	856	819	725	647
	Freedom	841	811	696	618
	Fremont (Alameda County)	823	786	683	605
390	Fresno	840	804	727	649
	Fullerton	793	764	675	597
	Gardena	797	771	675	597
	Garden Grove	795	767	675	597
	Gilroy	818	801	669	591

ITEM NO.	TO	RATE COLUMNS 1 a	1 b	2 a	2 b
	CALIFORNIA				
400	Glendale	797	767	675	597
	Glendora	790	759	675	597
	Goleta	833	802	694	616
	Grass Valley	768	731	706	628
	Gridley	791	754	702	624
410	Hanford	813	796	730	652
	Harbor City	797	772	675	597
	Hawthorne	797	772	675	597
	Hayward	821	784	675	597
	Hemet	793	756	687	609
420	Hermosa Beach	797	774	675	597
	Hollister	843	820	692	614
	Hollywood	797	769	675	597
	Huntington Beach	797	770	675	597
	Huntington Park	797	771	675	597
430	Indio	752	730	703	625
	Inglewood	797	770	675	597
	Kelseyville	801	788	694	616
	King City	864	828	716	638
	Laguna Beach	799	770	675	597
440	La Jolla	795	776	698	620
	La Mesa	791	771	706	628
	Lancaster	789	753	682	604
	La Puente	794	762	675	597
450	Lawndale	797	775	675	597
	Lindsay	806	788	722	644
	Livermore	815	778	675	597
	Lodi	796	759	685	607
	Long Beach	797	769	675	597
460	Los Altos	823	794	675	597
	Los Angeles	797	767	675	597
	Los Banos	831	795	703	625
	Los Gatos	831	794	680	602
	Lynwood	797	770	675	597
470	Madera	836	799	717	639
	Manteca	803	767	683	605
	Marina	854	817	675	597
	Martinez	812	782	675	597
	Marysville	785	748	695	617
480	Merced	824	787	704	626
	Mill Valley	816	784	675	597
	Modesto	811	774	689	611
	Monrovia	792	761	675	597
	Montebello	797	767	675	597
490	Monterey	854	817	702	624
	Monterey Park	797	767	675	597
	Montrose	797	767	675	597
	Napa	810	773	675	597
	National City	795	775	704	626
500	Needles	745	708	767	690
	Newport Beach	796	768	675	597
	North Hollywood	797	771	675	597
	Norwalk	797	767	675	597
	Oakland	816	779	675	597
510	Oceanside	803	775	688	610
	Ontario	786	754	675	597
	Orange	793	763	675	597
	Orange Cove	846	820	738	661
	Oroville	790	753	707	629

For explanation of abbreviations, reference marks and symbols, see Page 2.

TARIFF NO. 74

RATE SECTION 306

Local Specific Commodity Rates in Cents per 100 Pounds
From Kenosha, Wisconsin
(See Item 10 Herein for Application of Rate Columns)

ITEM NO.	TO	RATE COLUMNS 1 a	1 b	2 a	2 b
	CALIFORNIA				
520	Oxnard	820	787	678	600
	Pacific Grove	854	820	705	628
	Palo Alto	822	792	675	597
	Pasadena	797	767	675	597
	Paso Robles	842	806	737	659
530	Petaluma	820	788	675	597
	Pittsburg	867	770	675	597
	Placerville	769	735	699	621
	Pomona	788	756	675	597
	Porterville	822	784	717	639
540	Puente	794	762	675	597
	Quincy	773	736	739	661
	Red Bluff	804	775	725	647
	Redding	815	778	737	659
	Redlands	778	750	678	601
550	Redondo Beach	797	774	675	597
	Redwood City	820	791	675	597
	Reedley	846	809	736	659
	Reseda	797	775	675	597
	Richmond	816	779	675	597
560	Ridgecrest	792	755	716	638
	Riverside	778	750	675	597
	Rodeo	812	775	675	597
	Roseville	778	741	690	612
	Sacramento	785	748	683	605
570	Salinas	848	811	697	619
	San Andreas	789	755	701	623
	San Bernardino	778	747	675	597
	San Bruno	816	784	675	597
	San Carlos	838	801	675	597
580	San Diego	795	774	703	625
	San Fernando	797	771	675	597
	San Francisco	816	779	675	597
	San Gabriel	797	766	675	597
	Sanger	846	810	733	655
590	San Jacinto	777	757	682	605
	San Jose	828	795	675	597
	San Leandro	817	780	675	597
	San Luis Obispo	832	816	735	655
	San Mateo	816	786	675	597
600	San Pedro	797	773	675	597
	San Rafael	815	785	675	597
	Santa Ana	795	764	675	597
	Santa Barbara	830	799	692	614
	Santa Clara	827	796	675	598

ITEM NO.	TO	RATE COLUMNS 1 a	1 b	2 a	2 b
	CALIFORNIA				
610	Santa Cruz	818	802	687	609
	Santa Maria	848	812	723	645
	Santa Monica	797	772	675	597
	Santa Paula	816	784	680	603
	Santa Rosa	820	783	679	601
620	San Ysidro	803	779	709	632
	Selma	835	810	733	655
	Sepulveda	797	774	675	597
	Sequoia	871	834	752	675
	Sonora	786	765	709	631
630	South Gate	799	769	675	597
	South Pasadena	797	767	675	597
	South San Francisco	816	782	675	597
	Stockton	801	764	682	604
	Studio City	797	771	675	597
640	Sunnyvale	825	794	676	598
	Susanville	766	729	764	686
	Sylmar	797	773	675	597
	Taft	816	780	702	624
	Terminal Island	795	772	675	597
650	Torrance	797	773	675	597
	Tracy	808	771	678	600
	Tujunga	797	768	675	597
	Tulare	824	788	722	644
	Turlock	816	779	695	617
660	Ukiah	824	787	705	627
	Vacaville	796	759	675	597
	Vallejo	809	772	675	597
	Van Nuys	797	773	675	597
	Venice	797	773	675	597
670	Ventura	824	787	681	603
	Victorville	771	734	691	613
	Visalia	830	793	728	650
	Walnut Creek	812	782	675	597
	Wasco	814	777	708	630
680	Watsonville	842	807	693	616
	Weed	831	794	767	689
	West Los Angeles	797	771	675	597
	Whittier	797	767	675	597
	Willits	832	795	713	635
690	Wilmington	797	772	675	597
	Woodland	791	754	680	602
	Woodland Hills	797	775	675	597
	Yreka	843	806	779	702
	Yuba City	784	747	695	617
	Yucaipa	776	754	682	605

For explanation of abbreviations, reference marks and symbols, see Page 2.

Senator McGee. We will reconvene and continue with hearing the witnesses at 1:15. That will provide you with an hour and 30 minutes for lunch. The first witness after lunch will be Mr. Wheeler from Casper. We were hoping we would be able to get him on while we were still on television because he represents some of the Burlington interests in the Casper area. This was not possible. We are on schedule pretty well, however, in laying the groundwork from all sides on this question.

We will reassemble in this room at 1:15.

(At 11:45 a.m. the meeting was adjourned until 1:15 p.m. of the same day.)

AFTERNOON SESSION

Senator McGee. The afternoon session will come to order. We will proceed with dispatch to the first of the witnesses. Let me urge now in the afternoon portion of this that wherever possible you will submit your full statement for the record and just look me in the eye or look at the panel at the desk in the middle, or some other place, and give us the heart of your testimony, so that you get the point across here in the hearing. Let the details be carried in your full message in the reporter's notes. Thus we will be able to still hear all of those who have manifested an interest in testifying, a substantial list of witnesses. We deliberately went more slowly this morning in an attempt to set the ground for comments. If we can have your cooperation it would be deeply appreciated. Any shortcuts you can practice, any brief statements supplemented by the lengthier report, will be deeply appreciated.

The first witness, Mr. Wheeler.

STATEMENT OF WARREN F. WHEELER, ASSISTANT GENERAL MANAGER, BURLINGTON TRUCK LINES, INC.

Mr. Wheeler. Senator McGee, members of the staff of the subcommittee, my name is Warren F. Wheeler. I am assistant general manager of the Burlington Truck Lines, Inc. I have been employed by that company in this and other supervisory capacities for more than 10 years. Before joining Burlington Truck Lines, I spent an additional 10 years in the highway transportation field.

Our company is a fully certificated common carrier under authority granted by the Interstate Commerce Commission as well as by the regulatory bodies of the nine States in which we operate. We have extensive over-the-road truck operations in all the States in which we operate, and we link 60 Wyoming communities by direct service with more than 2,000 other American towns and cities in the United States.

Four of the 38 piggyback-handling facilities of the Chicago, Burlington & Quincy Railroad are located in the State of Wyoming, at Cheyenne, Casper, Sheridan, and Greybull, and you will note the wide distribution of these points. Burlington Truck Lines, Inc., is a wholly owned subsidiary of the Chicago, Burlington & Quincy Railroad, and, as such, performs for the parent company all terminal handling of piggyback trailers except for switching of the flatcars in the railroad yards. Included in these services are the moving of the

trailers on and off the flatcars, securing the trailers to the cars, pick-up and delivery of the cargo, mechanical maintenance of the railroad's trailer fleet, and a portion of customer relations, tracing of shipments, and other clerical functions. All of our employees who perform this piggyback work are members of the Teamsters Union, except for mechanics, supervisors, and a small segment of the clerical force. At least half are directly or indirectly involved in some sort of piggyback handling daily. Were it not for employment created by piggyback, the number of Teamster members employed by our company would be drastically reduced.

The Burlington is probably the leading piggyback operator in Wyoming. An illustration of the benefits which piggyback service offers the general public was the transportation of 143 piggyback loads destined to the Atlas missile sites then under construction in the Cheyenne area. During one 3-month period in 1960 we transported these trailers to Cheyenne from Omaha, Chicago, and Kansas City. They contained huge components for use in the construction of the missile bases. Since national defense dictated this construction work, transportation was performed at Government expense. The material was of such size and weight that the loads would have exceeded the maximum weight, length, and height laws governing highway operations in the various States through which they would have had to pass had they moved via highway on a truck, and this would have involved securing of special permits from the various States, and in most cases State highway patrol escort, the expenses of which would have been borne by all the taxpayers. Even without piggyback it is inconceivable that these shipments could have been carried by trucks on the highways. Had they been transported in rail cars, however, the lack of trackage facilities at the construction sites would have necessitated transfer to trucks at Cheyenne. Such transfer would have caused additional expense and risk of damage to the shipments which might well have delayed construction at the missile site.

At any rate, the flexibility of piggyback service allowed delivery of this sizable shipment to be made with utmost efficiency and the least possible expense. This illustration is typical of the many advantages of piggyback transportation.

In view of the present outcries that are being raised against the piggyback by affected competitors, it is important to understand that the growth of the trucking industry was due, in large part, to the enterprise and competitive rate practices of early trucking industry operators. We, and I include myself, because I was once an independent trucker, selected commodities which we desired to haul and offered attractive rates and services that gained the traffic. It appears to me that present-day truck operators are accusing the railroads of doing exactly this and infer that it has suddenly become an evil thing. In other words, it appears to be simply a case of whose ox is being gored.

Piggyback has captured the fancy of the American public and gained the hearty approval of the Nation's shippers who recognize it as a major advance in modern-day transportation. We submit to this committee that there is never a time to turn back the clock of transportation progress.

Senator, I thank you for the opportunity of testifying to the committee today.

Senator McGee. Mr. Barton has one question.

Mr. Barton. Mr. Wheeler, do you think possibly some form of piggyback or some form of container service will eventually displace the boxcar?

Mr. Wheeler. Not in its entirety; no, sir.

Mr. Barton. For the most part, though?

Mr. Wheeler. Well, I can't say that, either, because in most cases boxcar shipments are of a much greater quantity than can be put into a container or a trailer.

Mr. Barton. You mentioned that your service was cheaper and less subject to damage than rail service.

Mr. Wheeler. In the particular instance which I cited it certainly was.

Mr. Barton. Is that generally true?

Mr. Wheeler. I wouldn't say that it generally is; no, sir.

Mr. Barton. Thank you, sir.

STATEMENT OF E. L. SCHWOPE, ORDER OF RAILWAY CONDUCTORS AND BRAKEMEN, CHEYENNE, WYO.

Mr. Schwope. Senator McGee, Mr. Barton, my name is E. L. Schwope. I reside here in Cheyenne, Wyo. I appear today representing the Order of Railway Conductors & Brakemen. I am employed by the Union Pacific Railroad in the capacity of train conductor.

My statement, I think, is quite complete. I am not going to go through with it, it is too long, and you, in the interest of brevity, want it shortened up.

From what I have heard here today, the expert testimony from both sides, there is not much I can add to it, but I would like to leave you with this thought. From what I have heard here today it is like a bee sting. I apply this to the Teamsters. The bee stinger, it is a known fact, is only one thirty-second of an inch long. It is their imagination that makes it look like a hoe handle.

Senator McGee. It depends on who is getting stung.

I am grateful to you for your cooperation and the brevity of your statement.

(Mr. Schwope's statement filed with the subcommittee is as follows:)

My name is E. L. Schwope. I reside in Cheyenne, Wyo., and I appear here today representing the Order of Railway Conductors & Brakemen. I am employed by the Union Pacific Railroad in the capacity of train conductor.

The practice of piggybacking is not something new but has completed a full cycle. The movement of new automobiles on flatcars by rail dates back as far as the year 1921. Improvements in rail car design brough about the large automobile rail car which holds four standard size automobiles. With the advent of a highway system in this great land of ours, along came the trucks and the driveaway carriers which haul four or five automobiles over our highways. At first, they were able to give a more satisfactory time delivery and rate. These two items, delivery and cost, are of paramount interest to shipper, dealer, and customer. To complete the full cycle, with further steps in automation and technological advance—in this case the improvement in flatcar design—the railroads are in a position to render the service of transporting the product from the shipper to the dealer more promptly, in better condition, and at a lesser rate. We are able to accommodate them, and we believe we should have this business and are entitled to it as long as we are able to meet their requirements in a competitive economy.

Instead of meeting the competition of an economy such as ours, the trucking industry and the truckers are requesting legislation to raise the rates (railroad) on this type of shipment, but in so doing they are not keeping the record straight nor are they hewing to the line as far as the facts are concerned. The truckers refer to what they call "the dangerous combination"—the railroads and the ICC. The ICC Commission, ordinarily composed of eleven members, has a vacancy not yet filled. Of 10 members, only 2 have any railroad background. One worked for a State railroad association for a short time prior to 1950, the other worked for a railroad for a few years after his graduation from high school. All of the members of the ICC Commission have a legal background. We refute the claim of a "dangerous combination." This Commission only implements the laws of the land which fall within the sphere of its authority and which, to say the least, are not rigged for the benefit of the railroads or the employees thereof.

The truckers claim that because the railroads are able to deliver new automobiles for as much as 50 percent less than the truck haulers they are being discriminated against through rate schedules and freight rates from other commodities being used to subsidize these piggyback shipments. It is claimed that at best, all the railroads are receiving is out-of-pocket expense for these shipments. In fact, they make the false allegation that we are delivering automobiles at cheaper rates than are charged on sand and gravel. The chart attached to and made a part of this statement will lay by the heels this allegation once and for all. There is not a symbol of truth in it. Now, regarding out-of-pocket expense, the fact is that the average piggyback car earns about seven times more revenue a year than the average boxcar. The truckers themselves admit that this is a most lucrative business. Result: the truckers themselves contradict the out-of-pocket claim. All I have to add is that we on the railroad would like to come up with the answer as to how to obtain a lot more of it. I would like to state that I am not an authority on rates and the scheduling of them, and I am not too sure that they are understood by many. If these be desperation rates, as the truckers contend, let it be known that we are in favor of more of the same rates on other commodities we can carry on the long-haul basis.

The only item that the truckers seem to be concerned about is a loss of jobs—in other words unemployment. When this subject is brought up in a group of railroad personnel it is not only a matter of prime concern, but a subject with which we are more than a little conversant. There is no other industry in this great Nation of ours, in relation to size and scope, that has been plagued with reduction of forces as has the rail industry. The truckers and their allies lay claim to a loss of some 20,000 drivers in the last 29 years. They boast of having more than 7 million people which is, I am sure, stretching the truth more than a little. If this is a fact, let me point out that in the last year alone the rail industry has suffered a loss of jobs in excess of more than 80,000. They seem to contend that all their economic loss supposedly is to be laid at the feet of the railroads. Even with their verbose claims of the advancement that we have made in piggybacking, the carloadings on this Nation's railroads are around 12 percent lower than they were at the same time last year. When the trucking industry and the truckers speak of unemployment, with their claim of more than 7 million people, and ask legislation for some 20,000, what should we ask for an industry that has lost more than half of its employees in the last 30 years and the fact that this amount runs into a figure in excess of 750,000 men and women? Most of this reduction in force can be attributed to the truckers because of their ability to charge a lower rate and move the freight over a public tax-supported right-of-way, namely our Nation's highways, while the railroads have had to maintain their own right-of-ways, and in addition, pay a heavy personal property tax.

I would now like to bring this to a local level for a time and cite some figures that pertain to my own employer, the Union Pacific Railroad. Across the State of Wyoming, we have three terminals for train crews. At the present date Cheyenne, Laramie, and Rawlins are the three terminals. More than 300 conductors who are qualified by the Union Pacific Railroad and ICC to operate a train at this time are not performing this duty. It is understood that for a conductor to handle a train he must also have an engineer, a fireman, and two brakemen, a total of five men. Three hundred multiplied by five equals 1,500. It also should be taken into consideration that when a train crew is put on or pulled off, there are some 20 or 25 other persons involved as clerks, maintenance-of-way employees, shop personnel, and on down the line. If you use the figure of 300 multiplied by 25, you have some 7,500 job positions involved in a stretch of about 500 miles on one railroad.

I did not come here today to love my enemies, but to help my friends, the railroads and their employees. I am proud to say that I am one of the employees and have been for more than 25 years.

It comes to my mind at this time that the trucking association and the truckers are not vociferous in their propaganda in the amount they pay to the cities, counties, and the Nation. It is a known fact that cost-allocation studies made by responsible Government agencies as directed by Congress, and to Congress no later than January 16, 1961, brought forth the fact that the trucking industry should pay a considerable amount more than they are being required to pay at this time. I will also add that this is the judgment and recommendation of the executive branch of the Federal Government at this time.

I would at this time be bold enough to request that you do nothing in the legislative branch of the Government to curtail the operation of this Nation's railroads, as it has been proven time and again that nothing will compare to or do the task of the steel wheel against the steel rail, now or in the future. The only haul, high volume, and low cost advantages of railroading have and will stand the test of time. It is most desirable to this Nation and to the welfare of our millions of people that in time of peace, and much more so in the time of a national emergency, that the railroads be maintained as a healthy part of our economy. In this vein of thinking, I would like to extend these thoughts for your very serious consideration and judgment: We would like to see equal treatment for all carriers, to make a balanced transportation system, an end result being better service for all concerned. To this end I would suggest that where tax money is spent to build and maintain air, highway and water facilities, a sufficient amount to be charged to the organizations using the facilities to pay for the construction and maintenance thereof. In other words, we would like to eliminate the subsidies. Also, we are in favor of the elimination of the inequitable rate on State and local taxes and the repeal of the Federal excise tax which amounts to 10 percent on passenger tickets. This type of taxation as it now exists is destructive taxation and is becoming catastrophic to the greatest transportation system in the world. We ask repeal of the exemption of the regulation which gives trucks the right to agricultural commodities; if not that, extension of this freedom to the railroads. Also, we would ask the right to compete with the barge lines in the hauling of bulk commodities or repeal of the regulation.

Incidentally, we railroaders read newspapers also. Our railroad unions have not asked for kickbacks for our welfare funds when competitive transportation systems have reduced our jobs. Frankly, I believe in competition. This I can say with complete sincerity since I know that the railroads can do the job cheaper and better in most cases.

In other words, all we ask is that the regulations be equalized. We are not asking and have not asked for anything at this hearing that is detrimental to this country. What we are trying to make very plain is the fact that the railroads made this country the great land that it is and, in fact, opened the huge territory west of the Missouri River. All this is a historic fact. Without the iron horse, it could be that there would not be 50 States as there are today. Having played an important part in the developing of this great country, it is our considered judgment that we should have an equal chance to compete for our fair price of the business that requires transporting today. Last, but not least, we desire and fully expect this opportunity on an equal basis with service to all and malice toward none, as benefits this great democracy of ours.

APPENDIX I

Since the Teamster publications refer especially to the Frisco Railroad, on a carload of automobiles shipped piggyback over that road from St. Louis to Dallas (Irving), Tex., the railroad receives $480 per car. This is at the rate of 3.48 cents per ton-mile and 67.5 cents per loaded car-mile. On a carload of sand and gravel between the same two points, the railroad receives only $167.30 per car, which is at the rate 6.7 cents per ton-mile and 23.5 cents per loaded car-mile. As shown in the following table, the difference is even more pronounced when the automobiles move on the new trilevel railroad cars:

Railroad rates—St. Louis–Dallas

	Automobiles (trilevel)		Sand and gravel
	Cadillacs (12)	Small autos (15)	
Carload rate	$619	$619	$167.30.
Rate per ton-mile	3 cents	4.5 cents	6.7 mills.
Rate per loaded car-mile	87.06 cents	87.06 cents	23.5 cents.

Another example of rates as they apply to carload shipments of automobiles:

10 Cadillacs, St. Louis-Oakland, per carload $1,578
12 Chryslers, Detroit-Oakland, per carload 2,104

Senator McGee. Mr. Verne Taylor.

While we are waiting I will put in the record a statement from Mr. D. R. Macdonald, employed by Butler Bros. Division of City Products Co., as general traffic manager. It was submitted for the record. He is not here personally to testify.

Statement of D. R. Macdonald, General Traffic Manager, Butler Bros., Divison of City Products Co., Des Plaines, Ill.

My name is D. R. Macdonald. I am employed by Butler Bros. Division of City Products Co. as general traffic manager. I have been employed by Butler Bros. for approximately 25 years in various traffic capacities. I have served as traffic manger of their branches at San Francisco, Chicago, and Los Angeles before becoming general traffic manager. My present address is in care of Butler Bros., Wolf Road and Oakton Street, Des Plaines, Ill.

Butler Bros. Division of City Products Co. is a merchandising and distributing company operating nationally, serving as a source of supply for over 2,400 Ben Franklin Stores. The Ben Franklin Stores are independent, locally owned franchised variety stores. Butler Bros. Division also owns and operates over 300 variety stores under the name of T.G. & Y. and Scott Stores. There are also seven full-line department stores operated in the Los Angeles, Seattle, and Butte area.

So that Butler Bros. may adequately service its customers and stores, eight warehouses are operated at Des Plaines, Ill.; Baltimore, Md.; Memphis, Tenn.; Dallas, Tex.; Kansas City, Mo.; Minneapolis, Minn.; Los Angeles, Calif.; and Stow, Ohio.

Butler Bros. utilizes all modes of transportation to serve its customers, parcel post, express, truck, rail, and air, as well as operating our own truck fleets. The mode of transportation selected is decided on the basis of cost, service required, and value and kind of merchandise being shipped.

Butler Bros. uses piggyback to and from several locations including Kansas City to Denver, Cheyenne, and Casper to serve its customers. Butler Bros. has been utilizing the piggyback facilities of the Chicago, Burlington & Quincy Railroad for almost 2 years in making shipments to these customers in Colorado and Wyoming. Butler Bros. presently serves 28 customers in Colorado and 16 customers in Wyoming via piggyback.

If the railroads are denied the right to operate piggyback services, it will work a hardship on Butler Bros. and add to the costs of our customers. There are competitive truck rates from Kansas City to Denver, but there are no competitive rates by truck to Cheyenne and Casper. Butler Bros. would, therefore, be forced to serve their Wyoming customers by direct truck which would add to the congestion at their Kansas City warehouse and accrue less than truckload rates to their customers rather than effect the efficiency of loading piggyback trailers to Cheyenne and Casper and accrue to our customers the benefits of the lower combination of charges.

Presently Butler Bros., Kansas City, loads out Thursday of each week a total of two to four trailerloads of variety store merchandise to Denver, Cheyenne, and Casper. These trailers break bulk at Denver, Cheyenne, and Casper in accordance with tariff provisions. Distribution from Denver, Cheyenne, and Casper is via common carrier truck.

Butler Bros. and their customers have found the rates and service by piggyback to be both economical and dependable, and they are desirous of seeing this service continue to be operated by the railroads. Butler Bros. feels that there should be no artificial restraints placed on the technological advances of any mode of transportation, other than those of a public safety nature.

We have seen the almost complete dieselization of our railroads' motive power, and advent of specialty cars for particular products. Too, we have seen the growth of motor trucking, both in size of vehicles and companies or systems. These advances have been healthy because they have reawakened competition and benefited the public through more efficient and dependable service.

Piggyback is such a technological advance on the part of the railroads, and should not be discouraged or denied. Another that has taken place in the last few weeks is the Interstate Commerce Commission decision in the *C & S Container* case, granting to the general commodity truck carriers the right to invade the historic area of the tank and specialized carrier and the railroads.

There have been major changes in distribution practices that have taken place in the last 10 years, the majority of which have taken place in the last 5 years and are continuing today at an accelerated pace. The one-time common practice of receiving the total requirements of a commodity for a complete season or extended period of time is rapidly disappearing. Today there is more emphasis on investment and turnover. This has resulted in receipts staggered over a period of time or season and in smaller segments.

The oftentimes higher carload minimum weight requirements of the railroads have, in many instances, discouraged the movement of this kind of shipment via boxcar and made them attractive to truck movement. The advent of piggyback, with its truck competitive minimum weights and rates, has placed the railroads in a position to solicit this business on a comparable basis.

Congestion in many metropolitan areas have caused many plants and distribution warehouses to locate or establish in contiguous suburbs. Because of land costs, right-of-way difficulties, and track installation costs, it is not possible many times to locate these units on rail sidings. It is possible in such a set of given circumstances to have the railroads able to deliver the less than carload shipments, but unable to participate in the more profitable carload shipments as the additional car unloading costs and the hauling costs from the nearest public rail track to the plant takes them out of competition for this business.

Trucks, because of their mobility of not being tied to a fixed right-of-way, have the advantage of being able to serve plants either on rail or off with equal efficiency. The advent of piggyback has placed the railroads in a competitive position to solicit this off-rail traffic and has allowed the receiver a choice of services.

Railroad switching and interchange practices and necessities in terminal areas many times slows delivery of carload shipments through those areas. Trucking, with its relatively unhampered mobility, has had an advantage where service has been a factor. The advent of piggyback has placed the railroads back in a competitive position on delivery service.

It is not intended, and none of the previous statements should be construed as advocating any extension of rail operating rights over those presently held. What is advocated is allowing, by piggyback, a more flexible operation and service by the railroads along their present lines and within their present terminal and metropolitan areas.

If we are to have a progressive, healthy, and strong transportation system, we must allow the different modes within that system to take full advantage of the technological advances that can be utilized by them. The right to progress should not be denied to any mode within the system, all segments should remain free to experiment with and utilize new methods, materials, and equipment; otherwise they will stagnate rather than remain strong and vital.

Therefore, to that end, we pray that the Surface Transportation Subcommittee find for, and support the premise that the railroads do have the right, and should continue to operate and develop the service known as piggyback.

Senator McGee. You may proceed, Mr. Taylor.

STATEMENT OF VERNE A. TAYLOR, UINTA COUNTY COMMISSIONER, EVANSTON, WYO.

Mr. TAYLOR. Senator McGee, Mr. Barton, I am Verne A. Taylor of Evanston, Wyo. I am employed by the Union Pacific Railroad as a foreman and have 33 years of service. I appear here today in behalf of the people of Uinta County as one of their county commissioners to testify how dependent our county is upon the railroad in Uinta County. I want to thank this committee for allowing me to present some facts and figures to substantiate my request to appear here today, at my own request and without compensation from any source, and in order that I may place before you some of the problems of Uinta County and its tax structure and what may result if further regulations are imposed upon our chief source of tax revenue, the Union Pacific Railroad Co.

We people in Uinta County have had the pleasure of being associated for many years with a transportation company with an unimpeachable record of prompt payment of all their tax obligations. As county commissioner of Uinta County I am in a position to state the facts and to help preserve the economy of our county.

I hope this committee will see the necessity for continuation of free competition without further regulations in the piggyback method of car and truck transportation on the railroads of our United States.

Uinta County is the smallest county in the State with a 2,080 square mile area, a population of 7,410 and a total assessed valuation of $21,-005,573 on which is collected $631,304 in total property tax for the support of our county government, schools, and all other necessary departments.

Our county is traversed by the Union Pacific Railroad with 62½ miles of right-of-way land, with 142½ miles of double passing and spur tracks with an assessed value of $6,836,443. There are 39 permanent structures with an assessed value of $57,540, other appurtenances, tools, supplies and other lands not connected to the right-of-way bring the total assessed value of all Union Pacific property in Uinta County to $7,083,008. The Union Pacific Railroad Co. will pay for their 1960 taxes $292,664.20. As our total property tax for 1960 is $631,304, the railroad will pay 46.35 percent of the total property tax. With the large percentage paid by the railroad to our county, I hope your committee will give serious thought to the enormity of the support the railroads give our counties and States in our United States which have the good fortune to have railroad companies supporting their economy as has the State of Wyoming.

The Union Pacific Railroad Co. paid to our county $248,790.76 in taxes on only the right-of-way land and trackage to operate through our county.

We people in Uinta County feel there is something amiss when we have received absolutely nothing from the license registration in the past 5 years from any interstate operated transcontinental bus nor from any nationally known interstate operated truckline which operates through our county. Nor have we received from any of the above, any property tax payable directly or indirectly to our general county fund. We feel our support can go to no other transportation media than the railroads when our economy is so surely guaranteed.

Hoping for your kind consideration in this Uinta County plea for continued rail operation without further restrictive regulations, Senator McGee, and the rest of the committee, I close my case.

Senator McGee. As the county commissioner, do you have available any figures or has anybody sought any figures as to what percentage or fraction of your county income might come from bus stops or truck stops within the county? I assume the businessmen don't frown upon their stopping there?

Mr. Taylor. Senator, we have perhaps one cafe and there is one station that dispenses food and another one that dispenses diesel fuel. Outside of that, there is no property that is owned by any of the trucking companies in Uinta County.

Senator McGee. I was thinking not so much of the property, but the other economic impacts it might have to keep the picture rounded.

Mr. Taylor. It is so small as compared to our tax picture we didn't bring it in.

Senator McGee. Your point is very well taken. I would suggest I think it is appropriate that we do not seek to remove the Union Pacific Railroad from Uinta County or put it out of business, nor the trucks the other way, and that we are trying to strike this balance here so we would hope that they would find it possible to make a lot of truck stops in Evanston at the same time they keep the Union Pacific going full tilt.

Mr. Taylor. We want to lose neither one.

Senator McGee. Did you have any questions?

Mr. Barton. No questions.

Senator McGee. The next witness, Mr. Ted Hayes.

STATEMENT OF TED HAYES, UINTA COUNTY STATE REPRESENTATIVE, EVANSTON, WYO.

Mr. Hayes. My name is Ted Hayes and I am employed by the railroad company at the Evanston reclamation plant.

I want to thank you for giving me a few minutes before this committee today that I may give a few facts that are very important to the people I represent in Uinta County.

The first important statement I wish to make is that I am not representing the railroads nor am I being paid by anyone to be here this afternoon.

Senator McGee. That is, you came here at your own expense?

Mr. Hayes. That's right. I was elected by the people of Uinta County to represent them in the State, and while it is my duty to do all in my power to preserve the economy for the people I represent, this is the reason I am here today.

I realize the amount of taxes that is paid by the railroads in each county of the State; therefore, I am asking that very serious consideration be given at this hearing today.

If the railroads are further restricted by more legislative regulations, I feel, as do my constituents, that more burden will be placed on each taxpayer in Uinta County and everyone here today knows that the people have reached the limit on taxes.

For the benefit of this committee here today I have asked for the following information as a representative of Uinta County.

The railroad employs 301 men and women in Uinta County with a monthly payroll of $159,000 and an annual payroll of $1,908,000. There are now 113 employees at the Evanston reclamation plant but in normal times this number reached 175 to 200 employees.

Senator McGee. Normal times being what? Do you mean summertime or some other year?

Mr. Hayes. I mean not a recession.

Of the present 113 employees, 93 own their own homes with an assessed valuation of $141,113, which brings a tax return to the county of over $7,000.

It is my contention if any other regulations are applied against the railroads to curtail free competition in transportation of piggyback system of automobiles, our present employment in this county would be further reduced, which in turn would affect the economy of our entire area.

I hope you will give my foregoing statements your favorable consideration in your recommendations to the Senate committee.

Again I thank you for the time that I have taken at this hearing.

Senator McGee. Thank you very much.

Mr. Woodward.

STATEMENT OF TOM WOODWARD, OASIS SERVICE STATION & CAFE, MEDICINE BOW, WYO.

Mr. Woodward. Senator McGee, members of the committee, my name is Tom Woodward. I am the owner of a partnership business known as the Oasis Service Station & Cafe in Medicine Bow, Wyo.

Senator McGee. I have stopped there several times, mostly two or three o'clock in the morning, coming back from the northern part of the State. The coffee is good. I wasn't driving a truck.

Mr. Woodward. Thank you. We are not here to testify to the fairness or the lawfulness or unlawfulness of piggyback operations, merely to point out at this hearing the effects it has on a small business such as ours, which we presume it has affected other business of similar nature across the country.

The figures that I will give will be brief, but these are based on figures of 1960 as compared with 1959. Gallonage figures on a retail basis pumped through our pumps—and I might say that 80 percent of the fuel dispensed at our place of business is to the trucking industry—in 1960 we had a decrease of 204,273 gallons of fuel, of gasoline, and 201,665 gallons in diesel fuel, for a total of 405,938 gallons decrease in 1960 as compared to 1959. This represents a 4 cents a gallon loss to the Federal Government or $16,237.32.

We realize this is a comparatively small figure as compared to the figures that were given this morning in some cases, but again we point out that this is a very small business.

Along the same lines our gross sales for the year 1961 were down $103,005.42 as compared with 1959. Also, in regards to our employees, we employed at our peak in 1959, 29 employees, where now we have a total of 16, and we feel that these facts are also reflected on the economic condition in Wyoming.

I thank you for the opportunity of appearing.

Senator McGee. May I ask you only a point or two? I don't imagine your books would be in a position to show this, but I think the record ought to indicate nonetheless that it is a factor, the gas drop, you said, was $103,000?

Mr. Woodward. Approximately. That probably wouldn't be just piggyback because there is so much of it you can't determine just exactly how much would be due to piggyback operation.

Senator McGee. That was the question I was going to raise. With the decline in auto transport business in general, that is, fewer automobiles being moved, there is no way that you could measure what fractions of that would reflect the ordinary decline in that business or that which was taken up, on the other hand, by piggyback?

Mr. Woodward. The only thing that I could say in regard to that, by talking to owners of service stations, which are strictly passenger stations, they all more or less indicate business in 1960 was better than 1959.

Senator McGee. Yes. I was thinking rather in terms of the decline in the movement of automobiles by auto trailer. Auto inventories are very high. They haven't been able to sell as many as they thought they were going to be able to sell. I assume that means they were moving less by auto transport. Whether there would have been a piggyback operation or not there would have been some decline.

Mr. Woodward. There probably would have been some. Depends on the amount of automobiles manufactured in 1960 as compared to 1961.

Senator McGee. I think the market shows the inventory is still very high because of the holdover.

You have been very helpful. Thank you very much, Mr. Woodward.

Mr. Fiala.

STATEMENT OF ROBERT J. FIALA, CHICAGO, BURLINGTON & QUINCY RAILROAD CO., CHICAGO, ILL.

Mr. Fiala. My name is Robert J. Fiala. I am manager of merchandise traffic for the Chicago, Burlington & Quincy Railroad Co. at Chicago. I report to the freight traffic manager-system on all matters pertaining to piggyback sales and service and have worked for various departments of the railroad for the past 23 years.

My prepared testimony is very brief and I will try to make it briefer, but before getting into it I wanted to clear up a couple of points from this morning. You inquired of Mr. Roddewig if he had figures for 1959 as to the percentage of transportation of new automobiles. I have a statement here prepared by the Association of American Railroads, Bureau of Railway Economics in Washington, which shows that in 1958 the percentage was 89.7 percent by tonnage on the highway, and that in 1959 it was 91.9 percent. In my testimony I refer to a figure of 92 percent. I merely rounded out that 91.9.

This same statement shows that in 1959 the truck revenue was 84.9 percent of the total. In other words, they handled 91.9 percent of the tonnage and collected 84.9 percent of the revenue. I wanted to get that in the record.

Also, the first witness this morning submitted a paper as to the five plans of piggyback. That witness was not a railroad representative and it wasn't read, so I have introduced into the record the accepted definitions of the five plans that have appeared in all the national magazines, and so forth, so there won't be any question about the proper definition.

Senator McGee. Thank you. That will be in the record.

Mr. Fiala. I would also like to submit two paragraphs because the definition of the various types of plans don't define piggyback as such. We have been talking about it here but we haven't had a definition. I would like to inject one paragraph defining it and one telling what it isn't, so we will know exactly what we are talking about, and if anyone wants to take issue with me they can at a later date.

Senator McGee. Yes.

Mr. Fiala. Piggyback is a transportation service under which freight shipments are loaded in or on trailers and/or containers equipped with under carriages for movement by highway to a railroad facility where the trailers or containers are placed on railroad flatcars for line haul transportation to another railroad facility where the procedure is reversed and delivery made by highway.

Senator McGee. In other words, a trilevel car, for example, on a railroad is not piggyback?

Mr. Fiala. The second paragraph takes care of that. The second paragraph is: A piggyback is not a transportation service under which the freight shipment itself is placed in or on a railroad car for movement in rail service. This effectively rules out the movement of new automobiles on multilevel flatcars as a piggyback service.

The reason I inject those two paragraphs is because my testimony has to do with the piggyback service of our railroad and I do talk a little bit about rates and other things and I don't want to confuse it with the carload movement on multilevel cars.

We must not permit the present controversy over the hauling of automobiles to obscure the basic issues of railroad piggyback service. These issues are simply these:

1. Shippers prefer and, in some instances, require piggyback transportation.
2. Our railroad desires to provide this service to meet the needs of these shippers.
3. Burlington's piggyback rate policy is to meet the rates of highway competitors, not undercut them. Where the shippers themselves provide some of the transportation equipment and costly terminal services, they receive the benefit of substantial economies.

I will outline this procedure later in my testimony.

The hauling of new automobiles on specially equipped flatcars has no more relation to standard piggyback service than does the hauling of farm tractors, mobile homes, or other wheeled vehicles on flatcars. At one time practically all new automobiles were shipped in specially equipped railroad boxcars, but most of this traffic—92 percent, to be exact—was lost to the truckers because they made lower rates and were able to offer auto dealers the advantage of delivering the cars directly to their doors. The recent development of multilevel, auto-

carrying flatcars has brought back a small amount of this traffic to the rails, but this is in no way related to the steady growth of regular piggyback service during the past several years.

Many shippers and receivers require door-to-door transportation service because of their off-track locations or relatively slow switching service in certain terminal areas. For off-track shippers, the transfer of large quantities of freight from trucks to boxcars, or from boxcars to trucks, is not only costly but can lead to loss, damage, or delay to the freight shipment. In many cases consignees are unable to receive carload shipments either because they have no rail siding or because their business volume is not large enough to warrant buying in such quantities.

The Burlington has provided door-to-door service for less-carload freight shippers for many years. Piggyback service is simply an extension of door-to-door service to larger freight shipments, in this case trailer loads.

Our railroad's piggyback service is offered at rates comparable to those of competing motor carriers. The shippers are using this service in steadily increasing volume. After the Burlington announced the availability of piggyback service to the shipping public in 1955, the number of trailer loads handled in piggyback service increased steadily until, in 1960, 56,331 trailers were carried over our rail network. This was a gain of 9,037 trailers over the previous year, which attests to the increasing popularity of this service with shippers. In view of the fact that our piggyback rates are comparable with truck rates, the increase in our piggyback business is obviously not attributable to rate considerations but to such other factors as the furnishing of good equipment, dependable service in all kinds of weather, prompt settlement of claims, and the general benefits that result from dealing with an experienced transportation organization.

While a considerable portion of our piggyback traffic has been recaptured from private, contract, or common carrier trucks, in many cases we have substituted piggyback trailers for boxcars to improve the service. Other carload traffic has been transferred to piggyback to prevent its loss to trucks. While piggyback trailers move in railroad freight service and thus maintain railroad employment, additional employment has also been created for teamsters at terminal locations. Mr. Wheeler's statement of our trucking subsidiary definitely substantiated that.

The Burlington also offers shippers the substantial economies of a special piggyback plan (plans III and IV were mentioned this morning) when they provide trailers and/or flatcars and also furnish their own costly terminal handling service. These shippers subsequently benefit from our realistic pricing of this terminal-to-terminal transportation.

I want to stop right there and emphasize that where we are providing the complete transportation we are meeting the rates of the truckers, but where the shipper himself provides the trailer or the flatcar or the terminal services, which cost a lot of money, we have then attempted to price the terminal-to-terminal or ramp-to-ramp transportation realistically to give him the benefit of the fact that he has performed some of the service himself.

Many shippers have for years provided their own private tank cars, refrigerator cars, and other types of railroad equipment, and received allowances for their use. It is important to understand that the fact that if shippers can afford to provide their own truck trailers and perform terminal services, they can also well afford to operate their own trucks over the highways, thereby completely eliminating all common carrier transportation, both rail and truck. The Burlington's purpose in providing special piggyback services for this type of shipper is to counteract the steady and dangerous growth of private trucking.

The Burlington maintains, at its own expense, a modern transportation plant which is operating at considerably less than full capacity. We consider it a serious waste of a vital national resource to allow any type of artificial restriction to prevent the natural and healthy growth of piggyback service.

Thank you.

Mr. BARTON. Do you offer plan V services?

Mr. FIALA. To a very limited extent. We are a party to some of the plan V rates mentioned earlier on automobile traffic.

Mr. BARTON. Do you plan to expand that? I know you offer the other four plans.

Mr. FIALA. Yes; we offer all five, and we are feeling our way now, seeing what it is that the shipping public seems to want and demand. That's what we are trying to provide.

Mr. BARTON. Which form do you prefer, which do you think is most profitable to the railroad?

Mr. FIALA. Well, of course, where the shipper performs part of the services himself and provides the equipment and we only provide the transportation between terminals, obviously we are in a better position perhaps to make money on that than we are some other, but they are all priced to come out about the same. In other words, where we provide the complete service we charge higher rates.

Mr. BARTON. Your charge is usually by the container, or by the flatcar loaded with containers, we will say?

Mr. FIALA. Usually we figure it on a car-mile basis. There are many other ways to figure it. The statement that I injected as to the various plans contained some figures as to the car-mile earnings that are figured on plans III and IV, and so forth.

Mr. BARTON. Do these containers move generally on all commodity rates?

Mr. FIALA. No; we publish all types. We publish all commodity and also specific commodity rates.

Mr. BARTON. Does the all-commodity rate have a tendency to be used now more than the others in connection with containers?

Mr. FIALA. Not on our railroad; no, sir.

Mr. BARTON. Thank you, sir.

Senator MCGEE. Thank you, Mr. Fiala.

BURLINGTON TRAILER-ON-FLATCAR SERVICE ON LESS-THAN-CARLOAD FREIGHT

Burlington offers three types of trailer-on-flatcar service on LCL freight designed to expedite the movement by eliminating freight house handling.

Type 1: Door-to-door service on single LCL shipments in excess of 6,000 pounds under which road trailer is handled direct from shipper's dock to TOFC ramp for piggyback movement to destination or nearest ramp point. Shipments are then delivered direct to consignee's door, bypassing freight house handling at both origin and destination.

Type 2: Drop trailer service under which shipments are segregated and loaded by shipper for certain general destination territory. Trailers are moved direct from shipper's dock to TOFC ramp and piggybacked to most convenient break bulk point for movement beyond, eliminating freight house handling at point of origin.

Type 3: Shipments are picked up by regular city trucks, taken to freight house and transferred to line haul trailers for movement in TOFC or substituted service to destination.

TOFC service is available to shippers upon request to and from all points at which TOFC facilities are maintained as well as to and from adjacent towns served by Burlington Truck Lines, Inc.

Senator McGee. Mr. Leichtweis.

STATEMENT OF LOUIS LEICHTWEIS, STATE REPRESENTATIVE, BROTHERHOOD OF RAILROAD TRAINMEN, CHEYENNE, WYO.

Mr. Leichtweis. Senator McGee, members of the committee, ladies and getlemen, my name is Louis Leichtweis. I am legislative representative for the Trainmen, Brotherhood of Railroad Trainmen, State of Wyoming. I work as a conductor on the Union Pacific out of Cheyenne here and speak in behalf of those that I represent.

I have been dismayed at the attack that the Teamsters have made against the piggyback service on the railroads because our members have been seriously displaced, as you know. From 1921 we have lost more than half of our railroad personnel and we have suffered this in silence, although unhappily, and we have not gone to the committtee, I expect we have written our Congressman, which is anyone's prerogative, and we think the thing should be handled that way.

The assertion has been made that we are hauling freight at rates which are cheaper than the truckers can haul freight. We admit this is true and we thank the truckers for the publicity they have given us. I think it has been established that freight can be hauled for about a cent and a half a ton-mile by rail, whereas it requires 5 to 6 cents a ton-mile by truck.

When Congress amended the Transportation Act of 1958 by creating a new section reading, in part, the part pertinent to this hearing, that—

> rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation—

they recognized at that time what they termed "the deteriorating railroad situation as ominous."

It has been brought out that the situation today, insofar as the railroads are concerned, is still worse than it was in 1958, for these measures which were given to the railroads in the Transportation Act of 1958 were amended into the law. So, in spite of the fact that the railroads received help then, it apparently wasn't enough or conditions were such at this time that they are in worse shape today than they were then. Although the railroads are beginning to get some of their business back after lowering the rates under the authority of this new section, the railroad conditions, I say, are still worse than they were in 1958. Employment on railroads is down to a 72-year low at the present time, of 708,000 men, which is less than half the force we had in 1929 of 1,687,000.

We think we are qualified to say what employment is. The Teamsters complain that they have lost 15,000 drivers in piggyback truck

service. It would figure that our loss is somewhere around 8 to 10 times the rate of that of the truckers.

We don't blame all of our loss of employment on the trucking industry. We know that technological progress has created a great deal of this displacement of labor. However, we do feel that the employee who is displaced does share probably the harder burden of technological progress than capital, who, of course, shares their loss, too. There is no question but that many fortunes are lost; at the same time these men in certain industries are being displaced from work, capital is also suffering their losses, but if that which we call progress is passed on and is benefiting society as a whole, I think then society should pay part of the cost of this progress and not leave all the cost to the unfortunate suffering unemployed and their families.

Of course, that brings in another aspect of the situation and I won't go further into that, but I think that we are touching into that very heavily, both the truckers and the railroad employees and the public; society should realize if they want the fruits of technological progress they should share some of the costs with those displaced.

Senator McGee. Thank you very much.

(The statement of Louis Leichtweis as filed with the subcommittee is as follows:)

"The survival of common carrier transportation as a part of the free enterprise economy of the United States is in danger."

The above quotation sums up a study made by the American Enterprise Association in 1959. Many other studies, such as the one completed January 3, 1961, by a special study group of the Senate Commerce Committee, concur with the above report that our ponderous transportation system is indeed beset with many serious problems.

Your presence here today, Senator McGee, to conduct this hearing called by the Subcommitteee on Surface Transportation on the effect of piggybacking on our transportation structure is further testimony to the critical nature of the problem. Let us review the question briefly.

Although trailer-on-flatcar movements began as early as 1937, or while the infant trucking industry was still wallowing in dirt roads, it was not until 1953 that railroads began reporting volume of this service. In 1955, 0.45 percent of all carloadings were piggyback loads, but rapidly increased to nearly 2 percent of all carloadings in 1960. At the present rate of gain, trailer-on-flatcar loads will no doubt account for a large share of total railroad business in the future.

During this time railroads invested millions of dollars in the construction and conversion of flatcars and trailers and in terminal facilities including new types of trailer-rail transfer equipment.

This technological development soon began recapturing some of the business which had been lost to the trucks many years previous (particularly automobiles), and competing with motor carriers for new business, now that the railroads could offer dependable delivery coupled with lower railroad transportation costs.

The Transportation Act of 1958 allowed the Interstate Commerce Commission to abandon the umbrella theory of ratemaking, which had required railroads to base their rates on the much higher truck costs. There is no longer any valid reason why the ICC should not permit railroads to base their rates on the lower railroad costs. The basic question here was whether the Commission would permit rail carriers to give shippers and the public the great economies of this new service that would attract large volume of freight back to the railroads. It is a case of the public interest demanding a decision for lower transportation rates. Had the Commission been instructed to hold up piggyback rates to truck costs, it would have placed a serious obstacle in the path of future piggyback growth.

It was not long before the motor carriers felt the effect of the railroads' new service through their decreased business. Unlike the railroad brotherhoods, who had quietly though unhappily watched their memberships dwindle

by almost 45 percent since 1946, while the truckers aided by the better public built highways, faster and larger trucks, and a protective rate and tax structure, were sapping the freight business away from the rail carriers at record rates. Employment in all classifications of railroad service was down to a 72-year low of 708,778 in February of 1961—less than one-half of the 1929 average of 1,687,000. While the International Brotherhood of Teamsters claim to have lost 15,000 drivers in the last 2 years, the railroad workers have lost 76,538 men in the year preceding February 1961.

Compared to the declining revenues, dwindling employment, and falling business on the railroads, with the exception of piggyback, the American Trucking Association reports a very lusty business in a recent release "American Trucking Trends—1960" despite the slowdown caused by the current recession. This report shows 120-percent increase in intercity truck ton-miles during the 1949–59 period; that truck registrations were up to 11.5 million from 8.3 million; that revenues had more than doubled during this period. This study shows where most of their business came from also. In 1939, it reports railroads responsible for 62.34 percent of intercity ton-miles to 9.72 precent for motortrucks. "In 1959 the picture in ton-miles had changed considerably"; railroads were responsible for only 45.38 percent and trucks had 21.83 percent of the business. In spite of the small gains made by the railroads in piggyback service railroad operating revenues were down 3 percent in 1960 from 1959 while 1960 revenues of the regulated truckers were up some 4 percent over 1959 and 353 percent greater than those of 1946. Motortruck fees paid to the State of Wyoming show an increase in business of 19 percent in 1960 truck traffic over 1958.

It would appear to me, Senator, that if the Congress and the American public feel that the $36 billion investment in our railroads is necessary to our national transportation structure, our national defense, and to relieve our congested highways, that the above facts point up the need of helping the railroads, rather than to knock this piggyback crutch out from under the railroads as advocated by the motor carrier interests, by requiring railroads to maintain higher than necessary rates so that competitors can compete.

If we agree that a strong, well-stocked, and well-financed railroad industry is desirable to the public interest and national defense, all evidence points to the necessity of allowing the railroads to fix competitive rates with other forms of transport to pursue their inherent advantage of lower cost transportation. To require the railroads to hold their rates up to truckers costs would unfairly nullify the lower cost advantage of the rails, while allowing the trucks to capitalize on their inherent advantage of service but depriving the public of low-cost freight rates.

Railroads must have a large volume business to produce the revenues necessary to defray heavy State and local taxes and maintenance cost of their roadbed and equipment. Loss of these taxes would be an irreplaceable loss to many of the counties now largely supported by railroad taxes. The motortruck industry pays no such taxes on its right-of-way, and according to recent studies, fails to pay the cost of the building and maintenance of the roads they use by about one-third according to the Bureau of Public Roads. These costs necessarily must be made up by other highway users, but as long as this condition exists, it constitutes another unfair advantage which the truck industry maintains over the railroads.

In summary, I feel that piggyback service is a splendid opportunity for the railroads to regain large amounts of freight traffic they have lost to competitive carriers. I think the widespread use of this service would be of very great advantage to the entire country through the reduction of heavy truck traffic on the highways and the achievement of lower transportation costs on thousands of commodities, which should mean lower living cost to every consumer. We can assure the above objectives if we adhere to the well-established principle of allowing competitive rates to prevail.

Senator McGee. Mr. Grant.

STATEMENT OF LEO P. GRANT, GENERAL CHAIRMAN, SHEET METAL WORKERS DISTRICT COUNCIL NO. 105, CHEYENNE, WYO.

Mr. Grant. Senator McGee, Committee on Interstate Commerce, I am Leo Grant, general chairman, District Council No. 105, Sheet Metal Workers, which is a small craft of the railroad shop crafts. I

formerly represented around 1,700 men. In fact, last night when I came in I was instructed that I was to appear before this Commission and I got out a short report. I checked my files. I found that during the month of January 1954 we had total employees in this small district of 1,695; for the month of February in 1961 we were down to 695.

In the days before the trucking industry began competing with the railroads, and especially on long hauls such as automobile piggyback, the Sheet Metal Craft, being one of the smaller crafts of the railroad, totaled 1,695 to 1,750 employees. During our peak times we were employing in this small craft at Cheyenne from 192 to 200 employees. At Evanston, Wyo., we were employing from 41 to 50; in Green River, Wyo., 45 to 60, in Laramie, Wyo., 28 to 30. At the present time we have a total of 65 at Cheyenne, 9 at Evanston, 15 at Green River and 1 at Laramie, with a total of the entire system now standing at 695 compared to 1,700 a few years ago.

Since World War II there has been a serious and continuing decline in railroad employment. In 1945 there were 387,374 employees in the maintenance of equipment department on all class I railroads. In 1960 there were only 184,007 maintenance of equipment employees, which represents a decline of over 50 percent and a loss in excess of 200,000 jobs since the end of World War II. As a consequence, the ratio of maintenance of equipment employment to total employment in the railroad industry dropped from 27.3 percent in 1945 to 23.6 percent in 1960.

In the last several years the trucking industry has gradually taken over freight that rightfully belongs on the rails, and in so doing has caused large furloughs of railroad employees, and further, we feel that they are crowding the highways which are kept up by public funds with trucks that are increasing in size to the extent that they are becoming a hazard.

Having been a railroad employee and a taxpayer in the State of Wyoming for over 40 years, I feel that the method of transportation known as piggybacking should, by all means, remain on the railroad.

Senator McGee. Could I ask, in your terminology, what is the meaning of the phrase "rightfully belongs to the railroad"?

Mr. Grant. What rate?

Senator McGee. No. You used the phrase here that trucks in recent years had taken over freight that "rightfully belongs on the rails."

Mr. Grant. Such as piggybacking.

Senator McGee. I was wondering about your use of the term "rightfully," what you use to define "rightfully." Several today, on both sides, have referred to the competition for business in this situation. I wondered what determined the preemption of right.

Mr. Grant. Well, I mean by rightfully belonging to the railroad industry, the piggybacking and the transportation of any such freight, the automobile piggybacking, for instance.

Senator McGee. That is, that the truckers have no right to that?

Mr. Grant. Oh, I don't mean that. I don't mean that. However, the railroad industry was hauling automobiles before the truck industry began hauling them, is what I have reference to.

Senator McGee. In other words, the railroads originally had them. I only questioned your use of the word "rightfully."

In your breakdown, I don't notice it in here again and we haven't come upon it quite yet, of any way of measuring how many men were put back on or were given work at all because of piggybacking specifically.

Mr. GRANT. Well——

Senator McGEE. You have all the figures on what happens when business falls off but no way of measuring what piggyback creates in the way of jobs.

Mr. GRANT. I have no way of measuring that. I am not a rate expert. I am merely telling you how many employees we have lost in the last several years.

Senator McGEE. Would you be in a position—well, no, that would not be a fair question to you. One railroad man said to me out in the hall here that he would like to mention that one of the little problems they had was that whenever they got more automobiles by piggybacking on the railroad the railroads just put another car on the train and kept the same crew, at least there wasn't an increase in employment. But this would come in returns to the railroad, I suppose, so that they could keep other facilities going; is that your interpretation?

Mr. GRANT. Yes.

Senator McGEE. Thank you very much.

Mr. Waechter.

STATEMENT OF HAROLD A. WAECHTER, FINANCIAL SECRETARY, LOCAL NO. 89, INTERNATIONAL ASSOCIATION OF MACHINISTS

Mr. WAECHTER. Mr. Chairman and committee members, I am Harold A. Waechter employed by the Union Pacific for 32 years as a machinist. I am financial secretary of Local 89, International Association of Machinists.

That statements I would like to make on the problem of transportation of piggback cars by rail or truck are in the interest of the safety of all the people using our highways. The opinions of the people I have talked with concerning this problem are that our present highways are not adequate for the everincreasing traffic. We have improved the automobiles and made them faster. The trucks are faster and much larger and the number on the road has increased many, many times. But the highways have not been improved too much and this has made driving very hazardous.

In the interest of safety of the traveling public we should encourage railroad hauling and discourage more of these large trucks and trailers from using our highways, especially when we have railroads that are equipped to haul this freight efficiently and without endangering the people in automobiles.

I have taken trips to Laramie when the trucks were hauling these trailers loaded with new automobiles. When the roads were icy these trailers would whip and slide. Going upgrade there would be three or four traveling close together, going slow, and you couldn't pass them. Then going downgrade they would pass cars at a very high speed. These are the things that make driving hazardous for the average driver. A friend of mine drove from Boston to Cheyenne last year and he stated that he had never encountered such heavy truck traffic and narrow highways as those between Omaha and Cheyenne.

The railroads have made great progress in the past few years, changing to diesel power, building new cars for transporting their loads and improving their tracks so as to make faster time. Because of these things, they have been able to lower transportation rates.

It would be wrong to make laws that would discourage this kind of progress.

Senator McGEE. Your point, then, would essentially be less a matter of competition, as far as that goes, than it was that the trucks constitute too much of a hazard on the public highway?

Mr. WAECHTER. That's right. There's a saturation point. They want more traffic and our highways are just about as far as we can go. Instead of improving our highways, making better highways, we spend all our time just trying to repair the ones we've got.

Senator McGEE. I was driving over the hill the other day when we were having a ground blizzard. I might say a big truck in front of me was a mighty delightful sight. I followed the red taillights. It is my observation that probably the best drivers on the road are the truckdrivers.

Mr. WAECHTER. There is no doubt they are good drivers.

Senator McGEE. To call them the "knights of the road" is not carrying it too far. I hate to see them picked on in that respect. But you do raise an interesting point in regard to congestion.

Mr. WAECHTER. I have seen them slip and slide and jackknife all over when they were empty.

Senator McGEE. I don't know what the accident statistics would show in that regard. I have no way of knowing. I want to commend the truckdrivers for their skill on the highway.

Mr. WAECHTER. Oh, I do that.

Senator McGEE. Mr. Perry.

STATEMENT OF C. R. PERRY, VICE CHAIRMAN, BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES, UNION PACIFIC SYSTEM DIVISION, DENVER, COLO.

Mr. PERRY. Mr. Chairman and members of the committee, my name is C. R. Perry with office address of 500 Interstate Trust Building, Denver, Colo. I have been employed as section foreman from 1916 to 1943, in which year I was elected vice chairman of the Brotherhood of Maintenance of Way Employees, Union Pacific System Division. During the last 15 years I have served the organization as general chairman. I am also chairman of the Western Regional Association, representing more than 27,000 employees of our craft in 18 Midwestern and Western States. I appear on behalf of employees whom I represent, in support of the railroads in the dispute which involves the so-called piggyback traffic which is being presently handled by your committee.

From the period beginning in the early 1930's, or about the time the trucking industry began operations on a large scale until now, our industry has lost a monumental amount of business to the truckers. This has resulted in the decline of more than 50 percent of the number of employees whom we represent. The same figure is reflected in other crafts employed by the railroad companies. There is little doubt that considerable loss in rail business must have resulted from

this competition, even though development of other forms of transpotration, including bus, airline, and water lines have had effect. We think the railroads are taxed in much greater proportion than are other forms of public carriers. The railroads must bear the full cost of constructing and maintaining their tracks, roadbeds, bridges, stations and other facilities incident to the operation of their business. They are not accorded a fair chance in the competition for business. In view of these conditions, on behalf of the employees whom we represent, and their employers, we ask that you do nothing which will further hamper the rail carriers in securing and expanding the business involved herein. In every community through which the railroads operate, they own considerable taxable property and pay a substantial part of taxes in all of these localities.

The railroad companies deserve an even break in their efforts for existence. We know of no instances wherein they are subsidized in furnishing the service they render today. You will readily recall that during the two World Wars the railroads carried a tremendous responsibility. Moving of immense amounts of war equipment, supplies, and troops could not have been so successfully or efficiently accomplished without the railroads. Their efforts were greatly responsible for the victory. Rail carriers should not be limited or regulated in the field of competition to the extent that any appreciable number of them will find it necessary to pass from the transportation industry. In such an event, should another national emergency arise, the Nation's business would be seriously handicapped. It is apparent our national safety and well-being would be greatly imperiled. In addition, we believe you will agree that it is the use of our highways by these mammoth trucks and vehicles which causes the astounding cost of highway construction and maintenance.

Senator McGee. I hasten to inject there that because of the interest in a national transportation policy that will take care of the country adequately in a defense crisis, that we are as much interested in the railroads as we are in the trucks; we are as much interested in the trucks as we are the railroads.

Mr. Perry. I understand, Senator. I would like to make this remark. I understand that is your responsibility, you are a Senator representing the people, not any one segment of the people, I understand that, and your job here is not an easy one to figure out a fair and equitable way to give the public the best and most efficient service, I understand that. I am not mad at the truckers and I hate to see——

Senator McGee. Just because they run on the highway?

Mr. Perry. Well, no, I am lucky, Senator, I have followed some of them up the hill when I was glad he was there, but Sunday going out on the highway east of Russell, Kans., one big transport passed another and if we hadn't had room we would have met him head on. So you have that, too. But that can happen in a private car, too. No, I understand. I think your responsibility here is to come up with some fair solution for this whole thing, and I might add, knowing you as I do, I think it is in pretty good hands. I think you will judge it fairly, I'm not afraid of that.

The railroads are equipped to efficiently handle all the long-haul traffic. They can do it without cost to the taxpaying public because they furnish all their own facilities. At the same time, they continue to pay their share of local tax in the communities which they serve.

I might say here, and I would like to stress that just a little, then I will get out of your way, I served several years as clerk and treasurer in several taxing units in Kansas, and we found that all the railroads in nearly all the counties that they served paid from 25 to 33 percent of the total tax. In a small school district running out across the country, we figured on the railroad paying our teacher, but from the other forms of transportation we didn't get anything because they didn't buy even any gasoline in our communities. That is quite an item, I think, that the local communities probably may not realize maybe they do, but I do because I served there in that way.

In Oregon, when the Union Pacific was trying to abandon a little railroad, just another illustration, the people from Oregon appeared at Pendleton before the congressional committee, the Interstate Commerce Commission Committee, and said if they abandoned that line they would have to cancel out the bonds to build a new school building because the value of the property wouldn't do it unless the Union Pacific run through that district. And the attorney for the Union Pacific asked them if they thought that was the principal function of railroads, to pay taxes so they could build school buildings.

That's just another observation. I want to thank you, Senator, for the privilege of appearing here.

Senator McGee. Thank you very much.

STATEMENT OF HOWARD L. BURKE, VICE PRESIDENT, NORTH AMERICAN VAN LINES, CHEYENNE, WYO.

Mr. Burke. Senator McGee, members of the staff: I am Howard L. Burke, president of Burke Moving & Storage, Inc., 2116 Ames Avenue, Cheyenne, Wyo. I am also vice president of North American Van Lines, which is one of the world's largest moving organizations.

I was made to understand that this hearing was dealing primarily with piggyback service. It is actually pretty hard to segregate piggybacking from all the other ramifications of the transportation industry and without going into the history of the railroads and price-fixing and price-cutting businesses many years ago before the Interstate Commerce Commission even came into being.

I have quite a voluminous report to give you. I will try and keep my remarks at this time very brief and try and highlight some of them.

Now, as vice president of North American Van Lines I want it clearly understood that we are not against piggyback. We use piggyback. We use it from Chicago to New York.

Why do we use piggyback? We use it because some States have their taxes on trucks raised so high that during peak seasons we must go to some other form of transportation in order to continue to give service. Many States require us to license a unit for a full year, although we are only in that State for 1 month.

The only phase of piggybacking that I am against as vice president of North American Van Lines is the fact that we can see the handwriting on the wall. We can see what can come. We can see that right now with a rate of, I believe, $924 for use of a flatcar from, say, Chicago to Los Angeles, our line-haul transportation on an average shipment of 4,000 pounds and based on a rate of from 4,000

to 8,000 pounds, we would have on our van line a gross revenue of $4,600.

Now, there is nothing at all at the present time to prevent the railroads setting up some sort of a dummy outfit, a cooperative, getting together with some of the big shippers in the Chicago area that shipped lots of high-value products to the west coast and in effect reduce our rates so that intsead of having a $4,600 line haul, we are going to be up against a $924 line haul. That goes into the selective rate cutting that the railroads historically have used when allowed to use them to put competition out of business.

We have heard much today about car hauls. What bothers me is why, when the car haulers, that is, motor transportation car haulers started into business, why the railroads at that time didn't meet competition head on and go ahead and make their trilevel cars at that time. But there again, the railroads never do anything unless they are forced into doing it. Rather than cooperating with the motor transportation industry many years ago they elected to fight them by every means possible to get them off the highway.

You have heard some remarks here, too—I will try and wind this up just as quickly as I can, Senator—about the trucking industry taking all this traffic away from the railroads, and I submit to you that the railroads put themselves out of the l.c.l. business. Right today I would love to have the job, I would like to have the Burlington Railroad or the Union Pacific Railroad hire me and I could show them how to move more traffic, general freight commodities traffic, that is now moving by truckline between Chicago and Denver, give better service and everything else. If they wanted to do it, they could do it. It is very simple for them to do it, but they don't want to do it.

You will find that remark and the other related remarks in my typewritten statement to you. I want to say right now, anyone that is here, I will be happy to stand up here and talk to all of you tonight for as many hours as you want me to talk. I have been in this transportation business for about 30 years. I have been in every segment of it. I have been a rate expert. I have been head of the motor vehicle departments, I have had my own operation, I have been with general commodity carriers, I am a student of transportation. If anyone would like to have me sit with them all night tonight or all night tomorrow night, I would be very happy to meet with them.

One thing I want to get back to here a minute. I mentioned about this $924 for the use of a flat railcar to haul a couple of trailers from Chicago to the west coast. Now, that is fine and dandy, but then the railroads don't allow me to use that rate. I have to pay the same rate. The railroads, therefore, are in competition with themselves when they do something like that.

Mr. BARTON. Mr. Burke, pardon me, is it not the ICC that said you couldn't do that, rather than the railroads?

Mr. BURKE. Well, now, the ICC might in a weaker moment have said that; yes, sir. But the point I am getting at, sir, is this, that where a first-class commodity can move by the piggyback method from Chicago to the west coast, the railroads themselves, if they moved that shipment as an l.c.l. or carload rate, are going to have to charge twice as much money. As a legislator of the State of Wyoming, naturally I am concerned with the fact that we are going to be called upon, if

this continues unabated, to raise the rates of highway users. Of course, one solution right now to that would be if Congress, instead of diverting $1.7 billion a year to the general fund would put it in the highway fund where it belongs and where we were told the money was going to go, we wouldn't have the problem that we are now faced with in building all these highways. We live by a set of double standards or double rules. The Congress of the United States says to all the States, "This money that you collect for highways must be used for highways, but when it comes to the Federal Government that is not so because we want to use that money to feather our nests for some other project."

I think, Senator, that actually is about all that I need to say at this time. I am sure that when you read my full report you may find some things you wish to question me on. I will be very happy to come back to Washington at my own expense and answer any further questions that your subcommittee or your full committee might wish to ask. Thank you very much.

Senator McGee. Thank you very much.

Mr. Wendt.

STATEMENT OF JOHN F. WENDT, HOUSE OF REPRESENTATIVES, STATE OF WYOMING, ROCK SPRINGS, WYO.

Mr. Wendt. I hope I am not out of order, but this gentleman who testified a few minutes ago made a statement about the railroads not wanting that less-than-carload-lot traffic from Chicago to Denver. I would like——

Senator McGee. This was an editorial comment.

Mr. Wendt. I would like to introduce a mimeographed statement I have outlining three types of less-than-carload-lot service that we offer in piggyback transportation between Chicago and Denver, for the record, as a supplemental statement.

Senator McGee. We will take it in at this time. We don't want to interject with rebuttals. If you want to submit them, it will follow at the end of the record.

Mr. Wendt. I live in Rock Springs, Wyo. I am an employee of the Union Pacific Railroad, in the car department, a member of the Carmen's Local 332, and I am here to represent the carmen and railroad workers in our particular area. Also, the people of Sweetwater County as their representative in the State legislature, and of course, the Union Pacific Railroad.

I have my printed copy here which I will go into and make as short as possible.

Senator McGee. Thank you.

Mr. Wendt. I present these comments and statements in the interests of railroad employees and, also, as I think, the economy and welfare of Sweetwater County, State of Wyoming, which I represent in the State legislature.

It would seem to me that in arriving at a decision regarding the setting of rates, rules, and regulations governing the transportation of all classes of freights, whether it be piggyback or otherwise, we should weigh each as to its merits, safety to the public, moneysaving to the public, and economy of the Nation. We must analyze the be-

ginning of so-called automation, which has been very instrumental in bringing about the present conditions. Railroads competed with railroads when the turn from steam to diesel was brought about. Many skills used in steam operation were not necessary in the diesel operation, so were furloughed and many with 35 and 40 years of service, and at the age when it was almost impossible to be employed by someone else.

Following that turnover in operation, it was apparent that coal was not necessary. So in our community the coal mines were shut down, causing the layoff of some 2,000 coal miners. These people who lost their jobs went into other fields looking for work and many were absorbed by other industry, but not all, because of their age. They did not ask to be subsidized or have the rules and regulations changed or requested payments from the manufacturers of the diesel units of so much per unit to help them.

During this time the trucking industry, which is vital to the Nation and necessary, were increasing their business and expanding, and when the final checking was done it was found that railroads were shackled with rules and regulations which made it impossible to compete and naturally gave them reason to request changes in the rules to allow them to compete. They were granted some relief but not sufficient to openly compete, to maintain their necssary income to operate and retain their employees. Thus, more men were furloughed.

This, in line with progress, was met with the building of equipment which made it possible for shippers to move their commodities; namely, cars and trailer trucks on flat cars, for much cheaper and safer delivery, which over a period of time projected its service to such an extent that it is now an accepted mode of transportation. This affected the truck industry, which has immediately requested the change in rules to help them meet the competition and also rates to effect the shipments and with the thought of forcing the freight back on the highways.

Mr. Hoffa says the danger of piggyback is that scores of Teamsters are losing their jobs. He does not recognize the number of railroad workers who have lost their jobs. I, as a railroad worker, feel that each of us have our rights to protect ourselves and we have suffered sufficiently while the Teamsters were growing that we lost half of our union membership. Let's think: Is Mr. Hoffa's motive selfish or progressive?

The piggybacking, which is the issue, was handled by 19 railroads in 1955 and it has proved so efficient that at the present time some 55 railroads are offering the service. It has increased from approximately 44,000 carloadings in 1954 to over a half million carloadings in 1960. To me, it proves that that is the accepted mode of shipping.

Let's compare the trucking industry with the railroads on a tax basis. It is agreed that the truckers pay taxes both as property and road tax. The road tax is paid only when used. It is also agreed that the taxes paid by the truckers help to build and maintain highways. They in turn are only held responsible to follow the rules and regulations governing their operations. The repairs, upkeep and building of new highways is the responsibility of the State.

Now, let's look into the tax side of the railroads. They own their own roads and they pay annual taxes which amount, in some cases, to as much as 30 to 40 percent of the total taxes in some counties.

This is paid whether 1 train or 100 trains travel the rails. They are then restricted by rules and regulations far more severe than the truckers, namely, agricultural commodities, for instance, and it is their responsibility and expense to maintain and operate their railroads. The moneys needed for this must come from their income of operation and no part is subsidized by taxes from the people. We should consider these things.

We must not overlook the part played by the railroads in our national defense. Let's set the record of the railroads and the part they played in World War II. With only minor changes and additions, railroads almost doubled their movements of freight. This was done with very few additional increases in manpower. A crew of five people can handle 9,000 tons of freight between terminals. How many trucks and people would it take to move this on the highways and how much wear and tear would the roads and equipment used suffer in doing it?

Equipment and personnel are a big factor in time of war. Railroads moved 75 percent of all freight during the war, 90 percent of which was military category, and moved and transported 97 percent of the military personnel. This was done at a very much less cost than it could be done by highway travel equipment at a large saving in materials which are necessary in war. In an emergency at the present time the railroads could double their operations with much saving in time, which would be of the essence if war were brought on, which could happen without too much notice, and being of the nuclear type, time would be a great factor.

If railroads are shackled and forced to decrease their forces, restrict the maintenance of equipment and furlough forces, it would be hard to produce the necessary results. Billions are spent to protect the Nation, so let's recognize the part the railroads would play in the defense of the Nation. Should we by rules and regulations for other interests saddle industry with hardships and fight for survival?

In closing, I feel that the security and welfare of the public in a safety sense and economical sense should be of prime consideration, and we as railroad workers do not ask concessions of anything unjustifiable. Give us equality in rules and regulations and we will meet competition.

Senator McGee, I wish to thank you for the time I was allowed on your hearing.

Senator McGee. Thank you, John. I want to thank you for a very articulate statement.

Mr. Hunter.

STATEMENT OF L. A. HUNTER, RETIRED AGENT, CHICAGO, BURLINGTON & QUINCY RAILROAD CO., SHERIDAN, WYO.

Mr. Hunter. Senator McGee, gentlemen, my prepared statement was prepared several days ago, being more or less in the dark as to what to bring up. When a hearing has gone as far as this hearing has gone, anything that anybody says from here on out is bound to be more or less a repetition of what has already been said. I submit my report as a retired employee of the Burlington Railroad. You may wonder why a retired employee would have anything to worry

about in the present hearing. But I might advise you that we retired employees are just as much concerned about the future of an industry that has supported us for the last 40 or 45 years as those who are presently employed by that concern.

I am not going to read my report because time is of the essence, and I want to get back to Sheridan this evening.

You stressed this morning that you had no desire to let any one segment of our economy be restricted at the expense of another segment. That is my only reason for appearing here.

I thank you for giving me this opportunity, and I will be on my way.

Senator McGee. Thank you very much. Being a local citizen of this part of the State, I hope it snows so hard you can't get home.

Mr. Hunter. So do I.

(The statement as filed with the subcommittee is as follows:)

Gentlemen, what I may say at this time you may have already heard, and I can only reiterate these facts known to me from my 44 years' experience in the freight department of the Burlington Railroad.

It has been my experience to witness the decline of railroad business and subsequently the loss of employment by railroad employees since the late 1920's and early 1930's. This decline in business and subsequent layoffs caused a loss to railroad employees of some 600,000 jobs.

From its infancy the trucking industry has been encouraged, and actually subsidized, by the expenditure of billions of dollars by the Federal and State Governments in the building of public highways. They had no right-of-way to purchase and no roadbed to maintain. The trucking industry today makes the claim that they finance more than their share in building and maintaining the public highway system. However, I would wager that if the trucking industry had to build and maintain their own roads that there would be no intercity trucking.

However, getting back to the piggyback situation about which this hearing is being held, down through the years the trucking industry has gone along having the advantage of this unfair competition, absorbing business from the railroads, causing a decline in railroad business and the loss of railroad jobs. They apparently thought it was OK for railroad jobs to decrease while Teamster jobs multiplied, and this very thing is still happening today.

As one small example of what has happened all over the United States, the freighthouse at Sheridan, Wyo., where I was last employed, during the early 1930's employed some 15 freight handlers, and today there is only 1 railroad employee on that dock. The balance of the work has been taken over by trucks and truckers.

This loss of business to the railroad industry was brought about, in part, also by the fact that they were operating under a heavy weight of regulations that were designed for a different age, while their competitors were encouraged to help themselves to all the business they could get, which they did in a big way.

As you well know, by the early 1950's this decline in railroad business had caused the railroad's financial situation to become very serious, serious enough, in fact, that it prompted the Congress and other Government agencies to make a series of studies which were the forerunners of the Transportation Act of 1958. With the passage of this act some of the restrictions were lifted and the railroads were allowed to get back into more equal competition with other forms of transportation by establishing rates which were really competitive, and thus they were able to retrieve some of the business which had previously been theirs and which had been lost to the trucking industry. The use of the piggyback is one of the examples of this regained business.

It seems that the Teamsters are alarmed about the loss of jobs which the use of piggyback may cause them. By the same token, what about the some 600,000 railroad jobs that have already been lost to them? Is the loss of a job to a teamster of more importance to the Nation than the loss of a job by a railroad employee?

I am now a retired employee and I, too, have a welfare fund to worry about. I ask another question: Is the welfare fund of the teamster of more importance to the economy of our Nation than the welfare fund of a railroad worker?

In closing, it would seem that in our ever-expanding economy there is plenty of room for the piggyback as well as the over-the-road truck, and why should one truck service be restricted at the expense of the other? In addition, any use of piggyback would in some small way relieve the congestion on our highways, and in relieving this congestion it would certainly enhance the safety on our highways, and this in itself is no small factor.

Senator McGee. Mr. Spracklen.

STATEMENT OF L. L. SPRACKLEN, PASSENGER CONDUCTOR, C.B. & Q. RAILROAD, BILLINGS, MONT.

Mr. Spracklen. Senator McGee and staff, I am L. L. Spracklen. I live at 1029 Wyoming Avenue, Billings, Mont., at the present time.

I have been employed by the Burlington Railroad for 41 years and 9 months as a brakeman and conductor.

I am going to have to go along with Mr. Hunter. Anything I would say would be repetitious.

There is one thing I would like to bring out: the fact that I was a legislative representative for the Brotherhood of Railroad Trainmen for some 16 years here and I attended the legislature. We tried to do something about equalizing what we thought was wrong about the trucking and railroad industry but we didn't get it done. But, as I see it now, it was economics at that time and I think it is economics now that we are regaining some of that. So, if the truckers are losing their jobs, they want to remember that they took the jobs from us in the first place.

I thank you, gentlemen. That's all I have.

Senator McGee. Thank you very much, Mr. Spracklen.

(Statement of L. L. Spracklen as submitted to the subcommittee is as follows:)

My name is L. L. Spracklen, living at the present time at 1029 Wyoming Avenue, Billings, Mont.

I have been employed by the C.B. & Q. Railroad on the Sheridan division for 41 years and 9 months as a brakeman and a conductor. All but the last year I lived in Sheridan where I worked in freight service. I am now working as passenger conductor with the terminal at Billings. From 1947 until 1960 I worked part time as State legislative representative of the Brotherhood of Railroad Trainmen and attended the State legislature for each 40-day session during that time.

As I understand it, this hearing is to determine if so-called piggybacking is to the best interest of the public and if it is taking employment from one class of workmen to the benefit of another class. We know that it is serving the public better by better service at a cheaper rate. That should be sufficient reason for maintaining this service. Too, there is the factor of keeping the transports out of traffic for the long hauls, which should relieve some of the congestion on our highways and streets.

As to the taking of jobs away from one group to the betterment of others, that should not enter the picture as the truckers took the business and jobs from the railroads in the first place. I can well remember when all automobiles were shipped by rail in cars built by the railroad companies especially for that purpose. They were just plain big boxcars with wide doors. As time went by, racks were put into them in order that more cars could be handled with safety. However, the trucks came up with transports that could carry as many cars with one trailer and tractor as could be hauled on a railroad car. They were moving them over highways built and maintained by the public, while the railroads were using their own tracks, built and maintained by the railroads, and in addition, were paying taxes on all installations. The railroads and their employees tried to correct these conditions by legislation but due to strong lobbies of the truckers and their employees we were unable to get what we con-

sidered a fair break. When the National Congress passed the multimillion dollar superhighway bill some relief was given by placing more taxes on the highway users. Then the railroads came up with the piggyback. This not only applied to automobiles but to many other commodities. Railroad cars were built that would handle more automobiles than could be handled on the transports. These are handled to distributing points, where, as I understand it, the truckers again take over to distribute them.

I do not believe that taking over the trucker's job has anything to do with the piggyback movement, as the railroads originally handled these cars and other commodities that they are now handling with piggyback. The railroad employees lost jobs to the truckers and they got them back when the business was taken off of the public highways.

I believe the public is being better served by quicker service and at a more reasonable rate. If the public is not receiving the benefit of these savings, I do not think it is the fault of the service. That should be handled as a separate issue.

If we are to take into consideration the loss of jobs by the different crafts, I believe the railroad men have been hit harder than the truckers even after getting some jobs back by piggyback. Automation has taken many employees from the railroads and will take more. That is progress and the truckers will have to face it, too.

Thank you, gentlemen, for allowing me to set forth my views.

Senator McGee. Mr. Smith.

Following Mr. W. D. Smith will be Mr. Schumm, Mr. Pendley, Mr. Johnson.

STATEMENT OF W. D. SMITH, CHEYENNE, WYO.

Mr. Smith. Senator McGee and members of the committee, my name is W. D. Smith. I reside here in Cheyenne, 307 East Fourth Avenue, and am employed by Commercial Carriers, Inc. I say employed. At the present time I am laid off due to the lack of cars to haul, which I have hauled for the past 5 years. I am among the group of men that have been hit very heavy by this piggyback service and it is for this group I would like to speak here today.

At our terminal here in Cheyenne, which is a relay terminal of Commercial Carriers, Inc., they have in years past in the peak season employed as high as 300 men. At the present time there are 23 men working.

Senator McGee. Twenty-three?

Mr. Smith. Twenty-three. Even though they are more or less more in part-time work than in full-time work. There are at times out here on the waiting list to load as high as 18 men.

Senator McGee. How many of those men own their rigs?

Mr. Smith. Well, last year at this time we had better than 150 men. Not all owned their own rig. Two-thirds own their own equipment.

Senator McGee. Two-thirds of the 150?

Mr. Smith. Yes.

Senator McGee. At least they own them in partnership with somebody, they were making payments on them?

Mr. Smith. A good deal of that is partnership with the finance company.

Senator McGee. I own some property that way myself.

Mr. Smith. We are attempting to buy this equipment and pay for it. Most of us own our own homes and of course we are attempting to buy those, too, and pay for them. I have been unemployed since October of last year because of this piggyback service. It is not much encouragement to us to hear that this is progress. It may be progress.

We don't deny the fact that piggyback is a suitable way, a good way to transport automobiles. Many automobiles can be transported in this way. But we feel that the public is actually the ones who are taking the beating on the whole thing. I don't think, as far as the general public is concerned, that they are being served by this piggyback service.

First of all, they say that this service is cheaper than the service of trucks. It is. But the public hasn't benefited from this yet as far as we can find out.

Senator McGee. By that you mean what, the public hasn't benefited——

Mr. Smith. The new car dealers tell us that the consumer pays the same price in freight on his new car as he did when it was shipped by truck.

Senator McGee. That is, your position on that point is not so much involving the railroads and piggybacking as those who benefit from the railroad rates who, according to your informants, at least, are not passing it on to the consumer?

Mr. Smith. Yes.

Senator McGee. Two or three times that has come up today.

Mr. Smith. As far as being able to give statistics on this, I am not in position to do it, but they say this is the cheaper mode of transportation. Well, it may be and seemingly is, and it is attractive to the manufacturers, but if the rails are not getting this full freight that the consumer is paying, then somewhere down the line somebody is benefiting by it.

Senator McGee. What would be your position on this? Suppose it were to be established that the real savings were being passed along to the consumer?

Mr. Smith. If that were established, I would say it would be good for the consumer, but the general public would not necessarily benefit too much by this service because—

Senator McGee. Just those who would buy cars?

Mr. Smith. The consumer would be the only one that would benefit by this service. This piggyback service has cost a lot of jobs for a lot of people, not only we in the trucking business, but there are many, many small businesses who have, as has been testified, cut their help down, have lost money, and face the posibility of having to close up shop because they don't have enough business to exist, and this is getting more prominent all the time. That is clear across our country. That is not in one county or in one State but that is nationwide, and we feel that there will be many, many small businessmen put out of business if this is allowed to continue. It is something that we feel is not good for our country as a whole, our economy.

I think this has played a part in our economy, this recent recession we have gone through, I think this piggyback has had a big part in that, not by any means all of it, but it would have lessened a good deal if men were working, and the 15,000 men it is estimated are out of a job directly in the trucking industry from this piggybacking we feel is a considerable number. But then other people who are dependent on truck service and trucks running down the highway, many of them are out of jobs, too.

Senator McGee. Does any one of the agencies interested in this kind of thing have any estimate or any study that projects the people who are dependent upon, let's say, 15,000 truckers for their jobs? In other words, gas stations, cafes, that sort of thing. Has there been a breakdown attempted?

Mr. Smith. There is a breakdown—I think the people in Michigan have attempted to make a breakdown on this covering all phases of small business, including the truckdrivers themselves, and I do not have those figures, they haven't been available to me, but I believe this committee which is in Michigan, which is made up mostly, I understand, of truck people, have broken this down to how many businesses do depend on trucks and what effect it has had on them. From what I have heard of this the figure is quite staggering.

The railroad speaks of the people that they have laid off through various means for various reasons, and I think this compares, all the people that are employed in this country from the piggyback service, even in small businesses and other places, is comparable to their figure of layoff. And so we think it is a bad thing for the country.

As far as a mode of transportation, it has its merits. We think it is a good mode of transportation but we begin to wonder just how much progress the economy of our country can stand. We don't think it will go too far.

They say we don't pay our taxes. We pay a good deal of tax running the trucks down the road. They say we pay them only when we use the road. Well, it wouldn't be fair, like my truck has been parked now, it has been parked since October; if I were paying highway taxes on that truck when I don't have any income, I can't see as that would be so fair, either. But when I do go down the road it amounts to a good deal. In fact, the minimum I pay per mile on my truck in State and Federal tax for wheel tax and fuel tax alone is 5 cents a mile. That's the minimum. That's the cheapest we get by. In most cases it is a good deal more than that, and of course we have various taxes on top of that.

It seems to me this legislation—well, in the first place, the railroads say this is automation, this type of shipment. We very strongly disagree with that. This is not automation. It is still automobiles being transported on cars of the railroad, being pulled by the railroad down the track. It is not automation. It is just a different way of doing it which has completely taken the business away from us, and this is, we feel, a direct result of legislation that has caused this as interpreted by the Interstate Commerce Commission, and the railroads say that we have no right to come to this committee for some help, but after all, it was all started in legislation that gave the railroads a right to ship like this and we feel we do have a right to ask this be made fair. We have no intention of trying to say that we can do without railroads or that we want to do without railroads or that we want to do without piggyback. We are not saying that. But we think rates should be set up fair on this situation, that we in our work can have our share of it, too, not all of it going to the railroads and us being out of work and being forced into bankruptcy because of this.

We are desparately hoping something will be done because we are in a bind. Many of us have lost equipment already. Many more

of us face the same possibilities. This is an investment that we have put in these trucks that have been built up over the years. When we lose our truck we have lost everything we have invested in it and a good many years' work, too. We don't think it is fair that legislation should be made against us that would close us up as small businesses, not only us but many other small businesses throughout the country, especially when, as far as we can tell or see, that it is not helping the American public to any extent at all. They are not benefiting from this type of service.

Another thing I would like to add is the fact that whoever the people are that are receiving the profit off of the shipment of these cars, and we have reason to believe that it is the auto manufacturers themselves, which runs into millions and millions of dollars that they are making of profit on shipping these cars piggyback, we maintain that is the only reason they are going to 100 percent piggyback on their long-distance haul. We believe if this profit were taken from them that the rate wouldn't be as important as it is now and that service and other things would enter into it when choosing the mode of transportation they would use in transporting their product.

That's about all I have to say. We certainly want to thank you, Senator McGee, for your efforts in holding this committee meeting here.

Senator McGee. Let me ask you, how much does a driver who owns or is paying on a rig, how much does he have in it? What does one cost?

Mr. Smith. Mine personally, I paid—this doesn't include finance charges—it was $21,863, the original cost.

Senator McGee. Is yours an average rig?

Mr. Smith. It is a very plain rig. It is a rig that wasn't—I bought it especially for the job of hauling automobiles.

Senator McGee. In other words, it is difficult to convert these rigs to some other purpose?

Mr. Smith. It wouldn't be anything severely difficult in converting, it could be done.

Senator McGee. There is a possibility of conversion?

Mr. Smith. With additional cost.

Senator McGee. Would it be fair—you said there are 150 men out here and two-thirds of them have an interest in their own rigs—if we were to multiply, two-thirds of 150, or 100 times $21,000, would that be a fair statement of the investment of this particular group that is unemployed?

Mr. Smith. It is.

Senator McGee. I was trying to get the size, in perspective, of the particular group clearly, in relative economic circumstances. I think this is a matter of no little concern, regardless of other issues that are at stake in this question. I think you have made that very clear and you have made a very rational statement on the overall picture. I want to commend you for that, too.

Mr. Smith. Thank you, sir. One other thing I would like to answer, as far as taxes are concerned, not only taxes on the equipment, but we individuals operating these trucks that we own in this business, we pay taxes, income taxes as individuals, not as large companies or corporations. There are not any loopholes, no more than for any

private citizen, in this tax. We think there would be much more tax derived from this freight if shipped by trucks rather than railroads because it is consumed within themselves, even some of them operate at a loss, and from what little we know about that we don't believe there would be any income tax on this freight paid if they were operating at a loss.

That is another point I wanted to make, that we believe there would be more tax money for our Government and State if they were shipped by truck rather than by rail.

Mr. BARTON. Mr. Smith, what practical solution do you have to the problem? Would you have the railroads raise their rates so you folks could compete, or what is your proposal?

Mr. SMITH. I believe that would be a help because I believe that they are—I don't believe honestly, if it was completely figured out, that they are receiving compensatory finance or revenue from these cars.

Mr. BARTON. Remember, a compensatory rate is one that covers out-of-pocket costs. Don't you think they are making out-of-pocket costs?

Mr. SMITH. It may be, perhaps they are, I don't know the railroad figures. But one thing I believe, they have tried to get as low as possible their rate in shipping these cars. I think a good deal of reason for unemployment on the railroad is they are trying to cut their operating expense to the extent of asking the ICC for lower rates.

Mr. BARTON. Pardon me at that point. Do you think they would cut their rates any lower than necessary to get the business? Why would they do that?

Mr. SMITH. Yes, I think the railroads—I believe they would cut the rates to the extent of destroying their competition.

Mr. BARTON. If they cut rates just enough to get the business away from you, they can destroy you just as effectively as if they haul it for nothing, can't they?

Mr. SMITH. Definitely. I think that is what they have done. As far as my solution to the whole thing, it would be that, like I say, we are not adverse to piggyback, we think it is a good service, but we don't think that we should be completely destroyed and this segment of the trucking industry destroyed because of it. I think we should still have our share of this freight.

Senator MCGEE. Do you think there is some middle ground there that would keep you alive and going——

Mr. SMITH. Yes.

Senator MCGEE. Without really materially affecting the railroads' economy? Is that your point?

Mr. SMITH. That's right, I really do. The railroads say—it was just said a few minutes ago that the railroads are in worse shape today than they were even in 1958. Now, they received all this traffic on their cars, on the rails, either in the form of bilevel or trilevel or piggyback and all the long-distance car movement this year, practically all of it, has been by the railroads. If it doesn't compensate them any better than that, what good is it doing if they are in worse shape today even than they were in 1958?

Senator MCGEE. Of course, there are other elements of the railroad business, not just piggyback. With a recession nationwide it is bound

to have its effect. Of course, turned around the other way, your dependence is on one economic train of thought and that is the transportation of automobiles, whereas the railroads can spread theirs out at least over many other alternatives; even at the risk of some small loss they still are going.

Mr. SMITH. Yes.

Senator MCGEE. You as an individual are out of business. There is one margin of difference there, that's true, but I think in fairness it ought to be kept in mind, and I think the records show, that the railroads' return is less today than 2 years ago. It would be much less were it not, I assume, for piggyback. But that isn't sufficient to make up for the losses in other channels of traffic.

Mr. SMITH. We believe this, they have cut rates that are in most cases at least 50 percent below ours. If they are to rise above their cost enough, if they are hurting so bad, why can't these rates be increased? They could stand a rate increase on these automobiles very greatly, they could stand it, and it would be good for them if they had a rate increase. But, like I said, we believe that the auto manufacturers themselves are the ones that are greatly profiting by this type of shipment and if this profit were denied them, that their desire to go 100 percent rail on long distance would be greatly reduced. We believe then that we would come into being again and the trucks would get their share of this traffic, too.

Senator MCGEE. Let me see if I can reconstruct your answer to Mr. Barton's question about what the solution would be. As I follow you, you believe it would be possible to take this latitude that has been given the railroads for rate adjustment to compete and tighten that, as I understand your suggestion, a bit, to whatever margin is necessary, so it would put the 150 multiplied by whatever the numbers are in similar situations in auto transport back in business so they are running their rigs again. And this would still not be fatal to the railroads. The question would be, in drawing the line, where would it leave quite unaffected the railroads' unemployment question, this is a question, too, where it ties into it and yet keep your chin above the water.

Mr. SMITH. Yes, I think that would be the solution.

Senator MCGEE. That says what you are getting across here?

Mr. SMITH. Let the rails keep the piggyback, let them haul the new cars, I mean a fair share of them, because it stands to reason our population is increasing, there are going to be more cars built all along, this is going to increase. If the railroads were getting their fair rate out of them or the rate they could be getting out of the cars, they could stand to lose some of this traffic and still come out with a profit on the whole thing and it would still support the auto haulers in this country, also. Like was mentioned today before, I believe there is enough freight in this country of all types to keep both segments in business.

Senator MCGEE. Particularly, you think there is enough auto freight to share the market and keep both operations going?

Mr. SMITH. Very definitely.

Senator MCGEE. Thank you very much.

(The prepared statement of Mr. Smith follows:)

I am making this statement on behalf of myself and all other truckers engaged in the transportation of new automobiles, and particularly for the group of men working out of the Commercial Carriers, Inc. relay terminal in Cheyenne.

I have been in the trucking business for the past 10 years, the last 5 years employed by the former Western Auto Transporters, Inc., now known as Commercial Carriers, Inc. My income has been derived from the transportation of new automobiles by truck from Cheyenne, Wyo. to most of the States west. I am known as a leased operator, which is a company driver in every sense of the word, except that I furnish and drive my own power unit or truck. In leasing my truck to Commercial Carriers, Inc., I receive 65 percent of the gross revenue of all loads that I haul. Out of this I pay all upkeep on my truck, all fuel, oil and tires, my driving wages, and, of course, payments on my truck as well. Out of the 35 percent the company keeps it furnishes the trailer, except for tires, insurance, all permits, fees and tolls for all States the truck is operated in, and the bookkeeping that is directly related to the company. The leased operators in the auto transport industry are a rather large group of men who individually operate a small business, each of us having a substantial investment in our equipment.

The Cheyenne terminal of my company normally employs from 200 to 300 men and trucks. Since the first of this year there have been 23 men working. I, myself, and others with less seniority have been laid off since October of last year. This same situation exists in all other car-hauling terminals throughout the country. Since being laid off many leased operators have lost their equipment and their entire investment and many more face the same possibility.

We feel that we have been greatly discriminated against by the national transportation policy in the Interstate Commerce Act, section 15A(3). This has given the railroads a monopoly in the long-distance shipment of virtually all new automobiles because they are allowed to offer freight rates to the auto manufacturers that are so low that it makes competition with trucks impossible. The railroads claim they are creating competition with their low rates, but on the contrary, we believe their present ambition is to destroy competition, namely, the auto transporters in the trucking industry. If they are allowed to continue to use such low rates in piggyback service, then other phases of trucking will suffer as have the auto carriers, which in fact they already have to some extent. The piggyback, bilevel and trilevel service of the railroads is not only causing widespread unemployment in the trucking industry and in many other businesses that are dependent on trucks, but is also causing, we believe, a great amount of unemployment within the railroads themselves.

We believe the reason for this is that in their attempt to monopolize the transportation industry they are showing no consideration to anyone, not even their own employees. The economy and welfare of our country does not seem to interest them, either.

The railroads are trying to reduce their overall operating expenses even to the extent of laying off all of their employees that they possibly can so they can show a low operating cost to the Interstate Commerce Commission, who in the past 2 years or so have used this cost as the base to their rate structure instead of the commodity itself.

This is not right or fair because we believe the railroads are not giving their true operating costs to the ICC for this reason: They give their cost as so much per ton-mile when their true cost should be so much per carload-mile.

For an example, say their cost of operation is 10 cents per ton-mile (we do not claim that this reflects their actual cost in any way) in their shipment of many commodities, they load 40 or 50 tons on a car, but in the shipment of automobiles they cannot possibly carry more than 30 tons on any one car and the majority of their loads by far would average closer to 20 tons, whether they be piggyback, bilevel or trilevel. In using the supposed cost figure of 10 cents per ton-mile their carload cost per mile would be $4 to $5, except for automobiles which would only be $2 to $3 at the most. In their cost figures to the ICC the railroads are saying in effect that they can ship a carload of new automobiles for approximately half or less the cost they can ship other commodities. This they cannot do and as proof of this, take the total amount of freight the railroads haul, multiply it by the freight rates they use for the piggyback, bilevel and trilevel shipment of automobiles, compare the total revenue with the total cost of operation over the period of 1 year and we feel sure the railroads would be bankrupt.

There was a petition passed around by a railroad asking their employees to sign. It was in effect a request, supposedly by the employees, that nothing would be done by any Federal body that would disrupt the railroads' plans for their piggyback service. The employees were promised that more men would be called back to work if the rails can keep this service. We maintain that the rails will be forced to haul men back to work whether they can keep piggyback service or not, so they can get their equipment and roadbeds back to first-class operating condition again.

It seems that the railroads, in laying off their employees, have done so for a dual purpose. First, it cuts their operating expense so they can apply to the ICC for lower rates that will force their competitors out of business, and second, so they can say they are so financially pressed and such a large amount of business has been taken from them by other modes of transportation that they have been forced to lay off thousands of employees. By this they hope to soften the attitude of the public so that when they request more subsidies from the Federal Government either in the form of cash, a reduction in their State and Federal taxes, keeping their piggyback service or whatever, that the likelihood of this being granted would be increased. In the meantime the economy of our country suffers, not only from unemployment but also from a great loss of taxes on both State and Federal levels because of the railroads' piggyback service. If this were automation it would be different because that is a monster we all must step aside for, it seems. But this was brought about directly by the legislation of the U.S. Congress as interpreted by the ICC. If the Federal Government is going to control interstate commerce, which it does and should, we ask that it be done in a fair and impartial manner and that freight rates be established that are fair, competitive, and most of all, compensatory.

We also understand from new car dealers that the dealer is charged the same amount of freight on a new car that is shipped by rail as he did when it was shipped by truck. If there is such a savings in rail rates, then the consumer should get the advantage of it, but we are told that the auto manufacturers are the ones that are reaping the benefit of this rail service in the form of huge profits. The consuming public should not be forced to pay for something it does not get and is entitled to the protection of the Federal Government from such practices by Big Business, because it has no one else to look to for this kind of protection. However, if the auto manufacturers were denied this profit, their desire to use railroads for almost all of their long-distance shipments would be greatly reduced. After all, the consumer is the one that pays the freight on all new autos and so the freight rate is not necessarily the dominating factor in choosing the mode of transportation. Service becomes just as important, and perhaps more so, and trucks can still give better service than rails even with, as they say, their new and improved method of transporting automobiles.

The railroads claim that the trucking industry receives large subsidies from the Federal Government because of use of public streets and highways. This is good for the rails when they say this because it builds up resentment against trucks by the public, who start to wonder (because there is no information available to them) why something isn't done by the Government to make these trucks pay for the use of the highways. We honestly believe the trucks do pay their fair share. Before the start of the Federal highway program in most States trucks were paying 40 percent to 50 percent of the cost of highways. For us who operate in the Western States we pay a minimum of 5 cents per mile for wheel tax and fuel tax alone. We also pay tax on the trucks we buy, oil we use, tires, parts we buy for repairs, our registration plates, a permit for every State we operate in, including fuel permits, Federal use tax fee, etc. In addition, we pay State and Federal income tax, not as large companies but as individuals. It is estimated there are about 15,000 truckdrivers laid off because of piggyback operation, the majority being auto transporters, many of which are leased operators. It is easy to see that the Government is losing a large amount of tax money that will not be paid by the railrads, for this revenue they receive from transporting autos is consumed within themselves because they have more tax loopholes than we as individuals do; then, too, we understand that many railroads are operating at a loss and, as far as we know, would pay no income tax at all.

Trucks also help support many types of businesses, such as parts suppliers, truck garages, service stations, truck shops, cafes, motels, hotels, tire stores, insurance companies and the drivers' income spent in their community. Since

the auto transporters have been taken off the highway, many who worked for these small businesses have been laid off or have had their working hours per week shortened. If piggyback service continues, many of these concerns will be forced to close.

We sincerely believe the trucking industry is good for our Nation and our economy and in forcing it off the highway it is detrimental to the American people. In any national emergency, trucks would become most important because of their mobility and individual power.

In summing up, we are glad for this opportunity to express our views even though it seems we are fighting something we cannot see and most certainly do not fully understand, so we are relying on the understanding, wisdom, and good judgment of this committee. And we earnestly hope that in viewing our plight, we will be considered as we really are—responsible, taxpaying citizens, interested solely in getting back our rightful jobs and not simply as a group of Jimmy Hoffa's teamsters.

Senator McGee. Mr. Schumm, I am advised that you have agreed to file your statement.

Mr. Schumm. Yes, sir.

Senator McGee. We appreciate your effort in that respect.

Would you identify yourself for the reporter while you are right there?

Mr. Schumm. L. E. Schumm, vice chairman, Order of Railway Conductors, Casper, Wyo. Thanks a lot.

Senator McGee. Thank you very much.

(The statement of L. E. Schumm as filed with the subcommittee is as follows:)

Statement of L. E. Schumm, Casper, Wyo.

The purpose of my being at this hearing is to help clarify some of the charges that have been made against the railroads in their latest try at a comeback. Namely the piggyback transportation of merchandise and new automobiles.

I have been around and associated with railroads all my life, first with my father, who was a telegrapher for 40 some years, and now as a conductor for the Burlington. I have seen the way trucks have eaten into the railroads' traffic. As a boy I have seen locals pull into the station with 8 or 10 merchandise cars, today we don't have a merchandise car in weeks. We all know where it went, the trucks took it by giving the shipper lower rates, and also they could bring it to the shippers' door. This was competition they said.

Back a few years I can remember when all new automobiles were shipped by rail, with the passing of time and the rebuilding of our highways, and the invention of an auto rack for trucks, the trucks took over again, at a lower rate. This they said was competition. Now the time has come, thanks to the Transportation Act of 1958, and the building of special flatcars that can hold 10 or 15 cars, the railroads are making a comeback. Back a few years they wanted us to become competitive, now when we have finally become competitive they are screaming for the Congress to stop us.

The overall result of the regulatory policies that tied the railroads' hands in competing with the newer form of transportation, together with the other considerations mentioned, has been a precipitous decline since 1930 in the portion of the Nation's freight business handled by the railroads. In 1930 they moved 74 percent of all intercity freight, calculated by ton-miles. In 1960 they transported only 45 percent of the intercity business.

By the early 1950's the railroads' financial situation which had been worsening since the early 1930's began to cause really grave concern, this prompted a series of studies by Congress and various Government agencies, and these were the forerunners of the Transportation Act of 1958.

One of the most important provisions of the Transportation Act of 1958 was its clarification of the ratemaking provisions of the existing law.

The railroads are now exercising their recently established right to compete, as Congress clearly expected them to do, they are trying to bring about an orderly adjustment of the rate structure more nearly to reflect transportation costs, rather than leave the rate structure rigidly tied to philosophies which have been unrealistic for many years.

The railroads are cooperating with shippers in developing means of providing more satisfactory transportation services, and means of providing reduced transportation costs. They are sharing the resulting savings with the shippers.

All of this is producing more business for the railroads (business the railroads once had). And in no area of transportation have the results been more spectacular than in the explosive growth of the piggyback.

These things are the happenings that have led to the Teamsters taking the warpath against the railroads and the ICC.

Without the right to compete, spelled out by Congress in the Transportation Act of 1958, the future of the railroad transportation in the United States would be bleak indeed.

I think this dispute is more than a question of labor displacement, as the Teamsters are emphasizing. Both the trucking and the railroad industries have been rapidly losing employees in the past few years. Since 1951 the railroads have laid off 400,000 men, while the Teamsters lost 20,000 drivers in the past 2 years. Unemployment in the overall transportation industry will not be solved by a readjustment of rates.

I feel that with the right to compete securely established in the business of transportation as it exists in every other phase of American economy, railroad management and railroad workers can meet the challenge of the future with confidence.

It is not pleasant to see the loss of job opportunities in any industry, be it truck driving, railroading, or in any other industry.

But competition is competition and that is what made the United States the great country it is.

Not so many years ago the Teamsters, because the trucking industry had worked out a more competitive arrangement, took a lot of jobs away from the railroads. I cannot recall any hearings designed to help stem the flow of jobs away from the railroads. The public reaction then was this: If the railroads want the business back, let them get competitive.

So I think in closing that the same thing should happen now. Let the truckers get competitive.

Senator McGee. Mr. Pendley, I understand that you have agreed to file a statement, if you would identify yourself for the reporter.

Mr. Pendley. William Perry Pendley, secretary of Local Union 106, Sheet Metal Workers, International Association.

Senator McGee. Thank you very much.

(The statement as filed with the subcommittee by William P. Pendley is as follows:)

I am William P. Pendley, secretary of Local Union No. 106, Sheet Metal Workers International Association.

I appear before you because I, as a railroad worker, have a stake in these proceedings. I have two sons in school who are dependent on me for an education so as to be better equipped to fight life's battles which seem to become greater in number and proportion with each passing day. To be able to provide them with such an education, I am dependent on my job as a railroad mechanic. Therefore, I am as concerned about my job as the next fellow is about his, and as you can see, I am at an age where jobs are not easily obtained.

I have been with my present job 24 years but it was not the beginning of my railroad employment. I had 14 years service with another railroad in another State and it wasn't by choice that I came to Cheyenne, Wyo.—it was by necessity. I was not alone—there were many others who were forced into a like situation, the necessity of a job whereby we could earn our daily bread.

Yes, we were forced into this situation largely, if not wholly, by the ever-increasing inroads made by the trucking industry into the transportation field at that time. That was a time when the railroad workers were unemployed and the truckers were working, the trucks were running, and the railroad equipment was sitting idle in the yards.

How could the truckers make such an inroad as this? Low-cost transportation and it was legal, too, just plain old fair competition, and the railroads were helpless to do anything about it. They couldn't cut their prices one cent without the consent of the ICC, but the trucks could haul for whatever price they wished to charge.

But now, after nearly 30 years, the stranglehold on the railroads has been removed and at last they have been given some freedom to operate on a competitive basis, the right to furnish the public a lower cost transportation, and by so doing, regain at least a portion of business that was taken from them by the trucks, and by the same method, lower-cost transportation.

One argument I have heard the truckers giving is that none of the saving in the cost of transportation is passed on to the purchaser. Well, once I bought a new car and I asked the salesman, "How do you ship?" He said, "We ship some by rail and some by truck," but he didn't say here is one shipped by truck, it is $50 cheaper than those shipped by rail.

I do not wish to imply that the truckers and the trucks have no place in the transportation field because they most certainly do. They are here to stay, but they didn't get here by holding their prices up to those of the railroads but by lower prices than the railroads were allowed to charge. They were permitted to charge as they chose and it was fair competition.

If it was fair competition by the trucks 30 years ago, then it should be fair competition for the railroads today.

Thank you.

Senator McGee. Is Mr. Johnson here?

STATEMENT OF L. R. JOHNSON, CHEYENNE, WYO.

Mr. Johnson. Mr. Chairman and committee members, my name is L. R. Johnson, local chairman of No. 106, Sheet Metal Workers International Association, secretary of the local federation of shop crafts, homeowner, and resident of Wyoming more than 31 years.

I appear at this hearing to oppose legislative action proposed by the International Brotherhood of Teamsters, seeking to halt the movement of truck trailers and automobiles by rail on specially built railroad cars.

1. The Teamsters claim to have lost several hundred jobs in Wyoming due to the piggyback movement of merchandise. Losing jobs is not a new thing to the people in the railroad industry—we have lost several thousand due in no small part to the inroads of the trucking industry. However, I must say some employees in both industries are victims of progress, due to automation.

2. Teamsters claim the railroads haul piggyback cars at a rate so low they do not pay as they should. Gentlemen, when you have worked for a railroad for more than 26 years as I have, you would be sure that claim is just so much hot air.

The facts are: Due to technological advancement in the railroad industry and the enactment of the Transportation Act of 1958, the railroads are finally free to compete with other types of transportation. This is competition, a basic right of free enterprise, and should not be stifled.

3. To railroad employees at Cheyenne, the Teamsters' action suggests that the trucking industry cannot actively meet honest competition and are trying to legislate us out of our jobs.

4. As a resident and taxpayer in the State of Wyoming, I feel the trucks are not paying their share of the construction and maintenance of our highway system. They not only cause faster deterioration, they create hazards to residents and vacationing motorists.

Whereas, in national emergency, with extensive piggyback hauling, the highways would be open for defense operation, as they were intended. Also, the special railroad cars could be utilized for various and unusual movements by the Government.

I thank you for the privilege of appearing before this committee, and I trust you will consider the inequities of this proposed legislation and act accordingly.

Senator McGee. Thank you very much, Mr. Johnson.

Mr. Wilson, I understand you have agreed to file a statement.

STATEMENT OF HARRY WILSON, BROTHERHOOD OF LOCOMOTIVE ENGINEERS, CHEYENNE, WYO.

Mr. Wilson. Senator McGee and gentlemen, I wonder if it would be adding fuel to the fire, if this snow gets heavier we will probably have to piggyback the trucks out of Cheyenne, I don't know.

Senator McGee. Not only the trucks, but the subcommittee.

Mr. Wilson. I have one paragraph here. I represent the locomotive engineers in Wyoming and I am employed by the Colorado & Southern. I have one paragraph here.

I understand that the ICC can regulate rates for the railroads because statistics are provided. I also understand the ICC cannot get elementary statistics from the truckers. The ICC does not even know how many of the trucks on the road are engaged in interstate commerce, what they haul or how efficient they can be at it.

Senator McGee. I am advised by counsel the reason for this, however, in part, is that the trucking involves all the farm trucks as well, and this is a little more difficult to control. I didn't want this to be attached to the truckers we are talking about here.

Mr. Wilson. I understand it is about a third. Another thing is, I wonder how the Government will explain to the people that an agency set up to protect the people can do them harm by driving traffic into uneconomical channels, depriving management of its prerogative and the Nation of lower freight costs, as a student of history, they have been able to do it in the past different times. I wonder how they will do it on this.

Thank you, gentlemen. That's all.

Senator McGee. Thank you very much.

(The statement as filed by Harry Wilson with the subcommittee is as follows:)

I have two axes to grind, a double-bitted one. One as the BLE chairman representing the engineers and firemen in the Wyoming district and the other as a citizen of this country.

The ICC was set up to protect the Nation against railroad monopoly. Now, where is the monopoly? Trucklines, pipelines, inland waterways, and private autos, all share in the transportation field.

Piggyback is the one bright spot for the railroad that has been brought into being against this competition by American business initiative and labor. We are taking back business that we once had and that the truckers were able to get through unrealistic rates and unfair taxation on the railroad.

How does this affect railroad employees? It is the Nation's concern as well as the railroad brotherhood's. More than 2 million in 1920, 1 million in 1940 to less less than 700,000 today, to working an extra yard engine in the Cheyenne yards.

The effect of piggybacking on the people of Wyoming and elsewhere in the United States means some relief from a major headache. The growing thousands of huge trailer trucks and now tandem trucks crowding the roads adding to

traffic hazards and the already backbreaking load of taxation due to heavy trucks breaking down existing roads and the necessity of building superstrong highways, of which the trucks are not paying their share, the end result is a subsidy for the truckers and unfair competition for the railroads which must maintain their own road and still pay high tax into this community.

What is more, the truckers are not true common carriers as they take only the business they want or are equipped to handle. They compete selectively. The railroad offers and does take anything other carriers take and all the business, high or low profit.

The ICC can regulate rates for the railroads because statistics are provided. But the ICC cannot get elementary statistics from the truckers. The ICC does not even know how many of the trucks on the road are engaged in interstate commerce, what they haul or how efficient they can be at it.

How can the Government explain to the people than an agency set up to protect the people can do them harm by driving traffic into uneconomic channels depriving management of its prerogative and the Nation of lower freight cost?

Is railroad labor expected to lay down and lose our employment because the truckers want, and, yes, demand, that they have no competition? Is this the American way of life?

Senator McGee. Mr. Gavin.

STATEMENT OF W. E. GAVIN, CHEYENNE, WYO.

Senator McGee. Would you give your name to the reporter?

Mr. Gavin. W. E. Gavin, local chairman, B. of R. T., Colorado & Southeran Railroad, here at Cheyenne.

Senator McGee. You wanted to file your statement?

Mr. Gavin. Yes.

Senator McGee. Thank you very much.

(The statement as filed with the subcommittee by Mr. Gavin is as follows:)

I believe that turnabout is fairplay in that the railroads are trying to get back traffic that they, in the first place, lost to the trucklines in the last few years. I believe this to be fair as it can get. The truckers say that they have lost 20,000 truckdrivers in the last 1 or 2 years; the railroads have lost, in comparison, 80,000 workers.

Road upkeep. The railroads have to maintain their own roads, this takes many hundreds of sectionmen; the railroads also have to pay taxes. The trucks run over the taxpayers' roads. Although the trucklines do pay taxes, they do not pay enough taxes for the roads they tear up. If the trucklines would have to maintain their own roads, they could not possibly compete with the railroads.

The truckdrivers say that it is not right for the railroads to haul piggyback. I believe that the more trucks that do not hog the roads, the safer it will be on the roads for the taxpayers that pay for the roads that the trucks tear up. Trucks hauling gas and explosives should be kept off the highways. These are things that the railroads have never brought up. I believe that if the railroads can get this business back by hauling piggyback, then this is where the business should go.

For years the railroads have stood by and watched the trucklines take business from them. Due to the Government levying high taxes on the railroads in the past, this kept the railroad companies from giving fair rates to compete with the trucklines.

The railroads have started on a comeback due to the use of piggybacks. This is the railroads last chance to stay alive. We would appreciate your help in keeping the railroads alive.

Senator McGee. Mr. Clopton.

STATEMENT OF ROBERT L. CLOPTON, CHEYENNE, WYO.

Mr. Clopton. I am Robert L. Clopton, 1920 East Pershing Boulevard, Cheyenne, Wyo., division foreman for the Colorado & Southern Railroad in Cheyenne.

Piggybacking is certainly one of the newest steps in progress made by the railroads. In this manner they have competed with the trucking industry to regain a portion of the shipping lost to them years ago.

In the interest of the security of the railroads and the possibility of more jobs being available to railroad workers, I believe they should have the right to continue to compete with the trucking industry for this modern rail service.

Senator McGee. Thank you very much.

Mr. Hoskins.

STATEMENT OF DAVID G. HOSKINS, CHEYENNE, WYO.

Mr. Hoskins. Senator McGee, members of the committee, my name is David G. Hoskins. I reside in Cheyenne. I am an employee for the Colorado & Southern Railroad working in the capacity of conductor, and I am the local chairman for the Order of Railway Conductors & Brakemen, union representation of those men, and I think our position has been prety well covered for the record and any legislation pertaining to hauling piggyback operation would be against our will. Thank you.

Senator McGee. Thank you very much, Mr. Hoskins.

STATEMENT OF EVERETT PHILABAUM, CHEYENNE, WYO.

Mr. Philabaum.

Mr. Philabaum. I am Everett Philabaum, secretary of Carmen's Union, and to avoid repetition I am filing my statement.

Senator McGee. Thank you very much. It will be carried in full.

(The statement of Everett Philabaum as filed with the subcommittee is as follows:)

My name is Everett Philabaum. I am a carman and inspector working for the Union Pacific and live in Cheyenne. I am secretary of the Cheyenne Lodge of Railway Carmen.

After reading of the highway users' claims of unjust rates on handling shipments of so-called piggyback loads, it appears they, the truckers, have lost sight of the origin of such loadings.

For at least 30 years I have seen and worked on such load on railroad flat cars, such as plate steel, block base powerplants, roadbuilding machinery, trucks, tractors, and numerous bulky and oversize equipment loads. There was no trucks attempting to handle such large heavy equipment in the early days.

During these same years, and until the post World War II years, I have worked on automobile cars loaded with new autos from the time they were elevated with wooden braces, and later with mechanical loaders.

Now it is open knowledge who first hauled automobiles, and so the question is, who was first to have favored consideration in the making of rates. When trucks grew in power to handle such loads and suitable trailers were built, the railroad industry experimented with load racks but were unable to secure loadings, due to the lower rates allowed trucks.

Then, due to progress in railroad power and operation procedure the railroads could compete in delivery with competition, they asked and received hauling rates at which they could profitably handle such piggyback loads, which has now proven satisfactory to the shipper.

Senator McGee. Mr. Ahern.

STATEMENT OF ALBERT M. AHERN, CHEYENNE, WYO.

Mr. AHERN. I am Albert M. Ahern of Cheyenne, Wyo., representative of Boilermakers Union, Local 46. I am now employed by the Union Pacific Railroad and have been in their employment for 37 years.

I know we are running short of time, and I feel that the committee will go along and handle this properly for our organization. Thank you.

Senator McGEE. Thank you very much, Mr. Ahern.

(The statement of Albert M. Ahern as filed with the subcommittee is as follows:)

I, Albert Ahern of Cheyenne, Wyo., represent the International Boilermakers Union, Local 46. I am now employed by the Union Pacific Railroad, and have been in their employment for 37 years.

The modern efficiency of the piggyback and special-purpose-built railroad cars will help the economy of the United States, and make the U.S. military transport more versatile in time of national emergency.

Due to the new technology and modern equipment the advance progress offered by the piggyback and specialized railroad cars should in a few years make most of the present day railroad box cars system obsolete.

This changeover for new equipment will require millions of working man-hours on the part of American labor to build and maintain.

This program will require millions of dollars derived from railroad earnings to finance the new conversion of equipment and material on part of the railroads.

This program will also call for thousands of truck trailers to be built to carry freight to and from the railroad freight terminals, and for military transport.

The answer to this program will be its economy in dollars saved for the American public, in safety for the traveling public, and from road hazards by putting the heavy long haul of freight on a private roadbed built to handle heavy freight, so the traveling public may enjoy their own superhighways. This program will speed the freight, saving time and money for the consuming public.

The versatile performance of this new type of railroad cars and truck trailers will be a big improvement for the military transport, in time of national emergency.

We ask you, please, do not pass any legislation that will hinder this national transportation program so vital to the public and military of these United States.

Senator McGEE. Mr. Schoel.

STATEMENT OF GILBERT E. SCHOEL, CHEYENNE, WYO.

Mr. SCHOEL. My name is Gilbert E. Schoel, president, International Brotherhood of Firemen & Oilers, Local 579, Cheyenne, Wyo., employed by the Union Pacific, Railroad Stores Department.

I feel my statement has been very well covered by the rest of the members here today. Thank you very much for your time.

Senator McGEE. Thank you.

(The statement of Gilbert E. Schoel as filed with the committee is as follows:)

Mr. Chairman and committee, piggybacks are an advanced form of transportation and are essential to the national transportation problem.

A few years back the railroads were handling the bulk of the country's freight, but through modern advancement the trucks came into the picture and began to siphon off a large portion of the Nation's railroads' freight business.

The trucks took practically all of the new car hauling because they could give better service at a lower cost, which resulted in a terrific loss to the Nation's railroads. The railroads, in order to save their business, were forced to make other arrangements to handle this freight business that the trucks had taken from them.

After much research and expense to the railroads, they provided a new type of service known as piggybacks, which consists of a newly built and designed flat car with facilities to tie down truck trailers for transporting them from one destination to another.

This service is much more practical and economical to the shipper. It removes a large portion of the heavy-loaded trucks from the highways, making them much more safe and pleasant to travel with our families. It also helps to keep our highways in better condition because all the heavy-loaded trucks do considerable damage to the highways.

If the truckers feel that they are not receiving a fair share of this freight business, let them compete on a competitive basis by building their own roadway and maintaining same, paying taxes on all of their roadways, the same as the Nation's railroads have to do.

Piggyback service has been proven and should be left alone to grow with America.

Senator McGee. Mr. Nielsen.

STATEMENT OF J. L. NIELSEN, CASPER, WYO.

Mr. Nielsen. My name is J. L. Nielsen, legislative representative of Natrona Lodge 845, Brotherhood of Locomotive Firemen & Enginemen of Casper, Wyo. I am employed by the Burlington Railroad, and in view of the fact that what I have is mostly repetitious, I will just file it with you people and I thank you very much.

Senator McGee. Thank you very much for your interest in coming here, Mr. Nielsen.

(The statement of J. L. Nielsen as filed with the subcommittee is as follows:)

The Honorable Senator Gale McGee: I, J. L. Nielsen, legislative representative of Natrona Lodge 845, Brotherhood of Locomotive Firemen & Enginemen of Casper, Wyo., wish to present our opposition to any legislation in regard to placing any more restrictions on the railroads of the United States. We feel that there are a great many restrictions on the railroads which should be removed, such as excise tax on passenger fares and freight.

James Hoffa, president of the Teamsters, has a desire to restrict the railroads in the movement of freight on the railroad systems of America so some 20,000 truckdrivers can have jobs. It is our contention that by the use of piggyback form of shipping various commodities the railroads are only getting back some of the business that was formerly hauled on the railroads of this Nation. The railroads have around 400,000 employees presently laid off on account of the loss of business to trucking and other forms of transportation that are being subsidized by the National Government. The Government builds the highways for the use of trucks and buses to compete with the railroads. By the same token the Government builds and maintains airports and landing fields so airplane transportation companies can compete with the railroads. The railroads have built their own lines, must pay taxes on their installations and maintain them at great expense. They have had no "handouts" from the Government.

It is our contention that if the railroads can haul their various types of merchandise at a more economical and realistic price for the consumers, the consumers are entitled to such savings. We do not see any need to pass laws taking that economic privilege away from the railroads while granting it to their competitors. According to the U.S. Labor Department the productivity of the railroad workers is the highest in the Nation, so it stands to reason that a five-member crew can haul a train of 50 to 125 cars much cheaper per car than a truckdriver can drive one truck the same distance with only about one carload of merchandise. The railroad workers did not ask for legislation when their jobs were taken away by all the other forms of transportation.

Furthermore, by using the railroads for long-haul freight and passenger business the highways can and will become safer for travel. The trucks are hard to pass and they take up most of the space on two-lane highways. It is quite disconcerting to meet one of those monsters on the highway at night or when the weather is bad.

Because of the interest you have shown in the welfare of the railroad workers and our problems we felt we could call upon you once more to protect our interest in pending legislation. We know you will give this your attention and we are most grateful to you for all you do in our behalf.

Senator McGee. Mr. Reed.

STATEMENT OF DONALD A. REED, CHEYENNE, WYO.

Mr. Reed. My name is Donald A. Reed. I represent the unemployed railroad worker in Cheyenne. There are are approximately 30 percent of us unemployed. I have broken it down and I have used my earnings for the past 8 years as a rule of thumb for you to go by and this is slightly more than half of what I feeling a living wage should be.

I am proud to work for the railroad, I am proud of the railroad, and I am proud that I voted for you, Senator.

Senator McGee. Your point is, being a man dedicated to railroads as far as employment is concerned, you are unemployed?

Mr. Reed. That's right.

Senator McGee. You want every consideration to be given so that employment can increase as far as the railroads are concerned?

Mr. Reed. Yes, if the railroad prospers, I prosper.

Senator McGee. Thank you very much. These personnel figures will be of interest in the record.

Cheyenne, Wyo., *April 10, 1961.*

Honorable Senator McGee and Committee:

The following facts are submitted for your thoughtful consideration.

As of this date, April 10, 1961, the following conditions exist relative to train service working conditions in Cheyenne.

Cheyenne is the home terminal for the fourth district Nebraska division freight trainmen, and home terminal for the fifth district Wyoming division trainmen.

Fourth district has 115 men on roster; 32 men are unemployed; 13 additional men are on extra board; 70 have regular employment. Junior trainman having regular employment began his employment with Union Pacific Railroad May 6, 1943.

Fifth district has 104 men on roster; 57 men are unemployed; 7 additional are on extra board; 100 men have regular employment. Junior trainman having regular employment began his employment with Union Pacific Railroad June 5, 1942.

Eleven men are junior to me in seniority on fourth district; have had less employment than I.

I am the junior conductor on the fourth district, and at present it looks like it will be 15 to 20 years before I am ever in charge of a train.

The following is my personal résumé for your guidance:

I have averaged $259.39 per month gross income in the past 8 years as an employee. Itemized as follows:

At age of 33 I secured employment as brakeman with the Union Pacific Railroad, July 3, 1953, fourth district, Cheyenne, Wyo., to Sidney, Nebr.

	Gross income
Brakeman:	
1953	$2,493.43
1954	1,142.42
1955	2,188.83
1956	3,191.98
1957 (includes $1,052.73 gross sheet metal helper in Union Pacific shops)	4,362.83
1958	3,143.24
1959	4,927.22
1960 (includes $157.45 switchman, Cheyenne yards)	3,336.12
Total, 8 years, 12 months per year	24,806.07
Average gross income per year for 8 years	3,100.76
Gross income per month	259.39

Year 1960:	
Gross income includes $157.45 as switchman in Cheyenne yard	3,336.12
Deductions	668.19
Total	2,667.93
Income tax refund on 1960 earnings	268.88
Net income railroad earnings	2,936.81
Net take-home pay per month	244.73

Out of this I had to pay away-from-home lodging and meals.

I was furloughed and recalled in 1960 eight times as follows:

1. Furloughed January 4; recalled April 9. 2. Furloughed April 14; recalled May 1. 3. Furloughed May 4; recalled June 15. 4. Furloughed June 17; worked as switchman, Cheyenne yards, June 29 to July 7; recalled July 8. 5. Furloughed September 12; recalled September 21. 6. Furloughed September 26; recalled October 1. 7. Furloughed November 2; recalled November 3. 8. Furloughed November 9; recalled December 17.

So far in 1961 I have earned $42.46 gross income, less deductions of $25.99.

One point I wish to make clear is that it is very difficult to obtain employment during periods of unemployment, when you tell your prospective employer the truth that you have seniority on the railroad because you are so inconsistent in your availability.

I have an honorable withdrawal card from Teamsters Local No. 204, Omaha, Nebr., but never have been able to secure employment through the Cheyenne local during periods of railroad unemployment.

I have secured temporary employment at Fort Warren Air Base. I have tried to sell and have sold electric welders, battery rejuvenator, and cemetery plots.

During the past eight seasons the only regular job my seniority has ever allowed me to hold is a local switcher operating out of Sidney, Nebr., our away-from-home terminal, 100 miles from Cheyenne. This necessitates being away from home and family a week at a time and, of course, additional away-from-home expenses.

I still own and operate my 1949 Frazer car which I owned and was free of debt before I secured railroad employment. I have hauled home and sawed by hand railroad ties and scrap lumber to save on my fuel bill.

Last year I had to cash an insurance policy and dividends to pay for much needed dental work for myself, wife, and son.

Our major appliances—stove, refrigerator, sweeper, and washing machine—are 10 to 15 years old and should be replaced.

Respectfully submitted.

DONALD A. REED.

Senator McGEE. Is Mr. Miller here?

STATEMENT OF EMERY L. MILLER, LARAMIE, WYO.

Mr. MILLER. Senator McGee and the committee, I am a former field auditor for the Department of Revenue of the State of Wyoming. I presently am owner of an apartment house and filling station business in Laramie. I was 9 years trying to become a railroader and gave it up as a lost cause because of the way the trucking industry was affecting the railroads. I saw the handwriting on the wall, but yet I have maintained my rights as a railroader. I am a brakeman of 9 years, but here are the facts the way I look at them.

I hired out in 1953 and I had 5½ months' work. There were 38 men back of me that hired out. At that time I was the 352d man on the seniority list, and today I am the 288th man on the list, a net gain of 63 men who have either quit or died.

During 1956 when the trucks started to haul the cars out of Kansas City with General Motors, I tried to purchase a Chevrolet in Laramie and was told that the docks were closed as far as the railroads were concerned and I would have to get it by truck. That same year I only worked 30 days.

Piggyback started coming in on the railroads in 1958 and we were only down to 39 turns, but I got on about 30 days. Last year I never even got on and this year I doubt if I will get on. Nine years later, with a gain of 63 men, still can't get work as far as the railroad goes. But the way I look at it, I am not so interested in whether I can work on the railroad or not, but I am interested as a taxpayer. I think the way to help the trucking industry and to help the railroad and make a better job for a trucker, if the trucks were hauled in town by over the railroad a guy could operate his cab and take it off the railroad and deliver it locally, and the railroads who are suffering from lost transportation, if they are allowed to continue progressing with this piggyback system, I am sure they will progress, and I am strictly against any legislation that is going to hinder piggyback. I can see that piggybacking is going to help the trucking industry; it is going to help the railroad. That's what I am here to state.

Senator McGEE. Thank you.

Mr. Lumborg.

STATEMENT OF O. R. LUMBORG, WASHINGTON, D.C.

Mr. LUMBORG. Senator McGee, my name is O. R. Lumborg. I am vice president of the Order of Railroad Conductors & Brakemen. I am also associated with the Railway Labor Executive Association in Washington, D.C., where we maintain an office in the Railway Labor Building.

The primary job that I do is legislation. I travel the country from coast to coast, from the Canadian border to the gulf.

I am going to try not to be repetitious. You have heard many men of the railroad industry locally speaking their views in regard to the piggybacking subject. I might say that as I travel across the country and from my past experience of 40 years and the last 10 years in the labor movement, that the piggybacking, back in the twenties and the thirties, was generally carried, as sustained by the records, by the railroads. Along in the fifties the piggybacking be-

came quite popular on the highways, and I want to be sure and leave this impression, that railroad labor is by no stretch of the imagination mad at the trucking industry or the Teamsters in any way, shape, or form. I think that competition is extremely helpful. I think it is what makes this country what this country is today, and I think that I can say without reservation that the piggybacking industry created a better industry than what we had in the past years in the railroad movement, because today as the railroads are regaining the piggybacking business, they are running more trains, probably shorter on less tonnage because it is considered some of the prime business, and it has very definitely shown a stimulation or an increase in our employment across America, and I say without reservation that the Railway Labor Executive Association in Washington, which operates the 22 railroad labor unions, the 743 men within this industry are very, very much in favor of the statements that were made by the railroad representatives and what has been said in behalf of the piggybacking here. I think that competition is good—it is wholesome to have good competition.

I think it is only fair to leave this thought with you, that if the railroad could handle this tonnage for less, they should be given that opportunity, and I think it is like any other business, that the fellow who goes out there and does the job for the public and does it better on the basis of both rates and time should be given the opportunity to haul that business.

I might say that as far as the labor unions within the railroad industry are concerned, we haven't even gone in and written agreements with the carriers to permit some of the passenger trains in America who could have been pulled off, who were running at a loss, to handle piggyback on their passenger trains, as part of their equipment. It meant that those trains were saved, they were left on the rail for the good of the public. It gave the railroads enough of an income so they were able to maintain those trains on the rail, and the result of it was, it was a good, healthy thing to the industry, and I am bitterly opposed to anything that would destroy the competition of piggybacking. I think in this great country of ours there is plenty of room for both the trucking industry and the railroad industry. But in closing I want to say this. I think it should be strictly on a competitive basis and I think whoever can do the best job the cheapest and the fastest should receive that business.

I thank you very much for appearing.

Senator McGee. Thank you, Mr. Lumborg. If you still have misgivings about our snowstorm outside, I just talked to Mrs. McGee in the intermission and it is raining cats and dogs in Washington. So take your choice.

That's the end of our list here. I want to ask if there are any who have not been heard whom we have overlooked or anyone who would like to file a statement for the record.

Mr. Lumborg. I might say, Senator McGee, I will file an additional statement within the time required on behalf of our organization.

Senator McGee. Fine. The record will be open for 2 weeks, 14 calendar days after this hearing closes.

I want to put in the record a letter from a member of the Wyoming Automobile Dealers Association in which there was some confusion

raised about who was making money off of whom in the rates being charged on piggybacking, and I think it belongs in the record so that the subsequent considerations that may be entertained will show that there was no suggestion in this hearing by any participant that the automobile dealers in Cheyenne or in Laramie or in Greybull or in Cody were making any money off of anybody's piggyback. The only suggestion that has come up here—and it has come from two members testifying in behalf of the truckers and two members in behalf of the railroads—that they don't know whether the automobile manufacturers are passing along this saving. But that's beyond the scope of this particular hearing. I think the record should clear up this point in view of the correspondence that came from a member of the Wyoming Automobile Dealers Association.

This is Wyoming correspondence that has come into my office and the committee on the subject of the hearing itself, and I would ask that that be made a part of the record. The out-of-State correspondence is in the much thinner folder and that likewise will be added to the files.

WYOMING AUTOMOBILE DEALERS ASSOCIATION,
Cheyenne, Wyo., April 1, 1961.

Hon. GALE W. MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: The franchised automobile dealers of Wyoming have read with considerable interest the newspaper article with Washington (UPI) dateline under the heading "Piggyback Hearing Defended by McGee."

I quote the last paragraph of the article:

"Complaints have also been received by the committee that the automobile dealers who utilize the piggyback system of transport are 'pocketing' the savings on freight rates and are not passing them on to the consumer," he said.

It is evident that you are not in possession of the correct information in regards to the above quote. Automobiles are delivered to the dealers with freight charges prepaid by the factories with freight charges added to the dealers' invoices. The exact amount of such freight charges as shown on the dealer invoices is charged to the consumer; no more, no less. I believe that investigation will reveal that freight rates on automobiles today are considerably less than that of years past, which is possible only because of factory negotiations with the carriers.

The dealers are not pocketing any savings, as you state; and we believe, in all fairness to the Wyoming automobile dealers, a public correction of your statement should be made in the press.

We are in receipt of a letter from Larry Meredith, managing director of the Wyoming Trucking Association, who advises that it is your feeling that our association might have something of interest for the committee holding the hearings in Cheyenne on April 10. In discussing the matter with our association president, Mr. W. L. Riley of Sheridan, we have concluded nothing constructive could be offered by us other than our foregoing statement in this letter.

A reply at your earliest convenience will be appreciated.

Respectfully yours,

ARCHIE W. SHAFER,
Executive Vice President.

APRIL 4, 1961.

Mr. ARCHIE W. SHAFER,
Executive Vice President, Wyoming Automobile Dealers Association,
Cheyenne, Wyo.

DEAR MR. SHAFER: In reply to your letter of April 1, I should like to point out that the newspaper article which you mention simply contains a listing of some of the types of complaints which have been received by the committee.

To ascribe the sentiments of the complainers to me or to any member of the subcommittee would be quite inaccurate. It is the purpose of the planned hearing to gather information in this complex area. We certainly accept your de-

cision not to testify and assure you that the suggestion that you might be interested in doing so was only made to offer you the opportunity in case you felt an appearance would be appropriate.

Sincerely yours,

GALE W. MCGEE, *U.S. Senator.*

Senator MCGEE. And now I would say as we reflect over these many words and these excellent contributions that have come from all sides today, that it is possible to see the interrelation of the personal difficulties that really represent the kind of problem that we are concerned with here.

Everybody is concerned about employment. They don't want a man out of a job if it can be helped. We are interested in getting enough business to put a man back at work if that is at all possible. But it has been very difficult to learn here today where, for example, the piggybacking operation puts someone to work. Likewise it has been difficult to learn to what extent, it has taken people out of work, for the very simple reason that the downtrend in business activity has also had an effect. Up until now it is impossible to obtain the figures, the breakdown that would show which percentage was due to the broader business downturn, and which was due to the question at issue here. I think nonetheless the real fact of unemployment among some of the auto transport drivers is more readily understood as an item within itself. I think one of the suggestions made here was a very reasonable one, that there be an exploration, at least, for a reasonable area in which it might be possible to keep them afloat somehow and still keep the interests of all groups going. What it would show in terms of the exploration by the experts, the experts themselves will have to say.

The purpose of this hearing was to make these areas of overlapping interests a little clearer so they can be examined by those whose business it is to try to keep these adjustments as fair as possible. The real burden, then, was not how to get the truckers off of the highways nor how to push the railroads back to where they used to be. The real issue was to try to inquire into the fairness of ratemaking operations in the broadest possible interest. That has been the whole point, the whole focus of the questioning today. It has been the pertinent part of the testimony that has been supplied today because it all comes back to our deep concern in the Congress for a wise, a sound, and a far-seeing national transportation policy in which all of the segments of transportation media are strong and basic parts in the national interest.

Out of the hearing has come a reference again and again as to the benefits the consumer may be deriving from the economies of piggyback. I think I would be remiss not to mention that, although it is beyond the scope of this hearing by this subcommittee at this time. I certainly will be one to recommend that the proper individuals, whomever they may be, have a look at the other end of this someplace in the proper way to determine whether these economies are being passed on to the consumer.

Again, the consumer has but one spokesman, one voice, and that in his servant in the Government.

That winds up the hearing. I thank you all for your patience and your "sit-ability." You have been enduring in every respect. I personally have had a liberal education from the testimony that you pro-

fessors have supplied here to a freshman student in trying to understand more fully and more fairly the intricacies of this transportation question.

I want to thank Frank Barton, the counsel from the staff, for coming all the way out here from Washington, also Chuck Whittemore of my staff. I want to thank all who have made these facilities available.

In particular, I want to thank Mrs. Durkee for not only rendering us a real service in distributing these materials but in adding to the beauty of the surroundings, and we thank TV station KFBC for having carried a large portion of our morning discussions to the community, both here and through an arrangement with KTWO in Casper, to the Casper area.

That's all. Thank you again, and goodby.

(At 3:30 p.m., hearing closed.)

WYOMING CORRESPONDENCE SUBMITTED TO THE SUBCOMMITTEE

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: It has been brought to my attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they stopped to think of the time when this was regular railroad business, along with fruit transportation and a few others, that the trucking business took without a blink of an eyelash.

We sincerely hope that you will uphold the laws against monopoly and power trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make whom does the hiring of labor, so long as the jobs are furnished for the laborer?

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going? Freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all business' right in this country for working in fair competition.

Yours truly,

Mr. and Mrs. JAMES H. COOK.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE.

DEAR SIR: It has been brought to our attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they thought about the time when this was regular railroad business, along with fruit transportation, and a few others, that the trucking business took without a blink of an eyelash?

We sincerely hope that you will uphold the laws against monopoly and power trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make who does the hiring of labor so long as the jobs are furnished for the laborers.

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going?—freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all businesses' right in this country for working in fair competition.

Yours sincerely,

RUTH R. COOK.

EVANSTON, WYO., *March 11, 1961.*

HON. GALE MCGEE.

DEAR SIR: It has been brought to our attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they stopped to think of the time when this was regular railroad business, along with fruit transportation, and a few others, that the trucking business took without a blink of an eyelash?

We sincerely hope that you will uphold the laws against monopoly and power trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make who does the hiring of labor so long as the jobs are furnished for the laborers.

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going?—freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all businesses' right in this country for working in fair competition.

Yours truly,

Mr. and Mrs. RUSSELL D. COOK.

MEDICINE BOW, WYO., *March 10, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.
Senator J. J. HICKEY,
Senate Office Building, Washington, D.C.
Representative WILLIAM H. HARRISON,
House of Representatives, Washington, D.C.

DEAR SIRS: I wish to go on record as being in favor of the continuance of expanded piggyback rail-truck service, as opposed so strongly by the Teamsters Union, headed by James Hoffa.

I work for the Union Pacific and naturally have a direct interest in this matter. However, I do not ask favors for the railroads. I do ask that you give every consideration to fair handling of the problem so that both the trucking and railroad industries get a fair solution.

Although doubtless many teamsters' jobs have been lost as a direct result of piggyback service, I believe many of their lost jobs are also a result of the current business recession, which has also cost many railroad jobs. Also, for over about 30 years railroad jobs by the hundreds of thousands have been lost, in large part due to trucking inroads, part of which was justified, part of which was due to the railroads not being able to compete because of outdated ICC regulations on them from another era, which were no doubt necessary when set up.

It seems to me that if one form of transportation can handle a certain commodity profitably at a lower rate than another, then it should be allowed to do so, and the public will thereby benefit by such lower rates. For instance, railroads have long been in an uncompetitive position and overregulated in the case of most agricultural commodities. Trucks have the inherent advantage of door-to-door service, therefore it seems to me railroads must be allowed to compete in the fields they can handle, to survive. Certainly all forms of transportation are needed and have their place.

In this connection, it seems to me the idea of a national transportation policy should be given every consideration, and that it offers best hopes for a long-range solution to these and other problems which would be fair and equitable to all.

Mention has been made in Teamsters literature of the tremendous loss of roadbuilding revenues (estimated at many billions of dollars) due to piggyback inroads on the trucking industry.

However, it seems to me that these roads are necessarily built heavier and more durable specifically to take care of heavy trucks, which we all know do more to wear out roads than they will admit or are willing to pay for. If piggybacking causes less wear and tear on these roads, then maintenance costs will not be so high, and I fail to see where the public will be the loser. Less maintenance costs and lower freight rates as a result of competition certainly would equalize the loss of direct roadbuilding revenues from the trucking companies.

I don't believe in taxing the trucking companies more than their fair share, but I agree with President Kennedy's recent recommendation that they be taxed an amount in proportion with their use of the roads, which I am sure has not been done in the past. After all, the railroads must pay all the costs of the maintenance of their rights-of-way, and still pay their fair share of taxes for support of Government activities from local to national levels.

Yours very truly,

L. B. LAWTON.

STATE OF WYOMING,
THIRTY-SIXTH STATE LEGISLATURE,
HOUSE OF REPRESENTATIVES,
Evanston, Wyo., March 8, 1961.

Hon. GALE MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR: Since I have returned home I have heard a lot and read about the Teamsters Union and the President of the Teamsters Union, James Hoffa, wanting Congress to pass laws in behalf of the Teamsters against the railroads hauling automobiles piggyback.

I know you don't understand all the problems that we had to go through when the trucks took the automobile business away from us.

We had to accept it, and we lost men because the business went to the trucks, but we didn't ask Congress to pass laws against the trucks but tried to meet the competition with something better and finally got the piggyback to use in transporting automobiles to the public.

To us it's a fine and fast way to serve the people of the United States as well as being removed from the overcrowded highways.

We as railroaders had this business in the first place and we feel we are only getting back what rightfully belonged to us.

I have been a railroader for 37 years and through the years I have watched the trend of the trucks.

In comparison, the railroads employee men and women, maintain their own tracks, roadbed, and equipment in every town they operate in and out of.

They maintain shops and have men working for them in every town they operate in.

They pay taxes in every town, county, and State they run in and out of.

In Uinta County alone they pay taxes amounting to about $300,000 a year.

The railroad employees men here and in turn they have taxes to pay here.

Just what does the trucks pay in comparison and how may taxes to pay here. in each town, county, and State they run through and how many men are employed in each town by the trucks?

I know and have known for a good many years that we as well as the railroad pays taxes to help maintain the highways the trucks operate on.

But now thanks to my President he has also told the trucks they are not paying their fair share to help maintain the highways and he sure has proof to back up his statement.

I also firmly believe that the airplane and waterways along with the trucks should all pay their equal share in taxes the same as we and railroads do.

Being a chairman of my labor organization and president of Local Federation 105, I know we will get more men back to work if the railroads could have the same consideration as other facilities have been getting at the expense of the taxpayer.

Being a junior in the legislature this year, it didn't take me long to find out how fast the trucking organization was pushing legislation through at the expense of everyone else.

I also found out right quick that the trucks don't like the ton-mile tax bill passed in the legislature a few sessions ago.

My only regret is I wish we could have raised it this session.

May I ask that when you have a hearing on this legislation you will give it your serious consideration.

Sincerely,

TED HAYES.

BROTHERHOOD RAILWAY CARMEN OF AMERICA,
EVANSTON LODGE, NO. 1033,
Evanston, Wyo., March 14, 1961.

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I believe that my job is jeopardized. In the last 10 years the railroad has laid off 50 percent of their employees and some road has more than 50 percent. I believe the number one job to be done for transportation in our country today is for Congress to pass laws so transportation can compete. Competition is what makes good business. Any help you can give us would sure be appreciated.

Yours truly,

VERN E. WILLOUGHBY, *Local Chairman.*

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR: It was my privilege to take part in a discussion concerning piggyback in a discussion at a recent meeting of Machinists Local 1188 here at Evanston, Wyo.

Having been employed by the Union Pacific for more than 30 years, I have seen many changes from time to time in the progress of railroads.

It would seem to me that the piggyback way of transportation would be safe, economical, and faster. It would also mean employment for railroad men and others who are at this time unemployed.

Your support in the legislation laws protecting our interests will be greatly appreciated.

Yours very truly,

ALTON D. COLES,
Machinist, Union Pacific Railroad Co.

INTERNATIONAL ASSOCIATION OF MACHINISTS LODGE NO. 1188,
March 11, 1961.

Hon. GALE MCGEE,
Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR: Reference is made to the complaints from the Teamsters Union in regard to the piggyback taking their jobs. Machinists Local 1188 wishes to bring to your attention the importance and effect the legislation will have upon this problem.

As you know, the railroads at one time had a large portion of the automobile transportation. By giving better and faster service, at a lower rate, we are wondering why the railroads shouldn't have the business again.

We will appreciate what help you can offer on law changes which would give the railroads an equal chance to compete with the business. This we feel would employ more men and would in turn relieve a portion of the unemployment situation which exists at this time.

Yours very truly,

ALTON D. COLES,
Recording Secretary,
Machinists Lodge, Local 1188.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: As the wife of a railroad worker I am very much concerned with the attempts of the Teamsters Union, under the direction of Mr. James Hoffa, in their attempt to get Congress to do away with the piggyback hauling on the railroads.

May I urge you to support the railroads in their attempts to gain an opportunity to compete with other forms of transportation on an equal basis.

Yours very truly,

MRS. L. J. BURDETT.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: You are no doubt well aware of the efforts of the Teamsters Union, under the direction of their president, Mr. James Hoffa, to incite the Members of Congress to pass legislation which would deprive and deny the railroads of this country the privilege of competing for the so-called piggyback hauling of automobiles by rail.

As a railroad worker of many years, I have been concerned with the obvious inability of the railroads to compete under the unfair regulations under which they are forced to operate and the subsequent reduction in the number of workers employed.

I would appreciate your consideration and support for legislation which would favor the railroads and railroad workers.

Yours very truly,

Mr. and Mrs. LAURANCE J. BURDETT.

EVANSTON, WYO., *March 10, 1961.*

Hon. G. MCGEE,
U.S. Senator, Washington, D.C.

DEAR SIR: I would like to take this opportunity to ask you for your support in defending the right of the railroads of the United States against the truckers in regards to the piggyback transportation of the new automobiles.

It has just been the last few years that the truckers hauled the new autos via public highways and now they have the idea that it is their work even though the railroads can haul the autos at a savings to the public and still make a profit for themselves.

Thank you for anything you can do in this line, I remain,

Yours very truly,

ALBERT T. JONES.

EVANSTON, WYO., *March 9, 1961.*

Mr. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: I, a railroad man, would like to voice my opinion on the piggyback situation as it now exists in the transportation business.

The foundation of our democracy is the right to compete which should be unanimously supported by all men of all walks of life. Whether he be a railroad man or a teamster, or a bricklayer, or what, competition is what makes good business, and good business is what strengthens our economy. So to have a good economic standard, the right to compete should be unanimously supported.

A teamster's job is no more important than a railroader's, so if the automobile industry is drawn to the railroads for their shipping, let it there stay. Without the right to compete our economy would be worthless.

So, Senator, it is my strong desire that you support the right to compete and let the railroads keep the piggyback business where good competition draws it.

Respectfully yours,

GERALD R. CARTER.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
U.S. Senator, Washington, D.C.:

I am writing you to ask your support to defeat any opposition to the Transportation Act of 1958 which gives the railroads the right to make competitive rates on compensatory basis to the end they might recover business which was lost to trucklines and other common carriers.

I especially refer to the attack being made by the Teamsters Union in reference to piggyback operation, which they had monopoly on until the Interstate Commerce Commission gave the railroads the right to make rates on this traffic by which it made a faster service for the shippers and at a cheaper rate than the trucks were charging.

As you know, the railroads have been hard hit by competition of other common carriers, when the ICC would not allow the railroads to reduce rates to compete with other common carriers, which with other conditions has resulted in loss of 750,000 employees in the past few years.

The railroads are very large taxpayers for schools, highways, etc., while they have to maintain their own roadbed right-of-way, and the railroads are badly needed in time of the Nation's defense and the railroads should be kept in a healthy condition.

The charges and allegations being made by Mr. James Hoffa, president of the Teamsters Union, are distorted and untrue as verified by the facts which are borne out in the rates as published in tariffs on file at railroad and traffic offices.

I humbly submit this letter for your consideration.

Respectfully,

CHARLES R. TATE,
Foreman, Bridge & Building Department,
Union Pacific Railroad Co.

MARCH 9, 1961.

Hon. GALE MCGEE.

DEAR SENATOR: I have read about the Teamsters Union complaining about railroad piggyback taking jobs. The railroad had this business before and are getting it back again by giving better service. If they can handle autos faster at lower rates, why should not the railroads have this business? At least it has kept many railroaders along the line in Wyoming working that might not be so otherwise. We are asking that you give all the help you can on law changes that will give the railroads an equal chance to get the (remainder of this letter not reproduced.)

GREEN RIVER, WYO., *March 9, 1961.*

Senator GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SIR: Due to all the protests and other ways that the trucking companies and Teamsters Union have taken against the railroads in their handling of piggyback movement of automobiles and trailer merchandise, in this world of free enterprise.

I earnestly solicit your support, in favor the railroads being able to compete in the movement of this class of traffic, without any laws or restrictions as proposed by the trucking companies or Teamsters Union.

Thanking you in advance for what you may be able to do.

I remain respectfully yours,

BURT FOSTER.

LARAMIE, WYO.

Mr. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I am Mr. Floyd A. Adams, and I live in Laramie, Wyo., the greatest town in the West. I work for the Union Pacific Railroad as a carpenter on the B. & B. bridge gang No. 1214 out of Cheyenne, Wyo. About the piggyback on the railroad, I think it is a safe way to move cars and trucks.

I have been driving my car from 5,000 to 6,000 miles a year on the Wyoming highways, and I have seen some awful tieups due to trucks hauling cars. When we are driving, and have to go from one town to another we take Highway 30 west, as we are driving west we meet up with trucks that are hauling cars, not just one truck but as many as five or six, and they are about 20 feet apart, and some 10 feet apart. I have seen them try to pass one another. I myself don't think it is safe to travel on the highway with them.

So please keep the cars and trucks moving by piggyback on our railroads.

Yours truly,

FLOYD A. ADAMS.

MARCH 7, 1961.

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I am writing you to ask your support to defeat any opposition to the Transportation Act of 1958 which gave the railroads the right to make competitive rates on compensatory basis to the end that they might recover business which was lost to truck line and other public carriers.

I especially refer to the attack being made by the Teamsters Union in reference to piggyback operations.

I have seen thousands of railroad employees whose jobs have been abolished in the past years because of business taken over by other carriers. We are merely gaining back, with the help of fair regulations, what we lost in the past years.

It seems to me that the number of trucks on our highways at the present time is menace enough, without giving them the free hand to place even more there. It is hard to shrug off the thousands of dollars it cost the taxpayers to build and maintain our highways and have them torn up by the many trucks that use them.

If the railroads have to pay their own way and can still give the public better and more economical service, why shouldn't they be allowed to compete fairly with the other carriers?

Sincerely,

M. E. THIESEN,
Ticket agent, Union Pacific Railroad Co.,
Evanston, Wyo.

GREEN RIVER, WYO., *March 8, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.:

As a member of the Senate Committee on Interstate and Foreign Commerce, I would strongly urge you to give very careful consideration to any legislation that would place any restrictive bonds on piggybacking as seen on the railroads in its present form.

If you and your colleagues yield to the pressures of the Teamsters Union, the railroads will lose considerable ground gained by the Transportation Act of 1958.

My job is in jeopardy and I'm worried.

Looking forward to your giving this matter very thorough consideration, I am,

Very truly yours,

EDWARD R. BRITTENHAM.

EVANSTON, WYO., *March 8, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I am writing you to ask your support to defeat any opposition to the Transportation Act of 1958 which gave the railroads the right to make competitive rates on compensatory basis to the end that they might recover business which was lost to trucklines and other public carriers.

I especially refer to the attack being made by the Teamsters Union in reference to piggyback operation which they had a monopoly on until the Interstate Commerce Commission gave the railroads the right to make rates on this traffic by which it made a faster service for the shippers and at a cheaper rate than the trucks are charging.

If the railroads have to pay their own way and still give the public better and more economical service, why shouldn't they be allowed to compete fairly with the other carriers?

Respectfully,

F. D. BAKER,
Ticket Clerk, Union Pacific Railroad Co.

HORSE CREEK, WYO., *March 8, 1961.*

Hon. Senator GALE MCGEE,
Washington, D.C.:

This is to advise you Teamsters President James Hoffa has been conducting a very active campaign against railroads piggyback service. Figure about half of his statements are more or less true.

The railroads are not asking for anything but a square deal. They are paying for their own roadbed and maintain it without asking for taxpayers help. When there is a bad blizzard they open it at their own expense. But the trucks just wait for the State to open the roads for them at State expense. Also if they were not checked half of them would load these trucks so much overload as to break our roads down in no time. Also the truckers are the one to make profit from the new roads being built for them not the railroads which they are trying to ruin.

They sure hate to pay their fair share of road construction but they are the only ones to profit from it.

It would be much more pleasant to drive over highways if it were not for the trucks on them trying to run you off the road sometimes.

When this comes up before Interstate Commerce Commission please see that the railroads get due what is coming to them.

H. MAARSINGH.

CHEYENNE, WYO., *March 28, 1961.*

DEAR SENATOR MCGEE: I have just read about your meeting which you will hold in Cheyenne, Wyo., April 10 on the piggyback railroad operation.

I am a professional driver. I have been for the last 13 years, employed by the Kenosha Auto Transport Corp. of Kenosha, Wis. At the present time I am 52 years of age, and it seems that my days as a truckdriver are coming to a very drastic end ever since the ICC granted the railroads which I call the selective rate, for the benefit of the railroads only.

If the railroad can haul a new Rambler from Kenosha, Wis., for $180 per car and before the truckers lost this to the piggyback we hauled a new Rambler for an average of $220 of which the American Motors Corp. had a saving of $40 per auto.

Since September 1960, I have kept a pretty close watch on the number of loads going to the west coast (Los Angeles and Seattle, Portland areas).

September 1960 to March 1961, a period of 7 months, American Motors Corp. has shipped approximately 40 trailer loads per working day. They have saved from the difference in piggyback and truckers cost of transportation, the staggering sum of $1,344,000, which goes to American Motors Corp. and their stockholders only, and not in any way to the general public.

Summary of the difference of piggyback and truckaway methods:

September to March: 7 months times 4 weeks equals 28 weeks; 28 weeks times 5 days loading per week equals 140 days loading; 140 days loading times 40 loads per day equals 5,600 loads; 5,600 loads times 6 autos per load equals 33,600 autos shipped; 33,600 autos shipped times $40 saved by shipping piggyback, per auto equals $1,344,000 saved by American Motors for the benefit of American Motors Corp. and their stockholders.

Just think of where this money will not benefit the general public, only the American Motors Corp. and a very few stockholders.

Now let's compare the same number of loads shipped by truck:

Loads shipped, 5,600; average pay per load to Denver, $400. This amounts to the sum of $2,240,000.

Cost of delivery from Kenosha to Los Angeles by driver; 10 days is a round trip:

Gas and oil and truck expense per trip, $250; 10 days lodging and meals at $6 per day, $60; total, $310.

This sum is what the truck driver spreads across the various States he travels in just by himself (not for license permits and etc.)—5,600 loads in the last 7 months, cost per trip by driver, $310 equals $1,736,000.

Now where does the public benefit by these comparisons? Piggyback benefits the manufacturer only, truckaway method benefits all the general public across the Nation.

Senator McGee, I am only a so-called truckdriver, who is crying because the railroad piggyback is cutting rates on new autos, rate cutting so low that we the truckers cannot compete with them.

Instead of a selective rate for the benefit of the railroad piggyback method, let's try and get a competitive rate so both, the railroad and the truckers, can survive.

You can see for yourself that, if the cost of shipping a new auto from Kenosha, Wis., to the west coast, could be put on a more fair basis, here is what can happen:

Piggyback method, $180 per auto; truckaway method, $220 per auto; difference in transporting $40 per auto.

Competing rate for the railroad and the truckaway methods: Piggyback method, $200; truckaway method, $200, no difference in transporting.

In closing I sure hope something will come of all these meetings, and I do also thank you for your time in reading these pages.

I remain,

E. J. WALSH.

SENATOR GALE MCGEE: I would be very happy to know if you do receive this letter and would very much appreciate it if you could answer this letter.

Thank you again.

I remain,

Mr. EDWARD J. WALSH, *Kenosha, Wis.*

LARAMIE, WYO., *March 25, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: As a lifelong resident of Wyoming I wish to ask you as Wyoming's senior Senator and as a member of the Senate Committee on Interstate and Foreign Commerce to be in opposition to any legislation that would restrict the Nation's railroads in the movement of freight traffic and domestic commerce by so-called piggyback movement.

The Nation's railroads surely should be allowed to compete for the Nation's transportation business on an equal level with other forms of transportation (especially truck and air which are heavily subsidized by Federal and State funds) without being restricted by Government legislation.

I am sure the public is very much in favor of piggyback freight traffic and the savings and convenience is much to their liking. I think any Congressman who would allow Mr. Hoffa to impose any restriction, reprisal, fine, or threats, either through legislation or business or labor contracts on those shippers who use this service will be doing a great disservice to the people of his State and the Nation.

Our highways will be much safer for the traveling public with some of these traveling boxcars moved to the railroad, and it will provide a little more income for the railroads to help pay the taxes that they pay to help support our schools and other public institutions.

I will appreciate your support in this matter and will be glad to learn what is being done in this regard.

Sincerely yours,

VOLNEY E. BLACK.

EVANSTON, WYO., *March 8, 1961.*

HON. SENATOR MCGEE: I am writing this letter to you on behalf of myself, my job, and my employer which is the Union Pacific Railroad.

Mr. James Hoffa, president of the Teamsters Union is backing a bill or Federal legislation to stop the railroads from piggybacking.

Now the railroads gained this business through free enterprise, and very stiff competition, and the right to compete for the transportation dollar.

The truckers do not lose all of the business because they transport the cars in merchandise to a car pool then the railroads piggyback them to distribution points and then they are trucked to individual dealers.

The truckers have already taken a lot of the rail business. I urge you to vote against this legislation. Keep up your good work and may God bless you.

Yours truly,

ROBERT HUTCHINSON.

UNION PACIFIC RAILROAD CO.,
Evanston, Wyo., March 7, 1961.

Hon. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I have just read a statement made by Mr. C. M. Roddewig, president of the Association of Western Railroads, wherein he indicates railreaders' jobs are again in jeopardy due to the Teamsters Union action in wanting Congress to hold back railroad piggyback service. It is hard to understand how they can expect Congress to pass a law that would require railroads to increase their rates more than necessary and thereby cause them to again move over the highways, instead of by rail, is beyond my comprehension. The railroads did not ask for any such stipulations when the trucks took this and other business from them, even though they used the highways built with taxpayers money, and could thereby operate cheaper and at lower rates. Therefore, am certain you will not be fooled or taken in by any such propaganda as fostered by Mr. Hoffa and his Teamsters Union.

Would also appreciate very much your good and careful consideration of the following items that should come before Congress and give your support to any or all of them to help the railroads receive equal treatment.

1. When and where tax money is appropriated and spent to build highway, water, and airway facilities, proper and adequate charges should be made against commercial interests using these public financed facilities for private profit by the Government. (Noted in the newspaper recently that President Kennedy brought this to public attention by stating that trucks have not and do not pay their fair share of taxes and in so stating this, am sure he has sufficient evidence to support that statement. Several years ago, Wyoming found this out when the legislature passed a ton-mile bill to finance the highways.)

2. Lift the crushing burden of inequitable taxes from the railroads.

3. Repeal of the excise tax on passenger fares or tickets and thereby encourage travel by rail and curtail the continual dwindling of their services.

4. Modify or bring up to date tax policies relative the depreciation of and stimulate new investment for improved railroad plant facilities. This too would help improve passenger services.

5. Normalize the exemption from regulation now given trucks when handling agricultural commodities which exceed the direct help to farmers and ranchers as was originally intended.

6. Give the railroads an equal opportunity to use the highways, water, and airways, which rail taxes help provide. This would give all carriers freedom to diversify their services.

There is an unlimited amount of work necessary on the railroads to be done for improvements and repairs and if the regulations that prevent or keep them from free competition are corrected, it obtains they will be able to get their fair share of transportation business and when and if this is accomplished, they will be able to give better service and railroaders will get their jobs back.

Thanking you kindly for your assistance, which I am sure all railroaders expect and would appreciate from you.

Sincerely yours,

D. A. WEISSE.

EVANSTON, WYO., *March 8, 1961.*

Hon. GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I am writing you to ask your support to defeat any opposition to the Transportation Act of 1958, which gave the railroads the right to make competitives rates on compensatory basis to the end that they might recover business which was lost to trucklines and other public carriers.

I especially refer to the attack being made by the Teamsters Union in reference to piggyback operation which they had a monopoly on until the Interstate Commerce Commission gave the railroads the right to make rates on this traffic by which it made a faster service for the shippers and at a cheaper rate than the trucks are charging.

As you know the railroads have been hard hit by competition of other common carriers, when the ICC would not allow the railroads to reduce rates to compete with other common carriers, which with other conditions has resulted in loss of 750,000 employees in the past few years.

After all, the railroads are very large taxpayers and maintain their own right-of-way, and in time of war they are the backbone of the Nation's defense, but in order to do this they must be kept in a healthy financial condition, and the only way that can be done is to keep abreast of the times, with adequate revenues which can be secured through the right to change their rate to compete with other forms of transportation.

The charges and allegations being made by Mr. James Hoffa, president of the Teamsters Union, are distorted and untrue as verified by facts which are borne out in the rates published in tariffs on file at railroad offices.

I submit this letter for your consideration.

Respectfully,

J. C. MYER,
Chief Clerk to Freight Agent,
Union Pacific Railroad Co.

EVANSTON, WYO., *March 8, 1961.*

Hon. GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I am writing you to ask your support to defeat any opposition to the Transportation Act of 1958 which gave the railroads the right to make competitive rates on compensatory basis to the end that they might recover business which was lost to trucklines and other public carriers.

I especially refer to the attack being made by the Teamsters Union in reference to piggyback operation which they had a monopoly on until the Interstate Commerce Commission gave the railroads the right to make rates on this traffic by which it made a faster service for the shippers and at a cheaper rate than the trucks are charging.

As you know, the railroads have been hard hit by competition of other common carriers, when the ICC would not allow the railroads to reduce rates to compete with other common carriers, which with other conditions has resulted in loss of 750,000 employees in the past few years.

After all, the railroads are very large taxpayers and maintain their own right-of-way, and in time of war they are the backbone of the Nation's defense, but in order to do this they must be kept in a healthy financial condition, and the only way that can be done is to keep abreast of the times, with adequate revenues which can be secured through the right to change their rates to compete with other forms of transportation.

The charges and allegations being made by Mr. James Hoffa, president of the Teamsters Union, are distorted and untrue as verified by the facts which are borne out in the rates as published in tariffs on file at railroad offices.

I submit this letter for your consideration.

Respectfully,

D. K. RATCLIFF,
Freight Agent, Union Pacific Railroad Co.

EVANSTON, WYO., *March 9, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: I believe competition in industry is the lifeblood of industry. Let the railroads carry piggyback, if they can do it cheaper.

Yours truly,

ALBERT TAYLOR.

EVANSTON, WYO., *March 9, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: Please oppose any attempted legislation brought about by Teamsters Union, in connection with piggyback transportation on railroads.

We of the railroad industry and railroad unions feel this means of transportation originally was handled by railroads, and we do not feel the teamsters have any more claim than do railroads in this type of transportation.

Please work for railroad interest. Our jobs are also in jeopardy.

Yours truly,

GEORGE E. LITMUS,
American Railway Supervisors Association, Local No. 141.

MARCH 9, 1961.

Hon. Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: I keep reading that the Teamsters Union has declared war on the piggybacks.

Piggyback is a picturesque name that is applied to the transportation of truck trailers on specially developed railroad flatcars basically transporting new trucks and automobiles.

If you see a procession of truck trailers breezing across the country on a railroad train—instead of each trailer being pulled over the highway—you will understand why the Teamsters are so concerned. They think there should be

a law against it. I think the railroad should be allowed to compete for their fair share of this business without being subject to unfair attacks by the Teamsters and biased regulator agencies.

If the railroad can keep the piggybacks it will keep and possibly increase the employment across the southern part of the State.

Your cooperation in the Senate to help keep competition fair will be greatly appreciated.

Sincerely yours,

JOHN E. HARRIS,
Evanston, Wyo.

EVANSTON, WYO.

SENATE OFFICE BUILDING,
Washington, D.C.

DEAR SIRS. In regards to piggybacking, the No. 1 job to be done for transportation is the right to compete. That is what our country has been built on. It drives us on to think and develop and do a better job.

The one that can meet the challenge and provide a more satisfactory transportation service and low cost and savings to the public.

The railroads must and do install and maintain their own rights-of-way, where highways are kept up by the taxpayers' dollars. Let's keep our free agency and keep America free.

Sincerely yours,

Mr. GALEN HANSEN.

EVANSTON, WYO., *March 9, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

SIR: In every truck stop diner across southern Wyoming, particularly on Highway 30, is a huge poster put up by the Teamsters Union, stating that railroad piggyback operations are depriving the truckers of millions of dollars a year.

I am a member of the International Association of Machinists, Local 1188, of Evanston, Wyo., with 38 years' service on the Union Pacific Railroad, with 10 more years to go before I reach retirement age. As I have traveled the highways in Wyoming, I have noticed an ever-increasing number of trucks on the highways and a corresponding decrease in the number of men employed on the railroad. However, lately, there haven't been as many auto transports on the highway and this has been because the railroad is hauling the new cars piggyback. I believe this has been the reason for as many men being employed in the railroad service as there are. If it wasn't for this "shot in the arm," I sincerely believe there would be considerably less people employed in the railroad industry.

Another reason for concern, at least out here, is the number of trucks that will be using the highways after the new interstate highways have been completed. With moderate grades and wide road, gentle curves and no towns to go through, the trucking industry will increase by leaps and bounds until our new four-lane highways will be a two-lane for passenger cars and we will be right back where we started.

I sincerely hope that we in the railroad industry have your support for whatever bills are introduced in the Senate and all we ask for is an even break to compete fairly with the trucking industry.

Sincerely,

FLOYD BROWN.

EVANSTON, WYO., *March 9, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: I have read many articles in regard to transportation and I feel that the railroads should be given an equal chance to compete with other forms of transportation. If changes in the law would help this situation, as a railroadman I am hoping you will give your support to this idea.

Yours respectfully,

A. A. BENSON.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: I am a railroad worker, have worked for the railroad for 20 years, but the future looks very dim for a lot of us unless something is done for the railroad to help them get back on their feet. I think that you can help them very much on the bills that are coming up in the future such as the piggyback deal. I think the railroad is entitled to them as well as anyone else if they can get them. The whole country needs the railroads, so I hope you will do everything you can for them and us. Thank you very much.

Yours truly,

RUSSELL HARVEY.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: I am asking you to give all the help you can on law changes that will help the railroads and give them equal chance for business to be hauled over the railroads.

I understand that they are going to try to do away with what they call piggyback cars.

The railroads pay most of the taxes that the trucking business is done on,

It will mean a great loss to the railroad employee if we lose this with other work that we have lost by motivation, this will cause more unemployment.

Yours respectfully,

LORENZO A. SMITH,
Vice Chairman of Local 1188,
Association of Machinists.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: There is much discussion at this time regarding Teamsters Union asking for hearings and/or legislation from Congress regarding piggyback transportation of automobiles on railroads.

Being a railroad worker, I am very much concerned over Mr. Hoffa's obvious intentions to attempt to do away with this form of transportation and his demands of $5-per-trailer fee.

I should like to urge you to support the railroads in any hearings or legislation that has now or will be brought before Congress.

Sincerely yours,

MRS. RUTH C. O'HARA.

EVANSTON, WYO., *March 13, 1961.*

Hon. GALE MCGEE,

DEAR SENATOR: I am employed as a machinist for the Union Pacific Railroad, so am most interested in the efforts of the Teamsters Union to take the piggyback transportation of new automobiles away from the railroads.

It seems to us in the railroad business that the railroads should be entitled to a fair share of all transportation, and hope you do what you possibly can to attain this goal.

Many railroad workers are unemployed in Wyoming, mostly due to loss of traffic to the trucks. We think the railroads can haul as cheaply and efficiently as the trucks, if they have the chance.

Thank you,

WALTER M. SCHERER.

March 11, 1961.

Hon. GALE MCGEE.

DEAR SENATOR: I am a railway worker and would like to continue to be. But if any legislation is passed that would keep the railroad from fair competition with truckers, etc., I would not last very long on my present job, which I've held for 20 years.

We here at Evanston will thank you for anything you can do in our behalf.

Sincerely yours,

RALPH R. HARVEY, JR.

EVANSTON, WYO., *March 10, 1961.*

Hon. G. MCGEE,
U.S. Senator, Washington, D.C.

DEAR SENATOR: I am writing you regarding legislation that I understand is coming up to restrict railroads from competing in the transportation of automobiles by so-called piggyback method.

I can remember when the railroads moved all the autos from the manufacturer to the consumer. Then the trucks stepped in and did all the transportation. Now the railroads, since the 1958 Transportation Act; are in a position to compete for this work and from a standpoint of the men employed the railroads have taken a great loss. Now that they are in a position to compete with the truckers, I wish you would give the railroads your support in this well-deserving legislation.

Yours truly,

JOHN F. DISTON.

RAWLINS, WYO., *March 9, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SIR: I am a railroad employee, and as such, am very much concerned with the current campaign being conducted against railroad piggyback service.

The future of the railroads is at stake. Railroads should be freed of discriminatory ICC rates, and must be free to compete for their share of the transportation business without discriminating laws. If railroads can move automobiles and other commodities more economically and efficiently than trucks, they should be given every opportunity to do so.

Your support in defense of railroad piggyback service will be appreciated.

Very truly yours,

B. M. ANDERSON.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE MCGEE,
U. S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: I have just read an article which states that Mr. James Hoffa and his Teamsters Union has declared war on all piggyback transportation by the American railroads.

This article states that unless action is taken by the U.S. Congress to curtail piggyback transportation by rail, that 15,000 teamsters jobs are in jeopardy.

I am sure that you are aware that since the advent of truck transportation that we railroad employees have suffered the loss of over 400,000 jobs on the American railroads.

I am sure the railroads are asking no more than a fair chance to sell their ware, which is transportation. Therefore, I would respectively ask that you give serious consideration to any legislation that might come before you asking curtailment of piggyback transportation by railroads and that you vote in favor of the railroads, thereby doing justice to our American railroads and helping to put some of those 400,000 unemployed railroad workers back on the job.

Respectfully,

T. C. THOMPSON.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: I have just read an article which states that Mr. James Hoffa and his Teamsters Union has declared war on all piggyback transportation by the American railroads.

This article states that unless action is taken by the U.S. Congress to curtail piggyback transportation by rail, that 15,000 teamsters jobs are in jeopardy.

I am sure that you are aware that since the advent of truck transportation that we railroad employees have suffered the loss of over 400,000 jobs on the American railroads.

I am sure the railroads are asking no more than a fair chance to sell their ware, which is transportation. Therefore, I would respectively ask that you give serious consideration to any legislation that might come before you asking curtailment of piggyback transportation by railroads and that you vote in favor of the railroads, thereby doing justice to our American railroads and helping to put some of those 400,000 unemployed railroad workers back on the job.

Respectfully,

JOHN W. FESSLER.

SHOSHONI, WYO., *March 18, 1961.*

Mr. GALE MCGEE.

DEAR SIR: In order to introduce myself, I have lived in Wyoming since 1924 and have been working for the Chicago, Burlington & Quincy Railroad since 1937, in the track department. Not only for myself, but for the laborers who work under me, I ask for a fair deal, as for the Teamsters and the piggyback situation on the railroad. I don't see why every bit of help should go for the cross-country truckers. That is just like casting an elder laborer for a younger one. The railroads were doing their share before there were trucks. There is actually no comparison in the amount of taxes that the railroads pay over what the trucks pay in support of education, protection of the law-enforcement officers, and other things that railroad taxes may be used for.

Sir, I do feel that the larger trucks on our highways have done far more damage to the roads (highways) than what they are paying in taxes. There should also be some consideration of the safety part of people driving on the highway. The truckers should at least pay their fair share of taxes, until the highways are repaired and built safely enough, for passenger car travel, along with truck travel. Don't you feel that there is quite a difference in the amount of fuel taxes, paid by the carowner and truck companies, considering the damage and safety standpoint?

I am a solid backer of yours, and do hope you have consideration for us many railroaders in Wyoming and other States. I will close for now, and thanking you for doing your very best.

Yours truly,

CLARENCE U. MOORE.

UNION PACIFIC RAILROAD,
Cheyenne, Wyo., March 17, 1961.

Hon. Senator GALE MCGEE,
U.S. Senate Building, Washington, D.C.

DEAR SENATOR MCGEE: I have followed with a great deal of interest the present controversy concerning the railroads' right to engage in piggyback service and which has been so openly opposed by James Hoffa, president of the Teamsters Union.

I am sure you have received letters, in fact, probably several hundred, concerning this important question. However, I think one very simple fact, and which I hope you and your associates do not overlook, is the lower cost to consumers which this modern method of transportation affords. Certainly, with the high cost of living today, any reduction, I am sure, is welcomed by all of us.

As a sales representative for the Union Pacific Railroad here in Wyoming for the past several years, it's a real pleasure to be able to go out and offer the shipping public services which heretofore have been restricted, because of outmoded regulations against the railroads. There is no question, this piggybacking has had a great deal of bearing in keeping additional railroad employees working here in Wyoming.

I can assure you, Senator, the railroads are not asking for any favors, but merely a chance to compete with other forms of transportation, and which this piggybacking is very justifiably doing.

Consequently, anything to hamstring the railroads' right to compete, through legislation or exaggerated facts and pressure brought by Mr. Hoffa, should be vigorously opposed, and I am confident you and other members of the Senate Interstate Commerce Committee, after obtaining the proper information, will direct your efforts toward this end.

Sincerely,

C. E. STONE, *Traffic Agent.*

EVANSTON, WYO., *March 15, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: We as representatives of railroad labor are very much interested in the piggyback situation as it is being put to the public by the Teamsters.

The Teamsters, claiming to have lost 15,000 truckers due to piggyback operations, seems to be a weak argument when compared to 450,000 railroaders having been furloughed due to automation and trucking.

Inasmuch as most of the trucking business originally belonged to the railroads, we feel that any legislation hindering railroads from fair competition would be very unjust.

Therefore, we ask that if and when any such legislation should come before you, that you will give it your most able consideration.

Yours truly,

LOCAL FEDERATED SHOP CRAFTS NO. 105.
TED HAYES, *President.*
WELDON G. ROBERTS, *Secretary.*

WYOMING STATE LEGISLATIVE BOARD,
BROTHERHOOD OF RAILROAD TRAINMEN,
Cheyenne, Wyo., March 4, 1961.

In re Cheyenne truck hearing, April 8.

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: In view of the legislative activity being engaged in by the trucking industry, it is pertinent that some of their charges against the railroad industry be answered.

The Brotherhood of Railroad Trainmen have never opposed highway legislation, or the use of highways by trucks, even while the rate structure allowed trucks to drain away large amounts of rail business; if such legislation provided controls which levied user charges proportionate to highway cost and maintenance and, second, would prevent present and future use of highways by vehicles in excess of highway capacity.

However, since present rates allow truck trailers to be hauled more economically by rail, in some cases, we have heard many expressions of satisfaction from motorists who were becoming alarmed at the risks of the road, due to in part to heavy freight traffic. The problem is becoming so serious that consideration must be given to the question of eliminating unnecessary freight traffic from multiple use highways, or construction of freight highways.

I call your attention to some of the recent tragic train collisions with tank trucks at railroad crossings. Last spring the San Francisco Chief collided with a tank truck carrying some 7,000 gallons of crude oil. The engineer and fireman, the truckdriver and 11 passengers were cremated alive and 109 other passengers were injured, some permanently. Property damage and liability was estimated at $3 million. For the third time, the Railroad Brotherhoods asked the ICC to investigate this and similar accidents, and were again refused, although Congress has assigned the ICC with primary responsibility for the safety of both trains and trucks. Would it not be in the public interest that dangerous loads be kept off the highways when other means of transport are available?

The rate dispute appears to be more than a question of labor displacement as Mr. Hoffa seems to be emphasizing. Both the trucking and railroad industry have been rapidly losing employees in past years. Railroads furloughed 35,000 employees in 1960, while Hoffa says he lost 20,000 drivers in the last 2 years. Since 1951 railroads have laid off 400,000 men or one-third of their work force. Unemployment in the overall transportation industry will not be solved by a readjustment of rates, where technological advances and improvements are being introduced every month in both industries, and the productivity of employees have been rising faster than wages. Unemployment, therefore, plays a large part in the problem.

It would appear that it is neither necessary nor desirable that the rate structure be regulated so that trucks would compete successfully with the lower cost railroad transportation on the long haul, and then to subsidize the railroads. This would amount to the subsidization of both industries, which might be justified in some areas by the needs of national defense or better service. There is

a large and legitimate area not serviced by railroads and the shorter hauls can be more economically made by trucks. The rate structure should be such that the two industries would complement each other, rather than to compete for the long haul.

With warm personal regards.

Sincerely yours,

LOUIS LEICHTWEIS, *Chairman.*

EVANSTON, WYO., *March 15, 1961.*

GALE MCGEE.

DEAR SIR: I am writing to you in regard to the railroad piggyback situation in which the truckers union wants to charge railroads for every truck that is hauled piggyback. Now I do not think this is fair competition to charge railroads for truckers union's welfare as the railroads have a lot of men out of work too.

The railroads do not ask the truckers to contribute to their men's welfare. All we want is a fair chance to compete for business on a fair basis.

I think it would be more fair if they contributed more to highway upkeep.

Respectfully,

MILTON BURTON.

WYOMING AUTOMOBILE DEALERS ASSOCIATION,
Cheyenne, Wyo., April 1, 1961.

Hon. GALE W. MCGEE,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: The franchised automobile dealers of Wyoming have read with considerable interest the newspaper article with Washington (UPI) dateline under the heading "Piggyback Hearing Defended by McGee."

I quote the last paragraph of the article:

"Complaints have also been received by the committee that the automobile dealers who utilize the piggyback system of transport are 'pocketing' the savings on freight rates and are not passing them on to the consumer, he said."

It is evident that you are not in possession of the correct information in regard to the above quote. Automobiles are delivered to the dealers with freight charges prepaid by the factories with freight charges added to the dealers' invoices. The exact amount of such freight charges as shown on the dealer invoices is charged to the consumer, no more, no less. I believe that investigation will reveal that freight rates on automobiles today are considerably less than that of years past which is possible only because of factory negotiations with the carriers.

The dealers are not pocketing any savings as you state and we believe in all fairness to the Wyoming automobile dealers a public correction of your statement should be made in the press.

We are in receipt of a letter from Larry Meredith, managing director of the Wyoming Trucking Association, who advises that it is your feeling that our association might have something of interest for the committee holding the hearings in Cheyenne on April 10. In discussing the matter with our association president, Mr. W. L. Riley, of Sheridan, we have concluded nothing constructive could be offered by us other than our foregoing statement in this letter.

A reply at your earliest convenience will be appreciated.

Respectfully yours,

ARCHIE W. SHAFER,
Executive Vice President.

APRIL 4, 1961.

Mr. ARCHIE W. SHAFER,
Executive Vice President,
Wyoming Automobile Dealers Association,
Cheyenne, Wyo.

DEAR MR. SHAFER: In reply to your letter of April 1, I should like to point out that the newspaper article which you mention simply contains a listing of some of the types of complaints which have been received by the committee.

To ascribe the sentiments of the complainers to me or to any member of the subcommittee would be quite inaccurate. It is the purpose of the planned hearing to gather information in this complex area. We certainly accept your

decision not to testify and assure you that the suggestion that you might be interested in doing so was only made to offer you the opportunity in case you felt an appearance would be appropriate.

Sincerely yours,

GALE F. MCGEE, *U.S. Senator.*

TOWN OF EVANSTON,
Evanston, Wyo., April 8, 1961.

Hon. SENATOR GALE MCGEE,
Cheyenne, Wyo.

DEAR SENATOR: If it is at all possible I would request you to make this letter a part of your hearing today on the transportation problem commonly referred to as piggyback operation.

I feel sure that today I represent the major part of the 4,800 citizens of Evanston, Wyo., in what I have to say.

We here in Evanston feel the pinch of this recession of the past few years. Our railroad employment in the local shops, also in the transportation department, and in the various other services have steadily declined, we have more men laid off and for a longer length of time lately than ever before. Our freight and passenger service has declined to a very low level, and as a result the economy of our community has declined with it.

With this new operation of piggybacking various commodities it would be the shot in the arm that railroads needed to fairly compete with other modes of transportation. We feel that if the railroads can keep in the competitive field of transportation then they can get back on their feet and we people in the cities and towns along the railroad right-of-way will feel the economic boom along with the railroads.

I think, in fact I know the railroads are not asking, nor do they expect to have any special favors given to them nor any extra legislation passed for their special benefits, all they ask and hope for is fair equal legislation for all modes of transportation, they want to be put on an equal basis with all other transportation. America is made up of free enterprises. Let's keep it that way.

I could take up a lot of your time and tell you how many railroad employees that have been put out of service by the trucking industry, but I am sure you are aware of all those figures.

I could also take up your time and tell you all the untruths and fallacies being circulated against the railroads and the ICC but again I am sure you have been given the true facts of this case and will take them all into consideration.

I know that you realize that it is due to the spectacular development and technological breakthroughs in particular problem areas that has brought about new equipment and methods of railroading that has brought the railroads back into the competitive field and I am sure you realize that it is we the consumers that will benefit from this overall better and cheaper form of transportation.

In conclusion I would like to state the position and feeling of myself and of the people of Evanston, Wyo., we hope you and Congress can make even a wider freedom in the field of competitive ratemaking, also keep all of our enterprises in America free. If this is done I know America will remain great.

Thanking you for your time and consideration, I am,

Very truly yours,

HAROLD F. RAYBOURN,
Mayor, Town of Evanston, Wyo.

CASPER, WYO., *April 8, 1961.*

DEAR SENATOR MCGEE: I fail to see why the railroads must be penalized for doing a hauling job so efficiently that they can underbid the trucks for the business.

It has been my impression that competition in the marketplace set the price, not Jimmy Hoffa and the trucking industry.

Why must the automobile purchaser be penalized in rising freight rates? If the governmental regulatory bodies increase the cost of shipping a car, the increase will be paid by the purchaser.

And why is Government meddling in the business operations of private companies?

If the railroads can haul cheaper than the trucks, I say let them. We don't build highways for railroads.

Sincerely yours,

DAN J. SANTO.

LINCOLN COUNTY
WOOL GROWERS ASSOCIATION,
Cokeville, Wyo., March 31, 1961.

SURFACE SUBCOMMITTEE, SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE,
Senate Office Building, Washington, D.C.

DEAR SIRS: In following instructions given by members of my organization I am sending a copy of Resolution No. 16 adopted by the Lincoln County Wool Growers Association at its 55th annual convention in Cokeville, Wyo., March 31, 1961. The resolution is as follows:

The economy of Wyoming is affected by the prosperity of the Union Pacific Railroad Co. The technical development of piggyback transportation increases its prosperity and will undoubtedly be extended to the transportation of livestock. Therefore, we urged the continuation of piggyback transportation and instruct the secretary to send a copy of this resolution to Senator Gale W. McGee's committee as evidence of favor thereof.

Thank you for your consideration.

PAUL W. HUTCHINSON,
Secretary, Lincoln County Wool Growers.

EVANSTON, WYO., *March 9, 1961.*

HON. GALE MCGEE.

DEAR SENATOR: I have been reading about the Teamsters Union complaining about the railroads' piggyback. The railroads had this business before and are getting it back because of better service. I think the railroads should be able to compete with competition. They have a lot of men laid off and I think this would help bring them back to work. I hope you will please give the same consideration.

Respectively yours,

RAY N. WHITING,
Union Pacific Railroad Shop Employee.

CHEYENNE, WYO., *March 21, 1961.*

Hon. GALE MCGEE,
U.S. Senate,
Senate Office Building, Washington, D.C.

SIR: The railroad dispatchers in the Cheyenne office are very much interested and have been watching the publicity in connection with the piggyback hearings to be held here April 10.

We see the trains go through Cheyenne every day with piggyback business. We know that we have many extra trains through southern Wyoming because of this, and that it is keeping a lot of railroad men working, as well as furnishing much needed revenue to the company. We also know that, in years past, the railroads had this automobile business in boxcars, and there was no great concern in Washington when the truckers were able to take the business from the railroads. Now that the railroads, through improved cars, improved service, and lower costs, are able to handle this traffic, it is surely in the public interest and there is absolutely no reason for laws being passed that would restrict the service.

The fact is the highway carriers have had the benefit of a subsidy for years to build their industry, their roadway being provided with tax money, and now that President Kennedy has confirmed this and studies prove they are not paying their fair share, they seem to expect further protection or advantage so they can handle the automobile business, the public to pay the bill by way of increased freight charges.

We have seen the railroads when business was good and the money available put in such improvements as the line change, west from Cheyenne, the centralized

traffic control that we use every day in dispatching trains, and we know that when the railroads have the money, they spend a good share of it for improved facilities to improve the service to their customers, all of which puts men to work. We hope it will be your aim to take off some of the old regulations, such as the eastbound fruit and vegetable business through Wyoming. The railroads, because of their regulations, cannot compete with the trucks on an equal basis. In other words, we think Congress should be trying to equalize the competition instead of adding more burdensome regulations only because the Teamsters Union and the truckers want them.

The undersigned, and we are sure the other railroad people in Wyoming, will appreciate your support to help the industry so, at least, no more burdens are added to their efforts to remain competitive.

Yours very truly,

THE TRAIN DISPATCHERS, UNION PACIFIC RAILROAD.

YODER, WYO., *March 25, 1961.*

Hon. GALE MCGEE:

As Teamsters Union President Hoffa has been conducting a vigorous campaign which would eliminate the railroad piggyback service, we are deeply concerned. If the piggyback service helps us keep our jobs, it is also helping an industry to survive.

We hope you will endeavor in your committee to make regulations that will be equal to both the railroads and trucks alike. We do not want more for the railroads than for the trucks, and we regret that the trucking industry has apparently suffered; however, we railroaders have also found our ranks cut. I am employed again but half of the employees in our division of maintenance of way are still out of a job.

Respectfully yours,

HENRY W. ACKLEY.

GREEN RIVER, WYO., *March 24, 1961.*

Senator MCGEE,
Washington, D.C.

SIR: In regard to piggybacking on railroads, I can't understand why the Teamsters Union is placing this matter in the hands of our Government but since they are I would like to say I remember a couple years back when two gentlemen came in our office and ask for a favor. results show they received it and now we are asking you to return that favor or at least do your duty and give us a fair break in this matter.

Unless the railroads are permitted to at least share in this business then there is no more liberty and justice for all.

I think we should try keeping these trucks off the highways as much as possible anyway since they not only do great damage to our roads, drive as though the whole thing belongs to them and force the people in smaller vehicles (who pay for building most of the roads) off the highway and into the ditch, they evidently don't believe in justice or they wouldn't say to our Government, give it all to us.

Here's hoping for justice for all.

With best wishes for your success in the future.

Respectfully,

G. N. BULL,
Train Dispatcher, Union Pacific Railroad.

UINTA COUNTY, WYO., BOARD OF COUNTY COMMISSIONERS,
Evanston, Wyo., March 11, 1961.

Hon. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: We, the undersigned County Commission of Uinta County, State of Wyoming, do hereby earnestly request your participation in combating legislation detrimental to or against the removal or curtailment of piggyback transportation service on the railroads in the United States.

The Union Pacific Railroad having been a prime factor in the development of the State of Wyoming and Uinta County, also being a large contributor to the economy of our county in the annual payment of $292,644.20 in taxes, this being 46.35 percent of the total county tax, we feel that any curtailment in the revenues of the Union Pacific Railroad will ultimately be felt in our county.

We therefore again request your indulgence and help in restraining the concerted move by James Hoffa and the Teamsters Union against the railroads.

Respectfully yours,

BOARD OF COUNTY COMMISSIONERS,
HIGHT M. PROFFIT, *Chairman.*
OSCAR M. DAHLQUIST, *Member.*
VERNE A. TAYLOR, *Member.*

We firmly believe in fair competition in transportation and have full confidence in your actions.

HIGHT.

CHEYENNE, WYO., *March 20, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: We, the undersigned members of the American Railway Supervisors Association, employed by the Union Pacific, Railroad, respectfully request your aid in defeating any bills proposed before the National Congress to curtail the so-called piggyback service now being offered by the railroads of the Nation.

We respectfully call your attention to the enclosed booklet prepared by the Association of Western Railways, which discusses this problem from the standpoint of the railroads. We think you will find this booklet interesting and containing some convincing arguments regarding the traffic needs of the Nation's railroads.

The piggyback service has proven very satisfactory to the shippers and has restored considerable tonnage of automobile traffic to the railroads. Any curtailment of this traffic by punitive legislation would prove detrimental to the employment status of many railroad employees in your State and add to the unemployment burden now facing our country.

We, therefore, respectfully petition your assistance against any and all legislation of this type.

Respectfully,

P. A. Schoeneberg, District Chairman, ARSA; Ralph Givers, J. C. Broussgard, Kenneth Griffith, L. M. Keating, G. Hofferbe, Dave Stallings, Perry L. Grunden, Phillip M. Mercado, H. J. Jones, Ed A. Kahleen, Wm. G. Shaw, W. James Fasen, Manuel B. Varela, Henry Weicheem, John E. Hewitt, Orville L. Lemaster, Joseph R. Marquard, Jr., Henry P. Rice, McKenzie Berkley, John A. Bogensberger, Bruce Hopkins, Louis A. Wendzel, John H. Cole, Leo P. Grant, Jr.

EVANSTON, WYO., *March 7, 1961.*

Mr. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

Mr. MCGEE: What is all this hub-bub about the Nation's railroads stealing piggyback auto transport business from the highways? Let us look back and see who stole what from who.

Long before there was ever a truck built that was big enough or strong enough to haul even one automobile, the railroads had been transporting thousands of carloads of autos clear across the Nation very safely and very satisfactorily. It was then the first steal took place, when the highways blossomed with the piggyback auto transport. (All that has happened is, we are getting back some of our original business.)

Not only that, but the Union Pacific Railroad has educated every student that has gone to school in my State since the first train chugged across. What a paltry pittance the truck companies pay in comparison to the gigantic tax the railroad pays my State every year.

Because of the green pastures the railroad has put my State in, not one of the citizens have ever had to pay 1 cent for State income tax. A great majority of the States are not blessed with this added income, and have to pay the bill themselves.

In conclusion: Who builds and pays for these fine paved highways across the country?—The taxpayers. Who pays to remove the snow, maintain and build the fences, keep the lines painted, and all the other heavy expense?—The taxpayers. Who pays for all the upkeep?—The taxpayers. But who causes all the damage, and makes a fine living doing it?—The trucklines. And then go up these fine highways with signs on their backs bragging that they only have to pay 30 percent to tear them up.

We in our little autos putting up the highways couldn't hurt that fine roadbed if we tried, pay a nice big gasoline tax to the State on every gallon we buy, but the big trucks use a cheap fuel oil and beat the gas tax completely.

Now the scales are just a bit unbalanced so far as fairplay goes, so let's tip them clear over:

Who pays for all the gravel, ties, spikes, steel rails, switches, signals, towers bridges, depots, surveying, and construction of a railroad right-of-way, and all of the gigantic storage yards, switching yards, and stockyards? Not the taxpayers; the railroads foot this bill themselves. And then turn around and pay the people of the State a stupendous tax each year, because they were built to serve these same people.

Does the State maintain the upkeep on this roadbed? Not one penny. The railroads pay for all the roadbed maintenance, electricans, linemen, big shops and all out of their own pocket, and I have yet to see a sign on a railroad car claiming "We pay 100 percent of this and that."

The millions of men making a fine living from the railroads without one penny of expense to the taxpayers is the last item.

Where are the scales of fairplay pointing now? I think the hauling of autos should remain where it began, with the railroads. And as a taxpayer, I want you to vote for what will benefit my State the most—with the railroads.

Respectfully,

P. E. NELSON.

CHEYENNE, WYO., *March 24, 1961.*

Senator GALE MCGEE,
Washington, D.C.

DEAR SENATOR: As a fellow citizen of Cheyenne, Wyo., I am writing to you concerning the piggybacking the railroad is doing to the trucking business.

The way I see it is that it has taken a lot of money out of circulation.

The railroads at the present time are moving more freight than ever in history, but they are still laying off men. So what would happen if they had all of the freight business.

In the trucking of freight there are more employees per ton of freight than there are now in railroads, so if we want to stimulate the economy of this country this is a way.

Now as for additional Federal tax or State on the trucks. If we were to put more trucks on the road today, it would increase the revenue, cut unemployment, increase Federal income taxes, then the employee would be able to buy gasoline to take his family on a Sunday drive. I sincerely believe it would work out.

Yours truly,

ERNEST J. KEPLEY.

THERMOPOLIS, WYO., *March 18, 1961.*

Senator GALE MCGEE,
U.S. Senate,
Washington, D.C.

DEAR SIR: This is a protest regarding this proposed, additional Federal highway taxes. Such legislation, if passed, would be a destructive blow to the trucking industry and definitely, put a large amount of the smaller trucking concerns out of business.

We figure we are taxed to the very limit as it now stands. Before raising the ante, would you please give the proposed highway legislation due consideration and then vote it "down."

These are not only my convictions but 95 percent of the citizens of this and surrounding communities.

Yours truly,

DALLAS O. DOWNING TRUCKING CO.

CHEYENNE, WYO., *March 23, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Your article which appeared in the Tribune last night deserves commendation. In it you stated that the Congress must protect the rights of the people in the dispute between the railroad union and that represented by "bad guy" Hoffa, in the piggyback matter.

It seems that the railroads have finally stopped acting like ostriches and have teamed up with the producers of motor vehicles, the result of which will be to reduce the cost of cars to the consumers. It is hoped the dealers will soon pass on the savings to the buyers.

My sympathies are with the railroad. I think Senator Joe's are too. I am some what happy about the internecine strife between the two unions. For once, management may back away and let the unions go at it. It is not too different than when the Government could sit back and permit the gangsters of the thirties to destroy each other.

From the public point of view, which you espouse, I think it is clear that the railroads should have the long hauls. Certainly the operation reduces the congestion upon and the cost of maintenance of our highways. I firmly believe the piggyback approach makes sense. I hope you will help it and the railroads survive.

Respectfully yours,

PHIL WHITE.

CHEYENNE, WYO., *March 11, 1961.*

Senator GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR MR. MCGEE: The railroads of the Nation at the present time are in dire need of assistance. Without the right to compete, as the Teamsters would have it by eliminating piggybacking the future of the railroad transportation would be bleak.

In times of emergency the railroads are the first line of defense so the country cannot afford to weaken that vital service.

As a railroad worker I urge you to vote against any bill that tends to destroy legitimate competition.

Yours very truly,

FLOYD J. ARTIST.

INTERMOUNTAIN CHEMICAL CO.,
Green River, Wyo., March 24, 1961.

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: We have no torch to carry for either the railroads or the trucking industry, although it appears obvious that the trucking industry is not bearing its full share of highway construction or maintenance costs.

However, we feel very strongly that, in the case of the piggyback problem, Congress should not legislate against progress at the expense of the public. Certainly Congress would not legislate against the tractor although it reduced the number of farm employees required in the country.

If the railroads have found a way to supply transportation more efficiently, this is fine. It's up to the trucking industry to do likewise and not to go crying to Congress.

Very truly yours,

E. L. STOUT, *Resident Manager.*

MARCH 21, 1961.

DEAR SENATOR MCGEE: May I present my views in regard to the controversial question of shipping automobiles by piggyback on railroads. I feel that I can speak with some authority on this question, due to being connected with the truck automobile transporting industry, especially as it affects Cheyenne and Wyoming.

Here are the facts as it affects our terminal in Cheyenne: As late as August of 1960 we had 142 drivers and a like number of units running out of Cheyenne. As of March 1961 our drivers are now cut to 24. The maintenance shop personnel has been cut from 30 to 5 as of the same dates. The results of this is undoubtedly contributing to the recession in this State inasmuch as the small shops, service stations, cafes, etc., benefit from these trucks running. The State also must be suffering quite a loss of gasoline tax, license fees, etc. Naturally our terminal is a very small segment of the automobile transporting industry but I feel that it is affecting every State in a like manner. I realize that car sales are not up to par this year. However, drivers and mechanics that are laid off cannot buy cars or other merchandise.

According to what information I have, it seems that an equalization of freight rates is badly needed. It is my understanding that the railroads are hauling these cars at third- or fourth-class rates, or at the same rates they would haul rough commodities, such as coal or rock. I believe the Interstate Commerce Commission controls these rates and it would seem like a congressional investigation is in order, but according to rumors here, a large percentage of the ICC personnel is either railroaders or ex-railroaders.

From what information I can gather, there is no one thing that has affected so many people economically over the United States as has hauling automobiles on the railroad.

I have faith in your ability to impartially investigate this condition and do your utmost to correct it.

Yours truly,

H. L. LONG,
Shop Superintendent,
Commercial Carriers Inc.

IRWIN'S,
Douglas, Wyo., March 16, 1961.

Senator GALE MCGEE,
Washington, D.C.

DEAR SENATOR: I note you will be having a meeting in Cheyenne on the piggyback railroad hauling.

Please turn the railroads and trucks loose from restrictive competition rules. Let's quit running everyone's business.

Sincerely,

CHARLES G. IRWIN.

RAWLING, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
U.S. Senator from Wyoming.

SIR: I am an employee of a trucking company, and I wish you to protest President Kennedy's truck tax increase proposal.

Thank you,

E. LEE KULING.

CHEYENNE, WYO., *March 11, 1961.*

Hon. GALE MCGEE,
U.S. Senate, Washington, D.C.

DEAR SIR: In regard to present legislation now pending in regard to the regulation of the piggyback service now so efficiently performed by the railroads, as a railroad employee I am asking that you give favorable consideration to the railroads who are the backbone of transportation in our great State of Wyoming.

Sincerely yours,

J. A. CARPENTER,
Secretary-Treasurer, Union Pacific Railroad.

WASHAKIE COUNTY DEMOCRATIC CENTRAL COMMITTEE,
Worland, Wyo., March 13, 1961.

Senator GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I sincerely hope you oppose the truckers' attempt to limit the railroads' piggyback operations, in the Cheyenne hearing, April 10. This is one of the very few ways we have in getting back business that the truckers have taken away from us.

Sincerely,

JERRY RILLAHAN.

CHEYENNE, WYO., *March 13, 1961.*

Hon. GALE. W. MCGEE,
U.S. Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: As the result of actions of the Teamsters Union to curtail, or even eliminate piggyback service by the railroads, I feel you should know of the opinions of we railroad employees.

It is a well-known fact, the hard enough times we are having, without having the Teamsters Union attempting to muscle in on something that belongs to the railroads in the first place.

It is truly a blessing to drive on the highways nowadays and not run up against one of those overgrown monsters that tear up our highways.

I am convinced that you are in Washington to represent the people that put you there and also I am convinced that you are doing a terrific job of it.

Therefore, in conclusion, may I urge you to use every means at your command to oppose vigorously any legislation that would take our piggyback service away from us? It is commonsense that the railroads can do a much faster job, more efficient, and perform far better service than any truck can. And too, the railroads aren't tearing up our highways.

Very truly yours,

RALPH W. LACKY.

WYOMING STATE LEGISLATIVE COMMITTEE,
Laramie, Wyo., March 11, 1961.

Hon. GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SIR: With reference to the Teamsters' complaint against the railroads in regards to piggyback or rail-trailer service.

We cannot understand how the Teamsters can ask the ICC to raise various rail rates so that they may take this business away from the railroads. If these rates are raised, the public will have to bear this extra cost and at the same time provide highways for the truckers to operate on.

You are probably aware that several years ago the railroads handled practically all of the automobiles that were shipped and that the railroads had raised their rates to such a point that the trucking industry through lower rates were successful in taking this business away from the railroads. At that time a large number of railroad employees were laid off due to the decrease in business and I do not recall any attempt by our organization to pressure the ICC into raising the truck rates higher than the railroad rates so that railroad employees could regain their jobs.

While we can sympathize with the teamsters who are out of work, we at the same time would loose a large number of railroad workers if the railroads were required to price themselves out of business.

We wish you would consider this subject very carefully when you hold your hearings for we as railroad workers believe that every citizen benefits when there are competitive freight rates.

Sincerely,

H. M. BRADFORD, Jr., *Chairman.*

MARCH 15, 1961.

Hon. GALE MCGEE,

DEAR SENATOR: I have seen numerous newspaper articles, magazine articles, and other publicity about the condition of the railroads. Most of these articles indicate to help the railroads some law changes will be necessary.

I have read that changes in depreciation, the passenger, and unnecessary regulations that stop railroads from giving more truck service to shippers, are some of the things that are unfair and stopping the railroads from meeting competition on equal terms.

I hope you will give some special attention to the railroad bills to give them a chance to compete and get ahead instead of continuing to go backward, with continual reductions in employment. I believe with fair treatment the railroads would get the business they can handle best and many railroaders would get back to work.

Thanks.

Mr. and Mrs. EMMETT CROOK.

SHERIDAN, WYO, *March 12, 1961.*

Senator GALE W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: I hope you will give your full consideration to the present attack on railroads by trucks.

I firmly believe in true fair competition. The railroads have been keeping up their right-of-way all through the years when business has gradually been taken over by trucklines. Now with a new method of transportation commonly known as piggybacks becoming more prominent and the prospects looking a bit brighter for the railroads and its employees we find Hoffa's Teamsters crying "unfair." Surely we railroaders dont' like to be laid off any more than the truckdrivers like unemployment.

All the railroads need is fair competition and they will prove that they can provide efficient and economical transportation and that we don't need a war to bring the railroads to their true place on top for dependability.

Sincerely yours,

BERNARD J. MARRON.

EVANSTON, WYO., *March 13, 1961.*

Hon. GALE MCGEE,
Senator from Wyoming,
Senate Office Building, Washington, D.C.

DEAR SIR: I am writing you in regard to Mr. Hoffa trying to outlaw piggyback transportation on the railroads. Please resist any legislation to that effect, as I feel that Mr. Hoffa and his drivers have ridden the gravy train long enough. I am 56 years old an an employee of the Union Pacific Railroad at this point with some 35 years railroading experience and am at present the youngest man working in my craft. I do not feel that the railroads should be discriminated against in this manner, and I wish to ask you to protect any such action attempted by Mr. Hoffa.

Respectfully yours,

CLIFFORD C. STUART.

GREYBULL, WYO., *March 13, 1961.*

Hon. GALE MCGEE,
Senate Committee on International and Foreign Commerce,
Senate Office Building, Washington, D.C.

MY DEAR SENATORS I am writing this appeal to impress the importance of good judgment in your decision on the piggyback question.

First I would like to point out the stand the Government has taken when the the operating department wanted to strike to gain their point, quote "The railroads are a first line in transportation hence a strike would tie up the country," end of quotation. The result was an injunction.

Now, a question, if they the railroads were a first line of transportation at those times, are they not still? If they still are first lines in transportation, have they not the right to compete for the haul on any commodity without being penalized or hampered by anyone?

The railroads helped build this country, they handled freight when there was no other means; but now we have trucks and they want the gravy.

When other modes of transportation are stalled the trains go, why let the trains haul only in foul weather, why not give them the right to compete without shackles.

I, as a railroader for 30 some years, feel that we the railroad and the workers like myself have been getting a raw deal.

Hope to have a favorable vote, and thanking you for your interest.

Very truly yours,

C. W. ELMORE,
C.B. & I., Casper Division.

CHEYENNE, WYO., *March 15, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator, Washington, D.C.

DEAR SENATOR MCGEE: In the interest of protecting my job as well as the jobs of many others at Cheyenne and over the Union Pacific Railroad system as a whole, I desire to take this opportunity to request that you vigorously oppose the Teamster Union efforts to destroy piggybacking by discriminatory legislation.

In their attack on the railroads in this matter, the Teamsters do not tell the entire story by any means. They do not, of course, say that this movement of new automobiles, for example, was formerly railroad business, and that the truckers actually caused it to be diverted to them from the railroads by way of changes in rates and service, which is the very means by which the railroads have gotten the business back to the rails.

All forms of transport should have equal freedom to compete for the transportation business of our country and that is all the railroads are asking for.

The railroads must and do install and maintain their own right-of-ways; therefore, should be allowed to compete for their fair share of transportation business without being subject to unfair attacks by the Teamsters and biased regulatory agencies who permit the competitors of the railroad to invade the field of transportation unfairly and tear up our public highways, which the railroad tax dollar helps to maintain.

In the best interests of the State of Wyoming and the railroad workers in this community, your efforts on behalf of the railroads will be greatly appreciated.

Sincerely,

JULIA E. PHELPS.

CHEYENNE, WYO., *March 14, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR MCGEE: As a citizen and taxpayer in the State of Wyoming and an employee of the Union Pacific Railroad Co. for more than 40 years, I earnestly solicit your support in opposing the Teamster Union efforts to destroy piggybacking by Federal legislation.

The piggyback carriage of new automobiles, as well as other commodities in containers, is returning to the railroads because the railroads have established fair rates on a competitive basis to get the business back.

The railroads must and do install and maintain their own rights-of-way; therefore, should be allowed to compete for their fair share of the transportation business without being subjected to unfair attacks by the Teamsters and biased regulatory agencies who permit the competitors of the railroads to invade the field of transportation unfairly and tear up our public highways, which the railroad tax dollar helps to maintain.

In the best interests of the State of Wyoming and the community of Cheyenne, as well as in the interest of protecting jobs for the railroad workers, anything that you can do to assist the railroads in their fight for the right to compete without unfair restrictions, will be greatly appreciated.

Sincerely,

S. A. TARRIS.

CHEYENNE, WYO., *March 15, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR MCGEE: In the interest of protecting my job and the jobs of many other employees at Cheyenne with the Union Pacific Railroad Co., I desire to take this opportunity to ask that you vigorously oppose the Teamster Union effort to destroy piggybacking by discriminatory legislation.

In their attack on the railroads in the matter of piggybacking, the Teamsters do not present the complete picture. They do not state, of course, that this movement of new automobiles, as an example, was formerly railroad business, and that the truckers actually caused it to be diverted to them from the railroads by way of change in rates and service, which is the identical means by which the railroads have regained some of this business. Fair competition in meeting the needs of the shippers and bringing benefits to the public is what has resulted in this increased business for the railroads. At this time the railroads are hauling this traffic in the most economical manner and under rates approved by the Interstate Commerce Commission, the appropriate authority, and I ask that you use every effort at your command to enable the railroads to continue to compete for their fair share of the transportation business.

The position of the railroads that they are just winning back a portion of the business that the trucking people took away from them in the first place because the truckers were not heavily burdened with taxes, maintenance, and other expense for rights-of-way, terminals, signal and safety devices, etc., is fully justified.

Your efforts in behalf of the railroads will be greatly appreciated.

Sincerely,

LOUISE A. TARRIS.

CHEYENNE, WYO., *March 15, 1961.*

Hon. GALE MCGEE,
United States Senate, Washington, D.C.

DEAR SENATOR MCGEE: As a taxpayer and a railroad employee, I solicit your attention and careful consideration of the subject of piggyback.

Piggyback has been the means of returning to the rails a considerable amount of traffic, more recently transported over the highways by trucks. The Teamsters' Union has been making a great fuss about the adverse effect on its membership of the return of this traffic to the rails. In their attack on the railroads in this matter, the Teamsters do not tell the entire story. They do not, of course, say hat this movement of new automobiles, for example, was formerly railroad business and that the truckers actually caused it to be diverted to them from the railroads by way of changes in rates and service, which is the very means by which the railroads have gotten the business back to the rails. Fair competition in meeting the needs of shippers and bringing benefits to the public is what has resulted in this increased business for the railroads, and there isn't any sense to the barrage of propaganda by the Teamsters that piggybacking is uneconomical. All forms of transport should have equal freedom to compete for the transportation of our country.

This attitude by the Teamsters Union is a direct attack on the jobs of railroad men. This service provides traffic and gives more work for railroad employes, and this progress in railroad transportation by the use of improved freight equipment gives the shipper what he wants and it gives it to the shipper at rates arrived at under fair competition.

I believe this problem to be a very important one and deserving of your careful consideration.

Sincerely,

R. A. WATTERS.

EVANSTON, WYO., *March 13, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

HONORABLE SENATOR MCGEE: Regarding the piggyback hearing at Cheyenne on April 10.

That looks to me like a case of Joe had some apples. Jim got them away from him. Then Joe got them back and Jim runs to Dad to get them back. The rail-

roads for a number of years hauled all the automobiles and other freight. The trucks took a large part of the business away from the rails. The rails regained some of the business and now the trucks are crying. It seems to me there is a staggering amount of far more important hearings and legislation to be handled. Why not do something for the little man? Remember if it were not for the votes of the working people you would not be where you are today. The millions of unemployed and tax burdened people need far more help than the trucks or the railroads.

During the last two wars there was a tax on excess profits. Were that tax or one more restrictive to be enacted that would limit the amount of profit a corporation could make there would not the be incentive to lay off so many employees.

Remove some of the tax loopholes in the present income tax law so that the person that can afford to pay is required to do so.

Some time ago I received a letter from the Utah Power & Light Co. regarding a dam on a tributary of the Snake River. At the present time there is the Jackson Dam, Palisades Dam, and the American Falls Dam all on the Snake River within a highway distance of 205 miles. What do we need with more dams on the Snake River. My opinon on that dam is "No."

Very sincerely yours,

T. P. WILLEY.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE.

DEAR SENATOR: It has been brought to my attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they stopped to think of the time when this was regular railroad business, along with fruit transportation and a few others, that the trucking business took without a blink of an eyelash.

We sincerely hope that you will uphold the laws against Monopoly and Power Trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make whom does the hiring of labor, so long as the jobs are furnished for the laborer?

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going? Freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all businesses' right in this country for working in fair competition.

Yours truly,

MRS. NADENE S. COOK.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE.

DEAR SIR: It has been brought to our attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they though about the time when this was regular railroad business, along with fruit transportation and a few others, that the trucking business took without a blink of an eyelash?

We sincerely hope that you will uphold the laws against Monopoly and Power Trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make whom does the hiring of labor, so long as the jobs are furnished for the laborer?

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going? Freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all businesses' right in this country for working in fair competition.

Yours sincerely,

Mr. and Mrs. EARL B. COCK.

EVANSTON, WYO., *March 11, 1961.*

Hon. GALE MCGEE,

DEAR SIR: It has been brought to our attention about the Teamsters Union complaining about the railroad piggyback practice taking jobs from them. Have they thought about the time when this was regular railroad business, along with fruit transportation and a few others, that the trucking business took without a blink of an eyelash?

We sincerely hope that you will uphold the laws against Monopoly and Power Trusts of business. When it comes to laws and regulations against fair competition, please don't support such laws. What difference does it make whom does the hiring of labor, so long as the jobs are furnished for the laborers.

They are misrepresenting their cause by saying a crew of three men do the work of a great many truckers. This is not so. Do you realize how many other jobs are included in keeping these trains going? Freight agents, dispatchers, switchmen, machinists, section crews, etc.

Please uphold all business' right in this country for working in fair competition.

Yours sincerely,

DORIS G. COOK.

LARAMIE, WYO., *March 9, 1961.*

Hon. JOE HICKEY,
Senator.
Hon. GALE MCGEE,
Senator.
Hon. WILLIAM H. HARRISON,
Representative.

GENTLEMEN: It has been called to my attention, that the Teamsters Union is trying to get legislation passed that would prohibit the railroads from piggybacking.

Now piggybacking has become a large business for the railroad in the past few years, and as you gentlemen all know the railroads are very vital to the economy of the State of Wyoming, with its vast timber operations, its coal industry, and other industries too numerious to mention; therefore in my estimation anything that helps the railroads helps the State of Wyoming, and we need all the help we can get.

Due to the loss of business to the railroads there are now many men unemployed in the timber operations, that depend mainly on the railroads for the use of their products.

Driving on the highways will be much less hazardous with the transports being eliminated from our interstate highways, and this will surely cut down the death rate of traffic accidents to the Nation.

In conclusion, I would sincerely appreciate any legislation you may see fit to introduce in the favor of relief for the railroads.

Sincerely yours,

A. M. EVANS.

CHEYENNE, WYO., *March 15, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR MCGEE: In the interest of projecting my job as well as the jobs of many others at Cheyenne and over the Union Pacific Railroad system as a whole, I desire to take this opportunity to request that you vigorously oppose the Teamsters Union efforts to destroy piggybacking by discriminatory legislation.

The railroads maintain, with justification, that they are just winning back a little of the business that the trucking concerns took away from them in the first place because the truckers were not so heavily burdened with taxes, maintenance, and other expenses for rights-of-ways, terminals, etc. The railroads have now devised ways to handle the long distance auto and related shipments for considerably less than the truckers charge, and at the same time at a profit too.

All the railroads ask is the right to compete freely for their fair share of the transportation business and that the American system of free competitive enterprise be allowed to function without unjust legislation as proposed by the Teamster Union.

In the best interests of the State of Wyoming and the railroad workers in this community, your efforts on behalf of the railroads will be greatly appreciated.

Sincerely,

JOHN R. NEAGLE,
Care of store department, UPRR Co.

EVANSTON, WYO., *March 14, 1961.*

Mr. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: As you know the truckers headed by Mr. Hoffa are trying to stop the railroads from progressing from a business that the railroads had from the beginning. Now that the railroads are beginning to get some of the business back, they want to stop this progress called piggyback.

I have worked for the railroads for 25 years and have been laid off a lot on account of the trucks taking business. As a matter of fact there have been thousands of men laid off on railroads on account of trucks.

I think the railroads should be able to continue with this progress now that they are getting business back. I do not think it is any worse for truckers to be laid off than railroaders. I wish you would take this problem into consideration.

Sincerely yours,

LEO C. WANNAMORE.

CHEYENNE, WYO., *March 16, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator, Washington, D.C.

DEAR SENATOR MCGEE: In the interest of protecting my job and the jobs of many other employees at Cheyenne with the Union Pacific Railroad Co., I desire to take this opportunity to ask that you vigorously oppose the Teamster Union effort to destroy piggybacking by discriminatory legislation.

In their attack on the railroads in the matter of piggybacking, the Teamsters do not present the complete picture. They do not state, of course, that the movement of new automobiles, as an example, was formerly railroad business, and that the truckers actually caused it to be diverted to them from the railroads by way of change in rates and service, which is the identical means by which the railroads have regained some of this business. Fair competition in meeting the needs of the shippers and bringing benefits to the public is what has resulted in this increased business for the railroads. At this time the railroads are hauling this traffic in the most economical manner and under rates approved by the Interstate Commerce Commission, the appropriate authority, and I ask that you use every effort at your command to enable the railroads to continue to compete for their fair share of the transportation business.

The position of the railroads that they are just winning back a portion of the business that the trucking people took away from them in the first place because the truckers were not heavily burdened with taxes, maintenance, and other expense for rights-of-way, terminals, signal and safety devices, etc., is fully justified.

Your efforts in behalf of the railroads will be greatly appreciated.

Sincerely,

EDWIN R. ROTHMAN.

LARAMIE, WYO., *March 16, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I note that the Teamsters Union under the direction of Mr. James Hoffa are very much steamed up about the piggyback method of handling freight by the railroads of the United States.

They are making very wild statements that the ICC is being dominated by members favorable to the rail carriers, etc. And are asking that the Government take steps to stop unfair competition by the railroads.

While we are certainly sympathetic in their desire to keep their truckdrivers employed, we see no reason why the railroads should be forced to keep their rates at such a level that there is no real competition.

Certainly no one has done much shedding of tears about the thousands of railroad employees who have been laid off and joined the unemployed during the past several years, due to the completion of other forms of transportation and knowing that due to rigid restrictions that their employers, the railroads of the Nation, were hamstrung in trying to meet this competition.

Will you not give any requests to further restrict competition a very careful scrutiny and make the decisions that will serve the Nation as a whole. Certainly this Nation has grown great on the basis of wholesome competition.

Sincerely yours,

GEO. F. SHELTON.

OUT-OF-STATE CORRESPONDENCE SUBMITTED TO THE SUBCOMMITTEE

COLORADO STATE LEGISLATIVE COMMITTEE,
BROTHERHOOD OF RAILWAY & STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS & STATION EMPLOYEES,
Denver, Colo., April 10, 1961.

Hon. GALE MCGEE,
U.S. Senator, State of Wyoming,

DEAR SENATOR MCGEE: At this hearing conducted by you at the Wyoming State Capital at Cheyenne, Wyo., April 10, 1961, desire on behalf of our organization, to formally protest the efforts of the Teamsters Union to amend the Interstate Commerce Act, to force the Interstate Commerce Commission to increase piggyback (trailer on flat car) rates and to impede the railroad industry efforts to expand and further improve this wanted and necessary service to the public.

It is inconceivable to us that the Congress will permit the destruction of this service on our vital American railroads, by preventing them from establishing competitive rates for this service, which is being utilized by thousands of satisfied shippers, and this service should be encouraged, not hampered.

We certainly regret the Teamsters chief complaint that this necessitates the loss of jobs by their union, but as everyone knows, over the past several years, employment on the railroads has been dwindling, due to the loss of business to the trucking industry, and we have every right to protect ourselves and utilize every fair and legal method to advance our industry, which is so vital to our peace and for national defense.

Therefore, we strongly urge you not to be influenced by the powerful pressure of the trucking lobby, and view this situation in a fair and impartial manner.

Our railroad industry has for several years been hampered by overregulation and unfair taxing policies and we feel this is no time to place further restrictions on them, and by all standards of equity and justice, the Teamsters Union complaints are not justifiable, and your support in resisting the Teamsters attitude in this matter will be greatly appreciated by our entire membership.

With kindest personal regards, I remain,

Very sincerely yours,

MAX KAITZ, *Secretary-Treasurer.*

MANUFACTURERS SHIPPING ASSOCIATION, INC.,
Seattle, Wash., April 3, 1961.

Hon. G. W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: This will be a followup of the reply just received from Senator "Bob" Bartlett of March 30 wherein he advises my prior inquiry dated March 23 has been referred to your office. The subject relates to the forthcoming hearings covering piggyback operations now set for Cheyenne next Monday April 10. By reason of the short interim it appears timely to forward this addendum today.

As you will have noted from my query we are vitally concerned with the subject of piggyback operations thus the scope of the above-noted hearings could be most important. If same is held strictly to the transit of automobiles, our interest would be more of a secondary concern. On the other hand, we have been utilizing loaded containers over a full year and certainly must oppose any attempt to impose such apparent attempts to curtail or restrict such usage. The basic economies and expedited schedules realized thereunder do reflect a progressive step forward in modern transportation. This should not be jeopardized by selfish group objectives.

The Traffic World of March 11, 1961, reproduced excerpts of reply thereto submitted to Representative James Van Zandt in the House on March 2, which prompts this enclosure for your prompt reference. The views are well stated and we desire to give full support thereto.

In the meanwhile we are anticipating your response as to the scope of information to be adduced at Cheyenne. Thank you very much.

Very truly yours,

LLEWELYN C. JONES.

(Enclosure follows:)

REPRESENTATIVE VAN ZANDT DEFENDS ICC MEMBERS, PIGGYBACKING AGAINST TEAMSTER CHARGES

In answer to charges by the Teamsters' Union that the Interstate Commerce Commission is prorailroad and has deprived automobile transporters of long-haul business, Representative Van Zandt, of Pennsylvania, has asserted that members of the ICC are men of high caliber and that piggyback service is a still-better service at lower cost.

Representative Van Zandt took note of the Teamsters Union charges in a speech he made to the House March 2. Specifically, he referred to a brochure recently issued by the union: "A Dangerous Combination: Railroads and the ICC Threaten to Destroy a Vital Segment of the Trucking Industry and With It the Jobs of 15,000 Teamsters" (T.W., December 3, 1960, p. 37).

"The Teamsters' publications," Mr. Van Zandt told the House, "have stated that the ICC favors railroads, is railroad oriented, and have charged that the ICC has been packed with prorailroad people. Nothing could be further from the truth.

ICC MEMBERS PRAISED

"Of the 10 commissioners presently on the ICC—there is 1 vacancy—only 2 have had railroad experience of any kind. One of these spent 6 years in railroad work, leaving in 1925, and the other, 3 years with a State railroad association, leaving in 1949.

"Nine of the commissioners have legal backgrounds, and all 10 had distinguished themselves in private or government work before their appointment to the Commission. One is a former Lieutenant Governor of Kentucky, president of the senate of the Commonwealth of Kentucky and special circuit judge; another is a former assistant attorney general of Colorado; another is a former assistant attorney general of Texas, and another a former Member of Congress and General Counsel of the U.S. Post Office Department.

"The Nation is fortunate indeed to have attracted men of such high caliber to direct the affairs of this unit of Government."

Representative Van Zandt then took note of other assertions in the Teamsters' brochure.

"The Teamsters sometimes contradict themselves," he said, "On the one hand, they charge that railroad piggyback rates are so low as to cover only out-of-pocket costs or less; on the other, they quote figures to show that earnings of the average piggyback car are over seven times higher than those of the average boxcar, and conclude by saying: "These figures illustrate what a lucrative operation piggyback really is."

CAN'T HAVE IT BOTH WAYS

"Clearly the Teamsters cannot have it both ways. If piggyback is a lucrative operation for the railroads, and there is every indication that it is, then it cannot be held that piggyback rates are below cost or meet only out-of-pocket costs.

"With these reckless charges of unfair competition and ICC prejudice exposed, the Teamsters' real purpose becomes unmistakably clear. That purpose is to require railroads to maintain rates higher than necessary.

"The concern of the Teamsters is the alleged loss of employment for truck-drivers, which they foresee if piggyback is allowed to expand. Naturally, we all sympathize with anyone who loses his job and is forced to seek another, whether for reasons of advancing technology or any other. But let me remind the Congress what has happened to employment opportunities for railroad men during the last generation, due in no small part to the loss of business to trucks.

"During the past 30 years, railroad employment has been cut in half—from 1,511,000 in 1930 to fewer than 750,000 today. Employees thus displaced have had to find productive employment in other fields, which is what anyone else would have to do whose job has been abolished.

"My answer is simply this: I am not now and never will become a party to an effort to block progress in any field, especially in transportation. Nor will I be a party to any attempt to subordinate the public welfare to narrow interests, and I am confident that the answer of my colleagues in this body and in the Senate will be the same."

PITTSBURGH PLATE GLASS CO.,
Cheyenne, Wyo., April 3, 1961.

Re Senate hearing on piggyback hauling by railroads, Cheyenne, Wyo., April 10, 1961.

SUBSURFACE TRANSPORTATION COMMITTEE,
INTERSTATE AND FOREIGN COMMERCE COMMITTEE,
Senate Office Building, Washington, D.C.

GENTLEMEN: I am writing you this letter expressing our opinion as a user on the above problem and trust that you will make it a part of the above proceedings.

Pittsburgh Plate Glass Co. operates a warehouse in Cheyenne, not on rail trackage, at 2010 East 13th Street. We employ on the average of 25 people the year around at this location. We have a great many of our shipments delivered by piggyback as we combine the lower rail rate with delivery to our door. The savings to us over full truck rate or in full rail rate are considerable, considering we are not on trackage.

With the competitive situation we are faced with, we must take full advantage of any savings possible if we are to remain in business. May I call your attention to the statement of Mr. Robinson F. Barker, vice president, Pittsburgh Plate Glass Co., before the U.S. Tariff Commission hearing on sheet glass, March 15, 1961.

Yours very truly,

V. B. SPRING, *Manager.*

UNION PACIFIC RAILROAD CO.,
Omaha, Nebr., March 7, 1961.

Hon. CARL CURTIS,
Senator from Nebraska,
Senate Office Building, Washington, D.C.

Hon. GLEN CUNNINGHAM,
Member of Congress,
House Office Building, Washington, D.C.

GENTLEMEN: You are familiar with the current unreasonable and inconsistent campaign being conducted by James Hoffa, general president of the Teamsters, to convince the Members of Congress that the railroads should be legislated out of their right to compete with other forms of transportation for the privilege of giving industry and the American people the best and most economical transportation services through the most modern methods such as are being employed in the piggyback operation.

The railroads of the United States of America hold a high place of honor in the history of the growth and development of our great country and today are vital for the continued economic growth of our people and defense of our American way of life.

For a number of years, because of unfair competition from transportation systems being subsidized by public funds and using publicly owned rights-of-way, the railroads have been forced to release hundreds of thousands of employees from their service. The Transportation Act of 1958 improved the position of the railroads to some extent; however, only through such natural

developments of service methods as are being realized in the piggyback program can the railroads hope to satisfy the needs of the American people and their industries. The only desire of the railroads and their employees is to furnish American public and private enterprise with the particular services which the railroads alone can perform with incomparable superiority if allowed to compete for this privilege in a situation of natural freedom in normal business development.

James Hoffa has been negotiating new contracts with trucking companies in the Midwest in which he demands that these companies pay a fee of $5 into the Teamsters welfare fund for every trailer moved by rail. We sincerely hope that Mr. Hoffa and his Teamsters will be restrained from shackling American industry by such methods for personal and obviously undeserved gain.

Your dependable, intelligent, and impartial consideration of this serious situation is greatly appreciated.

Respectfully yours,

H. E. SHUMWAY,
General Superintendent of Transportation.
F. F. GETSFRED,
Assistant to General Superintendent of Transportation.
H. W. HAURY,
Assistant to General Superintendent of Transportation.

COWDREY, COLO., *March 26, 1961.*

Senator GALE MCGEE,
Washington, D.C.

DEAR SIR: I have been a railroad worker for 10 years. I would like your help to allow the railroads to compete against the Teamsters Union and truck-lines. We all know that the railroad can handle most satisfactorily and economically and all of this is producing more business for the railroad and more security for us railroaders. Railroads pay more taxes which goes to support of education for our children.

Yours truly,

MAURICIO C. SANCHEZ.

BURLINGTON LINES,
TRAFFIC DEPARTMENT,
New York, N.Y., March 24, 1961.

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I know you are conversant with the campaign of the trucking industry, of which Mr. Hoffa is the sparkplug, to downgrade and make every attempt to kill the fast growing piggyback service of the railroads. If he is permitted to get away with this attempt, it will be a sorry day for the transportation system of our country. You are in a position to know better than so many others the fact that all the railroads are trying to do is show some of the initiative which so many of our critics claim is nonexistent on the railroads today; also, to do no more than reclaim business which at one time was ours and which was skimmed off the top by the highway carriers and which we are just trying to recapture. This is business which once was ours and now that the trucks have it all to themselves, they are, naturally, reluctant to see us get any part of it back.

Their cry about truckdrivers being put out of work makes no mention of the number of rail employees who have lost their jobs in the last 10 years simply by reason of the fact that the trucks took our business away and have now cut our proportion of the intercity tonnage to about 45 percent in 1960 from what had been not too many years ago as high as 74 percent of the total movement. The rail payrolls have steadily decreased and this is just one sincere effort which we are trying to make by giving the shippers of the country an improved service at lower rates in order to reclaim what is rightfully ours. Frankly, I don't think the truckers or Mr. Hoffa are fooling you one bit and I sincerely hope that you will use your good offices and your knowledge of the truck picture to convince your fellow committee members of the selfishness and the viciousness of Mr. Hoffa's methods in this case.

We need these rail carriers badly from the national defense standpoint, if for no other reason, and unless they are permitted to help themselves, God help our great country and what would happen to us if these railroads are allowed to deteriorate any further.

May I hear from you, Senator, on this subject?

Very truly yours,

J. W. BRENNAN,
Assistant Vice President, Traffic.

LA JUNTA, COLO., *March 18, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

HONORABLE SIR: I am a railroad man and would like to express my views on the railroad piggyback transportation. Now, not just because I'm a railroader but because of what is fair and just and what even a blind man can see.

The railroads have been getting a roughshod deal for many years now which in turn has affected their profits and at the small end of the horn, the employee.

The railroads pay taxes to support the building of roads to cut their own throats, and out of proportion to the truckdrivers.

I also drive a pleasure car, my tax is 10 cents per gallon for roadbuilding and my car weighs 3,200 pounds.

Most all truck operators use distillate and he pays about 3 cents tax and his truck weighs from 10 to 25 tons. Tearing up the roads and cutting my employer's and my throat, depriving us of the revenue.

The railroads have pioneered the country from the East to West, from North to South, now comes the trucker and wants a monopoly of the transportation, and squeal because the railroad are trying to subsist by eking out a sustenance that's all, and a fair deal.

The railroads have built and maintained their own roads and have been taxed to build roads for the trucker, can he say the same? No.

This is my views and hope you give it due consideration.

Yours very truly,

CHARLES L. WEST.

MARKHAM ADVERTISING CO.,
Scottsbluff, Nebr., March 14, 1961.

DEAR SIR: I see in a trade paper that the railroads are coming under attack again by the Teamsters Union trying to stop the practice of transporting trucks on railroad flatcars.

And I wish to voice my opinion on the subject. The restrictions now placed on railroads have kept them from plans of improvement and I am against any further restrictions on this means of transportation.

Sincerely yours,

M. E. CORYELL.

WALDEN, COLO., *March 12, 1961.*

Hon. GALE MCGEE,
U.S. Senator, Wyoming,
Senate Committee on Interstate and Foreign Commerce.

I am an employee for the Union Pacific Railroad Co. in the Wyoming division. I work up here in Walden, Colo., a distance of 65 miles from Laramie, Wyo., and work almost for 30 years. Today my job is in jeopardy. That union of Mr. James Hoffa and the Teamsters want to put the railroad out of business. I'm for the railroad in the Nation. I make living for me and my family. I live in the State of Wyoming for long time before I came to Colorado and my wish is that hope you vote in favor of all railroad.

Thanking you,

Yours as ever,

FRANK J. SOTO.

MARCH 13, 1961.

Senator GALE MCGEE,
Washington, D.C.

DEAR SIR: One trip out of here over these mountain roads competing with a truck carrying two long trailers of cattle would certainly change anyone's mind about what railroads are supposed to do. Haul freight, that's what, and roads are built for people. As for the railroad piggyback operation, why not?

For one thing only, if for nothing more, it's safer for the people than truck piggyback and we have all seen that, I am sure.

The future of railroads depends on the right to compete with other forms of transportation, also the future of all railroad workers. Sure railroads install and maintain their own right-of-ways, pay taxes on these rights-of-way for the support of education, welfare and all similar services of State and local governments. Surely they have that right to compete. Who has a better right—they are pioneers.

For your help we would be grateful.

Respectfully yours,

MRS. FAY E. SOTO.

DENVER, COLO., *March 18, 1961.*

Hon. GALE MCGEE.

DEAR SIR: We are writing regarding all this propaganda being put out by Mr. Hoffa and the Teamsters, trying to knock out the right of the railroads to haul piggyback transportation.

We wish to call attention to the fact that there also happens to be several thousand rail workers whose jobs are at stake in this thing and in view of the fact the railroad business has steadily declined in the past 30 years while the trucking industry and the airlines have greatly expanded, I believe this deserves some consideration.

We are not asking for all of the business, as is Mr. Hoffa. We are only asking for the right to compete fairly, which right has been denied us far too long by the obsolete regulatory policies, devised when we had no competition. This is particularly galling to the railroads and rail workers when our tax dollar goes to repair the public highways which the trucking companies tear apart by their heavy equipment, a continuing outrage, when we have to maintain our right-of-way with no subsidies from anyone.

We strongly urge you to look at the facts, and are sure that if you do, you will vote against any attempt to further curtail the railroad industry and its workers.

Very truly yours,

JOANNE WILLIGANZ,
Claim Investigator,
The Colorado & Southern Railway Co.

DENVER, COLO.

Senator GALE M. MCGEE,
Senate Office Building, Washington, D.C.

DEAR MR. MCGEE: As you are a member of the Senate Interstate and Foreign Committee I would like to know how you are working on the Interstate Commerce Commission rates for the railroads shipping trailers and automobiles for less than the trucking companies can.

With railroad rates 50 percent less than the truckaway companies can charge for hauling automobiles the truckaway companies are forced out of business, all the drivers are put out of work.

How much revenue from gas tax, road tax is the Federal and States lost for highway programs with the railroads hauling the cars that the trucks have hauled before.

The freight companies are putting their trailers on the railroads too, putting more men out of work and the States are not getting any highway tax. The railroads are now wanting Federal aid so they won't go bankrupt, but are not caring what happens to the truckaway companies, can the trucking companies get Federal aid.

With all the trailers going piggyback through Wyoming the State cannot collect revenue from the railroad.

Can you help our trucks.

Sincerely yours,

NERE L. WILLIAMS.

WALDEN, COLO., *March 21, 1961.*

GALE MCGEE,
Senate Committee on Interstate and Foreign Commerce.

DEAR SIR: Regarding the pamphlets of "Your Job is in Jeopardy," "Rail Progress is Threatened," and "Teamsters Want Congress To Halt Growing Piggyback," put out by Clair M. Roddewig, president of the Association of Western Railways, Union Station, Chicago, Ill.

I would like to comment that my job is in jeopardy. I have my wife and three children and myself who depend on my job on the railroad. The railroad transportation is very important to our country. They give us faster and safer services.

Also the railroad helps our schools.

On our small community the railroad will pay a large sum of money for our public school, which is very important to us as my three children attend this school.

My family and I are very proud to be a member of the railroad. So we ask you, please help us.

I thank you.

Sincerely yours,

JOE L. MONDRAGON.

COWDREY, COLO., *March 23, 1961.*

Senator GALE MCGEE,
Washington, D.C.

DEAR SIR: Many thousands of rail jobs have already been eliminated by the unhampered growth of trucklines, many sections have been closed. The railroads are loaded down with regulations and the trucklines fly over the highways with carefree abandon and all the freight.

The railroads piggyback operation is not only a better way of transportation but a promise of more jobs for railroad workers, many of them out of work for a long time.

I ask only that you see things are kept fair and the railroad allowed to compete.

Respectfully yours,

FRANK E. GEORGES.

LIVINGSTON, MONT., *March 31, 1961.*

Hon. GALE MCGEE,
Washington, D.C.

DEAR SIR: Please do everything possible to keep the piggyback business on the rails. All we ask is a fair break.

Thanking you.

J. W. MASON.

MAYDAY! MAYDAY!

Railworkers jobs are under attack on another front.

Teamster "Hoffa" wants $5 for every trailer hauled piggyback on the rails after February 1, 1962.

You now know the power of the pen—put a note at the bottom of this and send it to these Congressmen * * *. Now. This we believe—

"Whenever our railroads can move any commodity more economically and efficiently on their rails than trucks can on our public highways and at satisfactory speeds to our customers, the rails should have that business without any strings attached."

That's how the trucks got the business from us in the first place. So what's their beef? The trucks have no right to a headstart in this race.

Congressmen: Give us the right to compete fairly and a management willing to try instead of cry and we the employees will relegate all the truck business to the local level. We ask only an equal opportunity.

LIVINGSTON ANTI-MERGER COMMITTEE,
(Opposed to NP–GN–CBQ Merger).

MARCH 27, 1961.

DENVER, COLO., *March 25, 1961.*

Mr. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I understand Mr. James Hoffa and the Teamsters Union are conducting a campaign against the use of piggyback service by the railroads and are attempting to have legislation enacted to serve their purpose. Since you are a member of the Committee on Interstate Commerce I am writing you about this matter.

As you know, the railroads in general are having financial difficulties, partly due to truck competition due to operating over publicly owned facilities. We feel that nothing should be done to hinder the railroads from doing what they can to compete with other forms of transportation and I ask your support in the matter.

Yours very truly,

G. A. HUTCHISON.

DENVER, COLO.

DEAR SIR: I want to say that I find the truckers of Teamsters Union are unfair in trying to stop the railroads from interstate trade with any company they so desire.

In the first place, railroads were transporting material long before truckers became an institution and that they have as much right to do so as any other competitive trade in whatever manner they wish.

This bill in favor of Teamsters would seriously cripple railroad freight trade and it already is competing with air service for both passengers and freight. They have not suggested that airlines stop their trade competition so why truckers?

I sincerely hope you will consider this side of the issue before voting on such a change.

Sincerely,

LOUIS DROTAR,
Burlington Railroad.

DENVER, COLO., *March 13, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: We are writing you concerning the proposed piggyback bill legislation. We feel that the railroad industry will be greatly hampered and destroyed if such legislation is passed. The railroads, we feel are still a vital factor in our economy. We don't want them destroyed.

So we hope you will see fit not to vote for such piggyback legislation.

Sincerely yours,

Mr. and Mrs. L. P. GRATER.

DANVILLE, ILL., *March 30, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

SIR: I am a legal and qualified citizen of the United States of America and have for the past several years exercised my right to vote in the State of Illinois.

Recently I have noted in the newspapers, magazines, TV programs and through club speeches that certain interests are making claims that the Interstate Commerce Commission has favored the railroads in the development of service by piggyback.

It is my opinion that an efficient and economical transportation system should be developed in this country and I feel it is the right of the railroad companies to compete; also, that their movement should not be impeded by political pressures brought by groups who seek benefits by regulations which would deny them the right to compete.

Therefore, as a member of the Senate Committee of Interstate and Foreign Commerce, I am requesting that you give this consideration when bills are presented for legislation which would affect the transportation industry of this country.

Yours truly,

D. L. CRONKHITE.

UNION LAKE, MICH., *March 30, 1961.*

Senator GALE W. MCGEE:

I'm writing to you because I understand that hearings will start in Cheyenne, Wyo., on April 10 in connection with the rate regulation. You are "people of Wyoming" representative and should be very much interested in their welfare. I sincerely hope that you will insist on seeing facts and figures on this subject, that you insist that the railroads' rates as shown and just exactly how they make up the difference in what they are losing by their illegal rates in the car-hauling industry. Their rates in the car-hauling industry are almost one-half under that of the truckers, so they can't be making money there. Naturally, they have to raise their rates on something else; one thing is the U.S. mail. Here the general public has to pay extra for stamps and so forth, so that the railroads can cheat thousands of men out of their jobs and close down thousands of small businesses. The railroads are causing this to happen all over the United States and not just in Wyoming. I know that the railroads have always been the truckers' competitor, but with the rate that they've been allowed to haul for, anyone with any commonsense at all surely knows that it has to be illegal. Otherwise we could stand a fair chance to compete with them. Someone in Washington surely must care what is happening to the citizens of the United States. For this discriminatory rate of the ICC and the railroads is hurting just as many other people as it is the truckers.

I sincerely hope that you will keep an open mind and weigh both sides to the question before making your decision. All really that the truckers are asking for is a fair fight and a fair chance at the industry and not for everything to be one-sided.

Sincerely,

JAMES E. CRENSHAW.

ERIE, MICH., *March 25, 1961.*

DEAR SIR: When you ran for election if a rule that said "Democrats win with 50 votes and Republicans must have 75 or vice versa, would each of you have an equal chance to win? That is what my husband as a trucker faces when he must haul cars as first-class freight and trains haul third- and fourth-class freight. He hasn't worked but a month and a half out of 8 months. I'm sure it was designed to help the rails but let us find a better way than "human sacrifice" which is just what this section 15a(3) has brought about. When whole sections of the trucking industry is fed to this "iron monster" as a tonic, you can imagine the thousands of people going without proper medical care, food, schooling, and many other necessities. My husband worked for ATI, Wixom, Mich., for 8 years. Now he's unemployed. Would you correct this situation while there is still time. May God lead you in your work.

Mrs. EULAS HEARST.

NEW HAVEN, IND., *March 22, 1961.*

Senator GALE W. MCGEE,
U.S. Senate Building,
Washington, D.C.

Honorable MCGEE: The proposed amendments of section 15a(3) were read to us at the last meeting of the Truckaway Wives (National), Inc. We are all in favor that the amendment be enacted.

I am the wife of a truckdriver hauling piggyback trucks. If we do not get some legislation soon to stop the railroads on objectionable rates because the ICC has permitted it, and delay hearings to prevent it, my husband will soon be among the many thousands now out of work. It will mean he will be too old to get another job and too young to retire. It will also mean he will not have health insurance or his pension fund.

He is only one of thousands in this predicament. Like an unbroken chain letter this situation goes on to affect the welfare of the whole Nation. Filling station, motels, restaurants, hotels, tire industry, truck manufacturing, repair shops, and every taxpayer in the Nation will soon feel "the squeeze."

In 1959 total revenue from motor fuel, vehicle registrations, and motor carrier taxes was $5.1 billion. If this source is shut off it will be taken from the taxpayer's pockets.

We also feel that President Kennedy is making a grave error to ask for an increase in tariffs on trucks. They are already overburdened. This bill should be voted against. I would appreciate hearing from you about this, as to your ideas and what if anything is being done about it.

We are a group of women who have organized to get some legislation for our husbands who are still left in the trucking industry, and to help put those back to work who are laid off through no fault of the companies where they worked. In just a few weeks this organization has grown into a national thing. It is nonunion, nonpolitical. I assure you there is going to be thousands of women who will be well informed as to how those holding offices have voted by the next election, we in turn are educating our husbands as we learn who is doing what, many of them are already attending our meetings as guests to get information. We have already decided come next election to vote for what a man has done not what his politics are.

Yours sincerely

WILDA WEIST.

PITTSBURGH PLATE GLASS CO.,
Cheyenne, Wyo., April 3, 1961.

Re hearing on piggyback hauling by the railroads, Cheyenne, Wyo., April 10, 1961.

U.S. Senator GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: Attached is a copy of a letter I have just written on the above subject. Our position is very clear in that the Government has asked the railroads to become competitive. Now that they are, they should be allowed to remain competitive. We have weakened our domestic basic industries too much already.

Yours very truly,

V. B. SPRING, *Manager.*

APRIL 3, 1961.

Re Senate hearing on piggyback hauling by railroads, Cheyenne, Wyo., April 10, 1961.

SUBSURFACE TRANSPORTATION COMMITTEE,
INTERSTATE AND FOREIGN COMMERCE COMMITTEE,
Senate Office Building, Washington, D.C.

GENTLEMEN: I am writing you this letter expressing our opinion as a user on the above problem and trust you will make it a part of the above proceedings.

Pittsburgh Plate Glass Co. operates a warehouse in Cheyenne, not on rail trackage, at 2010 East 13th Street. We employ on the average of 25 people the year around at this location. We have a great many of our shipments delivered by piggyback as we combine the lower rail rate with delivery to our door. The savings to us over full truck rate or in full rail rate are considerable, considering we are not on trackage.

With the competitive situation we are faced with, we must take full advantage of any savings possible if we are to remain in business. May I call your attention to the statement of Mr. Robinson F. Barker, vice president, Pittsburgh Plate Glass Co., before the U.S. Tariff Commission hearing on sheet glass, March 15, 1961.

Yours very truly,

V. B. SPRING, *Manager.*

UNION PACIFIC RAILROAD,
Cheyenne, Wyo., March 7, 1961.

Hon. GALE W. MCGEE,
U.S. Senate Office Building, Washington, D.C.

DEAR GALE: I telephoned you last week and in your absence, talked to Mr. Joe Davis about a report we had in connection with the possibility of Senate committee hearings as a result of the action of the Teamsters in protesting railroad piggyback service.

I would appreciate very much your office advising me in the event hearings are arranged, especially date of hearing in Wyoming. I would also appreciate a copy of any bill that might be introduced to, in any way, change regulations affecting piggyback service.

Mr. John Loomis sent you the Association of American Railroads' circular, "Fallacies About Piggybacking and the Facts," which I believe well outlines the railroads' viewpoint and I hope will be helpful for your information and file.

I find because of the action of the Teamsters, the railroaders in this area are showing increased interest in this matter of piggyback service. Attached is an article by the Railroad Yardmasters of America, which seems to explain the railroad labor viewpoint. The attached editorial also raises a good question.

With kind personal regards,

Sincerely yours,

C. E. ASTLER.

[From the Wyoming State Tribune, Mar. 6, 1961]

THE FIGHT ON PIGGYBACKING

On the basis of some contracts already negotiated, Jimmy Hoffa's Teamsters Union will collect $5 from the shipper for each truck trailer carried piggyback on the railroads.

It is a measure of just how tough Hoffa is going to be in his all-out battle to halt the rapid growth of piggybacking, a combination developed by railroads that utilizes the truck from the shipper to freight yard and the steel rails instead of the highway for city-to-city haul.

The device is taking a lot of business away from the truckers. It seems like a fair turnabout. For years on end now the truckers have been taking business away from the railroads, in wholesale lots.

It's competition, with a capital "C." But Mr. Hoffa is going to try to wreck it—not by becoming more competitive—but by exacting fees, or by legislation, or by some other means.

Think a bit about that $5 fee business. How that idea can spread if it takes root. The barber could collect each time we shave ourselves. The restaurant could bill us for every meal we eat at home. The cabdrivers could nick our pocketbook every time we drive the family car downtown.

We would be there too, with our hand out, every time a potential reader takes some news—dug up by the newspapers—off the radio or TV.

[From the Railroad Yardmaster, January–February 1961]

BRIEF COMMENT BY OUR PRESIDENT—RAILROAD YARDMASTERS OF AMERICA

Piggyback has been the means of returning to the rails a very considerable amount of traffic more recently transported over the highways by trucks. Old records show this sort of thing was used long before there was such a thing as a motorized truck, or concrete highways upon which to operate such motorized vehicles. The Teamsters Union through the magazine the International Teamster has been making a great fuss about the adverse effect on its membership of the return of this traffic to the rails. The union acknowledges the growth of piggyback to be "fantastic" and, correctly, that it is on the increase, and, we add, properly so.

In their attack on the railroads in this matter, the Teamsters do not tell the entire story by any means. They do not of course say that this movement of new automobiles, for example, was formerly railroad business, and that the truckers actually caused it to be diverted to them from the railroads by way of changes in rates and service, which is the very means by which the railroads have gotten the business back to the rails.

Fair competition in meeting the needs of shippers and bringing benefits to the public is what has resulted in this increased business for the railroads and there is not any sense to the barrage of propaganda by the Teamsters that piggybacking is uneconomical. On the contrary, this is simply a selfish attitude on the part of that union which is asking—demanding rather—that the Government impede transportation progress. It all boils down to a question of who is giving way and under rates bearing the approval of the Interstate Commerce Commission the appropriate authority.

The Teamsters Union is not facing up to the economical facts of this highly competitive age when it seeks to pressure Congress and the Interstate Commerce Commission into holding back transportation progress by imposing artificial restrictions against moving this traffic on the railroads. All forms of transport should have equal freedom to compete for the transportation business of our country.

This attitude by the Teamsters Union is a direct attack on the jobs of railroad men. This service provides traffic and gives more work for railroad employes. The Teamsters Union is trying to wipe out this railroad employment. It is urging its members to put pressure on Congress to pass legislation that would curb this competition. But this improvement, this progress in railroad transportation by the use of improved freight equipment gives the shipper what he wants and it gives it to the shipper at rates arrived at under fair competition.

Naturally no one wants to see employees lose their jobs, but it is an indisputable fact that over the years railroad employes have seen their jobs dwindling because of decline in freight traffic resulting to a considerable degree directly from the loss to the trucks of this traffic which is, at last, being returned to the rails and now when our better service to meet the needs of the shippers brings this once-lost traffic back to the rails, railroad employees can properly (and should) stand up and challenge any unfair criticism directed to the railroad service they are providing for these satisfied shippers.

Railroad employees in all parts of the country have an obviously direct interest in this situation; many of their jobs are at stake and they should not hesitate to let their Senators, their Representatives in the House, their Governor, legislators and other public officials know the facts in this situation.

We send directly to our membership additional information on this subject, one that is vital to their welfare.

LARAMIE, WYO., *March 9, 1961.*

SENATOR MCGEE: I am against Mr. Hoffa's attack on the railroad piggyback service.

This business was railroad business for many years, so why should he complain when we are trying to get the business back on rails again.

The railroads should be allowed to compete and not be restricted by so many regulations that prevent it.

Other carriers are not paying their fair share of taxes now, that enable them to operate on our highways.

BILLY BROWN.

RAWLINS, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: As a railroad employee, I am very much concerned with the campaign being conducted against railroad piggyback service.

I believe that wherever railroads can move automobiles or other goods more efficiently and economically than trucks do, they should be given every opportunity to do so, not only in piggyback service, but in all other areas as well.

Railroads should be free to compete for their share of the transportation business without being subject to discrimination.

Your support to this end will be appreciated.

Very truly yours,

W. H. FORD.

RAWLINS, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: As a railroad employee, I am very deeply concerned with the current campaign being conducted against railroad piggyback service.

Railroads should be free to compete for their share of the transportation business without being subject to discrimination. Wherever railroads can move automobiles or other commodities more efficiently and economically than trucks do, they should be given every opportunity to do so.

Your support in defense of railroad piggyback service will be appreciated.

Very truly yours,

VIOLET M. RADAKOVICH.

RAWLINS, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: I am a railroad employee, and I am very much concerned with the current campaign being conducted against railroad piggyback service.

Railroads should be free to compete for their share of the transportation business without being subject to discrimination.

I would appreciate anything that you can do to help the railroads retain and develop this piggyback service.

Very truly yours,

C. H. JOHNSON.

EVANSTON, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: I have worked for the railroad for the past 25 years, and I am deeply concerned with the current campaign being conducted against railroad piggyback service.

I would appreciate anything that you can do to help the railroads in keeping and developing this service.

Very truly yours,

J. I. MCPHIE.

RAWLINS, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: As a railroad employee, I am very much concerned with the current campaign being conducted against railroad piggyback service.

I believe that the railroads must be free to compete for their share of the transportation business without being subject to discriminatory laws. If railroads can move automobiles and other goods more efficiently and economically than trucks do, they should be given every opportunity to do so, not only in piggyback service but in all other areas as well. The general public and everyone will gain.

Your support in defense of railroad piggyback service will be appreciated.

Very truly yours,

W. F. CONNER.

RAWLINS, WYO., *March 10, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR MR. MCGEE: I cannot understand why, in a country like ours, built up under a democratic system of government and competitive basis of business, business from the smallest one-man stand to our giant industries have slid back to where they all want legislative action against competition.

In the case of our railroads, this type of legislation has been the major cutback in employment, along with automation or pushbutton type of railroading. In the past 20 or more years, the railroads have been kept out of direct competition by this type of legislation and redtape. I feel that the railroads should

be permitted to compete with all types of transportation, especially when such transportation is operating under Government subsidy.

In the piggyback case, the railroads have not only saved the public millions of dollars by preventing accidents on the highways already crowded by big trucks, but have, in fact, saved many lives by transporting the trucks on trains to their destinations. This can be proven by checking all the accidents on our highways today; there is usually a truck directly or indirectly involved.

I believe that letting the railroads compete will give many of the men with 20 or more years' seniority, now cut off, a job.

At this time I wish to thank you on your stand on our wilderness bill. I would also like to see you sponsor a multiple-use bill for our public lands now under Bureau of Land Management. Their interpretation of multiple use at present seems to be two or more grazing leases fenced to discourage and confuse the public as well as game.

Yours sincerely,

H. L. TREJO.

WYOMING STATE LEGISLATURE COMMITTEE,
Laramie, Wyo., March 8, 1961.

Hon. GALE W. MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SIR: I understand that the Teamsters Union is asking the Interstate and Foreign Commerce Committee of Congress for hearings to curb the railroads of the country, in their piggyback operations, of automobile transportation.

I believe their main objections to piggyback operations is that they will lose several thousand jobs, but they do not take into consideration the amount of railroad men that have lost their jobs through automobile transportation by truck transport.

I believe that the railroads should be allowed to compete, at least on equal basis, with the trucking industry and under the free enterprise system, are entitled to all the business they can get.

Will you please support the railroads, and railroad labor, on any hearings, or legislation tending to curb the piggyback operation that has or will come before Congress.

Very truly yours,

CECIL M. CALDWELL,
Secretary-Treasurer.

RAWLINS, WYO., *March 9, 1961.*

Hon. GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SIR: As a railroad employee, I am very much concerned with the current campaign being conducted against railroad piggyback service.

I believe that railroads must be free to compete for their share of the transportation business without being subject to discriminating laws. Wherever railroads can move automobiles or other goods more economically and efficiently than trucks do, they should be given every opportunity to do so.

I would appreciate your support in defense of railroad piggyback service.

Very truly yours,

W. R. TUEL.

EVANSTON, WYO., *March 9, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: As you know, I am a railroad employee, and former union representative, and am much concerned with the current campaign being conducted against railroad piggyback service.

Railroads should be freed of the discriminatory rates in ICC regulations; whenever they are able to move commodities at a cheaper rate than other forms of transportation, they should be allowed to do so. The general public and everyone gains.

The future of the railroads is at stake, and any support in defense of laws to permit railroads to compete with other forms of transportation will be appreciated by me and my coworkers.

Kindest personal regards,

J. W. STONEBRAKER.

RAWLINS, WYO., *March 9, 1961.*

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: As a railroad employee, I am vitally interested in the campaign being conducted against railroad piggyback service.

I believe that wherever railroads can move automobiles or other goods more efficiently and more economically than trucks do, they should be given every opportunity to do so, not only in piggyback service, but in all other areas as well.

Railroads must be free to compete for their share of the transportation business without being subject to discrimination.

I therefore respectfully solicit your support in defense of railroad piggyback service.

Very truly yours,

MAY MCFEETERS.

LARAMIE, WYO., *March 7, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: As a railroad man and a private citizen, I want you to know that I and my family are definitely against Mr. Hoffa's attack on the railroad piggyback service.

For many years the railroads had this business of hauling automobiles, etc., and I have seen many jobs lost because this business was lost to other carriers, some due to the fact that the railroads have been shackled by unfair regulations that permitted other carriers to obtain this business; now, because the railroads are back in competition, they are calling on the Government for help; I believe in free enterprise and competition and if the railroads can deliver and haul this material at a more economical and faster service I believe they should be allowed to do so, at least let them compete with other carriers in a fair manner to everyone.

I don't believe the other carriers are paying their fair share in taxes as compared with the railroads, who have to maintain their own highways, stations, etc., where the other carriers operate on highways maintained by your taxes and mine, and I think this is unfair.

I urgently request that you do all in your power to see that the railroads are given a fair shake and be allowed to compete with other carriers in a fair and equal manner. After all, I have to work and pay my taxes also.

Sincerely yours,

CLEO G. WARD.

GREEN RIVER, WYO., *March 6, 1961.*

Hon. GALE MCGEE.

SIR: I would like to bring to your attention the vicious attack Mr. Hoffa is conducting on the newly developed service namely piggyback hauling.

No one has ever did any good for our country by standing in the way of progress, be it missiles or a form of transportation.

We the people of Wyoming have faith in you to render good judgment or we would not of elected you to your present position.

I am sure you would like to hear the voice of the people you represent.

Mr. James Hoffa should heed the words of President Kennedy's inaugural speech about those that ride to power on the back of a tiger.

I for one urge you help take action to hold Mr. Hoffa in check and not let his doubletalk and threats bring any bearing on your decision and judgment.

Yours sincerely,

K. D. MORGAN.

CHEYENNE, WYO., *March 4, 1961.*

Hon. GALE MCGEE,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR: I am writing to you at this time concerning the current controversy prompted by publications of the International Brotherhood of Teamsters. This is opposed to modern means of transporting automobiles by rail rather than on highway trucks.

As you are aware, after the Second World War, the railroads lost a great majority of this business because the highway carriers delivered a more desirable service. This was a contributing factor in the great loss of employment in the railroad industry. And this traffic remained with the highway carriers as long as there was nothing better for the patrons of American transport.

Now again through the advancement of technology and through the American form of freedom in business enterprise, these patrons in transportation are having a choice in shipping their product in a more modern manner which still offers the carrier a chance to make a profit. I feel certain that you will agree that in our country there should be no penalty to a person or a company for choosing to use one form of transport over another any more than you or I should be penalized for our purchasing one item in favor of another.

The officers and membership of the IBT have charged our Interstate Commerce Commission and railroad management of being partners in bringing hardship upon the trucking industry. This is not a fact. We are still privileged in this country to have functional laws, integrity in government, and generally good management in business. I feel that if the railroads in regaining this automobile traffic had violated any law, then certainly, being regulated to the degree that they are, they would have been instructed to cease any practice which violated the law. However, from what I read, the IBT would disregard the rate provisions of the Transportation Act of 1958 and have the ICC order and maintain "umbrella" rates to protect their interest at the expense of the patron and others in the transportation industry.

I am pleased to have this opportunity of registering with you my opposition to any restrictions of the railroad industry being asked by the IBT and would ask you to support only a position of furthering complete freedom to compete for America's transportation dollar by those industries in the transportation business.

Sincerely yours,

LAWRENCE R. THORNOCK.

CHEYENNE, WYO., *March 3, 1961.*

Hon. GALE MCGEE,
U.S. Senator, Wyoming,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: As a former student of yours and graduate of the University of Wyoming, it is with pride that I can address this to you, a member of the Senate Committee on Interstate and Foreign Commerce.

Having an employment relationship in the administrative department of one of the Nation's finest class I railroads, it is with growing concern that many of our people view our position in relation to that of the heavy trucking industry and the methods used by it in absorbing all the practical advantages of Federal rules and regulations. In the past months, the railroads of this Nation have been fighting to regain lost traffic against almost overwhelming odds. To anyone who has not given particular attention to the situation, there probably appears to be no apparent problem; however, with little research one can notice how railroad service has been curtailed with the resultant shrinkage of payrolls during the past 10 years.

Since railroads are public utilities their activities, as you well know, are almost entirely policed and controlled by the Interstate Commerce Commission. It is understandable that the Commission also governs policies of the other modes of public transportation in a like manner and is, therefore, the recipient of criticism from all who are so governed. Be that as it may, when enough pressure is brought to bear upon this body, it is bound to be influenced and we feel that a great amount of pressure will be applied in the near future by the Teamsters Union along with some small trucking firms. Their prime target will be piggyback trailer hauling by the railroads of America.

With the passage of the Transportation Act of 1958 there has been noticeable progress made in the developing of more competitive freight rates and schedules which are all for the benefit of the consumer. In keeping with new developments for achieving better service at lower costs, the railroads of America have introduced piggyback service. Briefly, piggyback means transportation of truck trailers on railroad flatcars. This new service has met with enthusiasm and is growing bigger and better with every passing day.

Quite naturally, the removal of trucks from the Nation's highways is rapidly becoming a thing of great concern to the Teamsters. Undoubtedly, they will agitate Congress and the ICC for assistance. They have enjoyed their success in the past by absorbing traffic that was originally hauled by rail and it will take little imagination to see what the reaction will be now that the "shoe is on the other foot."

Mr. Senator, we who are employed by the Nation's railroads, implore you and your constituents, to respect the rights of free competition. Do not be falsely impressed by claims that the piggyback rail hauling service is wrong. The railroad system in America has been suffering long enough to allow other so-called infant industries to get on their feet.

We will all appreciate your highly respected support in consideration of this matter.

Yours very truly,

THOMAS J. HIX,
Statistician, Union Pacific.

DENVER, COLO., *March 6, 1961 (Received).*

Hon. GALE MCGEE:

I am an employee of the Union Pacific Railroad here in Denver, and being the U.P Railroad serves Wyoming, I selected your name on the Senate Committee on Interstate and Foreign Commerce to write to.

I have read with alarm several articles, the gist of which deals with the Teamsters Union and their plans to curb, if not eliminate, the piggyback service the railroads of the United States are now giving to their shippers. I have 14 years railroad service, and know what it means to be laid off. I am proud to see the railroads of this Nation wake up, go out after the freight business, and give the shipper excellent service tailored to his requirements. When the trucking business expanded, it took away from the railroads a lot of the freight they had previously handled. The railroads, due to loss of revenue, laid off many men, and now when the railroads want to compete for the business, the Teamsters cry "unfair." Let's give the railroads the "green board" and I say, the more piggybacks the better. Clear our highways of the trucks.

Sincerely,

MAURICE L. KUNDE.

TORRINGTON, WYO.,
March 3, 1961.

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: Being aware of the pressure being brought to bear on our Congress by the Teamsters Union regarding their attempt to outlaw our so-called piggyback transportation of automobiles and other kinds of freight, I would urge you to do your utmost to keep this business on the rails and off the highways. This type of commodity originated with the railroads and it rightfully belongs to them and not to the trucking industry.

I am sure you will let your better judgment decide which is best for our country.

Respectfully yours,

CARL E. HANSEN.

UNION PACIFIC RAILROAD CO.,
Pine Bluffs, Wyo., March 3, 1961.

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SIR: We wish to fight the Teamsters Union headed by Mr. James Hoffa who is fighting the railroads. Because the Teamsters don't install and maintain our highways through our great State of Wyoming.

And the railroads must and do install and maintain their own rights-of-way. Why, then, should not the railroads be allowed to compete for their share of the transportation business without being subjected to unfair attacks by the Teamsters and biased regulatory agencies who permit their competitors to invade the field of transportation unfairly and tear up our public highways which the railroad tax dollar must help to maintain.

Many thousands of rail jobs have been eliminated by the growth of trucklines. The railroads have already suffered from burdensome regulations which permits them, in many cases, from enjoying their inherent advantages.

That is why we are writing to you sir on account our jobs are in jeopardy if you let Mr. Hoffa fight the railroads of our Nation and Interstate Commerce Commission. So fight this man against any Government assistance to his union the Teamsters. We are depending on your representation on account we cannot fight him ourself. So fight and fight him.

Respectfully yours,

A. E. McCabe, E. T. Wolfert, J. H. Smith, R. E. Sayers, J. R. Sayers, C. A. Wise, W. F. Behrends, Murrin Keenan, C. F. Kohli, P. D. Medina, Max Roa, Francis Spier, Jesse Villegas, J. R. Walker, Lester Wood, H. P. Garcia, Jr., R. S. Haines, R. D. Wood.

CHEYENNE, WYO., *March 7, 1961.*

Hon. GALE W. MCGEE,
U.S. Senator,
Washington, D.C.

DEAR SENATOR MCGEE: As a citizen and taxpayer, as well as railroad employee for better than 30 years, in the States of Nebraska and Wyoming, I solicit your help to oppose the Teamster Union efforts to destroy piggybacking on the Nation's railroads.

Obviously the railroads are merely showing once again that they are the backbone of our Nation's transportation service and that the awesome efficiency of the steel wheel on steel rail is unbeatable. But along comes the Teamsters' Union and some trucking companies with a massive attack on this modern service.

We have seen many hundreds of rail jobs in the State of Wyoming, which are so important to the economy of this State, eliminated by the growth of the truck lines. We are now regaining some of the business that we lost, by our own efficiency and aggressive effort of the railroad workers doing a superb job of providing efficient and economical transportation under management that seeks new business under competitive conditions.

The railroads must and do install and maintain their own rights-of-way. Why then, should not the railroads be allowed to compete for their fair share of the transportation business without being subjected to unfair attacks by the Teamsters, who in my opinion are invading the field of transportation unfairly and tear up our public highways, which the railroad tax dollar must help to maintain.

I trust I may depend on you to assist in any means at your command to the end that we may be assured of safe, economical, and efficient transportation in this State as well as the Nation.

Sincerely,

E. L. COCHRAN.

(The following communications were subsequently submitted for the record:)

STATEMENT OF T. V. BREITENBECK, TRAFFIC MANAGER OF THE NATIONAL AUTOMOBILE TRANSPORTERS ASSOCIATION

My name is T. V. Breitenbeck and I am traffic manager of the National Automobile Transporters Association, with its principal office at 1616 P Street, NW., Washington, D.C. My own office is located at 2356 First National Building, Detroit, Mich. This is a nonprofit association, composed of voluntary members who are engaged in the transportation of automobiles and other motor vehicles under certificates of public convenience and necessity or permits issued by the Interstate Commerce Commission. With few exceptions these carriers are not authorized to transport any other commodities and must rely entirely upon automobiles to meet their cost of operation and provide a reasonable profit. At the

recent hearing in Cheyenne, Wyo., April 10, 1961 there were various matters discussed which seemed to require clarification. They are as follows:

(1) When automobiles are transported by the railroads in piggyback service the rail car must return loaded with two empty trailers. Where bilevel or trilevel rail cars are utilized, these cars are not adaptable to other loading and, therefore, must be returned empty. Consequently, the revenue per car-mile on this traffic must be computed on round-trip mileage. Furthermore, the rail tariffs on piggyback service undertake to return the empty trailers and the published rates cover the round-trip movement of loaded trailers in one direction and empty trailers on return. Mr. Showalter presented an exhibit showing a movement from Proviso, Ill., to Cheyenne, Wyo., on piggyback service with a computed revenue of 66 cents per car-mile. However, this was computed only on the one-way mileage and the actual revenue is only 33 cents per car-mile. Similarly, where he showed revenue on trilevel service of 85.4 cents per car-mile, the true revenue is only 42.7 cents.

(2) The railroads attempted comparisons between rates on automobile parts and those on new automobiles which were equally misleading. The published rail rate on trilevel cars from Detroit to Los Angeles is $2,104 for the transportation of automobiles. These cars will load 15 compacts, and thus the rate is $150 per vehicle. Similarly, the published trilevel rate from Kansas City to Los Angeles of $1,704 produces a rate of $115 per automobile computed at 15 automobiles to a trilevel car. Apparently, the railroads utilize the boxcar rates on automobiles in making their comparisons, but this rate is meaningless because it does not move any automobiles. Actually, the existing rates on piggyback and trilevel cars produce no greater revenue to the railroads than the automobile parts and in many cases produce substantially less. We are reliably informed that some of the automobile manufacturers have already demanded that the railroads reduce their rates on parts to a level comparable with the depressed rates on automobiles, and this will result in a further unnecessary reduction in rail revenue.

(3) The initial effect of the selective rate cutting on automobiles by the railroads was to divert traffic from the motor carriers, but now the railroads are waging a competitive fight between themselves which is becoming increasingly severe. For example, initially a rather substantial quantity of automobiles were moved from Proviso, Ill. to Cheyenne, Wyo. via rail and thence via truck to final destinations in the West. However, other railroads have now published competitive rates via all-rail from Detroit to Oakland, Calif., Detroit, Chicago, and Kenosha, Wis. to various railheads in Montana, Colorado, Washington, Oregon, and several California points. The publication of these rates will divert most of the automobile traffic previously moving through Cheyenne and will dry up practically all of the revenue now accruing to the State of Wyoming from truck licenses, mileage and fuel taxes paid by the motor carriers who have been providing the connecting service at Cheyenne. This process of diversion from one railroad to another has already set in and it has now become clear that all of the railroads will unnecessarily suffer revenue losses as a result.

(4) The rail carriers themselves can see that they have already diverted approximately 1 million automobiles annually which previously moved via highway and make no secret of the fact that they are out to capture 70 percent or more of the automobile traffic. (For example see February issue of Modern Railroads, p. 53.) As a result, the motor carriers have already laid off more than 4,000 highway drivers in the past year, a reduction approximating 20 to 25 percent, and more than 5,000 automobile tractor-semitrailer combinations are idle. By comparison, the nature of railroad operations is such that most of this traffic is simply moved on existing trains and does not result in any added employment of railroad employees.

(5) The rates now being published by the railcarriers on automobile traffic moving either in piggyback or trilevel cars are generally abandoning the established principle of rates per hundred pounds. Instead, a flat charge per carload is being established regardless of the weight of the individual automobile or the total weight of the carload. In a recent proceeding before the Interstate Commerce commission it was shown that this results in revenues per car-mile on automobiles which are no higher than revenues per car-mile earned on bulk salt or coal. For example, from Detroit, Mich., to Jersey City, N.J., the rates on salt produce a carload revenue of $348, or 55.15 cents per car-mile, while the piggyback rate on automobiles is $334.50 for the movement of automobiles from Detroit to Jersey City and the return movement of the empty trailers.

This produces a rail revenue of 53 cents on the one-way miles but actually only 26½ cents on the total mileage.

(6) Traditionally, both the rail carriers and the Interstate Commerce Commission have recognized that many low-grade commodities such as salt and coal are not capable of bearing their fair share of the railroad overhead cost. Consequently, many of these commodities move at so-called out-of-pocket cost or slightly above. On the other hand, high-valued commodities such as automobiles are fully capable of meeting more than their statistical portion of the overhead cost and these commodities must make up the major portion of the rail overhead costs. Thus, within the United States the ratio of rail revenue to fully distributed cost in the transportation of automobiles has been almost double that of commodities such as coal and salt. However, cost studies which have recently been made on the automobile rates now being published by the railroads show that these rates are generally returning no more than out-of-pocket cost plus a portion of the overhead burden equal to that of low-grade commodities. While it is true that these low-grade commodities generally can be loaded much heavier to a carload than automobiles, this does not appear to offer any sound reason why a carload of a high-valued commodity such as automobiles should return no more revenue than that of such low-grade commodities as coal and salt. This is particularly true in view of the fact that the automobiles require a rail car 85 feet long compared with the low-grade commodities which use rail cars from 40 foot 6 inches up to 50 feet long.

(7) The railroads have attempted to argue that if they are required to raise their presently reduced rates on automobiles they would also have to raise rates on basic commodities such as wool, soda ash, wood chips, etc. This is clearly fallacious. As previously shown, all existing concepts of ratemaking recognize the value of service as an important factor and a commodity such as automobiles having a high value (in this case about $1 per pound) has traditionally carried much higher rates than that on low-valued commodities. Thus, automobile rates from Detroit have previously ranged from 75 percent of first-class upward while the selective rate cuts recently published by the railroads have reduced this level to approximately 20 to 40 percent of first-class, or substantially lower in the classification scale than commodities such as glass, pipe, graphite, paper, rough engine parts, castings, forgings, and many agricultural and forest products. These reduced rates on automobiles cannot possibly provide a proper return for such a high-valued commodity and cannot carry any substantial portion of the rail carriers' overhead burden which has been traditionally shifted from low-grade traffic to such high-valued commodities. Thus, it will be necessary to increase the rates on the low-valued commodities in order to carry this overhead burden which can no longer be carried by these extremely low rates on automobiles ranging from 20 to 40 percent of first-class.

(8) The growth of the motor carriers in the transportation of automobiles was not achieved through cutthroat ratemaking by the motor carriers. Obviously, having no other traffic to transport, these carriers had to make a profit on automobile traffic. The automobile manufacturers have repeatedly testified before the Interstate Commerce Commission that their substantial use of the motor carriers was because of superior service as compared with rail boxcar service and that they would pay a premium for truck service. These same manufacturers have recently testified that rail piggyback or trilevel service has none of the disadvantages inherent in boxcar service and is just as fast or faster than highway service. Consequently, the manufacturers state that the railroads have no service disabilities and they will pay no premium for truck service. Consequently, the railroads have no competitive necessity to undercut truck rates and when they publish piggyback or trilevel rates 30 percent or more under truck it is apparent that the purpose is complete diversion of truck traffic.

(9) While the motor carriers are willing to work with the railroads in a coordinated service, they see no reason why the motor carriers and the railroads should engage in cutthroat competition on such a high-valued commodity such as automobiles and for the benefit of automobile manufacturers who are well able to pay their fair share of the transportation burden. Where joint rates have been published, the motor carriers have generally received revenues comparable to that received in all-highway service. The motor carriers cannot subsidize automobile traffic by revenues on other traffic as the railroads are doing and the motor carriers cannot pass their overhead costs along to other commodities in the form of increased rates on such commodities.

I sincerely appreciate the opportunity to present this additional data and hope that it will clarify the rather confusing and misleading data that was submitted at Cheyenne.

STATE OF WYOMING,
THIRTY-SIXTH STATE LEGISLATURE,
HOUSE OF REPRESENTATIVES,
April 19, 1961.

I am Pete Zanetti, State representative from Sweetwater County, president of Zanetti Bus Lines, Inc. and Zanetti Riverton Bus Lines, Inc. I reside at 1000 Clark Street, Rock Springs, Wyo.

I wish to submit this statement to your committee as State representative.

I was present at your subcommittee hearing concerning piggyback, in Cheyenne, Wyo. April 10, 1961. The testimony and statements were very interesting, but the real issues, I feel were only touched. You repeatedly emphasized the important factors but I feel they were side-stepped by most of the statements presented.

To me the important questions are:

1. Is piggyback affecting the national economy of the United States, if so will it continue to do so in the future?

2. Is piggyback an attempt by the railroads to eliminate the trucking industry, by using lower rates and losing money, and covering their losses with the higher rates of other commodities? Then when the trucking industry is nonexistent apply for higher rates because of their low net profit on those items which they are hauling piggyback.

3. Are the saving on the lower piggyback rates being passed on to the shipper and/or the consumer? If not, who is taking advantage of this situation?

4. Is this a foot in the door for the railroads to enter into common ownership? It has been their desire to enter the trucking business for some time.

5. Is unemployment increased substantially as a result of piggybacking? Or is the railroads employment increasing to compensate for the unemployment of the truckers and associate businesses of the truckers?

6. Is the ICC permitting the rails to use lower rates, giving them an unfair advantage over the trucking industry, which is regulated as to size, height, weight, length, etc.?

7. Will our national safety be endangered resulting from a reduction of the trucking industry?

8. Are the railroads overtaxed as they claim?

Question No. 1. It definitely does affect the national economy, beginning with the auto transportation industry, which is at the present mostly affected by piggyback. Taking 20,000 trucks and trailers off the highway has not only layed off 20,000 truckdrivers, but has touched on practically every other segment of our whole economy throughout the United States. It has affected the Federal Government as far as revenue is concerned (fuel, taxes, taxes on tires, parts, equipment, etc.). State government has been affected in the same manner.

The unemployment has touched practically every field—service stations, mechanics, motels and hotels, eating establishments, tire manufacturers, parts manufacturers, truck manufacturers, steel industry; you can name every type of business which has been involved in unemployment.

Question No. 2. Is piggybacking an attempt by the railroads to eliminate competition and the trucking industry? It could be, by using lower rates until the truckers are out of business, then apply for higher rates.

Question No. 3. Are the savings on the lower piggyback rates being passed on to the shipper and/or the consumer? To date the savings have not been passed on to the consumer. The auto transport companies that are using piggyback today are making an exorbitant profit because they are charging the truck rate and are getting the lower piggyback rate. This saving is not passed on to the consumer even though the auto transportation truckers are dwindling out of the picture. The auto manufacturers have pretty well taken this over. They are making car delivery to the loading dock and contracting with the smaller auto transporters for unloading and delivering, still charging the regular truck rate, so the auto manufacturer in this particular instance is the one that is making the profit by piggyback or use of trilevel cars. Now this is just part of the trucking industry going piggyback. Let us look at the other forms of piggyback. Other commodity truckers, such as PIE, Consolidated, and other interstate truckers, are also charging regular truck rates to the consumer from point of origin to destination. A statement made by an employee of PIE was: "They can ship a trailer from Denver to Chicago and back to Denver for what it would cost to pay the drivers alone." Now if these savings were all passed on to the

consumer, by law, most of these piggybacks would automatically go back on the highways. If the truckers could only charge piggyback rates from point X to point X, while on the railroad there would be no profit for the trucker, whereas if he were running on the highway he would still be making some profit and he would undoubtedly put them back on the highway.

The interstate carrier other than the auto transports have said very little for or against piggybacking because—

(1) If they cannot charge any more than piggyback rates, while on the rails there would be no more profit, then they would be opposed. This is one of the areas they are afraid might be touched upon.

(2) They are not in favor of all five plans of piggyback. Some of these plans will allow the private carrier to ship piggyback. When the private carrier realizes he can save hundreds of dollars by shipping piggyback, he will do so. Companies such as Safeway, IGA, etc., who in most cases have their own tractors and trailers for making deliveries to their own branch stores from their warehouses, are in a position to ship piggyback rather than ship by interstate carriers. This would be disastrous to the interstate carrier. If private carriers go to piggyback the interstate carrier would be practically out of business.

Question No. 4. Is this a foot in the door for the railroads to establish common ownership? Several years ago the railroads attempted to get permission to put on their own trucks for loading and unloading their merchandise shipped by rail without having authorities of any type for their trucks. This was rejected. This might be another method for them to come in the back door and enter the trucking business. The piggyback has hurt many of the smaller truck operators; in fact, it has put a sizable number out of business. It is very possible for the railroads at such a time to take advantage of this situation and use the small trucker who is nearly out of business. Offer him a few thousand dollars for his authority, which would look good to a small trucker at the point of bankruptcy, thereby automatically putting the railroads in the trucking business.

Question No. 5. Unemployment: It is difficult to estimate the number of unemployed as a result of piggyback. The statement presented by the owner of the Oasis Service Station at Medicine Bow (a town of a couple hundred population) showed a decrease of almost 50 percent due to the reduced number of trucks on the highway. Now if this would affect a service station with a force of 25 to 30 employees, reducing it to 16 employees, what effect would it have on unemployment from coast to coast? This is only talking about service stations. The increase of unemployment of other concerns who are indirectly connected with the trucking industry would be enormous, because the trucking industry touches practically every phase of our economy.

The railroads have admitted, except for a few clerical workers, their employment has remained the same. I am not speaking for or against piggyback. I do know that if the savings from piggyback were passed on to the consumer, the figure would be enormous. If the savings were only $25 per automobile, with 4 million automobiles being hauled, $100 million would be put in the hands of the consumer, making it possible for them to spend for other commodities, therefore helping to stabilize the economy. It would also tend to create more employment.

I do know that there is no other industry in the United States that would hire more people than the trucking industry, because for every truck on the highway they must have a driver, for every 5 trucks a mechanic, for every 20 trucks a service station attendant, for every 25 trucks it means 1 more man for tire manufacturers, etc. The railroads add one more car to their train and employ very few more, as they have stated.

The railroads have complained about the trucking industry taking away their business, but if you look at their freight tonnage it has increased year after year regardless of the trucks, and through automation they have slashed their employment year after year.

Question No. 6. How the railroads use rate cuts to destroy trucking: The ICC permits the railroads to use lower rates, giving them an unfair advantage over the trucking industry because of these factors—the trucks are controlled by regulation, such as the length, width, height, and weight per axle. He is not allowed to pull double bottoms which would enable him to haul twice as much with one driver and tractor. He is hampered by underpasses because of the low clearance, so all in all the trucker is limited to what and how much he can haul. On the other hand, the railroads are not limited by regulation as to height, weight, etc. Auto transports are further restricted to the transportation of autos and other

motor vehicles and are not permitted to haul any other commodity. In most cases he can go loaded only one way because of this restriction.

The railroads are now asking for bids from the truckers in various States, for loading, unloading, and delivering the railroad-owned auto trailers. The reason being, the intrastate trucker is not regulated by the tariff, so he can actually cut rates within the State, therefore hauling for much less than the interstate carrier. The interstate carrier is bound by the tariff so he cannot bid and haul for less, even on the short hauls.

Question No. 7. Will our national safety be endangered as a result of reduction of the trucking industry? I know definitely it will because if the piggyback continues for a long period of time the tractors used for making short deliveries will not be maintained to make the long hauls. The tractors will not be replaced because on short haul jobs there would be no reason to replace with new ones. There would also be a large reduction of the number of tractors. In the event of a national emergency and our railroads were destroyed or traffic impaired, and the trucking industry had to start from scratch as we did in World War II, it could be disastrous.

Railroads are undoubtedly necessary and essential, but they are limited inasmuch as they can only haul to designated points. The trucks are vital because they can transport and serve areas which cannot be serviced by railroads. In time of war it would be virtually impossible to supply all parts of our country by rail.

Question No. 8. Railroads were built upon a foundation of land grants and enormous cash subsidies: They have never come close to repaying the debts to the Government through lower rates. Finally the Government wrote off the debt, because of railroads' cries of losing money and they were unable to pay the debt. The railroads are complaining of the enormous property taxes they are paying. They received the land free and if they don't want to pay taxes on the land there are thousands upon thousands of us who would like to buy this land for a nominal price and be happy to pay the property taxes. The railroads just don't want to sell the land. They can't have their cake and eat it too.

If we take the trucks off the highways, somebody will have to be taxed to build highways, so the only place we could do this is increase the taxes to the railroads.

The largest difficulty the railroads have is in their passenger service, where they claim to have been losing money for years. I cannot see where they are losing money on the passenger service when all pullman cars are on a rental basis according to revenue derived from the number of passengers hauled. If one-half of these cars were drawn up and down the rails empty, it would not cost them a dime. The initial cost of the engineer, fireman, etc., would still be the same if they pulled 1 loaded passenger car or if they pulled 20. Take a look at their freight profits; it more than takes care of the losses, if any, of their passenger service. Congress should not brush this off but should stop using the railroads' diagnosis and prescription for what ails them. The railroads are 20 years behind; they should be advanced to the point where they could be using the monorail type of service, for faster and more efficient service. They do not advance or progress unless they are forced to do so.

In conclusion, I ask that all angles of this situation be reviewed by the committee and given serious thought. We need the railroads, we need the trucking industry, we need more employment, we need security, we need competition. Thank you.

Sincerely yours,

PETE ZANETTI.

SETS AN EXAMPLE OF HIGHER PAY, LOWER COSTS

In these days when U.S. corporations are crying that they can't compete with European manufacturers because they pay higher wages, an Italian firm, the Olivetti Co., has come into this country to show American managements the errors in their ways.

There was a tipoff to the story recently when full-page newspaper ads in 98 daily newspapers announced a new line of Underwood typewriters. But the interesting details were supplied last week by the Machinist, weekly paper of the Machinists' Union.

When Olivetti bought control of Underwood in the summer of 1960, the company was dying on the vine. The 2,500 workers at its Hartford, Conn., plant had gone through a period of no pay hikes. There had been a series of layoffs.

Mobilizing some $51 million in cash and credit, Olivetti brought in new machinery and engineering techniques, streamlined operations, cut production costs by 30 percent, bolstered its service units in other U.S. cites.

Also, it signed agreements with the Machinists' Union for two 5-percent increases in wages and other benefits for its Hartford employees and stepped up the plant's work force to 3,300.

Ugo Galassi, president of Underwood-Olivetti, told the Machinist that the key to future success is a simple one: "Mass production. We won't make big profits. We'll make a little on each typewriter. * * *"

Pointing out that production costs in the United States will compare favorably with those Olivetti has in Italy and elsewhere in Europe, Galassi asserted: "It's not true that higher wages in the United States are pricing American products out of the world market."

He had something else to add, too: "You know, in Europe, there is less turnover. We don't lay off a man because inventories are too low. We like to talk about people value, instead of book value."

BURMAN CHEVROLET CO.,
Laramie, Wyo., April 7, 1961.

Senator GALE MCGEE,
U.S. Senate,
Senate Office Building, Washington, D.C.

DEAR SENATOR: I have been thinking about the quotation "dealers who utilize the piggyback system of transport are 'pocketing' the savings in freight rates and not passing them on to the consumer."

Who are your advisers? Don't you know that the dealer pays the factory cash before the new car ever leaves the factory including the freight?

Do you know about the Labeling Act on every new car? Do you know that we cannot specify how our cars are to be shipped?

Dealers surely are not "pocketing" very much of anything. The return on sales according to National Auto Dealers report for 1960—was about 0.05 percent on sales. That is less return than most chain grocery supermarkets. How many business lines do you know of operating on such a thin margin?

Why not take the shackles off Government regulations of the railroads and let them go after the freight business of all commodities on a basis of whichever carrier can give the best service at the best price? The railroads furnish and maintain their own roadbeds while the taxpayers maintain the highways. Maybe the trucks pay their share, but I don't know. I doubt it and we are in the business of selling trucks—so if we were selfish we would favor the trucks.

Let us hope Congress stays out of this fight and let the best service win out in the long run.

Yours truly,

ROSS BURMAN, *President.*

RIGGAN'S AUTOMOTIVE SERVICE,
Jackson, Wyo., April 6, 1961.

Hon. GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR SENATOR: Just a short note to give you my feelings on the hearing you are to hold in Wyoming next week.

As you know we have a flat-rate charge on all our automobiles from the company. It makes no difference if these cars are hauled by truck or the so-called piggyback, and then trucked to our location. It is our opinion that the means used by any company to deliver their product to their dealers should be left up to them as long as the said dealer is getting good service. It is my opinion that this is not a field where the U.S. Senate should be investigating as it is a good healthy game of competition, which is healthful to our way of life.

Thanks for letting me express my views and give my best regards to Senator Joe when you see him.

Very truly yours,

GARL RIGGAN.

UNION PACIFIC RAILROAD CO.,
Cheyenne, Wyo., April 19, 1961.

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.

DEAR MR. MCGEE: Although many men and women may not feel the "touch" of the railroad industry on their personal lives, I am certain you are in a position in the Government to accelerate your thinking and actions into the avenues and veins of participating in favor of Wyoming railroad peoples, whom I believe have established themselves longer and more thoroughly upon the soil of Wyoming than have others, with the possible exception of the cattle industry.

In the present distress of piggybacking, I feel very strongly that our Congress should not provoke any legislation against progressive extensions of transportation and especially against our four freedoms.

I am sure you will agree that if the railroad systems have found a means of transporting goods more efficiently, with speed and safety, it should certainly be up to the trucking industry to do the same.

Your efforts in supporting the railroad piggyback issue in our Congress will be a concrete boost for railroad families everywhere.

Yours truly,

CLARK S. KRICKBAUM.

CHEYENNE, WYO., *April 10, 1961.*

HON SENATOR GALE MCGEE: I had the pleasure of being in Cheyenne on this somewhat cloudy and dismal day. But watching the committee meeting held at the capitol building, I was somewhat relieved that at least something was really getting started on this piggyback method of transporting new automobiles across the country.

I would have been very happy to testify at this meeting, but I am not very good at speaking before such a large audience, but I think I can do better with pen and paper.

I am submitting a few pages with this letter to you, hoping that they may be included in the record of your meeting in Cheyenne, Wyo.

I also wish to thank you, for your interest in giving your time, to hear the story from both the railroads and the truckers.

I remain,

EDWARD J. WALSH,

Kenosha, Wis.

My name is Edward J. Walsh; my occupation, truckdriver.

I work for Kenosha Auto Transport Corp., located at Kenosha, Wis.

I own my truck, and I have worked for Kenosha Auto Transport Corp. for the past 13 years, transporting new automobiles from coast to coast. Up until August 1960 most of the new automobiles manufactured in Kenosha, were by the American Motors Corp., makers of Rambler cars, were shipped by the truck-a-way method.

In August 1960 American Motors Corp. decided to ship their Rambler automobiles by the piggyback method and all the Ramblers that go to the west coast are now shipped by rail piggyback 100 percent.

The drivers who were employed at the Kenosha yard have dropped from 890 drivers in 1960 to 203 drivers in 1961, or a loss of employed truckdrivers of 687. This is just at our terminal in Kenosha. In the other three yards located here, namely; (1) Arco Auto Carriers, (2) Speedway Transports, (3) Highway Auto Transport, there were over 1,000 truckdrivers, and most of these drivers own their trucks. These men were not called back to work this year, 1961.

Amount of Ramblers shipped by the railroad piggyback method, from Aug. 1, 1960, to Apr. 1, 1961, total 8 months

Six-car trailer loads per day	40
Six-car trailer loads per week	200
Six-car trailer loads per month	800
Six-car trailer loads for 8-month period	6,400
New autos shipped in this period	38,400

This I have watched very close, and these figures can be less than the actual number of new automobiles shipped in this period.

Cost of shipping by truck (minimum) per automobile	$220
Cost of shipping by rail piggyback per automobile	180
Difference in the two methods of transporting new automobiles, per car	40

Total savings by American Motors Corp. will be 38,400 automobiles at $40 per automobile or $1,536,000.

When the 1961 Rambler cars were introduced to the public, increase on all models was to the consumer from $20 up to $60 on all the 1961 Rambler automobiles.

Since August 1, 1960, when the 1961 models came out American Motors Corp. has not announced any drop in the consumers cost of Rambler automobiles, so, therefore, with the increase of new 1961 Ramblers plus the saving in transporting new automobiles by the rail piggyback method American Motors Corp. is surely way out in front with profits to the manufacturing and their stockholders only this amount is well over $3 million for the first 8 months production of Rambler cars.

Now, Senator McGee, let's take this same number of Ramblers shipped from Kenosha to the west coast area, which includes California, Oregon, and Washington, and compare with truck transportation method.

1. It takes 10 days to make a round trip to the west coast with a load of 6 new automobiles.

2. Forty loads per day means 10 days or 400 loads which means 400 trucks and drivers are necessary to move these loads.

3. The employment of truckowners and drivers at Kenosha yard of K.A.T. Corp. would have to be increased by at least 400 drivers.

4. The cost of each driver in making a round trip is as follows:

1. Cost of fuel (gas or diesel)	$200
2. 10 days' lodging (minimum $2.50)	25
3. 10 days' meals (minimum $3)	30
4. 10 days' driver's miscellaneous expense	20
Driver's expense per round trip	275

5. The total cost just for fuel, eats, and lodging represent $275 or $45 per car on each load.

6. This $275 is spent in at least 7 or 8 Western States, all along the route which is 2,172 miles one way, or 4,344 miles round trip, the driver stops at various gas stations, motels, restaurants, clothing stores, drug stores, etc., at which he spends a small amount of this expense at each stop.

7. The Savings American Motors Corp. saves on each new auto shipped by piggyback which amounts to $40 per car, will not go to the consumer but to the manufacturer and its stockholders only.

8. If these same Rambler autos were shipped by trucks then this $40 per car per load would be distributed across the Nation by the drivers on each round trip, then this money really gets back to the general public.

9. The savings by the manufacturer of Rambler autos which show to be $1,536,000 to American Motors Corp. and stockholders only.

10. The expense of truckdrivers for this same amount of $1,536,000 is distributed to the general public.

In summing up my report to you I have this to say: Sure we need the railroad piggyback, and we also need the trucking industry, but when one method of transportation is trying to destroy the other then I think something should be done.

Truckers on the highways are restricted to 50, 60, and 65 feet in overall length. On the other hand, the railroad piggyback trailers either bilevel, trilevel or piggyback are from 50 to 100 feet in length. This surely is not fair competition.

The truckers limit per load from Kenosha, Wis., consists of six Rambler autos, on 50-foot overall length.

The railroad piggyback carries 12 new Rambler autos on 88-foot rail trailers.

This is not fair competition; we truckers cannot possibly compete with this method of transportation. The only way we could have fair competitive transportation of new autos is that the rate which was approved by the ICC for this

method by the railroad piggyback of transporting new autos be on a more competing basis, than that which is now on a selective rate, which gives the railroad piggyback a very unfair chance to put all the car haulers or the truck-a-way companies completely out of business.

This has shown a large increase of unemployment wherever there is a truck-a-way company who is engaged in the auto transportation business.

In closing, Senator McGee, I wish to thank you and all of the members of the Interstate Commerce Commission who will help to straighten this problem, so both the railroads and the truckers will survive.

We all know that sometimes the railroads need the truckers, and also the truckers also need the railroads, so let's have a little harmony in the transportation business, and in the end, then maybe the consumer will benefit from both the railroads and the trucks.

Thank you again.

I remain,

EDWARD J. WALSH.

UNION PACIFIC DEPOT,
Cheyenne, Wyo., March 28, 1961.

Hon. GALE MCGEE,
U.S. Senator, U.S. Senate Building, Washington, D.C.

DEAR SIR: In reference to the attempt by the Teamsters Union to curb competition from the railroads by seeking to put a stop to piggybacking by congressional action: We, as railroaders, feel that we have been discriminated against ever since the first truck rolled down the highway. We have stood by and watched railroad jobs cut in half because we have been prevented from competing with the trucklines. At the same time, we have been paying heavy taxes to build and maintain highways strong enough to carry vehicles 50 times as heavy as our automobiles. And we mean paying through the nose, because 50 percent of the mileage on our cars is on city streets, not highways.

The Railroad Act of 1958 gave us our first incentive to regain our proper place in the transportation field. The long haul especially belongs to us and if Congress takes away the rights to compete in that field, they take away our rights as Americans.

Respectfully,

Employees of the Communication Department:

D. C. Martin, E. J. Zilo, Margie S. Huffer, C. M. Schubert, H. J. Anders, Evelyn George, E. J. McKinley, Ralph E. Gano, Jr., Bertha L. Slagle, L. S. Cashman, Jr., N. W. Nelson, N. T. Nuhu, Eunice M. Coonish, Mrs. Mary L. Kimmell, Leo P. Kremer, H. Gardner, and R. L. Green.

EVANSTON, WYO., *March 25, 1691.*

Hon. GALE MCGEE.

DEAR SENATOR: I have been reading about the Teamsters Union complaining about railroad piggyback taking jobs. The railroads had this business before and are getting it back again by giving better service. If they can handle autos faster at lower rates why should not the railroads have this business. At least it has kept many railroaders along the line in Wyoming working that might not be so otherwise.

We are asking that you give all the help you can on law changes that will give the railroads an equal chance.

Respectfully,

JOE C. SEITZ.

THE ORDER OF RAILROAD TELEGRAPHERS,
UNION PACIFIC RAILROAD CO., EASTERN LINES,
SYSTEM DIVISION NO. 6,
Carter, Wyo., March 28, 1961.

Re controversy over transporting automobile truck trailers on railroad cars.

Senator GALE W. MCGEE,
U.S. Senate, Washington, D.C.
(Attention Senate Surface Transportation Committee).

I personally feel that the step taken by railroads in our Nation to enter into this new form of transportation is merely a display of American ingenuity and free enterprise, which is the basis of our economy and national security. Free

enterprise, the parent of competitive industry, has always been responsible for a better product for the price.

In years past, before the advent of trucks of any size, railroads did all the long-distance hauling of freight. Through the years trucks have gradually drawn more and more freight traffic away from the railroads until the present, where trucks pose as a major competitor. Rail freight traffic lost to the trucking industry was lost without much opposition by the railroads, yet trucks are hauling the very commodities hauled by railroads. Now when the railroads make a bid to haul autos loaded on truck trailers the truckers complain bitterly.

Would like to call to your attention the fact that automobiles were transported by rail many years before trucks entered the picture. Also to the fact that the trucking industry recognizes the new method of transportation as being attractive, otherwise how do the truck trailers loaded with automobiles end up on railroad flatcars?

We should not overlook the value of this type of transportation in time of national emergency. It's something that has never been tried before but it's working out well for the consumer or it would not have been continued. The vast number of vehicles that could be transported in this fashion would be of great military value. A trainload of vehicles, for instance leaving Omaha, would arrive in Los Angeles in just a few short days ready for the tractors or trucks to couple to the trailers and deliver. A trainload. It's hard to visualize individual trucks on the highway to meet this demand.

For reasons stated, I respectfully urge you to support this method of transportation.

Yours truly,

JESSE R. BARTLETT.

LAW OFFICES OF CORTHELL AND KING,
Laramie, Wyo., April 12, 1961.

Hon. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCGEE: As a member of the Senate Committee on Interstate and Foreign Commerce, you will, I am sure, appreciate an expression of the views of a constituent with respect of the current campaign by the Teamsters' Union for legislation to discourage so-called piggyback shipments.

It is my opinion that the piggyback device combines the advantages of rail and truck transportation, to wit: the economy, speed, and dependability of transportation by rail, and the convenience and flexibility of truck shipment. The Nation's shippers and consumers are, I submit, entitled to the most efficient and most economical system of transportation of goods possible in our society. The legislation sought by the Teamsters' Union would, in my view, deprive the country of the advantages referred to, solely for the purpose of satisfying the interests of the Teamsters.

Kindest personal regards.

Very truly yours,

JOHN A. KING.

BROTHERHOOD OF RAILROAD TRAINMEN,
LODGE NO. 763,
Casper, Wyo., April 8, 1961.

SUBCOMMITTEE ON SURFACE TRANSPORTATION,
In care of Senator Gale McGee,
Capitol Building, Cheyenne, Wyo.

SIRS: A great amount of interest has been generated here in Casper, Wyo., among members of railway labor groups and the general public on the piggyback question which has resulted in a congressional hearing at Cheyenne, Wyo., scheduled for April 10, 1961.

It has been reported that Consolidated Freightways are planning quite extensive piggyback shipments from Chicago to Casper en route to the northwestern part of the United States. It is apparent that Consolidated and other motor carriers view these operations as a savings in costs and this could result in lower rates being passed on to the public.

It is our contention that if the railroads can haul their various types of merchandise at a more economical and realistic price for the consumers, the consumers are entitled to such savings.

Some figures which are worth thought are those released by the Railway Age magazine which to our knowledge have not been disputed: Railroads show 192 ton-miles for each gallon of fuel expended as compared to trucks which show 55 ton-miles for each gallon of fuel used. Railroads produce 988,659 ton-miles for each employee while trucks produce 172,165 ton-miles for each employee. These would be important figures to consider in a wartime economy or situation. According to the U.S. Labor Department the productivity of the railroad workers is the highest in the Nation.

James Hoffa, president of the Teamsters, has a desire to restrict the railroads in the movement of freight on the railroad systems of America so some 20,000 truck drivers can have jobs. It is our contention that by the use of piggyback form of shipping various commodities the railroads are only getting back some of the business that was formerly hauled on the railroads of this Nation. The railroads have around 400,000 employees presently laid off on account of the loss of business to trucking and other forms of transportation that are being subsidized by the National Government. The Government builds the highways for the use of trucks and buses to compete with the railroads. By the same token the Government builds and maintains airports and landing fields so airplane transportation companies can compete with the railroads. The railroads have built their own lines, must pay taxes on their installations and maintain them at great cost. They have had no handouts from the Government.

With our tremendous increases in population resulting in ever-increasing numbers of motor vehicles using our highways, it would seem that as much as possible of our freight shipments be moved by rail. Piggyback operations are one method in which this can be done to alleviate a most serious problem.

Because of the interest you have shown in the welfare of the railroad workers and our problems, we felt we could call upon you once more to protect our interests in pending legislation. We know you will give this your attention and we are most grateful to you for all you do in our behalf.

Respectfully,

L. F. NICOLA,
Local Chairman,
Vice General Chairman, BRT, C.B. & Q. RR.

BROTHERHOOD OF RAILROAD TRAINMEN,
LODGE NO. 763,
Casper, Wyo., April 6, 1961.

SUBCOMMITTEE ON SURFACE TRANSPORTATION,
Care of Senator MCGEE,
Capitol Building, Cheyenne, Wyo.

SIRS: A great amount of interest has been generated here in Casper, Wyo., among members of railway labor groups and the general public on the piggyback question which has resulted in a congressional hearing at Cheyenne, Wyo. on April 10, 1961.

It has been reported that Consolidated Freightways are planning quite extensive piggyback shipments from Chicago to Casper enroute to the northwestern part of the United States. It is apparent that Consolidated and other motor carriers view these operations as a savings in costs and could result in way of lower rates for the public.

Some figures which are worth thought are those released by Railway Age magazine which have not been disputed to our knowledge: Railroads show 192 ton-miles for each gallon of fuel used as compared to trucks which show 55 ton-miles for each gallon expended. Railroads produce 988,659 ton-miles for each employee while trucks produce 172,165 ton-miles for each employee. These would be important figures to consider in a wartime economy or situation.

With our tremendous increases in population resulting in ever-increasing numbers of motor vehicles on our highways it would seem that as much as possible of our freight shipments be made by rail. Piggyback operations are one method in which this can be done to alleviate a most serious problem.

We respectfully submit the above statement for your consideration at the hearing in Cheyenne.

Respectfully yours,

A. KOZAK, *Secretary.*

GREEN RIVER CHAMBER OF COMMERCE,
Green River, Wyo., April 7, 1961.

Hon. GALE MCGEE,
U.S. Senator, Senate Office Building, Washington, D.C.

MY DEAR SENATOR: With reference to the trucking industry engaging in a full scale campaign to curb railroad piggybacking through legislation.

For many years the railroads have been handicapped by legislation to explore the transportation field and as a result their traffic has declined and many railroad employees have lost their jobs and security. The Transportation Act of 1958 has given the railroads an opportunity to recapture some of this traffic that was lost to the trucking industry; namely, the automobile traffic, and some of this traffic is again moving on the railroads because under the 1958 Transportation Act the railroads were given the right to haul automobiles in piggyback service.

The railroads always have been the backbone in any State, our Nation, and communities, especially in this great State of Wyoming. I feel that the people in Wyoming owe much to the railroad industry for developing our natural resources and in the southern portion of our State the railroad is contributing a large amount in taxes because of the large investments. The trucking industry to my knowledge has very little invested, especially the transcontinental lines; their contribution in taxes is very little compared with the railroads, but still the trucks have the privilege of using tax-free highways. Here in Green River the truckers have nothing invested nor do they employ any permanent people here and yet they deliver 60 percent of l.c.l. merchandise into Green River because the railroad cannot compete with the trucklines due to ICC regulations.

I feel that the trucking industry should come under the same ICC regulations that now govern the railroads, equalize regulation, grant railroads the same opportunity others have to use the highways, waterways, and air facilities which rail taxes help provide and giving all carriers the freedom to diversify their services.

Your sincere consideration in this matter will be highly appreciated.

Sincerely yours,

A. C. GENZ, *President.*

KEMMERER, WYO., *April 5, 1961.*

Senator GALE MCGEE,
Senate Office Building, Washington, D.C.:

This is to advise you that we are very well satisfied with the service being given on the deliveries of cars from Ford Motor Co. However, some of the cars are in a very dirty condition when received. We can't say who is responsible, the railroad or convoy company. We have protested to convoy company.

Sincerely,

JUD WITHERSPOON.

CHEYENNE, WYO., *April 4, 1961.*

Hon. GALE W. MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: As a voter and a railroader I wish to express my views regarding James Hoffa trying to get legislation against piggyback.

It was perfectly all right with Mr. Hoffa when his truckdrivers were taking jobs away from railroaders. Instead of crying to Congress and yelling foul, we did something about it. Seems to me that if Mr. Hoffa is as good as he is supposed to be, he would be able to work this out in some legal way, without making the Government the scapegoat.

Very truly yours,

LEWIS A. GRAF.

TORRINGTON, WYO., *April 6, 1961.*

Mr. GALE MCGEE,
U.S. Senator,
Senate Office Building, Washington, D.C.

HONORABLE SIR: In recognition of your important position on the Senate Committee on Interstate and Foreign Commerce, I wish to address to you my great concern about the stranglehold that Mr. James Hoffa and his Teamster Union is endeavoring to clamp onto the American people.

We pay tribute to the Unkonwn Soldier as a symbol and a representative of all who have suffered and died to establish and preserve our form of government by the people and for the people. Are we going to turn this tribute into a mockery by allowing a minority group to become a virtual dictator in our midst?

I believe that your congressional committee can help to put a roadblock in the path of Mr. Hoffa's ambition if you will. I trust that you have the willingness to do so.

Yours sincerely,

IRA D. CROGHAN.

LINCOLN COUNTY WOOL GROWERS ASSOCIATION,
Cokeville, Wyo., March 31, 1961.

SURFACE SUBCOMMITTEE,
Senate Interstate and Foreign Commerce Committee,
Senate Office Building, Washington, D.C.

DEAR SIRS: In following instructions given by members of my organization I am sending a copy of Resolution No. 16 adopted by the Lincoln County Wool Growers Association at its 55th annual convention in Cokeville, Wyo., March 31, 1961. The resolution is as follows:

The economy of Wyoming is affected by the prosperity of the Union Pacific Railroad Co. The technical development of piggyback transportation increases its prosperity and will undoubtedly be extended to the transportation of livestock. Therefore we urge the continuation of piggyback transportation and instruct the secretary to send a copy of this resolution to Senator Gale W. McGee's committee as evidence in favor thereof.

Thank you for your consideration.

PAUL W. HUTCHINSON, *Secretary.*

STATEMENT OF GILES MORROW, GENERAL COUNSEL, THE FREIGHT FORWARDERS INSTITUTE, WASHINGTON, D.C.

During the course of the hearings on the subject of piggyback service held in Cheyenne, Wyo., on April 10, 1961, Senator Gale W. McGee, presiding, granted permission for the filing of statements for the record within 14 calendar days after the close of the hearings. This statement is filed pursuant to that authority, on behalf of the Freight Forwarders Institute.

The Freight Forwarders Institute is a national organization representing freight forwarders subject to regulation under part IV of the Interstate Commerce Act. The members of the institute, by dollar volume and tonnage handled, perform a great preponderance of the forwarding business done in this country.

The institute did not request authority to appear at the hearing in Cheyenne because it was our understanding that only local interests would be heard and that the inquiry was to be limited to consideration of matters relating to the transportation of new automobiles. We now find it necessary to file this statement because two of the witnesses at the Cheyenne hearing attacked freight forwarders and their practices incident to piggyback operations and one of them dealt extensively with the issues in proceedings now pending before the Interstate Commerce Commission for decision which are of great moment to the forwarding industry.

Since these matters, unfortunately in our view, have been made the subject of argument before the subcommittee, we deem it of utmost importance that the record be made full and complete, for as it now stands it is very incomplete and could be dangerously misleading.

For completeness, it will be necessary to include here certain explanatory and background material.

Freight forwarders are common carriers of freight who, by definition, assemble and consolidate shipments of property, and break bulk and distribute such shipments, utilizing for the line-haul movement of such property the services of common carriers subject to part I, II, or III of the act. For the assembly and distribution service forwarders use predominantly motor carriers. For the terminal-to-terminal movement of the consolidated consignments forwarders use railroads very largely, although motor carriers are employed to some extent for such movements.

Freight forwarders are not empowered, as are the motor carriers, to make joint rates with railroads, and hence until the railroads began to publish open tariffs rates for piggyback service, in 1958, there was no lawful method by which forwarders could utilize the piggyback principle. In the so-called *New Haven* case (*Movement of Highway Trailers by Rail*, 293 I.C.C. 93), decided by the Commission in 1954, it was held that railroads might publish rates for the movement of the trailers of freight forwarders and commercial shippers. It also was held that railroads might handle the trailers of common carrier motor carriers under a so-called substituted service plan, whereby the railroads receive a flat agreed-upon amount for hauling the trailers, such amount being considered, legally, a division, though it has none of the hitherto accepted characteristics of a division. Further, it was held that railroads and motor carriers might enter into joint-rate and through-route arrangements for the piggybacking of truck-trailers, on the basis described in section 216(c) of the Interstate Commerce Act.

The substituted-service plan, referred to above, came to be known as plan I piggybacking, and it has been in use since 1954, although it has not grown significantly. Rates for plan III piggyback service were published in 1958, and shortly thereafter, still in 1958, plan IV rates were published. Plan III provides for the hauling by the railroads of shipper-owned trailers on rail-owned flatcars, while under plan IV the shipper furnishes both the trailers and the flatcars. Plan V, based on true joint rail-truck rates, made its appearance in 1959, and its main use has been in the transporting of new automobiles under joint rates between railroads and automobile haulaway carriers.

Freight forwarders began to use the plan III and plan IV rates immediately after they were published, and have continued to use such rates and services on an increasing scale ever since. Forwarders found that because of the higher minimum weights published under plans III and IV for the movement of two trailers on a flatcar—weights ranging from sixty to seventy thousand pounds—they could themselves publish rates on larger volumes than previously, and still effectuate consolidation. Thus forwarders, in 1958, began to publish so-called volume rates on a wider scale.

The motor carriers protested all of such freight forwarder volume rates as they were filed, and asked for their suspension, and against many of those already in effect they filed formal complaints. They took the same action with regard to plan III and plan IV rail rates. In some cases the forwarder and rail rates were suspended and in others they were drawn into issue by investigation or complaint. The 7-month suspension period has, of course, expired, and all such rates are now in effect, though the pendency of the litigation has undoubtedly restricted the extension of similar rates to wider territories.

In the leading case involving freight forwarder volume rates, I. & S. Docket No. 6993, *Forwarder Volume Commodity Rates Between Chicago and New York*, the Commission approved the rates by decision dated September 4, 1959, and reaffirmed its decision on April 8, 1960. Motor carrier interests appealed the decision to court, and it is now pending in the U.S. District Court for the Southern District of Indiana, where it will be argued on June 8, 1961. The case is styled *Eastern Express, Inc., et al.*, v. *U.S. and Interstate Commerce Commission, et al.*, civil action No. TH-59-C 50.

Several cases involving plan III and plan IV rail rates, tried separately, were combined for oral argument before the entire Commission on November 2, 1960. They now are before the Commission for decision. In one group of cases, generally referred to by the citation No. 32533, *Eastern Central Motor Carriers Assn., Inc.* v. *B. & O. R.R. Co., et al.*, Examiner George A. Dahan wrote a proposed report condemning the plan III and plan IV rail rates involved. This report was quoted extensively by Witness William E. Myrick at the hearing in Cheyenne. In another case, Examiner Lawrence B. Dunn rendered a report finding the involved plan IV rates lawful in all respects. Both of these reports, together with the extensive record, are now under scrutiny by the Commission as it prepares to render its decision.

The cases involving rail piggyback and freight forwarder volume rates have been well and ably tried. All interests, carrier and shipper alike, were heard. At the Interstate Commerce Commission the record is closed. The court is soon to hear argument in the *Forwarder Volume Rate* case. We think it is exceedingly unfortunate that the issues involved in the pending cases should be made the subject of debate before a congressional subcommittee. Nevertheless, statements and arguments were made at the Cheyenne hearing which we, as vitally interested parties, are compelled to answer.

Witnesses L. E. Meredith, for the Wyoming Trucking Association, Inc., and William E. Myrick, for Line Drivers Local Union No. 961 of the Brotherhood of Teamsters, attacked the role of the freight forwarder in the piggyback picture, as well as the plan III and plan IV rail rates. The purpose of this statement is to analyze and answer the arguments of these two witnesses, insofar as they pertain to the forwarding industry.

Mr. Myrick took as his text the proposed report of Examiner George A. Dahan in docket No. 32533, cited above, which report, as I have indicated, is now before the Commission along with the record in the proceeding. Mr. Myrick used extensive quotations from the Dahan report, relying on the examiner's statements as though they were facts, and on his conclusions as though they were legally correct.

As a matter of fact, any uninformed reader of Mr. Myrick's statement could easily obtain the impression that Mr. Dahan's report is final and conclusive. Introducing his first quotation from the report he says that "in a very recent case," instead of "in a pending case." Introducing his final quotation Mr. Myrick first cites the proceeding and then says that it was "decided in 1960."

Docket No. 32533 has not been decided. Examiner Dahan's report has not been adopted or approved by the Commission. It is a report of some 135 pages literally bristling with caustically framed statements, samples of which Mr. Myrick has selected to quote. No document in recent history has been so thoroughly analyzed and rebutted by railroads, forwarders, and many, many shippers.

Inasmuch as Mr. Myrick has quoted so extensively from Examiner Dahan's report as proof of what it purports to say and in substantiation of his own theories, we think the record of the hearing should include a copy of our exceptions to the report. Accordingly, a copy of such exceptions is attached hereto. We respectfully commend it to the careful attention of anyone anxious to understand all of the facts with regard to the points which Mr. Myrick undertook to make.

Mr. Myrick brought the freight forwarder into his dissertation with two misstatements of fact, both of serious import and both inexcusable when the facts are so readily ascertainable. He says that there have been "serious inroads made upon the national policy of regulated carriage." Since the war, he says, the Nation has seen "an amazing growth of two types of organizations which, while engaging in the transportation industry remain unregulated and nearly uncontrollable."

Who are these two unregulated and nearly uncontrollable agencies? The first, Mr. Myrick says, is the private carrier. For the second, let me use his own words:

"Secondly, the business of forwarding freight has also seen a tremendous postwar growth. From 1945 to 1957, the amount of freight tonnage originated by freight forwarders increased over 100 percent."

Mr. Myrick goes on to say that of course forwarders "are now subject to the Interstate Commerce Act," but why does he include them as the second of the "unregulated and nearly uncontrollable" agencies?

The big question, though, is where Mr. Myrick got his figures to show that the freight tonnage originated by freight forwarders increased over 100 percent from 1945 to 1957. Since 1942 the ICC has published complete statistics of forwarder operations every 3 months, and a more comprehensive set of figures annually. The quarterly figures are published in statement Q-950. Forwarder annual figures are published as part I of "Transport Statistics in the United States."

To correct the record, freight forwarders originated 3,944,629 tons of freight in 1945. In 1957 they originated 4,299,958 tons. That is an increase of less than 10 percent, but Mr. Myrick picked the wrong years to compare. In 1958 forwarder tonnage was less than it was in 1945. In 1959 forwarder tonnage was less than it was in the first really postwar year of 1946. The fact is that with only minor variations freight forwarder tonnage has remained on an almost constant level since the industry was regulated in 1942.

Since Mr. Myrick spoke for the "national policy of regulated carriage," he should have pointed out to the subcommittee that the railroads have not fared any better than the forwarders since World War II. Railroad ton-miles were less in 1959 than they were in 1946.

Where, then, did the traffic go? Some of it, as Mr. Myrick says, went to private carriage. But he should also have said that ton-miles of federally regulated motor carriers increased from 19 billion in 1939 and 27 billion in 1945 to 79 billion in 1958. This is the industry which the subcommittee is asked to believe

is being driven out of business by the railroads and by freight forwarders whose tonnage has not increased since the war despite the phenomenal increase in national productivity.

Next, Mr. Myrick states that the real effect of what he calls "lower rates for rail transportation," by which he means piggyback rates, is to "aid these two groups," meaning private carriers and freight forwarders. Taking first the matter of private carriage, the railroad respondents in docket 32533 showed by indisputable evidence that the plan III rates involved in that proceeding were basically designed to recapture traffic lost to private carriers and that they were the only medium by which the railroads have had any success in combating such carriage. Numerous shipper witnesses testified either that they had switched from private carriage to plan III piggyback or that they had interrupted plans to buy their own trucks because of such rail service.

Mr. Myrick quotes a statement from Examiner Dahan's report reading as follows:

"The plan III and plan IV rates and charges have widened the spread to such an extent that the door to Pandora's box has opened wide. The freight forwarders have expanded the area of their businesses."

To this statement we responded, in our exceptions to the report, in the following language:

"The report does not—and could not under its governing philosophy—concede any public benefits from the expansion of the area of forwarder business, in spite of the fact that the public must see some benefits or it would not buy the service. No note is taken of the testimony submitted in behalf of freight forwarders showing the many advantages in terms of better service to the public which plan III and plan IV piggyback afford them (exhibit E-94, transcript E-35). In fact the public seems to have been lost sight of completely by the report, for the examiner goes on with his 'Pandora's box' thesis by saying, 'They [forwarders] have established and intend to further establish volume commodity rates the same as the truckload and carload commodity rates of the underlying motor and rail common carriers' (p. 119). The Commission has already held that there is nothing wrong with the principle of forwarder volume commodity rates, and the examiner does not disagree, but he deplores the fact that forwarders are able to establish them on the same basis as the truck rates. This is tantamount to saying to the forwarders, 'You may establish volume commodity rates so long as they are not competitive with the trucks.' "

The examiner's report, in the quotation used by Mr. Myrick, goes on to say that the rail piggyback rates enable forwarders to "undercut" motor carrier rates. This statement is made repeatedly, but only a single example has ever been made a matter of public record, and that, as we clearly showed in our exceptions, was a mirage. Here is what we had to say on the subject:

"Although the examiner discusses throughout the report the alleged devastating effect of freight forwarder competition on motor carriers as a direct result of plans III and IV, there is only one reference to such competition which is based on fact and not on fear. That appears at page 119 as follows:

" 'Moreover, the plan IV rates and charges enable them [forwarders] to undercut motor common carrier rates. For example, Universal has diverted a substantial volume of traffic from a motor common carrier by undercutting the section 22 rates of the latter.'

"That is the entire statement, and the 'example' is not one chosen from many, as the language seeks to infer, but it is the only example of the kind of record. This 'horrible example' ought to be examined with care. The uncontroverted evidence shows that the forwarder did not 'undercut' the motor carrier rates in this case. Motor carriers had been providing a service for Government traffic which was based on the assembly and consolidation of individual shipments into volume lots for line-haul movement. The motor carriers made a charge for the assembly, consolidation, break bulk, and distribution which are integral parts of freight forwarder service for which no additional charge is made.

"Thus, by establishing a line-haul rate precisely the same as that of the motor carrier, the freight forwarder was able to save the Government 30 cents per hundred pounds, the additional charge which the motor carriers were making for services, over and beyond their normal transportation functions. In addition to saving the Government 30 cents per hundred pounds on this traffic, the forwarder witness who put the example in the record testified that the shipper had advised him personally that the forwarder service was faster than that which he had previously received (transcript W507–W509).

"We submit that this is neither unhealthy nor unlawful competition. The Government is entitled to the benefit of the lowest cost and best service for moving its traffic that the common carrier system can provide."

Mr. Myrick has used other quotations from Examiner Dahan's report, and in our formal exceptions we have answered each and every finding and conclusion of that report. It would cause this statement to run to inordinate length to take up and answer each of the examiner's statements and conclusions which have been used in Mr. Myrick's testimony, but we hope that before anyone accepts such statements as fact he will take the time to read our answers enclosed herewith.

Mr. Myrick has made what amounts to a plea for the adoption of the Dahan report, but he made it 6 months too late, and in the wrong form. The Dahan report was argued before the Interstate Commerce Commission on November 2, 1960. Now, before the Commission has rendered its decision, the plea is made to your subcommittee—although no bill is before the subcommittee for action—to "consider favorably Senate bill 1197, which will only define by statute for the Interstate Commerce Commission the duty which they now hold, to prevent and prohibit destructive competition through selective rate reduction within the national transportation system."

The charge that destructive competition is being engaged in through "selective" rate reductions, and that traditional patterns of ratemaking are being destroyed, is one of the most persistent arguments advanced by those who now seek to circumvent or reverse section 15a(3) of the act. The fact is that there is no "traditional" pattern of rates today. Competition provided the railroads by the young and growing trucking industry began to render traditional concepts of classification and ratemaking obsolete as much as 30 years ago. Changing conditions in manufacturing and merchandising aided the process of obsolescence.

Prior to regulation the trucking industry, of course, was under no legal compulsion to make rates according to a classification or any other basis. Truck equipment was produced in a multiplicity of sizes and the capacity of the equipment tended to be the yardstick for pricing truck service. To meet this competition the railroads found it necessary to establish exceptions ratings, commodity rates, and all-commodity rates.

When motor carriers were regulated they simply filed the charges they had been making in the form of tariffs, which were immune from suspension. What happened to the rate structure can be traced through ICC decisions. In *Class Rate Investigation* (262 I.C.C. 447 (1939)), a decision rendered only 3 years after motor carriers filed their first tariffs under regulation, the Commission said:

"In recent years the importance of the classifications as factors in the determination of freight charges by rail has lessened. This situation has been brought about by the establishment of innumerable exceptions which take precedence over the classifications, and by the use of commodity rates."

The reason for abandonment of classification and for establishment of exceptions ratings and commodity rates was given by the Commission: "To meet motortruck and other competition." A study referred to in the Commission's decision showed than 85 percent of all freight moving in rail carload service at that time moved on commodity rates, and only 4 percent moved on class rates. Testimony submitted in docket 32533 shows that as of the present time only 1 percent of rail carload traffic in official territory moves at class rates.

A point was reached, of course, where the competitive situation worked both ways, and motor carriers were authorized to establish all-commodity rates to meet rail competition. In *Trunk Line Motor Carrier Rates* (29 M.C.C. 741 (1941)), the Commission authorized motor carriers in trunkline territory to establish a mixed-truckload commodity rate, stating:

"So-called all-commodity freight rates have been approved in other proceedings, and where, as in the matter now before us, the rail carriers maintain such freight rates approved by the entire Commission, the motor carriers in fairness should be permitted to establish them on competitive traffic."

Motor carriers now need flexibility and freedom in ratemaking no less than railroads, and the cure which Mr. Myrick suggests for what he believes are the ills of the trucking industry—rigid, statutory floors under competitive rates—would be a two-edged sword that well could destroy the trucking industry. At all events it is time that we stopped referring to "selective" rate cutting, as though the word "selective" had some sinister meaning. The railroads have had

no choice but to compete with motor carriers on a selective basis since the motor carrier industry came into the picture with its selective rates 30 years or more ago.

Mr. Myrick speaks, as others have, of the low rail piggyback rates, and infers that they cause railroads to raise their rates on other traffic. Nothing could be further from the truth. The railroads dealt adequately with this contention at the Cheyenne hearing, but it is worthy of further notice because it indicates a lack of information on basic facts.

Mr. J. E. Gilliland, vice president of the Frisco Railroad, introduced evidence at Cheyenne to show that his railroad's earnings per ton in 1960 were $27.65 on new automobiles as against $1.01 per ton for gravel and sand, $1.33 for bituminous coal, $2.26 for iron ore, and $6.01 for manufactures and miscellaneous, generally consisting of many high-grade commodities. Mr. Gilliland pointed out that if it were not for the high revenue which the railroad receives from commodities such as automobiles they could not survive on the low-grade commodities. Among 80 commodities, which a 1960 study made by ICC shows do not pay their full cost, are products of the farm, feed, and many other basic commodities. Shall we require the railroads to raise their rates on these commodities by cutting off their right to compete on such profitable tonnage as automobiles?

One final statement by Mr. Myrick is worthy of notice. He says that "we cannot allow the destruction of an entire controlled system of transportation through the actions or inactions of a regulatory agency, which either by ignorance, negligence, or preformed intent ignore one of the basic concepts of our form of government, as well as the declared public policy of the statute to which the agency owes its existence."

The foregoing is truly an outrageous statement and an unfair and unwarranted indictment of a body of men who have succeeded to and carry on the traditions of three-quarters of a century of unquestioned integrity, spotless reputation, and the highest order of intelligent public service.

First of all, who suggests that "an entire controlled system of transportation" is about to be destroyed? Mr. Myrick seems to speak for the motor carriers, and the industry continues its fabulous growth, as compared with a declining railroad industry. He no doubt would like to maintain as the status quo the situation that has existed for a long time now in which the motor carriers obtain more and more and the railroads less and less of the Nation's traffic.

And what is the "basic concept" of our form of government that these 11 men are charged with ignoring? It must be "umbrella" ratemaking, for that is what Mr. Myrick would substitute, through bill S. 1197, for the policy of greater freedom in ratemaking unquestionably represented by section 15a(3).

The intent of section 15a(3), as spelled out in the report of the Transportation Subcommittee and endorsed by the full Committee on Interstate Commerce of the U.S. Senate, is clear beyond any room for quibbling or doubt. Just a few quotes from the report, No. 1647, 85th Congress, will make that meaning clear:

"The subcommittee recommends, therefore, that the Commission consistently follow the principle of allowing each mode of transportation to assert its inherent advantages, whether they be of service or cost" (p. 18).

"The subcommittee anticipates that the broad effect of this amendment will be to encourage competition between the different modes of transportation to the benefit of the shipping public" (p. 18).

"The ability of one mode of transportation to operate with a rate lower than competing types of transportation is precisely the sort of 'inherent advantage' that the congressional policy requires the Commission to recognize." (Quoted with approval from Supreme Court decision in *Schaeffer Tpn. Co.* v. *U.S.*, 355 U.S. 83.)

To maintain that these statements do not represent the true policy of Congress, and that the agency charged with implementing that policy has failed in its duty if it does not apply restrictive, umbrella-type controls to competitive rates, is utter folly. But to charge the agency with ignoring the law while it is still considering the basic issues of the landmark cases under the revised statute is inexcusable.

It seems to have been entirely overlooked that section 15a(3) admonishes the ICC to give due consideration "to the objectives of the national transportation policy" and that prevention of destructive competitive practices is only one of the several objectives of that policy. Of equal importance is the mandate of policy to "preserve the inherent advantages" of each mode. The freight for-

warders and the railroads are now undertaking to assert their inherent advantages, as the 1958 act suggests, and one of the cardinal purposes of section 15a(3) is to insure that they may do so without being required to hold an umbrella over services which do not have the same inherent advantages.

Turning now to Mr. Meredith's statement, it appears that he has undertaken to reargue the *New Haven* case (previously cited herein), as well as the *Forwarder Volume Rate* and *Rail Piggyback* cases. He says that the *New Haven* case not only authorized rail invasion of the motor carrier field but also permitted freight forwarders to engage in motor carrier service in direct competition with independent motor carriers. The decision did not do either of those things. It was rendered in 1954 and no one has appealed it to the courts. Surely if the motor carriers are so convinced that the decision will destroy the entire industry they would have tested its validity in court.

Mr. Meredith states his opinion as to what a freight forwarder has always been "conceived of" and "envisioned" to be, and concludes that it is wrong for railroads to transport forwarders' loaded highway trailers under plans III and IV. The same conceptions of a forwarder were urged on the Commission in the *Forwarder Volume Rate* case, I. & S. Docket No. 6993, heretofore cited, and the Commission said they had no merit, stating:

"The protestants presented exhaustive summaries of testimony before the committees of Congress in 1940–41, prior to the enactment of legislation regulating freight forwarders under part IV of the act, and cited decisions of this Commission purporting to show that freight forwarders are limited to the handling of small shipments. The respondents likewise made reference to those proceedings, and to certain Commission decisions. These presentations do not establish that freight forwarders are restricted to the handling of small shipments only, nor does section 402(a) of the act limit the maximum weight of a shipment which may be handled by a forwarder."

This decision, of course, has been appealed to the court, but until the decision is overturned it is the law, and reasserting views that the Commission has overruled will not make them so.

Attention is directed to one final argument advanced by Mr. Meredith. Mr. Myrick also made the same argument. Mr. Meredith says: "In a recent examiner's report on one of our complaints, the examiner found that certain plan III and IV rates were set at approximately 11 to 17 percent of the first-class rate." He was referring to the Dahan report in docket No. 32533 which already has been referred to, and he is approximately correct in summarizing what the examiner said in the preliminary portion of his report.

But despite this mathematical computation made by the examiner, he did not find the rates to be noncompensatory, for he could not. The comparison of rail plan III and IV rates with first-class rates is meaningless and has no probative value because there is no basis of comparison. First of all, as we have shown, the classification has very little meaning or use today. Beyond that, however, the service provided under plan III and IV rates is a new service, bearing no relationship to conventional boxcar service. The rates cover only the line-haul portion of the total service, whereas the classification ratings contemplate performance of the total transportation service.

The plan III and IV rates reduce rail transportation to its essence—the line-haul movement of freight that has bypassed expensive terminal handling, requires very little switching, has been prepackaged by the shipper in his own trailers, sometimes also on his own flatcars, and is almost damage free. Furthermore, the plan III and IV rates apply whether the trailers are loaded or empty, thus eliminating or drastically reducing the 40-percent empty return-load factor which the shipping public has been paying for in its freight rates all these years. There is simply no basis for comparing rates for this new and radically different service with class rates that were rendered obsolete largely by the motor carrier industry beginning 30 years ago.

So long as Examiner Dahan has been quoted so extensively on the record of this hearing, we think it would be appropriate to close this statement with a quotation from Examiner Dunn, who at about the same time and in a proceeding covering similar service, found certain plan IV rates to be lawful (docket No. 33021). Examiner Dunn said:

"For 50 years, more or less, after the passage of the original act to regulate commerce, many essential features of which are still the cornerstone of the Interstate Commerce Act, lower rates were something to be highly encouraged by the Commission. In these days of high prices and inflation, they should again be encouraged, rather than discouraged.

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"It might just possibly happen that under this plan, and the other TOFC plans now in operation, the railroads may eventually find their best area of operation under 'coordinated' or 'integrated' transportation, concerning which there has been so much study, investigation, and prediction among transportation experts, administrators, and legislators of recent years."

There is the issue and the hope for the future. The question is whether we are going to require the railroads to hold an umbrella over the rates of competitors, and thus prevent the application of technological improvements and new methods of operation from being reflected to the advantage of the shipping public in the form of reduced freight rates.

If we turn our backs on that kind of philosophy and view the potential of piggybacking in the light of its great incentive toward coordination and integration and its tremendous advantages to the shipping public, it will be found, we submit, that there is not much substance to the great tumult that is being raised today. If all of us will concentrate on how to make piggybacking work to the advantage of everyone instead of how to stop it in the interest of a limited few, we will make progress in transportation. If we stop progress in transportation, at the insistence of entrenched interests, we will weaken the economy and the defense posture of the Nation at a critical period in history.

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