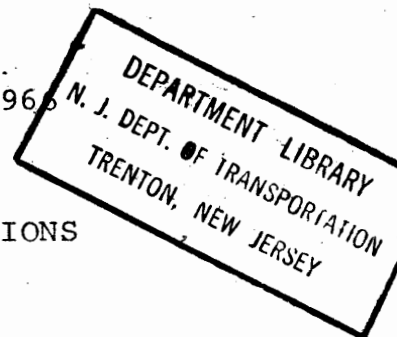


N. J. D. T.

Div. of Commuter Services

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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 1973-74



General Review

Essential rail passenger services were continued and improved during calendar year 1972 through the passenger service contract program initiated by the State of New Jersey in the 1960's. Capital improvements utilizing funds authorized by the 1968 Transportation Bond Issue were undertaken on all the passenger carrying lines within the State except the Reading Company. While a new Transportation Bond Issue designed to continue and expand upon this capital improvement program failed to receive voters approval in November of 1972, funds remaining will enable the construction of important projects during calendar 1973.

The purchase of 50 additional air conditioned passenger coaches and nine diesel-electric locomotives to supplement the original order of 105 coaches and 23 locomotives will provide a complete new air conditioned fleet on the non-electrified lines of the Erie Lackawanna when deliveries are completed in 1973. The acceptance of this new equipment was reflected by significant patronage increases on these lines during 1972. The delivery of the new cars will also permit transfer of 26 State-owned

2-05
2-61

air-conditioned coaches to the Central Railroad of New Jersey and assist in further reducing the number of non-air conditioned equipment on this line. Forty-five secondhand air conditioned passenger coaches were purchased during the year for service on the Central Railroad of New Jersey with ten of these cars placed into service shortly after they were delivered and the balance delivered to the Pullman-Standard Company in Chicago for refurbishing. Four of these cars were delivered and placed in revenue service during 1972.

Station improvement programs involving the painting and repair of station structures, the repair of platforms and the installation of improved lighting were initiated on the electrified lines of the Erie Lackawanna and the main line of the Central Railroad of New Jersey. The station improvement program on the main line of the Penn Central and the crossing and platform repair program on the New York and Long Branch were continued during the 1972 calendar year.

The institution of commuter service in addition to Metroliner service at the new MetroPark station resulted in the 818 car facility being utilized up to 98% of its capacity. The new parking facility at Little Silver was completed and placed into service.

Rehabilitation of the Elizabeth and Trenton stations on the main line of the Penn Central is progressing well with both stations

scheduled for completion in 1973.

During 1972 the Central Railroad of New Jersey received a 10% increase on intrastate fares on the New York and Long Branch and an additional 20% increase on intrastate fares on its main line effective January 1. It received a further 20% increase on interstate fares on its main line effective April 1, 1972. On January 7, 1972 the Penn Central Railroad received an additional 10% increase on its intrastate fares on the New York and Long Branch and on November 1, 1972 the Penn Central received an additional 5.5% increase on its interstate fares from its main line stations and from its shore stations between Rahway and Perth Amboy. The Erie Lackawanna Railway, which had not applied for any fare increase in 1970, did receive a general 15% increase on all of its fares effective June 1, 1972. These various passenger fare increases are reflected in the revenues reported for that year in the attached appendices. Continued increases in labor and material costs made these increases necessary. An increase in intrastate fares was not realized on the Penn Central because of actions taken by Commuter groups opposed to the new fares.

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 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

In July, 1972, Chapter 301, Laws of 1966 was revised to allow the Commuter Operating Agency to compensate carriers for rail passenger service up to the full cost of providing such service rather than on the present avoidable loss basis. This revision also authorized payment on a current basis rather than on a reimbursement basis. These changes were necessitated by Federal Court rulings in connection with the reorganization of the Penn Central Railroad and it is expected that the full cost of service basis will become the standard required by the courts as a prerequisite for allowing railroads in the process of reorganization to continue to provide passenger service.

With the passage of this revision the Central Railroad requested that a new contract be drawn and placed into effect on January 1, 1973. In view of this new requirement, the usual avoidable cost

study for calendar 1972 was not undertaken. Contract negotiations were initiated but the State and the railroad were not able to reach agreement on a new contract by this date. As a result, the railroad requested and obtained from the court permission to discontinue passenger service as of January 21, 1973. As a result of high level bargaining agreement was reached to continue passenger service through March 23 and subsequently through June 30, 1973 with the State supplementing the amount payable under the existing service contract by a total of \$1,400,000 for the six month period ending June 30, 1973. Concurrently the State and the Central Railroad, Lehigh Valley and Reading Railroads agreed to conduct a consolidation study which would result in a consolidation of facilities and routes and produce economies for all three financially distressed railroads.

To provide an update of revenues and expenses for the purposes of this report the State's consultant updated the 1971 avoidable report without detailed study of data using the railroad's annual report to the ICC (Form A) for the year 1972. The results of this updating produced an estimated avoidable loss for calendar 1972 of \$5,157,061. (Details are shown in Appendix 1.) The railroad reported to the Interstate Commerce Commission that it had a deficit from passenger operations during 1972 of \$6,364,367 (excluding State contract payments).

The State will attempt to reach agreement on a new contract in accordance with the revised law, such agreement to be effective July 1, 1973. The cost of this new service agreement which is unknown as of the date of this determination will be subject to the availability of funds.

Subject to the execution of a new agreement, a number of capital improvements are programmed for the 1973-74 fiscal year which will assist in the reduction of the passenger service loss of the Central Railroad of New Jersey. Included in these are the rehabilitation of eleven rail diesel cars purchased by the State from the railroad, the continuation of the station rehabilitation program, the installation of oil separator facilities at Raritan yard, the expansion of electric standby service at Harrison yard to accommodate the new air conditioned passenger coaches and the consolidation of dispatching facilities. In addition plans are being progressed by the Port Authority of New Jersey and New York to extend PATH to the Newark Airport and beyond to Plainfield. This project will also be funded by the State using 1968 bond funds earmarked for Central Railroad improvements.

Passenger service is operated on the New York and Long Branch Railroad by both the Central Railroad of New Jersey and the Penn Central Transportation Company. Because of the bankruptcy of these two lines, there has been no action on the State's application to the Federal Department of Transportation for a

mass transportation grant to make capital improvements to the entire line. However certain capital improvements financed solely with State funds will be undertaken during the 1973-74 fiscal year using 1968 bond funds. A new commuter parking facility will be constructed at Middletown and a new station and parking facility will be constructed in Matawan Township. The station platform and grade crossing program will be continued. Track, roadbed and signal improvements are also planned.

Service and fares to be covered by a new 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 1972, it would have had a financial benefit of \$9,212,000 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 1973-74 fiscal year.

The small 1.4% increase in contract cost was due in part to the fare increase effective June 1, 1972, increased ridership on lines equipped with new coaches and locomotives, and the reduced maintenance cost of this new equipment. However increased labor and material costs did result in a net increase in contract costs. Revenues increased by \$1,720,000. Total expenses increased by \$1,845,000 with most of this increase being for transportation which is primarily labor.

The railroad has requested that their agreement be revised to provide current payment in accordance with the provisions of the latest Law revision and it is expected that this change will occur during the 1973-74 fiscal year. The basis for contract payments with the concurrence of the railroad will remain the avoidable loss concept. It is also proposed that the new contract will be for a longer term and will provide for State payments for certain expenditures for passenger service not included in the avoidable loss computations. The procedures would be similar to those now in effect on the Central Railroad. Appendix 2-A lists service covered by the existing agreement, while tariffs containing fares applicable to the contracted service are listed in Appendix 2-B.

An application has been submitted to the U.S. Department of Transportation requesting a capital grant of \$94,091,666 for the rehabilitation of the existing power supply on the electrified lines of the Erie Lackawanna, the purchase of 200 new air conditioned commuter cars, the construction of new yard and station facilities at Gladstone and in the Netcong area, and the installation of reverse signals and remote controlled switches at various locations on the Morris and Essex and Gladstone lines. It is expected that engineering for this project will commence in fiscal 1973-74. The completion of this project will produce all new air conditioned equipment on all lines of the railroad within New Jersey.

The Port Authority project providing for the PATH extension to Plainfield will also include the construction of 2 track connections between the Erie Lackawanna and the Penn Central. The connections and the new electrification project referred to above will make possible an extension of certain Erie Lackawanna service to Penn Station in New York. Both of these projects will serve to make Erie Lackawanna service more attractive to mid-Manhattan bound commuters.

Engineering is continuing on the track connection in Montclair between the Montclair Branch and the Greenwood Lake-Boonton Line. This connection when completed will also improve the economic viability of Erie Lackawanna passenger service.

Additional improvements to be initiated during 1973-74 include the construction of the Littleton Road park and ride station in Parsippany-Troy Hills on the Morristown Line. In addition parking improvements will be initiated at the stations of Maplewood and Waldwick.

Electrical standby facilities used to heat and cool the new coach equipment will be installed at Suffern, Spring Valley and Waldwick. In addition the power plant at Hoboken will be phased out with new heating for structures being provided by alternate means.

PENN CENTRAL TRANSPORTATION COMPANY

Contract negotiations were also initiated with the Penn Central during 1972 with the intent being to develop a new contract which would provide full service costs on a current basis in accordance with the provisions of Chapter 301, Laws of 1966 as amended in July, 1972. The railroad requested that such an agreement be executed prior to January 1, 1973. An avoidable loss study was therefore not made for this railroad for calendar year 1972. Contract negotiations did not progress to the stage where such an agreement could be signed by this date and an interim agreement was executed which provided a payment of \$500,000 per month effective January 1, 1973 through date final agreement is reached but no later than August 30, 1973. During the process of contract negotiations estimates of the

cost of providing service during calendar 1972 were developed and are shown in Appendix 3. The State made no payments to the Penn Central during calendar 1972 for passenger services other than under the improvement program which provided for certain police and janitorial personnel as well as station improvements. A total of \$400,000 was spent on this program.

The State has provided 35 multiple-unit air conditioned passenger cars and a total of 48 refurbished passenger coaches to the Penn Central for use in their main line and New York and Long Branch service. An additional 70 new passenger cars are being built by General Electric for use in electrified service with the deliveries of the first of these cars to commence in the fourth quarter of 1974.

A new station was constructed at MetroPark and additional station improvements are nearing completion at Elizabeth and Trenton. The station at Rahway is scheduled for rehabilitation and a new parking facility will be constructed at Princeton Junction in fiscal 1973-74. A new station is being designed for Metuchen with construction scheduled to commence in 1974. A preliminary engineering study is programmed which will provide preliminary plans and cost estimates for high level platforms at Princeton Junction, New Brunswick, Edison, and Linden and expanded parking facilities at Edison. This data when received will be the basis for a capital grant application to the Urban Mass Transportation Administration for two-thirds of the project

cost. All of these improvements should greatly add to the attractiveness of rail service and thereby result in increased ridership and revenues. Under the contract now in effect, the railroad is obligated to provide the service shown in Appendix 3-A at the fares contained in tariffs listed in Appendix 3-B.

The Penn Central operates trains between Bay Head Junction and South Amboy over the tracks of the New York and Long Branch Railroad which it owns jointly with the Central Railroad of New Jersey. The improvement program proposal for the New York and Long Branch as outlined in the summary for the Central Railroad of New Jersey will provide similar benefits to the Penn Central.

PENNSYLVANIA READING SEASHORE LINES

The service agreement in effect during the period July 1, 1972 through June 30, 1973 provides for payment based upon the avoidable loss incurred during the 1971 calendar year. The new contract to be effective through June 30, 1974 will be similar except that payments will be based upon the avoidable loss incurred during the 1972 calendar year. The railroad has advised the State that effective July 1, 1974 they expect a new contract based upon payment for full service costs in accordance with the latest revision of Chapter 301.

The Department's consultant made a study of the Pennsylvania Reading Seashore's Lines avoidable loss for 1972. This study has produced a deficit of \$697,433. An agreement which was presented at a public hearing on June 6, 1973 contains provision for payment during the 1974 fiscal year of \$697,432.92.

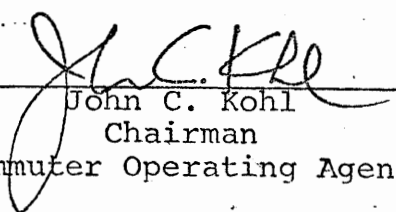
As the result of a petition by the railroad to make certain schedule changes, public hearings were held in June, 1972 and a decision allowing schedule changes effective January 2, 1973 was rendered. This decision permitted the discontinuance of weekend Atlantic City trains, one train between Ocean City and Lindenwold, and the Wildwood service with bus service being substituted between Wildwood and Rio Grande stations. This same decision provided for a station improvement program with the funds to be derived from the economies of the changed service.

READING COMPANY

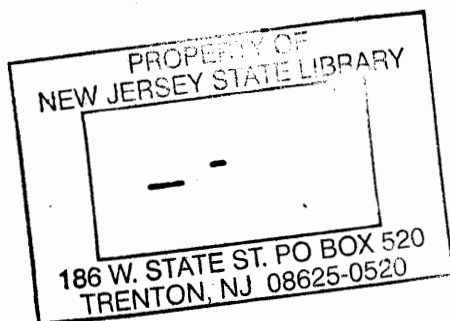
After eight years of subsidy payments by the State, the Reading Company passenger service in New Jersey was operated on a self-sustaining basis during 1972 for the fifth consecutive year.

The State's consultant determined that the Reading would have had a benefit of \$40,943 had it not operated New Jersey passenger service in 1972. Details of this computation are shown in Appendix 5. While this is considerably more than the \$1,523

benefit determined in 1971, the Railroad has not requested a service contract for the new fiscal year and it is therefore expected that passenger service will continue without State aid. Applicable service based upon present schedules and fares are shown in Appendices 5-A and 5-B.



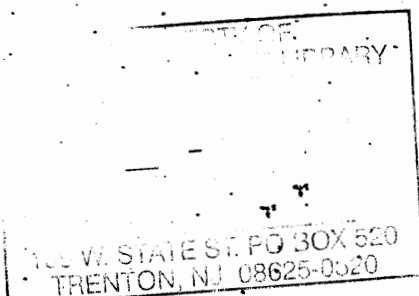
John C. Kohl
Chairman
Commuter Operating Agency



ESTIMATED
AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
1972

OPERATING REVENUES

Account (1)	Title (2)	Total (3)
102	Passenger & Club Car	\$5,031,766
103	Baggage	--
106	Mail	--
107	Express	--
108	Other Passenger-Train	420
113	Water Transfers	--
131	Dining and Buffet	41,908
133	Station, Train, and Boat Privileges	37,073
142	Rents of buildings and Other Property	1,023
143	Miscellaneous	--
151	Joint Facility - CR	9,826
152	Joint Facility - DR	--
	Total Railway Operating Revenues	\$5,122,016



ESTIMATED
AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
1972

OPERATING REVENUES

Account (1)	Title (2)	Total (3)
102	Passenger & Club Car	\$5,031,766
103	Baggage	--
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108	Other Passenger-Train	420
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131	Dining and Buffet	41,908
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142	Rents of buildings and Other Property	1,023
143	Miscellaneous	--
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152	Joint Facility - DR	--
	Total Railway Operating Revenues	\$5,122,016

ESTIMATED
AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
1972

OPERATING EXPENSES

Account (1)	Title (2)	Total
<u>MAINTENANCE OF WAY AND STRUCTURES</u>		
201)	Labor	\$ (
Thru)	Material	(548,000
265	Other	(
269	Roadway Machines	4,300
271	Small Tools and Supplies	375
272	Removing Snow, Ice and Sand	100
274	Injuries to Persons	4,024
275	Insurance	25,800
276	Stationery and Printing	63
277	Employee Health and Welfare Benefits	17,850
282	Other Expenses	560
278	Joint Facility - DR	394,000
279	Joint Facility - CR	5,000
-	Interest on Salvage	<u>253,000</u>
Total Maintenance of Way and Structures		\$1,253,072
<u>MAINTENANCE OF EQUIPMENT</u>		
301	Superintendence	\$ 30,000
302	Shop Machinery	4,200
311	Other Locomotives; Repairs	633,000
317	Passenger Train Car; Repairs	780,000
326	Work Equipment - Repairs	662
328	Miscellaneous Equipment - Repairs	6,203
332	Injuries to Persons	33,000
333	Insurance	36,300
334	Stationery and Printing	308
335	Employee Health and Welfare Benefits	49,000
339	Other Expenses	35
336	Joint Facility - DR	--
-	Interest on Sale or Salvage of Avoidable	
	Rolling Stock	40,700
	Stores Expenses	27,000
	Shop Expense	<u>63,000</u>
Total Maintenance of Equipment		\$1,703,408

ESTIMATED
 AVOIDABLE REVENUES AND EXPENSES
 CENTRAL RAILROAD COMPANY OF NEW JERSEY
 PASSENGER OPERATIONS
1972

OPERATING EXPENSES
 (Continued)

<u>Account</u> (1)	<u>Title</u> (2)	<u>Total</u>
<u>TRAFFIC</u>		
351	Superintendence	\$ 34,250
353	Advertising	28,924
354	Traffic Associations	(103)
358	Stationery and Printing	456
359	Employee Health and Welfare Benefits	<u>1,541</u>
	Total Traffic	\$ 65,068
<u>TRANSPORTATION</u>		
371	Superintendence	\$ 140,000
372	Dispatching Trains	56,000
373	Station Employees	297,000
376	Station Supplies and Expenses	60,000
377	Yardmasters and Clerks	--
378	Yard Conductors and Brakemen	16,089
379	Yard Switch and Signal Tenders	19,700
380	Yard Enginemen	8,824
382	Yard Switching Fuel	--
385	Water for Yard Locomotives	--
386	Lubricants for Yard Locomotives	--
387	Other Supplies for Yard Locomotives	--
388	Service Yard Locomotive	--
389	Yard Supplies and Expenses	--
392	Train Enginemen	948,158
394	Train Fuel	515,000
400	Servicing Train Locomotives	299,102
401	Trainmen	1,543,230
402	Train Supplies and Expenses	506,533
404)	Signal and Interlocker Operations and	
407)	Communication System Operation	310,000
405	Crossing Protection	--
408	Operating Floating Equipment	--
409	Employee Health and Welfare Benefits	195,000
410	Stationery and Printing	32,000
411	Other Expenses	600
414	Insurance	<u>161,000</u>

ESTIMATED
AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
1972

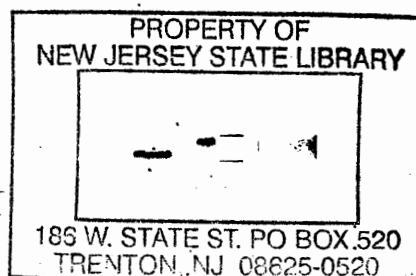
OPERATING EXPENSES
(Continued)

<u>Account</u> (1)	<u>Title</u> (2)	<u>Total</u> (3)
	<u>TRANSPORTATION (Continued)</u>	
415	Clearing Wrecks	\$ --
416	Damage to Property	79
419	Loss and Damage, Baggage	--
420	Injuries to Persons	50,000
390	Operating Joint Yards and Terminals - DR	157,000
391	Operating Joint Yards and Terminals - CR	--
412	Operating Joint Tracks and Facilities - DR	616,000
413	Operating Joint Tracks and Facilities - CR	(4,300)
	Total Transportation	\$5,927,015
	<u>MISCELLANEOUS</u>	
441	Dining and Buffet Service	\$ 49,901
449	Employee Health and Welfare Benefits	473
	Total Miscellaneous	\$ 50,374
	<u>GENERAL</u>	
451	Salaries and Expenses of General Offices	\$ 17,800
452	Salaries and Expenses of Clerks and Attendants	75,000
453	General Office Supplies and Expenses	5,400
454	Law Expense	3,900
455	Insurance	2,200
456	Employee Health and Welfare Benefits	6,900
458	Stationery and Printing	11,800
460	Other Expenses	9,000
461	General Joint Facilities - DR	25,000
-	Interest on Material Inventory Savings	20,000
	Total General	\$ 177,000
	Total Railway Operating Expenses	\$ 9,175,937

ESTIMATED
AVOIDABLE REVENUES AND EXPENSES
CENTRAL RAILROAD COMPANY OF NEW JERSEY
PASSENGER OPERATIONS
1972

OPERATING EXPENSES
(Continued)

<u>Account</u>	<u>Title</u>	<u>Total</u>
	<u>RENT INCOME</u>	
508	Joint Facility Rent Income	\$ (20)
510	Miscellaneous Rent Income	<u>9,000</u>
	Total Rent Income	\$ 8,980
	<u>RENTS PAYABLE</u>	
537	Rent for Locomotives	\$ 34,000
538	Rent for Passenger Train Cars (including hire of equipment)	19,320
540	Rent for Work Equipment	1,800
541	Joint Facility Rents	<u>532,000</u>
	Total Rents Payable	<u>\$587,120</u>
	Net Rents	\$578,140
	<u>TAXES</u>	
532	Total Taxes	<u>\$525,000</u>
	Total Operating Expenses, Rents and Taxes	<u>\$10,279,077</u>
	Deficit	\$ 5,157,061
	Other Expenses Not Included Above	--
	Total Deficit	\$ 5,157,061



CENTRAL RAILROAD COMPANY OF NEW JERSEY

FISCAL YEAR 1973-1974

The following public timetables effective April 29, 1973,
contain schedules of service to be covered by contract:

Timetable No.Description of Contents

LB-2

Schedules of Seashore trains

103

Schedules of Main Line
suburban trains

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

1973-1974 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. 145 and Supplement 4	Commutation fares between New York & Long Branch Railroad stations.
P.U.C. - N.J. No. 2301 and Supplement 5	Commutation fares and passenger mileages between CRRNJ stations in New Jersey; and between CRRNJ stations and NY&LB Railroad stations.
I.C.C. No. 7185 and Supplement 10	Commutation fares between New York, New York and CRRNJ stations.
P.U.C. - N.J. No. 144 and Supplement 4	One-way Fares and basis for constructing round-trip fares between NY&LB Railroad stations.
P.U.C. - N.J. No. 230 3 and Supplement 1	One-way fares and basis for constructing round-trip fares between CRRNJ stations.
I.C.C. No. 7183 and Supplement 9	One-way fares and basis for constructing round-trip fares between New York and CRRNJ and NY&LB Railroad stations.
I.C.C. No. 7193 and Supplement 11	One-day round trip coach fares between CRRNJ and NY&LB stations in New Jersey and New York, N. Y.
P.U.C - N.J. 2309	One-day round trip coach fares between CRRN & NY&LB stations in New Jersey and Newark, N. J.

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. 2292 and Supplement 4	Acceptance of tickets, fares paid on trains, optional routes, stations in New Jersey.
I.C.C. No. 7194 and Supplement 4	Acceptance of tickets, fares paid on trains and optional routes between stations in New Jersey and New York, N. Y.

AVOIDABLE REVENUES AND EXPENSES OF THE
ERIE LACKAWANNA RAILWAY COMPANY OCCASIONED BY NEW JERSEY
SUBURBAN PASSENGER OPERATIONS, CALENDAR YEAR 1972

<u>Item</u>	<u>Calendar Year 1972</u> <u>Amount</u>
<u>REVENUES</u>	
<u>Operating Revenues</u>	
Passenger	\$12,472,000
Other Passenger-Train	5,000
Dining and Buffet	479,000
Station, Train, and Boat Privileges	165,000
Power	0
Rents of Buildings and Other Property	35,000
Miscellaneous	0
Total Operating Revenues	<u>\$13,156,000</u>
<u>Income Accounts</u>	
Rent from Passenger-Train Cars	\$ 17,000
Miscellaneous Rent Income	29,000
Total Income Accounts	<u>\$ 46,000</u>
 Total Revenues	 <u>\$13,202,000</u>

EXPENSES

<u>Maintenance of Way</u>	
Superintendence	\$ 274,000
Routine Track Maintenance	850,000
Program Track Maintenance	397,000
Bridge and Building Maintenance	306,000
Structures Maintenance	17,000
Signal Maintenance	957,000
Communications System Maintenance	18,000
Electrical Maintenance	462,000
Work Trains	40,000
Equipment Rental	102,000
Bussing	5,000
Roadway Machines	61,000
Small Tools and Supplies	121,000
Injuries to Persons	10,000
Property Insurance	36,000
Stationery and Printing	5,000
Other Expenses	5,000
Total Maintenance of Way	<u>\$ 3,666,000</u>

AVOIDABLE REVENUES AND EXPENSES OF THE
ERIE LACKAWANNA RAILWAY COMPANY OCCASIONED BY NEW JERSEY
SUBURBAN PASSENGER OPERATIONS, CALENDAR YEAR 1972
(Continued)

Item	Calendar Year 1972 Amount
<u>Maintenance of Equipment</u>	
Superintendence	\$ 67,000
Purchasing and Stores Personnel	87,000
Power Plant	374,000
Locomotive Repairs and Servicing	1,431,000
Car Repairs and Servicing	3,946,000
Work Equipment Repairs	33,000
Injuries to Persons	115,000
Stationery and Printing	3,000
Other Expenses	11,000
Total Maintenance of Equipment	<u>\$ 6,067,000</u>
<u>Traffic</u>	
Superintendence	\$ 46,000
Advertising	21,000
Stationery and Printing and Other	2,000
Total Traffic	<u>\$ 69,000</u>
<u>Transportation</u>	
Superintendence	\$ 212,000
Dispatching Trains	62,000
Station Employees	1,642,000
Police Force	191,000
Station Supplies and Expenses	307,000
Yardmasters and Yard Clerks	75,000
Yard Crews (Conductors, Brakemen, Switch and Signal Tenders, Enginemen)	498,000
Yard Fuel	8,000
Yard Supplies and Expenses	9,000
Road Engine Crews	1,981,000
Train Crews	2,807,000
Train Fuel	532,000
Power Produced and Purchased	1,098,000
Tower, Signal and Interlocker Operations	620,000
Crossing Protection	150,000
Drawbridge Operation	139,000
Stationery and Printing	209,000
Other Expenses	0
Liability Insurance	50,000
Injuries to Persons	346,000
Total Transportation	<u>\$10,936,000</u>

AVOIDABLE REVENUES AND EXPENSES OF THE
ERIE LACKAWANNA RAILWAY COMPANY OCCASIONED BY NEW JERSEY
SUBURBAN PASSENGER OPERATIONS, CALENDAR YEAR 1972
(Continued)

<u>Item</u>	<u>Calendar Year 1972</u> <u>Amount</u>
<u>Miscellaneous</u>	
Dining and Buffet	\$ <u>549,000</u>
<u>General</u>	
Labor and Other Expenses Developed as a Function of Revenue	\$ 763,000
Pensions	<u>109,000</u>
Total General	\$ <u>872,000</u>
<u>Taxes</u>	
Payroll Taxes	\$ - a/
Property Taxes	- b/
Franchise Taxes	(101,000)
Sales and Use Taxes	<u>26,000</u>
Total Taxes	\$ <u>(75,000)</u>
Return on Net Cash (@ 6%)	\$ <u>290,000</u> c/
Other Avoidable Expense Items Not Included Above	\$ <u>40,000</u> d/
Total Expenses	<u>\$22,414,000</u>
<u>PROFIT/(LOSS)</u>	<u>\$ (9,212,000)</u>

a/ Included in base accounts.

b/ E-L was in bankruptcy and paid no New Jersey property taxes applicable to 1972. If settlement is made relative to 1972 at a future time, the impact of avoidable New Jersey suburban passenger service on the settlement amount will need to be computed.

c/ After credit for suburban passenger rolling stock sold.

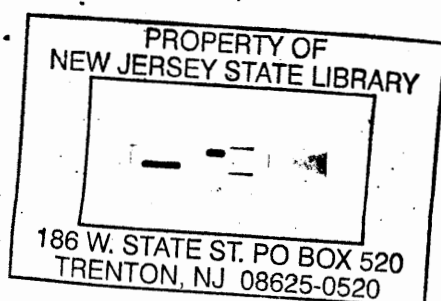
d/ Expense portion of extraordinary maintenance items: \$ 1,000
Credit for experimental service already paid for: \$ 0
Retroactive wages applicable to 1971, M/E forces: \$39,000

ERIE LACKAWANNA RAILWAY

FISCAL YEAR 1972-72

The following public timetables effective February 25, 1973 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 1973-74

The following tariffs are to be covered by contract:

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C. - N.J. No. 8. and Supplement 1	Commutation fares between stations in New Jersey and Hoboken. Commutation fares between Newark and stations in New Jersey and between other stations in New Jersey. Commutation fares between Pascack Valley Line stations in New Jersey.
P.U.C. - N.J. No. 11	12-Trip yearly ticket fares between Hoboken and Newark and New Jersey stations.
P.U.C. - N.J. No. 1 and Supplement No. 6	One-way fares between stations in New Jersey
P.U.C. - N.J. No. 33 and Supplement No. 4	One-way fares between stations on Pascack Valley Line.
P.U.C. - N.J. No. 7 and Supplement No. 1	1-day and 30-day round-trip fares between stations in New Jersey
P.U.C. - N.J. No. 9 I.C.C. No. 43	20-trip commutation tickets on the Pascack Valley Line and intermediate stations between Hoboken and Spring Valley
P.U.C. - N.J. No. 10 I.C.C. - No. 44	Collection of excess fare of 25¢ when tickets are bought on trains.

PENN CENTRAL SUBURBAN PASSENGER SERVICE
 ESTIMATED FINANCIAL RESULTS
(Excluding Depreciation and Return on Investment)

Year 1972

Revenues

Passenger		\$13,793,000
Other		<u>1,720,000</u>
Total		\$15,513,000

Expenses

Maintenance of Way	- Track	\$ 628,000
	- Communications	143,000
	- Signals	273,000
	- Electric Traction	186,000
	- Bridges and Buildings	156,000
	- Overhead (system)	<u>15,000</u>
	Sub-Total	\$ 1,401,000

Maintenance of Equipment	- Train Control	511,000
	- Road, Yard, Staff	4,685,000
	- Propulsion:	
	Power, Fuel	1,222,000
	- Station Operation	<u>689,000</u>
	Sub-Total	\$ 7,107,000

Passenger Stations - Maintenance & Operation		3,710,000
Dining Car		144,000
Joint Facilities (NY&LB, CNJ)		1,848,000
Regional Overhead		288,000
System Overhead		1,969,000
Taxes (non-payroll)		<u>53,000</u>
Total Expenses		\$21,524,000

Net Deficit		\$ 6,011,000
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PENN CENTRAL
FISCAL YEAR 1973-1974

The following public timetables contain schedules of service covered by contract:

<u>Timetable No.</u>	<u>Description of Contents</u>
LB-2 (Effective April 29, 1973)	Schedules of trains between New York, South Amboy and Bay Head Jct.
72 (Effective June 10, 1973)	Schedules of trains between New York, Rahway, Jersey Avenue and Trenton.

PENN CENTRAL

1973-1974 FISCAL YEAR

The following tariffs are to be covered by contracts:

<u>Tariff Number</u>	<u>Description of Contents</u>
P.U.C.-N.J. No. 4 and effective supplements	One way fares between stations intermediate to and including Newark and Trenton.
I.C.C. No. 406 and effective supplements P.U.C.-N.J. No. 24, 32, and effective supplements	One day coach excursion fares between New York-Newark and Penn Central and N.Y.&L.B. stations.
I.C.C. No. 421 and effective supplements P.U.C.-N.J. No. 46 and effective supplements	One way fares between stations intermediate to and including New York and Bay Head Junction.
I.C.C. No. 422 and effective supplements	One way fares between New York and stations intermediate to and including Trenton.
Penn Central Notice No. 942	Instructions for honoring State certificates and other non-revenue transportation on contracted service trains.
I.C.C. No. A-27124 and effective supplements P.U.C.-N.J. No. A-1645 and effective supplements	One way fares between Penn Central and New York and Long Branch stations.
I.C.C. No. A-27492 and effective supplements P.U.C.-N.J. No. A-1657 and effective supplements	Optional routes and rules governing use and diversion of tickets.
I.C.C. No. A-29051 and effective supplements P.U.C.-N.J. No. A-1699 and effective supplements	Commutation fares between New York and stations in New Jersey on the one hand and N.Y.&L.B. stations and Penn Central stations in New Jersey and Pennsylvania on the other hand.

PENNSYLVANIA-READING SEASHORE LINESAPPENDIX IIAVOIDABLE REVENUES AND
EXPENSES BY ICC ACCOUNT

1972

<u>Account</u>	<u>Title</u>	<u>Amount</u>
<u>OPERATING REVENUES</u>		
102	Passenger	\$181,092
133	Station, Train, and boat privileges	78
142	Rents of buildings and other property	<u>(5,412)</u>
	Total Railway Operating Revenues	\$175,758
<u>OPERATING EXPENSES</u>		
<u>MAINTENANCE OF WAY AND STRUCTURES</u>		
201-265	Labor	\$ 58,773
	Material and other	46,745
269	Roadway Machines	5,740
271	Small tools and supplies	2,630
274	Injuries to persons	5,283
275	Insurance	2,131
276	Stationery and printing	100
277	Employee Health and Welfare	3,756
282	Other expenses	<u>0</u>
	Total Maintenance of Way and Structure	\$125,158
<u>MAINTENANCE OF EQUIPMENT</u>		
317	Passenger train car; repairs	\$190,303
326	Work equipment - repair	67
332	Injuries to persons	6,323
333	Insurance	5,645
334	Stationery and printing	265
335	Employee Health and Welfare	<u>6,889</u>
	Total Maintenance of Equipment	\$209,492

TRAFFIC

353	Advertising	\$ 676
	Total Traffic	\$ 676

TRANSPORTATION

372	Dispatching Trains	\$ 15,165
373	Station Employees	29,749
376	Station Supplies and Expenses	2,012
392	Train Enginemen	108,611
394	Train Fuel	17,437
401	Trainmen	151,449
402	Train Supplies and Expenses	23,343
404	Signal and Interlocker Operations.	37,642
406	Drawbridge Operation	36,616
409	Employee Health and Welfare	16,530
410	Stationery and printing	344
414	Insurance	12,077
420	Injuries to Persons	290
	Total Transportation	\$451,265

GENERAL

452	Salaries and Expenses of Clerks and Attendants	\$ 10,147
454	Law Expenses	2,968
	Total General	\$ 13,115

INCOME ACCOUNTS

OPERATING INCOME

501	Railway Operating Revenues	\$175,758
531	Railway Operating Expenses	799,706
532	Railway Tax Accruals	51,869
	Railway Operating Income	(\$675,817)

OTHER INCOME

510	Miscellaneous Rent Income	\$ 2,685
519	Miscellaneous Income	<u>140</u>
	Total Other Income	\$ 2,825
	Total Income	(\$672,992)

ITEMS NOT INCLUDED IN ICC ACCOUNTS

Return on Avoidable Property and Inventory	<u>\$ 24,441</u>
NET DEFICIT	<u><u>\$697,433</u></u>

PENNSYLVANIA-READING SEASHORE LINES

FISCAL YEAR 1973-74

The public timetable effective June 18, 1973
contains schedules of service covered by contract,
operating between Lindenwold, Atlantic City, Ocean
City and Cape May.

PENNSYLVANIA READING SEASHORE LINES

1973-74 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. 381	Monthly and Weekly commutation fares between PRSL stations and Lindenwold.
P.U.C. - N.J. No. 378 and Supplement 3	90-trip 3-months commutation fares between PRSL stations and Lindenwold.
P.U.C. - N.J. No. 376 and Supplement 3	One-way fares between PRSL stations.
P.U.C. - N.J. No. 380	Honoring tickets in either direction.

AVOIDABLE REVENUES AND EXPENSES OF THE READING COMPANY

OCCASIONED BY PASSENGER OPERATIONS

BETWEEN PHILADELPHIA AND NEWARK, CALENDAR YEAR 1972

I.C.C. Basis

<u>Account</u>	<u>Title</u>	<u>1972 Amount</u>
	<u>RAILWAY OPERATING REVENUES</u>	
102	Passenger revenue	\$ 220,008
131	Dining and Buffet	22,218
133	Station, train, and boat privileges	2,450
	Total Railway Operating Revenues	<u>\$ 244,676</u>
	<u>OPERATING EXPENSES</u>	
	<u>Maintenance of Way and Structures</u>	
202-221	Track and roadway maintenance	\$ 7,537
227	Station and office buildings	976
249	Signals and interlockers	216
	Total Maintenance of Way and Structures	<u>\$ 8,729</u>
	<u>Maintenance of Equipment</u>	
311,317)	Other locomotives: repairs & servicing)	
400,402)	Passenger-Train Cars: repairs & servicing)	<u>\$ 101,487^{a/}</u>
	Total Maintenance of Equipment	<u>\$ 101,487</u>
	<u>Traffic</u>	
353	Advertising	\$ 327
358	Stationery and printing	309
	Total Traffic	<u>\$ 636</u>
	<u>Transportation</u>	
376	Station supplies and expenses	\$ 384
392	Train enginemen)	169,589 ^{b/}
401	Trainmen)	
394	Train fuel	20,517
420	Injuries to persons	9,620
	Total Transportation	<u>\$ 200,110</u>
	<u>Miscellaneous</u>	
441	Dining and buffet service	<u>\$ 49,237^{c/}</u>
	Total Miscellaneous	<u>\$ 49,237</u>

AVOIDABLE REVENUES AND EXPENSES OF THE READING COMPANYOCCASIONED BY PASSENGER OPERATIONSBETWEEN PHILADELPHIA AND NEWARK, CALENDAR YEAR 1972
(Continued)I.C.C. Basis

<u>Account</u>	<u>Item</u>	<u>1972 Amount</u>
	<u>General</u>	
453	General office supplies and expenses	\$ 1,022
454	Law expenses	508
455	Insurance	28
	Total General	<u>\$ 1,558</u>
	Total Railway Operating Expenses	<u>\$ 361,757</u>
	<u>Taxes</u>	
532	Property taxes	\$ d/ 0
532	Payroll taxes	<u>0</u>
	Total taxes	<u>\$ 0</u>
	Total Operating Expenses, Rents & Taxes	<u>\$ 361,757</u>
	<u>Income and Capital</u>	
	Reading bills to CNJ	\$ (89,372)
	Interest on Capital: Locomotives & Coaches	4,260
	Total Income and Capital	<u>\$ (85,112)</u>
	Total Expenses	<u>\$ 276,645</u>
	Net Railway Operating Income	<u>\$ (31,969)</u>
	Other Expense not included above	\$ 8,974 ^{e/}
	Profit/(Loss) including retroactive wages applicable to prior years	<u>\$ (40,943)</u>

- a/ Includes labor fringe benefits (vacation and holiday, health and welfare (Accounts 335 and 409) and payroll tax (Account 532)) applicable to avoidable personnel in this area.
- b/ Includes labor fringe benefits (vacation and holiday, health and welfare (Account 409) and payroll tax (Account 532)) applicable to avoidable personnel in this area.
- c/ Includes labor fringe benefits (vacation and holiday, health and welfare (Account 449) and payroll tax (Account 532)) applicable to avoidable personnel in this area.
- d/ Included in base amounts.
- e/ Retroactive wages for RDG and CNJ train and engine crews applicable to prior years.

READING RAILROAD
FISCAL YEAR 1972-1973

The following public timetables contain schedules of service provided by the Reading Railroad in New Jersey:

TIMETABLE NUMBER

DESCRIPTION OF CONTENTS

TT-4

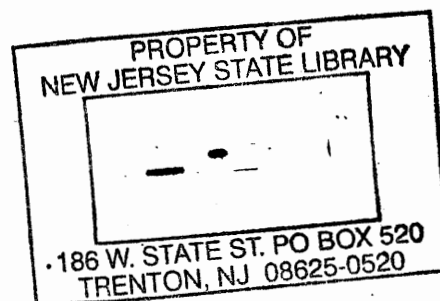
Effective May 16, 1971
Revised April 15, 1972

Schedules of trains operating between Philadelphia Reading Terminal and Newark Penn Central Station, showing connections with PATH and Penn Central trains to New York.

TT-2

Effective February 6, 1972
Revised January 1, 1973

Schedules of trains between West Trenton, Langhorn, Philadelphia and intermediate stations.



READING RAILROAD

FISCAL YEAR 197 -197

The following tariffs cover passenger train service provided by the Reading Railroad in New Jersey:

TARIFF NUMBER	DESCRIPTION OR CONTENTS
I.C.C. No. 4842 P.U.C. - N.J. No. 265	Restricted Monthly Commutation fares for stations on the Reading Railroad between stations in Pennsylvania and stations in New Jersey.
I.C.C. No. 4840 P.U.C. - N.J. No. 263	One-way coach fares for stations on the Reading Railroad between stations in Pennsylvania and stations in New Jersey.
I.C.C. No. 4843 P.U.C. - N.J. No. 266	Joint Reading Railroad and Central Railroad of New Jersey covering Restricted Monthly commutation fares between stations on the Reading Railroad in Pennsylvania and New Jersey and stations on the Central Railroad of New Jersey in the State of N. J.
I.C.C. No. 4841 P.U.C. - N.J. No. 264	One way coach fares between stations on the Reading Company in Pennsylvania and New Jersey and stations on The Central Railroad of New Jersey in the State of New Jersey.
I.C.C. No. 4846	One-way, ten trip and one-way bargain fares between West Trenton, New Jersey and stations in Pennsylvania as listed.