

THE BALTIMORE AND OHIO RAILROAD COMPANY.
Mail & Express Trf. DEPARTMENT.

TRANSPORTATION OF MAILS BY RAILROADS

History

Office of- Manager Mail & Express Traffic,
Baltimore, Md., August 22, 1924.

TRANSPORTATION OF UNITED STATES MAIL ON RAILROADS

The railroads, in dealing with this phase of transportation, have no direct contact with the public, their relations being confined to negotiations with the Post Office Department, largely through the Railway Mail Service who are in direct charge of the handling of mails on railroads. The railroads, however, perform for the public a service that could not be dispensed with. In fact, it is of such value as to represent the most important part of the whole postal structure. Any disruption of the railroad service, to an appreciable extent, is readily reflected in the mail service and causes, in some degree, confusion and inconvenience in the social and commercial activities of the people directly affected.

Railroads have no direct dealings with Public.

Mails were first carried by the Baltimore and Ohio Railroad in the year 1834. At that time there was no contract or arrangement entered into between the railroad companies and the Post Office Department, but the mails were carried by contractors in stage coaches and there was an understanding between such contractors and the Department authorizing the former to carry mails in railroad cars, such arrangement being effected between the contractors and the Baltimore and Ohio in November 1834, when mails were carried on that line between Baltimore and Frederick, Md. Similar service by stage coaches was performed between Baltimore and Washington and through a like arrangement the Post Master General permitted the contractor to carry mails on the Baltimore and Ohio Railroad on September 16th, 1835. The first contract, however, between the Post Office Department and the Baltimore and Ohio Railroad was effected on January 1st, 1838, providing for the carrying of mails between Baltimore and Washington, the contract running for a period of two years.

Historical.

B.&O. first carried mail between Baltimore and Frederick Nov. 1834.

First contract with B.&O.

The basis of compensation to railroad companies for carrying mails was effected through an act of Congress, July 7th, 1838, which provided that the pay to railroads should not be more than 25% in excess of that paid for similar service in stage coaches. On January 5th, 1839, the pay was limited to \$300.00 per mile per annum.

Act of Congress July 1838, authorizing pay to railroads.

The use of railroads for transporting mails was not increased appreciably for a number of years, the greatest improvement taking place when the Railway Post Office car was put into use. The first car of that kind was operated on the Chicago and North Western Railroad, between Chicago, Ill., and Clinton, Ia., August 28th, 1864. There are now about 1,414 railroad mail routes in the country or the total mileage of 231,981 miles on which are operated an aggregate of about 5,096 RPO cars, requiring an organization of officials and clerks approximating between 20,000 and 21,000.

First RPO car.

Under the act of March 3rd, 1873, Congress fixed a schedule of rates of pay to railroads for transporting mails and the operation of railway post office cars, the latter being paid for independent of the mails carried. Compensation for the carrying of mails was on basis of weight, which was determined by weighing of 30-days, not less frequently than once in every four years, as provided by law. It was later changed in 1905 to extend over a period of 90 days. The schedule followed the wholesale and retail principle, that is, the lower the average daily weight a relatively higher rate applied; conversely, as the weight increased there was a very appreciable reduction in the relative rate.

Act of March 3d, 1873, fixing schedule of rates.

Weight basis.

Full RPO cars were paid for separately at various rates per mile, according to size of car operated. Congress ordered reductions in the rates paid for both weight of mails carried and the operation of railway post office cars from time to time.

Separate pay for RPO cars.

There were numerous investigations into the question of mail pay to railroads by various committees of Congress, but no change in the principle was ever made until that following the report and recommendation of the Bourne Committee in 1914.

Various investigations.

Under the act of Congress, approved August 24th, 1912, a joint committee of the Senate and House was appointed to inquire into the subject of postage on second class mail matter and transportation of mails, ex-Senator Jonathan Bourne, of Oregon, being Chairman of the Committee. This Committee continued its investigation for about fifteen months during which time many representatives of railroads and the Post Office Department furnished a large amount of testimony and statistics. As a result of that investigation, the Bourne Committee, in its report to Congress, recommended an increase in compensation be granted the railroads to the extent of about \$3,000,000.00 per annum and recommended at the same time the method of compensating railroads, on basis of weight carried and separately for RPO cars, be discontinued and substitute therefor a plan by which the roads would be paid on the basis of space furnished and used regardless of the weight of mails carried. The railroads at that time did not favor the space plan because it was not felt it would be a safe gauge by which the service rendered could be measured and while they preferred the weight basis they advocated before appropriate Committees of Congress that the whole matter be referred to the Interstate Commerce Commission for adjustment. This suggestion was based on the Commission being a duly organized body for the purpose of determining rates for transportation and better qualified than Congress to treat the subject as it should be

Bourne Committee.

Space basis recommended.

The act of Congress, approved July 28th, 1916, gave the Interstate Commerce Commission jurisdiction over the subject of rail - way mail pay and ordered at the same time the establishment of the space basis, which was put into effect on November 1st, 1916. The act also empowered and directed the Commission, as soon as practicable, to fix and determine, from time to time, fair and reasonable rates and compensation for the transportation of mail matter by railroad common carriers and the service connected therewith, prescribing the method or methods by weight or space or both or otherwise for ascertaining such rate of compensation and to publish the same, such orders so made and published to continue in force until changed by the Commission after due notice and hearing.

I.C.C. given jurisdiction over railway mail pay by Act of July 28th, 1916.

This resulted in a very exhaustive investigation being conducted by the Commission commencing in April 1917 and extended over a period of several years, and required a great amount of labor and ~~and~~ expense on the part of both the railroads and Post Office Department in the preparation of statistics and presenting testimony. The result was the Commission concluded the space basis was fair and equitable to both parties and provided rates greatly in excess of those that had been put into effect on November 1st, 1916, under the act of July 28th, 1916.

1917 - Study and investigation.

The report of the Commission was concluded on December 23rd, 1919, and made the change effective on March 1st, 1920. Since the act of Congress provided that whatever conclusion the Commission reached would apply from the date of the establishment of the space basis on November 1st, 1916, the Commission necessarily made effective the new rates from that date, such rates applying to the service performed up until December 31st, 1917, but on account of the great increase in the cost of operation from that date the rates from January 1st, 1918 were increased 25% over those decided upon by the Commission from November 1st, 1916. The final result, as of January 1st, 1918, was the carriers received an increase of about 60%.

Space basis continued

The space basis rates provided are so much per mile of service rendered; that is, for the operation of a 60-ft storage car, the rate is 35¢ per mile, regardless of weight of mail carried, and the round trip movement must be authorized by the Post Office Department unless by agreement the railroad company waives claim for pay for the return empty movement.

Method of compensation under space basis.

Rates provided for all classes of service are:

| | |
|---------------------|------------------|
| 60-ft R.P.O. car | 33.750¢ per mile |
| 30-ft apartment car | 12.750¢ " " |
| 15-ft " " | 12.500¢ " " |
| 70-ft storage car | 40 5/6¢ " " |
| 60-ft " " | 35.000¢ " " |
| 30-ft Storage space | 12.750¢ " " |
| 15-ft " " | 10.000¢ " " |
| 7-ft " " | 5.625¢ " " |

| | |
|--------------------------|-----------------|
| 3-ft storage space | 3.125¢ per mile |
| 15-ft closed pouch space | 12.500¢ " " |
| 7-ft " " " | 6.250¢ " " |
| 3-ft " " " | 3.750¢ " " |

Minimum pay on routes over any part of which mail is transported not less than six days a week, \$62.50 per mile per annum.

Separately operated railroads not exceeding 100 miles in length and not less than 50 miles in length, and those less than 50 miles in length receive 20 and 50 per cent, respectively, additional to the above rates.

Separately
operated
railroads.

Railroad companies whose railroads were constructed in whole or part by a land grant made by Congress on the condition that the mails should be transported over their roads at such price as Congress should by law direct, receive only 80 percent of the rates shown above.

Rates paid
Land Grant
railroads.

Under a decision by the Interstate Commerce Commission, effective December 13th, 1923, the lines of railroads in the New England territory were given an increase of about 35% over those shown above.

Rates paid
New England
railroads.

The administration of the space basis invites many complications as the Post Office Department, under the law, is permitted to pay for service only over such part of the road as the service might be needed and on such days as it might be required. While no complaint can be made about the Department paying for only what it needs, the complications resulting therefrom present many problems and require a considerable amount of bookkeeping in order to determine the amount of service actually rendered and for which the railroad company should receive compensation. As an illustration, for all mail carried in baggage cars, where units of 3-ft, 7-ft and 15-ft are authorized, all sacks must be counted by train baggageman and a report made of the number of pieces received at the initial point and the number received and dispatched at each intermediate and final point on each trip. This means for the Baltimore and Ohio approximately 300 reports must be checked by the Mail Department each day in order to determine whether the Post Office Department is carrying a greater amount of mails than authorized, that is, the average number of sacks that can be accommodated in 3-ft linear space is 56, so that when a unit of that size is authorized and there are a greater number of sacks carried, it is necessary that a claim be filed with the Post Office Department for the excess amount and the distance over which it is carried, these claims being sent in daily and supplemented with a summary at the end of the month.

Administra-
tion of
space basis.

Settlements by the Post Office Department are made with railroads in some cases, monthly, and in others, quarterly. It is necessary to file a statement showing all regular service performed during the quarter and the amount due therefor. Instead,

Settlements
by the Post
Office De-
partment .

however, of holding up compensation to the end of the quarter, the Post Office Department pays the railroads at the end of each month about 95% of the total amount due for the month and at the end of the quarter adjust all moneys unpaid during the first two months of the quarter. This is done to avoid withholding so long moneys earned and the full amount not being paid each month is to withhold sufficient to cover any deductions that might be justifiable. Where the full amounts are settled for each month, it is necessary that the railroad file a complete statement at the end of the month instead of the quarter. This, however, is optional with the railroad companies.

Emergency service, which is service not regularly authorized, is settled for each month and not quarterly.

All reports filed with the Post Office Department are first compiled in the Mail Department, indicating all service performed on each train during the month or quarter and these are filled out by the Accounting Department to show the amounts actually due.

The Second Assistant Postmaster General has jurisdiction over all matters of transportation of mails by transportation lines, Division of Railway Mail Service, Division of Foreign Mails, Division of Railroad Adjustment, Division of Rural Mail Service and Division of Air Mail Service. While the performance of all service is covered by laws enacted by Congress, regulations are promulgated by the Postmaster General which have the force of law.

Jurisdiction of Second Assistant Postmaster General.

Negotiations for the performance of service by railroads are generally carried on with the Division of Railway Mail Service which division has jurisdiction over the routing of mails, establishing of service on railroads, organization of RPO car service, etc. Under the law the Postmaster General has authority to decide upon what trains and in what manner the mail shall be conveyed and every railroad carrying the mail shall carry it on any train it operated and with due speed, all mailable matter equipment and supplies directed to be carried thereon. A refusal on the part of a railroad company to so transport the mail results in a penalty of such reasonable amount as may in the discretion of the Postmaster General be deemed proper. It is unlawful, however, for any railroad to refuse to perform mail service at the rates or method provided by law when so required by the Postmaster General and for such offense the penalty is \$1,000.00, each day of refusal constituting a separate offense.

Negotiations with Railway Mail Service.

Obligation of railroads to perform service.

Railroad companies are required to provide railway post office cars of such construction, size and character and furnished in such manner as shall be required by the Postmaster General and shall be constructed, fitted up, maintained, heated, lighted and cleaned by them at the expense of the railroad company. As provided by law, no pay will be allowed for service by any railway post office car which is not sound in material and construction and which is not equipped with sanitary

Construction of mail cars.

drinking water containers and toilet facilities, nor unless such car is regularly and thoroughly cleaned. Full RPO cars must be of steel or steel underframe or equally indestructable material. Wooden full railway post office or mail apartment cars are not permitted to be operated between or adjoining, steel or steel underframe cars or between such cars and the engine. Wooden mail cars operated in heavy trains must be constructed substantially in accordance with the Department's plans for wooden cars and in no case shall the mail car be of less strength than the majority of other cars in the train. If 50% or more of the other cars in the train are of steel or steel underframe construction, the mail apartment car shall be of like construction. Apartment cars without steel end reinforcements may be operated on branch line trains (not exceeding four cars of about the same strength) on slow schedule (not exceeding an average of 21 miles per hour) so long as they are kept on these branch lines. If these light trains are operated partly on branch lines and partly on main lines, or wholly on main lines, the cars shall be reinforced at least on ends by the application of four track rails, per plans prepared by the Railway Mail Service.

The use of railway post office cars contributes very largely to the expedition of mail transportation. They are equipped with separating boxes and pouch and sack racks to permit of clerks distributing mail en route and are better known as "post offices on wheels." In the distribution of mail, in these cars, postal clerks are enabled to make up mail matter for other lines, cities and towns and city carrier routes.

Use of
RPO cars.

Terminal Railway Post Offices have been established at large centers in which certain classes of mail is distributed. These terminals are largely used for distributing parcel post, ordinary paper and circular mail which not only relieves railway post office cars from distributing large quantities of mail matter but on account of the bulky character of parcel post it is impracticable to distribute that class of mail in RPO cars to the same advantage as it can be done in the terminal RPO where special separating racks are installed for the handling of large parcels. These terminal railway post offices make up direct sacks for cities and RPO lines and effect, at the same time, a considerable economy in the use of RPO cars.

Terminal
Railway
Post Of-
fices.

Railroad companies are required to carry mail between stations and post offices where the distance between each does not exceed 80-rods, unless the Post Office Department performs such service by its own employees or contractors. The Interstate Commerce Commission, in its decision of December 23rd, 1919, provided that commencing with March 1st, 1920, compensation would be paid railroads for performing that service, other than where the station and post office are contiguous, on the basis of cost plus 3%. This service is rendered in many cases by station employees of the railroad company, while, in other instances, the railroad company employs outsiders under contract. Prior to March 1st, 1920,

Carrying
mail be-
tween
stations
and post-
offices.

railroads received no specific compensation for performing this character of service at intermediate stations.

Fines are imposed by the Post Office Department against railroad companies for all irregularities in the mail service, the Postmaster General having discretionary power to impose such amounts as the circumstances might warrant, consideration being given to the character and the volume of mail involved. These irregularities generally consist of;

Imposition
of fines.

- (a) Failure to take the mail, or any part of it from a post office, or to deliver it thereto, or to deliver it immediately upon arrival.
- (b) Suffering the mail, or any part of it, to become wet, lost, injured, or destroyed, or conveying or keeping it in a place or manner that exposes it to depredation, loss, or injury.
- (c) Refusing, after demand, to transport mail by any coach, car, boat, or other conveyance which the contractor runs, or is concerned in running on the route.
- (d) Leaving or putting aside the mail, or any part of it, for the accommodation of passengers, baggage, express, freight or other matter.
- (e) Habitual failures to observe schedule.
- (f) Leaving mail which arrives at the station before the departure of the train or car for which it is intended.
- (g) Failure to use the first practical means of forwarding mail which is delayed en route.
- (h) Failure to furnish suitable apartments when required in which to distribute the mail.
- (i) Failure to sound proper signal when approaching mail crane.
- (j) Failure to furnish proper accommodations for the handling, storage, and, if necessary, the distribution of mails in depots.
- (k) Failure to place mail cars for advance distribution at time specified by the Railway Mail Service.

Irregular-
ities for
which
penalties
are imposed.