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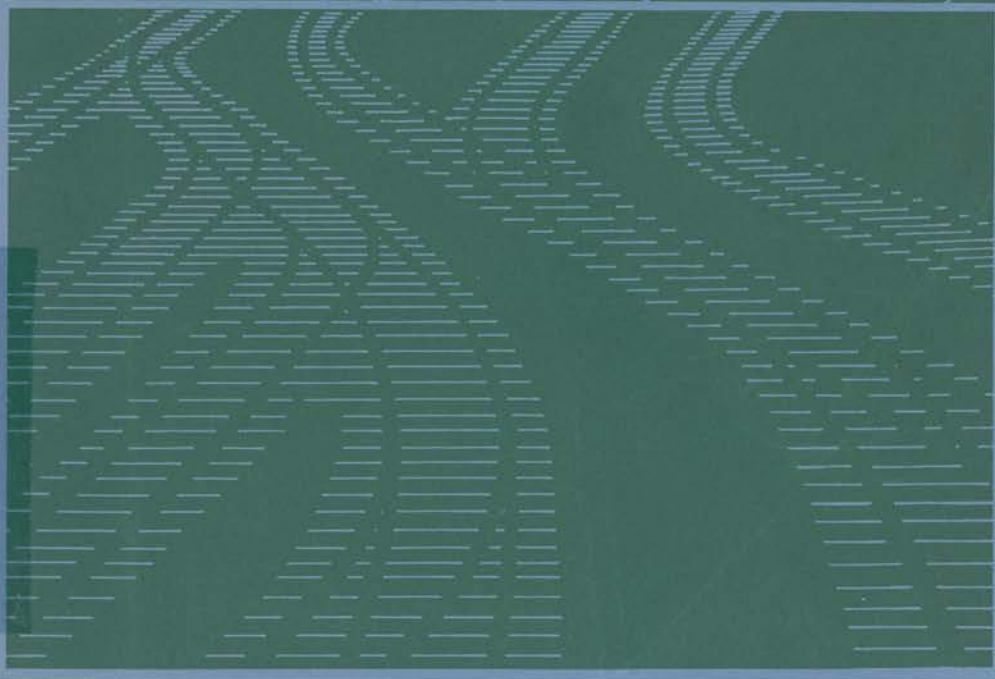
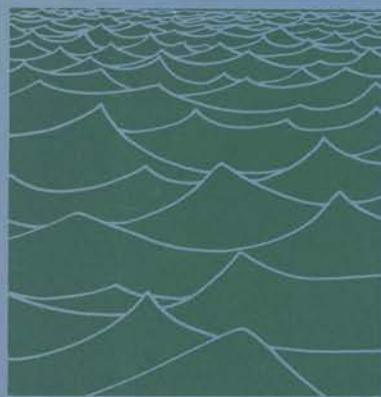
Interstate Commerce Commission
1979 Annual Report

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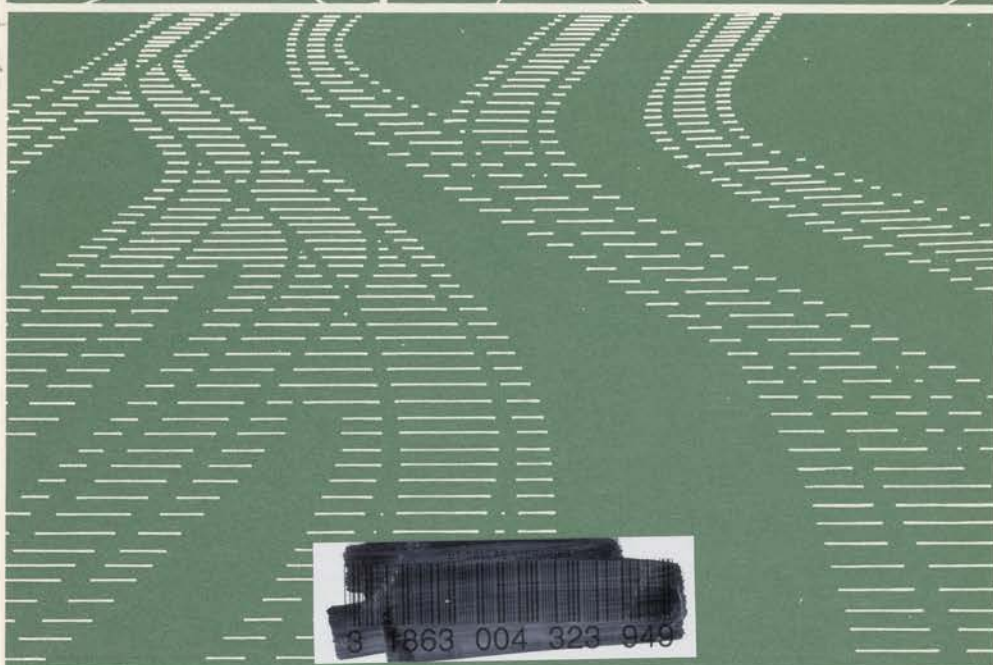
93rd "Annual Report" of the

INTERSTATE
COMMERCE
COMMISSION



WITHDRAWN

Fiscal Year Ending
September 30, 1979



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WITHDRAWN

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LETTER OF TRANSMITTAL

To the Congress of the United States

Washington, D.C., April 4, 1980

I am pleased to submit the 93rd Annual Report of the Interstate Commerce Commission.

The ICC, in the past year, brought change and innovation to the way in which the interstate surface transportation industry is regulated. The Commission continued its efforts to ensure that its regulations are effective, up-to-date, and responsive to changing economic conditions.

In the area of rail reform, the Commission focused on ensuring that regulation strikes a balance between the needs of the railroads for revenues and the needs of shippers for economical transportation. We eased restrictions on contract rates and deregulated rail transportation of fresh fruits and vegetables. During the coming year, the Commission will review market dominance and rate flexibility, additional commodity exemptions, through routes and joint rates, consolidations and abandonments.

In assessing our regulations over the trucking industry, the Commission has been committed to the philosophy of increased competition. This has led, for example, to freer entry into the trucking field. Other initiatives taken during the past year are outlined in the chapter on Regulatory Reform.

During the coming year the Commission will address the recommendations of a special task force to change the existing regulatory structure for the specialized segment of the trucking industry. We will be considering regulatory reform in 12 market segments, including bulk transport, the building materials industry, and the movement of household goods. In addition, the Commission will undertake a study of our current regulations over general commodity carriers. The Com-

mission will examine both of these areas, through the rulemaking process, to build a public record to help the Congress develop reformed legislation.

There are three Congressional actions that will immediately affect the Commission. They are passage of a household goods bill, a rail bill, and a motor carrier bill. A top priority for the Commission in the coming year is to be prepared to implement any new legislation without delay.

The Commission has greatly advanced its programs to benefit the consumer. We established a Section of Consumer Assistance in the Bureau of Operations to implement a sophisticated consumer assistance program for logging, referral, retention, and update of complaint information. The Section of Consumer Assistance is tied to six regional Consumer Assistance Centers in Boston, Philadelphia, Atlanta, Chicago, Fort Worth, and San Francisco and three subregional centers in New York, Los Angeles, and Seattle.

We are proud of our accomplishments during the past year in freeing the transportation industry of unneeded regulation while protecting consumers from abuse, discrimination, or mistreatment.

This report embraces the fiscal year which ended September 30, 1979. A statement of appropriations and aggregate expenditures for fiscal 1979 appears in Appendix D and a summary of the work of the Rail Public Counsel appears in Appendix B.

On behalf of the Commission, I respectfully submit to the Congress the Annual Report of the Interstate Commerce Commission.

Darius W. Gaskins, Jr.
Chairman

THE COMMISSION

(as of September 30, 1979)

	Appointed	Term Expires Dec. 31
A. Daniel O'Neal, <i>Chairman</i> (D) <i>Washington</i>	1973	1979
George M. Stafford, <i>Vice Chairman</i> (R) <i>Kansas</i>	1967	1980
Robert C. Gresham (R) <i>Maryland</i>	1969	1981
Charles L. Clapp (R) <i>Massachusetts</i>	1974	1980
Betty Jo Christian (D) <i>Texas</i>	1976	1979
Thomas A. Trantum (R) <i>Connecticut</i>	1979	1985
Darius W. Gaskins, Jr. (D) <i>Washington, D.C.</i>	1979	1984
Marcus Alexis (D) <i>Illinois</i>	1979	1985

Chairman O'Neal and Commissioner Christian announced that they would not seek reappointment to the Commission. During the fiscal year, Commissioners Trantum; Gaskins; and Alexis were appointed to fill vacancies on the Commission. President Carter designated Darius W. Gaskins, Jr. as the Commission's Chairman effective January 1, 1980.



Interstate Commerce Commissioners, left to right, Alexis, Trantum, Clapp, Stafford (Vice Chairman), O'Neal (Chairman), Gresham, Christian, Gaskins.



Functions and Responsibility

The Interstate Commerce Commission is an independent federal agency responsible for regulating interstate surface transportation within the United States. The ICC is concerned with assurance that the American public has adequate and efficient transportation systems.

This concern for the individual consumer has existed since 1887 when the Commission became the first independent regulatory agency with specific authority in this field. In more recent years, the ICC has been in the forefront of regulatory agencies in establishing a consumer information facility and installing a toll-free hotline for consumers.

The ICC now holds jurisdiction over some 19,000 for-hire companies providing surface transportation in the United States. These companies include railroads, trucking companies, bus lines, water carriers, coal slurry pipelines, freight forwarders, and transportation brokers.

The ICC is directed by 11 Commissioners, appointed by the President and confirmed by the Senate for seven-year terms. The President designates one of the Commissioners to serve as Chairman. During the fiscal year the Commission was constituted with eight members.

Functions and responsibilities of the Interstate Commerce Commission include:

- Assure stability of service so that shippers and the general public can have a dependable transport system at reasonable prices.
- Protect the public against unlawful carrier practices.
- Certify that carriers have the necessary fitness to serve the public.



- Provide assurance that carriers must be properly responsible in case of loss or damage.
- Require common carriers to serve everyone who wishes to purchase transportation.
- Ensure that small towns and communities receive service.
- Prevent shippers from wringing unlawful concessions out of carriers.
- Protect the public against monopoly pricing and destructive competition.
- Issue rules for the protection of consumers who move household goods.
- Aid the consumer whose only other recourse in a transportation dispute would be to go to court.
- Offer rail and bus passengers an alternative channel for complaints other than the carriers themselves.

How the ICC Operates

The Commissioners supervise all activities, with specific responsibilities delegated to 14 Offices and Bureaus. Regular agenda meetings are held to act on Commission matters.

The Chairman coordinates and organizes the Commission's work and represents it in legislative matters and in relations with other government agencies. The Chairman is the executive head of the Commission and has general responsibility for:

1. Overall management and functioning of the Commission.
2. Formulation of plans and policies designed to assure the effectiveness of the Commission and the administration of the Act.
3. Identification and early resolution of major regulatory problems.
4. Development and utilization of effective staff support to carry out the duties and functions of the Commission.

The Vice Chairman is elected annually by the Commission. The Vice Chairman



represents the Commission or acts in place of the Chairman when the Chairman is not available. Additionally, the Vice Chairman has been delegated important functions by the Commission.

The Commission's daily activities during the fiscal year were carried out through an organizational structure consisting of 14 Offices and Bureaus as follows:

- Office of the Managing Director—directs day-to-day administration of the Commission and the management and functioning of the Commission's operations.
- Office of the General Counsel—defends Commission orders challenged in court, renders legal opinions to the Commission, and assists in developing the Commission's legislative program.
- Office of Special Counsel—created by the Commission to represent the public in all proceedings before the ICC.
- Office of the Secretary—the issuance and documentations center of the Interstate Commerce Commission. The Secretary is the custodian of the Commission's seal and records and is responsible for issuance of ICC decisions.
- Office of Hearings—staff of Administrative Law Judges responsible for conducting Commission hearings.
- Office of Proceedings—processes formal cases pertaining to operating rights, financial matters, rates and competitive practices.
- Office of Policy and Analysis—identifies policy issues which merit the Commission's attention and coordinates staff efforts directed toward analyzing those issues for the Commission. Performs transportation research and conducts economic and statistical analyses relating to regulation and to specific proceedings before the agency.
- Bureau of Accounts—concerned with the accounting phases of effective economic regulations, prescribing uniform



accounting rules, auditing books of transportation companies, and reviewing financial reports.

- Bureau of Investigations and Enforcement—the agency's prosecutor, charged with enforcing civil and penal provisions of the Act and related statutes. The Bureau also takes part in specific ICC proceedings, to assist in developing facts and issues on behalf of the consumer and the general interest.
- Bureau of Operations—maintains close liaison with the activities of railroads, trucking companies, water companies, freight forwarders, and rate bureaus to insure that these industries operate in compliance with ICC policies.
- Bureau of Traffic—is concerned with publication, filing and interpretation of tariffs, and their suspension before they become effective if they appear unreasonable or unlawful.
- Office of Communications and Consumer Affairs—provides general assistance to meet public and consumer requests, maintains news room for press assistance, and conducts briefings for visitors and foreign guests.
- Small Business Assistance Office—functions as a clearinghouse or focal point for resolution of small business problems in the area of surface transportation and provides the Commission with a broad perspective of small business problems.
- Congressional Relations Office—assists Members of Congress on matters pertaining to the Interstate Commerce Commission.

YEAR IN REVIEW

1978

- October 1..... Rail Service Planning Office urged Department of Transportation to consider social needs as well as profit and loss in determining future of Amtrak.
- October 17..... Public Law 95-473, The Codified Interstate Commerce Act enacted.
- October 20..... Rail coal rates to San Antonio modified.
- October 27..... New rules adopted which limit protests to applications for new interstate trucking authority.
- November 7..... Motor Carrier Task Force formed to examine the need for changes in the Commission's regulation of the trucking industry.
- November 8..... ICC established Office of Special Counsel to assist public interest functions.
- November 9..... ICC announced new rail contract rates policy.
- November 11..... Commission completed evaluation of the 1978 household goods summer program.
- November 20..... Commission ruled that private companies may apply for interstate trucking authority.
- November 27..... Standards adopted governing motor carrier general commodity revenue proceedings but subsequently stayed pending administrative appeal.
- November 30..... Commission proposed new motor carrier policy which emphasizes competition rather than protection.
- December 4..... New ICC booklet released to help the public in rail abandonments.
Bureau of Operations announced plan to assist railroads and shippers during winter storms.
- December 5..... ICC made first major finding in adequacy of railroad revenue proceeding.
Commission eliminated Annual Report Form M-4, filed by the holding companies of trucking companies.
- December 11..... ICC adopted new Annual Report Form R-3 for Class III railroads.
- December 13..... New regulations adopted for defining railroad transportation property.
- December 14..... Denver & Rio Grande Western Railroad ordered to continue operation of the "Rio Grande Zephyr" for five and one-half months pending public hearings.

- December 19..... Public comment sought on water regulatory reform.
ICC Canons of Ethics amended to allow practitioners price competition through advertising and direct solicitation by attorneys and others who represent parties before the ICC.
- December 20..... Public comment sought on potential changes to intercorporate hauling regulations.
- December 27..... Regulations eased for trucking companies operating between the United States and Canada.
Policy statement issued on railroad consolidations.

1979

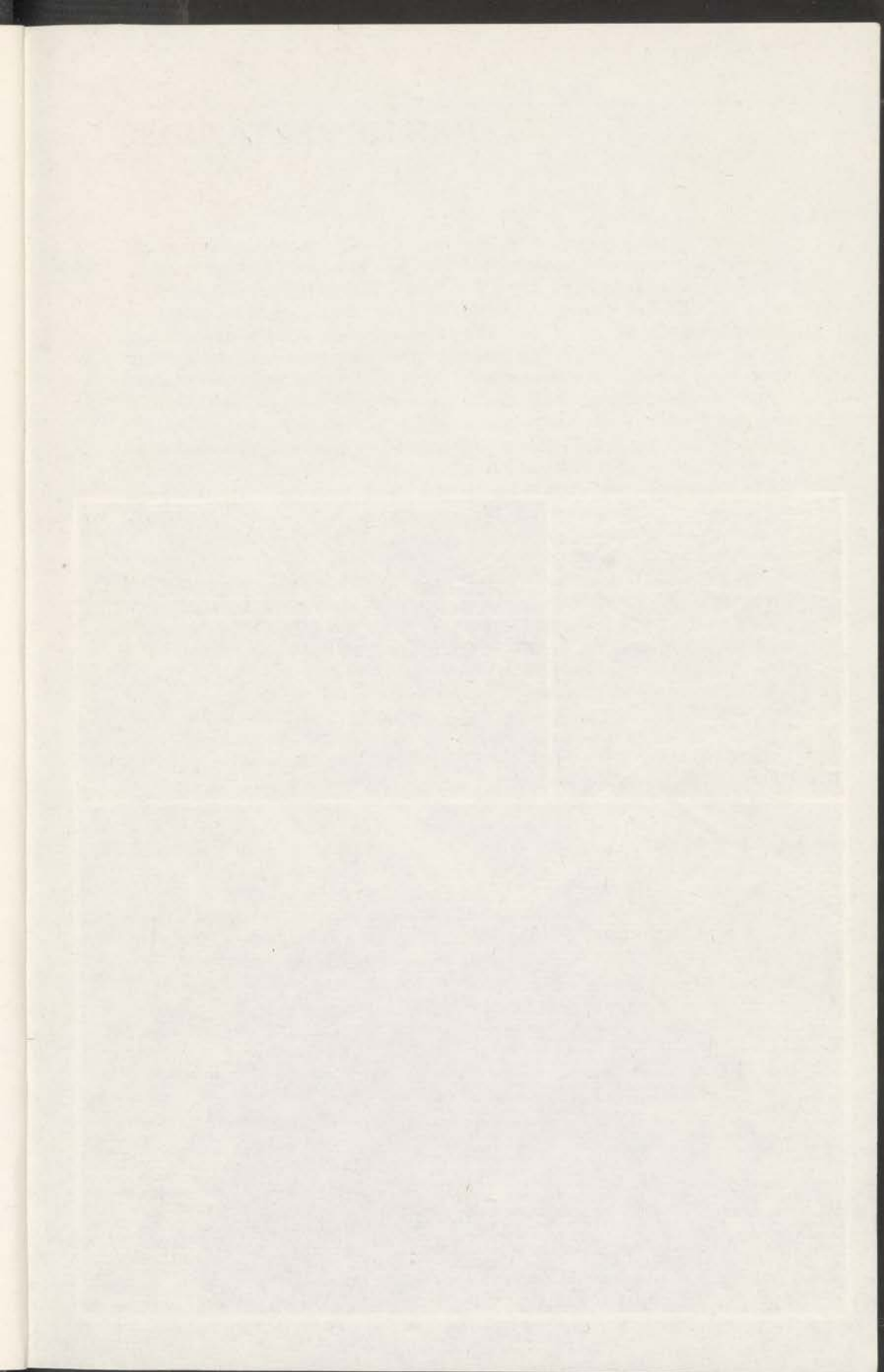
- January 5..... Rail Services Planning Office amended the Branch Line Accounting System to replace the R-6 report form with a certification by the railroad.
- January 8..... ICC adopted policy to permit moving companies to use credit card plans.
Commission adopted policy statement permitting contract trucking companies to haul for more than eight shippers.
- January 11..... Airport zones exempt from regulation expanded.
- January 15..... Commission established the Office of Policy and Analysis to integrate its planning, policy development, analysis, and evaluation functions.
- January 23..... Rail Service Planning Office issued the final report on rail rates equalization to and from ports.
New code of conduct adopted by Commission.
- January 26..... Purchase of Western Pacific by Newrail Company approved.
- February 1..... ICC began its Administrative Technologies program to improve staff efficiency in the areas of word processing, workflow analysis, and records management.
Investigation of rail grain rate structure completed.
- February 2..... New rules proposed to simplify motor carrier transfer regulations
- February 13..... Commission announced it will consider rates as a factor in granting operating rights to truckers.
- February 15..... Merger application of the Chessie System and Seaboard Coast Line Industries accepted by ICC.
- February 16..... Proceeding instituted to determine use of opportunity costs in abandonment proceedings.
- February 28..... Additional terms and conditions for approval of collective ratemaking agreements in non-rail industries established.

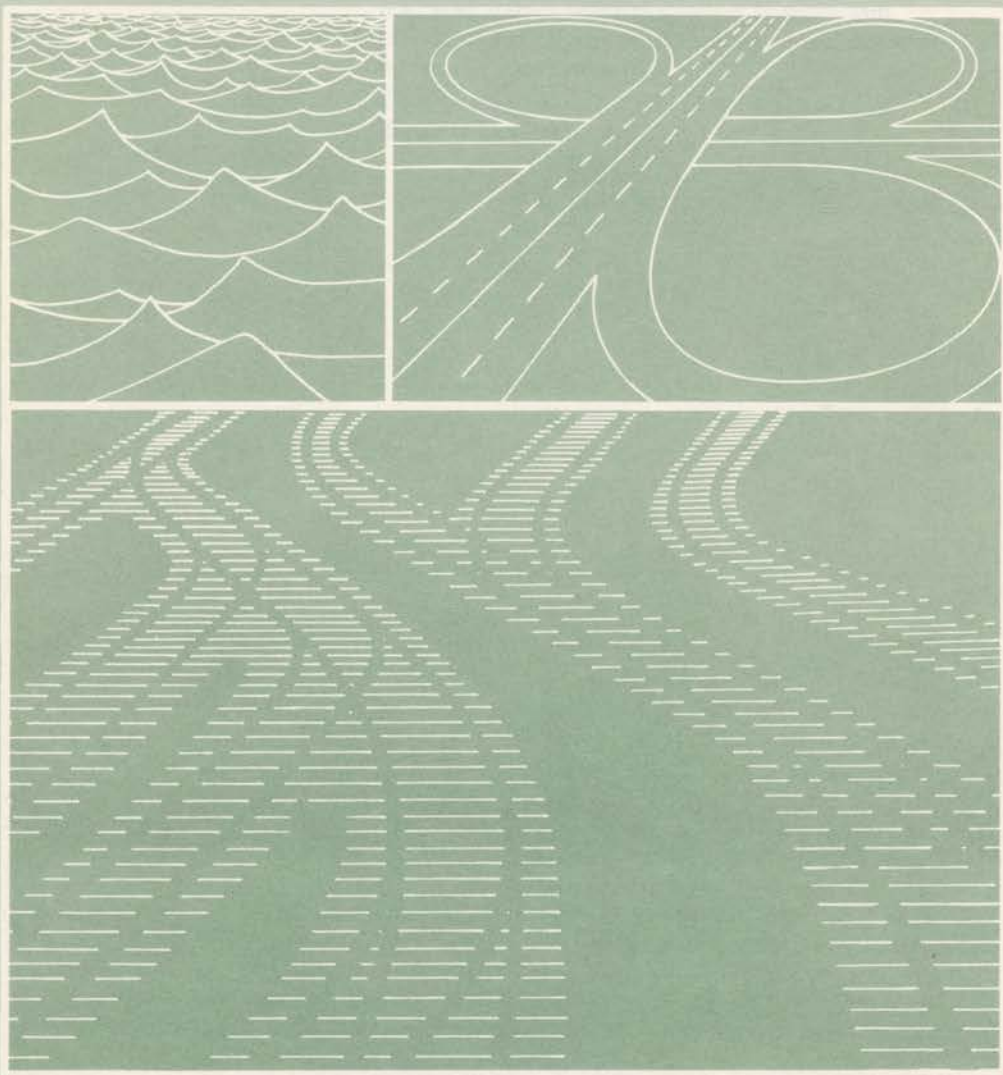
March 6	Consolidation of 19 field offices announced.
March 14	Proposal to simplify procedure for granting motor carrier temporary authority issued.
March 15	Status report on Amtrak submitted to Congress. Office of the Secretary reorganized, resulting in staff savings and improved operations.
March 23	Rules governing leasing practices between owner-operators and trucking companies became effective.
March 26	ICC established the Section of Applications Evaluation and Authorities to consolidate temporary and permanent operating authority procedures.
March 29 and 30.....	Executive staff held Second Annual Planning Conference to develop fiscal year 1980 operational goals.
April 1.....	Commission acted to ease truck transportation shortage during nationwide strike.
April 8.....	National Training Center established to administer a comprehensive training and employee development program.
April 16.....	Nation's railroads ordered to modify rates on recyclables.
April 20.....	Special procedures reactivated to help trucking companies cope with fuel crisis.
April 25-27	Informal conference between ICC staff, motor carriers, and shippers to discuss rules governing motor carrier general rate increases.
May 7	Conrail ordered to continue operation of commuter service between Valparaiso and Chicago, IL, for four months pending public hearings.
May 22	New ICC employee board created to handle special docket procedures.
May 23	Proposed rule issued to assess storage-in-transit charges on a daily rather than a monthly basis.
May 24	Motor Carrier Task Force initial report released, recommending reduction of regulatory requirements in 12 segments of the truckload industry.
May 28	Rail movements of fresh fruits and vegetables deregulated.
May 31	Denver Rio Grande Western Railroad ordered to continue the "Rio Grande Zephyr" between Grand Junction and Salt Lake City for one year.



- June 13..... Revised proposal issued to make estimates binding on household goods companies.
- June 15..... ICC ordered surcharge for rapidly increasing fuel costs to be paid directly to Nation's owner-operators.
- June 22..... ICC rail appellate procedures revised.
- June 29..... Moving industry freed from on-time pickup and delivery rules during fuel crisis.
- July 5 Fare flexibility for intercity bus operations proposed by ICC.
- July 6 Administrative Law Judge approved Southern Pacific discontinuance of passenger train commuter service between San Jose and San Francisco, CA.
- July 12 Special procedure issued for intercity bus companies to acquire temporary authority during busy summer season.
- July 30 Initial decision issued by Administrative Law Judge approving control of the Detroit, Toledo and Ironton Railroad by the Grand Trunk Western or the Baltimore and Ohio and Norfolk and Western.
- August 1..... ICC approved the Field Uniform Reporting System to manage field resources more efficiently.
- August 20..... Merger of Spokane, Portland and Seattle Railway into Burlington Northern exempted by ICC from its jurisdiction.
- August 22..... Commission ratified appointment of Richard B. Ogilvie as Trustee of bankrupt Milwaukee Road.
- August 24..... Bureau of Operations reorganized and new Section of Consumer Assistance created to improve responsiveness to consumer needs.
Expedited procedure adopted for hearing abandonment of western lines of bankrupt Milwaukee Road.
On-time pickup and delivery rules for moving industry reinstituted by ICC.
- September 5 Bureau of Accounts released the 1976 Rail Carload Cost Scales. Update ratios were also released to bring the 1976 rail costs to an April 1979 level.
- September 6 Revision to regulations on intercity bus service proposed by ICC.
- September 10 Motor Carrier Platform Study issued on direct handling times associated with shipments transferred across carrier platforms.
- September 14 Revenue levels of motor carriers revised to relieve approximately 1,500 companies from detailed accounting and reporting rules.

- September 20 Conrail ordered to operate its passenger train commuter service between Valparaiso and Chicago, IL, for one year.
- September 26 ICC issued a directed service order requiring the Kansas City Terminal Railroad to operate the Rock Island with Federal reimbursement of losses incurred. The ICC began a series of 17 public hearings on the essentiality of Rock Island service.
- September 27 Reorganization plan for the bankrupt Milwaukee Road filed with ICC.
- ICC staff started series of informal hearings with consumer and industry representatives on regulation of household goods movers.
- Commission conducted first of six regional Small Business Conferences.





REGULATORY REFORM

The Interstate Commerce Commission is committed to regulatory reform. During the past fiscal year, the Commission continued efforts to ensure that its regulations are effective, up-to-date, and responsive to the economic environment.

The ICC will continue to encourage competition in the transportation industry, substantially removing barriers to entry and greatly reducing burdensome regulations. At the same time, the Commission recognizes certain benefits of regulation; for example, protecting consumers from abuse, discrimination, or mistreatment. Whenever the marketplace cannot do the job, some form of regulation should step in.

Commission attention during the past year has focused on the railroad and trucking industries. In the rail area, it is the Commission's belief that railroads must improve productivity, become more market oriented, and use their freedom under the Railroad Revitalization and Regulatory Reform Act of 1976. In addition, railroads must become more innovative in marketing and pricing.

Regulations are currently being reviewed to make sure that they don't unnecessarily restrict the railroads. As discussed in other areas of this report, the Commission has acted to ease restrictions on contract rates and to deregulate fresh fruits and vegetables. Issues to be addressed in the coming fiscal year include market dominance and rate flexibility, additional commodity exemptions, through routes and joint rates, consolidations, and abandonments. Regulation, however, must continue to play a role where the marketplace cannot protect the public.

In the area of trucking regulation, Commission actions have been based on the philosophy of competition. However, the Commission realizes that it must balance the desirability of competition

with a 45-year old regulatory framework that is familiar to both carrier and shipper alike. In adjusting regulation of the trucking industry, the ICC has been influenced by the high monetary value of many ICC certificates, by complaints of shippers who want better or cheaper service, and by small trucking companies which have trouble getting into the regulated trucking business.

A major response by the ICC has been to allow easier entry into the trucking field. During the past fiscal year, the Commission granted, either in whole or in part, 96.7 percent of the applications for operating rights. This has resulted, in part, from revision of Commission regulations dealing with the filing of protests to an applicant's proposed service. The burden of proof is now on the protestant to show how the proposed service will hamper its financial well being. Shifting the burden of proof resulted in a greatly increased number of unopposed applications which are granted 30 days after they appear in the Federal Register.

The Commission has taken a number of actions to improve the performance of the trucking industry and to bring ICC regulations in line with contemporary conditions. These actions include:

- Enlarged commercial zones, terminal areas, and air terminal exempt zones to reflect more closely present urbanization realities. These are areas which surround large cities or airports and in which a trucking company can operate without ICC authority.

- Released contract trucking companies from the so-called "rule of eight" to permit these companies to achieve more economic potential by filling a real market need. In the past, a contract trucking company could only handle the shipments of eight or fewer shippers.
- Permitted private companies with their own transportation fleets to reach greater levels of efficiency by engaging in for-hire transportation. This action also reduced the number of empty backhaul miles, thus saving fuel.
- Permitted trucking companies to operate as both contract and common carriers to improve market responsiveness and company efficiency. In the past, a company was not permitted to hold both contract and common authority.
- Adopted a policy giving greater weight to competition and less weight to protecting existing companies when considering applications for entry into the trucking business.

The Commission also proposed various changes to ICC regulations that were still pending at the close of the fiscal year. These included:

- A rule permitting trucking companies to serve temporarily all intermediate points on their authorized routes.
- A policy statement that would waive ICC jurisdiction over the issuance of securities and the assumption of obligation and liabilities over private carriers which apply for authority to operate as for-hire trucking companies.
- A rule to grant entry into the trucking business on the basis of lower rates.
- A rule that would permit greater competition in the movement of government traffic.
- A rule relaxing restrictions against "intercorporate hauling"—commercial hauling performed within a corporate family by corporate affiliates.
- Increased emphasis on antitrust factors in trucking consolidation cases.

In furtherance of the ICC's goal of reforming trucking regulations, the Commission created a staff task force to review and, where necessary, to recommend changes in the existing regulatory structure. In May 1979, the Commission published a report containing the recommendations of its task force.¹

The task force determined initially that the trucking industry, because of its highly complex and diverse nature, should not be treated as a single entity. It suggested that positive changes could best be accomplished if the Commission reviewed the industry in terms of its many specialized segments. Therefore, the initial report contains specific recommendations to the Commission for regulatory reform in 12 market segments, including bulk transport, the building materials industry, and the movement of household goods. The staff task force proposed three principal reform elements for each of the 12 segments: fitness requirements, zone of reasonableness rates, and "master certification" of trucking companies.

In the coming fiscal year, the Commission will examine these recommendations and, through the rulemaking process, build a public record to help the Congress assess necessary legislative change.

¹ *Initial Report of the Motor Carrier Task Force, May 1979, Interstate Commerce Commission.*

CONSUMER PROTECTION

The Interstate Commerce Commission has a duty to protect the public interest and does its best to ensure that consumers and small businesses are represented in the administrative process. The Commission's extensive consumer program is built on a foundation of consumer oriented services initiated in 1973 and greatly expanded during the fiscal year.

The following offices within the Commission provide consumer services:

- The Office of Special Counsel assists the Commission in determining the public interest in proceedings before the ICC. The Special Counsel is charged with eliciting public viewpoints in major proceedings to help the Commission in its decision making. The Special Counsel represents consumer interests by contributing to a public interest record in ICC proceedings by intervening as a party and by conducting outreach activities to encourage and facilitate direct public participation in the administrative process. In cases where consumers are unfamiliar with ICC proceedings, the Special Counsel locates, notifies, and helps consumers with the administrative procedures and the merits of the proceeding so that the consumer can make his views known. Consumer complaints and suggestions are used by the Special Counsel to formulate a position reflecting the public interest in a proceeding. The staff of the Office of Special Counsel is available at Commission conferences, administrative law judge hearings, and informal staff conferences throughout the Nation to help consumers understand the purpose of the meeting, how they may participate, and the administrative procedures under which the Commission must operate.
- The Section of Consumer Assistance, Bureau of Operations, operates a sophisticated consumer complaint and inquiry center, using a nationwide, toll-free hotline with computer capability for logging, referral, retention, and update of complaint information. The Section of Consumer Assistance is tied to six regional Consumer Assistance Centers in Boston, Philadelphia, Atlanta, Chicago, Fort Worth, and San Francisco and three subregional centers in New York, Los Angeles, and Seattle.
- The Bureau of Traffic has responsibility for reviewing and interpreting tariffs containing the rates and charges of buses, trains, trucks, inland water carriers, and surface freight forwarders and suspending rates and charges before they become effective if they appear unreasonable or unlawful. The Bureau's Consumer Impact Analysis Unit reviews newly filed tariffs to identify rates, charges, or provisions that impact unfairly on the consumer and explores ways to eliminate items which may hinder or injure the consumer financially. The unit provides immediate response to tariff interpretation questions from the unsophisticated consumer and shipper. The Consumer Tariff Examining Unit analyzes certain tariffs in depth, searching for proposed rules, provisions, or rates which will impact unexpectedly, unfairly, and unreasonably on shippers or travelers who may not be in a position to watch tariff filings on their own behalf.
- The Small Business Assistance Office (SBAO) has a specific consumer constituency: small carriers, owner-operators, small shippers, new trucking companies, and minority truckers. The functions of SBAO range from advising and assisting small businesses and individuals in understanding and coping with regulatory procedures to providing the Commission with a broad perspective of the impact of its decisions on small businesses. Additionally, SBAO conducts an

informational outreach program to its consumer constituency. The office has prepared and disseminated a series of public advisory booklets designed to answer some basic questions on the transportation industry and to help resolve problems small businesses confront in entering the trucking business. SBAO also designed a nationwide ICC small business conference program, holding six conferences in different regions of the country.

- The Office of Communications and Consumer Affairs serves as the Chairman's coordinator for consumer activities. This office provides a readily accessible contact point for the general consuming public and develops and implements a comprehensive consumer information program designed to keep the public informed of Commission actions affecting individual consumers.

During the year the Commission took many actions to benefit the consumer. Examples of these actions, which are discussed in detail in other areas of this Report, include:

- Permitted moving companies to establish credit card payment plans.
- Proposed new rules which would make a moving company's estimate binding unless the actual transportation charges are lower.

- Proposed that moving companies charge for storage-in-transit on a daily rather than a monthly basis.

- Instituted a series of informal hearings on ICC regulations of the moving industry, inviting public participation of both consumers and industry.

- Granted a 90-day temporary authority to bus operators to provide service where none existed or to increase existing service during the summer gas shortage.

- Proposed new standards for service by intercity bus companies.

- Increased the liability of bus companies for checked baggage lost or damaged from \$250 to \$2,000.

- Denied the request of the Denver and Rio Grande Western Railroad to discontinue the "Rio Grande Zephyr" between Grand Junction, Colo., and Salt Lake City, Utah.

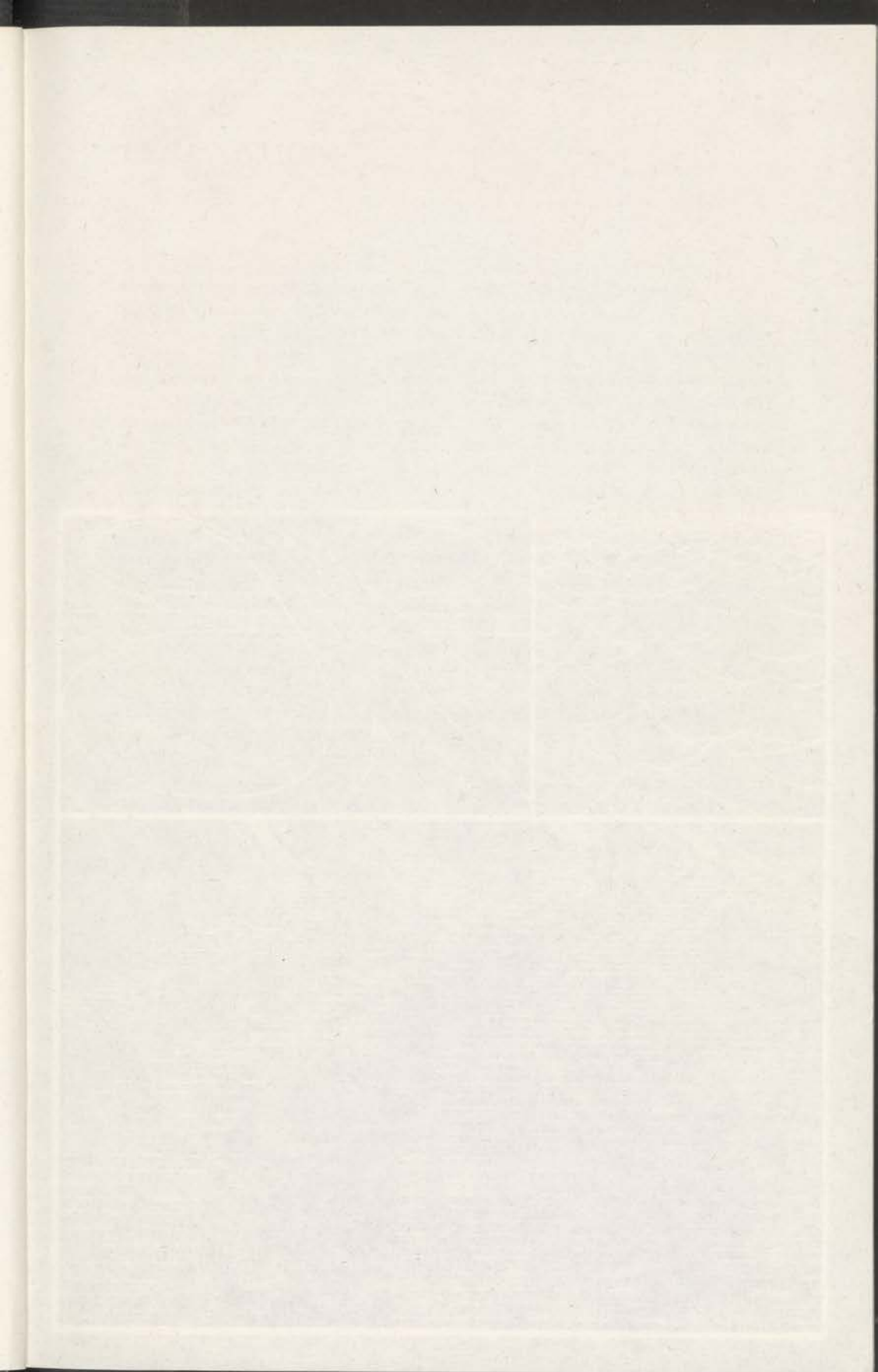
- Ordered a commuter bus line in the Washington, D.C. area to continue providing service.

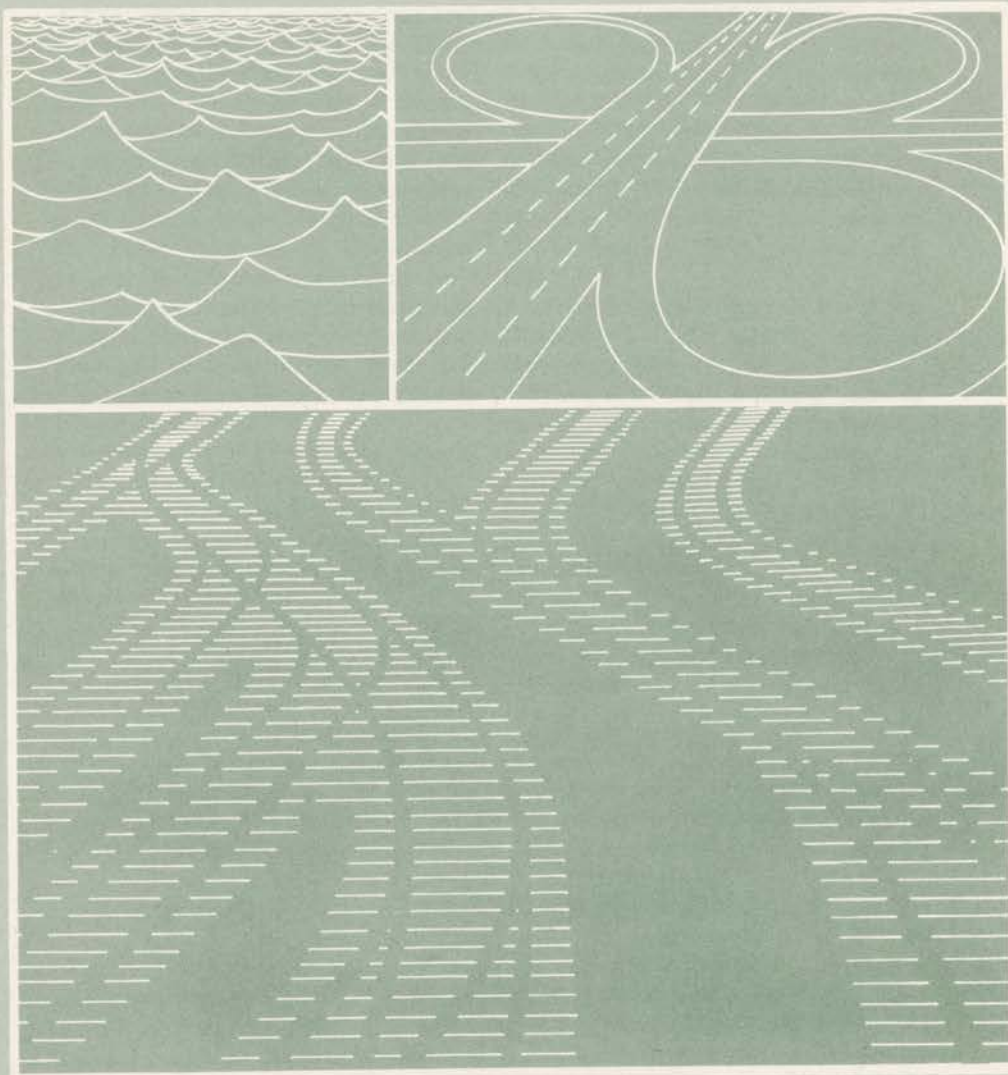
- Issued new "truth in leasing" rules to assure that the independent truck driver is treated fairly when contracted to a regulated trucking company.

- Established procedures for independent truck drivers to recover rapidly increasing fuel costs.

- Permitted the immediate authorization of truck and bus service required as a result of Hurricane Frederick.

- Proposed that the Commission make available legal counsel to consumers with limited financial resources.





LEGISLATION

Several pieces of legislation affecting the Commission were enacted by the Congress this year. Legislation, which will have a long-term significance for the Commission, was enacted which recodified the Interstate Commerce Act without substantive change. A product of the House of Representatives' Law Revision Counsel, with the Commission's cooperation, the recodification represents law reform at its best and will be of great value over the years ahead.

Revision of the Bankruptcy Act, approved in November 1978 and put into effect on October 1, 1979, brought about significant changes in the handling of railroad bankruptcies. The law concentrates more power in the bankruptcy courts and removes certain powers from the Commission. For example, the Commission will no longer handle abandonments, except in an advisory capacity to the court, and will no longer handle railroad reorganization plans in the first instance. Although the long-term effects of these changes cannot be predicted, it is hoped that they will ease the difficult and time-consuming railroad bankruptcy process.

A number of other Congressional actions were aimed at more specific problems which impact on the Commission. They included: the Amtrak Improvement Act of 1978, the Amtrak Reorganization Act of 1979, the Local Rail Service Assistance Act of 1978, the Surface Transportation Assistance Act of 1978 (an act to provide additional funding for Conrail), and an act to provide additional funding for the United States Railway Association and the Delaware and Hudson Railway.

The number and type of hearings for which the Commission was asked to testify during Fiscal Year 1979 indicated that Congress was moving toward a legislative resolution of the issue of transportation regulation. Of 34 Con-

gressional hearings in which the Commission testified, 28 concerned either the general subjects of rail or trucking regulation, or related financial, agricultural, or energy issues. These included such matters as railroad bankruptcies (particularly the Milwaukee Road), problems of agricultural transportation, and escalating energy problems—such as the rising price of fuel for truckers and the rising price of transporting coal by rail. While these issues tended to reflect local concerns, there was no question that they also reflected a serious Congressional concern over the future effects of competition and regulation in these critical areas. It seems clear that future legislation involving rail and trucking regulation must take into account the future of energy, agriculture, and the financial fortunes of the regulated industries.

In these areas the Commission usually advised a measured legislative response, calculated to meet the needs of competing economic interests and to avoid economic disruptions as much as possible. For example, on S. 796, the Administration's "Railroad Deregulation Act of 1979," the Commission was unable to endorse the maximum rate provisions of the bill, which would have substantially removed essential regulatory protections for "captive" shippers. At the same time, however, the Commission recommended that steps be taken to remove regulatory restraints on the railroads, and reported to Congress on several similar initiatives that the ICC had been considering. As a result it was clear that the maximum rate provisions of S. 796 would not become law at this time.

A number of other recommendations were made to Congress, principally

aimed at improving other legislative proposals or making improvements in the ICC's administration of the existing regulatory scheme. The ICC did not make major legislative proposals aimed at overhauling regulation of the rail and trucking industries because the Commission believed that its powers were sufficient under existing law to bring about substantial reforms in both areas. Moreover, many of the more sensitive areas, such as collective ratemaking and maximum rate regulation, were still subjected to intense internal policy review. Decisions could not yet be reached on what reforms would be appropriate, regardless of their method of implementation—legislative or administrative. However, the Commission feels that it will have a substantially larger legislative input as Congress' focus on major regulatory reform sharpens.

A more detailed account of the Commission's legislative experience is given in the following sections.

Legislative Recommendations

Household Goods Movers—The Commission submitted a legislative recommendation section in its June 19, 1979, testimony before the Senate Committee on Commerce, Science, and Transportation on the household goods moving industry. These recommendations would abolish limitations hampering efforts to assure that the household goods moving industry is operating in the public interest. Although no specific draft language was submitted, the Commission made a number of enforcement related recommendations. These included enactment of legislation empowering the Commission to initiate and conduct civil litigation in its own name, to improve and expand its civil forfeiture

enforcement program, and to conduct administrative collections. The Commission also recommended that legislation similar to "The Cargo Claims Adjustment Act," S.1188, in the 95th Congress, be introduced to improve the loss and damage claims settlement procedures.

The Commission suggested that a comprehensive study be done to determine whether the use of agents and non-owned resources by household goods companies is in the public interest. The study would then provide a basis for future legislation on the subject of agent-carrier relationships.

Motor—At the June 27th, 1979, hearing before the Senate Committee on Commerce, Science and Transportation, the Commission presented legislative proposals in the following areas:

1. General proposals to lessen the degree of federal intervention in the marketplace; and,
2. Procedural improvement in the regulatory process where regulation is still needed.

Railroad—Legislative proposals were presented in testimony on September 27, 1979, before a joint session of the Subcommittee on Economic Growth and Stabilization of the Joint Economic Committee and the Subcommittee on Transportation and Commerce of the House Committee on Interstate and Foreign Commerce.

These proposals would:

1. Shorten the effective date of rail abandonments to 30 days after a certificate is issued;
2. Eliminate the long-haul and short-haul clause to allow greater price flexibility in rail rates;
3. Exempt securities issuance by small rails from ICC jurisdiction; and,
4. Broaden the Commission's authority to exempt railroad services from regulation when continued regulation is not in the public interest.



Other legislative proposals, particularly in the enforcement and compliance area, are still being prepared.

Congressional Hearings and Comments on Legislation

Trucking Regulation—Topics considered at four hearings before the full Senate Committee on Commerce, Science and Transportation included: evaluations of the regulatory system, the household goods moving industry, collective ratemaking, legislative proposals, and safety.

At the first hearing held on March 28, 1979, the Commission explained that it is reassessing and making critical decisions to improve trucking regulation. Many changes in policies and procedures were outlined as well as administrative initiatives taken to bring the trucking industry and government regulation in line with existing economic and social realities.

The Commission asked that further consideration be given to two legislative proposals forwarded to the 95th Congress: S.2269—which would have authorized the Commission to exempt nonrail transportation from regulation when such regulation serves no public purpose, and S.2374—which would have reduced regulatory lag in nonrail cases by eliminating unnecessary multilayered levels of administrative review.

In testimony on June 19, 1979, the Commission acknowledged that the household goods moving industry is a unique segment of the trucking industry because it affects the average citizen directly. Noting that consumer complaints continue to increase each year, the Commission discussed actions to improve regulation and reduce problems associated with the industry. They included estimating practices, collective ratemaking, operating rights, and compliance and enforcement. Further recommendations were made to clear

statutes of problems that have impeded efforts to ensure adequate service by truckers.

On July 27, 1979 the Commission presented background information and outlined actions the Commission had taken on collective ratemaking. The Commission explained that it had recently agreed to impose new restrictions on all nonrail rate bureaus in an effort to confine the antitrust immunity to areas where there is a genuine practical necessity. To determine whether the rate bureaus are complying with laws and provisions of their agreements, the Commission is reevaluating each of the collective ratemaking agreements.

On July 18, 1979, the Commission testified on S.1390, the "Truck Safety Act of 1979" and on Title II of S.1400, the "Trucking Competition and Safety Act of 1979." The Commission explained that while the ICC is no longer responsible for promulgation or enforcement of safety regulations, questions of safety are considered in the Commission's licensing proceedings. The Commission stated that economic regulation is relevant to safety regulation in the sense that the financial performance of a trucking company may have a significant bearing on safety performance. Eliminating ICC oversight of safety matters as proposed was not supported. The Commission noted that since there has been relatively little participation by the Department of Transportation's Bureau of Motor Carrier Safety in permanent authority applications, there is a need for continuing independent Commission oversight.

The Commission discussed problems created by time limits specified in the bills and unnecessary splitting of administrative proceedings—specifically hearings and judicial review procedures.

The Commission also discussed potential problems with provisions to transfer liability insurance jurisdiction to the DOT.

The Commission did not testify on trucking regulation in the House. However, the House Public Works and Transportation's Subcommittee on Surface Transportation was conducting field hearings at the close of the fiscal year, and it was anticipated that the Commission would be asked to testify in the future.

Railroad Regulation—Both the House and Senate conducted extensive inquiry into railroad regulation issues. The Commission testified as follows:

February 7, 1979, before the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation on the implementation of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act).

April 24, 1979, before the Subcommittee on Transportation and Commerce of the House Committee on Interstate and Foreign Commerce on the Administration's "Railroad Deregulation Act of 1979" and on rail regulatory reform issues;

May 22, 1979, before the Surface Transportation Subcommittee of the Senate Committee on Commerce, Science and Transportation on the rate regulation provisions of S.796, the "Railroad Deregulation Act of 1979";

June 21, 1979, before the Surface Transportation Subcommittee of the Committee on Commerce, Science and Transportation on the non-rate provisions of S.796; and

September 27, 1979, before a joint session of the Subcommittee on Economic Growth and Stabilization of the

Joint Economic Committee and the Subcommittee on Transportation and Commerce of the House Committee on Interstate and Foreign Commerce on railroad regulation.

In each statement the Commission gave an overview of railroad regulation, explaining the role of the ICC prior to passage of the 4R Act and the significant changes that have occurred as a result of this act. Railroad policy initiatives undertaken by the Commission in the area of contract rates and the redefinition of market dominance were also discussed.

The Commission strongly opposed a provision of S.796 that would eliminate ICC jurisdiction over rail rates after a five-year transition period. The Commission said that this was the single most objectionable portion of the bill, because it would be grossly unfair to shippers in non-competitive markets. The Commission also commented on demand sensitive rates, joint-line rates and through routes, discrimination, tariff notice and publication, investigation and suspension powers, and rate bureaus. The Commission noted that the rate provisions of S.796 did not strike a fair balance among competing interests because the bill favored railroads in its effort to solve railroad financial problems.

The Commission also discussed non-rate provisions of S.796, including mergers and consolidations, abandonment, securities, car services, accounts and reports, and arbitration procedures. The Commission stressed that railroads' long-term fortunes depend heavily on their ability to handle competitive traffic profitably—the key is providing good service which will attract new traffic.

The Commission did not support provisions in S.796 that would remove the Commission's jurisdiction over all major mergers and consolidations and allow antitrust laws to govern such large scale transactions.



The Commission testified on June 11, 1979, before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary on railroad mergers, explaining that the 4R Act made substantial changes in the regulation of mergers, including establishing statutory procedural deadlines. The Commission referenced a general policy statement adopted in December, 1978, to be used as guidelines for parties to railroad consolidation procedures.

Railroad Coal Hauling Rates—The Commission testified at the following hearings on railroad coal hauling rates:

April 16 and May 31, 1979, before the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce; May 30, 1979, before the President's Commission on Coal; July 24, 1979, before the Joint Economic Committee; and September 24, 1979, before the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation.

The Commission outlined changes in its responsibilities for determining rail coal tariffs as a result of the 4R Act. The act required the Commission to consider a railroad's revenue adequacy in evaluating a tariff in addition to the other existing criteria. A new 4R Act capital incentive provision as it relates to coal hauling rates was also discussed.

The Commission emphasized that, since enactment of the 4R Act, its role has continued to be one of balancing competing interests. Although energy policy would indicate that railroad coal hauling rates need to be kept low to encourage substitution of coal for oil, the Commission explained that it must also take into account the carrier's financial well-being when it evaluates rail coal tariffs.

The hearings addressed disputes which surround the Commission's deci-

sions, in a number of Western coal rate cases, on what constitutes a reasonable profit level on this coal traffic. The Commission said that the purpose of its ongoing investigation is to establish these basic guidelines for coal hauling rates.¹

Milwaukee Road Bankruptcy—The Commission testified at the following five hearings on the bankruptcy of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company (Milwaukee Road):

October 27, 1978, before the Subcommittee on Economic Growth and Stabilization of the Joint Economic Committee;

April 30, 1979, before the Senate Committee on Energy and Natural Resources;

May 9, 1979, before the Subcommittee on Transportation and Commerce of the House Committee on Interstate and Foreign Commerce; and

May 21 and September 7, 1979, before the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation.

The Commission discussed how the Milwaukee reached its present financial condition and outlined the reorganization process. The Commission addressed its contingency planning if it became necessary to direct service by other railroads over the Milwaukee's lines. Emphasizing that directed service was only a short-term measure, the Commission advised that state and local governments and shippers needed to begin long range planning to deal with problems resulting from the Milwaukee's inability to provide service.

¹Ex Parte No. 347, *Western Coal Investigation—Guidelines for Railroad Rate Structure*.

The September 7, 1979, testimony included a discussion of S. 1492, a bill "to save the Milwaukee Road's freight-carrying capacity." One purpose of this legislation is to eliminate the requirement that the Milwaukee obtain Commission approval for abandonment and sale of its rail lines. As a result of the new Bankruptcy Law, Public Law 95-598, bankruptcy courts are empowered to authorize abandonments by railroads filing for reorganization after October 1, 1979. S.1492 would give the Milwaukee Road's reorganization court authority over abandonment similar to that which courts will hold in future railroad reorganizations.

The Commission also discussed in general terms service on the Western lines of the Milwaukee system where service deterioration seems particularly evident.

Amtrak—The Rail Services Planning Office presented testimony on the Department of Transportation's final recommendations on Amtrak's route structure before the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation on March 12, 1979, and on April 3, 1979, before the Subcommittee on Transportation and Commerce of the House Committee on Interstate and Foreign Commerce.

On September 29, 1979, the President signed P.L. 96-73, the "Amtrak Reorganization Act of 1979." This law authorized funds for Amtrak for Fiscal Years 1980-82 and set formulas for determining which trains would be continued in a reduced passenger system.

Repealing Section 801 of the Rail Passenger Service Act, thereby removing the Commission's authority to regulate Amtrak adequacy of service, the act also exempts Amtrak from ICC securi-

ties jurisdiction and takes the Commission out of the subsidy evaluation process of Section 403(b) of the Rail Passenger Service Act.

Rural and Agricultural Transportation Issues—The Commission testified on April 6, 1979, before the Subcommittee on Agricultural Credit and Rural Electrification of the Senate Committee on Agriculture, Nutrition and Forestry on S. 261, the "Agriculture, Subterminal Storage Facilities Act of 1979." The bill would provide for construction of transient storage and multi-modal shipping facilities for bulk agricultural commodities.

The Commission supported the objective of S. 261, saying the bill could be a useful tool in alleviating the problems of rural branch line service. The use of subterminal storage facilities would improve car utilization through increased unit-train movements and also encourage greater use of contract rates. The Commission said that it felt the bill would be beneficial to shippers and carriers.

On May 30, 1979, the Commission testified again before the same Subcommittee at a field hearing in South Dakota and restated its position as presented at the April 6 hearing.

On July 31, 1979, the Commission testified before the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Senate Committee on Agriculture, Nutrition and Forestry on agricultural transportation issues.

The Commission described its role in the transportation economy as one of balancing transportation interests. Since the existing regulatory system provides for the allocation of resources not only on the basis of market forces, but also in an attempt to achieve certain social goals, the Commission attempts to evaluate and readjust the balance between these competing interests when necessary in order best to serve the public interest.



The Commission discussed its views on regulation of rail rates, mergers and abandonments, and car service orders. The Commission also commented on the possible effects that trucking deregulation might have on service to small towns and rural communities and reported that Commission staff were currently undertaking a study to examine the impact of deregulation on small communities, particularly with respect to general commodities.

Fuel Conservation—The Commission testified on July 9, 1979, before the Subcommittee on Energy and Power of the House Committee on Interstate and Foreign Commerce on issues of fuel conservation in the surface transportation industry and on H.R.1681, the "Diesel Fuel and Gasoline Act of 1979."

Past and proposed actions to alleviate fuel problems were outlined, including fuel cost pass through, backhaul, circuitry, and facilitation of intermodal movements.

The Commission said it was developing policy actions that would improve fuel efficiency and conservation. One example is a proposal to relax the standards for entry into the motor carrier transportation of small shipments weighing 500 pounds or less.

The Commission commented that H.R. 1681 intended to address a situation created by the Robinson-Patman Act as administered by the Federal Trade Commission and that the ICC could not judge whether the bill was a valid approach to conserving fuel, because the Commission did not have sufficient information to determine the probable effects of the bill on ICC regulated industries or to make meaningful estimates on fuel savings.

On September 20, 1979, the ICC submitted additional written comments on this bill.

On September 6, 1979, the Commis-

sion testified before the Senate Committee on Commerce, Science and Transportation on issues of fuel conservation in the trucking industry. The Commission explained that it took action to respond to an increased demand for intercity bus service by granting general temporary authority to existing motor carriers of passengers.

Coal Slurry Pipelines—On July 23, 1979, the Commission testified before the House Committee on Interior and Insular Affairs on H.R.4370, the "Coal Pipeline Act of 1979."

This bill is similar to H.R.1609 which was considered by the 95th Congress. H.R. 4370 would delegate to operators of coal pipelines the Federal power of eminent domain if the operator obtained a certificate of public convenience and necessity from the Department of Interior. The Commission's role in the certification process would be limited to an assessment of the impact of the proposed pipeline on other companies. Once certified, the pipeline would be regulated by the Commission as a common carrier.

The Commission stated that it found the apparent purpose of the bill—to conserve oil and natural gas resources through future use of coal—highly commendable. The Commission explained that it felt transportation was the foremost issue, and therefore that it should ultimately determine whether a pipeline should be certified.

Control over certification by the Commission would help preserve uniform regulation of all surface transportation companies with the objective of maintaining an adequate, integrated, transportation system.

Regulatory Reform—House and Senate Committees began holding hearings early in the Congress on a variety of regulatory reform issues. Many of the bills discussed were similar or identical to bills on which the Commission testified in the prior Congress.

The Commission voluntarily agreed to comply with Executive Order 12044 which provided for preparation of a regulatory analysis for all proposed rules having a major public impact.

In a written comment to the House Rules Committee submitted on March 20, 1979, on two bills, H.R. 2, the "Sunset Act of 1979" and H.R. 65, the "Legislative Oversight Act of 1979," the Commission pointed out that it was not clear whether the legislation was intended to apply to programs administered by independent regulatory agencies or only to Executive Branch agencies. The statement also expressed the view that ten-year sunset reauthorization cycles are preferable to the five-or-six year cycles of earlier legislation.

The need for provisions of Title V of H.R. 2, directing the President to analyze regulation by various federal agencies every two years and to submit a legislative plan to Congress, was questioned since it appeared to duplicate requirements in Title III. These provisions would also make it difficult to coordinate reform efforts in the field of transportation, because plans for various agencies would be involved at different times. Certain reports and reexaminations provided for in the legislation would require considerable staff effort and funding, and without additional resources, the regular ongoing work of the Commission could be severely hampered.

On June 20, 1979, testimony before the Subcommittee on the Legislative

Process and the Subcommittee on Rules of the House Committee on Rules included comments on Title V of H.R. 2, the "Sunset Act of 1979," H.R. 65, the "Legislative Oversight Act of 1979," and H.R. 2364, the "Regulatory Reform Act of 1979."

Similarities and differences in the three bills were compared, reiterating many of the same concerns expressed in the ICC's March 20, 1979, written comment. The Commission expressed concern for the disruptive effects that a lapse of agency rules could create for groups that have come to rely on agency requirements as the basis for their private arrangements, relationships, and remedies.

On July 17, 1979, the Commission transmitted a written comment to the Senate Committee on Government Affairs on S.2, the "Sunset Act of 1979." The Commission outlined its internal review process which it said could be tied in with Congressional oversight efforts, and stressed the importance of regulatory programs, policies, and priorities being coordinated to avoid misallocation of agency efforts and resources. Specific comments on provisions of S.2 were similar to earlier comments on the House sunset legislation.

The Competition Improvement Act—The Commission submitted two written comments to the Senate Committee on the Judiciary on legislation aimed at ensuring that agencies determine the impact of their actions on competition and regulate in a manner least likely to affect competition adversely.

Comments submitted on April 19, 1979, discussed S.382, the "Competition Improvements Act." Saying that the bill would provide additional support for actions the ICC has taken to lessen regulation and place greater reliance on competition, particularly in the trucking industry, the Commission endorsed



enactment of the procompetitive standard with some modification, and noted the similarity between it and the standard developed by the Commission for reviewing collective ratemaking agreements. The Commission emphasized the importance of limiting the application of the procompetitive standard to decisions involving major agency actions. Since it makes tens of thousands of decisions each year, the Commission, if it were required to undertake a procompetitive analysis in every entry and rate case, would be slowed substantially.

On August 28, 1979, comments were submitted on Title II of S.1291, "A Procompetitive Standard for Federal Agencies," which is a revised version of S.382. In comment again the procompetitive standard was endorsed, but the importance of limiting its application to decisions involving major agency actions was stressed. The comment provided further documentation on the potential adverse effect of the Commission's decision making of applying the standard to every agency action.

Maritime—On September 20, 1979, the Commission testified before the Subcommittee on Merchant Marine and Tourism of the Senate Committee on Commerce, Science and Transportation on S.1460, S.1462, and S.1463. These bills would amend the Shipping Act of 1916 to streamline the regulatory part of maritime policy. The bills in most respects do not concern the activities of the Commission.

The Commission stressed the difference between foreign commerce and domestic offshore commerce. It commented that although more extensive power may be required by the Federal Maritime Commission in order to give the United States a more effective position vis-a-vis foreign governments in foreign commerce, in light of the present record, these extensive powers do not appear needed with respect to domestic offshore commerce.

ADMINISTRATION

Organization

The Commission completed several organizational and procedural studies aimed at ensuring effective and efficient operations. These studies resulted in the following organizational changes.

A reorganization of the Bureau of Operations contracted out the functions of the Section of Insurance and established a Section of Consumer Assistance to improve the Commission's responsiveness to consumer needs (See Consumer Protection, page 15.)

The Commission consolidated 19 offices to streamline its field staff. Following the consolidation, the six major regional offices established complaint and assistance centers to ensure expeditious handling of inquiries.

A policy and evaluation study led to the establishment of the Office of Policy and Analysis. This office, which includes the former Bureau of Economics, is responsible for formulating and recommending changes in transportation policy and performs duties of the legislatively mandated Rail Services Planning Office.

A study was conducted in the Office of the Secretary which resulted in staff savings and improvements in the dissemination of Commission decisions to the public. With improved services, the Office of the Secretary has been able to increase the number of items scheduled for daily release, thus eliminating a substantial backlog. A nationwide recording service giving daily highlights of major ICC decisions was initiated November 12, 1979.

Two organizational units within the Office of Proceedings were consolidated into a section of five multi-functional teams. Each team is responsible for processing permanent and temporary

authority licensing for one-fifth of the regulated motor carriers. Elimination of assembly-line type processing, improved accountability, and consolidation of like functions resulted from this change.

Management

The Section of Administrative Technologies, which provides word processing support to the entire Commission, became fully operational. The section is devoting increased resources to workflow analysis and records management activities. This support will increase the quality and effectiveness of internal paperwork and reduce the paperwork burden on the public.

The Field Office Reporting System was expanded to enable management better to monitor regional activities, assess resource needs, shift personnel to meet changing priorities, and permit a more rapid information retrieval.

The Public Tariff File operation was contracted to a consulting firm and moved out of the ICC building after a feasibility and cost analysis study. This contract approach maintains a high level of efficiency and reduces the cost of the service.

Preliminary studies were conducted during the year to investigate the feasibility of decentralizing decisional authority for Emergency Temporary Authority and Temporary Authority to the field offices. Results support decentralization as a way to provide significantly quicker response times and staff savings. These staff persons in the Office of Proceedings will be diverted to work on an increasing permanent authority caseload. Implementation is planned for early Fiscal Year 1980.

The second annual Commission Planning Conference, held on March 29 and 30, 1979, focused on one-to-two year operational goals and the impact that various legislative proposals for regulatory

reform might have on Commission operations. The conference produced a set of goals to guide Commission activity during the balance of Fiscal Year 1979 and Fiscal Year 1980.

A Commission staff task force developed instructions and procedures necessary to begin implementing the Civil Service Reform Act. The act was fully implemented for Senior Executive Service members on October 1, 1979. Partial implementation of the new performance appraisal system was achieved for all GS 13-15 supervisors one year ahead of the date required by the act to provide a test period prior to mandatory implementation.

The Commission's consumer assistance role was enhanced through development and prototype testing of a new system to expedite handling of a wide range of transportation-related complaints and inquiries. This consumer assistance system acts as a nationwide information distribution system through which the complaint or inquiry is routed to a consumer specialist for final resolution.

A tariff simplification program, designed to lessen the paperwork burden of tariff filings, was initiated. Commission staff established the basis for future action by:

- participating in industry tariff standards committees;
- initiating an interagency effort to coordinate industry and Federal standards; and
- prompting divided industry groups to coordinate a common set of definitions and coding structure.

Equal Employment Opportunity—In support of Commission policy to provide equal employment opportunity for all ICC employees and applicants, the following efforts have been undertaken: (1) a full-time EEO Officer position was established to ensure overall effective-

ness; (2) a comprehensive Upward Mobility Program was implemented to provide career opportunities for lower level employees; and, (3) initial plans were completed to implement the Federal Equal Opportunity Recruitment Program, which will improve ICC efforts to recruit highly qualified minorities and women.

Training—The ICC's National Training Center (NTC) became fully operational. The NTC serves as the central coordinator and technical assistance point for the development of all training efforts for the Commission. In addition to increasing the number of core courses available in technical areas, the NTC coordinated training to: (1) support implementation of the Civil Service Reform Act; (2) expand the Upward Mobility Program; (3) improve the writing skills of Commission staff; and, (4) instruct staff on the use of the new centralized dictation equipment in the Section of Administrative Technologies.

Commission Budget

The Fiscal Year 1981 budget was the third prepared under the Zero Base Budgeting concept. The basis for this budget was an updated version of the long-range strategic goals approved by the Commission in June 1978, and the potential operational effects of proposed legislation affecting regulation by the Commission.

Regular Appropriations

The President's Fiscal Year 1980 budget request for Commission operations was \$81,095,000 and 2,027 positions. This included \$1,850,000 and 27 positions for the Office of Rail Public Counsel.

The Chairman of the Commission appeared before the House Subcommittee on Transportation Appropriations on February 14, 1979, and on February 28, 1979, to present the budget. The House of Representatives recommended an appropriation of \$76,099,000 and 2,030 positions for the Commission. This level excludes any appropriation and the 27 positions for the Office of Rail Public Counsel and adds 30 positions to monitor Conrail operations to deal with the national rail car shortage.

The Commission appeared before the Senate Subcommittee on Transportation Appropriations on May 22, 1979. The Senate had taken no action on the Commission's budget at the close of the fiscal year.

Supplemental Appropriations—The Commission requested a total of \$2,800,000 in supplemental appropriations for Fiscal Year 1979. This provided for increased pay costs, including related costs for personnel benefits. The President's budget allowed \$2,750,000 of this request.

On July 25, 1979, Public Law 96-38 was enacted which provided the Commission with \$2,475,000 in supplemental funds.

ENERGY AND ENVIRONMENT

Energy

The diesel fuel shortage in the spring and summer of 1979 prompted several Commission actions in the energy area. The Commission instituted a rulemaking to consider the merits of a proposal which would permit trucking companies, which demonstrate that 50 percent of their revenues were generated from exempt commodities, to obtain summary grants to transport regulated commodities on backhauls.¹

In a related action the Commission authorized companies to handle regulated traffic on backhauls, when the grant is required by the public convenience and necessity and the private carrier agrees to maintain separate accounts for its for-hire operations.²

Considerations of efficiency prompted the Commission to issue a policy statement calling on motor carriers to use convenience interlining, intramodal substituted service, and pooling arrangements wherever possible. It is anticipated that concerted carrier action in these areas will significantly reduce empty and light-load truck miles and result in substantial fuel savings.³

Another aspect of the energy crisis was the rapidly escalating price of fuels. Particularly hard hit were the trucking industry and the independent owner-operator. The Commission established a surcharge mechanism for trucking companies to charge rates in excess of those published in their tariffs, in order to recover expenses incurred in meeting

rising fuel costs. An accompanying provision was implemented to insure that the person who actually paid the increased fuel charges received the full benefit of the surcharge.⁴

In a related area, the Commission's newly formed Office of Policy and Analysis supervised a contract study of the effects of deregulation on fuel efficiency in the trucking industry. The study concluded that implementation of nine major regulatory reform measures currently under consideration would lead to a projected energy savings equal to 2.4 percent of current consumption in intercity truck transportation.

Environment

The Energy and Environment Branch drafted proposed rules adopting the provisions of the Council on Environmental Quality's "Regulations for Implementing the Procedural Provisions of NEPA." These draft rules refine environmental reporting requirements for applicants and streamline the Commission's NEPA compliance procedures.

The Commission's environmental workload has grown since passage of the Railroad Revitalization and Regulatory Reform Act of 1976 and adoption of a national energy policy which emphasizes development of existing coal reserves.

The Commission cooperated in the preparation of five separate Environmen-

¹ Ex Parte No. MC-127, *Special Procedures Governing Applications For Motor Carrier Authority Complementary to Movements of Exempt Agricultural Commodities*.

² Ex Parte No. MC-118, *Grant of Motor Carrier Operating Authority to an Applicant Who Intends to Use it Primarily as an Incident to the Carriage of its Own Goods and its own non-transportation business*.

³ No. 37243, *Policy Statements on Motor Carrier Convenience Interlining, Intramodal Substituted Service and Pooling*.

⁴ *Expedited Procedures for Recovery of Fuel Costs*. 350 I.C.C. 563 (1975).

tal Impact Statements (EIS's) dealing with site-specific proposals and the regional potential for coal development (including related rail construction projects) in Southern Utah, Central Utah, the Eastern Powder River Basin (Wyoming), the Northern Powder River Basin (Montana), and Northwestern New Mexico.⁵ The Commission is presently assessing the environmental impacts of coal-related rail construction projects planned in Northern New York and between certain Wyoming coal fields and Nebraska power plants.⁶ Analysis also is being completed for a thorough environmental study of a recent proposal for a new Western coal freight rate structure.⁷

EIS's have been prepared recently for several major consolidation proceedings. In one study, the Commission assessed the environmental consequences of traffic diversion produced by St. Louis Southwestern Railway Company's proposal to acquire that portion of the Rock Island's line extending between Santa Rosa, NM and St. Louis, MO.⁸ Another study dealt with the expected impacts of a proposed merger between Burlington Northern, Inc., and St. Louis-San Francisco Railway Company.⁹ The Commission's environmental staff also is preparing a study addressing the impacts of the proposed merger of the Chessie System and Seaboard Coast Lines which is perhaps the most significant railroad consolidation application ever to come before the Commission.¹⁰

⁵ Star Lake-Bisti Regional Coal Environmental Statement; Development of Coal Resources in Central Utah-Environmental Statement; Development of Coal Resources in Southern Utah-Environmental Statement; Proposed Development of Coal Resources in Eastern Powder River Wyoming; Northern Powder River Basin Coal, Montana.

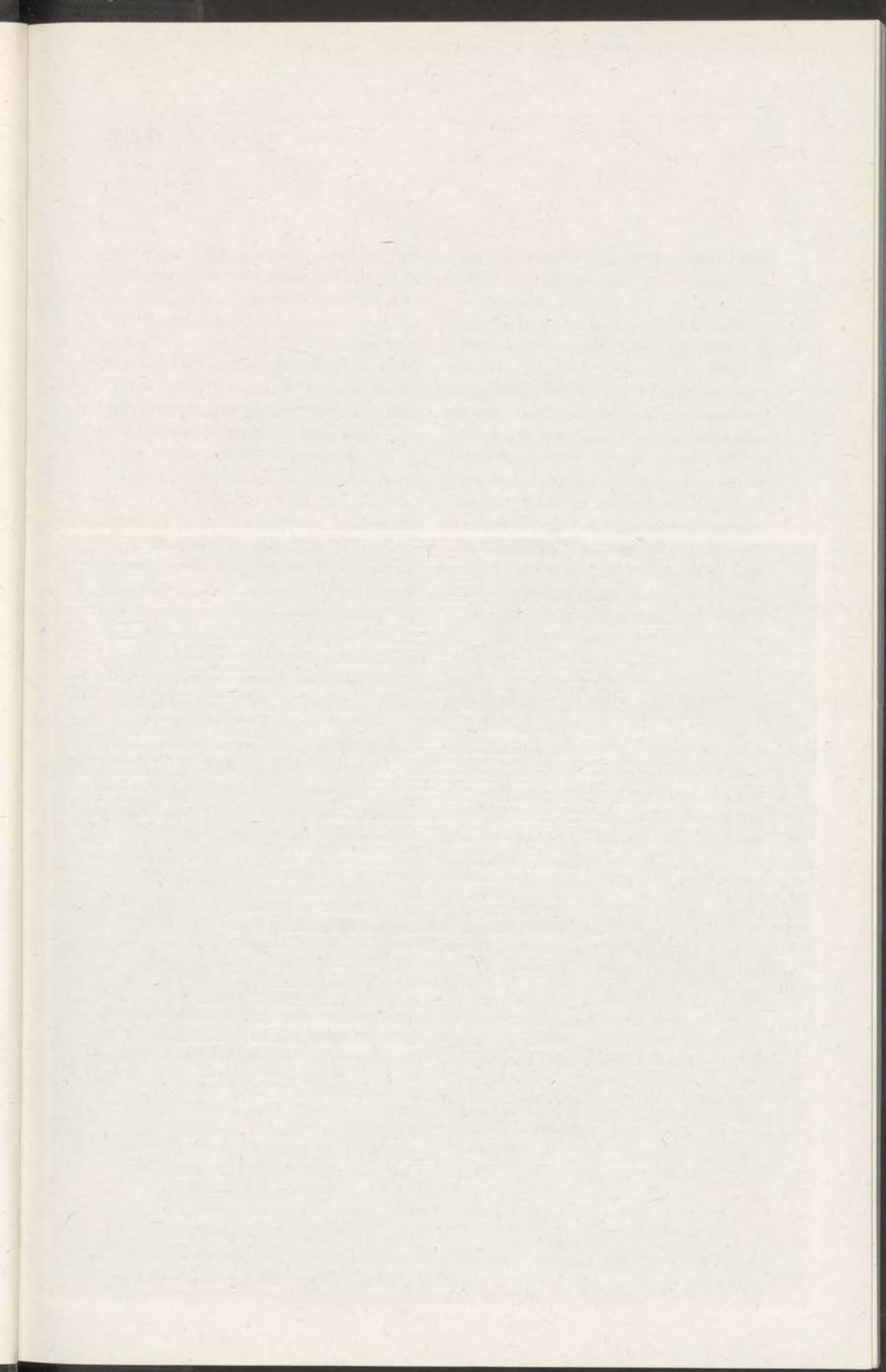
⁶ New York State Electric & Gas Corporation-Somerset Generating Station Rail Line Project (application not yet filed); F.D. No. 28934F, Chicago and North Western Transportation Company Construction of a Line of Railroad in Niobrara and Goshen Counties, WY and Sioux and Scotts Bluff Counties, NE.

⁷ Ex Parte No. 347, Western Coal Investigation Guidelines for Railroad Rate Structure.

⁸ F.D. No. 28799 (Sub-No. 1F), St. Louis Southwestern Railway Company Purchase (Portion) - William M. Gibbons, Trustee of the Property of Chicago, Rock Island, and Pacific Railroad Company and related docket.

⁹ F.D. No. 28583 (Sub-No. 1F), Burlington Northern Inc. Control and Merger St. Louis-San Francisco Railway Company et al.

¹⁰ F.D. No. 28905 (Sub-No. 1F) et al, CSX Corporation-Control-Chessie System, Inc. and Seaboard Coast Line Industries, Inc.





RAILROADS

Rail freight traffic reached record levels in 1978. Revenue ton miles amounted to more than 858 billion, up 3.9 percent over 1977 and 0.7 percent greater than the previous record set in 1973. Carloadings increased 0.9 percent over the 1977 level.

This record traffic level was led by increases in carloadings of bulk commodities that moved over the railroads as the economy expanded throughout 1978. Carload movements of metallic ores increased by 30.5 percent, grain movements by 8.1 percent, while movements of coke and metal products had increases under 7.5 percent. Other important traffic gains were 6.2 percent in forwarder and shipper association traffic and 5 percent in waste and scrap materials traffic. Important commodities showing a decrease in carloadings were coal, 6.3 percent (attributable to strikes by the United Mine Workers and Norfolk and Western employees), and petroleum products, 5.5 percent. Commodities with carloading losses under 5 percent were lumber and wood products, crushed stone and sand, and motor vehicles and equipment.

Freight revenue for 1978 reached an historic high of \$20 billion, up 7.6 percent over 1977. Railway operating expenses increased at a faster rate, 8.1 percent, so net railway operating income was only \$443 million, about equal to last year's level. The net income, after accounting for income from outside sources and paying fixed rentals and interest, was \$260 million in 1978; 38.8 percent below the 1977 level.

The failure of profitability to show a better picture in 1978 over 1977 does not seem to stem from the change in traffic mix. Heavier volume shipments (allowing shippers to use lower incentive rates) and relative shifts among commodity groups did combine to dampen the increase in freight revenues. Had traffic mix remained the same, freight revenues would

have increased 11.5 percent (combining the 3.9 percent increase in ton-miles and the increase of 7.03 percent in freight rates as measured by a Department of Labor index), rather than 7.6 percent. But the change in traffic mix also affected expenses. The net effect on profitability depends on the relative profitability of the individual commodity groups, and available information (in terms of revenue to variable cost ratios) indicates that traffic changes had offsetting effects. For example, what the increases in metallic ores and grain contributed to profits could well have been mitigated by the drop in transportation equipment. Rather, the rise in total expenses relative to total revenues seems primarily due to increases in wages and material costs and to track upgrading, in part to handle coal movements. The rise in freight rates of 7.03 percent from 1977 to 1978 was below the increase of 8.6 percent in the Association of American Railroads' index of wages and materials prices and below the 7.79 percent increase in the wholesale price index for all commodities during the same period.

The financial results are somewhat better if considered on a district basis. The eastern district, due to the operating results of Conrail, showed an increased net income deficit and a lower rate of revenue growth compared to the southern and western districts. The southern district railroads experienced a decrease in net income; however some of the decrease was due to an accounting change in reporting dividends and undistributed earnings for the Southern Railway. Revenue ton miles increased 1.1 percent in the southern district while

total operating revenues had a positive 0.3 percent increase over total operating expenses.

The western district railroads showed similar increases over the previous year. Net income increased 11.7 percent, revenues and expenses by over 11 percent, and revenue-ton miles by 9.6 percent.

In tonnage carried, the southern district posted the largest growth during 1978 with 9.8 percent. The eastern district increased its volume of freight by 8.9 percent, while the west increased its tonnage by 8.4 percent.

Mergers and Consolidations

The Commission issued a General Policy Statement in December 1978, outlining the criteria to be applied in analyzing rail merger and consolidation proposals.¹ The Commission's policy is to encourage the reorganization of railroad facilities and reduction of excess rail capacity through private industry initiatives. The Commission favors consolidations where operating efficiencies will occur, marketing opportunities will be enhanced, essential rail services will be retained, and competition will not be unnecessarily diminished. Other means of attaining these ends, including the joint

use of rail facilities and the use of run-through trains, are also encouraged. The Commission does not favor rail industry restructuring through the exercise of managerial and financial control unless the controlling entity assumes full responsibility for carrying out the operating railroad's obligation to provide adequate service upon reasonable demand.

A number of major rail merger and consolidation proposals were before the Commission in Fiscal Year 1979.

In December 1978, Southern Pacific and its subsidiary the St. Louis Southwestern filed an application to purchase the Rock Island's "Tucumcari Line" from Santa Rosa, NM to Kansas City and St. Louis.² Missouri Pacific submitted a competing application to acquire the portion of the line between Kansas City and St. Louis. Hearings on the proposals are being conducted and a final decision will be issued in 1980.

In January 1979, the Chessie System and Seaboard Coast Line Industries filed a merger application.³ If approved, it would represent the fifth largest corporate merger in the Nation's history. Over 40 different related applications for trackage rights, abandonments, construction, acquisitions and securities issuances have been filed. These include competing applications by six other railroads.⁴ Hearings are underway.

An initial decision was made in July 1979, on the competing applications to acquire control of the Detroit, Toledo

² F.D. No. 28799 (Sub No. 1F), *St. Louis Southwestern Company - Purchase (Portion) - William F. Gibbons, Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company, Debtor, et al.*

³ F.D. No. 28905 (Sub No. 1), *CSX Corporation-Control-Chessie System, Inc., and Seaboard Coast Line Industries, Inc., et al.*

⁴ Those who filed responsive applications are Southern, Norfolk and Western, Milwaukee Road, Conrail, Delaware and Hudson, and Boston and Maine.

¹ *Railroad Consolidation Procedures*, 359 I.C.C. 195 (1978).



and Ironton (DT&I).⁵ The Administrative Law Judge approved both the primary application by Norfolk and Western (N&W) and Baltimore and Ohio (B&O), each to acquire half the DT&I stock and the inconsistent application by Grand Trunk Western (GTW) to purchase all of the stock of DT&I and the nearby Detroit and Toledo Shore Line Railroad (DTSL). However, the GTW proposal was found to be preferable. GTW was given six months to acquire the DT&I stock before N&W and B&O would be allowed to purchase it. The Commission is considering the case on appeal and a final decision will be made in Fiscal Year 1980.

The Commission permitted the divestiture by Western Pacific Industries of its railroad subsidiaries. In January 1979, the sale of the carrier assets to new corporations owned by the current management of the Western Pacific Railroad was approved.⁶

In October 1978, the Commission approved an application by Itel Corporation to acquire control of the Green Bay and Western Railroad.⁷

Hearings on the application for merger of the St. Louis-San Francisco and Burlington Northern (BN) continued in

1979.⁸ Eight railroads⁹ reached agreement with BN on proposed conditions, while seven railroads¹⁰ continued in opposition. A decision will be issued in 1980.

The Commission is processing these applications under the time limits mandated by the Railroad Revitalization and Regulatory Reform Act of 1976 and must reject any application which is not complete when filed. The Commission has established a procedure for railroads to obtain an advance ruling on the necessary data for an application under the regulations applicable to a particular transaction. The procedure speeds the filing and initial processing of applications and assists in developing a complete record.

In another effort to reduce unnecessary regulatory burden, the Commission exempted certain rail consolidations from Commission review. It exempted Designated Operators as a class from prior Commission review of mergers and consolidations.¹¹ Several requests for

⁵ F.D. No. 28499 (Sub No. 1), *Norfolk and Western Railroad Company and Baltimore and Ohio Railroad Company-Control-Detroit, Toledo and Ironton Railroad Company*; F.D. No. 28676 (Sub No. 1), *Grand Trunk Western Railroad-Control-Detroit, Toledo and Ironton Railroad Company and Detroit and Toledo Shore Line Railroad Company*, (not printed), decided July 30, 1979.

⁶ *Newrail Co., Inc.-Purchase-The Western Pacific Railroad Company*, 354 I.C.C. 885 (1979).

⁷ F.D. No. 28654 (Sub No. 1), *Itel Corporation-Control-Green Bay and Western Railroad Company* (not printed), decided January 4, 1979.

⁸ F.D. No. 28583 (Sub No. 1F), *Burlington Northern, Inc.-Control and Merger-St. Louis-San Francisco Railway Company, et al.*

⁹ The eight railroads reaching agreement are the Southern Pacific, Union Pacific, Santa Fe, Kansas City Southern, Family Lines, Southern, Illinois Terminal and MoPac.

¹⁰ The seven railroads in opposition are the Soo Line, Illinois Central Gulf, Chicago and North Western, Rock Island, Milwaukee Road, Missouri-Kansas-Texas, and Denver and Rio Grande Western.

¹¹ The term Designated Operator refers to any company conducting operations pursuant to Section 304(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744), as amended by the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 801).

exemption of individual transactions with minimal transportation impacts were granted in 1979.¹²

Reorganizations

The Commission received 16 petitions relating to railroad reorganization under Section 77 of the Bankruptcy Act. These petitions required action on such matters as trustee ratification and trustee and counsel compensation.

On September 26, 1979, the Commission found that the cash position of Chicago, Rock Island and Pacific Railroad Company made continuing operations impossible. It directed the Kansas City Terminal Railway Company to provide interim service over the Rock Island lines at government expense.¹³ This was done to prevent severe transportation and economic dislocations and to permit continued rail operations while attention is focused on long range restructuring alternatives.

The Chicago, Milwaukee, St. Paul and Pacific Railroad Company filed its plan for reorganization on September 28, 1979.¹⁴ The plan calls for substantial curtailment of its rail network.

Securities

Eighty-eight applications and 13 petitions for modification of previous authori-

ty were filed by railroads, including 7 applications for exemptions from the requirement of competitive bidding.

Railroads were authorized to issue approximately 31,393,162 shares of stock for all purposes, and \$267,658,315 principal amount of notes. In addition railroads were authorized to assume obligation and liability for \$422,029,500 principal amount of equipment trust certificates, \$91,260,000 principal amount of bonds, and to pledge \$231,950,000 principal amount of bonds.

Interest rates on borrowings have continued to increase steadily during the year. The Commission's proceeding to expand the definition of the term "securities"¹⁵ to include certain noteless borrowings was set aside by a decision of the United States District Court of Appeals for the District of Columbia.¹⁶

Rates

Commission activity in railroad rate-making continues to reflect the Railroad Revitalization and Regulatory Reform (4R) Act of 1976 (Public Law 94-210).

Significant ratemaking regulations adopted in response to the 4R Act are being reexamined and revised in the light of experience. Included in the reassessment are the Commission's rules defining market dominance,¹⁷ demand-sensitive rates,¹⁸ and capital incentive rates.¹⁹

¹² F.D. No. 29010F, *Canadian Pacific Limited and Cannellus Incorporated—Control—Hutchinson and Northern Railway Company* (not printed), decided July 24, 1979; F.D. 28972F, *Burlington Northern, Inc.—Merger—Spokane, Portland and Seattle Railway Company, Exemption Under 49 U.S.C. 10505 from 49 U.S.C. 11343-11347* (not printed), decided August 8, 1979; F.D. No. 29022, *Southwest Forest Industries, Inc., and SWF Gulf Coast, Inc.—Control—The Atlanta & St. Andrews Bay Railway Company* (not printed), decided August 21, 1979.

¹³ *Kansas City Term. Ry. Co.—Operate—Chicago, R. I. & P.*, 360 I.C.C. 289 (1979).

¹⁴ F.D. No. 28640 (Sub No. 5), *Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Reorganization; Trustee's Plan of Reorganization*.

¹⁵ *Ex Parte 275, Expanded Definition of Term "Securities"*, 348 I.C.C. 288 (1975), 354 I.C.C. 10 (1977).

¹⁶ *Association of American Railroads, v. United States*, 603 F. 2d. 953 (D.C. Cir. 1979).

¹⁷ *Market Dominance Standards and Procedures*, 353 I.C.C. 875 (1976), 355 I.C.C. 12 (1976), and a proceeding decided January 31, 1979.

¹⁸ *Standards and Expeditious Procedures for Railroad Rates*, 355 I.C.C. 521 (1977), clarification denied, November 20, 1978.

¹⁹ *Capital Incentive Rate Regulations*, 361 I.C.C. 778 (1979), pending.



A rulemaking proceeding to interpret statutory cost terminology and adopt cost formulas was initiated.²⁰ In the first phase of this proceeding, public comment has been received on the concepts of "variable costs," "incremental costs," and contribution to "going concern value." In the second phase, the Commission will adopt formulas for determining variable and incremental costs.

In keeping with a recently adopted regulation,²¹ the Commission instituted its first proceeding for the determination of adequate railroad revenue levels. The Commission has already issued a decision on the railroads' cost of capital or fair return rate (10.6 percent).²² Other issues in the proceeding include the use of funds flow analysis in the establishment of adequate revenue levels, and the problem of demonstrating honest, economical and efficient management. A decision on all remaining issues was nearing completion at the close of the fiscal year.

The 4R Act gave the Commission authority to exempt rail traffic from unneeded regulation. General regulations to implement this authority were found unnecessary,²³ but commodities possibly suitable for deregulation are being examined in separate proceedings. As a result, fresh fruits and vegetables have been deregulated,²⁴ and deregula-

tion of other commodities is being considered.²⁵

The investigation of the grain rate structure was completed.²⁶ Included in the findings were the desirability of encouraging greater use of demand-sensitive grain rates; separate rates for distinct grain rail services, such as transit; and appropriate rate relationships on domestic and export grain rates. Public comment was invited on how best to further these objectives.²⁷

Proceedings involving coal rates have substantially increased in numbers and significance.²⁸ Balancing the railroads' revenue needs against the important role coal can play in meeting the Nation's energy needs makes these proceedings extremely significant. Underway is a comprehensive proceeding to develop ratemaking guidelines for western coal rail rates.²⁹

Because of the national fuel crisis, the Commission reactivated procedures enabling railroads to offset increased fuel costs with surcharges.³⁰ Fuel surcharges, both general and related to specific equipment types, have been approved and are effective.

²⁰ Ex Parte No. 355, *Cost Standards for Railroad Rates*, notice of proposed rulemaking served October 6, 1978.

²¹ *Establishment of Adequate Railroad Revenue Levels*, (not printed) decided February 3, 1978, modified in 359 I.C.C. 270 (1978).

²² *Adequacy of Railroad Revenue (1978 Determination)*, (not printed) decided December 1, 1978 and March 21, 1979.

²³ Ex Parte No. 346, *Rail General Exemption Authority*, (not printed) decided December 6, 1978.

²⁴ *Rail General Exemption Authority—Fresh Fruits and Vegetables*, (not printed) decided March 21, 1979.

²⁵ Ex Parte No. 346 (Sub-No. 2), *Rail General Exemption Authority—Miscellaneous Commodities*, pending.

²⁶ *Investigation of Railroad Freight Rate Structure—Grain*, 345 I.C.C. 2975 (1979).

²⁷ Ex Parte No. 270 (Sub-No. 9A), *Action to Advance the Publication of Seasonal and Demand-sensitive Rates on Grains and Grain Products*, Ex Parte No. 270 (Sub-No. 9B), *Action to Advance the Publication of Separate Rates for Distinct Rail Service on Grains and Grain Products*, and Ex Parte No. 270 (Sub-No. 9C), *Appropriate Domestic and Export Rate Relationships on Grains*, pending.

²⁸ Over 20 coal investigations and complaint proceedings are currently pending.

²⁹ Ex Parte No. 347, *Western Coal Investigation—Guidelines for Railroad Rate Structure*, pending.

³⁰ *Expedited Procedures for the Recovery of Fuel Costs*, 350 I.C.C. 563 (1975).

The Commission reopened a proceeding governing procedures to be used in rail general rate increases to improve the quality of the evidence and reduce, when possible, data filing requirements.³¹

Two rail general increase proposals were permitted to be published,³² the last of which incorporated outstanding fuel surcharges into the railroads' master tariff. A prior general increase was reviewed to permit additional increases on marginal and non-compensatory rates.³³ The Commission continued to encourage the railroads to file increases, when necessary, on specific commodities rather than across-the-board increases on all traffic.

Refinements in the formula for compiling per diem allowances were made to reflect more accurately the railroads' cost of capital as an element of the ownership cost of freight cars.³⁴ This resulted in an increase in the basic car hire charges on carrier-owned equipment. Compensation for the rate of privately-owned cars is also under review.³⁵

An important decision was the change of policy with regard to contract rates.³⁶ The Commission concluded that contract rates were not illegal *per se* and

encouraged their filing. However, the enforceability of a contract rate is under review at the Commission and in the courts.

Rate Bureaus—The Commission continues to review additional evidence submitted by the three major rail rate bureaus to determine whether continued antitrust immunity is warranted. The Commission previously determined that they had not shown that their agreements should be approved under current transportation conditions.³⁷ However, the bureaus were given an opportunity to submit additional evidence on the issue.

The extent to which rate bureaus are necessary to the efficient functioning of the nation's railroad system is a complex question which has required a great deal of the Commission's attention and resources. The Commission determined that resolution of the other issues remaining on appeal in this proceeding, e.g. open meetings and definition of which carriers can "practicably participate" in a route and, thus, under the 4R Act are eligible to vote on the rate, must await a decision on these basic issues.

Rail Services Planning

The Rail Services Planning Office (RSPO) issued the final report on rail freight rates to and from ports.³⁸ Although the report recommended that the ICC continue its practice of deciding port rate policy on a case-by-case basis, RSPO proposed a new test to be used in

³¹ *Procedures Governing Rail General Increase Proceedings*, 351 I.C.C. 544 (1977), pending.

³² *Increased Freight Rates and Charges, Nationwide, 8 Percent*, 359 I.C.C. 740 and on administrative appeal, (not printed) decided March 30, 1979, *Increased Freight Rates and Charges, Nationwide—1979*, (not printed) decided October 5, 1979.

³³ *Increased Freight Rates and Charges, Nationwide*, (not printed) decided January 16, 1979.

³⁴ *Car Service Compensation—Basic Per Diem Charges, Formula Revision*, 361 I.C.C. 200 (1979), administrative appeal denied on May 29, 1979.

³⁵ *Ex Parte No. 334 (Sub No. 1), Car Service Compensation—Basic Per Diem Charges—Compensation for Private Cars*, pending.

³⁶ *Change of Policy—Railroad Contract Rates*, 361 I.C.C. 205 (1978).

³⁷ *Western Railroads—Agreement*, 358 I.C.C. 662 (1978).

³⁸ *Rail Rate Equalization To and From Ports*, January 1979.



each rate case. The test would require that:

- The Commission ensure that all rail rates to and from ports contribute to each railroad's going concern value;
- In circumstances where the national interest requires the equalization of rail rates at levels which would reduce the going concern value, the burden of subsidizing the service should be borne by the parties, either public or private, benefiting from the equalization, rather than by the railroads; and
- The Commission retain its discretion over the relationship of long-haul rail rates to and from points within the same port.

RSPO prepared a booklet designed to help shippers and communities better understand the rail abandonment process. It presents options and alternatives available to preserve rail service and lists state departments of transportation addresses and telephone numbers where more information and assistance can be obtained.³⁹

Early in 1979, RSPO was reorganized and became the Section of Rail Services Planning in the ICC's Office of Policy and Analysis. Throughout the year, the section provided major support in fulfilling ICC's responsibilities regarding the Milwaukee Road bankruptcy and restructuring in the event of a court-ordered embargo requiring ICC directed service. The section designed contingency plans for directed service over the western portion of the Milwaukee system, designating areas of significant Milwaukee traffic for continued service by other railroads. This same western portion of the Milwaukee system was also proposed for abandonment, and in

October the section coordinated formal public hearings in eight cities in the affected states.

Unprecedented circumstances at harvest time involving a cashlessness situation on the Rock Island railroad necessitated emergency planning. To determine the most acceptable and effective arrangement for continued rail operations, the section conducted intensive sessions with a number of railroads potentially able to carry out directed service. Staff participated in informal negotiations with union officers to resolve impediments to resumption of rail service under directed service. Directed service by the Kansas City Terminal Railway Co. over Rock Island lines began on October 5, 1979.⁴⁰ Public hearings were scheduled for shipper input on the need for extended directed service after the initial 60-day period.

Abandonments

Railroads filed 113 applications in Fiscal Year 1979 for authority to abandon 4,421 miles of rail lines. The Commission acted on 138 applications (granting 123, denying 12 and dismissing 3), permitting abandonment of 2,873 miles of rail lines. (See Appendix B, Table 5).

The largest single application was by the bankrupt Chicago, Milwaukee, St. Paul and Pacific Railway Company. In August 1979, it sought authority to abandon all lines and operations west of Miles City, MT, with the exception of trackage rights operations between Miles City and Billings, MT.⁴¹ This application

⁴⁰ *Kansas City Term. Ry. Co.—Operate—Chicago, R.I.&P.*, 360 I.C.C. 289 (1979).

⁴¹ AB 7 (Sub No. 86), Stanley E.G. Hillman, Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company—Abandonment—Portions of Pacific Coast Extension in Montana, Idaho, Washington, and Oregon.

³⁹ Rail Abandonments, Public Advisory No. 9, 1978.

involves nearly 2,500 miles which the railroad operates through ownership, joint ownership, or trackage rights. Hearings on the proposal were conducted in 8 cities and 4 states. Under a special expedited procedure, the Commission will issue a final decision in January 1980.

The Commission instituted a proceeding to determine the appropriate use of opportunity costs as a factor in approving abandonments.⁴² The term "opportunity costs" is used to describe the real economic loss an entity experiences when it must forego some other, more profitable use of its resources.

Amendments to the abandonment regulations to reflect findings made on judicial review⁴³ were proposed.⁴⁴ The amendments would adopt a different computation of certain costs in determining rail continuation subsidy payments. These costs include the replacement cost of equipment, the cost of equity capital as part of the return on equipment, the cost of capital for railroads in reorganization, and the effect of income taxes.

Freight Car Service

Freight carloadings during the first quarter of Fiscal Year 1979 were slightly higher than those of the same period in the previous year. Rail traffic increased for the remainder of the fiscal year and was above the levels of the corresponding periods of Fiscal Year 1978.

Grain and coal traffic during Fiscal Year 1979 were above the levels of the previous year. A shortage of covered hopper cars, boxcars, gondolas, and hopper cars persisted throughout the year.

To assist grain shippers, the Commission issued several key service orders. Service Order No. 1354 authorized the Chessie System to substitute open hopper cars for covered hopper cars for unit-train shipments of grain. Service Order No. 1358 authorized the Atchison, Topeka and Santa Fe Railway Company to substitute two refrigerator cars for each boxcar ordered for grain shipments destined to Mexico, while Service Order No. 1373 authorized the Santa Fe to substitute one insulated boxcar for each boxcar or covered hopper ordered for shipments of grain to Mexico. Service Order No. 1392 authorized the Santa Fe to substitute a maximum of four trailers for each boxcar or covered hopper ordered for grain shipments from any station on or destined to Santa Fe.

Two service orders were issued to assist coal shippers during the extremely cold weather. Service Order No. 1360 authorized the Chicago, Milwaukee, St. Paul and Pacific Railroad Company to waive the 100-car requirement and to operate unit-coal trains of 75 cars. Service Order No. 1355 authorized the Burlington Northern to operate unit-coal trains of fewer cars than required.

Due to the critical shortage of fuel for train operations, Service Order No. 1383 authorized any railroad, unable to transport all of the freight traffic which it would normally move, to give priority to movement of all essential commodities consigned for domestic use.

Extremely cold weather and heavy snowfall in much of the Midwest marked the early weeks of 1979. The Burlington Northern, Chicago and North Western, and Chicago, Milwaukee, St. Paul and

⁴² Ex Parte No. 274 (Sub No. 3), *Abandonment of Railroad Lines—Use of Opportunity Costs*, 44 Federal Register 10807 (1979).

⁴³ *Chicago & North Western Transportation Company et al. v. United States, et al.*, 582 F.2d 1043, as modified July 31, 1978, cert. denied (December 4, 1978).

⁴⁴ Ex Parte No. 274 (Sub No. 2), *Abandonment of Railroad Lines and Discontinuance of Service*, 44 Fed. Reg. 37243 (1979).



Pacific had to use rotary snowplows for several weeks in order to maintain operations.

Several emergency orders were issued which authorized new short line railroads to operate over tracks formerly controlled by larger railroads, pending the issuance of Certificates of Designated Operator or disposition of applications for permanent authority. These orders are listed in Appendix B, along with a brief description of other service orders issued.

Class I railroads had a net retirement of 12,514 freight cars from a total of 1,237,538 owned October 1, 1978. Aggregate carrying capacity increased 407,000 tons, to 94,458,000 tons. The average capacity per car rose to 77.35 tons, up from 76.31 tons a year ago. Over a 10-year period there was a net gain of 12 tons per car in carrying capacity and a net gain of 306,000 tons of aggregate capacity, in spite of the decrease in ownership. The average capacity of installations during the year was 89 tons per car, compared with 76 tons per car retired.

Offsetting the 1979 decrease in revenue cars of Class I carriers was the 50,628 car increase posted by private car owners, Class II Lines, switching and terminal companies. The railroads have an obligation to provide adequate car service, including furnishing freight cars.

Freight car retirements in Fiscal Year 1979 included 14,293 plain boxcars. Acquisitions included 4,981 covered hoppers, mostly high-capacity type designed to move heavy volumes of grain and other dry bulk commodities, and 4,532 equipped boxcars for specialized loadings.

Class I railroads increased their locomotive ownership from 27,063 on October 1, 1978, to 27,755 on October 1, 1979, an increase of 692 units. Aggregate horsepower increased from 49,476,775

to 62,321,000 for an increase of 2,844,825 horsepower. As of October 1, 1979, Class I railroads had 631 diesel locomotives on order, including 278 multipurpose and 333 freight units. Additionally, there were 46 rebuilt units on order, including 45 multipurpose and 1 switch units.

Intermodal Operations

Using a concept similar to Auto-Train, Drivers Truk-Train of America, Inc., sought to transport tractor semitrailers and their drivers between points in Florida, Virginia, Ohio, and Kentucky. The service would be provided over existing railroad lines.

The service was held to be exempt from the requirement to obtain a certificate although the applicant will be considered a rail carrier for all other purposes.⁴⁵

Once in operation, this intermodal service will reduce over-the-road operating costs to involved trucking companies by approximately 30 percent. The proposed operation will double the life of the tractor and semitrailer equipment. It is estimated that 9 million gallons of diesel fuel will be saved during the first year of operation, and removal of trucks from the highways will greatly reduce air pollution and wear on the interstate highway system.

Passenger Service

The Commission, under Section 801 of the Rail Passenger Service Act (RPSA), established regulations governing the

⁴⁵ F.D. 29007, *Drivers Truk-Train of America, Inc.—Operation—Between Sanford, FL and Alexandria, VA, and Between Sanford, FL and Louisville, KY*, (not printed) served October 3, 1979.

adequacy of intercity rail passenger service known as the "adequacy regulations."⁴⁶ They establish standards for all intercity passenger trains—Amtrak being the principal passenger railroad—other than commuter and excursion trains. Specific areas covered by the regulations include reservations, performance, equipment and service in stations and on trains, and complaint procedures for use by the public.

The adequacy regulations permit railroads to request exemptions for specific trains and stations from requirements of particular rules. Most petitions request exemption from regulations which prescribe when a station must be open to serve the public, and when baggage service must be provided. When the exemptions have been granted, Amtrak has proved that ridership and revenues at the station were low when compared with the high cost of staffing the station and that reasonable alternative services would be provided to the public.

With passage of the Amtrak Improvement Act of 1978,⁴⁷ (AIA), the Commission decided to suspend enforcement of adequacy regulations, and all of Amtrak's pending applications for exemptions were dismissed.

It is the Commission's belief that by the passage of the AIA, Congress intended to suspend the Commission's jurisdiction over Amtrak's adequacy of service, at least until May 23, 1980. Suspension was meant to apply not only to new train

routes, but to regulations relating to on-time performance, temperature control, and train cleanliness.

The Commission does assist rail passengers who have complaints against Amtrak and other passenger carriers. During the year, there were 10,925 complaints filed with the Commission by rail passengers. The vast majority of these complaints were handled to conclusion by the railroads without ICC intervention. However, the Commission will continue to assist passengers who are dissatisfied with carriers' handling of their complaints.

Service for the Handicapped—The Kentucky Easter Seal Society for Crippled Children and Adults, Inc., requested that the Commission guarantee adequate services and facilities for handicapped intercity rail patrons. Under Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), the Department of Transportation has certain responsibilities for issuing regulations in this area. In order to minimize the possibility of conflicting regulations, the ICC and the Department of Transportation coordinated efforts to ensure adequate services and facilities for handicapped persons.⁴⁸

Passenger Service Discontinuances—Three major rail passenger discontinuance proceedings were handled in 1979.

The Denver and Rio Grande Western sought to discontinue the "Rio Grande Zephyr" between Grand Junction, CO, and Salt Lake City, UT. At public hearings, it was found that the public interest outweighed the burdens that continued operations would have on the

⁴⁶ *Adequacy of Intercity Rail Passenger Service*, 351 I.C.C. 883 (1976), 49 CFR Part 1124.1 et. seq.

⁴⁷ Pub. L. 95-421, 92 Stat. 923.

⁴⁸ 49 CFR 27, published at 44 Fed. Reg. 31442-31483, effective July 2, 1979.



railroad. The Rio Grande was ordered to continue its passenger service until May 31, 1980, without prejudice to its filing a new application if its situation worsened.⁴⁹

Public hearings were also held on the Southern Pacific's proposal to discontinue passenger service between San Francisco and San Jose, CA. The Administrative Law Judge authorized the Southern Pacific to discontinue passenger operations, but not until six months after the service of his July 6, 1979 decision. It was felt that this time

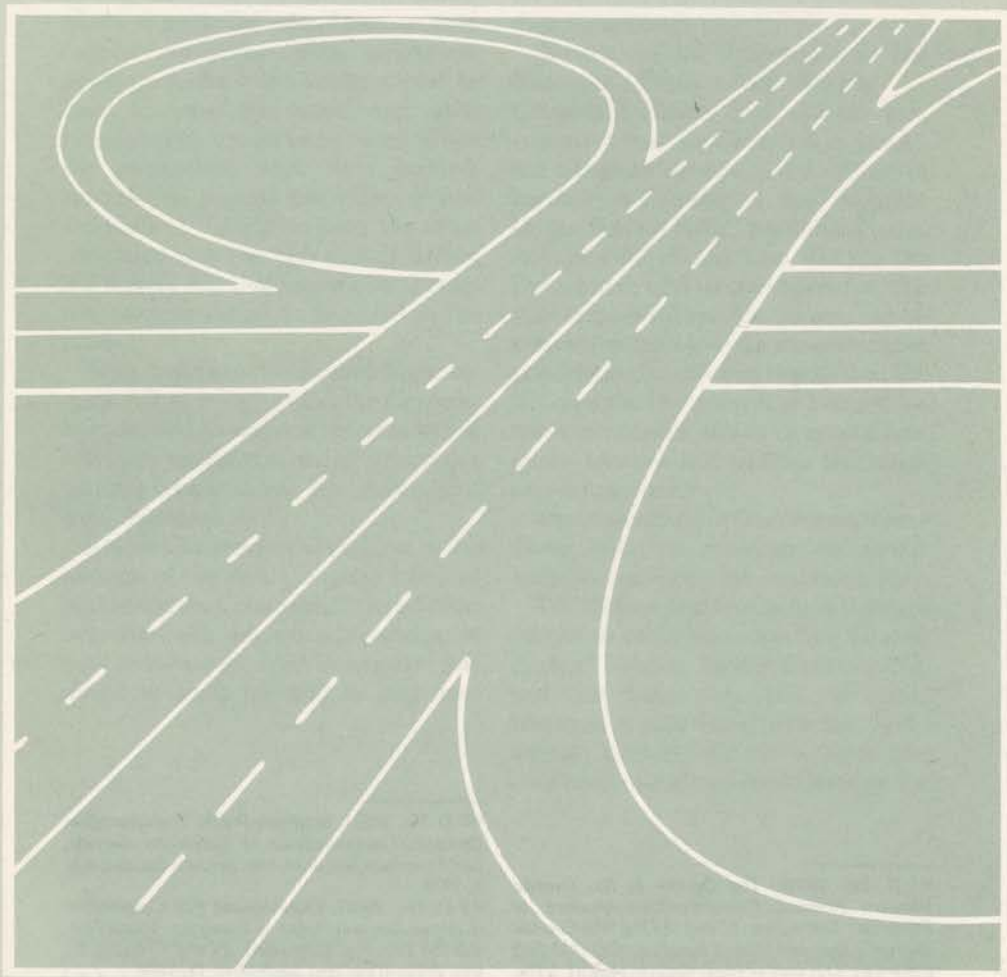
would afford the parties a period to negotiate compensation for continued operations. Exceptions to the Administrative Law Judge's initial decision are pending before the Commission.⁵⁰

Conrail's proposal to discontinue certain passenger trains between Valparaiso, IN, and Chicago, IL, was denied by the Commission for a period of 12 months, or until Amtrak assumes management, whichever comes first.⁵¹

⁴⁹F.D. No. 28910, *The Denver & Rio Grande Western Railroad Company-Discontinuance of Passenger Trains Nos. 17 and 18 (The "Rio Grande Zephyr") Between Grand Junction, CO and Salt Lake City, UT*, (not printed) decided May 31, 1979.

⁵⁰F.D. No. 28611, *Southern Pacific Transportation Company-Discontinuance of Commuter Service, San Francisco-San Jose*, (not printed) decided July 2, 1979.

⁵¹F.D. No. 29021, *Consolidated Rail Corporation (Conrail)-Discontinuance of Passenger Trains Nos. 453-456 Between Valparaiso, IN and Chicago, IL*, (not printed) decided September 19, 1979.



TRUCKING COMPANIES

Revenues continued an upward trend in Fiscal Year 1979, despite another severe winter operational curtailment and a limited work stoppage caused by an owner-operators' protest to the lack of diesel fuel and rapidly accelerating prices.

Despite this upward trend in revenues, the earnings of the top 100 class I motor carriers of property reflected increased operating costs experienced during the fiscal year. This group of carriers while generating a 13% increase in revenues over the preceding year, had an 18% reduction in operating income and a 15% decrease in net income. Their collective operating ratio increased from 94.5 to 96.0 and their return on equity dropped from 20.91 to 15.88.

In April, on petition by several groups experiencing fuel cost increases of from 2 to 10 percent per month, the Commission reactivated its expedited procedures for recovery of fuel costs.¹ When owner-operators went on a nationwide strike, the Commission moved very rapidly to ensure that carriers and, more specifically, the owner-operators who were paying more at the pumps would be able to secure timely reimbursement for the abnormal fuel price rises. This action, coupled with a Department of Energy revision of allocations, was credited with restoring vitally needed truck transportation.

The Commission completed action on most of the 39 regulatory reforms which were introduced in July of 1977, (See page 13.) An additional report was prepared for Commission review, recommending revisions in the regulation of 12 specific segments of the trucking industry. This activity is directed toward elimination of those regulations which

appear to be no longer necessary and simplification of the entire regulatory process.

Mergers, Unifications and Purchases

The Commission issued final rules designed to speed up the processing of unopposed finance proceedings.² The rules also apply to applications which are directly related to these proceedings such as gateway elimination, conversion, or securities applications. These summary grant procedures will ensure that complete, properly filed, and unopposed applications are published in the *Federal Register* and granted much faster than before.

The Commission began a proceeding to examine the role of competition and antitrust factors in finance proceedings.³

The proceeding is designed to modify current priorities in finance proceedings so that scarce agency resources can be committed only to those transactions with compelling public interest and competitive consequences, and to avoid or minimize the serious impacts which anticompetitive transactions will have on the general public and on the economy.

Similarly, guidelines for examining whether it is in the public interest to approve a purchase of operating authority which gives rise to a new competitive service were finalized.⁴ Now, protestants to a finance proceeding will have to show a probability that they will be significantly harmed by the new competitive service, a much more stringent burden than previously imposed.

²Ex Parte No. 55 (Sub-No. 35), *Summary Grant Procedures (Finance)*, 44 Fed. Reg. 41203-41205 (1979).

³Ex Parte No. 55 (Sub-No. 38F), *Antitrust and Competition Factors In Motor Carrier Finance Cases*.

⁴*Jones Truck Lines, Inc. Purchase-Deaton, Inc.*, 127 M.C.C. 428 (1978).

¹*Expedited Procedures for Recovery of Fuel Costs*, 350 I.C.C. 563 (1975).

Securities

One hundred and twenty-nine applications and 27 petitions were filed for authority to issue securities or modify previous authority.

The Commission authorized trucking companies to issue 1,774,698 shares of stock for all purposes, \$25,142,000 of bonds and debentures, and \$158,899,620 principal amount of notes. They were further authorized to assume obligation and liability for \$5,200,000 principal amount of bonds and debentures and \$21,736,724 principal amount of notes.

Interest rates on borrowings have continued to increase steadily during the year. The Commission's proceeding to embrace a wider definition of the term "securities"⁵ to include certain noteless borrowings was set aside by a decision of the United States District Court for the District of Columbia.⁶

The Commission liberalized the policy of granting operating authority to an applicant who intends to use it primarily as an incident to the transportation of its own goods and its own non-transportation business.⁷ This raised the question of whether the Commission would require an application under the

Interstate Commerce Act for all securities issuances and assumptions of obligation by a company that obtains a certificate under this new policy. The Commission has, therefore, instituted a proceeding which proposes to waive the filing of a securities application where the revenues from the for-hire operations are less than the amount for a Class I carrier, and where the revenues exceed such amount the company would be able to apply for a waiver from the securities regulations.⁸

Rates

A comprehensive review of virtually all aspects of Commission regulation of the trucking industry—including rate issues—was initiated during the course of the year.

Standards governing an adequate return for general commodity carriers were developed and adopted,⁹ but subsequently stayed pending reconsideration.¹⁰ This issue is now being addressed in a rulemaking and interested parties have been given an opportunity to present additional evidence.¹¹ An outside consultant has also been retained to assist in resolving the important and complex issues involved.

The Commission is reevaluating a prior decision involving procedures and evidentiary guidelines governing general

⁵ Expanded Definition of Term "Securities", 348 I.C.C. 288 (1975), 354 I.C.C. 10 (1977).

⁶ Association of American Railroads v. United States, 603 F.2d 953 (D.C. Cir. 1979).

⁷ Toto Purchasing & Supply Co., Inc., 128 M.C.C. 873 (1978).

⁸ Ex Parte No. MC-118 (Sub-No. 1) Proposed Policy Statement Concerning Jurisdiction Over Securities Issuances for Companies Obtaining Authority Under MC-118, 44 Fed. Reg. 32066 (1979).

⁹ Investigation and Suspension Docket No. M-29772, General Increase, S.M.C.R.C. April 1978, (not printed) decided November 27, 1978, pending on administrative appeal.

¹⁰ Sub nom. Southern Motor Carriers Rate Conference, Inc. v. United States and ICC, No. 78-3317 (D.C. Cir., filed December 26, 1978).

¹¹ Ex Parte No. 128, Revenue Need Standards in Motor Carrier General Increase Proceedings, pending.



rate increases.¹² Informal conferences between Commission staff, carriers, and shippers have been held and a decision is pending.

The Commission is reviewing an important decision addressing the so-called "small shipments" problem.¹³ The initial decision called for released rates in a special "small shipments" tariff and an investigation of the classification system. Guidelines have been issued on the use of such released rates,¹⁴ and the investigation of the classification system is now underway.¹⁵

A general statement, reviewing a policy more than 25 years old and bringing rates into consideration in operating rights application proceedings, was adopted.¹⁶ As a result, the ability of an applicant to offer lower rates based on operating efficiencies may now be a factor in determining whether there is a need for additional service.

Regulations governing carrier liability when transporting mobile homes were found unnecessary.¹⁷ Regulations governing detention charges¹⁸ and credit¹⁹

are being revised. Regulations governing various types of claims have been amended to foster prompt and more equitable handling.²⁰

As a result of a court decision,²¹ carriers may no longer use a 1973 platform study ("Statement No. 2S51-70") in distributing platform costs. A rulemaking to evaluate the results of a new and more comprehensive study is underway.²²

Rate Bureaus—One proposal now being considered by the Commission would add new requirements for approval of non-rail collective ratemaking agreements.²³ The new terms and conditions which would have to be met for continued approval prohibit collective action on single-line rates or on joint-line rates, unless the companies can practically participate in the movement.²⁴ As in the rail area, the restrictions would not apply to general increases or broad tariff changes. The effect of these provisions will be to modernize and clarify the

¹² *New Procedures in Motor Carr. Rev. Proc.*, 357 I.C.C. 498 (1978), pending on administrative appeal.

¹³ *New Procedures in Motor Carrier Restructuring Proceedings*, ____ I.C.C. ____ (decided March 21, 1978), administrative appeal pending.

¹⁴ *Released Rates In Conjunction With a Small Shipments Tariff*, 361 I.C.C. 404 (1979).

¹⁵ Ex Parte No. MC-98 (Sub-No. 1), *Investigation of Motor Carrier Classification System*, pending.

¹⁶ *Change of Policy in Operating Rights Application Proceedings*, 359 I.C.C. 613 (1979).

¹⁷ Ex Parte No. MC-108, *Transportation of Mobile Homes*, (not printed) decided November 23, 1978.

¹⁸ Ex Parte No. MC-88, *Uniform Detention Rules—Nationwide*.

¹⁹ *Regulations for Payment of Rates and Charges*, 350 I.C.C. 527 (1973) and Ex Parte No. 73 (Sub-No. 1), *Regulations for Payment of Rates and Charges—Credit Period on Prepaid Shipments*, pending.

²⁰ *Overcharge, Duplicate Payments or Overcollection Claims*, 358 I.C.C. 114 (1978) and 359 I.C.C. 211 (1979), administrative appeal pending.

²¹ *National Small Shipments Traffic Conference, Inc. v. Interstate Commerce Commission*, No. 78-1099 (D.C. Cir., order of September 11, 1978 and opinion of October 26, 1978).

²² Ex Parte No. MC-129, *1977-1978 Platform Study of Class I and II Motor Common Carrier of General Freight*, pending.

²³ Ex Parte No. 297 (Sub-No. 3), *Modified Terms and Conditions for Approval of Collective Ratemaking Agreements under Section 5a of the Interstate Commerce Act*, pending.

²⁴ Formerly, Section 5(b) of the Interstate Commerce Act.

functions of the rate bureaus and promote greater competition in the trucking, water and freight forwarder industries.

The Commission is also reviewing all of the non-rail agreements to determine whether they warrant continued anti-trust immunity.²⁵

To ensure rate bureaus comply with ICC regulations, the staff conducts field investigations including attendance of team investigators at rate bureau meetings.

Operating Rights

The Commission has intensified its efforts to simplify the administrative process and encourage competition among trucking companies. Commission action was marked by an increased use of public rulemakings having a general application throughout the industry, rather than by the traditional case-by-case method of adjudication.

The Commission has been able to speed up its decision-making processes and make it easier for companies engaged in certain areas of transportation to obtain permission to operate.

The burden of proof was relaxed for companies wishing to substitute a direct, single-line service for one already performed on a joint-line basis with a connecting carrier.²⁶ Under the new procedures, such companies are required to show that joint-line operations performed in the past are no longer suited to the needs of the shipping public.

Except in certain limited circumstances protests are limited to those companies which have actually participated in the joint-line service.

The Commission also reevaluated its long-standing policy against shippers operating in the dual capacity as a private and a for-hire trucking company.²⁷ Now, private companies may receive grants of common or contract authority if they meet the usual standards and agree to the imposition of certain conditions, including maintenance of separate records for private and for-hire operations. The Commission believes that this will promote energy and operating efficiency by providing private companies with an opportunity to obtain backhaul traffic, while at the same time precluding discrimination between the shipper's own traffic and that of its for-hire transportation customers.

Another measure taken to promote competition and streamline ICC procedures was adoption of new rules for intervention in trucking operating rights proceedings.²⁸ Before an existing company may intervene in a proceeding as a protestant, it must demonstrate sufficient interest to warrant intervention. Sufficient interest will be presumed only if the company has already provided service within the scope of the application. Otherwise, it will have to file a petition seeking leave to intervene demonstrating that it has an interest worthy of its participation.

In a case having wide ranging impact on the trucking industry, the Commission clarified its position on the burden of

²⁵Ex Parte No. 297 (Sub-No. 4), *Reopening of Section 5a Application Proceedings to Take Additional Evidence*, pending.

²⁶Ex Parte No. MC-109, *Applications to Substitute Single-Line for Joint-Line Operations*.

²⁷Ex Parte No. MC-118, *Grant of Motor Carrier Operating Authority to an Applicant Who Intends to Use It Primarily as an Incident to the Carriage of Its Own Goods and Its Own Non-Transportation Business*.

²⁸Ex Parte No. MC-55 (Sub-No. 26), *Protest Standards in Motor Carrier Application Proceedings*.



proof. The Commission decided that once an applicant shows a need for service, the burden shifts to a protestant to demonstrate that its conflicting interest is worthy of regulatory protection. Noting that competition is usually in the public interest, the Commission stressed that a protestant must show that new competition will adversely affect its ability to serve the shipping public.²⁹

In a move designed to encourage traffic between Canada and the United States, the Commission revised its policy regarding applications to handle traffic moving between the two countries.³⁰ Specifically, the Commission announced that it would no longer restrict grants of authority to specific points on the United States-Canada International Boundary line through which such traffic must move. Moreover, applicants and potential protestants need no longer demonstrate that they hold complementary Canadian authority to perform operations on that side of the border.

A number of other rulemaking proceedings were in various stages of consideration at the close of the fiscal year. Among the areas included are revising procedures for obtaining temporary authority,³¹ entry control of brokers,³² expansions of the Commission's superhighway and deviation rules with respect to the regular-route transportation of passengers,³³ prospective

changes in licensing procedures for transportation of government traffic,³⁴ relaxation of entry requirements for companies transporting small shipments,³⁵ interpretation of heavy-hauler authority to transport aggregated commodities,³⁶ broadening the service of line-haul companies of air freight,³⁷ revision of interchange regulations applicable at international boundaries,³⁸ and application procedures for companies of exempt agricultural commodities desiring complementary authority.³⁹

Intermodal Transportation

The Commission continued to remove institutional barriers to intermodal coordination. Final rules were issued providing a simplified procedure and a relaxed burden of proof for trucking companies' applications to provide pickup and delivery service within the commercial zone of port cities in connection with "ex-water" traffic.⁴⁰ The rules limit protests to matters of the applicant's fitness and provide a less-exacting standard for proof of need. The effect of the rules is to place port city pickup and delivery activities in connection with maritime

²⁹Liberty Trucking Co., *Ext.—General Commodities*, 131 M.C.C. 573 (1979).

³⁰Revised Policy Concerning Applications for Operating Authority to Handle Traffic to and from Points in Canada, policy statement served December 27, 1978, and effective upon publication in the Federal Register.

³¹Ex Parte No. MC-64 (Sub-No. 2), *Special Temporary Authority Procedures*.

³²Ex Parte No. MC-96-A, *Entry Control of Brokers*.

³³Ex Parte No. MC-65 (Sub-No. 6), *Petition to Expand Passenger Motor Carrier Superhighway and Deviation Rules*.

³⁴Ex Parte No. MC-107, *Transportation of Government Traffic*.

³⁵Ex Parte No. MC-120, *Petition to Relax Entry on the Transportation of Small Shipments Weighing 500 pounds or Less*.

³⁶MC-C-9873, *Interpretation of Aggregated Commodities Service Classification*.

³⁷MC-C-3437 (Sub-No. 7), *Petition to Amend Interpretation of Operating Rights Authorizing Service at Designated Airports*.

³⁸Ex Parte No. MC-73 (Sub-No. 1), *Interchange Policies at International Boundaries*.

³⁹Ex Parte No. MC-127, *Special Procedures Governing Applications for Motor Carrier Authority Complementary to Movements of Exempt Agricultural Commodities*.

⁴⁰Ex Parte No. MC-105, *Ex-Water Traffic*, Federal Register June 26, 1979, 44 Fed. Reg. 3723 (1979).

traffic on a par with the exempt terminal area operations of companies involved in domestic transportation.

In another rulemaking proceeding, the Commission enabled irregular-route trucking companies operating between Alaska and the continental United States to substitute water service for the arduous and circuitous all highway routes over the Alcan Highway.⁴¹

Under the new rules, irregular-route trucking companies may interchange freight with water carriers at any Alaskan port and at any port on the western coast of the United States regardless of whether the trucking company is authorized to serve the port of interchange.

The repositioning of empty cargo containers from the point of debarkation of an inbound container shipment to the points of embarkation for the next outbound movement was the subject of another Commission proceeding.⁴² Whether or not such transportation is interstate or intrastate commerce will continue to be determined by well established concepts of shipper intent and continuity of movement which have long marked the boundaries between Federal and State jurisdiction.

Finally, the Commission expanded the areas within which exempt motor transportation of property incidental to transportation by aircraft (the so-called "air terminal areas") may be performed.⁴³ Under prior law the definition of air terminal areas was left in the first instance to the airlines themselves in

their tariffs filed with the Civil Aeronautics Board (CAB), subject, however, to a 25-mile "rule-of-thumb" long employed by the CAB, and to the Commission's power to "roll-back" air terminal areas determined to be excessive. The new rules expand the air terminal area to points within 35 miles of the airport boundary, and within 35 miles of the corporate limits of any municipality falling within 35 miles of the airport.

An important proceeding directed at improving intermodal relationships between rail and trucks has been initiated.⁴⁴ This focuses on eliminating unnecessary regulatory impediments to the use of trailer on flatcar and container on flatcar (TOFC/COFC) shipments. Specifically, the Commission is considering: (1) exempting these shipments from regulations; (2) providing expedited and simplified procedures for licensing new service by trucking companies, including those affiliated with railroads; (3) establishing a "zone of reasonableness" within which motor TOFC/COFC rates could be raised or lowered; (4) modifying existing regulations which prohibit motor common carriers from exchanging TOFC/COFC shipments with railroads at other than authorized service points; and (5) clarifying the circumstances under which motor contract carriers can substitute rail service for all-motor service.

Household Goods

The Commission's compliance activities culminated in a finding of more than 9,000 violations of the household goods consumer protection regulations. Civil forfeiture demands in excess of \$4.5 million were made against 45 household goods moving companies, including all 19 of the large national companies that

⁴¹Substituted Serv.—Water-For-Motor Serv.—Alaskan Trade, 361 I.C.C. 359 (1979).

⁴²Petition for Declaratory Order—Empty Containers, 131 M.C.C. 269 (1979).

⁴³Motor Transp. of Property Incidental to Air, 131 M.C.C. 87 (1978).

⁴⁴Ex Parte No. 230 (Sub-No. 5), *Improvement of TOFC/COFC Regulations, Advance Notice of Proposed Rules*, 44 Fed. Reg. 49279.



handle 79 percent of the interstate household goods traffic.

Preventive measures were taken to avoid consumer abuse. Public advisory meetings, held prior to the peak summer moving season, were designed to inform consumers of their moving rights and of federal laws that regulate the moving industry.

Consumer complaints received were in excess of 21,000, and a special compliance survey of 13 household goods companies disclosed that the average level of compliance with ICC regulations was 75 percent.

An expanded program aimed at protecting the moving public was instituted. The summer component of this first year-round program was to have included road checks of household goods vehicles with on-the-scene reviews of weighing and other industry operations. These field operations were in progress only a short while when the fuel shortage and independent truckers' strike occurred.

At the request of industry spokesmen seeking to maximize the use of a diminished fleet, the field study was suspended. Attention was focused on helping the industry keep shipments moving, and the Commission's toll free hotline coverage was expanded to include weekend service during the strike and fuel shortages. Household goods companies were temporarily relieved of their obligation to transport shipments on the dates agreed upon by the company and shipper. This relief was conditioned upon non-discriminatory treatment of shippers; a ban on storage-in-transit charges where storage was not requested; and, execution of a disclosure statement notifying shippers of the carrier's inability to comply with the on-time requirements. The requirements were reinstituted after the strike and fuel problems abated.

A series of informal conferences were scheduled to afford industry and consumer representatives an opportunity to recommend improvements in the household goods regulations. The first conference, held in Washington, focused on the responsibility of the industry and the Commission to provide better information to consumers. The discussion included comments on the recently revised Public Advisory No. 4, "Lost or Damaged Household Goods," which instructs householders on how to insure a safe move for their belongings, and newly updated BOp 103, "Summary of Information For Shippers of Household Goods." Five additional conferences are scheduled for the coming fiscal year.

To combat the problem of underestimating the cost of household goods shipments, the Commission proposed rules governing the giving of binding estimates by household goods companies.⁴⁵ Under these proposed rules, at the companies' option, a written estimate based on the constructive weight of the shipment may be given to a shipper. The shipper would then be obligated to pay only the lower price determined by using the actual and the constructive weights of the shipment.

The Commission adopted final rules to enable household goods companies to participate in credit card plans.⁴⁶ The Commission recognized that the shipping public would benefit from the opportunity to use this increasingly customary cash substitute.

Regulations were adopted for the transportation of used household goods for the account of the United States

⁴⁵ *Practices of Motor Common Carriers of Household Goods*, 131 M.C.C. 586 (1979).

⁴⁶ *Practices of Motor Common Carriers of Household Goods*, 131 M.C.C. 445 (1978).

Government.⁴⁷ The regulations actually reduce the Commission's regulations over pack-and-crate operations on behalf of the Department of Defense by streamlining licensing procedures. Interested parties can now receive authority through a simplified filing.

The Commission implemented rules regarding certain aspects of the agency relationships of household goods companies. These rules emanated from a previous decision of the Commission.⁴⁸ Under these rules, the Commission will obtain information about existing agency relationships in the moving industry. Prior to the implementation of these rules, there existed no uniformity among the various companies and agents involved in these relationships. The rules will allow the Commission to ensure fairness in mover-agent dealings and prevent abuses of the agency relationship.

A task force appointed by the Commission recommended that there be a master certificate for movers.⁴⁹ Under that proposal, movers would declare the geographic area in which they would operate and the type of shipments that they would carry. The task force also recommended stronger fitness standards for movers of used household goods and a zone of reasonableness for pricing. The Commission is now considering the task force's report.

Independent Truckers

During the past 2 years, the Interstate Commerce Commission has been engaged in efforts to develop accurate

information concerning the role of owner-operators in the trucking industry.

These efforts were a direct outgrowth of the Commission's Staff Task Force Report on *Improving Motor-Carrier Entry Regulation* presented to Chairman O'Neal on July 6, 1977. Recommendation 37 of that report urged that priority be given to a major study of the independent trucker segment of the trucking industry with a view to determining, ultimately, how these operators can become stable, financially healthy, and efficient contributors to the national transportation system.

The study efforts have included:

1. A series of seven field hearings held in major cities in the fall of 1977 to obtain public comment on the recommendations. More than 400 people testified at these hearings. Excerpts of their responses were published in December 1977.⁵⁰
2. A Bureau of Operations' staff report, released in August 1977, on carrier leasing practices suggesting several changes in the Commission's leasing regulations based on a study of 65 trucking companies.⁵¹
3. A Bureau of Economics' survey of 76 companies providing a statistically valid estimate of the number of owner-operators and their equipment and an initial identification of major problem

⁴⁷ *Used Household Goods—Pack-and-Crate Operations*, 131 M.C.C. 20 (1978).

⁴⁸ Ex Parte No. MC-19 (Sub-No. 9(a)), *Household Goods Transportation (Agency Relationships)*, (not printed) decided July 7, 1978.

⁴⁹ *Initial Report of the Motor Carrier Task Force*, (not printed May 1979).

⁵⁰ Policy Review Office, Interstate Commerce Commission. *Public Response to Proposals for Improving Motor Carrier Regulation*, Ex Parte No. MC-113, Washington, D.C.: Government Printing Office, 1977.

⁵¹ Bureau of Operations, Interstate Commerce Commission. *Truck Leasing Staff Report on Motor Common Carrier Leasing Practices and the Owner-Operator*, Washington, D.C.: Interstate Commerce Commission, 1977.



areas. The survey report was released in November 1977.⁵²

4. The Bureau of Economics' nationwide survey of owner-operators, summarizing data collected from 479 owner-operators during the first quarter of 1978.⁵³ Study results provided the Commission and the public with information useful in evaluating proposed changes in leasing rules.

In both the preliminary report and the nationwide survey, the Bureau of Economics found evidence of a lack of economic stability in the owner-operators' sector. In the preliminary report, it was estimated that 20 percent of Class I and Class II carriers using owner-operators had turnover rates of over 75 percent and that 54 percent were having difficulty obtaining owner-operators.⁵⁴ The nationwide survey found that owner-operators representing 32 percent of the units under permanent lease had been with their present carrier only a year or less; one-half had been with their carrier only 2 years or less. The largest number of written comments received from respondents to the owner-operator questionnaire dealt with economic stability. Many owner-operators seemed frustrated over their inability to earn an adequate income due to what they believed were rapidly increasing costs and low rates.⁵⁵

The nationwide survey provided a cross-sectional view of the owner-operator population who lease their services to regulated trucking companies. As a consequence, the results did not quantify the extent of business failures nor did they provide specific explanations for the high turnover rates. These questions could only be addressed by means of a survey of the same owner-operators at different times. Thus, a major objective of this follow-up survey was to quantify the turnover rate among owner-operators and to summarize explanations provided by owner-operators regarding their current status.

To assist independent truckers, the Commission issued new regulations designed to provide for full disclosure of each party's responsibility in instances where owner-operators lease their equipment and service to ICC-regulated trucking companies.⁵⁶ The rules provide major new protections for independent truckers which include:

- (1) that trip settlements be made within 15 days after the owner-operator has submitted all necessary paperwork;
- (2) that companies making payment on a percentage-of-revenue basis must give the independent trucker a copy of the rated freight bill;
- (3) that all chargeback items must be specified in the contract;
- (4) that interest must be paid by the company on the average balance of any monies held in escrow; and
- (5) that final settlement must be made no later than 45 days after termination of the lease agreement.

The Commission conducted extensive team surveys to insure compliance with

⁵²Ibid.

⁵³Bureau of Economics, Interstate Commerce Commission. *The Independent Trucker: A Nationwide Survey of Owner-Operators*, Washington, D.C.: Interstate Commerce Commission, 1978.

⁵⁴Bureau of Economics, Interstate Commerce Commission. *The Independent Trucker: A Preliminary Report on the Owner-Operator*, Washington, D.C.: Interstate Commerce Commission, 1977, pp. 10-12.

⁵⁵Bureau of Economics, Interstate Commerce Commission. *The Independent Trucker: A Nationwide Survey of Owner-Operators*, Washington, D.C.: Interstate Commerce Commission, 1978, pp. 5-16.

⁵⁶*Lease and Interchange of Vehicles*, 131 M.C.C. 141 (1979).

the lease and interchange regulations. In July 1979, a letter was sent to approximately 17,000 regulated companies reiterating that the Commission was actively monitoring compliance with the leasing rules.

The ICC instituted a rulemaking proceeding which would require trucking companies that use owner-operators to reveal specific information about their lease contracts.⁵⁷

This disclosure approach is designed to serve as an effective enforcement tool in bringing about voluntary compliance with the Commission's leasing rules and to relieve many of the owner-operator problems.

On June 15, 1979, companies using the services of independent truckers, who, under the terms of their contracts, are required to bear the burden of purchasing fuel, were required to begin immediately passing on to owner-operators a designated percentage of compensation in the form of a surcharge.⁵⁸ This designated percentage, arrived at through a nationwide sampling of fuel prices, is updated by the Commission on a weekly basis. This action provided substantial impetus to easing the June 1979 shutdown by independent truckers. The Commission placed high priority on assuring that regulated companies adhere to these requirements and continues to seek ways of establishing a permanent program to substitute for the surcharge procedure when fuel prices eventually stabilize.

During the owner-operator shutdown in June 1979, the ICC worked with numerous owner-operators, independent trucking associations, and the Departments of Transportation, Justice, and Agriculture to alleviate the problems being voiced by this segment of the transportation industry. The agreement of owner-operators to return to work was due in large part to the Commission's commitment to maintain a close dialogue with owner-operators in the future to attempt to find solutions to a wide range of problems.

As an outgrowth of this undertaking, a White House owner-operator working group was established. This group, consisting of representatives of the Interstate Commerce Commission, the Department of Transportation, the Department of Agriculture, and designates of many independent trucking associations, committed itself to addressing and searching for solutions to many of the day-to-day difficulties faced by independents in coping with government regulations and in securing an equal footing with the regulated sector of the motor industry.

On July 3, 1979, an interagency agreement was signed by the ICC, the Department of Transportation, and the Small Business Administration. Each agency pledged to form a task force and detail, for 60 days, a high level official to study the feasibility of conducting an extensive, government-funded owner-operator training program. After completion by each agency of an analysis of the task force findings and recommendations, a determination will be reached on whether to proceed with a training program for independent truckers. This decision will be forthcoming in early 1980.

In response to a persistent practice, adversely affecting independent truckers, legislation relating to the loading and unloading of perishable

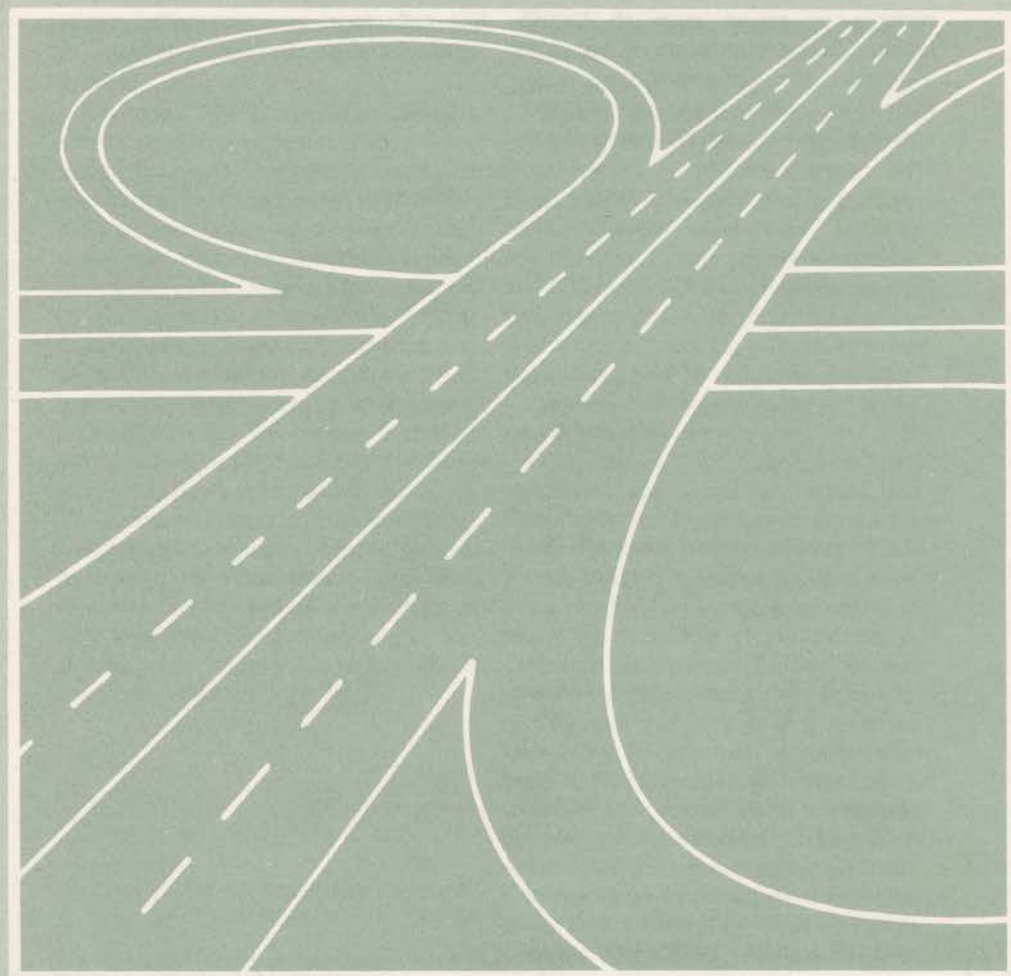
⁵⁷Ex Parte No. MC-130, *Special Report by Motor Carriers of Freight Concerning Practices Affecting Owner-Operators*.

⁵⁸Ex Parte No. 311, *Expedited Procedures for Recovery of Fuel Costs*, 350 ICC 563 (1975).



commodities was drafted and submitted for Congressional consideration. This legislation, H.R.753, is designed to eliminate many coercive practices by individuals who assist in loading and unloading goods at shipper and receiver locations. The bill, if enacted, would impose civil and criminal penalties on shippers and receivers who permit extortionate loading and unloading practices to occur on their property. It would also place criminal liability on individuals who perform loading and unloading services in the event they were to issue false receipts or refuse even to furnish receipts. Since submission of that draft legislation, the Commission has continued to solicit data and monitor coercive loading and unloading practices.

Individual assistance is provided to owner-operators by the Commission's Small Business Assistance Office and field offices on a daily basis. As a result of the growing number of independent truckers, among others, who were attempting to contact the ICC through its toll-free number, the Commission expanded its hotline services from two lines to six. This expansion had made it easier for owner-operators to take advantage of the toll-free line when making inquiries or lodging complaints with the Commission. Thousands of hotline calls from owner-operators were received and handled during 1979.



BUS COMPANIES

Industry financial performance began to improve during the second calendar quarter of 1979 as normal seasonal passenger demand for intercity bus travel was strengthened by rising fuel prices and shortages which influenced many travelers to discover or rediscover the bus. Preliminary data indicate that demand for bus services continued to be strong during the summer. The strong spring and summer demand, coupled with increased fares and rates, resulted in substantially higher revenues. Even so, an additional fare and rate increase became necessary and was granted by the Commission near the end of the fiscal year to help offset rising industry expenses and to improve relatively high operating ratios and low returns on equity. Competition from airlines and Amtrak continued to discourage bus trips for many travelers on high volume travel corridors and long trips.

During February 1979, a Bus Industry Study Group was organized within the Commission to review the existing system of economic regulation of the bus industry and to recommend modifications that might offer advantages to the public and the health of the industry. This effort was the result of continuing downward trends in regular route ridership, industry financial performance, and proposals by industry members for regulatory change.

Industry proposals ranged from limited modification to almost complete deregulation. The petitions resulted in rulemakings, still underway, to consider changes in entry, pricing and adequacy of service regulation. As the result of one petition, the Commission, on July 12, 1979, issued a General Temporary Order which provided for a relaxed entry period from July 12 through September 25, 1979, for the purpose of encouraging fuel-efficient bus travel as an alternative to automobile travel to help alleviate fuel shortages.

General temporary authority was granted on 41 routes. Pending is a review of data submitted by bus firms granted the authority to show the extent of travel on those routes.

The report of the Bus Industry Study Group was completed as the fiscal year came to a close.¹ The Commission decided to develop and evaluate further the Study Group proposals to relax regulation of entry, exit, and pricing. The group proposed that adequacy of service and fitness requirements be retained for consumer protection. Evaluation of these proposals is continuing with a view toward obtaining maximum input from all interested parties and developing proposals for legislative change, as appropriate.

Rates

The Commission is considering major changes in rules governing intercity passenger bus fares and charter rates.² Changes contemplated include allowing substantial flexibility in adjusting fares as well as substantial deregulation of charter rates.

To enable the bus industry to keep up with inflation and obtain necessary capital, interstate bus fares were increased twice.³ The industry also was permitted to cancel its national newspaper tariff after a finding that existing rates were depressed and that such action would introduce competition.⁴ Bus express rate increases were approved,⁵ as

¹Office of Policy and Analysis, *Report of the Bus Industry Study Group*, Interstate Commerce Commission, Washington, D.C. 20423, October 1979.

²Ex Parte No. MC-125, *Fare Flexibility for the Bus Industry*, pending.

³A 5.75-percent increase was permitted to become effective on February 1 and an additional 8-percent increase was permitted on September 24, 1979.

⁴*Increased Newspaper Rates*, National Bus Traffic Association, 361 I.C.C. 805 (1979).

⁵Four percent, effective July 30, 1979.

was a fuel surcharge for the bus industry.⁶

The Commission has also modified regulations governing liability provisions for checked baggage to ensure that extra insurance coverage is available to passengers.⁷

Operating Rights

In several cases, the Commission determined that imposition of a restriction to the use of "school bus type" vehicles as administratively undesirable.⁸ Although the applications were granted, the Commission found that such a restriction would not be enforceable because there is no clear definition of what a "school bus type" vehicle would be in these situations. The restriction would make the operations more difficult, because it would limit the service provided to the public and the restriction does not describe the type of equipment to be used. Finally, the Commission found that the restriction was not needed to protect the legitimate interests of existing bus lines because they did not provide such service—even though authorized to do so—and thus were not entitled to be protected from the possibility of a greater degree of competition.

At the other end of the spectrum, the Commission considered a petition for a declaratory order filed by several Class I

bus lines to define a luxury service known as "executive coach service."⁹ These companies had purchased customized intercity coaches with lounge-type seats, low-density seating, and other special facilities designed for use by charter groups desiring a more luxurious transportation service than normal. The new service definition would enable the bus lines to apply for charter authority over broader origin territories than the general charter authority they already held, without raising concerns of existing lines in the expanded territory about possible diversion of normal charter traffic.

In considering the petition the Commission determined that the proposed definition of "executive coach service" hinged principally on the seating density of the equipment, which could be rather well defined, but included further requirements for lounge-type seating and luxury features which are not so easy to delineate. The restriction could be a hindrance to operations by requiring provision of a relatively luxurious environment, and it did not fully describe the service needed since there are other ways to provide a luxurious environment than through the specific definition proposed. Finally, existing lines have not been providing this type of service, and thus are not entitled to have their interests totally protected. Although the specific proposed definition was rejected, the Commission concluded that it was proper to authorize grants of authority including limitations to transportation in vehicles with a seating capacity not to exceed 25 passengers. This approach accommodated the essence of the proposed "executive coach" definition without embracing other unenforceable details.

⁶Ex Parte No. 311 (Sub-No. 2B), *Expedited Procedures for Recovery of Fuel Costs*.

⁷*Practices of Motor Common Carriers of Passengers—Checked Baggage Liability Provisions*, — I.C.C. — (1979).

⁸*Ace Transp. Co., Inc., Ext.—Charter Operations*, 130 M.C.C. 382 (1978), *Ashbourne Transp., Inc., Common Carrier Application*, 130 M.C.C. 404 (1978), and *Baker's School Bus Service, Inc., Common Carrier Application*, No. MC-141600, (not printed) decided November 9, 1978.

⁹*Petition for Declaratory Order—Executive Coach Serv.*, 131 M.C.C. 706 (1979).



On remand from the United States Court of Appeals for the Third Circuit, the Commission clarified the proper interpretation of operating rights which authorize regular-route passenger service over local streets through "New England type" towns or townships.¹⁰ Prior decisions in this proceeding had left a confused picture of the proper way to interpret such authority.

The Commission pointed out that it is generally not concerned with the routes used by passenger carriers within municipalities or between adjoining municipalities, unless specific definition of such routes is necessary by the very essence of the operation. "New England type" towns are not municipalities, however, and thus a different rule applies. In these instances, the Commission's precedent held that interpretation of authority to operate over local streets or unnumbered roads refers specifically to those roads which were used on the date when the certificate was issued. Applying this precedent, it was determined that the applicant's existing authority did not authorize the service to a different section of the town which it was already serving, and the application should be considered on its merits.

In another case involving an application for charter authority where the applicant sought to expand its service territory at both origin and destination, the Commission reopened a proceeding while a court appeal was pending.¹¹ The Commission pointed out that a determination of the level of existing service was not a sufficient inquiry in deciding the merits of the application. It must also be considered that existing service had been highly responsive to the needs of sup-

porting groups so an expansion of the authorized service territory would provide public benefit without subjecting the charter revenues of protestant companies to substantial diversion.

Finally, the issue of past unauthorized operations by the applicant was raised. The Commission explained that authorities do not imply authority to serve points in the commercial zones of authorized municipalities. It was also explained that incidental charter rights accrue only to regular-route passenger companies, and not to all certificated passenger lines. Despite the past unauthorized operations, the applicant had operated under the advice of counsel, and this advice—even though erroneous—was sufficient to establish good faith so that the applicant could be found fit to provide the proposed service.

In deciding another charter application, the Commission declined to limit the destination territory of the grant of authority.¹² The Administrative Law Judge had limited the destination territory in his recommended grant of authority to relatively few eastern States. The Commission concluded, however, that the supporting evidence justified granting the entire destination territory. It was pointed out that limitation of the destination territory is generally an artificial distinction, since most of the competitive impact of a new operation on existing operations can be measured in terms of the origin territory granted.

In considering the fitness of an applicant for charter authority, the Commission distinguished between a genuine lease of charter equipment and surreptitious unauthorized operations.¹³ The

¹⁰ *Mohawk Coach Lines, Inc., Ext.—Stewart Air Field*, 130 M.C.C. 891 (1978).

¹¹ *Roesch Lines, Inc., Extension of Charter Operations*, 131 M.C.C. 722 (1979).

¹² *Atlantic Charter Bus Serv., Inc., Com. Car. Applic.*, 131 M.C.C. 507 (1979).

¹³ *Mark IV Charter Lines, Inc., Comm. Car. Applic.*, 131 M.C.C. 347 (1979).

applicant had "leased" buses to groups in a form which appeared lawful, but actually the applicant kept effective control of the vehicle and the operations, and drivers were all employees of a "driver service" set up for the purpose. In concluding that this arrangement amounted to unauthorized charter transportation, the Commission rejected the argument that the service was analogous to that of rental car companies, since the manner in which the driver is provided is apparently only for the purpose of avoiding the requirements of the Interstate Commerce Act. The Commission did determine, however, that the applicant had acted in good faith and thus could be found fit for the issuance of a limited-term certificate despite its past unlawful activities.

Service

The Commission amended its regulations governing the liability of regular-route bus companies for checked baggage by requiring that excess value insurance coverage be made available up to at least \$2,000.¹⁴ The existing regulations had required companies to provide a free baggage allowance of at least \$250 per passenger, but it was discovered that a number of bus lines had discontinued offering excess value insurance. Therefore, the amendment was made to require the bus lines to permit passengers to purchase extra insurance coverage.

The Commission instituted a rulemaking proceeding to review and amend regulations concerning the level of service, equipment, and facilities provided by bus companies.¹⁵ This ongoing proceeding is intended to correct weaknesses and impracticalities found to exist and to provide better for the needs and protection of the traveling public.

¹⁴ *Checked Baggage Liability Provisions*, 131 M.C.C. 772 (1979).

¹⁵ *Ex Parte No. MC-95 (Sub-No. 3), Regulations Governing the Adequacy of Intercity Motor Carrier Passenger Service (Modification of Regulations)*.

FREIGHT FORWARDERS

Financial statistics reported by 122 carriers show a 1978 industry average operating ratio of 84.2 and a return on stockholders equity of 29.0 percent. However, comparisons of the actual 1978 levels of physical operations, revenues and expenses of the Class A freight forwarders with the 1977 results is of limited value due to the different number of carriers reporting in each of the two years. More specifically, three large forwarders included in the 1977 statistics did not file timely reports with the Commission and are not included in the 1978 data. Two of these carriers had significant losses in 1977 which noticeably affected the 1977 overall measure of industry profitability. The absence of these carriers from the 1978 data partly explains the unusual 1978 industry operating result of a lower volume of business and a greater level of profits compared to 1977.

It should also be noted that the statistics on freight forwarders include the air freight forwarder operations of these companies. Thus, Emery Air Freight, a large and a predominantly air freight forwarder is included in the industry data. Emery Air Freight had 1978 forwarder revenues of \$395 million which represents approximately 21 percent of the revenues of the forwarder industry.

A rulemaking proceeding is presently being conducted by the Commission which would allow contract rates between railroads and freight forwarders.¹ This activity, in the past, was presumed to be prohibited by the Interstate Commerce Act. The connection between the forwarding and railroad industries is crucial for the forwarder's continued survival as a common carrier.

The great bulk of freight forwarder shipments move by rail between concentration and break-bulk points, and the use of trailer-on-flat-car (TOFC) service by the forwarding industry is extensive and growing. Allowing freight forwarders to enter into contracts with railroads is expected to yield such benefits as improved planning, marketing, operating, and investment decisions.

Operating Rights and Intermodal Operations

The Commission found that a freight forwarder may engage in forwarding service exempt from economic regulation² provided that its service is confined exclusively to one of the exempt commodities.³ A regulated freight forwarder not qualified to provide the exempt service may, however, establish an independent affiliate to provide exempt agricultural commodities service, provided that the affiliate company maintains separate books and records, operates independently, and is exclusively involved in the transportation of agricultural commodities. This decision will allow freight forwarders to compete more effectively with rail and truck lines on the movement of agricultural commodities and promote the use of intermodal TOFC operations.

Another decision by the Commission will indirectly benefit freight forwarders by the simplification of procedures for carriers to obtain authority for the transportation of used household goods in connection with a pack-and-crate operation on behalf of the Department of Defense.⁴ These relaxed entry proce-

² 49 U.S.C. 10562(2).

³ *Clipper Express Co., Exempt Agric. Commodities*, 361 I.C.C. 301 (1979).

⁴ *Used Household Goods—Pack-And-Crate Operations*, 131 M.C.C. 20 (1978).

¹ Ex Parte No. 364, *Railroad-Freight Forwarder Contract Rates*.

dures will benefit freight forwarders by increasing the availability of qualified trucking companies for use in transporting the involved traffic and still enable the Commission to protect the public using these services.

The creation of a larger pool of pack-and-crate operators competing for DOD traffic will result in lower rates for containerized services. This will benefit the American taxpayer and be consistent with the intent of Congress to provide preferential treatment for government traffic.

Rates

Freight forwarders general rate increase proposals have generally tracked those of the trucking industry. As a result, general increases of 5.5 percent and increases ranging from 1.9 to 3.2 percent were permitted to become effective in April and July of 1979. These increases enabled freight forwarder rates to keep up with their higher costs in providing service.

An outgrowth of a new policy permitting rail contract rates in appropriate circumstances,⁵ is an investigation to consider permitting railroads to file forwarder contract rates in tariffs.⁶

⁵Change of Policy—Railroad Contract Rates, 361 I.C.C. 205 (1978).

⁶Ex Parte No. 364, Railroad—Freight Forwarder Contract Rates (General Policy Statement), pending.





WATER CARRIERS

The Commission's jurisdiction extends to only about seven percent of domestic water carrier traffic. Commission regulated Class A and B water carriers experienced a six percent decrease in tonnage in 1977. During the same period, these carriers' operating revenues increased by approximately 12 percent. Increased revenues were accounted for in part by a 6.5 percent rate increase granted to the Mississippi River and Gulf Coast carriers in November 1978.

Coal, grain, petroleum and petroleum products continue to constitute the bulk of domestic water carrier traffic, amounting to about two-thirds of domestic waterborne commerce.

Operating Rights

The Commission has been especially concerned with shippers' needs for additional competitive services in authorized water operations. For this reason, an applicant was recently granted a permit to haul general towage, with exceptions, between ports and points on the Pacific Coast, and between points on the Pacific Coast and points on the Gulf and Atlantic Coasts via the Panama Canal.¹ It was found that there was a need for additional competitive service and that a grant of authority would not seriously threaten the protestants' ability to continue to make services available to the shipping public.

The Commission has remained concerned with passengers' needs for reliable, responsive services. This prompted approval of a certificate to an applicant authorizing the transportation of passengers in special and charter operations on the St. Croix River,

between the months of April and November.²

The Commission expressed the belief that the time is ripe for a thorough reexamination of its regulatory responsibilities involving water transportation. In anticipation of presenting to the 96th Congress a legislative proposal looking toward substantial revision of those provisions of the Interstate Commerce Act relating to its jurisdiction over water transportation, the Commission invited public comments concerning possible modifications in the present laws. The Commission suggested that it might recommend elimination of all conditions which must now be met by those wishing to perform regulated transportation on the inland and intercoastal waterways, so that entry would be made completely free and open to all those wishing to perform water carrier service. This proceeding is now pending.³

Intermodal Operations

The Commission has continued to adhere to its policy of promoting the coordination and fostering the growth of efficient and economic intermodal transportation services.⁴

In order to provide a competitive alternative to the all-land transportation now available on the Alcan Highway between Alaska and the continental United States, the Commission adopted

¹No. W-1323F, *Sause Bros. Ocean Towing, Inc., Extension—General Towage* (not printed), decided March 22, 1979.

²No. W-1319, *St. Croix Cruise & Charter Co., Inc. Common Carrier Application* (not printed), decided July 20, 1978.

³Ex Parte No. 359, *Water Carrier Regulation* (not printed), notice published at 43 Fed. Reg. 59608 (Dec. 21, 1978).

⁴See *Emery Air Freight Corp. Freight Forwarder Applic.*, 3391 C.C. 17, 27-37 (1971), *IML Freight, Inc., Ext.—Containerized Freight*, 118 M.C.C. 31, 32 (1973), and *Holt Motor Express, Inc., Ext.—Baltimore, MD*, 120 M.C.C. 323, 329-330 (1974).

rules governing participation of trucking companies in substituted water-for-motor service. These rules permit water common carriers, otherwise subject to the Shipping Act of 1916, to move between points in Alaska and the continental United States.⁵ Expressing a desire to reexamine thoroughly its regulatory responsibilities involving the

transportation of property by truck and rail in conjunction with ocean movements, the Commission invited public comments concerning possible modification in the present laws.⁶ The Commission also suggested elimination of any joint rate between an inland or intercoastal water company and a rail or truck company subject to ICC jurisdiction. This proposal would encourage participation of these carriers in joint intermodal services, which the present regulatory scheme has failed to foster to any significant degree.

⁵*Substituted Serv.—Water-For-Motor Serv.—Alaskan Trade*, 361 I.C.C. 359 (1979), new rules published at 44 Fed. Reg. 30687 (May 29, 1979), to be codified as 49 C.F.R. 1091.1 et seq.

⁶Ex Parte No. 359, *Water Carrier Regulation* (not printed), notice published at 43 Fed. Reg. 59608 (Dec. 21, 1978).

TARRIFFS

Filing and Publication of Tariffs

Tariff filings in 1979 increased 50 percent over the preceding year; 598,219 tariff publications were filed in 1979 in contrast to 397,024 received in 1978. The increase can be traced to the liberal policy of the Commission in granting new operating authorities to motor carriers, for each new grant requires a tariff filing. Another factor was inflation. As carriers' operating costs increased (especially fuel costs), tariffs were amended more frequently to recover those costs through higher rates.

To meet the demands on personnel resources, the Commission initiated several changes in tariff processing. In the past the Commission attempted to examine thoroughly every tariff publication which was filed. With the increased workload, the staff could not conduct an effective examination of every publication, so the Commission developed statistical sampling techniques which will reduce the number of publications subjected to an in depth examination. This will not, however, reduce the present consumer-oriented examination.

Under the sampling program, unlawfully established tariffs may become effective. New rules, therefore, were adopted to provide tariff users with simplified and expedited procedures for striking from the Commission's files unlawfully established tariffs.¹ The rules established a Tariff Integrity Board, to process complaints of tariff users against tariffs considered to be unlawfully established and which had not been detected in the sampling process.

Another time saving proposal was implemented May 11, 1979.² The Interstate Commerce Act requires every transportation company to file rates or fares to cover its operation. Under prior procedures compliance was verified by a tariff check by tariff examining personnel. The new procedures require the company to certify that it has rates or fares on file to cover new authority and name the tariff in which the rates are found.

Many innovative tariff proposals were submitted during 1979 which, because of unique conditions, required relief from the Commission's standard tariff publishing rules. Relief is usually sought on a case-by-case basis through special permission application requesting necessary rule relief.

To avoid repetitious filing of applications, the Special Permission Board, after review of the circumstances, issued 13 outstanding blanket special permissions, with controlling conditions, to be used by any company.

Use of contract rates between railroads and shippers, encouraged by the Commission, is on the increase. To facilitate tariff filing of proposed contract rates, the Commission issued an order waiving certain terms of tariff publishing rules.³ The conditions incorporated in the order protect interested parties as well as permit prompt publishing of tariffs naming contract rates.

The escalation of fuel prices during the year caused severe hardship for truck

¹Ex Parte No. 367, *Tariff Integrity Board*, 49 CFR 1100.22a, 1100.225, 1011.6, served October 5, 1979.

²Docket No. 37013, *Certification of Rates or Fares to Cover New Operating Authority* (not printed), served January 10, 1979.

³Special Permission No. 79-3700, *Railroad Contract Rates*, decided October 9, 1979.

operators. To alleviate the problem the Commission implemented procedures for recovery of fuel costs, initially proposed in 1975.⁴ The trucking companies were permitted to file weekly tariff supplements naming fuel surcharge increases to keep pace with rising prices. Thousands of additional tariff publications were received each week, creating a severe strain on tariff examining personnel resources.

The problem was solved by permitting publication of a master tariff to which all motor tariffs could refer.⁵ Instead of thousands of weekly publication changes only the master tariff is changed to reflect the authorized increase. This results in a huge paperwork reduction and cost savings to the companies and the Commission.

The Commission completed staff work on a massive project to revise and consolidate all tariff publishing regulations into one set.⁶ As proposed, the regulations will be reduced from 400 pages to 150 pages.

Regulations requiring the use of unique Alpha-numerical Codes identifying tariffs and carriers became effective in 1979.⁷ These standard codes facilitate the use of automatic data processing for preparing and identifying tariffs, checking rates, paying freight bills, and keeping records. Carriers and shippers using

data processing equipment have benefited.

Taking advantage of the rate pricing freedoms given to railroads in the Railroad Revitalization and Regulatory Reform Act,⁸ some railroads are becoming more innovative in their approach to tariff filing and ratemaking. For example, the Chicago, Rock Island, and Pacific Railroad Company offered a 20 percent rate discount on traffic moving on trailers and flatcars in an effort to secure loads for equipment which had been moving empty on return to origin. The Southern Pacific Lines and the Consolidated Rail Corporation also published reduced box car rates in efforts to induce shippers to load equipment that otherwise would have an empty return to western origins.

The Atchison, Topeka and Santa Fe Railway Company inaugurated a service using temperature controlled trailers on flatcars to transport western frozen fish and poultry, mixed with other commodities, equalizing the eastbound movement of fresh fruit and vegetables. The Detroit, Toledo and Ironton Railroad issued a tariff providing rate discounts when a loaded inbound car is delivered and the same car is loaded outbound within 24 hours.

These tariffs reflect efforts to improve equipment utilization and to generate additional revenue. Many railroads imposed surcharges and other forms of increased charges on traffic moving in specialized equipment that is in short supply at peak periods.

An unusual contract rate tariff was advanced by the Southern Railway Company, and the Commission granted

⁴Expedited Procedures for Recovery of Fuel Costs, 350 I.C.C. 563 (1975).

⁵Special Permission No. 79-2800, Emergency Fuel Surcharge—Special Procedures Based on Commission Fuel Index (Authorization of Master Tariff), served July 20, 1979.

⁶Docket No. 37321, Revision of Tariff Regulations, All Carriers.

⁷Regulations—ICC Designations on Tariffs & Schedules, 350 I.C.C. 294 (1975).

⁸Public Law 94-210, Railroad Revitalization and Regulatory Reform Act of 1976, 45 U.S.C. 801.



authority to publish the tariff.⁹ To any shipper willing to agree to the published charges and contract terms, the Southern will guarantee the use of 500 cars for a year. Some contract rates filed by other railroads also are designed to ensure the shipper an adequate car supply, but in contrast to the unique arrangement filed by the Southern the other provisions are generally restricted to a single shipper named in the contract.

A novel tariff published by the Denver and Rio Grande Western Railroad names reduced rates on ore concentrates that apply only when the shipper agrees to secure insurance for recovery of cargo loss exceeding \$100. This proposal was made under provisions of the 4R Act that allows special rates for distinct services.

Rate incentives and tariff innovations were not limited to railroads. The passenger bus companies were quite active during the year with new tariff ideas. Persons 65 years and older were offered fares reduced by 80 percent when travelling on Monday, Tuesday or Wednesday. Many other reduced fares were established to apply in specified circumstances.

The largest bus company, Greyhound, filed a tariff with reduced charges of 99¢ on package express from Chicago, Oakland, and San Francisco to destinations not more than 500 miles away. The reduced charge applies only on presentation of a coupon, but coupons were sent to all known shippers and made available to prospective shippers.

A new "Trailpax Express Service" tariff published by the National Bus Traffic Association will permit door-to-door package express service. A discount will be allowed when the shipper tenders six or more shipments at one

time. A guaranteed delivery schedule is published with the discount proposal. Should the company fail to meet the schedule, a 50 percent refund of the assessed charge will be made to the shipper.

United Parcel Service, a motor common carrier specializing in the transport of small packages, published a rule naming various options for payment of transportation charges, including optional plans for payment for periods as long as 26 weeks.

To provide companies an opportunity to conserve fuel and achieve better equipment utilization, the Commission issued orders permitting joint loading in defined circumstances. Trucking companies are permitted to issue tariffs substituting the services of another trucking company for its own.¹⁰ In situations where insufficient cargo is available to dispatch a full load, two or more truck companies may combine their traffic into a single load for terminal to terminal movement.

For companies who, although authorized to serve a particular location, have few shipments to or from that location, the Commission authorized publication of convenience interlining tariff rules.¹¹ This authority was granted to utilize fully the inherent characteristics of both long and short haul companies providing a more consistent economical service to the shipping public. Unless otherwise directed by the shipper or receiver, the trucking company may provide through service at authorized points by interlining at the interchange points where joint through rates are applicable.

⁹Special Permission No. 79-3820, *Contract Rates for Guaranteed Covered Hopper Car Supply*.

¹⁰Special Tariff Authority Decision No. 79-3070-M, decided July 31, 1979.

¹¹Special Tariff Authority Decision No. 79-50-M, decided October 5, 1978.

Some emergency situations require establishing new rates on less than statutory notice. An outstanding master permission and authority was issued allowing new rates to become effective on five days' notice, with eight recurring emergencies identified.¹² The decision provided restrictions on the use of the authority for protection of any person who may be adversely affected by the short notice. Companies using the outstanding permission can react quickly to emergency situations at a saving in time and money.

The innovative tariff proposals published this fiscal year are an encouraging sign that the regulated industries are taking a fresh look at their marketing policies.

Suspension Board

New, increased, or reduced rates and charges for the interstate service provided by the Nation's rail, motor, forwarder, water and express industries are filed with the Commission in tariff form, generally on not less than 30 days' notice to the Commission and the public. Upon request by interested parties opposing the proposed tariff changes, the proposals are considered for possible investigation and suspension by the Commission's Suspension Board or by the entire Commission. Decisions of the Board are subject to reconsideration by a division of the Commission.

During Fiscal Year 1979, a total of 1,016 rate proposals filed with the Commission were protested. Of these proposals, 292 were suspended; 398 were permitted to become effective; 108

were allowed to go into effect but were investigated; and 218 were either cancelled by the company, the protests were withdrawn, or the tariff was rejected by the Commission.

There were 176 unprotested rate proposals referred to the Board by the Consumer Unit of the Tariff Examining Branch. The Board suspended 78 of the proposals; 81 were permitted to become effective; 3 were not suspended but placed under investigation; and 14 were cancelled.

Also considered were approximately 38 general increases in trucking rates and charges filed by the regional motor bureaus, and additionally, at least a dozen general increase proposals filed by other freight bureaus, household goods carriers, and the National Bus Traffic Association.

The Board also considered 149 applications filed by companies for authority to depart from rules which prohibit rail and water companies from charging more for transportation for a shorter distance than for a longer distance over the same route and under the same transportation conditions.

Informal Rates Cases

The Bureau of Traffic using informal procedures, handled 4,369 cases concerning rate and tariff applications. This process provides an expert forum where tariff related disputes between shippers and carriers can be resolved informally and inexpensively. The process obviates the necessity for formal action in the courts or before the Commission, thereby promoting harmony and cooperation between shippers—especially small consumers—and carriers. It also gives the consumer, traveler, and small shipper an understanding of their rights, obligations and remedies in connection with rates, fares, charges and services of freight and passenger companies.

¹²Special Permission and Special Tariff Authority No. 79-2300, *Establish Rates Upon 5 Days' Notice to Meet Certain Emergencies*, decided May 2, 1979.



The Commission's special docket procedure permits rail and water companies to seek authority to refund or waive collection of admittedly unreasonable charges. A total of 436 special docket applications were approved, authorizing total reparation or waiver of \$3,934,383.05. The largest single refund amounted to \$503,194.70 involving 124 carloads of cement clinker moving from Illinois and Texas to Nevada. The largest single waiver of undercharges was \$154,735.02 on 109 carloads of iron ore pellets from Wyoming to Utah.

Through the informal complaint docket, rail or water shippers may toll the running of the statutes of limitations for overcharges or unreasonable charges by writing to the Commission and describing the details of their complaint. If carriers agree that a particular shipment was overcharged or that the charges are unreasonable, refunds can be made without using time consuming and costly formal complaint procedures. Some 402 applications were processed on the informal complaint docket during the fiscal year.

Regulated transportation companies are fully liable for any loss, damage, or injury to property transported, unless otherwise authorized by the Commission. The Commission may authorize an applicant to publish a scale of reduced rates based on the shipper's "release" of the goods at less than full value. This is the only lawful way for a common carrier to limit its statutory liability for the traffic handled. The Commission's Released Rates Board acted on 21 applications for such authority.

Consumer Activities

The consumer impact analysis unit, established in 1977 in the Section of Rates & Informal Cases, continues to identify and initiate remedies for recur-

ring issues that have a widespread adverse effect on the shipping and consumer communities.

The Commission instituted or completed several proceedings recommended by this unit for the benefit of shippers and consumers. One pending proceeding examined the traditional but questionable practice of assessing household goods storage-in-transit (SIT) charges on a 30-day basis even if the goods are stored for only one day.¹³ The proceeding measures the propriety of a proposed requirement that SIT charges are assessed on a daily basis to preclude the continuance of charges after the goods have been removed from storage.

The Commission eliminated a regulation which hindered development of coordinated intermodal air-motor service.¹⁴ Air freight forwarders (subject to the jurisdiction of the Civil Aeronautics Board) are now free to charge shippers fees for coordinating motor carrier service. Formerly, any such action on the part of the air freight forwarders would have raised a presumption that it was also conducting surface freight forwarder operations subject to the jurisdiction of this Commission.

In another important proceeding the Commission established an employee board—the Tariff Integrity Board (TIB)—to consider verified complaints from tariff users against unlawfully established tariff publications.¹⁵ The new

¹³Ex Parte No. MC-19 (Sub No. 34), *Household Goods Transportation (Storage-in-Transit Charges)*.

¹⁴Ex Parte No. 362, *Air Freight Forwarder Restrictions* (not printed), decided June 7, 1979.

¹⁵Ex Parte No. 367, *Tariff Integrity Board* (not printed), decided September 27, 1979.

procedure allows tariff users 60 days in which to advise the TIB of effective tariffs allegedly in violation of the Commission's tariff regulations, provisions of the Act, or orders of the Commission or the courts. On consideration of those complaints and replies, the TIB can order the tariff matter stricken. The new procedure will ensure tariff users of the protections intended by ICC tariff publishing requirements.

In another important action the Commission created the Special Docket Board to streamline the processing and disposition of rail and water applications to refund freight charges where the charges collected were admittedly unreasonable.¹⁶ The board will act on requests to establish reduced rates in cases such as fire, flood, earthquake,

hurricane, and drought.¹⁷ This small but active consumer interest unit also processed 285 informal complaints or inquiries. This work frequently resulted in substantial gain to shippers and consumers. In one instance a shipper obtained reduced rates which will allow an annual savings of over \$30,000.

The staff of this unit completed drafting a comprehensive plan for improving tariffs. A formal rulemaking was instituted designed to enlist the support and expertise of the entire transportation community in effecting changes which will make transportation tariffs better, more readily understood, more uniform, and adaptable to EDP compilation, publication and rate retrievability.¹⁸

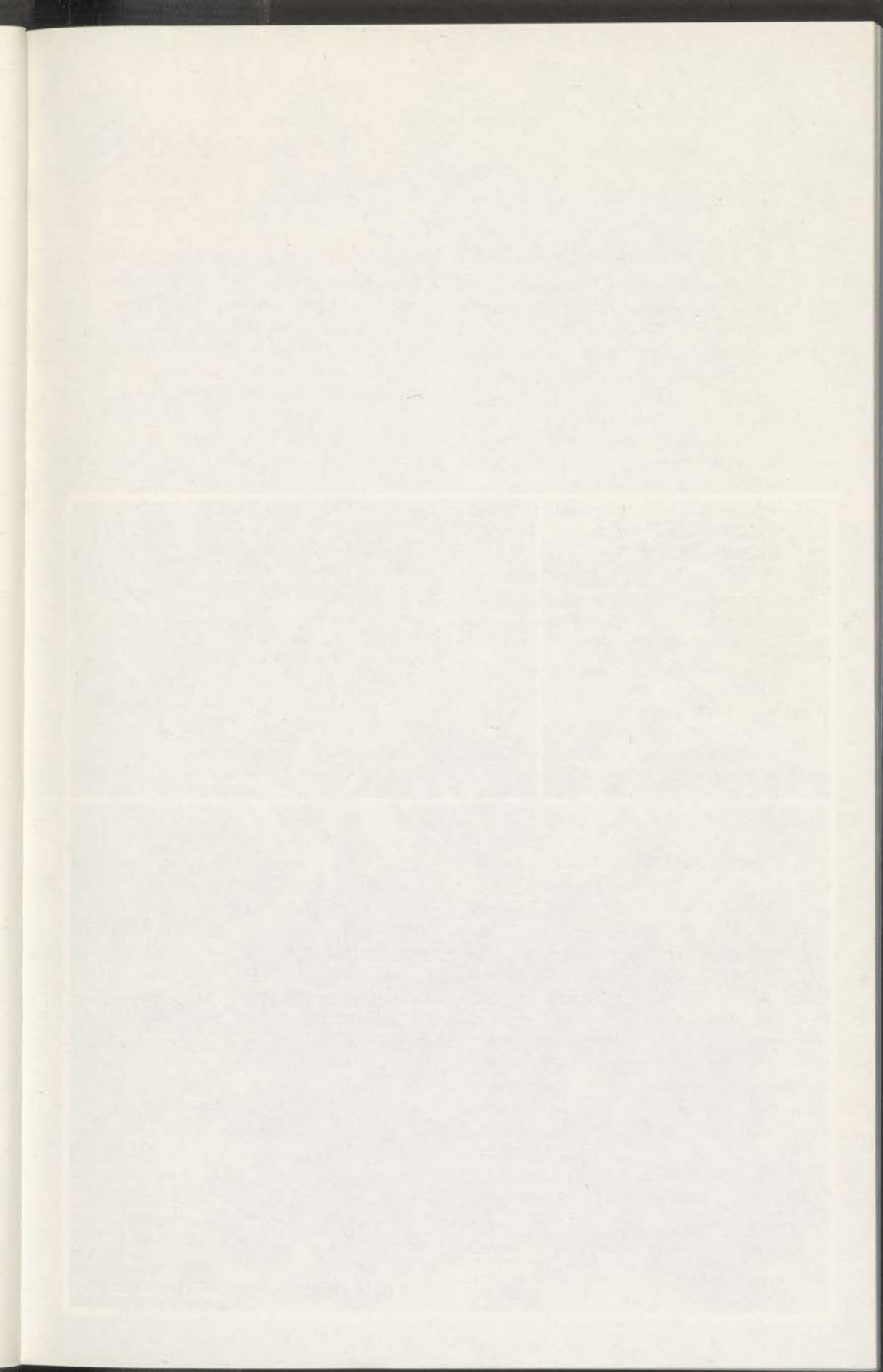
A case of major significance to shippers, consumers and carriers is still pending.¹⁹ Here the Commission is examining the matter of extra charges being assessed without any additional transportation service having been provided by the company. These charges are known in the business as arbitraries. The Commission is considering under what conditions or circumstances arbitraries might be shown to be warranted.

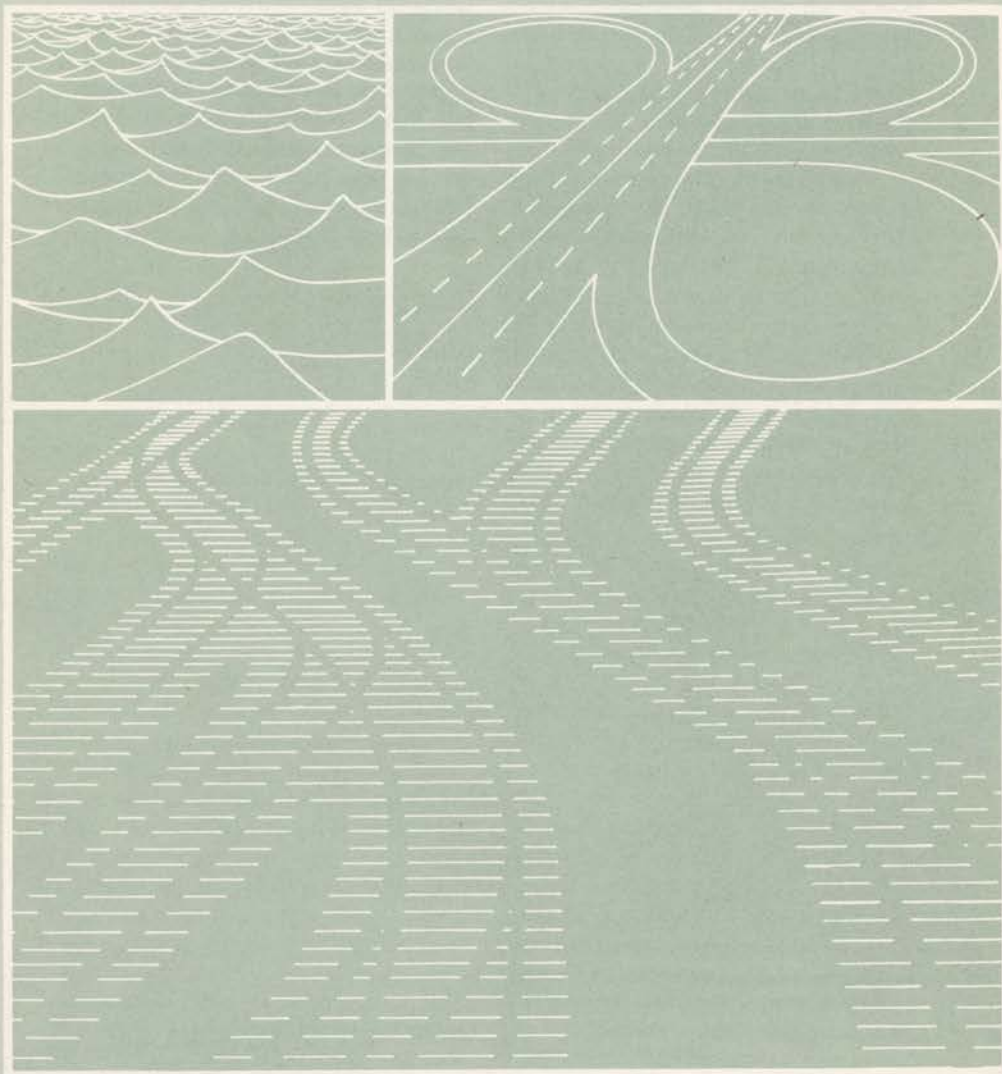
¹⁶Docket No. 37130, *Special Docket Proceedings* (not printed), decided January 31, 1979.

¹⁷49 U.S.C. §10721

¹⁸Ex Parte No. 370, *Tariff Improvement* (notice of proposed rulemaking served October 19, 1979).

¹⁹Ex Parte No. 354, *Additional Charges of Motor Carriers and Forwarders*.





ENFORCEMENT

With the many regulatory reforms taking place at the Commission, a shift in emphasis in the enforcement program has also occurred. Cases which most directly affect the shipping public, are anti-competitive in nature, or challenge the integrity of the agency process are given the highest priority.

The Commission continues to develop novel approaches to deal with transportation problems in a more effective manner. Furthermore, the Commission is relying on the criminal law, in many instances, to create the greatest deterrent effect to potential violators. In cases where civil penalties are appropriate, such penalties have been used to punish wrong doers and to deter unlawful conduct. During fiscal year 1979, the Commission collected \$920,973.57 in civil forfeitures.

Civil penalties have also been employed in the household goods areas. As a result of the 1978 Household Goods Summer Project investigation, 9 settlements were negotiated with moving companies charged with violating regulations designed to protect consumers.

The Commission continues to assist Congress in drafting legislation which deals with unlawful loading and unloading practices. The "lumper" situation, widespread throughout the country, involves extortionate practices by some individuals who insist upon loading or unloading commodities at shipping facilities at the expense of truck drivers.

Civil injunctive and administrative remedies are also available and have proven to be an effective tool in stopping illegal conduct. For example, the Commission has voided operating certificates when the evidence showed that the authorities were fraudulently obtained.

The following discussion briefly describes major investigation and enforcement actions which occurred during the past fiscal year.

Anti-Rebating Practices

The law prohibits transportation companies from granting concessions in any form to interstate shippers. This includes free entertainment for employees of private and governmental shippers.

On May 30, 1979, in the U.S. District Court for the Middle District of Florida, Seaboard Coast Line Railroad Company, Louisville & Nashville Railroad Company, Clinchfield Railroad Company, The Atlantic Land & Improvement Company, and Holston Land Company pleaded guilty to one count and no contest to 29 counts of an information charging them with illegal concessions to employees of private and governmental shippers in the form of free entertainment trips. The railroads and two subsidiaries were fined a total of \$1.2 million. Although this case was developed and prosecuted by ICC attorneys and agents, the \$1.2 million, and other similar fines imposed by the court in ICC cases, are excluded from the collected amounts attributable to the Commission.

Owner-Operator Abuses

The plight of independent truck drivers or "owner-operators" is of great concern to the Commission. Recent regulations relating to the truthful and complete disclosure of leasing arrangements between carriers and owner-operators and involving the detention of vehicles have provided additional means of enforcement against those who seek to take advantage of owner-operators. Examples of formal court actions which the Commission has pursued in this area include:

- William Corbitt, Inc., of Somerset, NJ, agreed to pay forfeitures amounting to

\$15,225 for failing to comply with the Commission's leasing regulations in the company's dealings with independent owner-operators. Corbitt's contracts with its independent owner-operators failed to specify the exact compensation to the drivers for equipment rental, failed to make complete entries on the prescribed report of vehicle inspection, and failed to specify the duration of the lease or contract.

- Nelson Freightways, Inc., and Arcticare Transport, Inc., of Rockville, CT, agreed to refund a total of \$25,085 to 158 owner-operators. The two trucking companies had failed to refund terminated owner-operators' money withheld as deposits in accordance with contract agreements to guarantee performance.
- A federal district court in Trenton, NJ, ordered Rogers Motor Lines, Inc., of Hackettstown, NJ, to comply with the Commission's leasing regulations in the company's dealings with independent truckers. The permanent injunction resulted from a complaint filed by the Commission alleging that Rogers' contracts with its owner-operators failed to specify the exact compensation due to the drivers for the rental of lease equipment.

Consumer Protection

Of primary concern to the Commission's enforcement program are violations which affect consumers and the shipping public. Consumer advocacy includes securing service for rail and bus passengers, investigating abuses in the transportation industry, and pursuing rates and claims practices affecting shippers.

Examples of these actions include:

- A federal district court issued a permanent injunction against Cooper-Jarrett, Inc., of Morristown, NJ, requiring the trucking company to identify and refund duplicate payments—estimated at \$750,000—that should have been refunded to shippers and consumers who had inadvertently paid their transportation bills twice. The order also requires the trucking company to implement procedures for processing duplicate payments received in the future.
- Gilbert Carrier Corporation of Secaucus, NJ, agreed to a court-approved settlement which required the trucking company to identify and refund up to \$160,000 to shippers and consumers who had inadvertently paid their transportation bills twice. The agreement also requires the trucking company to identify and refund duplicate payments received in the future and to file periodic reports with the Commission stating the manner of distribution and disposition of the duplicate payments.
- The Commission obtained a permanent injunction against Universal Carloading and Distributing Co., of New York, NY, which required the company to identify and refund some \$523,000 in duplicate payments. The order also required Universal to implement procedures for processing duplicate payments received in the future.
- King Van Lines, Inc., was convicted of weight-bumping charges in the Superior Court of Santa Clara County, CA. King had defrauded consumers by illegally adding weight to a shipment of goods so that a higher rate might be charged. The court order required King to reweigh any household goods shipment, at no charge, upon the request of any California customer and to advise each customer, both orally and in writing, of his or her right to a free reweigh.



• The U.S. District Court for the Northern District of Texas entered a consent decree for a permanent injunction against Trans-American Van Service, Inc., which required the moving company to pay approximately \$25,000 in loss and damage claims owed consumers but never paid. The consent decree resulted from a complaint filed by the Commission which charged Trans-American with 500 violations of the Commission's household goods regulations, including rules directly affecting services to consumers.

• Drake Motor Line, Inc., of Cherry Hill, NJ, agreed to pay \$7,500 to settle civil forfeiture claims by the Commission which charged the trucking company with failing to dispose of loss and damage claims within the prescribed 120-day time limit.

• Neptune World Wide Moving, Inc., of New Rochelle, NY, paid forfeitures amounting to \$4,800 for violations relating to the weighing of household goods. In June 1979, both Continental Van Lines and Engel Van Lines, Inc., paid civil forfeitures amounting to \$8,400 for failure to show on the contract with the consumer the maximum amount to be paid in cash on delivery.

Concessions/Credit

Another of the Commission's enforcement priorities concerns rate integrity. A principal feature of the Interstate Commerce Act and related statutes, including the Elkins Act, is to assure that rates, once they are filed and published with the Commission, will be equitably applied and honored by all transportation companies.

Examples of significant enforcement efforts in this area include:

• Youngstown Sheet & Tube Company of Youngstown, OH, paid \$162,603 to settle civil forfeiture claims. The company was charged with violating the

Elkins Act by submitting incorrect switching and demurrage information to the five railroads which served the company's Campbell Works rail yard at Youngstown, OH. By submitting incorrect switching records, the company was able to pay less for the use of the railroads' freight cars being held for unloading at the Youngstown facility.

• The Illinois Central Gulf Railroad, the Chicago & North Western Transportation Co., and the Wisconsin Electric Co. agreed to pay civil forfeitures amounting to \$81,000 for violations of the Elkins Act and the Interstate Commerce Act. The Commission alleged that the two mid-western railroads had failed to charge and collect their authorized rates in connection with coal shipments to Wisconsin Electric. By failing to pay the published tariff charges, Wisconsin Electric knowingly received illegal concessions from the railroads.

• Armco, Inc., of Middletown, OH, paid \$10,000 to settle civil forfeiture claims against the steel producer. By improperly assessing the tariff charges to the Baltimore & Ohio Railroad on unit-train shipments of coal, Armco was able to pay less for the use of B&O's freight cars which were held for unloading. The Commission charged that the company had violated the Elkins Act by not paying the proper tariff charges.

• In another action, the Commission charged that Universal Carloading & Distributing Co., Inc., a New York-based freight forwarder, and Merchant Shippers, a Chicago-based freight forwarder, had violated the Elkins Act by receiving illegal concessions through their contracts with a railroad-owned trucking company to haul trailers within Portland, OR. The two freight forwarders paid \$7,500 each to settle these forfeiture claims.

- A federal district court ordered Highway Express Co., of Chelsea, MA, to stop giving illegal concessions to shippers. The Commission had charged that Highway Express was undercharging some of its shippers by employing an affiliated company, Hub Consolidating Service, to perform transportation services required to be done by Highway. Based on these charges, a permanent injunction was entered against Highway and Hub Consolidating.

- Wallace Leisure Products, Inc., a Philadelphia manufacturing firm, and its president, Joseph Paul, pleaded guilty to 24 counts of an indictment charging them with willfully misdescribing shipments of freight to be transported interstate by companies regulated by the Commission. The company and its president were fined \$12,000. The effect of the misdescription practice was to allow customers of Wallace Leisure products to secure delivery of goods purchased from Wallace at a rate less than would be paid by purchasers of similar products from other manufacturers.

- Boise Cascade Corp. of Boise, ID, paid \$25,000 to settle civil forfeiture claims. The Commission claimed that Boise Cascade had received an unlawful concession from a railroad by paying low freight charges based on intrastate rates when the charges should have been assessed on the higher interstate and export rate.

Agency Integrity

The Commission seeks to call transportation companies and their representatives to account for misconduct before

the Commission and for violations of reporting requirements. Significant attempts to ensure agency integrity through required reports have included the following:

- A three-year investigation by the Commission into Cape Air Freight, Inc., culminated in October 1978, when Robert M. Pearce, a Bowling Green, KY, attorney, pleaded guilty to a felony charge of obstructing agency proceedings and to falsifying records filed with the Commission. The U.S. District Court for the District of Columbia sentenced Pearce to three years in prison and fined him \$10,000.

- The Commission accepted an Agreement of Settlement from B.J. McAdams, Inc., and McCormack's Highway Transportation, Inc., of Little Rock, AR, involving allegations of fraud in the handling of applications for operating authority. The two carriers had been charged with making, filing, and using false and improper verified shipper support statements in their applications to the Commission. As part of the agreement, the two trucking companies surrendered 13 operating certificates, and dismissed 6 pending applications before the Commission. On July 17, 1979, B.J. McAdams, Inc., pleaded guilty in federal court to criminal charges of filing a false statement with the ICC and obstructing an agency proceeding, and the company was fined \$15,000.

- The Commission revoked the operating authority of Tri-City Express, Inc., of Benton, KY, because it had fraudulently obtained its license from the Commission.

- Aetna Freight Lines, Inc., of Warren, OH, paid \$19,500 to settle civil forfeiture claims. The claims resulted from a Commission investigation which revealed more than 16,000 instances in which Aetna, under a lease and interchange of equipment agreement with



Best Transfer Co., allegedly controlled transportation operations beyond the scope of its authorization from the Commission.

- Smith's Transfer Corp. of Staunton, VA, paid \$20,000 to settle a complaint filed against it in the U.S. District Court for the Western District of Virginia. The complaint alleged that Smith's had failed to file information with the Commission which is used in rate negotiations and rate proceedings before the Commission.

- Manufacturers Consolidation Service, Inc., of Memphis, TN, and two of its officers agreed to pay \$17,000 in civil forfeiture penalties for filing inadequate verified statements with the Commission in support of an operating rights application.

- In Volant, PA, the Gajda Trucking Co., Charles A. Gajda and Chester Gajda paid \$6,000 in civil forfeitures for conducting for-hire transportation service on at least 128 occasions without having the necessary operating authority from the Commission.

Sham Agricultural Co-ops

The Commission continued its enforcement activity in the areas of unlawful or "sham" agricultural cooperatives. Successful injunctive actions were pursued against the following carriers:

- The U.S. District Court for the Northern District of Alabama found that Southwest Marketing Association of Fort Wayne, IN, was not organized as a bona fide agricultural cooperative association and that it had engaged in unlawful transportation in violation of the Interstate Commerce Act. The court entered a permanent injunction against Southwest and six of its principals prohibiting any further illegal transportation.

- The U.S. District Court for New Jersey ordered Exclusive Freight Ser-

vice, Inc., and its owner, William Frank, of Kearny, NJ, to stop illegal interstate transportation of goods under the guise of an agricultural cooperative. The Commission had charged Exclusive Freight with operating as a "sham" agricultural cooperative in order to transport goods without authorization from the Commission and had charged its owner with aiding and abetting those activities.

- The Federal District Court in Brooklyn, NY, entered a permanent injunction against Palm Coast Cooperative Farm Lines, Inc., a purported agricultural cooperative association, and its officers. The injunction resulted from a complaint filed by the Commission charging that Palm Coast was not operating as a bona fide agricultural cooperative, but was instead engaging in unlawful transportation.

If a "sham" co-op operator, once enjoined, continues to operate, he is subject to criminal contempt proceedings. Criminal contempt convictions were obtained or affirmed in the following instances:

- The Ninth Circuit Court of Appeals rejected a request to rehear its decision that Lawrence Victor Miller, an interstate trucker, was properly found guilty of contempt and sentenced to a \$100,000 fine and one year in jail. In a civil suit instituted by the Commission, Miller had been directed to stop participating in interstate operations with Kearn River Valley Co-op, a purported agricultural cooperative, without Commission authority. In July 1977, he had been convicted of contempt in the U.S. District Court at Fresno, CA, for failing to comply with the court order.

- Contempt penalties of \$22,000 were imposed against Stan Anderson of Salinas, CA, for violating a 1975 court order prohibiting him from transporting or participating in the transportation of property in interstate commerce without authority from the Commission. The Commission charged that Anderson, in violation of the prior court order, had participated in for-hire transportation on 44 separate occasions under the guise of an agency arrangement with a now defunct "sham" agricultural cooperative known as Pacific Crest Co-op, Inc., of Hacienda Heights, CA.

- The U.S. District Court for the Eastern District of Wisconsin convicted Jerry Seidman of criminal contempt and 135 counts of unauthorized transportation. He was fined a total of \$103,500 and sentenced to six months in jail. The conviction resulted from Seidman's failure to comply with a court order obtained by the Commission directing him to stop unauthorized transportation operations as a "sham" agricultural cooperative. The Commission estimated that Seidman had illegally operated a nationwide \$4-million-a-year interstate transportation business under the guise of an agricultural cooperative.

Financial Integrity

The Commission is charged with the responsibility of enforcing laws which ensure the financial integrity of carriers. To this end, the Commission has brought a number of enforcement actions:

- A joint investigation conducted by the Commission and the Business Fraud

Unit of the U.S. Attorney's Office for the Southern District of New York into the affairs of REA Express, Inc., has resulted in the conviction of 12 individuals, including the following: Samuel Wyman, Chairman of the Board of Directors of RDR Associates, Inc., a New York advertising and media-time buying firm, who pleaded guilty to three counts of conspiracy, mail fraud and misapplication of approximately \$750,000 of the funds of REA Express, Inc.; Eugene Kania, former Vice President of Finance, REA Express, Inc., who was convicted of conspiracy and willful misapplication of REA funds in connection with an alleged scheme to avoid taxes in Cook County, IL; and Michael S. Nuccio, Supervisor of Railroad Property Tax Assessment in the office of the Cook County Tax Assessor, who pleaded guilty to a perjury charge, admitting that he lied to the grand jury by denying that he had accepted bribes from REA officials.

- A joint investigation conducted by the Commission, the Newark, NJ, U.S. Attorney's Office, the Postal Inspector's Office, and the Federal Bureau of Investigation has resulted in the April 1979 conviction of three individuals in the U.S. District Court in Newark, NJ. Hugh Therrien, Manager of Distribution for the Eastern Region of the Kellogg Company, pleaded guilty to wire fraud charges, and Sam Mor and Obed Ben-Ary, owners of GLT Transportation Lines, Inc., Green Lines Transportation, Inc., and Super M LTD, pleaded guilty to charges that they had paid Therrien approximately \$355,000 during 1977 and 1978 in order to obtain Kellogg's transportation business. In giving the trucking firm the transportation rights to Kellogg's products, Therrien had required at least 10 percent in kickbacks of gross revenues paid for the transportation.

- The Commission denied some 20 applications for operating authority filed



by Transamerican Freight Lines, Inc., of Detroit, MI. The Commission determined that Transamerican's unsound financial condition and its unsatisfactory compliance with the Commission's operational and DOT's safety regulations rendered it unfit to serve the public and to conduct the proposed operations.

Equipment Utilization

Due to the need to promote adequate use of equipment, the Commission has taken enforcement action in a number of instances:

- The Commission negotiated a settlement between Montour Railroad of Pittsburgh, PA, and Consolidated Coal Company, also of Pittsburgh, in which the large coal producer and the railroad's major shipper paid the railroad \$300,000 for demurrage charges—charges assessed by rail carriers to discourage shippers from using rail cars for storage purposes—on unloaded cars of coal.
- Based upon the Commission's newly established uniform detention rules, which require that records be kept and charges assessed when a truck is placed for loading and unloading, the Commission charged Overnite Transportation Company of Richmond, VA, with failing to keep detention records as required by the new regulation. Overnite paid \$12,000 to settle the Commission's civil forfeiture claims.
- Four New York State-based trucking companies, Jackson & Johnson, Inc., of Savannah, K.J. Transportation, Inc., of Rochester, Collins & Simmons, Inc., of Wolcott, and On Time Delivery, Inc., of Lyndonville, agreed to pay a total of \$7,250 to settle civil forfeitures against them. The Commission had charged that the companies were failing to make and keep detention records as set out in the carriers' own tariffs. These records must be kept when a truck is placed for loading or unloading so that, when the allowed specified free time expires, the carrier can charge for delay of the vehicle.
- The Florida East Coast Railway Company of St. Augustine, FL, agreed to pay \$100,000 to settle civil forfeiture claims against the railroad. The Commission claimed that from November 1977 through March 1979 Florida East Coast had failed to assess and collect more than \$230,000 in charges for delay of railroad cars and truck trailers. The railroad agreed to seek payment from its patrons who were not properly charged.

COURT ACTIONS

The ultimate test of the validity of any Commission decision is judicial review. The judicial opinions that result from the relatively small number of agency decisions challenged in the courts often have a significant impact on the scope and direction of future regulatory policy.

During the past year, the Office of the General Counsel handled 668 cases in the federal courts. At the beginning of the fiscal year, 409 cases were pending, and 259 additional cases were instituted during the year. As of September 30, 1979, the courts had concluded 223 cases, with 445 others in various stages of litigation. Of the cases concluded, 15 were by the Supreme Court, 198 by federal courts of appeals, and 10 by federal district courts.

The Supreme Court acted on an important case discussed in the Ninety-Second Annual Report (pages 70-71). In 1978, the United States Court of Appeals for the Eighth Circuit held it could properly review a Commission decision not to investigate, prior to their effectiveness, proposed seasonal rate increases for the rail transportation of grain.¹

It then remanded the case to the Commission with directions to institute an investigation of the demand-sensitive rates.² After granting the Commission's

petition for writ of certiorari, the Supreme Court unanimously reversed the Eighth Circuit's decision and held that a Commission determination not to investigate a proposed rate is committed to the Commission's discretion and not subject to judicial review.³

The Court noted that it had previously held unreviewable Commission determinations of whether to suspend the effectiveness of a rate filing.⁴ Relying on the language of the statute, its structure, and the legislative history, the Court concluded that Congress had evidenced an intent to preclude judicial review of the investigation determinations as well. The Court observed that investigation and suspension determinations are simply discretionary decisions and do not represent a final adjudication of a tariff's lawfulness and that a party seeking an investigation has an alternative statutory remedy under the Commission's complaint procedures.⁵ Furthermore, the Court noted that, from a practical standpoint, reviewability would disrupt the statutory scheme of carrier-initiated rates and inhibit the 4R Act's goals of railroad pricing flexibility, especially in the context of seasonal rates. The Court's decision permits the Commission to continue exercising its discretionary rate and suspension power without judicial oversight and in the manner it believes will best serve the public interest.

¹ *Seaboard Allied Milling Corp. v. Interstate Commerce Commission*, 570 F.2d 1349 (8th Cir. 1978).

² The rates involved were the first filed under 1976 legislation in which Congress directed the Commission to establish standards and procedures permitting railroad rates "based on seasonal, regional, or peak-period demand for rail services." Section 202(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act), Pub. L. No. 94-210, 90 Stat. 36, now codified as 49 U.S.C. 10727. The stated aims of the legislation were to give shippers an incentive to reduce peak-period shipments, to generate additional revenues for the railroads, and to make better use of the national supply of cars.

³ *Southern Ry. v. Seaboard Allied Milling Corp.*, 99 S.Ct. 2385 (1979).

⁴ *Aberdeen & Rockfish R.R. v. SCRAP*, 422 U.S. 289, 311 (1975); *United States v. SCRAP*, 412 U.S. 669, 691-692, 698 (1973); *Arrow Transportation Co. v. Southern Ry.*, 372 U.S. 658 (1963).

⁵ 49 U.S.C. 11701(b) (formerly Section 13(1)).

In the last year, the courts of appeal upheld several rulemaking decisions by the Commission. For example, the United States Court of Appeals for the District of Columbia Circuit sustained a Commission regulation embodying a general finding that the holding of motor carrier authority to operate both as a common and contract carrier is normally consistent with the public interest and the national transportation policy.⁶ The Commission's rule reflected the agency's effort to reduce unneeded regulatory constraints on the motor carrier industry's ability to offer flexible transportation services. In affirming the Commission's rule, the court emphasized the agency's ability, and indeed obligation, to update its regulatory approach to reflect contemporary conditions.

The District of Columbia Circuit sustained a Commission rulemaking aimed at alleviating abuses suffered by owner-operators when delivering loose and carcass meats at consignees' receiving platforms.⁷ Frequently, owner-operators could not unload the large carcasses by themselves and were unable to obtain and keep current the local health credentials needed for the handling of these commodities. Nevertheless, Commission rules formerly required that the carriers' tariffs provide for driver unloading services. This left owner-operators susceptible to coercive tactics at the unloading docks. Often individuals not formally associated with the consignee would force owner-operators to hire gangs of casual laborers to help with the unloading at extortionate rates. Owner-operators lacked the re-

sources to combat these practices. In view of these problems, the District of Columbia Circuit approved a Commission determination that the carriers may lawfully publish tariff provisions providing for consignee unloading of loose and carcass meats.

The District of Columbia Circuit also rejected a challenge to a Commission rule which made the terminal areas of passenger carriers providing pickup and delivery service on package express shipments coextensive with those of property carriers.⁸ This rule permits bus operators to expand the express shipment service they offer the public.

In another rulemaking, which was overturned by the District of Columbia Circuit, the Commission adopted a broadened definition of certain statutory terms which would have greatly increased the number and variety of financial transactions requiring Commission approval.⁹ The Commission adopted the broadened definition in response to carriers' decreasing emphasis on traditional financing and increasing reliance on both long-term conditional or deferred equipment obligations, as well as advances from affiliates. The court set aside the Commission's action and held that the Commission lacked the statutory authority to adopt the broadened definition. Moreover, the fact that Congress has refused to expand the statute's scope, even though the Commission on several occasions has urged it to do so, fortified the court in its conclusions.

⁶ *American Trucking Ass'n, Inc. v. United States*, 603 F.2d 954 (D.C. Cir.) cert. denied, 48 U.S.L.W. 3387 (1979).

⁷ *Food Marketing Institute v. Interstate Commerce Commission*, 587 F.2d 1285 (D.C. Cir. 1978).

⁸ *Purolator Courier Corp. v. United States*, 598 F.2d 225 (D.C. Cir. 1979).

⁹ *Ass'n of American Railroads v. United States*, 603 F.2d 953 (D.C. Cir. 1979).

The United States Court of Appeals for the Tenth Circuit also reviewed a Commission rulemaking during the past year.¹⁰ In response to public complaints, the Commission promulgated rules that (1) eliminated extra charges by motor common carriers of property for movements to and from private residences, apartments, churches, schools, and similar locations which differ from charges to and from commercial locations, and (2) required the carriers to reach an agreement with the shipper or receiver regarding the date and time of delivery before attempting delivery of shipments to these locations. The Tenth Circuit held that the Commission's rules were reasonable and not unduly preferential to non-commercial locations.

In the ratemaking area, the District of Columbia Circuit upheld the Commission's approval of the first two capital incentive rates filed under a provision added by the 4R Act that a rate for a new service requiring a capital investment of at least \$1 million may not be set aside for a period of five years unless the Commission finds it unlawful within 180 days of its filing.¹¹ The Court agreed with the Commission's interpretation that ordinary investments, rather than only new or innovative ones, may qualify for treatment under this special provision.¹² The Court also deferred to the Commission's finding that investments in locomotives and roadway improvements may qualify as sufficiently related to the

specific traffic for which the rate is proposed if they are necessary to provide the new service, even though other shippers using the equipment or the line may also benefit. The shippers have recently filed a petition for writ of certiorari with the Supreme Court on this case.¹³

In another ratemaking case, a number of northeastern agricultural interests complained of the existing rate structure for the transportation of feed corn to the Northeast. They argued that these rates are unreasonable as well as unduly prejudicial to the Northeast when compared with the lower rates for such shipments into the South. With one minor exception, the Commission concluded that the agricultural interests failed to carry their burden of proof. The agency found that differences in operating costs and competitive conditions justified the rate disparities between the regions and that no competitive injury had been shown to result from the disparities. The Commission, however, did find that the carriers' failure to offer 10-car rates on feed corn shipments to the Northeast was an unreasonable practice in view of the demonstrated demand for such rates. The Commission ordered the eastern railroads to publish an appropriate multi-car rate. On judicial review, the District of Columbia rejected the challenges of both the agricultural interests and the eastern railroads to the Commission's decision.¹⁴

The United States Court of Appeals for the Seventh Circuit set aside a Commission determination that it lacks authority to immunize from antitrust

¹⁰ *Rocky Mountain Motor Tariff Bureau, Inc. v. Interstate Commerce Commission*, 590 F.2d 865 (10th Cir. 1979).

¹¹ *Houston Lighting and Power Co. v. United States*, 606 F.2d 1131 (D.C. Cir. 1979.)

¹² 49 U.S.C. 10729 (formerly Section 15(19) of the Act).

¹³ Petition for Writ of Certiorari filed November 20, 1979, Case No. 79-793, Supreme Court of the United States.

¹⁴ *New England Grain and Feed Council v. United States*, 598 F.2d 281 (D.C. Cir. 1979).



liability railroad agreements relating to the collective setting of interstate rates.¹⁵ The Commission had reasoned that the Act contained no express grant of immunizing authority with respect to intrastate rates and that no such authority could be inferred in view of the Commission's lack of plenary power to regulate intrastate rates. Moreover, the Commission had relied heavily on legislative history which it read as indicating that Congress intended that the Commission only immunize the collective setting of those rates over which it has regulatory control. The Seventh Circuit, however, disagreed, holding that the Commission could immunize the collective establishment of intrastate rates which in some way affect interstate commerce. It stated that since Congress passed the Reed-Bulwinkle Act "to bring about an accommodation" of the Nation's antitrust and transportation policies, it must have intended that the Commission's immunizing jurisdiction be coextensive with the reach of the antitrust laws.

There were two significant court decisions in the motor carrier operating rights area. In one case the United States Court of Appeals for the First Circuit held that the Commission has the flexibility to depart, in appropriate cases, from the traditional standards used to determine whether the public convenience and necessity requires the granting of additional motor carrier authority.¹⁶ In the other case the District of Columbia Circuit, in affirming a grant of motor carrier operating rights, noted that harm

to existing carriers through additional competition is relevant to the Commission's decision-making only when there is corresponding injury to the public.¹⁷

The Commission won a significant victory in the United States Court of Appeals for the Fourth Circuit in a case involving the agency's use of its emergency powers to alleviate the gasoline shortage experienced during the past summer.¹⁸ The Court affirmed a finding made by the Commission that, in view of the shortage of gasoline supplies, there was an immediate need for a general authorization of additional bus service for the peak summer travel period. The Commission issued the general authorization so that the bus industry would be in a position to handle the possible swell of gasoline-starved vacation travelers looking for an alternative to the private automobile.

Finally, the Commission participated as an *amicus curiae* in litigation involving an ocean carrier and the Federal Maritime Commission where the question was which regulatory agency has jurisdiction over certain intermodal rates.¹⁹ The United States Court of Appeals for the District of Columbia Circuit held that this Commission, rather than the FMC, has exclusive jurisdiction over tariffs on joint rail-water traffic between the United States and Puerto Rico.

¹⁵ *Atchison, T. & S.F. Ry. v. United States*, 597 F.2d 593 (7th Cir. 1979).

¹⁶ *Appleyard's Motor Transportation Co. v. United States*, 592 F.2d 8 (1st Cir. 1979).

¹⁷ *May Trucking Co. v. Interstate Commerce Commission*, 593 F.2d 1349 (D.C. Cir. 1979).

¹⁸ *Blue and Grey Transit, Inc. v. United States*, 606 F.2d 437 (4th Cir. 1979).

¹⁹ *Trailer Marine Transport Corp. v. Federal Maritime Commission*, 602 F.2d 379 (D.C. Cir. 1979).

FINANCIAL OVERSIGHT

The Commission's financial oversight activities include accounting, auditing, financial analysis, and cost and reporting functions. These involve preparing, amending, and interpreting prescribed accounting and financial reporting rules, examining and analyzing accounts and financial statements, and compiling and publishing transportation statistics and cost studies.

Accounting and Reporting Rulemaking

The Commission's prescribed accounting and reporting systems are continually reviewed with the objective of providing current and useful information. This program includes modernizing the systems to keep pace with generally accepted accounting principles (GAAP). In developing amendments to these systems, the rulemaking process allows interested parties to participate in formulating the rules.

The Commission issued a final rule which eliminated the separate filing of supplemental Annual Report Form M-4 by the holding companies of trucking companies. Form M-4 was a financial report detailing consolidated financial data of the trucking company and its subsidiaries. Prior to January 1, 1977, consolidated financial data was not required in Annual Report Form M, necessitating the filing of Form M-4. Effective January 1, 1978, consolidated financial data was included in Report Form M thereby eliminating the need for Form M-4.¹

The Commission also adopted a new annual report for class III railroads.² The new reporting form (Form R-3) should substantially reduce the reporting burden of class III railroads. Form R-3 is a simplified report which only contains eight schedules, and the terminology, format and instructions should ease report preparation.

The Railroad Revitalization and Regulatory Reform Act of 1976 made it illegal for a state to levy or collect an ad valorem property tax on rail transportation property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction. The Commission issued a final rule revising the definition of rail transportation property to include all property and other assets that comprise the entire operating unit devoted to rail transportation service.³ The revision provides a uniform definition for State taxing authorities to use in determining ad valorem and other property taxes for railroads.

The Commission issued a final rule requiring disclosure of the amount of additional contributions made to employee stock ownership plans resulting from recognition of investment tax credits on initial plan contributions.⁴ These additional contributions are non-recoverable operating expenses which must be identified for Commission ratemaking analysis purposes.

Finally, the Commission revised upward trucking company revenue classification levels.⁵ This revision will relieve

¹ *Elimination of Annual Report Form M-4 for Motor Carrier Holding Companies* (not printed), decided December 5, 1978.

² *Adoption of Annual Report Form R-3 For Class III Railroads* (not printed), decided December 11, 1978.

³ *Definition of Railroad Transportation Property* (not printed), decided December 13, 1978.

⁴ *Reporting Contributions to Employee Stock Ownership Plans* (not printed), decided February 27, 1979.

⁵ *Revision of Revenue Levels Which Define Motor Carriers of Property* (not printed), decided September 14, 1979.

approximately 1,500 small trucking companies from the detailed accounting and reporting requirements of the Commission.

Cost and Financial Analysis

The Section of Cost and Financial Analysis provided the Commission with staff expertise in all areas of transportation cost and finance to carry out ratemaking functions.

The following types of analyses and reports were provided:

1. Periodic analyses of motor carrier and rail general rate increase. Such increases involve large segments of traffic which have a material effect on the carriers' overall revenue needs and subsequently on the shippers and consumers. The section examined the cost and financial data submitted by the individual carriers or rate bureaus in order to determine their revenue needs and financial position and whether or not the general rate increase sought is as justified in light of cost increases incurred by the carriers.

2. Recurring analyses of cost and financial evidence introduced in complaint, investigation and suspension, and abandonment proceedings before the Commission. In some instances, such cases involve a sizable portion of a carrier's or a group of carriers' total system revenue and may have a significant impact on particular shippers and/or consumers. The section prepared cost and financial analyses of these cases to ensure that the carriers were attaining a level of revenues sufficient to provide adequate, economical and efficient transportation service.

3. Analysis of financial data used to develop the railroads' cost of capital for use in various rate prescription cases, per diem cases, and abandonment procedures. Individual carrier revenue

adequacy findings were also completed and will be published in Fiscal Year 1980.⁶

4. A semi-annual report updating the "Statistical Summary for Loan Guarantees to Railroads under Part V of the Interstate Commerce Act, as amended" which shows the transactions that have taken place over the six-month period.⁷

The Commission continued to be informed regularly about the financial health and prospects of financially distressed railroads and trucking companies through issuance of recurring and special analyses by the Early Warning Branch of the Bureau of Accounts. Particular attention was devoted to Auto-Train; Consolidated Rail Corporation; Delaware and Hudson Railway Company; Chicago, Rock Island and Pacific Railroad Company (Rock Island); and the Chicago, Milwaukee, St. Paul and Pacific Railroad Company (Milwaukee).

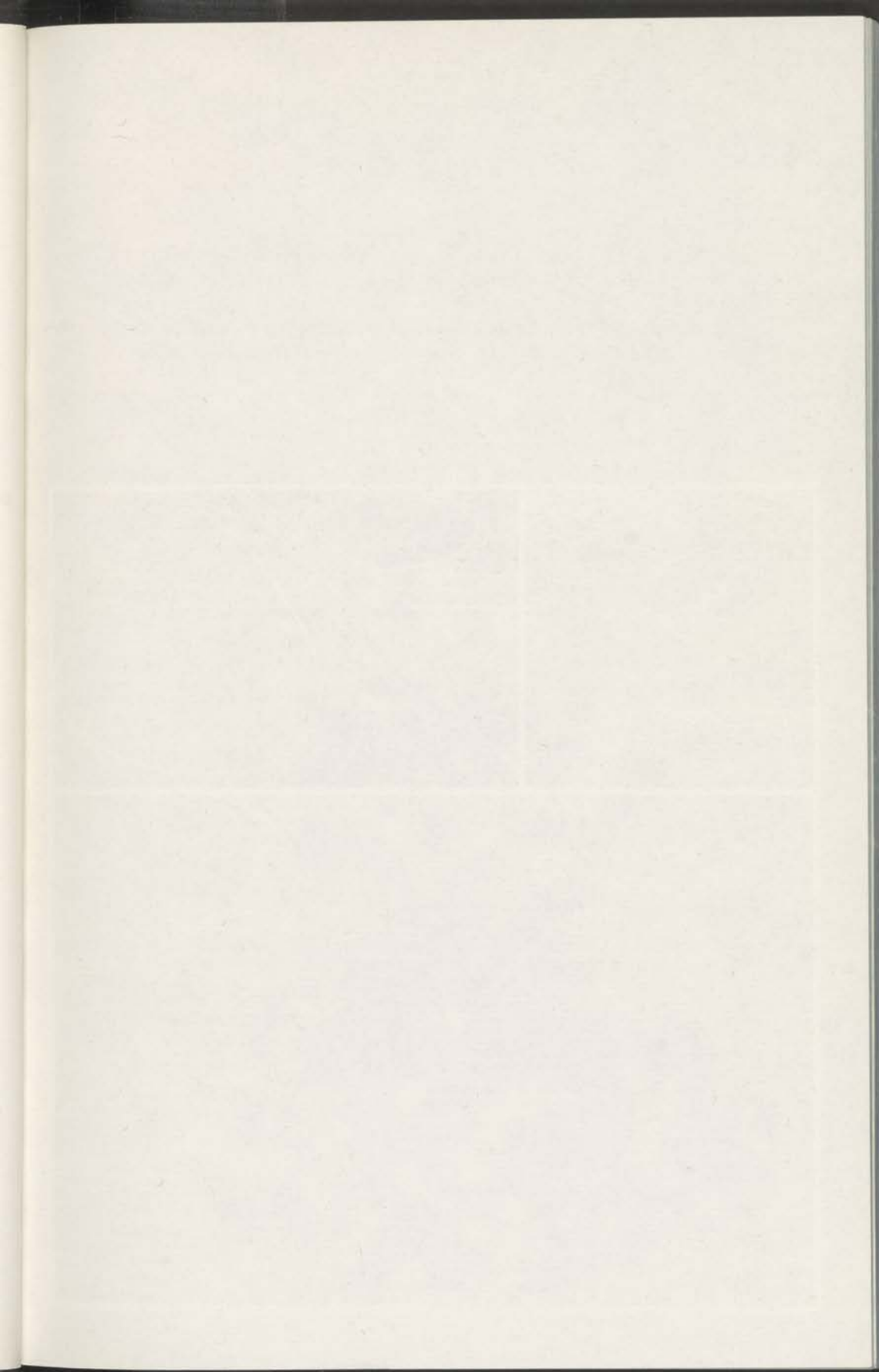
The cash positions of the Rock Island and the Milwaukee were very closely monitored because they declined to precariously low levels. In fact, the Commission determined that the Rock Island was "cashless" in September 1979, and ordered another railroad to provide

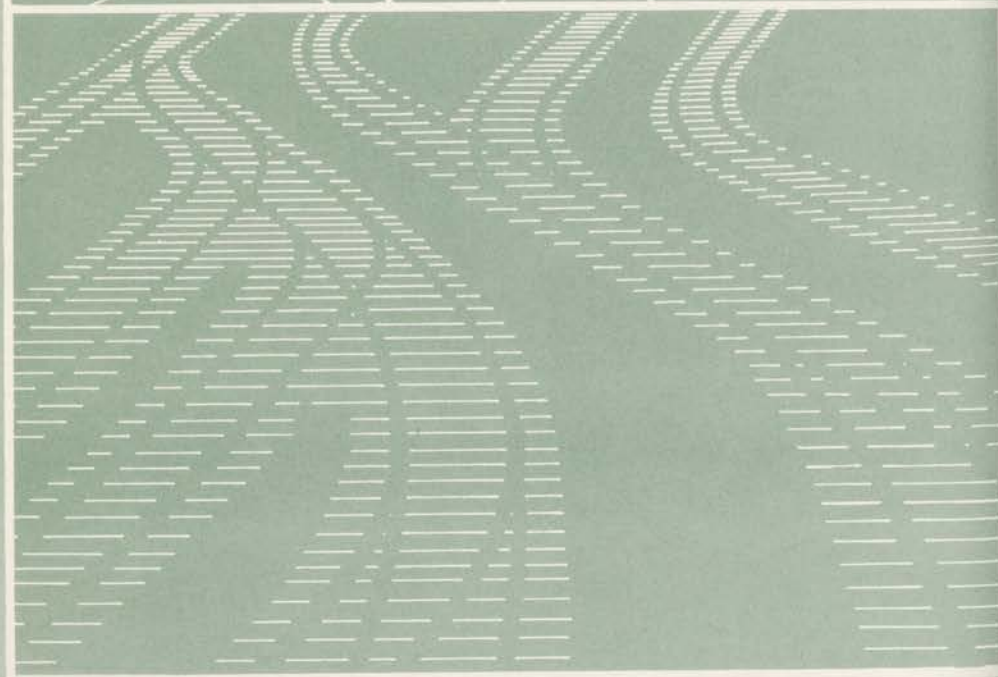
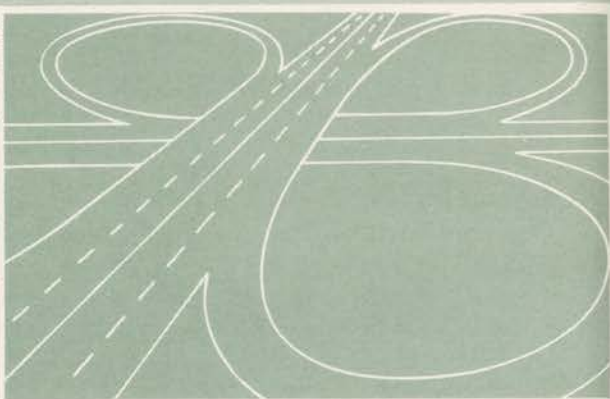
⁶ Ex Parte No. 353, *Adequacy of Railroad Revenue (1978 Determination)*, decided December 5, 1978.

⁷ Part V of the Interstate Commerce Act provides for assistance to railroads in the form of loan guarantees to aid the railroads in acquiring, constructing, or maintaining facilities and equipment to stimulate employment and preserve and develop an adequate National Transportation System.

directed service operations over the Rock Island's lines. Congressional transportation committees, in addition to the Commission, received monthly reports which analyzed the present and prospective cash and financial positions of the Rock Island and the Milwaukee.

The Early Warning Branch was also responsible for the public release of quarterly reports showing the latest quarterly and twelve-month period earnings and traffic volume data of (1) Class I railroads; (2) 100 largest trucking companies; (3) 15 largest household goods carriers; and, (4) 10 largest bus companies.





APPENDIX A

Commission Organization

(as of December 31, 1979)

The major bureaus and offices of the Commission are listed below. Heads of each bureau or office report to the Chairman via the channels indicated on the organization chart.

STAFF OFFICIALS

Office of the Chairman

Office of Communications and

Consumer Affairs:

Director Douglas Baldwin

Congressional Relations Office:

Congressional Relations Officer Bruce N. Hatton

Small Business Assistance Office:

Director Bernard Gaillard

Office of the Managing Director:

Managing Director Pierce A. Quinlan

Assistant Managing Director John P. Kratzke

Assistant Managing Director (Operations and Assessment William Redmond, Jr.

Director of Personnel Richard H. Mooers

Acting Budget and Fiscal Officer Mary G. Hogya

Chief, Administrative Services Stuart T. Davis, Jr.

Chief, Systems Development Alden E. Luke

Chief, Performance Review Esther I. Friedman

Chief, Administrative Technologies J. B. Robinson

Office of the Secretary:

Secretary Agatha L. Mergenovich

Assistant Secretary James H. Bayne

Office of the General Counsel:

General Counsel Richard A. Allen

Deputy General Counsel Robert S. Burk

Associate General Counsel for Legislation Hanford O'Hara

Office of Proceedings:

Director Alan M. Fitzwater

Associate Director George M. Chandler

Deputy Director, Section of Finance Michael Erenberg

Deputy Director, Section of Operating Rights .. J. Patterson King

Deputy Director, Section of Rates Richard B. Felder

Office of Policy and Analysis:

Director Alexander Lyall Morton

Associate Director Ernest R. Olson

Deputy Director for Rail Services Planning Office Richard J. Schiefelbein

STAFF OFFICIALS—Continued

Office of Hearings:

Chief Administrative Law Judge Robert M. Glennon
 Assistant Chief Administrative Law Judge James E. Hopkins
 Assistant Chief Administrative Law Judge Nolin J. Bilodeau

Office of Special Counsel:

Special Counsel Edward J. Schack

Bureau of Accounts:

Director James B. Thomas, Jr.
 Assistant Director Ronald S. Young

Bureau of Investigations and Enforcement:

Director Peter M. Shannon, Jr.
 Assistant Director Lewis R. Teeple

Bureau of Operations:

Director Joel E. Burns
 Assistant Director Robert S. Turkington

Bureau of Traffic:

Director Martin E. Foley
 Assistant Director Neil S. Llewellyn

DIRECTORY OF INTERSTATE COMMERCE COMMISSION FIELD OFFICES AND REGIONAL HEADQUARTERS

Regional Headquarters ... Robert L. Abare, *Regional Managing Director*, 150 Causeway St., Room 501, Boston, Mass. 02114

Connecticut Room 324, Federal Bldg., 135 High St., Hartford, Conn. 06103

Maine 76 Pearl St., Room 303, Portland, Maine 04101

Massachusetts 150 Causeway St., Room 501, Boston, Mass. 02114
 338-342 Federal Bldg., 436 Dwight St., Springfield, Mass. 01103

New Hampshire Christian Life Bldg., 6 Loudon Road, Concord, N.H. 03301

New Jersey 724 Broad St., Room 522, Newark, NJ 07102

New York 518 New Federal Bldg., Maiden Lane and Broadway, P.O. Box 1167, Albany, N.Y. 12207
 910 Federal Bldg., 111 West Huron St., Buffalo, N.Y. 14202
 26 Federal Plaza, Room 1807, New York, N.Y. 10007

Rhode Island John E. Fogarty Federal Bldg., 24 Weybosset St., Room 102, Providence, R.I. 02903

Vermont	87 State St., Room 303 Montpelier, Vt. 05602 Mail Address: Post Office Box 548
Regional Headquarters ...	Ivan Michael Schaeffer, <i>Regional Managing Director</i> , Federal Reserve Bank Building, 101 N. 7th St., Room 620, Philadelphia, Pa. 19106
Delaware	See nearest ICC Field Office in New Jersey, Maryland or Pennsylvania
Maryland	1025 Federal Bldg., Charles Center, 31 Hopkins Plaza, Baltimore, Md. 21201
Ohio	Lakewood Center N. Office Tower, 14600 Detroit Avenue, Room 603, Lakewood, Ohio 44107
Pennsylvania	Federal Reserve Bank Building 101 N. 7th St., Room 620, Philadelphia, Pa. 19106 2111 Federal Bldg., 1000 Liberty Ave., Pittsburgh, Pa. 15222
Virginia	10-502 Federal Bldg., 400 North 8th St., Richmond, Va. 23240
West Virginia	416 Old Post Office Bldg., 12th and Chapline Sts., Wheeling, W. Va. 26003
Regional Headquarters ...	Benjamin R. McKenzie, <i>Regional Managing Director</i> , 1252 West Peachtree St., N.W., Room 300, Atlanta, Ga. 30309
Alabama	2121 Bldg., Suite 1616, 2121 8th Ave., North Birmingham, Ala. 35203
Florida	288 Federal Bldg., 400 West Bay St., Jacksonville, Fla. 32202; Building Box No. 35008 101 Monterey Bldg., Suite 101, 8410 N.W. 53rd Terrace, Miami, Fla. 33166
Georgia	1252 West Peachtree St., N.W., Room 300, Atlanta, Ga. 30309
Kentucky	426 U.S. Post Office, 601 West Broadway, Louisville, Ky. 40202
Mississippi	145 East Amite Bldg., Room 212, Jackson, Miss. 39201
North Carolina	Room CC-516 Mart Office Bldg., 800 Briar Creek Rd., Charlotte, N.C. 28205
South Carolina	1400 Building, Room 302, 1400 Pickens St., Columbia, S.C. 29201
Tennessee	100 N. Main Bldg., 100 North Main St., Suite 2006, Memphis, Tenn. 38103 Federal Bldg., 801 Broadway A422, Nashville, Tenn. 37203

DIRECTORY OF INTERSTATE COMMERCE COMMISSION FIELD OFFICES AND REGIONAL HEADQUARTERS—Continued

Regional Headquarters ...	Alfred E. Rathert, <i>Regional Managing Director</i> , Everett McKinley Dirksen Bldg., Room 1086, 219 South Dearborn St., Chicago, Ill. 60604
Illinois	Everett McKinley Dirksen Bldg., Room 1086, 219 South Dearborn St., Chicago, Ill. 60604
Indiana	429 Federal Building and U.S. Courthouse, 46 East Ohio St., Indianapolis, Ind. 46204
Michigan	225 Federal Bldg., 325 West Allegan St., Lansing, Mich. 48933
Minnesota	414 Federal Bldg., and U.S. Courthouse, 110 South 4th St., Minneapolis, Minn. 55401
North Dakota	268 Federal Bldg., and U.S. Post Office, 657 2nd Ave., North, Fargo, N. Dak. 58102
South Dakota	Federal Bldg., Room 455, Pierre, S. Dak. 57501
Wisconsin	U.S. Federal Bldg., and Courthouse, 517 E. Wisconsin Ave., Rm. 619, Milwaukee, Wis. 53202
Regional Headquarters ...	Lawrence W. Rogers, <i>Regional Managing Director</i> , 9A27 Fritz Garland Lanham Federal Bldg., 819 Taylor St., Fort Worth, Tex. 76102
Arkansas	3108 Federal Bldg., Little Rock, Ark. 72201
Iowa	518 Federal Bldg., 210 Walnut St., Des Moines, Iowa 50309
Kansas	101 Litwin Bldg., 110 N. Market St., Wichita, Kansas 67202
Louisiana	T-9038 Federal Bldg., and U.S. Post Office, 701 Loyola Ave., New Orleans, La. 70113
Missouri	600 Federal Bldg., 911 Walnut St., Kansas City, Mo. 64106 210 North 12th St., Room 1465, St. Louis, Mo. 63101
Nebraska	Suite 620, 110 North 14th Street, Omaha, Nebr. 68102
Oklahoma	240 Old U.S. Post Office and Courthouse, 215 Northwest 3rd St., Oklahoma City, Okla. 73102
Texas	9A27 Fritz Garland Lanham Federal Bldg., 819 Taylor St., Fort Worth, Tex. 76102 8610 Federal Bldg., and U.S. Courthouse, 515 Rusk Ave., Houston, Tex. 77002

Regional Headquarters ...	J. Warren McFarland, <i>Regional Managing Director</i> , Suite 500, 211 Main St., San Francisco, Calif. 94105
Alaska	268 Federal Bldg., 605 W. 4th Ave., Anchorage, Alaska 99501
Arizona	2020 Federal Bldg., 230 North 1st Ave., Phoenix, Ariz. 85025
California	1321 Federal Bldg., 300 North Los Angeles St., Los Angeles, Calif. 90012 Mail Address: P.O. 1551, Los Angeles, Calif. 90053 Suite 500, 211 Main St., San Francisco, Calif. 94105
Colorado	492 U.S. Customs House, 721 19th St., Denver, Colo. 80202
Idaho	1471 Shoreline Dr., Rm. 110, Boise, Idaho 83706
Montana	Rm. 222, 2602 First Ave., N., Billings, Mont. 59101
Nevada	203 Federal Bldg., 705 North Plaza St., Carson City, Nev. 89701
New Mexico	1106 Federal Office Bldg., 517 Gold Ave., S.W. Albuquerque, N. Mex. 87101
Oregon	114 Pioneer Courthouse, 555 S.W., Yamhill St., Portland, Oreg. 97204
Utah	5301 Federal Bldg., 125 South State St., Salt Lake City, Utah 84138
Washington	858 Federal Bldg., 915 2nd Ave., Seattle, Wash. 98174
Wyoming	105 Federal Bldg. & U.S. Courthouse, 111 South Wolcott, Casper, Wyo. 82601

**INTERSTATE COMMERCE
COMMISSIONERS
1887-1979**

<i>Interstate Commerce Commissioners</i>	<i>State</i>	<i>Party</i>	<i>Oath of Office</i>	<i>End of Service</i>
1. COOLEY, Thomas M.	MI	Rep.	Mar. 31, 1887	Jan. 12, 1892
2. MORRISON, William R.	IL	Dem.	Mar. 31, 1887	Dec. 31, 1897
3. SCHOONMAKER, Augustus	NY	Dem.	Mar. 31, 1887	Dec. 31, 1890
4. WALKER, Aldace F.	VT	Rep.	Mar. 31, 1887	Mar. 31, 1889
5. BRAGG, Walter L.	AL	Dem.	Mar. 31, 1887	Aug. 21, 1891
6. VEAZEY, Wheelock G.	VT	Rep.	Sept. 10, 1889	Dec. 20, 1896
7. KNAPP, Martin A.	NY	Rep.	Mar. 2, 1891	Dec. 12, 1910
8. McDILL, James W.	IA	Rep.	Jan. 13, 1892	Feb. 28, 1894
9. CLEMENTS, Judson C.	GA	Dem.	Mar. 17, 1892	June 18, 1917
10. YEOMANS, James D.	IA	Dem.	May 2, 1894	Mar. 6, 1905
11. PROUTY, Charles A.	VT	Rep.	Dec. 21, 1896	Feb. 2, 1914
12. CALHOUN, William J.	IL	Rep.	Mar. 21, 1898	Sept. 30, 1899
13. FIFER, Joseph W.	IL	Rep.	Nov. 4, 1899	Dec. 30, 1905
14. COCKRELL, Francis M.	MO	Dem.	Mar. 11, 1905	Dec. 31, 1910
15. LANE, Franklin K.	CA	Dem.	July 2, 1906	Mar. 5, 1913
16. CLARK, Edgar E.	IA	Rep.	July 31, 1906	Aug. 13, 1921
17. HARLAN, James S.	IL	Rep.	Aug. 28, 1906	Dec. 31, 1918
18. McCHORD, Charles C.	KY	Dem.	Dec. 31, 1910	Jan. 1, 1926
19. MEYER, Balthasar H.	WI	Rep.	Dec. 31, 1910	Apr. 30, 1939
20. MARBLE, John H.	CA	Dem.	Mar. 10, 1913	Nov. 21, 1913
21. HALL, Henry C.	CO	Dem.	Mar. 21, 1914	Jan. 13, 1928
22. DANIELS, Winthrop M.	NJ	Dem.	Apr. 6, 1914	July 1, 1923
23. AITCHISON, Clyde B.	OR	Rep.	Oct. 5, 1917	July 10, 1952
24. WOOLLEY, Robert W.	VA	Dem.	Oct. 5, 1917	Dec. 31, 1920
25. ANDERSON, George W.	MA	Dem.	Oct. 15, 1917	Nov. 5, 1918
26. EASTMAN, Joseph B.	MA	Ind.	Feb. 17, 1919	Mar. 15, 1944
27. FORD, Henry J. ¹	NJ	Dem.	June 11, 1920	Mar. 4, 1921
28. POTTER, Mark W.	NY	Dem.	June 24, 1920	Feb. 20, 1925
29. ESCH, John J.	WI	Rep.	Mar. 28, 1921	May 29, 1928
30. CAMPBELL, Johnston B.	WA	Rep.	May 5, 1921	Jan. 6, 1930

¹ Recess appointment only, not confirmed.

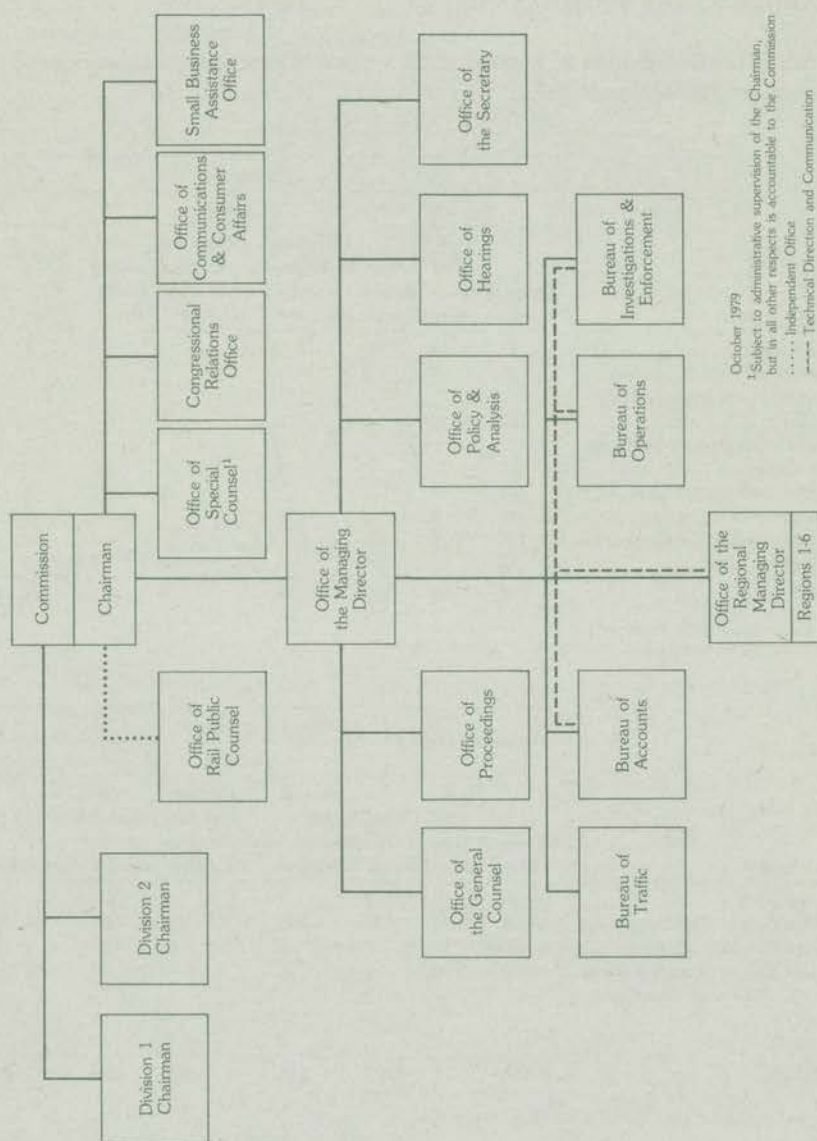
<i>Interstate Commerce Commissioners</i>	<i>State</i>	<i>Party</i>	<i>Oath of Office</i>	<i>End of Service</i>
31. LEWIS, Ernest I.	IN	Rep.	May 5, 1921	Dec. 31, 1932
32. COX, Frederick I.	NJ	Rep.	Sept. 1, 1921	Dec. 31, 1926
33. McMANAMY, Frank	D.C.	Dem.	June 28, 1923	Apr. 30, 1939
34. WOODLOCK, Thomas F.	NY	Dem.	Apr. 1, 1925	Aug. 31, 1930
35. TAYLOR, Richard V.	AL	Dem.	Jan. 16, 1926	Dec. 31, 1929
36. BRAINERD, Ezra Jr.	OK	Rep.	Feb. 23, 1927	Dec. 31, 1933
37. PORTER, Claude R.	IA	Dem.	Jan. 28, 1928	Aug. 17, 1946
38. FARRELL, Patrick J.	D.C.	Dem.	June 7, 1928	Dec. 31, 1934
39. LEE, William E.	ID	Rep.	Jan. 18, 1930	Aug. 18, 1953
40. TATE, Hugh M.	TN	Rep.	Feb. 28, 1930	Sept. 16, 1937
41. MAHAFFIE, Charles D.	D.C.	Dem.	Sept. 2, 1930	Dec. 31, 1954
42. MILLER, Carroll	PA	Dem.	June 14, 1933	Dec. 24, 1949
43. SPLAWN, Walter M. W.	TX	Dem.	Feb. 1, 1934	June 30, 1953
44. CASKIE, Marion M.	AL	Dem.	Aug. 26, 1935	Mar. 31, 1940
45. ROGERS, John L.	TN	Rep.	Sept. 16, 1937	Apr. 30, 1952
46. ALLDREDGE, J. Haden	AL	Dem.	May 1, 1939	Oct. 31, 1955
47. PATTERSON, William J.	ND	Ind.	July 31, 1939	July 10, 1953
48. JOHNSON, J. Monroe	SC	Dem.	June 3, 1940	June 4, 1956
49. BARNARD, George M.	IN	Rep.	Dec. 2, 1944	Jan. 2, 1949
50. MITCHELL, Richard F.	IA	Dem.	Feb. 3, 1947	June 15, 1959
51. CROSS, Hugh W.	IL	Rep.	Apr. 11, 1949	Nov. 25, 1955
52. KNUDSON, James K.	UT	Rep.	Apr. 20, 1950	May 22, 1954
53. ELLIOTT, Kelso	IN	Rep.	July 10, 1952	Feb. 29, 1956
54. ARPAIA, Anthony F.	CT	Dem.	July 11, 1952	Mar. 15, 1960
55. CLARKE, Owen	WA	Rep.	July 10, 1953	Jan. 15, 1958
56. FREAS, Howard G.	CA	Rep.	Aug. 18, 1953	Dec. 31, 1966
57. TUGGLE, Kenneth H.	KY	Rep.	Sept. 8, 1953	July 31, 1975
58. WINCHELL, John H.	CO	Rep.	July 28, 1954	Apr. 3, 1961
59. HUTCHINSON, Everett	TX	Dem.	Feb. 1, 1955	Mar. 31, 1965
60. MURPHY, Rupert L.	GA	Dem.	Dec. 30, 1955	Aug. 31, 1978
61. MINOR, Robert W.	OH	Rep.	Feb. 15, 1956	Sept. 30, 1958
62. WALRATH, Laurence K.	FL	Dem.	Mar. 29, 1956	June 30, 1972
63. McPHERSON, Donald P.-Jr.	PA	Rep.	June 4, 1956	Mar. 29, 1963
64. GOFF, Abe McGregor	ID	Rep.	Feb. 12, 1958	July 30, 1967
65. WEBB, Charles A.	VA	Rep.	Sept. 30, 1958	Mar. 31, 1967

<i>Interstate Commerce Commissioners</i>	<i>State</i>	<i>Party</i>	<i>Oath of Office</i>	<i>End of Service</i>
66. HERRING, Clyde E.	IA	Dem.	Sept. 21, 1959	May 25, 1964
67. BUSH, John W.	OH	Dem.	Apr. 3, 1961	Nov. 2, 1972
68. TUCKER, William H.	MA	Dem.	Apr. 3, 1961	Dec. 31, 1967
69. TIERNEY, Paul J.	MD	Rep.	Mar. 29, 1963	Feb. 28, 1970
70. BROWN, Virginia Mae	WV	Dem.	May 25, 1964	July 23, 1979
71. DEASON, Willard	TX	Dem.	Sept. 8, 1965	July 31, 1975
72. STAFFORD, George M.*	KS	Rep.	Apr. 26, 1967	
73. SYPHERS, Grant E.	CA	Rep.	July 31, 1967	Feb. 5, 1968
74. HARDIN, Dale W.	IL	Rep.	July 31, 1967	Aug. 31, 1977
75. BURKE, Wallace R.	CT	Dem.	Aug. 21, 1968	June 28, 1969
76. JACKSON, Donald L.	CA	Rep.	Mar. 20, 1969	June 30, 1972
77. GRESHAM, Robert C.*	MD	Rep.	Dec. 15, 1969	
78. BREWER, W. Donald	CO	Rep.	July 23, 1970	June 30, 1974
79. WIGGIN, Chester M. Jr.	NH	Rep.	Oct. 24, 1972	July 31, 1973
80. McFARLAND, Alfred T.	TN	Ind.	Nov. 1, 1972	Nov. 10, 1977
81. MONTEJANO, Rodolfo ¹	CA	Dem.	Nov. 3, 1972	Mar. 2, 1973
82. O'NEAL, A. Daniel Jr.	WA	Dem.	Apr. 12, 1973	Dec. 31, 1979
83. CLAPP, Charles L.*	MA	Rep.	Mar. 14, 1974	
84. CORBER, Robert J.	VA	Rep.	Mar. 13, 1975	Dec. 1, 1976
85. CHRISTIAN, Betty Jo	TX	Dem.	Apr. 7, 1976	Dec. 31, 1979
86. TRANTUM, Thomas A.*	CT	Rep.	July 23, 1979	
87. GASKINS, Darius W.*	D.C.	Dem.	July 23, 1979	
88. ALEXIS, Marcus*	IL	Dem.	Aug. 27, 1979	

* Commissioners who are still serving.

¹ Recess appointment only, not confirmed.

INTERSTATE COMMERCE COMMISSION



APPENDIX B

COMMISSION WORKLOAD

TABLE 1.—Distribution by method of disposition of proceedings cases opened and closed during fiscal year 1979

Case type	Rates							Other	Total
	Closings								
	Open-ings	Modi- fied Proce- dure	Unop- posed Grants	Decided by Effec- tive ALJ Decision	Decided by final ALJ Dec.	Dis- by missed with- drawn			
Rulemaking	27	14	0	0		1	4	9	28
Investigations & Suspension	29	3	0	0		0	27	0	30
Investigations & Suspension (motor)	267	49	0	0		0	279	2	330
Rail Investigation without sus- pension	47	23	0	1		0	22	0	46
Other rail formal docket	168	67	2	31		11	40	8	159
Formal docket (motor)	49	8	0	22		17	25	2	74
Protective Service ¹ Contract ...	136	0	125	0		0	0	0	125
Other ²	10	3	1	0		0	14	0	18
TOTAL	733	167	128	54		29	411	21	810

¹—filed pursuant to Ex Parte No. 137.²—12 sec. 5's, 4 fourth sec. applications, 1 MC-C, and one FD.

Case type	Operating rights							Other	Total
	Closings								
	Open-ings	Modi- fied Proce- dure	Unop- posed Grants	Decided by Effec- tive ALJ Decision	Decided by final ALJ Dec.	Dis- missed after with- drawn			
Rulemaking	25	12	2	0	0	3	1	18	
Motor Carrier Operating rights ..	19854	2690	8198	892	412	466	154	12812	
Motor Carrier complaints.....	45	12	0	6	15	23	1	57	
Water Carrier operating rights..	6	0	3	1	0	0	0	4	
Freight Forwarder Operating Rights	14	5	4	2	6	0	1	18	
Other ¹	2	1	0	1	3	0	0	5	
TOTAL.....	19946	2720	8207	436	902	492	157	12914	

¹—two freight forwarder complaints, two MC-F and one FD.

TABLE 1.—Distribution by method of disposition of proceedings cases opened and closed during fiscal year 1979—Continued

Case type	Finance							Total
	Closings							
	Open-ings	Modi- fied Proce- dure	Unop- posed Grants	Decided by Effec- tive ALJ Decision	Decided by final ALJ Dec.	Dis- missed after with- drawn	Other ³	
Rulemaking	9	5	1	0	0	1	0	7
Abandonments	116	38	67	4	25	3	10	147
Finance Docket excluding Motor Security	219	15	141	1	7	36	12	212
Motor Security applications	130	2	117	1	2	8	0	130
Motor Carrier ¹ Finance	401	94	201	59	35	13	6	408
Directly related MC applications	107	38	35	28	20	8	3	132
Other ²	0	1	0	0	2	0	0	3
TOTAL	982	193	562	93	91	69	31	1039

¹—does not include transfer applications under Sec. 10926.²—comprised of one MC-C and two rail formal docket cases.³—two discontinuance proceedings handled under the Special Procedure; one inconsistent status record; and 28 cases reopened on the record.

TABLE 2.—Rulemaking proceedings pending and closed during fiscal year 1979

RULES AFFECTING THE BROAD RANGE OF TRANSPORTATION

(*Indicates action completed)

No. 34364 (Sub-No. 3)*	Piggyback Traffic Statistics—Rail, Motor, Water and Freight Forwarder Forms Revisions, not printed, decided October 2, 1978.
No. 34364 (Sub-No. 4)	Piggyback Traffic Statistics.
No. 36778	Exception to Competitive Rate Level Standards in Connection with Short Notice Authority to Establish Temporary Authority Rates.
No. 37013*	Certification of Rates or Fares to Cover New Operating Authority, not printed, decided March 22, 1979.
No. 37086*	Rule to Require One Copy of Government Shipment Quotations Instead of Two, not printed, decided December 13, 1978.
No. 37160	Zone of Reasonableness—Petition for Rulemaking.
Ex Parte No. 55 (Sub-No. 30)*	Price Competition Among Practitioners, not printed, decided December 21, 1978.
Ex Parte No. 73 (Sub-No. 1)	Regulations for Payment of Rates and Charges—Credit Period on Prepaid Shipment.
Ex Parte No. 263	Westinghouse Electric Corp.—Petition—Loss and Damage Claims.

TABLE 2.—Rulemaking proceedings pending and closed during fiscal year 1979—Continued

RULES AFFECTING THE BROAD RANGE OF TRANSPORTATION

(*Indicates action completed)

Ex Parte No. 297 (Sub-No. 3)	Modified Terms and Conditions for Approval of Collective Ratemaking Agreements.
Ex Parte No. 297 (Sub-No. 4)	Reopening of Section 5a Application Proceedings to Take Additional Evidence.
Ex Parte No. 332	Voting Trust Regulations.
Ex Parte No. 350	Improving Commission Regulations.
Ex Parte No. 350 (Sub-No. 1)	Rulemaking Procedures.
Ex Parte No. 360	Inspection of Records.
Ex Parte No. 361	Exemption of Certain Designated Operators.
Ex Parte No. 366	Legal Assistance Referral Service.
Ex Parte No. 367*	Tariff Integrity Board, not printed, decided September 27, 1979.

RAILROADS

No. 32153 (Sub-No. 7)	Rebuilding Rule for Railroad Property Units.
No. 36366	Revision to the Branch Line Accounting System.
No. 36375*	Bunge Corp., et. al., Petition for Declaratory Order—Tariff Interpretation, not printed, decided March 14, 1979.
No. 36584	Petition Seeking Institution of Rulemaking Proceeding to Amend 49 CFR 1301.
No. 36765	Exemption of Amtrak from Uniform System of Accounts for Railroads.
No. 36873	Definition of Railroad Property.
No. 36988	Alternate Methods of Accounting for Railroad Track Structures.
No. 37025	Revisions to Preliminary Report of Number of Employees of Class I Railroads and the Monthly Report of Employees Service and Compensation, Form A and B, not printed, decided January 31, 1979. Case was reopened on April 26, 1979.
Ex Parte No. 55 (Sub-No. 24A)*	Rail Application Proceedings—Revised Rules of Practice, not printed, decided June 29, 1979.
Ex Parte No. 230 (Sub-No. 5)	Improvement of TOFC/COFC Regulation.
Ex Parte No. 241 (Sub-No. 1)	Investigation of Adequacy of Railroad Freight Car Ownership, Car Utilization, Distribution, Rules and Practices.
Ex Parte No. 252 (Sub-No. 3)	Use of Incentive Per Diem Funds.
Ex Parte No. 252 (Sub-No. 4)	Level of Incentive Per Diem Charges.

RAILROADS (continued)

Ex Parte No. 270 (Sub-No. 9)*	Investigation of Railroad Freight Rate Structure-Grain and Grain Products, not printed, decided February 5, 1979.
Ex Parte No. 270 (Sub-No. 9A)	Action Needed to Advise Public of Seasonal and Demand Sensitive Rates on Grain.
Ex Parte No. 270 (Sub-No. 9B)	Action Needed to Advise Public of Separate Rates for Distinct Rail Services on Grain.
Ex Parte No. 270 (Sub-No. 9C)	Domestic and Export Rate Relationships on Grains.
Ex Parte No. 274 (Sub-No. 2)	Abandonment of Railroad Lines and Discontinuance of Service.
Ex Parte No. 274 (Sub-No. 2A)	Identification and Handling of Related Rail Abandonment Applications.
Ex Parte No. 274 (Sub-No. 2B)	Increased Public Participation in Rail Abandonment Proceeding.
Ex Parte No. 274 (Sub-No. 2C)	Abandonment of Lines—Designation of Category 2 Lines.
Ex Parte No. 274 (Sub-No. 2D)	System Diagram Maps Changes.
Ex Parte No. 274 (Sub-No. 3)	Abandonment of Railroad Lines—Use of Opportunity Costs.
Ex Parte No. 277 (Sub-No. 1)*	Adequacy of Intercity Rail Passenger Service, not printed, decided July 25, 1979.
Ex Parte No. 293 (Sub-No. 3)*	Rail Reorganization Act of 1973 Submission of Cost Data to Justify Reimbursement, prior reports in 348 I.C.C. 251 (1975) 348 I.C.C. 320 (1975), last report, not printed, decided January 9, 1979.
Ex Parte No. 293 (Sub-No. 4)	Acquisitions of Rail Properties by Profitable Railroads Operating in the Region as Proposed by United States Railway Association in its Preliminary System Plan.
Ex Parte No. 327 (Sub-No. 1)*	Capital Incentive Rate Regulation, not printed, decided August 20, 1979.
Ex Parte No. 328*	Investigation of Tank Car Allowance System, not printed, decided June 15, 1979.
Ex Parte No. 334*	Car Service Compensation—Basic Per Diem Charges—4R Act, not printed, decided April 6, 1979.
Ex Parte No. 334 (Sub-No. 1)	Car Service Compensation—Basic Per Diem Charges—Compensation for Private Cars.
Ex Parte No. 334 (Sub-No. 2)*	Car Service Compensation—Basic Per Diem Charges, not printed, decided June 11, 1979.
Ex Parte No. 344	Terminal Performance Standards Governing Transportation of Non-Perishable Commodities.
Ex Parte No. 346	Railroad General Exemption Authority.
Ex Parte No. 346 (Sub-No. 1)*	Rail General Exemption Authority—Fresh Fruits and Vegetables, not printed, decided March 21, 1979.
Ex Parte No. 346 (Sub-No. 2)	Rail General Exemption Authority—Miscellaneous Commodities.

TABLE 2.—Rulemaking proceedings pending and closed during fiscal year 1979—Continued

RAILROADS (continued)

Ex Parte No. 347	Western Coal Investigation—Guidelines for Railroad Rate Structure.
Ex Parte No. 353	Adequacy of Railroad Revenue (1978 Determination).
Ex Parte No. 355	Cost Standards for Railroad Rates.
Ex Parte No. 358*	Railroad Contract Rates (General Policy Statement), 361 I.C.C. 205 (1979).
Ex Parte No. 363	Adequacy of Railroad Revenue (1979 Determination).

TRUCK AND BUS COMPANIES

No. 36541	Department of Defense—Liability Limitations By Mobile Housing Carrier.
No. 36562 (Sub-No. 1)*	Allied Van Lines—Petition for Relief from Certain Required Shipping Documents, not printed, decided October 2, 1978.
No. 36696	Southern Motor Carriers Rate Conference, Inc., Petition for Declaratory Order.
No. 36698	Department of Defense—Preloading Shipping Documents.
No. 36786	American Bus Association—Definition of For-Hire Transportation of Passengers.
No. 36840*	Elimination of Annual Report M-4 for Motor Carrier Holding Companies, not printed, decided December 5, 1978.
No. 36990*	Trailways, Inc.—Petition for Rulemaking—Downward Fare Flexibility, not printed, decided, September 19, 1979.
No. 36991*	Trailway, Inc., Flexibility in Charter Prices, not printed, decided September 19, 1979.
No. 37002	Revision of Quarterly Report Forms.
No. 37057	Departure From the Transmission of Tariff Regulations—Household Goods Bureau Mileage Guide.
Ex Parte No. 55 (Sub-No. 26)*	Protest Standards in Motor Carrier Applications Proceedings, not printed, decided October 27, 1978.
Ex Parte No. 55 (Sub-No. 34)*	Revision of Finance Forms, not printed, decided February 2, 1979.
Ex Parte No. 55 (Sub-No. 35)*	Summary Grant Procedures, not printed, decided July 5, 1979.
Ex Parte No. 55 (Sub-No. 36)	Administrative Appeals From Motor Carrier Board Decisions.
Ex Parte No. 55 (Sub-No. 37)	Carrier Gifts and Entertainment.
Ex Parte No. 55 (Sub-No. 38)	Antitrust and Competition Factors in Motor Carrier Finance Cases.
Ex Parte No. 64 (Sub-No. 4)	Motor Carrier Temporary Authority.

TRUCK AND BUS COMPANIES (continued)

Ex Parte No. 98 (Sub-No. 2)*	Released Rates in Conjunction with a Small Shipments Tariff 361 I.C.C. 404.
Ex Parte No. 125	Fare Flexibility for the Bus Industry.
Ex Parte No. 354	Additional Charges of Motor Carriers and Forwarders.
Ex Parte No. MC-19 (Sub-16A)*	Household Goods—Use of Credit Cards, not printed, decided January 28, 1979.
Ex Parte No. MC-19 (Sub-No. 23).....	Estimating Practices of Household Goods Carriers.
Ex Parte No. MC-19 (Sub-No. 33).....	Reweighting of Shipments—Household Goods.
Ex Parte No. MC-19 (Sub-No. 34).....	Household Goods Transportation—(Storage-in Transit- Charges).
Ex Parte No. MC-19 (Sub-No. 35)*.....	Transportation of Household Goods (Determination of Household Goods), not printed, decided June 1, 1979.
Ex Parte No. MC-42 (Sub-No. 1).....	Handling of C.O.D. Shipments.
Ex Parte No. MC-43 (Sub-No. 7)*.....	Lease and Interchange of Vehicles, not printed, January 1, 1979.
Ex Parte No. MC-43 (Sub-No. 7A)	Lease and Interchange of Vehicles
Ex Parte No. MC-43 (Sub-No. 8)*.....	Computer Assisted Load Matching, not printed, decided June 28, 1979.
Ex Parte No. MC-55 (Sub-No. 8B)*	Motor Common Carriers of Property Routes and Services, August 9, 1979.
Ex Parte No. MC-55 (Sub-No. 36).....	Administrative Appeals from Motor Carrier Board Decisions.
Ex Parte No. MC-64 (Sub-No. 2).....	Special Temporary Authority Procedures.
Ex Parte No. MC-64 (Sub-No. 4).....	Temporary Authority for Household Goods Movers.
Ex Parte No. MC-67 (Sub-No. 4).....	Motor Carrier Temporary Authority.
Ex Parte No. MC-67 (Sub-No. 5).....	Temporary Authority Application Procedures.
Ex Parte No. MC-71 (Sub-No. 1).....	Owner-Operator Cost and Impact on the Rate Structure.
Ex Parte No. MC-73 (Sub-No. 1).....	Interchange Policies and International Boundary Lines.
Ex Parte No. MC-82	New Procedures for Motor Carrier Revenue Proceedings, Interim 357 I.C.C. 498 (1978).
Ex Parte No. MC-88 (Sub-No. 1).....	Detention of Motor Vehicles—Alaska.
Ex Parte No. MC-88 (Sub-No. 2)*.....	Detention of Motor Vehicles—Shipments of Uncrated New Furniture, not printed, decided June 1, 1979.
Ex Parte No. MC-88 (Sub-No. 3).....	Detention of Motor Vehicles—Nationwide—Palletization.
Ex Parte No. MC-95 (Sub-No. 1).....	Practices of Motor Common Carriers of Passengers— Checked Baggage Liability Exemption.
Ex Parte No. MC-95 (Sub-No. 2)*.....	Practices of Motor Common Carriers of Passengers— Checked Baggage Liability Provisions, 131 M.C.C. 772 (1979).

TABLE 2.—Rulemaking proceedings pending and closed during fiscal year 1979—Continued

TRUCK AND BUS COMPANIES (continued)	
Ex Parte No. MC-95 (Sub-No. 3).....	Regulations Governing the Adequacy of Intercity Motor Common Carrier Passenger Service (Modification of Regulations).
Ex Parte No. MC-96	Entry Control of Brokers, prior reports in 126 M.C.C. 476 (1977), reopened March 16, 1979.
Ex Parte No. MC-96 (Sub-No. 1)*.....	Passenger Broker Practices, Policy Statement issued July 25, 1979.
Ex Parte No. MC-96 (Sub-No. 2).....	Passenger Broker Entry Control.
Ex Parte No. MC-96 (Sub-No. 3).....	Property Broker Practices.
Ex Parte No. MC-96 (Sub-No. 4).....	Property Broker Entry Control.
Ex Parte No. MC-98	New Procedures in Motor Carrier Restructuring Proceedings.
Ex Parte No. MC-98 (Sub-No. 1).....	Investigation of Motor Carrier Classification System.
Ex Parte No. MC-98 (Sub-No. 2).....	Proposed Rulemaking on Released Rates in Conjunction with a Small Shipments Tariff.
Ex Parte No. MC-105*	Single State Exemption—Ex-Water Traffic, not printed, decided February 5, 1979.
Ex Parte No. MC-107	Motor Carrier Licenses of Economically Disadvantaged Persons, Interim 129 M.C.C. 623, (1978).
Ex Parte No. MC-108	Practices of Motor Common Carriers of Mobile Homes.
Ex Parte No. MC-109	Applications Seeking Substitution for Single-Line Service Existing Joint-Line Operations, discontinued January 8, 1979.
Ex Parte No. MC-109 (Sub-No. 1)*.....	Applications Seeking Substitution for For-Hire Service Proprietary Operations (Herman Brothers Petition).
Ex Parte No. MC-110*	Service at New Plantsites, discontinued January 8, 1979.
Ex Parte No. MC-115*	Transportation of Used Household Goods in Connection with a Pack-and-Crate Operation on Behalf of the Department of Defense, 131 M.C.C. 20 (1978).
Ex Parte No. MC-116*	Consideration of Rates in Operating Rights Application Proceedings, 359 I.C.C. 613 (1979).
Ex Parte No. MC-117	Petition for Rulemaking to Permit Incidental Return Movements.
Ex Parte No. MC-118*	Grant of Motor Carrier Operating Authority, not printed, decided November 20, 1978.
Ex Parte No. MC-118 (Sub-No. 1).....	Jurisdiction over Securities for Companies Obtaining Authority.
Ex Parte No. MC-119*	Policy Statement Regarding the "Rule of Eight" in Contract Carrier Applications, not printed, decided January 8, 1979.
Ex Parte No. MC-120	Petition of Trailways, Inc.—Transportation of Small Shipments.
Ex Parte No. MC-121	Policy Statement on Motor Carrier Regulation.

TRUCK AND BUS COMPANIES (continued)

Ex Parte No. MC-122	Intercompany Hauling.
Ex Parte No. MC-123	Policy Statement Concerning Disposition of Temporary Authority Decisions.
Ex Parte No. MC-124	Bus Industry Operating Authority.
Ex Parte No. MC-125	Fare Flexibility for the Bus Industry.
Ex Parte No. MC-126*	General Temporary Authority—Regular—Route Passenger Operations, not printed, decided July 12, 1979.
Ex Parte No. MC-127	Special Procedures Governing Return Hauls Application for Motor Carrier Authority Complementary to Movement of Exempt Agricultural Commodities.
Ex Parte No. MC-128	Revenue Need Standards in Motor Carrier General Increase Proceedings.
Ex Parte No. MC-129	1977-78 Platform Study of Class I and II Motor Common Carriers.
Ex Parte No. MC-130	Special Report by Motor Carriers of Freight Concerning Practices Affecting Owner-Operators.
Ex Parte No. MC-131	Special Limited Authority.
Ex Parte No. MC-132	Intermediate Point Restrictions.
Ex Parte No. MC-133	Entry Flexibility—Regular Route Passenger Service.
Ex Parte No. MC-135	Master Certificates and Permits.
MC-C-3437*	Motor Transportation of Property Incidental to Transportation by Aircraft, 131 M.C.C. 99 (1979).
MC-C-3437 (Sub-No. 7)	Petition to Amend Interpretation of Operating Rights Authorizing Service at Designated Airports.
MC-C-3437 (Sub-No. 8)	Specified Air Terminal Zones.
MC-C-4000 (Sub-No. 7)	Motor Transportation of Passengers Incidental to Transportation by Aircraft.
MC-C-10251	Interpretation of Commodity Descriptions—Motor Vehicle Descriptions.

WATER AND FREIGHT FORWARDERS

No. 34863 (Sub-No. 1)	Uniform System of Accounts for Freight Forwarders.
No. 37256*	Elimination of Annual and Quarterly Reporting Requirements—Pipeline Companies, not printed, decided October 11, 1979.
Ex Parte No. 325*	Substituted Services—Water-For-Motor Service (Fishyback Service)—Alaskan Trade, not printed, decided May 24, 1979.

TABLE 3.—Listing of Formal Significant Cases, September 30, 1979

FINANCE

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. MC-118 (Sub-No. 1)	Proposed Policy Statement Concerning Jurisdiction Over Securities Issuances for Companies Obtaining Authority Under Ex Parte. No. MC-118.	None
Ex Parte No. 274 (Sub-Nos. 2A, B & D)	Abandonment of Railroad Lines and Discontinuance of Service. Involves regulations concerning handling of related rail applications, increased public participation in rail abandonment proceedings, and system diagram map revisions.	None
Ex Parte No. 274 (Sub-No. 3)	Abandonment of Railroad Lines—Use of Opportunity Costs.	None
Ex Parte No. 332	Voting Trust Regulation. Involves regulations regarding establishment and administration of independent voting trust.	None
F. D. 21215 (Sub-No. 2)	Seaboard Coast Line Railroad Company, et al.—Investigation of Control and Modification of Traffic Conditions.	10/2/79
F. D. 21510 (Sub-No. 2)	Norfolk and Western Railway Company and New York, Chicago & St. Louis Railroad Company—Merger.	None
F. D. 28583 (Sub-No. 1)	Burlington Northern, Inc.—Control and Merger—St. Louis-San Francisco Railway Company.	5/16/80
F. D. 28676 (Sub-No. 1)	Grand Trunk Western Railroad—Control—Detroit, Toledo & Ironton Railroad Company and Detroit and Toledo Shore Line Railroad Company.	12/3/79
F. D. 28799 (Sub-Nos. 1-6)	St. Louis, Southwestern Railway Company—Purchase (Portion)—William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, Debtor.	3/19/80
F. D. 28905 (Sub-No. 1)	CSX Corporation—Control—Chessie System, Inc., and Seaboard Coast Line Industries, Inc.	8/14/81
AB-7 (Sub-No. 86F)	Stanley E. G. Hillman, Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company—Abandonment—Portions of Pacific Coast Extension in Montana, Idaho, Washington, and Oregon.	3/10/80

RATES

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. 73 & MC-1	Regulations for Payment of Rates and Charges (Motor Carrier Credit).	None
Ex Parte No. MC-19 (Sub-No. 34)	Household Goods Transportation (Storage-in-Transit Charges).	None
Ex Parte No. MC-82	New Procedures in Motor Carrier Revenue Proceedings.	None
Ex Parte No. MC-98	New Procedures in Motor Carrier Restructuring Proceedings.	None
Ex Parte No. MC-98 (Sub-No. 1)	Investigation of Motor Carrier Classification System.	None
Ex Parte No. MC-98 (Sub-No. 2)	Proposed Rulemaking on Released Rates in Conjunction with a Small Shipment Tariff.	None

RATES

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. MC-125	Fare Flexibility for the Bus Industry.	None
Ex Parte No. MC-128 (includes I&S M-29772, General Increase, SMCRC, April 1978) (Numerous other related increases)	Revenue Need Standards in Motor Carrier General Increase Proceedings.	None
Ex Parte No. MC-129	Platform Study of Class I & II Motor Common Carriers of General Freight Subject to Accounting Instruction 27 (validity of new small shipments platforming costs study).	None
Ex Parte No. 230 (Sub-No. 5)	Improvement of TOFC/COFC Regulation.	8/2/82
Ex Parte No. 252 (Sub-No. 2)	Incentive Per Diem Charges—Plain Gondolas.	Instituted 9/4/75 but reopened 1/31/78.
Ex Parte No. 252 (Sub-No. 3)	Use of Incentive Per Diem Funds.	4/14/81
Ex Parte No. 270 (Sub-Nos. 9A, B & C) Grain	Investigation of Railroad Freight Rate Structure.	2-5-81
Ex Parte No. 297 (Sub-No. 3)	Modified Terms and Conditions for Approval of Collective Ratemaking Agreements Under Section 5a of the Interstate Commerce Act.	None
Ex Parte No. 297 (Sub-No. 4)	Reopening of Section 5a Application Proceedings to Take Additional Evidence. (Individual review of all non-rail agreements.)	None
Ex Parte No. 299 (Sub-No. 1)	Increases in Freight Rates and Charges of the Long Island Railroad Company to Offset Retirement Tax Increases-1973.	None
Ex Parte No. 311	Expedited Procedure for Recovery of Fuel Costs.	4/20/82
Ex Parte No. 319	Investigation of Freight Rates for Transportation of Recyclables and Recycled Material.	—
Ex Parte No. 320	Market Dominance Standards and Procedures.	None
Ex Parte No. 327 (Sub-No. 1)	Capital Incentives Rates (Changes to regulations).	4/21/81
Ex Parte No. 334	Basic Per Diem Charges.	11/3/79
Ex Parte No. 342	Procedures Governing the Processing, Investigation and Disposition of Overcharge, Duplicate Payment, or Overcollection Claims.	None
Ex Parte No. 346 (Sub-No. 2)	Rail General Exemption Authority—Miscellaneous Commodities.	3/22/82
Ex Parte No. 347	Western Coal Investigation—Guidelines for Railroad Rate Structure.	5/10/81
Ex Parte No. 353	Adequacy of Railroad Revenue (1978 Determination).	6/5/81
Ex Parte No. 354	Additional Charges of Motor Carriers and Freight Forwarders.	None
Ex Parte No. 355	Cost Standards for Railroad Rates.	9/24/81

TABLE 3.—Listing of Formal Significant Cases, September 30, 1979—Continued

RATES

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. 363	Adequacy of Railroad Revenue (1979 Determination).	
Ex Parte No. 367	Tariff Integrity Board.	None
Ex Parte No. 368	Increased Freight Rates and Charges, Nationwide—1979.	10/1/79
S5R2, S5R3, S5R6	Western, Eastern and Southern Rate Bureau Agreements.	3/1/81
I&S M-27312 (I&S M-22930 discontinued; issues transferred to M-27312)	Restructured Rates & Charges—Central States.	None
No. 36180	San Antonio, Texas Acting by and through its City Service Board v. Burlington Northern, Inc. et al.	None
No. 36724	Cutter Laboratories Inc.—Petition for Rulemaking—Any Quantity Ratings.	None
No. 37020	Increased Minimum Weights and Increased and Reduced Rates on Eastbound Transcontinental Lumber and Related Rates.	7/15/79
No. 37063 and Sub-Nos. 1-4	Increased Rates on Coal, L&N RR.	No. 37063-8/30/79
No. 37093 [consolidated with No. 37093 (Sub-No. 1) & I&S 9207 (Sub-Nos. 1, 2 & 3), No. 37093 (Sub-No. 2)]	Joint Rates Via the Ann Arbor Railroad System, December 1978 (cancellation of these rates by, e.g., Conrail, Canadian carriers).	No. 37093 (earliest date) 10/15/79
No. 37146 (Successor to I&S 9194)	Transit on Wheat Between Reshipping Point and Destination.	10/17/79

OPERATING RIGHTS

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. MC-19 (Sub-No. 23)	Estimating Practices of Household Goods Carriers.	None
Ex Parte No. MC-64 (Sub-No. 2)	Special Temporary Authority Procedures. Establishment of standing "GTO" authority under specifically prescribed conditions.	None
Ex Parte No. MC-96 (Sub-No. 1)	Passenger Broker Practices.	None
Ex Parte No. MC-96 (Sub-No. 2)	Passenger Brokers Entry Control.	None
Ex Parte No. MC-96 (Sub-No. 3)	Property Broker Practices.	None
Ex Parte No. MC-96 (Sub-No. 4)	Property Broker Entry Control.	None
Ex Parte No. MC-65 (Sub-No. 6)	Petition to Expand Passenger Motor Carrier Superhighway and Deviation Rules.	None

OPERATING RIGHTS

<i>Number</i>	<i>Title/Description</i>	<i>Statutory Deadline</i>
Ex Parte No. MC-107	Transportation of Government Traffic. Involves prospective licensing in government traffic.	None
Ex Parte No. MC-117	Motor Carrier of Commodities in Bulk—Petitions to Institute a Rulemaking Proceeding to Allow Incidental Return Movements in Connection with Operations under Certified Authorities.	None
Ex Parte No. MC-120	Petition to Relax Entry on the Transportation of Small Shipments Weighing 500 pounds or Less (Filed by Trailways).	None
Ex Parte No. MC-121	Policy Statement on Motor Carrier Regulations. Involves emphasis on the value of competition in motor carrier area.	None
MC-C-9873	Interpretation of Aggregated Commodities Service Classification. Involves heavy hauler ability to transport aggregated commodities.	None
MC-C-3437 (Sub-No. 7)	Petition to Amend Interpretation of Operating Rights Authorizing Service at Designated Airports.	None
MC-C-3437 (Sub-No. 8)	Specified Air Terminal Zones.	None
Ex Parte No. MC-73 (Sub-No. 1)	Interchange Policies at International Boundaries.	None
Ex Parte No. MC-127	Special Procedures Governing Applications for Motor Carrier Authority Complementary to Movements of Exempt Agricultural Commodities.	None
Ex Parte No. MC-131	Special Limited Authority for Backhaul Corresponding to Authority Currently Held and to Mix Agricultural Commodities with Regulated Commodities.	None
Ex Parte No. MC-132	Intermediate Point Restrictions for Regular Route Movements.	None
Ex Parte No. MC-133	Petition for Rulemaking on Entry Flexibility for Regular Route Passenger Carriers (Filed by Trailways).	None
Undocketed	Master Certification of Bulk Carriers.	None
Undocketed	Proposal to Decentralize the Administration of the Temporary Authority Program.	None
Ex Parte No. MC-122	Intercorporate Hauling	None

TABLE 4.—Formal cases opened and closed during fiscal year 1979 as compared to prior fiscal years

	<i>Fiscal year 1977</i>	<i>Fiscal year 1978</i>	<i>Fiscal year 1979</i>
Pending beginning of year	7,288	7,607	11,237
Openings during year	10,131	15,280	21,661
Closings during year	9,812	11,650	14,763
Pending end of year	7,607	11,237	18,135

TABLE 5.—Informal Proceedings*

	<i>Fiscal year 1977</i>	<i>Fiscal year 1978</i>	<i>Fiscal year 1979</i>
Applications for motor temporary authority:			
Filed	7,176	18,836	13,924
Disposed of	7,195	18,632	7,762
Pending at end of year	141	345	7,962
Petitions in application for motor carrier temporary authority:			
Filed	1,496	1,651	444
Disposed of	1,449	1,714	235
Pending at end of year	190	127	309
Applications to deviate from regular routes:			
Filed	184	173	166
Disposed of	183	188	161
Pending at end of year	28	13	18
Petitions in deviation filings:			
Filed	9	9	8
Disposed of	8	12	8
Pending at end of year	4	1	1
Application for temporary authority to lease or control (motor):			
Filed	300	344	362
Disposed of	308	350	349
Pending at end of year	17	11	24
Transfer of Operating authority if under \$300,000 combined revenues (motor):			
Filed	574	561	445
Disposed of	650	514	382
Pending at end of year	133	180	363

*This year's statistical summary on informal cases has changed considerably from prior years. In past years, the tally of temporary authority applications included both emergency temporary authority requests (ETA's) and long term temporary authority applications. During FY1979, the volume of ETA requests increased to a level of approximately 2,500 per month. In order to handle that volume in a timely fashion,

the application process was converted to a telephonic mode to minimize costly and time-consuming paperwork. While this change has proven highly beneficial in all other respects, the maintenance of summary statistics fell as a casualty to the new process. In consequence, the figures above include only long term temporary authority applications.

TABLE 6.—Certificates of convenience and necessity issued for abandonment, construction, acquisition, and operation of lines of a railroad under Sec. 1(18) of the Interstate Commerce Act, as amended

	<i>Fiscal year 1977</i>		<i>Fiscal year 1978</i>		<i>Fiscal year 1979</i>	
	<i>Appli- cations</i>	<i>Miles</i>	<i>Appli- cations</i>	<i>Miles</i>	<i>Appli- cations</i>	<i>Miles</i>
I. Abandonment applications filed	84	1,916.24	127	3,378.70	113	4,419.24
Certificate of abandonment:						
Granted	147	2,499.50	113	2,416.52	123	2,873.36
Denied	13	422.06	4	110.45	12	798.50
Dismissed	24	532.64	9	360.38	3	72.89
Abandonment permitted since effective date of Act	71,285.0		73,701.5		76,574.9	
II. Construction applications filed	5	22.96	3	2.0	1	56.08
Granted	2	16.50	0	0	0	—
Denied	0	—	0	—	0	—
Dismissed	0	—	0	—	0	—
III. Acquisition and operation ap- plications filed	12	365.11	9	387.86	11	271.78
Granted	8	192.57	1	9.32	14	565.54
Denied	0	—	0	—	0	—
Dismissed	5	26.25	2	62.53	3	222.29

TABLE 7.—Tariffs and Schedules, fiscal year 1979

	<i>Received</i>	<i>Criticized</i>	<i>Rejected</i>
Freight:			
Common Carrier, Tariffs:			
Rail	59,291	175	185
Motor	403,146	4,250	2,152
Water	6,403	26	65
Pipeline	0	0	0
Freight Forwarder	15,405	132	127
International Ocean-Land Intermodal	58,622	47	161
Total	542,867	4,630	2,690
Contract Carrier, Schedules:			
Motor	44,470	788	292
Water	31	0	0
Total	44,501	788	292
Total Freight	587,368	5,418	2,982
Passenger Tariffs:			
Common Carrier:			
Rail	296	0	0
Motor	10,364	78	17
Water	25	2	0
Total	10,685	80	17
Contract Carrier, Motor	6	0	0
Express Tariffs:			
Rail	0	0	0
Motor	160	2	0
Total	160	2	0
Total Passenger & Express	10,851	82	17
Consumer Oriented Examination Program—All Modes ..	—	3,761	1,732
GRAND TOTAL	598,219	9,261	4,731

NOTES

Also filed were 38,672 quotations or tenders established under Section 10721 and 10722 of the Revised Interstate Commerce Act (formerly Section 22) for the transportation of property or persons at reduced rates or fares.

Processed applications requesting permission to change rates or other tariff provisions on less-than-statutory notice, or to depart from the tariff publishing rules, numbered 4,419.

A total of 5,300 copies of contracts and amendments to existing contracts between motor contract carriers and shippers were filed, while 13,884 contracts and amendments between freight forwarders and motor contract carriers were filed pursuant to Section 10766 (formerly Section 409) of the Act.

TABLE 8.—Action taken on applications filed under provisions of 49 USC 10726 (formerly Section 4 of the Act)

	Number		Number
Applications:		Applications:	
On hand beginning of year	12	Disposed of during year:	
Received during year	146	Granted	144*
		Denied	0
		Withdrawn	4
		Dismissed	1
TOTAL	158	TOTAL	149
		Pending at end of year	9

* This includes applications that have been granted and denied in part.

NOTE.—Petitions for reconsidered of Board's action—5; applications protested against granting of relief—2; relief withheld pending hearings in applications—0.

TABLE 9.—Released Rates Board

	Number	Petitions for Modification of Orders
FY 1979		
Applications:		
On hand beginning of year	6	3
Received during the year	18	3
TOTAL	24	6
Disposed of during the year:		
Granted	16	0
Denied	4	5
Granted & Denied in part	1	0
Withdrawn	0	0
TOTAL	21	5
Pending at end of year	3	1

TABLE 10.—Action taken on proposals (protested and non-protested) considered for suspension and/or investigation.

	<i>Rail</i>	<i>Motor</i>	<i>Water</i>	<i>Fght. Fwdr.</i>	<i>Total number</i>	<i>Per- cent</i>
Suspended in full	22	333	4	1	360	30.2
Suspended in part	1	8	0	1	10	0.8
Not Suspended or Investigated* ...	155	288	27	9	479	40.2
Not Suspended but Investigated* ..	103	8	0	0	111	9.3
Otherwise disposed of (schedules re- jected; protests withdrawn; sched- ules cancelled by carriers; protests received too late; etc.)	31	169	27	5	232	19.5
TOTAL	312	806	58	16	1,192	100.0

*Permitted to become effective

TABLE 11.—Informal cases (Bureau of Traffic), fiscal year 1979

Rate cases general:	
On hand beginning of year	112
Received during year	4,093
Disposed of during year	4,006
Pending at end of year	199
Special dockets:	
On hand beginning of year	203
Received during year	456
Disposed of during year	436
Pending at end of year	223
Informal complaints:	
On hand beginning of year	474
Received during year	195
Disposed of during year	402
Pending at end of year	267
Decisions—Statement of claimed damages (49 CFR 1100.95):	
On hand beginning of year	6
Received during year	25
Disposed of during year	25
Pending at end of year	6

TABLE 12.—Bureau of Operations, Rail Passenger Service Monitoring—Fiscal Year 1979

Train Checks—Field Staff	1,441
Station Checks—Field Staff	275
Complaints Received—Headquarters Staff	10,925
Complaints Processed—Headquarters Staff	10,925

TABLE 13.—ICC Unit of the National Defense Executive Reserve

NDER Group	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979
	On Roll	On Roll	On Roll
Rail	613	569	513
Motor	199	189	179
Water	55	61	151

TABLE 14.—Car Supply—Cars Installed, Retired, and Ordered, Class 1 Railroads

	Fiscal Year			
	1964	1969	1974	1979
Cars Installed:				
Box	16,725	19,722	13,738	8,591
Refrigerator	5,736	4,386	6,298	247
Gondola	878	3,543	1,360	1,860
Hopper	22,338	12,128	4,076	12,373
Covered Hopper	6,855	4,963	10,275	5,611
Flat	3,481	3,770	2,532	2,524
Other	431	743	643	102
TOTAL CARS	56,444	49,255	34,711	31,308
Cars Retired:				
Box	37,253	32,365	23,854	16,444
Refrigerator	4,943	6,141	* 716	4,006
Gondola	19,071	9,463	6,096	4,874
Hopper	20,413	25,246	19,009	12,920
Covered Hopper	282	2,305	2,859	1,674
Flat	1,033	1,149	* 3,583	561
Other	4,361	2,730	1,295	1,244
TOTAL CARS	87,356	79,399	48,954	41,723
Cars Ordered:				
Box	20,025	24,737	8,665	9,927
Refrigerator	8,945	4,712	1,548	220
Gondola	1,979	7,656	7,512	4,754
Hopper	23,526	14,526	17,129	12,103
Covered Hopper	8,652	6,193	5,520	6,754
Flat	4,394	3,287	2,376	2,408
Other	1,140	739	392	902
TOTAL CARS	68,661	61,850	43,165	37,068

* Negative retirement indicates increase in ownership in excess of new installations, resulting from reclassification or

transfer of equipment, purchase or lease of used equipment, etc.

TABLE 15.—Ownership, Serviceable Ownership, and Turnaround Time, Class 1 Railroads

	<i>Fiscal Year</i>			
	1964	1969	1974	1979
Ownership:				
Plain Box	522,454	391,897	323,078	213,471
Equipped Box	81,108	154,064	175,603	168,461
TOTAL BOX	603,562	545,961	498,681	381,932
Refrigerators	91,288	99,629	94,074	65,708
Gondolas	226,864	194,534	179,089	155,136
Hoppers	439,027	402,382	351,414	326,945
Covered Hoppers	77,840	124,868	152,145	164,065
Flat	57,268	70,201	101,330	99,082
Others	62,293	55,161	38,839	28,306
TOTAL CARS	1,558,142	1,492,736	1,415,572	1,221,174
Serviceable Cars:				
Plain Box	488,867	363,964	293,784	188,309
Equipped Box	78,560	146,310	162,526	150,092
TOTAL BOX	567,427	510,274	456,310	338,401
Refrigerators	87,508	96,298	89,656	60,840
Gondolas	206,827	181,830	169,406	143,102
Hoppers	413,206	385,958	331,869	310,504
Covered Hoppers	76,242	120,814	145,937	154,586
Flat	54,540	66,717	95,973	92,311
Others	59,407	52,437	37,305	26,816
TOTAL CARS	1,456,157	1,414,328	1,326,456	1,126,560
	<i>Calendar year</i>			
	1963	1968	1973	1978
Turnaround Time—Days:				
Box	19.37	21.60	22.56	28.85
Refrigerators	32.96	34.59	33.01	34.26
Gondolas	20.46	19.70	17.76	22.11
Hoppers	15.24	14.57	13.53	16.38
Covered Hoppers	20.92	21.21	21.16	24.12
Flat	12.87	12.07	12.20	14.16
AVERAGE ALL CARS	18.74	18.70	18.74	22.15

TABLE 16.—Service Orders, Fiscal Year 1979

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1084, amended	1-31-79	Chicago, Rock Island and Pacific Railroad Company, W. M. Gibbons, Trustee, authorized to operate over tracks of Chicago and North Western Transportation Company	7-31-79
1084, amended	7-15-79	....DITTO.....	Indefinite
Rev. 1182, amended	12-15-78	Substitution of Stock Cars for Boxcars	6-15-79
Rev. 1182, amended	6-15-79	....DITTO.....	Indefinite
1200, amended	12-15-78	Missouri Pacific Railroad Company authorized to operate over tracks of Union Pacific Railroad Company	6-15-79
1200, amended	6-15-79	....DITTO.....	Indefinite
1200-A	7-15-79	Vacates Service Order No. 1200	
14th Rev. 1234, amended	11-30-78	Distribution of Grain Cars	4-15-79
15th Rev. 1234	1-2-79	....DITTO.....	6-30-79
16th Rev. 1234	1-26-79	....DITTO.....	6-30-79
17th Rev. 1234	3-1-79	....DITTO.....	Indefinite
18th Rev. 1234	3-15-79	....DITTO.....	Indefinite
19th Rev. 1234	4-7-79	....DITTO.....	Indefinite
1240, amended	1-31-79	Chicago and North Western Transportation Company authorized to operate over tracks of The Kansas City Southern Railway Company	6-30-79
1240, amended	6-30-79	....DITTO.....	Indefinite
1242, amended	1-31-79	The Kansas City Southern Railway Company authorized to operate over certain tracks of Southern Pacific Transportation Company	6-30-79
1242, amended	6-30-79	....DITTO.....	Indefinite
1247, amended	1-31-79	Bath and Hammondsport Railroad Company authorized to operate over tracks of Consolidated Rail Corporation	7-31-79
1247, amended	7-15-79	....DITTO.....	Indefinite
Corrected 1249 amended	12-15-79	Octararo Railway, Inc., authorized to operate over portion of USRA Line No. 142, former Octararo Branch of Penn Central Transportation Company	6-15-79
Corrected 1249, amended	6-15-79	....DITTO.....	Indefinite
1262, amended	10-31-78	North Stratford Railroad Corporation authorized to operate over certain tracks owned by the State of New Hampshire	11-30-78
1262, amended	11-30-79	....DITTO.....	1-31-79
1262, amended	1-31-79	....DITTO.....	4-30-79
1267, amended	2-15-79	Louisiana and Arkansas Railway Company authorized to operate over tracks of The Atchison, Topeka and Santa Fe Railway Company and over tracks of Chicago, Rock Island and Pacific Railroad Company	8-15-79
1267, amended	8-15-79	....DITTO.....	Indefinite

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1269, amended	3-31-79	Missouri Pacific Railroad Company authorized to operate over tracks of The Atchison, Topeka and Santa Fe Railway Company	Indefinite
1270, amended	1-15-79	The Chesapeake and Ohio Railway Company authorized to operate over tracks abandoned by Grand Trunk Western Railroad Company	7-15-79
1270, amended	7-15-79	....DITTO.....	Indefinite
1272, amended	2-15-79	Goodwin Railroad, Inc., authorized to operate over certain tracks owned by the State of New Hampshire	5-15-79
1272, amended	5-15-79	....DITTO.....	Indefinite
1275, amended	1-15-79	Erie Western Railway Company authorized to operate over tracks abandoned by Consolidated Rail Corporation	7-15-79
1275-A	6-27-79	Vacates Service Order No. 1275	
1280, amended	11-30-78	Substitution of Hopper Cars for Covered Hopper Cars or Boxcars	5-31-79
1280, amended	5-31-79	....DITTO.....	Indefinite
1285, amended	11-30-78	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company	5-31-79
1288, amended	11-30-78	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at Dekalb, Illinois	5-31-79
1288, amended	5-31-79	....DITTO.....	Indefinite
1289, amended	11-30-78	Burlington Northern Inc. authorized to operate over tracks of Union Pacific Railroad Company in Sterling, Colorado	5-31-79
1289, amended	5-31-79	....DITTO.....	Indefinite
1290, amended	3-31-79	The Chesapeake and Ohio Railway Company authorized to operate over tracks of Consolidated Rail Corporation	Indefinite
1294, amended	1-15-79	Indiana Interstate Railway Company, Inc., authorized to operate over tracks owned by City of Bechnell, Indiana	7-15-79
1294, amended	7-15-79	....DITTO.....	Indefinite
1296, amended, 3rd Revised	10-31-78	Substitution of Refrigerator Cars for Boxcars	2-15-79
1296, amended, 3rd Revised	2-15-79	....DITTO.....	5-15-79
1301, amended revised	11-30-78	Distribution of Grain Cars	4-30-79
1301, exception	4-27-79	....DITTO.....	
1301, 2nd Rev.	4-30-79	....DITTO.....	Indefinite
1301, Cor. 2nd Rev.	4-30-79	....DITTO.....	Indefinite
1301, exception	5-1-79	....DITTO.....	5-15-79
1301, exception	5-24-79	....DITTO.....	8-31-79

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1301, amended exception	8-31-79 ....DITTO.....		9-30-79
1301, exception	6-1-79 ....DITTO.....		6-19-79
1301, amended exception	6-19-79 ....DITTO.....		6-30-79
1301, exception exception	6-30-79 ....DITTO.....		7-7-79
1301, exception	6-19-79 ....DITTO.....		9-30-79
1301, corrected exception	6-19-79 ....DITTO.....		9-30-79
1301, amended corrected exception	9-26-79 ....DITTO.....		11-30-79
1304, exception	10-10-78 Distribution of Covered Hopper Cars		12-31-78
1304-A	10-20-78 Vacates Corrected Service Order No. 1304		
1305, amended revised	10-31-78 Distribution of Freight Cars		1-15-79
1305, 2nd Rev.	12-22-78 ....DITTO.....		5-31-79
1305, amended 2nd Rev.	5-31-79 ....DITTO.....		Indefinite
1308, 2nd Rev.	10-12-78 Distribution of Covered Hopper Cars		1-15-79
1308, amended 2nd Rev.	1-15-79 ....DITTO.....		4-15-79
1308, 3rd Rev.	4-15-79 ....DITTO.....		Indefinite
1308-A, 3rd Rev.	7-6-79 Vacates Third Revised Service Order No. 1308		
1312, amended	11-30-79 Railroads authorized to transport unit-grain-trains of less than number of cars required by tariffs		3-31-79
1312, revised	2-15-79 ....DITTO.....		6-15-79
1312, exception revised	2-15-79 ....DITTO.....		2-28-79
1312, amended exception revised	2-28-79 ....DITTO.....		3-9-79
1312, exception revised	2-16-79 ....DITTO.....		3-31-79
1312, exception revised	2-22-79 ....DITTO.....		3-9-79
1312, exception revised	3-22-79 ....DITTO.....		4-30-79
1312, exception revised	3-23-79 ....DITTO.....		4-15-79
1312, exception revised	4-6-79 ....DITTO.....		5-31-79
1312, exception revised	4-21-79 ....DITTO.....		5-1-79
1312, exception revised	4-24-79 ....DITTO.....		5-15-79
1312, exception revised	5-25-79 ....DITTO.....		6-15-79
1312, exception revised	6-15-79 ....DITTO.....		Indefinite

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1312, exception revised	8-6-79 ....DITTO.....		8-10-79
1312, exception revised	8-9-79 ....DITTO.....		8-17-79
1312, exception revised	8-17-79 ....DITTO.....		8-31-79
1312, exception revised	9-5-79 ....DITTO.....		9-14-79
1312, exception revised	9-24-79 ....DITTO.....		10-10-79
1313, amended revised	11-30-78 Railroads authorized to forward portions of certain multiple-car shipments transporting less than minimum quantities specified by tariffs		4-30-79
1313, amended revised	4-30-79 ....DITTO.....		Indefinite
1315, 2nd revised	10-1-78 Demurrage and free time on freight cars		12-1-78
1315, amended revised	12-1-78 ....DITTO.....		2-1-79
1315, 3rd revised	2-1-79 ....DITTO.....		4-1-79
1315, exception revised	2-1-79 ....DITTO.....		
1315, exception revised	2-1-79 ....DITTO.....		
1315-A, revised	2-2-79 Vacates Third Revised Service Order No. 1315		
1316, amended	10-31-79 Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at Appleton, Wisconsin		1-15-79
1316, amended	1-15-79 ....DITTO.....		6-15-79
1316, amended	7-15-79 ....DITTO.....		Indefinite
1317, amended revised	2-28-79 Brandon Corporation authorized to operate over tracks formerly operated by South Omaha Terminal Railway Company		Indefinite
1317-A, revised	8-27-79 Vacates Revised Service Order No. 1317		
1318, amended revised	1-15-79 Regulations for return of hopper cars		7-15-79
1318-A, revised	4-11-79 Vacates Revised Service Order No. 1318		
1321, amended	12-15-78 Lenawee County Railroad Company, Inc., authorized to operate over tracks of Consolidated Rail Corporation		12-31-79
1321, amended	12-31-78 ....DITTO.....		3-31-79
1321, amended	3-31-79 ....DITTO.....		Indefinite
1323, amended, revised	10-31-78 Distribution of Freight Cars		1-15-79
1323, 2nd Revised	1-15-79 ....DITTO.....		5-31-79
1323, 3rd Revised	4-20-79 ....DITTO.....		Indefinite
1323, 4th Rev.	7-31-79 ....DITTO.....		Indefinite
1324, amended	3-31-79 Chicago, Rock Island and Pacific Railroad Company authorized to operate over tracks of Burlington Northern Inc.		Indefinite

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1325, amended	1-15-79	Atchison, Topeka and Santa Fe Railway Company authorized to operate unit-grain train comprised of 60 cars	5-15-79
1326, amended	10-31-78	Norfolk and Western Railway Company authorized to operate over tracks of Detroit, Toledo and Ironton Railway Company	1-31-79
1326, amended	1-31-79	....DITTO.....	2-28-79
1327, amended	1-15-79	Brillion & Forest Junction Railroad Company authorized to operate over tracks abandoned by Chicago and North Western Transportation Company	7-15-79
1327, amended	7-15-79	....DITTO.....	Indefinite
1329, amended	3-31-79	Chicago, Rock Island and Pacific Railroad Company authorized to operate over tracks of Chicago and North Western Transportation Company	Indefinite
1331, amended	1-15-79	South Central Tennessee Railroad Company authorized to operate over tracks abandoned by Louisville and Nashville Railroad Company	7-15-79
1331, amended	7-15-79	....DITTO.....	Indefinite
1332, amended 2nd revised	11-30-78	Railroad Operating Regulations for freight car movement	1-31-79
1332, amended 2nd revised	1-31-79	....DITTO.....	3-31-79
1332, exception 2nd revised	10-26-78	....DITTO.....	10-31-78
1332, revised exception 2nd revised	10-31-78	....DITTO.....	11-10-78
1332, revised exception 2nd revised	11-10-78	....DITTO.....	11-24-78
1332, revised exception 2nd revised	11-24-78	....DITTO.....	11-30-78
1332, exception 2nd revised	11-9-78	....DITTO.....	11-30-78
1332, exception 2nd revised	11-15-78	....DITTO.....	11-30-78
1332, amended exception 2nd revised	11-29-78	....DITTO.....	1-31-79
1332, exception 2nd revised	11-30-78	....DITTO.....	1-31-79
1332, exception 2nd revised	11-30-78	....DITTO.....	12-31-78
1332, exception 2nd revised	12-1-78	....DITTO.....	12-15-78
1332, amended exception 2nd revised	12-15-78	....DITTO.....	12-31-78
1332, exception 2nd revised	12-15-78	....DITTO.....	1-12-79
1332, exception 2nd revised	12-15-78	....DITTO.....	12-20-78

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1332, exception 2nd revised	12-22-78 ....DITTO.....		12-31-78
1332, exception 2nd revised	1-9-79 ....DITTO.....		1-15-79
1332, exception 2nd revised	1-15-79 ....DITTO.....		1-26-79
1332, amended exception 2nd revised	1-26-79 ....DITTO.....		2-2-79
1332, amended 2nd revised	1-31-79 ....DITTO.....		3-31-79
1332, amended exception 2nd revised	2-2-79 ....DITTO.....		2-9-79
1332, amended exception 2nd revised	2-9-79 ....DITTO.....		2-23-79
1332, amended exception 2nd revised	2-23-79 ....DITTO.....		3-9-79
1332, exception 2nd revised	1-17-79 ....DITTO.....		1-31-79
1332, exception 2nd revised	2-2-79 ....DITTO.....		2-15-79
1332, exception 2nd revised	2-16-79 ....DITTO.....		3-15-79
1332, amended exception 2nd revised	3-13-79 ....DITTO.....		3-31-79
1332, exception 2nd revised	2-22-79 ....DITTO.....		3-15-79
1332, exception 2nd revised	3-19-79 ....DITTO.....		3-31-79
1333, amended	11-30-78 Illinois Terminal Railway Company authorized to operate over tracks of Illinois Central Gulf Railroad Company		1-15-79
1333, amended	1-15-79 ....DITTO.....		3-15-79
1333, amended	3-15-79 ....DITTO.....		Indefinite
1333-A	7-6-79 Vacates Service Order No. 1333		
1334, amended	2-28-79 Richmond, Fredericksburg and Potomac Railroad Company authorized to operate over tracks formerly operated by Virginia Central Railway		Indefinite
1334-A	7-9-79 Vacates Service Order No. 1334		
1336, amended	1-15-79 Missouri-Kansas-Texas Railroad Company authorized to operate over tracks of St. Louis-San Francisco Railway Company		7-31-79
1336, amended	7-15-79 ....DITTO.....		Indefinite
1336-A	8-27-79 Vacates Service Order No. 1336		
1337, amended	1-31-79 Western Maryland Railway Company authorized to operate over tracks of The Baltimore and Ohio Railway Company		5-31-79
1337, amended	5-31-79 ....DITTO.....		Indefinite

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1338, amended	10-15-78	Madison Railroad, Division of City of Madison Port Authority authorized to operate over tracks formerly operated by Madison Railway Company, Inc.	11-15-78
1338, amended	11-15-79	....DITTO.....	2-15-79
1339, amended	1-15-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Union Pacific Railroad Company	7-15-79
1339, amended	7-15-79	....DITTO.....	Indefinite
1340	9-22-79	Regulations for the use of locomotives	1-15-79
1340, amended	1-15-79	....DITTO.....	1-31-79
1340, amended	1-31-79	....DITTO.....	4-30-79
1341, amended	3-31-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Chicago and North Western Transportation Company	Indefinite
1342	10-6-79	Illinois Terminal Railroad Company authorized to operate over tracks of Illinois Central Gulf Railroad Company	3-31-79
1342, amended	3-31-79	....DITTO.....	Indefinite
1342, revised	6-28-79	....DITTO.....	Indefinite
1343	10-25-78	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Chicago and North Western Transportation Company	12-15-78
1343, amended	12-15-78	....DITTO.....	6-15-79
1343, amended	6-15-79	....DITTO.....	Indefinite
1344	10-31-78	Rerouting of Traffic—Appointment of Agents	10-31-79
1345	10-31-78	Appointment of Embargo Agents	10-31-79
1346	11-1-78	Mercersburg Railway authorized to operate over USRA Line No. 206, former Mercersburg Secondary Track of Consolidated Rail Corporation	1-31-79
1346, amended	1-31-79	....DITTO.....	5-31-79
1347	11-21-78	Hillsdale County Railway Company, Inc., authorized to operate over tracks abandoned by Penn Central Transportation Company	5-31-79
1347-A	12-28-78	Vacates Service Order No. 1347	
1348	11-22-78	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company	5-15-79
1348, amended	5-15-79	....DITTO.....	Indefinite
1348-A	9-14-79	Vacates Service Order No. 1348	
1349	12-1-78	Emergency Transportation of Coal	1-28-79
1350	12-30-78	West Virginia Railroad Maintenance Authority authorized to operate over tracks abandoned by the Chesapeake and Ohio Railway Company	6-30-79
1350, amended	6-30-79	....DITTO.....	Indefinite
1351	1-1-79	Massachusetts Central Railroad Corporation authorized to operate over tracks formerly operated by Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees	6-30-79

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1351, amended	6-30-79	....DITTO.....	Indefinite
1352	1-12-79	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at Fond du Lac, Wisconsin	1-19-79
1352, amended	1-19-79	....DITTO.....	1-31-79
1352, amended	1-31-79	....DITTO.....	2-15-79
1352, amended	2-15-79	....DITTO.....	3-15-79
1352, amended	3-15-79	....DITTO.....	4-15-79
1353	1-19-79	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at Oshkosh, Wisconsin	1-31-79
1353, amended	1-31-79	....DITTO.....	2-15-79
1353, amended	2-15-79	....DITTO.....	3-15-79
1354	1-26-79	Chessie System authorized to use open hoppers in unit-grain-trains	4-30-79
1355	2-2-79	Burlington Northern Inc. authorized to place fewer empties and to forward unit-coal-trains of less than number of cars required by tariffs	2-28-78
1356	2-9-79	Chicago and North Western Transportation Company authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company at Ripon, Wisconsin	3-15-79
1357	2-21-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks abandoned by Chicago and North Western Transportation Company	8-15-79
1358	2-23-79	Substitution of Refrigerator Cars for boxcars	6-15-79
1358-A	4-10-79	Vacates Service Order No. 1358	
1359	2-16-79	American Rail Heritage, Ltd. D/B/A Crab Orchard and Egyptian Railroad authorized to operate over tracks formerly operated by Illinois Central Gulf Railroad Company	6-15-79
1359, amended	6-15-79	....DITTO.....	7-12-79
1360	2-24-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate unit-coal-trains comprised of 75 cars	5-15-79
1361	2-24-79	Substitution of trailers for boxcars	5-31-79
1361, amended	5-31-79	....DITTO.....	Indefinite
1362	2-28-79	Burlington Northern Inc. authorized to operate over tracks of Duluth, Missabe and Iron Range Railway Company and of Duluth, Winnepeg and Pacific Railway	8-15-79
1363	2-28-79	Substitution of refrigerator cars for boxcars	Indefinite
1363, revised	3-15-79	....DITTO.....	Indefinite

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1364	3-1-79	Wabash Valley Railroad Company, Illinois Terminal Railroad Company and Consolidated Rail Corporation authorized to operate multiple-car shipments of less than number of cars required by tariff	Indefinite
1364-A	9-21-79	Vacates Service Order No. 1364	
1365	3-1-79	The Baltimore and Ohio Railroad Company authorized to transport shipments of less than 6,370 tons	3-15-79
1366	3-9-79	Consolidated Rail Corporation ordered to deliver empty boxcars to Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees, (BM); BM ordered to deliver empty boxcars to Maine Central Railroad Company	4-1-79
1367	3-20-79	Illinois Terminal Railroad Company authorized to operate over tracks of Illinois Central Gulf Railroad Company	Indefinite
1368	3-23-79	Indiana Eastern Railroad and Transportation, Inc., D/B/A The Hoosier Connection authorized to operate over tracks leased from The Penn Central Corporation	Indefinite
1369	3-30-79	Substitution of trailers for boxcars	Indefinite
1369, revised	4-17-79	....DITTO.....	Indefinite
1369-A revised	6-25-79	Vacates Revised Service Order No. 1369	
1370	4-1-79	Burlington Northern Inc. authorized to operate over tracks of Union Pacific Railroad Company	Indefinite
1371	3-30-79	Union Pacific Railroad Company authorized to operate over tracks of Southern Pacific Transportation Company	Indefinite
1372	4-9-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Chicago and North Western Transportation Company	Indefinite
1372-A	5-16-79	Vacates Service Order No. 1372	
1373	4-10-79	Substitution of insulated boxcars for boxcars	Indefinite
1374	4-12-79	Auto-Train Corporation authorized to transport automobiles between Alexandria (Lorton), Virginia, and Sanford, Florida	5-15-79
1374, amended	5-15-79	....DITTO.....	Indefinite
1375	4-12-79	Railroads authorized to divert traffic consigned to ADM Milling Company at North Kansas City, Missouri	5-31-79
1376	4-24-79	Consolidated Rail Corporation authorized to operate unit-grain-train	5-10-79
1377	5-1-79	Norfolk and Portsmouth Belt Line Railroad Company authorized to operate over tracks of Norfolk and Western Railway Company	7-31-79
1377, amended	7-31-79	....DITTO.....	Indefinite
1378	5-7-79	Hillsdale County Railway Company Inc. authorized to operate over tracks of Consolidated Rail Corporation	6-30-79

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1378, corrected	5-7-79	....DITTO.....	6-30-79
1379	5-11-79	Minneapolis, Northfield and Southern Railway authorized to operate over tracks of Chicago, Milwaukee, St. Paul and Pacific Railroad Company	Indefinite
1380	5-18-79	The Chesapeake and Ohio Railway Company authorized to operate over tracks of Consolidated Rail Corporation	Indefinite
1381	6-15-79	Indiana Interstate Railway Company, Inc., authorized to operate over tracks leased from The Penn Central Corporation	Indefinite
1382	6-14-79	Consolidated Rail Corporation authorized to operate over tracks of Louisville and Nashville Railroad Company	Indefinite
1383	6-25-79	Priority in movement of fuel and other essential commodities	Indefinite
1384	6-27-79	The Chicago & Indiana Railroad Company authorized to operate over tracks leased from the State of Indiana	Indefinite
1385	7-2-79	Consolidated Rail Corporation authorized to operate over tracks of The Baltimore and Ohio Railroad Company and the Norfolk and Western Railway Company	Indefinite
1386	7-2-79	The Atchison, Topeka and Santa Fe Railway Company authorized to operate over tracks of Chicago, Rock Island and Pacific Railroad Company at Alva, Oklahoma	Indefinite
1387	7-15-79	Missouri Pacific Railroad Company authorized to operate over tracks of Missouri-Kansas-Texas Railroad Company	Indefinite
1388	7-24-79	Kent, Barry, Eaton Connecting Railway Company, Incorporated authorized to operate over tracks formerly operated by Consolidated Rail Corporation	Indefinite
1388-A	9-10-79	Vacates Service Order No. 1388	
1389	8-16-79	Transkentucky Transportation Railroad, Inc., authorized to operate over tracks abandoned by Louisville and Nashville Railroad Company	Indefinite
1390	8-1-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Consolidated Rail Corporation	Indefinite
1391	8-3-79	Missouri-Kansas-Texas Railroad Company authorized to operate over tracks of Missouri Pacific Railroad Company	Indefinite
1392	8-2-79	Substitution of trailers for boxcars or covered hoppers	Indefinite
1393	8-8-79	Southern Pacific Transportation Company authorized to operate over tracks of The Kansas City Southern Railway Company	Indefinite
1394	8-14-79	Providence and Worcester Company authorized to operate over tracks of Warwick Railway Company	Indefinite

<i>Service Order Number</i>	<i>Effective Date</i>	<i>Title</i>	<i>Expiration Date</i>
1395	9-1-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company authorized to operate over tracks of Indiana Harbor Belt Railroad Company	Indefinite
1396	9-17-79	Railroads authorized to divert traffic consigned to Jackson County Terminal	10-12-79
1396-A	10-3-79	Vacates Service Order No. 1396	
1397	9-21-79	The Chesapeake and Ohio Railway Company authorized to operate over tracks of The Baltimore and Ohio Railroad Company	Indefinite
1398	9-26-79	Kansas City Terminal Railway Company directed to operate over Chicago, Rock Island and Pacific Railroad Company, Debtor, (William M. Gibbons, Trustee)	12-3-79

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
1	10-31-78	New York, Susquehanna and Western Railroad Company unable to transport traffic between Sparta and Stockholm, New Jersey, because of a bridge out of service.	1-31-79
1, amended	1-31-79	...DITTO.....	4-30-79
1, amended	4-30-79	...DITTO.....	Indefinite
2	10-31-78	The Baltimore and Ohio Railroad Company unable to transport certain traffic between Weverton and Hagerstown, Maryland, because of traffic conditions.	11-15-78
3	10-31-78	Middletown and Hummelstown Railroad Company unable to transport traffic over its line because of track damage caused by flooding.	1-31-79
3, amended	1-31-79	...DITTO.....	6-30-79
3, amended	6-30-79	...DITTO.....	Indefinite
4	10-31-78	San Diego & Arizona Eastern Railway Company unable to transport traffic over its line between El Centro and San Diego, California, because of slides and washouts.	3-31-79
4, amended	3-31-79	...DITTO.....	Indefinite
5	10-31-78	Western Maryland Railway Company unable to transport traffic over its lines east of Hagerstown, Maryland, because of bridge damage.	3-31-79
5, amended	3-31-79	...DITTO.....	Indefinite
6	10-31-79	Southern Pacific Transportation Company unable to transport traffic over its line between Jacksonville and Lufkin, Texas.	1-31-79
6, amended	1-31-79	...DITTO.....	7-31-79
6, amended	7-31-79	...DITTO.....	Indefinite
7	10-31-78	Fort Worth and Denver Railway Company unable to transport promptly all traffic offered for movement over its lines between Seymour and Haskell, Texas, because of track damage from flooding.	11-30-78

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
7-A	11-5-78	To vacate I.C.C. Order No. 7	
8	10-31-78	The Chesapeake and Ohio Railway Company unable to transport traffic over its line between Ashland and Lexington, Kentucky, because of congestion and accumulation of cars.	1-31-79
8, amended	1-31-79	....DITTO.....	4-30-79
9	11-1-78	Grand Trunk Western Railroad Company unable to transport traffic over its line between Muskegon, Michigan, and Milwaukee, Wisconsin, because of abandonment of operations.	11-30-78
9, amended	11-30-78	....DITTO.....	12-31-78
10	11-3-78	Illinois Central Gulf Railroad Company unable to transport traffic over its line between Bloomington and Indianapolis, Indiana, because of track conditions.	2-15-79
10, amended	2-15-79	....DITTO.....	5-15-79
11	12-13-78	Louisville and Nashville Railroad Company unable to transport traffic between Maysville and Cowan, Kentucky, because of a slide.	12-31-78
11, amended	12-31-78	....DITTO.....	2-28-79
11, amended	2-28-79	....DITTO.....	4-30-79
11, amended	4-30-79	....DITTO.....	Indefinite
11-A	8-15-79	To vacate I.C.C. Order No. 11	
12	1-1-79	Louisville and Nashville Railroad Company and Birmingham Southern Railroad Company unable to transport carload traffic in the vicinity of Bessemer, Alabama, due to restricted clearances.	3-31-79
13	1-3-79	Chicago and North Western Transportation Company unable to transport traffic currently between Trimont, Minnesota, and Estherville, Iowa, because of heavy snow and ice.	2-15-79
13, amended	2-15-79	....DITTO.....	3-15-79
13, amended	3-15-79	....DITTO.....	4-15-79
13, amended	4-15-79	....DITTO.....	5-5-79
14	1-3-79	Soo Line Railroad Company unable to deliver traffic to Michigan Northern Railroad Company at St. Ignace-Mackinaw City, Michigan, because of disrupted train operations on the Michigan Northern caused by heavy snow and a shortage of locomotives.	10-10-79
14, revised	1-5-79	....DITTO.....	1-10-79
14, amended revised	1-10-79	....DITTO.....	1-17-79
15	1-13-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company unable to transport promptly all traffic offered for movement over its lines between St. Paul, Minnesota, and Tacoma-Seattle, Washington, because of congestion and adverse weather conditions	2-15-79
15, amended	2-15-79	....DITTO.....	3-15-79

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
15, amended	3-15-79	....DITTO.....	4-15-79
15, amended	4-15-79	....DITTO.....	5-15-79
16	1-15-79	Many railroads in Chicago switching district are unable to interchange traffic routed via Chicago because of heavy snow in the Chicago terminals.	1-19-79
16, amended	1-19-79	....DITTO.....	1-26-79
16, amended	1-26-79	....DITTO.....	2-2-79
16, amended	2-2-79	....DITTO.....	2-9-79
16, revised	2-9-79	....DITTO.....	2-23-79
16, amended revised	2-23-79	....DITTO.....	3-9-79
17	1-15-79	The Atchison, Topeka and Santa Fe Railway Company and Missouri Pacific Railroad Company are unable to transport all traffic routed via their lines for interchange between them at Kansas City, Missouri-Kansas, because of congestion at Kansas City due to excessive snow.	1-19-79
18	1-19-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company unable to transport traffic offered for movement between Milwaukee, and Fond duLac, Wisconsin.	1-31-79
19	1-24-79	Chicago and North Western Transportation Company unable to transport traffic offered for movement between Albert Lea and Austin, Minnesota, because of adverse weather conditions.	2-15-79
20	1-24-79	Chicago and North Western Transportation Company unable to transport promptly all traffic offered for movement to and from Dyersville, Iowa, due to adverse weather conditions.	3-1-79
21	1-25-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company unable to transport traffic offered for movement to, from or via stations on its lines in Illinois and Wisconsin, because of snow drifts.	2-2-79
21, revised	2-2-79	Adds Indiana to the states shown above.	2-9-79
21, amended revised	2-9-79	....DITTO.....	2-23-79
21, amended revised	2-23-79	....DITTO.....	3-9-79
22	1-26-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company unable to transport all traffic offered for movement to, from or via stations on its lines in Iowa and Minnesota, because of adverse weather conditions.	2-2-79
22, amended	2-2-79	....DITTO.....	2-9-79
22, amended	2-9-79	....DITTO.....	2-23-79
22, amended	2-28-79	....DITTO.....	3-9-79
23	1-29-79	Louisiana Midland Railway Company unable to transport traffic offered for movement between Vidalia and Packton, Louisiana, because of track conditions.	2-6-79

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
24	1-31-79	Chicago, Milwaukee, St. Paul and Pacific Railroad Company unable to transport traffic offered for movement over its lines via Kansas City, because of adverse weather conditions and congestion.	2-5-79
24, amended	2-5-79	....DITTO.....	2-9-79
24, amended	2-9-79	....DITTO.....	2-23-79
25	2-5-79	Chicago and North Western Transportation Company unable to transport traffic offered for movement to, from or via, Howe, Illinois, due to adverse weather conditions.	2-12-79
26	2-22-79	Soo Line Railroad unable to deliver traffic to the Michigan Northern Railway at St. Ignace-Mackinaw City, Michigan, because of disrupted train operations on the MN due to heavy snow and the icing of Lake Michigan.	2-28-79
26, amended	2-28-79	....DITTO.....	3-7-79
27	2-22-79	Ann Arbor Railroad System (Michigan Interstate Railway Company, operator) unable to transport traffic over its line between Kewauunee, Wisconsin, and Frankfort, Michigan, via car ferry, because of adverse weather conditions.	2-26-79
28	3-6-79	Vermont Railway, Inc., unable to transport traffic between Arlington and Manchester, Vermont, because of a washout.	3-12-79
29	3-6-79	Missouri-Kansas-Texas Railroad Company unable to transport traffic between Burkburnett, Texas, and Welton, Oklahoma, because of track conditions.	4-30-79
29, amended	4-30-79	....DITTO.....	Indefinite
30	3-7-79	Clinchfield Railroad Company unable to transport traffic between Marion and Spruce Pine, North Carolina, because of washouts.	3-16-79
30-A	3-13-79	Vacate I.C.C. Order No. 30	
31	3-12-79	Chicago, Rock Island and Pacific Railroad Company unable to transport traffic offered for movement to, from or via Peoria, Illinois, because of flooding.	3-31-79
31-A	3-13-79	Vacates I.C.C. Order No. 31	
32	3-22-79	Chicago, Rock Island and Pacific Railroad Company unable to transport traffic offered for movement to, from or via Peoria, Illinois, because of flooding.	3-31-79
33	3-26-79	Southern Pacific Transportation Company unable to transport traffic routed via its lines through the New Orleans, Louisiana, gateway.	3-31-79
34	4-2-79	Atchison, Topeka and Santa Fe Railway Company unable to transport traffic offered for movement to, from or via Pittsburg, Kansas, because of bridge damage.	4-22-79
35	4-17-79	Meridian and Bigbee Railroad Company unable to transport traffic between Meridian, Mississippi, and Myrtlewood, Alabama, because of flooding.	5-4-79

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
36	4-26-79	Canadian National Railways is unable to transport traffic offered for movement via Emerson, Manitoba, Canada, and Noyes, Minnesota, because of flooding.	5-15-79
36, amended	5-15-79	....DITTO.....	6-15-79
36-A	6-12-79	Vacates I.C.C. Order No. 36.	
37	4-26-79	CP Rail is unable to transport traffic for movement to and from points in the United States via Noyes, Minnesota-Burlington Northern Inc., because of flooding.	4-30-79
38	4-27-79	Burlington Northern Inc., is unable to transport promptly traffic offered for movement to points in Canada because of flooding.	5-15-79
38, revised	5-1-79	Burlington Northern Inc. and CP Rail are unable to transport promptly all traffic offered for movement to and from points in Canada, because of flooding.	5-15-79
39	5-4-79	Louisiana Midland Railway Company unable to transport between Georgetown and Packton, Louisiana, because of washouts.	5-11-79
40	5-11-79	Soo Line Railroad Company unable to transport traffic for movement to, from or via Bismarck, North Dakota, because of flooding.	5-25-79
40, amended	5-25-79	....DITTO.....	6-8-79
40, amended	6-8-79	....DITTO.....	6-22-79
42	6-12-79	Burlington Northern Inc., unable to transport traffic to, from or via points between Huron and Watertown, South Dakota, (not including Watertown) because of track conditions.	8-12-79
42-A	7-11-79	Vacates I.C.C. Order No. 42.	
43	6-13-79	Chicago and North Western Transportation Company unable to transport traffic between Albia and Oskaloosa, Iowa, because of washouts.	12-15-79
43-A	8-6-79	Vacates I.C.C. Order No. 43.	
44	6-20-79	Ann Arbor Railroad System (Michigan Interstate Railway Company, Operator), unable to transport traffic between Kewaunee or Manitowac, Wisconsin, and Franklin, Michigan, by car ferry because of disability of a ferry.	6-25-79
44, amended	6-25-79	....DITTO.....	6-29-79
45	7-5-79	Duluth & Northeastern Railroad Company unable to transport traffic between Cloquet and Saginaw, Minnesota.	7-31-79
45-A	7-13-79	Vacates I.C.C. Order No. 45.	
46	7-18-79	The Chesapeake and Ohio Railway Company is unable to transport promptly all traffic offered for movement between Old Town and Gallipolis, Ohio, and also unable to provide service to Gallipolis, Kanauga and Chesire, Ohio, because of track conditions.	Indefinite

TABLE 16.—Service Orders, Fiscal Year 1979—Continued

<i>Rerouting Under Service Order No. 1344</i>	<i>Effective Date</i>	<i>Description</i>	<i>Expiration Date</i>
47	7-23-79	The Soo Line Railroad Company, Algoma Central Railway and CP Rail are unable to transport traffic to and from points in Canada and to and from points in the United States via Sault Ste. Marie, Michigan, or Sault Ste. Marie, Ontario, Canada, because of bridge damage.	8-15-79
47-A	7-26-79	Vacates I.C.C. Order No. 47.	
48	8-1-79	Five loads on hand on Consolidated Rail Corporation at St. Louis, Missouri, routed over Chicago, Rock Island and Pacific Railroad Company via Kansas City, Kansas, Rock Island embargoed between St. Louis, Missouri, and Kansas City, Kansas.	8-10-79
49	8-17-79	The Baltimore and Ohio Railroad Company unable to transport traffic over its car float transfer bridge at its St. George Lighterage because pontoon will not float.	Indefinite
50	8-28-79	Chicago, Rock Island and Pacific Railroad Company unable to transport traffic to, from or via its system lines because of a strike.	Indefinite
50-A	9-27-79	Vacates I.C.C. Order No. 50.	
51	9-12-79	Railroads serving Gulf Coast area are suffering disruption of service due to Hurricane Frederic.	9-21-79
51, amended	9-21-79	....DITTO.....	10-5-79
52	9-14-79	The Baltimore and Ohio Railroad is unable to transfer coal from rail to water at Baltimore (Curtis Bay), Maryland, because of damage to ship loader machinery.	Indefinite

<i>Embargo Directions Under Service Order No. 1345</i>	<i>Effective Date</i>	<i>Description</i>
1	1-15-79	Embargo against all traffic consigned to industries located in the Chicago, Illinois, switching district including points within that district located in Indiana.
1-A	1-23-79	Embargo cancelled.
2	1-23-79	Embargo against all traffic consigned to all points in the Chicago, Illinois, switching district including TOFC or COFC shipments for delivery to consignees or delivery via highway to connecting carriers in that district.
2-A	2-16-79	Embargo cancelled.

TABLE 17.—Extensions of Time Limits—Rail Proceedings, Fiscal Year 1979

Proceeding	Type of Proceeding	Service Date of Order Effecting Extension	Reason and Duration
I&S 9198, Grain, Iowa, Minnesota and Nebraska To Pascagoula, MS	Investigation	March 29, 1979	A 30-day extension was required because the carriers requested an extension of time to file pleadings and because of the complex issues involved.
I&S 9199, Unit Train Rates on Coal—Burlington Northern, Inc., and embraces Nos. 37021, Annual Volume Rates on Coal Rauhde Junction, Wyoming to Point Bluff, Iowa; 36944, Iowa Power and Light Company v. Burlington Northern, Inc.; and 37029, Iowa Public Service Company v. Burlington, Northern, Inc.	Investigation	March 20, 1979	A 30-day extension was needed because of the complexity of the record and the importance of the issues.
I&S 9206, Absorption of Switching Charges, Southern Territory	Investigation	April 15, 1979	A 45-day extension was necessary to afford an opportunity for detailed consideration of complex issues.
36460, Goodpasture, Inc.—Petition for Declaratory Order—Demurrage and directly related 36129, Goodpasture, Inc. v. The Atchison, Topeka and Santa Fe Railway Company, et al.	Complaint	July 17, 1979	A 90-day extension was required because of the importance of the proceeding and the volume and complexity of the record.
36525, Sierra Railroad Company v. Southern Pacific Transportation Company, et al.	Complaint	July 30, 1979	A 45-day extension was needed to resolve a complex divisional dispute.
36656, Vulcan Materials Company v. Chicago, Milwaukee, St. Paul and Pacific Railroad Company, et al.	Complaint	October 23, 1978	An extension of 76 days was needed because of the complexity and volume of the record.
36659, Westinghouse Electric Corporation v. Penn. Central Transportation Company, Robert W. Blanchette, Richard C. Bond and John H. McArthur, Trustees, et al.	Complaint	January 31, 1979	An extension of six months was necessary to resolve the complex issues.
36731 (Sub-No. 28), Liquid Petroleum Gas, Floration, Ala., to Western Trunk Line Territory ¹	Investigation	December 29, 1978	This is one of many proceedings involving the same or similar restrictive routing issues. Extensions of time for the proceedings noted were required because of their large number and the policy issues involved.

TABLE 17.—Extensions of Time Limits—Rail Proceedings, Fiscal Year 1979—Continued

Proceeding	Type of Proceeding	Service Date of Order Effecting Extension	Reason and Duration
36918, <i>Monongahela Power Company v. The Baltimore and Ohio Railroad Company</i>	Complaint	May 23, 1979	A 90-day extension was necessary to resolve complex ratemaking issues.
36952, <i>Electrical Appliances, San Juan to Dallas, Minneapolis, and E. St. Louis</i>	Investigation	January 5, 1979	A 90-day extension was needed because resolution of the jurisdictional issue was dependent upon a pending court case in, <i>Trailer Marine Transport Corp. v. Federal Maritime Commission</i> , 602 F. 2d 379 (1979).
36952 (Sub-No. 1), <i>Joint Water-Rail and Rail Water Rates, Trailer Marine Transport Corp.</i>	Investigation	April 17, 1979	A 90-day extension was necessary because resolution of the jurisdictional issue was dependent upon a pending court case in, <i>Trailer Marine Transport Corp. v. Federal Maritime Commission</i> , 602 F. 2d 379 (1979).
36966, <i>Perishable Protective Tariffs, NPFC, and CRB, and embraces 37023, Train Schedules for Handling Perishables, Official Territory</i>	Investigation	January 24, 1979	The issue on these proceedings were dependent upon a determination in Ex Parte No. 346 (Sub-No. 1), <i>Rail General Exemption Authority—Fresh Fruits and Vegetables</i> , —I.C.C. — (decided March 21, 1979), whether to exempt from regulation the transportation of fresh fruits and vegetables. An extension of 53 days was necessary.
37020, <i>Increased Minimum Weights with Increased and Reduced Rates on East-Bound Transcontinental Lumber and Related Articles</i>	Investigation	April 11, 1979	A 90-day extension was needed because of the extensive record, complex issues and need for further cost analysis.
37038, <i>Bituminous Coal, Hiauwatha, Utah, to Moapa, Nevada</i>	Investigation	April 20, 1979	A 90-day extension was needed because of the complex issues and the large number of pending proceedings involving the same or similar issues.

37047, <i>New Orleans Public Bell Railroad—Petition for Declaratory Order—Construction and Maintenance of Industrial Spur Tracks</i>	Investigation	April 15, 1979	A 45-day extension was necessary because of the volume and complexity of the record.
37063, <i>Increased Rates on Coal, L&N RR October 31, 1978, and embraced, 37063 (Sub-No. 1), Increased Rates on Coal, L&N RR, November 1978; 37063 (Sub-No. 2), Increased Rates on Coal, L&N RR, December 1978; 37063 (Sub-No. 3), Increased Rates on Coal, L&N RR, December 1978-January 1979; 37063 (Sub-No. 4), Increased Rates on Coal, L&N RR, January 1979; and Ex Parte No. 357, Increased Freight Rates and Charges, Nationwide 8 Percent (portion).</i>	Investigation	May 21, 1979	A 90-day extension was necessary because of the complex issues and extensive oral hearing record.
37093, <i>Joint Rates Via The Ann Arbor Railroad System, December 1978, and embraces 37093 (Sub-No. 1), Cancellation of Intermediate Routing, Ann Arbor Railroad System; 37093 (Sub-No. 2), Cancellation of Joint Rates on Potash, Ann Arbor Railroad Company; I&S-9207, Cancellation of Joint Rates on Potash, Ann Arbor Railroad Company; I&S-9207 (Sub-No. 1) Cancellation of Joint Routes and Rates, Ann Arbor Railroad System, I&S-9207 (Sub-No. 2), Cancellation of Joint Routes and Rates, Ann Arbor Railroad System.</i>	Investigation	July 16, 1979	A 90-day extension in these proceedings was needed for a reevaluation of important policy issues involving joint rates.
37105, <i>Increased Rates on Coal, Calstrip and Kuehn, Montana to Minnesota</i>	Investigation	July 19, 1979	A 90-day extension was needed because of the late closing of the record and complex cost of service evidence.
37135, <i>Increased Rates on Coal, BN, Montana to Superior, Wisconsin, and embraced 37135 (Sub-No. 1), Increased Rates on Coal, BN, Montana to Cohasset, Minnesota</i>	Investigation	September 4, 1979	A 90-day extension was needed because of the complex and important issues, the extensive record, and the number of other pending proceedings.
37146, <i>Transit on Wheat Between Reshipping Point and Destination</i>	Investigation	September 27, 1979	A 90-day extension was required because of complex and important issues, an extensive record, and a large number of other proceedings pending before the Commission.

TABLE 17.—Extensions of Time Limits—Rail Proceedings, Fiscal Year 1979—Continued

Proceeding	Type of Proceeding	Service Date of Order Effecting Extension	Reason and Duration
AB-43 (Sub-No. 41) Illinois Central Gulf Railroad Company Abandonment Between Bernis, TN, and Holly Springs, MS	Rail Abandonment	April 16, 1979	A 30-day extension was required because of the complex issues involved.
AB-43 (Sub-No. 43) Illinois Central Gulf Railroad Company Abandonment Between Herscher and Barnes, In Kankakee, Ford, Livingston and McLean Counties, Illinois	Rail Abandonment	July 24, 1979	A 90-day extension was required because of the complexity of the issues involved in the administrative appeals.

¹ Closely related to this proceeding were, 36746 (Sub-No. 67), Iron or Steel, Boyles, Ala., to Youngstown, Ohio; 36746 (Sub-No. 68), Methanol Alcohol, Pace, Fla., to Chattanooga, Tenn.; 36746 (Sub-No. 69), Scrap Iron or Steel, Boyles, Ala., to Fairless, Pa.; 36746 (Sub-No. 74), Ferric Sulphate, Cooperhill, TN, to Kitalou, Tx.; 36746 (Sub-No. 75), Freight, All Kinds, Savannah, Ga., to Shenandoah, Ga.; 36746 (Sub-No. 77), Nonyl Alcohol, Baton Rouge, La., to Brownsville, Tenn.; 36746 (Sub-No. 78), Ferro-Alloys, Almet, Ala., to Relief, Ohio; 36746 (Sub-No. 79), Aluminum Cans, College Park, Ga., to Milwaukee and Oak Creek, Wis.; 36746 (Sub-No. 80), Borate Rock, Norfolk, Va., to Fairburn, Ga.; 36746 (Sub-No. 81), Caustic Soda, Louisiana and Texas to Tennessee; and 36746 (Sub-No. 82), Clay, Spinks, Tennessee to Florida.

TABLE 18.—Office of Rail Public Counsel Cumulative List of Filings, Fiscal Year 1979

October 1978:	Memorandum filed in the Supreme Court supporting the ICC's petition for certiorari to review the decision in the case of <i>Interstate Commerce Commission v. Chicago and North Western Transportation Co., et. al.</i> Comments filed in ICC Dockets Ex Parte No. 277 (Sub-No. 1), <i>Regulations Governing the Adequacy of Intercity Railroad Passenger Service.</i>
November 1978:	Comments filed in ICC Docket Ex Parte No. 344, <i>Terminal Performance Standards Governing the Transportation of Nonperishable Commodities.</i> Comments filed with the Federal Railroad Administration in Docket No. RSFC-5, <i>Freight Cars Periodic Inspection.</i> Comments filed with the Federal Railroad Administration in Docket No. RSSI-78-5, <i>General Safety Inquiry.</i>
December 1978:	Verified statement and argument filed in ICC Docket Ex Parte No. 357, <i>Increased Freight Rates and Charges, Nationwide—8 Percent.</i> Comments filed with the Federal Railroad Administration on the estimates of capital shortfall contained in the Secretary of Transportation's <i>A Prospectus for Change in the Freight Railroad Industry.</i> Comments filed in Federal Railroad Administration's Docket No. LI-4, <i>Speed Indicators and Recorders.</i>
January 1979:	Comments filed regarding application of the Western, Eastern and Southern Railroads for approval under Section 5b of rate bureau agreements. Comments filed in ICC Docket No. 36988, <i>Alternative Methods of Accounting for Railroad Track Structure.</i> Comments filed in ICC Docket Ex Parte No. 290, <i>Procedures Governing Rail General Increase Proceedings.</i> Comments filed in ICC Docket Ex Parte No. 356, <i>Confidentiality of Financial Data.</i> Comments filed in ICC Docket Ex Parte No. 360, <i>Regulations for the Processing of FOIA Requests.</i> Comments filed in ICC Docket Ex Parte No. 346, <i>Rail General Exemption Authority.</i> Interrogatories filed in ICC Docket No. 36989, <i>Adams Packing Association, Inc., et. al. v. Consolidated Rail Corporation, et. al.</i>
February 1979:	Motion to Reject Application filed in ICC Docket F.D. No. 29810, <i>Denver & Rio Grande Western Railroad Company—Discontinuance of Passenger Trains No. 17 and 18, between Grande Junction, CO, and Salt Lake City, UT.</i> Motion to Reject Application filed in ICC Docket No. 27021, <i>Application of Consolidated Rail Corporation to Discontinue Operation of Passenger Trains 453, 454, 455, and 456 between Valparaiso, IN, and Chicago, IL.</i> Brief filed in ICC Docket No. 37020, <i>Increased Minimum Weights with Increased and Reduced Rates on Eastbound Transcontinental Lumber and Related Articles.</i> Notice of Intervention filed in ICC Docket F.D. 28905 (Sub-No. 1F), <i>CSX Corp.,—Control—Chessie System, Inc., and Seaboard Coast Line Industries, Inc.</i>
March 1979:	Statement filed in ICC Docket No. F.D. 28499 (Sub-No. 1) and F.D. 28676 (Sub-No. 1) involving competing applications for acquisition of control of the Detroit, Toledo, and Ironton Railroad Company. Notice of Intervention filed in ICC Docket No. AB-7 (Sub-No. 85F) involving the proposed abandonment by the Chicago, Milwaukee, St. Paul and Pacific Railroad Company of a 200 mile segment of track extending from the upper peninsula region of Michigan to the Green Bay area of Wisconsin. Comments filed in Economic Regulatory Administration Docket No. ERA-R-78-19 dealing with the <i>Powerplant and Industrial Fuel Use Act of 1978.</i>

TABLE 18.—Office of Rail Public Counsel Cumulative List of Filings, Fiscal Year 1979—Continued

April 1979:	<p>Briefs filed in ICC Docket No. 36989, <i>Adams Packing Association, et. al. v. Consolidated Rail Corporation, et. al.</i>; F.D. 28910, <i>Denver & Rio Grande Western Railroad Company—Discontinuance of Passenger Trains No. 17 and 18, between Grande Junction, CO, and Salt Lake City, UT</i>; and Docket No. 37063 (Sub-Nos. 1-4) and Ex Parte No. 357, <i>Increased Rates on Coal, Louisville & Nashville Railroad</i>.</p> <p>Comments filed in ICC Docket Ex Parte No. 247 (Sub-No. 3), <i>Abandonment of Railroad Lines—Use of Opportunity Costs</i>.</p> <p>Notices of Intervention filed in ICC Dockets No. 37146, <i>Transit On Wheat Between Reshipping Point and Destination</i> and in F.D. 24178, <i>Great Northern Pacific & Burlington Lines, Inc.—Merger—Great Northern Railway Company, et. al.</i></p> <p>Prehearing statement filed in ICC Docket No. F.D. 28905 (Sub-No. 1), <i>CSX Corporation—Control—Chessie System, Inc., and Seaboard Coast Line Industries, Inc.</i></p> <p>Comments filed in Federal Railroad Administration Docket No. RSFC-6, <i>Freight Car Safety Standards</i>.</p>
May 1979:	<p>Comments filed in ICC Docket Ex Parte No. 346 (Sub-No. 2), <i>Rail General Exemption Authority—Miscellaneous Commodities</i>.</p> <p>Response to petition for reconsideration filed in ICC Docket Ex Parte No. 346 (Sub-No. 1), <i>Rail General Exemption Authority</i>.</p> <p>Brief filed in ICC Docket No. F.D. 28499 (Sub-No. 1) and F.D. 28676 (Sub-No. 1) involving competing applications for acquisition of control of the Detroit, Toledo, and Ironton Railroad Company.</p> <p>Procedural pleadings were filed in ICC Dockets 37063 (Sub-Nos. 1-4) and Ex Parte No. 357, <i>Increased Rates on Coal, Louisville & Nashville Railroad</i>; F.D. 27021, <i>Consolidation Rail Corporation Discontinuance of Passenger Train Service Between Valparaiso, IN, and Chicago, IL</i>, and F.D. No. 28910, <i>Denver & Rio Grande Western Railroad Company—Discontinuance of Passenger Trains No. 17 and 18, between Grande Junction, CO, and Salt Lake City, UT</i>.</p>
June 1979	<p>Procedure pleading filed in ICC Docket No. 37063 (Sub-Nos. 1-4) and Ex Parte No. 357, <i>Increased Rates on Coal, Louisville & Nashville Railroad Company</i>.</p> <p>Comments filed in the Economic Regulatory Commission's Docket No. ERA-R-79-25, <i>Special Allocations Program for Middle Distillates</i>.</p> <p>Comments filed in the Federal Railroad Administration's Docket No. FRA-511-78-1, <i>Coal Line Project</i>.</p> <p>Petition for Administrative Review filed in ICC Docket No. 36180, <i>San Antonio, Texas Acting by and Through Its City Public Service Board v. Burlington Northern, Inc., et. al.</i></p> <p>Comments filed in ICC Docket No. 9205, <i>Trainload Rates on Radioactive Materials Eastern Railroads</i>.</p> <p>Reply brief filed in ICC Dockets F.D. 28499 (Sub-No. 1) and F.D. 28676 (Sub-No. 1) involving competing applications for acquisition of control of the Detroit, Toledo, and Ironton Railroad Company.</p>
August 1979:	<p>Statement filed in ICC Docket Ex Parte No. 363, <i>The Fair Return Component of Adequate Railroad Revenue Levels (1979) Determination</i>.</p> <p>Supplementary comments filed in ICC Docket Ex Parte No. 346 (Sub-No. 2), <i>Rail General Exemption Authority—Miscellaneous Commodities</i>.</p> <p>Appeals filed to the initial decision in ICC Docket No. 28611, <i>Southern Pacific Railroad Discontinuance of Passenger Operations Between San Francisco and San Jose, CA</i>.</p> <p>Motion to Compel Access to Data filed in ICC Docket No. F.D. 28905 (Sub-No. 1F), <i>CSX Corp.,—Control—Chessie System Inc., and Seaboard Coast Line Industries</i>.</p>

TABLE 18.—Office of Rail Public Counsel Cumulative List of Filings, Fiscal Year 1979—Continued

	Appeal of the initial decision filed in ICC Docket No. F.D. 28499 (Sub-No. 1) and F.D. 28676 (Sub-No. 1) involving competing applications for acquisition of control of the Detroit, Toledo, and Ironton Railroad Company.
September 1979:	Brief filed in ICC Docket No. 37146, <i>Transit on Wheat Between Reshipping Point and Destination</i> . Reply filed to complainants' administrative appeal of the initial decision in ICC Docket No. 36989, <i>Adams Packing Association, et. al. v. the Consolidated Rail Corporation et. al.</i> Comments filed in ICC Docket Ex Parte No. 327 (Sub-No. 1), <i>Capital Incentive Rate Regulations</i> .

APPENDIX C

PUBLICATIONS

Financial and Traffic
Statistics

Annual

Transport Statistics in the United States.

Detailed data on traffic operations, equipment, finances, and employment for carriers subject to the Interstate Commerce Act. Available by releases:

- Part 1. Railroads
- Part 2. Motor Carriers
- Part 3. Freight Forwarders
- Part 4. Private Car Lines
- Part 5. Carriers by Water

Selected Statistics of Class II Motor Carriers of Property.

Selected Statistics of Class III Motor Carriers of Property.

A-300—Wage Statistics of Class I Railroads in the United States—Calendar Year. Number of employees, service hours and compensation by occupation: Professional, clerical, and general; maintenance of way and structures; maintenance of equipment and stores; etc.

Quarterly

Large Class I Motor Carriers of Passengers Selected Earnings Data. Operating revenues, net income, revenue passengers carried, operating ratio and rate of return.

Large Class I Household Goods Carriers Selected Earnings Data. Operating revenues, net income, revenue tons hauled, operating ratio and rate of return.

Large Class I Motor Carriers of Property Selected Earnings Data. Operating revenues, net income, revenue tons hauled, operating ratio and rate of return.

Class I Line-Haul Railroads Selected Earnings Data. Railway operating revenues, net railway operating income, ordinary income, net income and rate of return.

Monthly

M-350—Report of Railroad Employment, Class I Line-Haul Railroads. Number of employees at middle of month, group totals.

CONSUMER PUBLICATIONS

Bi-Weekly Review

The Bi-Weekly Review is published twice monthly. It is a comprehensive review of significant ICC actions of particular interest to the consumer. Copies can be obtained on a regular basis by writing the Office of Communications, ICC, Washington, D.C. 20423.

Summary of Information For Shippers of Household Goods

This booklet explains consumer rights when moving household goods across state lines. A "moving kit" has been compiled by the ICC which includes this publication and a public advisory on lost or damaged household goods. Summary information from performance reports filed with ICC by the 20 largest moving companies and a summary of consumer complaints received by the Commission about those companies is also included in the "kit."

Public Advisories

- #1 *Owner Operator*—Rights, Responsibilities and Remedies
- #2 *Small Shipments*—Shipper Rights, Remedies, and Alternatives
- #3 *Filing Your Tariff*
- #4 *Lost or Damaged Household Goods*
- #5 *Filing Your Contract and Schedule*
- #6 *Entering the Trucking Business*
- #7 *Buying Transportation*
- #9 *Railroad Abandonment*

APPENDIX D

Appropriations and Employment

The following statement shows average employment and total appropriations for the Fiscal Year 1950 to 1980 for activities included under the current appropriation title "Salaries and Expenses."

Year	Appropriation	Average employment	Year	Appropriation	Average employment
1950	\$11,416,700	2,161.0	1966	27,540,000	2,375.8
1951	11,408,200	2,072.3	1967	27,169,000	2,1928.9
1952	11,264,035	1,889.5	1968	23,846,000	1,899.0
1953	11,003,500	1,849.4	1969	24,664,000	1,808.1
1954	11,284,000	1,837.9	1970	27,742,660	1,801.9
1955	11,679,655	1,859.1	1971	28,442,000	1,730.7
1956	12,896,000	1,902.2	1972	30,640,000	1,676.2
1957	14,879,696	2,090.1	1973	33,720,000	1,765.4
1958	17,412,375	2,237.8	1974	40,681,000	1,873.7
1959	18,747,800	2,268.1	1975	44,970,000	1,985.6
1960	19,650,000	2,343.6	1976	52,455,000	2,049.0
1961	21,451,500	2,386.1	TQ	12,290,000	2,135.7
1962	22,075,000	2,399.7	1977	60,786,000	2,116.6
1963	23,502,800	2,412.8	1978	65,575,000	2,146.0
1964	24,670,000	2,407.8	1979	70,400,000	2,128.0
1965	26,715,000	2,339.1	1980	76,699,000	2,116.0

¹Excludes \$1,310,000 transferred to the Department of Transportation (Public Law 89-670) approved Oct. 15, 1966, and determination order of the Director of Office of Management and Budget which authorized transfer of funds as of Apr. 1, 1967.

²Excludes average employment for those functions transferred to the Department of Transportation effective April 1, 1967.

SALARIES AND EXPENSES

An Act (Public Law 95-335 approved August 4, 1978), making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1979, and for other purposes including the following:

Salaries and expenses: For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, \$70,400,000 of which \$1,850,000 shall be available for necessary expenses of the Office of Rail Public Counsel.

Provided, that Joint Board members and cooperating State Commissioners may use Government transportation requests when traveling in connection with their duties as such.

SUPPLEMENTAL APPROPRIATION

An Act (Public Law 96-38 approved July 25, 1978) making supplemental appropriations of \$2,475,000 for salaries and expenses.

Status of Fiscal Year 1979 salaries and expenses account as of September 30, 1979.

Total appropriation \$72,875,000

Total obligations 72,380,835

Unobligated balance lapsing \$ 494,165

RECEIPTS

Status of receipt accounts as of September 30, 1979:

Registration and filing fees \$ 8,857,000

Fines, penalties and
forfeitures 913,000

Service charges for allot-
ments of pay for
savings account 2,000

Charges for administrative
services 31,000

Recoveries from railroad
loan guarantees 12,170,000

Miscellaneous recoveries
and refunds 14,000

Total Receipts \$21,987,000

APPENDIX E

Carrier Financial and Statistical Data

TABLE 1.—Carriers reporting to the Commission

	Number
Carriers subject to Uniform Systems of Accounts and required to file annual and periodic reports as of September 30, 1979:	
Railroads, class I ¹	42
Railroads, class II ²	18
Railroad switching and terminal companies, class I	1
Railroad switching and terminal companies, class II	19
Railroad lessor companies	89
Motor carriers, class I passenger ³	61
Motor carriers, class I property ³	992
Motor carriers, class II property ⁴	2,754
Coal slurry pipeline ⁵	1
Water carriers	80
Maritime carriers	6
Electric railways	6
Freight forwarders	151
Protective service companies	7
Stockyard companies	20
Rate bureaus and organizations, class I	45
TOTAL	4,292
Carriers and organizations filing annual reports but not subject to prescribed Uniform Systems of Accounts as of September 30, 1979:	
Railroads, class III	264
Railroad switching and terminal companies, class III	129
Carlines (companies which furnish cars for use on lines of railroads)	159
Classes II and III motor carriers of passengers	1,129
Class III motor carriers of property	13,337
Water carriers (less than \$100,000 gross revenue)	99
Freight forwarders (less than \$100,000 gross revenues)	33
Holding companies (motor)	74
Holding companies (rail)	6
Holding companies (water)	2
Rate bureaus and organizations (less than \$100,000 gross revenue)	54
TOTAL	15,286
GRAND TOTAL	19,578

¹Railroad companies having annual operating revenues of \$50,000,000 or more.²Railroad companies having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000.³Motor carriers having annual operating revenues in excess of \$3,000,000.⁴Motor carriers having annual operating revenues less than \$3,000,000 but in excess of \$500,000.⁵The one coal slurry pipeline company under the jurisdiction of the Commission was relieved from filing annual and quarterly reports on October 11, 1979.

TABLE 2.—Recapitulation of preliminary 1978 operating revenues, net investment and taxes

(Dollars in thousands)

Kind of carriers	Number of carriers represented ¹	Operating revenues	Net investment ²	Taxes	
				Income taxes on ordinary income ³	All other taxes
Railroads—class I line haul	40	\$21,721,332	\$29,394,643	\$241,530	\$1,900,212
Motor carriers of property—class I intercity	885	26,787,764	5,978,837	471,923	628,004
Motor carriers of passengers—class I intercity	43	1,021,044	431,827	16,044	67,088
Water carriers by inland and coastal waterways—class A and class B ..	67	777,022	626,963	18,628	14,207
TOTAL	1,035	50,307,162	36,432,270	748,125	2,609,511
Percentage distributions					
Railroads—class I line haul	3.9	43.2	80.7	32.3	72.8
Motor carriers of property—class I intercity	85.5	53.3	16.4	63.1	24.1
Motor carriers of passengers—class I intercity	4.1	2.0	1.2	2.1	2.6
Water carriers by inland and coastal waterways—class A and class B ..	6.5	1.5	1.7	2.5	.5
TOTAL	100.0	100.0	100.0	100.0	100.0

¹ Carriers for which preliminary financial and statistical data were available.² Net investment in carrier transportation or operating property equipment plus working capital as of Dec. 31, 1978.³ Federal income taxes and provision for deferred taxes only for railroads; all other carriers include Federal and State income taxes, and provision for deferred taxes.

TABLE 3.—Class I line-haul railroads and their lessor subsidiaries shareholders' equity, long term debt, and dividends
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Shareholder' equity:			
a. Capital stock	\$4,603,036	\$4,739,884	\$4,324,266
b. Capital surplus	4,160,805	5,241,529	4,273,524
c. Retained income	6,975,578	6,492,187	8,019,759
d. Total equity	15,739,419	16,473,600	16,617,549
2. Long-term debt	11,159,946	12,292,342	12,025,457
3. Total equity and debt	26,899,365	28,765,942	28,643,006
4. Ratio of debt to equity (percent)	41.49	42.73	41.98
5. Amount of dividends: ²			
a. Cash	\$453,688	\$590,660	\$512,791
b. Stock	1,012		

¹Preliminary.

²Includes figures for lessors and operating railroads without

excluding duplications on account of intercorporate payments.

TABLE 4.—Class I line-haul railroads, condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Number of carriers represented	65	58	40
CONDENSED INCOME STATEMENT			
2. Operating revenues:			
a. Freight	\$17,384,316	\$18,892,437	\$20,236,065
b. Passenger	591,884	608,991	355,592
c. Total operating revenues	18,836,706	20,429,929	21,721,332
3. Total operating expenses	15,573,154	17,132,826	21,043,143
4. Railway tax accruals	1,991,171 ²	2,152,854 ²	2,141,742
5. Rent income and rents payable—Net	-1,250,954	-1,315,014	—
6. Net railway operating income	21,427	-170,765	427,524
7. Ordinary income	-111,616	-227,139	306,786
8. Extraordinary items—Net ³	59,369	13,151	-55,739
9. Net income	-52,247	-213,988	251,047
NET INVESTMENT AND EQUITY			
10. Net investment in transportation property and equipment plus working capital	27,815,534	29,455,848	29,394,643
11. Shareholders' equity	15,183,658	15,920,876	16,182,792
FINANCIAL RATIOS (PERCENT)			
12. Operating ratio (L. 3 ÷ L. 2c)	82.67	83.86	96.88
13. Return on net investment (L.6 ÷ L. 10) .....	.08		1.45
14. Return on equity:			
a. Ordinary income basis (L. 7 ÷ L. 11)			1.90
b. Net income basis (L.9 ÷ L.11)			1.55
EMPLOYEE DATA			
15. Average number	496,491	501,390	471,519
16. Compensation:			
a. Total	\$8,493,532	\$9,223,771	\$9,565,804
b. Per hour paid for	\$7.083	\$7.635	\$8.316

¹Preliminary. Effective Jan. 1, 1978, the Uniform Systems of Accounts was revised with the following effects:

- Revenue qualifications of a class I railroad was increased from annual operating revenues of \$10,000,000 or more to \$50,000,000 or more.
- Line item 4 only includes current and deferred income taxes. Payroll taxes, property taxes, and all other taxes are included in line item 3.
- Rent income and rents payable under the 1978 reporting requirements are netted and included in line item 3.
- Operating ratio for 1978 is not comparable with prior years because of the revisions to the Uniform System of

Accounts. If 1977 and 1976 amounts were restated, the operating ratios would be approximately 96.75 and 96.02 percent, respectively.

²Includes payroll taxes, provision for deferred taxes, and all other taxes, except income taxes on extraordinary items. Income taxes on ordinary income included for 1976 and 1977 are \$162,956,000 and \$60,161,000, respectively.

³Includes income taxes on extraordinary items and discontinued operations and accounting changes.

NOTE: Data for 1978 excludes National Railroad Passenger Corp. which had total operating revenues of \$321,187,000 and net income of -\$22,967,000.

TABLE 5.—Class I line-haul railroads current assets and current liabilities as of Dec. 31, 1977 and 1978
(Dollars in thousands)

Item	1977 ¹ amount	Percent of change	1978 ² amount	Percent of change
Total current assets	\$6,082,305	+12.9	\$6,873,502	+13.0
Cash and temporary investments	1,566,223	+2.6	1,566,594	.0
Materials and supplies	1,289,297	+14.0	1,260,389	-2.3
Total current liabilities	4,709,937	+9.4	6,270,817 ³	+33.1
Net working capital:				
Including materials and supplies	1,372,368	+26.8	602,685	-56.1
Excluding materials and supplies	83,071		-657,704	—
Ratios:				
Current assets to current liabilities:				
Including materials and supplies	1.29		1.10	
Excluding materials and supplies	1.02		.90	
Cash and temporary cash investments to current liabilities .....	.33		.25	

¹Revised.

²Preliminary.

³Includes equipment obligations and other long-term debt due within one year for 1978.

TABLE 6.—Refrigerator carlines owned or controlled by railroads condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Number of companies represented	6	6	7
CONDENSED INCOME STATEMENT			
2. Operating revenues	\$168,379	\$169,903	\$164,704
3. Operating expenses	115,267	121,445	122,311
4. Income taxes	-60	1,083	3,567
5. Carline operating revenue	8,330	3,702	-337
6. Ordinary income	-2,020	-2,083	-3,670
7. Extraordinary items—net ²	-10,684		-55
8. Net income	-12,704	-2,083	-3,725
NET INVESTMENT AND EQUITY			
9. Net investment in cars and protective service property plus working capital	337,729	305,231	292,521
10. Shareholders' equity	158,598	153,503	155,477
FINANCIAL RATIOS (PERCENT)			
11. Operation (L. 3 ÷ L. 2)	68.46	71.48	74.26
12. Return on net investment (L. 5 ÷ L. 4 ÷ L. 9)	2.45	1.57	1.10
13. Return on equity (L. 8 ÷ L. 10)			—
EMPLOYEE DATA			
14. Average number	2,963	2,900	2,960
15. Compensation	\$49,161	\$47,024	\$50,143

¹Preliminary.

²Includes income taxes on extraordinary items and discontinued operations and accounting changes.

TABLE 7.—Nonrailroad controlled private car-owners,¹ revenues and selected statistics
(Dollars in thousands)

<i>Item</i>	<i>1976</i>	<i>1977</i>	<i>1978</i>
1. Revenue	\$1,028,567	\$1,019,470	\$1,077,200
2. Miles made by owned cars	6,976,264	7,466,908	7,343,593
3. Cars owned at close of year:			
a. Refrigerator	10,309	9,511	9,365
b. Petroleum tank	114,672	115,695	120,640
c. Other tank	42,728	43,842	39,676
d. Other cars	192,216	196,270	159,095
e. Total	359,925	365,318	328,776

¹ Confined to owners of 10 or more cars. Does not include railroad owned or controlled carlines.

TABLE 8.—Class I intercity motor carriers of property condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976 ¹	1977	1978 ¹
1. Number of carriers represented	852	835	885
CONDENSED INCOME STATEMENT			
2. Operating Revenues:			
a. Freight-intercity-common carrier	\$16,048,057	\$19,623,109	\$23,954,392
b. Freight-intercity-contract carrier	79,460	638,094	875,551
c. Freight-local cartage	832,215	815,614	292,906
d. Intercity transportation for other motor carriers	146,198	154,578	248,735
e. Other operating revenue	1,254,408	1,288,469	1,416,180
f. Total operating revenues	18,360,338	22,519,864	26,787,764
3. Operating expenses	17,235,805	21,337,081	25,427,579
4. Lease of distinct operating unit—net	-10,663	-1,512	6,354
5. Net carrier operating income	1,113,870	1,181,271	1,366,539
6. Other income and miscellaneous deductions from income—net	-3,014	-84,955	-123,857
7. Income taxes on ordinary income ²	331,650	443,974	471,923
8. Ordinary income	779,206	652,342	770,759
9. Extraordinary items—net ³	197	34,079	59,822
10. Net income	779,403	686,421	830,581
NET INVESTMENT AND EQUITY			
11. Net investment in carrier operating property and equipment, plus working capital	4,324,065	4,892,951	5,978,837
12. Shareholders' and proprietors' equity	3,293,265	4,192,173	4,825,822
FINANCIAL RATIOS (PERCENT)			
13. Operating ratio (L. 3 ÷ L. 2f)	93.88	94.75	94.92
14. Return on net investment (L. 5 ÷ L. 11)	25.76	24.14	22.86
15. Return on equity (L. 10 ÷ L. 12)	23.67	16.37	17.21
EMPLOYEE DATA			
16. Average number	444,955	473,073	559,347
17. Compensation	\$7,564,246	\$9,359,652	\$11,016,458

¹Preliminary.

²Does not include taxes applicable to sole proprietorships, partnerships, and corporations that have elected to be taxed under sec. 1372(a) of the Internal Revenue Code, also does

not include income taxes on extraordinary items. Includes provision for deferred taxes.

³Includes income taxes on extraordinary items and discontinued operations and accounting changes.

TABLE 9.—Class I intercity motor carriers of passengers condensed income statement, financial ratios, and employee data
(Dollars and miles in thousands)

Item	1976	1977	1978 ¹
1. Number of carriers represented	78	43	43
CONDENSED INCOME STATEMENT			
2. Operating Revenues:			
a. Passenger intercity schedules	\$633,492	\$645,183	\$663,424
b. Local and suburban schedules	11,873	9,411	7,864
c. Charter or special service	159,774	137,362	153,170
d. Other operating revenues	169,727	177,475	196,586
e. Total operating revenues	974,866	969,431	1,021,044
3. Operating expenses	937,172	924,494	983,133
4. Lease of carrier property—net	-228	89	40
5. Net carrier operating income	37,466	45,026	37,951
6. Other income and income deductions—net	11,616	13,373	19,294
7. Income taxes on ordinary income ²	17,289	17,495	16,044
8. Ordinary income	31,793	40,904	41,201
9. Extraordinary items—net ³	519	69	0
10. Net income	32,312	40,973	41,201
NET INVESTMENT AND EQUITY			
11. Net investment in carrier operating property and equipment, plus working capital	412,147	417,352	431,827
12. Shareholders' and proprietors' equity	358,749	478,872	499,462
FINANCIAL RATIOS (PERCENT)			
13. Operating ratio (L. 3 ÷ L. 2e)	96.13	95.36	96.29
14. Return on net investment (L. 5 ÷ L. 11)	9.09	10.79	8.79
15. Return on equity (L. 10 ÷ L. 12)	9.01	8.56	8.25
EMPLOYEE DATA			
16. Average number	31,970	29,443	28,574
17. Compensation	\$445,535	\$447,246	\$463,769

¹ Preliminary.

² Does not include income taxes applicable to sole proprietorships, partnerships, and corporations that have elected to be taxed under sec. 1372(a) of the Internal Revenue Code, also

does not include income taxes on extraordinary items. Includes provision for deferred taxes.

³ Includes income taxes on extraordinary items and discontinued operations and accounting changes.

TABLE 10.—Classes A and B water carriers by inland and coastal waterways, condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Number of carriers represented	76	68	67
CONDENSED INCOME STATEMENT			
2. Waterline operating revenues:			
a. Line service—freight	\$683,489	\$589,389	\$651,048
b. Line service—passenger	16,062	16,719	18,262
c. Line service—other	23,167	28,617	35,091
d. Other operating revenue	3,911	3,723	4,610
e. Revenue from terminal operations	13,694	19,700	22,300
f. Rent and motor carrier revenue	36,715	36,160	45,711
g. Total waterline operating revenues	777,038	694,308	777,022
3. Waterline operating expenses	660,097	641,200	710,460
4. Net revenue from waterline operations	116,941	53,108	66,562
5. Income taxes on ordinary income ²	15,411	9,572	18,628
6. Ordinary income	78,072	26,862	38,571
7. Extraordinary items—net ³	668	104	158
8. Net income	78,740	26,966	38,729
9. Net investment in transportation property plus working capital	554,941	613,876	626,963
10. Shareholders' equity	458,214	481,479	449,310
FINANCIAL RATIOS (PERCENT)			
11. Operating ratio (L. 3 ÷ L. 2g)	84.95	92.35	91.43
12. Return on net investment (L. 4 ÷ L. 9)	21.07	8.65	10.62
13. Return on equity (L. 8 ÷ L. 10)	17.18	5.61	8.62
EMPLOYEE DATA			
14. Average number	7,284	7,235	7,686
15. Compensation	\$106,378	\$102,722	\$126,497

¹Preliminary.

²Does not include income taxes on extraordinary items.
Includes provision for deferred taxes.

³Includes income taxes on extraordinary items and discontinued operations and accounting changes.

TABLE 11.—Maritime carriers condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Number of carriers represented	5	4	3
CONDENSED INCOME STATEMENT			
2. Waterline operating revenues:			
a. Coastal and intercoastal service	\$226,000	\$176,812	\$156,454
b. Charter revenue	83,579	92,691	47,432
c. Total vessel operating revenues	1,474,766	1,538,731	1,773,414
d. Total waterline operating revenues	1,583,281	1,642,744	1,889,158
3. Total waterline operating expenses	1,435,956	1,497,394	1,706,193
4. Gross profit from shipping operations	147,325	145,350	182,965
5. Income taxes on ordinary income ²	27,981	27,721	35,154
6. Ordinary income	83,093	61,991	91,564
7. Extraordinary items—net ³	4,781	.....	2,325
8. Net income	87,874	61,991	93,889
9. Net investment in transportation property and equipment plus working capital	648,683	1,221,039	1,251,160
10. Shareholders' equity	605,329	582,015	516,928
FINANCIAL RATIOS (PERCENT)			
11. Operating ratio (L. 3 ÷ L. 2d)	90.69	91.15	90.31
12. Return on net investment (L. 4 ÷ L. 9)	22.71	11.90	14.62
13. Return on equity (L. 8 ÷ L. 10)	14.52	10.65	18.16
EMPLOYEE DATA			
14. Average number	8,648	7,492	8,127
15. Compensation	\$179,178	\$159,359	\$173,544

¹Preliminary.

²Does not include income taxes on extraordinary items.
Includes provision for deferred taxes.

³Includes income taxes on extraordinary items and discontinued operations and accounting changes.

TABLE 12.—Class A freight forwarders condensed income statement, financial ratios, and employee data
(Dollars in thousands)

Item	1976	1977	1978 ¹
1. Number of forwarders represented	129	132	122
CONDENSED INCOME STATEMENT			
2. Operating revenues:			
a. Transportation revenues	\$1,363,531	\$1,894,014	\$1,855,816
b. Transportation purchased (debit):			
1. Railroad	227,616	261,633	253,812
2. Motor	146,966	166,971	193,885
3. Water	94,010	99,417	88,009
4. Pickup, delivery, and transfer	271,346	324,509	303,467
5. Other	215,067	450,014	435,249
6. Total transportation purchased	955,005	1,302,544	1,274,422
c. Operating revenues	430,783	615,199	602,795
3. Operating expenses	377,752	536,229	507,931
4. Net revenue from forwarder operations	53,031	78,970	94,864
5. Income taxes on ordinary income ²	16,902	36,197	40,714
6. Ordinary income	32,466	36,060	50,198
7. Extraordinary items—net ³	-277	1,940	-1,030
8. Net income	32,189	38,000	49,168
NET INVESTMENT AND EQUITY			
9. Net investment in transportation property plus working capital	76,846	108,959	114,370
10. Shareholders' equity	89,877	153,031	169,490
FINANCIAL RATIOS (PERCENT)			
11. Operating ratio (L. 3 ÷ L. 2c)	87.69	87.16	84.26
12. Return on net investment (L. 4 ÷ L. 9)	69.01	72.48	82.94
13. Return on equity (L. 8 ÷ L. 10)	35.81	24.83	29.01
EMPLOYEE DATA			
14. Average number	10,837	14,053	12,513
15. Compensation	\$147,588	\$227,903	\$219,637

¹Preliminary.

²Does not include income taxes on extraordinary items. Includes provision for deferred taxes.

³Includes income taxes on extraordinary items and discontinued operations and accounting changes.

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