

New Jersey State Highway Dept. Mr. St. Andrew  
A120 SEPT. 1964

DETERMINATION MADE PURSUANT TO CHAPTER 88, L. 1964  
OF FINANCIAL RESULTS TO RAILROADS AND FERRY COMPANIES  
FROM PROVIDING PASSENGER SERVICE AND  
RECOMMENDATIONS TO OFFSET LOSSES SHOWN

FISCAL YEAR 1964-65

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Review

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Historically, the operation of railroad commuter services in New Jersey has been the responsibility of the common carrier railroads with regulation by the State Public Utilities Commission and the Federal Interstate Commerce Commission. Since 1933 the ICC has required the Class I Railroads to report separately on system passenger operations as opposed to freight services and promulgated accounting procedures to follow in allocating expenses and revenues that were common to each. Except for the war years, the ICC reports have shown that passenger operations have not been profitable, particularly for railroads operating such services in the eastern territory. However, freight profits were generally sufficient to offset passenger losses and still provide a return for investors until the mid-1950's when these profits began to decline sharply and the resulting loss of net earnings gave emphasis to the size of the passenger losses. Railroad managements initiated action to curtail passenger services but were often prevented from obtaining financial relief by the authority of the State regulatory bodies. In 1958 a Federal law was enacted that enabled carriers to file directly with the ICC for interstate passenger train discontinuances and established a procedure for obtaining Federal approval for discontinuing trains operated entirely within one State. The discontinuance of passenger trains was thereafter expedited. Under this law the New York Central's West Shore Division passenger trains serving several thousand New Jersey residents were discontinued, the Lehigh Valley Railroad passenger service was ended, and a number of other services were curtailed. Threats were made to discontinue other routes.

## CENTRAL RAILROAD COMPANY OF NEW JERSEY

FISCAL YEAR 1964-65

The following public timetables effective April 26, 1964, contain schedules of service to be covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
100	Schedules between New York and Easton, Bethlehem, Allentown, and Philadelphia
102	Schedules of Seashore trains
103	Schedules of Main Line suburban trains

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963</u> <u>Actual</u>	<u>Selected Exps.</u> <u>Estimated 1964</u>	<u>4</u>
201	Superintendence	\$111,833	\$	
202	Roadway maintenance	38,650	39,000	
206	Tunnels and subways	3,162		
208	Bridges, trestles and culverts	29,245	30,000	
210	Elevated structures	-	-	
212	Ties	( 7,931)		
214	Rails	13,350	15,000	
216	Other track material	37,850	43,000	
218	Ballast	1,788		
220	Track laying and surfacing	253,270	284,000	
221	Fences, snowsheds and signs	1,518		
227	Station and office buildings	126,352		
229	Roadway buildings	1,142		
231	Water stations	370		
233	Fuel stations	381		
235	Shops and engine houses	22,914	23,000	
241	Wharves and docks	3,740		
247	Communication systems	65,289	66,000	
249	Signals and interlockers	190,402	196,000	
253	Power plants	10,081	11,000	
257	Power transmission systems	126,106	128,000	
265	Miscellaneous structures	806		
266	Road property - depreciation	376,269		
267	Retirements - road	41,754		
269	Roadway machines	21,905	22,000	
270	Dismantling retired road property	44,948		
271	Small tools and supplies	29,007	30,000	
272	Removing snow, ice and sand	50,200	100,000	
273	Public improvements - maintenance	7,703		
274	Injuries to persons	18,724		

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps</u> <u>Estimated-196</u>
371	Superintendence	\$ 6,175	
372	Dispatching trains	4,300	4,000
373	Station employees	33,832	
376	Station supplies and expenses	5,152	
377	Yardmasters and yard clerks	1,048	
378	Yard conductors and brakemen	19,451	
379	Yard switch and signal tenders	1,473	
380	Yard enginemen	10,751	9,000
382	Yard switching fuel	259	260
383	Yard switching power produced	-	-
384	Yard switching power purchased	-	-
385	Water for yard locomotives	2	-
386	Lubricants for yard locomotives	28	30
387	Other supplies for yard locomotives	15	20
388	Enginehouse expenses - yard	269	270
389	Yard supplies and expenses	286	
390	Operating joint yards and terminal-Debit	530	
391	" : " " " -Credit	(8)	
392	Train enginemen	29,859	\$24,000
394	Train fuel	20,806	17,000
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	213	200
398	Lubricants for train locomotives	636	600
399	Other supplies for train locomotives	609	600
400	Enginehouse expenses - Train	14,038	12,000
401	Trainmen	26,435	22,000
402	Train supplies and expenses	43,584	35,000
404	Signal and interlocker operation	2,412	2,000
405	Crossing protection	1,005	1,000

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

READING COMPANY

(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1961 Estimate</u>
REVENUES			
102	Passenger	\$ 155,959	140,000
103	Baggage	-	-
106	Mail	35,349	-
107	Express	-	-
108	Other passenger train	-	-
109	Milk	-	-
110	Switching	-	-
113	Water transfers	-	-
131	Dining and buffet	15,275	14,000
133	Station, train and boat privileges	2,717	2,000
138	Communication	-	-
142	Rents of buildings and other property	-	-
143	Miscellaneous	1,052	1,000
151	Joint facility - credit	-	-
152	Joint facility - debit	-	-
Total Railway Operating Revenues		\$210,352	\$157,000
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	-	-
507	Rent from work equipment	-	-
508	Joint facility rent income	-	-
Total rent income		-	-
TOTAL PASSENGER INCOME		\$210,352	\$157,000

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<u>EXPENSES-TRANSPORTATION</u>		1963	Selected Exps
cont.		<u>Actual</u>	<u>Estimated-1961</u>
406	Drawbridge Operation	\$ 28,807	
407	Communication system operation	7,623	
408	Operating floating equipment	-	
409	Employees health and welfare benefits	14,921	
410	Stationery and printing	5,084	
411	Other expenses	74	
412	Operating joint tracks and facilities-Debit	-	
413	" " " " " -Credit	(9,658)	
414	Insurance	5,968	
415	Clearing wrecks	6	
416	Damage to property	2,141	
419	Loss and damage - Baggage	56	
420	Injuries to persons	104,780	
TOTAL TRANSPORTATION		\$1,367,939	\$514,000
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	11,431	
352	Outside agencies	107	
353	Advertising	9,158	
354	Traffic associations	391	
356	Industrial and immigration bureaus	56	
357	Insurance	-	
358	Stationery and printing	171	
359	Employees health and welfare benefits	288	
360	Other expenses	-	
TOTAL TRAFFIC		21,602	
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	11,349	
449	Employees health and welfare benefits	-	
TOTAL MISCELLANEOUS		11,349	

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411	Other expenses	74	
412	Operating joint tracks and facilities-Debit	-	
413	" " " " " -Credit	(9,658)	
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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u> <sup>s. 64</sup>
371	Superintendence	\$ 30,329	
372	Dispatching trains	51,897	
373	Station employees	96,815	
376	Station supplies and expenses	38,089	
377	Yardmasters and yard clerks	9,607	
378	Yard conductors and brakemen	13,563	
379	Yard switch and signal tenders	335	
380	Yard enginemen	8,712	
382	Yard switching fuel	1,083	
383	Yard switching power produced	-	
384	Yard switching power purchased	-	
385	Water for yard locomotives	3	
386	Lubricants for yard locomotives	162	
387	Other supplies for yard locomotives	51	
388	Enginehouse expenses - yard	885	
389	Yard supplies and expenses	632	
390	Operating joint yards and terminal-Debit	134,619	
391	" : " " " -Credit	-	
392	Train enginemen	244,157	\$239,000
394	Train fuel	57,524	
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	146	
398	Lubricants for train locomotives	6,275	
399	Other supplies for train locomotives	2,017	
400	Enginehouse expenses - Train	37,702	
401	Trainmen	281,807	275,000
402	Train supplies and expenses	151,238	
404	Signal and interlocker operation	5,772	
405	Crossing protection	34,717	

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps Estimated -1961</u>
371	Superintendence	\$ 30,329	
372	Dispatching trains	51,897	
373	Station employees	96,815	
376	Station supplies and expenses	38,089	
377	Yardmasters and yard clerks	9,607	
378	Yard conductors and brakemen	13,563	
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387	Other supplies for yard locomotives	51	
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391	" : " " " -Credit	-	
392	Train enginemen	244,157	\$239,000
394	Train fuel	57,524	
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	146	
398	Lubricants for train locomotives	6,275	
399	Other supplies for train locomotives	2,017	
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<u>ENSES-TRANSPORTATION</u>	<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964,4</u>
Superintendence	\$ 30,329	
Dispatching trains	51,897	
Station employees	96,815	
Station supplies and expenses	38,089	
Yardmasters and yard clerks	9,607	
Yard conductors and brakemen	13,563	
Yard switch and signal tenders	335	
Yard enginemen	8,712	
Yard switching fuel	1,083	
Yard switching power produced	-	
Yard switching power purchased	-	
Water for yard locomotives	3	
Lubricants for yard locomotives	162	
Other supplies for yard locomotives	51	
Enginehouse expenses - yard	885	
Yard supplies and expenses	632	
Operating joint yards and terminal-Debit	134,619	
" : " " " -Credit	-	
Train enginemen	244,157	\$239,000
Train fuel	57,524	
Train power produced	-	
Train power purchased	-	
Water for train locomotives	146	
Lubricants for train locomotives	6,275	
Other supplies for train locomotives	2,017	
Enginehouse expenses - Train	37,702	
Trainmen	281,807	275,000
Train supplies and expenses	151,238	
Signal and interlocker operation	5,772	
Crossing protection	34,717	

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
451	Salaries and expenses of general officers	\$ 5,053	
452	Salaries and expenses of clerks	8,221	
453	General office supplies and expenses	2,415	
454	Law expenses	17,008	
455	Insurance	139	
456	Employees health and welfare benefits	482	
457	Pensions	-	
458	Stationery and printing	201	
460	Other expenses	1,226	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$ 34,744	
TOTAL RAILWAY OPERATING EXPENSES		532,821	
532	Railway tax accruals - Payroll	\$ 17,810	
	Railway tax accruals - Property	20,000	\$ 9,001
RENTS PAYABLE			
537	Rent for locomotives	\$ 51,389	\$ 52,000
538	Rent for passenger train cars	45,012	45,000
540	Rent for work equipment	206	200
541	Joint facility rents	12,393	13,000
TOTAL RENTS PAYABLE		\$109,000	\$110,200
TOTAL PASSENGER EXPENSES		679,631	
NET RAILWAY PASSENGER OPERATING DEFICIT		147,981	
SUMMARY			
TOTAL PASSENGER INCOME		531,650	\$501,800
TOTAL SELECTED PASSENGER EXPENSES		576,223	587,876
PROPOSED STATE COMPENSATION			86,076

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
451	Salaries and expenses of general officers	\$ 85,000	
452	Salaries and expenses of clerks	374,000	
453	General office supplies and expenses	91,000	
454	Law expenses	70,000	
455	Insurance	-	
456	Employees health and welfare benefits	30,000	
457	Pensions	203,000	
458	Stationery and printing	10,000	
460	Other expenses	80,000	
461	General joint facilities -Debit	31,000	
TOTAL GENERAL		\$ 974,000	
TOTAL RAILWAY OPERATING EXPENSES		\$18, 436,000	
532	Railway tax accruals - Payroll	\$ 949,000	
	Railway tax accruals - Property	1,245,000	1,240,000
RENTS PAYABLE			
537	Rent for locomotives	\$ 3,000	3,000
538	Rent for passenger train cars	133,000	130,000
540	Rent for work equipment	-	-
541	Joint facility rents	278,000	280,000
TOTAL RENTS PAYABLE		\$ 414,000	413,000
TOTAL PASSENGER EXPENSES		\$ 21,044,000	
NET RAILWAY PASSENGER OPERATING DEFICIT		\$ 7,678,000	
SUMMARY			
TOTAL PASSENGER INCOME		\$13,366,000	\$13,417,000
TOTAL SELECTED PASSENGER EXPENSES		15,058,000	15,216,000
PROPOSED STATE COMPENSATION			1,799,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>		<u>Selected Exps.</u> <u>Estimated-1964</u>	
	cont.				
406	Drawbridge Operation	\$	32,000		32,000
407	Communication system operation		27,000		27,000
408	Operating floating equipment		-		
409	Employees health and welfare benefits		143,000		
410	Stationery and printing		30,000		
411	Other expenses		11,000		
412	Operating joint tracks and facilities-Debit		746,000		745,000
413	" " " " " -Credit		(5,000)		(5,000)
414	Insurance		79,000		
415	Clearing wrecks		4,000		
416	Damage to property		-		
419	Loss and damage - Baggage		-		
420	Injuries to persons		202,000		
TOTAL TRANSPORTATION			\$10,367,000		\$9,676,000
<u>EXPENSES-TRAFFIC</u>					
351	Superintendence	\$	89,000		
352	Outside agencies		89,000		
353	Advertising		31,000	\$	33,000
354	Traffic associations		11,000		
356	Industrial and immigration bureaus		-		
357	Insurance		-		
358	Stationery and printing		2,000		
359	Employees health and welfare benefits		10,000		
360	Other expenses		1,000		
TOTAL TRAFFIC		\$	233,000	\$	33,000
<u>EXPENSES-MISCELLANEOUS</u>					
441	Dining and buffet services	\$	125,000		
449	Employees health and welfare benefits		-		
TOTAL MISCELLANEOUS		\$	125,000		

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<u>EXPENSES-GENERAL</u>		1963 Actual	<u>Selected Exps. Estimated 1964</u>
451	Salaries and expenses of general officers	\$ 60,770	
452	Salaries and expenses of clerks	347,079	
453	General office supplies and expenses	61,929	
454	Law expenses	48,913	
455	Insurance	371	
456	Employees health and welfare benefits	22,141	
457	Pensions	52,346	
458	Stationery and printing	19,230	
460	Other expenses	75,121	
462	General Joint Facilities - Credit	( 136)	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$687,764	
TOTAL RAILWAY OPERATING EXPENSES		\$14,461,253	
532	Railway tax accruals - Payroll	\$ 764,299	\$ 600,000
	Railway tax accruals - Property	716,815	715,000
RENTS PAYABLE			
537	Rent for locomotives	-	-
538	Rent for passenger train cars	-	-
540	Rent for work equipment	271	300
541	Joint facility rents	-	-
TOTAL RENTS PAYABLE		\$ 271	\$ 300
TOTAL PASSENGER EXPENSES		15,942,638	
NET RAILWAY PASSENGER OPERATING DEFICIT		5,481,559	
SUMMARY			
TOTAL PASSENGER INCOME		\$10,461,079	\$10,039,400
TOTAL SELECTED PASSENGER EXPENSES		12,309,866	12,238,650
PROPOSED STATE COMPENSATION			2,200,750

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps.</u> <u>Estimated</u> 196
cont.			
406	Drawbridge Operation	\$167,731	\$170,000
407	Communication system operation	62,090	65,000
408	Operating floating equipment	665,068	532,000
409	Employees health and welfare benefits	78,027	80,000
410	Stationery and printing	36,858	37,000
411	Other expenses	8,704	9,000
412	Operating joint tracks and facilities-Debit	257	250
413	" " " " " -Credit	( 9,727)	( 9,700 )
414	Insurance	51,744	
415	Clearing wrecks	2,448	
416	Damage to property	2,010	
419	Loss and damage - Baggage	-	
420	Injuries to persons	181,495	
TOTAL TRANSPORTATION		\$8,464,959	\$7,815,050
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	\$ 225,765	
352	Outside agencies	104,929	
353	Advertising	26,216	\$ 30,000
354	Traffic associations	9,178	
356	Industrial and immigration bureaus	-	
357	Insurance	-	
358	Stationery and printing	10,836	
359	Employees health and welfare benefits	13,709	
360	Other expenses	71	
TOTAL TRAFFIC		\$ 390,704	\$ 30,000
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	-	
449	Employees health and welfare benefits	-	
TOTAL MISCELLANEOUS		-	

A120 SEPT. 1964

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As a result city and state governments in areas having substantial dependence on railroads for the movement of their citizens became involved in the problems. Typically, study bodies were first created followed by recommendations to participate directly in the cost of providing rail passenger services either by tax relief, taking over of maintenance responsibilities, guarantees of bonds issued for new passenger cars, by payments for service or by various combinations of these actions. In all cases the extent of the involvement has continued to increase and slowly all levels of government are accepting more responsibility for not only continuing but also improving mass transportation services. For instance, the City of Philadelphia adopted a contract plan in 1958; in 1962 another agency was created to enable the adjoining counties to participate; in 1963 an Authority was established covering the Philadelphia metropolitan area and in 1964 funds were appropriated by the State to study mass transportation and determine the extent to which the State should contribute in the solution of the problem. Activities in the State of New York, in Connecticut, in the City of Boston and in the State of Massachusetts have followed the same pattern - continued increase in governmental participation in coping with mass transportation problems. At the Federal level in 1961 funds were appropriated to carry out mass transportation demonstration projects and in 1964 the Federal Urban Transportation Act became law which authorized grants to governments for improvements to mass transportation facilities.

Two current actions in this eastern territory are pending under the provisions of the 1958 Federal Act: (1) the Reading Company has petitioned to end its passenger service operated between Philadelphia and Jersey City serving a number of New Jersey communities and (2) the Boston and Maine Railroad after failing to obtain relief from the State (Massachusetts) regulatory agency filed with the ICC to abandon

all its passenger service originating or terminating in Boston. In addition, the Pennsylvania Public Utility Commission authorized the Pennsylvania Railroad to end all its suburban service in the Pittsburgh area, however, the Railroad agreed to operate the trains for 90 days after discontinuance was authorized so as to enable the Allegheny County Port Authority to develop a program that would include operation of the service possibly on a contract basis.

#### The New Jersey Railroad Passenger Service Act of 1960

On June 22, 1960 the original Railroad Passenger Service Act became effective. It authorized the Commissioner of the Department of Highways to contract with railroad passenger carriers to operate an established schedule of service at specified tariffs. Under this statute carriers were reimbursed on the basis of a formula which first required the Commissioner to determine the number of car-miles of approved railroad passenger service to be operated under contract in the State and then divide this total into the appropriation made for the year to carry out the program. The quotient of this division was the car-mile rate (maximum) that each carrier participating in the program could receive for the car-miles of approved service it operated satisfactorily.

Table 1 has been prepared to show the results of applying the 1960 statute, by carrier, for each of the four years it was in effect. Although it was successful in accomplishing its immediate purpose of preserving service for the public, reference to Table 1 will show that when measured against deficits the application of the car-mile formula varied considerably in the extent to which it reimbursed the carriers in operating the passenger service. For instance, in the 1961-62 fiscal year the Erie-Lackawanna received payments totaling

RAILROAD SUBURBAN SERVICE DEFICITS 1960-63  
COMPARED WITH EARNINGS UNDER THE CONTRACT PROGRAM (a)

Railroad	1960 Deficit (b)	1960-61 Payment	% of Deficit Covered	1961 Deficit (b)	1961-62 Payment	% of Deficit Covered
CRR Co. of NJ	\$ 5,029,345	\$1,104,006	22%	\$ 4,846,918	\$1,546,488	32%
Erie-Lackawanna	4,051,270	1,993,513	49%	3,260,310	2,738,076	84%
Pennsylvania (c)	7,483,000	1,401,852	19%	8,223,000	2,085,005	25%
New Jersey & New York	96,248	75,904	79%	116,010	93,560	81%
Reading	173,818	12,096	7%	234,384	18,319	8%
P-RSL	2,889,264	(d)	-	2,409,763	(d)	-
NYS&W	404,448	(d)	-	317,884	(d)	-
Total	\$20,127,393	\$4,587,371	23%	\$19,408,369	\$6,481,448	33%

Railroad	1962 Deficit	1962-63 Payment	% of Deficit Covered	1963 Deficit	1963-64 Payment	% of Deficit Covered
CRR Co. of NJ	\$ 6,027,893	\$1,404,324	23%	\$ 5,895,723	\$1,380,086	23%
Erie-Lackawanna	3,808,459	2,408,728	63%	5,481,559	2,325,084	42%
Pennsylvania (c)	8,768,000	1,816,727	21%	7,678,000	1,727,364	22%
New Jersey & New York	152,417	101,102	66%	147,981	101,110	68%
Reading	354,509	17,262	5%	278,494	15,644	6%
P-RSL	2,509,802	200,980	8%	2,213,963	179,525	8%
NYS&W	319,497	(d)	-	350,677	40,928	12%
Total	\$21,940,577	\$5,949,123	27%	\$22,045,397	\$5,769,741	26%

(a) Deficits computed on a fully allocated basis in accordance with accounting practices prescribed by the I.C.C. as modified by formulas developed by State to reflect only operation within New Jersey. Also excludes State contract payments.

(b) Excludes revenues and expenses attributable to mail, express and baggage.

(c) Excludes revenues and expenses from long distance services.

(d) P-RSL not under contract during 1960-61 and 1961-62 fiscal years; NYS&W not under contract during 1960-61, 1961-62 and 1962-63 fiscal years.

\$2,738,076 and it had a deficit allocated to its New Jersey operations in the 1961 calendar year of \$3,260,310. This carrier had nearly 84% of that deficit reimbursed under the terms of its contract. On the other hand, in the same year the Reading Company had a passenger deficit allocated to New Jersey of \$234,384 and under the contract earned \$18,319 or less than 8% of its allocated costs. The formula allowed such a small percentage of costs of the passenger service then being operated by the Pennsylvania-Reading Seashore Lines and the New York, Susquehanna and Western Railroad that these carriers declined to take on the responsibilities of the contracts during the first two years and three years, respectively, of the program. It is recognized that there are substantial differences in the nature and costs of passenger operations of these railroads, such as the volume of passengers in relation to the extent of passenger facilities, which contributed to these variances. This experience has also made it clear that somewhat greater flexibility is necessary to enable the State to contract more effectively with those carriers facing financial crises and to make progress in the goal of providing for the State a technologically modern and efficiently operating suburban rail system.

#### The Railroad Passenger Service Act of 1964

Beginning in 1962 consideration was given to the development of new railroad passenger contract legislation which would allow greater administrative consideration of the many factors affecting the economics of rail operations, and would permit the use of State funds for capital improvements in connection with service contracts.

In a Report submitted by the Highway Commissioner in April 1964 to the Governor and Legislature the trend of governmental involvement in the continuation and improvement of suburban passenger service

by railroads was set forth. Pertinent to this determination is the following quotation taken from page 13 of this Report:

"....government officials are more inclined today to look upon suburban rail service as not only a public necessity but a public responsibility. As time goes on the deficits resulting from the operation of this service will have to be assumed to a larger degree by the various levels of government."

Included in the aforementioned Report was a bill drawn to replace the Railroad Passenger Service Act then in effect. The new bill set forth a procedure whereby the State could contract with carriers operating passenger service and take into account in negotiating such contracts the cost of operation peculiar to each carrier's plant, territory and investment as well as the quantity of the services it operated. The proposed bill also permitted the State to participate with other governmental agencies in projects to assist in the development of improved transportation facilities, equipment and techniques. The intent was to set up a procedure whereby the State could not only base its payments on the amount of deficits being incurred but could initiate capital improvements that would decrease operating costs or increase revenues and thereby bring about a reduction in the amount needed to support the service. The new bill was enacted with an amendment limiting the use of State funds for capital improvements to projects in which the State funds would be used to match Federal grants for such improvements.

In June, 1964 there was enacted at the Federal level the Urban Transportation Act authorizing over a three year period grants to local governments in a total amount of \$375 million for long term capital improvements in mass transportation facilities. The act specifically precluded Federal funds being used to cover or defray operating costs or deficits. Thus it became clear that the Federal

participation would be limited to financing the improvements and sharpened the obligation of the lower levels of governments to be responsible for covering operating deficits to assure continuation of any service for which Federal grants for capital improvements would be sought.

The 1964 railroad contract legislation, L. 1964, c. 88, which was enacted pursuant to the aforementioned report has significantly improved the ability of the State to perform its responsibilities in the broadening public effort to preserve rail passenger services. It has done so by allowing the contract payments to be determined in light of all the relevant facets of the public interest in rail transportation which have come to be recognized in recent years, rather than upon the basis of car-miles alone. The car-mile approach has done the job for the past three years, but experience has shown its limitations and suggested the modified approach which resulted in the present law. This change has given the additional flexibility which has proven necessary, and at the same time preserved and to some degree enhanced the position of the State in the negotiation of rail passenger contracts in recognition of the fact that these contracts are consensual instruments dependent upon negotiated agreements with railroads who have other alternatives available to them. The change has also opened the way for use of a system of payments keyed to ICC prescribed accounts. While in the past, records had not been kept which would show the financial results of the short haul suburban service, in 1960 the State developed accounting formulas which when applied to the ICC accounts produced these results for New Jersey. (Accounting consultants were retained to develop formulas which when applied to the passenger service figures in the ICC reports of the carriers would separate the New Jersey suburban service from any out-of-state portion of such service and from any interstate

passenger service. Actual revenues and expenses directly attributable to New Jersey suburban service are used wherever possible, and in other cases percentages are applied against the smallest accounting segregation maintained by each railroad. These percentages are determined generally on the basis of physical characteristics such as track miles, or on the basis of traffic handled as expressed in car-miles, locomotive-miles or ton-miles.) The legislation directs that the analysis of each rail passenger carrier's financial results for the prior year is to be set forth on that account basis, and at the same time permits the payments to be expressed in terms of the account classifications. This manner of explaining the payments will be useful not only in acquainting the public with the kinds of expenses which result in the threatening deficits, so that priorities can be assigned with better public comprehension of the facts and on the basis of pinpointed public interests, but it will also lend itself nicely to an eventual allocation of responsibility among levels of government. It may hasten the day, for instance, when the public may see a need for attention to certain deficit accounts, such as passenger station expense items, through municipal government action, others at the County level and so on, depending upon the nature of the expenditures in question.

Even at this early stage, the use of account references under the authority of the 1964 law should prove helpful in the negotiation process, both as a tool of negotiation and as a means of setting limits and goals for the negotiator. It is always important for all to bear in mind that this contract program is at bottom a voluntary program dependent entirely on negotiation. Regulatory power may flow from the contract terms, but first there must be consent; there must be agreement. On the part of the State there

must be a decision that it is making a good buy and thereby assuring service that might otherwise fail, and assuring it for a reasonable price; and on the part of the carrier that it is getting enough to induce it to forego its opportunities to discontinue unprofitable passenger operations.

The statutory plan lends itself to the realities of the matter. It calls for a public announcement, in the form of this type of determination, in which the past years experience of the carriers can be summed up and general recommendations given. This is implemented by negotiations to achieve the recommendations stated in the filed determination and the execution of the contracts embodying the negotiations where they have succeeded in bringing about agreement with the carrier.

What follows herein is the account by account summary of the 1963 experiences, as required, and the recommendations for action, carrier by carrier. In making these recommendations, the whole range of settled public guideposts has to be consulted. This has been done in this case.

The Legislation has left no doubt of the public interest to be taken into account. We begin, of course, with the basic matter of money. If unlimited sums were available to the public's officers to carry on this program, the approach would take one form; but the sum is limited - this year to \$7,500,000 - and so it must take another. The Commissioner must shape his recommendations and conduct his negotiations in such a way as to achieve the best overall result he can by dividing the resources to meet the rail passenger needs in the various areas. Moving from this basic

\$7,500,000 guideline, the program seeks to maximize attainment of the most important and settled goals; the need to "buy time" to reach long range solutions by keeping each important passenger carrier functioning in reasonable volume, the avoidance of curtailments of service particularly where discontinuances would otherwise be most imminent; the relative long term and short term financial status of the carriers as it indicates the probability of their staying in business; the preservation of services benefitting the greatest number of persons; the effect on fares; the significance of the service in terms of the availability of alternate means of transportation; the impact of discontinuance on public expenditures for highway safety and construction; the population and economic growth trends, and the impact on economic values. These are among the principal guideposts established in legislative deliberations over the recent years, running back to the so-called "turnpike surplus" referendum of 1959 and before, the Division of Railroad Transportation legislation of 1959, the contract law of 1960, the supplementing statutes and appropriations and now the 1964 legislation. One must bring these to bear in determining the amounts which should be offered to achieve the objective with each carrier, and comparing this against the reciprocal demands which have been or will be made by each carrier as the basis of agreement.

These recommendations are similar in substance to those presented at public hearings held on July 22, 24 and 29, 1964. Hearings, meetings and conferences were held at which the circumstances pertaining to the application of the new law were reviewed for individual carriers. As a result of these hearings, meetings and conferences, following are recommendations for each carrier.

The Central Railroad Company of New Jersey (Jersey Central)

The Jersey Central has nearly 70% of its route miles in New Jersey and provides passenger service for more than 100 communities in 9 of the 21 counties, and operates freight service in 6 additional counties. It has a total of 1,012 miles of main line track in 396 miles of right-of-way located in New Jersey. On an average weekday the Jersey Central operates 154 passenger carrying trains serving 80 stations (21 of these jointly with the Pennsylvania Railroad on the New York & Long Branch Railroad) and transports about 13,000 people in each direction, 78% of whom travel in the commuter rush periods.

The Jersey Central went into bankruptcy in 1939 and was reorganized under the terms of section 20b of the Federal Interstate Commerce Act effective October 1, 1949. Failure on the part of the railroad to meet its State tax obligations was the cause of its insolvency, however its unusual earnings during the war years enabled this carrier to pay all unpaid property tax accounts to the State. In the years from 1953 through 1960 freight income earned by the Central declined rapidly and the passenger deficit remained nearly constant. Despite State payments for passenger service, beginning in 1960 the passenger deficit has more than offset freight income. In 1961 the Jersey Central applied for and obtained Federal guarantee of a loan in the amount of \$15,000,000 under the provisions of the Federal Transportation Act of 1958. \$5.6 million of this loan was used to replenish its cash. In June of 1963 an application was made for a Federal guarantee of an additional loan in the amount of \$5,000,000. After considerable effort by Jersey Central officials and presentation of material by the Highway Commissioner before the Interstate Commerce Commission, a loan guarantee in the amount of \$2,000,000 was approved. The

Commission indicated that actions contemplated by the State of New Jersey, including plans to reroute passenger trains to Newark and a review of the tax situation, were persuasive in authorizing the loan, and made it clear also that any further loan guarantees (the balance of the \$5,000,000 requested) would depend upon the progress made by the State and Railroad on these measures.

Table 2 lists the freight income, New Jersey passenger deficit, other income, net income, contract payments and total State property taxes of Jersey Central for the years 1960 through 1963. In this four year period the passenger deficit allocated to New Jersey (approximately 96% of the car-miles of passenger service operated during this four year period were operated in New Jersey) totals \$20,802,737 and earnings under the State contracts have totaled \$5,434,904. The taxes paid to the State both for passenger and freight property totaled \$12,946,909.

The results for the first half of 1964 show an operating deficit of approximately \$3,500,000, and a total deficit including payment of fixed charges of about \$4,500,000. The drain on the company's cash supply from such deficits is constant and as of September 1, 1964 the Railroad had a working capital of only \$2,318,000 with which to meet the following major obligations in addition to the cost of operating trains during the period ending June 30, 1965:

1. New Jersey state and local property taxes	\$3,009,000
2. Rent for Lehigh & Susquehanna property	1,956,000
3. Payment on equipment obligations including interest	1,265,000
4. Interest on general mortgage bonds	697,000
5. Interest on government guaranteed loan	<u>100,000</u>
	\$7,027,000

TABLE 2

CENTRAL RAILROAD COMPANY OF NEW JERSEY

Year	Freight Income	Passenger Income (1)	Other Income (2)	Net Income (1)	Contract Payments (3)	New Jersey Property Taxes Classes I, II, III And Franchise
1960	\$4,245,388	(\$5,688,967)	(\$2,742,728)	(\$4,186,307)	\$1,104,006	\$3,405,769
1961	855,183	( 4,953,753)	( 3,043,354)	( 7,141,924)	1,546,488	3,326,544
1962	1,594,472	( 5,151,652)	( 3,853,126)	( 7,410,306)	1,404,324	3,116,253
1963	2,164,833	( 5,008,365)	( 3,254,701)	( 6,098,233)	1,380,086	3,098,343

( ) Denotes deficit

(1) New Jersey service contract payments are included in passenger income and net income 1960 through 1963.

(2) Includes dividend, interest and miscellaneous income; also rents for leased road, interest on debt and other miscellaneous expenses.

(3) Contract payments are for fiscal year beginning on July 1 of year listed.

Early in 1964 the management of the Jersey Central made statements to the effect that in order for the railroad to continue to operate passenger service three principal actions on the part of the State would be required, namely:

- (1) the Aldene Plan become effective in 1965;
- (2) reduction of 50% of its property tax liabilities in 1965;
- (3) the contract payments be increased to \$3,000,000.

With regard to item (1) above, the legislature authorized the Aldene Plan in December of 1962 and provided funds to implement it in January of 1963 and May of 1964. Contracts were executed with the Jersey Central and the Lehigh Valley in June of 1964 authorizing the work to proceed. Completion is scheduled for late 1965.

With regard to item (2) above the railroad tax question has been under study by the State Tax Policy Commission from time to time. By Joint Resolution 7, Laws of 1963 the Policy Commission was directed to investigate railroad taxation "including the extent to which a reduction in railroad taxes may be warranted by the economic status of the railroads operating within New Jersey". This Commission submitted an interim report in May of 1964 which report recommended that effective January 1, 1965 the railroads be relieved of their Class I and III taxes - a total of \$2.5 million for all railroads operating in the State. A bill was introduced on May 18 that would accomplish this and action is pending. Should the bill be enacted it would reduce the Jersey Central's tax payment due December 1, 1965 by approximately \$550,000.

The need of the Jersey Central for larger contract payments (item (3) ) has become widely recognized. It was prominent in the consideration

by the legislature of the addition of \$1,500,000 to the original \$6,000,000 appropriation.

It has been determined that the Jersey Central incurred a loss of \$5,895,723 as a result of operating passenger service within the State of New Jersey during 1963 exclusive of earnings under the State contracts. Appendix 1 lists these amounts for the Jersey Central by individually numbered income and expense accounts. It has been further determined that a loss of similar magnitude will be experienced during 1964.

On the basis of the analysis of the financial position of the Jersey Central, the public significance of the service it is now providing and the likelihood of curtailment or discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$2,900,000 would be warranted to purchase this service if the Jersey Central will agree thereto. Preliminary negotiations which have been conducted with the Jersey Central representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 1 shows the accounts which when combined with revenue would be covered by a payment of this magnitude. Appendices 1A and 1B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

#### The Erie-Lackawanna Railroad

The Erie-Lackawanna Railroad was created as a result of the merger of the former Delaware, Lackawanna and Western Railroad with the

Erie Railroad which was effective October 17, 1960. The unification of these two lines placed under one ownership several parallel, and to an extent, duplicating routes in the northern New Jersey metropolitan area. Both the State Public Utilities Commission and the Highway Department developed reroutings and consolidations that have resulted in a more efficient operation of the commuter network and the retirement of trackage and disposal of right-of-way. As a result of an order by the PUC, a section of the Erie-Lackawanna's Newark Branch was upgraded and street crossings eliminated with 85% of the funds to accomplish the work (approximately \$1,500,000) provided by State appropriations. This permitted sale of the right-of-way through the center of the City of Passaic to the City and to the Highway Department in amounts of \$380,000 and \$65,000, respectively. It also permitted consolidation of certain passenger trains resulting in annual operating cost reductions. This rerouting went into effect April 1, 1963.

The Highway Department (Division of Railroad Transportation) worked out the consolidation of the Boonton Line and the Greenwood Lake Division services thus permitting the sale of the Boonton Line right-of-way between the City of Paterson and Wayne Township to the Highway Department for highway construction purposes. The Erie-Lackawanna used a portion of the \$2,660,000 it received from the sale of this property to upgrade the Greenwood Lake Branch in order to improve the operating performance of the trains over the Branch. Reductions in operating costs under the consolidation have been substantial and will continue annually.

In spite of efforts by the State to reduce its passenger service losses in New Jersey the financial condition of the railroad has been deteriorating. Freight income has declined from a net of

\$13,700,000 in 1959 to a deficit of \$765,000 in 1963. Systemwide, its total passenger and freight deficits have amounted to \$90,000,000 over this five year period. In 1961 it obtained a Federal guarantee of a loan in the amount of \$15,000,000 but was turned down on a similar application made in 1963 and was not successful in having approved a revised application in the amount of \$5,000,000. It averted a financial crisis that would have occurred on October 1, 1964 by obtaining ICC and bondholder approval to extend for five years the maturity date of first mortgage bonds in the amount of \$11,573,000 due on October 1, 1964; the interest rate was increased from 3+ $\frac{1}{2}$ % to 6%, however.

On December 1, 1964 the Erie-Lackawanna faces another financial problem when its State property tax obligations of approximately \$4,470,000 fall due. (Should the bill be enacted to relieve railroads of their Class I and III taxes as recommended by the State Tax Policy Commission, the Erie-Lackawanna will receive no relief as the maximum limitation on tax per mile of track provision in current railroad tax statutes has resulted in relieving the Erie-Lackawanna of its Class I and III taxes since 1960).

Early in 1964 the Erie-Lackawanna retained a consultant to make a thorough study of the passenger operations of this carrier in its eastern territory. The report of the consultant was completed in May, 1964 and made available to the Highway Department in June, 1964. The study analyzed the suburban passenger operations east of Port Jervis, New York by route and branch and determined revenues and expenses attributable to each. The result of this study was that the computation of deficit for 1963, after adjustment by the Division following its analysis of the study and after application of the

State formulas for allocation of the deficits to New Jersey, was \$5,481,559. Appendix 2 lists the primary revenue and expense accounts totaling this amount. It has been further determined that the 1964 loss of the Erie-Lackawanna from New Jersey suburban passenger service will be substantially the same as 1963.

On the basis of the analysis of the financial position of the Erie-Lackawanna, the public significance of the service it is now providing and the likelihood of curtailment or discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$2,300,000 would be warranted to purchase this service if the Erie-Lackawanna will agree thereto. Preliminary negotiations which have been conducted with the Erie-Lackawanna's representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 2 shows the accounts which when combined with revenues would be covered by a payment of this magnitude. Appendices 2A and 2B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

Further action has been initiated by the Erie-Lackawanna Railroad to reduce its deficit. A hearing has been scheduled for September 30, 1964 to receive information and evidence pertaining to a petition submitted by this Railroad for an increase in commutation fares and changes in ticketing procedures. Should action favorable to the Railroad result from the hearing the new tariffs would not become effective until very late in 1964 and would have negligible effect on the projections for revenue during the current year.

The Pennsylvania Railroad Company

The Pennsylvania is unique among the railroads in this State in that it provides both a typical suburban service between New Jersey stations and New York City and a long distance service which has a dual function. These latter trains not only carry passengers between New Jersey and other states but also double as suburban service carriers between such points as Trenton, Princeton, New Brunswick and New York. The normal suburban service carries about 18,900 New Jersey passengers in each direction per day while the through trains accommodate an additional 4,300. Approximately 68% of the total travel is in the rush period.

Since the establishment of the formulas to determine results of operating New Jersey suburban service, the figures for the Pennsylvania have shown an average loss of about \$8,000,000 annually. These procedures have included consideration of the suburban portion of through train revenues and expenses, requiring numerous allocations. To determine more precisely the financial effect on the Pennsylvania of providing suburban service, the State employed a firm of accounting consultants to ascertain the "incremental" loss involved. Stated in other terms, the consultants were to compute the amount by which the Pennsylvania would be better off annually if New Jersey suburban service were not provided. The assignment proved to be far more complex than originally anticipated and required over 18 months to complete. The results indicate a substantial yearly benefit of at least several million to the Pennsylvania from such a discontinuance of service.

The Pennsylvania is also distinguished from other New Jersey railroads in that in some years it has shown systemwide net income. After

deficits in 1960 and 1962, the company registered net income of \$9,158,870 in 1963 and expects to do better this year. While profits of this magnitude represent only a minute return on investment and cannot be relied upon to absorb passenger losses, the financial problems of the Pennsylvania have less urgency than those of the other New Jersey railroads.

The State property tax obligations of the Pennsylvania on December 1, 1964 will be approximately \$5,267,000. Should the tax relief referred to previously be enacted, the amount of taxes payable in 1965 will be reduced by approximately \$1,060,000.

In accordance with Section 3 of Chapter 88 it has been determined that the Pennsylvania Railroad incurred a loss of \$7,678,000 during 1963 from the provision of New Jersey suburban service. Appendix 3 lists the primary revenue and expense accounts used in this computation. It has been further determined that the 1964 loss will be of similar size.

On the basis of the analysis of the financial position of the Pennsylvania Railroad, the public significance of the service it is now providing and the likelihood of curtailment or discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$1,800,000 would be warranted to purchase this service if the Pennsylvania Railroad will agree thereto. Preliminary negotiations which have been conducted with the Pennsylvania Railroad representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 3 shows the accounts when combined with revenue would be covered by a payment of this

magnitude. Appendices 3A and 3B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

#### New Jersey & New York Railroad

The New Jersey & New York Railroad is presently in bankruptcy and is operated under the direction of a Trustee. Its passenger service is operated virtually as a branch of the Erie-Lackawanna Railroad using that company's equipment, terminal and other facilities under favorable contractual arrangements.

The State property tax obligations of the NJ&NY on December 1, 1964 will be approximately \$11,650. Should the tax relief referred to previously be enacted, the amount of taxes payable in 1965 will be reduced by about \$4,000.

The loss of the NJ&NY from providing New Jersey suburban passenger service has been determined to be \$147,981 during 1963, as shown by the accounts listed in Appendix 4. It has been further determined that the 1964 loss will be of similar size.

One factor of significance is that this railroad has agreed to a program of upgrading its trackage during 1964 which it is expected will cost \$28,000. This unusual maintenance expenditure which will be of substantial benefit to the passengers on this railroad has been recognized by adding the account reflecting this expense to the estimates.

On the basis of the analysis of the financial position of the New Jersey and New York Railroad, the public significance of the service

it is now providing and the likelihood of discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$87,000 would be warranted to purchase this service if the NJ&NYRR will agree thereto. Preliminary negotiations which have been conducted with the NJ&NYRR representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 4 shows the accounts including the cost of upgrading trackage that when combined with deficits would be covered by a payment of this magnitude. Appendices 4A and 4B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

Further action has been initiated by the New Jersey & New York Railroad to reduce its deficit. A hearing has been scheduled for October 6, 1964 to receive information and evidence pertaining to a petition submitted by this Railroad for an increase in commutation fares and changes in ticketing procedures. Should action favorable to the Railroad result from the hearing the new tariffs would not become effective until very late in 1964 and would have negligible effect on the projections for revenue during the current year.

#### Pennsylvania-Reading Seashore Lines

The State and the P-RSL have been involved during the past three years in planning highway, rapid transit and rail improvements in the City of Camden and its suburbs. The completion of the work called for in this planning will provide the P-RSL with certain improved capital facilities, substantially improve the financial results of its passenger operation and furnish the carrier with the

opportunity of selling a considerable amount of valuable real estate. During the 1964-65 fiscal year construction of the Kirkwood rapid transit line largely on the present right-of-way of the P-RSL will commence. The consequent revisions in service, which will be presented to the public hearing later this year, will have a material effect on the railroad's passenger deficit beginning in 1965.

The P-RSL once carried tremendous throngs of people from the Philadelphia-Camden area to the resort communities of the seashore. The constantly improving highway system in Southern New Jersey - the latest addition being the Atlantic City Expressway - has diverted the bulk of these passengers to the private automobile and the buses. The railroad has been left with two groups of commuters, those from the seashore and a larger number from the immediate Camden suburban area. However, these are being steadily reduced by the competition of the extensive bus system which largely parallels the rail lines. The highway improvements planned for Camden and surrounding counties will have to be taken into consideration in the future evaluations of the importance of the service provided by this carrier.

The State property tax obligations of the P-RSL on December 1, 1964 will be approximately \$244,300. Tax relief in 1965 under the legislation now pending in the legislature would reduce its taxes by about \$130,000.

The loss of the P-RSL during 1963 from providing passenger service has been determined to be \$2,213,963, as shown by the accounts listed in Appendix 5. It has been further determined that the 1964 passenger deficit will be only slightly reduced.

On the basis of the analysis of the financial position of the Pennsylvania-Reading Seashore Lines, the public significance of the service it is now providing and the likelihood of curtailment or discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$220,000 would be warranted to purchase this service if the P-RSL will agree thereto. Preliminary negotiations which have been conducted with the P-RSL representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 5 shows the accounts when combined with revenue would be covered by a payment of this magnitude. Appendices 5A and 5B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

#### New York, Susquehanna & Western Railroad

Changes in service were authorized effective July 1st which should assist in reducing the passenger deficit of the Susquehanna. As a result, the railroad is now operating on an experimental basis a trip from North Hawthorne in the morning and one returning in the evening, in addition to its two basic round-trips between Butler and Susquehanna Transfer. The present service is carrying a daily average of 225 passengers eastbound and 165 passengers westbound.

The State property tax obligations of the Susquehanna on December 1, 1964 will be approximately \$96,000. Should the tax relief now pending in the legislature be enacted, the amount of taxes payable in 1965 will be reduced by about \$55,000.

The loss of the Susquehanna from providing passenger service has been determined to be \$350,677 during 1963, as shown by the accounts listed in Appendix 6. It has been further determined that the 1964 passenger deficit will be substantially the same figure.

On the basis of the analysis of the financial position of the New York, Susquehanna & Western Railroad, the public significance of the service it is now providing and the likelihood of discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$78,000 would be warranted to purchase this service if the NYS&WRR will agree thereto. Preliminary negotiations which have been conducted with the NYS&WRR representatives indicate that a sum of approximately this amount will be sufficient to induce them to contract to continue this service during the current fiscal year. The material in Appendix 6 shows the accounts when combined with revenues would be covered by a payment of this magnitude. Appendices 6A and 6B give a statement of the passenger service which would thereby be assured and the fares which would be charged therefor, respectively.

During the past year the railroad and the State have attempted through negotiation to extend the operation of Susquehanna trains to a terminal where passengers could readily transfer to a trans-Hudson carrier for travel to downtown Manhattan. Each of the possibilities (Journal Square and Hoboken) involves three considerations - the benefit to the public, the benefit to the railroad and the method of financing. As yet no plan has been devised which would result in sufficient benefits to justify the necessary capital expenditures and the subsequent operating costs. The proposed contract will require both parties to continue their efforts to find a solution to this problem.

The Reading Company

The bulk of the Reading Company's passenger service operates in Pennsylvania serving the Philadelphia metropolitan area and several other cities in eastern Pennsylvania. It also operates its so-called New York service which since July 1, 1963 has consisted of three round-trips per weekday and one on Saturday between the Reading Terminal in Philadelphia and the Central Railroad Company of New Jersey's terminal in Jersey City. Two of these trains operate eastbound in the morning commuter hours arriving at the Jersey City terminal at 8:30 AM and 9:18 AM; they return in the evening leaving Jersey City at 4:42 PM and 5:42 PM. The third round-trip operates westward in the early morning leaving Jersey City at 6:41 AM with the opposite move leaving Philadelphia at 4:53 PM. These latter trains have been operated for the service they provide in Pennsylvania and in Jersey Central territory, each carrying only about a dozen passengers to and from Reading stations in New Jersey. Thus they have not been included for State compensation in the "approved service" category in Reading territory in preceding years.

The passenger trains operate on Reading Company right-of-way in New Jersey between the Pennsylvania-New Jersey State line and Bound Brook Junction. Between this junction and Jersey City they operate over the Jersey Central's right-of-way and, in effect, are Jersey Central trains although neither change in crews nor equipment is made. Patronage eastbound on the two commuter period trains includes an average of about 173 New Jersey passengers boarding at Reading stations on the earlier train and about 50 on the later one. Patronage westbound is slightly less.

Table 1 indicates the limited extent to which the allocated cost of operating this service has been covered by this carrier's

earnings under the contract. Overall, the Reading Company has been incurring deficits of over \$5 million annually from passenger operations and in the last three years the freight profits have not been sufficient to offset the passenger losses and fixed charges. Early in 1963 the Reading Company retained a consultant to determine the extent to which its financial results would be improved annually if it did not operate passenger service. This "avoidable cost" study was completed in June 1964 and it indicated that a saving of \$219,000 annually could be realized if its New York service were eliminated (retaining the Philadelphia suburban service).

The State property tax obligations of the Reading on December 1, 1964 will approximate \$314,000. Tax relief as contemplated by the pending legislation would reduce the 1965 deficit by about \$133,000.

The fully allocated passenger deficit for 1963 has been determined to be \$278,494 by applying the State conversion formulas to the system passenger service accounts as reported to the ICC and is set forth on Appendix 7, and the deficit for 1964 is estimated to exceed \$200,000.

On the basis of the analysis of the financial position of the Reading Company, the public significance of the service it is now providing and the likelihood of curtailment or discontinuance if the service is not contracted for, together with the other pertinent considerations, it is felt that the payment of a sum on the order of \$42,000 would be warranted to purchase this service if the Reading will agree thereto. Preliminary negotiations which have been conducted with the Reading representatives indicate, however, that a sum of approximately \$219,000 would be required to induce them to contract to continue this service during the current fiscal year.

For this reason it is doubtful a contract with the Reading Company can be consummated. The material in Appendix 7 shows the accounts when combined with revenues which would be covered by a payment on the order of \$42,000. Appendices 7A and 7B give a statement of the passenger service which the State would require for that payment and the fares which would be charged therefor.

#### Ferry Service

The financial results to the Erie-Lackawanna and Jersey Central Railroads from providing ferry service cannot be readily separated from the results from rail service and since the two services are interrelated for the purpose of giving passengers the most convenient journey from origin to destination, no good purpose would be accomplished by such a separation. Therefore, the ferry operations of these railroads have been included in the computation of the 1963 deficit and the proposed compensation for the 1964-65 fiscal year, and the ferry services will be included in the services to be rendered under the passenger contracts.

For the year 1963 the deficit of the Delaware River Ferry Company has been determined to be \$147,585, excluding payments for service by the State, interest income on bank deposits and depreciation. This determination was made from an examination of the records of the company, both by a firm of certified public accountants employed by the company and by representatives of the State. The details of this determination are shown in attached Appendix 8.

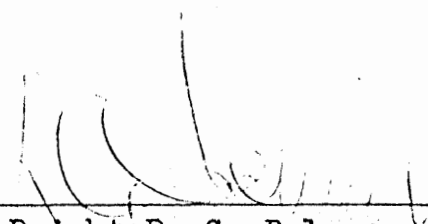
Plans have been announced by the Delaware River Port Authority for the construction of a bridge at the approximate location of the Delaware River Ferry Company operation. Until such a bridge is built, it is essential that the service provided by this company

be continued. Legislation has been enacted by both New Jersey and Pennsylvania, and approved by the Federal Government, which authorizes the Port Authority to assume this responsibility. Efforts are now underway to complete an agreement to this end between the Port Authority and the Ferry Company.

However, the Ferry Company is continuing to experience losses from the operation and its President has stated that only with substantial cash assistance will it continue the service until an agreement with the Port Authority is completed. The State of New Jersey is willing to pay \$25,000 toward the coverage of losses incurred beginning September 1, 1964 under a contract to provide the service shown in Appendix 8A at fares listed in Appendix 8B. It is hoped that the State of Pennsylvania and the Delaware River Port Authority will make equal payments which it is felt will be sufficient to keep the ferries operating until the end of the year.

#### Projects for Matching Funds

Chapter 88 permits the use of the State appropriation to match in some measure funds provided by the Federal government for the purpose of making improvements to capital facilities on railroads. As of the date of this determination no Federal funds are available for this purpose and therefore no allocation of State moneys is recommended. Should Federal funds be subsequently appropriated and State funds are also available, this determination will be amended in accordance with Chapter 88 to include recommendations for specific projects to be undertaken.

  
Dwight R. G. Palmer  
Commissioner  
New Jersey State Highway Department

September 25, 1964

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

CENTRAL RAILROAD OF NEW JERSEY  
(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$5,318,711	\$5,300,000
103	Baggage	250	200
106	Mail	1,205,914	920,000
107	Express	-	-
108	Other passenger train	26,345	35,000
109	Milk	-	-
110	Switching	486	400
113	Water transfers	231,553	220,000
131	Dining and buffet	29,172	27,000
133	Station, train and boat privileges	112,732	110,000
138	Communication	28	25
142	Rents of buildings and other property	58,886	55,000
143	Miscellaneous	3,444	3,000
151	Joint facility - credit	15,444	15,000
152	Joint facility - debit	(96)	(100)
	Total Railway Operating Revenues	\$7,002,869	\$6,685,525
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	14,016	12,000
507	Rent from work equipment	2,924	2,000
508	Joint facility rent income	7,938	7,000
	Total rent income	\$24,878	\$21,000
	TOTAL PASSENGER INCOME	\$7,027,747	\$6,706,525

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps Estimated 1964</u>
201	Superintendence	\$ 58,564	
202	Roadway maintenance	11,477	
206	Tunnels and subways	901	
208	Bridges, trestles and culverts	8,975	
210	Elevated structures	-	
212	Ties	9,181	
214	Rails	7,499	
216	Other track material	18,743	
218	Ballast	1,208	
220	Track laying and surfacing	101,499	
221	Fences, snowsheds and signs	138	
227	Station and office buildings	114,558	
229	Roadway buildings	201	
231	Water stations	520	
233	Fuel stations	1,064	
235	Shops and engine houses	23,381	
241	Wharves and docks	28,693	
247	Communication systems	10,337	
249	Signals and interlockers	89,005	
253	Power plants	5,814	6,000
257	Power transmission systems	21,634	22,000
265	Miscellaneous structures	49	
266	Road property - depreciation	253,613	
267	Retirements - road	7,160	
269	Roadway machines	8,528	
270	Dismantling retired road property	2,900	
271	Small tools and supplies	7,785	
272	Removing snow, ice and sand	8,901	
273	Public improvements - maintenance	2,218	
274	Injuries to persons	1,340	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
275	Insurance	\$ 29,417	
276	Stationery and printing	472	
277	Employees health and welfare benefits	21,790	
278	Joint tracks, yards and facilities-Debit	196,952	
279	" " " " " -Credit	(4,967)	
282	Other expenses	5,107	
TOTAL MAINT. OF WAY AND STRUCTURES		\$1,054,657	\$ 28,000
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$80,967	
302	Shop machinery	14,931	
304	Power plant machinery	43,527	
305	Shop and power plant machinery-Dep.	29,880	
311-	Repairs Diesels	820,075	\$800,000
317	Passenger train cars - Repairs	504,313	600,000
323	Floating equipment - Repairs	320,743	200,000
326	Work equipment - Repairs	7,371	8,000
328	Miscellaneous equipment - Repairs	8,692	9,000
329	Dismantling retired equipment	-	
331	Equipment - depreciation	539,946	
332	Injuries to persons	16,359	
333	Insurance	27,004	
334	Stationery and printing	2,361	2,500
335	Employees health and welfare benefits	48,589	
339	Other expenses	15,575	16,000
TOTAL MAINTENANCE OF EQUIPMENT		\$2,480,333	\$1,635,500

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
371	Superintendence	\$ 151,948	
372	Dispatching trains	87,848	\$ 90,000
373	Station employees	1,222,959	1,100,000
376	Station supplies and expenses	168,439	168,000
377	Yardmasters and yard clerks	28,873	28,000
378	Yard conductors and brakemen	135,243	132,000
379	Yard switch and signal tenders	13,732	14,000
380	Yard enginemen	88,784	86,000
382	Yard switching fuel	17,592	17,000
383	Yard switching power produced	-	
384	Yard switching power purchased	-	
385	Water for yard locomotives	67	50
386	Lubricants for yard locomotives	4,279	4,250
387	Other supplies for yard locomotives	2,044	2,000
388	Enginehouse expenses - yard	14,291	14,000
389	Yard supplies and expenses	3,363	3,000
390	Operating joint yards and terminal-Debit	5,915	6,000
391	" : " " " -Credit	-	
392	Train enginemen	830,023	820,000
394	Train fuel	405,572	400,000
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	2,439	2,000
398	Lubricants for train locomotives	8,170	8,000
399	Other supplies for train locomotives	4,799	5,000
400	Enginehouse expenses - Train	177,985	175,000
401	Trainmen	1,411,331	1,401,200
402	Train supplies and expenses	633,359	630,000
404	Signal and interlocker operation	152,689	
405	Crossing protection	7,866	8,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps.</u> <u>Estimated 1964</u>
	cont.		
406	Drawbridge Operation.	\$ 19,608	20,000
407	Communication system operation	25,325	25,000
408	Operating floating equipment	823,557	\$800,000
409	Employees health and welfare benefits	133,877	
410	Stationery and printing	19,249	20,000
411	Other expenses	2,921	3,000
412	Operating joint tracks and facilities-Debit	450,313	450,000
413	" " " " " -Credit	(17,128)	(18,000)
414	Insurance	44,558	
415	Cleaning wrecks	-	
416	Damage to property	963	
419	Loss and damage - Baggage	9	
420	Injuries to persons	83,286	
	TOTAL TRANSPORTATION	\$7,166,148	\$6,413,500
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	\$ 28,003	
352	Outside agencies	-	
353	Advertising	15,213	\$15,000
354	Traffic associations	2,138	
356	Industrial and immigration bureaus	-	
357	Insurance	-	
358	Stationery and printing	4,384	
359	Employees health and welfare benefits	1,129	
360	Other expenses	-	
	TOTAL TRAFFIC	\$50,867	\$15,000
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	\$20,582	
449	Employees health and welfare benefits	308	
	TOTAL MISCELLANEOUS	\$20,890	

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
451	Salaries and expenses of general officers	\$ 73,397	
452	Salaries and expenses of clerks	210,332	
453	General office supplies and expenses	14,658	
454	Law expenses	51,898	
455	Insurance	2,238	
456	Employees health and welfare benefits	26,188	
457	Pensions	54,988	
458	Stationery and printing	12,001	
460	Other expenses	31,570	
461	General joint facilities -Debit	18,616	
TOTAL GENERAL		\$495,886	
TOTAL RAILWAY OPERATING EXPENSES		\$11,268,781	
532	Railway tax accruals - Payroll (Est.)	\$713,880	\$ 550,800
	Railway tax accruals - Property	760,000	750,000
RENTS PAYABLE			
537	Rent for locomotives	-	
538	Rent for passenger train cars	\$ 60,555	\$ 60,000
540	Rent for work equipment	-	
541	Joint facility rents	120,235	120,000
TOTAL RENTS PAYABLE		\$180,790	\$180,000
TOTAL PASSENGER EXPENSES		\$12,923,451	
NET RAILWAY PASSENGER OPERATING DEFICIT		5,895,742	
SUMMARY			
TOTAL PASSENGER INCOME		7,027,747	\$6,706,525
TOTAL SELECTED PASSENGER EXPENSES		9,414,088	9,572,800
PROPOSED STATE COMPENSATION			\$2,866,275

CENTRAL RAILROAD COMPANY OF NEW JERSEY  
FISCAL YEAR 1964-65

The following public timetables effective April 26, 1964, contain  
schedules of service to be covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
100	Schedules between New York and Easton, Bethlehem, Allentown, and Philadelphia
102	Schedules of Seashore trains
103	Schedules of Main Line suburban trains

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY  
1964-1965 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 6921 and Supplement 2 P.U.C. - N.J. No. 2083 and Supplement 2	Passenger mileages between stations in New Jersey.
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. 2195 and Supplement 1	Commutation fares between CRRNJ stations in New Jersey; and between CRRNJ stations and N.Y. & L.B. RR stations.
P.U.C. - N.J. No. 2196 and Supplement 2	Commutation fares between Jersey City and CRRNJ stations in New Jersey and N.Y. & L.B. RR stations.
P.U.C. - N.J. No. 2197 and Supplement 2	Scholar's monthly commutation fares between Jersey City and CRRNJ stations in New Jersey and N.Y. & L.B. stations.
P.U.C. - N.J. No. 2198 and Supplement 2	Commutation fares from CRRNJ stations to Reading Co. stations in New Jersey.
P.U.C. - N.J. No. 2236 and Supplement 1	Commutation fares from Jersey City to Reading Co. stations in New Jersey.
I.C.C. No. 7154	Commutation fares between New York and CRRNJ stations on the Central Division.
I.C.C. No. 7155 and Supplement 1	Commutation fares between New York and CRRNJ stations on the Southern Division and on the N.Y. & L.B. RR.
P.U.C. - N.J. No. 138	One-way fares and basis for constructing round-trip fares between N.Y. & L.B. Railroad stations.

## APPENDIX 1-B

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2 Pages

## THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. No. 2257	One-way fares and basis for constructing round-trip fares between CRRNJ stations on the Central Division.
P.U.C. - N.J. No. 2258 and Supplement 1	One -way fares and basis for constructing round-trip fares between CRRNJ stations on the Central Division and on the Southern Division and N.Y. & L.B. RR.
I.C.C. No. 7172	One-way fares and basis for constructing round-trip fares between New York and CRRNJ and N.Y. & L.B. RR stations.
I.C.C. No. 7173 P.U.C. - N.J. No. 2256	One-way fares and basis for constructing round-trip fares between Jersey City and all CRRNJ and N.Y. & L.B. RR stations.
I.C.C. No. 7175 P.U.C. - N.J. No. 2259	One-way fares from N.Y. & L.B. RR and CRRNJ stations to destinations in New Jersey and Pennsylvania.
I.C.C. No. 7176 P.U.C. - N.J. No. 2260	One-way fares and basis for constructing round-trip fares between interdivisional points.
I.C.C. No. 7167 Supplement 2 P.U.C. - N.J. No. 2248 and Supplement A and 1	One-day round trip coach fares between New York and Newark on the one hand and N.Y. & L. B. RR and CRRNJ stations on the other.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

ERIE-LACKAWANNA RAILROAD

(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$9,584,247	\$9,250,000
103	Baggage	-	-
106	Mail	35,593	10,000
107	Express	33,928	22,000
108	Other passenger train	11,027	10,000
109	Milk	44,269	40,000
110	Switching	-	-
113	Water transfers	440,420	408,000
131	Dining and buffet	-	-
133	Station, train and boat privileges	124,558	120,000
138	Communication	493	400
142	Rents of buildings and other property	87,267	85,000
143	Miscellaneous	17,460	17,000
151	Joint facility - credit	-	-
152	Joint facility - debit	-	-
	Total Railway Operating Revenues	\$10,379,262	\$9,962,400
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	74,521	70,000
507	Rent from work equipment	3,322	3,000
508	Joint facility rent income	3,974	4,000
	Total rent income	81,817	77,000
	TOTAL PASSENGER INCOME	\$10,461,079	\$10,039,400

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
201	Superintendence	\$111,833	\$
202	Roadway maintenance	38,650	39,000
206	Tunnels and subways	3,162	
208	Bridges, trestles and culverts	29,245	30,000
210	Elevated structures	-	-
212	Ties	( 7,931)	
214	Rails	13,350	15,000
216	Other track material	37,850	43,000
218	Ballast	1,788	
220	Track laying and surfacing	253,270	284,000
221	Fences, snowsheds and signs	1,518	
227	Station and office buildings	126,352	
229	Roadway buildings	1,142	
231	Water stations	370	
233	Fuel stations	381	
235	Shops and engine houses	22,914	23,000
241	Wharves and docks	3,740	
247	Communication systems	65,289	66,000
249	Signals and interlockers	190,402	196,000
253	Power plants	10,081	11,000
257	Power transmission systems	126,106	128,000
265	Miscellaneous structures	806	
266	Road property - depreciation	376,269	
267	Retirements - road	41,754	
269	Roadway machines	21,905	22,000
270	Dismantling retired road property	44,948	
271	Small tools and supplies	29,007	30,000
272	Removing snow, ice and sand	50,200	100,000
273	Public improvements - maintenance	7,703	
274	Injuries to persons	18,724	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		1963 Actual	Selected Exps. Estimated 1964
275	Insurance	\$37,299	\$
276	Stationery and printing	2,209	
277	Employees health and welfare benefits	25,955	
278	Joint tracks, yards and facilities-Debit	1,405	
279	" " " " " -Credit	( 9,945)	
282	Other expenses	1,066	
TOTAL MAINT. OF WAY AND STRUCTURES		\$1,679,042	\$ 987,000
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$ 113,341	\$
302	Shop machinery	22,495	
304	Power plant machinery	66,612	67,000
305	Shop and power plant machinery-Dep.	51,459	
306	Dismantling Retired Shop Machinery	52	
311-	Repairs Diesels	706,265	675,300
317	Passenger train cars - Repairs	1,026,575	1,020,000
323	Floating equipment - Repairs	287,500	260,000
326	Work equipment - Repairs	21,163	25,000
328	Miscellaneous equipment - Repairs	37,310	40,000
329	Dismantling retired equipment	( 1,302)	
331	Equipment - depreciation	821,556	
332	Injuries to persons	32,225	
333	Insurance	10,075	
334	Stationery and printing	991	1,000
335	Employees health and welfare benefits	39,247	
339	Other expenses	3,220	3,000
TOTAL MAINTENANCE OF EQUIPMENT		\$3,238,784	\$2,091,300

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
371	Superintendence	\$ 228,918	\$
372	Dispatching trains	103,420	105,000
373	Station employees	950,775	955,000
376	Station supplies and expenses	184,184	185,000
377	Yardmasters and yard clerks	89,187	90,000
378	Yard conductors and brakemen	346,322	350,000
379	Yard switch and signal tenders	26,820	28,000
380	Yard enginemen	144,830	146,000
382	Yard switching fuel	12,969	13,000
383	Yard switching power produced	-	-
384	Yard switching power purchased	-	-
385	Water for yard locomotives	123	100
386	Lubricants for yard locomotives	1,487	1,500
387	Other supplies for yard locomotives	429	500
388	Enginehouse expenses - yard	5,965	6,000
389	Yard supplies and expenses	3,439	3,500
390	Operating joint yards and terminal-Debit	-	-
391	" " " " " -Credit	( 9,396)	( 9,000)
392	Train enginemen	1,103,388	1,100,000
394	Train fuel	200,873	205,000
395	Train power produced	63,703	65,000
396	Train power purchased	602,090	605,000
397	Water for train locomotives	1,865	1,900
398	Lubricants for train locomotives	17,581	18,000
399	Other supplies for train locomotives	4,753	5,000
400	Enginehouse expenses - Train	65,928	66,000
401	Trainmen	1,845,178	1,765,000
402	Train supplies and expenses	692,056	691,000
404	Signal and interlocker operation	436,627	440,000
405	Crossing protection	94,740	95,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps.</u> <u>Estimated</u> 1961
	cont.		
406	Drawbridge Operation	\$167,731	\$170,000
407	Communication system operation	62,090	65,000
408	Operating floating equipment	665,068	532,000
409	Employees health and welfare benefits	78,027	80,000
410	Stationery and printing	36,858	37,000
411	Other expenses	8,704	9,000
412	Operating joint tracks and facilities-Debit	257	250
413	" " " " " -Credit ( 9,727)		( 9,700 )
414	Insurance	51,744	
415	Clearing wrecks	2,448	
416	Damage to property	2,010	
419	Loss and damage - Baggage	-	
420	Injuries to persons	181,495	
	TOTAL TRANSPORTATION	\$8,464,959	\$7,815,050
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	\$ 225,765	
352	Outside agencies	104,929	
353	Advertising	26,216	\$ 30,000
354	Traffic associations	9,178	
356	Industrial and immigration bureaus	-	
357	Insurance	-	
358	Stationery and printing	10,836	
359	Employees health and welfare benefits	13,709	
360	Other expenses	71	
	TOTAL TRAFFIC	\$ 390,704	\$ 30,000
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	-	
449	Employees health and welfare benefits	-	
	TOTAL MISCELLANEOUS	-	

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
451	Salaries and expenses of general officers	\$ 60,770	
452	Salaries and expenses of clerks	347,079	
453	General office supplies and expenses	61,929	
454	Law expenses	48,913	
455	Insurance	371	
456	Employees health and welfare benefits	22,141	
457	Pensions	52,346	
458	Stationery and printing	19,230	
460	Other expenses	75,121	
462	General Joint Facilities - Credit	( 136)	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$687,764	
TOTAL RAILWAY OPERATING EXPENSES		\$14,461,253	
532	Railway tax accruals - Payroll	\$ 764,299	\$ 600,000
	Railway tax accruals - Property	716,815	715,000
RENTS PAYABLE			
537	Rent for locomotives	-	-
538	Rent for passenger train cars	-	-
540	Rent for work equipment	271	300
541	Joint facility rents	-	-
TOTAL RENTS PAYABLE		\$ 271	\$ 300
TOTAL PASSENGER EXPENSES		15,942,638	
NET RAILWAY PASSENGER OPERATING DEFICIT		5,481,559	
SUMMARY			
TOTAL PASSENGER INCOME		\$10,461,079	\$10,039,400
TOTAL SELECTED PASSENGER EXPENSES		12,309,866	12,238,650
PROPOSED STATE COMPENSATION			2,200,750

## ERIE-LACKAWANNA RAILROAD

FISCAL YEAR 1964-65

The following public timetables effective April 26, 1964, contain schedules of service to be covered by contract:

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

## ERIE-LACKAWANNA RAILROAD COMPANY

FISCAL YEAR 1964-1965

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 6412 and Supplement 4	Commutation fares between former Erie stations in New Jersey and Hoboken and New York.
P.U.C. - N.J. No. 485 and Supplements 3 and 4	Commutation fares between former Erie stations in New Jersey excluding Hoboken.
P.U.C. - N.J. No. 486 and Supplements 2, 3 and 4	Commutation fares between former Erie stations in New Jersey and Hoboken.
I.C.C. No. 6410 and Supplement 4	10-trip fares between former Erie stations in New Jersey and Hoboken and New York.
I.C.C. No. 6411 and Supplement 2	Round-trip 30-day coach fares between former Erie stations in New Jersey and Hoboken and New York.
P.U.C. - N.J. No. 484 and Supplement 2	Round-trip 30-day coach fares between former Erie stations in New Jersey excluding Hoboken.
I.C.C. No. 4774 and Supplements 2, 8 and 9	Monthly and weekly commutation fares between New York and former DL&W stations in New Jersey
I.C.C. No. 4951 and Supplements 2 and 3 P.U.C. - N.J. No. 532 and Supplements 1 and 2	Monthly, school and weekly commutation fares between former DL&W stations in New Jersey, excluding Hoboken.
I.C.C. No. 4952 and Supplements 4 and 5 P.U.C. - N.J. No. 533 and Supplements 3 and 4	Monthly, school and weekly commutation fares for intrastate passengers between Hoboken and former DL&W stations in New Jersey.
I.C.C. No. 4966 and Supplements 3 and 4	Monthly and weekly commutation fares for interstate passengers between Hoboken and former DL&W stations in New Jersey.
I.C.C. No. 5334 and Supplement 5	10-trip fares for interstate passengers between former DL&W stations in New Jersey and New York and Hoboken.
I.C.C. No. 5640 and Supplement 2 P.U.C. - N.J. No. PE-2 and Supplement 2-A	10-trip fares for intrastate passengers between former DL&W stations in New Jersey and Hoboken and Newark.
I.C.C. No. 2 P.U.C. - N.J. No. 1	One-way fares and basis for constructing round-trip fares between stations New York to Blairstown, N. J., Washington, N. J. and Port Jervis, N. Y.

## ERIE-LACKAWANNA RAILROAD COMPANY

FISCAL YEAR 1964-1965

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 6412 and Supplement 4	Commutation fares between former Erie stations in New Jersey and Hoboken and New York.
P.U.C. - N.J. No. 485 and Supplements 3 and 4	Commutation fares between former Erie stations in New Jersey excluding Hoboken.
P.U.C. - N.J. No. 486 and Supplements 2, 3 and 4	Commutation fares between former Erie stations in New Jersey and Hoboken.
I.C.C. No. 6410 and Supplement 4	10-trip fares between former Erie stations in New Jersey and Hoboken and New York.
I.C.C. No. 6411 and Supplement 2	Round-trip 30-day coach fares between former Erie stations in New Jersey and Hoboken and New York.
P.U.C. - N.J. No. 484 and Supplement 2	Round-trip 30-day coach fares between former Erie stations in New Jersey excluding Hoboken.
I.C.C. No. 4774 and Supplements 2, 8 and 9	Monthly and weekly commutation fares between New York and former DL&W stations in New Jersey
I.C.C. No. 4951 and Supplements 2 and 3 P.U.C. - N.J. No. 532 and Supplements 1 and 2	Monthly, school and weekly commutation fares between former DL&W stations in New Jersey, excluding Hoboken.
I.C.C. No. 4952 and Supplements 4 and 5 P.U.C. - N.J. No. 533 and Supplements 3 and 4	Monthly, school and weekly commutation fares for intrastate passengers between Hoboken and former DL&W stations in New Jersey.
I.C.C. No. 4966 and Supplements 3 and 4	Monthly and weekly commutation fares for interstate passengers between Hoboken and former DL&W stations in New Jersey.
I.C.C. No. 5334 and Supplement 5	10-trip fares for interstate passengers between former DL&W stations in New Jersey and New York and Hoboken.
I.C.C. No. 5640 and Supplement 2 P.U.C. - N.J. No. PE-2 and Supplement 2-A	10-trip fares for intrastate passengers between former DL&W stations in New Jersey and Hoboken and Newark.
I.C.C. No. 2 P.U.C. - N.J. No. 1	One-way fares and basis for constructing round-trip fares between stations New York to Blairstown, N. J., Washington, N. J. and Port Jervis, N. Y.

## ERIE-LACKAWANNA RAILROAD COMPANY

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. P-399 P.U.C. - N.J. No. P-5	Round-trip 4-day fares between New York, Hoboken and Newark and Blairstown, New Jersey.
I.C.C. No. 5532 and Supplements 2, 3 and 4 P.U.C. - N.J. No. 547 and Supplement 1	Round-trip 30-day fares between New York to Washington and Branchville, New Jersey.
I.C.C. No. PE-34 P.U.C. - N.J. No. PE-4	Round-trip 1-day fares between stations New York to Dover, N. J. and Port Jervis, N. Y.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

PENNSYLVANIA RAILROAD  
(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$11,552,000	\$11,700,000
103	Baggage	-	-
106	Mail	310,000	300,000
107	Express	7,000	5,000
108	Other passenger train	59,000	55,000
109	Milk	-	-
110	Switching	-	-
113	Water transfers	-	-
131	Dining and buffet	148,000	140,000
133	Station, train and boat privileges	339,000	300,000
138	Communication	-	-
142	Rents of buildings and other property	328,000	300,000
143	Miscellaneous	7,000	7,000
151	Joint facility - credit	26,000	25,000
152	Joint facility - debit	-	-
	Total Railway Operating Revenues	\$12,776,000	\$12,832,000
RENT INCOME			
504	Rent from locomotives	\$ 5,000	\$ 5,000
505	Rent from passenger cars	112,000	110,000
507	Rent from work equipment	-	-
508	Joint facility rent income	473,000	470,000
	Total rent income	590,000	585,000
	TOTAL PASSENGER INCOME	\$13,366,000	\$13,417,000

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated-1964</u>
201	Superintendence	\$ 83,000	
202	Roadway maintenance	10,000	
206	Tunnels and subways	4,000	
208	Bridges, trestles and culverts	15,000	
210	Elevated structures	12,000	
212	Ties	14,000	
214	Rails	17,000	
216	Other track material	32,000	
218	Ballast	2,000	
220	Track laying and surfacing	121,000	
221	Fences, snowsheds and signs	-	
227	Station and office buildings	218,000	
229	Roadway buildings	1,000	
231	Water stations	-	
233	Fuel stations	1,000	
235	Shops and engine houses	23,000	
241	Wharves and docks	-	
247	Communication systems	16,000	
249	Signals and interlockers	66,000	
253	Power plants	2,000	2,000
257	Power transmission systems	79,000	80,000
265	Miscellaneous structures	-	
266	Road property - depreciation	519,000	
267	Retirements - road	-	
269	Roadway machines	17,000	
270	Dismantling retired road property	-	
271	Small tools and supplies	11,000	
272	Removing snow, ice and sand	30,000	
273	Public improvements - maintenance	3,000	
274	Injuries to persons	8,000	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		<u>1963 Actual</u>	<u>Selected Exps. Estimated-1964</u>
275	Insurance	\$ 5,000	
276	Stationery and printing	1,000	
277	Employees health and welfare benefits	26,000	
278	Joint tracks, yards and facilities-Debit	440,000	
279	" " " " " -Credit	(6,000)	
282	Other expenses	2,000	
TOTAL MAINT. OF WAY AND STRUCTURES		\$1,772,000	\$ 82,000
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$ 155,000	
302	Shop machinery	76,000	
304	Power plant machinery	60,000	
305	Shop and power plant machinery-Dep.	47,000	
311-	Repairs Diesels	451,000	\$ 470,000
317	Passenger train cars - Repairs	3,149,000	3,200,000
323	Floating equipment - Repairs	-	-
326	Work equipment - Repairs	10,000	10,000
328	Miscellaneous equipment - Repairs	20,000	20,000
329	Dismantling retired equipment	3,000	
331	Equipment - depreciation	695,000	
332	Injuries to persons	78,000	
333	Insurance	55,000	
334	Stationery and printing	7,000	
335	Employees health and welfare benefits	154,000	
339	Other expenses	5,000	
TOTAL MAINTENANCE OF EQUIPMENT		\$4,965,000	\$3,700,000

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963</u> <u>Actual</u>	<u>Selected Exps</u> <u>Estimated -196</u>
371	Superintendence	\$ 168,000	
372	Dispatching trains	202,000	\$ 205,000
373	Station employees	2,285,000	2, 290,000
376	Station supplies and expenses	644,000	640,000
377	Yardmasters and yard clerks	268,000	270,000
378	Yard conductors and brakemen	695,000	697,000
379	Yard switch and signal tenders		
380	Yard enginemen		
382	Yard switching fuel	1,000	1,000
383	Yard switching power produced	43,000	43,000
384	Yard switching power purchased		
385	Water for yard locomotives	-	
386	Lubricants for yard locomotives	-	
387	Other supplies for yard locomotives )		
	)	7,000	7,000
388	Enginehouse expenses - yard )		
	)		
389	Yard supplies and expenses	45,000	45,000
390	Operating joint yards and terminal-Debit	12,000	12,000
391	" : " " " -Credit	-	-
392	Train enginemen	1,027,000	1,030,000
394	Train fuel	102,000	102,000
395	Train power produced )		
	)	989,000	990,000
396	Train power purchased )		
	)		
397	Water for train locomotives	2,000	2,000
398	Lubricants for train locomotives	14,000	14,000
399	Other supplies for train locomotives	8,000	7,000
400	Enginehouse expenses - Train	89,000	89,000
401	Trainmen	1,496,000	1,500,000
402	Train supplies and expenses	915,000	920,000
404	Signal and interlocker operation	73,000	
405	Crossing protection	13,000	13,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>		<u>Selected Exps.</u> <u>Estimated-1964</u>	
cont.					
406	Drawbridge Operation	\$	32,000		32,000
407	Communication system operation		27,000		27,000
408	Operating floating equipment		-		
409	Employees health and welfare benefits		143,000		
410	Stationery and printing		30,000		
411	Other expenses		11,000		
412	Operating joint tracks and facilities-Debit		746,000		745,000
413	" " " " " -Credit		(5,000)		(5,000)
414	Insurance		79,000		
415	Clearing wrecks		4,000		
416	Damage to property		-		
419	Loss and damage - Baggage		-		
420	Injuries to persons		202,000		
TOTAL TRANSPORTATION			\$10,367,000		\$9,676,000
<u>EXPENSES-TRAFFIC</u>					
351	Superintendence	\$	89,000		
352	Outside agencies		89,000		
353	Advertising		31,000	\$	33,000
354	Traffic associations		11,000		
356	Industrial and immigration bureaus		-		
357	Insurance		-		
358	Stationery and printing		2,000		
359	Employees health and welfare benefits		10,000		
360	Other expenses		1,000		
TOTAL TRAFFIC		\$	233,000	\$	33,000
<u>EXPENSES-MISCELLANEOUS</u>					
441	Dining and buffet services	\$	125,000		
449	Employees health and welfare benefits		-		
TOTAL MISCELLANEOUS		\$	125,000		

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
451	Salaries and expenses of general officers	\$ 85,000	
452	Salaries and expenses of clerks	374,000	
453	General office supplies and expenses	91,000	
454	Law expenses	70,000	
455	Insurance	-	
456	Employees health and welfare benefits	30,000	
457	Pensions	203,000	
458	Stationery and printing	10,000	
460	Other expenses	80,000	
461	General joint facilities -Debit	31,000	
TOTAL GENERAL		\$ 974,000	
TOTAL RAILWAY OPERATING EXPENSES		\$18, 436,000	
532	Railway tax accruals - Payroll	\$ 949,000	
	Railway tax accruals - Property	1,245,000	1,240,000
RENTS PAYABLE			
537	Rent for locomotives	\$ 3,000	3,000
538	Rent for passenger train cars	133,000	130,000
540	Rent for work equipment	-	-
541	Joint facility rents	278,000	280,000
TOTAL RENTS PAYABLE		\$ 414,000	413,000
TOTAL PASSENGER EXPENSES		\$ 21,044,000	
NET RAILWAY PASSENGER OPERATING DEFICIT		\$ 7,678,000	
SUMMARY			
TOTAL PASSENGER INCOME		\$13,366,000	\$13,417,000
TOTAL SELECTED PASSENGER EXPENSES		15,058,000	15,216,000
PROPOSED STATE COMPENSATION			1,799,000

## PENNSYLVANIA RAILROAD

FISCAL YEAR 1964-65

The following public timetables effective April 26, 1964, contain schedules of service to be 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
30	Schedules of trains between Pemberton, Moorestown and Camden
38	Schedules of trains between New York, Newark and Bay Head Jct.
72	Schedules of trains between New York, Rahway, South Amboy and Jersey Avenue

PENNSYLVANIA RAILROAD  
1964-1965 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. A-21713	90-day trip 3-months commutation fares between Philadelphia and P-RSL stations.
I.C.C. No. A-26535	Commutation fares between Philadelphia and P-RSL stations, as well as Trenton.
I.C.C. No. A-25938 and Supplement 2 P.U.C.-N.J. No. A-1600 and Supplement 2	Commutation fares between New York and stations in New Jersey on the one hand and N. Y. & L. B. RR stations and PRR stations in New Jersey and Pennsylvania on the other hand.
I.C.C. No. A-25651	12-trip commutation fares between Philadelphia-Camden and P-RSL stations.
P.U.C.-N.J. No. A-1589 and Supplement 2	Commutation fares between Camden and stations on the Pemberton and Trenton branches.
I.C.C. No. A-22953 P.U.C.-N.J. No. A-1632 and Supplement A	One-way fare between Newark and Jersey City (Journal Square)
I.C.C. No. A-27124 and Supplement 2 P.U.C.-N.J. No. A-1645 and Supplement 2	One-way fares and basis for constructing round-trip fares between PRR, P-RSL and N.Y. & L.B. RR stations.
I.C.C. No. A-27119 P.U.C.-N.J. No. A-1643	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. A-27117 and Supplement 2 P.U.C.-N.J. No. A-1642 and Supplement 1	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-27120 P.U.C.-N.J. No. A-1644	One-way fares and basis for constructing round-trip fares between stations intermediate to and including Camden-Trenton and Pemberton, and between Philadelphia and P-RSL stations.

## PENNSYLVANIA RAILROAD

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. A-22735 P.U.C.-N.J. No. A-1420	One-way coach fares between Newark and Harrison.
I.C.C. No. A-27133 and Supplements 1 and 3 P.U.C.-N.J. No. A-1646 and Supplements 1 and 3	One-way fares between New Jersey stations of PRR and other Railroads.
I.C.C. No. A-27749 P.U.C.-N.J. No. A-1668	One-day coach excursion fares between New York-Newark and PRR and N.Y. & L.B. stations.
I.C.C. No. A-26857	17-day coach excursion fares from Philadelphia and Camden to P-RSL stations.
I.C.C. No. A-26856	4-day coach excursion fares between Philadelphia-Camden and P-RSL stations.
I.C.C. No. A-27492 and Supplement 2 P.U.C.-N.J. No. A-1657	Optional routes and rules governing use and diversion of tickets.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

NEW JERSEY & NEW YORK RAILROAD

(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$529,738	\$500,000
103	Baggage	-	-
106	Mail	-	-
107	Express	-	-
108	Other passenger train	421	400
109	Milk	-	-
110	Switching	-	-
113	Water transfers	-	-
131	Dining and buffet	-	-
133	Station, train and boat privileges	1,250	1,200
138	Communication	-	-
142	Rents of buildings and other property	2	-
143	Miscellaneous	239	200
151	Joint facility - credit	-	-
152	Joint facility - debit	-	-
	Total Railway Operating Revenues	\$531,650	\$501,800
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	-	-
507	Rent from work equipment	-	-
508	Joint facility rent income	-	-
	Total rent income	-	-
	TOTAL PASSENGER INCOME	\$531,650	\$501,800

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
201	Superintendence	\$ 4,633	
202	Roadway maintenance	1,343	
206	Tunnels and subways	-	
208	Bridges, trestles and culverts	17	
210	Elevated structures	-	
212	Ties	969	
214	Rails	189	
216	Other track material	3,067	
218	Ballast	42	
220	Track laying and surfacing	18,826	28,000
221	Fences, snowsheds and signs	129	
227	Station and office buildings	2,240	
229	Roadway buildings	70	
231	Water stations	9	
233	Fuel stations	-	
235	Shops and engine houses	73	
241	Wharves and docks	-	
247	Communication systems	324	
249	Signals and interlockers	4,048	
253	Power plants	-	-
257	Power transmission systems	-	-
265	Miscellaneous structures	-	
266	Road property - depreciation	7,288	
267	Retirements - road	-	
269	Roadway machines	5	
270	Dismantling retired road property	-	
271	Small tools and supplies	253	
272	Removing snow, ice and sand	2,543	
273	Public improvements - maintenance	2,898	
274	Injuries to persons	3,012	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		<u>1963 Actual</u>	<u>Selected Exps. Estimated-1964</u>
275	Insurance	\$ 394	
276	Stationery and printing	-	
277	Employees health and welfare benefits	994	
278	Joint tracks, yards and facilities-Debit	2,766	
279	" " " " " -Credit	(28)	
281	Right of way expenses	(128)	
282	Other expenses	-	
TOTAL MAINT. OF WAY AND STRUCTURES		\$55,976	\$28,000
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$ 1,803	
302	Shop machinery	-	
304	Power plant machinery	-	
305	Shop and power plant machinery-Dep.	-	
311-	Repairs Diesels	55,604	\$57,000
317	Passenger train cars - Repairs	25,862	27,000
323	Floating equipment - Repairs	-	-
326	Work equipment - Repairs	23	25
328	Miscellaneous equipment - Repairs	1	-
329	Dismantling retired equipment	-	
331	Equipment - depreciation	248	
332	Injuries to persons	31	
333	Insurance	-	
334	Stationery and printing	-	-
335	Employees health and welfare benefits	1,757	
339	Other expenses	-	-
TOTAL MAINTENANCE OF EQUIPMENT		\$85,329	\$84,025

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps Estimated -196</u>
371	Superintendence	\$ 11,180	
372	Dispatching trains	1,262	\$ 1,300
373	Station employees	16,118	15,200
376	Station supplies and expenses	1,593	1,600
377	Yardmasters and yard clerks	-	-
378	Yard conductors and brakemen	-	-
379	Yard switch and signal tenders	-	-
380	Yard enginemen	-	-
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	-	-
390	Operating joint yards and terminal-Debit	3,351	3,600
391	" : " " " -Credit	-	-
392	Train enginemen	82,599	84,000
394	Train fuel	17,447	18,000
395	Train power produced	-	-
396	Train power purchased	-	-
397	Water for train locomotives	1,302	1,500
398	Lubricants for train locomotives	1,934	2,000
399	Other supplies for train locomotives	430	500
400	Enginehouse expenses - Train	22,554	24,000
401	Trainmen	140,128	143,000
402	Train supplies and expenses	30,341	32,000
404	Signal and interlocker operation	2,355	2,500
405	Crossing protection	21,800	23,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps</u> <u>Estimated -196.</u>
cont.			
406	Drawbridge Operation	-	-
407	Communication system operation	\$ 213	200
408	Operating floating equipment	-	-
409	Employees health and welfare benefits	2,896	
410	Stationery and printing	323	350
411	Other expenses		1,300
412	Operating joint tracks and facilities-Debit	3,205	2,550
413	" " " " " -Credit	(156)	(150)
414	Insurance	372	
415	Clearing wrecks	17	
416	Damage to property	379	
419	Loss and damage - Baggage	-	
420	Injuries to persons	(11,033)	
TOTAL TRANSPORTATION		\$350,611	\$356,450
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	\$ 3,511	
352	Outside agencies	2,530	
353	Advertising	117	\$ 200
354	Traffic associations	-	
356	Industrial and immigration bureaus	-	
357	Insurance	-	
358	Stationery and printing	2	
359	Employees health and welfare benefits	-	
360	Other expenses	-	
TOTAL TRAFFIC		\$ 6,161	\$ 200
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	-	
449	Employees health and welfare benefits	-	
TOTAL MISCELLANEOUS		-	

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
451	Salaries and expenses of general officers \$	5,053	
452	Salaries and expenses of clerks	8,221	
453	General office supplies and expenses	2,415	
454	Law expenses	17,008	
455	Insurance	139	
456	Employees health and welfare benefits	482	
457	Pensions	-	
458	Stationery and printing	201	
460	Other expenses	1,226	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$ 34,744	
TOTAL RAILWAY OPERATING EXPENSES		532,821	
532	Railway tax accruals - Payroll	\$ 17,810	
	Railway tax accruals - Property	20,000	\$ 9,001
RENTS PAYABLE			
537	Rent for locomotives	\$ 51,389	\$ 52,000
538	Rent for passenger train cars	45,012	45,000
540	Rent for work equipment	206	200
541	Joint facility rents	12,393	13,000
TOTAL RENTS PAYABLE		\$109,000	\$110,200
TOTAL PASSENGER EXPENSES		679,631	
NET RAILWAY PASSENGER OPERATING DEFICIT		147,981	
SUMMARY			
TOTAL PASSENGER INCOME		531,650	\$501,800
TOTAL SELECTED PASSENGER EXPENSES		576,223	587,876
PROPOSED STATE COMPENSATION			86,076

NEW JERSEY AND NEW YORK RAILROAD

FISCAL YEAR 1964-65

Public Timetable Form 10, effective April 26, 1964,  
contains schedules of service to be covered by contract.

THE NEW JERSEY & NEW YORK RAILROAD COMPANY  
FISCAL YEAR 1964-1965

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 18 and Supplement 1	Commutation fares between N. J. & N.Y. RR stations and New York or Hoboken.
P.U.C. - N.J. No. 31 and Supplement 1	Commutation fares between N.J. & N.Y. RR stations in New Jersey and Hoboken.
P.U.C. - N.J. No. 32	Commutation fares between N.J. & N.Y. RR stations in New Jersey excluding Hoboken.
I.C.C. No. 19 P.U.C. - N.J. No. 33	One-way fares and basis for round- trip fares between N.J. & N.Y. RR stations.
P.U.C. - N.J. No. 30 and Supplement 1	Round-trip 30 day fares between N.J. & N.Y. RR stations in New Jersey.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

PENNSYLVANIA-READING SEASHORE LINES  
(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	1963 <u>Actual</u>	1964 <u>Estimated</u>
REVENUES			
102	Passenger	\$598,897	\$562,000
103	Baggage	868	800
106	Mail	-	-
107	Express	7,405	-
108	Other passenger train	8,152	1,000
109	Milk	32	50
110	Switching	50	50
113	Water transfers	-	-
131	Dining and buffet	13,534	12,000
133	Station, train and boat privileges	3,202	3,000
138	Communication	-	-
142	Rents of buildings and other property	12,936	12,000
143	Miscellaneous	8,001	8,000
151	Joint facility - credit	164	200
152	Joint facility - debit	-	-
Total Railway Operating Revenues		\$653,241	\$599,100
RENT INCOME			
504	Rent from locomotives	23,967	\$ 23,000
505	Rent from passenger cars	94,314	90,000
507	Rent from work equipment	-	-
508	Joint facility rent income	6,456	6,000
Total rent income		\$124,737	\$119,000
TOTAL PASSENGER INCOME		\$777,978	\$718,100

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1963

Selected Exps.

EXPENSES-MAINTENANCE OF WAY AND STRUCTURESActualEstimated -1964

201	Superintendence	\$ 22,332	
202	Roadway maintenance	24,174	
206	Tunnels and subways	-	
208	Bridges, trestles and culverts	11,795	
210	Elevated structures	-	
212	Ties	24,123	
214	Rails	( 2,732)	
216	Other track material	5,287	
218	Ballast	1,543	
220	Track laying and surfacing	65,836	
221	Fences, snowsheds and signs	744	
227	Station and office buildings	24,331	
229	Roadway buildings	1,518	
231	Water stations	-	
233	Fuel stations	-	
235	Shops and engine houses	( 554)	
241	Wharves and docks	-	
247	Communication systems	14,183	
249	Signals and interlockers	22,846	
253	Power plants	-	
257	Power transmission systems	5,248	
265	Miscellaneous structures	336	
266	Road property - depreciation	58,671	
267	Retirements - road	( 1,717)	
269	Roadway machines	10,184	
270	Dismantling retired road property	1,441	
271	Small tools and supplies	8,575	
272	Removing snow, ice and sand	2,568	
273	Public improvements - maintenance	12,239	
274	Injuries to persons	4,141	

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		1963	Selected Exps.
<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		<u>Actual</u>	<u>Estimated-1964</u>
275	Insurance	\$ 3,586	
276	Stationery and printing	( 27)	
277	Employees health and welfare benefits	11,108	
278	Joint tracks, yards and facilities-Debit	16,274	
279	" " " " " -Credit	( 1,162)	
282	Other expenses	3	
TOTAL MAINT. OF WAY AND STRUCTURES		\$346,894	
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	19,107	
302	Shop machinery	1,533	
304	Power plant machinery	-	
305	Shop and power plant machinery-Dep.	268	
311-	Repairs Diesels	158,911	\$134,100
317	Passenger train cars - Repairs	321,613	285,000
323	Floating equipment - Repairs	-	
326	Work equipment - Repairs	122	
328	Miscellaneous equipment - Repairs	8,885	
329	Dismantling retired equipment	-	
331	Equipment - depreciation	165,512	
332	Injuries to persons	3,326	
333	Insurance	4,468	
334	Stationery and printing	( 180 )	
335	Employees health and welfare benefits	7,238	
336	Joint Maint. Of Equipment	24,241	
339	Other expenses	-	
TOTAL MAINTENANCE OF EQUIPMENT		\$722,777	\$419,100

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps.<sup>1</sup> Estimated -1964,4</u>
371	Superintendence	\$ 30,329	
372	Dispatching trains	51,897	
373	Station employees	96,815	
376	Station supplies and expenses	38,089	
377	Yardmasters and yard clerks	9,607	
378	Yard conductors and brakemen	13,563	
379	Yard switch and signal tenders	335	
380	Yard enginemen	8,712	
382	Yard switching fuel	1,083	
383	Yard switching power produced	-	
384	Yard switching power purchased	-	
385	Water for yard locomotives	3	
386	Lubricants for yard locomotives	162	
387	Other supplies for yard locomotives	51	
388	Enginehouse expenses - yard	885	
389	Yard supplies and expenses	632	
390	Operating joint yards and terminal-Debit	134,619	
391	" : " " " -Credit	-	
392	Train enginemen	244,157	\$239,000
394	Train fuel	57,524	
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	146	
398	Lubricants for train locomotives	6,275	
399	Other supplies for train locomotives	2,017	
400	Enginehouse expenses - Train	37,702	
401	Trainmen	281,807	275,000
402	Train supplies and expenses	151,238	
404	Signal and interlocker operation	5,772	
405	Crossing protection	34,717	

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964<sup>51</sup></u>
371	Superintendence	\$ 30,329	
372	Dispatching trains	51,897	
373	Station employees	96,815	
376	Station supplies and expenses	38,089	
377	Yardmasters and yard clerks	9,607	
378	Yard conductors and brakemen	13,563	
379	Yard switch and signal tenders	335	
380	Yard enginemen	8,712	
382	Yard switching fuel	1,083	
383	Yard switching power produced	-	
384	Yard switching power purchased	-	
385	Water for yard locomotives	3	
386	Lubricants for yard locomotives	162	
387	Other supplies for yard locomotives	51	
388	Enginehouse expenses - yard	885	
389	Yard supplies and expenses	632	
390	Operating joint yards and terminal-Debit	134,619	
391	" : " " " -Credit	-	
392	Train enginemen	244,157	\$239,000
394	Train fuel	57,524	
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	146	
398	Lubricants for train locomotives	6,275	
399	Other supplies for train locomotives	2,017	
400	Enginehouse expenses - Train	37,702	
401	Trainmen	281,807	275,000
402	Train supplies and expenses	151,238	
404	Signal and interlocker operation	5,772	
405	Crossing protection	34,717	

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<u>EXPENSES-TRANSPORTATION</u>		1963	Selected Exps.
cont.		<u>Actual</u>	<u>Estimated-1961</u>
406	Drawbridge Operation	\$ 28,807	
407	Communication system operation	7,623	
408	Operating floating equipment	-	
409	Employees health and welfare benefits	14,921	
410	Stationery and printing	5,084	
411	Other expenses	74	
412	Operating joint tracks and facilities-Debit	-	
413	" " " " " -Credit	(9,658)	
414	Insurance	5,968	
415	Clearing wrecks	6	
416	Damage to property	2,141	
419	Loss and damage - Baggage	56	
420	Injuries to persons	104,780	
TOTAL TRANSPORTATION		\$1,367,939	\$514,000
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	11,431	
352	Outside agencies	107	
353	Advertising	9,158	
354	Traffic associations	391	
356	Industrial and immigration bureaus	56	
357	Insurance	-	
358	Stationery and printing	171	
359	Employees health and welfare benefits	288	
360	Other expenses	-	
TOTAL TRAFFIC		21,602	
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	11,349	
449	Employees health and welfare benefits	-	
TOTAL MISCELLANEOUS		11,349	

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		1963	Selected Exps.
<u>EXPENSES-GENERAL</u>		<u>Actual</u>	<u>Estimated -1964</u>
451	Salaries and expenses of general officers	-	
452	Salaries and expenses of clerks	\$68,161	
453	General office supplies and expenses	3,518	
454	Law expenses	12,713	
455	Insurance	-	
456	Employees health and welfare benefits	3	
457	Pensions	55,539	
458	Stationery and printing	979	
460	Other expenses	3,165	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$ 144,078	
TOTAL RAILWAY OPERATING EXPENSES		\$2,614,639	
532	Railway tax accruals - Payroll )	208,146	
	Railway tax accruals - Property )		
RENTS PAYABLE			
537	Rent for locomotives	\$ 4,124	
538	Rent for passenger train cars	3,732	
540	Rent for work equipment	-	
541	Joint facility rents	161,300	
TOTAL RENTS PAYABLE		\$ 169,156	
TOTAL PASSENGER EXPENSES		\$2,991,941	
NET RAILWAY PASSENGER OPERATING DEFICIT		2,213,963	
SUMMARY			
TOTAL PASSENGER INCOME		\$ 777,978	\$718,100
TOTAL SELECTED PASSENGER EXPENSES		\$1,006,488	933,100
PROPOSED STATE COMPENSATION			\$215,000

PENNSYLVANIA-READING SEASHORE LINES

FISCAL YEAR 1964-65

Public timetable form 3, effective April 26, 1964, contains schedules of service to be covered by contract.

Trains 609, 610, 754 and 775 listed therein have been authorized to be discontinued by order of the Highway Commissioner dated May 25, 1964 and these trains may be removed from this timetable as soon as legally possible.

## PENNSYLVANIA-READING SEASHORE LINES

FISCAL YEAR 1964-65

The following tariffs are to be covered by contract:

Tariff Number	Description of Contents
I.C.C. No. A-21713 P.U.C.-N.J. No. A-1369	90-trip 3-months commutation fares between Philadelphia-Camden and seashore destination on P-RSL and Public Service Coordinated Transport.
I.C.C. No. A-26535	Commutation fares between Philadelphia and stations on P-RSL and Public Service Coordinated Transport.
I.C.C. No. A-25651 P.U.C.- No. A-1527 and Supplement A	12-trip commutation fares between Philadelphia-Camden and seashore destinations on P-RSL and Public Service Coordinated Transport.
I.C.C. No. 1249 P.U.C.-N.J. No. 308 and Supplement 3	Commutation fares between P-RSL stations and between P-RSL and Public Service Coordinated Transport stations.
P.U.C.-N.J. No. 348 and Supplement 3	One-way fares and basis for constructing round-trip fares between P-RSL stations and between P-RSL and Public Service Coordinated Transport stations.
I.C.C. No. A-27120 P.U.C.-N.J.A-1644	One-way fares between Philadelphia and stations on P-RSL and Public Service Coordinated Transport.
P.U.C.-N.J. No. 367 and Supplement A	2-day coach and excursion fares between Camden and Millville, S. Vineland and Vineland.
I.C.C. No. A-26856 P.U.C.-N.J. No. A-1635 and Supplement A	4-day coach excursion fares between Philadelphia-Camden and seashore destinations on P-RSL and Public Service Coordinated Transport.
I.C.C. No. A-26857 P.U.C.-N.J. No. A-1636 and Supplement A	17-day coach excursion fares between Philadelphia-Camden and seashore destinations on P-RSL and Public Service Coordinated Transport.
I.C.C. No. A-27492 P.U.C.-N.J. No. A-1657	Optional routes and rules governing use and diversion of tickets.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

NEW YORK, SUSQUEHANNA & WESTERN

(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$42,127	\$42,150
103	Baggage	-	-
106	Mail	-	-
107	Express	-	-
108	Other passenger train	50	50
109	Milk	-	-
110	Switching	-	-
113	Water transfers	-	-
131	Dining and buffet	-	-
133	Station, train and boat privileges	-	-
138	Communication	-	-
142	Rents of buildings and other property	-	-
143	Miscellaneous	-	-
151	Joint facility - credit	-	-
152	Joint facility - debit	-	-
	Total Railway Operating Revenues	\$42,127	\$42,200
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	-	-
507	Rent from work equipment	-	-
508	Joint facility rent income	-	-
	Total rent income	-	-
	TOTAL PASSENGER INCOME	\$42,127	\$42,200

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
201	Superintendence	\$ 3,596	
202	Roadway maintenance	938	
206	Tunnels and subways	-	
208	Bridges, trestles and culverts	917	
210	Elevated structures	-	
212	Ties	-	
214	Rails	(61)	
216	Other track material	892	
218	Ballast	-	
220	Track laying and surfacing	6,979	
221	Fences, snowsheds and signs	72	
227	Station and office buildings	199	
229	Roadway buildings	-	
231	Water stations	-	
233	Fuel stations	3	
235	Shops and engine houses	3,507	
241	Wharves and docks	-	
247	Communication systems	1,664	
249	Signals and interlockers	5,634	
253	Power plants	-	
257	Power transmission systems	-	
265	Miscellaneous structures	-	
266	Road property - depreciation	6,135	
267	Retirements - road	297	
269	Roadway machines	386	
270	Dismantling retired road property	-	
271	Small tools and supplies	318	
272	Removing snow, ice and sand	774	
273	Public improvements - maintenance	326	
274	Injuries to persons	-	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		<u>1963 Actual</u>	<u>Selected Estimated</u>
275	Insurance	\$ 436	
276	Stationery and printing	14	
277	Employees health and welfare benefits	1,169	
278	Joint tracks, yards and facilities-Debit	-	
279	" " " " " -Credit	-	
282	Other expenses	-	
TOTAL MAINT. OF WAY AND STRUCTURES		34,195	
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$4,050	
302	Shop machinery	407	
304	Power plant machinery	-	
305	Shop and power plant machinery-Dep.	685	
311-	Repairs Diesels	31,251	\$30,000
317	Passenger train cars - Repairs	27,642	14,000
323	Floating equipment - Repairs	-	
326	Work equipment - Repairs	-	
328	Miscellaneous equipment - Repairs	-	
329	Dismantling retired equipment	-	
331	Equipment - depreciation	12,580	
332	Injuries to persons	-	
333	Insurance	1,271	
334	Stationery and printing	215	
335	Employees health and welfare benefits	2,591	
339	Other expenses	829	
TOTAL MAINTENANCE OF EQUIPMENT		\$81,521	\$44,000

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		1963 Actual	<u>Selected Exps. Estimated-1964</u>
275	Insurance	\$ 436	
276	Stationery and printing	14	
277	Employees health and welfare benefits	1,169	
278	Joint tracks, yards and facilities-Debit	-	
279	" " " " " -Credit	-	
282	Other expenses	-	
TOTAL MAINT. OF WAY AND STRUCTURES		34,195	
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$4,050	
302	Shop machinery	407	
304	Power plant machinery	-	
305	Shop and power plant machinery-Dep.	685	
311-	Repairs Diesels	31,251	\$30,000
317	Passenger train cars - Repairs	27,642	14,000
323	Floating equipment - Repairs	-	
326	Work equipment - Repairs	-	
328	Miscellaneous equipment - Repairs	-	
329	Dismantling retired equipment	-	
331	Equipment - depreciation	12,580	
332	Injuries to persons	-	
333	Insurance	1,271	
334	Stationery and printing	215	
335	Employees health and welfare benefits	2,591	
339	Other expenses	829	
TOTAL MAINTENANCE OF EQUIPMENT		\$81,521	\$44,000

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated 1964</u>
371	Superintendence	\$15,471	
372	Dispatching trains	7,221	
373	Station employees	2,603	\$2,550
376	Station supplies and expenses	2,944	2,850
377	Yardmasters and yard clerks	-	
378	Yard conductors and brakemen	-	
379	Yard switch and signal tenders	-	
380	Yard enginemen	-	
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	-	
390	Operating joint yards and terminal-Debit	-	
391	" : " " " -Credit	-	
392	Train enginemen	49,100	41,000
394	Train fuel	8,362	8,000
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	184	
398	Lubricants for train locomotives	1,965	1,800
399	Other supplies for train locomotives	294	
400	Enginehouse expenses - Train	14,767	14,000
401	Trainmen	63,179	
402	Train supplies and expenses	8,531	
404	Signal and interlocker operation	4,900	5,000
405	Crossing protection	3,866	

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps.</u> <u>Estimated -1964</u>
	cont.		
406	Drawbridge Operation	\$ 1,166	
407	Communication system operation	202	
408	Operating floating equipment	-	
409	Employees health and welfare benefits	-	
410	Stationery and printing	1,984	
411	Other expenses	-	
412	Operating joint tracks and facilities-Debit	-	
413	" " " " " -Credit	-	
414	Insurance	3,613	
415	Clearing wrecks	-	
416	Damage to property	-	
419	Loss and damage - Baggage	-	
420	Injuries to persons	870	
TOTAL TRANSPORTATION		\$191,222	\$75,200
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	\$ 5,833	
352	Outside agencies	-	
353	Advertising	2,471	
354	Traffic associations	-	
356	Industrial and immigration bureaus	-	
357	Insurance	-	
358	Stationery and printing	19	
359	Employees health and welfare benefits	-	
360	Other expenses	-	
TOTAL TRAFFIC		\$ 8,323	
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	-	
449	Employees health and welfare benefits	-	
TOTAL MISCELLANEOUS		-	

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<u>EXPENSES-GENERAL</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
451	Salaries and expenses of general officers	\$ 9,977	
452	Salaries and expenses of clerks	10,095	
453	General office supplies and expenses	3,154	
454	Law expenses	5,071	
455	Insurance	56	
456	Employees health and welfare benefits	670	
457	Pensions	3,139	
458	Stationery and printing	1,032	
460	Other expenses	3,700	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$36,894	
TOTAL RAILWAY OPERATING EXPENSES		\$352,155	
532	Railway tax accruals - Payroll )	\$ 37,399	
	Railway tax accruals - Property)		

## RENTS PAYABLE

537	Rent for locomotives	-	
538	Rent for passenger train cars	\$ 3,300	
540	Rent for work equipment	-	
541	Joint facility rents	-	
TOTAL RENTS PAYABLE		\$ 3,300	
TOTAL PASSENGER EXPENSES		\$417,579	
NET RAILWAY PASSENGER OPERATING DEFICIT		\$350,677	

## SUMMARY

TOTAL PASSENGER INCOME		\$ 42,127	\$ 42,200
TOTAL SELECTED PASSENGER EXPENSES		143,534	119,200
PROPOSED STATE COMPENSATION			\$ 77,000

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD

FISCAL YEAR 1964-1965

Public timetable, effective July 1, 1964, contains  
schedules of service to be covered by contract.

## NEW YORK SUSQUEHANNA AND WESTERN RAILROAD

FISCAL YEAR 1964-65

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 99 and Supplement 1.	Commutation and trip fares between New York City and NYS&W stations.
I.C.C. No. 100 and Supplement 2. P.U.C.-N.J. No. 131 and Supplement 2.	One-way fares between New York City and NYS&W stations and between intermediate stations.
I.C.C. No. 101 and Supplement 2. P.U.C.-N.J. No. 132 and Supplement 2.	Round trip 30-day coach fares between New York and NYS&W stations and between intermediate stations.
P.U.C.-N.J. No. 133	Commutation fares between NYS&W stations in New Jersey.

FINANCIAL RESULTS FROM  
SUBURBAN PASSENGER OPERATIONS  
IN NEW JERSEY

READING COMPANY

(Railroad)

INTERSTATE COMMERCE COMMISSION  
ACCOUNT CLASSIFICATION

<u>Number</u>	<u>Description</u>	<u>1963 Actual</u>	<u>1964 Estimated</u>
REVENUES			
102	Passenger	\$ 155,959	140,000
103	Baggage	-	-
106	Mail	35,349	-
107	Express	-	-
108	Other passenger train	-	-
109	Milk	-	-
110	Switching	-	-
113	Water transfers	-	-
131	Dining and buffet	15,275	14,000
133	Station, train and boat privileges	2,717	2,000
138	Communication	-	-
142	Rents of buildings and other property	-	-
143	Miscellaneous	1,052	1,000
151	Joint facility - credit	-	-
152	Joint facility - debit	-	-
Total Railway Operating Revenues		\$210,352	\$157,000
RENT INCOME			
504	Rent from locomotives	-	-
505	Rent from passenger cars	-	-
507	Rent from work equipment	-	-
508	Joint facility rent income	-	-
Total rent income		-	-
TOTAL PASSENGER INCOME		\$210,352	\$157,000

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated -1964</u>
201	Superintendence	\$1,449	
202	Roadway maintenance	1,153	
206	Tunnels and subways	27	
208	Bridges, trestles and culverts	229	
210	Elevated structures	-	
212	Ties	449	
214	Rails	441	
216	Other track material	851	
218	Ballast	399	
220	Track laying and surfacing	6,136	
221	Fences, snowsheds and signs	42	
227	Station and office buildings	5,232	
229	Roadway buildings	40	
231	Water stations	13	
233	Fuel stations	9	
235	Shops and engine houses	673	
241	Wharves and docks	-	
247	Communication systems	1,026	
249	Signals and interlockers	4,040	
253	Power plants	29	
257	Power transmission systems	5,104	
265	Miscellaneous structures	-	
266	Road property - depreciation	9,209	
267	Retirements - road	121	
269	Roadway machines	455	
270	Dismantling retired road property	90	
271	Small tools and supplies	245	
272	Removing snow, ice and sand	412	
273	Public improvements - maintenance	153	
274	Injuries to persons	82	

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<u>EXPENSES-MAINTENANCE OF WAY AND STRUCTURES</u> cont.		1963 Actual	<u>Selected Exps. Estimated-1964</u>
275	Insurance	\$ 449	
276	Stationery and printing	29	
277	Employees health and welfare benefits	1,192	
278	Joint tracks, yards and facilities-Debit	85	
279	" " " " " -Credit	(1)	
282	Other expenses	234	
TOTAL MAINT. OF WAY AND STRUCTURES		\$ 40,099	
<u>EXPENSES-MAINTENANCE OF EQUIPMENT</u>			
301	Superintendence	\$ 2,889	
302	Shop machinery	699	
304	Power plant machinery	1,063	
305	Shop and power plant machinery-Dep.	740	
311-	Repairs Diesels	10,412	\$ 8,500
317	Passenger train cars - Repairs	73,258	60,000
323	Floating equipment - Repairs	-	-
326	Work equipment - Repairs	190	200
328	Miscellaneous equipment - Repairs	40	50
329	Dismantling retired equipment	32	
331	Equipment - depreciation	11,366	
332	Injuries to persons	1,188	
333	Insurance	298	
334	Stationery and printing	62	
335	Employees health and welfare benefits	2,415	
339	Other expenses	(63)	
TOTAL MAINTENANCE OF EQUIPMENT		\$104,589	\$68,750

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps Estimated-1961</u>
371	Superintendence	\$ 6,175	
372	Dispatching trains	4,300	4,000
373	Station employees	33,832	
376	Station supplies and expenses	5,152	
377	Yardmasters and yard clerks	1,048	
378	Yard conductors and brakemen	19,451	
379	Yard switch and signal tenders	1,473	
380	Yard enginemen	10,751	9,000
382	Yard switching fuel	259	260
383	Yard switching power produced	-	-
384	Yard switching power purchased	-	-
385	Water for yard locomotives	2	-
386	Lubricants for yard locomotives	28	30
387	Other supplies for yard locomotives	15	20
388	Enginehouse expenses - yard	269	270
389	Yard supplies and expenses	286	
390	Operating joint yards and terminal-Debit	530	
391	" : " " " -Credit	(8)	
392	Train enginemen	29,859	\$24,000
394	Train fuel	20,806	17,000
395	Train power produced	-	
396	Train power purchased	-	
397	Water for train locomotives	213	200
398	Lubricants for train locomotives	636	600
399	Other supplies for train locomotives	609	600
400	Enginehouse expenses - Train	14,038	12,000
401	Trainmen	26,435	22,000
402	Train supplies and expenses	43,584	35,000
404	Signal and interlocker operation	2,412	2,000
405	Crossing protection	1,005	1,000

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<u>EXPENSES-TRANSPORTATION</u>		<u>1963 Actual</u>	<u>Selected Exps. Estimated-1961</u>
371	Superintendence	\$ 6,175	
372	Dispatching trains	4,300	4,000
373	Station employees	33,832	
376	Station supplies and expenses	5,152	
377	Yardmasters and yard clerks	1,048	
378	Yard conductors and brakemen	19,451	
379	Yard switch and signal tenders	1,473	
380	Yard enginemen	10,751	9,000
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385	Water for yard locomotives	2	-
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388	Enginehouse expenses - yard	269	270
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400	Enginehouse expenses - Train	14,038	12,000
401	Trainmen	26,435	22,000
402	Train supplies and expenses	43,584	35,000
404	Signal and interlocker operation	2,412	2,000
405	Crossing protection	1,005	1,000

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<u>EXPENSES-TRANSPORTATION</u>		1963 <u>Actual</u>	<u>Selected Exps</u> <u>Estimated -196</u>
	cont.		
406	Drawbridge Operation	-	-
407	Communication system operation	\$ 530	500
408	Operating floating equipment	-	-
409	Employees health and welfare benefits	2,585	
410	Stationery and printing	1,505	
411	Other expenses	3,806	
412	Operating joint tracks and facilities-Debit	265	270
413	" " " " " -Credit	-	-
414	Insurance	1,603	
415	Clearing wrecks	5	
416	Damage to property	2	
419	Loss and damage - Baggage	(6)	
420	Injuries to persons	10,139	
TOTAL TRANSPORTATION		\$243,594	\$128,750
<u>EXPENSES-TRAFFIC</u>			
351	Superintendence	4,068	
352	Outside agencies	435	
353	Advertising	1,469	\$ 1,500
354	Traffic associations	76	
356	Industrial and immigration bureaus	-	
357	Insurance	1	
358	Stationery and printing	184	
359	Employees health and welfare benefits	132	
360	Other expenses	-	
TOTAL TRAFFIC		\$ 6,365	\$ 1,500
<u>EXPENSES-MISCELLANEOUS</u>			
441	Dining and buffet services	\$ 636	
449	Employees health and welfare benefits	30	
TOTAL MISCELLANEOUS		\$ 666	

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<u>EXPENSES-GENERAL</u>		1963 Actual	Selected Exps. <u>Estimated -1964</u>
451	Salaries and expenses of general officers	\$ 2,176	
452	Salaries and expenses of clerks	12,505	
453	General office supplies and expenses	1,129	
454	Law expenses	1,223	
455	Insurance	2	
456	Employees health and welfare benefits	587	
457	Pensions	1,126	
458	Stationery and printing	342	
460	Other expenses	710	
461	General joint facilities -Debit	-	
TOTAL GENERAL		\$19,800	
TOTAL RAILWAY OPERATING EXPENSES		\$415,113	
532	Railway tax accruals - Payroll )	73,733	
	Railway tax accruals - Property )		

## RENTS PAYABLE

537	Rent for locomotives	-	
538	Rent for passenger train cars	-	
540	Rent for work equipment	-	
541	Joint facility rents	-	
TOTAL RENTS PAYABLE		-	
TOTAL PASSENGER EXPENSES		\$488,846	
NET RAILWAY PASSENGER OPERATING DEFICIT		\$278,494	

## SUMMARY

TOTAL PASSENGER INCOME	\$210,352	\$157,000
TOTAL SELECTED PASSENGER EXPENSES	241,383	199,000
PROPOSED STATE COMPENSATION		\$ 42,000

READING COMPANY  
FISCAL YEAR 1964-1965

Public timetable form 4, effective April 26, 1964,  
contains schedules of service to be covered by  
contract.

READING COMPANY  
1964-1965 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
I.C.C. No. 4647 and Supplements 2, 3, and 4	Commutation fares between Reading stations in New Jersey and New York
P.U.C. - N.J. No. 231 and Supplements 2 and 3	Commutation fares between Reading stations in New Jersey.
P.U.C. - N.J. No. 238 and Supplements 1 and 2	Commutation fares from Reading stations in New Jersey to Elizabeth, Newark and Plainfield.
I.C.C. No. 4545 and Supplements 1 and 2	Commutation fares between Reading stations in Pennsylvania and CRNJ stations in New Jersey
I.C.C. No. 4793 P.U.C.-N.J. No. 249	One-way fares between Reading Company stations in New Jersey.
I.C.C. No. 4792 P.U.C. - N.J. No. 248	One-way and round trip fares from Reading stations in New Jersey to destinations in New Jersey, New York and Pennsylvania.

1963 FINANCIAL RESULTS  
DELAWARE RIVER FERRY COMPANY

## INCOME

Cash Fares	\$376,584
Commutation Books Sold	94,001
Ferryboat Lunchroom Receipts	22,317
Total	<u>\$492,902</u>

## EXPENSES

Operating

Wages	\$328,442
Welfare Fund	13,034
Fuel Oil	52,293
Maintenance Ferryboats	65,315
Maintenance Terminals	34,473
Truck Expense	4,407
Office Expense	4,622
Salaries	35,302
Heat, Light & Power	3,254
Tickets	994
Travel Expense	<u>939</u>

\$543,075

Advertising

Advertising	\$ 7,775
Travel Expense	1,250
Salary	<u>6,900</u>

15,925

Overhead

Purchase Discounts	(\$ 729)
Rent	3,426
Office Expense	1,540
Salaries	6,000
Insurance	35,401
Admin. Expense	1,125
Legal Expenses	849
Taxes	22,953
Claims Paid	5,751
Employees Sick Fund	1,325
Pension	1,798
Contributions	600
Entertainment	<u>1,448</u>

81,487

Total Expenses

\$640,487

## NET LOSS

\$147,585

DELAWARE RIVER FERRY COMPANY  
SERVICE CONTRACTED FOR  
UNDER CHAPTER 88, LAWS 1964

Ferries will leave the respective terminals at  
Bridgeport, N. J., and Chester, Pa., on a  
maximum average headway of:

20 minutes - 7 AM - 5 PM Daily

30 " - 5 PM - 7 AM "

Normal running time between terminals will  
be six minutes.

Additional service will be operated during  
periods of heavy traffic demand.

DELAWARE RIVER FERRY COMPANY  
FARES AND CHARGES  
FOR PASSENGERS AND VEHICLES  
BETWEEN BRIDGEPORT, N. J. AND CHESTER, PA.

PASSENGERSONE-WAY FARE

*Pedestrian	\$ .10
Passenger in Automobile or Car Trailer	.05
*Passenger in Truck	.10

MOTOR VEHICLES (Including Operator)

*Passenger Automobile	.55
(40-ride book charge is \$12.36)	
Motorcycle (Including side car)	.25
Trucks (Including 2 operators)	

<u>Length</u>	<u># Southern Shield</u>	<u>All Others</u>
Up to 19 ft.	\$ .60	\$ .60
19-24 ft.	.65	.70
24-29 ft.	.70	.80
29-34 ft.	.75	.90
34-39 ft.	.80	1.00
39-44 ft.	.85	1.10
44-49 ft.	.90	1.20
45-54 ft.	.95	1.30
54-59 ft.	1.00	1.40

Wheel surcharge for Southern Shield trucks 29-59 ft. in length \$.20

Wheel surcharge for other than Southern Shield trucks

5 wheels	.10
6 "	.20
8 "	.30
10 "	.40

Weight surcharge for other than Southern Shield trucks  
over 5,000 lbs. .25

MISCELLANEOUS

Car Trailer	\$ .50
Bicycle (including rider)	.15
Pushcart or wheelbarrow (including pusher)	.25
Horse (including rider)	.50
Horse-drawn vehicle (including 1 driver)	1.00 per horse
Surcharges for oversize vehicles requiring boat turnaround	

7 AM - 7 PM weekdays	25.00
7 PM - 7 AM "	20.00
Saturdays, Sundays & Holidays	40.00

Shovels and cranes	
Weight - 60,000 lbs.	10.00
" - 80,000 lbs.	25.00

All other vehicles not listed

First 20 ft.	5.00
Each additional 5 ft.	5.00

\*Including two children under 5 years of age.

#"Southern Shield" refers to trucks bearing a license plate of a State south of Pennsylvania and a "Southern Truckers" Shield.