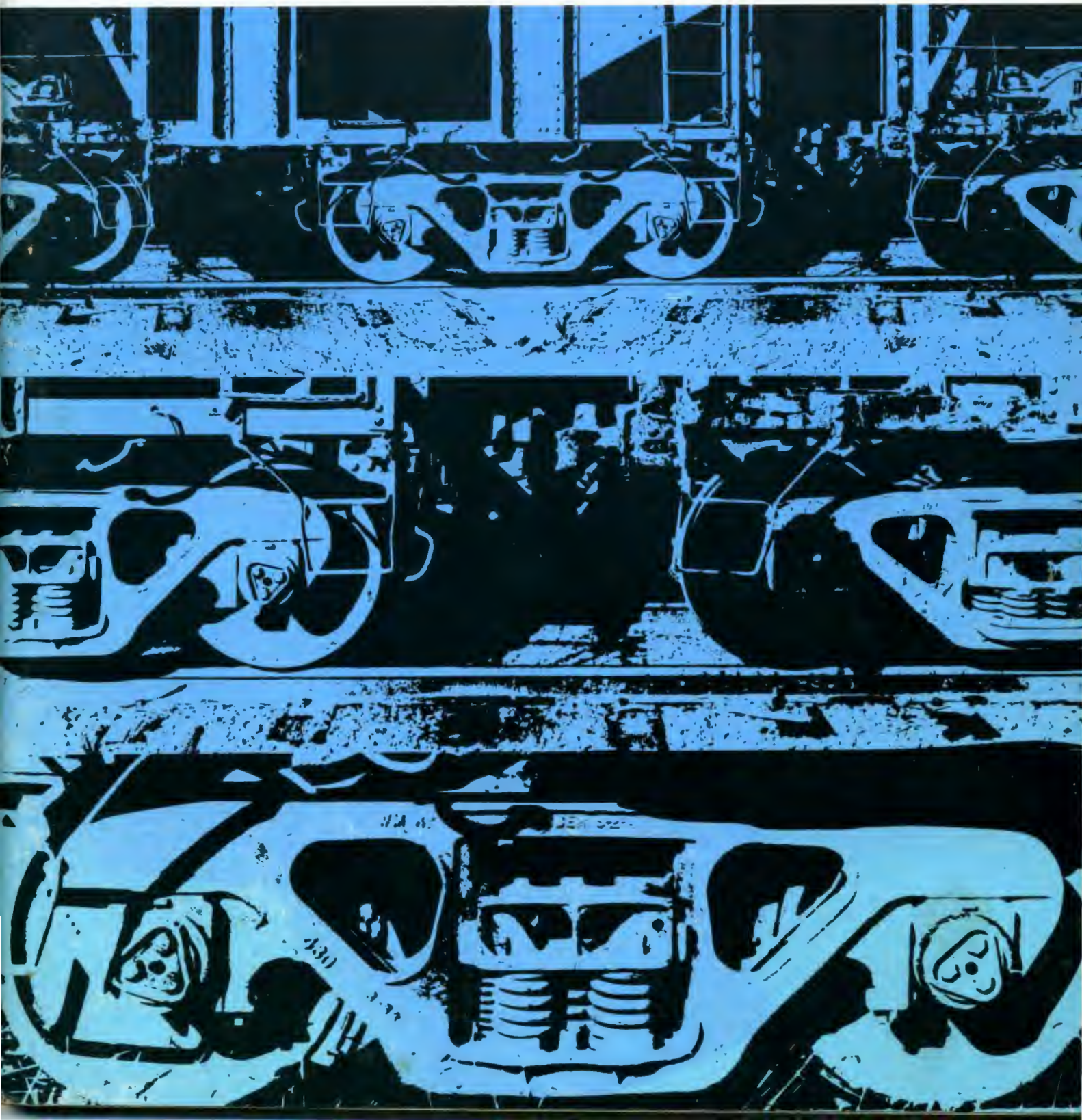


Evaluation of the U.S. Railway Association's Preliminary System Plan

A Report of the
Rail Services Planning Office
Interstate Commerce Commission
To the U.S. Railway Association

SUPPLEMENTAL REPORT



Evaluation of the U.S. Railway Association's Preliminary System Plan

Supplemental Report

**Report of the Rail Services Planning Office
to
The U.S. Railway Association**

Ex Parte No. 293 (Sub-No 5)
Northeastern Rail Investigation

Submitted in Accordance with Section 207(b)(3) of the
Regional Rail Reorganization Act of 1973
(P.L. 93-236)

**Interstate Commerce Commission
Washington, D.C. 20423**

June, 1975

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Public Response to the Plan

INTRODUCTION

The decision early this year by the trustees of the Erie Lackawanna Railway (EL) that the railroad could not be reorganized successfully on an income basis under Section 77 of the Bankruptcy Act led to the inclusion of the EL in the restructuring process of the Regional Rail Reorganization Act of 1973 (the Act). In that restructuring process, the Rail Services Planning Office (the Office) has two major responsibilities. First, the Office is charged with providing public participation in the planning process throughout its course, and, second, the Office is directed to make its own analysis of the plans presented by the Secretary of Transportation and the United States Railway Association (the Association).

Since the EL's decision came too late for its lines to be given thorough analysis in the Preliminary System Plan (the Plan), the Association issued a Supplement to the Plan in May 1975, addressing the light-density lines of the EL and coordination projects involving its trackage. The Office subsequently held public hearings and conducted its own evaluation of the Supplement.

The report which follows is an extension of the "Evaluation of the U.S. Railway Association's Preliminary System Plan" issued by the Office on April 28, 1975. It contains a summary of the public comment on the Association's Supplement to the Plan, in fulfillment of the requirements of Section 207(b)(3) of the Act, as amended. A general summary of the testimony is presented first, followed by three appendices. Appendix A summarizes public comment on those coordination projects proposed by the Association which involve EL lines, and those not involving EL but published by the Association subsequent to the issuance of the Plan. Appendix B details public comment on individual light-density lines. Appendix C updates the Office's review of the adequacy of the rail service continuation subsidy program established under Title IV of the Act.

PUBLIC RESPONSE TO THE EL SUPPLEMENT

Hearings were scheduled for eight locations during the week of June 9, 1975. The hearing locations and the numbers of witnesses appearing at each location are as follows:

Goshen, New York.....	28
Newark, New Jersey.....	11
Olean, New York.....	78
Youngstown, Ohio.....	27
Decatur, Indiana.....	22
Hammond, Indiana.....	19
Marion, Ohio.....	28
Scranton, Pennsylvania.....	32

The oral testimony dealt primarily with four major issues: light-density lines, industry structure, passenger service, and environment/energy concerns.

LIGHT-DENSITY LINES

As in the previous public hearings, the overwhelming preponderance of public testimony focused on the Association's recommendations for the exclusion of light-density lines. Public comment once again echoed the major themes which have consistently emerged throughout the reorganization process:

- The Association's methodological approach to branch line profitability analysis is unrealistic and seriously threatens ConRail's viability;
- The data base upon which the Association relies for its profitability calculations is incomplete and inaccurate;
- The Association's failure to consider special community factors in its branch line analysis is unfair and unwise; and
- The Association's failure to consider the social, economic, and environmental impacts of rail abandonment upon communities ignores the specific legal requirements of the Act.

The potential loss of service on light-density lines remains the central concern of most communities and users of rail service. Witnesses expressed their exasperation that this issue continues to dominate the planning process. The testimony reveals that the public believes the line analysis methodology is arbitrary and unreasonable and the data so thoroughly inadequate as to render a majority of the light-density line calculations incorrect. Witnesses once again reaffirmed the belief that massive branch line abandonment, in any form, is not the answer to ensuring ConRail's financial viability.

A line-by-line analysis of public testimony on particular lines within the EL system is included in Appendix B.

INDUSTRY STRUCTURE

Witnesses throughout the region spoke out in opposition to ConRail I and in favor of a more competitive system, either the three-carrier system proposed by the Plan or the MARC-EL system. These witnesses stressed the need for competition, arguing that competition produces more frequent service, greater car availability and improved maintenance.

Witness speaking in favor of the MARC-EL system argued that it would require a minimum investment to establish and would have a sufficient traffic base to be a successful competitor to ConRail.

Considerable support was voiced for the acquisition of EL lines by either the N&W or the Chessie System.

Several local concerns received considerable attention in the testimony. Witnesses in New York stressed that New York City must be served by two competitive railroads. Ohio witnesses were concerned that the Supplement did not discuss the EL yard at Marion, the exclusive switching location for the EL's main line service between Chicago and the East Coast. The Association was criticized for recommending the construction of a new yard at Crestline, Ohio, only 20 miles east of Marion. Apprehension was expressed by many witnesses from the Hornell, New York area that the EL shops in Hornell would be phased out of operation. The shops are the major employer in the City of Hornell.

Several witnesses criticized the EL for downgrading its Port Jervis line, stating that traffic over the line increased by one-third in 1974; that the line is a preferable main line route because grade factors make it more efficient than alternative routes; and that the line is a necessary component of the regional mass transit system.

A repeated criticism was that the Plan's approach to industry structure was too myopic. The Railway Industrial Clearance Association (RICA) expressed great concern over what it termed the Association's "piecemeal" analysis of the Erie Lackawanna. RICA pointed out that the EL has the longest continuous clearance route of any single railroad and thus demands consideration as a through freight line rather than as a conglomeration of branch lines. RICA also criticized the Association's decision to study segments of the EL mainline as branch lines, pointing out that "it is difficult to understand how they [the Association] can determine a 'cost incurred beyond the branch line', when the 'branch line' is the 'main line'."

PASSENGER SERVICE

The EL operates commuter services in several parts of the Region. Witnesses were concerned that the Association's proposals would adversely affect the continuation of these vital services.

The Deputy Secretary of Transportation for the Commonwealth of Pennsylvania proposed that the Scranton-Wilkes Barre area be considered for inclusion as a terminal for the northeast rail passenger system.

In New York, witnesses pointed out that recent data gathered by the U.S. Census Bureau shows a reversal of the pattern of decreasing population in rural areas that has existed since World War II. The growth rate in the Southern Tier or upper Appalachia now exceeds that in major urban/suburban areas in the northeast. Residents are commuting longer distances and there is some movement out of urban areas to rural areas. All of these factors have created a need for transportation alternatives to the automobile to gain access to urban population centers within the region. The B&SW Line (Lines 1246 and 1248), running south from the center of Buffalo into suburban areas, could provide such mass transit. The line, much of which would be excluded from ConRail, is an essential element in the master plan of the Niagara Frontier Transportation Authority. The developing recreation area in the scenic Southern Tier is also a region which will require passenger service that could be provided over threatened EL branch lines.

Orange County, New York, Chamber of Commerce witnesses and a representative of the County Planning Department called for improved rail commuter links between Orange County and Manhattan by means of a connection between EL and Penn Central lines near Secaucus, New Jersey. The Orange County Planners also suggested a two-level, north-south, east-west freight and commuter passenger system.

ENVIRONMENTAL AND ENERGY CONCERNS

Witnesses were generally dissatisfied with the consideration given to environmental factors in the Supplement. Representative arguments made by environmentalists throughout the Region were presented at Olean, New York. Despite recent openings of portions of the new Southern Tier Expressway, the highway system throughout the Southern Tier remains for the most part two-lane roads, developed primarily to serve local traffic. In many areas surrounding the B&SW Line, abandonment would necessitate an increase in or initiation of truck traffic through residential areas. Testimony indicated that this would adversely affect noise levels and would spoil the scenic ambiance of the area which now depends more and more on tourists.

Increased trucking would also disrupt existing land use patterns which have been long established to insure that commercial-industrial activity is removed from residential and recreational areas. It would necessitate consumption of far greater levels of finite energy such as diesel fuel.

A representative of Schuylkill County, Pennsylvania, proposed the establishment of an anthracite coal "through-route" whereby, if either N&W or Chessie purchases EL lines to east coast markets, it will also acquire trackage rights over the Reading line from Sunbury to Reading.

New York State DOT emphasized the need for heavy-density main line routes capable of connecting energy traffic centers of the Southern Tier with major traffic

centers and railroad connections in the Midwest and South.

In Pennsylvania, a witness warned that radioactive material should not be transported as is proposed on the Bloomsburg branch (Line No. 1228), as the risk of accident is substantial due to poor track quality.

Witnesses on behalf of the Town of Orangetown and the West Hudson Environmental Association reiterated the need to retain all abandoned railroad rights-of-way for public purposes.

APPENDIX A

Coordination Projects Review

The coordination projects reviewed here include those presented in the Preliminary System Plan Supplement plus those listed in the Association's "errata" published in the Federal Register on April 11, 1975.

PROJECTS IN SUPPLEMENT

The Office reviewed each coordination project presented in the Supplement for which the Association determined that implementation of the project would not materially impair the profitability of any railroad operating in the Region. We solicited comments on these proposed projects from all railroads in the Region and any other railroads involved in one or more of the proposed coordinations.

In addition, we extracted from the hearings transcripts testimony relating to coordination projects and reviewed statements sent directly to the Office in lieu of oral testimony.

Although we have attempted to include all comments, without an official cut-off date, publication constraints did not allow us to review in detail any comments received after June 16, 1975.

We have assembled the comments of the railroads involved and those of railroads which would be impacted, and comments received in testimony at the hearings.

In addition, the Association offered portions of lines excluded from ConRail for sale to connecting solvent carriers. Any offers to purchase these lines of which we are aware are noted in the individual light density line reviews.

The individual coordination project reviews which follow are grouped by the category (USRA Appendix D) to which they were assigned by the Association.

USRA APPENDIX D-3 PART II PROJECTS

Project USRA-6

Description: Wilkes-Barre, Pa.-Hagerstown, Md. . . . Norfolk & Western and/or Delaware and Hudson to acquire the Erie Lackawanna (ConRail) line from Wilkes-Barre (Plymouth Junction) to Northumberland, Pa., and trackage rights on Penn Central (ConRail) from Northumberland to Hagerstown. Penn Central (ConRail) and D&H to negotiate a new inter-

change to replace Wilkes-Barre interchange at either Sunbury or Enola (Harrisburg).

RSPO Review

Project N&W-2 contemplates operation by Norfolk & Western or Delaware and Hudson between Wilkes-Barre, Pa. and Hagerstown, Md. utilizing PC lines. Chessie, Richmond, Fredericksburg and Potomac and Lehigh Valley expressed their opposition to this proposal which is covered by RSPO's report of April 25, 1974. In its report of May 27, 1975 the Interstate Commerce Commission found Project N&W-2 to be in full accord and comply with section 5 of Part 1 of the ICC Act (49 USC 5).

Project USRA-6 contemplates the use of E-L's line between Wilkes-Barre and Northumberland, Pa. and thence PC line to Hagerstown, Md.

The D&H is concerned about the restructuring process as it is heavily dependent upon overhead traffic received from connecting railroads indicating that in 1974 about 60% of its cars were interchanged with other railroads, a total of about 270,000 cars. There is a strong need for D&H to preserve its north-south routes.

RF&P objects strongly to and opposes any north-eastern acquisitions by the N&W which extends N&W's direct reach and control of north-south markets, not currently served, on the grounds that a significant volume of existing RF&P overhead traffic would be diverted to the Hagerstown Gateway thus diminishing RF&P's profitability.

Central Vermont Railway is concerned that implementing this project would divert to other railroads CV traffic moving between eastern Canada and the Middle Atlantic and southern regions of the United States thus jeopardizing CV's survival as a competitor.

The Economic Development Council of Northeastern Pennsylvania and Railroad Task Force for Northeast Region, Inc. supports that part of this proposal which recommends that Norfolk & Western and/or Delaware & Hudson acquire trackage rights from Penn Central south from Northumberland, Pa. to Hagerstown, Md. However, EDCNP and RTFFNR prefer that MARC-EL acquire the line north of Northumberland through Plymouth Junction to Scranton.

The Pennsylvania Public Utility Commission supports the D&H having a route south through Wilkes-

Barre, Northumberland, Harrisburg & Hagerstown to provide some measure of competition to ConRail and to help D&H survive. PPUC points out that both local traffic and the through route must be considered in determining whether to retain the EL or PC line.

The Boston & Maine supports this project.

Project USRA-7

Description: Allentown, Pa.-Scranton, Pa. . . . Chessie or N&W to acquire trackage rights over the Lehigh Valley from Scranton (Pittston Junction) to Allentown in the event that either of those railroads acquire both the Erie Lackawanna and Reading routes to east coast markets. (See the Preliminary System Plan, Volume I, Appendix D-3, Projects CS-5 plus either USRA-1 or USRA-3; or USRA-4 plus either N&W-15 or USRA-2).

RSPO Review

This project involves the acquisition by Chessie or Norfolk & Western of trackage of, or trackage rights over, the Lehigh Valley between Scranton and Allentown, Pa., in the event either of those railroads acquires related Erie-Lackawanna and Reading routes to east coast markets. Chessie or N&W must first acquire trackage, or trackage rights, into the Allentown/Bethlehem/Philadelphia areas to be interested in this proposal.

Chessie's acquisition of the EL, in addition to the Reading lines and trackage or trackage rights to the Greater Newark Area, would permit single line movements over Chessie to points on the EL originating at Allentown or Bethlehem or at points east of Allentown on lines of the Central New Jersey to which Chessie might have access which could not readily be interchanged to the EL east of Scranton. Acquisition of the trackage rights proposed in this project would permit a less circuitous movement of traffic between points on the EL west of Scranton to Allentown and points on the expanded Chessie System east of Allentown but south of EL lines in northern New Jersey.

RSPO did not receive a specific response from the N&W on this proposed project.

Lehigh Valley's submission indicates N&W acquisition of the EL route to the east coast would result in a serious diversion of traffic from LV and LV is opposed to such acquisition.

The Richmond, Fredericksburg and Potomac objects to and opposes any northeastern acquisitions by N&W to the extent that such acquisitions operate to extend N&W's direct reach and control of north-south markets not currently served on the grounds that a significant volume of existing RF&P overhead traffic would be diverted to the Hagerstown Gateway, resulting in impairment to RF&P's profitability.

RF&P also expressed concern relating to Chessie's north-south service indicating Chessie's extension into the Bethlehem, Allentown & Reading markets (CS-5)

could be highly beneficial if Chessie is willing to commit to an aggressive program of improved single-line north-south service to and from Potomac Yard Gateway. It could, however, be disastrous to the solvency of RF&P if Chessie is not restrained from use of its own Potomac Yard-Richmond route to the Seaboard Coast Line connection at Richmond, Virginia.

The Economic Development Council of Northeastern Pennsylvania and Railroad Task Force for Northeast Region, Inc. strongly opposes this proposal for the Chessie or Norfolk & Western to acquire trackage of or trackage rights over the Lehigh Valley from Scranton (Pittston Jct.) to Allentown, Pa. EDCNP and RTFFNR believes this line should be kept in MARC-EL.

The Boston & Maine supports this Project.

Project USRA-8

Description: Delaware & Hudson to acquire trackage rights over Erie Lackawanna (ConRail) from Binghamton to Buffalo in the event that neither Chessie nor N&W acquires the Erie Lackawanna route between Binghamton and Buffalo.

RSPO Review

Delaware & Hudson's submission indicates this proposal would provide D&H with direct access to connecting carriers other than the Penn-Central (ConRail) in the event neither N&W nor Chessie acquires E-L's Binghamton-Buffalo route. Under this project D&H could assure continuation of its share of east-west traffic. In 1974 D&H interchanged approximately 103,000 loaded cars with Erie-Lackawanna at Binghamton which constituted 35% of D&H's total interline freight traffic. In addition 32,000 loaded cars were interchanged with Lehigh Valley at Owego, N.Y. Loss of friendly connections on east-west traffic via E-L and LV would make D&H dependent upon a connection with ConRail, D&H's principal competitor, for about 45% of its traffic.

Lehigh Valley is opposed to this acquisition unless adequate compensation is provided to offset the potential revenue loss on traffic now moving LV-Buffalo/Niagara Falls to D&H at Owego.

Central Vermont Railway is concerned that the extension of D&H to Buffalo will further strengthen D&H's competitive position for traffic moving from eastern Canada. CV indicates that its volume of traffic competitive with D&H is about 7,000 cars per year which is over 10% of total CV traffic and any loss of traffic could jeopardize CV's survival as a competitor.

The Rhode Island Department of Transportation advises it supports this project.

The Boston & Maine supports this project indicating that non-ConRail access to Buffalo is of prime importance to B&M and D&H Trackage rights. Binghamton to Buffalo would be a means of meeting this need.

PROJECTS IN FEDERAL REGISTER

On April 11, 1975, the Association published corrections to the text of the Preliminary System Plan in the Federal Register. These corrections included the specification of additional and modified coordination projects and additional light-density lines offered for sale to connecting railroads. Because the Office's *Evaluation of the U.S. Railway Association's Preliminary System Plan* issued on April 28, 1975, was in its final stages when the Association's notice was published, these additional coordination projects and offers of lines for sale were not reviewed in the *Evaluation*.

The Office subsequently solicited the comments of all railroads operating in the region and connecting with railroads operating in the region regarding these coordination projects.

The following projects in Appendix D-1 of the Preliminary System Plan were modified or added in the Federal Register notice.

Project MA-9

Description: Boston & Maine and Central Vermont to operate on a pooling basis from White River Junction (or similar common point) to/from major Penn Central (ConRail) interchange points at Springfield and Palmer (or such similar points as may become major interchange points under the ConRail operating plan).

RSPO Review

This project was added to the Plan by a USRA errata sheet and was reviewed by the office in its evaluation of the Preliminary System Plan.

Additional comments are as follows: The CV supports this project contending its implementation would enable CV, PC and B&M to make savings by reducing interchange and classification switching, reducing train mileage and reducing delay to movements.

The Central Vermont Railway, Inc. is a wholly owned subsidiary of the Canadian Pacific. CP is opposed to this project contending that CP's competitive traffic would be handled by a prime competitor—the CN/CV. To avoid allowing a prime competitor to move its traffic to Southern New England or the Atlantic Coast, CP Rail would be forced to influence as much of its competitive business as possible via Delson and the D&H. CP is concerned that this would decrease its earnings on international traffic.

The following projects in Appendix D-3 Part II of the Preliminary System Plan were modified or added in the Federal Register notice.

Project CS-5

Description: Chessie System (Baltimore & Ohio) to acquire tracks or trackage rights from Lurgan via Harrisburg to Allentown/Bethlehem and Greater Philadel-

phia areas, and from both Allentown and Philadelphia to the Greater Newark area, with or without access to on-line industry in and between those points.

RSPO Review

The Office's review of this project in evaluation of U.S. Railway Associations' Preliminary System Plan included the change to extend the proposed acquisition to Newark, N.J. Thus, no additional comment is necessary on this project.

Project N&W-13

Description: Norfolk & Western to acquire Penn Central interest in Nicholas, Fayette & Greenbrier Railroad—Deepwater, Swiss, Landisburg, Peters Creek, Nitro, Deepwater Bridge, W. Va.

An additional location, Hitop, W. Va., to this project, was published in the Federal Register, April 11, 1975.

RSPO Review

The Office received no comments relating to the inclusion of Hitop, W. Va. to the locations to be acquired under this project.

Project D&H-1

Description: Delaware & Hudson to acquire trackage or trackage rights over Penn Central, Lehigh Valley and Reading, via Allentown, with or without access to on-line industry in and between Wilkes-Barre, Pa., and Alexandria, Va.

RSPO Review

In the Plan, this project was shown in Appendix D-3 Part I but was changed by USRA errata sheet to D-3 Part II. This project was reviewed by the Office in its evaluation of the Preliminary System Plan, however, it has since been modified by insertion of the following—"Lehigh Valley and Reading, via Allentown, with or without access to on-line industry in and between".

Additional comments are as follows: The Boston & Maine favors a Chessie connection from the Potomac Yard Gateway to the Delaware & Hudson. However, in the event that such a connection with Chessie cannot be arranged the D&H would support Project D&H-1.

Project CS-19

Description: Chessie to acquire Penn Central trackage needed to continue service to shippers on the Hitop (Hitop, W. Va.) and Peter Creek (Cornelia, W. Va.) lines.

RSPO Review

The PC has trackage rights over the B&O between Charleston and Blue Creek, W. Va. (13.4 miles) over which it operates to serve the Hitop Secondary Track (21.0 miles).

To serve the Peters Creek Branch the PC would have to operate over 13.9 miles of the Nicholas, Fayette and Greenbrier Railroad Co. between Swiss and Peters Jct., W. Va. The Peters Creek Branch is, however, served by NF&G mine run shifter crews working out of Rainelle, W. Va. with empties and loads being exchanged with PC at Swiss, W. Va. The NF&G is jointly owned by the PC and Chesapeake and Ohio Railway.

C&O and B&O presently have trackage rights over PC at Charleston, W. Va. B&O locals operate over PC track from the PC-B&O connection in Charleston to West Charleston thence onto the C&O Kanawha River Bridge to C&O Elk Yard at South Charleston. C&O Yard engines operate over PC tracks from West Charleston to Charleston.

Chessie has indicated this project must be considered in connection with project CS-2 and CS-12 which contemplates C&O acquiring the NF&G Railroad and other track in the Charleston area.

The lines involved in this project are recommended to be included in ConRail and can only be reached by PC over a line from Columbus, Ohio, a major portion of which is in a seriously deteriorated condition and not recommended for inclusion in ConRail.

RSPO did not receive a specific response from the Norfolk & Western on this project, however, the N&W responded to project CS-12 in which C&O indicated an interest in the Peters Creek Branch and Hitop Secondary Track. N&W expressed an interest in the acquisition of the Peters Creek Branch indicating this would insure competitive rail service in the area.

Union Carbide Corporation expressed concern regarding Chessie's interest to continue operation of the Hitop Branch. Union Carbide recently advanced \$200,000 to PC for urgent repairs on the Hitop Branch and may advance an additional \$300,000 for further repairs to insure continued rail service to their Morris Fork Coal Mine.

Project P&S-1

Description: Pittsburgh & Shawmut to acquire Penn Central's facilities from Freeport to Pittsburgh, Pa. (on the West side of the Allegheny River).

RSPO Review

The Pittsburgh & Shawmut Railroad operates approximately 88 miles of railroad from Freeport Jct., northeastward to Brockway all within Pennsylvania. RSPO did not receive a submission from P&S on this proposal.

The Boston & Maine supports this project indicating it would strengthen the P&S, as well as promote rail competition in this important market.

Project P&S-2

Description: P&S to acquire Penn Central's Butler Branch from Freeport to Butler, Pa.

RSPO Review

The Pittsburgh & Shawmut Railroad operates approximately 88 miles of railroad from Freeport Junction northeastward to Brockway, all within Pennsylvania. RSPO did not receive a submission from P&S on this proposal.

The Bessemer and Lake Erie Railroad is neither opposed to nor does it support this proposal. However, implementation of this project could have an adverse impact on B&LE as it would introduce a third carrier in handling of ore through Butler. This ore is now routed PC-Butler-B&LE.

The Boston & Maine supports this project indicating it would strengthen the P&S as well as promote rail competition in this important market.

Project P&S-3

Description: P&S to acquire portion of Penn Central's Lowgrade line Brookville to Redbank, including Slingto Branch.

RSPO Review

The Pittsburgh & Shawmut Railroad operates approximately 88 miles of railroad from Freeport Junction northeastward to Brockway, all within Pennsylvania. RSPO did not receive a submission from P&S on this proposal.

The Boston & Maine supports this project indicating it would strengthen the P&S as well as promote rail competition in this important market.

Project P&S-4

Description: Pittsburgh & Shawmut to acquire existing Erie Lackawanna facilities at W. I. Yard, Brockway to end of track at Brockport, Pa.

RSPO Review

The Pittsburgh & Shawmut Railroad operates approximately 88 miles of railroad from Freeport Jct., located just northeast of Pittsburgh, to Brockway, all within Pennsylvania. The P&S connects with the EL at Brockway and this proposal contemplates the P&S acquiring EL facilities at Brockway to end of track at Brockport. The Office did not receive a submission from P&S on this project.

The Boston & Maine supports this project indicating it would strengthen the P&S, as well as promote rail competition in this important market.

EL facilities in this project are also included in line segment 1252 which was offered for sale to solvent carriers under Appendix D-2. The Baltimore & Ohio Railroad has indicated an interest in continuing its operation over EL between Mt. Jewett and Clarion Jct. and to continue service to EL customers at Johnsonburg and Brockway.

Project P&W-1

Description: Providence & Worcester to acquire trackage of Penn Central (ConRail) southward from Providence to Cranston.

RSPO Review

Under this proposal Providence & Worcester proposes to purchase the Cranston Yard and any necessary right of way to reach the Yard from its property in Providence. It is approximately 3 miles from Providence to Cranston Yard. This is a two track section of main line and P&W proposes to perform through service only during rush daytime hours with local switching being performed at night.

No other submissions were received by the Office on this specific project.

Project P&W-2

Description: Providence & Worcester to acquire Penn Central line between Worcester and Auburn, Massachusetts.

RSPO Review

The Providence & Worcester main line runs from Providence, R.I. to Worcester, Mass. where it then operates jointly with the Penn Central for approximately one mile. P&W has expressed a strong interest in acquiring and operating over the approximately four miles of track between Worcester and Auburn over the PC Norwich Secondary Track.

The Town of Oxford (Mass.) supports this acquisition by the P&W as it would provide uninterrupted and improved service to shippers at no extra cost to federal or state government. Further, it would assist Oxford's economy and industrial growth considerably.

The Webster-Dudley Chamber of Commerce and the Worcester Area Chamber of Commerce supports this proposal.

The Boston & Maine supports this project.

Norwich & Worcester Railroad indicates it owns the line between Groton, Conn. and Worcester, Mass. and that PC's lease of the Norwich Secondary Track expired in 1969. N&WR proposes to operate the trackage as an independent short line carrier.

Project USRA-4

Description: Norfolk & Western to acquire trackage or trackage rights from Central Ohio via Harrisburg to the Allentown/Bethlehem, Greater Philadelphia, and Wilmington areas, and from both Allentown and Philadelphia to the Greater Newark area with or without access to on-line industry in and between those points.

RSPO Review

This project was reviewed by the Office in its evaluation of the Preliminary System Plan, however, has since been modified by insertion of the following—"and from

both Allentown and Philadelphia to the Greater Newark area".

Additional comments are as follows: The Boston & Maine supports this project.

Richmond, Fredericksburg & Potomac objects strongly to and opposes any northeastern acquisitions by the N&W which extends N&W's direct reach and control of north-south markets, not currently served, on the grounds that a significant volume of existing RF&P overhead traffic would be diverted to the Hagerstown Gateway thus diminishing RF&P's profitability.

The Federal Register Notice added light-density lines to Appendix D-2, lines of bankrupt carriers offered for sale to connecting profitable carriers. The following lines are those in which profitable carriers expressed interest.

716—Canada—McGregor, Ontario to Amherstburg, Ontario

The Chessie System has expressed interest in acquiring this line from McGregor to Amherstburg, a total of 9.0 miles.

40—CT/MA—Webster, Mass. to Southbridge, Mass.

The Providence and Worcester has expressed an interest in operating this line. The Norwich and Worcester, over which the Penn Central presently operates, has also expressed an interest in operating this line.

43—CT/RI—Groton, Conn. to Hills Grove, Rhode Island

Both the Providence and Worcester and the Norwich and Worcester have expressed an interest in operating this line.

678a—CT/MA—Auburn, Mass. to Putnam, Conn.

Both the Providence and Worcester and Norwich and Worcester have expressed interest in operating this line.

937—DE—Metchanic, Delaware to Rockland, Delaware

The Chessie System has expressed an interest in acquiring this entire branch, 1.1 miles, if the Chessie acquires the Wilmington and Northern Branch in conjunction with the implementation of the Association's recommended Three-Carrier System industry structure.

609—IL—Paris, Illinois to Decatur, Illinois

The Chessie System has withdrawn its proposal to operate over this line as a result of the line not being recommended for inclusion in the ConRail System. The Illinois Central Gulf commented that, between

Hervey City and Decatur, the Penn Central operates over trackage rights granted by the Illinois Central Gulf and that the ICG would have to review any acquisition of the Penn Central trackage rights over its tracks.

610/610a—IL—Decatur, Illinois to Maroa, Illinois

The Illinois Central Gulf Railroad submitted a statement indicating that this segment of track is owned by the Illinois Central Gulf and operated by the Penn Central on trackage rights. The ICG further stated that ICG considers it necessary to enter new negotiations with any other carrier who may wish to acquire trackage rights on this line.

523—IN—Portion of Richmond Branch

Norfolk and Western Railway has expressed interest in acquiring a small track segment to serve the industries in and around Elwood, Indiana and, in conjunction with servicing the industries, the 17.5 mile section of this branch extending from Anderson, Indiana to Elwood, Indiana.

573—IN—Portion of the Whitewater Running Track

Norfolk and Western Railway has expressed an interest in acquiring this line from Connersville, Indiana to Beeson Indiana, 6.8 miles. Acquisition of this line by the N&W is also a part of USRA Coordination Project IN-2.

The Chessie System has expressed an interest in acquiring this line only at Connersville, where the Chessie System connects with the line.

520a—IN/OH—Portion of the Richmond Branch

Chessie System has expressed an interest in acquiring this line from Eaton, Ohio to Richmond, Indiana, 14.1 miles.

392a—MI—Portion of Vulcan-Old Road Branch

The Norfolk and Western Railway has expressed an interest in acquiring this line from the N&W Crossing to Adrian, Michigan, 5.3 miles. This line segment is also included in USRA Coordination Project MI-8 under which the Detroit, Toledo and Ironton Railroad would operate lines 392a, part of 393, and 395-395a. In addition to the coordination project, the DT&I is interested in acquiring this line as a light density line offered for sale under Appendix D-2.

395/395a—MI—Clinton Branch

The Norfolk and Western Railway has expressed an interest in acquiring 11.3 mile portion of this line segment from Raisin Center to Clinton, Michigan. This line segment is also included in USRA Coordination MI-8, under which the Detroit, Toledo and Ironton Railroad would operate over this line segment. The DT&I is interested in acquiring this as a light density line offered for sale under Appendix D-2.

105/107—NY—Portion of the Ontario Secondary Track

The Chessie System has expressed an interest in acquiring a portion of this line between Charlotte and Hamlin, approximately 17.1 miles.

372a—OH—Portion of the Tuscarawas Secondary Track

The Chessie System has expressed an interest in acquiring the trackage necessary to service customers in Dover, Ohio.

496/496a—OH—Portion of the Morrow Secondary Track

The Norfolk and Western expressed an interest in acquiring the 24.1 mile section of this track between Circleville, Ohio and Lancaster, Ohio.

The Chessie System expressed an interest in acquiring the trackage necessary to serve industries only at Lancaster and Circleville, which are points common to both the line segment and the Chessie System.

518—OH—Trackage rights over B&O Old River Junction—New River Junction

The Chessie System owns this line segment, and Penn Central operates over trackage rights. Chessie states that these trackage rights are not assignable, and that Chessie opposes use of these tracks by any other railroad.

551—OH—Portion of Springfield Branch

The Chessie System has expressed an interest in acquiring trackage necessary to serve customers at Arcanum and Troy only.

643a—OH—Portion of Norwalk Branch

Norfolk and Western has expressed an interest in acquiring approximately 2 miles of this line in the immediate area of Fremont and about 2 miles in the immediate area of Clyde to serve customers at these points.

APPENDIX B

Light-Density Line Review

The Office has summarized by individual line segments the public response relating to light-density lines recommended for exclusion from ConRail. Part I of this Appendix details the comments presented on those line segments not recommended for inclusion in ConRail and Part II on those "Lines Not Now Being Served" about which comments were received. The Association's maps, description, traffic and service characteristics, vi-

ability calculations, and recommendations for each line have been reprinted for ease of reference.

Obviously, in the time available, it was not possible to verify all of the information received.

The individual line reviews which follow are grouped by state. Each state section is preceded by a state map showing the location of each line and identifying it by USRA Line Number.

INDIANA



INDIANA

ERIE LACKAWANNA

USRA
line number

Terminal

Intrastate

Indiana

1262 Huntington to Hammond

Interstate

Indiana—Ohio

1261 Huntington, Ind. to Lima, Ohio

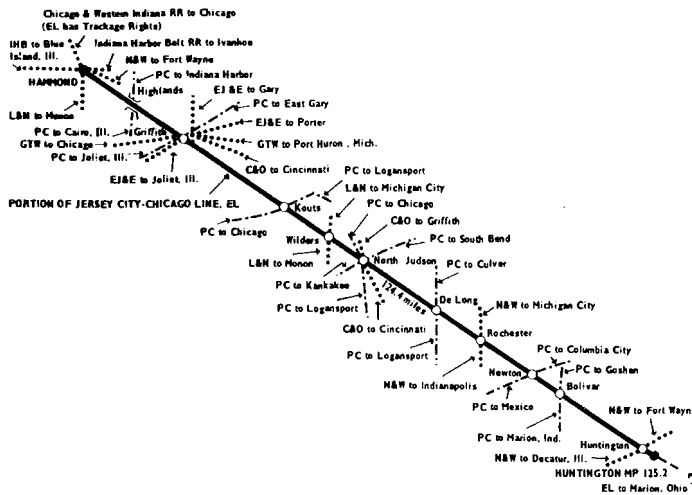
1262 INDIANA

USRA ANALYSIS

PORTION OF JERSEY CITY-TO-CHICAGO LINE

USRA Line No. 1262

Erie Lackawanna



This portion of the Jersey City-Chicago line extends from *Huntington* (Milepost 125.2) to *Hammond, Ind.* (Milepost 249.6), a distance of *124.4 miles*, in Huntington, Wabash, Fulton, Pulaski, Starke, Porter and Lake Counties, Ind. This line continues westward to Chicago via trackage rights over the Chicago & Western Indiana RR and eastward to Marion, Ohio and beyond. The easterly continuation is also under study in this Report. At Bolivar, the line connects with the Michigan Branch, at North Judson and Kouts with the Columbus-Chicago line, and at North Judson with the Kankakee Branch, all PC. Highlands is also served by the PC Danville Branch. The line connects with the following PC lines also under study: at Newton with the Columbia City Secondary Track, at DeLong with the Culver Secondary Track and at Griffith with the Joliet Branch. It also connects with the N&W's Fort Wayne-Decatur, Ill. line at Huntington and Michigan City-Indianapolis line at Rochester, with the C&O Cincinnati-Hammond line at North Judson and Griffith, with the L&N to Michigan City and Monon at Wilders, and at Griffith with the GTW Chicago-Port Huron and the Elgin, Joliet & Eastern Ry to Joliet, Porter and Gary. At Hammond it connects with several lines, including the N&W Chicago-Fort Wayne, the L&N Chicago-Monon and the Indiana Harbor Belt RR to Blue Island, Ill. and Ivanhoe.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line :	
Huntington	4,073
Bippus	2
Servia	214
Bolivar	2
Newton	0
Laketon	0
Disko	1
Akron	488
Athens	25
Rochester	456
Leiter's	114
DeLong	0
Monterey	1,054
Ora	4
Bass Lake	0
Aldine	1
North Judson	13
Lomax	0
Wilders	0
Clanricarde	0
Kouts	9
Boone Grove	124
Palmer	0
Crown Point	33
Griffith	29
Highlands	154
Hammond	301

Total carloads generated by the line	7,097
Number of round trips per year	156
Estimated time per round trip (hours)	21.5
Revenue received by EL	\$2,100,553
Average revenue per carload	\$296
Available (avoidable) cost of continued service:	
Cost incurred on the branch line	1,404,390
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	1,384,832
Total variable (avoidable) cost	2,789,222
Net contribution (loss): total	(688,669)
Average per carload	(97)

USRA Recommendation

It is *not* recommended that this portion of the Jersey City-to-Chicago line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—See comment on USRA Line No. 1260.

—Henderlong Lumber Company, Inc., which employs 40 people at its facility in Crown Point, reported that its incoming rail shipments have increased over recent years as evidenced by its pay-

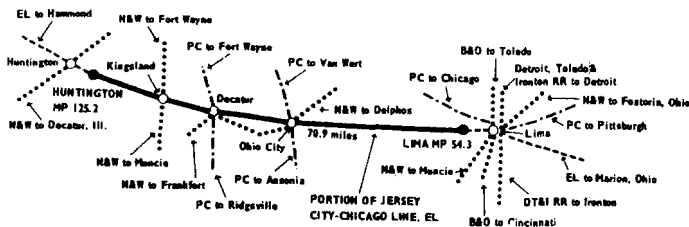
Continued on page 16

USRA ANALYSIS

PORTION OF JERSEY CITY-TO-CHICAGO LINE

USRA Line No. 1261

Erie Lackawanna



This portion of the Jersey City-to-Chicago line extends from *Lima, Ohio* (Milepost 54.3) to *Huntington, Ind.* (Milepost 125.2), a distance of *70.9 miles*, in Allen and Van Wert Counties, Ohio and Adams, Wells and Huntington Counties, Ind. This line continues westward to Hammond and eastward to Marion, Ohio; both continuations are also under study in this report. At Decatur, Ind. this line connects with the PC Decatur and Ridgeville Secondary Tracks and at Ohio City with the PC Northern Branch, all also under study. The N&W Decatur Ill.-to-Fort Wayne line crosses at Huntington, the Fort Wayne-Muncie line at Kingsland, the Delphos-Frankfort line at Decatur, Ind. and Ohio City, and the Fostoria-Muncie line at Lima. Also serving Lima are the PC Pittsburgh-Chicago line, the B&O Toledo-Cincinnati line and the Detroit, Toledo & Ironton RR Main Line from Detroit to Ironton. This line was not described as potentially excess in the U.S. DOT Report (see Zones 111 and 117).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Hercules Torpedo Spur.....	0
Kemp	0
Spencerville	106
Converse	0
Elgin	299
Ohio City.....	6
Glenmore	18
Wren	0
Preble	14
Tocsin	100
Kingsland	3
Uniondale	174
Markle	338
Simpson	178
Total carloads generated by the line.....	1,226

Cost of upgrading branch line to FRA
 Class I: (1/10 of total upgrading cost)..... 0
 Cost incurred beyond the branch line..... 210, 879

Total variable (avoidable) cost..... 908, 872

Net contributions (loss): total..... (586, 826)

USRA Recommendation

It is *not* recommended that this portion of the Jersey City-to-Chicago line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

- See comment on USRA Line No. 1260.
- Russell I. Pisle, for the Farm Service Center in Spencerville, testified that his company would be forced out of business due to prohibitive costs for alternative transport, resulting in the loss of 25 jobs and an annual payroll of \$200,000. He added that the Center's traffic was 113 carloads in 1973.
- Simpson Grain Co. testified that actual carload data for 1973 should have been 194. Abandonment of this line would force Simpson to transport by truck and to absorb an additional 8 to 10 cents per bushel transportation cost.
- Stanley H. Matheny, for the City of Huntington, testified that abandonment would force the elimination and/or relocation of approximately 300 EL employees in Huntington, which represents 8 percent of that city's total population.
- It was stated that the Adams County Farm Bureau, Monroe, would have to expend \$10,000 to upgrade truck loading facilities and pay an additional \$5 to \$7 per ton. The additional increases in costs would be passed on to farmers in the county should this line be abandoned.
- William R. Black, Director of Rail Planning for the Public Service Commission of Indiana, protested the segmenting of this double tracked main line into two branch lines. He added that most of the track is at FRA Class III and capable of 50 MPH speeds.
- J. H. Smith, Chairman of the Indiana State Legislative Board, Brotherhood of Locomotive Engineers, testified that the amount of traffic now handled by the EL could not be efficiently accommodated by the C&O, N&W and ConRail lines which also serve the area. He added that the EL line is one of the few lines capable of handling high and wide cars between Chicago and New York.
- Norfolk and Western is interested in acquiring this line from Lima, Ohio to Huntington, Indiana (70.9 miles), in conjunction with line segments 1260

Continued on page 16

INDIANA CONTINUATIONS

USRA Line No. 1262

ments to the EL of \$7,700 in freight charges during 1973, \$10,400 during 1974, and \$12,100 during the first half of 1975.

—Saager Brothers, Inc., which has plans to develop an industrial park out of the 25 acres it owns along the EL at Crown Point, reported that future demand for rail service may increase due to the tremendous expansion in the Lake County area. The City of Crown Point has already rezoned Saager's 25 acres for industrial purposes and has designated the whole area surrounding the railroad as an industrial usage area.

—Moore Business Forms, Inc. reported that it completed the construction of its Rochester, Indiana plant in 1973 and added a \$70,000 rail siding in July, 1974. During 1974, Moore moved 485 tons of paper by rail; it projects its 1975 usage to range from 20-65 carloads and 1976 usage to range from 75 to 94 carloads.

—Buckeye Feed and Supply, Inc., with facilities at Monterey and Leiter's Ford, testified that future expansion plans have already been cancelled with the prospect of abandonment since the cost of alternative means of transport would be prohibitive.

—The Hammond City Council presented a resolution supporting the abandonment of the EL right-of-way in the city of Hammond in the interest of alleviating rail congestion in the city. This resolution was supported by a resolution from the City of Hammond Railroad Relocation Committee.

—The Crown Point Chamber of Commerce testified that its planned industrial park expansion is dependent upon continued rail service.

—Both Saager Brothers, Crown Point, and the Aubbeenaubee Township Improvement Association, Inc., Leiter's Ford, have purchased land for industrial parks dependent upon continued rail service by EL.

—J. H. Smith, for the Brotherhood of Locomotive Engineers, stated that the actual carload data for Huntington in 1973 should be 5,872. He also noted the omission of the Decatur station on this line which generated 806 carloads in 1973.

—Neimeyer Farm Service, Inc. testified that loss of EL service would double its transportation costs and necessitate an investment of \$25,000 to accommodate motor carriers.

—It was stated that the Wabash County Farm Bureau Cooperative, Servia, with a capital investment of \$200,000, would probably close if EL service ceased.

—Superior Lumber Co., Hammond, receives 80 to 90

cars per year and would be forced to relocate in order to survive if rail service were lost.

—Highland Lumber & Supply, Inc., Highland, received 138 cars in 1973. Highland pointed out that in the cities and surrounding areas of Hammond, Highland, Griffith, and Munster there are only four lumber yards, two of which are slated to lose service.

—The Mutual Grain Company, Servia, has limited elevator storage capacity and might be forced to close without rail service.

—Norfolk and Western is interested in acquiring this line from Huntington, Indiana to Hammond, Indiana (1,244 miles) in conjunction with line segments 1260 (Lima, Ohio to Marion, Ohio) and 1261 (Marion, Ohio to Huntington, Indiana). As an alternate, the Norfolk and Western is interested in acquiring approximately 3 miles of this line at Huntington and 1 mile at Rochester, Indiana to serve industries on the Erie Lackawanna.

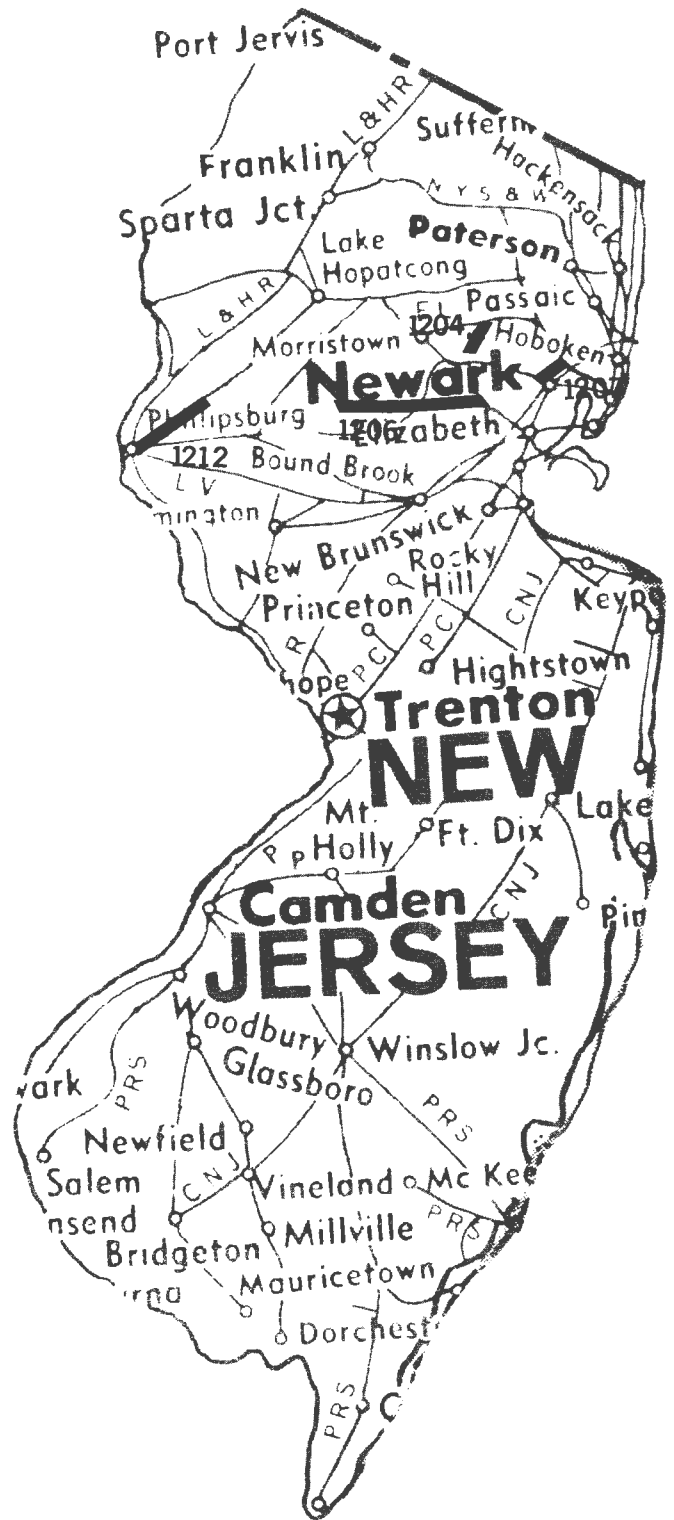
—Statements were submitted by the Illinois Central Gulf and the Soo Line Railroads protesting acquisition of this line by any competing carrier or any carrier which could divert traffic from connecting roads in Chicago.

USRA Line No. 1261

(Lima, Ohio to Marion, Ohio) and 1262 (Huntington, Indiana to Hammond, Indiana). N&W states that it would be necessary to acquire, in addition, 2.3 miles of line at Lima, Ohio and 1.4 miles of line at Huntington, Indiana in order to connect this line segment with existing N&W lines. As an alternate, the Norfolk and Western is interested in acquiring about 1.5 miles of this line at Decatur, Indiana to serve industries on the Erie Lackawanna.

Statements were submitted by the Illinois Central Gulf and the Soo Line Railroads protesting acquisition of this line by any competing carrier or any carrier which could divert traffic from connecting roads in Chicago.

NEW JERSEY



USRA
line number

Termini

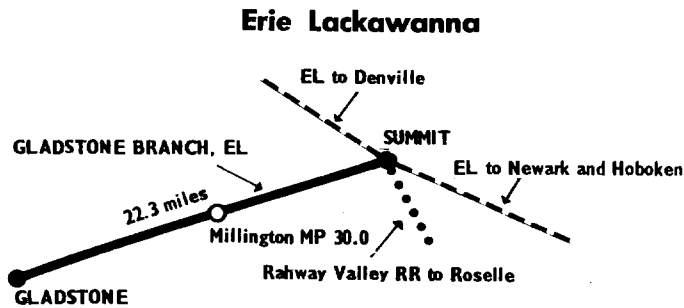
Intrastate

New Jersey

1204 ¹	Summit to Gladstone
1206	Bloomfield to West Orange
1207	Great Notch to Essex Fells
1212	Washington to Phillipsburg

1204 NEW JERSEY

USRA ANALYSIS GLADSTONE BRANCH USRA Line No. 1204



The Gladstone Branch extends from *Summit* (Milepost 20.0) to *Gladstone, N.J.* (Milepost 42.3), a distance of 22.3 miles, in Union, Morris and Somerset Counties, N.J. This line connects with the EL Morris & Essex Branch at Summit, also under study in this Report, and with the Rahway Valley RR. The portion of this line in Somerset County was described as potentially excess in the U.S. DOT Report (see Zones 60 and 62).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

New Providence	3
Murray Hill	41
Berkeley Heights	323
Stirling	13
Millington	394
Lyons	0
Bernardsville	25
Mine Brook	0
Far Hills-Bedminster	6
Peapack	30
Gladstone	47

Revenue received by EL..... \$332, 221
Average revenue per carload..... \$377

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	154, 343
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	209, 879

Total variable (avoidable) cost..... 264, 222

Net contribution: total..... 67, 999

PUBLIC RESPONSE AND RSPO COMMENT

—NJ DOT found no significant discrepancies in USRA's attribution of 108 carloads to this branch.

—The NJ DOT recommended that the Association review its subsegment analysis on this segment: "The per mile cost for operating beyond Millington is highly questionable. The cost of operating on the non viable segment should be the actual cost for operation between Millington and Gladstone and not based on a prorated basis for the entire segment."

—The NJ DOT also questioned the subsegment analysis procedure: "The data utilized by USRA for this procedure does not appear to be accurate enough to predict conclusively the loss of approximately \$5,000 in revenue."

—The NJ DOT questioned the USRA assumption that once a train crew has reached Millington, per mile costs for operational expenses remain constant for the continued trip to Gladstone. On the contrary, no savings would occur in turning the crew back at Millington, and \$38,900.00 in revenue would be lost.

—Komline-Sanderson Engineering Corporation generated 30 carloads in 1973, 20 in 1974 and projects 20 for 1975 on the excised subsegment. The company reported that due to the size of its products, there is no viable alternative to rail shipping. The company cited poor service as the reason for its lessened usage of rail but stated that 20 carloads per year is its absolute minimum usage.

—Several witnesses expressed concern regarding present state-subsidized commuter service on this segment.

—The New Jersey State Chamber of Commerce noted two producers of crushed stone on line 1204: Houdaille Industries and Anthony Ferrante and Sons. The Chamber believes that the EL has used the Houdaille facility as a major source of track ballast. The Chamber listed the following shippers between Millington and Gladstone:

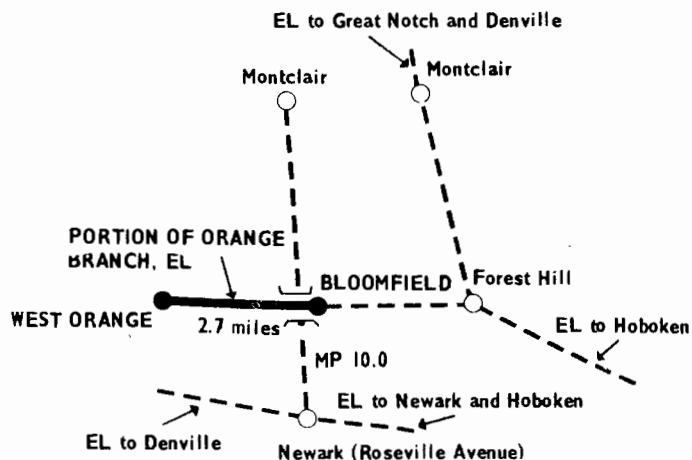
- National Gypsum Co., Millington
- All Weather Crete Co., Millington
- Houdaille Millington Quarry, Millington
- Anthony Ferrante & Sons, Bernardsville
- Somerset Grain, Feed & Supply Co., Bernardsville
- L. V. Ludlow, Far Hills
- Komline-Sanderson Engineering Co., Peapack
- G. F. Hill & Co., Gladstone

—The Chamber stated that the entire length of the Gladstone branch is used for electrified commuter service to Newark and Hoboken, therefore the line

Continued on page 22

USRA ANALYSIS

PORTION OF ORANGE BRANCH USRA Line No. 1206 Erie Lackawanna



This portion of the Orange Branch extends from Bloomfield (Milepost 10.0) to West Orange, N.J. (Milepost 12.7), a distance of 2.7 miles, in Essex County, N.J.

This line continues eastward from Bloomfield to Forest Hill. At Bloomfield it passes over the EL's Montclair Branch, also under study in this Report.

This line was described as potentially excess in the U.S. DOT Report (see Zone 60).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
East Orange.....	155
West Orange.....	118
<hr/>	
Total carloads generated by the line.....	273
Revenue received by EL.....	\$91, 118
Average revenue per carload.....	\$334
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	37, 328
Cost of upgrading branch line to FRA Class	
I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	72, 570
<hr/>	
Total variable (avoidable) cost.....	109, 898
<hr/>	
Net contribution (loss): total.....	(18, 780)
Average per carload.....	(69)

USRA Recommendation

It is *not* recommended that this portion of the Orange Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—NJ DOT stated that it found no significant discrepancies in the carload figures for the East Orange and West Orange stations. But NJ DOT stated that in the conduct of its investigation of this branch, it located the Orange Station (FSAC 130 and SPLC 191765) at milepost 11.6. In the Freight Station Accounting Code Directory, published by AAR, there is only one listing for the Orange Station. A shipper survey conducted by NJ DOT identified the following firms along this branch:

<i>Company</i>	<i>Location</i>
Adler Coal Co.....	Orange.
Bailey Whalen Co.....	West Orange.
Canada Dry.....	Orange.
Congdon Lumber, Inc.....	West Orange.
Hasco Industries, Inc.....	West Orange.
CR Hutcheon.....	West Orange.
Jersey Public Warehouse.....	East Orange.
Multiplex Concrete.....	East Orange.
Miracle Adhesives.....	West Orange.
Orange Garden Supply.....	Orange.
Orange Warehouse Corp.....	Orange.
Rheingold Breweries, Inc.....	Orange.
Carl Schaedel & Co., Inc.....	West Orange.
Selecto-Flash, Inc.....	Orange.
Wraps, Inc.....	East Orange.

—NJ DOT recommended further investigation of the traffic on this branch. It noted that Erie Lackawanna Railway System abstract data tapes, purchased from USRA, attributed a total of 470 carloads, generating a revenue of \$264,647, to Orange Station. By adding the traffic generated by Orange Station, a 172% increase in traffic is realized which surpassed the requirement for a 100% increase in traffic advocated by USRA in the *Supplement to the Preliminary System Plan*.

—The New Jersey State Chamber of Commerce pointed out that the difference between waybilling stations and points of car service may still not be entirely clear to the USRA staff, citing this segment as an example.

—E. L. Congdon and Sons Lumber Company stated that it received 65 cars from the Pacific Northwest in 1973 and 50 cars in 1974 on this segment.

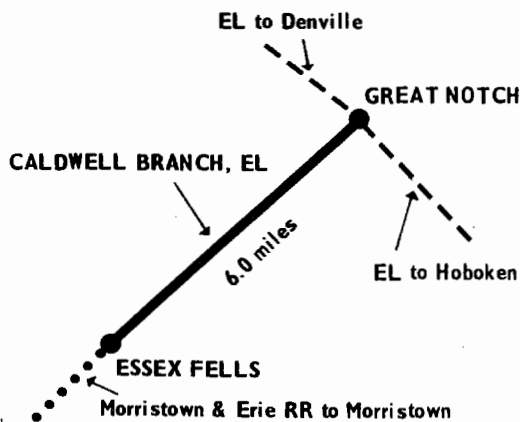
—The Bailey Whalen Company receives 25–35 carloads per year. The company stated that there is no feasible alternative to rail for shipment of the wood millwork it receives from the West and Mid West. The company would close without rail service, resulting in the unemployment of 35 workers.

—The Apartment House Supply Company stated that it generated 85 cars in 1973 and 184 cars in 1974.

1207 NEW JERSEY

USRA ANALYSIS CALDWELL BRANCH USRA Line No. 1207

Erie Lackawanna



The Caldwell Branch extends from *Great Notch* (Milepost 16.5) to *Essex Fells, N.J.* (Milepost 22.5), a distance of 6.0 miles, in Passaic and Essex Counties, N.J. This line connects with the EL's Boonton Line at Great Notch and with the Morristown & Erie RR at Essex Fells. This line was not described as potentially excess in the U.S. DOT Report (see Zone 60).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Overbrook	2
Verona	35
Caldwell	37
Essex Fells ¹	1

Total carloads generated by the line	75
Average carloads per week	1.4
Average carloads per mile	12.2
Average carloads per train	3.0

1973 operating information:

Number of round trips per year	24
Estimated time per round trip (hours)	2.5
Revenue received by EL	\$27,489
Average revenue per carload	\$377

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	45,184
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	20,152

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

It is *not* recommended that the Caldwell Branch be included in the MARC-EL System or the ConRail System.

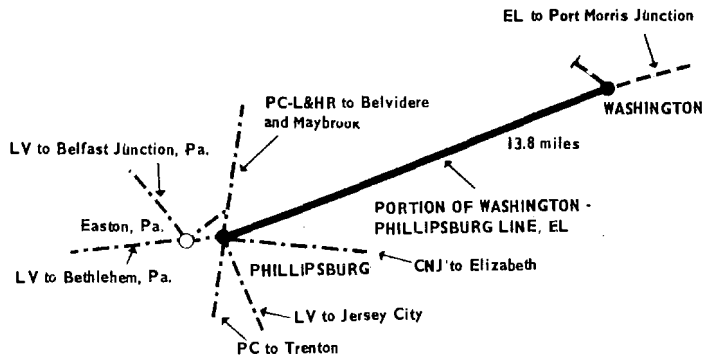
PUBLIC RESPONSE AND RSPO COMMENT

—The NJ DOT determined from the EL abstract data tapes that 12 carloads were generated by the Cedar Grove Station of the Caldwell Branch, generating \$6,400.00 in revenue. These figures were omitted in the USRA analysis. NJ DOT called for further analysis of the branch, taking into account the total traffic on the segment, prior to any final decision.

USRA ANALYSIS PORTION OF WASHINGTON-PHILLIPSBURG LINE

USRA Line No. 1212

Erie Lackawanna



This portion of the Washington-to-Phillipsburg Line extends from *Washington* (Milepost 66.5) to *Phillipsburg, N.J.* (Milepost 80.3), a distance of 13.8 miles, in Warren County, N.J. This line continues eastward to Port Morris Junction from Washington. At Phillipsburg, it connects with the PC Belvidere-Delaware Branch, the Lehigh & Hudson River Ry and the Central RR of New Jersey, all also under study, and with the Lehigh Valley RR. This line was not described as potentially excess in the U.S. DOT Report (see Zone 69).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Broadway	0
New Village	2
Stewartsville	9
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Total carloads generated by the line	11
Average carloads per week	0.2
Average carloads per mile	0.8
Average carloads per train	0.5
1973 operating information:	
Number of round trips per year	22
Estimated time per round trip (hours)	2.5
Revenue received by EL	\$2,310
Average revenue per carload	\$210
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Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	100,627
Cost incurred beyond the branch line	1,720
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Total variable (avoidable) cost	102,347
<hr/>	
Net contribution (loss): total	(100,037)

USRA Recommendation

It is *not* recommended that this portion of the Washington-to-Phillipsburg Line be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—NJ DOT found no significant discrepancies in the USRA attribution of 11 carloads to the segment.

—NJ DOT listed the following firms as located along the line segment: Apex Galvanizing Corporation, Franklin Steel, Inc., Shillinger's Mill, and Wickes Lumber Company.

—The New Jersey State Chamber of Commerce suggested an alternative to the USRA plan to abandon this segment. It pointed out that all of the present rail freight users on the line would retain service if the line were retained from Phillipsburg to Hackettstown. The Chamber found only two companies located on the segment beyond Hackettstown, Saxton Falls Sand and Gravel Company and Certified Aggregates, Inc., whose rail usage should be evaluated. The Chamber contended that operating Phillipsburg to Hackettstown rather than Netcong to Washington with a stub in Phillipstown, would be more economical and serve all present rail users.

—BASF Wyandotte operates a plant 500 feet west of the 66.5 milepost on this segment. In 1973, the company generated 306 carloads and in 1974, 312. The company forecasts 1,078, 1,186, and 1,241 carloads for the years 1977, 1978, and 1979, respectively. Without reliable rail service this facility would close down, leaving the employment of 100 workers in jeopardy. Extension of the line 500 feet to its siding would provide the company continued service.

Apex Galvanizing Corporation stated that its future expansion plans incorporate the use of rail service.

—The Ad Hoc Citizens Committee of Washington, N.J. pointed out that large quantities of propylene oxide and ethylene oxide are transported over this line, both of which are extremely dangerous. The committee insisted in the interest of public safety that either this line be abandoned or upgraded to a safe condition.

—The Ingersoll Rand Company stated that if the CNJ Hampton-Phillipsburg Line (USRA 1109) and the Washington-Phillipsburg segment are abandoned as recommended in the PSP, the Company's Phillipsburg Plant will be without rail service. This would result in a loss of more than 300 jobs. Ingersoll Rand manufactures extremely large condensers used in power generation.

—The Wickes Corporation stated that it has a lumber and building supply center located at milepost 77.74, 2.56 miles from the end of the line in Phillipsburg. The company projects a minimum of eighty carloads will be generated at this location in 1976.

NEW JERSEY CONTINUATIONS

USRA Line No. 1204

can be expected to continue operating west of Milepost 30 for passenger service. Thus the expense to ConRail or to MARC-EL for continuing to serve the needs of the above-mentioned companies would be little more than crew-time and equipment mileage. The selection of Milepost 30, rather than Milepost 42.3 (Gladstone) as a cut-off point for freight service thus seems almost capricious to the Chamber.

CONTINUATIONS NEW JERSEY

NEW YORK



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NEW YORK

USRA
line number

Termini

Intrastate

New York

1219	Campbell Hall Junction to Montgomery
1221	Crawford Junction to Pine Bush
1233	Fulton to Oswego
1239	Bath to Wayland
1240	North Alexander to Avon
1241	Avon to Rochester
1242	Depew Junction to Lancaster
1244	River Junction to Cuba Junction
1246	Buffalo (BC Junction) to Dayton
1247	Dayton to Dunkirk
1248	Dayton to Waterboro
1250	Salamanca to Cattaraugus

Interstate

New York-Pennsylvania

1255	Niobe Junction, N.Y. to Corry (CM Junction), Pa. (via Bear Lake)
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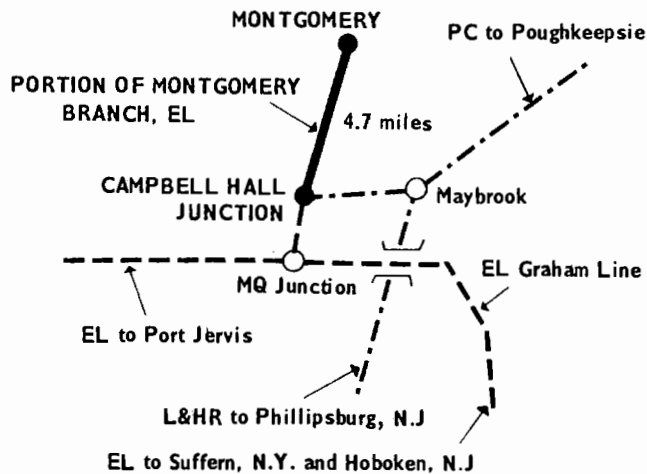
1219 NEW YORK

USRA ANALYSIS

PORTION OF MONTGOMERY BRANCH

USRA Line No. 1219

Erie Lackawanna



This portion of the Montgomery Branch extends from *Campbell Hall Junction* (Milepost 5.8) to *Montgomery, N.Y.* (Milepost 10.5), a distance of 4.7 miles, in Orange County, N.Y. At *Campbell Hall Junction*, the line continues south to *MQ Junction*. It connects at *Campbell Hall Junction* with the PC's *Maybrook Branch*, also under study. This line was described as potentially excess in the U.S. DOT Report (see Zone 56).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Montgomery	30
Campbell Hall Junction.....	0

Total carloads generated by the line..... 30

Number of round trips per year..... 52

Estimated time per round trip (hours)..... 1.3

Revenue received by EL..... \$11,510

Average revenue per carload..... \$384

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 33,859

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) 0

Cost incurred beyond the branch line.. 11,071

Total variable (avoidable) cost..... 44,930

Net contribution (loss): total..... (33,420)

USRA Recommendation

It is *not* recommended that this portion of the Montgomery Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Orange County Planning Board proposed that a 2.0 mile connection be constructed between the PC *Maybrook Branch* (USRA Line 667), immediately north of the N.Y. Route 17K railroad overpass, and the PC *Wallkill Branch* (USRA Line 136), immediately south of its crossing of Coldenham Road in the Village of Walden. This connection would concentrate north-south service along the Wallkill Valley corridor, improve service in the area, strengthen the *Maybrook Yard*, and give the MTA a viable alternative rail link to Stewart Airport.

—The Board urged that no decision be made on the termination of service on Line 1219 until this connection is put into operation.

—The Interstate Bag Company, Inc. and other users, pointed out the apparent inconsistency between the USRA recommendations for lines 1219 and 136. The company quoted USRA as stating that line 136 is required for through freight service, but this would be impossible if line 1219, were abandoned.

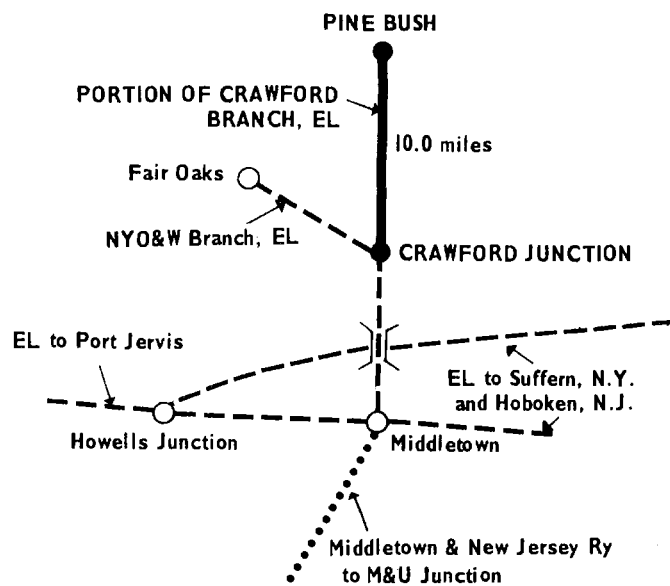
—Users of this branch stated that the USRA figure of \$33,420.00 annual operating costs is too high.

—The Town of Montgomery pointed out that it requires railroad service to continue to attract industrial customers and maintain a tax balance.

—Brecia Lumber Company, the largest shipper on the segment, shipped 26 cars in 1974. It estimated that the other users on the line shipped 30.

USRA ANALYSIS

PORTION OF CRAWFORD BRANCH USRA Line No. 1221 Erie Lackawanna



This portion of the Crawford Branch extends from *Crawford Junction* (Milepost 0) to *Pine Bush, N.Y.* (Milepost 10.0), a distance of *10.0 miles*, in Orange County, N.Y. At *Crawford Junction*, the line continues southward to *Middletown*. The EL's NYO&W Branch diverges at *Crawford Junction*. Both these lines are also under study in this Report. This line was described as potentially excess in the U.S. DOT Report (see Zone 56).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Crawford Junction.....	0
Circleville	0
Bullville	55
Thompson Ridge.....	0
Van Keuren's.....	0
Pine Bush.....	263

Total carloads generated by the line.....	318
Number of round trips per year.....	104
Estimated time per round trip (hours).....	5.0
Revenue received by EL.....	\$148,282
Average revenue per carload.....	\$466

Variable (avoidable cost of continued service:

Cost incurred on the branch line.....	99,499
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line...	85,044

Total variable (avoidable) cost..... 184,543

Net contribution (loss): total..... (36,261)

USRA Recommendation

It is *not* recommended that this portion of the Crawford Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Orange County Chamber of Commerce agreed with the USRA figure of 318 carloads for the branch in 1973.

—The Chamber reported that the largest user of the branch, VAW of America, expects its receipt of 216 cars in 1973 should triple by 1990.

—The Chamber stated that Modern Milling Company generates 12 to 15 carloads per year presently but formerly utilized 40 cars per year. If service were improved the company would return to the higher level of use.

—VAW of America is located in Ellenville, New York, which has no direct rail service. In 1974 the company received 255 cars at Pine Bush, representing approximately 30 percent of the company's incoming metal shipments.

—VAW reports that rail shipments to the company would increase if more cars were available and service were improved. Likewise the company's out-bound traffic which is now almost exclusively by truck, would be shipped by rail.

—VAW is concerned about the ability of Route 209, which is already in poor condition, to handle the additional truck traffic into Ellenville. New York DOT officials reported that any improvement of the road could not possibly begin prior to 1980.

—VAW demanded that, if the Pine Bush branch is abandoned, a substitute railhead with adequate loading facilities be established in the Fair Oaks area to avoid a drastic and complete disruption of the transportation system in the area.

—Aero Transporters, Inc. receives carloads at the Pine Bush siding for further delivery to VAW of America. In 1971 it received 425 carloads; in 1972, 225; in 1973, 216; in 1974, 255; and in the first five months of 1975, 117. The company contends that the 255 cars received in 1974 alone are sufficient for viability of the line.

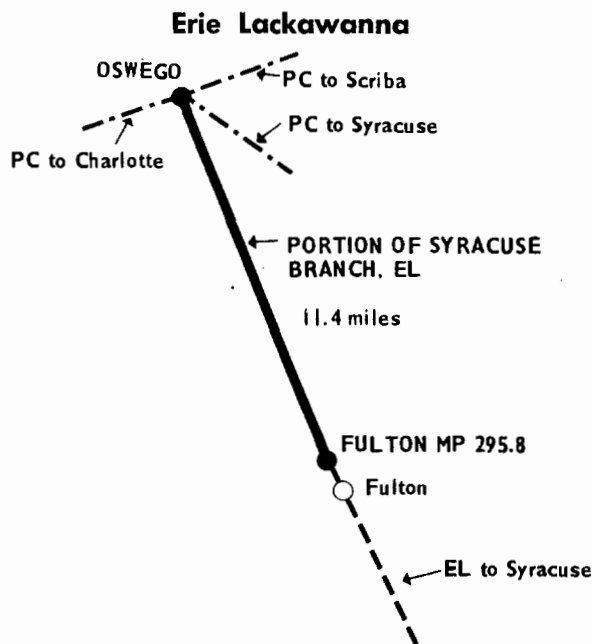
—Aero listed the following other users of the branch:

Marvin Millworks, Ellenville
Ellenville Lumber Company, Ellenville
Watchtower, Pine Bush

1233 NEW YORK

USRA ANALYSIS PORTION OF SYRACUSE BRANCH

USRA Line No. 1233



This portion of the Syracuse Branch extends from *Fulton* (Milepost 295.8) to *Oswego, N.Y.* (Milepost 307.2), a distance of 11.4 miles, in Oswego County, N.Y. From *Fulton*, the line continues south to *Syracuse*. At *Oswego*, it connects with the PC's Ontario Secondary Track (also under study) and Phoenix Branch. This line was described as potentially excess in the U.S. DOT Report (see Zone 46).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Minetto	35
Oswego	284
Total carloads generated by the line.....	319
Number of round trips per year.....	104
Estimated time per round trip (hours).....	6.0
Revenue received by EL.....	\$87,190
Average revenue per carload.....	\$273
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	117,119
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	61,919
Total variable (avoidable) cost.....	179,038
Net contribution (loss) : total.....	(91,848)

USRA Recommendation

It is *not* recommended that this portion of the Syracuse Branch be included in MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Columbia Mills, Inc. owns and operates a textile finishing plant in *Minetto*. The company is dependent upon this line for incoming raw materials. Loss of service would increase its transportation costs and require extensive capital outlays for storage facilities and material handling equipment.

—General Foods Co. has a plant at *Fulton* which produces frozen foods consisting of locally grown fruits and vegetables. The facility, which is located south of mile post 295.8, ships over 100 carloads per year.

—A representative of the United Transportation Union identified the following additional industries located on the line: *Oswego Stevedoring Co.*; *Neil O'Brien Lumber Co.*; *C&J Farms*; *Shapiro Scrap Paper Co.*; and *International Milling Co.* *International Milling* receives wheat at *Baldwinsville* from grain elevators at *Oswego*.

—*Nicholas Andrianos*, legislative representative of the UTU reported that in 1974, 102 cars were shipped via *Oswego* to the new *Schlitz Brewing Co.* at *Baldwinsville*. These cars were high and wide cars which cannot pass through the EL tunnel at *Syracuse* and have to be shipped via *Oswego*. When construction is completed at the *Schlitz* facility, it is conservatively estimated that it will generate over 25,000 carloads per year.

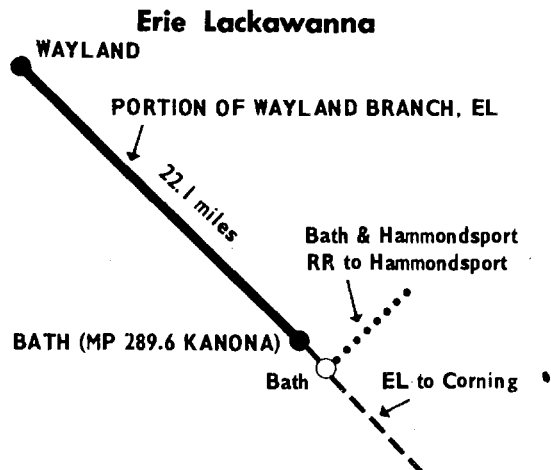
—*Rochester Gas and Electric* is planning to build a major nuclear powered generating facility at *Sterling*. *RG&E* plans to ship 23 major plant components, weighing more than 90 tons each, to the *Sterling* site from *Shenectady* and *Pittsfield, Massachusetts*. Shipment over the PC Phoenix Branch would necessitate unloading east of *Oswego* and transporting the components through that city. *RG&E* pointed out that the line also has great potential for the shipment of spent nuclear fuel from the *Sterling* site.

—*Niagara Mohawk Power Corp.* has a fossil fueled electric generating plant situated in *Oswego* west of the *Oswego River*. *Niagara Mohawk* needs Line 1233 to ship generators to *Oswego* since the high and wide cars required cannot pass over the *Three Rivers Bridge* on the Phoenix Branch of the PC.

—According to the Central New York Regional

Continued on page 38

USRA ANALYSIS
PORTION OF WAYLAND BRANCH
USRA Line No. 1239



This portion of the Wayland Branch extends from Bath (Milepost 289.6) to Wayland, N.Y. (Milepost 311.7), a distance of 22.1 miles, in Steuben County, N.Y. This line continues southeastward from Bath to Corning. At Bath it also connects with the Bath & Hammondsport RR. This line was described as potentially excess in the U.S. DOT Report (see Zone 52).

Stations (with their 1973 carloads) served by this line :	
Bath ¹	70
Kanona	36
Avoca	0
Wallace	58
Cohocton	93
Atlanta	10
Wayland	340

Total carloads generated by the line..... 605

¹ Includes only traffic on this segment. Traffic generated at Avoca is billed at Bath.

Number of round trips per year.....	52
Estimated time per round trip (hours).....	6.0
Revenue received by EL.....	\$179,033
Average revenue per carload.....	\$296

Variable (avoidable) cost of continued service :	
Cost incurred on the branch line.....	211,857
Cost of upgrading branch line to FRA	
Class I : (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	100,433
Total variable (avoidable) cost.....	312,290
Net contribution (loss) : total.....	(133,257)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Wayland Branch *not* be included in the MARC-EL or ConRail Systems, the possibility of immediately increasing revenue must be explored before the final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Representatives of Corning Crossroads, Inc., the Steuben County Board, and the Steuben County Economic Development District pointed out that the Steuben County areas is on the verge of considerable economic development. Three industrial parks are underway and will be completed this summer. An agri-business complex is also planned which will cost over \$10 million and employ between 400 and 500 people (Steuben County has over 1,800 farms). The site recommended for the complex is served by Line 1239. Furthermore, of 28 sites identified as locations for industrial development, 9 are served by Line 1239. Projections of industries now using this line, indicate that their traffic will double by 1976. It is estimated that the line will generate 849 carloads in 1975 and 1,101 in 1976. The line generated 654 carloads in 1974.

—Albert F. Kaiser, president of The Gunlocke Company of Wayland pointed out that traffic on the line was understated by 15 percent by USRA. There were 646 carloads generated by the line in 1973.

—Gunlocke built its plant at Wayland in 1973 at a cost of \$6 million. Although the plant has gotten off to a slow start, its president estimated that on a one shift basis it can double its present level of business from \$20 million to \$40 million in 3 years. Gunlocke expects traffic on the entire line to increase 82 percent by 1976, which is close to the 100 percent increase which USRA states is necessary to make the line viable. The company stressed that it is going to require that all shipments over which it exercises control be routed over the EL as much as possible. Gunlocke supplies office furniture to the U.S. Government through the W. D. Campbell Co. of Washington, D.C. Both Gunlocke and W. D. Campbell stated that loss of rail service at Wayland would greatly increase Gunlocke's costs and make it lose its current ability to compete successfully for government contracts. Congressman James F. Hastings pointed out that Gunlocke expanded its present facility at Wayland with the help of state and federal assistance.

—Samuel Nasca of the United Transportation Union contended that the abandonment of this line,

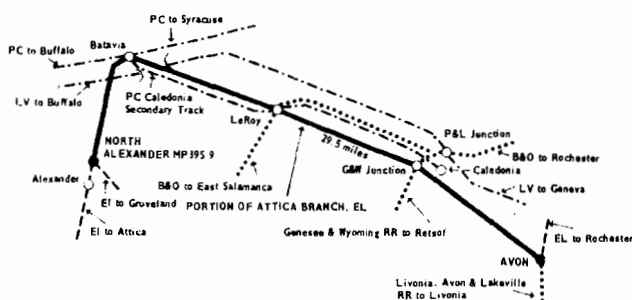
Continued on page 38

1240 NEW YORK

USRA ANALYSIS PORTION OF ATTICA BRANCH

USRA Line No. 1240

Erie Lackawanna



This portion of the Attica Branch extends from *Avon* (Milepost 366.4) to *North Alexander, N.Y.* (Milepost 395.9), a distance of *29.5 miles* in Livingston and Genesee Counties, N.Y. This line continues southward from North Alexander to Attica and northward from Avon to Rochester; the latter extension is also under study in this report. At Batavia it connects with the PC Syracuse-Buffalo line; at Batavia and LeRoy it connects with the PC Caledonia Secondary Track, also under study. At LeRoy it connects with the B&O. At North Alexander the Groveland Branch of the EL intersects. Batavia is also served by the LV (also under study). At G&W Junction the line crosses the Genesee & Wyoming RR and at Avon it meets the Livonia, Avon & Lakeville RR. This line was not described as potentially excess in the U. S. DOT Report except for the portion between Batavia and Alexander (see Zones 47 and 48).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Batavia	274
Stafford	108
LeRoy	379
G&W Junction	0
Caledonia	7
Total carloads generated by the line..... 768	
Number of round trips per year.....	250
Estimated time per round trip (hours).....	7.6
Locomotive horsepower.....	1,600
Train crew size.....	4
Revenue received by EL.....	\$221,373
Average revenue per carload.....	\$288
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	309,886

Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	116,983

Total variable (avoidable) cost..... 426,869

Net contribution (loss): total..... (205,496)

USRA Recommendation

It is *not* recommended that this portion of the Attica Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—General Foods reported that it has a facility at Avon which processes bulk frozen vegetables into consumer sized packages and produces frozen prepared foodstuffs such as Kool-Whip. General Foods has expanded its operation at Avon by closing similar operations at Pittsburgh, Philadelphia, Syracuse and New Haven. A new plant warehouse is planned and it is expected that the facility will eventually generate 1,000 carloads per year. If service is lost, General Foods will shift its operation to one of its other plants. General Foods ships 743 carloads per year now, most of which moves east.

—The Genessee and Wyoming Railroad (G&W) voiced concern that the PSP might result in the elimination of the connections it now has with four railroads (EL, PC, LV AND B&O) and leave it totally dependent upon ConRail. G&W and its largest customer, the International Salt Co., which has a large salt mine at Retsof, want to retain the competitive outlets currently available and fear that loss of these connections could lead to the eventual demise of the G&W.

—According to Ford Motor Co., the LeRoy Machine Co. in LeRoy ships 380 carloads a year over this line, 186 of which are destined for Ford. Continued service to LeRoy Machine is essential to Ford.

—Several witnesses suggested that Lines 1240 and 1241 should be operated as one line. It was noted that LeRoy generated 342 carloads in 1974, Avon generated 1,374, and 494 carloads were interchanged at Avon with the Livonia, Avon and Lakeville Railroad.

—Foster Wheeler Energy Corp., a major fabricator of electrical energy plants, must be served by routes with high and wide clearances and excessive weight carrying capabilities.

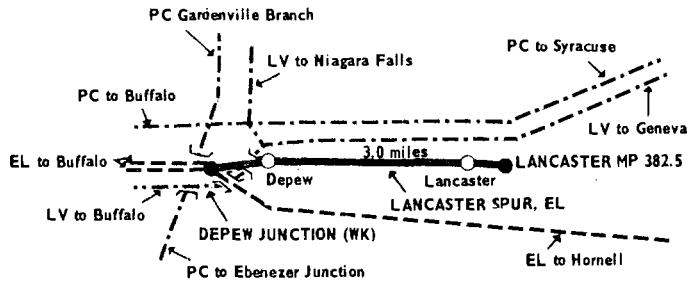
—The Railway Industrial Clearance Association reported that this line, which has clearances of 18 feet, 6 inches ATR and 12 feet, six inches wide, provides

Continued on page 38

USRA ANALYSIS LANCASTER SPUR

USRA Line No. 1242

Erie Lackawanna



The Lancaster Spur extends from *Lancaster* (Milepost 382.5) to *Depew Junction, N.Y.* (Milepost 385.5), a distance of 3.0 miles in Erie County, N.Y. This line connects with the EL Hornell-to-Buffalo line at Depew Junction. The PC and LV also serve this area. This line was not described as potentially excess in the U.S. DOT Report (see Zone 49).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Depew ¹	326
Total carloads generated by the line.....	326
Average carloads per week.....	6.3
Number of round trips per year.....	104
Estimated time per round trip (hours).....	1.5
Locomotive horsepower.....	1,500
Revenue received by EL.....	\$78,425
Average revenue per carload.....	<u>\$241</u>
Variable (avoidable cost of continued service):	
Cost incurred on the branch line.....	46,620
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	<u>66,735</u>
Total variable (avoidable) cost.....	113,355
Net contribution (loss): total.....	<u>(34,930)</u>

¹ Includes only traffic on this segment.

USRA Recommendation

It is *not* recommended that the Lancaster Spur be included in the ConRail System. Continued operation of

PUBLIC RESPONSE AND RSPO COMMENT

—New York State Electric and Gas Co. reported that it receives large size poles, reels of cable, and an occasional transformer over this line. This traffic amounted to 12 carloads in 1974; 9 carloads have been so far in 1975.

—General Electric pointed out that this spur is part of a clearance route from Lynn, Massachusetts via the D&H and EL through Hornell to Suspension Bridge for connections to the Chessie and the Canadian railroads.

—Buffalo Container Division of Diamond International Corp. has a plant at Lancaster (M.P. 382.5) which would have to close if it lost rail service. This facility generated 344 carloads in 1973. Diamond International disputes USRA's average revenue per carload figures, stating that revenue on its carloads were \$706.50 on inbound cars and \$431 on outbound cars. In 1973 Diamond International worked out routings for incoming cars to give EL the longest haul possible, consistent with good delivery. The greater revenues to EL resulting from this practice would not fully be reflected in 1973 figures. The Lancaster plant has also agreed to service once a week instead of twice a week. Savings from this service, which began in December of 1974 should be taken into account by USRA.

—It was reported that there are four industries located on the Lancaster spur: Dresser Industries; Philip Schulman & Sons; Buffalo Container Co.; and New York State Electric and Gas. Dresser, which shipped 1,561 carloads in 1973 and 1,619 in 1974, can be served from the EL Buffalo to Hornell line.

—The Niagara Frontier Transit Committee (NFTC) pointed out that Line 1242 is an industrial connecting track and questioned the logic of treating it as a branch line. NFTC contends that either USRA made a mistake in its calculations or its reasoning or revenues for this line must be improperly divided between EL and other roads. The spur averaged 120 carloads per mile in 1973. It is a portion of the former mainline of the Delaware, Lackawanna and Western and is in excellent condition. NFTC stated that the spur would probably not need any maintenance for the next ten years.

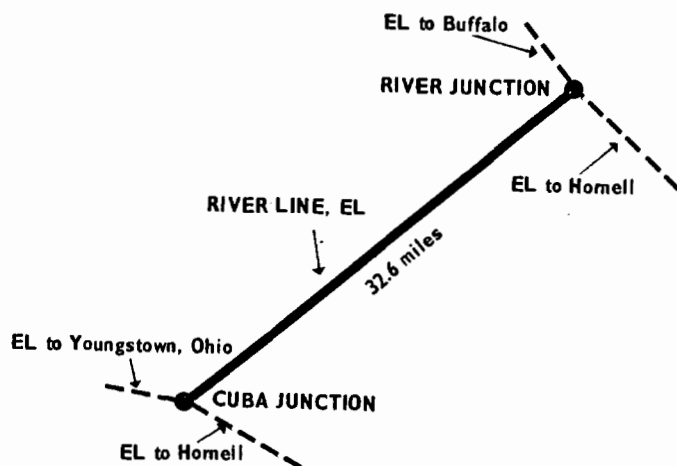
1244 NEW YORK

USRA ANALYSIS

RIVER LINE

USRA Line No. 1244

Erie Lackawanna



The River Line extends from *River Junction* (Milepost 0) to *Cuba Junction, N.Y.* (Milepost 32.6), a distance of *32.6 miles*, in Allegany and Livingston Counties, N.Y. At River Junction, the line connects with the EL Hornell-Buffalo line; at Cuba Junction, it connects with the EL Jersey City-Chicago line. This line was described as potentially excess in the U.S. DOT Report (see Zones 47 and 50).

USRA Recommendation

It is *not* recommended that the River Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Congressman James F. Hastings stated that this line should not have been analyzed as a light density line. It is essential to EL's operation. Although there are no shippers located on the line, the line is used extensively as an alternate to the EL mainline between Cuba and Hornell. It was pointed out that the mainline is only single track, whereas Line 1244 is double track.

—Testimony indicated that there are 2,500 acres of land suitable for industrial development in the northern part of Allegeny County which is served by Line 1244.

—The Chamber of Commerce of Cuba voiced support for operation of all EL trackage by the Chessie system, or in the alternative, for operation by MARC-EL.

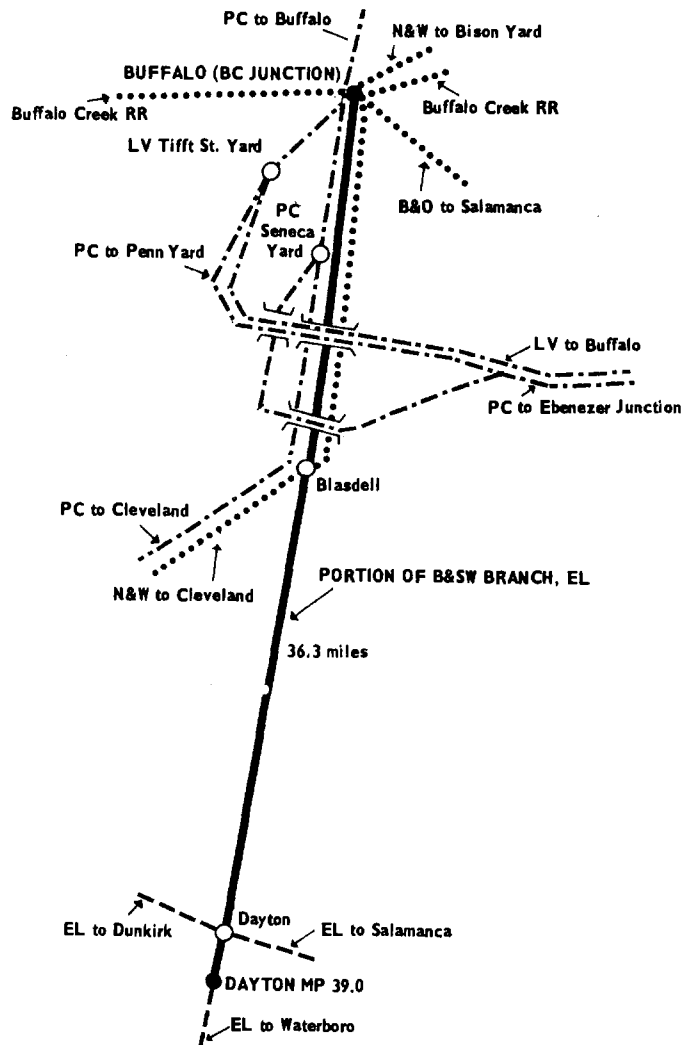
—Jack Freaney, General Chairman of the American Train Dispatchers Assoc., EL Systems Committee, stated that the River Line has three 122 car sidings, no grades, and is signalled in both directions. The Cuba-Hornell mainline is longer, has steep grades, has only one 22 car siding, and requires train orders for operation. Current traffic over both lines could be handled by the River Line alone but not by the mainline.

USRA ANALYSIS

PORTION OF B&SW BRANCH

USRA Line No. 1246

Erie Lackawanna



This portion of the B&SW Branch extends from *Buffalo (BC Junction)* (Milepost 2.7) to *Dayton, N.Y.* (Milepost 39.0), a distance of *36.3 miles*, in Erie and Cattaraugus Counties, N.Y. This line continues southwestward from Dayton to Waterboro. At Dayton, it connects with the EL Dunkirk Branch. All these EL lines are also under study in this report. At Buffalo (BC Junction), it connects with the PC Buffalo-Cleveland line, the N&W and the Buffalo Creek RR. At Blasdell, it connects with the N&W. This line was described as potentially excess in the U.S. DOT Report except for the portion in Cattaraugus County (see Zones 49 and 50).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line :

Blasdell	10
Hamburg	465
Eden Valley	0
Eden Center	140
North Collins	198
Lawtons	14
Collins	204
Gowanda	358

Total carloads generated by the line	1,385
Number of round trips per year	104
Estimated time per round trip (hours)	6.0
Locomotive horsepower	1,600
Revenue received by EL	\$416,264
Average revenue per carload	\$301

Variable (avoidable) cost of continued service :

Cost incurred on the branch line	335,217
Cost of upgrading branch line to FRA	
Class I : (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line	235,198

Total variable (avoidable) cost

Net contribution (loss) : total

USRA Recommendation

It is *not* recommended that this portion of the B&SW Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Many witnesses stated that Lines 1246 and 1248 should have been considered as one segment. A great volume of evidence was presented by the Erie Lackawanna Shippers Association, a group of shippers, unions, farmers, businessmen, state institutions, and other concerned groups and individuals. Much of the following information was supplied by members of the Association.

—Line 1246 is in excellent condition and well above the flood plain. There are 15½ miles of ribbon rail between Blasdell and South Eden. Clearances are 17 feet ATR and 12 feet 6 inches wide.

—Environmental evidence has not been given sufficient consideration by USRA. It was estimated that continuation of this line would result in a savings of 1,256,357 gallons of fuel per year. It was requested that USRA study the comparative pollution levels which would result from continuation and abandonment of the line.

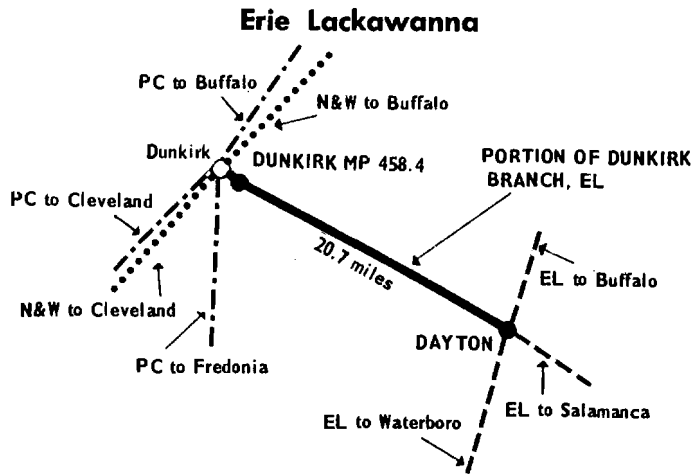
—Richardson Milling, Inc., a feed mill in Hamburg, shipped 34 carloads in 1973 and expects to ship an

Continued on page 38

USRA ANALYSIS

PORTION OF DUNKIRK BRANCH

USRA Line No. 1247



This portion of the Dunkirk Branch extends from *Dayton* (Milepost 437.7) to *Dunkirk, N.Y.* (Milepost 458.4), a distance of 20.7 miles, in Chautauqua and Cattaraugus Counties, N.Y. At *Dayton*, this line continues southeastward to *Salamanca* and intersects the EL B&SW Branch. All these lines are also under study in this Report. At *Dunkirk*, the line connects with the PC Buffalo-Cleveland line, the PC Valley Branch (also understudy) and the N&W Buffalo-Cleveland line. This line was described as potentially excess in the U.S. DOT Report except for a short portion at each end (see Zone 50).

Traffic and Operating Information

Stations (with their 1973 carloads) served by this line:

Perrysburg	0
Forestville	46
Sheridan	0

Total carloads generated by the line	46
Number of round trips per year	52
Estimated time per round trip (hours)	5.0
Locomotive horsepower	1,600
Revenue received by EL	\$8,857
Average revenue per carload	\$193

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	144,456
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	42,496
Cost incurred beyond the branch line	7,675

Total variable (avoidable) cost

194,627

Net contribution (loss): total

(185,770)

USRA Recommendation

It is *not* recommended that this portion of the Dunkirk Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—This line has been out of service since May 16, 1975 because of bad track conditions. Most of the testimony questioned the ability of the PC to provide adequate service to users of the line. Roblin Steel reported that delivery time on shipments from its facility at Dunkirk to its facility at North Tonawanda increased from 4 to 7 days when PC took over the service. In 1974 EL handled 1,700 carloads of inbound carloads of steel scrap and 1,200 outbound carloads of steel billets for Rockland. The company projects a 20 percent increase in its traffic.

—Several shippers suggested that N&W should be granted trackage rights to operate over Line 1247. It was pointed out that PC now handles 50,000 carloads per year at its Dunkirk facility and would have difficulty handling the additional traffic from the EL.

—The Railway Industrial Clearance Association reported that this line has clearances of 18 feet six inches ATR and 13 feet wide. RICA pointed out that this line, in conjunction with Line 1247, provides an excellent clearance connection to the N&W Lake route.

—Kraft Foods division of Kraftco Corp. has a plant at Dunkirk which shipped 578 carloads in 1973 and 742 carloads in 1974. Kraft estimated that it would take between \$1¼ and \$4 million to upgrade Line 1247.

—J. A. Crolle Agway at Forestville has been in business for 45 years and serves 500 farm accounts in 5 farm districts. The company is working on plans for a new facility to be completed by the fall of 1976, but its business cannot survive without rail service. Crolle shipped 46 carloads in 1973. There are no other shippers in Forestville or along the line between Forestville and Dunkirk.

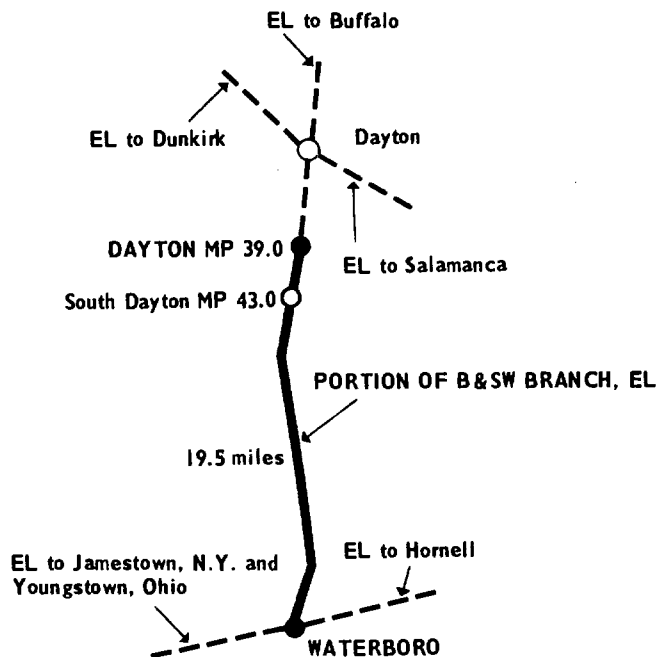
—Cenedella Wood Products, which is located at Progress Park in Dunkirk, shipped 17 carloads in both 1973 and 1974. The company testified that EL provides service far superior to that of PC.

—The Dunkirk Chamber of Commerce reported that the following traffic is generated on the EL at Dunkirk:

Shipper	1973 and 1974, carloads	
	Inbound	Outbound
Cenedella Wood Products	32	
Fredonia Products Co., Inc.	187	
Kraft Foods	955	375
Market Terminal Warehouse	212	39
Roblin Steel Co.	3,261	2,136

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USRA ANALYSIS
PORTION OF B&SW BRANCH
USRA Line No. 1248
Erie Lackawanna



This portion of the B&SW Branch extends from *Dayton* (Milepost 39.0) to *Waterboro, N.Y.* (Milepost 58.5), a distance of *19.5 miles*, in Cattaraugus and Chautauqua Counties, N.Y. This line continues northward from *Dayton* to *Buffalo*. At *Dayton*, it crosses the EL *Dunkirk* Branch. Both these lines are also under study in this Report. At *Waterboro* it meets the EL *Hornell-Youngstown* line. This line was not described as potentially excess in the U.S. DOT Report as corrected, except for the portion between *Cherry Creek* and *Waterboro* (see Zone 50).

Traffic and Operating Information

Stations (with their 1973 carloads) served by this line:

Dayton	0
Markhams	0
South Dayton	1,352
Cherry Creek	72
Conewango	115

Total carloads generated by the line	1,539
Number of round trips per year	156
Estimated time per round trip (hours)	5.0
Locomotive horsepower	1,600

Revenue received by EL	\$589,735
Average revenue per carload	\$383
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$220,445
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	280,338
Total variable (avoidance) cost	\$500,783
Net contribution: total	88,952

USRA Recommendation

PUBLIC RESPONSE AND RSPO COMMENT

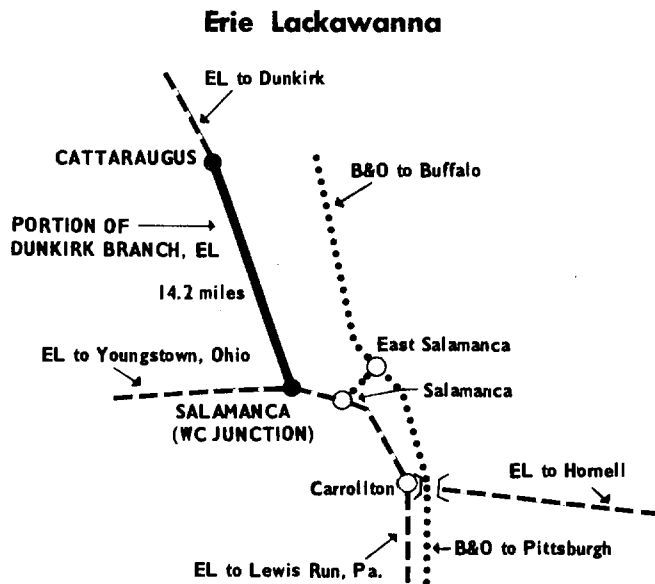
—Many witnesses stated that Lines 1246 and 1248 should have been considered as one line, and much of the information included in the discussion of Line 1246 applies to Line 1248 as well.

—Westinghouse Electric Corp. wants this line retained as a clearance route for the shipment of giant-sized reactors, generators, and other heavy equipment.

—It was pointed out that Lines 1246 and 1248 together form an important alternate route. Both of these segments were unaffected by Hurricane Agnes and played an essential role in the continued operation of the EL.

1250 NEW YORK

USRA ANALYSIS PORTION OF DUNKIRK BRANCH USRA Line No. 1250



This portion of Dunkirk Branch extends from *Salamanca* (Milepost 413.9) to *Cattaraugus, N.Y.* (Milepost 428.1), a distance of *14.2 miles*, in Cattaraugus County, N.Y. This line continues northwestward at Cattaraugus to Dunkirk, which sector is also under study in this Report. At Salamanca, it connects with the EL Hornell-Youngstown line.

This line was described as potentially excess in the U.S. DOT Report (see Zone 50).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Little Valley.....	169
Cattaraugus	245
<hr/>	
Total carloads generated by the line.....	414
Number of round trips per year.....	104
Estimated time per round trip (hours).....	5.0
Revenue received by EL.....	\$109,188
Average revenue per carload.....	\$264
<hr/>	

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	125,627
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	73,136
<hr/>	

Total variable (avoidable) cost..... 198,763

Net contribution (loss): total..... (89,575)

USRA Recommendation

It is *not* recommended that this portion of the Dunkirk Branch be included in the ConRail System. Con-

PUBLIC RESPONSE AND RSPO COMMENT

—A petition containing 134 signatures was submitted which stated that continued operation of this branch is vital to the social, economic, and environmental welfare of the Cattaraugus area.

—Champion International Corp. (CIC) has a plant located on this line which receives plywood from the northwest and metals from steel mills in Ohio, West Virginia, Kentucky, Illinois, and Pennsylvania. CIC's Setterstix plant, at the same location, receives paper from manufacturing facilities in Canton, North Carolina. This traffic amounts to 180 carloads per year.

—CIC suggested that, since no traffic originates between Little Valley and Salamanca, that segment of the line could be abandoned, leaving the track north of Little Valley in the ConRail system. This would require reopening the track north of Cattaraugus to Dayton and keeping open the trackage between Dayton and South Dayton.

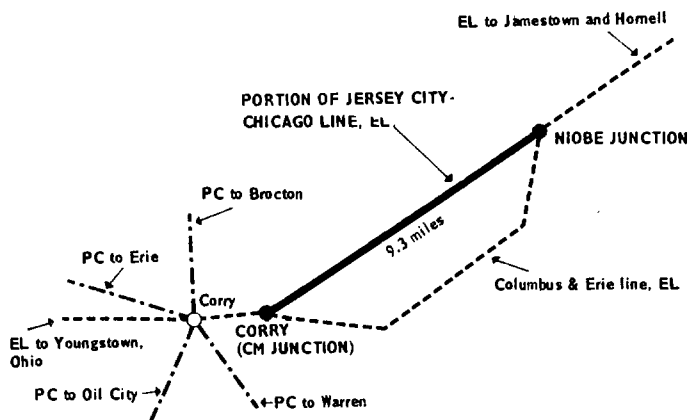
—Gramco operates a feed mill and farm which depend upon rail service. Gramco shipped 101 carloads in 1973. Although Gramco's sales have been up 64 percent in the last four years, its carload shipments have not shown a corresponding increase, due largely to the use of larger cars.

—Congressman James F. Hastings pointed out that if Champion International Corp. closed its plants at Cattaraugus, the jobs of 86 percent of the workers in that community would be affected. Congressman Hastings also charged that USRA based its figures on higher frequency of service than is actually maintained.

USRA ANALYSIS PORTION OF JERSEY CITY-CHICAGO LINE

USRA Line No. 1255

Erie Lackawanna



This portion of the Jersey City-Chicago line extends from *Niobe Junction, N.Y.* (Milepost 47.0) to *Corry (CM Junction), Pa.* (Milepost 56.3), a distance of 9.3 miles, in Chautauqua County, N.Y. and Warren County, Pa. This line continues eastward to Jersey City, N.J. and westward to Chicago. At Niobe Junction and Corry (CM Junction), it is intersected by the EL's Columbus & Erie Line. This line was not described as potentially excess in the U.S. DOT Report (see Zones 50 and 75).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Niobe	0
Bear Lake	5
Columbus	94
<hr/>	
Total carloads generated by the line.....	99
Number of round trips per year.....	52
Estimated time per round trip (hours).....	1.7
Revenue received by EL.....	\$22, 248
Average revenue per carload.....	<u>\$224</u>
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	74, 003
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	14, 806
<hr/>	
Total variable (avoidable) cost.....	88, 809
<hr/>	
Net contribution (loss): total.....	(66, 561)

USRA Recommendation

It is *not* recommended that this portion of the Jersey City-to-Chicago line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Congressman James F. Hastings stated that this line is essential to EL's operation and should not have been analyzed as a light density line.

—Charles Bethge of the United Transportation Union stated that the line is primarily a main line used for westbound traffic between Niobe Junction, New York and CM Junction, Pennsylvania. It is important as an alternative mainline.

—Westinghouse wants this line maintained as a clearance route for the shipment of giant-sized reactors, generators, and other heavy equipment. The line has a dimensional outline of 19 feet ATR and a 14 foot width. It is part of the only complete east-west clearance route between New York and Chicago.

—Jack Freaney, General Chairman of the American Train Dispatchers Assoc., EL Systems Committee, reported that the EL has experimented with operations changes by closing this segment and operating exclusively over the alternate segment (the Columbus and Erie line). As a result EL experienced average daily delays for all trains of from 3 to 5 hours and a considerable increase in crew costs. Mr. Freaney noted that if currently depressed traffic increased, the average delay would be greater.

—The Pennsylvania PUC does not object to abandonment of this line provided Columbus continues to receive service.

NEW YORK CONTINUATIONS

USRA Line 1221

Eastern Correctional Institute, Napanoch
Ellenville Wholesale Grocery, Ellenville
Ellenville Handle Works, Ellenville.

—According to a representative of UTU, the EL sends a train to Pine Bush only on days when there is no work to be done at other locations.

—The Railway Industrial Clearance Association reported that there are no clearance restrictions on this segment.

USRA Line No. 1233

Transportation Authority, Miller Brewing Co. plans to build a large brewing facility in Minetto which would use this line.

—The Oswego County Transportation Study Policy Committee requests that if the line is abandoned, the needs of rail users on the west side of the Oswego River be served by the PC.

USRA Line No. 1239

coupled with the closing of the EL shops at Hornell, would destroy the economy of the City of Hornell and the surrounding areas.

—Widmer's Wine Cellars, Inc. shipped 11 carloads in 1974 and expects to ship 22 in 1975, 46 in 1976 and 100 per year by 1980. Widmer ships in wines from California. Trucking this product would increase transportation expense by 21 percent.

—W. W. Babcock Co., Inc. at Bath receives incoming lumber by rail and considers continued operation of the Bath to Wayland segment very important. Babcock shipped 88 carloads in 1973 and 69 carloads in 1974.

—Basic, Inc. of Cleveland, Ohio, reported that it ships over 90 carloads of agricultural limestone per year to Birkett Mills at Wallace and Cohocton. Birkett Mills generated a total of 121 carloads in 1973 and 186 in 1974. It expects to generate 220 carloads in 1975 and 250 in 1976.

—The Railway Industrial Clearance Association pointed out that this line has a height clearance of 19 feet ATR.

USRA Line No. 1240

a dimensional outlet to Buffalo from the Foster Wheeler plant at Groveton.

—Koppers Co., a leading producer of railroad materials, equipment and supplies, including railroad track ballast stone, operates a subsidiary, General Crushed Stone, at LeRoy. Koppers pointed out that this facility ships 1,500 carloads per year and recommended that these carloads be included in USRA's analysis of the line.

—The Livonia, Avon and Lakeville Railroad (LAL) wants to acquire line 1240 from Avon to Caledonia to enable it to connect with USRA line 112 which is recommended for inclusion in ConRail. LAL pointed out that this would enable USRA to abandon service over Line 1241 which is recommended for inclusion in ConRail although it is not a profitable line. LAL was formed by local shippers when EL abandoned its line. It has operated successfully and wants to expand its operation.

—The Western New York Syrup Corp., which has a plant at Lakeville, voiced full support for the LAL proposal.

—The Chessie is interested in acquiring a portion of this line from Batavia to LeRoy, approximately 10 miles. Chessie referenced Coordination Project NY-1 acquisition of trackage rights over Penn Central (ConRail) from Buffalo, New York to Rochester, New York, as the means of connecting with this line segment. In its determinations on Coordination Projects proposed by the Association (Ex Parte 293 Sub-No. 4), the Interstate Commerce Commission determined that the acquisition of the Buffalo to Rochester trackage rights by the Chessie System was in full accord and complied with the provisions and standards of Section 5 of Part 1 of the Interstate Commerce Act.

USRA Line No. 1246

additional 30 carloads per year in the future. Richardson is planning to construct a bulk feed and fertilizer facility in Lawton which would generate an additional 100 carloads per year.

—Weidner Feed Service reported that it sells 9,000 dozen eggs per week and 15,000 tons of poultry and dairy feed per year in addition to supplying 10 percent of New York state's requirements of baby chicks. Weidner Feeds could generate 75 more 55 ton cars per year but it would require modification of its facilities. The company is unwilling to make the necessary investment until rail service improves.

—Gowanda State Hospital uses over 200 carloads of coal per year and will increase its needs by 40 carloads per year with the reopening of its entire facility in late 1975.

—Loss of a bulk fertilizer plant in North Collins would increase the operating costs of area canners and farmers. The value of Erie County agricultural products in 1974 was estimated to be \$42 million. There are 1,600 farms in Erie County.

—Gro-Pak at North Collins, the largest canner of beans in the state, built a multi-million dollar plant along line 1246 five years ago.

—Century Housewares, Inc. received 136 carloads in 1972, 116 in 1974, and expects to receive 150 in 1975. The company built a \$2.5 million dollar warehouse complex in Hamburg in 1967.

—Eaton Equipment Corp. in Hamburg testified that if service were improved it would ship 80 carloads per year. Eaton pointed out that several of the manufacturers to which it ships have turned to trucking because of inability to obtain needed rail cars.

—Laing's Mill in Eden pointed out that there are not enough trucks available to meet its needs.

—Paul Riefler, Inc., a shipper of concrete products, stated that trucking would cost it \$4 more per ton and would not be a feasible alternative. The company pointed out that line 1246 provides a good alternate line in case of national or natural disaster. The company would lay off 10 employees if it lost rail service.

—Bruce Forbush of Forbush Lumber Co. in Hamburg stated that his company will need an extra 50 cars per year by 1976. He recommended that, since there are no shippers between Gowanda and South Dayton (from mile post 33.1 to 43.3), the line should be terminated at Gowanda. Mr. Forbush estimated that the line would generate 1,785 cars per year by 1976. He noted that a new firm on the line is in its final stages of construction and will ship 150 cars per year when in operation.

—Several witnesses pointed out that EL currently must operate over a section of the Buffalo Creek Railroad, from BC Junction (mile post 2.7 to Blasdell (mile post 7.0)). It was pointed out that a considerable savings could be realized if the EL operated instead over a parallel segment of N&W track.

—Moench Tanning Co., a division of Brown Shoe Co. of St. Louis, has a plant in Gowanda which generated 249 carloads in 1973, 251 carloads in 1974 and expects to generate 307 carloads in 1975. Moench pointed out that it is no longer producing leather solely for Brown Shoe but is now selling to every major shoe company in the United States. As a result the plant has gone from a four day to a six day week, and it is expected that shipments will increase. Moench currently has a \$3 million payroll.

—Master Builders testified about its concern that delays and poor service will result from the abandonment of line 1246 and 1248. Master Builders Buffalo plant received 275 carloads in 1973, about 50 percent of which were routed via lines 1246 and 1248.

—Westinghouse wants this line retained as a clearance route for shipment of giant sized reactors, generators and other heavy equipment.

—Congressman Henry J. Nowak contended that USRA did not give the deserved consideration to the detrimental social and economic impacts which would result from abandonment of the line. Congressman Nowak believes that Lines 1246 and 1248 together can be highly profitable in the future.

—Congressman James F. Hastings pointed out that the Carnation Co. plant at South Dayton has been avoiding shipping north on this line because of the congestion at Buffalo. This would change if ConRail provided better service through Buffalo.

—Benjamin DeYoung testified that this line is essential to the Erie County Fair. The fair comes in each year on a 50 car train.

—The Niagara Frontier Transit Committee stressed the importance of this line in mass transit planning for the Buffalo area and stressed that there is a great likelihood for economic expansion in the entire area served by the line.

—The League of Women Voters of Erie County urged USRA to review its recommendation and consider all information.

—Senator Jacob Javits stated that this line could be of critical importance to any future transportation system in the Buffalo area and urged its retention.

—The highway system throughout the Southern Tier is a two lane highway developed primarily to serve local traffic. In many areas surrounding the B & SW Line, the abandonment of rail lines would increase truck traffic through residential areas. Testimony was submitted that demonstrated this would increase air pollution, would adversely affect noise levels and would spoil the scenic ambiance of the area, one which now depends more and more on tourists.

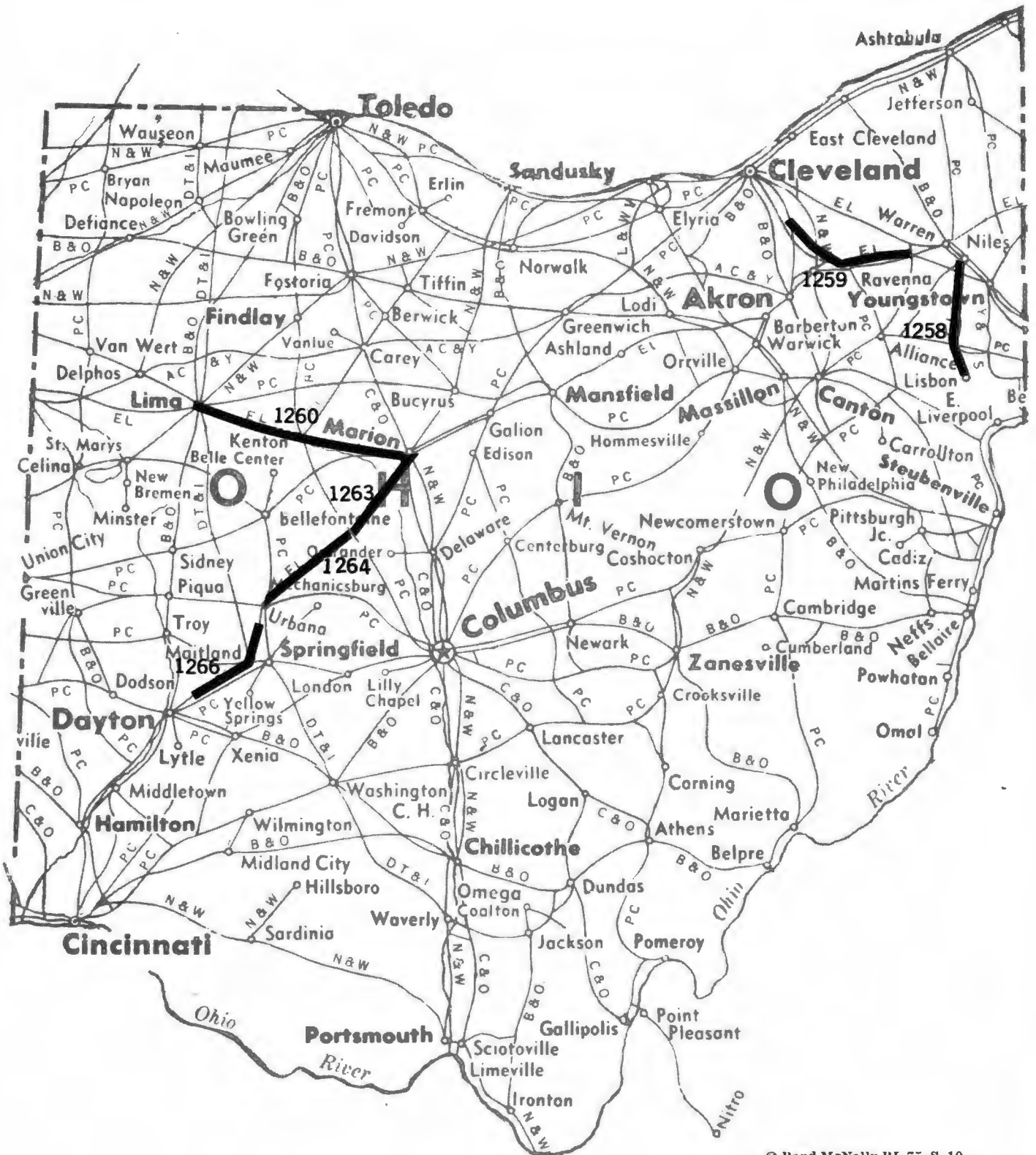
—The area is one of villages with one or two industries and the withdrawal of rail service would produce truck traffic at levels now unknown within the confined areas of the villages.

—The change from railroads to trucks would disrupt existing land use patterns which have been long established to insure that commercial-industrial activity is removed from residential and recreational areas. The alteration of this historical pattern would be environmentally detrimental and would disrupt already planned future uses.

USRA Line No. 1247

—Norfolk & Western is interested in acquiring a portion of this line in order to serve all industries in Dunkirk, New York.

OHIO



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OHIO

USRA
line number

Termini

Intrastate

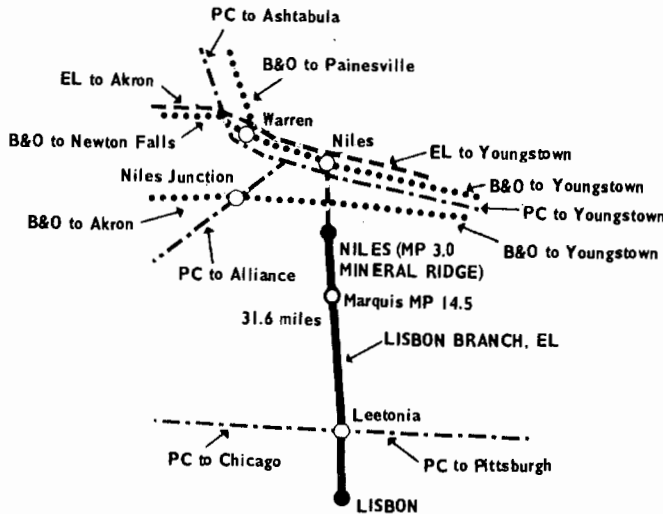
Ohio

1258	Niles to Lisbon
1259	Phalanx to Solon
1260	Marion to Lima
1263	Marion to Richwood
1264	Richwood to Urbana
1266	Bowlusville to Fairborn

USRA ANALYSIS LISBON BRANCH

USRA Line No. 1258

Erie Lackawanna



The Lisbon Branch extends from *Niles* (Milepost 3.0) to *Lisbon, Ohio* (Milepost 34.6), a distance of 31.6 miles, in Mahoning and Columbiana Counties, Ohio. This line connects with the EL Jersey City-Chicago line, the B&O and the PC at Niles, and with the PC Pittsburgh-Chicago line at Leetonia. This line was not described as potentially excess in the U.S. DOT Report except from West Austintown to the Columbiana County line (see Zones 93-97).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Mineral Ridge.....	86
West Austintown.....	897
Canfield.....	345
Marquis.....	0
Greenford.....	59
Washingtonville.....	11
Leetonia.....	14
Lisbon.....	3,087
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Total carloads generated by the line.....	4,479
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Revenue received by EL.....	\$682,092
Average revenue per carload.....	\$152
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	447,183

Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	\$39,518
Cost incurred beyond the branch line.....	370,889

Total variable (avoidable) cost..... \$857,590

Net contribution (loss): total..... (175,498)

USRA Recommendation

PUBLIC RESPONSE AND RSPO COMMENT

—The trustees of the EL oppose the abandonment of this branch because carloads generated during 1974 more than doubled those generated during 1973 and because freight revenues during 1974 were over 5 times greater than those during 1973. The trustees attributed this growth primarily to an increase in coal originating along the branch.

—The Lisbon Chamber of Commerce testified that the EL serves 7 businesses in Lisbon. These 7 businesses generated 3,161 carloads in 1973, 2,830 of which were coal, and 6,527 carloads in 1974, 5,931 of which were coal. Carroll Landmark could have used 20 more cars for hauling grain during 1974 but could not obtain them. It plans to increase its grain storage and add a bagger for fertilizer which should result in an increase in its rail usage from 48 carloads in 1974 to 72 carloads by 1976. The Chamber of Commerce also reported that if rail service ceased 125 jobs would be lost. Columbiana County's unemployment rate would increase from 7.8 percent to over 8 percent. Additional impacts resulting from the abandonment of rail service include a 10 cent per bushel increase in the cost of shipping grain and a \$10 per ton increase in the cost of shipping fertilizer. According to D. W. Dickey & Son, Inc., these added costs would put it out of the grain business resulting in the loss of a recent \$50,000 investment for additional grain storage and the loss of a \$25,000 investment made during 1974 to accommodate Big John Hopper cars. Dickey and Son reported that switching to trucks would increase its transportation cost for Ammonium Nitrate by \$1,350 per month. Similarly, higher truck rates would increase Carroll Landmark's transportation costs by \$35,000 per year. Lisbon Steel Fabricating reported that switching to trucks is not feasible for it since many of its products are over 65 feet in length.

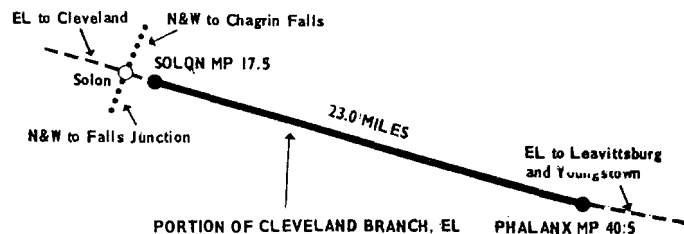
—The Columbiana County Regional Planning Commission and the Farmers Savings and Loan Company

Continued on page 48

USRA ANALYSIS PORTION OF CLEVELAND BRANCH

USRA Line No. 1259

Erie Lackawanna



This portion of the Cleveland Branch extends from Solon (Milepost 17.5) to Phalanx, Ohio (Milepost 40.5), a distance of 23.0 miles, in Trumbull, Portage, Geauga and Cuyahoga Counties, Ohio. At Solon this line continues westward to Cleveland and at Phalanx it continues eastward to Leavittsburg and Youngstown. At Solon it crosses the N&W Chagrin Falls-Falls Junction line. This line was not described as potentially excess in the U.S. DOT Report (see Zones 93, 94 and 95).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Garrettsville-Hiram	158
Mantua	88
Aurora	250
Gauga Lake.....	79
<hr/>	
Total carloads generated by the line.....	573
Number of round trips per year.....	156
Estimated time per round trip (hours).....	8.0
Revenue received by EL.....	\$288,660
Average revenue per carload.....	\$500
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	246,205
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	\$114,514
<hr/>	
Total variable (avoidable) cost.....	\$360,719
<hr/>	
Net contribution (loss): total.....	(74,059)
Average per carload.....	(129)

USRA Recommendation

It is *not* recommended that this portion of the Cleveland Branch be included in the ConRail system.

PUBLIC RESPONSE AND RSPO COMMENT

—The Akron Metropolitan Area Transportation Study (AMATS) reported that there are 9 firms located along this line, 4 of which are present rail users; 2 are expected to be using the EL by 1980. The 4 firms employ almost 700 workers and generated 680 carloads during 1974. According to AMATS, all of these firms would have to either close down or severely curtail operations if rail service were eliminated. The EL provides rail passenger service to 4 municipalities and 3 townships between Cleveland and Youngstown over this line. AMATS reported that the Ohio Public Utilities Commission has denied the EL permission to discontinue its service and recommends that USRA not allow discontinuance until the Portage Area Regional Transportation Authority and AMATS are able to publish their transportation plans for Portage and Summit Counties.

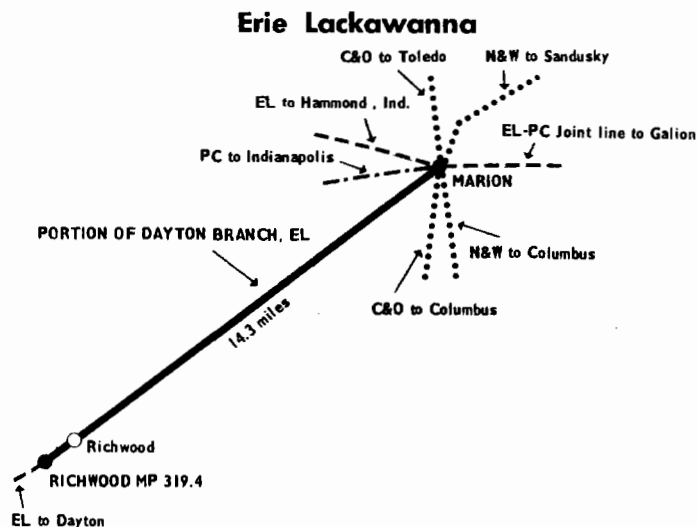
—Carlton Products, at Aurora, reported that elimination of rail service would make its Aurora plant and its Nazareth, Pa., plant which Aurora serves, uneconomical to operate. The cost of supplying PVC resin to its Aurora plant by truck would raise the cost of its finished products significantly putting Carlton at a possible competitive disadvantage. Should this happen, Carlton believes it might be forced to close its plant resulting in the loss of 115 jobs. Carlton generated 281 carloads during 1973, 425 carloads during 1974, and projects an annual use of 760 carloads by 1980. In anticipation of increased rail use, Carlton has spent \$15,600 this year for improving the road bed and track at Aurora.

—Polson Rubber Company, located at Garrettsville, generated 83 carloads during 1974. Polson reported that during that year it could not obtain all the rail cars it required. Without rail service, Polson would be forced to close down which would result in the loss of its capital investments and 500 jobs.

—The following companies, while not located along this line, reported that the line is important to their operations. Pennsylvania Glass Sand Corporation reported plans to double its production at its Phalanx plant (milepost 42.11) within the next few years. This expansion will increase PGS's annual carloadings from 1160 (1973 figure) to 2,000 carloads. PGS reported that approximately one-half of its shipments are routed westbound over Line No. 1259; it fears that abandonment could result in transit delays. Fisher Foods, Inc., which receives 3,640 to 4,000 carloads of merchandise per year at its Bedford Heights plant, expressed concern that any change in the ownership of this line could jeopardize its

Continued on page 48

USRA ANALYSIS PORTION OF DAYTON BRANCH USRA Line No. 1263



This portion of the Dayton Branch extends from *Marion* (Milepost 305.1) to *Richwood, Ohio* (Milepost 319.4), a distance of *14.3 miles*, in Marion and Union Counties, Ohio. At Marion the line meets the EL Jersey City-to-Chicago line. From Richwood, it continues southwestward to Dayton. These lines are also under study in this report from Marion west and from Richwood southwest. At Marion, it also intersects the PC Cleveland-Indianapolis line, the C&O Toledo-to-Columbus and N&W Sandusky-to-Columbus lines. This line was not described as potentially excess in the U.S. DOT Report except for the portion in Union County (see Zones 110 and 112).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line :	
Green Camp.....	202
Richwood	418
<hr/>	
Total carloads generated by the line.....	620
Number of round trips per year.....	156
Estimated time per round trip (hours).....	3.0
Revenue received by EL.....	\$214,076
Average revenue per carload.....	\$345
<hr/>	
Variable (avoidable) cost of continued service :	
Cost incurred on the branch line.....	133,364
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line....	112,715
<hr/>	
Total variable (avoidable) cost.....	246,079
<hr/>	
Net contribution (loss) : total.....	(32,003)

USRA Recommendation

It is *not* recommended that this portion of the Dayton Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—B. F. Goodrich Company reported that its Green Camp plant has generated 15 carloads during the past 3 years.

—The trustees of the EL oppose the abandonment of this line and USRA Line 1264 because these segments are necessary to reach Bowlusville ramp (Milepost 360) where the EL serves the International Harvester Co. The EL built its vehicle loading facility in 1969 at an initial cost of \$350,000 after it was advised that the PC was unable to satisfactorily serve International Harvester through its facility at Glen Echo, Ohio. Since that time, \$70,000 has been spent to provide additional parking, \$30,000 has been spent for the installation of 3,000 feet of new track, \$35,000 has been spent in capital improvements to the two buildings on the facility, and \$62,000 has been spent on equipment replacement.

—The General Electric Company reported that this line is a clearance route for oversized shipments. GE stated that elimination of this line would seriously impair its ability to transport heavy electrical apparatus which can weigh up to 1,500,000 pounds and be 155 feet long, 14 feet wide and 20 feet high from top-of-rail. Westinghouse Electric Corporation which also ships oversized shipments with gross weights up to 1,675,000 pounds and dimensions up to 175 feet long, 14.5 feet wide and 20 feet high from top-of-rail, likewise recommended that this line be retained because of the clearances it provides.

—Union County Farm Bureau Cooperative Association, Richwood, reported that it shipped 152 cars in 1974 and could have shipped 100 more had they been available. Loss of rail service would necessitate relocation of this facility at a cost in excess of \$1,000,000.

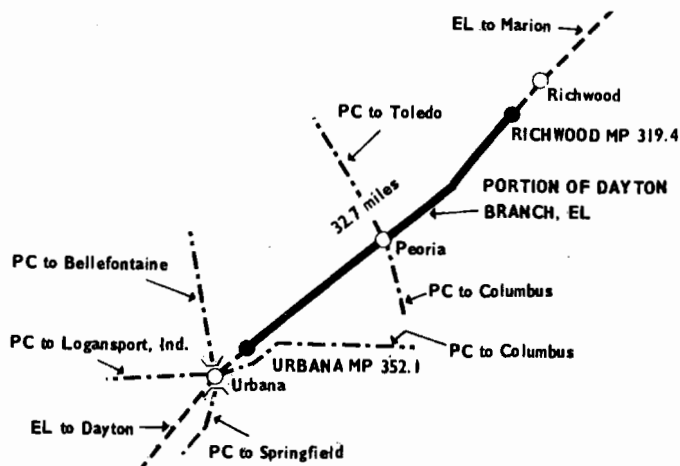
—Green Camp Cooperative Elevator Co., testified that it needs 393 carloads per year (343 outbound and 50 inbound) and stressed their difficulty in obtaining the necessary number of cars from the EL.

—The Railway Industrial Clearance Association pointed out that the line's clearances are 18 feet, 10 inches ATR by 14 feet wide. Since the segment from Cuba Junction to Wellsville is restricted by lesser clearances, elimination of Line 1244 would destroy the only complete east-west route with an 18 foot, six inch clearance.

USRA ANALYSIS PORTION OF DAYTON BRANCH

USRA Line No. 1264

Erie Lackawanna



This portion of the Dayton Branch extends from Richwood (Milepost 319.4) to Urbana, Ohio (Milepost 352.1), distance of 32.7 miles, in Union and Champaign Counties, Ohio. This line continues northeastward from Richwood and southwestward from Urbana; both continuations are also under study in this Report. The line is intersected by the PC Western Branch at Peoria and the PC Bellefontaine Branch and Columbus-Logansport line at Urbana. This line was described as potentially excess in the U.S. DOT Report except for short portions near Peoria and Urbana (see Zone 110).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Claborne	12
Broadway	36
Peoria	1
North Lewisburg	1
Mingo	6
King's Creek	0
<hr/>	
Total carloads generated by the line.....	56
Number of round trips per year.....	52
Estimated time per round trip (hours)	3.0
Revenue received by EL.....	\$17,898
Average revenue per carload.....	\$320

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	235,511
Cost of upgrading branch line to FRA . Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	5,321

Total variable (avoidable) cost..... 240,832

Net contribution (loss): total..... (222,934)

USRA Recommendation

It is *not* recommended that this portion of the Dayton Branch be included in the ConRail System. Continued

PUBLIC RESPONSE AND RSPO COMMENT

—The trustees of the EL oppose the abandonment of this line for the same reasons stated under the discussion of USRA Line No. 1263.

—The General Electric Company reported that this line is a clearance route for oversized shipments. GE stated that elimination of this line would seriously impair its ability to transport heavy electrical apparatus which can weigh up to 1,500,000 pounds and be 155 feet long, 14 feet wide and 20 feet high from top-of-rail. Westinghouse Electric Corporation which also ships oversized shipments with gross weights up to 1,675,000 pounds and dimensions up to 175 feet long, 14.5 feet wide and 20 feet high from top-of-rail, likewise recommended that this line be retained because of the clearances it provides.

—The Champaign County Farm Bureau Cooperative Association, with plants served by the EL at Urbana and Mingo reported that its Urbana plant originated and/or terminated 271 carloads during 1974, 54 of which moved by the EL. Through May, 1975 it has originated and/or terminated 87 carloads, 12 of which have moved by the EL. The Farm Bureau projects that its 1975 rail usage could be as high as 313 carloads. The Farm Bureau also stated that it shipped the equivalent of 48 carloads of grain and fertilizer by truck during 1974 and the equivalent of 46 carloads during 1975. Without rail service, the Farm Bureau estimates that its transportation costs would increase from \$275,000 to \$325,000 per year. To relocate its Urbana plant, which employs from 60 to 65 full and part time employees with a payroll of \$550,000, would cost \$10 million. The Farm Bureau also reported that elimination of this line would have a serious impact upon its Mingo facility and could force its closure.

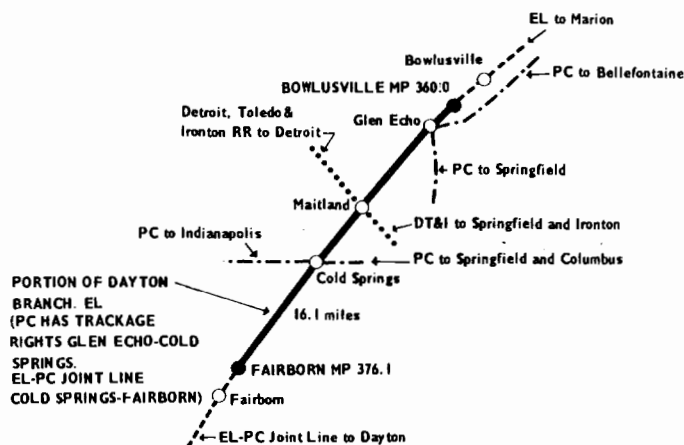
—The Ohio Power Company, which operates its Maryville Station plant near Broadway, Ohio, reported that this line and USRA Line No. 1263 are necessary to its operation because they are able to carry heavy high-wide transformers weighing up to 615,000 pounds and other heavy equipment between Pittsfield, Massachusetts, where the transformers are manufactured, and its plant at Broadway. Ac-

Continued on page 50

USRA ANALYSIS PORTION OF DAYTON BRANCH

USRA Line No. 1266

Erie Lackawanna



This portion of the Dayton Branch extends from *Bowlusville* (Milepost 360.0) to *Fairborn, Ohio* (Milepost 376.1), a distance of *16.1 miles*, in Clark and Greene Counties, Ohio. This line continues northeastward from *Bowlusville* and southwestward from *Fairborn*, both continuations also being under study in this Report. At *Glen Echo*, the line meets the *Bellefontaine Branch* of the *PC* and at *Cold Springs* the *PC Columbus-Indianapolis* line via *Springfield*. The *PC* operates over this *EL* line between *Glen Echo* and *Cold Springs* under a trackage rights agreement. Between *Cold Springs* and *Fairborn* this is a joint *EL-PC* line. The *Detroit, Toledo & Ironton RR* Main Line between *Detroit* and *Ironton* crosses at *Maitland*. This line was described as potentially excess in the U.S. DOT Report (see Zones 108 and 109).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Maitland	1
Sugar Grove Hill	0
Durbin	0
Cold Springs	0
Enon	0

Total carloads generated by the line	1
Number of round trips per year	2
Estimated time per round trip (hours)	5.0
Locomotive horsepower	1,600

Revenue received by <i>EL</i>	\$251
Average revenue per carload	\$251

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$128,187

Cost of upgrading branch line to <i>FRA</i>	
Class I: (1/10 of total upgrading cost)	11,453
Cost incurred beyond the branch line	151

Total variable (avoidable) cost

\$139,791

Net contribution (loss) : total

(139,540)

USRA Recommendation

It is *not* recommended that this portion of the Dayton Branch be included in the ConRail System. Continued

PUBLIC RESPONSE AND RSPO COMMENT

—The General Electric Company reported that this line is a clearance route for oversized shipments. GE stated that elimination of this line would seriously impair its ability to transport heavy electrical apparatus which can weigh up to 1,500,000 pounds and be 155 feet long, 14 feet wide and 20 feet high from top-of-rail. Westinghouse Electric Corporation which also ships oversized shipments with gross weights of up to 1,675,000 pounds and dimensions of up to 175 feet long, 14.5 feet wide and 20 feet high from top-of-rail, likewise recommended that this line be retained because of the clearances it provides.

—Walter Szesesny, Transportation Study, Springfield, testified that loss of *EL* service would seriously affect economic development in Clark County and that routing of present *EL* traffic over existing Penn Central lines would cause serious problems for the city of Springfield since the *EL* line now bypasses the city.

—According to Mr. Szesesny, Tracon Corporation, which handles traffic for International Harvester, would be forced out of business with the loss of *EL* service since it requires tri-level cars which can only be accommodated by the *EL*. This would result in the loss of 30 jobs at a loss of annual payroll of \$250,000. He stated that *USRA* omitted the 4,124 cars shipped by Tracon in 1974 as well as 56 cars shipped by Clark Lumber Co. Loss of service would also severely affect the Springfield Gravure Corp. which is presently contemplating a \$1,500,000 expansion program.

—The Chessie System is interested in acquiring this line from *Bowlusville* to *Fairborn, Ohio* (16.1 miles). Chessie states that this line would be acquired in conjunction with operation over line 1267 (a portion of the Dayton Branch recommended for inclusion in the ConRail System, and *not* offered for sale by *USRA* in Appendix D-2) to allow Chessie to serve *Bowlusville* from its B&O main line at *Dayton*.

OHIO CONTINUATIONS

USRA Line No. 1258

of Canfield reported that industrial development along this line would be stifled without rail service. The Savings and Loan testified that there are 1,721 acres of industrially zoned land located in communities located along this line.

—The Lisbon Chamber of Commerce reported that a proposed alternative to abandoning the entire line from Lisbon to Niles is to abandon it from Leetonia to Niles, thus leaving the segment from Lisbon to Leetonia open for service. However, the Chamber stated that this alternative is undesirable because switching facilities at Leetonia are inadequate and because added delays would result from having to interchange cars at Leetonia, Columbiana, and Youngstown.

USRA Line No. 1259

competitive position due to late or uncertain arrivals. Master Builders, located in Cleveland, received 152 carloads during 1973 and 128 carloads during 1974 via this segment. Without this line, routing to Master Builders would involve considerable switching delays which would increase the cost of operations. Hal Merdler Products, which receives up to 350 carloads per year at its Solon plant, reported that without EL service shipments could be delayed in getting spotted to its warehouse by up to 3 days. Thus far during 1975, Merdler has received 35 carloads.

—Heinen's Inc., which received 293 carloads at North Randall during 1974, stated that using the PC instead of the EL would delay its shipments by 2 days. Heinen's also stated that there were over 26,000 inbound cars over this line during 1974.

—Cleveland Propak, which has originated and/or terminated 98 carloads from its North Randall siding through June 12 of this year, reported that abandonment of this line would create communication problems and shipment delays.

—Brooks Technology Company, which generates 112 carloads per year at its Cleveland, Ohio plant, reported that without good rail service it would go out of business.

—Clarence P. Rundt, Ohio State Chairman of the United Transportation Union, testified that the failure by USRA to include carloadings generated in the Warren-Youngstown area and carloads of iron ore which move over this line eastward from the Cleveland area, creates a distortion of the actual use of this line.

—Paul Seed and Supply Company, which received

136 carloads during 1974 at its Garrettsville facility, reported that it would be forced out of business without rail service.

—Mantua Grain and Supply, which employs 22 people at its Mantua facility, generated 36 carloads during 1974.

—The Ohio Association of Passengers recommended that the proposed routing of the Cleveland to Pittsburgh rail passenger service corridor be changed from the EL's Cleveland to Youngstown line to the PC mainline from Cleveland to Ravenna, then via trackage rights over the Chessie System's line between Ravenna and Niles Junction, and then over the PC's line from Niles to Youngstown. Although this alternate routing is 6 miles longer, it would bring passenger service closer to the cities of Akron and Kent and that portion of the route between Cleveland and Hudson could be used by a proposed intercity rapid rail transit service linking Cleveland with downtown Akron and downtown Canton.

—The Western Reserve Economic Development Agency reported that this line is used for transporting iron ore from Cleveland to the Youngstown area. Steel industries in the Mahoning Valley already face a transportation disadvantage as a result of its inland location and the necessity of shipping bulk commodities overland from the Great Lake ports. Elimination of this line would further aggravate this disadvantage at a time when a major community effort has been mounted to promote reinvestment in the Mahoning Valley facilities by the steel industry.

—The United Transportation Union reported that during 1974 this line carried 34,381 carloads of iron ore from the Erie ore dock or from Cleveland into the Youngstown area. Youngstown Sheet and Tube Co. reported that the Corps of Engineers projects 20,000,000 tons of ore by 1980, 31,000,000 tons by 2005 and 46,000,000 tons by 2030 moving through the Cleveland docks. For the above reason Youngstown Sheet stated that it is essential that this line be acquired by a solvent carrier and that there be two carriers in the Cleveland area with access to the ore docks so that an adequate car supply and dependable delivery of ore to the Youngstown area can be assured. —The trustees of the EL oppose the abandonment of this branch line because the 1974 traffic volume was almost twice as high as the 1973 volume.

—The Pennsylvania DOT opposed abandonment because this line is part of the most direct and the fastest route between Pittsburgh and Cleveland.

USRA Line No. 1260

mon carrier trucks resulting in a considerable increase in costs.

—Larry A. DeFries, representing the Lima Area Chamber of Commerce, submitted testimony that loss of EL east-west service would place Lima at a competitive disadvantage in its industrial-economic expansion efforts. It would also result in the loss of 35 full time EL employees at the Lima Freight Station.

—James R. Fultz, representing the Marion Car Department of the EL and the Brotherhood of Railway Car Men of the United States and Canada, testified that should Lines 1260 and 1263 be abandoned, it would mean the closing of the Marion Yard which would result in the elimination of some 1,400 to 1,600 jobs. He added that the Marion Yard is the largest between Chicago and Meadville, Pennsylvania.

—Clarence P. Rundt, Ohio State Chairman for the UTU, testified in favor of the retention of the Marion Yard which has a capacity to handle 4,600 cars and currently handles an average of 2,500 cars daily. He added that the yard has been continually modernized.

—James R. Mann, representing the Quaker Oats Co. in Marion, testified against the abandonment of Lines 1260 and 1261. During 1974, 4,515 carloads were moved over these two lines to Quaker's facilities in Marion. He noted that in comparison with Penn Central Service, the EL transit time was significantly less. Abandonment of EL service would result in increased costs due to the poorer service available from other carriers.

—E. S. Janik, representing the Standard Oil Co. of Ohio, noted that while Standard Oil shipped 852 carloads via the EL in 1974, it could have used approximately 1,295 cars had EL service been better. Mr. Janik added that should this line be abandoned, Standard Oil's Sohigro Service Center would be forced out of business with a loss of 18 employees.

—It was reported that traffic data for Kenton, which is served solely by the EL, was omitted from the USRA analysis. Shippers at this station include Occidental Chemical Co. with 300 carloads for 1974 and 400 projected for 1975; the Ohio International Caboose Co., with 250 to 300 cabooses annually; the Durez Plastic Division of Hooker Chemical, with 1,755 carloads for 1973; and Universal Oil Cooperatives, with 39 carloads for 1973 and 100 for 1974.

—The Marion Power Shovel Co., Inc. testified that this is the only line which permits shipment of its outsized equipment. Abandonment of the line would

cause the firm to reduce the size and assembly of its equipment and increase the cost proportionately. The firm is currently contemplating a \$60 million expansion program.

—The Whirlpool Corp. testified that expansion plans exist for its Marion Warehouse based on EL service and the existence of the EL TOFC ramp, the only one in the immediate area. Upon completion of the expansion, Whirlpool estimates its annual traffic will be 1,000 rail cars and 7,500 TOFC trailers. Wyandotte Popcorn Co. and Tecumseh Products Co. also testified concerning the need for this TOFC ramp.

—D. J. Sansotta, Safety Director for the City of Marion, testified concerning the lack of any recommendation by USRA on the Marion Yard and the omission of traffic generated at Kenton and Marion from the USRA analysis. He submitted the following carload traffic data for Marion on Lines 1260 and 1263 during 1974 (compiled from industry and carrier figures and crew lists):

Quaker Oats Co.....	2,250
United Facilities.....	5,516
National Can Co.....	16
Marion Power Shovel.....	112
Central Soya.....	2,270
Whirlpool Corp.....	1,745
Hancock Gross.....	45
Boise Cascade.....	540
Vigor Tone.....	159
Pillsbury Cake.....	1,008
Carter Lumber.....	38
Eaton Manufacturing Co.....	122
Huber Warco Corp.....	360
Marion Brick Co.....	412
United Parcel Service.....	7,800
Marion TOFC Ramp.....	3,200
Sims Co.....	10
Lemke Farm Implements.....	8
Green Camp Elevator.....	102
Asher Lumber Co.....	4
Lumber Supply.....	90
Total	25,757

—The General Electric Company, a major shipper of high and wide equipment, uses segments 1260, 1261 and 1262 extensively as part of its clearance routing from points east to Chicago. Loss of this clearance route would drastically affect GE's ability to serve existing and future customers.

—The Majestic Company, Huntington, Indiana, shipped 488 cars plus 684 piggyback loads on the EL in 1974. Majestic believes it is very important to maintain competitive service to Huntington and recommends that ConRail serve Huntington from Ft.

OHIO CONTINUATIONS

Wayne via Decatur.

—Norfolk and Western is interested in acquiring this line from Marion, Ohio to Lima, Ohio, 51.8 miles, in conjunction with line segments 1261 (Marion, Ohio to Huntington, Indiana) and 1262 (Huntington, Indiana to Hammond, Indiana). The N&W states that it would be necessary, in addition, to acquire track-age rights over 2.5 miles of the Erie Lackawanna at Marion, Ohio in order to establish a connection between this line segment and existing N&W lines. As an alternate, the Norfolk and Western is interested in acquiring about 4 miles of this line at Lima, Ohio to serve industries on the Erie Lackawanna lines.

—The Chessie System is interested in acquiring a portion of this line to provide service to Erie Lackawanna industries at Lima, connecting with the B&O main line which crosses this line at Lima.

—Statements were submitted by the Illinois Central Gulf and the Soo Line Railroads protesting acquisition of this line by any competing carrier or any carrier which could divert traffic from connecting roads in Chicago.

USRA Line No. 1264

According to Ohio Power, local roads are incapable of bearing loads weighing this amount; thus, the use of motor carrier as an alternative to rail service is impossible. Without its Maryville Station plant in operation, Ohio Power reported that there would be a decrease in the American Electric Power Company's (AEP) overall system reliability, a decrease in the transmission outlet capability from the James M. Gavin plant, located at Cheshire, Ohio; a decrease in the ability to transmit power across the AEP System and an increase in AEP system costs. With regard to these increased costs, Ohio Power reported that the AEP System would incur an increase in fuel consumption of about 5,400 tons of coal per month and an associated energy cost of about \$135,000 per month.

—The Champaign County Farm Bureau Cooperative testified that it shipped 54 carloads on Lines 1264 and 1265 in 1974. Should service be abandoned on these two lines, relocation costs for its facilities would exceed \$10 million.

—It was reported that Chi-Vet and Dare-Pafco shipped 225 outbound cars and received 260 inbound cars in 1973 over Lines 1264 and 1265. There was considerable uncertainty as to what portion, if any, of the traffic generated at Urbana moves over Line 1264.

PENNSYLVANIA

USRA
line number

Termini

Intrastate Pennsylvania

1222	At Bath
1224	Avoca to Pittston (Thompson Street)
1225	Rock Junction to Jessup
1226	Avoca to Jefferson Junction (D&H Trackage Rights)
1228	Kingston to Northumberland
1229	Old Line Junction to Nicholson
1238	Lackawaxen to Honesdale
1252	Howard to Crenshaw
1254	Jefferson Junction Connection to D&H at Lanesboro
1256	Farrell to New Castle

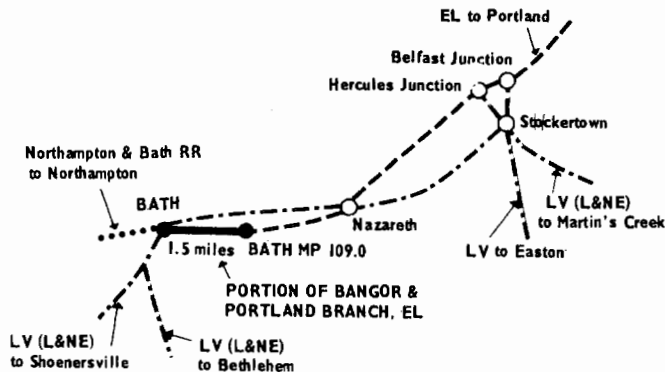
1222 PENNSYLVANIA

USRA ANALYSIS

PORTION OF BANGOR & PORTLAND BRANCH

USRA Line No. 1222

Erie Lackawanna



This portion of the Bangor & Portland Branch extends from Milepost 109.0 to Milepost 110.5, a distance of 1.5 miles, at Bath in Northampton County, Pa. At Milepost 109.0 the line continues to Portland, Pa. At Bath it connects with the Lehigh & New England Ry. and the Northampton & Bath RR. This line was not described as potentially excess in the U.S. DOT Report (see Zone 69).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Bath	7
<hr/>	
Total carloads generated by the line.....	7
Average carloads per week.....	0.1
Average carloads per mile.....	4.7
Average carloads per train.....	0.5
1973 operating information:	
Number of round trips per year.....	14
Estimated time per round trip (hours).....	0.5
Revenue received by EL.....	\$1,700
Average revenue per carload.....	\$243
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	9,951
Cost of upgrading branch line to FRA Class	
I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	1,331
<hr/>	
Total variable (avoidable) cost.....	11,282
<hr/>	
Net contribution (loss): total.....	(9,582)

USRA Recommendation

It is *not* recommended that this portion of the Bangor & Portland Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to Pennsylvania DOT, this line serves as a principal connection between the EL and two other railroads: the Northampton & Bath and the Lehigh & New England.

—The EL uses the branch to bring coal in great quantities to the Northampton & Bath for delivery to the Keystone Portland Cement Co.

—Movements by the EL and Northampton and Bath totaled 1,179 carloads in 1973 and 1,717 in 1974.

—A parallel Lehigh & New England line is being operated by the Lehigh Valley under ICC order. If this service terminates, the EL line would become increasingly important.

—The Metropolitan Edison Company wants the line retained because it provides a necessary western route to Portland Station from Belfast. Coal shipped over this line and lines 1252 and 1258 represents 87 percent of the coal burned at the station in 1973 and 89 percent in 1974.

—In 1972 when Hurricane Agnes caused a temporary cessation of rail operations over the northern route to Portland, this line provided the means of delivering coal to the Portland Station. Metropolitan Edison believes that this line should be retained as an emergency route and that abandonment of it would affect the service Metropolitan Edison renders to the public.

—The Pennsylvania Public Utility Commission questioned the likelihood that cessation of service or this line would save \$1,422 per car avoidable on-branch costs and expressed fear that if EL is operated separately from big ConRail, the loss of this line would prevent any connection with the Northampton & Bath or the Lehigh & New England.

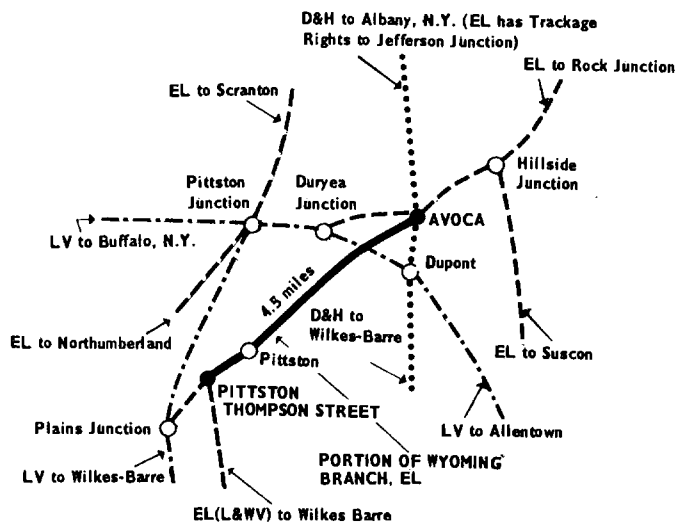
—According to the Railway Industrial Clearance Association, this line has no restrictions and is part of a clearance route from Bethlehem through Stockertown and Belfast Junction to the EL main line.

USRA ANALYSIS

PORTION OF WYOMING BRANCH

USRA Line No. 1224

Erie Lackawanna



This portion of the Wyoming Branch extends from Pittston (*Thompson Street*) (Milepost 1.8) to Avoca, Pa. (Milepost 6.3), a distance of 4.5 miles, in Luzerne County, Pa. At Avoca, this line continues east to Rock Junction. At Pittston (*Thompson Street*) it continues southwestward to Plains Junction, which continuation is also under study in this Report. At Avoca it connects with an EL line to Duryea Junction and with the D&H Albany-Wilkes-Barre line. The EL has trackage rights over the D&H from Avoca to Jefferson Junction, also under study in this report. This line was not described as potentially excess in the U.S. DOT Report (see Zone 72).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Pittston	32
<hr/>	
Total carloads generated by the line.....	32
Average carloads per week.....	0.6
Average carloads per mile.....	7.1
Average carloads per train.....	0.6
1973 operating information:	
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3.0
Locomotive horsepower.....	1,500
Train crew size.....	4
Revenue received by EL.....	\$12,516
Cost incurred beyond the branch line.....	8,643

Total variable (avoidable) cost.....	45,179
Net contribution (loss): total.....	(32,663)

USRA Recommendation

It is *not* recommended that this portion of the Wyoming Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to the Railroad Task Force for Northeast Region and the Economic Development Council of Northeast Pennsylvania, the line generated 475 carloads in 1973. These include the following shipments: Falcone Beverage, 40 carloads; Wilkes-Barre Clay, 400 carloads; Mitchell Lumber, 15 carloads; and Milazzo Coal, 20 carloads.

—Several shippers served by a solvent EL subsidiary, the Lackawanna & Wyoming Valley Railroad, which operates between Scranton and Wilkes-Barre, are concerned because loss of this line will cut off their access to the north and to service they presently receive via Scranton. In addition, service to these shippers from the south via the Lehigh Valley through Wilkes-Barre might not be feasible.

—The Railway Industrial Clearance Association noted that this is not an exceptional clearance route but pointed out that it could be used as an alternate route if the Pittston Junction gateway should ever be out of service.

—The Railroad Task Force for Northeast Region stated that it is unbelievable that this line is not included in ConRail. The traffic data available to the task force indicates that the line should be showing a profit.

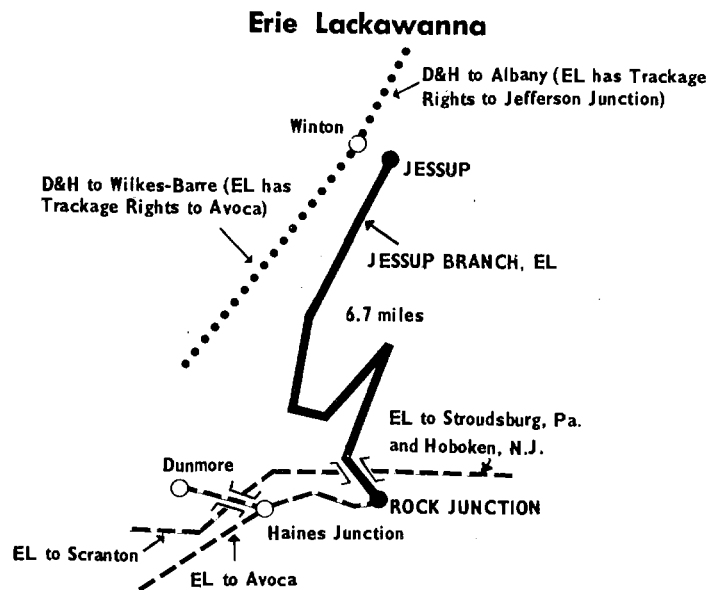
—The Pennsylvania DOT reported that a planned plant expansion by Continental Gas at Pittston will increase its rail shipments by 100 percent in 1977.

—If the line were abandoned, Pennsylvania DOT estimated that one plant would close, eighteen jobs would be eliminated with \$250,000 in payroll losses, and transportation costs of local shippers would increase by \$2,000.

—Pennsylvania PUC records reveal that the USRA traffic count of 32 cars at Pittston is erroneous; in excess of 450 cars should be credited to this line at Pittston. This increase in car loadings would make this segment profitable. The PUC is not sure if total ConRail revenue was credited to this line or just Erie Lackawanna revenue. Avoidable on-branch costs of \$1,142 per car seemed unreasonably high to Pennsylvania PUC, and it noted that circuitry of movements to service shippers located near the end of the Lackawanna & Wyoming Valley Railroad should be considered.

1225 PENNSYLVANIA

USRA ANALYSIS JESSUP BRANCH USRA Line No. 1225



The Jessup Branch extends from *Rock Junction* (Milepost 0) to *Jessup, Pa.* (Milepost 6.7), a distance of *6.7 miles*, in Lackawanna County, Pa. At Rock Junction this line connects with the EL's Wyoming Branch. This line was not described as potentially excess in the U.S. DOT Report (see Zone 71).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Underwood.....	0
Jessup.....	124
Scranton ¹	256
<hr/>	
Total carloads generated by the line.....	380
Number of round trips per year.....	52
Estimated time per round trip (hours).....	6.0

¹ Includes only traffic on this segment at Dunmore.

Revenue received by EL.....	\$115,942
Average revenue per carload.....	\$305

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	73,953
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	\$63,814

Total variable (avoidable) cost..... \$137,767

Net contribution (loss): total..... (21,825)

USRA Recommendation

It is *not* recommended that the Jessup Branch be included in the MARC-EL System or the ConRail System. Continued operation of this line would require

PUBLIC RESPONSE AND RSPO COMMENT

—The Railroad Task Force for Northeast Region, Inc. thinks it unbelievable that USRA would eliminate this line which serves the well established Keystone Industrial Park in the Dunmore-Scranton area. The area has potential industrial development and the group finds glaring differences between its carload data and that used by USRA.

—The Greater Scranton Chamber of Commerce is in the closing phase of negotiations with a company which will locate in Dunmore and use 700 carloads annually.

—CAN-DO, the Industrial Development Organization of Hazelton, revealed that the Lackawanna County Development organization has acquired 431 acres served by this line which are adjacent to Keystone. Based on experience, 85% of those considering locating in this new park will require rail service. The new park has a potential of 2000 cars annually from 28 industries which will have a minimum of 2,200 employees.

—According to the EL, the branch is in the Northern Anthracite fields where only strip and bank reserves are economically feasible since deep coal is badly flooded.

—The Economic Development Council of Northeast Pennsylvania pointed out that the line serves the 320 acre Keystone Industrial Park and straddles approximately 10,000 undeveloped acres of land available for industrial and commercial use. The Council stated that abandonment would destroy the area's future industrial and commercial potential and thousands of related jobs.

—Abandonment would produce \$15,000 in increased transportation costs.

—The Lackawanna County Commissioners voiced concern that loss of tax revenue would cause massive cut backs in services at the local level.

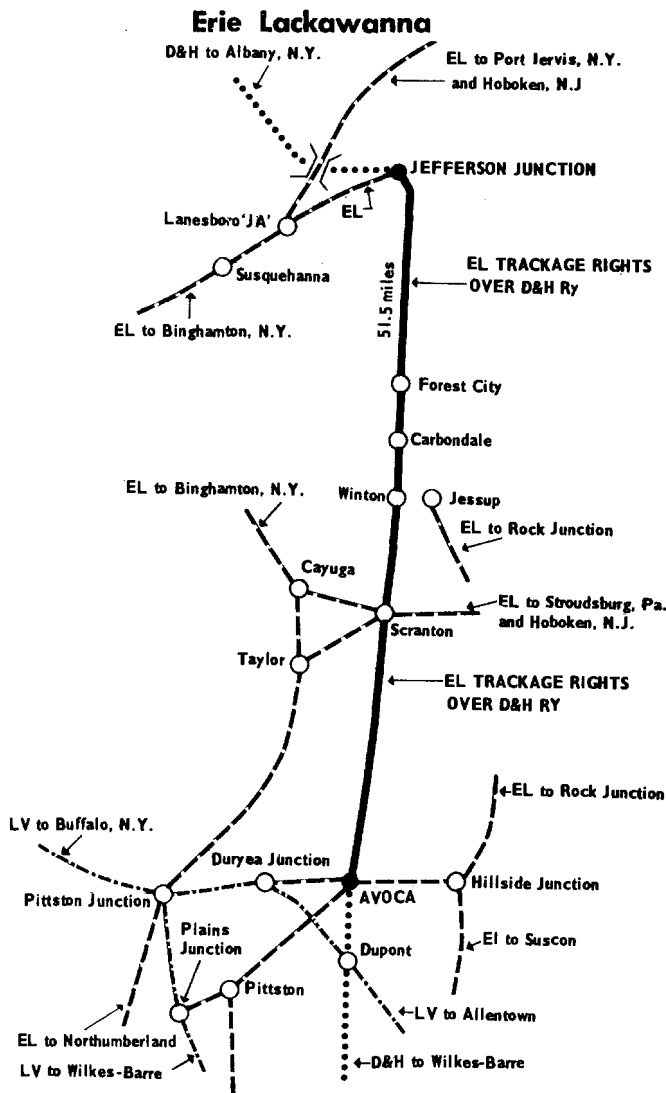
—The Trane Company and RCA have over \$2.7 million invested in land and improvements in the Boroughs of Dunmore and Throop and pay over \$103,144 in property taxes.

—Congressman Joseph M. McDade urges USRA to reconsider its recommendation as rail service over this line would serve as an incentive to major industrial expansion.

Continued on page 64

USRA ANALYSIS TRACKAGE RIGHTS OVER D&H RY

USRA Line No. 1226



These trackage rights over the D&H Ry extend from *Jefferson Junction* (Milepost 140.7) to *Avoca, Pa.* (Milepost 192.2), a distance of 51.5 miles, in Luzerne, Lackawanna, Wayne and Susquehanna Counties, Pa. At *Jefferson Junction*, the EL continues to *Lanesboro* on its own tracks, and the D&H extends northward to *Albany, N.Y.* The EL line to *Lanesboro* is also under study in this report. At *Avoca* the D&H runs south to *Wilkes-Barre*, and the EL *Wyoming Branch* and a line to *Duryea Junction* intersect. The *Wyoming Branch* is also under study in this Report from *Avoca* to *Plains Junction*. At *Scranton*, the EL *Hoboken-Binghamton* line via *East Stroudsburg* and the *Bloomsburg Branch*

intersect. This line was not described as potentially excess in the U.S. DOT Report (see Zones 53, 70, 71 and 72).

Stations (with their 1973 carloads) served by this line:

Thompson	98
Unfondale	2
Forest City	2
Carbondale	0

Total carloads generated by the line	102
Number of round trips per year	52
Estimated time per round trip (hours)	12.0
Revenue received by EL	\$35,392
Average revenue per carload	\$347

Variable (avoidable) cost of continued service:

Cost incurred on the branch line ¹	47,817
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	18,001

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

It is *not* recommended that these trackage rights over this portion of the D&H Ry. be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Railroad Task Force for Northeast Region agreed with USRA's recommendation, provided the D&H serves on-line local shippers.

—Pennsylvania DOT stated that the line generated 203 carloads in 1973. If the lines were abandoned, 1 plant would close, 12 jobs would be eliminated, payroll losses would total \$91,000 and local shippers transportation costs would increase by \$16,000.

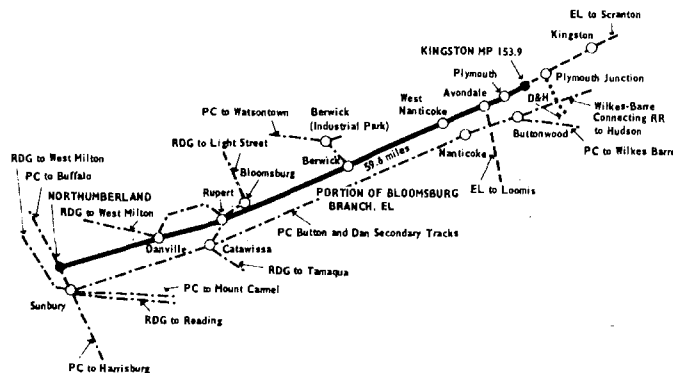
—Local 1933 of the UTU believes EL's trackage rights should be preserved for use when detour movements of trains become necessary.

—The Pennsylvania Public Utility Commission reported that when D&H purchased this line from EL in 1955, the agreement provided that D&H need not provide local service. Pennsylvania PUC urged that USRA see that either ConRail or D&H provide local service.

—The Railway Industrial Clearance Association recommends retention of this line, especially the *Jefferson Junction* interchange. This line is one of the major clearance gateways in the east and protects all of General Electric Port of New York dimensional traffic.

1228 PENNSYLVANIA

USRA ANALYSIS PORTION OF BLOOMSBURG BRANCH USRA Line No. 1228 Erie Lackawanna



This portion of the Bloomsburg Branch extends from Kingston (Milepost 153.9) to Northumberland, Pa. (Milepost 213.5) a distance of 59.6 miles, in Luzerne, Columbia, Montour and Northumberland Counties, Pa. At Kingston, this line continues northeastward to Scranton; at Avondale an EL branch diverges to Loomis, also under study in this report. At Northumberland the line connects with the PC Harrisburg-Buffalo line and at Berwick with the PC. It connects with the RDG's Catawissa Branch (also under study) at Rupert and Danville, and with the RDG's Bloomsburg Branch at Rupert. This line was not described as potentially excess in the U.S. DOT Report (see Zones 72 and 82).

USRA Recommendation

Stations (with their 1973 carloads) served by this line:

Plymouth Junction.....	3
Plymouth	6
West Nanticoke.....	7
Shickshinny	0
Hicks Ferry.....	1
Lime Ridge.....	504
Almedia	0
Espy	0
Bloomsburg.....	515
Rupert	2
Danville	366
Northumberland	346
<hr/>	
Total carloads generated by the line.....	1,750
Number of round trips per year.....	250
Estimated time per round trip (hours).....	12.0
Locomotive horsepower.....	1,600
Revenue received by EL.....	\$727,222
Average revenue per carload.....	\$416

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	639,223
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	488,301

Total variable (avoidable) cost..... 1,127,524

Net contribution (loss): total..... (400,302)

USRA Recommendation

It is *not* recommended that this portion of the Bloomsburg Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Witnesses objected to USRA's statement that no specific information concerning various EL lines was received at the RSPO hearings because the EL lines were not the subject of hearings or evaluation at that time. Also USRA ignored the evidence on the EL that was presented.

—Westinghouse Electric Corporation pointed out that while USRA states use of PC line segments 192, 192a and 192b will preserve local service to the majority of traffic, this EL line is separated from the PC by the Susquehanna River so that neither line can serve shippers on the other.

—The only intermediate connection between the EL and PC lines is via a bridge on Reading Line No. USRA 923, Rupert-Catawissa. Yet the preliminary recommendation in the PSP was that this line not be included, although the possibility of immediately increasing revenue was to be explored.

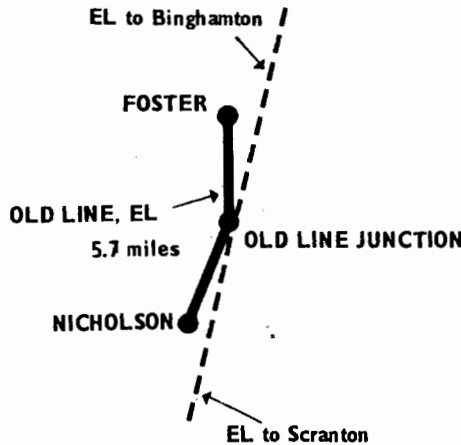
—The Railroad Task Force for Northeast Region finds it unbelievable that this line should not be included in the ConRail System. The Task Force found glaring differences between its carload figures and the USRA data.

—Metropolitan Edison consigned 9,779 cars over this line in 1973 and 4,974 cars in 1974. It believes that the Preliminary System Plan fails to include transfer carloads. Coal cars are interchanged at the Northumberland and Rupert yards, both located on this line.

—The New York-Pennsylvania Shipper's Association and CAN-DO, the Industrial Development Organization of Hazelton, believe the basic fault of the Preliminary System Plan, which has not been corrected in the Supplement, is that it uses faulty data and, more significantly, it precludes the possibility of future growth.

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USRA ANALYSIS
OLD LINE
USRA Line No. 1229
Erie Lackawanna



The Old Line extends from *Old Line Junction* (Milepost 155.0) to *Foster* (Milepost 157.8) and *Nicholson, Pa.* (Milepost 152.1), a distance of *5.7 miles*, in Susquehanna and Wyoming Counties, Pa. This line connects with the EL's Binghamton-Scranton line at Old Line Junction. This line was not described as potentially excess in the U.S. DOT Report (see Zones 53 and 73).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Nicholson	158
Foster	77
<hr/>	
Total carloads generated by the line.....	235
Number of round trips per year.....	52
Estimated time per round trip (hours).....	4.0
Locomotive horsepower.....	1,600
Revenue received by EL.....	\$85,402
Average revenue per carload.....	<u>\$363</u>
<hr/>	
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	54,001
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	<u>50,897</u>
Total variable (avoidable) cost.....	<u>104,898</u>
Net contribution (loss): total.....	(19,496)

USRA Recommendation

It is *not* recommended that the Old Line be included in the MARC-EL System or the ConRail System. Con-

PUBLIC RESPONSE AND RSPO COMMENT

—The Northern Tier Economic Advisory Committee reported traffic of 265 cars on this line in 1973.

—Pennsylvania DOT criticized USRA for allocating overhead costs in determining line profitability. The 158 cars at Nicholson generated \$57,000 in revenue in 1973. According to Pennsylvania DOT this portion of the branch could not cost more than \$20,000 to operate with \$30,000 for main line movement.

—Rail users at Nicholson cannot conveniently transport shipments to the main line. The community would save \$37,000 a year by not having to truck bulk agricultural commodities.

—Congressman Joseph M. McDade urged retention of this line since estimates are that millers along the line would have to pay \$3 to \$5 per ton in increased transportation costs if they lost rail service. He believes that keeping this 5 mile spur open would require no additional crew costs because traffic can be handled by the crew handling Binghamton-Scranton traffic.

—W. S. Crock & Sons of Nicholson estimated it would incur capital expenditures of \$50,000, excluding land, and higher annual transportation costs of \$23,185 if it lost rail service.

—The Northern Tier Regional Planning and Development Commission and the Rail Service Coordinator for Bradford County are concerned that needed branch line service be retained, and they support the land bank concept.

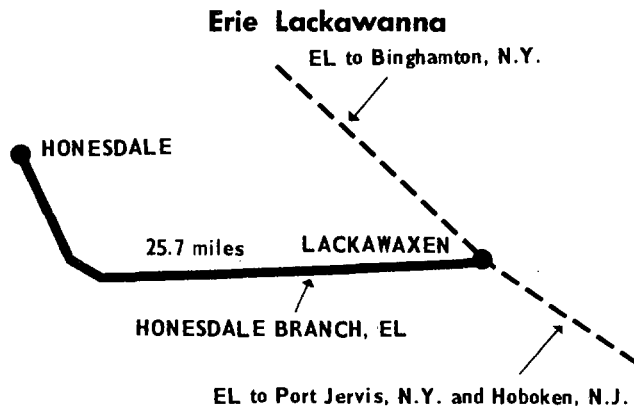
—The Northern Tier Economic Development Committee identified the following rail users: W. S. Crock & Sons, Ross Bros. Feed Company, Rapps Packaging Company, Trail Implement and W. W. Novitch. The Committee believes the line could be profitable with some repair and improved service but that loss of service would eliminate 40 or 50 jobs.

—Pennsylvania DOT estimated that abandonment would cause 2 plants to close, resulting in 21 job losses and \$123,000 in payroll losses. Local shippers would incur \$4,000 in increased transportation costs.

—Pennsylvania PUC stated that the line should be credited with 262 cars. Using this figure in the USRA viability formula, the line would show a loss of only \$9,429 which would be offset by recent rail freight increases or by reducing service from 52 to 43 round trips a year.

USRA ANALYSIS HONESDALE BRANCH

USRA Line No. 1238



The Honesdale Branch extends from *Lackawaxen* (Milepost 109.3) to *Honesdale, Pa.* (Milepost 135.0), a distance of *25.7 miles*, in Pike and Wayne Counties, Pa. At Lackawaxen, this line connects with the EL Hoboken-Binghamton line via Port Jervis. This line was described as potentially excess in the U.S. DOT Report (see Zone 70).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Phoenix	0
East Hawley.....	0
Church Street.....	0
White Mills.....	60
East Honesdale.....	0
Honesdale	2,328
<hr/>	
Total carloads generated by the line.....	2,388
Number of round trips per year.....	250
Estimated time per round trip (hours).....	8.0
Revenue received by EL.....	\$587,450
Average revenue per carload.....	\$246

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	330,265
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)....	0
Cost incurred beyond the branch line....	388,536
<hr/>	
Total variable (avoidable) cost.....	718,801
<hr/>	
Net contribution (loss): total.....	(131,351)

USRA Recommendation

It is *not* recommended that the Honesdale Branch be included in the MARC-EL System or the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The New York State Commissioner of Agriculture and Markets is concerned that loss of traffic from this branch, 2,388 cars, would weaken the viability of EL's Port Jervis line which serves New York state farmers.

—The Rail Road Task Force for Northern Region says the car count should be 2,700. The Task Force claims that this line is vital to the Honesdale-Wayne County area, that the loss of \$131,351 per year stated by USRA is completely erroneous, and that the most conservative calculation shows the line would generate profits of over \$200,000.

—The Economic Development Council of Northeast Pennsylvania believes that this line is one of high density and would be profitable no matter what carrier operated it. This line is absolutely vital to both the dairy and manufacturing industries in the Honesdale and Wayne County area. The Council estimates that the line generates nearly 2,700 cars as against the 2,388 used by USRA.

—Pennsylvania DOT commented that USRA reports an erroneous loss on the line of \$131,351 per year and admitted that the community would be out \$1,272,000 per year without it. Congress clearly intended to keep such lines. According to Penn DOT correct cost calculations would limit branch expense to \$300,000 per year and line haul costs to \$350,000 or less. Any remaining loss is so small that a correct count of carloads or an arbitrary assessment on shippers of \$26 per car should solve the problem. It makes no sense to reduce transportation efficiency by \$600,000 (Penn DOT) to \$1,272,000 per year, to save perhaps \$65,000 per year for ConRail. —If service were eliminated, Pennsylvania DOT estimates that 6 plants would close, 526 jobs would be eliminated, \$4.4 million in payroll would be lost and \$29,000 in added transportation costs would be incurred by local shippers.

—A 25 percent expansion by Moore Business Forms, the largest employer in Wayne County, is contingent on continued rail service. Moore Business Forms estimates its rail car loadings will increase from 1,270 in 1973 to 1,720 in 1980. This traffic will produce revenues of \$523,000 for MARC-EL or ConRail and \$1,369,000 for other interline carriers. Truck service would cost more than \$1 million more a year, a prohibitive obstacle to the company's ability to compete.

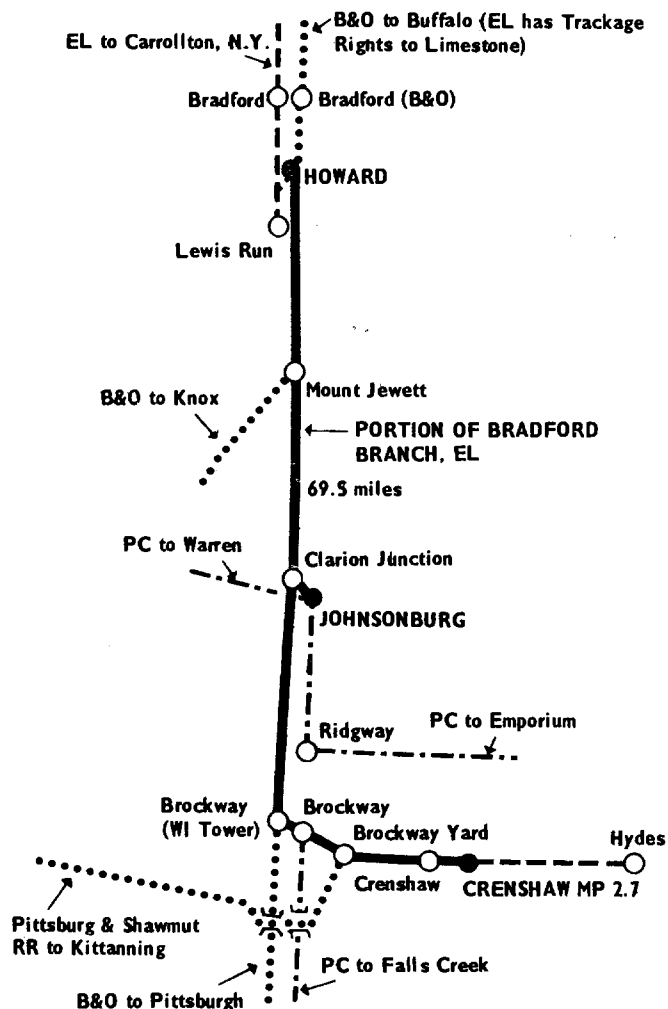
—The Pennsylvania PUC stated that the correct car count for the line should be 2,500. It believes that total revenue should be credited to the line, not just

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USRA ANALYSIS PORTION OF BRADFORD BRANCH

USRA Line No. 1252

Erie Lackawanna



This portion of the Bradford Branch extends from *Howard to Crenshaw, Pa.*, a distance of *69.5 miles*, in McKean, Elk and Jefferson Counties, Pa. This line comprises EL trackage rights over the B&O from Howard (B&O Milepost 76.1) to Mount Jewett (B&O Milepost 57.2), 18.9 miles, and from Clarion Junction (B&O Milepost 36.8) to Brockway WI Tower (B&O Milepost 11.2), 25.6 miles, and the EL lines from Mount Jewett (EL Milepost 31.4) to Johnsonburg (EL Milepost 53.2), 21.8 miles and from Brockway WI Tower to Crenshaw (Milepost 2.7), 3.2 miles including approximately 0.5 mile of operation over the PC near Brockway. The B&O extends north from Howard to Limestone with EL operating via trackage rights (also under study in this report) and south from Brock-

way (WI Tower) to Pittsburgh. The B&O line to Knox diverges at Mount Jewett. The EL line to Lewis Run connects at Howard and the EL continues on to Hydes at Crenshaw; both are also under study in this Report. The PC Emporium Secondary Track connects at Johnsonburg and the Ridgway Secondary Track connects at Brockway; both lines are also under study. The Pittsburg & Shawmut RR connects at Brockway Yard. This line was not described as potentially excess in the U.S. DOT Report (see Zone 74).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:

Mount Jewett	0
Freeman	0
Hutchins	0
Midmont	0
Rasselas	0
Ketner	0
Clarion Junction	0
Johnsonburg	531
Brockway	938

Total carloads generated by the line	1,469
Number of round trips per year	300
Estimated time per round trip (hours)	14.0
Locomotive horsepower	2,500
Revenue received by EL	\$644,281
Average revenue per carload	\$439

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	408,579
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	352,505

Total variable (avoidable) cost 761,174

Net contribution (loss): total (116,893)

USRA Recommendation

It is *not* recommended that this portion of the Bradford Branch be included in the ConRail System. Con-

PUBLIC RESPONSE AND RSP0 COMMENT

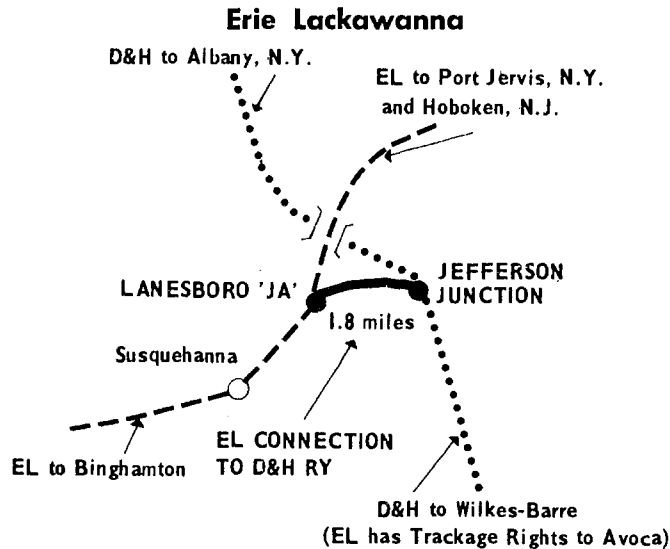
—According to the representative of the Metropolitan Edison Company, (Met-Ed), a wholly owned subsidiary of General Public Utilities Corporation, portions of USRA Lines No. 1252, 1228, and 1222 are needed for shipments of coal to Met-Ed's Portland Station. Most of the 69.5 miles of line 1252 are involved in this movement. The company contends that the carload statistics as shown in the Preliminary System Plan are incorrect due to the exclusion of transfer carloads. Met-Ed consigned traffic

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1254 PENNSYLVANIA

USRA ANALYSIS CONNECTION TO D&H RY

USRA Line No. 1254



This Connection to the Delaware & Hudson Ry extends from *Jefferson Junction* (Milepost 1.7) to *Lanesboro, Pa.* (Milepost 3.5), a distance of 1.8 miles, in Susquehanna County, Pa. At *Jefferson Junction*, this line connects with the D&H Ry Albany-Wilkes-Barre line. The EL operates south over the D&H under a trackage rights agreement. At *Lanesboro "JA"*, the line connects with the EL Hoboken-Binghamton via *Port Jervis*. This line was not described as potentially excess in the U.S. DOT Report (see Zone 53).

USRA Recommendation

It is *not* recommended that this Connection to the Delaware & Hudson Ry be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony regarding this line pointed out its importance as a high and wide clearance route. The facts, as submitted by the Delaware and Hudson Railway, are that due to clearance limitations in D&H's tunnel (between Binghamton and Nineva, New York) the *Jefferson Junction* connection (Line 1254) has for years been used as an interchange point for abnormal clearance loads. Regular movements on this line include auto parts in 89 foot high-cube box cars as well as large open loads such as electric generators and turbines from General Electric Company plants. The D&H—EL interchange for the year 1974 comprised 1,678 cars.

—Richard Haupt, representing Ford Motor Company, stated this line is vital. Ford ships from its manufacturing plant in Green Island, New York to 21 North American assembly plants. A majority of this traffic travels over line 1254 in high-cube box cars (17' high, 10' wide and 93' 11" long). Other interchanges from D&H to EL cannot be used. Shipments in other than the high-cube box cars would have a severe economic impact on Ford and the railroads involved as they would have to furnish twice as many rail cars to meet Ford's shipping requirements. Ford ships 650 carloads per year via this interchange, and these cars must be returned empty via *Jefferson Junction*. The only alternative connection from the D&H is to the Penn Central at Wilkes Barre, involving Lines 192/192a/192b/192c which have not been recommended for inclusion in the ConRail System by USRA. Testimony from General Electric pointed out similar facts.

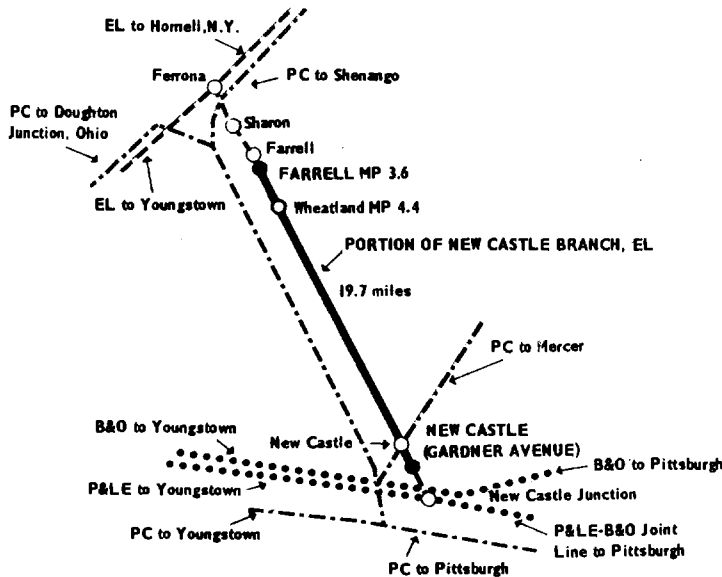
—The Railroad Task Force for Northeast Region stated that this line is not only needed for its high and wide clearance but also for taking care of any emergency derailments which might occur on other lines in the surrounding region.

—Testimony received from Penn DOT and the United Transportation Union pointed out that the loss of high-wide capability and loss of detour alternatives would cost far more in time and money than the annual cost of maintaining this line.

—The Pennsylvania Public Utility Commission would not object to acquisition of the line by D&H but questions whether the cost of operating the line should be imposed on D&H.

—The Railway Industrial Clearance Association reported that this is an excellent clearance line with dimensions of 19 feet ATR and 13 feet 6 inches wide. It is part of the only east-west clearance route from New York to Chicago.

USRA ANALYSIS
PORTION OF NEW CASTLE BRANCH
USRA Lino No. 1256
Erie Lackawanna



This portion of the New Castle Branch extends from *Farrell* (Milepost 3.6) to *New Castle, Pa.* (Milepost 23.3), a distance of *19.7 miles*, in Mercer and Lawrence Counties, Pa. At *Farrell*, the line continues north to *Ferrona*. At *New Castle*, it intersects the *PC Houston Secondary Track*, also under study. This line was not studied in the U.S. DOT Report (see Zone 75).

Traffic and Operating Information

Stations (with their 1973 carloads) served by this line:	
Wheatland	158
West Middlesex	113
Pulaski	18
Nashua	0
Water Works Siding	0
<hr/>	
Total carloads generated by the line	289
Number of round trips per year	104
Estimated time per round trip (hours)	7.0
Locomotive horsepower	2,500
Revenue received by EL	\$87,991
Average revenue per carload	\$304
<hr/>	

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	176,944
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line	46,245

Total variable (avoidable) cost..... 223,189

Net contribution (loss): total..... (135,198)

USRA Recommendation

PUBLIC RESPONSE AND RSPO COMMENT

—The Shenango Valley Chamber of Commerce reported that it is developing a 500 acre industrial park adjacent to segment 1256 which would require rail service. Also, abandonment would eliminate rail service from users in West Middlesex since the Penn Central tracks and most industry are on opposite sides of the Shenango River. The Chamber felt that data used was not proper for accurate analysis and that overhead traffic should be considered.

—The Westinghouse Electric Corporation operates a plant at Sharon which manufactures large transformers. Westinghouse considers it essential that it continue to receive from the Pittsburgh and Lake Erie (P&LE) via either trackage rights or purchase. —Clearances on this line are 16 feet 4 inches ATR and 13 feet 6 inches wide.

—The P&LE emphasized its strong desire and intention to continue to serve shippers in Sharon, service presently provided via line 1256, the P&LE's only access to Sharon. The P&LE owns a fleet of cars especially configured to serve some of its Sharon customers.

—The Alpha Company, which owns 100 acres of land along the EL's Wheatland to New Castle line, opposes the abandonment of this line because its present plans call for extensive warehousing on its property contingent upon the availability of adequate rail transportation.

—Fleming Steel Company, located at New Castle, reported that since occupying its facility at the end of 1973, it has generated 56 carloads for a total revenue of \$30,000. According to Fleming, most of its inbound material and outbound shipments cannot be shipped by truck due to the width and length of the product. Fleming also reported that there is a 60 acre potential industrial site surrounding its plant.

—Arthur Epstein, of the H. Wolfe Iron & Metal Company, stated that the EL is important to the growth of industry in the area. Also as processors and recyclers of scrap iron and metals H. Wolfe buys scrap from the EL which comes from anywhere on the line to New Castle, freight free. To pay an additional freight charge on top of the price for this scrap would not make H. Wolfe competitive. Business expansion would be difficult and job losses would incur. H. Wolfe reported that its carloadings

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PENNSYLVANIA CONTINUATIONS

USRA Line No. 1225

—According to the EL trustees, there are 400 acres of prime industrial land served by this line near Underwood and a new industry has tentative plans to locate at the old Litton plant just north of Rock Junction.

—The Pennsylvania Public Utility Commission reported that freight rates have increased 22% since 1973, which is 3% more than the 19% required by USRA to make the line viable.

USRA Line No. 1228

—Berwick Forge and Fabricating, of Berwick, builds and rehabilitates rail cars. It used 5,596 cars in 1973. It is possible that USRA did not credit Berwick with a substantial number of these non-revenue cars. It is served by EL and PC but uses EL 70 percent of the time because of weight restrictions on the PC and because PC only serves it three times a week. If Berwick lost EL's daily service, it would be forced to reduce production by 15 percent, eliminating over 150 jobs and reducing its payroll by \$1.2 million. Improved rail service is an important factor in enhancing the company's growth opportunities.

—Champion Valley Farms, Inc., at Lime Ridge, generated 818 carloads in 1973. It could not use the PC as there is no physical connection between its plant and PC line (Line No. 660) which serves Berwick. Plant expansion hinges on continued rail service.

—Wise Foods at Berwick used 610 cars in 1973 and slightly more in 1974. As the result of an expansion, it expects to use 800 cars annually by late 1976. Loss of rail service would increase its transportation costs by \$300,000 annually.

—Pennsylvania Power and Light is building two nuclear units at Hicks Ferry, 5 miles northeast of Berwick. During the construction period, 1974 to 1980, it expects to ship 500 carloads annually to Hicks Ferry. In 1973 it received 7 carloads, in 1974, 84, and, in the first 4 months of 1975, 104. Neither of the 2 alternatives, PC's Button and Dan Secondary (Lines No. 192, 192a, and 192b) or PC's Watsonstown Secondary (Line No. 660) are possible because of the lack of interchange points, the Susquehanna River, and the quality of track required for these heavy, over dimensional loads.

—The Regional Rail Task Force and the SEDA Council of Governments assigned 4,963 carloads to this line in 1973. The Task Force disputes USRA's contention that companies in Berwick could use PC's Watsonstown Secondary Branch and that local service could be provided by PC's Buttonwood Secondary.

—Two new rail users, Dempster Dumpster and Carter Industries, located in the Northumberland area in 1974, and two others, Wise Foods and Cabinet Industries, expect to increase their car usage.

—Pennsylvania DOT reported that 48,463 cars were through-routed over this line in 1973, 1,500 of which carried coal from West Virginia to the Metropolitan Edison coal fired generating station at Portland. USRA failed to consider bridge traffic in its viability calculations.

—If service were abandoned, 5 plants would close, 816 jobs would be lost, payrolls would be reduced by over \$5 million, and transportation costs for local shippers would increase by \$1.4 million.

—The Wickes Corporation stated that it has a lumber and building supply center at milepost 206 between Danville and Northumberland. The facility will receive approximately 110 carloads in 1975. The company noted from the PSP that the entire Bloomsburg branch generated 1,750 carloads on its 59.6 miles in 1973. The 11 mile portion between Danville and Northumberland accounts for 18 percent of the mileage and 40 percent of the traffic on the branch.

—This is an alternate clearance route from Scranton through Rupert, Reading Company to Montgomery and PC south to Harrisburg. Without this line, it would be impossible to move some generating units to Pittsburgh Power and Light's two new stations at Berwick. The parallel PC line (Lines 192, 192a, 192b) has poor clearances and cannot match the dimensions of this EL line. Failure to retain this line would result in increased mileage and costs for all dimensional traffic shippers in the area.

—Pennsylvania DOT is critical because USRA costed service for all the cars actually moving over the line but counted revenue from only selected local cars.

—Local 1932 of the UTU stated that 41,950 cars used the line in 1973. This figure does not include the 3,810 cars that were generated locally. The UTU spokesman stated this line is the only railroad line that can efficiently service Berwick.

—Congressman Joseph M. McDade stated that USRA's treatment of this line is a glaring example of how it has based calculations on misinformation and made decisions which contradict or fail to support earlier policy options.

—Loss of this line would deny service to major rail users in Bloomsburg, Berwick, and Danville. It would cause three plant closings with an estimated job loss of 650 workers.

CONTINUATIONS PENNSYLVANIA

—USRA ignored traffic generated on this line at Berwick claiming that Berwick can be served by PC's Watertown Secondary. The PC line is in poor condition and cannot handle 100 ton cars due to weight restrictions. If Berwick traffic were included, the line would probably be classified as marginal. Use of the line might be more beneficial than rehabilitating the PC line.

—Congressman Herman T. Schneebeli is disturbed that abandonment of this line and PC's Button and Dan Secondary Tracks would add yet another burden to the economic troubles facing the region.

—Rail service over this line is crucial to the future of the Kennedy Van Saun Corp. in Danville. It used 142 cars in 1973, 154 in 1974, and expects to use 160 in 1975 and a minimum of 170 per year by 1977. Abandonment of this line and the West Milton-Rupert Branch of the Reading would leave it without rail service, cause it to lose 10 percent of its current business, and eliminate 50 jobs.

—SEDA-COG Regional Railroad Task Force estimates that abandonment as proposed by USRA would cause 3 plants to close, eliminate approximately 500 manufacturing jobs, diminish total income loss by some \$6 million, and cost local shippers \$1 million in additional transportation expense, result in 4,150 additional truckloads on area highways and increase airborne pollutants by 131,000 pounds.

—The Susquehanna-Wayne County Environmental Action Team and the Citizens Against Nuclear Danger do not want the line included in ConRail because of the danger to people in the area from rail operations.

—The Pennsylvania Public Utility Commission noted that Berwick-Erie Lackawanna customers cannot be reached from PC's Watertown Branch except through a private siding and the Watertown Branch between Strawberry Ridge (MP 12) and Berwick (MP 38) is in very bad shape with only 85 lb. rail. This routing crosses three Berwick streets that handle over 14,000 vehicles per day. The PUC disputes USRA's claim that if the Delaware & Hudson Railway Company used PC Lines 192, 192a and 192b, for through service, local service to the majority of the traffic generated on this EL line would be preserved because the lines are on different sides of the river and there is no physical connection.

—The Economic Development Council of Northeast Pennsylvania wonders if data relating to line retention is being screened out by USRA because it is not suitable for the design of one large ConRail. The Council is particularly aware what restructuring

the EL could do to the D&H and the connecting B&M which depend upon reasonable routes and connections to compete with PC or ConRail.

USRA Line No. 1238

the revenue received by the EL.

—The Pennsylvania DOT shows actual carloads in 1973 was 3,098.

—Congressman Joseph M. McDade is unable to comprehend how USRA could recommend non-inclusion of this line in ConRail after it acknowledged that the economy in Wayne County would be adversely affected.

—If dairy farms have to truck grain into Wayne County from the midwest, feed costs will increase by from \$4 to \$6 per ton. The eleven feed mills in the county would have to make capital expenditures to convert their on-line facilities to receive truck shipments. The result would be higher prices for consumers.

—Cities Service Company shipped 21 hopper cars of carbon black in 1973 and 24 cars in 1974 from points in Texas and Louisiana to Moore Business Forms at Honesdale. Cities Service wants service retained.

—The Wayne County Commissioners predicted severe unemployment would result if service were terminated. The major highway in the area, Route 6, is now carrying 12,000 vehicles per day even though safe capacity is only 6,000. Adding another 8,700 tractor trailer units would cause intolerable congestion. The Commissioners claimed USRA is ignoring community impacts in making line retention decisions.

—American Manufacturing, a new company in the area, is scheduled to start production shortly after July 1, 1975. It is delaying a \$50,000 capital investment until the line's status is clear. This is just one example of how the uncertainty of the railroads' future is discouraging investment in local industries. American Manufacturing expects to generate 220 cars a year.

—The Wayne Industrial Development Corporation and the Wayne County Development Authority spoke of the importance of rail service to the area's economic growth.

—S. J. Bailey & Sons, Inc. of Clarks Summit, the second largest domestic producer of unpainted pine furniture, employs 375 people and has an annual payroll of \$2.7 million. It believes USRA did not consider 150 cars it generated outbound. It expects to increase both its inbound and outbound rail movements.

PENNSYLVANIA CONTINUATIONS

—Seventeen shippers, employing 1,323 people, having an annual payroll of \$7.8 million and using 2,400 freight cars per year with annual revenues of \$2 million, would be left without rail service if this line ceased to operate.

—The Wayne County Planning Commission presented a detailed analysis of USRA's cost calculations. Among other things the Committee claims USRA's omitted traffic from the Haley stations at Church Street and East Haley. It also differs with USRA on the cost of normalized maintenance, claiming it should be \$58,600 for this line, \$55,133 less than the amount estimated by USRA.

—Worth Bat has increased its traffic from 59 to 88 cars.

—The Sullivan County, New York Board of Supervisors stressed the importance of this line to rail users of the EL Port Jervis main line. The Board listed 17 firms located on the Erie main line in Sullivan County, which use 2,206 cars per year. It also identified the following shippers on the Honesdale Branch in Wayne County, Pennsylvania:

Name of company	Location	Number of employees	Annual payroll	Cars per year
Vogler & Son.....	Hawley.....	1		15
Gumble Bros.....	Lakeville.....	100	\$613,000	55
Worth Bat.....	White Mills.....	18	150,000	75
S. J. Bailey.....	Honesdale.....	225	1,400,000	775
Moore Business Forms.....	Honesdale.....	255	2,600,000	1,578
Honesdale Milling.....	Honesdale.....	16	140,000	230
Wayne Feed Supply.....	Honesdale.....	3	32,400	60
Agway.....	Honesdale.....	10	100,000	51
Kreitner Bros.....	Honesdale.....	6	55,000	12
Narrowsburg Lumber.....	Honesdale.....	16	129,548	25
Kinsman.....	Honesdale.....	17	157,000	2
Murray Co.....	Honesdale.....	43	300,000	2
Wayne Co. Wool Growers.....	Honesdale.....	9		1
Bold's Roadside.....	Honesdale.....			3
Wayne Independent.....	Honesdale.....	20	165,000	8
Waymart Bldg. Ctr.....	Waymart.....	6	64,868	12
Christian Farmers.....	Shohola.....	2	16,000	121
Sullivan Co. Highway.....	Shohola.....	195	1,700,000	2
McKean Pet Food.....	Lackawaxen.....			18
Total.....		942	7,622,816	3,045

—The Southern Tier Rail Users Association is concerned that loss of branch line traffic would damage the profitability of the EL main line between Binghamton, New York and Hoboken, New Jersey via Port Jervis.

—Congressman Matthew F. McHugh cited the close economic ties between Sullivan County, New York and the area served by this line and asked that USRA reconsider its recommendation that this line not be included in the reorganized rail network.

USRA Line No. 1252

over this line primarily in 7,000 ton unit trains; for 1973 total tonnage was 173,975 or 2,367 cars. Total tonnage for 1974 was 355,729 or 4,073 cars. Truck

transportation is not practical due to cost, highway conditions, and environmental impact.

—Penntech Papers, Inc. of Johnsonburg, Pa., is concerned about the segmentation of lines 1251 and 1252. They feel that re-evaluation of these lines will show a joint profit of over \$250,000. Continued rail service is necessary for Penntech's existence at this location.

—According to a statement from the Pennsylvania DOT, USRA has not reported data correctly for the line, since it seems obvious that trains would not operate six days per week when there are only five cars per train, over a 70-mile haul. Penn Dot estimates the operational cost could be only \$210,000 per year for this line, not \$408,579 since three-day per week service will satisfy the traffic volume and since trackage rights do not require avoidable track maintenance. Through traffic on the line from the Pittsburgh & Shawmut Railroad has been ignored (13,975 cars in 1974). The Penn DOT feels the best plan would be to coordinate the Chessie and the EL, so that this line would become a joint operation under one aegis.

—A Penn DOT shipper survey shows that one plant would close as a result of abandoning this line, creating a loss of 761 jobs and a payroll loss of \$5,475,000.

—Brockway Glass Company, Inc. at Crenshaw received 167 carloads and shipped 549 carloads of freight in 1973. Trucking of the materials Brockway uses would make costs prohibitive and the firm would have to curtail production with at least a 50% reduction in its present manufacturing operation.

—The Board of Public Utilities, Jamestown, New York, is concerned about the future of coal shipments routed over this line.

—The North Central Pennsylvania Regional Planning and Development Commission opposes the abandonment of line 1252 because the line is predominantly used for transportation of coal. The Commission suggested that the current branch line cost and revenue figures used by USRA are incomplete and highly suspect. The Pittsburgh and Shawmut Railroad, (P&S), a shortline coal hauler, has a terminus at the Brockway Yard.

—If service along this line were left to only the B&O, it would need 14,000 cars to serve the coal industry alone.

—The Pennsylvania PUC claims its records show an increase of 1,800 carloads of traffic should be credited to this line. It has no objection to excluding Con-

Rail and other carriers from this area provided the B&O will purchase the facilities needed to provide service now given by the EL.

—Portions of this segment are owned by the B&O, with the Erie Lackawanna operating over the B&O on trackage rights between Howard and Mt. Jewitt and between Clarion Junction and Brockway. Conversely, the B&O operates on trackage rights over EL trackage between Mt. Jewett and Clarion Junction, a distance of 18.9 miles. The Chessie System stated that it will continue B&O operation over this line after discontinuance of EL service. The Chessie is interested in acquiring the segments of track necessary to continue service to Erie Lackawanna customers at Johnsonburg and at Brockway.

Line No. 1256

from Youngstown, Ohio have been 31 cars in 1973 and 29 in 1974.

—Pennsylvania DOT reported 1973 actual carloads were 532 as opposed to the 289 reported by USRA and contended that under normal conditions the line can generate 667 carloads (this includes Lane Metals Products and Young Galvanizing which opened in 1974). Since USRA does not include overhead traffic, Penn DOT feels the data is incomplete. A major industry reported that 3,800 cars of overhead traffic move annually via the New Castle Branch. Without rail service Penn DOT estimated there would be five plant closures, 209 jobs eliminated and a payroll loss of \$2,641,000. Transportation costs would be increased by \$90,000.

—Thomas Shumaker, County Commissioner of Lawrence County, Pa., stated that the EL line serves the Pulaski Industrial Park which has two tenants who have a combined rail usage of approximately 80 cars per year. These firms chose this location due to availability of rail service. This line is also used in case of truck strikes by the Western Pennsylvania Water Company to receive water treatment chemicals. Mesta Machine Company must use this line due to the location of its suppliers of plate steel. Mesta's 1974 volume was 200 carloads.

—Sharon Steel Corporation of Farrell, Pennsylvania, objected to USRA's recommendation unless an alternate arrangement is made which will allow the P&LE physical access to serve Farrell, Pa. Sharon Steel also believes overhead traffic should be included in the cost/revenue study.

—The Pennsylvania Public Utility Commission indicated in excess of 500 carloads should be credited to this line.

PART II: LINES NOT CURRENTLY BEING SERVED

1209—NY (Orangeburg to Nanuet Junction)

—The Rockland County Association, Inc., and other witnesses pointed out that certain portions of line 1209 remain in heavy use. Clevepak Corporation is located at milepost 1 and has annual shipments of approximately 600 cars. The Glenshaw Glass Company is located at milepost 4.3 and ships approximately 1,400 cars per year. The Hutton-Johnson Company is located at milepost 8.95 and generates 2 to 10 carloads per year. The latter company can be served by a spur off of line 1215. The Association stated that the section of line 1209 between mileposts 4.35 and 8.95 is unused, badly deteriorated in places and "of no immediate or apparent future value for freight usage."

—Clevepak Corporation reported that it has a paper mill one-half mile northeast of Sparkill, which is dependent on continued service over this line. In 1974 Clevepak received and shipped 8,000 tons of paper in 192 carloads.

1223—PA (Plains Junction to Pittston)

—The Railroad Task Force for Northeast Region, Inc., recommends that no determination be made until this line is studied further.

—The line has been used for coal loading years ago

but all the collieries and the tracks to them have been removed. In recent years it was used as an interchange between the EL and the Central of New Jersey. Now the Lehigh Valley has taken over CNJ business and interchanges with EL at Pittston Junction, Cockston Yard, instead of the old #7 Junction at Pittston.

1270—PA (Loomis Breaker to Hanover)

1271—PA (Warrior Run Branch at Hanover)

1272—PA (Avondale to Loomis)

—The Pennsylvania Department of Transportation pointed out that these three segments comprise the Hanover-Newport Branch which is in place but out of service since the flood of 1972 badly damaged the tracks. The last service on the line consisted of carloads of cinders moving over the line in 1970. Coal has not been loaded here for at least 10 years, though the tracks still exist into the old Loomis Breaker (half-way down the line) and the Bliss Breaker of the old Blue Coal Company (at Auchincloss).

—The Railroad Task Force for Northeast Region recommended that this line be left alone until after the development of the Final System Plan since further study is needed.

APPENDIX C

Subsidy Analysis

As we did in our *Evaluation of the U.S. Railway Association's Preliminary System Plan*, the Office has developed *hypothetical* rail service continuation subsidy amounts for all Erie Lackawanna lines not recommended for inclusion in ConRail based upon the 1973 revenue data and the service characteristics the Association used in its light-density analysis.

Calculations could not be made on the lines where no data was presented in the Plan. Included in this category are lines which the Association listed as having no shippers or out-of-service, or where trackage rights were involved.

The formula by which subsidies are to be calculated is detailed in the Standards for Determining Rail Service Continuation Subsidies (49 CFR 1125) issued by the Office.

These estimates were compiled by modifying the Association's viability analysis computer program to simulate results of the Subsidy Standards formula. However, the time available did not permit correction of the Association's traffic data and service characteristics errors. As a result, these estimated subsidy amounts reflect the *approximate subsidy amounts* which would be required for individual lines based on the traffic and cost information presented by the Association in the Supplement. Corrections of such information could substantially change the amount of subsidy.

The primary modifications made to the Association's viability analysis procedure to simulate the Subsidy Standards are:

- Elimination of indirect and overhead cost items.

- Reduction of "normalized" maintenance costs to \$1,000 per mile.

- Allocation of rehabilitation costs over the two-year period covered by the Federal participation in the subsidy program.

Realizing that most branch lines will not be upgraded during this two-year period, we also calculated the subsidy required without rehabilitation. Because subsidy

calculations include only "avoidable costs" as opposed to the "variable costs" used by the Association, a line may show a profit under the Subsidy Standards even though it is not recommended for inclusion in ConRail. The Subsidy Standards specify a \$1 subsidy for these lines. Thus, the estimates included in this Appendix may indicate a \$1 subsidy for a given line.

Table C-1 summarizes by State the subsidy amounts required to operate all lines for which the Association developed data but which were not recommended for inclusion in ConRail. This State summary table includes the estimated subsidy amounts for all excluded lines, combining the lines from the Erie Lackawanna Supplement with those excluded in the Preliminary System Plan. They are summarized both with and without inclusion of rehabilitation costs. These calculations also include the subsidies for portions of line segments excluded by the Association and a proration of the estimated subsidy payment for interstate lines between the two States involved. Each State's entitlement under Section 402 (b) (1) of the Act is also shown. As can be seen in the Table, no State's need for Federal funds exceeds its entitlement for the operation of all such lines under subsidy without rehabilitation. However, with rehabilitation included, the entitlement amounts for Maryland, New York, Michigan, Indiana, and Ohio are less than the Federal share of the necessary subsidies. These differences could easily be covered by the \$45 million per year of discretionary funds authorized by Section 402(b)(2) of the Act.

Table C-2 contains details of the estimated subsidies for individual Erie Lackawanna lines, grouped by State, with an allocation for each State's share of the interstate lines involving that State. The subsidies required for the entire length of interstate lines are included after the State listings. It is important to note that these are hypothetical amounts based on the 1973 data used by the Association and, consequently, actual subsidy requirements may differ substantially.

TABLE C-1.—Summary by State of Federal funding availability and hypothetical subsidy requirements

State	Annual Federal funds entitlement ¹	Without rehabilitation to FRA class I			With rehabilitation to FRA class I (rehabilitation cost spread over 2 years)		
		Estimated annual subsidy payment	Federal share (70 percent)	State share (30 percent)	Estimated annual subsidy payment	Federal share (70 percent)	State share (30 percent)
Connecticut.....	1,350,000	396,000	277,000	119,000	1,133,000	793,000	340,000
Massachusetts.....	1,350,000	596,000	417,000	179,000	1,804,000	1,263,000	541,000
Rhode Island.....	1,350,000	80,000	56,000	24,000	221,000	155,000	66,000
Delaware.....	1,350,000	179,000	125,000	54,000	899,000	629,000	270,000
Maryland.....	1,350,000	475,000	333,000	142,000	2,197,000	1,538,000	659,000
New Jersey.....	1,350,000	762,000	533,000	229,000	1,202,000	841,000	361,000
New York.....	4,100,000	2,805,000	1,904,000	841,000	7,422,000	5,195,000	2,227,000
Pennsylvania.....	4,500,000	3,537,000	2,476,000	1,061,000	5,854,000	4,098,000	1,756,000
Illinois.....	4,500,000	923,000	646,000	277,000	2,500,000	1,750,000	750,000
Indiana.....	4,500,000	2,431,000	1,702,000	729,000	6,067,000	4,607,000	2,000,000
Michigan.....	4,500,000	3,897,000	2,728,000	1,169,000	8,770,000	6,139,000	2,631,000
Ohio.....	4,500,000	2,882,000	2,017,000	865,000	7,005,000	5,324,000	2,281,000
West Virginia.....	2,610,000	306,000	214,000	92,000	497,000	348,000	149,000
Virginia.....	2,880,000	1	1		265,000	185,000	80,000
District of Columbia.....	1,350,000	0	0	0	0	0	0
New Hampshire.....	1,350,000	0	0	0	0	0	0
Vermont.....	1,350,000	0	0	0	0	0	0
Maine.....	1,350,000	0	0	0	0	0	0
Total.....		19,269,000	13,488,000	5,781,000	47,030,000	32,925,000	14,111,000

¹ Funds authorized by section 402(b)(1) of the Regional Rail Reorganization Act.

TABLE C-2.—Hypothetical subsidy calculations by line

[Amounts in dollars]

USRA segment No.	Without rehabilitation	With rehabilitation
Indiana:		
1262.....	180,000	180,000
Interstate lines ²	131,000	131,000
Total.....	311,000	311,000
New Jersey:		
1204 ¹	3,000	3,000
1206.....	9,000	9,000
1207.....	19,000	19,000
1212.....	57,000	57,000
Total.....	88,000	88,000
New York:		
1219.....	20,000	20,000
1221.....	5,000	5,000
1233.....	55,000	55,000
1239.....	54,000	54,000
1240.....	112,000	112,000
1242.....	23,000	23,000
1244 ³		
1246.....	31,000	31,000
1247.....	82,000	294,000
1248 ¹	19,000	19,000
1250.....	47,000	47,000
Interstate lines ²	5,000	5,000
Total.....	453,000	665,000
Ohio:		
1258 ¹	33,000	159,000
1259 ⁴	1	1
1260 ⁴	1	1
1263 ⁴	1	1
1264.....	123,000	123,000

TABLE C-2.—Hypothetical subsidy calculations by line—Continued

USRA segment No.	Without rehabilitation	With rehabilitation
Ohio—Continued		
1266.....	71,000	128,000
Interstate lines ²	127,000	127,000
Total.....	354,000	537,000
Pennsylvania:		
1222.....	5,000	5,000
1224.....	20,000	20,000
1225 ⁴	1	1
1226.....	18,000	18,000
1228.....	175,000	175,000
1229.....	3,000	3,000
1238.....	33,000	33,000
1252.....	10,000	10,000
1254 ³		
1256 ¹	66,000	66,000
Interstate Lines ²	33,000	33,000
Total.....	372,000	372,000
Interstate lines:		
IN-OH 1261.....	258,000	258,000
NY-PA 1255.....	38,000	38,000
Total.....	296,000	296,000

¹ The calculations for this line segment are based on data for only that portion of the line not recommended for inclusion in Con Rail.

² The calculations for the interstate line segments have been prorated to the appropriate States on the basis of the percentage of route miles on the line in each of the respective States, and then summed by State.

³ USRA cost data not available.

⁴ The calculations for this line segment result in a positive net contribution, thus requiring only a one dollar (\$1.00) subsidy to continue rail service. Where rehabilitation costs exceed this net contribution, the net subsidy required is shown in the column "With rehabilitation."

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