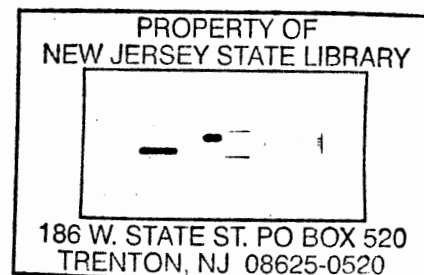


DETERMINATION MADE PURSUANT TO CHAPTER 301, L. 1966
OF FINANCIAL RESULTS TO RAILROADS
FROM PROVIDING PASSENGER SERVICE AND
RECOMMENDATIONS TO OFFSET LOSSES SHOWN

FISCAL YEAR 1970-71



GENERAL REVIEW

The continuance and improvement of essential public transportation has been a primary goal of the State of New Jersey for over 10 years. The passenger service contract program with the State's railroads which began in 1960 marked the end of the cycle of higher fares, decreasing volume and fewer trains which had characterized the post World War II era. The 50's had seen the demise of one-fourth of all the passenger trains in New Jersey; the decade of the 60's which has just ended witnessed stabilization of service, a slowing of the decline in ridership and finally a decided upsurge in the use of rail service.

The State's rail program was commenced on a modest basis and for a number of years was directed toward merely the preservation of essential service. However, from its inception, the payment of cash subsidies to railroads for passenger service was termed a "stop-gap" solution and capital improvements were emphasized as being a key factor in enabling the suburban rail system in New Jersey to fulfill its vital role in the State's transportation network. Expansion of the State's program to include such improvements began on a modest scale with the Aldene Plan designed to coordinate Jersey Central rail and PATH rapid transit operations into an efficient transportation system. Next came the

initial order for new equipment--35 modern commuter cars to be placed in service on the Penn Central.

But it was not until the publication in 1968 by the Department of Transportation of "A Master Plan for Transportation" that at least an intermediate range rail program for New Jersey came into focus. Encouraged by the evidence at the polls that the general public in other areas such as San Francisco, Boston and New York State had a growing awareness that public funds should be committed to the provision of adequate public transportation, the Department's Master Plan recommended a \$325 million program to rehabilitate and modernize the State's rail system with \$200 million of this amount to be secured from the proceeds of a bond issue. Following analysis by a group of the State's leading citizens, the Legislature and the Governor, the Department's recommendation was submitted to the electorate. The overwhelming affirmative vote was proof that the need for public transportation had been recognized and that the voters were willing to support with their taxes a program for its improvement.

An initial authorization by the Legislature for the expenditure for public transportation of \$27 million from bond funds was utilized during the past year largely for equipment. A second authorization of \$97,200,000 has been approved by the Legislature and will cover a wide variety of projects described more fully

in the sections of this determination covering each railroad.

One of the major policy decisions regarding public transportation to be made during the coming fiscal year will involve the full utilization of the capacity of the Penn Central station in New York. A study conducted jointly by the railroad and the Department is not yet complete but preliminary findings are that several additional trains can be accommodated in the terminal during the peak hour and that at other times of the day capacity exists for as much service as can be justified by usage. The choice will have to be made as to which of the New Jersey rail lines should be accommodated since the indicated unused capacity is insufficient to handle the number of trains required to bring into New York all passengers desiring to travel in the peak period. This key decision will greatly influence the programming of equipment, motive power and facility improvements and it is possible that several of the projects described in this determination will be eliminated or altered as a result.

Chapter 301, Laws of 1966, requires that the Commuter Operating Agency (a part of the State Department of Transportation) investigate and determine the financial results from the operation of suburban rail passenger service in New Jersey during the previous calendar year and determine what actions are required to offset all or part of any loss shown. Following are summaries

for each railroad which include these loss figures and an outline of the steps which are proposed to be taken in connection with each railroad within the limitation of the funds prospectively available for the rail program. Any contracts consummated in accordance with this determination will contain standards of satisfactory service so that every reasonable effort will be made to provide passengers with reliable performance and adequate seating.

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

The Central Railroad reported to the Interstate Commerce Commission that it had a deficit from passenger operations during 1969 of \$4,876,912 (excluding State contract payments). However, in accordance with past procedure, the Department's consultant made a study of the Central's avoidable loss for 1969, i.e., that amount by which the carrier would benefit if it did not perform passenger service for that year. This study has produced a tentative deficit of \$4,339,809. (Details are shown in Appendix 1.) An agreement with the Central will contain provision for payment during the 1971 fiscal year of this latter amount with any adjustments made as a result of a further review of the study by the railroad and the State. Applicable service and fares are shown in Appendices 1-A and 1-B.

In 1966, the last full year of operation before inauguration of Aldene Plan service, the Central's avoidable loss from passenger service was computed at \$5,764,000. The decrease in the need for State subsidy has been in the magnitude of \$1,500,000 annually which means that 1970 will mark the full amortization of the \$6,000,000 State investment in the Aldene Plan.

The Central is now in bankruptcy under the management of a Trustee. However, the Norfolk & Western and Chesapeake & Ohio Railways have stipulated that should the Interstate Commerce Commission approve their merger application, the Central will be included in the combined system. The State supports this merger with the proviso that the merged carrier provide a degree of financial participation in essential passenger services.

The 1969-70 fiscal year contract with the Central contained a provision for reimbursing the railroad for certain expenditures required for the provision of passenger service but which, under Interstate Commerce Commission accounting rules, could not be included in the computation of avoidable operating expenses because technically they represented some improvement to railroad property. An example was the replacement of a coal stove at a passenger station with an oil burner. Unquestionably these expenses were incurred by the railroad solely because of providing passenger service and that these improvements benefited commuters. It is proposed that the 1970-71 fiscal year

contract contain a similar provision for reimbursing the railroad for certain expenditures, the payment to be \$14,369. During the past year an agreement was executed by the State and the railroad setting up procedures for State review and approval of the work covered by this amount, as well as providing for recovery by the State of any value should the items involved be scrapped or sold in the future. It is proposed that the new service contract authorize the railroad to utilize these procedures again during the coming year with a limitation that authority will not be granted to projects exceeding \$90,000 total cost.

Consistent with the practice followed for the last several years, it is again proposed as part of the new contract to repay the railroad for payments made in accordance with labor protective agreements to employees because of the adverse effect which they suffered as a result of the Aldene Plan. The amount to be included in the 1971 contract is \$58,775.

During 1969 and early 1970 steps were taken to improve service to the public and increase the efficiency of passenger operations. 13 new locomotives were leased at State cost and their use during 1969 is reflected in a drop in locomotive repair costs of about \$160,000 compared with 1968, notwithstanding increased labor rates and material prices. In addition, the reliability of the service rose sharply with the operation of these units and many commendations were received from the public.

A program of State lease-purchase and rehabilitation of passenger cars was continued during the past year. 48 air conditioned cars have been acquired under this arrangement with most of them now in regular service. Under an agreement calling for State acquisition and renovation of 63 CNJ passenger coaches, about 40 have now been completed and are in service.

During the coming year it is proposed to continue the policy of purchasing equipment for the Central, if and when suitable cars in good condition can be found. Likewise, rehabilitation of present cars will be progressed.

The suggestion has been made that the CNJ main line to Raritan be converted to a rapid transit service to be operated by the Port of New York Authority as part of its PATH system. This proposal has several advantages. Slightly more than half of CNJ passengers are destined to downtown Manhattan and a PATH service would give them a through ride to their destination. As compared with a modernized railroad operation, a rapid transit line would make possible savings in equipment costs and probably in operating expenses. On the other hand, the necessarily small size of PATH cars sharply limits the ability of any single train to provide a seated ride for large volumes of passengers. Institutional problems between labor unions, public agencies and carrier managements also appear formidable. It is proposed to submit this matter to the newly organized Inter-Agency Task Force (composed of Port

Authority, New Jersey DOT and Metropolitan Transportation Authority representatives) for resolution. Their recommendation and a subsequent implementation thereof will determine the action which will be taken on such projects as double tracking connections at Aldene and South Newark, improved station facilities and expanded parking areas.

Passenger service is operated on the New York & Long Branch Railroad by both the Central Railroad of New Jersey and the Penn Central Company. The State has submitted an application to the Federal Department of Transportation for a mass transportation grant to make capital improvements to the entire line. Electrification, acquisition of modern commuter equipment, construction of several new stations and parking lots, improvement of existing stations, track and signals, and elimination of some highway grade crossings are all part of this program. The State's share of the cost of this project will be approximately \$26 million. Completion of this project should result in added usage of Central trains and a reduction in operating costs which will assist in decreasing the loss now being incurred by the Central.

Service and fares to be covered by the 1970-71 fiscal year contract are listed in Appendices 1-A and 1-B.

ERIE LACKAWANNA RAILWAY

Using the specific procedures set forth in the long term agreement between the State and the Erie Lackawanna, the State's consultant has determined that had the railroad not operated New Jersey suburban passenger service during 1969, it would have had a financial benefit of \$4,860,000, which under the aforesaid agreement shall be the payment by the State to the railroad for the basic contracted service to be rendered during the 1969-70 fiscal year. Details of this computation are shown in Appendix 2.

The preceding section concerning the Central Railroad described certain expenditures for passenger service not included in the avoidable loss computation. It is proposed to establish procedures for future handling of these items with the Erie Lackawanna identical to those agreed upon with the Central.

Appendix 2-A lists service covered by the agreement. Several trains were added in 1969 on an experimental basis and their usage proved sufficient to be added permanently to the basic contracted service. Efforts will continue to provide added service without undue loss and payment will be made for such experiments in accordance with the agreement.

Tariffs containing fares applicable to the contracted service are listed in Appendix 2-B. •

During 1969 the State acquired 26 passenger coaches from the Santa Fe Railway which were then rehabilitated and placed in service on the Erie Lackawanna. In addition to being exceptionally reliable in performance and therefore reducing maintenance costs, these renovated air conditioned cars have already attracted added passengers and revenue.

In the coming year 105 new coaches and 23 Diesel locomotives now on order by the State will be delivered to the Erie Lackawanna. The addition of this equipment to the railroad's fleet will permit scrapping of many obsolete, high maintenance cost cars and locomotives. The cutting of expenses and increasing of revenue as a result of providing modern equipment should prove valuable in improving the financial results of the Erie Lackawanna service.

A report on a major study involving the Erie Lackawanna by a leading engineering consulting firm is expected within the next few days. The assignment given the consultant was to determine (a) the best type of electrification to replace or renew the existing system on the Erie Lackawanna electrified lines and (b) the feasibility and cost of extending electrification to those portions of the railroad not presently electrified. The results of this study, together with the Penn Station capacity study previously mentioned, will be extremely valuable in arriving at the correct decisions with regard to future Erie

Lackawanna service. For example, in addition to the electrification system itself, the type of equipment to be operated, the quantity of service (and equipment) required and the design of stations and parking lots all hinge on these two important studies.

Other projects planned for the coming fiscal year to boost ridership and improve the economic viability of Erie Lackawanna passenger service include a track connection in Montclair between the electrified Montclair Branch and the non-electrified Greenwood Lake-Boonton line. A new station with ample parking is to be built in Montclair in coordination with the urban renewal program of the Town of Montclair and the Federal Government. Extension of electrification beyond Montclair will be made feasible by this connection, although a final determination of this matter will be dependent upon the overall study referred to previously. Also involved in this study is a projected increase in the train capacity of the Gladstone Branch through added power supply, terminal expansion and track and signal changes. Expansion of parking and improvement of stations is definitely programmed for Mountain View, Lincoln Park and Towaco, with consideration being given to similar work at a number of other stations. The Penn Station capacity study findings will have a decisive bearing on two other projects planned for the

Erie Lackawanna, i.e., a track connection between the Morris & Essex Division and the Penn Central east of Harrison to permit direct operation of Erie Lackawanna trains to and from New York City and a station at Secaucus to allow transfer of passengers between Main Line/Bergen County Line trains and Penn Central trains for easy access to the Penn Central stations in Manhattan and Newark.

PENN CENTRAL TRANSPORTATION COMPANY

Because of the complexities of the Penn Central organizational structure and accounting procedures, a precise determination of its New Jersey suburban service financial results during 1969 has been impossible. Nevertheless, with the railroad's cooperation, estimates have been made and are shown in Appendix 3. None of the estimated operating loss of \$9,185,000 has been reimbursed by the State nor is it intended that any such payments will be made during the 1970-71 fiscal year.

Nevertheless, the State has taken action to reduce the passenger service deficit of the Penn Central by the provision of 35 new electrically powered self-propelled cars, delivery of which was completed in 1969. Receipt of these cars enabled the railroad to retire a large number of the outmoded multiple unit cars and thereby make substantial maintenance savings. The State is committed to the purchase of 45 more cars of this type for lease to

the Penn Central, the railroad in turn being obligated to provide the service shown in Appendix 3-A at the fares contained in tariffs listed in Appendix 3-B until 1977. The Federal Department of Transportation has stated it will participate in the cost of these cars and an order should be placed later this year.

It is intended to implement the Penn Station study report outlined earlier by entering into the necessary agreements to accomplish the entry of more trains from New Jersey into this terminal. If negotiations are successful, a project which could be undertaken during the 1970-71 fiscal year would be the alterations to signals, tracks and station facilities required to handle the additional trains and people. The added revenue to the Penn Central from the greater use of its facilities will be a major step in reducing the railroad's operating losses.

The Federal Department of Transportation and the Penn Central are now engaged in an experiment to determine public acceptance of high speed rail travel between New York-Philadelphia-Washington. Largely through State efforts, improvements were made at the Trenton station to enable these high speed trains known as Metroliners to stop there without undue delay and New Jersey residents are now enjoying this new service.

The State has joined with the Federal Government in an agreement

to construct a new station in New Jersey along the Penn Central main line to be served by Metroliners. The site selected at the intersection of the railroad and the Garden State Parkway is also suitable as a major commuter park-and-ride facility. Contracts for construction have been let and it is hoped to have the facility in service by early 1971.

Design is now being completed for new Penn Central passenger station facilities in Trenton. Construction on this major improvement is expected to get underway in the fall of this year. Other stations which could be improved during the coming fiscal year include Princeton Junction, Edison and Rahway. Discussions with community and railroad officials have already begun with a view to designing improvements which will be in harmony with local planning and still serve the needs of the traveling public.

The Penn Central operates trains between Bay Head Junction and South Amboy over the tracks of the New York & Long Branch Railroad which it owns jointly with the Central Railroad Company of New Jersey. The improvement program proposed for the NY&LB as outlined in the summary for the Central will be of particular benefit to Penn Central passengers because of the elimination of the engine change now required for their trains which, together with the high speed characteristics of the new equipment, will produce substantial travel time savings. There will also be considerable operating cost reductions because of two locomotives and crews no longer being required for each train.

In conjunction with the Town of Metuchen, an application has been made for a Federal mass transportation grant to construct a new station in that community. The Town has already increased the parking area available for users of such a station and, if the grant is approved, will make additional street improvements to facilitate use of the new station.

PENNSYLVANIA-READING SEASHORE LINES

During 1969 the railroad and the State entered into an agreement covering a three year period which removed the threat of the railroad petitioning the Interstate Commerce Commission for complete discontinuance of service. Under this agreement the P-RSL operations were drastically revised to reduce the substantial losses being incurred in providing passenger service. In addition, as part of this agreement, the State undertook a commitment to rehabilitate the rail diesel cars used by the P-RSL.

At the end of 1969 there was little opportunity to judge the financial results of these actions. Rehabilitation had just begun on one car (it was finished in May 1970) and it had become clear that the work was going to be more expensive than previously estimated.

The revised service had cut expenses but the ridership had also diminished. The seven all-year round trips were carrying only about 250 persons in one direction.

The program of rehabilitating equipment will be continued and its progress accelerated so that hopefully the balance of the cars will be delivered in the 1970-71 fiscal year. The cost for the remaining 9 cars will be about \$650,000.

The expectation is that renovated equipment, coupled with a promotional campaign, will be able to attract substantially more people to the service. The Department is now consulting with the railroad, the Port Authority Transportation Company, interested commuters and municipal officials in an effort to determine the most productive method of utilizing promotional funds.


The railroad has reported to the Interstate Commerce Commission a deficit from passenger operations for the year 1969 of \$1,333,900 (excluding State contract payments). Individual accounts of revenue and expense included in the computation of this figure are listed in Appendix 4. Beginning with 1970 the Department intends to conduct studies to determine the avoidable loss on the P-RSL as is done with other railroads.

Under the existing agreement, the P-RSL will be reimbursed \$250,000 for providing the service shown in Appendix 4-A (or as it may be amended by decisions on discontinuance cases now pending or by the provisions of the agreement itself) at fares listed in the tariffs shown in Appendix 4-B. The subject of joint fares between the P-RSL and PATCO will continue to be pursued in an effort to promote the use of the railroad as a feeder to the transit line's station at Lindenwold.

READING COMPANY

After eight years of subsidy payments by the State, the Reading Company passenger service in New Jersey was operated on a self-sustaining basis during 1969 for the second consecutive year. The Aldene Plan sponsored by the State was undoubtedly an important factor in accomplishing this result.

The State's consultant determined that the Reading would have actually incurred a loss of \$9,880 had it not operated New Jersey passenger service in 1969. Details of this computation are shown in Appendix 5. The State and the railroad have agreed that in view of this situation the service will be continued without any need for a contract.



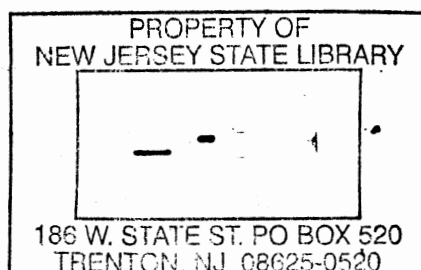
John C. Kohl
Chairman
Commuter Operating Agency

6-15-70

AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
Year 1969

<u>Account</u>	<u>Title</u>	<u>Year 1969</u>
RAILWAY OPERATING REVENUES		
102	Passenger	\$4,022,913
108	Other Passenger-Train	595
131	Dining and Buffet	11,401
133	Station, Train, and Boat Privileges	41,428
142	Rents of Buildings and Other Property	1,495
151	Joint Facility - CR	<u>10,366</u>
	Total Railway Operating Revenues	<u>\$4,088,198</u>
OPERATING EXPENSES		
<u>Maintenance of Way and Structures</u> /		
201-265	Labor	\$ 307,597
	Material	162,915
	Other	37,850
269	Roadway Machines	7,152
271	Small Tools and Supplies	4,202
272	Removing Snow, Ice and Sand	4,373
274	Injuries to Persons	34,160
275	Insurance	19,219
276	Stationery and Printing	260
277	Employees Health and Welfare Benefits	14,584

<u>Account</u>	<u>Title</u>	<u>Year 1969</u>
	Maintenance of Way and Structures (cont.)	
282	Other Expenses	\$ 871
278	Joint Facilities - DR	362,234
279	Joint Facilities - CR	(6,559)
	Interest on Salvage	<u>245,215</u>
	Total Maintenance of Way and Structure	<u>\$1,207,191</u>
	<u>Maintenance of Equipment</u>	
301	Superintendence	\$ 35,596
302	Shop Machinery	859
311	Other Locomotives; Repairs	281,750
317	Passenger-Train Cars; Repairs	701,917
332	Injuries to Persons	32,824
333	Insurance	28,372
334	Stationery and Printing	1,012
335	Employees Health and Welfare Benefits	26,779
339	Other Expenses	--
336	Joint Maintenance of Equipment Expenses - DR	16
	Alternative Use of Motive Power and Interest on Salvage	62,618
	Stores Expense	35,967
	Shop Expense	<u>52,950</u>
	Total Maintenance of Equipment	<u>\$1,260,660</u>



Account	Title	Year 1969
	<u>Traffic</u>	
351	Superintendence	\$ 35,677
353	Advertising	1,836
354	Traffic Associations	(31)
358	Stationery and Printing	2,513
359	Employees Health and Welfare Benefits	1,321
	Total Traffic	<u>\$ 41,316</u>
	<u>Transportation</u>	
371	Superintendence	\$ 110,976
372	Dispatching Trains	46,366
373	Station Employees	257,020
376	Station Supplies and Expenses	55,267
379	Yard Switch and Signal Tenders	15,696
392	Train Enginemen	644,658
394	Train Fuel	378,544
397	Water for Train Locomotives	2,856
398	Lubricants for Train Locomotives	9,088
399	Other Supplies for Train Locomotives	6,458
400	Enginehouse Expenses; Yard and Train	185,549
401	Trainmen	1,121,165
402	Train Supplies and Expenses	407,881
404,407	Signal, Interlocker, and Communication System Operation	275,897
409	Employees Health and Welfare Benefits	116,144
410	Stationery and Printing	14,547

APPENDIX 1
Sheet 4 and 5

Account	Title	Year 1969
<u>Transportation (cont.)</u>		
411	Other Expenses	\$ (9,739)
414	Insurance	122,764
416	Damage to Property	708
420	Injuries to Persons	110,258
390	Operating Joint Yards and Terminals - DR	155,005
412	Operating Joint Tracks and Facilities - DR	594,011
412	Operating Joint Tracks and Facilities - CR	(11,845)
	Total Transportation	<u>\$4,652,442</u>
<u>Miscellaneous</u>		
441	Dining and Buffet Service	\$ 9,691
449	Employee Health and Welfare Benefits	482
	Total Miscellaneous	<u>\$ 10,173</u>
<u>General</u>		
451	Salaries and Expenses of General Officers	--
452	Salaries of Clerks and Attendants	\$ 58,729
453	General Office Supplies and Expenses	8,491
454	Law Expenses	8,250
455	Insurance	1,798
456	Employees Health and Welfare Benefits	2,903
458	Stationery and Printing	4,496
460	Other Expenses	9,093
461	Joint Facilities - DR	12,419
	Interst on Material and Inventory savings	16,320
	Total General	<u>\$ 122,499</u>
	Total Railway Operating Expenses	<u>\$7,294,281</u>

APPENDIX 1

Sheet 5 of 5

<u>Account</u>	<u>Title</u>	<u>Year 1969</u>
	<u>Rent Income</u>	
508	Joint Facility Rent Income	\$ (2,603)
510	Miscellaneous Rent Income	<u>5,390</u>
	Total Rent Income	<u>\$ 2,787</u>
	 <u>Rents Payable</u>	
537	Rent for Locomotives	\$ 25,056
538	Rent for Passenger-Train Cars	32,801
540	Rent for work equipment	19,378
541	Joint Facility Rents	<u>\$ 437,605</u>
	Total Rents Payable	<u>\$ 514,840</u>
	Net Rents	<u>\$ 512,053</u>
	 <u>Taxes</u>	
532	Payroll Taxes	\$ 475,957
532	Total Taxes	<u>\$ 475,957</u>
	Total Expenses, Rents and Taxes	<u>\$ 8,282,291</u>
	DEFICIT	<u>\$(4,194,093)</u>
	Other Expenses Not Included Above	<u>121,365</u>
	Total Deficit	<u>(\$ 4,315,458)</u>

APPENDIX 1-A

CENTRAL RAILROAD COMPANY OF NEW JERSEY

FISCAL YEAR 1970-1971

The following public timetables effective May 17, 1970,
contain schedules of service to be covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
LB-2	Schedules of Seashore trains
103	Schedules of Main Line suburban trains

APPENDIX 1-B

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

1970-1971 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. No. 135 and Supplement 1	Commutation fares between New York & Long Branch Railroad stations.
P.U.C. - N.J. No. 2279	Commutation fares and passenger mileages between CRRNJ stations in New Jersey; and between CRRNJ stations and NY&LB Railroad stations.
I.C.C. No. 7185	Commutation fares between New York and CRRNJ stations.
P.U.C. - N.J. No. 138	One-way fares and basis for constructing round-trip fares between NY&LB Railroad stations.
P.U.C. - N.J. No. 2280 and Supplement 1	Commutation fares between Jersey City and CRRNJ stations.
P.U.C. - N.J. No. 2284 and Supplement 1	Commutation fares between Kearny and CRRNJ stations.
P.U.C. - N.J. No. 2277	One-way fares and basis for constructing round-trip fares between CRRNJ stations on the Central Division and between stations on the NY&LB Railroad.
I.C.C. No. 7183	One-way fares and basis for constructing round-trip fares between New York and CRRNJ and NY&LB Railroad station.
I.C.C. No. 7184 P.U.C. - N.J. No. 2278	One-day round trip coach fares between New York and Newark on the one hand and NY&LB Railroad and CRRNJ stations on the other hand.

AVOIDABLE REVENUES AND EXPENSES OF THE
ERIE LACKAWANNA RAILWAY COMPANY OCCASIONED BY NEW JERSEY
SUBURBAN PASSENGER OPERATIONS, CALENDAR YEAR 1969

<u>Item</u>	<u>Calendar Year 1969</u> <u>Amount</u>	
<u>REVENUES</u>		
<u>Operating Revenues</u>		
Passenger	\$10,414,000	
Other Passenger-Train	12,000	
Dining and Buffet	367,000	
Station, Train, and Boat Privileges	164,000	
Rents of Buildings and Other	28,000	
Miscellaneous	1,000	
	<u> </u>	
Total Operating Revenues	\$10,986,000	
<u>Income Accounts</u>		
Rent from Passenger-Train Cars	\$ 23,000	
Miscellaneous Rent Income	22,000	
	<u> </u>	
Total Income Accounts	\$ 45,000	
Total Revenues	<u><u>\$11,031,000</u></u>	
<u>EXPENSES</u>		
<u>Roadway Maintenance</u>		
Tracks	\$ 1,140,000	
Signals & Communication	741,000	
Electrical	274,000	
Bridges, Buildings & Structures	224,000	
Superintendence	227,000	
	<u> </u>	\$ 2,606,000
<u>Roadway Operations</u>		
Signals & Communications	\$ 569,000	
Electrical	747,000	
Bridges, Buildings & Structures	1,128,000	
	<u> </u>	2,444,000
<u>Equipment Maintenance</u>		
Locomotives	\$ 1,665,000	
Cars	2,478,000	
Power Plants	20,000	
Stores	57,000	
Superintendence	23,000	
	<u> </u>	4,243,000

APPENDIX 2
Sheet 2 of 2

<u>Equipment Operation</u>		
Power Plants		\$ 239,000
<u>Traffic</u>		
Superintendence	\$ 48,000	
Advertising	14,000	62,000
<u>Train and Yard</u>		
Train Operation	\$ 3,791,000	
Yard Operation	437,000	
Superintendence	68,000	4,396,000
<u>Bar Car Operation</u>		298,000
<u>Salaries and Pensions</u>		512,000
<u>Miscellaneous</u>		
Shopcraft Back Pay	\$ 137,000	
Sales and Franchise Tax	37,000	
Extraordinary Maintenance	7,000	
Other	413,000	604,000
Total Maintenance and Operating Expenses		\$15,404,000
Return on Salvage		333,000
Property Taxes		115,000
Insurance		30,000
Total Expense Accounts		<u>\$15,882,000</u>
Net Deficit		(\$ 4,851,000)

APPENDIX 2-A

ERIE LACKAWANNA RAILWAY
FISCAL YEAR 1970-71

The following public timetables effective April 28, 1970
contain schedules of service to be covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
7	Schedules for New York Division and Bergen County Line
8	Schedules for Greenwood Lake-Boonton Line
10	Schedules for New Jersey & New York Railroad
10A	Schedules for Morris & Essex Division, Montclair Branch and Gladstone Branch

ERIE-LACKAWANNA RAILWAY COMPANY

FISCAL YEAR 1970-1971

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
P. U. C. - N.J. No. 12 and Supplement 3	Commutation fares between stations in New Jersey and Hoboken.
P. U. C. - N.J. No. 13 and Supplement 2	Commutation fares between Newark and stations in New Jersey and between other stations in New Jersey.
P. U. C. - N.J. No. 10	10-trip fares between Hoboken and Newark and stations in New Jersey.
P. U. C. - N.J. No. 1 and Supplement 1	One-way fares between New Jersey stations.
P. U. C. - N.J. No. 9 and Supplement 1	Round-trip 30-day coach fares between New Jersey stations.
P. U. C. - N.J. No. 8	Round-trip 4-day fares between Hoboken and Newark and Blairstown, New Jersey.
P. U. C. - N.J. No. PE-4 and Supplement 1	Round-trip 1-day fares between New Jersey stations and Hoboken and Newark.
P. U. C. - No. 35	Commutation fares between New Jersey and New York Railroad stations in New Jersey.
I.C.C. No. 19 and Supplement 1 P.U.C. - N.J. No. 33 and Supplement 1	One-way fares and basis for round-trip fares between New Jersey and New York Railroad stations.
P. U. C. - N.J. No. 30 and Supplement 1	Round-trip 30-day fares between New Jersey and New York stations in New Jersey.

PENN CENTRAL COMPANY
ESTIMATED FINANCIAL RESULTS FROM
SURBURBAN PASSENGER OPERATIONS
IN NEW JERSEY
YEAR 1969

EstimateINCOME

Railway Operating Revenues	\$ 10,155,000
Rent Income	<u>410,000</u>
Total Passenger Income	\$ 10,565,000

EXPENSES

Maintenance of Way & Structures	\$ 2,740,000
Maintenance of Equipment	5,680,000
Transportation	8,740,000
Traffic	240,000
Miscellaneous	150,000
General	<u>970,000</u>
Railway Operating Expenses	\$ 18,520,000
Rents Payable	410,000
Railway tax accruals	<u>820,000</u>
Total Passenger Expenses	\$ 19,750,000
NET RAILWAY PASSENGER OPERATING DEFICIT	\$ 9,185,000

PENN CENTRAL
FISCAL YEAR 1970-71

The following public timetables effective May 17, 1970,
contain schedules of service covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
3	Schedules of trains between Philadelphia and Southern New Jersey
12	Schedules of trains between New York, Newark and Trenton
LB-2	Schedules of trains between New York, South Amboy and Bay Head Jct.
72	Schedules of trains between New York, Rahway and Jersey Avenue

PENN CENTRAL

1970-1971 FISCAL YEAR

The following tariffs are to be covered by contracts:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. A-29051 and Supplement 8 P.U.C.-N.J. No. A-1699 and Supplement 9	Commutation fares between New York and stations in New Jersey on the one hand and N.Y.&L.B. Railroad stations and PC stations in New Jersey and Pennsylvania on the other hand.
I.C.C. No. A-27124 and Supplements 3, 7 and 10 P.U.C.-N.J. No. A-1645 and Supplements 3 and 9	One-way fares and basis for constructing round-trip fares between PC and N.Y.&L.B. Railroad stations.
I.C.C. No. A-27119 and Supplements 1, 2 and 3 P.U.C.-N.J. No. A-1643 and Supplements 1, 2 and 3	One-way fares and basis for constructing round-trip fares between New York, Princeton and Trenton and New Jersey Coast stations.
I.C.C. No. 72 and Supplements 4 and 8 P.U.C.-N.J. No. 4 and Supplements 4 and 7	One-way fares and basis for constructing round-trip fares between stations intermediate to and including New York and Trenton.
I.C.C. No. A-27133 and Supplements 4 and 11 P.U.C.-N.J. No. A-1646 and Supplements 4 and 11	One-way fares between New Jersey stations of PC and other Railroads.
I.C.C. No. A-29056 and Supplement 5 P.U.C.-N.J. No. A-1701 and Supplement 5	One-day coach excursion fares between New York-Newark and PC and N.Y.&L.B. stations.
I.C.C. No. A-27492 and Supplements 4, 5, 6 and 7 P.U.C.-N.J. No. A-1657 and Supplements 2, 3 and 4	Optional routes and rules governing use and diversion of tickets.
I.C.C. No. 88 P.U.C.-N.J. No. 8	Metroliner special service charges.

FINANCIAL RESULTS FROM
SUBURBAN PASSENGER OPERATIONS
IN NEW JERSEY

Appendix 4
Page 1 of 6

Pennsylvania Reading Seashore Lines
(Railroad)

INTERSTATE COMMERCE COMMISSION
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>Year 1969</u>
REVENUES		
102	Passenger	\$ 140,331
103	Baggage	879
106	Mail	--
107	Express	--
108	Other passenger train	--
109	Milk	--
110	Switching	--
113	Water transfers	--
131	Dining and buffet	--
133	Station, train and boat privileges	1,051
138	Communication	--
142	Rents of buildings and other property	11,326
143	Miscellaneous	--
151	Joint facility - credit	--
152	Joint facility - debit	--
	Total Railway Operating Revenues	\$ 153,587
RENT INCOME		
504	Rent from locomotives	\$ 7,168
505	Rent from passenger cars	22,973
507	Rent from work equipment	--
508	Joint facility rent income	2,318
	Total rent income	\$ 32,459
	TOTAL PASSENGER INCOME	\$ 186,046

EXPENSES-MAINTENANCE OF WAY AND STRUCTURES

		<u>Year 1969</u>
201	Superintendence	\$ 12,882
202	Roadway maintenance	4,930
206	Tunnels and subways	--
208	Bridges, trestles and culverts	7,601
210	Elevated structures	--
212	Ties	482
214	Rails	739
216	Other track material	2,266
218	Ballast	955
220	Track laying and surfacing	23,881
221	Fences, snowsheds and signs	1,095
227	Station and office buildings	12,472
229	Roadway buildings	519
231	Water stations	--
233	Fuel stations	--
235	Shops and engine houses	1,673
241	Wharves and docks	--
247	Communication systems	11,378
249	Signals and interlockers	20,780
253	Power plants	--
257	Power transmission systems	2,804
265	Miscellaneous structures	--
266	Road property - depreciation	28,302
267	Retirements - road	(2,183)
269	Roadway machines	7,336
270	Dismantling retired road property	11,032
271	Small tools and supplies	4,612
272	Removing snow, ice and sand	450
273	Public improvements - maintenance	1,510
274	Injuries to persons	1,996

<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		cont.	<u>Year</u> 1969
275	Insurance		2,063
276	Stationery and printing		115
277	Employees health and welfare benefits		5,515
278	Joint tracks, yards and facilities - Debit		1,420
279	Joint tracks, yards and facilities - Credit		(329)
282	Other expenses		--
TOTAL MAINTENANCE OF WAY AND STRUCTURES		\$	166,286
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$	14,515
302	Shop machinery		885
304	Power plant machinery		--
305	Shop and power plant machinery - Dep.		119
311	Repairs Diesels		27,917
317	Passenger train cars - Repairs		274,072
323	Floating equipment - Repairs		--
326	Work equipment - Repairs		262
328	Miscellaneous equipment - Repairs		10,122
329	Dismantling retired equipment		--
331	Equipment - depreciation		66,822
332	Injuries to persons		2,819
333	Insurance		3,860
334	Stationery and printing		345
335	Employees health and welfare benefits		5,492
336	Joint Maintenance of equipment expenses - Debit		3,494
337	Joint Maintenance of equipment expenses - Credit		(1,196)
339	Other expenses		42
TOTAL MAINTENANCE OF EQUIPMENT		\$	409,570

EXPENSES-TRANSPORTATION

		<u>Year</u>	<u>1969</u>
371	Superintendence	\$	24,849
372	Dispatching trains		57,966
373	Station employees		34,399
376	Station supplies and expenses		19,833
377	Yardmasters and yard clerks		8,831
378	Yard conductors and brakemen		(91)
379	Yard switch and signal tenders		83
380	Yard enginemen		90
382	Yard switching fuel		--
383	Yard switching power produced		--
384	Yard switching power purchased		--
385	Water for yard locomotives		--
386	Lubricants for yard locomotives		--
387	Other supplies for yard locomotives		--
388	Enginehouse expenses - yard		--
389	Yard supplies and expenses		131
390	Operating joint yards and terminal - Debit		5,855
391	Operating joint yards and terminal - Credit		(1,157)
392	Train enginemen		181,874
394	Train fuel		33,730
395	Train power produced		--
396	Train power purchased		--
397	Water for train locomotives		17
398	Lubricants for train locomotives		629
399	Other supplies for train locomotives		723
400	Enginehouse expenses - Train		6,500
401	Trainmen		197,460
402	Train supplies and expenses		38,165
404	Signal and interlocker operation		7,753
405	Crossing protection		8,642

<u>EXPENSES-TRANSPORTATION</u>		cont.	Year	1969
406	Drawbridge Operation		\$	13,228
407	Communication system operation			5,382
408	Operating floating equipment			--
409	Employees health and welfare benefits			18,690
410	Stationery and printing			4,479
411	Other expenses			--
412	Operating joint tracks and facilities - Debit			--
413	Operating joint tracks and facilities - Credit			--
414	Insurance			3,015
415	Cleaning wrecks			564
416	Damage to property			652
419	Loss and damage - Baggage			--
420	Injuries to persons			--
TOTAL TRANSPORTATION			\$	672,112
<u>EXPENSES-TRAFFIC</u>				
351	Superintendence		\$	12,749
352	Outside agencies			--
353	Advertising			2,016
354	Traffic associations			182
356	Industrial and immigration bureaus			--
357	Insurance			--
358	Stationery and printing			322
359	Employees health and welfare benefits			109
360	Other expenses			--
TOTAL TRAFFIC			\$	15,378
<u>EXPENSES-MISCELLANEOUS</u>				
441	Dining and buffet services			--
449	Employees health and welfare benefits			--
TOTAL MISCELLANEOUS				--

EXPENSES- GENERAL

451	Salaries and expenses of general officers	--
452	Salaries and expenses of clerks	\$ 36,317
453	General office supplies and expenses	2,805
454	Law expenses	8,631
455	Insurance	--
456	Employees health and welfare benefits	--
457	Pensions	2,355
458	Stationery and printing	357
460	Other expenses	4,534
461	General joint facilities - Debit	--
TOTAL GENERAL		\$ 54,999

TOTAL RAILWAY OPERATING EXPENSES		\$ 1,318,345
532	Railway tax accruals - Payroll	(
	Railway tax accruals - Property	(
		\$ 92,114

RENTS PAYABLE

537	Rent for locomotives	--
538	Rent for passenger train cars	\$ 63,043
540	Rent for work equipment	--
541	Joint facility rents	46,444
TOTAL RENTS PAYABLE		\$ 109,487

SUMMARY

TOTAL PASSENGER EXPENSES		\$ 1,519,946
TOTAL PASSENGER INCOME		186,046
NET RAILWAY PASSENGER OPERATING DEFICIT		\$ 1,333,900

PENNSYLVANIA READING SEASHORE LINES
CONTRACTED SERVICE

(except as may be changed by decisions on pending petitions)

FROM ATLANTIC CITY

	Monday-Friday					Saturday		Sun. & Holidays	
	<u>100</u>	<u>102</u>	<u>104</u>	<u>108**</u>	<u>122*</u>	<u>112</u>	<u>122*</u>	<u>112</u>	<u>122*</u>
	AM	AM	AM	AM	PM	AM	PM	AM	PM
Lv. Atl. City	6:00	6:57	7:20	8:20	7:30	8:30	7:30	8:30	7:30
" Absecon	6:10	7:07	7:30	8:30	7:40	8:40	7:40	8:40	7:40
" Egg Harbor	6:22	7:19	7:42	8:42	--	8:52	--	8:52	--
" Hammonton	6:34	7:31	7:54	8:54	--	9:04	--	9:04	--
Ar. Lindenwold	6:53	7:52	8:15	9:15	8:22	9:25	8:22	9:25	8:22

TO ATLANTIC CITY

	Monday-Friday					Saturday		Sun. & Holidays	
	<u>101*</u>	<u>127</u>	<u>129</u>	<u>131</u>	<u>135**</u>	<u>101*</u>	<u>125</u>	<u>101*</u>	<u>125</u>
	AM	PM	PM	PM	PM	AM	PM	AM	PM
Lv. Lindenwold	9:30	5:05	5:37	6:10	8:30	9:30	5:00	9:30	5:00
Ar. Hammonton	--	5:24	5:57	6:30	8:50	--	5:19	--	5:19
" Egg Harbor	--	5:36	6:09	6:42	9:02	--	5:31	--	5:31
" Absecon	10:10	5:48	6:22	6:55	9:15	10:10	5:43	10:10	5:43
" Atl. City	10:22	5:58	6:32	7:05	9:25	10:22	5:53	10:22	5:53

*Experimental service to be operated only from June 20 to September 7, 1970; provided, however, that if volume standard set forth in Section SECOND is met, service will operate each similar summer season for the term of this agreement.

**Experimental service to be operated only from the date of execution of this agreement to June 19, 1970; provided, however, that if volume standard set forth in Section SECOND is met, service will operate for the term of this agreement.

FROM OCEAN CITY, WILDWOOD AND CAPE MAY

	Monday-Friday			Saturday, Sun. & Holidays
	<u>350</u> AM	<u>352 (s)</u> AM	<u>260 (s)</u> PM	<u>360 (s)</u> PM
Lv. Cape May	5:52	6:48		7:10
" Rio Grande	6:02	6:58		7:20
" Wildwood	6:16	7:12		7:35
" Wildwood Jct.	6:24	7:20		7:43
" Cape May C.H.	6:30	7:26		7:49
" 10th St. O.C.	6:22	7:22	7:40	7:40
" 14th St. O.C.	F6:25	-	-	-
" 24th St. O.C.	F6:28	F7:28	7:45	7:45
" 34th St. O.C.	F6:30	F7:30	7:47	7:47
" 51st St. O.C.	6:34	7:34	7:51	7:51
" Palermo	F6:39	-	-	-
" Tuckahoe	6:48	7:44	-	8:06
Ar. Lindenwold	7:35	8:31	8:55	8:53

TO OCEAN CITY, WILDWOOD AND CAPE MAY

	Monday-Friday			Saturday, Sun. & Holidays
	<u>255 (s)</u> AM	<u>361 (s)</u> PM	<u>363</u> PM	<u>357 (s)</u> AM
Lv. Lindenwold	10:00	4:50	5:50	10:00
Ar. Tuckahoe	-	5:35	6:35	10:45
" Palermo	-	-	F6:47	-
" 51st St. O.C.	11:04	5:47	6:51	11:00
" 34th St. O.C.	11:08	5:51	F6:55	F11:04
" 24th St. O.C.	11:10	5:54	6:58	11:06
" 14th St. O.C.	-	-	F7:01	-
" 10th St. O.C.	11:15	5:59	7:04	11:11
" Cape May C.H.		5:55	6:55	11:05
" Wildwood Jct.		6:03	7:03	11:13
" Wildwood		6:11	7:11	11:21
" Rio Grande		6:25	7:25	11:35
" Cape May		6:35	7:35	11:45

(s) Summer season only as follows:

Summer 1970	-	Trains 352-361	will operate	June 15 to September 4, inclusive	
		Trains 255-260	"	June 22 to September 4,	"
		Trains 357-360	"	June 20 to September 7,	"
Summer 1971	-	Trains 352-361	"	June 14 to September 3,	"
		Trains 255-260	"	June 21 to September 3,	"
		Trains 357-360	"	June 19 to September 7,	"
Summer 1972	-	Trains 352-361	"	June 19 to September 1,	"
		Trains 255-260	"	June 26 to September 1,	"
		Trains 357-360	"	June 24 to September 4,	"

BETWEEN CAMDEN, GLASSBORO AND MILLVILLE

<u>Northward</u>		<u>Monday - Friday</u>	<u>Southward</u>	
<u>756</u> AM	<u>758</u> AM		<u>769</u> PM	<u>773</u> PM
7:24	8:27	Camden (12th St.)	4:30	5:40
7:18	F8:21	Yorkship	F4:35	5:46
7:14	E8:17	Brooklawn	F4:38	5:50
7:12	8:15	Westville	4:40	5:52
7:10	--	S. Westville	--	5:54
7:06	8:11	Woodbury	4:44	5:58
7:03	F8:08	Woodbury Hts.	F4:47	6:02
6:59	8:05	Wenonah	4:50	6:05
6:56	F8:02	Sewell	F4:53	6:08
6:51	7:58	Pitman	4:57	6:12
6:47	7:55	Glassboro	5:02	6:17
F6:40		Clayton		F6:23
F6:35		Franklinville		F6:27
6:27		Newfield		6:35
6:23		Vin eland		6:41
6:15		Millville		6:50

PENNSYLVANIA-READING SEASHORE LINES
FARES APPLICABLE TO CONTRACTED SERVICE

SEASHORE SERVICE

BETWEEN LINDENWOLD AND	ONE WAY	UNRESTRICTED MONTHLY	90-TRIP THREE MONTHS	UNRESTRICTED WEEKLY
Atlantic City	\$2.25	\$33.00	\$70.00	\$11.00
Absecon	2.25	33.00	70.00	11.00
Egg Harbor	1.50	29.00	65.00	10.00
Hammonton	1.00	25.00	55.00	8.00
Cape May	\$3.00	\$40.00	75.00	13.00
Rio Grande	3.00	40.00	75.00	13.00
Wildwood Jct.	3.00	40.00	75.00	13.00
Wildwood	3.00	40.00	75.00	13.00
Cape May C.H.	3.00	40.00	75.00	13.00
Ocean City	2.50	37.00	72.00	12.00
Palermo	2.50	37.00	72.00	12.00
Tuckahoe	2.25	33.00	70.00	11.00

One-way and unrestricted monthly commutation fares between other points served by trains in the contracted service will be as shown in existing tariffs. All other fares will be cancelled.

MILLVILLE BRANCH

Fares appearing in the following tariffs will apply:

P.U.C.-N.J. No. 308 and Supplements 3 and 4
P.U.C.-N.J. No. 348 and Supplements 3 and 4

AVOIDABLE REVENUES AND EXPENSES OF THE READING COMPANY

OCCASIONED BY PASSENGER OPERATIONS

BETWEEN PHILADELPHIA AND NEWARK, CALENDAR YEAR 1969

Functional Basis

<u>Item</u>	<u>1969 Amount</u>
<u>REVENUES</u>	
Ticket (including cash fare)	\$179,682
Dining Car	21,625
Transportation Displays, Inc.	1,500
Total	<u>\$202,807</u>
<u>EXPENSES</u>	
<u>Maintenance of Way</u>	
Program track maintenance	\$ 4,454
Routine track maintenance	1,055
Signal Maintenance	189
Electrical maintenance	0
B&B maintenance	875
Total, Maintenance of Way	<u>\$ 6,573</u>
<u>Maintenance and Servicing of Equipment</u>	
Labor	\$ 44,401
Repair materials	28,627
Servicing materials	6,330
Shop overhead - materials	907
Total, Maintenance and Servicing of Equipment	<u>\$ 80,265</u>
<u>Traffic</u>	
Advertising (public timetables, etc.)	\$ 275
Cost of printing tickets	91
Total, Traffic	<u>\$ 366</u>
<u>Transportation</u>	
Train and engine crews	\$112,925
Fuel	18,741
Station supplies	320
Claims	8,291
Total, Transportation	<u>\$140,277</u>

AVOIDABLE REVENUES AND EXPENSES OF THE READING COMPANY

OCCASIONED BY PASSENGER OPERATIONS

BETWEEN PHILADELPHIA AND NEWARK, CALENDAR YEAR 1969

(continued)

<u>Functional Basis</u>	
<u>Item</u>	<u>1969 Amount</u>
<u>Miscellaneous</u>	
Dining car expenses	\$ 38,441
Labor	
Supplies and other	12,097
Total, Miscellaneous	<u>\$ 50,538</u>
<u>General</u>	
Outside legal counsel	\$ 760
Insurance - eliminated facilities	28
Utilities - eliminated facilities	747
Property taxes	
Hopewell	0
Belle Mead	0
Total, General	<u>\$ 1,535</u>
Total Operating Expenses	<u><u>\$279,554</u></u>
<u>Income and Capital</u>	
Reading bills to CNJ: mileage basis	\$(90,887)
Interest on capital: DP-1 and standard coach	4,260
Total, Income and Capital	<u>\$(86,627)</u>
Total Expenses	<u><u>\$192,927</u></u>
Profit/(Loss)	<u><u>\$ 9,880</u></u>

-2-

Transportation

Train and Engine Crews	\$134,198
Fuel	18,407
Station Supplies	204
Claims	<u>7,692</u>

Total Transportation \$160,501

Miscellaneous

Dining Car Expenses	\$ 37,594
Labor	
Supplies and Other	<u>15,455</u>

Total Miscellaneous \$ 53,049

General

Outside Legal Counsel	\$ 310
Insurance - Eliminated Facilities	28
Utilities - Eliminated Facilities	<u>948</u>

Total General \$ 1,286

Total Operating Expenses \$316,811

Income and Capital

Reading Bills to CNJ: Mileage basis	\$ (90,175)
Interest on Capital: DP-1 and Standard coach	<u>4,260</u>

Total Income and Capital \$ (85,915)

Total Expenses \$230,896

Profit/(Loss) \$ (16,124)

