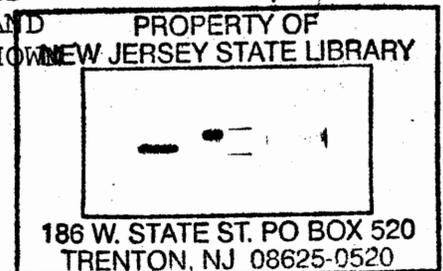


DETERMINATION MADE PURSUANT TO CHAPTER 301, L. 1966
OF FINANCIAL RESULTS TO RAILROADS
FROM PROVIDING PASSENGER SERVICE AND
RECOMMENDATIONS TO OFFSET LOSSES SHOWN

FISCAL YEAR 1971-72

GENERAL REVIEW



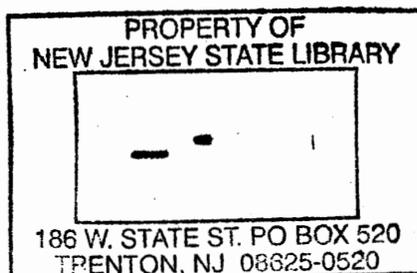
The year 1970 witnessed a culmination of the effort to preserve and improve essential public transportation service pioneered by the State of New Jersey and a few other areas over a decade ago. The national commitment to this goal was exemplified by the Federal Urban Mass Transportation Act of 1970 and the authorization to expend \$3.1 billion for its implementation, as well as the creation of the National Rail Passenger Corporation (Amtrak) to operate intercity passenger trains. Throughout the country, State and regional agencies accelerated their efforts to improve public transportation with San Francisco, Chicago, Washington and New York taking the lead.

New Jersey's public transportation program likewise gathered momentum during 1970. Stability of service by means of the service contract program was assured several years ago. Payments for service made under these contracts provided the foundation on which the State's plans for improvements could be built. The Aldene Plan, the first of the State's actions in this regard, reached a milestone in 1970 when the total savings to the State in cash subsidy as a

093

result of its implementation four years ago equalled the State's investment in this project. Other State capital improvements also began to return dividends during 1970. New equipment purchased by the State and leased to the Penn Central, despite some "bugs", provided transportation for over 2,000,000 persons during the year 1970 and proved to be the least expensive to maintain of any of the railroad's equipment of similar type.

In 1970 it became necessary to authorize the first general passenger fare increases for railroads under contract since the State assistance program began in 1960. The accumulation of a decade of rising labor costs had not been matched by a rise in revenues, consequently resulting in a heavy burden on the general taxpayer in order to sustain the service. After lengthy public hearings at which all concerned were provided an opportunity to express their views, approval was given for an increase in fares averaging 25% applicable to the Penn Central New Jersey suburban service, while The Central Railroad Company of New Jersey was given permission to raise its fares an average of 15%, all to be effective January 1, 1971.



Chapter 301, Laws of 1966, requires that the Commuter Operating Agency (a part of the State Department of Transportation) investigate and determine the financial results from the operation of suburban rail passenger service in New Jersey during the previous calendar year and determine what actions are required to offset all or part of any loss shown. Following are summaries for each railroad which include these loss figures and an outline of the steps which are proposed to be taken in connection with each railroad within the limitation of the funds prospectively available for the rail program. Any contracts consummated in accordance with this determination will contain standards of satisfactory service so that every reasonable effort will be made to provide passengers with reliable performance and adequate seating.

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

The Central Railroad reported to the Interstate Commerce Commission that it had a deficit from passenger operations during 1970 of \$5,025,570 (excluding State contract payments). However, in accordance with past procedure, the Department's consultant made a study of the Central's

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THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

The Central Railroad reported to the Interstate Commerce Commission that it had a deficit from passenger operations during 1970 of \$5,025,570 (excluding State contract payments). However, in accordance with past procedure, the Department's consultant made a study of the Central's

avoidable loss for 1970, i.e., that amount by which the carrier would benefit if it did not perform passenger service for that year. This study has produced a tentative deficit of \$4,232,010. (Details are shown in Appendix 1.) This amount does not include \$217,000 in retroactive wage increases applicable to 1970 but being paid in 1971. An agreement with the Central will contain provision for payment during the 1972 fiscal year of \$4,232,010 with any adjustments made as a result of a further review of the study by the railroad and the State. Applicable service and fares are shown in Appendices 1-A and 1-B.

During 1970 the Central faced a serious financial crisis. Operated since 1967 in bankruptcy, it had existed largely because of State aid and the assistance of its "family" group of railroads. Those lines--the Baltimore & Ohio and Chesapeake & Ohio--had stipulated that once their merger with the Norfolk & Western became effective the Central would be included as an integral part of the system and they were willing to assist the Central until then. Developments in mid-1970 made the approval of that merger extremely doubtful and their support was withdrawn. Advancing of subsidy funds by the State staved off disaster for the Central, but it was not until early 1971 that replacement of the Trustee, additional State aid and a Federal loan guarantee gave new hope that the Central could continue

as a viable corporate entity.

The 1970-71 fiscal year contract with the Central contained a provision for reimbursing the railroad for certain expenditures required for the provision of passenger service but which, under Interstate Commerce Commission accounting rules, could not be included in the computation of avoidable operating expenses because technically they represented some improvement to railroad property. An example would be the replacement of a coal stove at a passenger station with an oil burner. Unquestionably these expenses were incurred by the railroad solely because of providing passenger service and that these improvements benefited commuters. It is proposed that the 1971-72 fiscal year contract contain a similar provision for reimbursing the railroad for certain expenditures of this type, the payment to be \$22,302. During the past year an agreement was executed by the State and the railroad setting up procedures for State review and approval of the work covered by this amount, as well as providing for recovery by the State of any value should the items involved be scrapped or sold in the future. It is proposed that the new service contract authorize the railroad to utilize these procedures again during the coming year.

Consistent with the practice followed for the last several years, it is again proposed as part of the new contract to repay the railroad for payments made during the past year

in accordance with labor protective agreements to employees because of the adverse effect which they suffered as a result of the Aldene Plan. The amount to be included in the 1972 contract is \$19,175.

A number of capital improvement projects are programmed for the 1971-72 fiscal year which will assist in the reduction of the passenger service loss of the Central Railroad of New Jersey. Included in these are refurbishing of cars, acquisition of more modern passenger coaches from other railroads, re-seating of present cars to provide added capacity, upgrading of track and roadbed, rehabilitation of stations, and improved signals and communications.

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

The necessity for making improvements promptly on the New

York & Long Branch and the slowness of approval of the application referred to above has led to a decision to undertake certain projects now financed solely with State funds. A new parking lot at Little Silver, expanded parking at Middletown, a completely new station facility at Matawan, rehabilitation of other stations, upgrading of track and roadbed, improved signalling, refurbishing of equipment, acquisition of more modern cars and conversion of some cars to higher capacity all are programmed for the coming fiscal year.

Service and fares to be covered by the 1971-72 fiscal year contract are listed in Appendices 1-A and 1-B.

ERIE LACKAWANNA RAILWAY

Using the specific procedures set forth in the long term agreement between the State and the Erie Lackawanna, the State's consultant has determined that had the railroad not operated New Jersey suburban passenger service during 1970, it would have had a financial benefit of \$6,528,000 which under the aforesaid agreement shall be the payment by the State to the railroad for the basic contracted service to be rendered during the 1970-71 fiscal year. Details of this computation are shown in Appendix 2. The above does not include \$464,000 in retroactive wage increases applicable to 1970 but which are being paid in 1971.

The preceding section concerning the Central Railroad described certain expenditures for passenger service not included in the avoidable loss computation. It is proposed

to establish procedures for future handling of these items with the Erie Lackawanna identical to those agreed upon with the Central.

Appendix 2-A lists service covered by the agreement, while tariffs containing fares applicable to the contracted service are listed in Appendix 2-B.

During 1970 the Erie Lackawanna received the full benefit of the 26 passenger cars acquired by the State. These renovated air conditioned cars have reduced maintenance costs and attracted additional passengers and revenues.

In early 1971 delivery began of 105 new coaches and 23 Diesel locomotives purchased by the State for use on the Erie Lackawanna. The addition of this equipment to the railroad's fleet will permit scrapping of many obsolete, high maintenance cost cars and locomotives. The cutting of expenses and increasing of revenue as a result of providing modern equipment should prove valuable in improving the financial results of the Erie Lackawanna service.

During the coming fiscal year, a report on a major study involving the Erie Lackawanna will be submitted to the State. The assignment given the consultant is to analyze the types of equipment which could be used to provide service on the electrified lines of the Erie Lackawanna.

and be capable of operation into Penn Station, New York. Depending on the results of that analysis, the consultant may also examine the problems of clearance and transition involved in converting the present 3,000-volt direct current electrification system to 12,500-volt alternating current.

When the results of this study are available, it should be possible to order new cars for this heavily traveled line, as well as proceed with the design of the electrification system.

Discussions by the Department with the Port of New York Authority and the Metropolitan Transportation Authority are underway with respect to improving trans-Hudson transportation. Their outcome could result in proceeding with a track connection between the Morris & Essex Division and the Penn Central east of Harrison to permit direct operation of Erie Lackawanna trains to and from New York City and a station at Secaucus to allow transfer of passengers between Main Line/Bergen County Line trains and Penn Central trains for easy access to the Penn Central stations in Manhattan and Newark.

Another project planned for the coming fiscal year to boost ridership and improve the economic viability of Erie Lackawanna passenger service is a track connection in Montclair between the electrified Montclair Branch and the non-electrified Greenwood Lake-Boonton line. A new station with

ample parking is to be built in Montclair in coordination with the urban renewal program of the Town of Montclair and the Federal Government. Extension of electrification beyond Montclair will be made feasible by this connection, although a final determination of this matter will be dependent upon future availability of funds.

The completion of parking improvements at Mountain View, Lincoln Park and Towaco has been received very favorably by the traveling public. Projects of this type planned for next fiscal year include a new major park-and-ride station in Parsippany-Troy Hills, general upgrading of stations on the electrified line, new station facilities at Murray Hill and Stirling, and expanded parking at Orange. The new park-and-ride station is particularly noteworthy in that it is a joint effort with Morris County and its construction has been made possible by deferment of a major highway scheduled to be routed through the site.

A project vital to the proper maintenance of the new State-owned cars operated by the Erie Lackawanna is the installation of electrical standby facilities at Hoboken. Used to heat and cool cars, these power sources will make it unnecessary to keep locomotives attached to the trains during their layover in the terminal. This work will be done in the coming months.

PENN CENTRAL TRANSPORTATION COMPANY

Because of the complexities of the Penn Central organizational structure and accounting procedures, a precise determination of its New Jersey suburban service financial results during 1970 has been impossible. Nevertheless, with the railroad's cooperation, estimates have been made and are shown in Appendix 3. None of the estimated operating loss of \$6,196,601 has been reimbursed by the State nor is it intended that any such payments will be made during the 1971-72 fiscal year.

Nevertheless, the State has taken action to reduce the passenger service deficit of the Penn Central by the provision of 35 new electrically powered self-propelled cars, delivery of which was completed in 1969. Receipt of these cars enabled the railroad to retire a large number of the outmoded multiple unit cars and thereby make substantial maintenance savings, since these cars are now maintained at a lower unit cost than any other car of its type.

In return for being able to lease these cars and others to be ordered without cost, the railroad is obligated to provide the service shown in Appendix 3-A at the fares contained in tariffs listed in Appendix 3-B until 1977.

Should negotiations be successful, it is intended to enter into the necessary agreements to accomplish the entry of more trains from New Jersey into Penn Station, New York.

If so, a project which could be undertaken during the 1971-72 fiscal year would be the alterations to signals, tracks and station facilities required to handle the additional trains and people. The added revenue to the Penn Central from the greater use of its facilities will be a major step in reducing the railroad's operating losses.

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

The State has joined with the Federal Government in an agreement to construct a new station in New Jersey along the Penn Central main line to be served by Metroliners. The site selected at the intersection of the railroad and the Garden State Parkway is also suitable as a major commuter park-and-ride facility. It is hoped to have the facility in service in September 1971.

During the past year the State and the railroad agreed to an experimental period during which the State paid for added personnel to perform police, cleaning, maintenance

and operating functions. A substantial improvement in performance resulted. In addition, the State financed rehabilitation of certain stations which materially enhanced the appearance and utility of these facilities.

Capital improvements involving the Penn Central planned for the coming year includes the ordering of 70 new commuter cars for use on the electrified lines, placing in service of 21 cars now undergoing refurbishment, and institution of reverse signalling between Rahway and South Amboy. A major program will be underway in station work with a completely new station at Metuchen, a largely rebuilt one at Trenton, expanded parking at Princeton Junction, extensive rehabilitation at Rahway and substantial repairs at Elizabeth. All of these should greatly add to the attractiveness of rail service and thereby bring more passengers and more revenues.

The Penn Central operates trains between Bay Head Junction and South Amboy over the tracks of the New York & Long Branch Railroad which it owns jointly with The Central Railroad Company of New Jersey. The improvement program proposed for the NY&LB as outlined in the summary for the Central will be of particular benefit to Penn Central passengers because of the elimination of the engine change now required for their trains which, together with the high speed characteristics of the new equipment, will produce

substantial travel time savings. There will also be considerable operating cost reductions because of two locomotives and crews no longer being required for each train.

PENNSYLVANIA-READING SEASHORE LINES

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

At the end of 1970 some improvement could be seen in the financial results as a result of these actions. However, the car rehabilitation work has been proceeding more slowly and at greater expense than previously estimated. The effect on ridership was also disappointing since the four all-year round trips are carrying only about 200 persons in one direction.

The program of rehabilitating equipment will be continued and its progress accelerated so that hopefully the balance of the cars will be delivered in late 1971. The cost for 9 cars will be about \$650,000.

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

The railroad has reported to the Interstate Commerce Commissioner a deficit from passenger operations for the year 1970 of \$1,390,301 (excluding State contract payments). Individual accounts of revenue and expense included in the computation of this figure are listed in Appendix 4. The Department intends to conduct studies to determine the avoidable loss on the PRSL as is done with other railroads.

Under the existing agreement, the PRSL will be reimbursed \$350,000 for providing the service shown in Appendix 4-A at fares listed in the tariffs shown in Appendix 4-B.

READING COMPANY

After eight years of subsidy payments by the State, the Reading Company passenger service in New Jersey was operated on a self-sustaining basis during 1970 for the third consecutive year. The Aldene Plan sponsored by the State was

undoubtedly an important factor in accomplishing this result.

The State's consultant determined that the Reading would have had a benefit of \$16,124 had it not operated New Jersey passenger service in 1970. Details of this computation are shown in Appendix 5. In view of this changed situation, it may be necessary to resume the contractual relationship with this railroad.



John C. Kohl
Chairman
Commuter Operating Agency

AVOIDABLE REVENUES AND EXPENSES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

PASSENGER OPERATIONS

Year 1970

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
RAILWAY OPERATING REVENUES		
102	Passenger	\$4,165,550
108	Other Passenger-Train	483
131	Dining and Buffet	12,250
133	Station, Train and Boat Privileges	41,514
142	Rents of Buildings and Other Property	1,211
151	Joint Facility - CR	<u>10,317</u>
	Total Railway Operating Revenues	<u>\$4,231,325</u>
OPERATING EXPENSES		
<u>Maintenance of Way and Structures</u>		
-265	Labor	\$ 293,756
	Material	184,250
	Other	<u>26,104</u>
269	Roadway Machines	13,335
271	Small Tools and Supplies	6,277
272	Removing Snow, Ice and Sand	6,277
274	Injuries to Persons	44,710

AVOIDABLE REVENUES AND EXPENSES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

PASSENGER OPERATIONS

Year 1970

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
	RAILWAY OPERATING REVENUES	
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	OPERATING EXPENSES	
	<u>Maintenance of Way and Structures</u>	
201-265	Labor	\$ 293,756
	Material	184,250
	Other	<u>26,104</u>
269	Roadway Machines	13,335
271	Small Tools and Supplies	6,277
272	Removing Snow, Ice and Sand	6,277
274	Injuries to Persons	44,710

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
<u>Maintenance of Way and Structures (cont'd)</u>		
275	Insurance	\$ 18,705
276	Stationery and Printing	4,627
277	Employees Health and Welfare Benefits	17,060
282	Other Expenses	821
278	Joint Facilities - DR	408,225
279	Joint Facilities - CR	(5,371)
Total Maintenance of Way and Structure		<u>\$1,018,776</u>
<u>Maintenance of Equipment</u>		
301	Superintendence	\$ 33,113
302	Shop Machinery	5,308
311	Other Locomotives; Repairs	349,884
317	Passenger-Train Cars; Repairs	745,525
332	Injuries to Persons	34,973
333	Insurance	35,771
334	Stationery and Printing	1,097
335	Employees Health and Welfare Benefits	35,824
339	Other Expenses	472
336	Joint Maintenance of Equipment Expenses - DR	81
Stores Expense		31,793
Shop Expense		<u>60,726</u>
Total Maintenance of Equipment		<u>\$1,334,567</u>

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
	<u>Traffic</u>	
351	Superintendence	\$ 36,719
353	Advertising	3,090
354	Traffic Associations	(36)
358	Stationery and Printing	4,194
359	Employees Health and Welfare Benefits	1,618
	Total Traffic	<u>\$ 45,585</u>
	<u>Transportation</u>	
371	Superintendence	\$ 118,856
372	Dispatching Trains	46,922
373	Station Employees	275,234
376	Station Supplies and Expenses	39,560
378	Yard Conductors and Brakemen	1,273
379	Yard Switch and Signal Tenders	18,082
380	Yard Enginemen	627
392	Train Enginemen	697,886
394	Train Fuel	406,658
397	Water for Train Locomotives	5,824
398	Lubricants for Train Locomotives	18,655
399	Other Supplies for Train Locomotives	7,503
400	Enginehouse Expenses; Yard and Train	212,707
401	Trainmen	1,262,604
402	Train Supplies and Expenses	485,855

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
	<u>Transportation (cont'd)</u>	
404-407	Signal, Interlocker, and Communication System Operation	\$ 291,126
409	Employees Health and Welfare Benefits	149,693
410	Stationery and Printing	13,974
411	Other Expenses	7,320
414	Insurance	119,354
389	Yard supplies and expenses	7,571
416	Damage to Property	103
420	Injuries to Persons	88,543
390	Operating Joint Yards and Terminals - DR	173,175
412	Operating Joint Tracks and Facilities - DR	573,955
413	Operating Joint Tracks and Facilities - CR	<u>(10,857)</u>
	Total Transportation	<u>\$5,012,203</u>
	<u>Miscellaneous</u>	
441	Dining and Buffet Service	\$ 9,633
449	Employee Health and Welfare Benefits	<u>482</u>
	Total Miscellaneous	<u>\$ 10,115</u>
	<u>General</u>	
451	Salaries and Expenses of General Officers	--
452	Salaries of Clerks and Attendants	\$ 62,483
453	General Office Supplies and Expenses	6,003
454	Law Expenses	4,710
455	Insurance	1,748
456	Employees Health and Welfare Benefits	3,766

<u>Account</u>	<u>Title</u>	<u>Year 1970</u>
	<u>General (cont'd)</u>	
458	Stationery and Printing	\$ 5,112
460	Other Expenses	12,058
461	Joint Facilities - DR	<u>22,072</u>
	Total General	<u>\$ 117,952</u>
	Total Railway Operating Expenses	<u>\$7,535,843</u>
	<u>Rent Income</u>	
508	Joint Facility Rent Income	\$ (2,055)
510	Miscellaneous Rent Income	<u>6,797</u>
	Total Rent Income	<u>\$ 4,742</u>
	<u>Rents Payable</u>	
537	Rent for Locomotives	\$ 34,128
538	Rent for Passenger-Train Cars	19,520
540	Rent for Work Equipment	42,724
541	Joint Facility Rents	<u>\$ 514,917</u>
	Total Rents Payable	<u>\$ 611,289</u>
	Net Rents	<u>\$ 606,547</u>
	<u>Taxes</u>	
532	Payroll Taxes	\$ 481,388
532	Total Taxes	<u>481,388</u>
	Total Expenses, Rents and Taxes	<u>\$8,627,133</u>
	DEFICIT	<u>\$(4,395,808)</u>
	Other Expenses Not Included Above	<u>53,202</u>
	Total Deficit	<u>\$(4,449,010)</u>

NOTE: The above includes \$217,000 in retroactive wage increases applicable to 1970 but being paid in 1971. Return on Salvage not included since estimated cost of going out of passenger business equals capital to

CENTRAL RAILROAD COMPANY OF NEW JERSEY

FISCAL YEAR 1971-1972

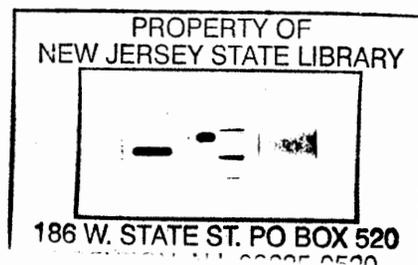
The following public timetables effective May 23, 1971, contain schedules of service to be covered by contract:

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

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
1971-1972 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. No. 143 and Supplement 1	Commutation fares between New York & Long Branch Railroad stations.
P.U.C. - N.J. No. 2296	Commutation fares and passenger mile-ages between CRRNJ stations in New Jersey; and between CRRNJ stations and NY&LB Railroad stations.
I.C.C. No. 7185 and Supplement 1	Commutation fares between New York, New York and CRRNJ stations.
P.U.C. - N.J. No. 142	One way fares and basis for construct- ing round-trip fares between NY&LB Railroad stations.
P.U.C. - N.J. No 2295 and Supplement 1	One-way fares and basis for construct- ing round-trip fares between CRRNJ stations and between stations on the NY&LB Railroad.
I.C.C. No 7183 and Supplement 1	One-way fares and basis for construct- ing round-trip fares between New York and CRRNJ and NY&LB Railroad stations.
I.C.C. No. 7193 and Supplement 1 P.U.C. - N.J. No. 2291 and Supplement 1	One-day round trip coach fares between New York and Newark on the one hand and NY&LB Railroad and CRRNJ stations on the other hand.



AVOIDABLE REVENUES AND EXPENSES OF THE
ERIE LACKAWANNA RAILWAY COMPANY OCCASIONED BY NEW JERSEY
SUBURBAN PASSENGER OPERATIONS, CALENDAR YEAR 1970

Item	Calendar Year 1970 Amount
<u>REVENUES</u>	
<u>Operating Revenues</u>	
Passenger	\$10,872,000
Other Passenger-Train	6,000
Dining and Buffet	445,000
Station, Train, and Boat Privileges	167,000
Rents of Buildings and Other	33,000
Miscellaneous	<u>1,000</u>
Total Operating Revenues	<u>\$11,524,000</u>
<u>Income Accounts</u>	
Rent from Passenger-Train Cars	\$ 21,000
Miscellaneous Rent Income	<u>26,000</u>
Total Income Accounts	<u>\$ 47,000</u>
Total Revenues	<u><u>\$11,571,000</u></u>
<u>EXPENSES</u>	
<u>Roadway Maintenance</u>	
Tracks	\$ 1,274,000
Signals & Communication	820,000
Electrical	357,000
Bridges, Buildings & Structures	236,000
Superintendence	<u>227,000</u> \$ 2,914,000
<u>Roadway Operations</u>	
Signals & Communication	\$ 652,000
Electrical	829,000
Bridges, Buildings & Structures	<u>1,482,000</u> \$ 2,963,000
<u>Equipment Maintenance</u>	
Locomotives	\$ 1,752,000
Cars	3,219,000
Power Plants	19,000
Stores	70,000
Superintendence	<u>38,000</u> \$ 5,098,000

<u>Equipment Operation</u>		
Power Plants		\$ 351,000
<u>Traffic</u>		
Superintendence	\$ 52,000	
Advertising	9,000	\$ 61,000
		<hr/>
<u>Train and Yard</u>		
Train Operation	\$ 4,734,000	
Yard Operation	464,000	
Superintendence	171,000	\$ 5,369,000
		<hr/>
<u>Bar Car Operation</u>		502,000
<u>Salaries and Pensions - General Accounts</u>		525,000
<u>Miscellaneous</u>		
Back Pay (1969)	\$ 4,000	
Sales and Franchise Tax	39,000	
Other	562,000	\$ 605,000
		<hr/>
Total Maintenance and Operating Expenses		\$18,388,000
Property Taxes		140,000
Insurance		35,000
		<hr/>
Total Expense Accounts		\$18,563,000
		<hr/>
Net Deficit		(\$ 6,992,000)

(Return on Salvage not included since estimated cost of going out of passenger business equals capital to be realized from sale of property.)

NOTE: The above includes \$440,000 in retroactive wage increases applicable to 1970 but which are being paid in 1971.

ERIE LACKAWANNA RAILWAY
FISCAL YEAR 1971-72

The following public timetables effective April 25, 1971 contain schedules of service to be covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
7	Schedules for Main Line-Bergen County Line
8	Schedules for Boonton Line
10	Schedules for Pascack Valley Line
10A	Schedules for Morristown Line, Montclair Branch and Gladstone Branch

ERIE-LACKAWANNA RAILWAY COMPANY

FISCAL YEAR 1971-1972

The following tariffs are to be covered by contract:

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

PENN CENTRAL COMPANY
ESTIMATED FINANCIAL RESULTS FROM
NEW JERSEY SUBURBAN SERVICE
IN YEAR 1970

ESTIMATEREVENUES

Passenger	\$10,704,832
Dining and Bar Car	173,763
Joint Facility	18,719
Ancillary	<u>610,249</u>
Total	\$11,507,563

EXPENSES

Crew Wages	\$2,870,899
Locomotive-Repairs	422,858
-Power and Fuel	219,400
-Lubricants	15,308
-Enginehouse	52,624
Passenger Car Repairs	3,089,133
Train Supplies and Expenses	500,354
Power	890,449
Joint Facility-Debits	1,654,877
-Credits	984,567
Bar Car Expenses	129,608
Maintenance of Way	1,403,420
Other Maintenance of Equipment	692,424
Traffic	366,109
Other Transportation	5,028,255
General	<u>1,353,013</u>
Total	\$17,704,164
Net Deficit	\$ 6,196,601

PENN CENTRAL

FISCAL YEAR 1971-72

The following public timetables effective May 23, 1971, contain schedules of service covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
LB-2	Schedules of trains between New York, South Amboy and Bay Head Jct.
72	Schedules of trains between New York, Rahway, Jersey Avenue and Trenton
Amtrak Schedule eff. 5/1/71	Schedules of trains between New York, Newark and Trenton

APPENDIX 3-B

PENN CENTRAL

1971-1972 FISCAL YEAR

following tariffs are to be covered by contracts:

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

FINANCIAL RESULTS FROM
SUBURBAN PASSENGER OPERATIONS
IN NEW JERSEYPENNSYLVANIA-READING
SEASHORE LINES
YEAR 1970Income

Passenger Revenue	\$118,490
Other Revenues	9,622
Rent Income	<u>1,456</u>
Total Income	\$129,568

Expenses

Maintenance of Way & Structures	\$117,331
Maintenance of Equipment	267,160
Transportation	<u>751,838</u>
Traffic	22,704
General	42,101
Taxes	84,437
Contracted Bus Service	38,647
Rents Payable	<u>195,651</u>
Total Expenses	\$1,519,869
Net Deficit	\$1,390,301

PENNSYLVANIA-READING SEASHORE LINES

FISCAL YEAR 1971-72

The public timetable effective June 14, 1971, contains schedules of service covered by contract, operating between Lindenwold, Atlantic City, Ocean City and Cape May.

PENNSYLVANIA-READING SEASHORE LINES

1971-72 FISCAL YEAR

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. No. 308 and Supplements 5, 8 and 12	Monthly and Weekly commutation fares between PRSL stations and Lindenwold.
P.U.C. - N.J. No. 374 and Supplement 4	90-trip 3-months commutation fares between PRSL stations and Lindenwold.
P.U.C. - N.J. No. 348 and Supplements 3 and 7	One-way fares between PRSL stations.

AVOIDABLE REVENUES AND EXPENSES OF THE READING COMPANY

OCCASIONED BY PASSENGER OPERATIONS

BETWEEN PHILADELPHIA AND NEWARK, CALENDAR YEAR 1970

Functional Basis

<u>Item</u>	<u>1970 Amount</u>
<u>REVENUES</u>	
Ticket (including cash fare)	\$190,935
Dining Car	21,837
Transportation Displays, Inc.	<u>2,000</u>
Total	<u>\$214,772</u>
<u>EXPENSES</u>	
<u>Maintenance of Way</u>	
Program Track Maintenance	\$ 5,221
Routine Track Maintenance	1,104
Signal Maintenance	198
B&B Maintenance	<u>901</u>
Total Maintenance of Way	<u>\$ 7,424</u>
<u>Maintenance and Servicing of Equipment</u>	
Labor	\$ 49,681
Repair Materials	36,585
Servicing Materials	6,582
Shop Overhead - Materials	<u>742</u>
Total Maintenance and Servicing of Equipment	<u>\$ 93,590</u>
<u>Traffic</u>	
Advertising (public timetables, etc.)	\$ 564
Cost of Printing Tickets	<u>397</u>
Total Traffic	<u>\$ 961</u>

Transportation

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

Total Transportation \$160,501

Miscellaneous

Dining Car Expenses	\$ 37,594
Labor	
Supplies and Other	15,455

Total Miscellaneous \$ 53,049

General

Outside Legal Counsel	\$ 310
Insurance - Eliminated Facilities	28
Utilities - Eliminated Facilities	948

Total General \$ 1,286

Total Operating Expenses \$316,811

Income and Capital

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

Total Income and Capital \$(85,915)

Total Expenses \$230,896

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

