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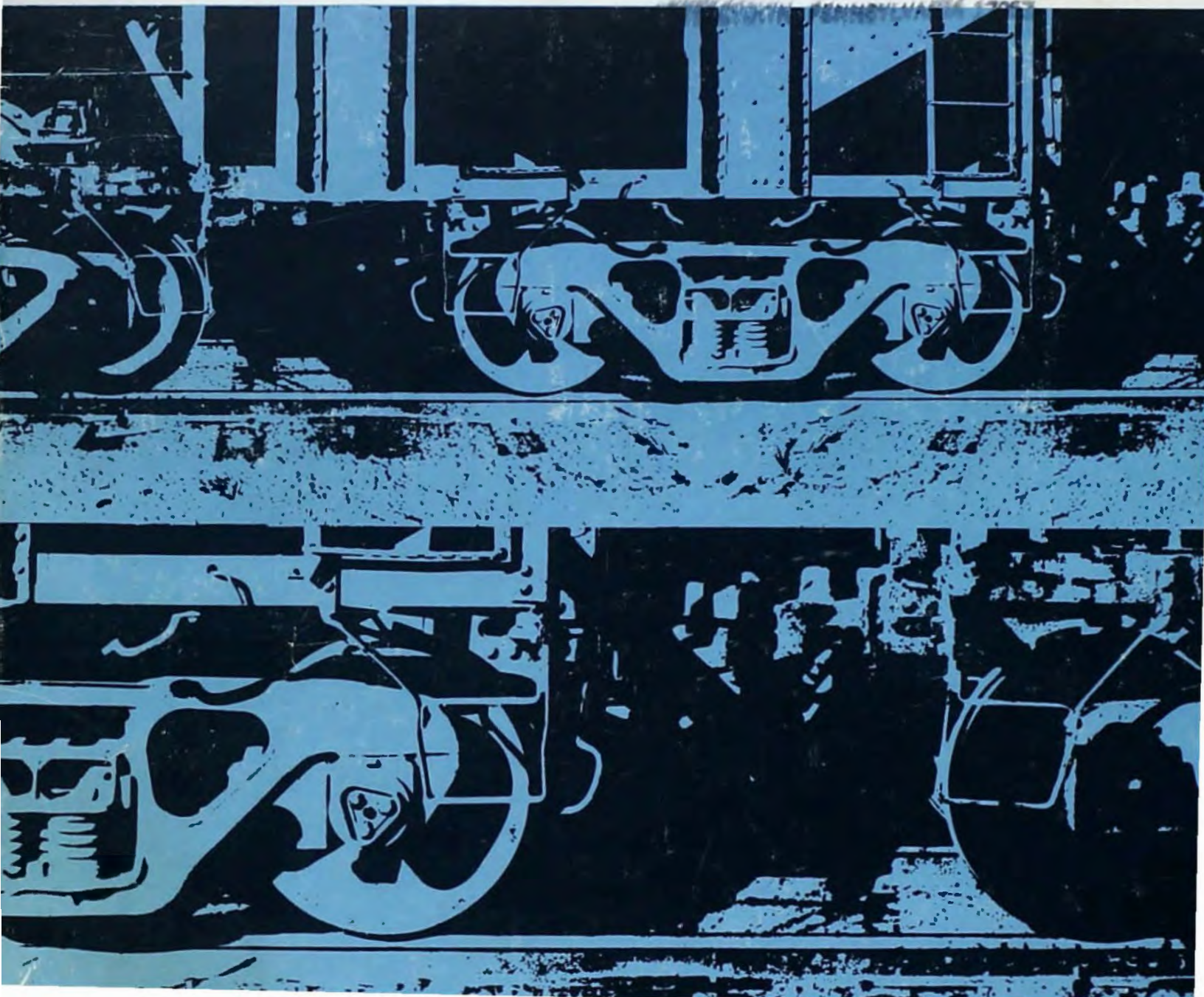
U.S. Railway Association's Preliminary System Plan

A Report of
Rail Service
Interstate
To the U.S.

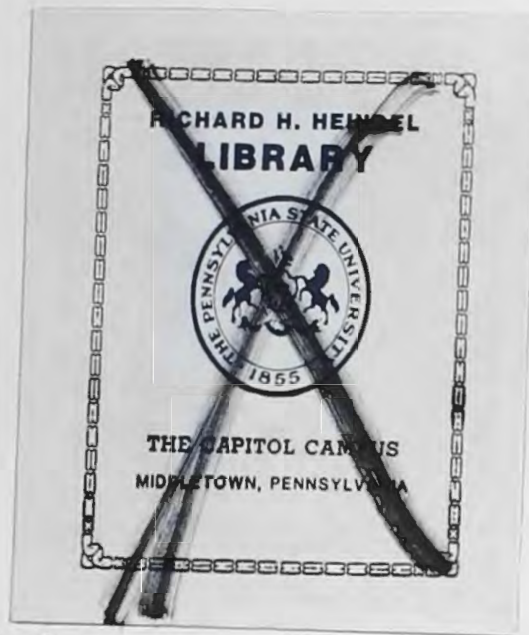
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Evaluation of the U.S. Railway Association's Preliminary System Plan

**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(a)(2) of the
Regional Rail Reorganization Act of 1973
(P.L. 93-236)

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

April 28, 1975



INTRODUCTION

With this report, the Rail Services Planning Office (the Office) makes its second official contribution to the railroad restructuring process set in motion early last year by the passage of the Regional Rail Reorganization Act of 1973 (the Act). Our first report, "Evaluation of the Secretary of Transportation's Rail Services Report," issued on May 2, 1974, contains a summary of the highlights of the planning process which need not be repeated. We will note here only that in creating the Office Congress gave it two major responsibilities. First, the Office is charged with providing for public participation in the planning process throughout its course. Second, the Office is directed to make its own analysis of two of the major documents required under the statutory scheme: the Report of the Secretary of Transportation on "Rail Service in the Midwest and Northeast Region" (the DOT Report), and the Preliminary System Plan issued February 26, 1975, by the United States Railway Association (the Association).

The accompanying report contains the Office's summary of the public comment on, and our own evaluation of, the Association's Preliminary System Plan (the Plan), and thus fulfills the requirements of section 207(a)(2) of the Act.

The Plan is a massive document, consisting of 18 chapters, 11 appendices, and 820 pages. It addresses, in addition to the eight stated statutory goals, issues as broad as the general state of the railroad industry—and in fact of the national economy as a whole, and as narrow as the correct location of a milepost on a rural

branch line. The task of arranging and conducting public hearings on the Plan and of preparing our own evaluation of it, all within the 60 days allotted us by the statute, has taxed to the utmost the resources of the Office and the abilities, patience, and stamina of its staff. Every member of that staff and its consultants, contractors and personnel borrowed from other government agencies and other offices and bureaus of the Interstate Commerce Commission, made significant contributions to the report.

Despite the size of the Plan, and the vast amount of work which it entailed, it is in many respects a disappointing document. In publishing it, the Association stressed that it was a *preliminary* plan. We agree that it was *preliminary*, but we must question whether it is a *plan*.

A plan for anything as important and as complex as a new railroad system must be at once a blueprint, setting forth clearly what the new structure is to look like; a set of specifications, not only describing the means, by which it is proposed to attain the end in view, but also explaining the planners' actions and revealing the factors that influenced their decisions; and a financial statement, disclosing the costs of the proposed project, the anticipated return on the investment, and the risks involved.

The Association's Preliminary System Plan is really more of a report or commentary than a plan. While it does designate—although often with less-than-desirable degree of accuracy—certain properties to be excluded

from the new rail system, it is markedly less clear as to what is to be included. This is a basic flaw in the Plan, and it is absolutely essential that it be remedied in the Final System Plan. To be legally sufficient, the Final System Plan will have to describe every piece of real property, every piece of equipment, every property right, every interest in affiliated companies, every intangible asset—if such there be—which is to be transferred from one of the railroads in reorganization subject to the Act to be Consolidated Railroad Corporation.

The developers of the Plan have failed to win the public's confidence in the correctness and wisdom of their decisions and in the accuracy of the information upon which they relied. This appears most clearly in the public comments on the light-density line analysis, and is apparent also in the wide-spread belief on the part of the public that inadequate attention was paid to several of the statutory goals. If the public—for whose benefit the whole restructuring process was undertaken—is to be satisfied with the result, the Association will have to demonstrate, in the Final System Plan, that the underlying data upon which it relies are correct, complete, and up-to-date; that its decision-making process—its “methodology”—is rational and fair; and that in reaching its conclusions it has taken into account, and made an honest effort to balance, all the stated goals of the Act.

The Plan suffers from a failure to provide convincing financial underpinnings for the system which the Association would create. The Act provides for a very substantial public investment in the railroad system which the Association is called upon to design. There can be no doubt in the mind of any reader of the Plan that that investment is going to have to be a great deal larger even than the Act contemplated. The Final System Plan, then, will in effect be a prospectus which will describe an investment opportunity to those who will be called upon to make available the necessary funds. The investment opportunity involved is a new rail system for a large part of the United States, and the potential investors are the American people, acting through their elected representatives who will have to make the decision whether, and to what extent, public monies should be committed to this endeavor.

If there is one point which the Office would like to urge upon the Association it is that the Final System Plan must make full disclosure, in the same sense that this is required of a prospectus filed with the Securities and Exchange Commission. It must be candid about the cost of rehabilitating the essential rail properties of the bankrupt carriers, and about the likelihood of Con-

Rail's being able to attract both new and competent management and new and profitable business. It must tell the truth—without attempting to disguise unpleasant realities in accounting legerdemain or behind the mask of econometric jargon—about ConRail's prospects for success as a railroad operating in the private sector.

The report which follows contains, first, the Office's critique of the Plan and its recommendations to the Association. Chapter I is devoted to a summary of the public comment on the Plan. Chapters 2 through 5 contain the Office's analysis and comments on the Plan. There are three appendices which detail the results of our reviews of the coordination projects listed in the plan, of the Association's decisions to exclude certain light-density lines from the system, and of the adequacy of the rail service continuation subsidy program established under Title IV of the Act.

Second, the report contains the Office's recommendations to the Congress for new legislative initiatives which we think advisable, if not absolutely necessary, to alleviate the problems faced by the railroad industry and to cure certain defects which we believe to exist in the Act. At the close of our discussion in Chapter 4 on the Association's light-density line analysis, we propose amendments to the Act which would keep lines proposed for exclusion from ConRail in operation for a two-year period while further study of their possible role in the restructured system is carried out. Chapter 6 deals with the funding problems which ConRail will face, and with those faced by the railroad industry in general, and suggests a Federal-aid program to assist in the rehabilitation of railroad properties and in the improvement of other surface transportation facilities.

A brief note concerning the status of the Erie Lackawanna Railroad seems in order. Much of the Association's work on the Plan had been completed before the EL announced that it could not reorganize under section 77 of the Bankruptcy Act, and that it would seek reorganization under the provisions of the Act. Thus, many of the Association's calculations fail to take the EL's inclusion into account, and the same is true of our review. The Association is now conducting analyses of the EL's system, its traffic, and certain of its branch lines. Should the Association publish its findings on these analyses in time for us to do so prior to the issuance of the Final System Plan, the Office plans to provide an opportunity for public hearing and to issue a supplemental report summarizing the public testimony and providing its own comment on the Association's findings with respect to the Erie Lackawanna.

PRINCIPAL RECOMMENDATIONS

Having reviewed the Preliminary System Plan and the public testimony which has been submitted, the Office makes the following principal recommendations to the Association:

THE FINAL SYSTEM PLAN

The Final System Plan should describe the physical characteristics of the new rail system clearly and unambiguously. It should include maps depicting in detail the railroad lines and other transportation properties which are to be included in the ConRail system or systems, or which are to be acquired by other carriers. It should contain a legally sufficient description of all properties to be acquired by ConRail.

The Final System Plan should be a prospectus providing full and fair disclosure of all facts which might materially affect ConRail's potential success, including the cost and timing of programs for rehabilitating properties to be acquired; ConRail's ability to attract traffic and transport it at a profit; its capital requirements and the availability of the needed capital from public and private sources; and the anticipated return on that capital.

THE STATUTORY GOALS

The Association should give full consideration to the social goals enumerated in section 206(a) of the Act which it appears to have subordinated to the single goal of system profitability.

The Association should not assume, as it appears to have done hitherto, that all unprofitable rail services are local in nature so that their continuation is the

responsibility of State and local governments or rail service users. Rather, it should recognize that some such services may be needed to further the national interest as expressed in the Act's social goals, and that the responsibility for their continuation falls upon the Association and upon ConRail.

THE REGIONAL SYSTEM

The Association should give further consideration to the creation of the "Mid-Atlantic/EL" System, built around the lines of the Lehigh Valley, the Reading, the Central Railroad of New Jersey, the Lehigh and Hudson River, and the eastern portion of the Erie Lackawanna, as a means of meeting the essential transportation requirements of the Region and of providing necessary competition for ConRail.

- The Office agrees with the Association that the Three Carrier System which it proposes would satisfy the goals of the Act and reasonably meet the needs of the Region, but we do not believe it to be the best solution.
- Failure of either the Norfolk & Western or the Chessie System to participate in the Three Carrier System would lead to the establishment of a Two Carrier System which would not provide an acceptable restructuring alternative.
- Establishment of the Mid-Atlantic/EL System to serve approximately the eastern half of the Region would retain existing competition in the Northeast without artificially creating new competition, and would preserve independent access to important East Coast markets for the principal solvent railroads in the Region.

The Association should give further consideration to the capacity of certain lines proposed for use as through freight routes to handle the projected ConRail traffic, and, in particular, lines upon which it is proposed to reroute through freight traffic now handled over the Northeast passenger corridor.

The Association should clearly spell out ConRail's responsibilities to the other carriers in the region for the maintenance of through routes and joint rates, and consideration should be given to the development and application of any necessary protective conditions.

The Association should reassess its estimates of yard capacities, which appear to the Office to be unduly optimistic.

The Association should initiate studies looking toward coordination and consolidation in terminal areas. Despite the complexity of a terminal rationalization project, and despite the fact that detailed analysis and final implementation would be ConRail's responsibility, the importance of terminal area improvements to the viability of the regional system demands that this task be undertaken without delay.

The Association should clarify its position with respect to the many proposed coordination projects listed in the Preliminary System Plan. The Final System Plan should provide for the joint use of rail facilities by more than one carrier wherever this would be feasible and cost-effective.

FINANCIAL CONSIDERATIONS

The Association should assure that the Final System Plan embodies full and fair disclosure of all the pertinent financial and operational facts and risks with such detail, accuracy, and clarity as to facilitate analysis and elicit confidence in the integrity of the pro forma financial statements.

The Final System Plan should disclose—

- The identity of the management of ConRail with sufficient detail as to the background, qualifications, and potentially conflicting interests, if any, of the directors and principal officers as will permit informed assessment by interested parties of their abilities to achieve the results projected in the pro formas.
- The values of the rail properties to be acquired by ConRail or other carriers pursuant to the Final System Plan.
- The capital structure of ConRail; the values of the securities to be issued by it; the “other benefits,” as required by section 206(f) of the Act; and the values of the considerations to be exchanged by other railroads in the Region for properties or rights to be conveyed to them.
- The manner in which employee stock ownership plans may be utilized for meeting ConRail’s capital requirements, as required by section 206(e) (3) of the Act.
- The proposed treatment of leased lines and the effects of such treatment on ConRail’s pro forma balance sheets, income statements, and funds requirements.
- The extent, if any, to which the pro forma projections apply to a system structure other than the one actually proposed in the Final System Plan, and the degree of similarity of such other structure to the actual proposal.
- All the significant assumptions, calculations, data and estimates affecting the pro forma income statements, balance sheets, and funds requirements statements in such detail as will permit the application of customary analytical and verification techniques.
- The degree, if any, to which the reimbursement provided for in section 509 of the Act will fail to cover ConRail’s employee protection costs.
- Pending or anticipated litigation, if any, which might materially affect the financial self-sufficiency of ConRail or the value of its securities.
- The amount, if any, of liability for unfunded pension benefits.
- Separately, the amounts of equipment rentals expected to be paid and to be received, by type of equipment, for each pro forma year.

LOCAL SERVICE

The Association should scrutinize with great care the results of any attempt, based upon purely statistical methods, to identify particular rail facilities as redundant, and should test any such statistical conclusions in the light of empirical evidence of local conditions.

The Association should consider lines as segments of a total system and evaluate their capabilities for contributing to overall system efficiency, rather than requiring that each line or mile of track meet a test of independent profitability.

The Association should review the underlying data relied upon by it in making light-density line decisions in light of the evidence submitted to the Office and summarized in Appendix B to this report.

The Association should review its light-density line methodology with a view toward assuring that—

- The lines and line segments to be reviewed as light-density lines are selected on a rational basis.
- Due consideration is given to the potential for industrial growth of the area served by each line subjected to the light-density analysis.
- Out-of-service lines that would meet important service needs if restored to operation or that have the potential for becoming profitable are not overlooked.
- All revenue sources for each line are properly identified.
- Costs be calculated on the assumption that operations will be conducted efficiently and not on the basis of operations utilizing obsolescent facilities.
- Return on investment not be included as a cost; or if it is to be included, that it be based on actual property values, less the cost of dismantling and disposition.
- The cost figures used in the light-density line analysis represent, wherever possible, actual costs incurred rather than estimates made by those not personally aware of local conditions or based on system-wide averages.

The Association should review its decisions resulting in the exclusion of light-density lines from the ConRail System from a broad perspective to assure that they would not result in the complete withdrawal of ConRail from a particular market area which, while it might not support all present rail services provided by the bankrupt carriers, would support at least some of those services.

The Association should consider the overall impact of the elimination of light-density lines on ConRail and the railroad industry as opposed to the impact on the particular railroad currently serving the line.

TRANSPORTATION DATA

The Association should assure that a comprehensive information system be installed in ConRail which would provide complete and accurate data upon which to base management decisions at all levels of operations.

MARKETING

The Association should continue its efforts to develop an enlightened marketing strategy, including a regional industrial development strategy, for ConRail's consideration. In doing so, it should reassess its freight revenue forecasts in the light of realistic appraisals of the outlook for the business activity of the Region and of industry served by ConRail.

INTERMODAL SERVICES

The Final System Plan should contain pro forma estimates as to the effects on ConRail's net income of the greatly expanded TOFC/COFC services proposed in the Preliminary System Plan.

The Association should consider the extent to which cooperation with motor carriers could achieve coordinated coordination efficiencies and service advantages, thus maximizing ConRail's earnings potential.

PERSONNEL PLANNING AND POLICY

The Association should recognize that the Final System Plan's, policies and programs affecting personnel will be of major importance, and they should be reviewed by experienced, understanding personnel experts before their release. The Association should not commit ConRail's management to rigid negotiating positions in advance of collective bargaining.

ConRail management should initiate meaningful discussions as soon as possible with contract and non-contract employees or their representatives.

The Final System Plan should make full and fair disclosure as to its personnel plans and policies, their effects on ConRail's finances, and their effects on the employees.

PASSENGER SERVICES

The Association should include in the Final System Plan a clear designation of the entity to own the Northeast Corridor; the price, conditions and timing of the transfer of ownership; and the entity to be responsible for Corridor operations and on what terms. It should give careful consideration to the potential disadvantages of designating Amtrak or some other entity without demonstrated railroad operating capabilities as the operator of the Corridor Services.

The Association should consider the advisability of doing in-depth studies of at least some of the passenger routes outside the Northeast Corridor which it has proposed for upgrading.

The Association should detail in the Final System Plan those lines over which are performed commuter services operated under contract to regional transportation authorities, the duration of those contracts, any unique considerations, and the recommended status of these lines in the proposed operating plan.

LEGISLATIVE RECOMMENDATIONS

The Final System Plan should contain the Association's legislative recommendations addressed to—

- Such changes as the Association thinks desirable in the provisions of section 301(d) of the Act affecting the composition of ConRail's board of directors.
- The means to be adopted for financing ConRail.
- Such changes as the Association considers necessary to limit or eliminate Con-

Rail's exposure to a deficiency judgment under section 302(c)(2)(C) of the Act.

- The action urged upon Congress, at page 134 of the Plan, to provide a means of encouraging the prompt resolution of interterritorial divisions disputes.

The Congress should move promptly to amend the Act to mandate another approach to the light-density line problem. The Office recommends that all lines not recommended for inclusion in the restructured rail system be kept in service for two years by ConRail, which would be reimbursed for any losses from the subsidy funds available under the Act. During the two-year period, accurate data would be assembled and further local-service line analysis performed. At the close of that period, the individual line retention decisions would be made, with ConRail acquiring the properties to be retained as provided in the Act. The two-year Federal 70 percent matching grant subsidy program would go into effect then for lines not acquired by ConRail.

The Congress should consider establishment of a broad-based Federal grant-in-aid program to provide funding to rehabilitate the Nation's railroad properties. The Office suggests a program by which matching fund grants would be made directly to rail carriers or to State transportation authorities for this purpose. It suggests, also, that this program be financed by the assessment of a tax on the fuel used by certain surface transportation vehicles and vessels.

Public Response to the Plan

Twenty-seven cities throughout the region were selected by the Office as sites for public hearings on the Preliminary System Plan. They were chosen on the basis of a number of factors, including the response to the hearings held by the Office in 1974 on the DOT Report, consultations with State and local officials, and recommendations of the "outreach" attorneys of the Office of Public Counsel. Twenty hearings were held the week of March 17th, and seven more during the week of March 24th. The hearing locations and the numbers of witnesses appearing at each location are as follows:

Akron, Ohio.....	59
Albany, New York.....	54
Allentown, Pennsylvania.....	30
Altoona, Pennsylvania.....	27
Boston, Massachusetts.....	117
Buffalo, New York.....	90
Charleston, West Virginia.....	24
Chicago, Illinois.....	38
Columbus, Ohio.....	95
Erie, Pennsylvania.....	59
Fort Wayne, Indiana.....	64
Green Bay, Wisconsin.....	40
Harrisburg, Pennsylvania.....	81
Hartford, Connecticut.....	129
Indianapolis, Indiana.....	94
Lansing, Michigan.....	176
Montpelier, Vermont.....	6
New York, New York.....	43
Pittsburgh, Pennsylvania.....	65
Providence, Rhode Island.....	36
Salisbury, Maryland.....	105
Scranton, Pennsylvania.....	79
Springfield, Illinois.....	78

Syracuse, New York.....	112
Traverse City, Michigan.....	74
Trenton, New Jersey.....	115
Washington, D.C.....	22

Over 1900 witnesses testified during the course of 87 hearings days, resulting in a hearing record of over 10,000 pages. More than 500 documents were submitted in lieu of oral testimony prior to the March 28th cut-off date, which had to be established in order for submissions to be considered in the preparation of this report. In addition, 36 witnesses testified at hearings held in Bear Mountain, New York and Bellmawr, New Jersey under the auspices of the congressmen from those districts. Verbatim transcripts of those hearings were provided to the Office for inclusion in the formal record.

As was the case with the hearings conducted previously on the DOT Report, complete copies of all hearing transcripts and of all written submissions have been provided to the Association.

The oral testimony dealt primarily with six major issues. Based on the number of people who testified on each issue, they can be identified in the following order of importance: (1) light density lines, (2) industry structure, (3) coordination with solvents, (4) passenger service, (5) financial structure, and (6) environmental concerns. Light density lines, as indicated, received the overwhelming proportion of attention at all the hearings, with over 1,400 persons testifying on this issue.

In addition to the written submissions and exhibits, the Office received approximately 145 "Information Request Sheets" from communities which have been col-

lecting data on branch lines in conjunction with the "Guide for Evaluating the Community Impact of Rail Service Discontinuance," prepared by the Office of Public Counsel. The purpose of the information requests is to allow communities to test the financial viability of branch lines using certain data gathered at the local level.

At each hearing location one or two attorneys from the Office of Public Counsel were assigned to assist the public. In addition to four permanent staff attorneys who were assigned to these hearings, the Public Counsel supplemented the staff with 25 other attorneys who were retained for this purpose. The outreach attorneys met continuously and extensively with the public in the weeks prior to the hearings and during the hearings themselves. The attorneys held over 200 meetings reaching approximately 2,000 people during this period.

As in the previous hearings, participants represented a broad cross-section of public interests including federal, state and local government officials, shippers, manufacturers, and consumers. Participation was particularly heavy in these areas potentially affected by a substantial loss of rail service, such as Michigan, the Delmarva Peninsula, and southern New England. Once again, the largest group of witnesses appearing were shippers and manufacturers whose businesses were seen as being altered by the abandonment recommendations in the plan. The testimony sharply and uniformly criticized the advisability of extensive rail abandonments as a means of providing a restructured rail system with adequate rail service. It would be difficult to overstate the vehemence of public opposition to the method employed by the Association for determining branch line retention or abandonment.

A frequently reiterated criticism was that the Plan failed to reflect the substantial amount of public testimony which had been submitted to the Office and the Association at the prior hearings and throughout the past year. Much of the extensive information concerning branch lines which had been accumulated and introduced into the public record was not mentioned at all in the Association's analysis. Many witnesses could not understand this oversight, and accused the Association of bad faith in its dealings with the public. The failure of the Association to consider their earlier submission undoubtedly caused some potential witnesses to become disillusioned with the effectiveness of public participation in the planning process and thus reduced the number of those willing to expend the time and effort to testify.

The sheer volume of the public response has prevented us from mentioning every proposal, concern, argument, or idea submitted in the course of the Office's very extensive information gathering efforts leading up to the publication of this report. Those submissions to which specific reference has not been made in the summary that follows have, nevertheless, been con-

sidered in the development of our comments on the Preliminary System Plan. Many of them have been helpful and thought-provoking, and the very substantial expenditures of time and effort put into their preparation by a very large number of concerned citizens is greatly appreciated.

INDUSTRY STRUCTURE

Most of the submissions that addressed the industry structure issue were complimentary of the Association for the completion of its task in the time specified. Others complained that it was difficult to comment on the Preliminary System Plan, stating that it is not really a plan at all, but rather a series of chapters and reports detailing a number of options.

Witnesses tended to support the three carrier system proposed in the Plan, yet there was general concern that the Chessie and N&W would not be willing to take over those operations in the Northeast which the Plan would assign to them. The statements submitted by the Chessie and N&W did not indicate any intention to participate in the reorganization process to the extent suggested by the Association. In fact, the N&W stated that the Association's solution was a "poor" one and that the Federal government should acquire the rights-of-way and facilities of the bankrupt railroads in the area east of a line drawn between Albany, New York, and Harrisburg, Pennsylvania.

Several witnesses expressed the hope that the Norfolk and Western and Chessie System would accept the challenge to provide competitive service. While it was recognized that these two carriers must protect the legitimate interests of their owners, the importance of maintaining viable, private enterprise rail service in the Region is of over-riding importance to the rail industry and to the users of rail transportation. One major advantage claimed for the three carrier proposals is that effective rail operations could be maintained during the three to seven year projected time period during which the physical plants of the bankrupts are being rehabilitated.

The comments suggested a variety of configurations and permutations for the restructuring of the bankrupt rail lines. Several shippers suggested including acquisition by the N&W of EL lines west of Buffalo with connections to the P&LE and the DT&I and acquisition by the Chessie System of trackage rights over the Reading from Philadelphia to Bound Brook with service to intermediate points.

One theme running throughout the public comment was a preference for as much competitive service as is possible. Connecticut, for instance, demands that both the northeast shoreline route and the Poughkeepsie Bridge-Maybrook route be retained for freight service. New Jersey requests two-carrier competition serving the Newark-New York area to the south. New York strongly

objects to the downgrading of the "Water-Level Route" along the western shore of the Hudson, and requests the retention of the EL line through Port Jervis, New York, as a mainline so that New York City will have competitive rail service. Basically, the New York State Department of Transportation wants two competing systems servicing the State; one based on Penn Central properties, and one based on EL and D&H properties.

The City of Philadelphia is critical of the Plan's failure to treat the City's obsolete and duplicative terminal facilities. The Association proposes to have the Chessie service Philadelphia, but the City sees it as unrealistic to expect that the Chessie would be willing to invest the \$30 million required to upgrade the rail network in the Philadelphia Terminal area especially in view of that carrier's commitment to the port of Baltimore.

The Philadelphia Port Corporation is concerned because there is no evidence in the Preliminary System Plan to indicate that the Reading trackage between Harrisburg and Philadelphia is capable of handling west bound traffic of the Chessie and the N&W, especially because it lacks clearances for extra dimension shipments or curvatures capable of permitting the passage of long cars.

Concern was expressed regarding the impact that ConRail competition may have on the profitability of surrounding solvent railroads. This was acute in New England, where it was feared that ConRail could bleed the Maine Central into bankruptcy, and force the B&M into the ConRail system. The DT&I, Grand Trunk Western, Green Mountain Railroad, and D&H also expressed concern that their operations could be adversely affected unless the final plan spells out more clearly ConRail's responsibilities to the solvents.

As an alternative to the monolithic ConRail system, it was suggested by several witnesses that the Association should have given greater attention to the idea of selling parts of the bankrupt system to solvent carriers within and outside the Region. It was argued that if the market place were allowed to operate, the solvents would pick up the most profitable parts of the present system, thereby isolating the segments most in need of federal funding. Furthermore, the participation of numerous solvents in the reorganization process, it was said, would provide a natural form of competition.

The Mid-Atlantic/EL proposal drew considerable comment, both pro and con. Because of the widespread view that the Chessie and N&W would not participate in the reorganization, it was felt that MARC-EL had to be carefully considered. Some believe that it holds promise as contrasted to the large ConRail which is minimally attractive due to size and unmanageability. On the other hand, if we understand the Chessie System's position, it believes there are too many railroads in the East, all competing for the same traffic, and that

MARC-EL as a competitor to ConRail would be superfluous. MARC-EL was criticized as being a perpetuation, at public expense, of a separate competitive system that would make ConRail's survival that much more questionable. However, MARC-EL was also supported by others as a necessary system to give competitive access for western carriers into eastern markets.

Regardless of the appropriate industry structure, it was generally agreed that the Association must give much more attention to the problem of mainline and terminal rationalization and that the "spaghetti" of redundant facilities throughout the Region must be eliminated.

Many witnesses, especially in New York and Pennsylvania, were apprehensive of the unknown role that the Erie-Lackawanna will play in the ConRail system and look forward to the supplemental report of the Association and the opportunity for public hearings on the disposition of the EL.

At least one leased line questioned its status in the Association's system structure. The Norwich and Worcester Railroad Co. wants to preserve its option of operating as an independent line between Groton, Conn., and Worcester, Mass. Despite the fact that its lease with Penn Central expired in 1969, the Association assumed that it could require the inclusion of that carrier's properties in ConRail.

The Lehigh and New England Railroad, on the other hand, wants to be included in ConRail, and some 70 industries support it in that request. Its lines were not treated in the Plan. Because of its lack of operating funds, service over its lines are now being provided in part by the Lehigh Valley and in part by the Reading under ICC service Orders Nos. 1207 and 1208.

The GSA Office of Preparedness stated that the Plan must take into consideration the requirement for rapid transportation capability expansion in times of emergency. The Department of Defense recommended that alternate lines and route flexibility be retained as much as possible. The National Transportation Safety Board recommended that the Final System Plan contain an evaluation of the impact of its route recommendations on transportation safety.

A number of comments were received by the Office on such subjects as nationalization of the ConRail carriers, government ownership of rail rights-of-way, and other means of increasing Federal support for the railroad industry. These comments are summarized in Chapter 6 of this report in connection with our discussion of funding requirements of ConRail and the railroad industry generally.

COORDINATION PROJECTS

Operating under its Congressional mandate as stated in section 206(d) of the Regional Rail Reorganization

Act of 1973, the Association compiled a list of coordination projects covering minor and major market extensions by solvent railroads, the sale of light-density lines of railroads in reorganization to connecting solvent railroads, and acquisitions of portions of solvent railroads by the ConRail system. A review of individual coordination projects, containing public comment and comment from the railroads involved, is contained in Appendix A.

Participants favoring the concept of coordination stressed the importance of allowing solvent carriers to acquire lines of the railroads in reorganization on the ground that these solvent carriers would be able to furnish superior service; supply adequate equipment to shippers; carry out adequate track maintenance; provide job security for railroad employees; and carry out research for innovative purposes.

An additional benefit would flow from the lower rates which solvents could offer as a result of acquiring connecting lines and increasing their share of the available traffic. Witnesses stated that the Southern Railway intends to institute reduced grain rates from the Midwest to the Southeast if it is allowed to acquire the Penn Central track between Indianapolis, Indiana and Cincinnati, Ohio via Shelbyville, Indiana (Coordination project Sou. 1). The Agriculture and Natural Resources Committee of the South Carolina House of Representatives estimates that this would provide a saving of over \$2.00 per ton on feed for South Carolina livestock and poultry producers.

Another benefit cited by the submissions was the strengthening of the solvent roads. For example, witnesses in favor of acquisition by the Detroit, Toledo and Ironton Railroad of ownership or trackage rights over one of two Penn Central lines between South Charleston, Ohio and Cincinnati, Ohio, reported that such acquisition would enable DT&I to compete effectively for a share of the substantial traffic between Detroit and Cincinnati.

Among the most favored projects is the purchase by the Southern Railway of the rail lines in the Delmarva Peninsula. This project envisions Southern operating the Norfolk-Cape Charles Car Float, the Delmarva rail lines, and the Reading Car float into Wilmington. The Southern has indicated it is willing to buy all lines on the Peninsula but will operate only those lines which are "profitable" unless a subsidy is offered to continue the remaining service. Furthermore, public money will have to be used to defray the cost of rehabilitating the Norfolk car float.

Strong support for this project was expressed at the hearings in Salisbury, Maryland. One hundred witnesses addressed themselves to this subject and all but three voiced support for the Southern take-over. There was also limited support for a take-over of the Delmarva lines by the Richmond, Fredricksburg and Potomac Railroad rather than the Southern.

On the other hand, many witnesses criticized both the concept of coordination as well as individual coordination projects. Numerous witnesses viewed with disfavor the Association's description of many of its coordination projects. Many of the projects were categorized too vague for meaningful comment. For example, the Association's project USRA-4 is described as "Norfolk and Western to acquire trackage rights from Central Ohio via Harrisburg to the Allentown/Bethlehem, Greater Philadelphia, and Wilmington areas, with or without access to on-line industry in and between those points." Pennsylvania's Governor Milton Shapp pointed out that no one could arrive at a responsible conclusion when "here is an offer to the N&W described as beginning somewhere in the middle of Ohio, extending eastward over tracks unspecified, of a railroad unspecified, providing or not providing local rail service along tracks it may or may not acquire through perhaps five metropolitan areas."

The public also voiced frustration over the inconsistencies between coordination projects and light density line recommendations. For example, the Association recommended that the portion of the Holyoke Secondary Track between Holyoke, Massachusetts and Westfield, Massachusetts, Line 683, be included in the ConRail system. However, coordination project MA-6 calls for the abandonment of the track between Holyoke and Westfield.

Another criticism was that the Association did not give adequate consideration to the feasibility of individual coordination projects. Project PA-7 calls for the B&O to acquire portions of Penn Central's South Work Force branch in Pennsylvania. Witnesses reported that the South Fork branch is expected to generate 8,000,000 tons of coal per year and noted that the B&O now has no way of connecting with the branch. Thus it was questioned whether the transfer of this branch to the B&O would impair ConRail's viability and whether it is physically possible for the B&O to serve the branch. The International Minerals and Chemical Corporation charged that the Association, by listing projects such as these, is in effect providing monetary incentives to solvent carriers to encourage their acquisition of less profitable operations elsewhere.

International Minerals and Chemical objected to the Association's prohibition of the purchase by solvent carriers of excluded light-density lines which would create additional competitive routes. The company contended that this prohibition is directly opposed to the goals of improved productivity, improved service, lowered operating costs, and lowered fuel consumption.

Major market extension proposals drew disapproval due to the substantial traffic diversions that would result from their implementation. The Lehigh Valley Railroad reported that implementation of N&W-16 would divert 88,073 carloads now handled by the Erie

Lackawanna. Concern was voiced that if the Delaware & Hudson Railway acquired trackage rights over the Penn Central from Wilkes-Barre, Pennsylvania to Potomac Yard (D&H-1), substantial traffic would be diverted from the Central Vermont Railway.

Participants were concerned with the loss of jobs and accessibility to rail service that would result from implementation of certain coordination projects involving line abandonments. Witnesses testified that implementing project OH-3, which would result in consolidation of dock facilities at Toledo, would eliminate the jobs of 22 electricians and 315 other employees. These 337 job losses would affect the lives of an estimated 1,400 people and would place additional burdens upon state and federal treasuries through increased unemployment and welfare payments.

In many cases implementation of projects would adversely affect the quality of service. United States Steel Corporation reported that the implementation of project P&LE-6 would reduce car utilization by one to two days at its Homestead, Pennsylvania plant as a result of the loss of flexibility between 30th Street and Thompson Yard and the movement of equipment through more congested areas.

The Association was criticized for ignoring coordination projects submitted to it. The Providence and Worcester Company notified the Association of its interest in acquiring and operating several lines. However, the P&W was not listed in any of the coordination projects.

Another issue which arose during the hearings related to the legal authority of the Association and the ICC to approve coordination projects under Section 206 (d) (3) of the Act which call for the abandonment of certain lines by solvent railroads. Concern was expressed that ICC approval of the overall project may be taken as approval of the abandonment portion without the opportunity for comment or opposition by affected users of the rail service. (The Association has since clarified its position, in a letter to the Public Counsel's Office of the Rail Services Planning Office, that no abandonment of service can be implemented by a profitable railroad pursuant to a coordination project without a separate abandonment proceeding before the ICC under Section 1(18) of the Interstate Commerce Act.)

Overall, the response to the coordination projects supported the take-over of service by solvents and opposed the abandonment of solvent operations to make way for ConRail. Although there was concern that the projects were not as carefully thought out as they should have been, the public accepted the idea of coordination and consolidation as an admirable concept, but urged a thorough and careful analysis of each project with additional opportunity for public comment before implementation.

FINANCIAL VIABILITY OF CONRAIL

Although only a small fraction of the public testimony addressed the issue of the prospective financial viability of ConRail, it was the almost unanimous conclusion of those who did comment that the financial projections set forth by the Association, which anticipate that ConRail will have a positive net income by 1978 (in constant 1973 dollars), are speculative, unsubstantiated, and unrealistic. The solvent railroads were especially critical of the financial projections. They noted that the ConRail system is essentially a merger of the present bankrupt Penn Central with a few other smaller bankrupt railroads. The historical lessons of the Pennsylvania-New York Central merger indicate that the mere unification of properties does not generate operational efficiencies. In fact, the alleged operational efficiencies may never appear at all. Specifically, the profitable railroads disputed the Association's assumption that rate increases authorized by the ICC will cover unprofitable traffic and inflation. Especially criticized was the assumption that tonnage volumes would experience an annual growth rate of 1.41 percent annually, which is contrary to the experience of the ConRail lines during the past five years. It was noted that the Association attributes over 50 percent of the total tonnage growth to increased coal production, whereas coal tonnage handled by the bankrupt lines between 1966 and 1973 actually decreased by 34 percent.

The solvents also contended that the Association's projection of an operating ratio of 71.7 percent for ConRail by 1985, compared to the present 83 percent, cannot realistically be achieved. Only the Chessie, N&W, Southern, and UP currently operate at such low ratios.

It was uniformly emphasized that the operating efficiencies projected for ConRail are unattainable and misplaced. The Plan projects net car hire paid to decline by \$810 million between 1976 and 1985, reflecting a 35 percent increase in car efficiency. Yet between 1947 and 1972 average daily car mileage in the East rose only from 40.9 to 41.3 miles per day. Also, the solvent railroads noted that operating efficiencies could only be achieved by eliminating duplicative terminals, yards, and mainlines, not by the simple elimination of branch lines, which, although some may operate at a loss, provide exclusive and vital service to their communities.

Particularly noted was the fact that the Association's use of modified betterment accounting, which capitalizes most maintenance and rehabilitation expenses, artificially reduces ConRail's expenses and inflates net income. It was stated that without the use of modified betterment accounting, ConRail will never show positive net income through 1985. In fact, the Lehigh Valley Railroad claims that if it applied

the Association's accounting methods and assumptions to its balance sheet, the Lehigh Valley would have earned net income from operations of \$200,000 in 1974 instead of experiencing a \$5.8 million loss.

Even if the Association's projections on revenues and expenses are correct, it was noted that the Plan's financial pro formas do not reflect any costs incurred in acquiring the assets of the bankrupts. Any deficiency in this regard must be financed by the federal government, thereby further increasing the federal role in the ConRail system.

In summary, the gist of the comments of solvent railroads, political leaders, and interested observers alike was that the Plan's financial projections resemble similar optimistic claims that were made prior to the creation of Amtrak and the Pennsylvania-New York Central merger. There was a general consensus of opinion that the federal government will end up paying many more billions of dollars in loans and grants for rehabilitation, operating subsidies, and acquisition costs than are projected in the Plan. The only opposition to this point of view came from a consortium of large shippers who claimed that it could not be determined at the present time whether ConRail would be a profitable entity, and that more data was needed before a final decision could be reached.

While there was a general uniformity of the view that rehabilitation is the key to the restructuring of the Northeast railroads, and that rehabilitation expenses through 1985 will be \$6 to 8 billion (compared to the \$2 to 3 billion in the Plan), there was sharp disagreement as to the proper method for raising this money. The comments on this point divided into two schools of thought: those who believe the federal government should finance the rehabilitation shortfall and take up ownership of the right-of-way, and those who advocate the rail trust fund approach.

In conjunction with the need for more rehabilitation funds, witnesses after witness cited the existing inequities in government subsidies to various transportation modes as one of the contributing factors to the deteriorated condition of the rail industry in the Northeast and Midwest Regions. A reasonable balance between rail and other transportation modes, they say, cannot be achieved now without redirecting the federal role in rail transportation and without increased federal financial assistance to the rail industry similar to that provided other modes of transportation. Witnesses called upon the Association to include in the Final System Plan a detailed study of the effect of ICC regulation and rate requirements on railroads and the transportation industry as a whole for the purpose of making specific recommendations for changes in public transportation policy.

Additional testimony touched on the following financial issues:

- The Plan should have contained a complete analysis of the costs of car handling and terminal facilities.
- ConRail cannot hope to be a profitable enterprise without a re-evaluation of rate structures and divisional agreements.
- Unregulated private carriers currently skim off much of the cream of rail traffic in the Northeast. The large profits of these private systems cannot continue at the expense of the common carrier railroads.
- The data retrieval and costing systems currently employed by the bankrupt carriers are inadequate and obsolete. A complete overhaul of these systems must be accomplished in conjunction with the reorganization process.

LIGHT-DENSITY LINES

In the course of the 27 hearings held by the Office, approximately 1,400 persons provided specific data concerning most of the 343 light-density line segments the Association recommended not be included in ConRail. A line-by-line summary of public testimony concerning light-density lines not recommended for inclusion in ConRail is contained in Appendix B of this report. Also included in Appendix B is a summary of public testimony concerning those "Lines Not Now Being Served" or "Recently Abandoned Lines" about which comments were received. These line-by-line summaries contain data compiled from a complete review of the hearing records and the statements submitted to the Office by the cut-off date of March 28th. Although information pertaining to some of these lines may have been inadvertently omitted, the analysis was as thorough as possible in the time allowed.

Testimony on the light density line section of the Plan was generally critical of the methodology and the data base employed by the Association. The submissions also generally rejected the Association's contention that the "profitability" test should take precedence over other goals of the Act in determining whether individual lines should be included in ConRail. Rail users throughout the Region emphasized that design of an adequate and efficient rail system, as required by the Act, necessitated careful consideration, on a line-by-line basis, of local community impact resulting from line abandonment.

Witnesses were incredulous that the Association had used a philosophy in its light-density line analysis similar to that conceived by the DOT and unanimously rejected by the public at every phase of the reorganization proceedings. The Association was criticized for its application of the profitability criteria only to light-density line decisions; its use of system-wide averaging to determine costs; its segmental approach to light-density analysis; and its insistence that the subsidy provisions of Title IV of the Act represent a Congressional mandate for large-scale branch line abandonment.

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A large part of the record relating to light-density lines enumerates inaccuracies, inconsistencies, and omissions in the Association's data base. These errors were illustrated with facts and figures from rail users, representatives of railroad labor, community leaders, and others familiar with each line's operation. Most controversial were the Association's estimates of revenues and costs for the individual lines.

The branch specific data submitted provides a detailed record of the public's rejection of the Association's approach to branch lines. Witnesses analyzed rail use in their communities and presented substantial evidence of present and future rail service needs. Specific information was received concerning new industrial development, plant expansion, and increased use of rail service. The submissions also pointed out instances where there is no alternative to rail service, either because of local road and bridge conditions or because of the nature of the product being shipped, such as lumber, grain, fertilizer or coal.

The public response evidenced the belief that, had the Association given adequate consideration to these and other factors, many of the lines slated for abandonment would be included in ConRail.

The Association's data base was criticized for being inaccurate and incomplete. In many instances, the Association did not include the shipments of all the shippers on a line. The resultant omission ranged from one or two carloads to several thousand carloads per year. In other cases carload figures for individual shippers were understated with a resultant understatement of revenues. Some receivers of goods shipped under transit arrangements believe that some revenues assigned to a branch line represent only the transit balance of a through rate. It was also noted that the Association did not take into account bridge traffic, even though the passage of traffic over the line clearly contributed to system revenues. Many shippers experienced significant increases in their carload shipments during 1974. These increases were not taken into account by the Association in its calculations.

The Association was repeatedly criticized for failing to give adequate consideration to projections of future traffic. In some instances, these projections were estimates based upon past use and speculative future plans, but in many instances, the projections were based on concrete evidence of existing orders, recently completed plants, planned plant construction, and developing industrial parks.

There was also considerable testimony concerning overstatement of costs, particularly maintenance of way and transportation expenses. Witnesses testified that actual track maintenance is considerably less than the Association's normalized figures indicate and that there are fewer train trips on many lines than stated.

Witnesses generally rejected the Association's system-average costing methodology for determining branch

costs. It was argued that such an approach unreasonably and unfairly inflates the cost side of the profitability calculations and does not reflect actual off-branch costs attributable to on-branch operations.

The public repeatedly charged that the Association's inadequate revenue and cost data base and calculations resulted in a drastically inaccurate profitability calculation for over half of the light-density lines currently designated for discontinuance. As a result, most witnesses strongly opposed line discontinuance plans until actual, current and correct data can be used to determine light-density line viability.

There was also a great deal of testimony concerning the adequacy of the Title IV subsidy provisions for continuing local rail service. Very clearly, it was the general opinion that the present provisions providing for a 70 percent federal subsidy for two years is inadequate for the purpose of continuing essential rail service.

A number of those submitting testimony, including the National Industrial Traffic League, the U.S. Department of Agriculture, Agway, Inc., the National Council of Farm Cooperatives, and a group of large industrial users, suggested that the Act should be amended to permit 100 percent Federal funding for light-density line inclusions in ConRail for a period of time to permit development of precise information on traffic movements, line conditions, and all other information pertinent to a thorough analysis of light-density lines.

New England political leaders proposed that the federal subsidy share be increased to 90 per cent in order to be comparable with federal funding requirements for highways. Also, it was suggested that no rational businessman could be expected to continue operations or relocate to a line which is being subsidized only for two years. ConRail should either be required to operate all essential rail services, or federal subsidization of those services should be permanent.

In some areas, such as the Delmarva peninsula, Michigan, Indiana, and parts of Illinois and Ohio, many agribusinesses are largely dependent upon rail service. Products such as potash, phosphates, anhydrous ammonia, and propane gas from distant suppliers cannot be moved as readily, efficiently or cheaply by truck. Moreover, many agricultural commodities such as grain and grain products move to distant markets more cheaply and efficiently by rail. Curtailment of rail services in these areas could have a significant adverse impact on local agricultural industries and producers as well as upon food prices and supplies.

Several special problems which agriculture and agribusiness industries would face as a result of curtailed rail service were singled out in the public response. In several states, including Michigan, Ohio, Indiana and Illinois, state laws prohibit transfer of anhydrous ammonia from a rail car directly to a tank trailer. One

major shipper stated that added costs for intermodal shipments of fertilizer ingredients would be \$4.71 a ton for anhydrous ammonia, \$4.77 a ton for superphosphate and \$4.25 a ton for potash. It was also noted that most country elevators served by rail receive a higher price for grain from terminal elevators than country elevators not having access to rail service.

The Plan's impact upon coal producing areas generated considerable testimony. The Federal Energy Administration, among others recommended that the Association not abandon any lines serving operating or potential coal fields.

Witnesses in several states discussed lines over which hazardous materials are currently carried and noted the safety threat to communities which would result from transporting these materials by truck. Other witnesses discussed the need for rail service on some lines to move lumber products, chemicals and electrical generating equipment requiring special handling or size or weight clearances. Other impediments to shipping by truck included local road and bridge conditions, and frost laws which limit the size of trucks operating in some states during late winter and early spring.

In summary, 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. Few were satisfied with the Association's position. 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.

PERSONNEL

The bulk of the evidence received from labor spokesmen concerned itself with the loss of jobs that would be caused by rail abandonments. Additionally, these representatives were concerned with the potential problems associated with certain aspects of the Act's employee transfer protection provisions and they stressed that many rail employees have less than 5 years of service. The various labor representatives were critical of USRA's continued failure to include labor organizations and their leaders in the restructuring process. They felt that they could make substantial and worthwhile contributions if given the opportunity to do so.

A number of individuals questioned whether ConRail could be made self-sustaining if required to operate under present labor-management agreements. Many felt that these agreements, some of which originated during the days of steam, placed too many restrictions on efficient rail operation. Some of the operating agreements that were specifically singled out for criticism included:

arbitrary payments for dead-heading; final-terminal-delay and initial-terminal-delay payment agreements; agreements restricting work that may be performed by road or yard crews; agreements which disallow an employee to work beyond his own craft; and crew size agreements.

PASSENGER SERVICE

The public response to the passenger service recommendations of the Plan evidenced a general belief that the Association had not given adequate consideration to commuter or intercity passenger service. Recommendations concerning the Northeast Corridor were considered too vague and preliminary for substantial comment. Most distressing to advocates of increased and improved passenger service was the apparent lack of concern evidenced by the Association with regard to the environmental effect which its proposals would have.

The National Railroad Passenger Corporation (Amtrak) argued that the needs and requirements of passenger service in the Northeast and Midwest Region should be accorded equal importance to those of freight service.

It was noted that some of the light-density lines marked for exclusion from ConRail are vital links for Amtrak and for the intercity corridor routings proposed by the plan itself. Examples of such routes are: Lines 467, 680 and 466 (Michigan City, Indiana to Kalamazoo, Michigan), a segment of the Chicago-Detroit line; Line 633 (Richmond to Indianapolis, Indiana), a segment of the Indianapolis-Dayton-Columbus line; and Line 577a (Kankakee, Illinois to Sheff, Indiana), a segment of the Chicago-Kankakee-Cincinnati route.

Considerable testimony was received in favor of expanded service between such points as New York City and Buffalo. It was suggested that service between Cleveland and Cincinnati and between Detroit and Cincinnati be extended to include Louisville. Request was made for service from the Lehigh Valley area of Pennsylvania to New York City and from Pittsfield, Massachusetts to New York City via the Penn Central's Harlem Line.

It was suggested that lines having potential value as passenger routes should either be kept in service or should be preserved, perhaps through establishment of a rail bank.

Submissions addressing the problem of passenger service in the Northeast Corridor were predominantly in favor of separating freight and passenger service. Considerable opposition was voiced, however, to the use of B&O trackage as an alternate to the Corridor from Washington to Newark, Delaware. These submissions noted that the B&O trackage is not electrified; that in several areas it is only a single track; and that the increased traffic over the line would create hazards and increased pollution in local communities, cause a bottleneck at the Howard Street Terminal in Baltimore,

and interfere with Baltimore-Washington commuter traffic.

Both proponents and opponents of the proposal to separate Northeast Corridor passenger and freight traffic agreed that the Plan failed to deal adequately with the problems of freight and passenger coordination or to evaluate adequately the alternative route recommended for freight.

Passenger service from New York to Boston was also the subject of considerable comment. The submissions debated the merits of the Shoreline route through New London, Connecticut and Providence, Rhode Island versus the inland route via New Haven, Hartford, Springfield and Worcester. It was pointed out that the heavy freight traffic on the southern segment of the inland route could be avoided by a routing through Bridgeport, Waterbury and Bristol to Hartford.

Proponents of the inland route noted that it is only three miles longer than the Shoreland and serves an area with 1,150,000 more potential passengers. Furthermore, expansion of any Amtrak service to northern New England would be possible from the inland route but not from the Shoreline.

Responses concerning commuter service were primarily concerned that the recommendations of the Plan would interfere with or preclude local commuter service. The Southeastern Pennsylvania Transportation Authority stated its concern that disposition of some of the lines in its area of service would limit its options with regard to future service to the Philadelphia metropolitan region. The New York City Metropolitan Transportation Authority stressed that unwarranted changes in existing financial arrangements underlying the provision of its service could jeopardize its operations. Supporters of the Dayton Area Rail Transit System urged that the Association work with the Urban Mass Transit System urged that the Association work with the Urban Mass Transit Administration in making decisions which will affect the Dayton area. Princeton University introduced evidence that there are 900 to 1,000 regular commuters on the so-called "Dinky" line, Line 703, which links Princeton and Princeton Junction, New Jersey.

The Baltimore City Department of Planning noted studies it is conducting as to the feasibility of constructing a twin-track tunnel under Baltimore Harbor. This tunnel would allow through freight trains to by-pass Baltimore and would free present Penn Central tracks for commuter service.

ENERGY AND ENVIRONMENT

The central theme in all the public testimony concerning the twin issues of energy and environment was that the Association effectively ignored both in the planning and decision-making process; that while the issues were discussed they were not considered. The Atlantic

Chapter of the Sierra Club expressed this sentiment stating that while the Plan is "... full of generalities concerning environmental, pollution, and energy-use effects ..." there is "... no discernible evidence that environmental concerns played a significant part in any identifiable decisions."

The issues of energy and environment are very closely related; but the public's response fell into three fairly distinct areas: (1) environment, i.e., pollution; (2) energy efficiency; and (3) access to fossil fuels, i.e., coal. Environmental concerns regarding specific line segments are detailed in Appendix B.

Environment

The Connecticut Department of Environmental Protection charged that the environmental consequences of the Plan were given insufficient attention and were subordinated to economic conditions. The agency emphasized that any analysis of environmental impacts on an aggregated basis is not meaningful and noted that analysis on a local basis was not performed. The Association's land-use analysis missed the point in focusing exclusively on alternative uses for rights-of-way, according to the Connecticut agency, since secondary effects are more far-reaching than direct effects and the over all land-use pattern associated with a highway-dominated transportation system is less favorable than that of a rail-oriented system. The agency recommended that each decision affecting system configuration be made in consideration of the ambient air quality situation in the affected area and that specific analyses be made of the potential environmental impacts of individual line decisions.

The Environmental Defense Fund pointed out that electrification of rail permits the centralized control of air pollution at the source of utility generation, in contrast to the dispersed air pollution of trucks and airplanes. The organization also emphasized that both highways and waterways create water resource pollution problems which rail does not.

The Environmental Protection Agency criticized the Association for not giving adequate consideration to the adverse impact of line discontinuance in certain air quality control regions. Some line segments identified by the Association for non-inclusion in ConRail are important to State transportation control plans. The EPA also stated that the transfer of freight from an electrified to a non-electrified track in the Northeast Corridor could have serious air pollution impacts.

The Sierra Club reported that the Plan demonstrated a lack of any genuine evaluation of alternatives. For example, the Plan contains a discussion of the waste created by freight car dismantling, but does not consider the solid-waste production occasioned by the use of trucks.

Energy Efficiency

The Environmental Defense Fund endorsed research findings that estimate the energy consumption of trucking to be 2.56 times that of rail in gross ton-mile terms. However, the organization pointed out that, in the operation of lightly used branch lines, rail may be less energy efficient than trucking.

The Association's approach to light-density lines was supported by the Federal Energy Administration which stated that "abandoning much of this trackage would save energy because the low-density and the short haul traffic on the potentially excess lines when moved by rail is more energy intensive than the movement by trucks." In the opinion of the FEA, abandonment of uneconomic branches will have a positive impact on overall energy efficiency by enabling both the railroads and the trucks to concentrate their efforts on markets where they have a relative advantage.

Although the investment costs of electrification are extremely high, in the opinion of the FEA the fuel savings would more than pay for the cost of the project. Electrification is in the national interest in that it enables the railroads to utilize non-petroleum fuel. Accordingly, FEA urged the Association to reassess the potential for electrification of high-density lines.

Access to Fossil Fuel

Referring to President Ford's public policy goal of doubling the current level of coal production in ten years, the FEA estimated that rail coal traffic will have to increase by about the same percentage. The agency conservatively estimated that in order to meet such a goal there would have to be 600 new miles opened. Furthermore, considering expected technological gains, the FEA does not anticipate any difficulty in utilizing cur-

rent reserves of high-sulphur coal by 1985. Expected legislation restricting strip-mining will offer further incentive for deep mining. The Agency believes that much of the anticipated increase in coal output must come from the states of Indiana, Illinois, Ohio, Pennsylvania, and West Virginia. Concerning rail lines serving coal areas, the FEA offers four alternatives: (1) inclusion of the lines in ConRail; (2) purchase or lease by other railroads; (3) purchase or lease by the States; or (4) establishment of a Federal Rail Bank.

The Appalachian Regional Commission is concerned with the economic development of all or parts of thirteen states straddling the Appalachian mountain chain from northern Mississippi and Alabama to western New York, an area containing two-thirds of the nation's coal reserves. The Commission expressed serious doubts that the reorganized rail system would be sufficient in the present and flexible enough in the future to accommodate Appalachian coal traffic in a manner which will assure its competitiveness.

The Commission categorized the Association's coal forecast as an extrapolation of historical trends and market shares. A special study undertaken by the Commission suggests that there could be significant production shifts within the Region and that even small variations (5 to 10 percent) in the various components of the forecast could substantially alter the coal traffic to be moved on any ConRail system. The use of an overly conservative estimate for system planning might well constrain the system's potential.

Of the three related issues on energy and environment, access to coal fields received the most response. Witness after witness stated that the Association's approach to coal-area branch lines does not satisfy the goal of the Act requiring maximal preservation of such trackage.

Regional System Analysis

The importance of industry structure in maintaining adequate rail service was discussed in detail in both the Association's Annual Report and our response, "Preliminary Views on Rail Restructuring." The structure ultimately selected must provide ConRail and the solvent carriers of the region with the opportunity to operate their services profitably in competition with one another and with carriers of other modes. The structure must provide competitive rail service in all major areas of the region, assure continuation of competitive routings through the region, and avoid establishing a carrier which would require perpetual subsidization from public funds.

THE THREE CARRIER SYSTEM

The industry structure recommended in the Plan would establish ConRail consisting of the major portions of the bankrupt carriers' properties with the exception of the portions of the Erie Lackawanna between Newark and Waverly, New York and between Galion, Ohio and Chicago; and the portion of the Lehigh Valley west of Waverly. The operations of the Norfolk & Western, the Chessie System, and the Delaware & Hudson would be extended over certain portions of the bankrupts' properties:

- The N&W would acquire the EL from Buffalo to Newark. The N&W would grant trackage rights to ConRail on this route between Buffalo and Waverly, New York.

- The Chessie would acquire the RDG from Lurgan, Pa. to Harrisburg and trackage rights over ConRail (former RDG) from Harrisburg to Allentown and Philadelphia.
- The D&H would acquire trackage rights over ConRail (former LV) from Wilkes-Barre to Allentown.

The resulting rail system would provide the region with three competitive line-haul carriers serving the major traffic generating areas. A through north-south routing independent of ConRail is achieved with the extension of the D&H to Allentown to connect with the Chessie. Independent east-west routing choices are numerous, including routes on the N&W and Chessie, and the N&W/D&H connection at Binghamton, New York.

Although the Three Carrier System does establish competing rail carriers in the major areas of the region, the Office is concerned that this competition might tend to be of a token, rather than a substantive, nature. The present competition in the region is based on the solvent line-haul carriers' connections with the smaller bankrupt carriers. To combine these bankrupts, or substantial portions of them, with the ConRail system will reduce or eliminate their operations as feeders to the competing line-haul carriers.

Participation of the solvent carriers must provide effective competition at the traffic generation points in order adequately to meet the Region's needs. The Three Carrier System, as proposed, establishes competitive through routings to the west and south, but does not present a competitive challenge to ConRail in most traffic

generating areas. The D&H trackage rights proposed between Wilkes-Barre and Allentown do not provide for competitive local service, but only an extension of the D&H to meet the Chessie for through routings. The proposed Chessie extension east of Harrisburg would be over trackage rights granted "with or without access to on-line industry." Without access to on-line industry, this extension of the Chessie would not add to the local shippers' and receivers' competitive choices. The proposed N&W extension over trackage of EL would include local service, with a potential for access to additional traffic in the northern New Jersey area; the means of achieving access to additional traffic is not detailed in the plan.

The Three Carrier System would exclude the solvent carriers from the markets of the LV, CNJ, and RDG which they now enjoy through "friendly" connections with these carriers. Inclusion of these smaller carriers in ConRail would result in ConRail routings for traffic now moving over the Chessie and N&W. Diversions such as these would change the present traffic flows, particularly in the service area east of the Allegheny Mountains. Adjustments to the Three Carrier System providing effective competitive local service could overcome the competitive deficiencies of this regional structure. Even if such adjustments are made, the Association should clearly spell out ConRail's responsibilities to the other carriers in the region for the maintenance of through routes and joint rates, and consideration should be given to the development and application of any necessary protective conditions.

Constraints to Solvent Carrier Participation

While the Three Carrier System would provide competition with ConRail in the East and presents what is basically a workable operating plan, it can be successfully implemented only with the concurrence and active participation of the solvent railroads. We are apprehensive that the cost of acquisition and rehabilitation of the designated lines, or possibly other considerations, may lead them to refuse to participate in creating and operating the Three Carrier System. Committing substantial capital to a venture which, at best, might be marginally profitable may well be considered imprudent by the Boards of Directors of the potential acquiring railroads. The early reactions of the N&W to the Plan gave indications of their concerns along these lines.

The deteriorated condition of the lines may well be viewed by the solvent carriers as placing them at a competitive disadvantage in the markets they would be entering. It is at least questionable whether the solvents could compete with a ConRail blessed with a massive, government-funded rehabilitation program unless the lines they acquired were rehabilitated under terms similar to those enjoyed by ConRail. If the Three Carrier System is to come about, some means of diminishing the

solvents' acquisition and rehabilitation costs will no doubt have to be developed.

This could be achieved by having the government acquire (either outright or through a quasi-public agency) and rehabilitate the properties, making them available to the "acquiring" solvents under a lease or on some other basis. An alternative approach could be to include the lines in ConRail, with ConRail granting the "acquiring" solvents trackage rights over the lines. This, however, would place ConRail in the position of assuming the ownership costs and thereby subsidizing its competitors. Finally, legislation might be enacted to provide rehabilitation funds to be granted, not loaned, to the acquiring solvent carriers, and perhaps to all the country's railroads. These alternatives are discussed later in this report.

Operating Considerations

In addition to assessing the factors which may hinder the solvent carriers' participation, the Office has made an analysis of the proposed operating plan itself. This analysis concentrated on those elements of the system design which are critical to the successful implementation of the plan. Where we have discovered potential constraints, we have recommended adjustments to the plan. Our intent in highlighting these points is to facilitate identification of the changes necessary in the Final System Plan so that implementation of ConRail will not be hindered or delayed.

The design elements critical to the success of the restructured rail system include mainline selections, capacities of main lines and yards, and equipment utilization. In general, we have found potential operating constraints on specific main lines for which the recommended level of traffic exceeds the capacity of the line. We also believe that the capacities projected for specific key yards reflect too optimistic an assessment of yard capacity.

While it is important that every effort be taken to avoid the acquisition of duplicative facilities by ConRail, it is also important that its needs be realistically projected. Facilities not acquired on the effective date of the plan but found to be necessary thereafter may never again be readily available to ConRail, and may well be permanently lost to rail usage altogether.

Main Line Identification

A mainline analysis process should begin with an identification of the criteria for determining whether a particular route is a main line. Although this seems obvious, the identification of main lines has not been precise, and in fact has changed, during the restructuring planning effort. Last year's DOT Report considered only signalled lines to be main lines and the remainder to be local service lines. This definition excluded most of the Detroit, Toledo & Ironton main line and all of

the Penn Central line from Hartsdale, Indiana to Paris, Illinois through Sheff and Danville. The former line is an important north-south through route, and the latter is a "Competitive Freight Service Mainline Route" in the Plan.

Although the Association has not arbitrarily excluded non-signalled lines from consideration as main lines, its criteria for designating main lines were not presented. Several lines now operated as main lines or carrying substantial bridge or overhead traffic were analyzed as light density local service lines and were excluded from the system plan. Examples of these excluded lines include the Penn Central Belvidere-Delaware Branch, which carries overhead traffic from the Trenton/Morrisville area to connecting routes at Phillipsburg, N.J.; the Lehigh Valley mainline from Buffalo to Waverly, N.Y., where the LV has a connection with the EL; the portion of the PC Kankakee-Cincinnati mainline between Indianapolis and Cincinnati; the Ann Arbor mainline north of Dundee, Michigan, including the Frankfort-Kewaunee ferry operation; and the PC Pocomoke Secondary Track, including the Cape Charles-Little Creek ferry operation. These lines are illustrated in Figure 2-1.

The *Belvidere-Delaware Branch* of the Penn Central connects with the LV at Phillipsburg, the EL at Martins Creek, the Black River and Western at Lambertville, and the L&HR at Belvidere. The L&HR connection has been of limited value recently because the Poughkeepsie Bridge has been out of service. However, the Plan includes the Poughkeepsie Bridge in the system for through traffic. Repair of the bridge and consequent increases in L&HR overhead traffic will increase the importance of the Belvidere-Delaware Branch as a through traffic route. Its treatment as a local service line is questionable when the circuitry and congestion of alternative routings are considered. In 1973, 400,000 tons of coal and ore alone were shipped from Philadelphia to Bethlehem in one month. The Belvidere-Delaware Branch could keep this heavy tonnage traffic off the RDG line from Reading to Allentown, a line which is expected to be seriously congested under the Plan.

We assume that the Association anticipates a diversion of through traffic from the *Lehigh Valley main line between Buffalo and Waverly* onto the EL. This diversion and consolidation (by trackage rights over portions of EL to be acquired by N&W) does address the necessity for reduction in duplicative fixed plant. However, it is important that the local decisions on the mainline segments of the LV not be based on maintenance and service levels reflecting mainline operation, but be based on proper track configurations and service levels for local service.

The *Indianapolis-Cincinnati* mainline segment is discussed later in a detailed review of the Chicago-Cincinnati line selection choice.

A substantial portion of the mainline traffic on the northern half of the *Ann Arbor* is through traffic moving eastbound over the cross-lake ferry between Frankfort, Michigan, and Kewaunee or Manitowoc, Wisconsin. Again, the decision to exclude the cross-lake operation appears to have been made on the basis of a local-service type analysis which took into account costs of operating the ferry service but not the relative costs and benefits of the ferry route *vis-a-vis* the land route through Chicago for the movement of long-haul, interstate rail traffic.

In this instance we are forced to concur with the Association that the ferry operations need not be continued in order to provide efficient long-haul rail service. With the exception of very localized traffic between the upper half of the lower peninsula and the northeastern one-third of Wisconsin, the most realistic routing for freight is through Chicago. With direct service taking advantage of the facilities of the belt line carriers in Chicago, delays caused by congestion in the Chicago terminal area can largely be avoided. Using this direct connection capability, trains arriving in the terminal area can move immediately to the receiving carrier's classification yard, avoiding the delivering carrier's yard in Chicago. Judicious utilization of the switching carriers in the Chicago terminal area can result in quick through service. The transit time advantages once held by the cross-lake ferry services have been diminished, and in many cases eliminated, by the institution of run-through interchange trains.

The Lake Michigan ferry services must be treated, then, as local services. If further analysis, based on current data, proves them to be unprofitable, it will be up to the States of Michigan and Wisconsin to determine whether to subsidize their continued operation. Should they wish to do so, they might consider defining the ferry service as a part of their highway system—in effect, as a bridge crossing Lake Michigan. (The Federal-aid Highway Act appears to permit this. See 23 U.S.C. sec. 129(g).) This re-direction of the emphasis of the ferry services might be justified on the basis of passenger and highway trailer usage of the present railroad operated ferry services. Defining the ferry service as part of the highway system could make additional funding sources available for rehabilitation of the service. It is significant to note that Route US 10 "dead-ends" on both sides of Lake Michigan at Ludington, Michigan and Manitowoc, Wisconsin, the route of the C&O ferry service (which, incidentally, the C&O has sought authority to abandon).

The *Cape Charles-Little Creek (Norfolk)* ferry operation and the Pocomoke Secondary Track provide a rail route between the Delmarva Peninsula and the Southeast. The most substantial argument presented in defense of the Cape Charles ferry operation is that it saves transit time on excessive dimension loads. The alternate clearance routing from the Wilmington area

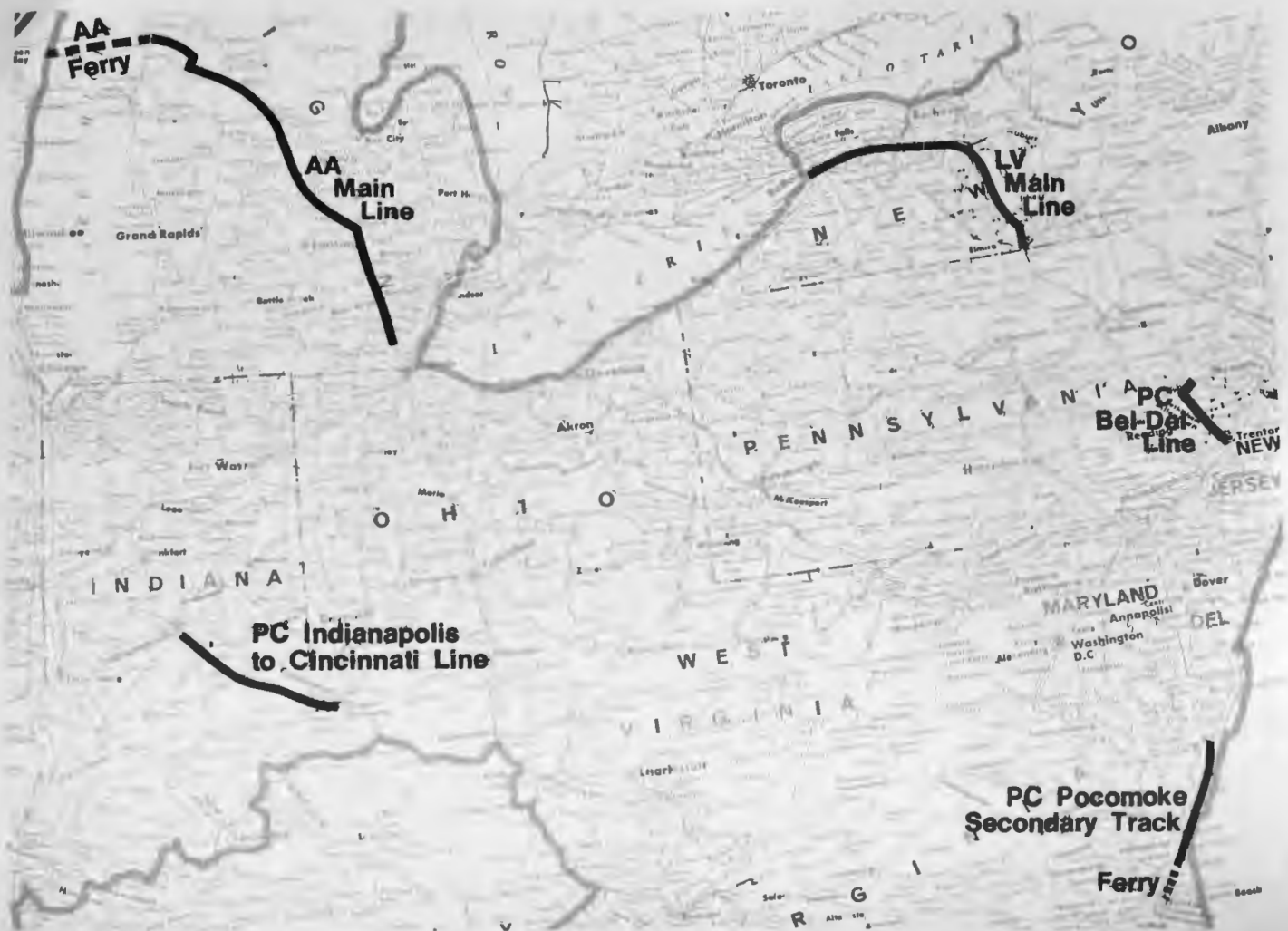


Figure 2-1
Through routes analyzed by the Association as local service lines

to the South is through Hagerstown, which adds significantly to the transit time of over dimensional loads. The Office has not been able to obtain reliable information on the number of such shipments, but we doubt that it would justify the substantial expenditures required to maintain the ferry service in operation on the theory that it is part of an essential through rail route.

As a through route, the Cape Charles ferry and the Delmarva line offer little, if any, advantage over the routing through Potomac Yard. The mainline of the Richmond, Fredericksburg & Potomac has adequate capacity and Potomac Yard itself operates at below its capacity. Delays anticipated at Potomac Yard could be expected to be less than the queuing and weather delays experienced in the ferry operations.

The Southern Railway has expressed interest in purchasing the Delmarva line south of Wilmington and of keeping the ferry service in operation. This alternative is naturally most attractive to the shippers, States, and local communities involved. The Office has not had access to diversion studies which would forecast the result of such a purchase and the likely rerouting of traffic which it would have on ConRail and other rail carriers.

ConRail Main Lines

Our review of the proposed mainline routes indicates that the regional structure, with a few exceptions, has adequate overall capacity for the traffic to be moved. This results principally from the fact that very little mainline elimination or rationalization has been proposed by the Association. Although some double-track routes have been recommended for reduction to single track CTC (Centralized Traffic Control signalling system) operation and several lines have been identified as potentially being passenger-only routes, virtually all of the existing routes are scheduled to be operated by ConRail.

To assess the efficiency of mainline choices and to determine whether a particular line has sufficient capacity for consolidated traffic flows, the Office used two special-purpose computer models, a train performance calculator and a line dispatching/capacity simulator. The train performance calculator determines, from engineering formulas, the fuel and time required for a train to operate over a line, given the physical grade and curvature characteristics of the line. It is used to compare the physical operating efficiency of alternative mainlines between two points. The line dispatching/capacity model simulates what a train dispatcher does in scheduling trains across a specific stretch of railroad. Through simulation of a specific line's operation, that line's capacity can be estimated. The key to evaluating whether a given level of traffic would exceed the capacity of a line is the determination whether there is sufficient "spare" capacity on the line. If not, scheduled maintenance operations or an unexpected blockage

would hopelessly tie up the line so that it could not "unwind" after the blockage was removed. These two analytical tools were used in reviewing the mainlines included in ConRail's basic route structure.

Several of the mainline route selections reviewed, although having sufficient capacity for the traffic anticipated, raise questions and require further explanation by the Association in the Final System Plan. Schematic diagrams of the routes discussed are included.

Chicago-Indianapolis-Cincinnati

Two separate but related main line selections are involved in this routing, Chicago to Indianapolis and Indianapolis to Cincinnati. They are illustrated in Figure 2-2.

Chicago to Indianapolis—The Plan does not designate any route between these cities as a primary through freight route. The routes available for traffic are the line from Highland, Indiana, through Sheff and Lafayette (the Lafayette route), favored by the Association and designated as a secondary through freight route; the route through Logansport; and two other more circuitous routes through Elkhart, Goshen, Warsaw, and Anderson (the Elkhart route) or through Plymouth, Warsaw, and Anderson (the Plymouth route). The Elkhart route is 60 miles longer than the Lafayette route, takes 1½ hours longer to traverse, and requires about 50 percent more fuel. The routing over the Plymouth route, although somewhat shorter than the Elkhart route, is 45 miles longer than the Lafayette route.

The other potential route, through Logansport, would be excluded by the Association from ConRail once the Lafayette line is upgraded. Although the Logansport line is 20 miles longer and consumes 12 percent more fuel, it has running times comparable to the Lafayette line. In addition, the Logansport line would require less extensive signal system improvement, with only a 47-mile section of single track between Logansport and Lebanon needing significant improvement. The remainder of the line includes 108 miles of signalled doubled track and 23 miles of single track TCS (Train Control System, another term for Centralized Traffic Control).

In contrast, the Association's Lafayette selection includes 104 miles of single track block signal territory which would require extensive upgrading. Although this line has sufficient capacity for anticipated freight traffic, it is questionable whether it could also accommodate the recommended three daily passenger trains each way between Chicago and Cincinnati. This constraint would require either that ConRail reroute some freight traffic over the more circuitous alternative route or that Amtrak consider operating the Logansport line for the Chicago-Cincinnati passenger trains, probably not a preferred solution inasmuch as that route does not serve

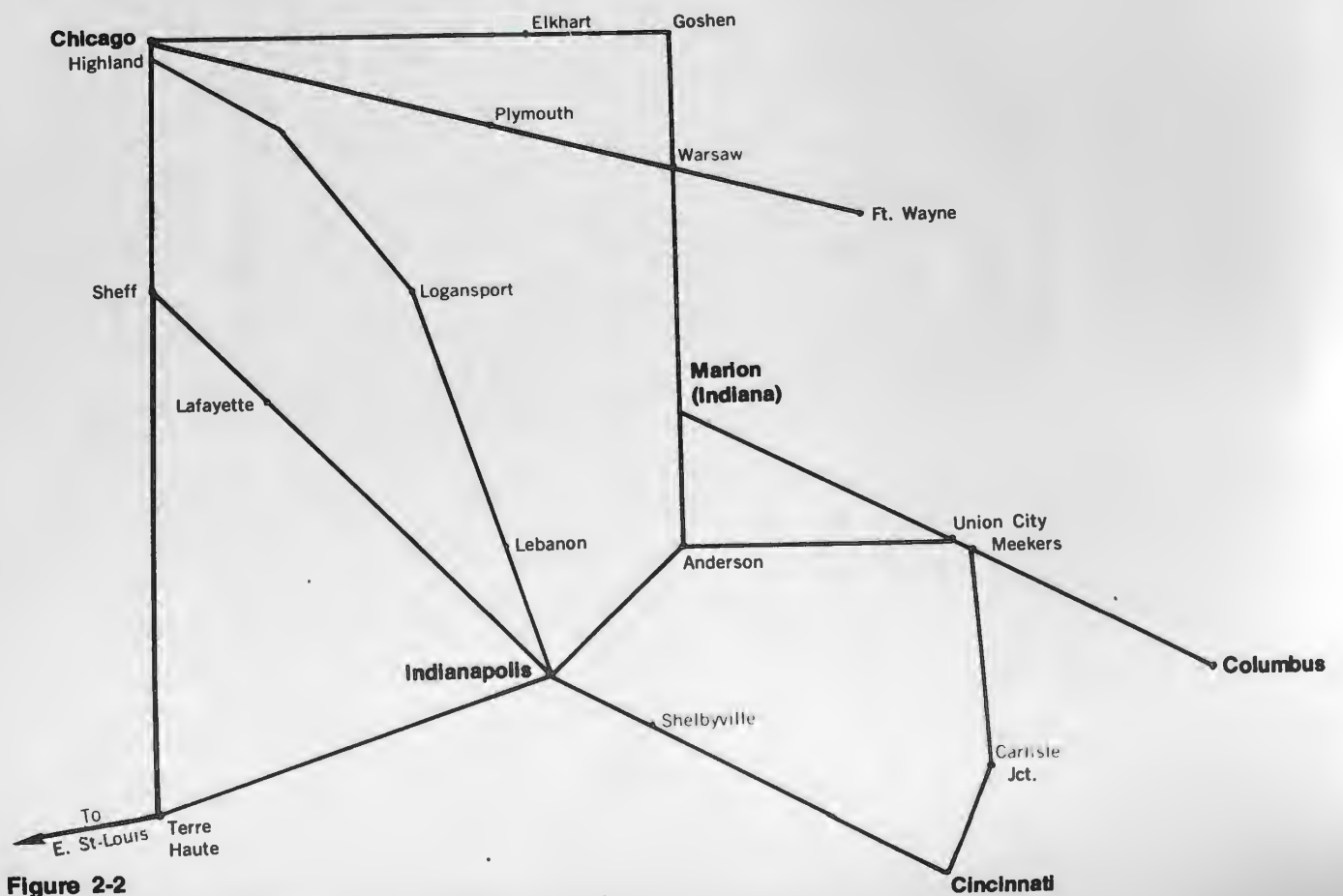


Figure 2-2
Alternative routes between Chicago and Cincinnati

Lafayette, a major potential source of passenger business. Both alternatives are expensive, with ConRail incurring the costs of increased circuitry or Amtrak maintaining a line for only six trains a day.

Indianapolis to Cincinnati.—The Association would exclude from ConRail the portion of the Cincinnati-Kankakee main line between Indianapolis and Cincinnati through Shelbyville. Although this decision has the advantage of bringing traffic into Sharonville Yard at Cincinnati from the north, which is the preferred direction, it forces freight traffic to and from Indianapolis over the route through Anderson, Union City, Meekers, and Carlisle Junction, adding 58 miles and 53 percent circuitry to the routing. There also appears to be a very real prospect of industrial development along the Shelbyville route, the benefits of which would be lost to ConRail if that line were not included in the system.

The basis of the Association's decision respecting this route is not clear. Although the Plan recommends an increase of two daily passenger trains (for a total of three each way) on the Indianapolis-Cincinnati line, neither this level of passenger service nor its average speed seem to necessitate rerouting the line's freight traffic onto such a circuitous route.

Sheff-Terre Haute

The Office questions the necessity of the portion of the Chicago to Terre Haute line south of Sheff as a main line. It appears that this line would serve St. Louis-Chicago traffic (a market which generates about 60 cars a day for the PC) but would not enable ConRail to compete effectively in that market. Maintaining the line for this purpose appears to be unnecessary, although it may be justified for local service.

Toledo-Carrothers-Bucyrus

The anticipated usage of the Toledo-Carrothers-Bucyrus line should be more clearly defined in the Final System Plan. The alternative Penn Central routes between Chicago and Pittsburgh (see Figure 2-3) are: (1) the former New York Central through Toledo and Cleveland; (2) the former Pennsylvania through Ft. Wayne; and (3) the former NYC from Chicago through Toledo, Carrothers, and Bucyrus. (The Carrothers-Bucyrus segment was part of a longer line conveyed to the N&W at the time of that railroad's merger with the Nickel Plate and Wabash Railroads, and Penn Central retained trackage rights between Carrothers and Bucyrus.) In evaluating these alternative routings the Carrothers-Bucyrus routing proved to be significantly less desirable than the others.

Compared to the other PC alternatives, the Carrothers routing is at least 30 miles longer, 1½ hours slower, and requires between 5 and 9 percent greater fuel consumption. Thus, it appears to be a poor routing

choice for Chicago-Pittsburgh traffic. If this routing were included in the plan principally to facilitate the proposed scheme to exchange TOFC blocks at Crestline (Appendix F of Plan), we suggest that this TOFC traffic use the more efficient Ft. Wayne line to Chicago, since the Ft. Wayne line is included in the system as a secondary through freight route. The Carrothers branch could then be downgraded from a main line to a local service line.

Poughkeepsie Bridge

Under the analysis of light density lines, the Poughkeepsie Bridge route is recommended for inclusion in the ConRail system because it "... is required for through freight service ...". Yet that portion of this route from Campbell Hall through Poughkeepsie and Hopewell Junction to New Haven is not included in the system route structure as either a principle through freight route or a secondary through freight route. The anticipated role of the Poughkeepsie Bridge route in mainline traffic routings should be detailed by the Association in the Final System Plan.

Mainline Capacity Constraints

The Office has identified two specific mainline segments on which the anticipated traffic levels exceed the practical capacities of the lines. Both of these lines are involved in the alternate routing for freight taken off the Northeast Passenger Corridor.

Approaches to Newark, New Jersey

As a result of plans to remove through freight traffic from the Northeast Passenger Corridor, all freight traffic destined for Newark from the south and west will converge into Oak Island Yard on the Lehigh Valley tracks. According to the Plan, traffic from the west will use the Reading tracks from Harrisburg to Allentown and the LV tracks from Allentown to Newark. Traffic from the south would come onto LV tracks from the RDG at Port Reading interlocking, N.J. These are illustrated on the map in Figure 2-4. Although the adjacent Jersey Central has less single track than the LV line, the Association apparently chose the LV route to avoid interference with the CNJ's extensive commuter operations and to avoid the cost of signalling the 20-mile single track portion of the CNJ. The LV route selected has approximately 40 miles of signalled single track between Phillipsburg and the Port Reading interlocking.

Traffic flow estimates taken from 1973 origin-destination data for the bankrupt carriers indicate sufficient traffic for as many as 55 freight trains a day into and out of the Newark area. Not all of this traffic would necessarily move on the LV route; some would move over the Erie Lackawanna lines, which would be kept in service and operated either by the N&W, the Mid-

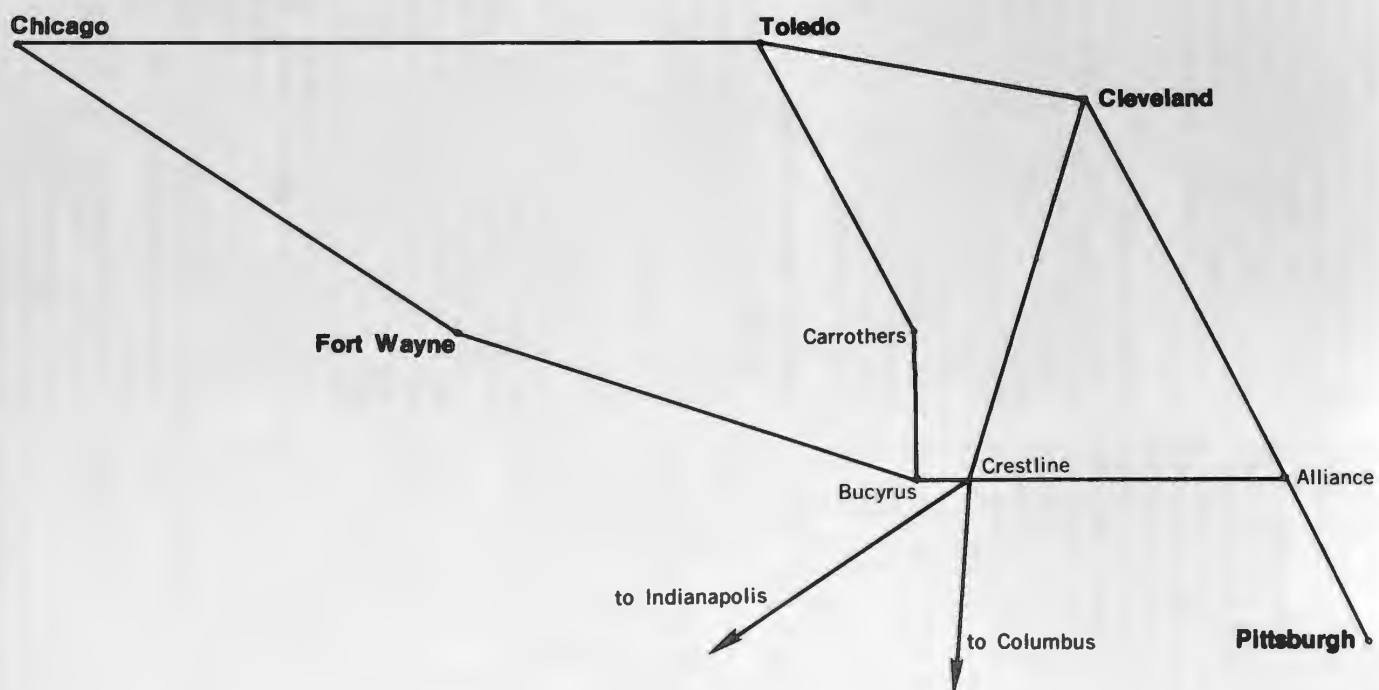


Figure 2-3
Alternative Penn Central routes between Chicago and Pittsburgh

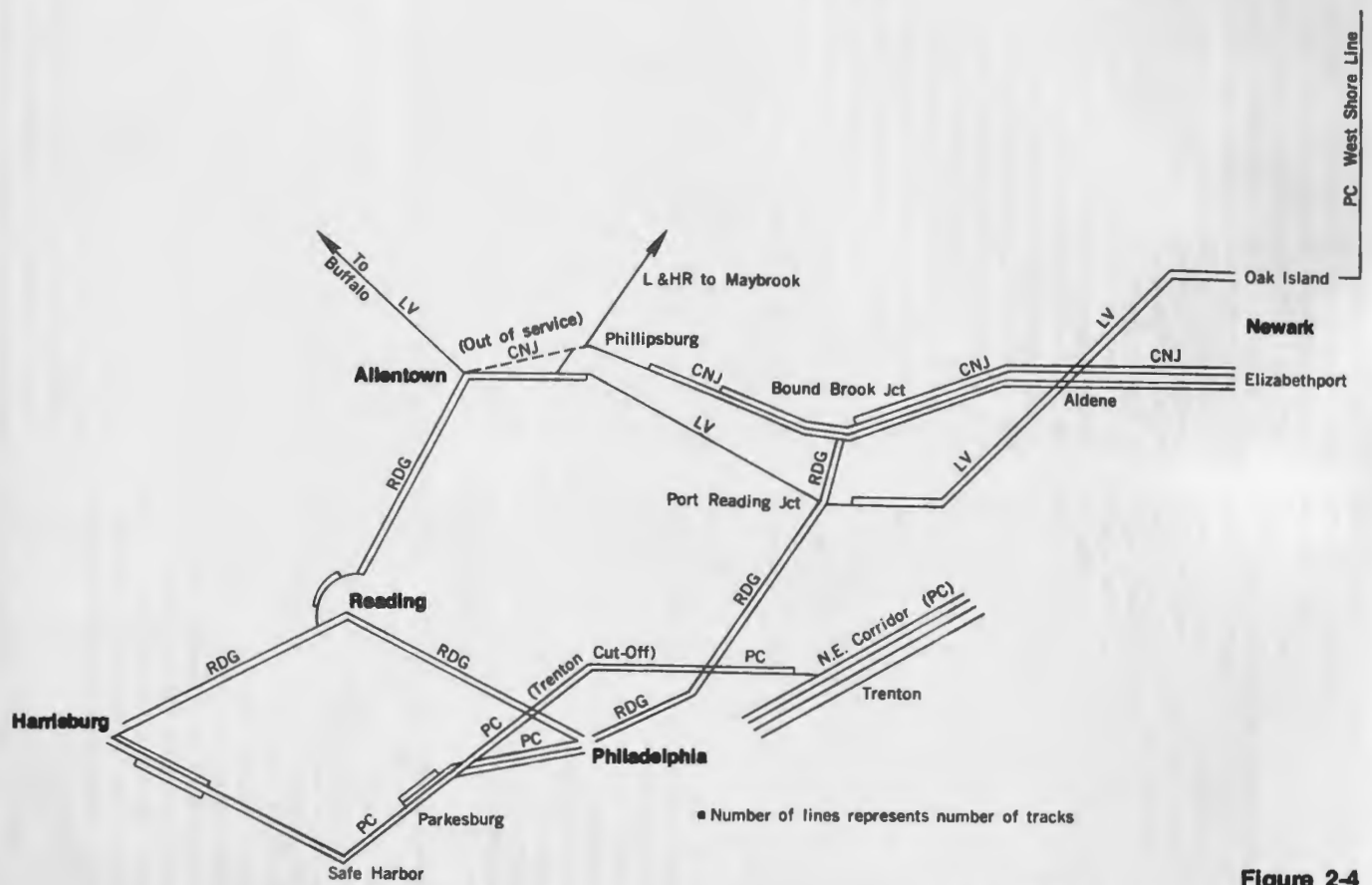


Figure 2-4
Approaches to Newark, New Jersey

Atlantic Railroad, or by ConRail itself. Nine of these trains represent movements to and from the south, and would diverge from the LV line at the Port Reading interlocking, without traversing the single track portion of the line. However, in addition to freight traffic, there are 54 daily commuter trains operated between Aldene and Newark, a distance of 6.4 miles.

Because the Plan does not specify a secondary route which could relieve the entire LV Allentown to Newark route, because of the potential density of traffic on the 40 mile single track stretch, and because of the extreme traffic loads between Newark and Aldene, the Office inspected this portion of the LV and made a detailed study of the line with the computerized line capacity model. The results of this study indicate that consolidated 1973 through traffic levels, excluding local freight and commuter trains, would exceed the line's capacity. The Office analyzed the following potential solutions:

1. Routing some of the Newark-bound traffic via Buffalo-Berkirk West Shore Line either entering Oak Island or Waverly yards from the east end or terminating at Weehawken Yard (necessitating its retention in the ConRail system).
2. Using the single track CNJ from Bound Brook Jct. to Phillipsburg as a second track.
3. Adding a passing siding on the LV between Pattenburg and Reading Valley.
4. Removing commuter traffic from LV onto CNJ.

Tests with the dispatching model showed that if neither the EL nor the PC West Shore line provides relief, capacity constraints on the single track portion of the LV could not be relieved by adding a passing siding between Pattenburg and Reading Valley, but could be relieved by either double-tracking this portion or using the single track CNJ between Bound Brook Junction and Phillipsburg as a second track. In no case, however, was relief found for the Port Reading Junction to Newark segment short of removing the commuter traffic from the LV.

The Harrisburg-Reading-Allentown portion of the approach to Newark has even higher potential traffic densities than the Allentown-Newark portion. This is due to the heavy industry in the Allentown, Bethlehem, Easton area and the routing of Philadelphia traffic through Reading. Although this is predominantly a double track railroad from Harrisburg through Reading to Allentown, studies with the train dispatching model emphasized the need for a substantial portion of the Philadelphia traffic to use the Harrisburg-Safe Harbor-Parkesburg-Philadelphia line designated as a secondary through freight route by the Association. The Office recommends that this route be designated as a primary through freight route along with the Harrisburg-Reading-Allentown line.

B&O "Corridor Bypass"

The Office strongly endorses the removal of through freight traffic from the Northeast Passenger Corridor.

The freight bypass route would operate over the tracks of the B&O between Washington and Philadelphia. Initial concerns about the single track stretch between Baltimore and Philadelphia (92 miles) are easily alleviated with the decision to restore this section to double track. We expect no capacity constraints on the B&O north of Baltimore after double-tracking.

However, the section of the B&O between Washington and Baltimore is likely to cause a severe constraint on capacity. Except for the Howard Street tunnel, the line is double track signalled predominately for single direction running on each track. Extensive local freight operations serve the industries lining both sides of the line, and eight commuter trains a day use this section. The train dispatching model was used to study the effects of these constraints on the combined ConRail and B&O traffic. The results indicate substantial congestion and disruption of B&O local freight operations.

In order for the removal of freight from the Corridor to be successful, it is anticipated that improvements will be necessary on the B&O between Washington and Baltimore in addition to double-tracking between Baltimore and Philadelphia. Further study of the projected freight operations between Washington and Baltimore will be necessary to determine the required improvements. Options to be considered are installation of CTC (bidirectional running on each track) and universal crossovers, diversion of more B&O east-west traffic to the B&O Old Main Line Subdivision, retention of one PC Corridor track between Washington and Baltimore, and combinations of these.

ConRail Yards

The Office believes that the final determinations of blocking plans and yard operations should be made by ConRail. The Association's responsibilities in blocking and yard analyses should be directed at ascertaining which yards must be acquired in order for ConRail to be an operable railroad.

Our inspections of key yards on the bankrupts' properties, discussion with the operating supervisors, and reviews of the yard analyses performed for the Association lead us to a general conclusion that the estimates of yard capacity used in the Association's planning were optimistic. We are concerned that this generous estimation of yard capacities may result in an underestimation of the yard facilities necessary for ConRail.

We also reviewed the Association's projected system yard loadings resulting from the "network planning scenarios" for the Three Carrier System and Mid-Atlantic/EL system structures. In this review, we compared the Association's projected yard loadings with the Association's proposed yard expansion projects. We determined the change in yard loadings by comparing the Association's simulation of various planning scenarios with their simulation of actual 1973 yard loadings. This

change was compared with the Association's anticipated percentage improvement in yard through-puts under efficient operations before and after expansions and corrections of physical constraints. This latter factor was developed for the Association both by consultants' yard evaluations and Association staff efforts. Table B-1 details the results of our review. Although Oak Island and Greenwich yards were highlighted for expansion or significant rehabilitation, the Association did not include the "scenario" yard loading results for these yards in the Preliminary System Plan.

Several important points can be determined from the table. Because the ConRail/MARC-EL loadings for Blue Island and Frontier Yards are significantly greater than the Three Carrier System loadings for the same yards, the data indicate that the Association anticipates heavy usage of these yards by the Mid-Atlantic/EL System discussed in detail in a later section of this Report. In the case of Blue Island Yard, the data indicate that its proposed expansion would be adequate for the Three Carrier System at least through 1985, but that it would not be sufficient to handle the addition of Mid-Atlantic/EL System traffic.

Our observations of major system yards do not substantiate all of the Association's projections regarding the capacities achievable from proposed expansion and rehabilitation programs. We have concerns about Avon, Elkhart, Sharonville, and Allentown yards.

At Avon Yard, the Association projects an actual capacity of 3,300 cars daily. Achievement of this level of through-put is based principally on rehabilitation of the yard, returning it to its proper operating condition. However, Avon Yard's record daily through-put (achieved when the yard was in good condition) is only 3,126 cars. Yard through-put records are usually achieved under pressure, and do not reflect the through-

put which can be achieved on a sustained basis. Simply returning Avon to its proper condition is not likely to produce a through-put in excess of the yard's one-day record.

An expansion program totalling almost \$7 million proposed for Elkhart Yard is estimated by the Association to increase the yard's through-put by 16 percent. Despite this expansion, the simulated 1985 yard loading significantly exceeds the projected through-put capability. We are concerned also that the anticipated increase in through-put may have considered only the humping operation, possibly overlooking the capacity constraint presented by the physical layout of the "pull-out" end of Elkhart's classification yard. Obviously humping capacity is significantly reduced when the cars cannot be pulled from the classification tracks quickly enough to free those tracks for cars waiting to move over the hump.

Our observations indicate that the Association's anticipated through-put capacity for Sharonville Yard borders on the high end of a reasonable operating range for the yard. Sharonville is a manual hump with 37 tracks ranging from short to moderate in length. Fortunately, the Association's anticipated increase in capacity exceeds the anticipated increase in yard loading, possibly offsetting the optimism of their capacity estimations.

The constraints at Allentown are primarily in the eastbound yard. The Association's projected through-put capacity of 2,200 cars would be achievable only if the yard is in top-notch shape. A limiting factor in the eastbound yard's capacity is the short length (approximately 35 car lengths) of its five receiving yard tracks, which necessitates setting portions of inbound trains over onto a second receiving track, adding to yard congestion and delay.

TABLE B-1.—Projected percentage change in yard loadings from USRA simulated 1973 levels

[Based on network planning scenarios detailed on page 284 of plan]

Proposed for rehabilitation (R) or expansion (E) ¹	Yard	Simulated 1973 yard loading	Proposed percentage increase in yard throughput ²	Percentage change in simulated yard loadings relative to simulated 1973 actual loadings			
				3-carrier system 1973 level	Con Rail/MARC-EL 1973 level ³	3-carrier system 1985 level	Con Rail/MARC-EL 1985 level ³
X-R.....	Avon.....	3,452	+3	-14	-16	-10	-10
X-E.....	Blue Island.....	2,998	+19	-32	+7	+18	+27
X-E.....	Elkhart.....	3,250	+16	+8	-5	+23	+4
X-R/E.....	Sharonville.....	2,542	+22	-8	-7	+8	+10
X-R.....	Buckeye.....	2,579	0	-14	-10	-5	0
X-E.....	Stanley.....	2,288	+24	-23	-24	-14	-14
R.....	Junction.....	1,916	+11	+4	+5	+18	+16
R.....	Conway.....	5,975	+12	-28	-30	-21	-28
R.....	Frontier.....	3,017	+5	-13	+24	-9	+29
R.....	Enola.....	5,258	+5	-45	-32	-43	-25
X-R.....	Allentown.....	1,598	+5	+18	-17	+26	-13
E.....	Selkirk.....	3,188	+3	-18	-12	-13	-5

¹ X Indicates yards highlighted for expansion or significant rehabilitation on Page 47 of Plan.

² Determined from ratio of Current Throughput Attainable Under Efficient Operation and Current Throughput Attainable Under Efficient Operation after Correction of Physical Constraints. This ratio reflects anticipated improvements

resulting from both rehabilitation and expansion. Source—USRA Preliminary Yard Performance Estimates.

³ ConRail/MARC-EL yard loadings represent combined total of ConRail and Mid-Atlantic/EL System usage of each yard.

Finally, it appears that expansion projects are proposed for Stanley and Selkirk Yards despite a projected decrease in their use.

In summary, the Office has found the Association's yard planning efforts to be inconsistent with the supporting analyses, and we believe that many of the analyses present an overly optimistic assessment of the magnitude of improvement attainable. The Final System Plan should incorporate more consistent and realistic yard assessments. It should also take into account the yard requirements for the traffic now handled by the Erie Lackawanna and that which would move over Mid-Atlantic/EL if that system were to be established.

Other Properties and Affiliated Carriers

The Plan concentrated on railroad lines and railroad yards in its attempt to set forth what properties might be included in ConRail. It contains no suggestion that the Association has given any consideration to ancillary properties, such as office buildings to house the ConRail staff. For example, does the Association contemplate that ConRail will occupy the space in Penn Center, Philadelphia, now used by Penn Central? And if so, on what terms? More important from the point of view of filling out the "blueprint" of ConRail operations, what are the Association's intentions with respect to the many smaller rail lines which are wholly-owned or partially-owned by one or more of the bankrupts?

The Plan said nothing, for example, about the Lehigh and New England Railway Company, which is a wholly-owned subsidiary of the Central Railroad Company of New Jersey (although its stock is held by the United States as a pledge for a defaulted loan guarantee). The L&NE is in such precarious financial condition, although it is not in bankruptcy, that its operations are being performed in part by the Lehigh Valley and in part by the Reading under orders issued by the ICC pursuant to section 1(16) of the Interstate Commerce Act, as amended by section 601(e) of the Act. The Final System Plan should contain an evaluation of these operations. If they are potentially profitable it would seem logical to provide for the inclusion of the L&NE in the ConRail system—and yet such inclusion was not even suggested as one of the many possible coordination projects listed in the Plan.

The Plan made no mention of the Association's intentions regarding the many railroads of which one of the bankrupts is a partial owner. Some are terminal railroads, whose services are an integral part of the operations of one of the ConRail carriers—usually the Penn Central. Examples are the Indiana Harbor Belt Railroad, 51 percent controlled by Penn Central; the Belt Railway Company of Chicago, of which Penn Central owns 7.69 percent; the Terminal Railroad Association of St. Louis, 12.5 percent of whose stock is controlled by Penn Central; the Detroit Terminal Railroad Com-

pany, half controlled by Penn Central; and the Akron & Barberton Belt Railroad Company, of which both Penn Central and the Erie Lackawanna are partial owners. The Plan is silent, too, on what is to be done about the Penn Central leased lines. Is ConRail to assume the leases, or is it to buy the underlying properties?

The Association's long list of possible coordination projects also presents a problem, for it is in truth nothing more than a list. There is no indication whether the Association favors individual coordination proposals, and it is impossible to determine from the Plan how services that might be affected if a particular coordination were carried out would be performed.

Rehabilitation

The bankrupt carriers' physical plants and facilities are in a seriously deteriorated condition, and any attempt to restructure these railroads without restoring the track and roadbeds to a reasonable level of repair would be disastrous. We certainly agree with the Association that the deferred maintenance situation is overwhelming and that an immediate effort to reverse the deterioration is urgent.

From a practical viewpoint, we also agree that the priority order chosen by the Association for track rehabilitation, starting first with the heavier-density through freight routes, will probably have to be followed. Despite the poor condition of the bankrupt railroads' track, replacement of track materials, particularly rail, on a main line will make available much reusable material which can be installed on secondary lines or can be used in yards and for sidings. To take advantage of this "cascading" of materials, and to generate a supply of second-hand materials, work almost has to start on those parts of the system initially built for heavy-density mainline operations.

We would not want to suggest, however, that ConRail should place itself in a strait jacket and postpone rehabilitation projects on other than main lines where such projects would provide a greater return on the capital expended. For example, there are a number of instances where secondary lines have been allowed to deteriorate to such an extent that relatively long train trips must be taken at speeds of 10 miles per hour or less, resulting in greatly inflated crew costs and highly inefficient equipment utilization. Rehabilitation projects on lines such as these could well prove to be more advantageous to ConRail from a cost and revenue point of view than some mainline rehabilitation programs. A high priority must also be given to yard rehabilitation, for it does no good to build high-speed main lines if the cars cannot be classified and trains made up in an expeditious manner.

Although we anticipate situations to arise which would require adjustments in the scheduling of upgrad-

ing projects, we agree with the Association that the large expenditures required should be concentrated first on those projects yielding the greatest improvement in the transportation service which can be provided to the region by ConRail and can most quickly improve ConRail's revenue position. Despite the overwhelming nature of the expenditures required, rehabilitation is absolutely necessary because efficient, high-quality transportation service cannot otherwise be provided.

Various estimates of the upgrading cost presented in the Plan range from \$95,000 to \$180,000 per route mile for principal routes and from \$10,000 to \$160,000 per track mile for the light-density lines excluded from ConRail. Since it is apparent that the total amount required for upgrading greatly exceeds the sums available under the Act, we believe it is imperative that a consistent, accurate estimate of rehabilitation costs be presented for public and Congressional review in the Final System Plan.

The Association's rehabilitation estimates were apparently developed from four sources: (1) the physical inventory and assessment project; (2) the chief engineers' assessment performed for the Federal Railroad Administration; (3) estimations by the Association's staff; and (4) questionnaires completed by the railroads on the condition of local service lines. With four groups assessing different subsets of the bankrupts' properties for different purposes, inconsistencies can be expected in comparing their results. It is the Association's responsibility to review these inputs and produce a single estimate of the rehabilitation funds necessary. This has not been done in the Preliminary System Plan, as illustrated by the following examples:

- The \$500 million to \$1 billion available under the Act is estimated to be adequate to rehabilitate only a 5,000 mile system including related facilities (\$100,000 to \$200,000 per mile including other facilities).
- Rehabilitation of entire physical plant of the bankrupts (approximately 21,000 miles) estimated to require \$3.8 billion, according to chief engineers (\$180,000 per route mile).
- Rehabilitation (track work only) of 43,000 track miles estimated at \$2.3 billion by inventory-project contractors (\$54,000 per track mile, equivalent to approximately \$100,000 per route mile on double-track portions of the system).
- A reduction in system size from 15,000 miles to 11,000 miles estimated to reduce rehabilitation expense by \$380 million (\$95,000 per route mile).
- Train-related expenses are anticipated to be reduced because of the \$2 billion rehabilitation program, 73 per cent of which is track-related, on the recommended 15,000 mile system (\$97,000 per route mile).

- Rehabilitation of 6,200 miles of light-density lines excluded from ConRail would require an estimated \$1 billion (\$160,000 per track mile).
- Reviewing the individual light-density line analysis for the same 6,200 miles excluded from ConRail indicates a total of \$60 million would be required to return these lines to FRA Class I standards (\$10,000 per track mile).

Equipment Utilization Improvement

The Association projected a 31 percent improvement in overall freight car utilization, based on measurements of the Penn Central's "car-days on line per load originated" during periods of peak demand and car shortages. Achievement of this projected improvement would require improvements in over-the-road speeds, yard throughput, and freight car distribution techniques.

The Office questions ConRail's ability to achieve the Association's utilization expectations. The Association assumes that mainline rehabilitation can improve over-the-road speeds by 21 percent, but this results in only a 3 percent improvement in utilization because freight cars only spend 15 percent of their time moving over the road. Thus, a 28 percent increase in utilization must be achieved from yard through-put and car distribution improvements if the Association's 31 percent improvement goal is to be attained.

Comments received from other railroads indicate extreme skepticism about ConRail's ability to achieve such a dramatic improvement in car utilization. To attain such an improvement, other than during car shortages, would require accurate "same day" information on car type, ownership, grade, interior cleanliness, and previous commodity in addition to an advanced knowledge of demand. The experience of railroads indicates that such information is not readily available, particularly while the car is under a shipper's control. Even with sophisticated computerized systems, similar to that contemplated for ConRail, other railroads have not been able to approach utilization improvements anywhere near the range projected for ConRail.

Unfortunately, the Association's optimistic projections account for an anticipated \$18 million reduction in ConRail's expenses (59 percent of a \$30 million reduction in car hire expense). Failure to achieve this optimistic goal will reduce the projected profitability of ConRail.

Coordination

The burden imposed by under-utilization of high-cost lines and facilities is one of the factors contributing to financial situations faced by the bankrupt carriers and many solvent carriers, both in the Region and in other areas of the country. Often, this under-utilization is the result of the proximity of duplicative facilities of another carrier. Recognizing this, the Act suggested various means of coordinating operations and achieving

economies in the cost of operating the Region's rail system. The Association has recommended certain specific projects involving coordination of the operations of ConRail and the solvent carriers of the Region. The Plan also details those lines which the Association has offered for sale to solvent carriers connecting with the line.

The problem of duplicative trackage is acute in the Region's major terminal areas. Consolidation of underutilized trackage and facilities could substantially reduce the maintenance and terminal operating costs in areas such as Chicago, Detroit, East St. Louis, Buffalo, Newark, and Philadelphia. While we realize the complexity of a terminal rationalization project and that the detailed analysis and implementation would be ConRail's task, we believe that the Association should initiate the necessary data gathering and project identification tasks for ConRail. Terminal coordinations and consolidations, which are important to regional rail system viability, should be addressed by the Association in the Final System Plan.

Coordination Projects

Achieving operating economies without adversely affecting operations or service quality is critical to the long-term vitality of the rail system in the Northeast. It is important that these economies are not realized at the expense of other carriers in the Region. To assure recognition of this, the Association was required by the Act to determine whether potential coordination projects would materially impair the profitability of any carriers in the region. Implementation of the projects approved by the Association, if also approved by the Interstate Commerce Commission, would require the voluntary integration of facilities and services by the carriers involved.

The Association reported its findings relative to whether individual projects would impair the profitability of any carriers by categorizing the projects as shown below:

Category:

Appendix to Association's Plan

Trackage coordinations and minor market changes which would not impair the profitability of any carrier.

D-1

Projects which represent major market extensions which could affect the profitability of carriers. This category was not recommended for implementation by the Association.

D-3, pt. I

Projects involving major market extensions which would not materially impair the profitability of any carriers. This category includes those line extensions which would be necessary to implement the recommended three carrier system structure.

D-3, pt. II

Projects involving trackage coordination and acquisitions of portions of solvent railroads by ConRail. Acquisition of the trackage rights necessary for a freight bypass

to the Northeast Passenger Corridor is included in this category.

D-4

The Office has reviewed each of the proposed coordination projects, with the exception of those reported in Appendix D-3, Part I. Projects included in that portion of the Appendix were described by the Association as "Major market expansion proposals that cannot now be found not to materially impair the profitability, either singly or cumulatively, of any railroad in the Region or ConRail." We interpret this to mean that the Association has not given its approval to these projects as required by section 206(d)(3) of the Act, and that they cannot, therefore, be effected under the provisions of the Act. For this reason, they have been excluded from our analysis.

Our reviews of the remaining coordination projects include an analysis of the benefits of each project, the interrelationships between mutually exclusive projects, the effect on local service currently provided on the lines involved, and technical comments received in testimony relating to the project. These individual project reviews are included in Appendix A of this report.

Offers of Sale of Lines

The Association identified light-density lines of bankrupt carriers which are not recommended for operation by ConRail, but do connect with lines of solvent carriers in Appendix D-2 of the Plan. Appendix A of this report indicates the lines offered for sale for which solvent carriers have expressed interest or have made a firm offer to purchase.

ALTERNATIVE REGIONAL STRUCTURES

Because the Association's recommended Three Carrier System can be implemented only with the active participation of the Chessie and the N&W, the Plan presented two alternative regional structures to be considered if the solvents choose not to participate. The alternative preferred by the Association is a Two Carrier System, which could be implemented with the participation of only one of the solvents. The other alternative is the creation of two carriers in the region, a ConRail comprised of PC, AA, and PRSL, and a Mid-Atlantic/EL system comprised of EL, LV, RDG, CNJ, and I&HR. (See map, Figure 2-5.)

For reasons discussed earlier, one or both of the solvents may find it in their best interests not to participate in the Three Carrier System. The Office, therefore, has reviewed the alternatives presented in the Plan, evaluating the ability of each to achieve effective competition without sacrificing the goal of financial self-sufficiency.

A Two Carrier System

The Association's preferred contingency plan, should either the N&W or the Chessie decide not to participate,

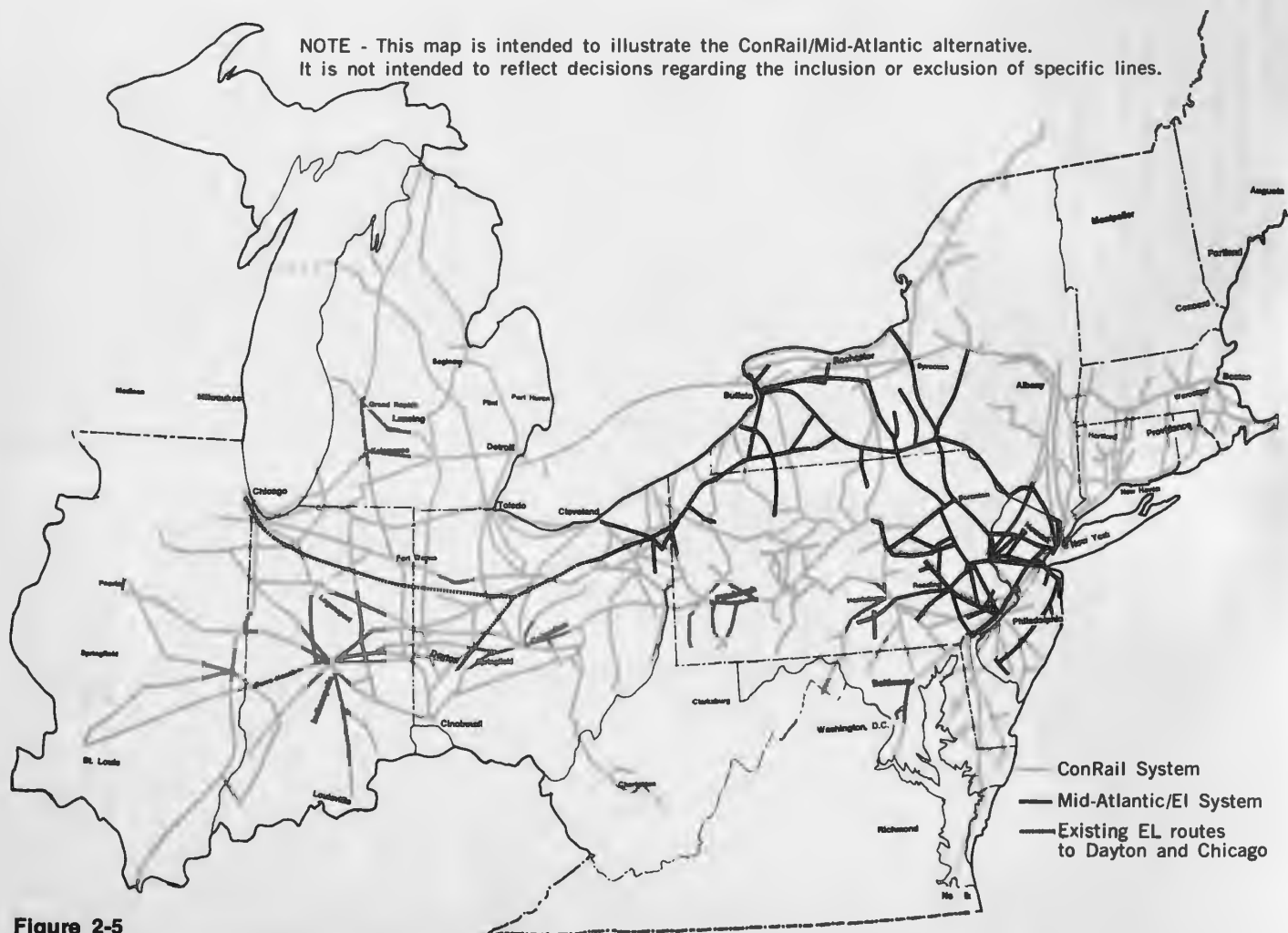


Figure 2-5
Basic structures of ConRail and Mid-Atlantic/EL

is to add the routes rejected by the refusing carrier to those offered to the participating carrier. Specifically, the additional routings would be as follows:

If Chessie does not participate—

- N&W would enter the Allentown and Philadelphia markets from the north, presumably by trackage rights over the LV to Allentown and the RDG from Allentown to Philadelphia.
- N&W would acquire trackage (presumably a combination of PC and RDG) from Hagerstown to Harrisburg and trackage rights over the RDG to Allentown.
- N&W would acquire operating rights over the PC main line from Orrville, Ohio to Harrisburg.

If N&W does not participate—

- Chessie would acquire the EL main line from Akron, Ohio to Newark, including the D&H connection at Binghamton, New York.

These Two Carrier Systems suffer the same competitive deficiencies as the Three Carrier System. Under either the Two Carrier or Three Carrier Systems, the conditions of line acquisition are similar. The proposed extensions through Harrisburg to Allentown would be granted "with or without access to on-line industry." As discussed earlier, extensions without access to on-line industry would not provide competitive choices to rail users.

Either one of the Two Carrier Systems would retain the competitive through routings to the west and the south established in the Three Carrier approach. However, neither would preserve the natural flows of traffic and each would eliminate the solvent carriers' "friendly" connections with the LV, RDG, and CNJ.

The N&W structure which would result if the Chessie did not participate would establish N&W, by virtue of acquiring the PC and EL main lines, as an overpowering inter-regional carrier. The N&W, with the connecting routes of its subsidiary D&H, would extend from Montreal to Winston-Salem and from New York, Philadelphia, and Norfolk to Chicago and Kansas City, serving virtually every major traffic generating area and gateway in the area bounded by these cities. The Office is concerned that the impact such a system could have on ConRail's and the Chessie System's viability and on existing traffic patterns would be counter to the goals of the Act. Similarly, the Chessie System which could evolve under the Two Carrier System would be dominant in the Region, although it would not extend into the upstate New York area or west of Chicago and St. Louis.

Although we feel that adjustments to the Three Carrier System could make its implementation acceptable, we believe that the rail systems would could evolve under the Two Carrier System, particularly an expanded N&W, would not provide an acceptable restructuring alternative.

The Mid-Atlantic System and the Erie Lackawanna

As its alternative contingency plan for restructuring the Northeast railroads, the Association proposed the creation, independently of ConRail, of the Mid-Atlantic Rail System, in combination with the Erie Lackawanna. The Mid-Atlantic System, which would include the Reading, Lehigh Valley, Jersey Central and Lehigh & Hudson River Railroads, has been actively promoted by the trustees and managements of the Lehigh Valley and the Reading. The Erie Lackawanna's recent decision to restructure under the Act rather than under Section 77 of the Bankruptcy Act makes it a logical potential candidate for complete or partial inclusion in the Mid-Atlantic System.

Basic Route Structure

The Mid-Atlantic/EL System, as envisioned by the Association, would include the trackage of the Erie Lackawanna; the Lehigh Valley east of Waverly, New York; the Reading; the Central Railroad of New Jersey; and the Lehigh & Hudson River. The Association also suggested providing Mid-Atlantic/EL with trackage rights to St. Louis, and maintaining EL's present rights to Cincinnati and Indianapolis. This would establish a system which would have direct connections with the D&H and its New England traffic, as well as direct service to the principal western and southern gateways. In addition, such a system could provide single carrier service from the Newark, Northern New Jersey, Eastern Pennsylvania, and Philadelphia areas to the Midwest. Mid-Atlantic could compete vigorously in the traffic generating areas around Wilkes-Barre, Scranton, Allentown, Reading, Philadelphia, and Newark. The Association also recommended that consideration be given to the possible inclusion of the Detroit, Toledo and Ironton and the Pittsburgh and Lake Erie Railroads into the Mid-Atlantic/EL system. An alternative Mid-Atlantic structure without the Erie Lackawanna, or excluding the greater part of EL west of Buffalo, could provide the same competitive services east of Buffalo, but would be dependent on connecting line-haul carriers for routings to the west and south.

Because the "Northeast Corridor Bypass" for through freight service would require operation over Mid-Atlantic trackage, the establishment of the Mid-Atlantic/EL System would include as a basic premise the granting of trackage rights to ConRail necessary for it to operate through freight trains around the Northeast Passenger Corridor. Ancillary to the creation of Mid-Atlantic/EL, in order for ConRail to operate an independent north-south competitive service, we believe that ConRail should acquire Penn Central's line from Wilkes-Barre to Sunbury to connect its southern gateways with the traffic areas controlled by the D&H. This particular line, omitted from the ConRail system

under the Preliminary System Plan, has extremely favorable grades and has been the subject of recent interest by some of the solvent carriers.

Mid-Atlantic/EL System Alternatives

The Association has suggested as its Mid-Atlantic/EL alternative a system that would not only include all the lines of the EL and continue its service to Indianapolis and Cincinnati, but also would provide new trackage rights to St. Louis. In addition, it has indicated that consideration would be given to bringing the DT&I and the P&LE into Mid-Atlantic/EL. The Office does not favor either of these proposals. An extension of some 300 miles into St. Louis solely to provide access to another midwestern gateway appears to us to be completely unjustified. The Association has provided nothing to support this kind of artificial manufacturing of new competition, which would simply continue and extend the unnecessary duplication of rail services which has been a major cause of railroad industry problems in the Midwest. We would strongly recommend that the Mid-Atlantic/EL foster cooperation and coordination with the DT&I and P&LE, but we do not believe that their inclusion would be in the best interest of the Mid-Atlantic System, those railroads, or the public.

On the contrary, we think that the Association should look to the possibility of reducing the size of the Mid-Atlantic/EL System. We suggest that serious consideration be given to a configuration which would exclude the EL properties in Illinois, Indiana, and all or most of Ohio. In these States, the EL main line is largely duplicative of several other parallel main lines. It is clearly unnecessary for the movement of through traffic between eastern points and its western terminal at Chicago and Dayton. If Mid-Atlantic/EL were confined essentially to operations in New York, Pennsylvania, and New Jersey, ConRail could take over EL lines west of the Ohio-Pennsylvania State line and downgrade much of the present mainline trackage to secondary or branch line status.

In our view, effective competition could be provided by the Mid-Atlantic/EL System east of Buffalo even if it could not offer single-line service to the major western gateways. Connections could be made at Buffalo with ConRail, C&O, and N&W. A connection with the B&O could be constructed at Sterling, Ohio, and it seems likely that it would be to the B&O's advantage to offer Mid-Atlantic trackage rights to its Willard, Ohio Yard. Given these adequate connections, a strong relationship should develop quickly between Mid-Atlantic/EL and ConRail's major competitors—and with ConRail itself, as well. The through train service now operated by the LV and the N&W is evidence that traffic can be attracted without the sales advantage which single-line service appears to have.

Advantages of Mid-Atlantic/EL

In reviewing industry structures reported on in our response to the Association's Annual Report, "Preliminary Views on Rail Restructuring," we met with executives of the carriers in the Region and discussed alternative system configurations. Not only are the principle participants of the Mid-Atlantic System in favor of its implementation, but the smaller roads which make up the remainder of the regional system also generally favor this approach to providing a competitive system in the Northeast.

We believe that the rail users and the smaller railroads in the region would benefit from the Mid-Atlantic System, whether or not it included portions of the EL. In addition to providing necessary through routings to the west and south independent of ConRail, the Mid-Atlantic System would provide effective local competition, benefiting the Region's rail users. Mid-Atlantic's operation of lines in the Region would not be principally to reach an end-point market, but would be directed at providing competitive local service. This is illustrated by a comparison of line exclusions proposed by the Association and those proposed in the Mid-Atlantic System. Of 38 light-density lines on Mid-Atlantic candidate railroads excluded by the Association from ConRail, the Mid-Atlantic System would retain 24 lines completely and portions of four other lines. The Association's Plan would eliminate service from 123 stations with 21,898 carloads while the Mid-Atlantic System would eliminate only 34 stations with 2,130 carloads on the same lines.

The Association discussed the less favorable financial results which it predicts would be realized if ConRail and an independent Mid-Atlantic/EL were established, but it readily admitted that no financial projections have been made for the Mid-Atlantic/EL System. To conclude that establishing these two Systems would be a "disaster", as one of the Association's principal consultants did (Plan, page 258), is rash, to say the least, when no analyses have been performed.

A basic argument made by the Association against the Mid-Atlantic/EL System is that government funds would be used to create two competing rail carriers in the Region. The implication is that the government's money would be wasted simply to create competition. However, what is envisioned is not abstract, theoretical competition, but competition which now exists and the continuation of which is demanded by shippers, State transportation agencies, and connecting railroads in order to assure adequate rail service in the region. Further, the operation of the tracks east of Buffalo by the Mid-Atlantic System would not generate unnecessary competition any more than operation of these tracks by the N&W or Chessie would. Since the solvent carriers are unlikely to accept the debilitated physical plant without government expenditures for upgrading, the

total rehabilitation cost under the Mid-Atlantic/EL System would not differ much from that under the Association's recommended Three Carrier System.

In the Office's opinion the Mid-Atlantic/EL System has a number of advantages over the Three Carrier System and the alternative Two Carrier Systems. Mid-Atlantic/EL would provide competitive local service to more areas in the Region than would the other system structures proposed by the Association. For example, while the Three Carrier System would provide competitive service only in the northern New Jersey area, Mid-Atlantic/EL would establish two independent systems through much of New Jersey, Mid-Atlantic operating the CNJ and Reading, and ConRail operating the Pennsylvania Reading Seashore Lines.

The carriers to be included in Mid-Atlantic/EL would operate in areas where they are already established, and would not be new carriers entering the area with the principal goal of reaching an end-point market. These carriers over the years have developed a traffic base and a service relationship with the shippers in the Region; the restructuring process should strive to take advantage of this intangible asset. These smaller railroads have a greater dependency on individual shippers and have historically attempted closer personal interaction with shippers located on their lines. This advantage should be recognized in the restructuring.

It can be expected that the feeder function historically provided by the smaller bankrupts to the larger solvent carriers would be continued. The natural alliances which would be established between Mid-Atlantic/EL System and the Region's line-haul carriers would be strong because they would be based on common needs and benefits. The result would be effective competition in the Region.

Finally, the carriers involved have expressed interest in operating the system. They are not hesitant and are not demanding concessions in return for operating this trackage. The Region, in the long run, will probably be better served by a carrier who wants to serve an area rather than by one who places conditions on its willingness to serve the area.

The Office is in favor of establishing the Mid-Atlantic/EL System to compete with a ConRail System comprised of the Penn Central, Ann Arbor and Pennsylvania Reading Seashore Lines. While we believe that the Three Carrier System presented by USRA will, indeed, satisfy the needs of the Region and the goals of the Act, we do not see it as being the best solution. The Three Carrier System is an acceptable solution, and if negotiations are successful with the solvent carriers, the Office certainly will support its establishment. We believe, however, that better service, less government involvement and a more balanced regional system are possible by the implementation of the Mid-Atlantic/EL System.

Financial Analysis

The Final System Plan, when adopted by the Association and approved by Congress, will effectuate the largest financial reorganization and restructuring of any major sector of the American economy ever undertaken. Although confined to the railroad systems of the midwest and northeast region, its financial effects will be felt at every level of the nation's economy—by travelers and shippers; by consumers; by employers and employees; by owners of insurance policies, bank accounts or other savings; and by the general taxpayers. Congress intended that the region's railroad system, as restructured, refinanced and reorganized under the plan, be financially self-sustaining—that is, capable of financing itself, beyond the aid made available in the Act, from private-capital sources. But every element of the public will be in some degree a contributor to the financial needs of the system, and thus an investor in it.

The Final System Plan, when released, will serve a purpose akin to that of a registration statement or prospectus registered with the Securities and Exchange Commission for a public offering of enormous size. It must embody full and fair disclosure of all the pertinent financial and operational facts and risks with such detail, accuracy and clarity as will permit each member of the affected public to determine whether he is being fairly treated in the reorganization, and whether he wishes to participate in the venture. The Preliminary System Plan is a "red herring," or preliminary prospectus; each of its 18 chapters and 11 appendices relates in some way to the projected financial results and the

financial burdens the various elements of the public may be expected to assume. The Office has studied each of these with as much diligence as the limited time permitted. The Plan lacks many elements of detail necessary for intelligent analysis; it would be seriously deficient as a final prospectus if these gaps are not filled. The Office understands the reasons for some, but not all, of the deficiencies; the Association's work had not progressed sufficiently as of February 26 to make the required details available. Yet it feels that it should point out some of the major deficiencies, direct attention to those portions of the Plan which it believes may be misleading or require further study, and present its analysis of the data contained in the Plan.

The Office also wishes to express its appreciation for the cooperation the financial planning staff of the Association have extended in making available information to assist in the analysis and review.

Some Major Deficiencies

A major deficiency at this stage of course is that the minimal pro forma financial projections do not reflect results to be anticipated from the three-system structure the Association says it prefers for the region, but relate instead to its third choice—ConRail I. The financial projections are stated to be fairly representative of the preferred rail system structure, but the public should be aware that the costs of rehabilitating EL and other changes in the Final System Plan may result in substantial financial differences.

In the light of current economic uncertainties, the Association apparently (and understandably) lacked complete confidence in the accuracy of the projections as to the trends of inflation and interest rates prepared last year by its consultant; the amount of data presented in the inflated income, balance sheet, and funds flow projections is inadequate to permit serious analysis. Much of the Office's analysis therefore has been confined to the 1973 constant dollar projections.

The Final System Plan may be expected to be subjected to rigorous financial scrutiny from many sources; it should contain sufficient data to enable customary analytical techniques to be applied.

The Plan contains no information on:

- (1) the value of the rail properties to be acquired by ConRail or other carriers;
- (2) the value of the "other benefits" required by section 206(f) of the Act to be evaluated;
- (3) the capital structure of ConRail, the value of the securities to be issued by it or the considerations to be exchanged by other railroads in the region for properties or rights to be conveyed to them; or
- (4) the manner in which employee stock ownership plans may be utilized for meeting ConRail's capital requirements.

Most importantly, the Office concurs emphatically with the Association's statement that "the performance of ConRail will exceed that of the bankrupts only if ConRail employs management leadership of the highest quality." The Plan discloses no information as to the identity or structure of ConRail's management. Absence of such disclosure in the Final System Plan would constitute a serious—indeed, well-nigh fatal—deficiency.

General Comment

To characterize the financial data presented as portraying a financially self-sustaining rail service system for the Region would require a considerable exercise of semantic elasticity. The inability of the Association to propose a rail service system capable of financing itself results, evidently, from the necessity of large expenditures for making up deferred maintenance, reducing the bad order equipment ratio, capital improvements, and new equipment acquisitions. Unfortunately, the situation on the properties to be included in ConRail is symptomatic of railroad conditions applying in other regions of the United States also.

Without any allowance for financing necessary to compensate for the assets to be conveyed to ConRail other than equipment, the Plan estimates that on a 1973 dollar basis ConRail will generate over the 10-year pro forma period 1976–1985 internal cash of nearly \$2.4 billion, but require net external financing, after debt retirements, of \$1.1 billion. Assuming inflation as projected in the report by one of its consultants last year, and refusal by the Interstate Commerce Commis-

sion to allow rates covering inflated capital costs, internal cash generated over the period would reduce to \$1.8 billion and external financing needs increase to \$3.5 billion. These projections assume that the index of railroad material prices will increase 107.5 percent over the 1973 level by 1985, and consumer prices 109 percent. This is a dismal prospect indeed, and implies the bankruptcy of much of the railroad system outside the Region.

The Association considers the inflationary scenario, without fully compensating rate adjustments, the more probable one. It assumes that net equipment financing of \$245.6 million, over and above repayments and equipment debt assumed at the outset, can be arranged through private sources, but doubts that nearly \$3 billion of other debt can be privately financed. On the basis of these assumptions and projections, the Office shares this doubt.

Treatment of Rehabilitation Costs

Over the 10-year period 1976 through 1985, the Association estimates that rehabilitation of ConRail's roadway and structures, over and above normalized maintenance expenditures, will cost \$1,380,851,000 expressed in 1973 dollars, net of \$487,762,000 to be realized from salvage. In addition, it anticipates the necessity for \$635,529,000 in roadway capital improvements and \$918,058,000 in new rolling stock.

When inflation factors developed by the Association's consultant are applied to these estimates, the roadway and structures rehabilitation costs mount to \$2,849,151,000, net of \$1,051,998,000 in salvage recovery. The roadway capital improvements would cost \$1,313,045,000, and the equipment acquisitions \$1,325,317,000. The increase in the roadway costs would be 106.3 percent and in the equipment acquisition costs 44.3 percent. The reasons for this considerable spread in inflationary expectations are not disclosed.

The Plan financial statements are presented on the assumption that "modified betterment" accounting, rather than the traditional "pure betterment" methods specified in normal ICC accounting rules, would be employed by ConRail. Under modified betterment procedures the roadway and structures rehabilitation expenditures are capitalized and not depreciated. Comments on the accounting methods will be made in a later portion of this section, but for the purposes of this analysis the Association's methods are followed.

It is evident that the roadway rehabilitation costs, resulting from twenty years of neglect by present and past managements of the insolvent properties, are a major factor in the inability of the Association to project financial self-sufficiency for ConRail, and thus to achieve the central goal of the Act. The rehabilitation cost estimates, and particularly the inflation projections,

may prove erroneous to some degree; but it is evident that they will be substantial, and the major rehabilitation must be undertaken if ConRail is to be a going concern capable of meeting the rail service needs of the region.

The question is: how may this problem be resolved at minimum cost to the taxpayers and a financially self-sustaining ConRail emerge from the shambles of bankruptcy? In Tables 3-1 and 3-2, the Office endeavors to illustrate one possible approach. Although it does not necessarily agree with all of the assumptions in the Association's projections it has for this purpose adhered to all of them except that:

(1) one half of the roadway rehabilitation funds are assumed to be furnished by the Federal Government on a 50/50 matching basis, with the remaining half furnished by ConRail out of internally-generated cash or borrowings;¹

(2) ConRail's equipment acquisitions are financed as proposed by the Association but its general-obligation borrowings are financed through private capital sources at interest rates averaging 8.5 percent.

(3) ConRail assumes the \$121.6 million of section 215 obligations and the \$256.21 million of existing equipment obligations.

In the computations of interest coverage, the Office has not attempted to apportion any of the equipment rentals to income before charges or to fixed charges, since the Plan did not provide detail as to the equipment expected to be obtained under non-cancellable leases.

A Federal contribution estimated at \$690.4 million (one-half of ConRail's roadway rehabilitation costs) would, as shown in Table 3-1, considerably improve the anticipated earnings, interest coverage, and balance

sheet, expressed in 1973 dollars. If the Association's projections could be relied upon, and if inflation were not a concern, it appears that ConRail could, with such an infusion of Federal funds, achieve a respectable financial status.

When the Association's inflationary expectations are applied as in Table 3-2, the amount of Federal assistance necessary to cover one half of the roadway rehabilitation rises to \$1.42 billion. Such an infusion improves the Association's projections to the extent that the interest coverage ratio reaches 2.15 by 1979 and an average of 2.16 for the 10-year pro-forma period. This is about equivalent to the 5-year coverage ratio exhibited by BN (see Table 3-3), and might, after a period of demonstrated earnings, entitle ConRail to an A mortgage bond rating were it not for the high projected debt-equity ratio at the end of 10 pro forma years. Some additional assistance would be necessary to bring this down.

Moreover, the computations reflected in both Tables 3-1 and 3-2 assume reliance on the Association's pro forma projections. The analysis of these projects which follows suggests that, at a minimum, some further refinement and the supplying of supporting data would be necessary before complete reliance could be accorded them.

Cause of Change Analysis

The 1973 combined net deficit after provision for fixed charges of the six railroads in reorganization making up ConRail I was \$221,037,000 on reported operating revenues of \$2,201,964,000. Pages 194-196 of the Plan present a "cause of change" analysis reconciling the differences between this loss and the improved income results projected for ConRail on an uninflated basis over the 10 pro forma years 1976-1985. For the

TABLE 3-1
[Thousands of 1973 dollars]

	Preliminary plan				Adjusted		
	Income before interest	Interest expense	Net income	Times interest earned	Interest expense	Net income	Times interest earned
1976.....	(\$54,287)	\$37,138	(\$91,425)		\$39,091	(\$93,378)	
1977.....	25,608	53,011	(27,403)	0.48	52,286	(26,660)	0.49
1978.....	99,778	67,998	31,780	1.47	64,449	35,329	1.55
1979.....	212,492	77,268	135,224	2.75	69,664	142,828	3.05
1980.....	242,166	81,379	160,787	2.98	68,313	173,853	3.54
1981.....	299,760	81,668	218,092	3.67	69,198	230,562	4.33
1982.....	332,778	79,768	253,010	4.05	54,122	278,686	6.15
1983.....	367,094	78,215	288,869	4.69	47,116	319,968	7.79
1984.....	426,686	78,020	348,666	5.47	42,866	384,320	10.07
1985.....	459,475	77,739	381,736	5.91	38,448	421,027	11.95
Cumulative.....	\$2,411,540	\$712,204	\$1,699,336	3.39	\$545,053	\$1,866,505	4.42

Balance sheet items	Preliminary plan	Adjusted
985 Equipment debt.....	\$268,679	\$268,679
Other debt.....	\$805,504	\$215,333
Shareholders' equity.....	\$1,699,335	\$1,866,505
Debt ratio.....	38.7	20.6

TABLE 3-2

[Thousands of inflated dollars]

	Preliminary plan				Adjusted		
	Income before interest	Interest expense	Net income	Times interest earned	Interest expense	Net income	Times interest earned
1976	(\$54,287)	\$39,729	(\$94,016)		\$40,900	(\$95,187)	
1977	25,608	63,110	(\$7,502)	0.41	60,100	(34,492)	0.43
1978	99,778	89,362	10,416	1.17	81,734	18,044	1.22
1979	212,492	113,454	99,038	1.87	99,007	113,485	2.15
1980	242,166	135,639	106,527	1.79	111,558	130,608	2.17
1981	299,780	157,353	142,427	1.91	122,203	177,557	2.45
1982	332,778	177,001	155,777	1.88	130,648	202,130	2.55
1983	367,084	197,889	169,195	1.85	141,079	226,005	2.60
1984	426,686	222,115	204,571	1.92	156,134	270,552	2.73
1985	459,475	244,551	214,924	1.88	170,545	288,930	2.69
Cumulative	\$2,411,540	\$1,440,203	\$971,337	1.67	\$1,113,908	\$1,297,632	2.16

Balance sheet items	Preliminary plan	Adjusted
1985 equipment debt	\$461,166	\$461,166
Other debt	2,871,804	1,623,576
Shareholders' equity	971,337	1,297,632
Debt ratio	77.4	61.6

TABLE 3-3.—Fixed charge coverage, debt: equity ratios, and mortgage bond ratings, 6 class I railroads

	UP	SOU	AT&F	SCL	ICG	BN
Fixed charge:						
Coverage:						
1973 ¹	6.41	3.58	6.70	2.24	3.41	2.16
1972	6.22	3.72	6.50	3.30	3.38	2.16
1971	5.25	3.89	6.14	3.08	3.29	1.99
1970	5.77	3.69	4.72	3.11	2.05	1.88
1969	11.51	4.31	5.66	3.30	3.10	2.50
5-year average	6.43	3.81	6.01	2.96	3.31	2.13
High	11.51	4.31	6.70	3.30	3.41	2.50
Low	5.25	3.58	4.72	2.24	3.05	1.88
Debt: equity ratio Dec. 31, 1973	20.0	33.2	18.3	33.5	30.9	35.3
Range of mortgage bond ratings	Aa-A	A	Aa-A	A-Baa	A-Baa	A-Baa

¹ Times fixed charges earned, before Federal income tax.
Source: Moody's Transportation Manual, 1974.

purposes of this comparison \$131,510,000 of 1973 expense reimbursements to Penn Central by Amtrak were treated as revenues, and the appropriate expense accounts correspondingly adjusted.

A summary comparison of the principal operating revenue and operating expense changes projected between the years 1973 and 1985—the last year of the pro forma projections—appears in Table 3-4 below. In preparing this table, the Office also has treated the 1973 Amtrak reimbursements to PC as revenues.

Freight Revenue

Table 2 (page 126 of the Plan) forecasts ConRail 1985 freight revenue of \$2,353.3 million in 1973 dollars, a gain of \$460.21 million from the amount shown for 1973. However, the 1973 amount shown in the table is understated by \$5.61 million, and the 1985 forecast amount appears to be overstated by \$78.3 million of revenues attributable to light density lines not proposed

TABLE 3-4.—Comparison of uninflated ConRail 1985 pro forma operating revenues and expenses with 1973 actual

[In thousands of dollars]				
	Actual 1973	Proforma 1985	Increase (decrease)	Per-cent
Operating revenues:				
Freight revenue	\$1,898,599	\$2,274,900	\$376,301	19.5
Demurrage, switching, and other	109,688	187,700	78,012	71.1
Total freight	2,008,287	2,462,600	454,313	22.6
Passenger and other revenue	325,187	311,379	(13,808)	(4.2)
Total operating revenue	2,333,474	2,773,979	440,505	18.8
Operating expenses:				
Maintenance of way	290,253	284,770	(5,483)	(1.9)
Maintenance of equipment	401,645	438,459	36,814	9.1
Transportation	1,099,633	1,072,338	(27,295)	(2.4)
Traffic, miscellaneous, and general	164,945	177,831	12,886	7.8
Total operating expenses	1,956,476	1,973,398	16,922	.8
Net operating revenue	381,298	756,693	375,395	98.5
Freight	381,298	756,693	375,395	98.5
Passenger and other	(4,301)	43,888	48,189	(.....)
Total	\$376,997	\$800,581	\$423,584	112.4
Operating ratio:				
Freight	81.0	69.3	(11.7 pts.)	.....
Passenger	101.3	85.9	(15.4 pts.)	.....
Total	83.8	71.1	(12.7 pts.)	.....

to be operated after 1978. Since operating expenses were credited with \$106 million expected to be saved annually by discontinuance of these lines, this amount should be deducted from the table, and is not included in the financial projections. The net projected gain in freight revenues as thus adjusted is \$376.3 million.

The summary at page 126 attributes the freight revenue increases to:

	<i>Millions</i>
Trailer-on-flat car revenues.....	\$126.3
Other tonnage growth.....	263.3
Rate increases.....	64.4
Traffic diversion.....	50.0
Total.....	454.0

This summary appears to be in error, and to contain the \$78.3 million of light-density line revenues which, as stated above, should be excluded. Page 124 of the Plan contains the statement: "For the Three Carrier System structure recommended in the report, it is estimated that ConRail will gain an additional \$32.8 million annually from diversion of traffic to the higher revenue routes." This is unclear—does it mean that \$32.8 million will be added to the \$50 million estimate on page 126, or reduce it? In relation to the scope of the Plan, these are relatively minor sources of confusion, but they should be clarified in the Final System Plan.

The Office has offered its suggestions with respect to the plan for expanding TOFC/COFC operations in a separate section of this report, and hopes that the Association will take them into consideration in formulating the Final System Plan. Other comments pertinent to the freight revenue projections are contained in the section on Marketing.

Gains in coal tonnage over the 1973 level are projected to yield \$78 million in added revenues by 1985, an increase of 33.8 percent. For various reasons, this estimate appears to be overoptimistic. In particular, it seems to conflict with the proposal, at page 92, to reduce ConRail's open-top hopper fleet by 7,711 cars, or nearly 15 percent. To be sure, at page 64 it is estimated that open hopper utilization will improve by 27 percent, but the Office doubts that this expectation is realistic.

The projected increase of \$78,012,000 revenues from demurrage, switching, etc. between 1973 and 1985 divides as follows:

(Dollars in thousands)

	Actual 1973	Pro forma 1985	Increase (decrease)	Per- cent
Demurrage	\$52,715	\$47,000	(\$5,715)	(10.8)
Switching	28,800	42,000	15,200	56.7
Other freight revenue	30,173	98,700	68,527	227.1
Total.....	\$109,688	\$187,700	\$78,012	71.1

The Plan does not explain the reasons for the anticipated reduction of demurrage revenues, or the substantial increases in switching and other freight revenues. It is suggested that explanation of these items be furnished in the Final System Plan.

Divisions

At page 134, the Association urges early Congressional action to provide a means of encouraging the

prompt resolution of disputes involving divisions, stating that this is a matter of extreme urgency to ConRail. More equitable divisions, it is estimated, could improve the profitability of the northeastern carriers by \$60 million annually.

The Office cannot verify the accuracy of this estimate, but concurs that prompt resolution of divisions disputes would be desirable. It urges that the Association provide Congress with specific recommendations, and that legislative proposals be accorded a position of prominence in the Final System Plan.

Freight Operating Expenses

Table 3-5 below illustrates the changes in certain major elements of the 1985 projected freight operating expenses of ConRail from those incurred by the six reorganization rails in 1973.

TABLE 3-5.—*Freight operating expenses*

(Dollars in thousands)

	Actual 1973	Pro forma 1985	Increase (decrease)	Per- cent
Depreciation:				
Roadway	\$27,130	\$10,473	(\$16,657)	(61.4)
Equipment	59,466	79,270	19,804	33.3
Total depreciation	86,596	89,743	3,147	3.6
Maintenance of way	233,113	271,188	38,075	16.3
Maintenance of equipment	258,153	278,278	20,125	7.8
Transportation:				
Yard	289,769	295,837	6,068	2.1
Road	631,093	632,367	1,274	.2
Total transportation	920,862	928,204	7,342	.8
Traffic, miscellaneous and general	128,265	138,494	10,229	7.9
Total operating expenses	\$1,626,989	\$1,705,907	\$78,918	4.9

It will be noted that, whereas total transportation expenses for ConRail are projected to decline 2.4 percent between 1973 and 1985, freight transportation expenses actually increase slightly, and yard freight transportation expense by 2.1 percent. Thus, the reduction in transportation expenses occurs entirely in connection with passenger transportation, which is commented upon in a later section of this report.

Comparisons with Other Railroads

Tables 3 and 4, page 198 of the Plan show selected operating ratios for ConRail during its first ten years and 1973 operating ratios of certain other railroads in various areas of the country. Such comparisons serve a useful purpose, since other railroads provide the only benchmarks against which the reasonableness of the projections can be measured.

The Office, not wishing to duplicate the Association's work, has provided, in Table 3-6, certain statistical com-

parisons of ConRail's freight revenues and expenses for 1973 and the pro forma years 1976, 1981 and 1985 with similar 1973 data for six other railroads.

Many elements, aside from management capabilities, affect the financial results of a railroad at any given time, and no two railroads are affected in the same ways by all of them. Comparisons must be tempered by this fact. The proportion of passenger operations to freight is an important element; density of freight traffic is a second; length of single-line haul a third; and the proportion of yard operations a fourth. Other elements are the terrain, the types of traffic handled, the proportion of branch lines to main lines, CTC and signalling installations, and maintenance policies. Most of these are not susceptible to simple statistical analysis.

For the comparisons presented in Table 3-6 the Office has selected three railroads which in 1973 had higher freight traffic densities (ton miles per mile of road) than the ConRail lines, and three which had lesser densities. Only two had shorter average hauls than the ConRail lines.

Two significant characteristics of the six lines making up ConRail are their high percentages of yard switching costs and of employee compensation costs. This is illustrated by the following comparisons of 1973 data taken from R-1 reports to the Commission.

Railroad:	Percent yard transportation expenses of total transportation expenses	Percent employee compensation of operating revenues
ConRail (1973)-----	29.0	51.4
Union Pacific-----	21.1	39.4
Southern-----	26.1	36.3
A.T. & S.F.-----	19.2	45.4
Seaboard Coast Line-----	27.9	44.7
Illinois Central Gulf-----	26.9	47.6
Burlington Northern-----	26.4	52.1

None of the six comparison railroads had as high a percentage of yard to total transportation expense as ConRail, and only Burlington Northern, with considerably more total mileage than ConRail and 24 percent lower density of traffic, exceeded it in the proportion of operating revenues consumed by employee compensation.

Regrettably, the Association was unable to furnish data as to the amounts of employee compensation included in its pro forma projections of future ConRail operating expenses. Considering that this element probably will represent perhaps one half of future operating expenses, and also considering the important public interest in employment, the Office strongly urges that such information be made available for the Final System Plan. In fact, as will be developed in a later section of these observations, the Office is somewhat at a loss to comprehend how the Association was able to develop financial projections without the benefit of data as to this expense component in its store of computerized information.

The operating expense comparisons in Table 3-6 have been computed on a cash basis to eliminate the effects of changes in depreciation. Since the Association's pro forma ConRail projections begin from a negligible assets base and assume the initial elimination of depreciation reserves, the effect in the early years is to distort roadway and equipment maintenance comparisons. In 1976 as compared with 1973, for example, reduced depreciation accruals amount to \$54.3 million, or 59 percent more than the projected improvement in net operating revenue. For the two pro forma years 1976 and 1977, the reduction of depreciation expense as compared to 1973 is 71.5 percent greater than the gain credited from light density line subsidies. When asset valuations have been assigned the roadway properties, the roadway depreciation charges of course would have to be increased accordingly.

From the table, it will be noted that whereas ConRail's 1973 freight traffic density was lower than that of three other railroads in the comparison, by 1981 it is projected to exceed all of the others, and by 1985 to be 32 percent greater than that of Union Pacific. This result occurs both because of the projected ton-mile increases and because of eliminating from the system the 6,200 miles of light density lines. Average length of haul increases 10 percent between 1973 and 1985, but remains less than that of all but two of the comparison roads, Southern and Seaboard Coast Line. The Office feels, incidentally, that the projected ton-mile increase for 1976 may be overstated in the light of the reduction in total tonnage.

Freight revenues are affected both by volume (tonnage) and by volume times distance (ton-miles), but not to the same extent. Many commodity ton-mile yields, for example, reflect a great deal more distance-taper than the superseded mileage-scale class rates. Similarly, some elements of operating expense such as switching, terminal costs, billing, etc. are primarily related to volume; others—maintenance and road transportation costs, for example—to ton-miles. It would have been preferable to use carloads and car miles as the units for the Table 3-6 comparisons, but the Association was unable to provide projections of these.

ConRail's average revenue per ton is projected to increase about 5 percent from 1973 to 1985, primarily because of the greater proportion of high-rated TOFC/COFC traffic (1985 revenue per ton \$15.82 vs. \$5.20 for all other traffic and \$2.43 for coal). However, revenue per 1,000 ton-miles would decrease 8 percent because of the assumed lengthening of average haul. It would still exceed the 1973 level of the next highest railroad in the table (Seaboard Coast Line) by 19 percent.

Maintenance of way and maintenance of equipment expenses (exclusive of depreciation) per 1,000 ton-miles are projected to decline 10.5 percent and 17.5 percent, respectively between 1973 and 1985. Considering the

TABLE 3-6.—Comparison of ConRail I projections with selected class I railroads

Freight only	ConRail I pro-forma years					1973 actual				
	1973	1976	1981	1985	UP	SOU	ATSF	SCL	ICG	BN
Ton-miles/mile of road (millions)	4.2	4.6	7.6	8.2	6.2	4.7	4.7	3.9	3.5	3.2
Average haul-miles	267.8	293.1	293.4	294.8	656.2	249.1	640.0	220.0	332.8	495.5
Revenue per ton	\$5.39	\$5.45	\$5.64	\$5.65	\$9.45	\$4.18	\$9.76	\$3.72	\$4.80	\$7.12
1,000 ton-miles	20.13	18.62	18.53	18.51	14.40	16.79	15.25	16.89	14.43	14.37
Cash operating expenses per ton:										
Maintenance of way	\$0.66	\$0.72	\$0.67	\$0.65	\$1.18	\$0.68	\$1.47	\$0.50	\$0.62	\$1.08
Maintenance of equipment	.73	.82	.71	.67	1.10	.49	1.41	.53	.58	.91
Traffic	.07	.08	.07	.07	.22	.09	.23	.08	.12	.19
Transportation:										
Yard	.82	.92	.76	.71	.73	.37	.75	.41	.52	.81
Road	1.80	1.85	1.65	1.52	2.72	1.01	3.14	1.06	1.32	2.23
Miscellaneous and general	.29	.35	.29	.26	.47	.20	.47	.15	.27	.41
Total	4.37	4.74	4.15	3.88	6.42	2.84	7.47	2.73	3.43	5.63
Cash margin	1.02	0.71	1.29	1.71	3.03	1.34	2.29	0.99	1.37	1.49
Cash operating expenses per 1,000 ton-miles:										
Maintenance of way	2.47	2.46	2.28	2.21	1.80	2.74	2.29	2.28	1.86	2.19
Maintenance of equipment	2.74	2.81	2.43	2.26	1.67	1.97	2.21	2.41	1.75	1.83
Traffic	.26	.26	.24	.22	.34	.34	.37	.36	.34	.37
Transportation:										
Yard	3.07	3.15	2.59	2.41	1.11	1.47	1.17	1.85	1.56	1.63
Road	6.69	6.31	5.63	5.15	4.14	4.04	4.90	4.81	3.97	4.50
Miscellaneous and general	1.10	1.19	.97	.90	.72	.83	.73	.68	.82	.83
Total	16.33	16.18	14.14	13.15	9.78	11.39	11.67	12.39	10.30	11.35
Cash margin	3.80	2.44	4.39	5.36	4.62	5.40	3.58	4.50	4.13	3.02
Cash operating ratio (percent)	81.1	86.9	76.3	71.0	67.9	67.8	76.5	73.4	71.4	79.0

Source: R-1 Reports to ICC and USRA Preliminary Plan.

capitalization of the anticipated rehabilitation program and the extensive new equipment purchases, in comparison with other roads they appear to be programmed at reasonable levels.

Traffic expenses probably are more directly related to tonnage than to ton-miles. In relation to either ton-miles or tonnage they are projected at substantially lower levels than those of other railroads in the table. Considering the highly competitive and variegated nature of the traffic in the region; the innovative marketing plans on which the revenue expansion depends; the expansive proposals for entering the LTL/PTL markets; and the proposed enlargement of TOFC/COFC services, it is suggested that the Association's estimates of these expenses may be too low to permit fulfillment of the Plan's objectives.

Freight transportation expense represents the largest single category of freight operating expenses—amounting to 56.6 percent of total freight operating expense in 1973 but reducing to 54.4 percent in pro forma 1985. Because of the predicted gains in freight tonnage the ratio of freight transportation expense to total freight revenues declines from 45.9 percent in 1973 to 37.7 percent in 1985.

Notwithstanding the extended average length of haul, the ratio of yard transportation expense to total freight transportation expense remains very high, actually increasing from 31.5 percent in 1973 to 31.9 percent in 1985. Yet yard transportation expense per ton of freight carried is projected to reduce 13.4 percent between these years, reaching a level below that achieved

by the Santa Fe, Union Pacific, or Burlington Northern in 1973.

Road transportation expense per 1,000 ton-miles is reduced by 23 percent under the 1973 level. Despite the proposed expansion of highway operations, including entry into the LTL markets, highway transportation expenses are expected to decline 40 percent. No explanation for this contradiction appears in the Plan.

In sum, the proposed reductions of freight transportation expense appear rather optimistic. They may be attainable, but the Office suggests that in the Final System Plan more detail be provided to permit analysis.

Net Car Hire Paid

The Plan estimates that over the ten-year 1976-1985 pro forma period reductions in net car hire paid will total \$810.2 million. The Office believes that this estimate is grossly over-optimistic and flies in the face of experience.

In 1973 the six railroads in reorganization making up ConRail experienced a net deficit from equipment and joint facility rentals of \$300,836,000, including \$257,690,000 of net debit balances for hire of freight cars. The Plan assumes that this unfavorable balance will be reduced by 44.6 percent to \$142,645,000 by 1979, thereafter rising gradually and unevenly to \$177,145,000 in 1985. Over the ten years the average annual reduction in car hire debits per ton mile would be 43 percent. The projected saving in this account alone, if it could be accomplished, would be sufficient to provide

55 percent of the 1973 accrued fixed charges of the six bankrupts.

The Association expects 59 percent of this remarkable improvement to result from implementation of a new equipment distribution and control system, less car delay in yards, and faster transit times. The remaining 41 percent would result from purchasing all new freight cars rather than leasing. The Office concurs that the contemplated tremendous expenditures for roadway rehabilitation, capital improvement, and new freight cars should cause substantial moderation of future equipment rental debtor balances as compared with what they otherwise would be, but the magnitude projected—31.5 percent below the 1973 level—does not appear likely of achievement.

First, the tendency of car hire debit balances to increase, even if no inflation or growth of traffic occurs, should be recognized. For all Class I railroads they increased 112.9 percent in the eight years 1965 through 1973, or at an annual compound rate of almost 10 percent. In the same period total carloadings *declined* 6.6 percent. The steady increase in car hire charges, notwithstanding declining car use, occurred primarily because of three factors.

- (1) The increase in the average value of freight cars on which car rentals are based; the average depreciated value of railroad-owned cars rose from \$1,728 in 1955 to \$4,103 in 1965 and \$7,196 in 1973.

- (2) Increasing interest rates, which also enter into mileage and per diem costs.

- (3) Increased reliance on cars rented or leased from shippers and other non-carriers; these accounted for nearly 81 percent of car hire debit balances in 1973.

Even if inflation were to cease, car hire debit balances would continue to increase steadily for the next decade, simply because older equipment owned or leased would be replaced by cars reflecting present higher price and interest levels.

Second, because the balance of commodity movements susceptible to rail handling is predominantly from the South and West to the North and East, the terminating railroads in the Northeast, such as ConRail, can be expected to incur substantial car hire deficits regardless of car ownership. As illustration, although the six western and southern lines listed in Table 6 collectively generated 2.2 times the freight revenue of ConRail in 1973, their combined net car hire debits were only 55 percent as great, and on railroad-owned equipment they realized *credit* balances of \$71.2 million as against *debit* balances of \$101.5 million for the six roads making up ConRail.

Unfortunately, the Association was unable to furnish data as to the equipment rentals to be paid or those to be received. The absence of such data rendered it impossible to analyze the projections in any detail, and must have hampered the Association in making them.

For the reasons above stated, the Office believes that the projected \$810.2 million reduction in car hire expenses is substantially overstated, and recommends that it be carefully reviewed before release of the Final System Plan.

Payroll Taxes

The Plan estimates that payroll taxes would increase over the 1973 level in 1976, 1977, and 1978, but decrease thereafter. The net effect of the estimates is to increase income for the 10-year period by \$18.5 million.

The Association was unable to provide information as to anticipated effects of the plan on payrolls. These constitute a major element of operating, rehabilitation, and capital expenses; in addition, these data would have substantial public interest, and as earlier observed, the Office considers their absence to constitute a serious deficiency in the plan.

Moreover, the Office is mystified as to the processes by which the Association computed payroll taxes in the absence of information on the payrolls, to which such taxes customarily are related.

Apparently the Association did make, but not release, estimates of the total numbers of employees to be involved in all aspects of the plan. However, this would include employees of various classes involved in the rehabilitation and capital improvement programs, the payroll costs of whom would, under the modified betterment accounting methods used in the pro formas, be capitalized. If these payrolls are capitalized, the associated payroll taxes also presumably should be treated as capital items. To the degree that this has not been done in preparing the income statements, pro forma income would appear to be understated. In the absence of payroll estimates by account, the Office is unable to estimate the amount of the understatement.

Interest Expense

The Office believes that the Plan pro forma projections are deficient in making no provisions for probable increased losses of the bankrupt lines under the economic conditions obtaining in 1975, or for cash balances necessary at the beginning of ConRail's operations.

The pro forma projections assume that ConRail will begin the year 1976 with no cash, \$256.21 million of existing equipment debt, and \$150 million of Section 215 debt. They also assume that ConRail would draw upon federal notes at interest rates of 7.3 to 7.9 percent as needed to cover the shortfall between internally-generated funds and total financing requirements. At page 215, it is proposed that section 215 funds, presumably to be committed in 1975, be increased to \$300 million, but no provision for this seems to have been made in the pro formas.

The Office believes it would be more realistic to provide for some initial working capital and to include the added \$150 million of section 215 notes in the opening balance sheet. Assuming that a minimum of \$200 million of added initial debt would be required for these purposes, the effect of the interest charges on these borrowings and on debt repayment installments would be to reduce cash flow, triggering still further borrowings for which interest and amortization provisions would be required. The added interest would amount to roughly \$190 million during the 10-year uninflated pro-forma period, reducing net income by an equal sum, and increasing federal debt in 1985 by about \$315 million.

Accounting Policies

Some of the comments received by the Office were addressed to the accounting policies described in Note 1, page 203, and on page 207 of the Plan. Generally, they shared the tenor that similar feats of bookkeeping legerdemain performed upon the accounts of other railroads could wondrously improve the investment status of those companies. The Office does not share this view; it is aware of the careful consideration given by the Association to the choice of the proper accounting principles to be applied in presenting the Plan and of its concern that the financial implications be clearly understood, not just by accountants, but by all elements of the public. The Association has not yet decided on the methods to be adopted in presenting the Final System Plan.

As we have already suggested, the Final System Plan will, in a very real sense, be the final version of a prospectus, offering to the American people—through their elected representatives in Congress—an investment opportunity, the benefits of which will, hopefully, greatly outweigh the costs. In a program of this magnitude it seems vital that the investors—that is, the taxpaying public—be given full disclosure of both the known costs and the risks involved so that they may be fully confident of the integrity, adequacy, and fairness of the pro forma presentations. It is suggested, therefore, that before release of the Final System Plan the entire matter be reviewed with the Interstate Commerce Commission and the Securities and Exchange Commission, and their advice sought as to the adequacy of the disclosures and the propriety of the accounting policies which the Association elects to follow.

The best accounting methods for use in presenting pro formas of a plan involving, as they must, many uncertainties and unknowns, might not necessarily be identical with the traditional or accepted methods for reporting historical accounts of an ongoing railroad company. They might not be quite identical, either, with those ultimately to be adopted by ConRail's manage-

ment, which would be subject to the Commission's approval.

The Association has described the differences between betterment accounting traditional for railroads, depreciation accounting, and modified betterment accounting used in the Plan's pro formas. The two principal effects on the pro formas of the accounting treatment adopted result from writing down the initially-acquired assets to a near-zero basis, with the concomitant elimination of accrued depreciation; and from capitalizing the rehabilitation costs but not depreciating them.

The effects on the depreciation charges of writing down the assets are similar to, although possibly greater in magnitude than, those which occurred when on June 1, 1972, the Chicago & Northwestern Transportation Company (an employee-owned corporation) purchased the transportation assets of Chicago & Northwestern Railway Company at a price approximately equal to the assumed debt—somewhat more than \$400 million. The assets were written down to the same amount, the depreciation reserves were practically wiped out, and depreciation commenced anew on such of the written-down assets as the Commission permits to be depreciated. Tabulation of selected items from the 1973 R-1 reports submitted by this company and the Chicago, Milwaukee, St. Paul & Pacific, a railroad somewhat similar in size and circumstances, serves to illustrate the effects.

	CNW	Milw.	Difference	Percent
Miles of road	10,246	10,282	(36)	(0.4)
Operating revenues (million)	\$416.7	\$355.4	\$61.3	(14.7)
Road depreciation (thousands)	206.0	5,321.0	(5,115.0)	(96.2)
Equipment depreciation (thousands)	12,711.0	10,443.0	2,268.0	17.8
Road and equipment property (millions—gross)	306.6	827.5	(520.9)	(82.9)

The facts that the Northwestern's ratio of operating revenues to gross assets (1.35) was much higher than that of the Milwaukee (0.43) and its roadway depreciation \$5.1 million less than the Milwaukee's would have to be discounted by any investment analyst comparing operating ratios of the two. Yet no one, to the Office's knowledge, has taken issue with these changes in the Northwestern's asset accounts.

When ConRail acquires the properties included in the Final System Plan, a valuation will be placed on them and the assets restated to match that valuation. The roadway depreciation charges, in particular, could well be less than those accrued by the predecessor companies, but greater than those shown in the Preliminary System Plan pro formas. The Office finds no difficulty with this, but believes it should be explained to the public in the Final System Plan. The impact on the balance sheet and funds flow statements would depend upon the capital structure proposed.

The extent to which the possibility exists of any substantial deficiency judgment against ConRail under section 303(c)(2)(C) of the Act presumably would require disclosure in the Final System Plan. Although the Supreme Court's decision upholding the constitutionality of the Act makes available to the creditors a Tucker Act claim against the United States, it is possible that such a claim could not be pursued until ConRail's resources had been exhausted. The Association may wish to obtain legal advice on this.

If the possibility of any substantial deficiency judgment against ConRail exists, it should be disclosed, and such disclosure undoubtedly would inhibit ConRail's ability to finance in the private capital markets. The Office therefore urges that the Association consider recommending to Congress legislation amending the Act as necessary to restrict or eliminate this risk. The Office would be prepared to join in such a recommendation if the Final System Plan in all other respects gives reasonable prospects of ConRail's achieving financial self-sufficiency.

The capitalization of the rehabilitation costs which would, under normal Commission accounting rules, be charged to current expense, is a much more consequential matter. The situation of ConRail in acquiring the rail properties of the debtor companies resembles that of a businessman who chooses to purchase an unusable junk truck for \$1,000 and have it reconditioned at a cost of \$8,000 rather than purchase a new one for \$10,000. In either case, accountants would agree that the vehicle's cost should be capitalized on the books at the total amount incurred in making it useful—\$9,000 for the used truck and \$10,000 for the new one. But most accountants would expect depreciation charges to accrue.

The rail properties of the debtors, like the used truck, cannot be considered to be in a condition suitable to perform transportation services for the region of the quality contemplated by the Act. There are three significant differences from the truck analogy: the reconditioning of ConRail's property will extend over years, not months, and the public interest demands that they be used in the meantime, decrepitude notwithstanding; no new or serviceable rail properties of the magnitude desired are available for purchase in the region ConRail seeks to serve; and under modified betterment accounting the Association does not propose to apply depreciation charges to the capitalized rehabilitation costs which in all likelihood, as in the example of the junk truck, will substantially exceed the acquisition costs.

The Office does not question the propriety of capitalizing the rehabilitation expense. It does have qualms as to whether it is appropriate to plan no depreciation charges against these enormous capitalized assets, and hopes that this question will be explored further. In fact, many investment analysts have ques-

tioned the very low levels of railroad depreciation charges under normal Commission accounting rules, and accord reported railroad earnings a lower "quality" than those of other enterprises for this reason.

Railroad depreciation philosophy is rooted in dim antiquity, tracing back to a time when learned professors, weighted down with degrees from prestigious institutions, asserted with cathedraic finality that it was impossible for man to fly, and that if by chance some contumacious being should defy the wisdom of the academic mighty, he would not be permitted re-entry to the earth. In 1909 the *Railway Age Gazette*, endowed at the time with an aura of transportation infallibility of a high order, pontificated that neither the automobile nor its ugly progeny, the motor truck, could ever become a serious threat to the steam railroads of the day. In the early 1920's the Commission was persuaded by the pleadings of the railroad lawyers that obsolescence could never affect the values of the properties so providently entrusted to the care of their principals, which could be expected to burgeon inevitably and infinitely under the benign ministrations of their monopolistic masters.

Railroad depreciation practices as applied to the equipment accounts are not significantly different than those followed in other industries. But many elements of the road property accounts, such as engineering, land, rail, ties, and other track materials are excluded from the depreciation base; others are included only in part, and the composite depreciation rates assume very long useful lives. Penn Central's road depreciation base, for example, includes only 36 percent of the gross road property assets, and the composite rate applied to the 18 percent of the investment in grading would suggest an anticipated useful life of 115 years. This treatment is based on the philosophy that so long as the properties are adequately maintained they will be useful for transportation purposes. When the time comes that they are not useful, they are retired, and one-time charges to accrued depreciation and retirement accounts are made.

This would be satisfactory if in fact the properties were at all times adequately maintained and if wear and tear provided the only reason for charging current income with depreciation. In reality, of course, the properties of Penn Central have not been adequately maintained, nor have those of many other railroads. Reality also would recognize the enormous technological changes; industry and population shifts; and other factors which during the past half century have drastically altered the usefulness for transportation purposes of much roadway investment. Railroad accounting recognizes these changes in value due to obsolescence only at the time of an approved abandonment under section 1(18) of the Interstate Commerce Act; a sale of the properties at less than book value as in the Northwestern Railway instance; or a bankruptcy succeeded by recapitalization. Penn Central's

published reports prior to the bankruptcy did not adequately convey to the Commission, its stockholders, or the public the deterioration in the physical condition and competitive usefulness of its properties. The result is that Penn Central's books still reflect values probably containing a considerable element of fiction, the extent of which will not be known until the Association's valuation of the properties is released. It is not unlikely that similar elements of fiction are contained in the property accounts of other railroads.

The Office recommends that these questions be included in the Association's review of accounting policies and its discussions with the Interstate Commerce Commission, Securities and Exchange Commission, and any other bodies of expertise.

In any event, although the Office concurs that ConRail's rehabilitation expenses should be capitalized for the purposes of the Final System Plan pro formas, rather than charged to current expenses, it believes that depreciation charges should be set up over a reasonable period to retire the assets thus created from the books. At page 207 of the Plan the Association's present position is stated to be that depreciation accounting would not be appropriate because it would distort the reported earnings of ConRail by increasing them in the initial years and lowering them in subsequent periods. The Office does not understand why this should happen. Supposedly, depreciation accounting if applied only to rehabilitation expense would result in

reported earnings intermediate between the levels resulting from modified betterment and pure betterment accounting. If this is a problem, it suggests that consideration be given to "modified depreciation" methods, in which double-declining, sum-of-the-digits, or other accelerated depreciation techniques might be applied.

The Final System Plan also should, as noted elsewhere in these comments, reveal full detail as to the anticipated future levels of employment and payrolls by crafts. This may require appropriate disclosures of the extent, if any, by which employee protection costs may exceed the reimbursement available under section 509 of the Act.

Note 4 to the Plan pro formas states that no provision has been made for liabilities arising out of unfunded pension plans, and that no unrecorded liability for unfunded past liability is anticipated.

In accordance with generally accepted accounting principles, the excess, if any, of the actuarially computed value of vested retirement benefits over the amount of the pension fund at inception of ConRail should be recorded as a liability on the balance sheet in the Final System Plan. This would not include retirement benefits for employees covered by the Railroad Retirement Act.

In formulating these comments on accounting matters, the Office has consulted with Coopers & Lybrand, certified public accountants, but has not in all respects adopted their views.

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Light-Density Line Analysis

The identification of rail lines to be excluded from ConRail and to be abandoned—or to use the Association's euphemism, made available for subsidy—once again proved to be by far the most controversial issue involved in the planning process. A group of large rail users commenting on the plan put it this way: "The nature and intensity of this controversy has virtually made the treatment of light-density lines under the Act a separate issue, both from an operating and a political perspective."

It is natural that this should be so. As we put it in our report of January 10, 1975, entitled *Preliminary Views on Rail Restructuring*:

The only contact most users have with rail freight operations is the pickup and delivery service which the railroad performs on their lines. This service directly affects the operations of their businesses, and often is integral to their production processes. Because it is the area of rail freight operations with which they are most familiar and because of the potential impacts upon their own operations, local rail service is a very significant issue to the rail service users. The possibility that local service will be discontinued on a particular line—serving their own facility or those of their customers—is of primary concern to most shippers.

Despite the amount of attention that has been paid to the light-density line issue, the results of the Association's attempt to identify unnecessary or unprofitable operations for exclusion from ConRail has proven to be no more satisfactory than that made in last year's DOT report. What are the reasons for this failure? First, the Association approached its task with a wholly

negative attitude, asking itself the question, "What services can be eliminated?" instead of "What services can be made to contribute to ConRail's profitability?" Second, it has followed a methodology which serves to obscure true costs and revenues. Third, it has relied on an inadequate data base, resulting in the introduction of numerous factual errors into its analysis. Finally, it arrived at its branch-line decisions in ivory-towered isolation instead of actually examining local operations on the scene.

The Association's approach to light-density line analyses required that individual lines demonstrate an ability to contribute to ConRail's financial viability in order to be included in the system. Certain exceptions were made to this criterion where the loss on a line was modest or the traffic on the line was expected to increase significantly due to factors such as industrial development or production increases. But in effect, the goal of "a financially self-sustaining rail system" has been translated by the Association into a requirement that there be a demonstrated assurance of long-term profitability for specific branch lines. Thus it picked up the banner the railroad industry has carried in recent years, that the light-density lines are "draining the financial and competitive strength of the railroads." (Plan, page 329.)

The basic assumption underlying this premise is that the light-density lines are such major money losers that they were a principal factor in the failure of the railroads in reorganization in the Region, and that it would

be impossible to build a financially viable restructured system while continuing to provide service over them. The fact is, however, that losses from local-service lines, while significant, represent only a small portion of the losses incurred by the bankrupt carriers. The Association's own estimates project light-density lines losses at \$38 million, an amount representing 17 percent of the ConRail railroads' 1974 losses.

The Association's approach to the local-service line question does not appear to be consistent with its approach to other factors which contribute more significantly to the negative cash position of the railroads involved. The Association assumes that management and leadership problems can be solved, that operational inefficiencies can be overcome, that piggyback and other services now probably operated at a loss can be made profitable, and that rate disparities can be corrected. The Office submits that given the same positive approach, many of the local service lines not recommended for inclusion would stand an equal chance of attaining a viable status.

The Association's conceptual approach, requiring the economic self-sufficiency of each line subjected to light-density analysis, was adopted in the face of the eight goals of the Act, only one of which can be construed as calling for financial viability. It was suggested in the Preliminary System Plan that "It would be a gross distortion to attempt to apply them [the goals] individually to any single aspect of the Plan or, carried to an extreme, to each individual light-density line." (Page 331.) Yet, the Association has carried the one goal of viability even beyond the normal identification of individual local service rail lines and applied it to sub-segments of such lines.

The Office agrees in principal that cross-subsidization is undesirable, but it is not wholly certain that the Congress would concur, or that it is the clear intent of the Act to eliminate this practice from ConRail's operations. It is necessary here to make the important distinction between local rail services and those which can truly be said to be of national import. When *national* goals, as expressed by the Congress, come into play, it is not unreasonable to assume that the Congress, in providing funding for ConRail—a major element in the national rail system—will expect its creature to spend some of its inheritance to further those goals. Thus one way to balance the seemingly conflicting goals of the Act is to assume that the Congress expected the system as a whole to be profitable, but that it recognized that some services—those, for example, needed to assure access to fossil fuel resources, to retain competition, to attain acceptable environmental standards, or to minimize job losses—should be provided by ConRail even though they might not, individually, achieve a profit.

The Act permits the subsidization of services of national value by the United States itself, and the Office believes that it would be a logical move for those serv-

ices that must be continued in the national interest to be subsidized, not by a government supported rail system which is attempting to become a self-sufficient private enterprise, but by the appropriate Federal agencies: access to fossil fuel resources by the Federal Energy Administration; services needed to enhance or preserve environmental quality by the National Environmental Protection Agency; service needed to minimize job losses by the Department of Labor or the Economic Development Administration; service to military facilities by the Department of Defense; and rural branch line service to country grain elevators by the Department of Agriculture. Until Congress provides these agencies with authorization and funding for these purposes, however, the burden of sustaining services found to be essential in the national interest must fall elsewhere—and it can at least be argued that the Congress intended ConRail to bear its share of that burden. Certainly, there is no justification for the Association's attempt to avoid responsibility addressing these goals by assuming that all services of these kinds must necessarily be local services, the continuation of which is the sole responsibility of State or local governments or rail users.

As for those services considered essential for local purposes, the Congress has provided both a subsidy program and matching grant funding to assist the States to participate in it. The Office considers this to be the best possible policy for dealing with the problem presented by money losing rail lines of local, but not of national, importance. It is a program, in fact, which we would like to see lengthened and extended to the country as a whole. We would, therefore, urge favorable Congressional consideration of the essential features of a bill recently introduced before the Senate as S. 863, which would substantially expand the subsidy program. There remains, however, the problem of having to accept the Association's premise that all local services found by it to be unprofitable can properly be left to life or death dependent upon the willingness and ability of local interests to provide subsidy payments.

First, we believe that the Association's decisions regarding the profitability of individual local services cannot be accepted as correct because of its use of a faulty methodology and an inadequate data base. These matters are discussed further later in this chapter.

Second, the legislative timetable appears now to have been unrealistic, for it is clear that many States in the Region are not going to be ready to take immediate advantage of the matching grant subsidy program. In our view, the blame for this failure cannot be laid wholly to the State governments, but is the result of inherent problems found in the workings of almost every State's legislative process. Furthermore, the States and the local and regional authorities that must make the very difficult decisions as to what rail lines are in fact essential, still have a long way to go in developing methodologies,

obtaining citizen input, and generally preparing to undertake the responsibilities of a subsidy program. The apparently widespread inability of the State and local governments to be able to take advantage of the subsidy program on a timely basis has, in our view, turned what was originally, and quite properly, conceived of as a local problem into a national one. Admittedly it is not, strictly speaking, the Association's problem, but we would hope that the Association would be sympathetic to the States' dilemma, and, at the least, join with the Office in urging that Congress legislate an acceptable solution.

Data Quality

Our review of the local line analyses indicates that, in many cases, the basic input data were inaccurate. Not only does such a situation unnecessarily risk impacting communities and shippers, but could also inadvertently deprive ConRail of traffic which would contribute to its profitability and long-term financial self-sufficiency.

The Association's efforts to compile a valid and comprehensive data base relied too heavily on the work of others, with the principal data source being the bankrupt railroads themselves. Questions covering the physical and service characteristics of the individual lines were completed by railroad personnel. In addition, rail traffic data for 1973 were obtained from the waybill abstract files maintained by the carriers. Use of both of these sources has demonstrated that the current data systems used by the railroads are simply inadequate for the task at hand, and, consequently, that it is impossible accurately to reconstruct low-density line costs and revenues from routinely maintained centralized railroad data files.

The basic source document that was used by the Association to determine the applicability and level of certain costs was the questionnaire completed by the railroads for each branch line. The operational characteristics, which is one of the most important categories in the questionnaire, included the annual number of trips, the number of locomotives, the hours per trip, and the number of men in the crew. Although the questionnaires were completed with the railroads' best estimates, the results reflect only estimations, not actual operations. The results of inaccurate estimates can greatly misstate the on-branch operating costs. As an illustration, an estimation error as small as 5 minutes a day in the amount of time a crew spends on a branch results in a misstatement of on-branch costs of approximately \$1,000 a year.

The Office's experience in dealing with the resulting data base has been that service levels and track maintenance performance are exaggerated, and that revenues are understated. For example, in two tests conducted in connection with the development of Standards for Determining Rail Service Continuation Subsidies (49

CFR 1125), the Office found that the frequency of service and the average of number of hours to serve the branch as reported by the carrier were significantly overestimated. Even though a conscientious effort was made to estimate these factors, holidays, track maintenance, equipment breakdown, or lack of traffic resulted in trips being canceled or shortened. Such factors resulted in an overstatement of on-branch transportation costs of 43 percent for the Georgetown-to-Lewes line in Delaware, and 47 percent, for the Columbus-to-Holmesville line in Ohio.

It was also found that both branches had additional revenues resulting from demurrage payments, and possibly from additional traffic as well, not attributed to them. The public record cites many instances where similar situations exist, and the Office can see no way that such errors can be avoided or corrected without on-site observation and consultation with locally based railroad employees.

The traffic data base has also been placed under heavy attack. There are indications that certain of the smaller roads did not have complete data available. There are also indications that "transit" and "diverted and re-consigned" shipments were not properly attributed. There were frequent failures to identify rail users or their locations correctly, and the problem of attributing traffic to a billing point rather than to the actual shipper location, which was a major cause of inaccuracy in the DOT report, has still not been completely corrected. Regardless of the reasons, there is persuasive evidence that in many instances the traffic data are incorrect, incomplete, or simply inadequate.

Methodology

In our evaluation of the DOT report, we were critical of what we considered to be a methodology too dependent upon theoretical or statistical applications. The Association has attempted to move beyond the methodology of the Secretary's report, and where the Secretary relied upon formulas based largely upon car counts to test a branch line's profitability, the Association has tried to develop actual cost and revenue figures. Nevertheless, the Association's approach to local-service line analysis may still properly be described as statistical rather than empirical, and, as such, we find it deficient.

The lines which the Association studied as possible candidates for abandonment are, generally speaking, those that originate and terminate relatively small quantities of traffic. Although the Association refers to them as "light-density lines," they might more aptly be described as "local-service lines," for it is not the total volume of traffic which they carry but their ability to generate traffic directly which was the primary focus of the analysis to which they were subjected.

Included in the light-density line analysis were a number of lines which carry substantial volumes of

overhead traffic. In some instances, the Association recognized the need to retain in service as a through route a line that had originally been placed in the light-density category. In other instances, decisions were apparently made that lines which historically have carried considerable bridge traffic were no longer needed for that purpose. (Some of these lines are discussed above in the Regional System Analysis chapter.) It is to be hoped that the Association will identify the lines as to which such decisions have tacitly been made, and explain the reasoning underlying those decision, in the Final System Plan.

Actually, the entire process by which lines were selected for study is questionable. The majority of the lines studied were those identified as "potentially excess" in the DOT report—a report that was resoundly criticized for its use of a poor data base and inadequate methodology. The next major source was a list of lines which had been identified by the bankrupt carriers themselves for possible abandonment, but in most cases which the carriers had not thought worthy of making the subject of an Interstate Commerce Commission abandonment proceeding. The remaining lines made the subject of the light-density line analysis were selected by Association staff and consultants on the basis of criteria not revealed by the Plan. The selection of a line for study is highly significant for it is thus required, in effect, to bear the burden of proving its own worth—a burden not imposed on lines not made study subjects, even if their being overlooked was simply the result of inadvertence or carelessness.

Given a rational selection procedure, we have no problem with requiring local-service lines to meet a properly devised viability standard, but the Association went beyond this and divided many lines into sub-segments which were likewise subjected to the light-density line analysis. There were many instances in which a line traditionally identified as a single branch was segmented, resulting in the proposed exclusion of substantial mileage even though, considered as a whole, the line would have met the viability test. One example is the Hyannis Secondary Track (line number 21) in Massachusetts. By the Association's own calculations, this line would generate an annual profit of \$24,667 for ConRail, yet the Association chose to include only 7.5 miles of its 24.3 mile length in the system.

We can understand performing a sub-segment analysis on a potentially profitable high-density portion of a line which incurs a loss when analyzed in total. However, we doubt the wisdom of eliminating a portion of a line when the line in total has demonstrated that it provides a positive contribution to ConRail's self-sufficiency. We would note particularly that if the Association has under consideration a decision to eliminate a portion of a branch line, it should conduct a careful analysis of potential savings in crew costs. We believe that it will find in many instances that a train crew

could serve an entire branch line in a single shift, whereas if the line were shortened, it would not have time to move on to another line during its shift, and would simply find itself with idle time on its hands. Thus revenues would be lost without the opportunity to achieve any significant cost savings.

The decision to exclude from ConRail all lines known or believed to be "out-of-service" is also questionable. Lack of demand for service is but one of the reasons a particular line is not currently being served. A substantial number of the lines so designated were damaged by Hurricane Agnes or other natural causes. The record indicates that some carried substantial traffic prior to whatever calamity struck them, and others are, in fact, back in service. The York, Pennsylvania, to Cockeysville, Maryland, line of the PC, for example, has been out of service since it was damaged by Hurricane Agnes in 1972. The line originated or terminated 853 carloads in 1971 and also carried substantial overhead freight traffic. In addition, it provided the only access for the Stewartstown Railroad, a profitable short-line carrier. In testimony received by the Office, a shippers' survey indicates traffic projections in excess of 1,100 carloads if service were resumed. The Sagon Junction to Terminus, Pennsylvania, line is an example of one shown by the Association as out of service which has been restored to use. Its 1975 traffic is projected at 250 carloads.

Another example which combines the two situations is the 5-mile line from Dayton to Hempstead, Ohio. The middle one and one-half miles of track is out-of-service but the two end segments are shipping more than 3,000 carloads annually. Obviously, the Association must make correct its records and analyze the traffic potential of all these lines before they are eliminated from the system.

Another defect in the Association's methodology is its failure to recognize the revenue contribution that a particular line on one of the bankrupt railroads could make to ConRail as a whole. In 1973, the lines recommended for exclusion generated over \$70 million in revenues for the railroads owning them. For the railroad industry as a whole, revenues originated and terminated on the excluded lines is estimated at more than \$200 million. At least part of that traffic moved in interline service over the lines of one or more of the ConRail carriers other than the one actually generating it, and the result is an understatement of potential loss of ConRail revenues from those lines.

Based on the assumption that demurrage payments offset the additional per diem payments resulting from time spent at the shipper's dock beyond "free time", demurrage revenues were not considered in the Association's analysis. The current schedule of demurrage rates that are in effect after the 48 hours of free time are: \$10 per day for the first four days, \$20 per day for the following two days, and \$30 per day thereafter. In

order for even the initial demurrage of \$10 per day to offset the per diem cost, the car would have to be in at least the \$33,000-\$35,000 cost bracket and less than five years old. However, the weighted average cost per day for the various car types used by the Association in developing on-branch cost ranges from a high of \$5.07 for a special service box car to a low of \$1.39 per day for a stock car. Since it is clear that demurrage payments are not offset, the Office believes the lines should be credited with demurrage revenues.

Turning now to costs, we have noted earlier that the rehabilitation estimates used by the Association at various points in the Plan present major problems of consistency. Its estimates of the cost to rehabilitate the light-density lines are no exception. On page 43 of the Plan, it is stated that, "... some \$1 billion in rehabilitation funds would be required over time to bring light-density lines, recommended for exclusion from the ConRail system, up to normal maintenance standards for such lines." On page 48 it is stated that "Initial estimates of the reduction in rehabilitation expense total \$380 million, virtually all of which results from the drop in track mileage." (This estimate was based on the reduction of 4,000 miles of heavier-density track.) These estimates result in rehabilitation costs per mile of over \$161,000 and \$95,000 respectively. On the other hand, by totaling the Association's estimates for rehabilitation of the individual active lines not recommended for inclusion in ConRail, it is revealed that less than \$60 million would be required. This amounts to an average of less than \$10,000 per mile for the 6,200 miles not recommended for inclusion and represents less than 1.2 percent of the \$5 billion rehabilitation program the Association proposes. The fact that such inconsistent data were introduced at various stages of the decision-making process raises serious doubts about the validity of any conclusions drawn.

The Office is also concerned with the substantial indirect on-branch costs included in the analysis. Flat percentage increases are applied to transportation, maintenance of way and rehabilitation costs. As a result the so-called "avoidable" costs incurred on the branch are increased by overhead costs which would probably not, in fact, be avoided if service were discontinued. This indirect cost amounts to 10 to 15 percent of the costs attributed to the branch.

An amount representing a return on investment based on net salvage value is not a proper cost to be included in the light-density line decision-making process. There is no basis for placing such a burden on light-density lines, or for that matter, any part of the new system, and the Association has quite properly not included return on investment in the main line projections. In all probability many segments of the system which were not subjected to the viability analysis would be unable to meet such a test. In fact, if a reasonable return were required of all rail properties to be included in ConRail,

none of the bankrupts' properties would be acquired because the Association's projections show that ConRail will only be as profitable as the average of the other railroads in the country, a rate which is far below what is normally termed a "reasonable" return on investment.

The Association states that its cost assumptions were based on "assumed efficient operations," yet we fail to see how this could be the case since it relied upon the cost experience of the bankrupt railroads during 1973. Their operations, then, as now, were over track subjected to "slow-orders" under 10 miles per hour, through yards badly in need of rehabilitation, and using outmoded and deteriorated equipment. In effect, all of the inefficiencies caused by the condition of these carriers were built into the analysis by using historical data. No consideration was given to the savings which could result from operational efficiencies resulting from rehabilitation of the track or the rate adjustments and system-wide cost reductions relied on so heavily in the Plan. Possible savings in crew size and more efficient equipment utilization were also disregarded. In fact, merely by relying on historical data from companies whose costs have exceeded their revenues by about 10 percent, the Association built in a bias toward exclusion.

The use of system averages in developing cost information can substantially distort a specific line's profitability. In certain areas, such as equipment costs and crew wages, such an approach is acceptable; as already noted, however, it is not an acceptable means of determining equipment usage levels or crew time. In the development of rehabilitation, dismantling, or maintenance of way costs and determining salvage value, the specific circumstances vary too much to permit a system average approach. In each of these areas, the specific physical characteristics and local conditions will have a substantial impact on the results. For example, in certain instances, the cost of dismantling the branch line will equal or exceed the gross salvage value, yet the present methodology would assign a value of over \$20,000 per mile of track. The use of an average land value of \$500 per acre is questionable both from the standpoint of its real value and title.

The problems and concerns related to the use of averages was severely compounded when, in an attempt to make last minute data changes, the Association resorted to a modification of the primary methodology on 140 of the 343 lines recommended for exclusion from ConRail. The results were significantly less precise than those from the primary viability analysis. For example, it was assumed that shipments added to or deleted from a line's traffic base had commodity and routing characteristics identical to those of the balance of the traffic on the branch. Adjustments to branch operating factors such as average time per trip and number of trips per year were made without verification at the local level.

The statistical analysis applied by the Association tends to minimize economic and social considerations

at the local level. In discussing community impact, the Association notes that its analysis indicates that in only 15 of the 451 counties studied did the estimated decrease in industrial employment exceed one percent and " * * the potential reduction in county income is less than one percent in 80 percent of the counties." It concluded " * * that the effect of the suggested reduction in the size of the rail system would be negligible." In gross terms, this level of employment loss and its impact may seem unimportant. The Office wishes to point out, however, that these statistics, presented by the Association on a county-wide basis, represent compilations of individual community job-loss figures, and that local community impacts can be far different from county impacts.

Canajoharie, New York, for example, is a village of about 2,680 people located on line number 81. It is in Montgomery County, which had a 1970 population of 55,883. Two firms in the village employ about 1,700 persons, and are largely dependent upon rail service. Loss of this employment would obviously be of disaster proportions for Canajoharie and would have a most serious impact on the county as a whole. Another particularly hard hit community would be Madison, Indiana, with a population of 14,000 (line numbers 589 and 590). One major employer, with a payroll of 425, has definite plans to move to another location if rail service were to be terminated.

Another matter of serious concern to the Office is the Plan's lack of an explanation of the relationship between the light-density line decisions and coordination projects with solvent railroads. The Association has recommended that connecting service to certain markets be discontinued over all of the possible ConRail routes even though the Plan assumes continued ConRail service to those markets. Provision of such service would be impossible without successful negotiations for trackage rights or other coordination projects. There is a total lack of explanation of the rationale behind such decisions, even though the result would have severe impact on the light-density lines currently carrying the bridge traffic.

Examples of this situation are Central West Virginia coal and chemical markets, and Bay City-Saginaw, Michigan markets. Both of these areas generate over 100,000 carloads annually. The Association's discussion of the lines leading from these markets fails to relate the significance of, or for that matter the Association's position on, the related coordination projects. In both situations the traditional routes to the markets are recommended for exclusion from ConRail without having credited any bridge traffic to the line's viability and without any analysis of the costs incurred on the alternate route. There is a suggestion that attempts will be made to acquire trackage rights into the area, but there is no mention of the related coordination projects or of their impact on the light-density line decisions.

In certain parts of the Region the Association's light-density line decisions have resulted in so many lines being selected for exclusion that ConRail will, in effect, be withdrawing completely from entire market areas. We suggest that the Association review these situations with an eye to determining whether at least some ConRail service should be retained. The most obvious example of this situation is found in the northern half of the lower peninsula of Michigan. It may be inevitable that this sparsely populated area cannot support its present complement of five north-south rail lines, two of which are operated by the Penn Central, and a third by the Ann Arbor. The Association should consider whether the area will not support at least one of these lines, or a rail service provided over a combination of segments of the three.

To conclude our comments on the Association's light-density line methodology, we have selected as an example of the problems presented by that analysis a stretch of track which illustrates a number of the criticisms which we have advanced. It extends from Nitro, West Virginia, to Columbus, Ohio, and is illustrated in Figure 4-1. For this line, the Association's analysis fails to recognize:

- Over 100,000 carloads of bridge traffic originating or terminating east of Nitro that is left without direct access to ConRail.
- The location of a repair facility for the Nation's third largest rail freight car lessor, ACF Industries, at Redhouse, West Virginia, on a line recommended for exclusion.
- 12,000 of the 15,000 carloads of coal shipped from the Peabody mine in Sunnyhill, Ohio, during 1973.
- Recent upgrading of the New Lexington to Truro, Ohio, line to Class II standards.
- The new J. C. Penny distribution center at Brice, Ohio, which is now shipping at a rate of 420 carloads per year and expects to ship 1,000 carloads per year by next year.
- An obviously profitable sub-segment which would result from serving Baltimore, Ohio, from Columbus.
- The \$713,900 (as opposed to no cost whatever for the present route) of estimated rehabilitation costs of the proposed alternate route via Zanesville to carry bridge traffic.
- The light-weight rail (80 to 90 pounds) on the Zanesville to Trinway leg of the proposed alternate route chosen to handle over 100,000 carloads of bridge traffic annually.

In addition, the analysis overlooks the fact that over 11,000 carloads (3 unit trains per week) of coal from the Peabody mine is shipped to Consumers Power Company at Essexville, Michigan. The exclusion of the Ann Arbor track between Dundee and Owosso, Michigan (line number 1300) would eliminate ConRail's access to Essexville.

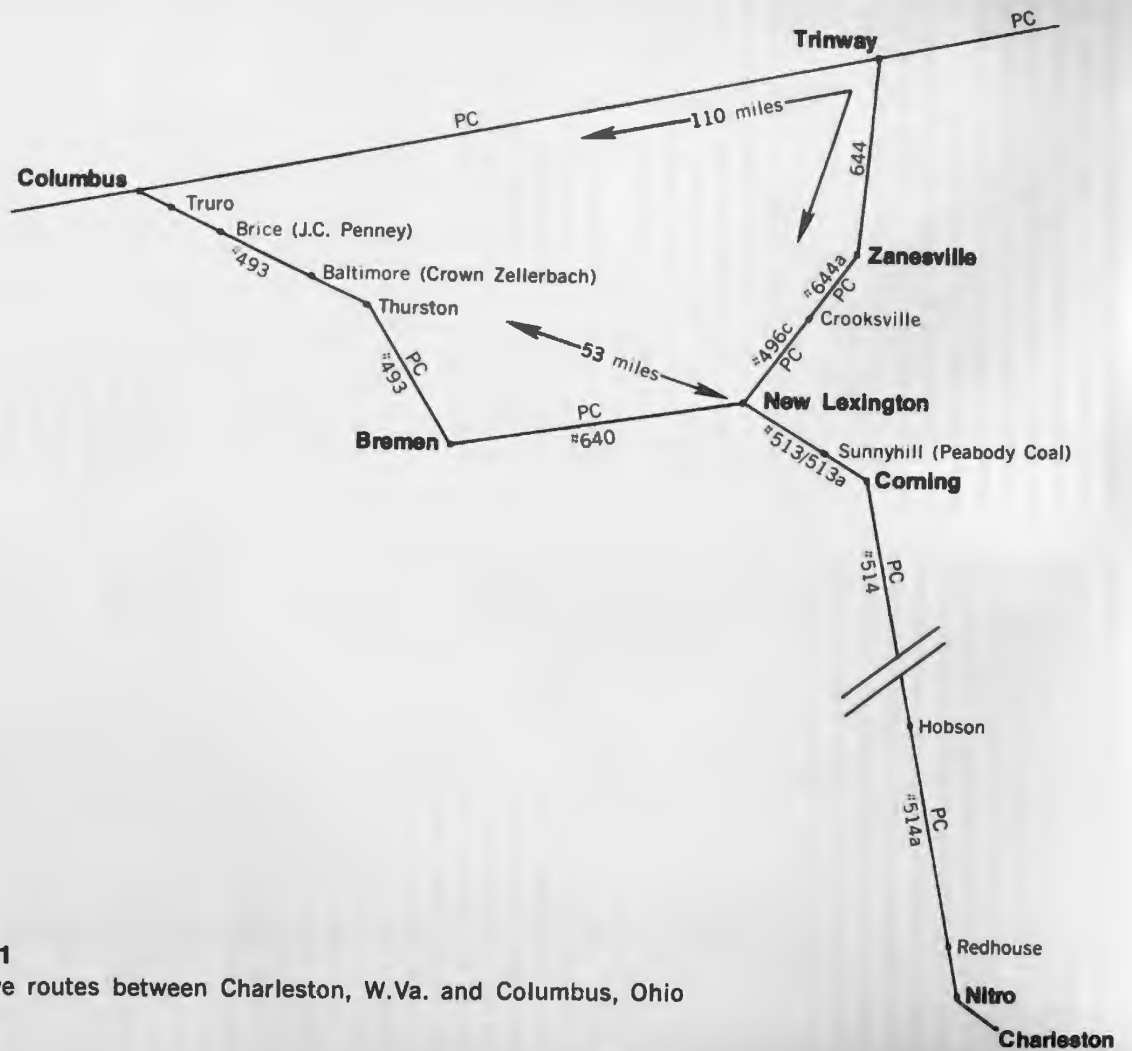


Figure 4-1
Alternative routes between Charleston, W.Va. and Columbus, Ohio

Conclusions

The Office has reviewed each of the Association's light-density line decisions which would result in the exclusion of a rail line from the ConRail system. The results of that review will be found in Appendix B to this report. In summarizing the public comment related to each of these lines we have made every attempt, in the short time allowed, to assemble and report accurately the hearing testimony and written submissions of several thousand interested persons. While it has, obviously, been impossible for us to validate all the data received, the magnitude of the problem presented by the Association's analysis and conclusions stands out clearly. There is hardly a single line proposed for exclusion from ConRail for which some fact relied upon by the Association has not been challenged. Repeatedly, the evidence of the on-site witnesses demonstrates that the Association's conclusions could only have been reached by persons who were not aware of the local conditions.

The success of any analysis hinges upon the accuracy of the basic data and the methodology employed. The Association's data were erroneous in many cases. The service characteristic inputs to the viability calculations in most cases overstated the actual level of service and often greatly exceeded the level of service actually required on a particular line. The viability methodology, although giving the general impression of specificity, actually rests upon a collection of estimates. The estimation approach was found to be particularly subject to error when applied to branch line subsegments.

The problems exhibited by the Association's light-density line analysis are the same as those which we highlighted in commenting on last year's DOT Report. They stem from the basic decision to apply broad and general statistical formulas to make specific decisions on individual lines. The inability of such a computer-based analysis to resolve data deficiencies or to recognize overestimations of service characteristics and to make the necessary adjustments was not compensated for in the analytical methodology, and the methodology itself was not tested against actual situations.

The public's response and our own analysis have convinced us that the crux of the light-density line question is the accuracy of the available data. Questionable as the Association's methodology may be, it is the failure of the Association to demonstrate the basic truth of the data from which it drew its line exclusion decisions that has done the most to destroy public confidence in the correctness of its conclusions.

Now that two successive attempts at computer-based local line analysis—first by DOT and then by the Association—have failed accurately to measure the real situation, the Office believes that a different approach to making these decisions must be followed. Because the fundamental problem is with the data, it will not be solved by modification of the methodology to be applied.

This means that no last minute patching-up of the computer program will make it possible to achieve informed and rational local-service line decisions. The only solution is for the present process to be stopped, and for the Congress to amend the Regional Rail Reorganization Act to permit and to direct another attack on the light-density rail line problem.

1. ConRail would be established, acquire from the estates of the bankrupt carriers the light-density lines recommended by the Association for inclusion and commence operations.
2. For a period of two years, ConRail would operate, without acquiring, the remaining light-density lines including those identified as "Lines Not Now Being Served", with the Federal government reimbursing the trustees for use of their property and ConRail for its operation of such lines. Reimbursements would be as specified in Standards for Determining Rail Service Continuation Subsidies (49 CFR 1125).
3. ConRail would be required to maintain records of actual revenues and costs on all subsidized lines as specified in the Subsidy Standards.
4. Congress would make available funds for State rail planning grants to assist the States in preparing the rail service plans required under the Act.
5. After the two year period, individual line retention decisions would be made, with ConRail acquiring the properties as specified in the Act. The two-year Federal 70 percent matching subsidy program would then go into effect for lines not acquired by ConRail.

Implementing this approach would overcome many of the concerns and objections which have been voiced on the light-density line issue. This approach would:

- Permit branch line decisions to be based on ConRail's costs and operating characteristics, rather than those of a bankrupt carrier.
- Permit branch line decisions to reflect negotiated service frequency levels rather than being based on the estimated service frequencies for 1973.
- Require ConRail to establish branch-specific cost accounts for all lines, permitting more accurate estimations of the costs to be anticipated on lines for which subsidies will be offered after the two-year period.
- Permit determination of revenue received by ConRail rather than by a bankrupt carrier for traffic generated on each line.
- Permit an objective analysis of overhead traffic which would use each branch line under ConRail's actual operating pattern.
- Provide the States in the Region with financial assistance and additional time in which to perform

the comprehensive analyses required to develop State Rail Plans.

To determine the cost of operating all excluded light-density lines for this two-year period, the Office has developed hypothetical rail service continuation subsidy amounts for all 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. The subsidy estimates by line and summaries by States are detailed in Appendix C.

The Act authorizes a total of \$180 million for Federal share of light-density line subsidy payments for the two years during which the subsidy program was originally intended to remain in effect. Based on the hypothetical

calculations, the total estimated subsidy payment required to operate all lines analyzed by the Association, but not recommended for inclusion in ConRail, has been computed by the Office at approximately \$17.7 million a year exclusive of rehabilitation costs, or a total of \$35.4 million for the two-year period during which we recommend a 100 percent Federal subsidy. It is clear, therefore, that the Act now provides for sufficient funding to continue these services while a more satisfactory solution for their ultimate disposition is developed, and that there would be a substantial amount remaining for other services eligible for subsidy under the Act and for necessary line rehabilitation.

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Other Analyses

MARKETING RAIL FREIGHT SERVICE

The Preliminary System Plan re-examines some of the factors which have led to the declining competitive posture of the railroad industry, particularly in the Midwest and Northeast Region. Chapter 9, "Marketing Rail Freight Services," suggests that the long-term growth prospects for the industry look moderately favorable. The Association purports to believe that significant gains can be made by ConRail both in the long and the short term by adopting an aggressive and reasoned marketing strategy. The assumptions that the growth forecasts are correct and that the marketing strategy will be successful are essential to the degree of success projected for ConRail in the pro forma financial statements. The Office entertains serious doubts about both.

Although various chapters and appendices of the Plan touch upon rail competition with other modes of transportation, little or no attention appears to have been directed to the question of the commercial and industrial competitive outlook for the Midwest and Northeast Region itself. The prospects for marketing the services of ConRail and those of the Region's other railroads will depend to a major degree upon future industrial and commercial developments in the territories served by them, rather than upon national trends or trends in the railroad industry generally. If the Region does not prosper, ConRail will not.

Much rail-oriented industry, so the Plan relates, has shifted from the Region to the South and West; what caused these shifts? Were transportation factors, such

as the navigation projects on the Tennessee, Tombigbee, Mississippi, Missouri, Ohio and Arkansas rivers responsible in any degree? Have the States in the Region been overlooked in the apportionment of navigation projects, to the detriment of its economic development and its railroads? Have differences in regional freight rates and practices played a part? Have the authorities in the southern and western states been more vigorous or successful than those in the Region in pursuing transportation advantages for commerce and industry? Are the generally better financial results of some railroads in the South and West related to any of these developments? What suggestions could the Association offer to the authorities in the Midwest and Northeast for reversing declining trends and stimulating employment, commerce, and industry in the Region? The Plan is silent on these subjects, which appear to be of central consequence to the future of the Region's railroad systems.

One important factor may well be the aggressive and often successful industrial development programs which are a vital part of the operations of many railroads in the South and West. Industrial development in ConRail's territory ought to be a major element in its marketing strategy.

At page 124 the Plan states that the long term economic growth of the Region, particularly for rail-oriented commodities, is encouraging. The only reason given for this conclusion is that the current energy shortage and the proposed relaxation of air pollution

regulations cause the Association to predict an increase in *national* coal production of 64.2 percent between 1973 and 1985. It is therefore predicted that ConRail's coal tonnage will increase nearly 37 percent in these years. The Office is aware that Montana and Wyoming coal production, for example, is increasing steadily, and that some of this low grade, low sulphur, high ash fuel is being hauled into the Region, substituting for coal mined there. But ConRail's future coal traffic presumably will depend on production of the mines served by it, not national trends. The Final System Plan prospectus will deserve greater credibility if its coal traffic projections relate specifically to the mines ConRail will serve.

We are troubled that the Association has apparently assumed an upward trend in rail revenues and tonnage based on an extrapolation of recent experience over only a two-year period. Between 1955 and 1971, Eastern District tonnage generally suffered a decline. To assume a continuing rising trend based on two years' results following a 16 year decline, particularly in light of the present state of the economy, is highly suspect.

We feel constrained to point out, also, that in Chapter 1 of the Plan, at page 8, the Association expresses deep pessimism about the growth potential of the Region. Citing such factors as population outmigration, diminished year-to-year growth in traffic volumes, and the relocation of raw material sources and manufacturing centers away from the Northeast, the Association states:

A review of the factors affecting the growth of intercity freight traffic in the Northeast and the competitive balance among modes does not suggest a strong revival, regardless of the relative efficiency of the rail industry.

Is it the optimistic or the pessimistic stance which represents the true point of view of the Association?

Also, in contrast with the coal traffic optimism of Chapter 9 is the pessimism about the freight car program at pages 85 and 92, which appears to envision a 15 percent reduction in the open-top hopper fleet. It is understood that Penn Central's coal tonnage in 1974 was restricted by hopper car availability. How is ConRail expected to haul 37 percent more coal with 15 percent less cars? To be sure, at page 64 the Plan estimates a 27 percent improvement in hopper car utilization. The Office's doubts about the Association's car utilization estimates are expressed elsewhere.

Since the projections of increased coal traffic account for 55 percent of the anticipated tonnage gains and 23 percent of the freight revenue increase over the pro forma period, the Office would prefer that the Final System Plan provide more specific substantiation for this forecast and an explanation of the apparent contradiction between it and the freight car program. The Office also suggests that in the Final System Plan the Association disclose the extent, if any, to which it believes ConRail's future coal traffic growth may be af-

ected by the use of waterways, mine-mouth location of utility plants, slurry pipelines, or other factors.

At page 127 it is explained that the Association's consultant, Temple, Barker & Sloane, is constructing an updated freight forecast to be incorporated into the Final System Plan. The footnote on that page infers that the revised forecast will include tonnage and revenues of branch lines under consideration for abandonment, on the assumption that the losses on these lines will be subsidized and the traffic remain on the railroads. Chapter 9's forecasts apparently included \$78.3 million of revenues from these branch lines in 1985, although at page 196 it is stated that the Plan's financial pro formas did not; instead, they took credit for \$106 million annual reduction in operating expenses as a result of abandoning 6200 miles of branch lines in 1978. This discrepancy should be clarified in the Final System Plan forecasts and pro formas.

The current slump in automotive production is acknowledged in the Plan as one of the uncertain factors presently over-hanging the economy. The Office has no particular expertise in this area, but ventures the observation that with auto and truck registrations of 125.2 million at year-end 1973, replacements alone, if an average 12-year vehicle life be assumed, would require production or import of about 10 million units annually in the future. Of course, auto and truck registrations may decline, but this does not seem probable. No doubt smaller cars will predominate in the future, and this may diminish the tonnage of automobile traffic available to ConRail. On the other hand, it may be that smaller automobiles, since they have better stowage characteristics than the behemoths of recent years, could provide more profitable traffic opportunities to ConRail. And profit, not tonnage, should be the primary goal of marketing strategy.

Congress enacted late in 1974 legislation increasing the maximum allowable weight for trucks using the Interstate Highway System to 80,000 pounds. The Final System Plan should include an expression of the Association's expert opinion as to whether, and the extent to which, this will improve or constrict ConRail's profit-making opportunities, particularly for traffic competitive with motor carriers. The interested public, including prospective ConRail investors, also might find enlightening the Association's views as to the effects on transportation costs in the Region and on ConRail of an increase in the present 96-inch maximum allowable width for highway vehicles; the trend toward 45-foot trailers; and the possible increased use of "double-bottom" trailers. Assuming a ConRail marketing strategy aimed at maximizing the combined efficiencies of rail and motor carriers, as suggested in our comments on Intermodal Services, it is possible that the effects of some of these technological or regulatory changes could be to improve over-all transportation efficiency in the Region. The Office believes this to be one of the goals

of the Act, and that the Final System Plan provides a unique opportunity for the public to receive the benefit of the Association's expertise and guidance on these matters.

The freight revenue forecasts assume \$64.4 million annual gains from selective rate adjustments. They also assume gains from traffic diversions estimated at one point in the Plan at \$50 million (page 126) and at another point in the Plan at \$32.8 million (page 124). Several of the comments reaching the Office have expressed a desire for greater specificity as to the means by which these rate adjustments are to be effected, the traffic to be diverted, and the present routes or carriers from which it is to be diverted.

The Office assumes, along with the Association, that there are deficiencies in the railroad rate structures and that many individual commodity rates can be identified which will prove to be either too high or too low. We would hope and expect that a new ConRail management will take rapid and constructive steps to adjust its rates and set its sales strategy to take into account the very real market advantages which the route structure of the Penn Central and the other smaller bankrupts provide. However, we are not optimistic that rate-making errors can be discovered immediately, or that adjustments can be made that will greatly enhance ConRail's profitability over the short term. We have summarized our understanding of the Plan's principal proposed sources of increased freight revenues for the pro forma 1976-1985 period in our section on Intermodal Services. It is not necessary to repeat here that summary or the errors pointed out in the data.

Also in the section on Intermodal Services the Office has expressed its suggestions with respect to the Plan's urging (at page 134) of early Congressional action encouraging the prompt resolution of divisions disputes. Nowhere in the ten-year pro formas do the revenue estimates of the Plan apparently include any anticipated gains from this source. This may reflect the Association's considered judgment as to the likelihood of an affirmative Congressional response to this appeal in the near future.

At page 126 the Plan states that the freight traffic and revenue forecasts should be regarded as preliminary and subject to change. The Office has not, therefore, commented in detail on the forecasts for all commodity groups. It is to be anticipated, however, that the Final System Plan forecasts will be subjected to the closest scrutiny by many analysts. If they are to withstand that scrutiny successfully, a great many questions raised by the preliminary forecasts and their underlying assumptions will have to be answered.

Recognizing that our response to the Association's material related to marketing has been almost entirely critical and questioning, the Office wishes to point out that it is in basic agreement that a strong rail service

marketing program can have a major effect upon the success of ConRail. We have been asked from time-to-time whether ConRail really has a chance to be a successful and profitable railroad. In reply, we have answered that we find it difficult to understand why Penn Central is *not* a profitable railroad. It serves more of the major markets of the most highly industrialized part of the United States than does any other carrier, and it serves them over what are in most instances more favorable routes than those of its competitors.

These same advantages will belong to ConRail. The new system should provide a fruitful field for motivated, aggressive, and imaginative marketing experts, and we have no doubt that they will be successful in adding new traffic and increasing the profitability of much of the existing traffic. Where we depart from the Association is in the ways in which it has quantified those projected gains. Traffic and revenue forecasting is a difficult and arcane exercise, fraught with many risks. It must be undertaken, however, and with great care lest the would-be investors in the new enterprise—in this case the American taxpayers—be seriously misled about the potential success of that enterprise and the risks which they will be taking when their elected representatives decide whether and how much of the public monies should be invested in the restoration and initial operation of the railroad system in the Midwest and Northeast.

INTERMODAL SERVICES

Because the proposed expansion of trailer-on-flat car and container-on-flat car (TOFC/COFC) services accounts for such a large proportion of the projected ConRail revenue gains, this portion of the Plan has been reviewed with as much care as the limitations of time and the data presented allowed. The Association has identified TOFC/COFC services as now conducted by the bankrupts as major contributors to their losses. Thus, the Plan's conclusion that expansion of these services is expected to make a major contribution to ConRail's net income must be scrutinized with care.

Rehabilitation of the properties and rearrangement of these operations should permit better, more competitive services to be offered. However, because so large a portion of the projected ConRail TOFC/COFC tonnage gains would result from diversion of present freight car traffic, and for other reasons outlined in the discussion which follows, the Office has certain reservations about the intermodal plan presented, which it hopes will be considered by the Association in formulating the Final System Plan.

The preliminary plan projects a total gain in ConRail freight revenues by 1985 of \$454.6 million over the amounts reported by the ConRail carriers in 1973, or 23.9 percent. Of this amount, \$339.6 million is expected to be derived from tonnage gains. The anticipated increase in TOFC/COFC revenues—\$126.6

million—represents 37.2 percent of this amount. Thus, the prospects for success in achieving this goal, and the effects on ConRail's net earnings, will be of major importance to the integrity of the entire plan.

The Association estimates that the PC intermodal services alone incurred a deficit of \$30 million in 1973, and that if current replacement costs and a realistic return on investment are included in the calculation, the loss could be twice that amount. The Office has no basis for disagreeing with this appraisal, and concurs that the present TOFC/COFC services and rates may be a major factor in Penn Central's losses.

Apparently it is partly for this reason and partly because of the current economic downturn that the Plan projects a decline in TOFC/COFC revenues during ConRail's first year, 1976, of \$16.87 million, or 10.5 percent. About 15 percent of present traffic, because of its unprofitable nature, would be eliminated by some means, presumably in 1976. As a result, the annual compound growth forecast for ConRail TOFC/COFC revenues between 1976 and 1985 is 7.7 percent, and the total increase in revenues for this nine years is \$135.39 million. Between 1976 and 1980 TOFC/COFC revenues are projected to grow at an annual compound rate of almost 9.6 percent.

This, on the surface, appears to be a rather optimistic expectation when it is considered that for all Class I railroads piggyback carloadings increased from 890,748 in 1964 to 1,543,198 in 1973. This annual compound growth of about 6 percent began from a small base. In the same period, other carloadings declined by 2,577,791, or nearly four times as much as the piggyback carloadings increased. Not all of this decline, of course, occurred because of freight car traffic being diverted to piggyback service, but it must have been an important factor. And of course, had it not been for piggyback service, some of the traffic involved might have been lost to the railroads.

The preliminary plan assumes that about 4 percent of present carload traffic would be diverted to the proposed piggyback services. If this percentage is applied to *all* 1973 carload traffic of the ConRail carriers, it alone would amount to about 13.7 million tons, or 77.8 percent of the total ConRail piggyback tonnage projected for 1985. Yet no decline is projected in any of the non-TOFC tonnage groups. Also, the estimated tonnage to be diverted from freight cars exceeds the actual 1973 piggyback tonnage of the six railroads by about 38 percent. Put another way, these figures would suggest that the expanded TOFC/COFC service is not expected to bring ConRail any net new business. The average length of haul in TOFC/COFC service is projected to remain unchanged, but the average revenue per ton-mile is expected to increase about 3.4 percent.

Aside from the diversion of freight car traffic, the Plan's intermodal projections assume that TOFC/

COFC services will prosper in contrast with past piggyback experience, because of:

(1) Major roadway rehabilitation and improvement, enabling higher speeds and more reliable service;

(2) Major rehabilitation and regrouping of TOFC/COFC terminals;

(3) Development of a rate structure that will attract shipper business and also foster intermodal (rail-motor carrier) coordination where possible;

(4) Gaining greater control of the pickup and delivery function through expansion of the operating rights of rail-owned truck lines;

(5) Penetration of the small shipments market, including the less-than-truckload (LTL) and partial truckload (PTL) markets through expanded trucking operations and the opening of new LTL terminals.

The Office concurs in the first three assumptions, but has some reservations about the last two.

The basic philosophy of the plan perhaps is best expressed by the statement: "It is almost axiomatic that the firm controlling pickup or delivery of a shipment also exerts control over the line-haul movement." This is traditional railroad marketing philosophy, but there may be some question whether it has led to desirable results in recent years, or whether it is the best approach to intermodal operations. In brief, might not a cooperative approach in dealing with carriers of other modes be worth considering rather than all-out insistence on controlling the traffic from door to door?

Apparently the PC trustees do not consider the present motor carrier subsidiaries to come within the scope of Section 303(b) of the Act, which provides for the conveyance of *rail* properties, for PC has contracted to sell the operating rights of one such carrier, New England Transportation Company (ICC Docket No. MC-F-12419). The definition of this term in section 102(10) restricts it to assets or rights which are used or useful in rail transportation service. No doubt the Association will want to obtain a clarification of this question before proceeding with the Final System Plan.

Even if the proposed expansion of trucking operations, including establishment of LTL and PTL terminals, is in keeping with the Act there may be questions as to whether the expense and capital expenditure portions of the preliminary system plan adequately provide for this, and whether it is the wisest approach.

The Association estimates that more than \$100 million will have to be invested in intermodal terminals in order to accommodate projected 1985 demand. There does not appear to be any provision in the rehabilitation or capital expenditure tables for the proposed LTL and PTL "retail" facilities. The Plan estimates that the 1973 trailer fleet of 13,200 units could be reduced by 25 to 30 percent, and that several hundred surplus Flexi-Van trailers could be retired. This seems reasonable for the short term, especially consid-

ering the projected drop in TOFC traffic in 1976. But there do not appear to be provided in the plan funds for the new equipment which would be required to invade the motor carrier field, such as tractors, 45-foot trailers, and twin doubles.

In the projections of transportation expenses, Account 421, Operating TOFC/COFC terminals, increases about 26 percent from 1976 to 1985, whereas TOFC/COFC tonnage increases 88.5 percent. True, some efficiencies may be expected from consolidating terminals, but this projection appears optimistic. Account 422, Other Highway Transportation Expense, is projected to decline 40 percent between 1976 and 1985, notwithstanding the proposed expansion of motor carrier and LTL activities.

To accomplish the goals of the proposed intermodal plan—head-on competition with the general commodities motor carriers—it seems likely that a large part of ConRail's organization would need to be highway-oriented. Yet, in comparison with major established motor carriers, ConRail's TOFC/COFC revenues, despite the dramatic increase projected, would be relatively small. One large motor common carrier in the Region, Roadway Express, for example, which has almost no debt, generated \$504.8 million in freight revenues in 1974, about 81 percent more than the TOFC/COFC revenues projected for ConRail in 1985. And if in fact three quarters of ConRail's TOFC/COFC tonnage is to be diverted from existing freight car traffic, is it wise to build up a large organization to engage in direct competition with experienced motor carriers for the remainder?

The Office suggests that realization of the intermodal forecasts may be facilitated by a departure from traditional marketing and rate making philosophies, with consideration being given to cooperating with the motor and water carriers so that the expertise and efficiencies of these carriers can be melded judiciously with whatever cost or service advantages ConRail's improved TOFC/COFC services can offer. This approach would involve offering joint rates to motor common carriers with divisions such as to make piggybacking more attractive to them than over-the-road line haul. It would represent a sharp departure from recent railroad marketing philosophy, but if in fact ConRail can provide service of comparable quality at lower costs than over-the-road trucking, the potential for TOFC/COFC revenue growth may be greater than the Association's projections, without the costs of a large highway-oriented organization and expensive and duplicative trucking, LTL and PTL operations. If, on the other hand, ConRail is not believed to be capable of providing lower cost and time-competitive services, then expanding its TOFC/COFC operations, which are now unprofitable, might be a mistake.

Some background as to previous intermodal behaviour of the railroads appears at this point to be appropriate. The early railroads began, for the most part, as intermodal carriers. That is, they were built, usually in relatively short segments, to provide inland localities with connections to navigable waters or as connections between the headwaters of navigable streams. The names of many early railroads (Baltimore & Ohio, Chesapeake & Ohio, Patapsco & Black Rivers, etc.) symbolize this purpose of connecting waterways. Railroads recognized that water and rail transportation were complementary, and they made rates and adjusted their services in keeping with the necessity for water-rail cooperation. But as the railway system expanded and traffic managers hungered for tonnage at any price, this cooperative attitude diminished. The expansion of the motor carrier industry and the revival of river transport in the past few decades, coupled with the relative decline in the rail share of the freight market, seem to have fostered an attitude in the railroad industry of determined non-cooperation with other transport modes.

The demise of the rail-water-rail coastal trades provides an example of this. Prior to World War II railroads both in the East and in the West generally participated in joint through rates with steamship companies in the thriving Atlantic and Gulf coastal trades. The Southern Pacific owned the Morgan Line of steamers; the Central of Georgia, the Ocean Steamship Co.; the New York Central, Newtex Steamship; the New Haven, the New England Steamship Company, Merchants and Miners and several others. The rail and water companies generally had harmonious relationships; the rail hauls in the rail-water movements were shorter than they would have been in all-rail movement, but because of the favorable divisions the generally low-cost water lines were able to provide, they were profitable. The shippers enjoyed a choice between all-rail and rail-water-rail routings, usually at differential rates reflecting the lower costs and slower speeds of the water movement.

The requisitioning of the coastal vessels for World War II resulted in their traffic being diverted to all-rail movement, and following the war the railroads, through their rate bureaus, combined in a program of reducing all-rail rates, increasing port rates, and denying joint rail-water rates and routes. The pre-merger New York Central joined in rail-water rates with the coastal lines to and from its stations east of Buffalo, and the Central of New Jersey, Reading and New Haven participated substantially in rail-water traffic. The Pennsylvania and most of the Southwestern lines, however, refused to make joint rail-water rates, and by the mid-1960's they had succeeded in driving out the last rail-water-rail service. The coastal water lines, lacking rail cooperation, have been obliged to interline

with trucks. That this benefited the eastern lines which had previously shared in rail-water traffic is not obvious. At present, about 1,400 trailers per week are moved into and out of the eastern lines' territory by water carriers serving Florida and the Gulf.

In domestic rail-water service railroads usually are the originators and terminators of the traffic. In motor-rail service the relationships are reversed, and trucks usually originate and terminate the traffic. With the expansion of the Interstate Highway System, the trend toward dispersal of industrial production, and the shift to light manufacturing and service industries in much of the midwest-northeast region, this becomes an increasingly important consideration. Many of the newer plant facilities lack rail sidings, and their freight consequently must move at least part way by truck. The railroad rack cars, for example, move substantial quantities of new automobiles, but they cannot deliver the autos to the dealers.

These facts are elementary, and they would seem to suggest a large measure of cooperation between railroads and motor carriers. In theory, rail TOFC/COFC services would combine the rail long-haul advantages of fuel economy and possibly lower cost with the short-haul efficiencies and flexibility of motor carriers, relieving the highways of the burden of long-haul trucks. Implementation of the theory would involve rail TOFC/COFC rates or divisions sufficiently low to make it advantageous for motor carriers to ship their trailers by rail rather than over the highway. In practice, most rail piggyback rates seem to be aimed at the traffic of ocean carriers, freight forwarders and shippers' associations or at diversion of rail freight from box cars, and to discourage traffic tendered by motor carriers.

The enormous spread in the following comparison of freight-all kinds (FAK) rates or divisions available for moving two trailers or containers of total weight 92,000 pounds between the East Coast terminals at Boston, New York, Philadelphia, and Baltimore on the one hand and the West Coast terminals at Oakland and San Francisco on the other may serve to illustrate this point.

The very low land-bridge divisions serve to divert traffic from ocean-going vessels which otherwise would transit the Panama Canal. Although there may be some differences in the services provided, if these land bridge rates are compensatory it is difficult to explain why the railroads could not offer much more attractive rates or divisions than they do to induce motor carriers to tender Plan I or Plan V traffic which presently moves by highway in substantial volume. The Office understands that there is now almost no Plan I or Plan V transcontinental traffic, and that the railroads do not want or solicit such traffic, partly because such trailers tendered to them under present tariffs tend to be overflow or unbalanced movements.

Plan	Total price—	
	2 trailers	92,000 lbs
Land-bridge—volume	-----	\$1,393
Tier divisions—		
1-20 trailers	-----	1,796
21-40 trailers	-----	1,700
41-60 trailers	-----	1,592
61-over trailers	-----	1,454
II½-IV ²	-----	3,546
III-IV ²	-----	3,331
I-IV ²	-----	3,131

¹ Requires tendering a minimum of 12,500 trailers or containers annually.

² The western roads generally accept FAK traffic only on Plan IV rates; therefore, it moves transcontinentally on combinations of Plan IV and other plans.

³ Although the western railroads generally discourage Plan I traffic, a determined motor carrier apparently could obtain transcontinental Plan I routings for a total of \$2,731.

From the standpoint of the public interest in conserving energy, reducing atmospheric pollution, and relieving highway congestion, there appears to be little advantage in diverting to the railroads movements which would otherwise transit the Panama Canal, but much to be gained by reducing the number of trucks on the highways. The Office realizes that there are many obstacles to be overcome if this is to be accomplished with equity to the railroads, the motor carriers, and their respective employees, but believes that the effort should be made, and that the stated goals of the Act require it.

It is quite likely that, as the Association appears to believe, the land-bridge volume rates are unremunerative. Yet, within the large spread of rates above, it seems possible that remunerative rates could be developed which would be attractive to motor carriers and divert substantial volumes of traffic from the highways. If they cannot, the merits of a large expansion in TOFC/COFC services merely to divert present freight car traffic seem doubtful. The Office recommends that in preparing the Final System Plan the Association give consideration to a marketing plan and rate structure giving prospects of inducing motor carriers to entrust line-haul movements to ConRail, and that if it concludes this is unfeasible it consider a substantial reduction in the proposed TOFC/COFC services.

The plan contemplates an expenditure of \$100 million for intermodal terminal facilities by 1985. It discusses the problems of restrictive overhead clearances, the desirability of improved locomotives and cars, and the necessity of accommodating 45-foot trailers and other highway vehicle developments which may be forthcoming. It is evident that large capital expenditures will be involved if ConRail and its connecting railroads are to be major and effective participants in this transportation market.

The Office, fully realizing the complexities involved,

suggests that the major rehabilitation and restructuring of the region's railroad system (and probably of other railroads) which is clearly necessary provides an occasion to consider the advisability of a planned phasing out of conventional piggyback operations and change to containerization. This could offer many advantages both in capital and in operating costs.

The piggyback technique pioneered by the former New Haven was relatively primitive but well suited to the conditions met in the New York-Boston traffic of 1937. It required only modest capital expenditure for some elementary ramps and tie-down devices fitted to existing flat cars. For long-haul, high speed, high volume traffic under today's circumstances, it has many disadvantages.

A very plain 40-foot van trailer, without adjustable tandem, anti-skid brakes or any other special features, costs at today's prices about \$8,200, of which about \$2,000 represents wheels, tires and tandems, landing gear, etc., which in piggyback service serve no useful purpose. Not only do the thousands of dollars of capital tied up in such appendages represent wasted capital; the space occupied by them aboard piggyback cars increases the center of gravity of the load, aggravates overhead clearance problems, and increases wind resistance. Ramps are an inefficient and slow method of transferring trailers to and from flat cars as compared with lifting devices. The enormous amounts of expensive paved area required for parking trailers in busy piggyback terminals and the licensing expense of trailers aboard flat cars add to the costs of the operation.

Containerization in the Coastwise marine trades

began as early as 1911, and automated containerization in 1929. By 1956, about the time other railroads than the New Haven were beginning experiments with piggyback service, van-type containers with indexed loading systems were emerging in the coastal and non-contiguous trades. Thus, the techniques of automated, indexed container handling were known and available by the time the railroads had embarked on piggybacking to any major extent. But most railroads preferred piggybacking in the early stages primarily because of the lesser capital commitments required for piggyback ramps. By 1960 containerization had begun to attract interest in Europe, Australia, Asia and Latin America. In 1962 and 1963 the International Standards Organization had caused its TC104 Committee to develop international standards for such things as container sizes, markings, lifting and tiedown fittings. Nacelled containerships with automated, indexed transfer systems have taken over an increasing share of world general-cargo marine traffic, with roll-on, roll-off techniques (comparable to piggybacking) utilized only in specialized short-haul circumstances.

The Office recommends that in preparing the Final System Plan the Association consider whether, in the light of the substantial capital expenditures involved in its proposed plan, it might not be appropriate to review the opportunities for savings by downgrading piggybacking as an operating technique in favor of containerization.

Consideration might also be given to rate differentials reflecting the operating cost advantages of containers and encouraging their use.

TOFC/COFC PLANS

PLAN I

Under this arrangement, the trailer or container is owned by the motor carrier and is moved in substituted service between TOFC terminals. The railroad receives a specified payment or division for the transportation of these trailers or containers.

PLAN II

The railroad offers a complete service between the loading docks of shippers and receivers in separate terminal areas. The line-haul transportation is performed by the railroad, which also supplies the terminal area services.

PLAN II½

A variation of Plan II where the trailers are owned by the railroads, but the consignors and consignees must move the trailers between the ramp sites and their warehouses and also perform the loading and unloading.

PLAN III

The railroad furnishes the flatcars, performs the line-haul service, and loads and unloads the trailers or

containers, which are owned or leased by the shipper or freight forwarder.

PLAN IV

The railroad transports flatcars and trailers, owned or supplied by the shipper or freight forwarder. Plan IV differs from Plan III in that the rail car is supplied by the shipper or forwarder and the placing on and removing of trailers or containers from the rail car is his responsibility. However, the railroad may provide this loading service at a published tariff charge.

PLAN V

Service is based on through-route and joint-rate coordination of rail and motor carriers.

LAND BRIDGE

Service is based on through-route and joint-rate coordination of railroads and marine carriers. Traffic must originate or terminate in a foreign country and move on a single bill of lading.

PERSONNEL PLANNING AND POLICIES

The six bankrupt railroads making up the pro forma ConRail provided in 1973 employment for 89,832 persons whose total compensation (not including health and welfare payments or associated taxes) was \$1.23 billion, and averaged \$13,638 per employee. As noted in our financial analysis, employee compensation expenses consumed 51.4 percent of these railroad's operating revenues—the highest such ratio, with one exception, for any major American railroad system. Including the Erie Lackawanna, the total payrolls of roads subject to the Act involved, at 1973 levels, 101,938 employees and \$1.38 billion of annual cash outflow.

The Importance of Personnel Planning

These statistics illuminate starkly and coldly the crucial importance of the personnel element, which overshadows all others in its potential for affecting the success or failure of the Plan. For this reason, the Office has approached this section of its critique and evaluation with a deep sense of responsibility. It is obliged to say that it does not consider the Plan's treatment of the subject to be adequate.

The interests of investors, shippers, consumers, travellers and general taxpayers dictate that the Final System Plan envisage no greater personnel costs for ConRail than is consistent with enlightened, efficient management and firm, sympathetic personnel leadership. Above all, they dictate clear, unequivocal disclosure, with as much specificity as possible, as to what the personnel costs will be and whether the Act's employee protection benefits are likely to prove adequate or inadequate. Their interests can be expressed in financial and statistical terms.

The needs, aspirations, and community importance of the more than 100,000 human beings who will be ConRail's employees are not susceptible to portrayal in precise financial or statistical terms. These are men and women—individuals, not nameless, faceless numbers; they also are investors, consumers, travellers, taxpayers, and valued members of their communities. They are more vitally and directly concerned with and affected by the Plan than any other segment of the public. About 94,000 of them are contract employees, represented by their elected union officials. About 7,500 are non-contract personnel with no one to represent them. Individually and collectively they, not the locomotives, cars and tracks to which so much of the Plan is addressed, will be ConRail. They can make or break it. The Office thinks they would like to know, as nearly as possible, what the future holds for them. What, where, and when will be their jobs? Who will provide their leadership and direction? The Plan is largely silent on these matters.

In its May 2, 1974 report the Office recommended that the Association scrutinize with great care the re-

sults of any attempt, based upon purely statistical methods, to identify particular rail facilities as redundant, and should test any such statistical conclusion in the light of the practical knowledge of those with experience in conducting railroad operations. By now it has become evident that the burden of light-density lines is not nearly so consequential a factor in the overall financial problems of the Region's railroads as was initially thought.

The personnel problems obviously are consequential, both to the individual employees directly concerned and to the financial self-sufficiency of ConRail. The admonition of the Office last May applies, however, with even greater force to personnel planning than to line abandonments. People cannot be "orange lined" with statistical efficiency by computers. Whatever the personnel programs to be disclosed in the Final System Plan, they should be carefully reviewed by competent, sympathetic experts possessing practical personnel experience.

Some Disclosure Inadequacies

Several chapters of the Plan touch upon personnel matters, with some apparent lack of consistency. Taken together, they fail to convey what effects the Association's personnel programs will have on either ConRail's employees or its financial results.

Chapter 12 is entitled "Manpower Requirements and Policies" although it sheds little light on either. Some of the terminology used in the Plan may give rise to misunderstanding or friction. For example, at page 161 it is set forth that ConRail "must use all its resources, including labor, as efficiently as possible." The Office concurs that the employees will constitute ConRail's most valuable resources; it suspects that they can be led, persuaded, directed, cajoled—possibly even bullied, threatened, or conned—into courses of actions which will increase efficiency. It doubts, however, that they will wish to be *used*; they are not inanimate objects comparable to rails, ties, ballast or hopper cars.

Figure 1 and Tables 2 and 3 of chapter 12 of the Plan contain information as to the age, years of service, and union affiliations of the prospective ConRail employees which undoubtedly will be useful to those who do the planning and those negotiating agreements with representatives of the contract employees. They also serve, as the Plan states, to point up the complexity of the tasks facing the negotiators, stemming out of 140 individual collective bargaining agreements with 26 unions. This chapter summarily describes the computerized statistical data bank being compiled, to include each employee's age, class and craft, geographic location, length of service, seniority district, and certain payroll data. From this presumably it will be possible to determine where the employees are or have been, if not where they are going.

Chapter 6 of the Plan touches upon the needs for trained personnel and supervision in the rehabilitation program, but discloses nothing about how the supervision and training are proposed to be obtained. At page 162 of Chapter 12 it is stated that the Association does not have the resources to undertake retraining activities. This is understandable, but the Final System Plan should make clear what provisions are being made for training and retraining. How and where will it be done? Will it be at ConRail's expense, and if so, how much will it cost?

This chapter concludes by proposing transfer of 269 Lehigh Valley shop employees from Sayre to Reading, and 107 Reading employees at Rutherford to Penn Central's Harrisburg shops. Out of the 101,000 total, the 376 people affected by these changes are the only ones to whom the Plan conveys any inkling as to their fates.

The pro formas of Table 2, Chapter 14 indicate that the Association expects ConRail's payroll taxes to increase moderately above 1973 levels in 1976, 1977, and 1978, but thereafter to decline to an amount \$7.7 million lower in each of the years 1984 and 1985. Such taxes for the six progenitors in 1973 were \$132,887,000. Thus, if one assumed a relationship between payrolls and payroll taxes, it could be deduced that the Association's expectations are a 5.8 per cent reduction in ConRail's payrolls by the end years of the decade. Since freight ton miles are projected to increase 30 per cent in the 10-year pro forma period, the computed 38 per cent gain in payroll productivity would not be unimpressive. However, for reasons given in our Financial Analysis chapter, undue reliance should not be placed on the results of such deductive computations. In any event, they should not be necessary; the Plan ought to disclose such important matters without the necessity of deduction.

Payroll taxes in 1973 accounted for 10.84 per cent of employee compensation costs for the six bankrupt ConRail railroads. Application of this percentage to the \$7.7 million saving in payroll taxes forecast by the Plan yields a conclusion that the Association expects payrolls in 1984 to be \$71 million less than in 1973, and the number of employees (those operating the properties as well as those engaged in rehabilitation) to be reduced by about 5,200, thereafter stabilizing. This would not be expected to have a very harsh impact on the \$250 million employee-protection fund, when it is considered that by that year some 30 per cent of employees could be expected to reach retirement age. But again, this is a deductive computation extrapolating the meager and unrelated data in the Plan, and the results must be regarded with caution.

Collective Bargaining

Chapter 5, page 67, mentions certain current labor-management discussions and an analysis by the Asso-

ciation's staff indicating potential for substantial productivity gains through changes in work rules, crew consists, bases of pay, and craft distinctions. It is not made clear who is conducting these labor-management discussions, and perhaps it should not be. At page 157 the Association urges such discussions upon the railroads in the Region to be reorganized as ConRail. At pages 164 and 165 similar urgings are directed to a representative to be appointed at the earliest possible date by ConRail. The Office agrees that early discussions with authorized representatives of both contract and non-contract employees would be most desirable, but submits that some resolution of the apparent conflicts in the Association's urgings could materially advance the prospects of a successful outcome. Most importantly, the person representing ConRail must be one who enjoys the confidence of the employees and of other railroad managements in the Region.

At page 161 of the Plan appears the statement that "The livelihood and material security of many people are affected by *decisions* (emphasis supplied) that USRA will make and ConRail or other railroads will implement." If this implies that the Association will make decisions obliging the managements of ConRail or other railroads to take fixed positions at the outset of negotiations with the representatives of their employees, the Office thinks that the effects upon the processes of collective bargaining could be unfortunate.

The Plan lists five specific goals which are stated to be used in making these decisions:

- To maintain and achieve an optimal system manning level
- To minimize expenditure for employee protection costs (given a particular level of employment)
- To minimize the effect of unemployment on terminated and displaced employees
- To consolidate labor agreements
- To establish communication with and maintain the understanding of organized labor about the manpower planning process.

Perhaps the Office's difficulty here is a semantic one, but "optimal" level need not, and probably should not, be equivalent to "minimum" level, since the quality as well as the numbers of ConRail's employees will affect its efficiency. Also, undue emphasis on minimizing expenditure for employee protection costs could have an adverse effect on ConRail's employee productivity and conflict with the Act's goal of minimizing job losses and community benefit costs.

The Office further suggests that some process be established for holding discussions with the 7,500 non-contract employees and obtaining their views. Undoubtedly many of these will be lower and middle management and office personnel whose input into the planning and reorganization processes could be invaluable.

Management

The Office is sympathetic to one of the Association's problems in disclosing its proposed personnel program with more clarity. The Association's function is planning, not implementation. It may propose, but ConRail's management and those of other railroads (not to mention their employees) will dispose.

Unfortunately, ConRail does not, so far as the Office is aware, have any management. Elsewhere in these comments the Office has urged the importance of designating as soon as possible a competent management in which the concerned public and the employees can have confidence, and has made suggestions for reducing or eliminating obstacles to such designation. It is believed particularly important that the management enjoy the confidence and respect of the affected employees and be able to enter into prompt and meaningful discussions with them or their designated representatives.

Undoubtedly the payrolls of the ConRail progenitors are larger than would be the case if they were efficient, well maintained, well managed properties. The Office is optimistic that, properly approached, improvements in productivity can be obtained through modernizing work rules, reduction in seniority districts, and other progressive steps. Clearly, Congress, in making available the \$250 million employee protective fund, expected the representatives of organized labor to be reasonably cooperative in exchange. In terms of the total costs of rehabilitating and revitalizing the Region's railroads, incidentally, the Office believes that this employee-protective fund, prudently employed, could be one of the best investments the public has made.

The employees cannot be held responsible for the financial and physical collapse of some railroads in the Region. They had no voice in the managements under which these events took place. For years, they have had to cope with steadily deteriorating properties and equipment, trying to run trains over unsafe tracks which would not support them and being identified with companies and services held in increasing derision.

The prospect of rehabilitated properties; a management with leadership qualities which can command their respect; a chance to regain pride of performance; and the employee protections in the Act will, the Office is convinced, find the employees and their representatives prepared to cooperate fairly and freely in collective bargaining.

Employee Skills and Morale

The Plan is silent on the subject of the skills required for effective performance of many railroad jobs and on the importance of morale in any organization. There was a time when railroad men and women were regarded as peers among working people and accorded high respect in their communities; every boy's ambition was to become a locomotive engineer. The steam loco-

motive, with its whirling valve gear and clanking side rods, its moaning whistle and its sweating fireman lurching on the apron as his scoop fed its flaming maw, is gone, and with it much of the romance and excitement of the railroader's job. The skills required, however, have not diminished; rather, they have increased with the drastic reduction in railroad employees' numbers and the resulting intensity of their work. Passenger trains, which to many people were their only contact with railroads, have almost disappeared, and the unfortunate publicity accorded controversies over "featherbedding" in recent years has tended to denigrate the status of railroad people in public eyes. The public regard for railroad management is probably not what it once was, either.

The Office suggests that the Association, in composing the Final System Plan, could make important contributions both to public understanding of the personnel problems and to the morale of ConRail's employees by devoting some space to the unique skills required of people in the various ranks of railroad employment.

Training, Retraining and Recruitment

At page 162 the Plan mentions discussions to be initiated with interested parties to foster creation of programs for the relocation and retraining of displaced employees to help place them in either rail or non-rail jobs. At page 75 it is stated that training programs for both existing and new employees will become an essential part of ConRail's rehabilitation and maintenance programs to assure the required labor. The Final System Plan should disclose how these training programs are to be conducted and include provision for their expenses.

Beyond this, provision should be made for training existing employees in the operations of the railroad and for recruiting new employees. If under the financial stresses of recent years, maintenance has been slighted, it seems likely that training also has been. In addition, if six or seven existing railroads are to be combined in one, new manuals, routing guides, tariffs, operating rules and procedural instructions of many kinds necessary for the conduct of such a large, complex organization will have to be prepared and employees instructed in their use. Although there may be a surplus of total employees in the early years, there may be shortages of some skills, and certainly as the years progress and present employees retire, there will be a necessity for recruitment and training of new personnel. The Final System Plan should include provision for this.

Although retraining and transfer of some employees to other locations and other positions can assist in resolving displacement problems, there are obvious limitations upon the extent to which this can be done. Elderly or infirm office clerks cannot become track laborers; senior conductors may not wish to break community or

family ties and move to distant locations. The Act does not contemplate that employees will be required to accept such changes. The Office suggests that some of the older and more experienced personnel may prove useful in training the younger and newer ones.

Incentives

The Office believes that one of the important ingredients of the financial success achieved by large motor carriers in recent years has been the program of incentives or profit sharing incorporated in their compensation systems. To achieve maximum effect, such incentives should be related as nearly as possible to the results of an individual employee's or manager's efforts, rather than to the profits or losses of the company, on which the individual may feel that he has little influence. The incentives need not always be purely monetary—every man or woman likes to be made to feel that his or her efforts are noticed; that they contribute to the whole; and that excellence will be at least recognized, if not rewarded. It is recommended that in completing its planning of personnel policies and programs the Association study some of the incentive systems which have proven effective for motor carriers and other service companies and the extent to which they could usefully be adapted to ConRail.

Employee Stock Ownership Plans

Section 206(e) (3) of the Act requires that the Final System Plan set forth the manner in which employee stock ownership plans, as defined in section 102(5), may, to the extent practicable, be utilized for meeting the capitalization requirements of the Corporation. At page 202 the Plan states that the Association is studying the practicality of employee stock ownership from certain points of view and in the light of the proforma projections.

The Office has expressed its opinion of the pro forma projections in the Plan, and does not recommend that an employee stock ownership plan be based on them. It also does not believe that an employee stock ownership plan, dependent for its workings on special provisions of the Internal Revenue Code, which it understands have been successful in some limited circumstances, would probably be suitable for a large organization such as ConRail, especially not if ConRail's federal income tax liabilities in the next several years are anticipated to be small.

It does believe, notwithstanding the unfortunate experiences of some Penn Central employees with stock ownership in their company, that a properly devised plan for ownership by employees of stock in ConRail, tailored to the circumstances of that Corporation and its personnel, not some other circumstances, could have benefit both for the employees and for ConRail. It hopes that the Association's study of these possibilities

is a serious one, conducted with the care and depth the subject deserves.

Summary

As stated at the outset of this section, the treatment of personnel in the Final System Plan will be perhaps the most vital factor in its success or failure. The Office urges that it receive more attention than it appears to have been given in the Preliminary System Plan; that the proposals with respect to personnel policies, plans and programs be reviewed by experienced, sympathetic experts in the personnel field before their release; and that ConRail be provided as soon as possible with competent and respected management able to begin meaningful discussions with representatives of ConRail's prospective employees—contract and non-contract—at the earliest date. In further recommends, as it has in other chapters, that the Final System Plan make full and fair disclosure as to what the Association's personnel plans and programs are, how they will affect ConRail's finances, and how they will affect the employees.

PASSENGER SERVICE

The Act charges the Association with several responsibilities in the area of passenger services. In general, the Final System Plan will have to deal with the provision of adequate rail service for the movement of passengers as well as freight, with the requirements of commuter services, and with the identification of "short-to-medium distance corridors in densely populated areas" in which high-speed passenger service would be beneficial. As for the Northeast Corridor, between Washington and Boston, one of the stated goals of the Act is to implement recommendations made in 1971 by the Secretary of Transportation to establish improved high-speed rail passenger service in the Corridor. The Association is also required to designate rail properties which may be purchased or leased by Amtrak, and to provide it with loans of up to \$500 million for their improvement.

The Preliminary System Plan is almost exclusively freight oriented, and although it addressed the various passenger related requirements of the Act, it did so in what can only be described as a superficial manner. Perhaps as a result of past frictions between Amtrak and the railroads operating passenger trains for it, the Plan's treatment of passenger service is most specific when it attempts to protect ConRail from assuming financial burdens which rightly should be borne by Amtrak or the local commuter authorities. In selecting corridors for potential high-speed passenger service virtually no new analysis was undertaken. In dealing with the Northeast Corridor, the Plan suffers from a lack of specificity in that it does not provide definitively for the disposition of the properties or for their operation.

In a statement submitted to the Office, Amtrak makes the point that the Association does not have "carte blanche" to propose the abandonment of rail lines irrespective of passenger needs. With this the Office must, of course, agree. However, Amtrak has not referred to any rail line which it now uses for passenger service, or over which it contemplates the operation of future passenger service, which would be excluded from the ConRail system. The Office is aware of no such line, and except for the question raised about the capacity of certain lines between Chicago and Indianapolis, discussed in the "Regional System" section of this report, we are aware of no operational decisions of the Association which would affect the performance of passenger service.

Ownership and Operating Considerations

In our response to the Association's annual report, "Preliminary Views on Rail Restructuring," we expressed our views on the alternative possibilities for ownership and operating responsibilities for the Northeast Passenger Corridor. We think that the points made there continue to be valid, and we call them to the Association's attention again. They would apply equally to other passenger operations located elsewhere should it be determined that properties owned by the ConRail carriers and located off the Northeast Corridor are of value predominantly for passenger service and should be offered for sale to Amtrak or some passenger transportation authority.

Generally, passenger and freight operations operate at different speeds, require different levels of track maintenance, have different effects on rail wear, and have different service requirements. Where passenger and freight trains operate over the same trackage, conflicts have developed regarding the relative priorities of trains, the necessary levels of maintenance, and the allocation of costs relating to the line. These factors make it imperative that the ownership of, and operating responsibility for, rail properties needed for both passenger and freight service be carefully and firmly delineated.

We continue to be of the opinion that Amtrak or some other passenger authority is the logical candidate to own the rail lines which are used primarily for passenger service, such as the Northeast Corridor. As the owner, it would be responsible for establishing maintenance standards, and financing improvements and deficits. It would have the final word in setting maintenance schedules, but hopefully it would do this only upon full consultation with the entity responsible for the line's operation and for the dispatch of the trains.

We continue, also, to have doubts as to the wisdom of establishing Amtrak as the operator of Northeast Corridor or other predominantly passenger rail services. As we said in "Preliminary Views on Rail Restructuring:"

• • • An operations department could be established within Amtrak, and staffed by transferring to Amtrak the personnel now managing and operating the Corridor for the Penn Central. This arrangement would be complex, probably running into employee concerns of seniority, pay structure, advancement, and job security. Perhaps even more important, it would deprive the corridor operator of the opportunity to draw on the body of experienced personnel, both in management and labor, available from a larger railroad.

Conrail operation of the Corridor could overcome these concerns. Conrail could, as the Penn Central has, transfer employees between the Corridor and other locations as necessary, providing employee security and the potential for advancement, as well as valuable training. Conrail, however, should not be responsible for the losses sustained by passenger operations in the Corridor. Several approaches are possible. Conrail could operate the Corridor under a management contract to Amtrak or other owning agency; a separate affiliate of Conrail could be established, the financial results of which would not be included in Conrail's financial statements; or a separate division of Conrail could operate the Corridor on regularly-allocated subsidy funds from Amtrak and state transportation authorities.

Responsibility for operations control, including train dispatching, is treated vaguely in the Plan. There is an implication, but not a direct statement, that ConRail would assume operations responsibility for passenger-dominated lines under an incentive contract with Amtrak. The Final System Plan should recognize the importance of this issue and clearly state the Association's position. Failure to do so may result in a perpetuation of the distrust which hangs over today's relationships between Amtrak and the operating railroads.

The Association specifically states that Amtrak should bear the costs of additional maintenance necessary to allow higher speed passenger service over a low speed freight line. Although the Office endorses the concept of requiring that Amtrak bear costs which ConRail would not incur if passenger service were not operated on a particular line, this particular point is currently the subject of controversy. There is an interpretation of the National Rail Passenger Service Act which states that the operating railroad must maintain Amtrak's routes at the levels existing on May 1, 1971, the Amtrak start-up date. The Office recommends that the Association recognize this interpretation and address it in the Final System Plan. An extremely useful addition to the Final System Plan could be a compilation of the May 1, 1971, levels of passenger service over the bankrupts' routes.

Northeast Corridor

The Association's Northeast Corridor recommendations add nothing new to the subject. The Plan's recommendation to remove through freight service from the Corridor onto a parallel route was presented by the Secretary of Transportation in his report last year, endorsed by the Office in our response to that report, presented by the Association in its Annual Report, and endorsed again by the Office in our response, "Preliminary Views on Rail Restructuring."

The ownership, operational, and cost allocation considerations, as noted above, have not been resolved, nor has the Association recommended a preferred approach for ownership and operations control of the Northeast Corridor. The only definitive conclusion reached by the Association is that ConRail should be insulated from financial harm stemming from passenger operation; this conclusion has already been endorsed by the Office. The Final System Plan should be definitive regarding the Association's recommended course of action.

It is disappointing that the Association's discussion of removing through freight service from the Corridor did not recognize or address the capacity constraints of the freight bypass route, other than the obvious need to double-track the B&O between Baltimore and Philadelphia. These are significant considerations affecting the attainability of the Association's goal and the time-frame within which it can be achieved. We have addressed these particular capacity constraints in our review of the ConRail main lines earlier in this report.

The remainder of the Northeast Corridor discussion basically restates DOT reports and Amtrak ridership statistics.

Other Routes

In response to the statutory mandate, the Association identified 16 potential passenger service routes in short or medium distance corridors in the Region. We have serious doubts about the wisdom of assigning this task to the Association in the first place, because it seems to us to be more properly a responsibility of Amtrak, or possibly the Department of Transportation. Nevertheless, the Association received the assignment and has attempted to carry it out.

The 16 routes selected by the Association as potential intercity passenger corridors were chosen on the basis of DOT criteria requiring that a route be capable of matching average highway speeds between two Standard Metropolitan Statistical Areas (SMSA) of more than 1 million population each. No references were made to travel demand studies, reviews of airline and bus patronage, or to the expected modal choice split of travellers between the SMSA's. Without evaluating the factors affecting the potential passengers' modal choice decisions, the Association concluded that 80 mph service on all of the routes would be adequate.

We find it unfortunate that these corridor decisions were based on broad averages and generalizations. As has proven to be the case in the light-density line analysis, it is not necessarily valid to apply national averages and abstract statistical approaches to specific lines and routes.

We recommend that the Association perform specific studies of a few routes for the Final System Plan. Rather than assume that the desired ridership increases can be attained with 80 mph service, we believe the Asso-

ciation should consider implementing a few routes at high speeds to attempt the same relative transit time results as the Northeast Corridor.

Auto-Ferry Service

The Association has used the term auto-ferry to describe a potential passenger service similar to that offered by the Auto-Train Corporation, in which passengers and their automobiles are transported on the same train. Auto-Train's operation between suburban Washington, D.C., and Florida has met with considerable success.

The Plan recommends that Amtrak investigate offering a similar service in the Region, and suggests Chicago to Harrisburg as a potential route. This recommendation appears extremely shallow. Even a cursory review of Auto-Train's route indicates that it is vacation and tourist-oriented, serving the year-round Florida vacation area, terminating in the vicinity of the Walt Disney World amusement park. The Auto-Train rate structure encourages family vacation travel. The major portion of the fare is a basic charge for the automobile and two passengers, with a minimal charge for additional passengers.

Although the concept has been successful, the Office believes its success is dependent on the unique factors of the market it serves. Unfortunately, we do not see any markets in the Region which exhibit features similar to those discussed above.

Commuter Operations

With the exception of a total of 10 trains a day (Cleveland, Chicago, and Washington), all commuter services operated by the bankrupt carriers are operated under contract with a local or regional transportation authority. Since ConRail is required to honor such existing contracts, it would be useful for the Association to detail in the Final System Plan the lines operated under such contracts, the duration of the contract, any unique considerations, and the recommended status of these lines in the proposed system operating plan.

ENVIRONMENTAL AND ENERGY ASSESSMENT

Although the Preliminary System Plan does not specifically say so, the Association at some point apparently came to the conclusion that the only negative contributions which its decisions were likely to make to the maintenance of environmental standards were in the areas of air pollution and energy conservation. Despite some public testimony concerning such matters as noise pollution and the disturbance caused by train operations adjacent to historic sites or in populated areas, the Office is in basic agreement.

The Association's basic environmental finding is that "although rail service is more efficient than other modes for long- and medium-haul traffic the use of trucks for many short, light-density hauls would lower current levels of harmful emissions, [and] decrease energy consumption . . ." This conclusion is based on results obtained from a DOT model which compares fuel consumption of railroads and trucks for branch line service, and indicates that trucks are more fuel efficient. Since air pollution emissions are directly proportional to fuel consumed, the Association concluded that substituting truck service for railroad operations would reduce emissions.

An assumption used in the model raises questions about its general applicability to individual situations. The model assumes that each carload originating or terminating on a branch line must be switched four times, and that the switching of each car requires 15 minutes. No allowance is made for multiple car deliveries to the same siding. The model assumes that switching ten cars into a siding takes ten times as long as switching one car into the same siding; this is not reasonable. Such an approach could "prove" that a 100-car unit train delivered to a single point on a branch line would be less fuel-efficient than 200 trucks performing the same task.

A further limitation is that the model compares only that portion of the movement which occurs on the branch line. Since destinations of most rail movements are points off the branch, the Association's truck fuel consumption estimates tend to be understated. More important, the Association's analyses address only a portion of the potential environmental and energy impacts of the restructuring process. In addition to branch lines, the Association should also address potential impacts of mainline consolidations and other significant operational changes. The Office selected two examples to illustrate how potential environmental and energy impacts might be analyzed: a mainline consolidation and a branch line abandonment.

Main Line Consolidation—Alliance to Chicago

The primary through freight routes recommended in the Plan indicate a shift in the present traffic patterns on several routes. The Office analyzed the Association's recommended shift of traffic from the Penn Central's Ft. Wayne line from Chicago through Ft. Wayne and Bucyrus, to Alliance, Ohio; and onto the PC's route from Chicago through Elkhart, Toledo, and Cleveland to Alliance (Figure 5-1). The former will be designated the southern route and the latter the northern route.

The analysis concentrates on the potential shift in traffic from the southern to the northern route, including only the expected shift in scheduled through manifest freight trains. Local freights and extras also operate over these lines but are not included in the analysis.

Route Description

The routes traversed by these two lines are dominated by open farmland. Small lakes and streams are fairly common and are often in close proximity to the railroad. The northern route has more wooded areas adjacent to the line than the southern. Table 5-1 shows population densities of towns and cities along the two routes.

TABLE 5-1.—Population comparison of northern and southern routes

Characteristic	Route	
	Northern	Southern
Total population	1,750,000	600,000
Number of towns and cities	28	21
Number of towns and cities with population:		
More than 75,000	3	2
Between 20,000 and 75,000	6	3
Between 5,000 and 20,000	8	12
Less than 5,000	11	2

Population densities vary considerably with the northern route passing through 28 cities and towns (total population approximately 1.75 million) while the southern route involves 21 cities and towns (total population less than 600,000). In other words, the route proposed travels through the more heavily populated area.

Air Pollution Impact

The Office prepared Train Performance Calculator computer runs to determine the fuel consumed over the two routes. Identical 90-car trains with 4 locomotives and 5,200 trailing tons were simulated over each line. Results of this analysis are as follows:

Route:	East-bound (gallons)	West-bound (gallons)
Northern	2,802	2,300
Southern	2,639	2,758

Table 5-2 illustrates the present operating level and potential level if through freight traffic is diverted from the southern route to the northern route.

TABLE 5-2.—Daily through manifest freight trains, northern route

Operation	Number of trains traversing segment				
	Alliance to Cleveland	Cleveland to Toledo	Toledo to Elkhart	Elkhart to South Bend	South Bend to Chicago
Present operation	10	29	25	32	26
After diversion	32	51	41	32	41

An Environmental Protection Agency (EPA) model was used to estimate the change in ambient air quality resulting from the traffic shift. Gross emissions were

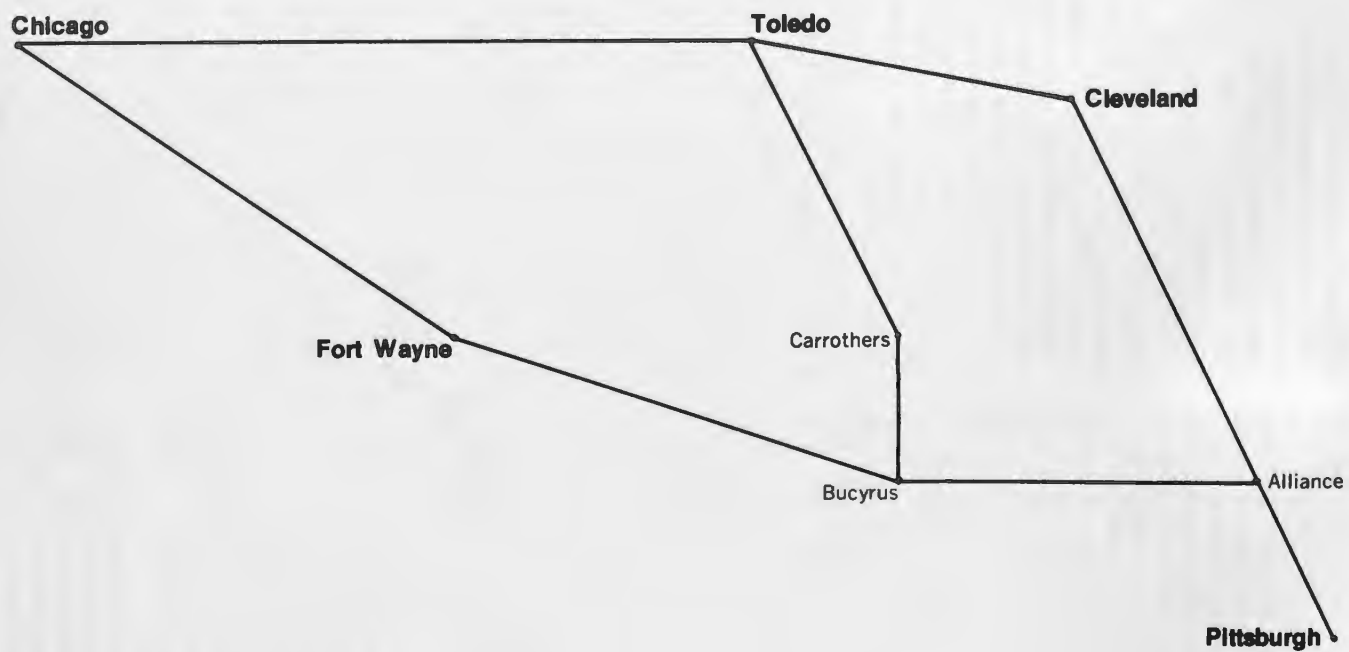


Figure 5-1
Mainline consolidation - Alliance to Chicago

estimated by applying EPA emission factors to the fuel consumed on each line segment (Plan, page 150). The EPA model indicates that the changes in local air quality levels along the northern route would be minimal. This is due principally to the rural character of the areas adjacent to the lines. However, Toledo and Cleveland, which currently have ambient air quality problems may be adversely impacted by the addition of emissions from the increased rail traffic on the northern route. In Toledo, for example, total hydrocarbon emissions from railroad sources would increase approximately ten percent. Although railroad emissions are only a small portion of the total emissions in Toledo, EPA has indicated that a substantial reduction in hydrocarbon emissions is necessary to achieve acceptable air quality levels. An increase in railroad hydrocarbon emissions would only aggravate the problem.

As a result, the Office urges the Association to concentrate its efforts on analyzing the local effects of traffic shifts on those areas which have air quality problems, and to include these analyses in the Final System Plan.

Branch Line Analysis

The Association concluded that termination of branch line service will not result in either adverse environmental impacts or increased energy consumption. To evaluate this conclusion, the Office studied a light-density line.

The line analyzed (lines number 692a/693a near Hillsdale, Michigan) generated a relatively high volume of traffic and was not recommended for inclusion in ConRail. Factors analyzed included direct impacts on noise and air quality, changes in energy consumption resulting from use of alternative modes, and potential impacts on the flow of waterways over which the line passes.

Modal shifts as a result of abandonment, in most instances shifts to truck, would change fuel consumption, emissions, and resultant ambient air quality and noise levels. To determine if these changes are significant, they must be compared with existing local levels.

In addition to serving points between Hillsdale and White Pigeon Junction, Michigan, this line serves as the connection for other lines also not recommended for inclusion in ConRail (lines Nos. 400, 401, 401a, 402, 404, 396 and 398) on which overhead traffic originated and terminated (Figure 5-2).

The area of Michigan this line serves is primarily open, gently rolling farmland, with a number of wooded areas, small lakes, and streams adjacent to the rail line.

Major highways providing access to the area are U.S. 12, a two-lane, heavy-duty road that closely parallels the branch line, and I-69 which runs north-south through Coldwater.

Traffic and Commodities

The Association reports that in 1973 the line generated 8,211 carloads. The following breakdown of the traffic, by community, reveals that Hillsdale and Coldwater ship and receive the majority of the traffic.

Community	Carloads
Hillsdale	6,087
Jonesville	30
Coldwater	1,965
Batavia	18
Bronson	47
Burr Oak	44

In addition, 949 carloads originating and terminating on other lines in the area, passed over the line.

The majority of the carloads are originating traffic. The commodities shipped and received include a broad mix; the most significant are shown in Table 5-3.

This table indicates that farm products and food and kindred products are the most predominant commodities.

TABLE 5-3.—Carloads and tonnage shipped and received standard transportation commodity codes (STCC)

STCC	Commodity	Carloads	Tons
1	Farm products	1,118	89,709
11	Coal	659	44,964
20	Food and kindred products	3,672	131,738
24	Lumber and wood products	574	25,057
25	Furniture	1,222	10,880

Anticipated Impacts

Based on substituting trucks for branch line service, we determined there would be a relatively insignificant state-wide increase in fuel consumption. The resultant net increase in carbon monoxide emissions would be less than one-tenth of one percent of the adjacent counties' total carbon monoxide emissions. The only impact which might be significant is the noise generated by the 177 additional daily truck trips.

This evaluation tends to support the Association's conclusion that the environmental and energy impacts of individual branch line abandonments are not significant. The Office, however, recommends that the Association consider the cumulative effect of several branch line abandonments in an area.

Energy Conservation and Fossil Fuel Accessibility

The Congress had considerable concern about the impact railroad restructuring could have on the consumption of scarce energy resources and accessibility to fossil fuel supplies. The Office recommended in its May 2, 1974 report that "the planning process must evaluate locations and capacities of pipelines, waterways, railroads, and highways in the Region, balancing available rail facilities against other modes to determine the intermodal mix and competitive structure that best meets

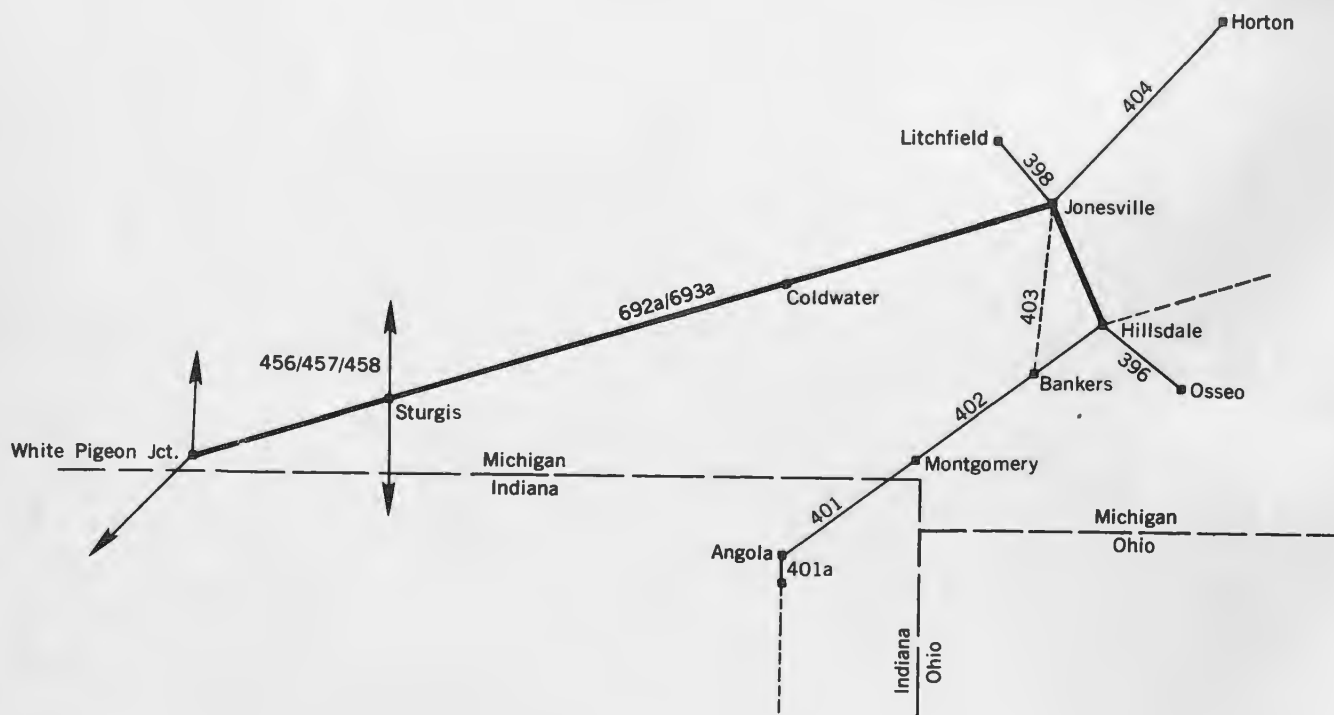


Figure 5-2
Lines near Hillsdale, Michigan

these goals." In our "Preliminary Views on Rail Restructuring," January 10, 1975, we said "The Office believes the intent of the Act is that environmental and energy considerations are to be integral parts of the planning process, not simply devices by which discussion of a plan selected on other criteria is expanded." The Office still hopes that the Association will pursue this course of action.

Unfortunately, the Plan does not treat energy conservation in depth. Electrification, one method of potentially preserving petroleum fuels, was touched upon with little elaboration. In referring to electrification costs and the potential for major savings in petroleum fuel which could be effected, the Association stated that electrification of certain lines could save up to 5 percent of all petroleum used for ground transportation. Further evaluation is needed.

The Plan did recognize the need to retain access to the coal producing areas of the region. Production at mines in the area served by the bankrupt railroads (Illinois, Indiana, West Virginia, Ohio, and Pennsylvania)

has gradually increased over the last few years. These states produce over one-third of the coal currently mined in the United States with the bankrupt railroads originating more than 20 percent of the output in those states in 1973. In total, railroads in the Region move more than one third of all bituminous and lignite coal in the United States.

The Plan proposed that branch lines serving active coal mining areas be retained in the system even though the lines are not profitable unless "major repairs" are required. Unprofitable lines serving areas where there are inactive, but economically recoverable, coal reserves would be placed in a "rail bank" unless "major repairs" are required. This last contingency would be covered by a "right-of-way bank", which has been proposed by the Association since the Plan was released. Track could be salvaged from these lines and later replaced if mining is resumed. This general approach has been endorsed by the Department of Interior and the Federal Energy Administration. The Office concurs.

Funding and Management

The amount of outside funding which ConRail will ultimately need, especially with the inclusion of the Erie Lackawanna in the system, will undoubtedly be much greater than the Plan forecasts or the Act provides. The Association, which presumably accepts the Plan's rather optimistic projections, believes that, because of the magnitude of government guaranteed borrowings, it is appropriate to consider various means of providing both the needed funds themselves and the security for government obligations (Plan, page 49). The Office agrees. Moreover, the railroad problems of the Midwest and Northeast Region may prove to be but the tip of the iceberg. Inflation, high interest rates, deferred maintenance, and redundant facilities pose problems elsewhere also.

THE INDUSTRY OUTLOOK

Reports filed with the ICC by all Class I railroads as of June 30, 1974 indicated deferred maintenance amounting to \$2.9 billion and deferred capital improvements of nearly \$4.3 billion. Of the \$7.2 billion total needed for rehabilitation and capital improvements, about 45 percent involved railroads in the Western District, 42 percent roads in the Eastern District, and 13 percent roads in the Southern District.

No one appears to be sure of the economic outlook for 1975 and 1976, but it seems likely that all Class I railroads may report a combined deficit in earnings for 1975. Should the recession continue its present trends, this deficit could amount to as much as \$1.5 to \$2.0 billion. The Office is by no means predicting this, but

believes that the possibility must be envisaged in the planning. Whatever the scale of the probable deficits, they may precipitate some further railroad bankruptcies; they are certain to cause more maintenance and capital improvement deferrals and declining employment in the railroad and railroad supply industries.

The Office can conceive of no more promising avenue for stimulating gainful and respectable employment in the places where it is needed than a large-scale and resolute program on a national scale to rehabilitate and modernize the railroad plant. Such a program would involve not only direct employment on the railroad tracks and facilities, but "flow-over" employment as well in the railroad supply, data processing, electronics, and many other industries.

Some of the more prosperous railroads, even though able to finance their maintenance and improvement programs, are likely to cut them back in order to keep reported earnings and dividend payments as high as possible and in the interests of liquidity. The Office believes that the majority of the industry will not be able to finance needed improvements and rehabilitation through its own devices.

Indeed, quite aside from these rehabilitation and modernization needs, the ability of the industry as a whole to finance itself through the next decade, if recent trends continue, is in doubt.

At year-end 1973, for example, the total long-term debt of Class I railroads, exclusive of inter-corporate debt and debt in default, amounted to \$8.8 billion, on

which interest charges were \$517.2 million. Forty-four percent of these obligations consisted of mortgage debt, on which average interest charges were 4.4 per cent; 51.5 per cent were equipment obligations on which interest averaged 6.9 per cent; and the remaining 4.5 per cent, probably mostly loans and advances, averaged interest at 6.7 per cent.

During the years 1974-1984 some \$5.35 billion, or more than 60 per cent of the total 1973 debt burden, is scheduled to mature. Seventy-seven per cent of the maturities are equipment obligations, and even if no further inflation is assumed, it would cost at least twice as much at 1974 prices to replace the older equipment to be retired, so that twice as much equipment debt would be incurred just to keep the fleet numbers from declining. On the assumption that equipment obligations can be issued at 8 per cent, mortgage debt at 8.5 per cent, and other debt at 10 per cent, rolling over the mortgage and other debt and keeping fleet numbers level with 1973 would result in outstanding debt at the end of 1984 of nearly \$12.9 billion, an increase of 45 per cent from 1973. The annual interest charges would approximate \$1.138 billion, or 2.2 times the interest charges of 1973. These interest charges would exceed by 30 per cent the highest amount of net railway operating income generated in any of the five years ended with 1973. Nothing new would have been added—no rehabilitation or capital improvement programs—but the debt would increase 45 per cent and the interest 120 per cent.

The above does not purport to reflect a study in depth; and almost certainly the assumptions are over-optimistic. Given the strained capital market conditions presently foreseen, unless the railroads' credit status improves markedly, it is doubtful that the assumed interest rates could be obtained. Even if they could, unless the earnings of the railroads, in current dollars, improve substantially, or they are able to obtain funds from some other source, it is difficult to see how they could finance a rehabilitation and modernization program costing upward of \$7 billion in addition to meeting the financial burdens of just keeping their plant and equipment at present levels.

The only apparent way their earnings could increase sufficiently to absorb debt service of this magnitude would be for freight rates, in 1974 dollars, to increase substantially. This, unfortunately, might well be self-defeating because of traffic diversions to other forms of transportation. If this is true, the likelihood appears to be that both the physical and the financial condition of the railroads will deteriorate further in the next decade unless some external funds, over and above those which can be generated internally or raised by the railroads' own credit in the capital markets, is made available. Should inflation continue at anything like

recently-experienced rates, the problem obviously will be magnified.

If this possibly over-simplified assessment of the railroad's future is even remotely correct, a serious problem looms on a national, not just a regional, scale. Although the duties of both the Association and the Office are confined to the Midwest and Northeast Region, neither can well ignore the fact that any solutions for the region will have an impact on the railroad system outside it. In this light, every solution to the national or regional financing problem which has been or will be put forward ought to be explored objectively, so that the public may know the pros and cons.

ALTERNATIVE FUNDING PROPOSALS

The Association has suggested, as one means of providing funding for ConRail, the takeover of its rights-of-way and structures by a separate corporation, which might be either privately owned but rely on government guaranteed loans for track rehabilitation, government owned, or jointly owned by the railroads using them and the federal government. This corporation, whatever its ownership, would own, rehabilitate, and maintain the track and structures and permit ConRail to use them in return for a rental charge. With respect to this concept, which it calls "ConFac," for Consolidated Facilities Corporation, the Association concludes (Plan, page 50) that "a number of public policy, legal, tax and accounting questions remain to be resolved before the Association can present any type of recommendation regarding the ConFac concept." The Office hopes that in the Final System Plan the Association will address all of the possible approaches to the railroad finance problem, with an objective appraisal of each.

In addition to a ConFac for the Region, which the Association appears to favor, several other proposals for funding the rehabilitation and updating of the railroads have come to the Office's attention in the course of its hearings and discussions. They are briefly summarized below; the comments received will be transmitted to the Association with other public comments on the Plan. However, a few of the comments are paraphrased here, to indicate some of the trends of public thought on this problem.

Nationalization

The United States is the only large industrialized nation in which the railroads are privately owned and managed. (Canada's railroads are partly government, partly private). Some suggest that if the government will be obliged to supply as much financing for ConRail as the Plan proposes, it might as well take over the properties of the railroads in reorganization and operate them. Others say that this would place the solvent railroads in an unfair competitive position, and that the

proper solution would be nationalization of all the railroads. Others point to such examples as the British railways, which have been nationalized for more than 30 years, have incurred large deficits, and have carried out large-scale service curtailments.

Some have made invidious comparisons with Amtrak and the United States Postal Service, which they regard as examples of government-managed transportation.

In one particularly cogent statement, Congressman Herman T. Schneebeli said, "If, ultimately, nationalization is the only answer to the rail question consistent with the public interest and with equity, then let us approach it forthrightly, rationally, with a carefully considered plan—not by bits and pieces, indirectly, through the back door, while we allow ourselves to be victimized by our own rhetoric about solutions 'within the private sector.'"

Nationalization of the Track and Roadway

Some of the comments received have complained that the Association did not more fully describe the proposed ConFac in the Plan, and that the public has been deprived of an opportunity to discuss it because it does not know what the proposal is. The President of the Norfolk & Western Railway Company, John P. Fishwick, has suggested a sort of "mini-ConFac,"—federal government acquisition by condemnation of the rights-of-way and facilities of the bankrupt railroads east of a line drawn from Albany to Harrisburg. Operating rights over these Government-owned tracks would be granted to Penn Central, Chessie, and possibly Erie Lackawanna. Mr. Fishwick concedes that the Government would have to incur substantial, and probably continuing, subsidies to cover the operations of the railroads using these lines.

Government ownership of certain railroad rights-of-way and facilities on a national scale was embodied in bills first introduced in the 93rd Congress as S. 4012 and H.R. 15503 and 15504, and reintroduced in the 94th Congress as S. 1143. One principal feature of these bills is provision for an Interstate Rail System to be owned by a non-profit Interstate Rail Corporation, over which privately-owned railroad companies would be allowed to operate in return for payment of specified user charges. Another feature is the imposition of a one percent tax on the amounts paid for the transportation of property within the United States by rail, motor vehicle, or water. This might be termed a "macro-ConFac" concept.

The comments on this general subject are varied, and indicate the need for a great deal more public discussion and information in the months preceding release of the Final System Plan if the Association's ConFac concept is to be understood. The State of New York is of the opinion that the idea of separating ownership from operation is not sound in the case of rail-

roads. While it is easy to think this option would make railroad operations analogous to other modes of transportation, this is *not* the case. One railroad president (Alan S. Boyd, of Illinois Central Gulf) strongly favors it, *provided* that the public pays the major part of rehabilitation and maintenance costs.

The Chairman of Chessie System, Hays T. Watkins, says there is not a scintilla of evidence to support a conclusion that the transfer of the fixed plant to a government owned, or controlled, corporation will produce economies or efficiencies, and that there is substantial evidence to the contrary. Bethlehem Steel Corporation, Allied Chemical Corporation, Aluminum Company of America, Ford Motor Company, General Electric Company, General Motors Corporation, National Steel Corporation, Union Carbide Corporation, United States Steel Corporation, and Weyerhaeuser Company, all of whom would be major ConRail shippers, jointly submit that there is as yet no demonstrated need for a separate ownership corporation. Senator Edward M. Kennedy fears that the expenditure of funds during the initial period would be wasted by subsequent misallocation of ConRail resources away from continued maintenance. The Senator believes a more likely alternative to be a government corporation responsible for the maintenance of roadbeds and rights of way, with stiff user charges paid by private companies.

Other comments are to the effect that the difference between the ConFac proposal and nationalization of the railroads is difficult to distinguish; if, on the one hand, the charge to ConRail were less than the cost of rehabilitation and maintenance, this would provide unfair competition to the profitable railroads in the Region and possibly force them into the same position as the bankrupts; if, on the other hand, ConFac charges to ConRail were at a full cost level, there would be no advantage in creating another corporate entity with its attendant costs and problems; the States and cities might lose needed tax revenues; there might be difficulty in controlling traffic when there were several users of a line; larger shippers might want to run their own trains, giving them an unfair advantage over small shippers and leaving the rail operating companies with only the unprofitable traffic; and a situation comparable to that of the highways or airways would not result, since private automobiles, trucks and buses could not share the use of the rail facilities.

Rail Trust Fund

Governor Milton Shapp of Pennsylvania has proposed establishing a Federal Rail Trust Fund approximating \$13 billion to finance a six-year national program of railroad modernization, rehabilitation, and electrification. The railroads would receive direct grants for these purposes; the grants would be financed by issuance of 7.5 percent 30-year Federal bonds, which in

turn would be paid off by a 5 percent surcharge on rail freight revenues. The railroads would be required to accept a moratorium on all contested abandonments and to rescind part or all of the *Ex Parte* No. 305 rate increase approved last year. Some of the comments received by the Office have suggested that the figures given in the proposal might be faulty; that the 5 percent surcharge might divert traffic from the railroads to other transportation; that the abandonment moratorium would be undesirable; and that giving up the *Ex Parte* No. 305 increase, or even part of it, would weaken the railroads financially.

Some statements submitted to the Office recommended that monies to support ownership and maintenance of the nation's rail roadbeds could come from the Highway Trust Fund, a rail freight tax, or a general energy tax.

Subsidy Equalization

Some of the comments received have urged that railroads be provided with sufficient federal assistance to equalize their position *vis-a-vis* that of carriers of competing modes which benefit from government ownership, construction, and maintenance of their rights of way. Other comments suggest that user charges or other taxes be imposed on motor and water carriers, airlines and pipelines at such levels as to force enough traffic back onto the railroads to make them profitable; that motor, water, and air carriers be owned and managed by railroads; that construction of the Interstate Highway System be discontinued or slowed down; and that shippers be allowed income tax credits, similar to the investment tax credits, for rail freight bills paid.

Regulatory Reform

The proposals catalogued under this heading suggest that if regulatory "reforms" were effectuated, the financial problems of the Region's railroads would disappear or at least be greatly alleviated. Some believe in a total elimination of regulation, which would allow competitive forces to have full rein. This, it is argued, would result in the elimination of unprofitable rates and services and allow rail management to manage in such ways as to assure profitable operations.

Regulation also has its supporters. John A. Creedy, President of the Water Transport Association, a trade association representing ICC-certificated common carriers, urges that the pro-private carriage and anti-common carriage policies of the federal government have aided in the collapse of some eastern railroads. He recommends legislation restricting private carriers to the carriage of their own goods and forbidding them from entering the for-hire market.

The Transportation Institute, a maritime research organization whose members include American deepsea and inland water carriers, believes that the Plan should

have given more attention to the self-destructive, non-competitive rate setting practices of the railroads which have precluded their cooperation with other modes and that it should have contained an assessment of the havoc the rate wars of the past half-century have wrought on rail finances.

The Office doubts that any of these views offers a solution for the near-term problem of funding rehabilitation of the Region's railroads, but suggests that in preparing the Final System Plan the Association consider their applicability to the longer-term railroad problems.

Guaranteed Loans

The Surface Transportation Act (H.R. 5385 which failed enactment in the 93rd Congress) would have provided for up to \$2 billion in government-guaranteed loans to railroads for improvements to plant and for purchases and leases of new equipment. Several of the comments received have urged similar, but broader, programs of Federally-guaranteed railroad loans; some argue that loans, even at government-guaranteed interest rates, do not afford a solution for the railroad financing problem in view of the existing and prospective debt burdens; others, that long-term loans should be made available at very low rates, such as the "soft loans" made by the World Bank for rail projects in underdeveloped countries; some recommend that the Reconstruction Finance Corporation be revived.

Grant Programs

Various proposals have been offered in the media and to the Office involving establishment of an emergency Federal program of matching grants to assist railroads in rehabilitating and modernizing their plant and equipment. Several of these are premised on the belief that such a program would provide a means for expanding employment rapidly, comparing it with effects achieved by more than \$1 billion of low-interest assistance to the railroads for the same purpose by the Reconstruction Finance Corporation and the Public Works Administration in the Great Depression. (These amounts would be equivalent to about \$5 billion today.)

A bill (S. 1144) entitled the Interstate Railroad Act of 1974, incorporates an interesting combination of loans and grants for assistance to privately owned railroad companies for rehabilitation, maintenance and modernization. The Secretary of Transportation would be authorized to make rehabilitation assistance grants not exceeding \$500 million in each of the fiscal years 1975, 1976, and 1977 to railroad companies unable to finance such work from their own resources or to repay guaranteed loans. He would be authorized also to guarantee lenders against loss on obligations issued to finance rail rehabilitation. The aggregate principal

amount of guaranteed obligations outstanding at any one time would be limited to \$1 billion. This bill, like S. 1143 above-mentioned, would designate certain heavy-density main lines as an Interstate Railroad System. However, unlike S. 1143, it would leave these lines in private ownership; and it contains no provisions for taxes or user charges.

Management

The statement of Senator Harrison A. Williams drew attention to the Plan's brief commentary on the role of management in ConRail's future and the contributions of managerial shortcomings to the present distress of the Region's railroads. The Senator observes: "The questions of how and where to find management of this caliber are not addressed. New perspectives and new ideas are clearly needed. I feel it is essential that the people responsible for the mismanagement of the railroads in the past do not bring their poor track record to ConRail."

Similarly, Michael Rudziak, Vice President, Greater Gardner (Mass.) Chamber of Commerce, stated: "The character or composition of the ConRail Board deserves more than a mere passing reference. As a profit making corporation, it will be handling billions of our tax dollars for probably ten or more years before an effective cash-flow is realized. We feel most strongly that this should be a non-political body; that it is composed of responsible businessmen and qualified citizens, dedicated and interested in profit-making railroad operations which give good service."

FINANCING RAILROAD IMPROVEMENTS

It is inevitable that these three inextricably related questions—the best approach to funding the rehabilitation and modernization of the Region's railroads; the financing and rehabilitation needs of railroads outside the Region; and securing a management deserving of the confidence of ConRail's investors, public and private, and its users—will be the subject of intense public concern during the next few months, and will have to be threshed out in Congress. It seems apparent also that the Act will need to be amended. If for no other reason, this will be true because the obligational authority level imposed by section 210(b) of the Act would quite certainly be inadequate. No doubt the public and the Congress will wish to consider any other changes which, in the light of the planning, review, and developments of the 15 months since the Act's effective date, may seem desirable.

The Office has considered its duty under the Act to be, not simply to critique and evaluate the Preliminary System Plan proposed by the Association, but to entertain and forward constructive proposals for resolution of such problems as might emerge. (We have already

suggested, in Chapter 4, that the Act be modified to deal with the light-density line problem.) Accordingly, on the basis of the submissions it has received and such analysis and research as its limited staff could apply, it has developed some suggested approaches to the related funding and management problems. These are discussed below in the hope that they will assist the public, the Association, and ultimately the Congress, in making the difficult decisions which soon must be made. There are no perfect solutions which will suit everyone. The railroad problems facing us now result from many years, many factors, and many failures, as the Plan points out. It is useful to look back or attempt to fix the blame only insofar as this provides guidance to the proper courses to be followed in the future. One major cause of the mounting problems obviously has been a lack of accurate public information. (Until recently, for example, the public was not made aware of the deplorable physical condition of much railroad plant). The unique planning and information processes set up by Congress in the Act were designed to remedy this information gap, and hopefully the Final System Plan will advance that aim.

The Office concurs with Congressman Schneebeli's view of nationalization; if it is the only answer to the railroad problems, it would best be adopted consciously and rationally, not piecemeal and as a result of successive collapses of individual railroads. It has not worked ideally everywhere, but virtually every country except ours has determined that the public interest is best served by a nationalized railway system. It would depart from American tradition, which has favored private initiative whenever that could meet the public needs, and the comments received would not indicate a preponderance of public sentiment for it. And in the Office's view, the railroad funding problems of the next few years can be resolved without it.

The costs of rehabilitating and modernizing ConRail (and other railroads) appear to be the core of the problem. Despite the flaws it has noted in the Plan's formulas, the Office believes, as it has stated elsewhere, that if the neglect and under maintenance of many years can be corrected there is no reason why an efficiently and vigorously managed ConRail cannot be expected to operate profitably and finance itself without further burden on the taxpayers. It cannot finance the *entire* costs of putting the properties in proper, safe, working condition. Until the Association has produced dependable forecasts, which undoubtedly it will do in the Final System Plan, it is impossible to say precisely what portion of these costs it could finance. Some rationalization of railroad systems in other parts of the country may be necessary; if that is done and the essential properties brought into condition, the railroads in those areas also should be able to operate profitably. Should future developments prove this belief to be in error, nationalization

might then be the only answer, but it seems not to be necessary now.

The problem, then, is funding the rehabilitation and modernization, which, for reasons given, many railroads do not appear able to finance from their own resources. The costs for all the nation's railroads might be upwards of \$7 billion—more if inflation pursues the Association's predicted course. It is improvident, in the light of recent events, to plan without recognizing inflationary expectations, and impossible to plan accurately with them.

Nationalization of railroad rights-of-way and structures, as contemplated by S. 1143 and apparently by the ConFac concept, is one means by which the rehabilitation and modernization problem could be resolved. Governor Shapp's Trust Fund is another. The Office tenders no views on these at this time, in the belief that their advantages and any possible disadvantages will be fully developed and communicated to the public and Congress by the Association and by the Governor.

The scheme proposed in S. 1144, combining loans and grants, is an interesting one which the Office has not yet had time to study as closely as is obviously merited. It hopes that the Association will give it careful consideration before making final proposals for financing ConRail.

It seems to the Office that, either for ConRail or for many railroads in other parts of the country, a rehabilitation and modernization program financed entirely by borrowings, even at government-guaranteed interest rates, would be impracticable and would severely strain the private capital markets. The railroads, with some exceptions, could not assume so large an added debt burden without raising rail freight rates to undesirable, and probably self-defeating, levels. Long-term "soft" loans at artificially low interest rates might work in most cases. But it should be recognized that this would be costly to the taxpayers.

The Office therefore comes reluctantly to the conclusion that if the public wants the railroads, including their rights-of-way and structures, to remain under private ownership and management, if it wants these properties rehabilitated and modernized, and if it wants to save itself the cost of condemning and paying for those properties, some portion of the over-all rehabilitation and modernization costs will have to be assumed by the taxpaying public without reimbursement by the railroads. Some of the more prosperous roads, fortunately located in territories where rail-oriented industry is growing, or perhaps favored in the past by government loans or land grants, are presently well-maintained and need no immediate assistance, although in the future they may. Others, whose properties form essential parts of the interstate rail network, have little or no financing capabilities. And some rail properties, both within and without the Region, are redundant or little-used.

In the past few months the Office has endeavored to develop as much information as it could on the scope of the national railroad rehabilitation and modernization problems and to devise the outlines of a workable plan for federal matching grants to resolve them. It believes such a program might well extend to needed improvements in other transportation also, such as the development of automobiles, trucks, buses, towboats, and rail and auto ferries, capable of operating with reduced consumption of scarce energy, improved environmental effects, greater safety and lowered operating costs. It could provide an immediate stimulus to employment in many industries, and result in a balanced, efficient and modern transportation system for the United States.

To avoid giving unnecessary impetus to inflation or imposing further strains on the capital markets, the Office believes that any funds expended by the Federal government on such a program should be recouped through taxation. The taxes should be imposed as equitably as possible upon the direct beneficiaries, and the tax program should be designed with simplicity of administration in mind.

To insure maximum public benefit, the program should be so controlled and directed as to result in an integrated and balanced system of interstate transportation serving the needs of commerce and the mobility of the people. It should be limited in duration, and not self-perpetuating. And it should rely to the maximum degree possible on private initiative, skills and management.

A National Transportation Rehabilitation and Modernization Program

The program envisaged by the Office is an ambitious one; it would involve expenditure of about \$12 billion over a five-year period, financed by a tax of 2 cents per gallon of fuel and 0.14 cents per kilowatt-hour of energy consumed by railroads, by all highway vehicles—freight and passenger—except buses, and by domestic water carriers. (It is estimated that an alternative revenue proposal also considered by the Office, a 2 percent tax on all freight revenues of rail, motor and water carriers, including private carriers, would yield slightly less.) The proceeds of this tax would not be placed in any particular fund, nor would they be earmarked in any way for expenditure for particular purposes. Nevertheless, the revenues from the proposed tax would approximately off-set the expenditures contemplated in the program.

The rail program would provide for direct Federal grants to railroads, State, regional or local transportation authorities, or other responsible persons for the rehabilitation, modernization and improvement of rail facilities or equipment. Federal funds would be provided on a matching basis. The Federal share of the costs of any rehabilitation or improvement project

would be 50 percent, except that it would increase to 100 percent for projects when Amtrak is the recipient, and 70 percent for projects if the recipient were a State, local, or regional transportation authority.

A second program would be directed toward the development of passenger and freight highway vehicles capable of operation with reduced fuel consumption, improved environmental effects, greater safety and lower operating costs, and also adapted to volume production at minimum expense. This program would contemplate immediate action toward developing improved automobiles and trucks which would assist the automotive industries in restoring employment.

A third program would be aimed at developing, testing, and encouraging production of improved and more efficient vessels for use on the inland and Coastal waterways.

In the interests of brevity, the foregoing discussion summarizes only the bare outlines of a plan which could serve not only to resolve the ConRail funding problem, but also encompass rehabilitating and modernizing the railroad system of the United States, at minimum cost to the general taxpayers, without resort to nationalization, and without increasing Federal budget deficits. Extension of the program to other forms of transportation as proposed would be discretionary and beyond the scope of this Report.

Effects on ConRail Financing

In Tables 3-1 and 3-2 of the Financial Analysis Chapter, the Office has computed the effects of adjusting the Plan's uninflated and inflated pro formas on the assumption that one half of ConRail's estimated roadway and structures *rehabilitation costs only* were to be funded by Federal grants under such a program, with ConRail supplying the other one half from internally-generated funds or from private-capital sources. These tables indicate that if the Plan's projections could be relied upon, a relatively modest infusion of Federal grants on such a basis could result in a ConRail capable of financing itself without further public assistance.

Elsewhere in these comments it has been suggested that the Plan's pro formas are over-optimistic and cannot, at this stage, be relied upon in their entirety. Also, these pro formas do not apply to the industry structure the Association has indicated to be its favorite, or acknowledge the inclusion of Erie Lackawanna in the system. The Association undoubtedly will refine the pro formas in the Final System Plan to reflect the comments it will have received. It is also to be presumed that recent economic developments may affect the Association's expectations as to the future course of currency and credit market debasement. Since the effects of all these changes on the Final System Plan could not be reliably anticipated, the data in Tables 3-1 and 3-2 must be interpreted with some cau-

tion. They do, however, serve to illustrate the general effects which a Federal matching-grant rehabilitation and improvement program could have on ConRail's self-sufficiency.

The Office urges that in the Final System Plan consideration be given to the possible advantages and disadvantages of all the alternatives discussed above as they would affect the rail service needs of the Region and the nation and the fairness of the financial burdens to be assumed by each element of the public.

Management

The Associations' expressed belief that management with the ability to distinguish essential goals and achieve them, and to motivate employees, will be the key ingredient of the Final System Plan's credibility has been endorsed elsewhere in this report and in the public comments received during the hearings.

The Plan's delicately worded reference to the desire to "potentially reduce government managerial involvement" suggests, although it avoids so stating, that the Association may be concerned with the proviso in section 301(d) of the Act. This requires that, so long as 50 percent or more of ConRail's debt is guaranteed by the United States, the majority of the Corporation's board of directors shall be government nominees, and three of the members shall be the Secretary of Transportation and the Chairman and President of the Association. Based on the Plan's over-optimistic pro formas, such a situation would obtain for years, primarily because of the massive rehabilitation costs. Were it not for these rehabilitation costs, the threat of government managerial involvement would be a lesser concern and, as discussed above, there are other ways than ConFac to fund the rehabilitation.

If the section 301(d) proviso is a concern, as it well might be, the Office thinks it preferable that this be openly disclosed, discussed and resolved without resort to subterfuge or obfuscation. Below are some considerations with respect to which the Association might wish to entertain responses from the public and its elected representatives. In listing these considerations, the Office does not necessarily express a view with respect to any of them at this time.

(1) ConRail has incorporators, but no management. It seems imperative that a qualified and respected top management be obtained promptly. The tasks confronting management would be imposing, but the challenge and opportunity inspiring if the Final System Plan is competently constructed. Expressed in blunt terms, a politically-dominated board might not attract management capable of assuming responsibility for achieving business goals.

(2) Unless the Act is clarified, the Amtrak precedent seems likely not only to create an obstacle to ConRail private market financing, but also possibly to augment

the scope of any Tucker Act award. Amtrak, under the 1970 Rail Passenger Act, was to be a "for-profit" corporation. It has not been, and apparently has no intention of becoming one. Railroad companies which turned passenger operations over to it and were required to subscribe to its capital stock have, at the demand of their auditors, written the stock down a zero value immediately upon receipt. Burlington Northern, for example, has written off Amtrak stock for which it paid \$33.4 million, and Penn Central has reserved \$52.4 million in anticipation of a similar loss. If ConRail has a politically-dominated Board, this precedent is likely to cause the recipients of its stock or other securities to accord them similar value, or be required by their auditors or regulators to do so.

There is a difference between the two situations. Railroads subscribing to Amtrak shares did so voluntarily, to escape their passenger losses. The holders of ConRail stock will receive it involuntarily through a reorganization "cram-down" process. The creditors of the bankrupts may be expected to make the most of this point in the Court of Claims. If by the time of trial ConRail has a record of substantial earnings, the value of the comparison of course would be diminished.

(3) The Supreme Court, at page 46 of its decision upholding the constitutionality of the Act, dealt with the creditors' argued that ConRail, by reason of its government-controlled Board, will be a federal instrumentality. "The responsibilities of the federal directors are not different from those of other directors—to operate Conrail at a profit for the benefit of the shareholders." If the shareholders cannot control ConRail's Board, they will have no opportunity to direct its financial or business policies and no effective voice in its management. The Court appears to be inviting ConRail's shareholders, should they come to feel that the Corporation is operated for political, rather than profit-maximizing purposes, to file derivative stockholders' suits against the government-nominated directors. Whether the government could properly reimburse directors for losses incurred through such suits is unclear. But investors probably will not assign high investment quality to securities of a corporation the management of which must be sued to make it perform in a business-like manner, unless these securities are guaranteed.

(4) ConRail's stock, being essentially non-voting, may not be eligible for listing on any major exchange, and thus may have limited marketability.

(5) The government's representatives on the Board may, in fact, entertain only profit-making thoughts, but unless the Corporation is outstandingly profitable, who will believe it? The judgment of any corporation director is fallible, and sometimes the best business decisions must take account of political and social considerations. But so long as the Board is controlled by political nominees, investors will believe it to be politically motivated.

(6) The selection process for Secretaries of Transportation or the officers of the Association does not necessarily insure that they will have experience or expertise in finance or the operation of a large, complex, and highly competitive transportation enterprise.

(7) Lastly, the specification of the named government officers paves the way for built-in conflicts of interest. The Secretary of Transportation is responsible for regulating ConRail's safety of operations and that of its competitors. He awards funds for highway construction and other transportation purposes that would benefit ConRail's competitors. The officers of the Association are ConRail's bankers. True, bankers serve on the boards of private corporations, but the government usually has frowned on the practice. Section 10 of the Clayton Act is specifically intended to prohibit it. Certainly the government's investment should be protected, but control of the Board is not necessary for this purpose. Two or three directors of outstanding business capabilities could assure that the government's interest is represented, and the Corporation would, in any event, be required to report regularly to the Interstate Commerce Commission and other government bodies.

If the Association does not believe the Congressional intent that ConRail be a profitable corporation to be a serious one, the foregoing considerations are immaterial to the Final System Plan. If, however, the Association does believe that ConRail should be managed with profit-making intent, and if it considers any of these considerations to impose material obstacles, it should bare its concern to the public and to Congress, with recommendations for action.

Precedent can be cited for changes in section 301(d) of the Act. Although commercial lenders have at times controlled the managements of their borrowers, this is usually a course adopted with reluctance, the results of which have not always been fortunate.

The Pacific Railroad Act of 1864 (13 Stat. 356) made available substantial government loans and grants to the Central Pacific (now Southern Pacific); the Union Pacific; and Leavenworth, Pawnee & Western (now part of the Union Pacific.) The government's junior lien bonds were 50 percent of the authorized debt of these companies, but it nominated only 5 of Union Pacific's 20 directors, and none for the other companies. The Northern Pacific, also granted major government assistance in 1864 and subsequently, had no government nominees on its board.

The Reconstruction Finance Corporation and the Public Works Administration did not insist on controlling the boards of directors of the railroads to which they made loans; although it did at times impose limitations on the compensation of the debtor railroads' officers and attorneys, primarily as an inducement to prompt repayment of the debt. It also sometimes as-

sisted railroads (the Baltimore & Ohio for example) in obtaining high-caliber management for reasonable salaries. It is generally thought that the RFC operated in a businesslike way and amply protected the government's interests.

To sum up, the Office believes that the problems of providing funding and management for ConRail are inter-related and that any solutions to them should be

considered in relation to the funding, rehabilitation and management problems of railroads outside the Region. It believes that private ownership and management of the Nation's railroads can be preserved, if that is the public's wish, but not without some public assistance. It urges that all the funding approaches discussed above be considered objectively by the Association in formulating the Final System Plan.

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APPENDIX A

Coordination Projects Review

The Office reviewed each coordination project presented in the Plan 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. The response to our request for comments was good, with many railroads submitting detailed statements on individual projects.

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. In certain instances, we contacted individuals on the involved railroads to verify or expand on information received; this included conversations with train dispatchers to determine whether certain lines (or bridges) included in a project were out of service or in operation.

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 April 9, 1975. The Association published an "errata" in the Federal Register on April 11, 1975, and introduced several new coordination projects at that time. Because of the impracticality of soliciting comments on these new projects and analyzing the responses without failing to meet the mandated deadline for this report, the new projects have little or no data presentations or analyses.

Because a majority of the proposed coordinations

include abandonment of trackage by solvent carriers, we have not attempted to pass judgment on individual projects. The normal Interstate Commerce Commission procedures for abandonment applications remain in force for abandonments by solvent carriers. Instead, we have assembled for each line, where possible, the originating and terminating traffic which would be affected by the project, the operational or cost benefits to be realized from implementation, 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. Again, on April 11, the Association offered additional lines for sale, but no comments or offers of purchase relating to these lines were received in time to be included in our review.

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-1 PROJECTS

Project IL-1

Description: Norfolk & Western to abandon its line from Bement to Sullivan, with intersecting railroads to acquire the N&W track and traffic. The railroads involved are the B&O at Hammond, Illinois, the PC at

Lovington, Illinois, and the C&EI and ICG at Sullivan, Illinois. Hammond, Illinois would be abandoned by Baltimore & Ohio under project IL-11.

RSPO Review

Lovington is located on USRA Line Number 609. USRA's preliminary recommendation is that this line *not* be included in the ConRail System.

This project would involve the abandonment of approximately 23 miles of unsignaled single track.

Project IL-2

Description: Norfolk & Western to abandon its line from Versailles to Elvaston, its trackage rights over Toledo, Peoria & Western from Elvaston to Keokuk, Iowa, and its trackage rights over Burlington Northern from Quincy to Golden, and turn its Keokuk traffic over to TP&W at either Peoria or Forrest for handling into Keokuk for a per car charge. Intersecting railroads would acquire the N&W track and traffic. The railroads involved are the BN at Carthage and Golden, Illinois and the TP&W at Elvaston, Illinois.

RSPO Review

The proposed abandonment would relieve Norfolk & Western from operating and participating in maintenance of approximately 90 miles of road. Traffic moving via N&W between Keokuk and the west would be subjected to a circuitous movement through Peoria or Forrest.

In 1974, the N&W handled 2,365 cars over these segments.

Project IL-3

Description: Burlington Northern and Chicago & Eastern Illinois (Missouri Pacific) to jointly acquire the Penn Central line from Joan to Mitchell over which C&EI currently has trackage rights. Penn Central (ConRail) would retain trackage rights over the line if it so desired.

The BN and C&EI would continue service to all points on the acquired segment. Projects IL-8 and IL-10 present conflicting alternative proposals concerning this Line Segment. USRA states that resolution of this conflict will appear in the Final System Plan.

RSPO Review

This project involves the acquisition of approximately 28 miles of line. The line is presently used by the PC for through freight service between Indianapolis and St. Louis. PC stations on the line did not generate any carloads in 1974. This line is a portion of a larger segment sought by the C&EI in IL-8.

The involved line segment is included in USRA Line

679 and USRA recommends the line be included in ConRail.

BN initiated IL-3 and the project has been under negotiation for several years. BN seeks the line primarily to improve its coal routings from southern Illinois coal fields. BN does not feel that any conflict exists between IL-3, IL-8, and IL-10, as the BN and C&EI can resolve IL-3 and IL-8 through the BN obtaining a 50 percent interest in the Joan to Mitchell line. To effectuate IL-3, BN must construct a connection near Joan and has already acquired the necessary land. BN expects the acquisition to improve service to coal shippers and anticipates annual volume over the acquired segment at 50,000 cars annually.

The C&EI reports that C&EI and BN are in agreement that the line should either be jointly acquired or the C&EI will own the segment with BN granted trackage rights. PC (ConRail) would also be granted trackage rights if necessary. C&EI has used this line as a vital link in its routing since 1902 and this project seeks to continue well established traffic patterns. Without this link C&EI has no other practical way to continue its Chicago-St. Louis service.

Eli Lilly Company of Indianapolis favors this project if track conditions are improved.

See Projects IL-8 and IL-10.

Project IL-4

Description: Baltimore & Ohio (Chessie System) to abandon its line from Springfield to Beardstown with intersecting railroads to acquire the B&O track and traffic at or near Ashland, Ill. (ICG) and Beardstown, Ill. (BN).

RSPO Review

This project involves the abandonment of approximately 44 miles of track. Stations proposed for abandonment generated 242 carloads of traffic in 1973. The common points of Ashland and Beardstown generated 124 carloads on the B&O in 1973.

The ICG does not propose to acquire any rail properties of the B&O at Ashland but will serve the Ashland Co-op Elevator from the present ICG line through a conventional side track agreement.

The ICG and B&O presently share the costs of maintenance and operation of a station and interlocker at Ashland. These costs of \$1,468.08 per month will be avoided under the proposed coordination project.

The B&O and BN did not file any comments with RSPO concerning this specific project.

Transaction Associates of Joliet, Illinois is opposed to IL-4 as they report they are already on record with the ICC seeking to acquire the subject line for continued service.

Project IL-5

Description: Baltimore & Ohio (Chessie System) to abandon its line from Flora to Shawneetown, intersecting railroads to acquire the B&O track and traffic. The railroads involved will be the L&N at Duncan, Ill.; Enfield, Ill.; Junction, Ill.; New Shawneetown, Ill.; Shawneetown, Ill.; and Wyatt, Ill.; and the SOU at Fairfield, Ill.; and the PC at Norris City, Ill.

RSPO Review

Norris City is located on USRA line segment 606a. The preliminary recommendation of USRA is to retain service to Norris City.

This project involves the abandonment of approximately 73 miles of track.

Substantial reserves of metallurgical coal are reported near the B&O line near Enfield. The ICG has expressed interest in obtaining the B&O line from Flora to Enfield (via Edgewood) because of the coal traffic potential. The portion of the B&O line extending north from Flora to Springfield (including Edgewood) is presently the subject of B&O abandonment application AB-19, Sub No. 27, filed March 18, 1975 under Section 1 (18-20) of the Interstate Commerce Act. See project IL-13.

The L&N and SOU did not file any comments with RSPO concerning this specific project.

Transaction Associates of Joliet, Ill. is opposed to IL-5 as they report they are already on record with the ICC seeking to acquire the subject line for continued service.

Project IL-6

Description: Chicago & Eastern Illinois (Missouri Pacific) to acquire from Penn Central a line from Westville north to the Peoria & Eastern (PC) near Tilton and east over the P&E to a point within Danville. C&EI currently has trackage rights over this segment, and Penn Central (ConRail) could retain trackage rights over the segment if it is so desired. The C&EI will continue service to all points on the acquired segment.

RSPO Review

This project involves 10.1 miles of track, including 6.2 miles of PC line between Westville and the P&E connection at Wyton, and 3.9 miles of P&E line between the PC Wyton connection and a point within Danville. The C&EI reports no stations served on the segment proposed to be acquired. The C&EI has been utilizing trackage rights over this segment for approximately two years and it is their only means to connect with other carriers at Danville. The purpose of the acquisition is to assure continued C&EI service to Danville.

This line is included in USRA line segment 605 and the USRA recommendation is to include line segment 605 in the ConRail System as necessary for through freight service with local service provided to all shippers on the line.

Public Service Co. of Indiana supports IL-6 because of access to coal from mines near Westville for use at PSI's Cayuga and Wabash River generating stations.

See IL-7 for further information on the PC line through Danville.

Project IL-7

Description: Louisville & Nashville (Family Lines) to grant Penn Central (ConRail) trackage rights over its line from Paris to Danville and The Milwaukee Road to grant PC trackage rights from Danville to Chicago (Blue Island), allowing PC to abandon its line from Paris through Danville to Chicago. Intersecting railroads would acquire PC track and traffic. The railroads involved would be the B&O at Chrisman, Ill.; the N&W at Handy, Ind., and Ridge Farm, Ill.; the L&N at St. John, Ind.; the C&EI at Westville, Ill.; and the PC at Kentland, Ind.; Sheff, Ind.; St. John, Ind.; and Schneider, Ind.

Chrisman would be abandoned by B&O under project IL-11.

RSPO Review

Kentland is on USRA line segment 630. USRA's preliminary recommendation is *not* to include segment 630 in the ConRail System.

Sheff, Ind. is on USRA line segment 577a offered for sale to connecting solvent railroads. (USRA Appendix D-2)

St. John, Ind. (PC) was reported by USRA apparently in error as also being on another PC light density line.

This project would involve the abandonment of approximately 150 miles of PC line.

USRA line segments 604 (Highland, Ind. to Danville, Ill.) and 605 (Danville, Ill. to Paris, Ill.) involve the majority of the PC line in this project. Both segments are recommended by USRA to be included in the ConRail System.

The C&EI seeks to acquire a portion of the PC line south of Danville in project IL-6.

The Milwaukee Road supports IL-7. The L&N did not file any comments with RSPO concerning this specific project.

The Eli Lilly Company of Indianapolis, Ind. questions the logic in this project in view of the USRA recommendations on line segments 604 and 605. They are also concerned with protection of present routes to Chicago and transit applications.

Project IL-8

Description: Chicago & Eastern Illinois (Missouri Pacific) to acquire from Penn Central its line from E. St. Louis to Pana, allowing PC to downgrade or abandon its line from Pana to Terre Haute (Paris). C&EI now has trackage rights over this segment, and would grant Penn Central (ConRail) trackage rights should it desire to keep the line intact as a through route.

The C&EI would continue service to all points on the acquired segment. Projects IL-3 and IL-10 present conflicting alternative proposals concerning this segment. USRA states that resolution of the conflict will appear in the Final System Plan.

RSPO Review

This project involves the acquisition of approximately 71 miles of line. Project IL-3 (BN-C&EI acquisition of Joan to Mitchell) is located entirely within the 71 mile line involved here. This line is presently used by the PC for local and through freight service between Indianapolis and E. St. Louis. C&EI has trackage rights from Pana to Granite City and the ICG-BN have trackage rights from Bridge Jct. (E. St. Louis) to Lenox. AMTRAK operates passenger trains between Granite City and Mitchell. Stations on the PC line to be acquired generated 573 carloads in 1974.

The involved line is embraced in USRA Lines 679 and 618b and USRA recommends that the lines be included in ConRail. The project envisions the PC downgrading or abandoning its line from Pana to Terre Haute. USRA Lines 618, 618a and 618b embrace Pana to Terre Haute and are recommended for inclusion in ConRail.

The C&EI is interested in acquiring this PC line because it is part of C&EI's main line (through trackage rights) over which C&EI has conducted its Chicago-St. Louis operation for more than 70 years. A one month sample showed 8,431 carloads of C&EI overhead traffic moving over the segment. C&EI reports they will improve rail service through rehabilitation of the line and they emphasize that the acquisition is desired to continue well established traffic patterns. Without use of this line C&EI has no other practical way to continue its Chicago-St. Louis service.

The ICG is opposed to the C&EI acquisition of the paired track (ICG-PC) between Lennox and Bridge Jct. The ICG seeks to have this paired track operated jointly or acquired by ICG or ConRail as poor passenger train performance over this segment would affect ICG profitability under ICG-AMTRAK contracts.

Eli Lilly Co. of Indianapolis would prefer a western carrier acquiring the line with the ability to serve all industries in Indianapolis.

As IL-8 makes no mention of the continued operation of the PC line from East St. Louis to Terre Haute, Pub-

lic Service Co. of Indiana is concerned with service to their Dresser Generating Station.

Project IL-9

Description: Norfolk and Western to abandon its line from east Peoria to Farmdale Junction and acquire trackage rights between those points over Toledo, Peoria & Western. Illinois Terminal Railroad, which now has trackage rights over N&W, would also operate over TP&W.

RSPO Review

This proposal involves the abandonment of approximately 4 miles of N&W line. Penn Central also has trackage rights over this N&W track, although Penn Central's use of the trackage, has been very infrequent.

The TP&W supports this abandonment in order to make available the N&W property needed by TP&W for proposed enlargement of its E. Peoria yard.

Only one industry, served by N&W at Farmdale, is indicated to be within limits of the proposed abandonment and it may be arrangements can be worked out for N&W to continue serving it.

Project IL-10

Description: Illinois Central Gulf to acquire Penn Central's line from Bridge Junction to East Alton, a large portion of which ICG and PC currently operate on a paired track basis. Burlington Northern, Chicago & Eastern Illinois (Missouri Pacific), and Illinois Terminal now have trackage rights over this segment and such rights would continue. PC (ConRail) would also be granted trackage rights if it so desired. The ICG would continue service to all points on the acquired segment. Projects IL-3 and IL-8 present conflicting alternative proposals concerning this line segment. USRA states that resolution of this conflict will appear in the final system plan.

RSPO Review

This project involves the acquisition of approximately 18 miles of PC track. The line is presently used for through service between Indianapolis-St. Louis on the 5 mile portion between Mitchell and Granite City and local service on the remaining portion. PC Stations on the line to be acquired generated 2865 carloads in 1974. A portion of this line between Mitchell (Lennox) and Bridge Jct. is sought to be acquired by the C&EI in project IL-8.

The involved line segment is covered by USRA line 570a and USRA recommends inclusion in the ConRail system.

This segment is part of ICG's Chicago-St. Louis main line and the ICG states that it cannot economically justify the purchase of this PC line but is interested in

acquisition for defensive purposes only if the line is not included in ConRail. The ICG is strongly opposed to the C&EI acquisition of any portion of this line (See IL-8) because the C&EI is in direct competition with the ICG in the Chicago-St. Louis market. Any potential C&EI interference with the movement of ICG trains over this segment is potentially damaging to ICG revenues and profitability.

The C&EI has no objection to the ICG acquisition provided the C&EI maintains its rights to use such section of PC and ICG paired lines under existing trackage right agreements. If the C&EI is denied use of the paired tracks it would be a severing of C&EI's main line between Chicago and St. Louis. C&EI has used this line as a connecting link for over 70 years.

Eli Lilly Company of Indianapolis favors the project if track conditions are improved.

Project IL-11

Description: Baltimore & Ohio (Chessie System) to abandon its lines from Indianapolis (Speedway), Ind., to Newman, Ill., and from Ficklin, Ill., to Decatur, Ill., and acquire trackage rights over Penn Central from Indianapolis to Decatur via Terre Haute. B&O would also acquire trackage rights over Illinois Central Gulf from Arcola to Tuscola so it could continue service on its remaining line between Ficklin and Newman. Intersecting railroads would acquire the abandoned B&O track and traffic. The railroads involved would be the PC at Chrisman, Ill., and Guion, Ind., the N&W at Hammond, Ill., and Metcalf, Ill., the L&N at Hillsdale, Ind., and Roachdale, Ind., and the MILW at West Dana, Ind.

Chrisman, Ill. would be abandoned by PC (ConRail) under project IL-7.

Hammond, Ill. would be abandoned by the N&W under project IL-1.

With B&O agreement, ICG would acquire and serve Newman to Ficklin in lieu of trackage rights for B&O to retain serving Newman to Ficklin.

RSPO Review

On March 18, 1975, the B&O applied to the ICC under Section 1 (18-20) of the Interstate Commerce Act to abandon this line (AB-19, Sub 26). Approximately 124 miles of line are involved and stations proposed for abandonment generated 1281 carloads in 1973. The seven common point stations shown in the project description generated 144 carloads on the B&O in 1973.

The PC line from Indianapolis to Decatur via Terre Haute over which the B&O proposes to acquire trackage rights embraces USRA line segment 609 (Paris to Decatur). USRA's preliminary recommendation is *not* to include this line in the ConRail System.

Carrier and shipper responses to RSPO were apparently made without knowledge of the B&O abandonment application filed on March 18, 1975.

The ICG feels that the location of existing tracks at Tuscola would prevent an economical connection between the ICG and B&O and it would be more economical for the ICG to serve B&O customers at Ficklin and Newman rather than provide B&O trackage rights between Tuscola and Arcola.

The Milwaukee fears that direct B&O access to Terre Haute would erode Milwaukee traffic from and to Terre Haute which is presently interchanged with the B&O at W. Dana.

The Illinois Terminal has no objection to IL-11.

The Public Service Company of Indiana finds the project objectionable because of possible higher freight rates on coal.

Eli Lilly Co. of Indianapolis oppose the project unless the B&O is given interchange rights with the L&N at Greencastle and Terre Haute.

Zeigler Coal Company has a mining site along the B&O in Douglas County and opposes the project because of the loss of rail service in an established fossil fuel area.

Transaction Associates of Joliet, Illinois opposes the project as they report they are already on record with ICC in seeking to acquire the line for continued service.

The Indiana Farm Bureau Coop Assn., Inc. opposes the project because of loss of rail service to grain elevators along the line.

U.S. Industrial Chemicals Co. has a plant 3 miles west of Tuscola and feels the PC line over which B&O seeks trackage rights could not handle jumbo tank and hopper cars. They also feel that switching service would deteriorate.

Project IL-12

Description: Baltimore & Ohio (Chessie System) to abandon its line from Boody to Springfield and either acquire trackage rights over Norfolk & Western from Boody to Taylorville and operate over its own line from Taylorville to Springfield, or acquire trackage rights over N&W directly from Decatur to Springfield.

Project IL-13 also impacts the B&O line from Taylorville to Springfield.

RSPO Review

This project involves the abandonment of approximately 35 miles of line. Stations proposed to be abandoned generated 645 carloads in 1973.

The B&O's interest is in saving maintenance and rehabilitation costs as well as shared cost savings to both N&W and B&O over the Decatur to Springfield line of the N&W.

The ICG feels it could be adversely affected if the B&O acquires trackage rights over the N&W between Decatur and Springfield. The B&O uses ICG facilities at Springfield on a joint basis and the proposed change in routing to Springfield would increase expenses for

the ICG in effecting Springfield interchanges with the B&O. Also, if the B&O withdraws from the joint facility contract, ICG might incur job protection payments for employees at Ridgely Yard in Springfield.

The N&W did not file any comments with RSPO concerning this specific project.

Transaction Associates of Joliet, Illinois opposes IL-12 as they report they are already on record with the ICC seeking to acquire the subject line for continued service.

Project IL-13

Description: Baltimore & Ohio to abandon its line from Flora to Springfield, with intersecting railroads to acquire the B&O track and traffic. The railroads involved would be the PC at Altamont, Illinois, N&W at Cowden, Illinois, ICG at Edgewood, Illinois, PC and ICG at Pana, Illinois and the PC and N&W at Taylorville, Illinois.

RSPO Review

Pana and Tower Hill on the PC are on USRA Line Segment 618b. USRA recommends segment 618b be included in the ConRail System.

On March 18, 1975, the B&O applied to the ICC under Section 1 (18-20) of the Interstate Commerce Act to abandon this line (AB-19, Sub 27). Approximately 103 miles of line are involved and stations proposed to be abandoned generated 1,977 carloads in 1973. The seven common point stations shown in the project description generated 1,550 carloads on the B&O in 1973.

Carrier and shipper responses to RSPO were apparently made without knowledge of the B&O abandonment application filed on March 18, 1975.

Substantial reserves of metallurgical coal are reported near the B&O line near Enfield which is south of Flora. The ICG has expressed an interest in obtaining the B&O line near Enfield and access would be by the B&O-ICG connection at Edgewood which is involved in this project. The ICG has a significant interest in both IL-5 and IL-13 in working toward possible ICG service into the Enfield coal reserve regions. (See IL-5).

The N&W did not file any comments with RSPO concerning this specific project.

Transaction Associates of Joliet, Ill., is opposed to IL-13 as they report they are already on record with the ICC seeking to acquire the subject line for continued service.

Project IL-14

Description: Burlington Northern to acquire Penn Central's line from America to Forman. The BN will continue to serve all points on the acquired segment presently receiving service.

RSPO Review

This project involves approximately 18 miles of track extending from the BN-PC connection at Forman south to America which is approximately 3 miles south of Olmsted. The line generated 135 carloads for the PC in 1974. PC reports the line operated at a deficit in 1972, the latest period for which detailed costs are available.

The portion of line extending south from Olmsted to Cairo (including America) has been out of service since March 28, 1973, because of a track washout. (USRA line 607A)

The portion from Forman to Olmsted is included in USRA line segment 607 which is recommended for inclusion in the ConRail System, but because of poor track conditions trackage rights for alternative through traffic routings are being explored.

The C&EI interchanges with the PC at Karnac approximately 5 miles south of the BN-PC Forman connection. The PC interchanged 3,892 carloads with the C&EI at Karnac in 1974. The C&EI did not file any comments with RSPO concerning this specific project.

BN's purpose in acquiring this line is to protect long haul revenue on traffic originating at Olmsted and to secure industrial sites beyond Olmsted for future development.

The BN does not intend to operate the line between Olmsted and America until warranted by future industrial development. BN feels with consistent service and adequate car supplies, rail shipments from Olmsted would increase to 1972 levels of 500 carloads annually.

BN is agreeable to granting ConRail trackage rights over rehabilitated line from Forman to Karnac to accommodate the interchange of traffic (predominantly coal) with the C&EI at Karnac.

Project IN-1

Description: Baltimore & Ohio (Chessie System) to abandon its line from North Vernon to Jeffersonville, Ind. (Louisville) and acquire trackage rights over Penn Central (ConRail) from Seymour to Jeffersonville; or B&O to Grant PC (ConRail) trackage rights from North Vernon to Jeffersonville allowing PC (ConRail) to abandon Seymour to Jeffersonville Service would be discontinued on segment to be abandoned.

RSPO Review

The Chessie System has withdrawn this proposed project from further consideration.

Project IN-2

Description: Norfolk & Western to abandon its line from New Castle to Cambridge City and from Beeson to Connersville, with Penn Central (ConRail) to ac-

quire the portion between Cambridge City and Beeson over which it now has trackage rights. Intersecting railroads would acquire the N&W track and traffic. The railroads involved will be the PC at Beeson, Ind., the B&O, PC at Connersville, Ind., and the PC at Milton, Ind.

Connersville, a relatively important traffic point will continue to receive service even if it is abandoned by the B&O under project IN-3.

RSPO Review

Under discussion of USRA Line Number 573, the Association recommended that service to Connersville be assumed by a solvent carrier, and if such an agreement cannot be reached, that the portion of Line No. 573 between Connersville and Beeson be included in the ConRail system, permitting ConRail to serve Connersville from Richmond, Ind. In order to reach Richmond, continued use of PC trackage rights over N&W trackage between Beeson and Cambridge City, would be required. Thus railroad service would continue to be available (by ConRail) at Beeson, Milton and Cambridge City, and Connersville under project IN-2, leaving New Lisbon as the only station without rail service.

New Lisbon generated and received 15 cars during 1973.

In another proceeding before the Commission (Ex Parte 293 Sub No. 4) the N&W has proposed acquisition of the 6.8 miles of PC's Whitewater Running Track between Beeson and Connersville (USRA Line No. 573). If this were to be approved, it would supersede project IN-2 and N&W would be able to apply for abandonment of its track between Beeson and Connersville—about 5.3 miles, on which no industries are currently being served. In addition, acquisition of the PC trackage would permit all N&W stations (including New Lisbon) between Connersville and New Castle to continue being served. USRA reports 5,958 cars of traffic for Line 573 during 1973.

Philco-Ford Corp., one of the larger shippers at Connersville, has indicated support of N&W acquiring the Penn Central trackage between Connersville and Beeson, and would support the N&W and B&O request for abandonment of certain portions of track to Connersville, as identified in Projects IN-2 and IN-3.

Project IN-3

Description: Baltimore & Ohio (Chessie System) to abandon its line from Cottage Grove to Indianapolis and acquire trackage rights over Penn Central (ConRail) from Cincinnati to Indianapolis. Intersecting railroads would acquire the B&O track and traffic. The railroads involved would be the N&W, PC at both Connersville, Ind., and Rushville, Ind. Connersville and Rushville would be abandoned by the N&W under projects IN-2 and IN-10 respectively.

RSPO Review

Connersville (PC) is on USRA line segment 573 and USRA recommends that a solvent carrier assume service to Connersville—if not, line 573 would be included in the ConRail System.

Rushville (PC) is on USRA line segment 585/586/587 and USRA's preliminary recommendation is that this segment *not* be included in the ConRail System.

This project involves the abandonment of approximately 69 miles of line. Stations proposed for abandonment generated 1,594 carloads in 1973. The common points shown in the project description generated 1,284 carloads on the B&O in 1973.

The B&O will consider withdrawing this project if plans develop whereby the B&O is the sole railroad serving Connersville. N&W would abandon Connersville under project IN-2 and USRA recommends that Connersville on the PC be abandoned if a solvent carrier assumes service. See project IN-2 and discussion on USRA line segment 573.

The N&W did not file any comments with RSPO concerning this specific project.

The SOU would grant B&O trackage rights from Cincinnati to Indianapolis if SOU is permitted to acquire the PC Indianapolis to Cincinnati line as set forth in USRA Appendix D-3, Part 1, SOU-1.

Ford Motor Company has an operation at Connersville and favors IN-3 if the N&W would withdraw its IN-2 project and instead acquire the PC line between Beeson and Connersville. This action would provide a viable single carrier service to Connersville.

Eli Lilly Co. of Indianapolis favors IN-3 if the overall position of the B&O is enhanced. Also, total gateway protection is needed because of B&O's willingness to satisfy this shippers need for temperature controlled trailers.

The Indiana Farm Bureau Co-op Assn., Inc. opposes this project because of loss of rail service to grain elevators along the line.

Project IN-4

Description: Norfolk & Western to abandon its line from Dillon to Gary (Tolleston) with L&N to acquire the N&W track and traffic at or near Westville, Indiana.

RSPO Review

This 41-mile, unsignalled, single track line was formerly a part of Norfolk & Western's line employed for movement of through traffic between Montpelier, Ohio and Chicago. This through traffic is now handled via Fort Wayne with the project line reverting to local service. The volume of local traffic handled on this line during 1974 average one car per mile of road.

N&W would continue to serve Dillon from its Michigan City Branch, and industries at Gary from Calumet Yard, Chicago.

Project IN-7 covers another segment of this same Montpelier to Chicago line.

Project IN-5

Description: Elgin, Joliet & Eastern to grant Penn Central (ConRail) trackage rights over its line from Porter to Chicago Heights, allowing PC (ConRail) to abandon its parallel line.

RSPO Review

The Burlington Northern is concerned over a PC segment of line between Matteson and Hartsdale which could become surplus under this project. The line is essential to completion of a BN Chicago bypass route and BN would desire either ownership or trackage rights over this segment. A Ford Motor plant is located on the segment but BN has no desire to compete with ConRail for their business if the plant is served by ConRail over Elgin, Joliet & Eastern tracks as contemplated in IN-5.

No other responses were filed with RSPO on this specific project.

Project IN-6

Description: Norfolk & Western to abandon its lines from Fort Wayne (Waynedale) to Kingsland and Bluffton to Muncie, with Erie Lackawanna to acquire the remaining segment between Kingsland and Bluffton. Intersecting railroads would acquire the N&W track and traffic. The railroads involved are the EL at Bluffton and Kingsland, Indiana and the PC at Hartford City, Indiana.

RSPO Review

This is a single track, unsignalled line over which one train is operated in each direction 6 days a week. The principal stations in the approximate 60-mile segment to be abandoned are Bluffton and Hartford City.

Norfolk and Western's line, Waterville, Ohio to Frankfort, Indiana, which is proposed for abandonment under project OH-8, crosses the above line at Bluffton.

Based on 1974 figures, the carload business to be lost by N&W totals more than 2,100 cars.

Project IN-7

Description: Norfolk & Western to abandon its lines from Montpelier (Pergo), Ohio to Topeka, Indiana, and from Millersburg, Indiana, to Wakarusa, Indiana, with the remaining segment between Topeka and Millersburg to be acquired by Penn Central (ConRail) or also abandoned. Intersecting railroads would acquire the N&W track and traffic. The railroad involved is the PC at Millersburg, New Paris, Topeka, and Wolcottville, Indiana.

RSPO Review

This is a 73-mile single track unsignalled segment of Norfolk & Western's Montpelier, Ohio to Chicago line on which local service only is performed 6 days per week by a local turn crew out of Montpelier. Through trains operating between Detroit-Montpelier and Chicago formerly using this line are now operated via Fort Wayne.

A total of 879 cars of traffic were handled on this line during 1974, an average of 12 cars per mile of line. More than one half of these, or 464 cars, were at Wolcottville. This station is presently served also by Penn Central (USRA Line No. 418). However, USRA's preliminary recommendation is that this line not be included in ConRail.

Project IN-4 covers another segment of N&W's Montpelier to Chicago line.

Project IN-8

Description: Norfolk & Western and Penn Central (ConRail) to acquire trackage rights on each others line between Fort Wayne and Chicago (Hobart, Indiana) and operate on a paired track basis.

All stations will continue to be served.

RSPO Review

Norfolk & Western's portion of this line consists of approximately 2 miles of double track with automatic signals and 111 miles of single track equipped with Train Control. Penn Central's line is generally parallel, double track with automatic signals.

This project has potential for enabling Penn Central to remove one of its main tracks, with attendant savings. Value of the salvage recovered from retirement of this track would contribute toward cost of equipping the remaining PC track with Train Control for double running.

Project IN-9

Description: Chesapeake & Ohio (Chessie System) to abandon its line from LaCrosse to Griffith and acquire trackage rights over Baltimore & Ohio (Chessie System) from Wellsboro to Pine Junction. The C&O line from Griffith to State Line would be acquired by Erie-Lackawanna, which is currently a joint operator on that segment.

Should Erie-Lackawanna be brought into ConRail, the continuation of service between Griffith and State Line will be dependent on the ConRail operating plan.

RSPO Review

Approximately 38 miles of C&O line are proposed to be abandoned.

The C&O, B&O and EL did not file any comments with RSPO on this specific project.

Eli Lilly Co. of Indianapolis, Ind. favors the project.

Project IN-10

Description: Norfolk & Western to abandon its line from New Castle to Rushville, with intersecting railroads to acquire the N&W track and traffic. The railroads involved are the PC at Dunreith and Rushville, Indiana and the B&O at Rushville, Indiana.

Rushville, Indiana would be abandoned by Baltimore and Ohio under project IN-3.

RSPO Review

Rushville would be abandoned under this project if project IN-3 is approved and if USRA's preliminary recommendation concerning Line No. 585/586/587 remains unchanged. Chessie (B&O) will consider withdrawing project IN-3 if it could be the sole railroad serving Connersville.

This is a 24-mile single-track, unsignalled branch line on which rail service is performed as needed, about 2 days per week.

The traffic handled by Norfolk & Western at all five of the stations on this 24-mile branch totalled only about 425 cars during the year 1973.

Project IN-11

Description: Louisville & Nashville (family lines) to acquire trackage rights over Penn Central's (ConRail) line from Greencastle to Indianapolis.

All points on the line will continue to be served by PC (ConRail).

RSPO Review

The L&N presently has access into Indianapolis via its northern line making for circuitous single line routing on traffic from or to the south. The L&N did not file any response with RSPO on this specific project.

The Southern Railway opposes IN-11 unless SOU is granted access to Indianapolis from Cincinnati (See SOU-1, Appendix D-3, Part I in the PSP).

The Indiana Farm Bureau Cooperative Assn., Inc. of Indianapolis, Ind. favors the project.

Eli Lilly Co. of Indianapolis, Ind. opposes the project in favor of a western line gaining access to Indianapolis. The L&N is not furnishing adequate temperature controlled trailers for TOFC shipments. Also, if granted the L&N's shorter hauls would cause a loss of mileage credits on Lilly's leased car fleet.

Project IN-12

Description: Louisville & Nashville (Family Lines) to acquire the Penn Central (ConRail) line from Straight Line Junction to Oakland City.

L&N to continue service to all points on the acquired segment.

RSPO Review

This project involves the acquisition of approximately 33 miles of Penn Central line used mainly to serve southern Indiana coal fields and industry in the Evansville area. Stations on the line to be acquired generated 34,031 carloads on the PC in 1974.

This line is covered by USRA line Nos. 593b, 594/594a and 595 and USRA recommends these segments be included in the ConRail system.

The Louisville & Nashville did not file any comments with RSPO concerning this specific project.

Project IN-13

Description: Louisville & Nashville (Family Lines) to acquire the Penn Central (ConRail) line from Clay City to Spring Hill.

The L&N to continue service to all points on the acquired segment.

RSPO Review

This project involves the acquisition of approximately 21 miles of Penn Central line which is presently used for intermittent local service. Stations on the line generated 61 carloads on the PC in 1974, but new coal mine development is expected in the area.

Portions of this line (Cory to Worthington) are covered by USRA line No. 591 and the USRA preliminary recommendation is *not* to include this line in the ConRail System. Another portion is reported out of service (Greenwood to Cory) since January 1, 1970 because of lack of demand for service.

The Louisville & Nashville did not file any comments with RSPO on this specific project.

Public Service Company of Indiana supports this project because of access to coal originating on the L&N.

Project IN-14

Description: Southern Railway System to acquire the Penn Central (ConRail) line between the SOU-PC intersection at Mt. Carmel and Evansville.

SOU would continue service to all points on the acquired segment.

RSPO Review

This project involves the acquisition of approximately 35 miles of Penn Central line. The line is presently used to serve a power plant 5.7 miles east of Mt. Carmel. The remaining portion is not used by PC but the Louisville & Nashville has trackage rights over the easterly portion near Evansville. A 22.4 mile segment from a point near Carol to a point near Gibpower is out

of service. The Public Service of Indiana power plant at Carol generated 4,401 carloads in 1974.

A 4.6 mile portion of the line (Mt. Carmel to Skelton) is covered by USRA line No. 612 and USRA recommends this portion be included in the ConRail System. The continuation of the line to Evansville is reported by USRA as out of service since April 1, 1972 because of lack of demand for service (USRA line No. 613).

The Southern Ry. Co. response to RSPO further describes the proposed acquisition as follows:

"Acquire the Penn Central track from its connection with Southern in Mount Carmel to Evansville, also the line to Keensburg on the Cairo Branch from Mount Carmel. In addition, acquire the Penn Central tracks in Mount Carmel required to serve the rail-using industries at that location."

SOU reports that their acquisition will be a natural extension of Southern service from present Mt. Carmel connections and will insure improved rail service to Mt. Carmel industries as well as existing and future coal facilities on these lines. It will also provide vital service to the PSI electric generating plant. Southern will be the only source of rail service on these lines but sees no harm to any other carrier, including ConRail. The SOU proposes to provide local service only and does not anticipate through freight or passenger operations over the lines.

The Illinois Central Gulf RR strongly opposes this project. ICG is currently working with USRA to consolidate and coordinate PC-ICG coal movements in the area and feels that SOU acquisition of the involved line would introduce an impediment to development of coordinated rail coal service between ICG and ConRail. Also, SOU takeover of these lines could potentially deprive Midwest and Northeast markets of coal and give SOU a new source of coal for markets which PC presently serves.

Transaction Associates of Joliet, Illinois states that they are willing to operate the segment of line which is presently out of service (USRA line No. 613) through the operations of their subsidiary Prairie Trunk Railway which expects to be in operation before the PSP is put into effect.

The Public Service Company of Indiana, Plainfield, Indiana, supports the project as they desire the service of a solid solvent carrier. PSI presently plans two additional coal fired generating units at their Gibson plant.

Pacific Press and Shear Co. of Mt. Carmel, Illinois supports the project stating the need for improved service from a viable railroad.

Project MA-1

Description: Boston & Maine to acquire the Penn Central (ConRail) line for Mystic Junction Yard to East Boston; or, in the alternative, that portion of the line

between the out-of-service PC bridge over Chelsea Creek and East Boston.

B&M will continue service to all points on the acquired segment.

RSPO Review

This project involves acquisition of approximately 8 miles of PC line presently used to serve local industries. Stations on the line generated 68 carloads in 1974. It is not clear as to exactly what stations are proposed for abandonment.

The B&M reports that the involved line is expensive to operate and in poor condition. Rather than upgrade the line the Boston & Maine feels that industries could better be served from the B&M main line. The B&M connects with this line near the out of service bridge over Chelsea Creek. The B&M would be willing to share its trackage, to minimize ConRail rehabilitation expenses, for a trackage rights charge and equal access to PC customers.

Project MA-2

Description: Boston & Maine to acquire the Penn Central (ConRail) line from Chelmsford to Lowell, allowing PC to abandon its line from Framingham Center to Chelmsford. B&M would also acquire the PC track and traffic at or near West Concord, where another B&M line intersects the PC line to be abandoned.

The B&M would continue service to all points on the acquired segment and West Concord, Mass.

Traffic now interchanged between the B&M and PC at Lowell would be interchanged at Springfield or some similar point mutually acceptable to both railroads.

RSPO Review

This project involves the acquisition of approximately 4 miles of PC line and the abandonment of approximately 23 miles of PC line. The line is presently used for local freight service and stations to be acquired or abandoned generated 1072 carloads in 1974.

The largest part of the line (South Sudbury to Lowell—26.5 miles) is covered by USRA line No. 13 and USRA's preliminary recommendation is *not* to include the line in the ConRail System. This line has also been offered for sale to connecting solvent railroads as shown in Appendix D-2 of the Plan.

The B&M states that the majority of traffic on the involved line is generated at Lowell where it could easily be absorbed by the B&M at little additional cost. The B&M also states they might serve Chelmsford, West Concord, Acton, and South Sudbury via connections and intersecting lines but this would depend on obtaining monies for up-grading track and the negotiating of labor agreements which would inflict no penalties for performing the extra service.

The Maine Central objects strenuously to this project.

Approximately 1,630 cars annually originate on the Maine Central and move over the involved line to the Boston area. No other workable route is available as alternative routing would entail greater mileage and shrunken divisions and earnings for the Maine Central. Maine Central feels that USRA completely overlooked the overhead traffic on this line in making their recommendations.

Congressman Robert F. Drinan of the 4th District, Massachusetts, opposes the project stating that the proposed abandonment does not give adequate weight to planned expansion by shippers on the line and the impact on the economy. He also feels the financial condition of the B&M along with the large amount of B&M deferred maintenance makes the project uncertain at best.

Project MA-3

Description: Boston & Maine to acquire the Penn Central (ConRail) line from Framingham Center to Fitchburg.

The B&M will continue service to all points on the acquired segment.

RSPO Review

This project involves the acquisition of approximately 35 miles of PC line presently used for local freight service. Stations on the line to be acquired generated 4,702 carloads on the PC in 1974.

The involved line is covered by USRA Lines 14 and 14a and USRA recommends the lines be included in the ConRail System.

The B&M feels that there could be shared benefits if the line were broken up with ConRail servicing Framingham Center to Northboro and the B&M servicing Clinton and Fitchburg to Leominster. B&M states that such a distribution of the line would eliminate most up-grading expenditures and retain ConRail a line section that generates over half of the involved line's traffic.

Associated industries of Massachusetts opposes the project on the basis that it removes important areas from competitive service.

Project MA-4

Description: Boston & Maine to acquire the Penn Central (ConRail) track and traffic at or near North Adams, allowing PC to abandon its line between North Adams Junction and North Adams.

RSPO Review

This project involves the abandonment of approximately 19 miles of PC line. Stations proposed for abandonment generated 2,653 carloads in 1974. North Adams, proposed to be served by the B&M, originated 52 carloads on the PC in 1974.

This line is identified as USRA Line 10-10a-11 in the Association's Plan. USRA's recommendation is to include the line in the ConRail System.

The B&M states that the majority of shippers on the line could be served by B&M and although the line is recommended to be including in ConRail, upgrading costs of \$212,280 could be minimized by B&M acquisition of the northern part of the line. The B&M anticipates no subsidy if they operate portions of the line.

The Maine Central opposes the project fearing loss of lime rock traffic which originates on the involved line and moves to paper mills on the Maine Central. An 11 month study showed 238 carloads moving to the Maine Central from this line.

Associated Industries of Massachusetts opposed MA-4 on the basis that it removes important areas from competitive service.

Pfizer, Inc. of New York, N.Y. with a plant at Adams, Mass. shipping outbound limestone opposes the project. Pfizer feels the line should not be abandoned because it has been found profitable by USRA (Lines 10-10a-11). Pfizer shipped 1,506 carloads in 1974 and questions the ability of the B&M to furnish adequate box and hopper cars. Moreover, they state that with B&M acquisition routings would involve 2 or 3 carriers where single line service is now being performed. Pfizer also reports that the northern portion of the involved line (Zylonite to North Adams—2.69 miles) is already the subject of abandonment proceedings in AB-5, Sup. 203 filed November 5, 1973.

Project MA-5

Description: Boston & Maine to acquire the Penn Central (ConRail) track and traffic at or near Easthampton, allowing PC to abandon its line between Westfield and Easthampton, Mass.

RSPO Review

The Florence Secondary Track extends north from Westfield approximately 11 miles to Easthampton. This track connects with the PC Boston-Albany line at Westfield. At Easthampton the PC line terminates, connecting with the Boston & Maine RR. The PC reports there were only 3 cars interchanged with B&M at Easthampton in 1974.

The PC serves this branch line with a local freight and PC 1974 traffic figures indicate this line generated 3,309 carloads of freight for PC. Westfield generated 2,252 carloads of freight with the balance of 1,057 being generated at Easthampton. (See Line 683-MA-6 for No. Westfield traffic.)

If this line is abandoned, the PC could continue serving Westfield and B&M could serve patrons in the Easthampton area.

This line (USRA Line No. 684) is recommended to be included in ConRail.

Greif Bros. Corp. of Westfield, Mass. indicated if they were denied rail service it would be necessary to relocate their plant.

The Easthampton Chamber of Commerce protested this proposed abandonment pointing out that the B&M has weight limitations on their spur from their main line to Easthampton and that PC connections from Easthampton are better than BM connections.

Associated industries of Massachusetts protested this contending it removed important areas from competitive service.

Project MA-6

Description: Boston & Maine to acquire the Penn Central (ConRail) track and traffic at or near Holyoke, allowing PC to abandon its line between Westfield and Holyoke, Mass.

RSPO Review

A portion of the PC Holyoke Secondary Track extends northeast from Westfield approximately 10 miles to Holyoke. This line connects with the PC Boston-Albany main line at Westfield. At Holyoke the PC line terminates, however, it connects with the Connecticut River Route main line of the Boston & Main RR. PC reports there were only 54 cars interchanged with B&M at Holyoke in 1974.

The PC operates a local on this branch and PC 1974 traffic figures indicate this line generated 2,501 carloads of freight for PC. North Westfield produced 15 cars of freight with the balance of 2,486 being generated at Holyoke. (See Line 684 MA-5 for Westfield traffic.)

If this line is abandoned, the PC could continue serving North Westfield and B&M could serve patrons in the Holyoke area.

This line (USRA Line No. 683) is recommended to be included in ConRail.

The mayor of Holyoke and numerous shippers protested this proposed abandonment contending it would remove important areas from competitive service and would seriously impair future industrial development.

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).

The B&M and CV will continue to provide local service to all points presently served.

This project was added to the plan by a USRA errata sheet furnished to RSPO on March 17, 1975.

RSPO Review

The CV supports this project but did not furnish any specifics.

The B&M supports the project because it offers both the B&M and CV the promise of increased revenue through service improvements as well as economy of operation. The B&M also states that ConRail would benefit through the elimination or downgrading of the Palmer interchange.

Project MD-1

Description: Western Maryland (Chessie System) to abandon its line from Dawson to Tonoloway and acquire trackage rights over a parallel line of Baltimore & Ohio (Chessie System).

RSPO Review

This identical project is currently pending before the ICC in AB-69 (Sub. 1) and F.D. 27406. A public hearing on the applications was held on December 17, 1974 at Cumberland, Md.

In an initial decision served February 19, 1975, Administrative Law Judge William G. Spruill recommended approval.

See related project PA-5.

Project ME-1

Description: Grand Trunk to abandon its line from Danville to Portland and acquire trackage rights over Maine Central between those points. Maine Central would assume service to GT patrons at Yarmouth either by contract or acquisition.

RSPO Review

This project involves the abandonment of approximately 26 miles of GT line.

The GT did not file any comments with RSPO concerning this specific project.

The Maine Central advises that while they are agreeable to the project the GT, at this time, is *not* agreeable. Studies of other possible arrangements with the GT are going on and the Maine Central remains open-minded on all possibilities but is not able at this time to state exactly the form of consolidation that may take place through mutual agreement.

Project MI-1

Description: Norfolk & Western and Penn Central (ConRail) to coordinate their operations between Detroit and Hammond, with PC acquiring trackage rights over N&W from Detroit to Butler, Ind., and N&W acquiring trackage rights over PC from Butler to Hammond.

RSPO Review

The proposed route is only about 6 miles longer than Penn Central's line through Jackson, Three Rivers and Elkhart, and is about 23 miles shorter than the route presently used by N&W from Detroit via Fort Wayne to Chicago. Approximately 65 miles of the N&W between Detroit to Butler, is single track with centralized traffic control.

Project MI-2

Description: Chesapeake & Ohio (Chessie System) to abandon its line from Coleman to Mt. Pleasant and acquire trackage rights over Ann Arbor (ConRail) from Clare to Mt. Pleasant.

The Ann Arbor segment involved in this project is under study as a light-density line and, should it not be recommended for inclusion in ConRail, an outright acquisition of the line by Chesapeake & Ohio would replace the acquisition of trackage rights in this project.

RSPO Review

This project involves the abandonment of approximately 12 miles of C&O line.

The Ann Arbor Clare to Mr. Pleasant segment over which the C&O would acquire trackage rights is included in USRA Line No. 1301. USRA's preliminary recommendation is not to include this line in the ConRail System. Line 1301 is also listed in Appendix D-2 of the Plan offered for sale to connecting solvent railroads.

The C&O's interest in this coordination is dependent on the inclusion of the Ann Arbor line in the ConRail System. If the Ann Arbor line between Owosso and Clare is not included in ConRail (see USRA Line 1301), then it is C&O's intention to abandon its trackage rights application in Docket FD No. 27412 and to amend its application to abandon its line between Coleman and Mt. Pleasant, Docket AB-18 (Sub. No. 6), to include its tracks in Mt. Pleasant as well.

It is now the C&O's position that there are insufficient carloads originating or terminating in Mt. Pleasant to justify the continuance of a line solely for the purpose of serving that point. Continued rail service to Mt. Pleasant can be justified only if the cost of maintaining and operating the Ann Arbor line can be supported by combined C&O and Ann Arbor traffic, including Ann Arbor traffic moving overhead on the line.

Project MI-3

Description: Grand Trunk Western to abandon its line from Marne to Grand Haven, with intersecting railroads (C&O) to acquire the GTW track and traffic at Ferrysburg and Grand Haven.

RSPO Review

This project involves the abandonment of approximately 18 miles of GTW line. Stations proposed for abandonment generated 172 carloads in 1973. The common points of Grand Haven and Ferrysburg generated 47 carloads on the GTW in 1973. The GTW supports this proposal stating they will be relieved of a deficit operation while the C&O will receive additional traffic at Grand Haven and Ferrysburg.

The C&O supports this project as they will serve patrons at Grand Haven and Ferrysburg and it will also allow the C&O trackage to have continuity extending north of Grand Haven.

Project MI-4

Description: Grand Trunk Western and Penn Central (ConRail) to acquire trackage rights on each other's line as required to create a single, jointly-operated main line through downtown Battle Creek in cooperation with city redevelopment plans.

RSPO Review

This project involves approximately 2 miles of line.

The PC did not file any comments with RSPO concerning this specific project.

The GTW supports the project because of operating benefits in the form of the reduction of track and saving of maintenance costs. Also, several street crossings would be eliminated.

General Foods Corporation with a plant at Battle Creek generating 15,500 carloadings per year, has reservations about MI-4 fearing the elimination of trackage will cause problems in town. General Foods prime concern is having two railroads serving their Battle Creek plant.

Project MI-5

Description: Grand Trunk Western to abandon its line from Saginaw to Bay City and acquire trackage rights over Penn Central (ConRail) between those points; or PC to abandon their line and acquire trackage rights over GTW.

Grand Trunk Western and Penn Central are in the process of implementing coordinated operations within Bay City proper in cooperation with city redevelopment plans.

RSPO Review

The involved PC line is covered by USRA Line No. 447/447a/447b and USRA recommends the line be included in the ConRail System. The line generated 7,959 carloads on the PC in 1973.

Both the PC and GTW lines are approximately 13½ miles long between Saginaw and Bay City.

The GTW supports this project if their acquisition of PC trackage within Saginaw and Bay City is disallowed (Sec GTW-6, Appendix D-3, Part II of the Plan and RSPO Review of that project). The GTW line involved here generated 1,500 carloads and also handled 4,200 carloads of overhead traffic in 1973. The GTW reports that this project would achieve operating benefits through the reduction of mainline right of way and a reduction of terminal trackage.

The C&O is opposed to this project as they also seek to acquire the involved PC line in Project CS-8, Appendix D-3, Part II of the Plan. See RSPO review of that project.

The C&O reports that there is excessive trackage burdening the railroad system in the Northeast. Saginaw and Bay City currently are served by the C&O, PC and GTW. Bay City is only 13 miles north of Saginaw, which is a major operational center for C&O, containing large yards and locomotive and car repair facilities. Saginaw and Bay City are both peripheral points on the PC and GTW systems reached only by lines which generally parallel the more heavily utilized and better maintained C&O lines.

The C&O further states that the USRA Report recommends abandonment of PC lines which would provide ConRail access to the Saginaw-Bay City areas, thereby requiring ConRail to acquire trackage rights to be able to continue supporting the duplicative facilities in this peripheral area. The continued presence of the PC (ConRail) System in this area is contrary to the public interest because it detracts from the ability of the remaining solvent carriers to make fullest use of their facilities. Since PC service is not required to provide adequate rail transportation service to shippers in this area, it is not logical to propose a coordination of Grand Trunk and PC activities.

Project MI-6

Description: Chesapeake & Ohio (Chessie System) to abandon its line from Portland to Ionia, with intersecting railroads to acquire the C&O track and traffic at or near Ionia (GTW).

RSPO Review

On March 18, 1975, the C&O applied to the ICC under Section I (18-20) of the Interstate Commerce Act to abandon this line (AB-18, Sub. 16). Approximately 14 miles of line are involved. Stations proposed for abandonment generated 142 carloads in 1973.

The GTW supports this project.

The Ionia Chamber of Commerce opposes any abandonment unless the GTW assumes service to Ionia.

The General Tire plant at Ionia presently receives substandard service and would welcome GTW service. The GTW does not presently have access to this plant.

Project MI-7

Description: Grand Trunk Western to abandon its line from Ashley to Greenville and its trackage rights over Ann Arbor (ConRail) from Owosso to Ashley, with intersecting railroads to acquire the GTW track and traffic at or near Ashley (AA) and Greenville (C&O).

The Ann Arbor line through Ashley, Mich., is undergoing light-density analysis and may or may not receive continued service dependent on the outcome of that analysis and such subsequent subsidy decisions as may be made.

RSPO Review

This project involves the abandonment of approximately 41 miles of GTW line. Stations proposed for abandonment generated 3,157 carloads on the GTW in 1973. The common point of Greenville generated 2,200 carloads on the GTW in 1973. The GTW supports the project anticipating reduced costs of \$500,000 per year through elimination of crew operating expenses and equipment and joint facility expenses.

The AA line serving Ashley is covered by USRA Line No. 1301 and USRA's preliminary recommendation is *not* to include the line in the ConRail System. Line 1301 is also offered for sale to connecting solvent railroads in Appendix D-2 of the Plan.

The C&O favors the project as they will assume GTW traffic at Greenville. The C&O will also consider serving Sheridan if acquisition, rehabilitation of facilities and operations are subsidized.

The DT&I objects to this project because of threatened loss of revenue through diversion of traffic to other carriers.

Gibson Products Corporation with a plant at Greenville opposes the project stating that a single carrier can not effectively transport its products. The GTW moved 1,683 carloads or approximately 47 percent of the traffic generated by the Greenville plant in 1974.

The Greenville Area Chamber of Commerce opposes the project stating that C&O service alone to Greenville is not sufficient to meet the needs of local rail users under current operating conditions.

The Lansing Grain Company serving grain shippers in Michigan asks that a moratorium be included in the Final System Plan on the GTW abandonment proposed in MI-7.

Middleton Farmers Elevator opposes MI-7 stating that without rail service farmers in the Middleton area will not have a competitive market. Alternative trucking will increase costs to move grain by 15 to 20 cents per bushel.

Fred Schneider, Fulton Township Supervisor opposes this project. The line proposed for abandonment serves the towns of Pompeii, Perrinton and Middleton in Fulton Township. He states that farmers in the area

depend on rail service and alternative trucking would reduce returns to farmers and close businesses.

The Big L Corporation of Sheridan, Michigan opposes the project. They received 238 carloads of inbound lumber in 1973 and alternative trucking would increase costs approximately \$102,000 annually. Such increased costs would eventually cause the termination of Big L's Sheridan operation. Abandonment of rail service would have the immediate effect of forcing the layoff of 15 employees because of an expected decline in business.

The Gratiot County Farm Bureau opposes the project fearing the closing of fertilizer dealers if rail service is abandoned.

Project MI-8

Description: Detroit, Toledo & Ironton to abandon its line from Wauseon, Ohio to Tecumseh, Michigan with intersecting railroads to acquire the DT&I track and traffic at or near Adrian, Michigan (N&W, PC) and Tecumseh, Michigan (PC).

Adrian and Tecumseh on the PC are located on lines undergoing light-density analysis and may or may not be included in ConRail dependent on the outcome of that analysis and such subsequent subsidy decisions as may be made.

RSPO Review

This project originally involved the abandonment of approximately 46 miles of DT&I line between Wauseon and Tecumseh. The project was proposed by the DT&I on the assumption that ConRail would acquire the PC lines from Toledo, Ohio to Adrian and Tecumseh and would therefore assume service at these points if the DT&I abandoned them. Adrian is located on USRA Line No. 392a and USRA recommends that the line *not* be included in the ConRail System. Although Line 392a is profitable it is served via USRA Line 391 where deficit operations exist thus dictating non-inclusion in ConRail of both Lines 391 and 392a.

Tecumseh is located on USRA Line No. 395/395a and the preliminary recommendation of USRA is *not* to include the line in the ConRail System. Line 395/395a is similarly served by deficit producing Line 393 which dictates the non-inclusion of both Lines 393 and 395/395a on the ConRail Systems.

Since the Plan does not now contemplate PC (ConRail) service to either Adrian or Tecumseh, the DT&I suggests a modification of MI-8 which would allow service to continue to substantially all patrons in the affected areas at a profit to the DT&I. The DT&I modified MI-8 project is as follows:

DT&I would abandon the portion of its Tecumset branch from Wauseon, Ohio, to Tecumseh, Michigan, a distance of 37.5 miles, except that it would retain a 2.2 mile segment at Adrian, Michigan, and a 3.6 mile segment between Tecumseh and Burmo, Michigan. DT&I would also acquire the following USRA light density lines in Michigan:

393a—Adrian to the N&W crossing east of Adrian.

Part of 393—From the N&W crossing east of Adrian to Riga, Michigan, via Lenawee Junction, Michigan.

395/395a—Clinton, Michigan to Lenawee Junction.

Line 393 is listed in Appendix D-2 of the Plan as being offered for sale to solvent connecting railroads. The GTW feels that failure to include line 392a in Apepdix D-2 (offered for sale to solvent connections) is an oversight since the line while profitable is *not* recommended to be included in the ConRail System.

The result of these transactions would be a new line extending 9.2 miles northwest from the DT&I main line at Riga to Lenawee Junction, where it would divide into two branches. One branch would extend westward 3.6 miles to Adrian and thence 1.2 miles southward on DT&I's existing Tecumseh branch to Page, a connection and interchange point with N&W, and 1 mile northward in Adrian. The other branch would continue northwest from Lenawee Junction 9 miles to Tecumseh and thence 4.5 miles to Clinton, with a spur running south from Tecumseh to Burmo on DT&I's existing Tecumseh branch.

Only the Oak Shade Team Track on the Tecumseh branch (11 carloads in 1973) would lose rail service under DT&I's modified MI-8.

The DT&I Tecumseh branch generated 2,432 carloads in 1973 while PC stations on Lines 392a, 393 and 395/395a which are proposed to be acquired by DT&I under the modified MI-8 generated 3,214 carloads in 1973.

General Motors Corporation, unaware of the DT&I modification of MI-8, favors either the N&W or ConRail serving the Tecumseh area.

Ford Motor Co., unaware of the DT&I modification of MI-8, suggests the original MI-8 be withdrawn and the DT&I continue to serve Adrian.

Project MI-9

Description: Detroit & Mackinac to abandon its line from Bay City to Pinconning and acquire trackage rights over the Penn Central (ConRail) line between those points. Yard operations of the two railroads at Bay City would be combined and jointly operated.

The Penn Central segment involved in this project is under study as a light-density line and should it not be recommended for inclusion in ConRail, an outright acquisition of the line by Detroit & Mackinac would replace the acquisition of traffic rights in this project.

RSPO Review

This project involves the abandonment of approximately 20 miles of D&M line. The D&M did not file any comments with RSPO concerning this specific project.

The PC line over which the Detroit & Mackinac would obtain trackage rights is embraced in USRA Line 440 and the preliminary recommendation of USRA is *not* to include the line in the ConRail System. The line is also offered for sale to connecting solvent railroads in Appendix D-2 of the Plan.

The C&O reports that through acquisition of PC trackage needed to serve PC customers in Bay City (see Appendix D-3, Part II, Project CS-8 of the Plan

and RSPO Report on that project), they are willing to join the D&M in joint operation of Bay City Yard subject to resolution of necessary operating agreements.

The C&O further states that should their position be adopted that it is in the Public interest for C&O to serve PC's customers in Bay City (CS-8), it would likewise be in the Public interest to use existing facilities to establish a joint D&M-Chessie System yard to handle D&M, C&O, former PC industrial work and the interchange of cars between C&O and D&M. Benefits to D&M would be a strengthening of its ability, as the remaining carrier north of Bay City, to serve its customers.

Project MI-10

Description: Detroit & Mackinac to acquire the Penn Central (ConRail) lines from Cheboygan to Gaylord, and Cheboygan to Mackinaw City, allowing PC to abandon its line from Pinconning to Gaylord.

The D&M to continue service to all points on the acquired segment.

RSPO Review

This project involves the abandonment of approximately 101 miles of PC line. The PC lines sought to be acquired by the D&M are covered by USRA 441 and the USRA preliminary recommendation is *not* to include the lines in the ConRail System. The PC line to be abandoned under this project is embraced in USRA Line No. 440 and the preliminary recommendation of USRA is *not* to include the line in the ConRail System. Lines 440 and 441 are also offered for sale to connecting solvent railroads in Appendix D-2 of the Plan.

The PC advises RSPO that this project is *not* acceptable to the D&M.

The Soo Line advises that unless the D&M intends to assume operation of the Mackinac Transportation Company ferry operations, D&M service to Mackinaw City should be made on the assumption that service across the Straits of Mackinac will be discontinued. The operations of the Mackinac Transportation Company have been recommended for abandonment in an ICC order served August 15, 1972.

Champion International Corporation with a plant at Gaylord favors the D&M serving Gaylord.

Project MI-11

Description: Grand Trunk Western to abandon its line from Imlay City to Caseville, with intersecting railroads to acquire the GTW track and traffic at or near Clifford (C&O) and Pigeon (C&O).

RSPO Review

On October 15, 1974, the Grand Trunk Western Railway Co. applied to the ICC under Section 1 (18-20) of

the Interstate Commerce Act to abandon this line (AB-31, Sub. 3). Approximately 66 miles of line are involved and stations proposed for abandonment generated 979 carloads in 1974. The common point of Pigeon generated 322 carloads on the GTW in 1974. The GTW reports that this project would eliminate a deficit operation and increase traffic on the C&O. The Detroit & Toledo Shore Line RR Co. objects to this project because of threatened loss of revenue through traffic diversion to other carriers.

The C&O supports this project and will continue service to GTW shippers at Pigeon. The C&O will also consider serving GTW patrons at Caseville (655 GTW carloads in 1974) and Cass City if the acquisition, rehabilitation and operations can be subsidized.

The Village of Gagetown protested this project as town businesses depend on rail service.

The Lansing Grain Company of Lansing, Michigan asks that a moratorium on the MI-11 proposed abandonment be included in the final system plan.

The Cass City Rail Users Association is opposed to the proposed abandonment of the GTW Line presently before the ICC (AB-31, Sub 3) and fears that rail users will have no service at all. They favor either project MI-11 or a moratorium on branch line abandonment pending a further evaluation of the rail problem.

Project NJ-1

Description: New York, Susquehanna & Western to grant Penn Central (ConRail) trackage rights over its line from Marion Jct. to Little Ferry, then acquire trackage rights over (or outright) the PC line through Weehawken Yard and assume PC local services. USRA reports that service will be continued to all points on each line by its owner although the description contradicts that as the NYS&W is to assume PC local services.

RSPO Review

The NYS&W indicated to RSPO that due to the illness of its President W. T. Frazier, they are unable to furnish any comments on this specific project.

This project involves trackage rights over or acquisition of a segment of PC line which is a portion of the Selkirk-Washington, D.C. Route. The NYS&W line which is presently used for local switching would be used for PC through freight service and the PC line used for local service only. The PC Weehawken Yard is approximately 4.5 miles from the NYS&W Little Ferry Yard.

Stations on the PC line which may be acquired generated 19,721 carloads and 63,494 trailers in 1974.

The Central Railroad Co. of N.J. supports the project as the new routing would remove through traffic from areas of high vandalism in Hoboken and Weehawken thereby reducing expenses and improving

freight movements to the south and New England areas. The CNJ points out that present connections cannot accommodate through trains and a new connection would have to be constructed at Marion Jct.

Project NY-1

Description: Baltimore & Ohio (Chessie System) to abandon its line from Ashford to LeRoy and acquire trackage rights over Penn Central (ConRail) from Buffalo to Rochester. B&O would continue to serve LeRoy to Rochester from the Rochester end of the line, while intersecting railroads would acquire the B&O track and traffic at or near:

B&O Jct., N.Y.-----	EL
Machias, N.Y.-----	PC
Silver Springs, N.Y.-----	EL

In the alternative, PC (ConRail) would acquire the B&O line from LeRoy to Rochester, inclusive.

RSPO Review

On March 18, 1975, the B&O applied to the ICC under Section 1(18-20) of the Interstate Commerce Act to abandon this line. (AB-19, Sub. 28) Approximately 69 miles of line are involved and stations proposed for abandonment generated 1,818 carloads in 1973. The three common point stations shown in the description generated 1,501 carloads on the B&O in 1973.

Shipper responses to RSPO were apparently made without knowledge of the B&O abandonment application filed on March 18, 1975.

R&S Agricultural Supply, Inc. of Perry, N.Y. is opposed to the project because of loss of rail service to its operations at Gainesville and Wyoming, N.Y. which generated 101 carloads in 1974.

Markin Tubing of Pearl Creek, N.Y. is opposed to the project because of a facility expansion recently constructed at Pearl Creek and rail service was a major factor in the expansion. It is estimated this facility will generate 170 carloads annually. Alternative trucking would increase costs 65 percent.

Project NY-2

Description: N&W to acquire trackage rights over or purchase segment of Penn Central (ConRail) to provide better connection to Lehigh Valley, Blasdell, New York.

RSPO Review

Use of approximately two miles of PC track would provide an improved route for run-through trains interchanged between N&W and LV at Buffalo. The present route for this interchange passes through a congested area, and involves N&W's drawbridge over the Buffalo River, requiring all movements to be made at restricted speed. Two daily run-through trains in each direction would be involved. The proposed con-

nection was used temporarily for these run-through movements some years ago. This track is not now in service.

No industry would be adversely affected and the movement of run-through trains would be expedited.

Project NY-3

Description: Baltimore & Ohio (Chessie System) to abandon its line from Bradford to Kellogg, with Penn Central (ConRail) to acquire the B&O line from Kellogg to Buffalo.

The PC would continue service to all points on the acquired segment. The EL would continue service to Salamanca, New York.

This project is interrelated to NY-1 in that the abandonment here would be Ashford to Kellogg if NY-1 is not implemented.

RSPO Review

This project involves the abandonment of approximately 78 miles of B&O line. Stations on the line proposed for abandonment generated 1,031 carloads on the B&O in 1973. The common point of Salamanca, N.Y. generated 109 carloads on the B&O in 1973.

Witco Chemical at Petrolia, Pa. protests any abandonment of B&O line between Petrolia and Bradford to Buffalo, N.Y. They also point out that on February 1, 1975, the EL abandoned its line from Bradford, Pa. to Salamanca, N.Y. leaving only the B&O line between Bradford and Salamanca which is now proposed to be abandoned under NY-3.

The Director of Planning for Cattaraugus County, N.Y. opposes NY-3 because of the adverse impact on communities located on the line to be abandoned particularly Ellicottville, Springville and East Concord which would lose service completely. It is also pointed out that a number of B&O employees at Salamanca would lose their jobs under this project and others transferred, having an adverse effect on the ailing economy of Salamanca.

W&J Manufacturing Co. of Ellicottville, N.Y. opposes NY-3 as rail service to Ellicottville is needed to avoid a disastrous economic decline in the area. They state that 400 jobs in the Ellicottville area are related to the railroad being in operation. Alternative trucking would increase W&J's costs \$63,000 annually.

Penntech Papers Inc. of Johnsonburg, Pa. protests this project unless the B&O retains trackage rights to the Buffalo gateway. The proposed abandonment would hamper the B&O's ability to serve Penntech.

Hillerich & Bradsky Co. protests NY-3 because of loss of service to their plant at Ellicottville, N.Y.

Rep. James F. Hastings of the 39th Congressional District opposes NY-3 stating that elimination of the line would be disastrous.

Rep. Jack Kemp of the 38th Congressional District opposes NY-3 stating the line is vital to the transpor-

tation from the southern towns and an important link in the Buffalo area rail system.

Project OH-1

Description: Detroit, Toledo & Ironton to abandon its line from Washington Court House to Waverly and acquire trackage rights over Baltimore & Ohio (Chessie System) from Washington Court House to Chillicothe and over Norfolk & Western from Chillicothe to Waverly. Intersecting railroads would acquire the DT&I track and traffic at Thrifton (B&O).

RSPO Review

This project involves the abandonment of approximately 34 miles of DT&I main line. This coordination would permit DT&I trains moving south from Washington Court House to avoid the severe grade and curvature conditions at Summit, Ohio with resultant improvement in safety, efficiency and fuel economy. Stations on the line to be abandoned generated 2,030 carloads on the DT&I in 1973.

The DT&I informs RSPO that the B&O may not now be willing to assume service to Greenfield (.7 mile from Thrifton) and DT&I will modify the project to retain service from Washington Court House to Greenfield (14.6 miles) as a spur operation. Acquisition of trackage rights over B&O and N&W from Washington Court House to Chillicothe to Waverly will remain unchanged. The modified project will still permit the DT&I to eliminate the operational problems at Summit, Ohio. The only point to lose service under the modified project is Bainbridge which generated 69 carloads in 1973.

No other comments were received by RSPO on this specific project.

Project OH-2

Description: Baltimore & Ohio (Chessie System) to downgrade its main line through Youngstown and acquire trackage rights over Lake Erie & Eastern (Pittsburgh & Lake Erie) from Youngstown (Gateway Yard) to Girard. All services will be continued.

RSPO Review

RSPO did not receive any comments on this specific project.

Project OH-3

Description: Baltimore & Ohio (Chessie System) and Penn Central (ConRail) to abandon their jointly-owned Lakefront Dock and contract for the joint use of Chesapeake & Ohio's (Chessie System) adjacent Presque Isle Dock for handling of coal and ore to/from lake boats. All services will be continued.

RSPO Review

The C&O reports that joint use by ConRail and Chessie of Chessie's Presque Isle Dock is conservatively estimated to be capable of producing annual savings in excess of \$4 million, with relatively modest additional capital expenditures by Chessie for property acquisitions and rearrangements.

Chessie also believes that the labor protective provisions of Title V of the Regional Rail Reorganization Act apply to this acquisition so that interests of affected employees will be adequately provided for. If USRA does not concur in this belief, then consummation of this transaction will be dependent upon appropriate amendments to Title V.

Chessie reports that in 1974 the Presque Isle dock generated 134,666 carloads (C&O) and the Lakefront dock generated 85,530 carloads (PC-48,997, B&O-36,533).

Local 158 of the International Longshoremen's Association and Local 8 of the International Brotherhood of Electrical Workers both are opposed to this project. They testified that the lakefront dock is the fastest loading and one of the most modern in the Great Lakes and that the decline of tonnage handled in the past two years is due in part to the deliberate diversion of business to the adjacent Presque Isle Dock. They feel that two facilities are needed in Toledo to encourage competition, to provide for peak period utilization and allow for increased shipments of coal and ore in coming years. If only one dock is to be utilized in the Toledo area, they feel there are compelling reasons to retain Lakefront rather than Presque Isle which is considerably less modern. They also state that some 1400 persons in the Toledo area depend on Lakefront dock for their living and such employees are not designated in the Plan as being covered by the job protection provisions of the Regional Rail Reorganization Act. If Lakefront is closed down they feel that full job protection must be provided under the Regional Rail Reorganization Act.

The Toledo Port Council also submitted a resolution supporting the combined operation and expansion of the Lakefront dock and preservation and protection of the many productive jobs it provides for the city.

Ford Motor Co. has no objection to this project provided adequate facilities are available for the 1,650,000 tons Ford now receives through the two facilities; that the Presque Isle Dock is open to reciprocal switching in order that coal origins on the PC enjoy the same rates which apply to Lakefront or that tariffs are amended to make PC rates applicable to Presque Isle Dock.

Project OH-4

Description: Baltimore & Ohio (Chessie System) to abandon its line from Lodi to Wooster and acquire trackage rights over Penn Central (ConRail) from Warwick to Wooster. Intersecting railroads would

acquire the B&O track and traffic at or near Burbank (EL).

RSPO Review

This project has already been authorized by the ICC in Docket Nos. AB 19 (Sub. 17) and F.D. 27563. A certificate and order was served February 20, 1975.

Project OH-5

Description: Baltimore & Ohio (Chessie System) to abandon its line from Warren (Copperweld) to Chardon and acquire trackage rights over Penn Central (ConRail) or Norfolk & Western from Cleveland to Painesville. B&O would continue to serve the segment from Painesville to Chardon from the Painesville end.

RSPO Review

On March 18, 1975, the B&O applied to the ICC under Section 1 (18-20) of the Interstate Commerce Act to abandon this line (AB-19, Sub. 22). Approximately 30 miles of line are involved. Stations proposed for abandonment generated 376 carloads in 1973.

No comments, other than those of the B&O, were received by RSPO concerning this project.

Project OH-6

Description: Baltimore & Ohio (Chessie System) to abandon its line from Akron junction to Cleveland and acquire trackage rights over the Penn Central (ConRail) line from Ravenna to Cleveland

RSPO Review

This project involves the abandonment of approximately 35 miles of line. The B&O reports that this project would provide for cost sharing on the PC line from Ravenna to Cleveland and that major patrons on the line will continue to receive service. The B&O did not furnish traffic information or a list of specific stations proposed to be abandoned.

No other comments were received by RPSO on this project.

Project OH-7

Description: Norfolk & Western to abandon its lines from Baltic to Fresno and Coshocton to Zanesville, with Penn Central (ConRail) to acquire the segment from Fresno to Coshocton and intersecting railroads to acquire the N&W track and traffic at or near Zanesville, Ohio (B&O, PC).

RSPO Review

This is a 47-mile segment of a single track, unsignalled branch line ending at Zanesville.

Penn Central closely parallels the Norfolk & Western

line from Zanesville to Coshocton, with a total of 5 points on the segment being common with N&W. The project would extend ConRail coverage to Fresno.

Stations to be abandoned by the project generated approximately 600 cars in 1974.

Traffic lost by the N&W to carriers at common points would total approximately 4,500 cars.

This project involves USRA Line No. 644, which is recommended by USRA for inclusion in ConRail.

Project OH-8

Description: Norfolk & Western to abandon its line from Waterville to Frankfort, with intersecting railroads to acquire the N&W track and traffic. The railroads involved are the EL at Bluffton and Decatur, Indiana and Ohio City, Ohio, the PC at Delphos, Ohio and Marion, Indiana, the B&O at Holgate, Ohio, the DT&I at Malinta, Ohio, and the C&O at Marion, Indiana.

N&W would continue its service at Continental, Ohio and Kokomo, Indiana from its other lines.

EL access to Bluffton will be from Kingston if project IN-6 is approved.

RSPO Review

This is 192 miles of single track, unsignalled line, extending from Waterville, about 14 miles southwest of Toledo to Frankfort through Malinta and Delphos, Ohio, and Decatur, Marion and Kokomo, Indiana.

Application for abandonment of the portion of this line extending from Waterville to (but not including) Delphos, a distance of approximately 59 miles, was made by N&W in October 1972, Docket AB-10 (Sub. No. 2) and hearings were held. The proposal was modified to abandon from Waterville to but not including Douglas, Ohio, about 50 miles of line. Decision has been delayed. A total of 35 cars originated and terminated on this 50-mile segment in 1974.

On the remaining segment, Douglas to but not including Frankfort, a distance of about 140 miles, a total of almost 11,000 cars were handled by N&W during 1974. Stations proposed for abandonment generated 1,200 cars in 1974.

Traffic losses for the N&W to carriers at common points as a result of this project would total approximately 9,800 cars per year.

Foster-Forbes Glass Co., located on N&W's line at Marion, Indiana, urged the Commission to find Project OH-8 incompatible with both the letter and the spirit of Section 5 of the Act. It is stated that in their judgement, loss of N&W service at Marion and over N&W's lines between Waterville and Frankfort would substantially impair operations which rely upon both inbound shipments of raw materials, and outbound shipments of glass containers. Difficulty is cited in obtaining cars from other rail carriers for loading, and attention is

called that Penn Central does not physically reach the Foster-Forbes plant, although its line to Elkhart does pass in the vicinity of the plant. Chesapeake and Ohio Ry. Co.'s track is several miles away on the other side of town.

Project OH-9

Description: Norfolk and Western to abandon its line from White House to Woodburn, with intersecting railroads to acquire the N&W track and traffic. The railroads involved are the PC at Cecil, Ohio, the B&O at Defiance, Ohio, and the DT&I at Napoleon, Ohio.

RSPO Review

N&W has modified this project to propose abandonment from White House to but not including Defiance, Ohio. This is a 33-mile segment of single track, unsignalled line, which is served by an N&W operating 6 days per week.

Stations to be acquired or abandoned generated 370 carloads in 1974.

Project OH-10

Description: Baltimore & Ohio (Chessie System) to abandon its line from Willard to Sandusky and acquire trackage rights over Norfolk & Western from Attica Junction to Sandusky. Intersecting railroads would acquire the B&O track and traffic at or near Kimball (N&W) and Monroeville (N&W).

In the alternative, B&O would abandon the entire line and N&W would acquire B&O's Sandusky track and traffic.

RSPO Review

On March 18, 1975, the B&O applied to the ICC under Section 1(18-20) of the Interstate Commerce Act to abandon this line (AB-19, Sub 21). Approximately 24 miles of line are involved and stations proposed to be abandoned generated 300 carloads in 1973. The common point of Monroeville (N&W) generated 67 carloads on the B&O in 1973.

There were no other comments filed with RSPO on this specific project.

Project OH-11

Description: Norfolk and Western to acquire a short segment of Penn Central (ConRail) line from Manhattan Junction, Ohio, to a connection with the Detroit and Toledo Shore Line.

RSPO Review

The interchange of cars between N&W and D&TSL (Toledo, O.) averages two movements in each direction

daily plus occasional unit trains of coal. Total cars interchanged averages about 100 per day.

The connecting track between N&W and D&TSL has 20 degrees reverse curves which present operating problems. There are no industries located on the N&W connecting track.

The N&W proposes to construct a new connecting track of about 400 feet in length from N&W track to the PC track to be acquired to complete the connection with the D&TSL. The PC track is now out of service.

N&W's proposed improved connection with the D&TSL would permit N&W to eliminate 600-700 feet of track with severe curves much of which is in city streets.

Project OH-12

Description: Norfolk & Western to acquire trackage rights over or outright, the Penn Central (ConRail) line from Cincinnati to New Castle.

RSPO Review

Of the approximately 95 miles of PC trackage between Cincinnati and New Castle, USRA in the Preliminary System Plan proposes disposition of about 64 miles, as follows:

USRA No.	Mileage	Recommendation for inclusion in ConRail
518—Old River Junction to New River Junction, Ohio (trackage rights over B&O).	1.6	Not included.
519/520 ¹ —New River Junction to Eaton, Ohio.....	25.2	Do.
520a—Eaton, Ohio to Richmond, Ind.....	14.1	Undecided.
521 ¹ —Richmond to New Castle, Ind.....	23.0	Not included.

¹ Included in app. D-2 with light density lines offered for sale to connecting solvent carriers.

The segment from Cincinnati to Old River Jct. was not evaluated in the Plan.

Most of the Cincinnati to New Castle line is a part of former PRR's main line passenger route between Cincinnati and Chicago. This would afford Norfolk and Western an additional and shorter route to the mid-west, saving about 130 miles from N&W points at Portsmouth, Oh., and east, to points like Lafayette, Ind., Decatur, Ill. and the St. Louis and Kansas City gateways.

Chessie System, states that this project, coupled with project OH-13, is not in the public interest. For all practical purposes it would open up Cincinnati as an N&W East/West gateway. This would reduce available rail traffic for Chessie and others through the inclusion of another carrier. Traffic could be diverted from B&O patrons in Hamilton, O. through reciprocal switching capability. A portion of B&O's E. St. Louis-Cincinnati gateway overhead traffic would be lost to the new N&W routing capability. B&O service to patrons on its Hamilton-Indianapolis and Indianapolis-Springfield segments is dependent upon the B&O retaining its overhead traffic that moves over this line.

Project OH-13

Description: Norfolk and Western to acquire trackage rights over, or outright, one of two Penn Central (ConRail) tracks from Clare yard to a connection with the Louisville & Nashville (Family Lines) and acquire trackage rights over PC from the L&N connection to a connection with the Southern Railway System. All stations would continue to receive service.

RSPO Review

Approximately 8 miles, more or less, of PC track, would be needed, extending from N&W's Clare yard to L&N connection, and about 3 miles from the L&N connection to connection with Sou. Ry.

Cars presently interchanged between N&W and L&N are handled intermediately by PC between N&W's Clare yard and PC's Undercliff yard, a distance of about 3 miles, thence by PC and L&N crews between Undercliff and the L&N connection, a distance of about 5 miles. Direct interchange between N&W and L&N would expedite the movement, and avoid the intermediate handling charge of \$19.14 per car paid by the delivering line. An average of about 50 cars in each direction per day are interchanged between N&W and L&N.

Cars now interchanged between N&W and Southern are moved by N&W between its Clare Yard and B&O's Bond Hill interchange, a distance of about 7 miles, and then handled by B&O and Southern crews between Bond Hill and Southern's Gest St. yard, a distance of approximately 7 miles. Direct interchange between N&W and Sou would expedite the movement, and eliminate the intermediate handling charges, amounting to \$12.00 per car and paid by the delivering line. An average of about 30 cars per day in each direction are interchanged between N&W and Southern.

Chessie System states that this project, coupled with Project OH-12, is not in the public interest because for all practical purposes it would open up Cincinnati as an N&W East/West gateway thus diluting available rail traffic for Chessie and others. Chessie stated further that traffic could be diverted from B&O served industries in Hamilton, Ohio, through reciprocal switching capability; that a portion of B&O's E. St. Louis-Cincinnati gateway overhead traffic would be lost to the new N&W routing capability and that B&O service to patrons on its Hamilton-Indianapolis and Indianapolis-Springfield segments is dependent upon B&O retaining its overhead traffic that moves over this line.

Project OH-14

Description: Norfolk & Western to acquire the Penn Central (ConRail) line from Bellevue to Yeomans, allowing PC to abandon Millbury to Bellevue and Yeomans to Elyria. Intersecting railroads would acquire the PC track and traffic at Bellevue, Clyde, Fremont, Monroeville and Norwalk, Ohio.

RSPO Review

N&W has trackage rights over the Bellevue-Yeomans segment—about 1.5 miles in length, which is a part of USRA lines 387/388, listed in Appendix D-2 with light density lines offered for sale in connecting solvent railroads. The segment proposed to be acquired serves as a connection between N&W's Pittsburgh and Lake Erie Divisions, thus permitting direct moves between the Pittsburgh Division and the Fostoria District of the Lake Erie Division. Acquisition is desired to assure continued use of the trackage by N&W.

The Bellevue-Yeomans trackage is listed below along with other segments of the Elyria to Millbury line that N&W is interested in acquiring.

Lines 387/388.—Bellevue to Yeomans—1.5 mi., for use as connecting track—N&W now has trackage rights—offered for sale in Appendix D-2.

Bellevue—about 2 miles, extending west of Bellevue to serve industries and for use as a second track on N&W's Pittsburgh Division, to reduce interference between road and switching movements. Offered for sale in Appendix D-2. Penn Central traffic figures for 1974—832 cars, excluding Trail Van or inbound Flex-Flo shipments.

Line 643a.—Clyde and Fremont—about 2 miles at each point to reach and serve industries. Not recommended for inclusion in ConRail. Penn Central traffic figures for 1974—949 cars for Clyde and 1,952 cars for Fremont, excluding Trail Van or inbound Flex-Flo shipments.

Line 643.—Fremont—13.4 miles from Fremont to Genoa to permit continuance of rail service. N&W is not interested in acquiring any less than the 13.4 mile section including Genoa. Preliminary recommendation is that this line not be included in ConRail. Penn Central traffic figures for 1974—2,847 cars, excluding Trail Van or inbound Flex-Flo shipments.

Monroeville and Norwalk, Oh. are located on Penn Central's Elyria to Millbury line and are also points common with N&W, but N&W feels there is not justification for acquiring, operating and maintaining the amount of PC trackage required to obtain the relatively small amount of traffic available.

Project ON-1

Description: Chesapeake & Ohio (Chessie System) to abandon its line from Pelton to St. Thomas and acquire trackage rights over Penn Central (ConRail) between those points. All yard and mechanical operations at St. Thomas would be combined and jointly operated. C&O would continue to serve its patrons in the Leamington area either by retention of part of its line as a branch or by trackage rights over PC from Comber to Leamington.

USRA approved this project in principle but rec-

ognized the control of the Canadian Transport Commission over this project.

RSPO Review

Approximately 119 miles of line are involved. The C&O and PC did not file any comments with RSPO concerning this specific project.

The Eli Lilly Company of Indianapolis, Indiana, favors the project as part of a through route on chemical shipments to New York.

Project PA-1

Description: Pittsburgh & Lake Erie to abandon its line from W. Newton to Connellsville and acquire trackage rights over Baltimore & Ohio (Chessie System) from McKeesport to Connellsville plus such rights within Connellsville as required to continue service to present customers.

RSPO Review

The P&LE and B&O did not file any comments with RSPO concerning this specific project. The P&LE reported that it was only filing comments on those projects in which it had an interest.

The Pennsylvania Public Utility Commission commented that the project appeared logical but felt that the B&O and WM would soon interchange all west-bound traffic with the P&LE at West Newton rather than Connellsville to the detriment of the P&LE.

The Eli Lilly Co. of Indianapolis, Indiana favored the project as part of a through route.

Project PA-2

Description: Norfolk & Western Ry. Co. to abandon its line from W. Liberty to Connellsville and acquire trackage rights over Penn Central from Woodvale to Carnegie, over Pittsburgh Chartiers & Youghiogheny Railway from Carnegie to McKees Rocks, and over Pittsburgh & Lake Erie Railroad from McKees Rocks to Connellsville. Intersecting railroads would acquire Norfolk & Western Ry. track and traffic at or near Belle Vernon (P&LE), Bruceton (B&O) and Clairton, Pa. (PC).

RSPO Review

Pittsburgh & Lake Erie RR has proposed a modification of this project under which the Norfolk & Western would abandon its line from Rook Yard (Pittsburgh), to Connellsville, and acquire trackage rights over Penn Central from vicinity of Bridgeville (instead of Woodvale) to Carnegie.

The N&W's line between Rook Yard and Connellsville is 56 miles in length and is part of the well known "Alphabet Route", extending from the Jersey City-Philadelphia-Baltimore areas to the midwest and gateways to the far west.

The route proposed is about 12 miles longer than the N&W's line and extends over three other railroads; it would have the effect of placing N&W's Rook Yard about 4 miles away from the main line at Bridgeville, and result in the loss of traffic from the West End, Mifflin, Clairton and Donora branches as well as traffic generated on the segment to be abandoned.

N&W has not indicated any interest in the proposal.

Wheeling-Pittsburgh Steel has indicated opposition to the project, stating that N&W now provides single line rail service between Monessen and Mingo Junction plants with 16-hour delivery, and does not agree that implementation of the project would not impair profitability of any other railroad.

Pennsylvania Governor Shapp requested that ICC require submission of detailed supporting material and allow rail users and the public to examine both the evidence and those who submitted it.

Pennsylvania Public Utility Commission considers it unlikely that N&W will accept proposal PA-2 because of historical problems associated with trackage agreements.

Project PA-3

Description: Bessemer & Lake Erie to acquire the Penn Central (ConRail) line from Lexington to Girard Junction. B&LE to continue service to all points on the acquired segments.

RSPO Review

The Lexington to Girard Junction line segment is approximately 6 miles long and is included in USRA Line No. 360a (Linesville to Girard Junction) reported as not in use since January 1, 1972. The PC confirms the line is not being used at present.

The B&LE did not file any comments with RSPO concerning this specific project.

The Pennsylvania Public Utility Commission filed comments questioning this project.

The Association's project description apparently led the Pennsylvania PUC to assume the segment involved was on the PC main line.

Project PA-4

Description: Baltimore & Ohio (Chessie System) to abandon its line from New Castle to Youngstown and acquire trackage rights over Pittsburgh and Lake Erie between those points; or, P&LE to abandon and acquire trackage rights over B&O. There are no industries on the line to be abandoned.

RSPO Review

This project proposes the consolidation of two separately owned and operated double track main lines of the P&LE and B&O into one main line thereby permit-

ting the elimination of one main line. Approximately 16 miles of line are involved.

The P&LE reports that their support of this project is conditioned upon the retention of the P&LE main line over which the B&O would acquire perpetual trackage rights. The P&LE line is equipped for C.T.C. operation and must be retained to accommodate recently acquired trackage rights of the PC over this line. No loss or reduction in service would result to any shippers presently on the lines. Also, a major railroad grade crossing between the B&O-P&LE would be eliminated at Youngstown, Ohio and several highway grade crossings of the B&O could be eliminated.

The B&O did not file any comments with RSPO concerning this specific project.

The Pennsylvania Public Utility Commission filed comments that the project seems logical.

Project PA-5

Description: Western Maryland (Chessie System) to abandon its line from Connellsville to Cumberland and acquire trackage rights over Baltimore & Ohio (Chessie System) between those points.

RSPO Review

This identical project is currently pending before the ICC in AB-69 (Sub. 1) and F.D. 27406. A public hearing on the applications was held on December 17, 1974, at Cumberland, Md. In an initial decision served February 19, 1975, Administrative Law Judge William G. Spruill recommended approval.

The Commonwealth of Pennsylvania has filed exceptions to the recommended order granting approval.

The Eli Lilly Co. of Indianapolis, Ind. filed comments with RSPO favoring the project as part of a through route.

See related project MD-1.

Project PA-6

Description: Baltimore & Ohio (Chessie System) to abandon its line from Mt. Jewett to Parker's Landing, with Lake Erie, Franklin & Clarion to acquire the line from Knox to Marienville and other intersecting railroads to acquire the B&O track and traffic at or near Kane (PC) and Shippensburg (PC).

RSPO Review

Kane is on USRA Line No. 252. USRA recommended that a portion of this line (including Kane) be included in the ConRail System.

On March 18, 1975, the B&O applied to the ICC under Section 1 (18-20) of the Interstate Commerce Act to abandon this line (AB-19, Sub. 25). The LEF&C also has filed an application to acquire the Knox to Marienville line under Docket No. 27409, filed June 8, 1973.

Approximately 61 miles of line are involved and stations proposed to be abandoned generated 571 carloads in 1973. The common points of Kane and Shippensburg generated 480 carloads on the B&O in 1973.

Some carrier and shipper responses to RSPO were apparently made without knowledge of the B&O abandonment application filed on March 18, 1975.

Mr. J. L. Hartle, Vice President of the LEF&C testified in the Pittsburgh hearing that the LEF&C has been unsuccessful in reaching divisional agreements with the PC on traffic from and to the involved Knox to Marienville line. Without necessary divisions, the LEF&C feels that the segment cannot be operated profitably but the LEF&C will consider operating the segment under subsidy provisions. Presently, the LEF&C connects only with the PC.

Pennteck Papers Incorporated of Johnsonburg, Pa. feels that PA-6 should be re-evaluated as the B&O north-south lines could become very important to shippers.

The Pennsylvania Public Utility Commission noted that the B&O's submission in AB 19 (Sub. 1) later was withdrawn indicated that the involved line is profitable.

Project PA-7

Description: Baltimore & Ohio (Chessie System) to acquire portions of Penn Central's (ConRail) South Fork Branch, allowing PC to abandon the remainder. B&O to continue service to all points on the acquired segment.

USRA reports that portions of this branch are out of service:

Line 220—Lovett to Lloydell out of service since 6/23/73.

Line 221—Paint Creek Branch at Windber out of service since 12/31/70.

RSPO Review

It is not clear as to what portions the B&O seeks to acquire. The B&O has not filed any comments with RSPO concerning this specific project.

The PC submission indicates that the portion of line from South Fork to Windber, about 15 miles of line, is to be acquired by B&O and the status of other stations is unclear. Stations from South Fork to Windber generated 4943 carloads on the PC in 1974. Stations on the Central City Secondary Track and the Windber Industrial Secondary Track which have no outlet other than the South Fork branch and whose status is unclear in this project, generated 14,886 carloads on the PC in 1974. A new coal mine also opened on the Windber Secondary Track in January, 1975 and it is expected to be a large operation. It appears that the South Fork branch and its dependent Central City Secondary Track and the Windber Industrial Secondary Track generated 19,829 carloads on the PC in 1974.

The Pennsylvania Public Utility Commission reports that the B&O has no direct access to the South Fork Branch as the closest point between the B&O and PC is at Seanor where the PC line is 500 feet higher than the B&O line. They also report that the PC has recently refurbished the South Fork Branch and coal traffic is expected to reach 8 million tons annually.

A United Transportation Union representative testifying at Pittsburgh feels that this project will materially affect ConRail as the line in question is expected to generate 8,000,000 tons of coal annually. He also stated that a B&O-PC connection would require at least 10 miles of new line as there is no present connection and elevation problems exist at the present closest point of the two lines. He also states that much of the coal can only be shipped out over the Paint Creek Branch (USRA Line 221) which is reported out of service by USRA but is in fact operating today. He further states that the PC has spent thousands to upgrade its lines in this area and to allow B&O acquisition would be a serious mistake.

Project PA-8

Description: Norfolk & Western to abandon its line through Erie and either acquire trackage rights on Penn Central (ConRail) or build its own "Erie bypass" track on the PC right of way.

RSPO Review

N&W's mainline through the City of Erie is located in the middle of a street, with numerous street crossings at grade, entailing added maintenance costs and necessitating operation at restricted speed. N&W operates an average of 12 trains per day through Erie. Relocation of this line as proposed would involve construction of a new main track on about 6 miles of Penn Central right of way. A portion of N&W's present line through Erie would be abandoned and that part of the line retained would be used only by a local or switching crew. All industries now served would continue to be served from existing tracks to be retained for that purpose.

The N&W indicates that the only acceptable plan is for the bypass track to be owned and operated by the N&W. The State of Pennsylvania, the Pennsylvania Public Utility Commission and City of Erie favor the proposal.

Project PA-9

Description: Western Maryland (Chesapeake System) to abandon its line from Hagerstown to Chambersburg and acquire trackage rights over, or outright, the Penn Central (ConRail) line from Hagerstown to Shippensburg (Lurgan).

RSPO Review

WM operation over the rehabilitated and geographically superior PC line would allow WM to abandon 23 miles of track and downgrade to branch line status its 12 miles of line Chambersburg to Lurgan and eliminate a serious grade crossing in Chambersburg. The WM line would be kept in service from either the Lurgan or the Chambersburg end in order to provide service to the Letterkenny Ordinance Depot located about 4 miles east of Chambersburg. WM thru freight trains now operate over WM track connecting with the Reading Railroad at Lurgan. In 1974 WM interchanged 2,767 cars with PC at Hagerstown. No traffic figures were furnished for stations on the line to be abandoned.

Traffic figures furnished by PC indicates the Hagerstown-Shippensburg area generated 9,140 carloads of freight in 1974. Interchange with other railroads in 1974 was as follows:

Shippensburg, Reading Co.....	6,700
Hagerstown:	
N&W	35,572
WM	2,767

The PC track covered in this proposed project is covered by USRA Line Numbers 204 and 204a and are recommended to be included in ConRail.

The Reading Railroad advises that a portion of the line proposed for abandonment extends 19.09 miles from North Junction, Hagerstown, Md., to Zumbo Junction, Pa., and is owned by the Washington and Franklin Railway Company, a wholly owned subsidiary of Reading Company. The Washington and Franklin is leased by Western Maryland Railway Company under lease dated July 1, 1901, for 995 years.

Project PA-10

Description: Pittsburgh & Lake Erie to acquire the Penn Central (ConRail) track and traffic at or near Walford, allowing PC to abandon New Castle to Walford.

RSPO Review

Walford is located on USRA Line No. 361 and USRA's recommendation is that if the P&LE will not serve Walford, Line 361 will be included in the ConRail System. Line 361 is only a portion of the New Castle to Walford PC line.

This project involves the abandonment of approximately 13 miles of PC line with the P&LE acquiring the PC business at Walford. The PC reports that Walford generated 1,506 carloads on the PC in 1974. No traffic information was furnished for other stations on the line. The P&LE presently serves Walford from Youngstown, Ohio.

The P&LE did not file any comments with RSPO concerning this specific project.

The Pennsylvania Public Utilities Commission feels the proposal is justified if service is provided to all shippers.

Project PA-11

Description: Pittsburgh & Lake Erie to acquire the Penn Central (ConRail) line from Allenport to Brownsville, allowing PC to abandon its line from Mon Junction to Allenport.

RSPO Review

This project involves the P&LE acquisition of approximately 9 miles of PC line between Allenport and Brownsville and abandonment of approximately 14 miles of PC line from Allenport north to Monongahela Junction. The P&LE presently connects with the PC at Brownsville.

Under this project, P&LE would replace PC as the only carrier serving Allenport where Wheeling-Pittsburgh Steel operates a mill. This mill generated 16,533 carloads on the PC in 1974. Roscoe, Pa., also on the line to be acquired, generated 49 carloads in 1974. The PC did not provide any traffic figures for stations north of Allenport which are proposed to be abandoned but the Pennsylvania Public Utility Commission, which opposes PA-11, reports that the stations, Bentleyville, Donora, Charleroi and Belle Vernon generated 6,220 carloads on the PC in 1974. Total traffic on the 23 mile segment originated or terminated in 1974 was 22,082 carloads.

The B&LE states that this project would leave the P&LE as the only outlet for coal originating on the Monogahela Railway which is presently routed via PC-B&LE to Conneaut, Ohio for lake movement. Over 6,000 carloads a year are presently moving Mon-PC-B&LE to Conneaut. If PA-13 is implemented, this coal traffic would be routed Mon-P&LE-PC-B&LE increasing the carriers in the routing from 3 to 4 and increasing transportation costs and reducing earnings to ConRail and/or the B&LE. The B&LE also states that if the P&LE gains direct entrance to Ashtabula, as proposed in P&LE-4 (USRA Appendix D-3, Part II), it is foreseeable that much or all of the involved coal traffic would be diverted from both ConRail and the B&LE.

Wheeling-Pittsburgh Steel Corporation strongly supports the project because of a strong single line service and the known ability of the P&LE to provide service and maintain tracks and cars.

Project PA-12

Description: Pittsburgh & Lake Erie to abandon its trackage rights over Erie Lackawanna from New Castle to Sharon, with EL to acquire the P&LE track and traffic at Sharon.

RSPO Review

This project involves P&LE abandonment of trackage rights over approximately 20 miles of EL line. All shippers on line would retain service.

The P&LE advises that in view of the fact that USRA did not make an affirmative finding on either P&LE-1 or P&LE-7 in Appendix D-3, Part I of the Plan which would have given the P&LE entry to Sharon through acquisition of EL lines, they are now opposed to this project.

P&LE intends to continue service to the Sharon area and will continue to require trackage rights over the EL to provide such service. P&LE would be willing to abandon its trackage rights to Sharon only upon acquisition of a superior route as contemplated in P&LE-1 or P&LE-7.

Sharon Steel Co. of Pittsburgh, Pa. opposed the project unless the P&LE was granted access to Farrell via another line.

The Pennsylvania Public Utility Commission felt that this project would help ConRail if the EL becomes a part of ConRail.

Westinghouse Electric Corp. of Pittsburgh, Pa., filed comments indicating their impression that the P&LE would now retain present service to Sharon.

Project PA-13

Description: Union Railroad to acquire bridge on Penn Central (ConRail) McKeesport Branch over which it now has trackage rights, then grant Penn Central trackage rights. URR to continue service to all points on the acquired segment.

RSPO Review

The McKeesport bridge is presently used by the URR under trackage rights from PC restricted to the handling of hot ingots to the National Tube works of U.S. Steel at McKeesport, Pa. National Tube Works is also served by the B&O, PC, P&LE and is located on and switched by the McKeesport Connecting RR.

URR is the major switching line in the heavily industrialized East Pittsburgh area with 274 miles of track. Both the URR and the McKeesport Connecting RR are wholly owned by U.S. Steel but have no physical connection at McKeesport. URR acquisition of the PC bridge would permit a direct connection with the McKeesport Connecting RR.

The B&O opposes this project. U.S. Steel interplant traffic within the Pittsburgh district which now moves by line haul carriers (including PC) to or from the National Tube Works would be rerouted via the URR-McKeesport Connecting. B&O traffic susceptible to loss totaled approximately 2,500 carloads in 1974. The B&O also fears that the new connection between the U.S. Steel lines at McKeesport would create new routes with

the N&W and B&LE (also owned by U.S. Steel) jeopardizing another 2,900 carloads originating or terminating outside the Pittsburgh district.

The P&LE also strongly opposes this project unless URR acquisition of the PC bridge is implemented in such a manner that the URR would acquire no greater rights than it presently has in serving the National Tube Works (Hot ingots only). The P&LE presently handles a substantial interplant movement of coke from the U.S. Steel Clairton works to the National Tube Works which if diverted to URR-McKeesport Connecting would cause revenue losses to the P&LE of approximately \$1 million annually.

PC feels that the project would provide U.S. Steel roads direct access to all major plants in the Monongahela Valley with probable erosion of traffic to the PC (ConRail) and P&LE.

The URR reports that the bridge is predominately used to transport hot ingots in special URR trainload movements from U.S. Steel's Duquesne Works to the National Tube Works averaging ten to eleven round trips per day and about 30,000 carloads annually. Alternate routing would cause cooling of the ingots. The URR reports that recent engineering surveys show the bridge to be in need of immediate extensive rehabilitation costing from one to several million dollars. More months of inaction could force the closing of the bridge and deal both National Tube and the Nations economy a serious blow. Some additional traffic may be handled over existing URR lines if the bridge acquisition is made, but URR does not justify the acquisition on that basis. Service to National Tube is essential to both the public interest and all carriers participating in traffic from or to National Tube since curtailment of production capacity would mean a corresponding loss of traffic to all carriers.

The Pennsylvania Public Utility Commission has no objection to the URR acquiring the bridge.

Project VA-1

Description: Chesapeake & Ohio (Chessie System) and Penn Central (ConRail) or other PC successor to jointly purchase (with financial aid from Port Authority) and operate a new car ferry, serving both the Cape Charles-Norfolk and Newport News-Norfolk car float operations of the participants. The C&O and PC to continue service to all points on the acquired segment.

RSPO Review

The PC Cape Charles Ferry is USRA Line No. 165 and the Association's preliminary recommendation is not to include the line in the ConRail System.

The RF&P does not oppose the principle of coordination projects but contends that a new car ferry is unnecessary because the floating of cars between Cape Charles and other points in the Hampton Roads area

is in itself superfluous, wasteful and the purpose of such floating can better be served by rail movement via existing land routes.

The Delaware Division of Transportation can support this project only if the frequency of service is maintained or increased to the mainline.

No other comments were received by RSPO on this specific project.

The Southern Railway also proposes acquisition of the Cape Charles-Norfolk car ferry as part of its overall acquisition of Reading and PC lines at Wilmington, Del. and the Delmarva Peninsula (see SOU-4, Appendix D-3, Part 2 of the PSP and RSPO Review of that project).

Project WV-1

Description: Baltimore & Ohio (Chessie System) to abandon its line from Millville to Stephenson and acquire trackage rights over the Penn Central (ConRail) line from Martinsburg to Winchester. Intersecting railroads would acquire the B&O track and traffic at or near Charlestown, W. Va. (N&W).

RSPO Review

The PC line from Martinsburg to Winchester is included in USRA line segment 205 which is recommended to be included in the ConRail System.

On March 18, 1975, the B&O filed an application with the ICC under Section 1 (18-20) of the Interstate Commerce Act to abandon this line. (AB-19, Sub. 23) The line covers approximately 21 miles and stations proposed for abandonment generated 242 carloads in 1973. The common point of Charlestown, W. Va. generated 189 carloads on the B&O in 1973.

No shippers or carriers other than the B&O filed any comments with RSPO on this specific project.

USRA APPENDIX D-3, PART II PROJECTS

Project B&M-1

Description: Boston & Maine to acquire trackage rights or Central Vermont lease and B&M provide service between Springfield, Mass. and New York, N.Y.

RSPO Review

This project covers the acquisition of trackage rights and reciprocal switching rights for Boston & Maine Corp. freight operation between Springfield, Mass. and the east side of New York to the Long Island Railroad at Fresh Pond Junction.

It is estimated that there are over 100,000 carloads of freight originating and terminating annually along this line. PC traffic figures indicate B&M and PC interchanged 23,909 cars in 1974 at Springfield, Mass.

B&M considers this to be a major market area for B&M and that this extension into New York would make

competitive choices available to the Connecticut rail users.

The Eli Lilly & Co. conditionally approves of this proposal.

The Central Vermont Railway jointly sponsored this project with B&M, and has indicated that rail marketing opportunities between the New York-Long Island area and New England-Eastern Canada areas have not been fully exploited due to Penn Central's service problems.

The Delaware and Hudson Railway has expressed concern over this project, indicating its implementation could materially impair the D&H's profitability and perhaps that of B&M. D&H is concerned that CV and its parent, the Canadian National, could extend their line from Montreal to New York City providing single line service.

The Providence & Worcester Company objects to a B&M single line service to New York contending it would deprive P&W of potential overhead traffic which is now available to it.

The Maine Central RR Co. is opposed to this project indicating it would materially impair MEC's profitability.

Project-CS-2

Description: Chessie System (Chesapeake & Ohio) to acquire all rail properties of the Nicholas, Fayette and Greenbrier R. R. in West Virginia.

RSPO Review

The NF&G is a separate corporate entity jointly owned by PC and C&O, as an integral part of each. The NF&G has approximately 131 miles of road track plus about 44 miles of other track, and connects with the PC at Swiss, W. Va., and with C&O at Meadow Creek, W. Va. This railroad primarily serves coal mines and in 1974 generated 26,957 55-ton carloads of coal. Chessie received 97.6 percent of these carloads for road-haul movement.

PC receives relatively short hauls on their share of the traffic although it absorbs 50 percent of the interest on advances made to NF&G. PC indicates that a deficit of \$128,000 was incurred by PC in 1972.

Chessie's submission indicates its willingness to acquire NF&G is solely to facilitate acquisition by C&O of PC's Peters Creek Branch, its Nitro to Swiss line and its Hitop Branch, all of which Chessie has indicated a willingness to acquire (see Project No. CS-12). These acquisitions would enable ConRail to avoid rehabilitation and maintenance of approximately 200 miles of deteriorated line, as well as being relieved of the NF&G.

Project No. N&W-13 covers a proposal by the N&W to acquire PC's Peters Creek Branch running from

Peters Junction 13.8 miles to Cornelia. This branch is served by NF&G mine-run switcher crews working out of Rainelle, W. Va., with empties and loads being exchanged with PC at Swiss, W. Va.

N&W urges that approval of CS-2 and CS-12 be subject to and contingent on the grant of trackage rights to N&W from Deepwater Bridge, W. Va., to Peters Junction.

There was no analysis of the NF&G Railroad in the Plan. The Association recommended that lines No. 514f and 514g covering segments of PC track be included in ConRail. These segments are included in Project CS-12. N&W would require trackage rights over these segments in addition to trackage rights over 8.5 miles of NF&G between Swiss Jct. and Peters Jct.

Project CS-4

Description: Chessie System (Chesapeake & Ohio) to acquire all rail properties of Canada Southern Ry. and Detroit River Tunnel.

RSPO Review

The Penn Central advised RSPO that Chessie was not interested in this proposal. Chessie did not file any specific comments on this proposal with RSPO.

Grand Trunk Western Railroad objected, contending that if this proposal becomes effective it would impair the solvency of small carriers like GTW.

Project CS-5

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

Chessie's acquisition of Reading Co. tracks or trackage rights from Lurgan to Allentown/Bethlehem and Greater Philadelphia areas is conditioned upon having satisfactory control of Reading's Rutherford and Port Richmond Yards.

Under this proposal, Chessie System would operate over Reading tracks to Philadelphia, Wilmington, and Allentown/Bethlehem and connect with Delaware & Hudson at Allentown, Pa. for interchange of East/West traffic. Chessie would serve all Chessie and Reading industries in Philadelphia, Wilmington, and Allentown.

Chessie's traffic figures for 1973 indicate the Reading Company originated/terminated 307,162 carloads of freight in area. Chessie (B&O) handles over 160,000 loads annually in the East/West traffic lane to/from Philadelphia/Wilmington and beyond. Additionally,

Chessie (Western Maryland) handles over 30,000 loads annually between N&W at Hagerstown and Reading Railroad at Lurgan, plus over 100,000 carloads via the Alphabet route between Connellsville and Lurgan.

The CSD route (B&O-Cherry Run, W. Va.-WM-Lurgan-Rdg.-Allentown and connections) is an important East/West route and, as such, it is in the public interest that this route be maintained as a first class service route to compete with ConRail. Chessie believes that this project is in the public interest as it allows for an alternative for handling WM traffic moved by B&O over the Northeast Corridor.

Norfolk & Western is neither opposed to nor does it support this proposal. However, N&W urges that, before a decision is made, all available data be considered to determine possible adverse impact on N&W. N&W indicates implementation of this proposal could result in an annual loss of 107,000 carloads and TOFC movements, representing a gross revenue loss of about \$39,162,000. N&W further feels that the revenue loss to solvent carriers caused by any acquisition should be carefully considered in view of the losses such carriers are already exposed to by the restructuring of rail service in the Region.

Richmond, Fredericksburg & Potomac Railroad Co. is vigorously exposed to this project unless it is clarified to their satisfaction. RF&P recognizes implementation of this project could be highly beneficial if Chessie is willing to commit to improved single line north-south service to and from the 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, Va.

Lehigh Valley Railroad is opposed to Chessie having direct access to industries in the Allentown-Bethlehem area. In 1974, LV generated 64,098 carloads of freight in the Allentown-Bethlehem area and is concerned this traffic would be diverted to Chessie System long haul, which would significantly impair the profitability of LV.

The Reading Co. indicates it is opposed to trackage rights over Reading tracks by Chessie.

Project CS-6

Description: Baltimore & Ohio to sell $\frac{1}{3}$ interest in Monongahela Ry. to Penn Central and/or Pittsburgh & Lake Erie as an alternative to acquiring the Pittsburgh & Lake Erie and its $\frac{1}{3}$ interest in Monongahela.

RSPO Review

RSPO did not receive any submissions on this proposal from Baltimore & Ohio Railroad, Monongahela Railway, Pittsburgh and Lake Erie Railroad, or the public.

Project CS-7

Description: Chessie System (Chesapeake & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks at Midland, Michigan.

RSPO Review

PC and Chessie now furnish rail service to patrons in Midland, Michigan. Chessie's Ludington-Saginaw-Detroit main line runs through Midland, while Midland is at the stub-end of the PC line. Traffic figures indicate PC handled 10,838 carloads in 1974 and Chessie handled 20,636 carloads of freight in 1973 at Midland. Only two cars were interchanged between PC & Chessie at this location in 1974.

Chessie is willing to acquire necessary PC trackage to continue rail service to shippers on those tracks. If PC withdraws from Midland, PC would have no use for the 18 miles of line from Midland to Bay City, which generated only 258 carloads of freight in 1973.

In the Plan it was recommended that Line Segments No. 443 (Midland to Bay City) No. 447/447a/447b (Bay City to Saginaw) be included in ConRail. However, Line No. 445a (Saginaw to Lansing) was not recommended to be included in ConRail, which would isolate Midland from ConRail if trackage rights over connecting roads cannot be acquired.

The Eli Lilly Co. favors this project if ConRail cannot obtain trackage rights. Project GTW-7 covers Grand Trunk Western's proposed acquisition in order to continue service to Midland, and GTW objects to Chessie's proposal. GTW indicates the increased volume would permit Chessie to increase utilization of facilities, improve efficiency, and erode traffic from PC and GTW lines.

Project CS-8

Description: Chessie System (Chesapeake & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks at Bay City and Saginaw, Michigan.

RSPO Review

The PC, Chessie, and Grand Trunk Western all now serve Saginaw and Bay City, and the Detroit and Mackinac Ry. Co. also serves Bay City. Traffic figures for 1974 indicate PC handled 14,556 carloads of freight at Bay City and 6,326 carloads of freight at Saginaw. At Bay City PC interchanged 21 cars with Chessie, 46 with GTW and 1,968 with D&M in 1974. At Saginaw PC interchanged 101 cars with C&O and none with GTW.

Project MI-5 proposes that GTW abandon its line from Bay City to Saginaw and acquire trackage rights over PC, or that PC abandon its line and acquire trackage rights over GTW. Project MI-9 proposes that D&M

abandon its Bay City line and acquire trackage rights on PC and operate joint yard facilities at Bay City.

In the Plan, it was recommended that Line Segments No. 447/447a/447b (Bay City to Saginaw) be included in ConRail. However, Line Segment No. 455a (Saginaw to Lansing) was not recommended to be included in ConRail, which would isolate Saginaw-Bay City-Midland from ConRail if trackage rights over connecting roads cannot be acquired.

Chessie serves Bay City and Saginaw on its own trackage and is interested in acquiring PC trackage needed to continue service to those shippers on PC tracks at Bay City and Saginaw.

In 1973 Chessie originated/terminated 5,643 carloads in Bay City, 11,000 carloads in Essexville, and 38,916 carloads and trailerloads in Saginaw.

Chessie feels there is no justification for three carriers serving these medium-sized market areas and it would be in the public interest to abandon excess PC trackage.

Project GTW-6 covers GTW's proposed acquisition of PC trackage in Saginaw and Bay City to continue serving PC shippers and GTW is opposed to this (CS-8) proposal. GTW indicates the increased volume would permit Chessie to increase utilization of facilities and improve efficiency, and that with Chessie's potential for long road hauls, this project poses a very significant threat to the GTW and its viability.

Project CS-9

Description: Chessie System (Chesapeake & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks at Lansing, Michigan.

RSPO Review

Chessie System, Penn Central, and Grand Trunk Western. All now serve Lansing, Michigan. Traffic figures for 1974 indicate PC handled 21,304 carloads (exclusive of TrailVans & Flexi-Flo) at Lansing. In addition, PC interchanged 207 cars with Chessie and 50 cars with GTW.

In the Plan, it is recommended that the portion of the Saginaw Branch, USRA Line No. 455, between Jackson, Mich. and Lansing, Mich. be included in ConRail. PC now provides yard, local and through freight service.

Chessie now serves Lansing via its own main line route between Chicago and Detroit and is willing to acquire necessary PC track to continue service to the PC industries, which would allow abandonment of PC trackage (40 miles) from Jackson to Lansing.

In 1973 Chessie originated/terminated 15,350 carloads and trailerloads at Lansing, Michigan.

Chessie believes there is no justification for three carriers serving this medium-sized market area and that it would be in the public interest for Chessie to take over service to PC industries in Lansing in that it has the

ability to provide excellent main line service and long haul routes for the shippers.

The Detroit & Toledo Shore Line railroad is opposed to this project, due to threatened loss of revenue.

Project GTW-5 covers proposed acquisition of PC trackage by GTW at Lansing in order to continue service to PC shippers. GTW is opposed to Chessie's proposal (CS-9), indicating that the increased volume would permit Chessie to increase utilization of facilities, improve efficiency, and with its potential for long road hauls pose a very significant threat to the viability of GTW.

General Motors offered no objection to this proposal. However, due to the heavy rail volume in the area, GM questions ConRail's ability to lose such traffic and withstand competition.

Project CS-10

Description: Chessie System (Chesapeake & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks at Grand Rapids, Michigan.

RSPO Review

Chessie System, Penn Central, and Grand Trunk Western now serve Grand Rapids, Michigan. Traffic figures indicate PC originated/terminated 30,833 carloads of freight at Grand Rapids in 1974; Chessie System originated/terminated 22,525 carloads and trailerloads in 1973. In addition, PC interchanged 454 cars with GTW and 3,802 cars with Chessie in 1974.

Chessie proposes to acquire necessary PC trackage at Grand Rapids to continue service to shippers on those tracks. Chessie believes there is no need for three carriers to serve this medium-sized market area and that it would be in the public interest for Chessie to take over service to PC industries in Grand Rapids. Further, Chessie states that an exchange of this peripheral ConRail market area for a peripheral Chessie market area elsewhere would be in the public interest.

In the Plan, it is recommended that Grand Rapids, Michigan be included in ConRail (USRA Line No. 460).

Project GTW-12 covers proposed acquisition of PC terminal facilities in Grand Rapids by GTW to continue service to PC industries. GTW is concerned that if Chessie acquires these properties, it will be able to provide additional service through greater operating efficiencies and that GTW will not be able to compete with the strengthened position of both ConRail and the Chessie System.

Project CS-11

Description: Chessie System (Baltimore & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks, Louisville, Ky.

RSPO Review

Under this proposal Chessie System would acquire PC trackage in Louisville, Ky. and Jeffersonville, Ind. and furnish service to shippers on those tracks. This proposed acquisition and service could result in the abandonment of PC main line into Jeffersonville and Louisville.

In the Plan, the Penn Central line from Indianapolis, Ind. to Louisville, Ky. was recommended to be included in ConRail.

The Milwaukee Road indicated it would have no objections to this proposal provided industries in the areas are granted reciprocal switching privileges.

Eli Lilly & Co. indicated approval if ConRail did not work out trackage agreements for continued service.

Project CS-12

Description: Chessie System (Chesapeake and Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks between Nitro-Charleston and Swiss, W.Va.

RSPO Review

Chessie's submission described this project more broadly than the Association, as "Nitro-Charleston, Swiss, W.Va., Hitop and Peters Creek Branch, Chessie System (Chesapeake and Ohio) to acquire PC trackage needed to continue service to shippers on those tracks". Chessie proposes to acquire all of PC rail properties on which continuation of rail service has been recommended in the area.

Chessie proposal involves PC lines as follows: No. 514b—Nitro to Charleston, W.Va.—16.6 miles; No. 509/509a—Charleston to Blue Creek—13.4 miles—PC trackage rights on B&O; No. 512/512a—Blue Creek to Hitop—21.0 miles—only 13.1 recommended for ConRail which would include Morris Fork, W.Va.; No. 514d—Charleston to Dickinson—14.3 miles; No. 514e—Dickinson to Channelton—12.4 miles; No. 514f—Channelton to Gauley Bridge—10.7 miles; No. 514g—Gauley Bridge to Swiss—9.6 miles; NF&G Railroad—Swiss to Peters Jct.—13.9 miles—PC trackage rights on NF&G; No. 514c—Peters Jct. to Cornelia—13.9 miles—(Peters Creek Branch).

PC traffic figures indicate that the line between Nitro and Swiss, W.Va. originated and terminated 49,875 carloads of freight in 1974.

The PC has small assembly and classification yards at Charleston and Dickinson, W.Va. Daily local service is provided at all points except Swiss where service is twice daily. One through freight is operated daily from Dickinson to Columbus, Ohio.

Peters Creek Branch is served by NF&G Railroad mine run shifter crews working out of Rainelle, W.Va. with empties and loads being exchanged with PC at Swiss, W.Va.

These lines, recommended to be included in ConRail, can only be reached by PC over a line from Columbus, Ohio, a major portion of which is in a seriously deteriorated condition. This line would require major rehabilitation expenditures and is not recommended to be included in ConRail (Line Nos. 514, 514a).

C&O and B&O presently have trackage rights over PC at Charleston. B&O locals operate over PC track from PC-B&O connection to West Charleston thence onto the C&O Kanawha River Bridge to C&O Elk Yard at South Charleston. C&O yard crews operate over PC tracks from West Charleston to Charleston to serve patrons at Morris St. Yard.

Chessie has indicated this project must be considered in connection with project number CS-2 which contemplates C&O acquiring the NF&G Railroad which connects with PC at Swiss.

In a separate submission Chessie has indicated a desire to acquire that portion of Line Segment No. 514b Nitro to Redhouse, W.Va.

N&W urges that approval of projects CS-2 and CS-12 be subject to and contingent on the granting of trackage rights to N&W from Deepwater Bridge to Peters Jct., W.Va. These rights are essential if N&W-13 is to be implemented. N&W-13, which would give N&W access in some small measure, could balance the Chessie acquisitions considered in CS-12.

Union Carbide Corp. expressed concern regarding the capabilities of river interchanges, Chessie yard facilities, and Chessie's intent 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. Union Carbide indicated approval of this project should be subject to preservation of the Hobson, Ohio to Nitro Line.

Charleston Regional Chamber of Commerce indicated that the Pt. Pleasant to Swiss line should be operated by one railroad and that industrial development in the area is moving northwest along the Kanawha River.

The Regional Development authority of Kanawha County, the Kanawha County Court, the Kanawha County Planning Commission, and the United Transportation Union were not opposed to Chessie takeover. However, they objected to not including the Nitro to Pt. Pleasant line.

Allied Chemical, E. I. Dupont, FMC—Industrial Chemical Div., and E. I. Lilly & Co. were favorable, with FMC expressing concern regarding Shippers Car Line (ACF) operation at Redhouse, W. Va. located about 12 miles north of Nitro.

Project CS-13

Description: Chessie System (Baltimore & Ohio) to acquire Penn Central trackage needed to continue service to shippers on those tracks at Winchester, Virginia.

RSPO Review

Project WV-1 proposes that Chessie abandon its B&O line from Millville to Stephenson and acquire trackage rights over Penn Central from Martinsburg, W. Va. to Winchester, Virginia.

In the Plan, it is recommended that the Penn Central line (No. 205) from Hagerstown to Winchester be included in ConRail.

Chessie has indicated an interest in acquiring Penn Central trackage needed to continue service to shippers at Winchester, Va., thus permitting Penn Central to abandon their stub-end branch line.

Penn Central advises that Chessie is no longer interested in this proposal.

Project CS-14

Description: Chessie System (Baltimore & Ohio) to acquire Erie Lackawanna trackage between Dayton and Warren, Ohio.

RSPO Review

Chessie's interest in this project is currently being developed along two lines: (1) acquisition of the entire line as a short cut between Dayton and Warren, and (2) acquisition only of trackage serving common points so that rail service can be continued to shippers on EL tracks at those points.

A coordination study by Chessie and EL indicated that a significant time saving could be accomplished by the use of EL trackage. The volume of through traffic between Dayton and Warren-Youngstown and points east on the B&O was not sufficient to justify anticipated trackage rights charges. Studies are anticipated in collaboration with USRA, to determine whether combined B&O-EL traffic will justify this route. If not justified, then Chessie indicates an interest in serving EL shippers at common points.

B&O presently has contractual arrangements with EL for handling traffic for the EL between Dayton, Ohio, Indianapolis, Indiana, and Cincinnati, Ohio. B&O also has trackage agreements with EL at several points between Dayton and Warren-Youngstown.

Chessie indicates that if the proposed studies are favorable, acquisition could result in maintaining the existing route. If not, Chessie's acquisition of traffic at common points would preserve the advantages of rail service to shippers on EL tracks reasonably adjacent to such points and the elimination of unnecessary tracks would be in the public interest. (Projects CS-15 and CS-16 propose Chessie acquisition of EL trackage between Warren, Ohio and East Salamanca, New York.)

N&W believes that Chessie does not need another line from Ravenna to Youngstown. Acquisition of the EL from Ravenna through Warren to Youngstown would be redundant and duplicative of existing B&O routes.

Project CS-15

Description: Chessie System (Baltimore & Ohio) to acquire Erie Lackawanna trackage between Warren, Ohio and Greenville, Pa., including the Sharon-Newcastle Branch.

RSPO Review

Chessie is interested in acquisition of this segment of the Erie Lackawanna either as (1) a portion of a through route connecting B&O and EL points west of Warren-Youngstown and B&O and EL points north and east of Salamanca, New York, or (2) acquisition of tracks necessary to provide continued rail service to shippers on the lines designated.

A coordination study by Chessie and EL indicated that use of the EL tracks by B&O between Warren-Youngstown and Salamanca, New York, would provide a shorter and faster route for B&O. The volume of traffic, however, did not justify anticipated trackage rights charges. If studies being made in collaboration with USRA develop that combined traffic over this route would justify its continuance, B&O would have an interest in its acquisition. Otherwise B&O's interest would be in furnishing continued rail service to shippers on the designated segment.

Chessie indicates that if the proposed studies are favorable acquisition could result in maintaining the existing route. If not, Chessie's acquisition of traffic at common points would preserve the advantages of rail service to shippers on EL tracks reasonably adjacent to such points and the elimination of unnecessary tracks would be in the public interest. (Projects CS-14 and CS-16 propose Chessie acquisition of EL trackage between Dayton, Ohio and East Salamanca, New York.)

Project N&W-14 proposes N&W acquire EL trackage between Youngstown and Cleveland, Ohio and could conflict with project CS-15. N&W proposes Chessie's project should be approved only in a way which avoids this potential conflict and urges that the Chessie route should go eastward from SN Junction in the Leavittsburg area over the Pymatuning bypass line known as the "2nd Subdivision".

N&W feels the best resolution of the desires of Chessie and N&W in this area would be approval of project N&W 14 and approval of Chessie (B&O) operations over the 2nd Subdivision between North Warren and Pymatuning. The two routes would then cross the SN Jct., resulting in minimum interference between the two lines. N&W believes this would result in balanced competition and be in the public interest.

N&W also believes there is insufficient justification for Chessie acquiring the Sharon to New Castle branch of the EL as the B&O Chicago to Pittsburgh main line already serves New Castle. This proposal should not be allowed to interfere with N&W operation between Cleveland and Youngstown.

Bessemer & Lake Erie Railroad is interested in acquiring the Sharon-Shenango portion of this line and is concerned that if Chessie's proposals are approved there would be no ConRail interchange with B&LE at either Shenango or Sharon. B&LE further states that an additional carrier would be introduced into routes through Shenango involving movements beyond Sharon.

Pittsburgh & Lake Erie believes that with only 55,000 carloads generated annually at the Sharon and related Shenango Valley points, there is no justification for adding a new carrier to replace EL. P&LE would not oppose Chessie's acquisition of that portion of EL between Leavittsburg, Ohio and Transfer, Pa., which is currently used by EL for main line trains bypassing the Youngstown area.

Project CS-16

Description: Chessie System (Baltimore & Ohio) to acquire Erie Lackawanna trackage between Greenville, Pa. and East Salamanca, New York, including Oil City Branch.

RSPO Review

Chessie's interest in acquisition of this segment of the EL is either as (1) a portion of a through route connecting B&O and EL points west of Warren-Youngstown and B&O and EL points north and east of Salamanca, New York, or (2) acquisition of tracks necessary to provide continued rail service to shippers on the lines designated.

A coordination study by Chessie and EL indicated that use of the EL tracks by B&O between Warren-Youngstown and Salamanca, New York, would provide a shorter and faster route for B&O. The volume of traffic, however, was not sufficient to justify anticipated trackage rights charges. Studies are anticipated in collaboration with USRA, to determine whether combined B&O-EL traffic will justify this route. If not justified, then Chessie indicates an interest in serving EL shippers at common points.

The Pennsylvania Glass Sand Corp. supports this proposal indicating it must have good rail service and improved transit time to be competitive. PGSC also favors "mothballing" surplus track for a period of time pending possible further use.

Project CS-18

Description: Chessie System (Baltimore & Ohio) to acquire rail properties or leasehold interest now owned by Erie-Lackawanna and Lehigh Valley or acquire trackage rights over Buffalo Creek RR.

RSPO Review

Buffalo Creek Railroad is a Terminal Switching Railroad serving waterfront and other industries for carload freight only, operating 5.66 miles of line with a

total trackage of 34.22 miles connecting with all railroads in the city of Buffalo, N.Y.

Chessie System's C&O and B&O lines are not physically joined at Buffalo, N.Y. A connection could be easily accomplished by the acquisition of trackage rights over the Buffalo Creek Railway in combination with other trackage rights in existence or to be acquired in the area.

Resolution of projects USRA-1 and USRA-3 could result in Chessie Systems desiring to also acquire EL's interest in the Buffalo Creek Railway.

The Lehigh Valley Railroad is opposed to this acquisition, contending it would lose a significant traffic base in the Buffalo area.

Project D&H-1

Description: Delaware & Hudson to acquire trackage rights over Penn Central Wilkes-Barre, Pa. to Alexandria, Virginia.

RSPO Review

In the Plan, this project was shown in Appendix D-3 Part I but has been changed by errata sheet to D-3 Part II. Since the PC (USRA Line 192/192a/192b) between Wilkes Barre, Pa. and Sunbury, Pa. is not recommended to be included in ConRail, it is not clear as to the route this project proposes.

The Delaware & Hudson Railway is greatly concerned about the restructuring process as it is heavily dependent upon overhead traffic received from connecting railroads. During 1974, about 60% of its cars were interchanged with other roads, a total of over 270,000 cars.

The D&H indicates that, at the present time, the only specific recommendation for the D&H is a proposed extension of its operations to Allentown, Pa. via the present route of the Lehigh Valley Railroad, and D&H is studying its feasibility. There is strong need for D&H to preserve its north-south routes.

The Richmond, Fredericksburg & Potomac Railroad Co. supports the D&H proposal to obtain trackage rights from Wilkes-Barre, Pa. to Alexandria, Va. (RF&P's Potomac Yard). The RF&P is committed to north-south service and suggests that Chessie be required to commit to the operation of daily, fast, and dependable connecting freight service between D&H at Allentown and Potomac Yard or give D&H trackage rights to Potomac Yard.

Central Vermont Railway is intensely competitive with D&H for north-south international traffic and is concerned that D&H's route extension would be detrimental to CV traffic and is opposed to D&H extending its route to Allentown, Pa. or beyond. CV suggests a better arrangement would be to encourage Chessie to reach D&H at Wilkes-Barre, Pa.

Montpelier & Barre Railroad supports CV in its

opposition to this proposal indicating it would affect CV's overhead traffic.

The State of Vermont Agency of Development and Community Affairs, the Central Vermont Chamber of Commerce, the Rock of Ages Corp. and the Connecticut Terminal Co. are opposed to this proposal as it may weaken CV's competitive position for overhead traffic, and thus threaten rail service through Vermont and other northeastern states.

Project DT&I-1

Description: DT&I acquire ownership or trackage rights over Penn Central between Cincinnati and South Charleston via "Little Miami" route, or DT&I acquire ownership or trackage rights over Penn Central between Springfield and Ivorydale via Dayton thence over B&O to L&N and Southern connection at Cincinnati. Also acquire ownership or trackage rights over Penn Central to L&N and Southern via Undercliff.

RSPO Review

DT&I's prime concern in advancing this project is to gain access to Cincinnati for direct connections with the L&N and SOU. The projects are not dependent on traffic originating or terminating on lines proposed to be acquired as they are intended primarily to afford DT&I access to the Cincinnati Gateway. The DT&I submission to RSPO further describes the alternative proposals most likely to be implemented as follows:

1. Trackage rights over approximately 73.3 miles of the PC Big Four line from Springfield (Maitland) via Dayton to Cincinnati-Undercliff Yard.
2. Trackage rights over approximately 34.4 miles of the PC Little Miami line from South Charleston via Xenia to Dayton thence approximately 52.8 miles over the PC Big Four line to Cincinnati-Undercliff Yard (total approximately 87.2 miles)
3. Trackage rights over approximately 18.4 miles of the PC Little Miami line from South Charleston to Xenia, acquisition of approximately 58.4 miles of PC Little Miami line from Xenia to Rendcombe Junction (3.2 miles south of Plainville) and trackage rights over the remaining approximately 1.6 miles of PC Little Miami line into Cincinnati-Undercliff Yard. (total approximately 78 miles)

The DT&I points out that historically DT&I has enjoyed access to Cincinnati by means of through trains run jointly by DT&I and PC (or its predecessor PRR).

Since 1955, an operating agreement allows the DT&I to run through trains from its Flat Rock Yard, near Detroit to Cincinnati with DT&I locomotives. PC crews operate these trains south of Springfield for the last leg into Cincinnati. DT&I locomotives operate in the reverse direction from Cincinnati to Flat Rock Yard under the same crew arrangements. This 1955 operating

agreement allows the DT&I to reach L&N and SOU connections at Cincinnati.

The DT&I states that at present it is a profitable railroad operating only in the restructured region and is vulnerable to competition from the N&W, C&O, and PC (ConRail) operating in the region. The DT&I feels that if it does not obtain direct access to Cincinnati, its ability to remain an independent and viable railroad will be seriously impaired, and in the long run perhaps destroyed.

The stock of DT&I has been owned since 1950 by Pennsylvania Co., a subsidiary of Penn Central, but DT&I has been and continues to be operated as an independent railroad. DT&I desires to retain its independent status.

Most of the DT&I's traffic is concentrated in the Detroit-Toledo areas with the part of its line south of Detroit-Toledo generating only about 22 percent of the gross freight revenue.

The DT&I points out that its two major competitive strengths; (1) friendly connections with other carriers, and (2) a superior competitive position with respect to industries in southeastern Michigan, have been eroded in recent years. The N&W-Wabash-Nickel Plate merger, along with N&W's acquisition of the PRR Sandusky to Columbus branch and N&W's acquisition of the strategic AC&Y have deprived the DT&I of friendly connections it enjoyed with these roads until the 1960's. The C&O's control of the B&O also effectively deprived the DT&I of several strategic B&O connections. Moreover, the NYC-PRR merger deprived the DT&I of its natural working partner (PRR), making rate, route, and service improvements difficult. The DT&I now fears that USRA's restructuring will deprive the DT&I of two more friendly connections—the El at Lima, Ohio and the AA at Diann, Michigan.

The DT&I also fears that ConRail (perhaps through a substantial government subsidy) will be able to compete more effectively in the substantial southeastern Michigan market where the PC has been DT&I's sole competitor.

The DT&I feels that its survival is dependent on the traffic it can retain and develop with its remaining friendly connections through the Cincinnati Gateway. Without access to Cincinnati, DT&I anticipates the loss of \$3,300,000 of its gross revenue realized by its present Cincinnati traffic flow.

The PC reports that the present use of the South Charleston to Cincinnati "Little Miami" line (DT&I #3) is through and local freight service, and Amtrak passenger service on the 18.4 mile segment from South Charleston to Xenia. From Xenia to Clare (56.3 miles), the line is not used except for a few local patrons. From Clare to Cincinnati-Undercliff Yard (approximately 3 miles), the line is used to serve industries and make

connections. Stations on this line generated 1,503 carloads on the PC in 1974.

The PC reports that stations on the Big Four Springfield-Dayton-Cincinnati line (DT&I #1) generated 100,531 carloads on the PC in 1974. This does not include overhead traffic.

The Little Miami Railroad Company, Cincinnati, Ohio, owns approximately 170 miles of line in Southwestern Ohio which is presently under long-term lease to the PC. Portions of this line are involved in the DT&I's projects and the Little Miami Railroad supports the DT&I acquisition of the Little Miami line (DT&I #3). The Little Miami Railroad points out that 49.6 miles of the line in DT&I #3 (Spring Valley to Clare) are not recommended for inclusion in the ConRail System (See USRA Lines 515, 516, 516a, 516b and 516c).

Connecting Railway Company, Philadelphia, Pa., is the majority owner of the Little Miami Railroad, and Connecting supports the DT&I's acquisition of the Little Miami line in DT&I #3.

The Southern Railway supports the DT&I's entry into Cincinnati as it will preserve the competition presently existing between Cincinnati and Michigan. SOU states that this competition is vital to Southern and other carriers using the Cincinnati gateway and that the rapidly-growing north-south market is presently big enough to support the DT&I, Chessie, and ConRail. Competition between these three lines will serve to improve service to Cincinnati.

The Chessie System (B&O-C&O) oppose DT&I entry into Cincinnati, stating that the present service of the PC and Chessie already provides competitive single-line routes between Detroit/Toledo and Cincinnati. A third single-line carrier (DT&I) would work to the detriment of the two present competitive carriers, PC (ConRail) and Chessie. Chessie also fears loss of overhead traffic presently routed via AA-DT&I-Chessie to Cincinnati, and loss of L&N and SOU coal traffic presently moving from Cincinnati via B&O-C&O to the Ford Motor Company at Toledo, which is also served by the DT&I. Approximately 5,000 carloads of overhead and coal traffic could be diverted to the DT&I.

The N&W opposes DT&I entry into Cincinnati, stating that there is already sufficient competition in the Detroit-Cincinnati market (Chessie, PC (ConRail), and the N&W to a limited extent) to meet the interests of the public. The N&W also fears loss of approximately 10,000 annual carloads which the DT&I interchanges with the N&W at Glen Jean, Ohio, which could be diverted by the DT&I to L&N or Southern connections at Cincinnati.

The Detroit and Toledo Shore Line Railroad opposes DT&I entry to Cincinnati because of threatened loss of revenue.

Eli Lilly Co. of Indianapolis, Ind. favors the project if additional routings and gateways are established to their plants in Indiana.

Detroit Edison of Detroit, Michigan strongly supports DT&I access to Cincinnati because of the strengthened rail service on coal traffic.

Peerless Cement Co. of Detroit, Michigan supports DT&I entry into Cincinnati, feeling that the DT&I is an efficient, well-managed railroad.

Dundee Cement Co. of Dundee, Michigan supports DT&I entry into Cincinnati, stating that the DT&I provides the best route and service on a large volume of their coal moving through the Cincinnati gateway.

Ford Motor Company supports DT&I's acquisition of the Cincinnati gateway. Ford is heavily dependent on the DT&I and feels this project will assure the continued viability of the DT&I which is surrounded by many corporate rail giants.

Allied Chemical Corporation of Morristown, New Jersey, states that it is absolutely necessary for the continued financial success of the DT&I that it be granted access to L&N and SOU connections at Cincinnati.

Globe Union Inc. of Owosso, Michigan supports Project DT&I-1.

Campbell Soup Company of Napoleon, Ohio supports DT&I-1 as being in the best interest of shippers.

Project EJ&E-1

Description: Elgin, Joliet & Eastern to acquire Penn Central line between Hegewisch and South Chicago, Illinois.

RSPO Review

EJ&E has withdrawn this proposal from further consideration on the assumption ConRail will serve the line.

Project GTW-5

Description: Grand Trunk Western to acquire all Penn Central terminal trackage at Lansing, Michigan.

RSPO Review

Grand Trunk Western, Penn Central, and Chessie System all serve Lansing, Michigan. Traffic figures for 1974 indicates PC handled 21,304 carloads (exclusive of TrailVans & Flexi-Flo) of freight at Lansing. In addition PC interchanged 207 cars with Chessie and 50 cars with GTW.

In the Plan, it is recommended that the portion of the Saginaw Branch, USRA Line No. 455, between Jackson, Michigan and Lansing, Michigan be included in ConRail. PC now provides yard, local and through freight service.

GTW now serves Lansing and is willing to acquire necessary PC track and terminal facilities to continue service to PC industries.

GTW believes there is no justification for three competing railroads serving this medium-sized market area and that the area should not be served by ConRail. If this area is served by only two railroads, their access to the market should be equalized in order to maintain the competition required by the Act and demanded by the shipping public.

Project CS-9 covers acquisition of PC trackage by Chessie at Lansing in order to continue service to PC shippers. Chessie believes GTW's proposal is a major market extension and that to allow GTW to serve PC Lansing patrons to the exclusion of Chessie would not be in the public interest.

The St. Louis Southwestern Railway expressed concern regarding this proposal pointing out that substituting GTW for PC would result in GTW handling traffic through the Chicago gateway, whereas PC handled much of this traffic through the St. Louis gateway. This diversion of traffic would adversely affect St. Louis Southwestern's profitability.

Project GTW-6

Description: Grand Trunk Western acquire the Penn Central trackage within Saginaw and Bay City, Michigan.

RSPO Review

Penn Central, Chessie System, and Grand Trunk Western all now serve Saginaw and Bay City, and Detroit & Mackinac Ry. also serves Bay City. Traffic figures for 1974 indicate PC handled 14,556 carloads of freight at Bay City and 6,326 carloads at Saginaw. At Bay City PC interchanged 21 cars with Chessie, 46 with GTW and 1,968 with D&M in 1974. At Saginaw, PC interchanged 101 cars with Chessie and none with GTW.

Project MI-5 proposes that GTW abandon its line from Bay City to Saginaw and acquire trackage rights over PC or that PC abandon its line and acquire trackage rights over GTW. Project MI-9 proposes that D&M to abandon its Bay City line and acquire trackage rights on PC and operate joint yard facilities at Bay City.

In the Plan, it was recommended that Line Segments No. 447/447a/447b (Bay City to Saginaw) be included in ConRail, which would isolate Saginaw-Bay City-Midland from ConRail if trackage rights over connecting roads cannot be acquired.

GTW is interested in acquiring PC trackage needed to continue service to shippers on those tracks at Bay City and Saginaw. GTW feels that three carriers provide excessive competition, but that the need for two carriers is fully justified in the area.

Should PC withdraw from this area, GTW believes it will be vital for the preservation of competition, as well as the future of GTW, that the carload originat-

ing and terminating capacity for GTW and Chessie in the area be equalized. This proposal would enable GTW to increase utilization of its facilities and thus have a more efficient operation.

Chessie System believes this proposal is contrary to the public interest, and that Chessie's ability to handle traffic to Western and Southern gateways in addition to Eastern locations makes Chessie the logical candidate to take over service to PC industries in Saginaw and Bay City, Michigan.

The St. Louis Southwestern Railway Co. expressed concern regarding this proposal, pointing out that substituting GTW for PC would result in GTW handling traffic through the Chicago gateway, whereas PC handles much of this traffic through the St. Louis gateway. This diversion of traffic would adversely affect St. Louis Southwestern's profitability.

Central Warehouse Co. and Michigan Sugar Co. support GTW in this proposal.

Project GTW-7

Description: Grand Trunk Western to acquire and operate the Penn Central track from Bay City to Midland, Michigan, 19 miles, including the terminal facilities at Midland.

RSPO Review

Under this project Grand Trunk Western would acquire approximately 19 miles of PC track between Bay City and Midland, Michigan, and other necessary track to continue rail service to PC patrons. GTW currently operates into Bay City but not into Midland.

PC and Chessie now furnish rail service to patrons in Midland, Michigan. Chessie's Ludington-Saginaw-Detroit main line runs through Midland, while Midland is at the stub-end of the PC line. Traffic figures indicate PC handled 10,838 carloads in 1974 and Chessie handled 20,636 carloads of freight in 1973 at Midland. In 1974 PC also handled 296 carloads in Auburn and 14,354 cars of freight at Bay City, Michigan. In addition, PC interchanged 21 cars with C&O, 46 cars with GTW, and 1,968 cars with D&M at Bay City.

In the Plan, it was recommended that Line Segments No. 443 (Midland to Bay City) No. 447/447a/447b (Bay City to Saginaw) be included in ConRail. However, Line No. 455a (Saginaw to Lansing) was not recommended to be included in ConRail, which would isolate Midland from ConRail if trackage rights over connecting roads cannot be acquired.

The Eli Lilly & Co. feels there should be at least two carriers to insure competition in the area. Central Warehouse Co. supports this proposal for GTW service.

Chessie System strongly believes that this proposal is a major market extension and is contrary to the public interest. In Project No. CS-7, Chessie offered to acquire

PC trackage needed to continue service to shippers on those tracks at Midland.

St. Louis Southwestern Ry. is opposed to this proposal account of possible diversion and loss of traffic.

Project GTW-9

Description: Grand Trunk Western to acquire Penn Central facilities at Oxford, Rochester, Lapeer and Saginaw. Chesapeake and Ohio to acquire Penn Central terminal facilities at Vassar, Michigan.

RSPO Review

The Penn Central segments of track involved in this project are:

*USRA Line No. 446—Saginaw to Harger—3.0 miles

*USRA Line No. 446a—Harger to Denmark Jct.—12.8 miles

USRA Line No. 444a—Denmark Jct. to Vassar—4.9 miles

USRA Line No. 445—Vassar to Millington—6.6 miles

USRA Line No. 445a—Millington to Lapeer Jct.—19.8 miles

USRA Line No. 445b—Lapeer Jct. to Oxford—16.2 miles

USRA Line No. 688—Oxford to Utica—22.9 miles—Rochester is on this line.

*In the Preliminary System Plan these line segments are recommended to be included in ConRail.

Local freight service is performed by PC on these lines, except Saginaw which is served as part of a through freight route.

Grand Trunk Western serves Rochester, Oxford, Lapeer and Saginaw. Chessie System serves Vassar and Saginaw.

Traffic figures indicate PC handled 6,326 carloads of freight at Saginaw, 10 at Rochester, 25 at Oxford, 344 at Lapeer, 667 at Vassar, and 25 at other points on these line segments during 1974. PC interchanged 28 cars at Rochester, 96 cars at Oxford, 335 cars at Lapeer, all with GTW, and 2 cars at Vassar and 101 cars at Saginaw with Chessie.

GTW indicates the implementation of this project is required to maintain GTW viability in face of increased competitive pressures from ConRail and Chessie. Projects GTW-6 and CS-8 cover GTW's and Chessie's position regarding Saginaw.

Chessie believes that GTW's acquisition of PC trackage in Oxford, Rochester, and Lapeer appears to be in the public interest in that service would continue to be provided to industries at these locations while excess PC trackage could be abandoned.

The St. Louis-Southwestern Railway is concerned that this project could result in traffic diversion and loss of traffic to St. Louis-Southwestern.

Union Camp Corp. supports this proposal.

The Oxford Chamber of Commerce has indicated it has no objection to being served by GTW, if the service is comparable or better than present PC service. However, it believes line segments 688 and 445b should be retained in ConRail unless there is a fully committed plan for service by GTW.

Project GTW-11

Description: Grand Trunk Western to acquire and operate 28 miles of Penn Central trackage between Grand Rapids (Walker) and Muskegon, Michigan.

RSPO Review

In the Plan, USRA Line No. 472 between Walker and Muskegon, Michigan, about 28 miles, is not recommended to be included in ConRail.

PC traffic figures for 1974 indicate this line originated/terminated 944 carloads of freight. In addition, PC interchanged 1 car at Muskegon with GTW and 6 with Chessie. PC is now serving this line with a local freight about two days per week.

GTW is interested in acquiring this line and indicates its acquisition is required to maintain its viability in face of increased competitive pressures.

The West Michigan Shoreline Regional Development Commission fully supports the acquisition and operation of this line by the GTW.

The Brunswick Corporation maintains a manufacturing facility located on a PC siding at Muskegon. Brunswick has no objection to PC discontinuing service on this line provided the track is turned over to GTW at a nominal cost and GTW maintain service on the line.

The St. Louis-Southwestern Ry. Co. is opposed to this proposal due to possible diversion and loss of traffic.

GTW-12

Description: Grand Trunk Western to acquire and operate approximately 61 miles of Penn Central line between Vicksburg and Grand Rapids and Branch line between Plainwell and Otsego, also Penn Central terminal facilities in Grand Rapids assuming Penn Central discontinues operations north of Grand Rapids, Michigan.

RSPO Review

The Penn Central segments of track covered by this project are:

USRA Line No. 461a—Cumstock to Grand Rapids—11.9 miles

USRA Line No. 460—Grand Rapids to Plainwell—30.8 miles

USRA Line No. 463—Plainwell to Otsego—4.4 miles

USRA Line No. 464a—Plainwell to Kalamazoo—9.6 miles

USRA Line No. 459/459a—Kalamazoo to Vicksburg—13.5 miles

In the Plan, *all* of these PC line segments are recommended to be included in ConRail. This trackage is part of a principal PC route from Elkhart, Indiana to Kalamazoo and Grand Rapids. Local and through freight service, as well as terminal switching in Grand Rapids, are performed by PC.

Grand Trunk Western and PC serve Vicksburg, Kalamazoo, and Grand Rapids, and Chessie serves Grand Rapids.

Traffic figures indicate PC handled 6,570 carloads of freight at Kalamazoo, 30,833 at Grand Rapids, and 8,907 at all other stations between Vicksburg and Grand Rapids in 1974. In addition PC interchanged 454 cars with GTW and 3,802 cars with Chessie in 1974.

GTW proposes to acquire approximately 61 miles of PC trackage between Vicksburg and Grand Rapids and necessary terminal facilities to serve PC patrons. GTW believes two competitively equal railroads could serve these areas efficiently and economically, and that there would be no adverse effects on other roads in the Region if this proposal is implemented.

Union Camp Corp. favors this proposal as its plant would not be left on the stud-end of the ConRail system, and GTW would give good service.

Chessie System believes that this proposal is a major market extension for GTW and is contrary to the public interest. (See CS-10 regarding Grand Rapids.)

The St. Louis-Southwestern Railway is opposed to this proposal due to possible diversion and loss of traffic.

Project ITRR-1

Description: Illinois Terminal to acquire Penn Central trackage over which it now has trackage rights Peoria and Decatur, Illinois.

RSPO Review

This project has been modified by Illinois Terminal Railroad Co. to provide for the acquisition of Penn Central properties (including terminal facilities) between Decatur and Peoria, Illinois, and upon acquisition of same to abandon 28.2 miles of ITRR line between Lincoln and Allentown, Illinois. ITRR submission indicates this line generated only 55 carloads of freight in 1973; 30 of which were at Lincoln being handled for ITRR by Illinois Central Gulf under a contractual arrangement.

ITRR proposes acquisitions of PC lines and rights between Decatur and Peoria as follows:

Line No. 610/610a—Decatur to Maroa—Trackage rights on the ICG—12 miles—No traffic figures.

Line No. 611—Maroa to Waynesville—19.5 miles—Offered for sale in Appendix D-2—USRA traffic figures 574 carloads in 1973.

Line No. 611a—Waynesville to Atlanta—6.1 miles—Not in service.

Line No. 611b—Atlanta to East Peoria and Peoria—40.5 miles—Offered for sale in Appendix D-2—USRA traffic 648 carloads in 1973.

These line segments were not recommended to be included in ConRail. This route would provide ITRR a preferred alternate route between Decatur and Peoria, points already served by ITRR and ITRR could maintain local service. ITRR's interest in this project is dependent upon a favorable decision with respect to the entire line including operating rights, and a partially favorable decision will not be acceptable.

PC operates via trackage rights over the Norfolk & Western between Farmdale Jct. and P. & P.U. Jct. PC also operates over ITRR by trackage rights between Allentown and Morton (about 7 miles) which is included in line segment 611b.

PC operates over the Decatur to Maroa ICG line by means of a trackage rights agreement which will expire September 1, 1975. The rights conferred in this agreement may not be transferred or assigned by PC and ICG has indicated it will not grant use of this trackage to ITRR.

Project ITRR-2

Description: Illinois Terminal acquire P&E between Peoria, Ill. and Indianapolis, Ind.

RSPO Review

In the Plan, the Association recommends that the Peoria, Illinois to Indianapolis, Indiana Route Line Segments 616, 617, 617b and 617c be included in ConRail.

As a result, Illinois Terminal has *withdrawn* this proposed project from further consideration subject to the following:

- (1) The ConRail System will include these line segments.
- (2) ConRail will continue to observe established connections and interchange arrangements at the stations of Urbana, Mackinaw, and Peoria, Illinois.
- (3) ConRail will honor present contractual obligations by which Illinois Terminal operates over the Peoria and Eastern between Champaign-Urbana, Ill. and DeLong, Ill., through trackage right agreements.

Project ITRR-3

Description: Illinois Terminal to acquire Penn Central trackage between Decatur, Ill. and Terre Haute, Ind.

RSPO Review

In the Plan, the Association recommends that the Paris, Ill. to Terre Haute, Ind. Line Segment 618 be included in ConRail and Line Segment 609 Decatur to Paris, Ill. not be included.

Under these circumstances Illinois Terminal has withdrawn this proposed project from further consideration.

Project N&W-2

Description: Norfolk and Western and/or Delaware & Hudson to acquire ownership or trackage rights between Wilkes-Barre and Hagerstown via Harrisburg.

RSPO Review

N&W has indicated interest in this property as a through route connecting N&W with its Delaware & Hudson subsidiary. The mileage involved in the proposed route is about 190 miles. Trackage rights would be a sufficient means of acquiring the route.

If Norfolk & Western operates Orrville, Ohio, to Harrisburg, Pa. (Project USRA-4), N&W would have available direct routings north and south at Harrisburg. The proposed route includes a segment of about 50 miles, South Danville to Wilkes-Barre, (USRA Lines 192/192a/192b), recommended not to be included in ConRail and N&W could assume local service over that section. This project could provide a competitive route as an alternative to the Allentown-Potomac Yard route.

Chessie System has taken position that the proposed acquisition is not in the public interest citing that in proposal CS-5 Chessie to acquire trackage or trackage rights from Lurgan via Harrisburg to the Allentown/Bethlehem and greater Philadelphia areas, which would afford direct connection with the Delaware & Hudson; that the N&W-2 proposal would add another unneeded railroad over duplicate routes while serving to the detriment of Chessie by placing in jeopardy a portion of the traffic handled by B&O to/from Philadelphia and Wilmington and beyond, as well as Western Maryland traffic interchanged with N&W at Hagerstown and the Reading at Lurgan, and Alphabet Route traffic handled by WM between Connellsville and Lurgan; further, that the N&W proposal does not result in abandonment of any excess trackage.

St. Louis-San Francisco Railway reports it presently is able to compete for traffic destined to or received from some industries located on the segments involved in N&W-2 when the traffic moves through the St. Louis gateway and that the proposal would very likely divert traffic away from the St. Louis gateway to the Kansas City gateway since it would afford N&W a longer haul.

Lehigh Valley has indicated opposition to the proposal, citing that some traffic now routed D&H-Dupont-

LV-Allentown-Reading would be diverted to D&H-Wilkes-Barre-N&W, and that substantial revenue would be diverted from Lehigh Valley to D&H-N&W.

Richmond, Fredericksburg and Potomac RR Co. objects to and opposes any northeastern acquisitions by N&W to extent such acquisitions operate to extend N&W's direct reach and control of north-south markets not currently served, on grounds that a significant volume of existing RF&P overhead traffic would be diverted to the Hagerstown gateway with potential impairment to RF&P's profitability. RF&P also believes such extension of N&W represents unwarranted and wasteful duplication of service going beyond scope of the Act's requirement for preservation of competition.

Ford Motor Co. supports proposal N&W-2 as it would offer a competitive north-south route in the eastern part of the region.

Allied Chemical supports proposal in N&W-2 because with ultimate removal of freight traffic from the Northeast Passenger Corridor, it is necessary, to assure continued viability of D&H, that fast connection be provided between D&H and N&W to afford an alternate north-south route to the one formed by CNJ-RDG-Chessie.

Eli Lilly & Co.'s comments on N&W-2 indicate support by citing need for a connection for north-south and east-west traffic.

Project N&W-11

Description: Norfolk and Western to acquire 28.86 acres of land and associated trackage and operating agreements from Penn Central at Melvindale, Michigan.

RSPO Review

N&W's current lease with PC covering the above acreage and trackage expires August 1, 1975. The property is used for loading of automobiles and is needed by N&W to continue this operation. Purchase is desired to assure continued access and use of the property, which at same time will make needed funds available to Penn Central.

Some autos are parked on the parcel for PC and some are loaded at the facility for PC, for which PC pays on pro rata basis. Some are also driven from the parcel and loaded by PC on their tracks. About 80 percent of the autos loaded are built by Chrysler.

Latest survey shows acreage totals 28.95 (instead of 28.86), including strip for the access track to reach the loading facilities.

St. Louis-San Francisco Ry. and St. Louis Southwestern Ry. expressed concern that implementation of this proposal would permit N&W to bypass the St. Louis gateway in favor of the longer haul to the Kansas City gateway, which would adversely affect them.

Project N&W-13

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

RSPO Review

N&W's submission described this proposed project as "N&W acquire the Peters Creek Branch of the Penn Central, a 14 mile segment of track extending north and east to Cornelia, W. Va., from an intersection with the Nicholas, Fayette and Greenbrier Railroad at Peters Junction, W. Va. and serve the Peters Creek Branch by the acquisition of trackage rights (a) over PC from N&W's intersection at Deepwater Bridge, W. Va., northwesterly to Swiss, W. Va., a distance of about 15 miles, and (b) over NF&G from Swiss to Peters Jct., about 8 miles."

Peters Creek Branch is served by NF&G mine run shifter crews operating out of Rainelle, W. Va., with empties and loads being exchanged with PC at Swiss, W. Va. PC crews operating out of Dickinson, W. Va. handle cars between Dickinson Yard and Swiss.

PC traffic data indicates Peters Creek Branch generated 10,191 carloads of freight, mostly coal, during 1974.

N&W would require trackage rights over the segment of track between Gauley Bridge and Swiss (USRA Line No. 514g) in addition to trackage rights over 8.5 miles of NF&G between Swiss and Peters Jct., W. Va. to be able to serve Peters Branch (514c). In the plan, it is recommended that USRA Line Nos. 514g and 514c be included in ConRail.

Chessie System indicated that acquisition of these lines by N&W would be contrary to the public interest because of circuitry of routing which would be inevitable and the possible proliferation of new rates and interchange points, which would reduce N&W revenues and increase its costs. Further, additional fuel would be consumed in moving the traffic over N&W's circuitous and mountainous routes in contrast to movement over Chessie.

The St. Louis-San Francisco Railway expressed concern that N&W would likely divert traffic away from the St. Louis gateway to N&W's more distant gateway at Kansas City.

N&W believes that, in view of Chessie's potential acquisition of the other half of NF&G (CS-2) and the main PC line thru the district (CS-12), there may be a deterioration of competitive rail service. Further it states that N&W acquisition of the Peters Creek Branch will insure maintenance of some competitive rail service in this area.

Project N&W-14

Description: Cleveland to Youngstown, Ohio, N&W to acquire Erie Lackawanna trackage between Cleveland and Youngstown, possibly limited to trackage rights between Leavittsburg and Warren.

RSPO Review

N&W has indicated interest in acquiring EL's Cleveland to Youngstown line, the length of which is 67.1 miles, and with which N&W connects at Cleveland and crosses at grade at Solon (on N&W's Chagrin Falls Branch), about 17 miles from Cleveland. This line was formerly a double-track, heavy-duty rail line, the capacity of which has been reduced in recent years by the single-tracking of large portions.

The two principal areas to be served by this acquisition are Cleveland and Youngstown; there is little business in the rural area between these cities. At Cleveland, the proposed acquisition joins with N&W's Lake Erie Division, which extends eastward to the Niagara frontier gateway at Buffalo, and connects with points to the west and south at Bellevue, Ohio. The Cleveland-Youngstown line would be operated as a feeder line to serve Youngstown in close coordination with N&W through service on the main line passing through Cleveland.

Project USRA-4 proposed N&W operations on the Penn Central main line from Orrville, in central Ohio, to Harrisburg, Pa. If both that proposal and N&W-14 are approved, N&W may wish to substitute Youngstown for Orrville as the Central Ohio point from which operations on the PC main line would commence. It is indicated that in such an eventuality, the Cleveland to Youngstown Line would take on the increased significance of a through route.

N&W believes the proposed acquisition to be in the public interest for two major reasons:

1. N&W does not now serve the Youngstown area; that N&W's assumption of EL operations there would preserve the same number of competitors in the Youngstown vicinity as at present; that ConRail and Chessie will already have significant positions in these markets and another line to this area from Cleveland would be redundant and anti-competitive if added to a carrier other than N&W.
2. In recent years many shippers on the bankrupt railroad have experienced difficulty in obtaining sufficient freight cars to meet their normal car supply requirements. N&W is reported as a major carrier of steel and experienced in serving the steel industry's needs, having, for example, over the last several years constructed in its shops about 3,000 new gondola cars specifically for steel loading.

N&W does not feel its proposed acquisition of the Cleveland to Youngstown line necessarily conflicts with Chessie's CS-15 proposal, which includes portion of the

EL main line in vicinity of Warren and Youngstown, nor that the CS-15 proposal needs to conflict with N&W-14. This is discussed in some detail in N&W's submission in response to Project CS-15.

In Chessie's supplementary statement on N&W-14, reasons are given why Chessie believes the proposed acquisition is not in the public interest:

1. Youngstown area is more than adequately served by Chessie, P&LE, Penn Central, as well as EL, whose line N&W wishes to acquire.
2. Extension of N&W into Youngstown area would not result in elimination of any excess railroad trackage, but would add another railroad, resulting in diminution of revenues for railroads presently serving Youngstown-Chessie, PC, and P&LE.
3. Annual Chessie traffic in jeopardy amounts to approximately 21,000 carloads.
4. Not in public interest to extend market area of one solvent railroad at detriment of another and Con-Rail, particularly when no track reduction benefits would result.

P&LE opposes acquisition by N&W of the EL line between Cleveland and Youngstown, stating:

1. It would have an adverse effect upon the profitability of P&LE, which is described as the dominant local railroad in the area on basis of size of its facilities and operations, the latter includes serving all major shippers in Youngstown direct or through its subsidiary, Lake Erie & Eastern, and providing industry switching for all major railroads serving the area.
2. N&W's entry into Youngstown would replace present EL service between Cleveland, Warren, and Youngstown, and as such N&W would gain access to a major market area it does not presently serve and gain additional traffic at the expense of Con-Rail, Chessie, and P&LE.
3. P&LE submits it would be more consistent with goals of the Act and with the public interest for the involved EL lines in the Youngstown area to be acquired and operated by one of the three other railroads now serving this area; that P&LE is the only one of these carriers that does not directly serve Cleveland from Youngstown with its own line; that P&LE has long participated in interline movements with PC and EL between Cleveland and points on its own lines and largely for this reason advanced its own proposal to acquire the EL line.

St. Louis-San Francisco Railway reports it is able under existing conditions to compete for traffic destined to or received from some industries located on the segments involved in N&W-14 when the traffic moves through the St. Louis gateway, but that the proposal would very likely divert traffic away from the St. Louis

gateway to the Kansas City gateway since it would afford N&W a longer haul.

St. Louis-Southwestern Ry. feels the proposed acquisition by N&W would permit N&W to gain control of important traffic points and/or routes throughout the Eastern District and thus permit N&W to bypass SSW's St. Louis gateway in favor of Kansas City, thus adversely affecting SSW unless, as a condition, N&W were required to divest itself of its trackage between Kansas City, on the one hand, and St. Louis and Decatur, Ill., on the other, to a Western District carrier.

Jones and Laughlin Steel Corp. has registered objection to Project N&W-14, feeling its best interests would be served by single line (P&LE) service between Cleveland and Pittsburgh-Alliquippa.

Youngstown Sheet and Tube Co. has indicated support of Project N&W-14, in order to obtain single line service on iron ore from N&W dock at Huron, Ohio, to Youngstown, as well as from the Cleveland docks to Youngstown, and to be better assured of a supply of empty cars for ore loading.

Pennsylvania Glass Sand Corp. has indicated agreement with proposal in Project N&W-14, but would prefer P&LE acquisition of the EL Warren to Cleveland line.

Project N&W-15

Description: N&W to acquire trackage of or trackage rights over Erie Lackawanna from Buffalo to Northern New Jersey and access to some additional traffic base in that area. Also, trackage of or trackage rights over EL from central Ohio to Hornell, N.Y., if required for service or operating reasons.

RSPO Review

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

St. Louis-San Francisco Ry. and St. Louis-Southwestern Ry. expressed concern that implementation of this proposal would permit N&W to bypass the St. Louis gateway in favor of the longer haul to the Kansas City gateway, which would adversely affect them.

Lehigh Valley opposes the acquisition proposed in this project stating it would result in an annual traffic loss to LV of 88,073 carloads.

Central Railroad of New Jersey indicated concurrence and suggested that N&W coming into the area would offer possibility of N&W connecting with a Neutral Terminal company and providing competition if Chessie extends its operations to the Northern New Jersey area.

Ford Motor Co. indicated support of three Carrier System, generally as outlined in Preliminary System Plan.

Eli Lilly & Co. would require, with implementation of N&W-15, a direct route into Port Side Terminal,

N.J., and routes and gateways to be established with PRSL via CNJ trackage.

Project N&W-16

Description: N&W to acquire trackage of our trackage rights over Erie Lackawanna from Buffalo to Waverly, then of or over Lehigh Valley to Northern New Jersey, with connection to Delaware & Hudson at Binghamton

RSPO Review

RSPO did not receive a specific response from N&W, EL, or D&H.

Lehigh Valley favors the proposal, stating best segments of EL and LV would be used which should result in significant cost savings and a reduction in running time of about 3 hours compared with movement via EL, and would afford competitive access to eastern and New England markets.

Central Railroad of New Jersey indicated concurrence and suggested that if N&W came into the area it would offer the possibility of N&W connecting with a neutral Terminal company and providing competition to Chessie if Chessie extends its operations to the Northern New Jersey area.

St. Louis-San Francisco Ry. and St. Louis Southwestern Ry. expressed concern that implementation of this proposal would permit N&W to bypass the St. Louis gateway in favor of the longer haul to the Kansas City gateway, which would adversely affect them.

Project P&LE-4

Description: P&LE acquire trackage rights or ownership of Penn Central trackage Youngstown to Ashtabula, Ohio.

RSPO Review

P&LE proposes to acquire trackage rights or ownership of PC line from Youngstown, Ohio, over the Youngstown Branch (Valley Division) to Ashtabula Harbor, Ohio, a distance of 59.7 miles. This would provide an extension of the P&LE main line from Youngstown to Ashtabula. This line extension would result in single line service to numerous patrons on the P&LE, also P&LE would render service as required to shippers located along this line. P&LE does not contemplate acquisition of the coal and ore piers at Ashtabula. However, it expects to obtain the right to provide rail service to and from the piers directly or through switching arrangements.

P&LE would also use this line to effect interchange with main east-west lines of N&W and ConRail at Ashtabula. Currently most P&LE traffic is interchanged at Youngstown with PC and Erie Lackawanna.

PC traffic figures indicate 130,421 carloads of freight

generated along this line in 1974 with 128,054 cars being generated at Ashtabula. At Youngstown in 1974 PC interchanged 176,154 cars with P&LE and significantly fewer cars with the B&O. EL, LE&E and Y&N Railroads.

PC currently provides local service and through freight service on the Youngstown Branch between Youngstown and Ashtabula, Ohio. This line is recommended to be included in ConRail as a primary through freight route.

Several large steel companies indicated their support for this P&LE project pointing out that it would permit single line service from Ashtabula to their plants, would improve utilization of equipment thus improving car supply, and in general, bring about improved rail service in the area.

Project P&LE-5

Description: Penn Central close Conway rail barge coal transload facility and enter agreement for joint use of P&LE Colona facility at Aliquippa, Pa.

RSPO Review

The only response RSPO received on this proposal was from the Pittsburgh and Lake Erie Railroad. P&LE offered no objections to closing of the PC Conway rail barge facilities. However, P&LE indicated it was essential that the capacity of its Colona facility be increased to handle the additional tonnage.

Project P&LE-10

Description: Pittsburgh and Lake Erie to acquire Penn Central lines between Kabuta, Pa. and Weirton, W. Va.

RSPO Review

The association determined that this project would not materially impair the profitability of any railroad in the region or ConRail based on the project as described that P&LE acquire PC lines between Kobuta, Pa. and Weirton, W. Va., approximately 32 miles.

P&LE now requests that this project include the acquisition of or trackage rights over an additional five mile portion of the Wheeling Secondary track from Weirton Junction to Follansbee, W. Va. in order to provide direct service by P&LE to industries located at East Steubenville and Follansbee, W. Va. as well as those at Weirton, W. Va.

If acquired, P&LE anticipates that it will restore the line between Shippingport, Pa. and Chester, W. Va. and rehabilitate the existing line from Kobuta to Weirton. Upon restoration of the lines, P&LE would expect to utilize the line as an extension of its Ohio River Branch and serve all local patrons including National Steel Corp. (Weirton Steel), Wheeling-Pittsburgh Steel Corp., and Koppers Co.

P&LE proposed acquisitions involves PC lines as follows:

Line No. 352—Kobuta to Shippingport, Pa.—5.7 miles. Duquesne Light Co. has leased a portion of this line and P&LE provides rail service via its own lines and trackage rights over PC—Offered for sale in Appendix D-2—No traffic figures.

Line Segment—Shippingport, Pa. to Chester, W. Va.—approximately 7.0 miles—Track no longer in service and a portion has been removed.

Line No. 713—Chester to Weirton, W. Va.—19.0 miles—PC provides local service Weirton, W. Va. to Chester. USRA traffic figures for 1973 indicate this line generated 6,538 carloads of freight, excluding Weirton, W. Va. traffic. PC traffic figures for 1974 indicate this line generated 101,173 carloads of freight, however this included Weirton traffic.

Line No. 645—Weirton Jct. to Follansbee, W. Va. 4.1 miles—No traffic figures.

Line segments 713 and 643 are served by Penn Central and both are recommended to be included in ConRail.

Koppers Company maintains an important production facility at Follansbee, W. Va. and is served by PC. Koppers urges approval of this proposal indicating any improvement of rail service would return significant traffic back to the rails which is now being handled by competitive transportation modes.

Project RF&P-2

Description: RF&P operate over or acquire Penn Central lines to reach end and intermediate points and connections with open routing at all connection points, Wilmington, Del. and Norfolk, Va.

RSPO Review

The Richmond Fredericksburg and Potomac Railroad Company has withdrawn this proposed project from further consideration.

Project SOU-4

Description: Southern Railway to acquire Edge Moor Yard at Wilmington and all lines east and south of the Northeast Corridor main line including Shellpot secondary tracks, line from Bridge to Ragan and from Porter to Newark. All lines from Edge Moor Yard to Cape Charles, carfloat operation between Norfolk and Cape Charles, and all Penn Central tracks in and around Norfolk, Virginia. Southern would propose to acquire the branch lines on the Peninsula Line with the following exceptions:

Line from Cape Junction to Keptoepoke (probably already retired).

Crisfield Branch from Kings Creek to Crisfield.

Willard Branch from Salisbury to Parsonburg.

Vienna Branch from Hurlock to Vienna.

The Oxford Branch from Easton to McDaniel (probably already retired).

The Denton Branch from Denton to Queens-town.

The Chestertown Branch from Massey to Chestertown.

The Centerville Branch from Townsend via Massey to Centerville unless the present shipper subsidy arrangement or a similar appropriate arrangement is continued.

Also trackage rights as needed to provide direct connection to B&O and RDG at Wilmington.

RSPO Review

In its submission Southern indicated that the following represents a more specific description of this project:

Southern proposes to acquire Edge Moor Yard at Wilmington and, also, all Penn Central tracks on the Delaware River side of the Washington-New York Corridor main line except for any access tracks ConRail desires to maintain for access to Edge Moor Yard and the Corridor main line; all Reading tracks between the Corridor main line and Delaware River including the rail river transfer facilities, the tow boat and car floats and Reading Wilmington Yard immediately adjacent to the Corridor main line on the land side of the Corridor; all lines between Edge Moor Yard and Cape Charles including the car float operation between Cape Charles and Norfolk; and all Penn Central tracks in and around Norfolk, Virginia.

Under this project Southern proposes to acquire PC rail lines on the Delmarva Peninsula, the Cape Charles-Little Creek (Norfolk) Ferry, PC rail properties in Norfolk, PC and Reading Co. tracks and facilities in Wilmington, and the Reading's Delaware River Car Float. Southern indicates it would continue the operation of rail and float services on all lines, except those branch lines listed above which would be operated only under subsidy. Southern has indicated that access to the metropolitan Wilmington traffic is essential to the viability of the Delmarva Peninsula line.

Southern indicates it has the resources to make capital improvements in the yard and terminal facilities, to eliminate deferred maintenance of track, and to operate a viable railroad on the Peninsula. Further, Southern states that acquisition and operation of these properties offers the only viable alternative to cessation of rail service on much of the Delmarva Peninsula.

While recognizing that the acquisition and operation of these properties will improve its competitive position, Southern does not believe it will impair the profitability of ConRail or any other railroad in the region.

Under the Association's Plan, there are 16 Branch line segments (totaling over 200 miles of railroad) on the Delmarva Peninsula in Delaware, Maryland, and Virginia, which are not recommended to be included in ConRail. In addition, the rail float operations and 63.5 miles of the Pocomoke Secondary track between

Pocomoke and Cape Charles are not recommended to be included in the Plan.

Service is now performed at Wilmington, Delaware by PC, B&O, and RDG; Newark, Delaware by the PC and B&O; and Carneys Point and Gibbstown, New Jersey by Pennsylvania-Reading Seashore Lines. The RDG operates from the Wilmington area across the Delaware River to Carneys Pt. and Gibbstown, New Jersey. PC now performs local and through service southward from Wilmington down the Delmarva Peninsula to Cape Charles, thence by rail car float to Little Creek yard and connections with other railroads.

PC traffic figures for 1974 indicate PC originated and/or terminated 66,390 carloads of freight between Wilmington, Delaware and Norfolk, Virginia, including end points. In addition, PC interchanged 350 cars with RDG and 4,289 cars with B&O at Wilmington; 138 cars with C&O; 3,823 cars with N&W, and 2,132 cars with Norfolk Southern (Southern Railway) at Norfolk; and 4,057 with SCL, 4,549 with Southern, and 28 with N&W at Portsmouth, Virginia.

The Eastern Shore Railroad Company submitted information to the effect it is incorporated under the laws of the State of Delaware. This is an independent, privately financed company created for the purpose of acquiring and operating the rail properties in the Delmarva Peninsula. It has indicated an interest in acquiring the entire PC Delmarva rail network for the purposes of continuing rail operations. Such interest includes the Reading's Delaware River float operations and the Cape Charles-Little Creek float operations.

Richmond, Fredericksburg & Potomac specifically opposes the proposal of Southern to acquire and operate the Delmarva line and the Cape Charles float operation into Norfolk. RF&P has no opposition to Southern or anyone else acquiring and operating the railroad lines on the Delmarva Peninsula. However, RF&P vigorously opposes acquisition and operation of the Cape Charles car ferry because, under control of Southern, it will create a new competitive mainline through service under the control of a large and vigorous railroad.

RF&P believes Southern would be in a position to divert substantial traffic away from the Potomac Yard Gateway, which would adversely affect and impair the profitability of the RF&P. Further, RF&P states that implementation of this proposal would adversely affect other railroads in the region and that this proposal cannot be found to comply with the provisions and standards of Section 5 of the Interstate Commerce Act.

RF&P suggests a "friendly" routing and pooling agreement involving Chessie, N&W, RF&P, SCL and SOU covering operations and traffic in the area between Wilmington, Delaware and Wilson, North Carolina, utilizing existing lines of these railroads and passing through Potomac Yard. This would not include the

Cape Charles Float operations, which then could be abandoned.

St. Louis-Southwestern Ry. Co. is concerned that, if this proposal is implemented, the Southern will gain control of traffic originating and/or terminating in the Wilmington area and thus would influence traffic flow between Wilmington and the Western District to bypass SSW's St. Louis gateway connection in favor of the New Orleans gateway. This would impair SSW's profitability.

Central Railroad of New Jersey is opposed to this proposal, believing there is no need to introduce another carrier into this area. Further, this proposal contemplates the substituting of an expensive float operation for the present all land route handling north-south traffic.

At hearings conducted by RSPO there were no less than 12 State governors, senators, delegates, and city mayors who supported Southern's proposal.

Numerous state, county, city and area planning organizations, chamber of commerce groups, representatives of the Port Authority, State Corp. Commission, and transportation bodies supported Southern's proposal (more than 20).

Numerous individuals, representing themselves, labor, and shippers and receivers of freight all supported Southern's proposal (more than 40).

The testimony emphasized the need for rail service in the area for the promotion of the agricultural, fishing, poultry, and building industries, as well as other light and heavy industries. Further, it was stated that the Cape Charles float operation is needed to maintain a through route and to preserve the traditional north-south route for high and wide shipments. It is expected that Southern would not only maintain service but would greatly improve the quality of the service.

Project TP&W-1

Description: Toledo, Peoria & Western to acquire track-age rights over Penn Central between Effner, Illinois and Logansport, Indiana.

RSPO Review

TP&W proposes to acquire the PC line from Effner to Logansport to maintain its connection with ConRail and to protect its through traffic. TP&W interchanges 51,300 carloads of freight annually with PC.

The PC line from Effner, Ill. to Kenneth, Ind. (USRA Line No. 630) is not recommended to be included in ConRail. Traffic figures submitted by TP&W indicates that 4,632 carloads of freight were originated and terminated on this line in 1974.

TP&W contends that the acquisition of this line is critical to its continued viability and without this line TP&W's through traffic, which accounts for 50 percent of its revenues, would be lost.

The United Transportation Union expressed opposition to this proposal, contending it would disturb established gateways and affect movements at other interchange points.

The St. Louis-Southwestern Ry. expressed concern that implementation of this proposal would impair the profitability of St. Louis-Southwestern.

Eli Lilly Co. conditionally supported the proposal.

Allied Chemical Corp. supports the proposal as being of major importance to TP&W's east-west route which avoids the congestion of St. Louis and Chicago.

N&W and CN&W opposed this proposal contending that an eastward extension of TP&W operations could change trunk line flows between western and eastern railroads.

Project TP&W-3

Description: TP&W acquire trackage rights over Penn Central between Sheldon, Ill. and Indianapolis, Ind.

RSPO Review

TP&W has indicated this proposal has been changed as follows: "TP&W to acquire trackage between Sheldon, Illinois and Sheff, Indiana in order to interchange with ConRail into Indianapolis".

The TP&W currently has an interchange with PC at Sheldon, Illinois. The portion of PC's Cincinnati-to-Kankakee Line (No. 577a) between Sheff, Indiana and Kankakee, Illinois running through Sheldon, Illinois is not recommended to be included in ConRail.

TP&W has expressed an interest to acquire approximately 8 miles of PC track between Sheldon and Sheff to maintain an Indianapolis connection with ConRail.

The Illinois Central Gulf Railroad, the Chicago and Northwestern Railway Co., the Norfolk and Western Railway Co. and the St. Louis-San Francisco Railway each expressed opposition to this proposal as originally described in the Plan.

Project USRA-1

Description: Chessie System to acquire entire Erie Lackawanna Railway Company.

RSPO Review

The Preliminary System Plan does not include a line segment study of Erie Lackawanna Railway Company. It does, however, contain nine major proposed projects which involves the Chessie System and the Norfolk & Western acquiring large segments of the entire EL. These projects include USRA-1, which covers the proposed acquisition of the entire EL by the Chessie System, and USRA-2 wherein the N&W would acquire the entire EL.

RSPO did not receive a response from the EL on this proposed project.

Chessie indicated that studies are under way to determine what portions of the EL might be profitably acquired and operated by Chessie. Chessie's interest in this project would be conditioned upon receiving designation in the Final System Plan of abandonment of major portions of the EL which are largely duplicative of existing routes.

Should studies determine that this project is financially feasible, Chessie feels this project would provide a worthwhile alternative for inclusion in the Final System Plan, with the condition that it is accompanied by designation of major route and trackage eliminations which are essential to the structuring of a financially viable railroad system operating in the private sector in the Northeast.

Lehigh Valley indicated no major effects will occur to LV provided that LV continues to be granted trackage rights over Erie Lackawanna between Owego-Binghamton and Elmira-Waverly and Chessie access to industry in New Jersey is limited to that on EL trackage. Within these constraints LV has no objection to this acquisition.

Central of New Jersey RR indicated it favors a neutral terminal company with the extension of N&W and Chessie into the area.

Eli Lilly Co. expressed concern about this proposal as it seems to understand Chessie is to be given tracks from Campbell Hall via Poughkeepsie Bridge into Connecticut and on to Providence, Rhode Island.

Pittsburgh & Lake Erie Railroad is opposed to Chessie's acquisition of the entire EL. P&LE would not be opposed to this project, however, if the acquisition of EL trackage between Warren, Ohio and Greenville, Pa. was limited to the EL line from Leavittsburg, Ohio to Transfer, Pa. This segment of the EL is currently used by EL for main line freight trains by-passing the Youngstown area.

Project USRA-2

Description: Norfolk & Western Railway Company to acquire entire Erie Lackawanna Railway Company.

RSPO Review

The Preliminary System Plan does not include a line segment study of the Erie Lackawanna Railway Company. It does, however, contain nine major proposed projects which involve the Chessie System and the Norfolk & Western Railway Company acquiring large segments or the entire EL. These projects include USRA-1 which covers the proposed acquisition of the entire EL by the Chessie System, and USRA-2 wherein the N&W would acquire the entire EL.

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

The Lehigh Valley is opposed to this proposal, con-

tending all traffic now routed N&W-LV would be diverted to N&W-EL, resulting in an annual loss of 88,073 carloads of freight by Lehigh Valley.

The St. Louis-San Francisco Railway and the St. Louis-Southwestern Railway expressed concern that the implementation of this proposal would permit N&W to by-pass the St. Louis gateway in favor of the longer Kansas City gateway which would adversely affect them.

Eli Lilly Co. indicated it would prefer that the N&W operate Lehigh Valley trackage east of Buffalo, N.Y.

Pittsburgh and Lake Erie Railroad is opposed to N&W's acquisition of the entire EL. P&LE would not be opposed to this project, however, if the acquisition of EL trackage between Warren, Ohio and Greenville, Pa. was limited to the EL line from Leavittsburg, Ohio to Transfer, Pa. This segment of the EL is currently used by EL for main line freight trans bypassing the Youngstown area.

Project USRA-3

Description: Chessie System to acquire trackage of/or trackage rights over Erie Lackawanna from Buffalo to Northern New Jersey and access to some additional traffic base in that area. Also trackage of or trackage rights over EL from Central Ohio to Hornell, N.Y., if required for service or operating reasons.

RSPO Review

Chessie's interest in this project is conditioned upon studies currently underway to determine whether the proposed acquisitions can be accomplished on a profitable basis to Chessie. Its implementation would be conditioned upon major coordination of EL and Chessie trackage West of Buffalo and the elimination of Chessie and/or EL routes, including Chessie's Cross-Canada route which would be largely duplicative of the ConRail route through Ontario.

Lehigh Valley Railroad foresees no major effects to LV provided LV continues to be granted trackage rights over EL between Oswego-Binghamton and Elmira-Waverly, and Chessie access to industry in New Jersey is limited to that on EL trackage.

Eli Lilly & Co. is concerned regarding project and is under the impression Chessie would be given tracks from Campbell Hall via the Poughkeepsie Bridge into New Haven and Hartford, Connecticut, and Providence, Rhode Island.

Project USRA-4

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

RSPO Review

The rail line in which it is proposed N&W acquire some proprietary interest, accompanied by 50 percent control, extends from Harrisburg, Pa. westward to Orrville, O., and is presently a portion of Penn Central's main line between New York and Chicago. The total mileage for this main line route is 371.3 miles. In addition, N&W proposes inclusion of an alternative bypass around Pittsburgh, which, although about 14 miles longer than the principal route around the south side of Pittsburgh, has lesser grades and is well suited for heavy freight operations. In addition, after further study N&W may prefer to operate over the Bayard cut-off between Rochester, Pa. and Fairhope, O., rather than through Alliance, O.

By proposing to acquire interest in the Harrisburg-Orrville line, N&W seeks equal access with ConRail to industry along the proposed routes and would operate over industrial sidings or related trackage to reach on-line customers. If N&W's acquisition of EL's Cleveland-Youngstown line, as proposed in N&W-15, is approved, N&W desires to retain the option of substituting Youngstown for Orrville as the western terminus of the PC acquisition, reducing the main line mileage involved by about 60 miles.

The major centers of heavy industry on the PC lines proposed for N&W acquisition are Johnstown and Pittsburgh, Pa., and Alliance, Canton and Massillon, O. Of these five areas, only the last two are presently served by N&W.

At Harrisburg, the N&W's acquired line would connect at Enola Yard with ConRail giving shippers a choice of routing to or from the west. Also, the line in the Harrisburg area would connect with the N&W line linking Wilkes-Barre and Hagerstown, proposed in N&W-2 as a direct connection between N&W's Atlantic Region and N&W's D&H subsidiary.

N&W feels its proposed access to the east is especially important because of being shut out of major eastern markets without such a connection, considering that under the proposed ConRail system, ConRail would have solid dominance of areas east of Pittsburgh, coupled with its thorough coverage of the midwest. N&W suggests that an Eastern Terminal Company operating east of Albany/Harrisburg is necessary for this proposal fully to serve its purpose of putting N&W on a more equal competitive footing with ConRail.

A computer run for the year 1973 listing Penn Central traffic originated or terminated, received or delivered on the lines proposed for acquisition indicates a total of more than 321,000 cars.

N&W's position is that approval of its acquiring an interest in the Harrisburg-Orrville line would improve rail service and benefit the public in two principal ways.

(1) N&W would be given access to the east through a major traffic assembly and distribution area like

Harrisburg and avoid a ConRail monopoly on large segments of traffic in the east.

(2) The proposal would give N&W a chance to provide competitive service to on-line customers, mainly steel producers and other heavy industries, the benefits to whom would be chiefly (a) a greater number of locations accessible by single line service, and (b) shippers would have two sources of car supply.

As to effect of the proposed acquisition on other railroads, N&W's position is that, since it does not propose to acquire the Harrisburg-Orville route entirely, but rather a partial ownership interest coupled with joint control, N&W is not guaranteed any new traffic; that the major traffic impact would be to reduce somewhat the stronghold ConRail would have on traffic to and from the east, and points out that USRA in the Preliminary System Plan found that N&W's proposed acquisition of the Orville to Harrisburg route would not materially impair the profitability of ConRail or any other railroad in the region.

Amtrak operations would not be adversely affected by the extended N&W operations proposed.

Chessie feels its existing routes and revenue divisions will be adversely affected and that the proposed acquisition is not in public interest in that available revenues would be divided between N&W, ConRail, and Chessie; that large portion of Chessie traffic to and from Philadelphia/Wilmington and beyond, Alphabet Route, and N&W-Hagerstown could be diverted and lead to uneconomical or restrictive service impairments.

Lehigh Valley opposes granting trackage rights to Allentown-Bethlehem area as LV feels it could suffer erosion of business from that area.

St. Louis-San Francisco Ry. and St. Louis Southwestern Ry. expressed concern that implementation of this proposal would permit N&W to bypass the St. Louis gateway in favor of the longer haul to the Kansas City gateway, which would adversely affect them.

Pennsylvania Governor Milton J. Shapp questioned, since no data was furnished, how it could be determined that such a project would not impair profitability and requested that ICC require submission of detailed supporting material and allow rail users and the public to examine both the evidence and those who submitted it.

Project USRA-5

Description: Norfolk & Western to acquire rail properties of Buffalo Creek Ry. or leasehold interest now owned by Erie Lackawanna or Lehigh Valley or acquire trackage rights.

RSPO Review

Buffalo Creek Railroad is a terminal switching road (34.22 miles) in Buffalo, connecting with all roads. Interchange between N&W and BCR is generally han-

dled through Bison Yard, although some unit trains are occasionally interchanged through the connection with BCR at BC crossing at Buffalo, Jct.

In addition, N&W has three trackage rights agreements with BCR covering connections for effecting interchange with South Buffalo Ry., Penn Central (former PRR) and Lehigh Valley.

N&W desires that these trackage rights agreements be continued but has not indicated any interest in acquiring the rail properties or leasehold interest in Buffalo Creek Ry., now owned by Erie Lackawanna and Lehigh Valley.

St. Louis-San Francisco Railway and St. Louis Southwestern Railway expressed concern that N&W's acquisition of BCR would result in diversion of traffic away from the St. Louis gateway to the Kansas City Gateway.

Chessie System desires trackage rights over Buffalo Creek Railway (see CS-18). Also resolution of Projects USRA-1 and USRA-3 could result in Chessie System desiring to also acquire EL's interest in the Buffalo Creek Railway.

USRA APPENDIX D-4 PROJECTS

Project IN-15

Description: Penn Central (ConRail) to acquire the Baltimore & Ohio (Chessie System) from Jeffersonville, Ind., to Louisville, Ky. inclusive, with B&O to abandon its line from North Vernon, Ind. to Jeffersonville, Ind. Service would be continued on acquired segment and discontinued on abandoned segment.

RSPO Review

Project IN-1 covered a companion proposal wherein Chessie would abandon its line from North Vernon to Jeffersonville and acquire trackage rights over PC. Project IN-1 was withdrawn by Chessie.

Project CS-11 covers a proposal for Chessie to acquire necessary Penn Central trackage to continue service to PC shippers in Louisville, Ky.

In the Plan, the PC lines from Indianapolis, Ind. into Louisville, Ky. were recommended to be included in ConRail.

No submissions were received from PC or Chessie on this project.

The Detroit and Toledo Shore Line Railroad objected to this proposal to possible traffic diversion from D&TSL.

Project IN-16

Description: Penn Central (ConRail) to acquire one mile of Norfolk and Western track in the Indianapolis Terminal area now being used only by PC.

RSPO Review

Several years ago, a highway project undertaken in this area resulted in abandonment of about 1,300 feet of track leaving the one mile of track in question isolated from other N&W track.

The Penn Central presently has the exclusive use of this mile of track as a part of their main line, through lease arrangement with the N&W.

The N&W has no further need for this track and disposition is desired in order to be relieved of ownership and maintenance costs.

Project MA-7

Description: Penn Central (ConRail) to acquire trackage rights over Boston & Maine from Boston, Mass., to Rotterdam Junction.

RSPO Review

Under this proposal, ConRail could route some trains over the B&M reducing the volume of traffic over the PC doubletrack main line from Albany to Boston, permitting single-tracking of this line with centralized traffic control. Distance involved is approximately 200 miles.

The Delaware & Hudson expressed concern that the additional traffic on the B&M could result in congestion, and thus interfere with the heavy volumes of D&H traffic over the B&M. Further, D&H stated that if the PC line is to be used for a high speed line for TOFC/COFC traffic, this could adversely affect D&H TOFC/COFC traffic moving over the possibly congested B&M route.

The Providence and Worcester Co. is not opposed to this proposal provided both PC and B&M lines are used for both general freight and TOFC/COFC. P&W does not want to lose its direct connections with two competitive east-west lines.

Project MA-8

Description: Penn Central (ConRail) to acquire the Boston & Maine Line from Creamery to Wheelwright, with B&M to abandon its line from Canal Junction to Forest Lake and its trackage rights over PC from Forest Lake to Creamery and over Central Vermont from Amherst to Canal Junction, Mass. with service discontinued on segment to be abandoned.

RSPO Review

Under this project it is proposed that—

1. B&M abandon trackage rights over C.V. Amherst to Canal Jct. (8.8 miles).
2. B&M abandon its line Canal Jct. to Forest Lake (6.76 miles).

3. B&M abandon trackage rights over PC Forest Lake to Creamery (11.2 miles).

4. PC to acquire B&M line Creamery to Wheelwright, Mass. (2.11 miles).

RSPO did not receive any information as to the volume of traffic being handled by B&M. However, B&M is operating only one crew per week out of Northampton, Mass. to serve all stations on the 38 miles between Northampton and Wheelwright, Mass. B&M has one patron on the Wheelwright Branch which they would normally serve. However, that company is closed at this time. B&M would like to abandon its track and trackage rights and let PC serve the Wheelwright Branch and CV serve the area between Forest Lake and Amherst, Mass.

The PC Ware River Secondary Track (8-8a-9) is 25 miles long extending northeast from Palmer to South Barre, Mass., and is not recommended to be included in ConRail. The 11.2 miles of track Forest Lake to Creamery over which B&M has trackage rights is a part of the Ware River Secondary Track. B&M has no interest in taking over this line.

Project MD-2

Description: Penn Central (ConRail) to acquire trackage rights over, or outright, all or parts of the Baltimore & Ohio (Chessie System line from Washington, D.C. to Philadelphia, Pa. via Baltimore, Md. and Wilmington, Del. No service to be abandoned.

RSPO Review

RSPO did not receive a submission from Penn Central or Chessie regarding this proposed project. This involves the recommended regional rail industry structure and the removal of through freight operations from the Northeast Passenger Corridor.

RSPO has consistently endorsed the concept of removing through freight trains from the Northeast Corridor.

Project MI-12

Description: Penn Central (ConRail) to acquire trackage rights over Detroit, Toledo & Ironton from Detroit, Mich. to Delta, Ohio, including the operation of DT&I Flat Rock Yard as a joint facility yard. No service to be abandoned.

RSPO Review

The PC currently operates over its own tracks from Detroit, Mich. to Toledo, Ohio and westward through Delta, Ohio to Chicago. PC also operates several badly deteriorated yards in the Detroit area.

Detroit, Toledo and Ironton's Flat Rock Yard is located just south of Detroit. Under this proposed project, PC would operate over approximately 70 miles of

DT&I track from Detroit through Flat Rock Yard to Delta, and then back onto PC trackage.

Neither the PC or DT&I made any submission to RSPO on this proposal.

The Detroit & Toledo Shore Line Railroad Co. objected to this proposal contending it would pose as an

extreme threat to its viability due to possibility of diverting traffic away from D&TSL.

The Ford Motor Co. supports this proposal as a way for ConRail to avoid significant costs for additional yard facilities in Detroit and to improve the Detroit-Cincinnati connection.

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" or "Recently Abandoned Lines" about which comments were received. The Association's maps, description, traffic and service characteristics, viability 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. We have attempted, however, to check the Association's analyses for consistency. In doing so, we discovered many questionable items. There are many instances where the estimated number of round trips per year and the estimated time per trip appear to be excessive considering the length of the line and the traffic involved. It was also noted that some lines were charged with two locomotives when it would appear that the traffic handled and the grades on the line would require only one. On many lines, rehabilitation costs (to FRA Class I stand-

ards) were charged even though work papers indicate the line already meets those standards. In other instances it appears that the estimated upgrading costs would bring a line to a level higher than Class I. For example, on Line 579a between Knightstown and Carthage, Indiana, the Association charged the line with replacement of 2,586 ties per mile although only 640 good ties per mile are required to meet FRA Class I track standards. On this line, the upgrading cost appears to be three times greater than would be required to bring the line to Class I standards. Using a more accurate estimate of the upgrading required would probably result in this line showing a net positive contribution to ConRail, and thus being recommended for inclusion in ConRail. While it is impossible to verify these apparent inconsistencies without on-site observation, we believe they raise sufficient doubts that they must be checked.

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.

**PART I: LINES NOT RECOMMENDED BY USRA
FOR INCLUSION IN CONRAIL**

CONNECTICUT

Intrastate

PC

USRA line number	Terminals
41	Willimantic to Terminus
46	Hartford to Wethersfield
47	Wethersfield to Rocky Hill
50	Hartford to Griffins
52	Center Street Branch near Meriden
53/53b	Waterbury to Bristol
55	Simsbury to Farmington
60	New Milford to Canaan
674	Plainfield to Willimantic
685	East Hartford to East Windsor

Interstate

Connecticut to Rhode Island

43	Groton, Connecticut to Hills Grove, R.I.
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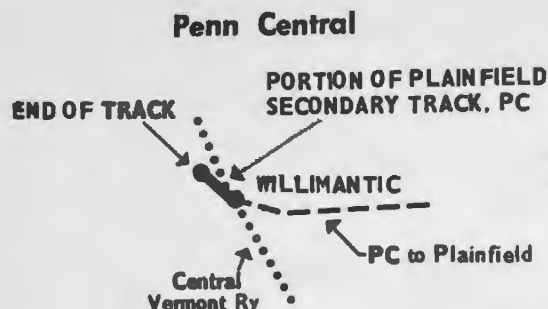
Connecticut to Massachusetts

40	Webster, Mass. to Southbridge, Mass.
54	Simsbury, Conn. to Westfield, Mass.
59	Canaan, Conn. to South Lee, Mass.
678a	Auburn, Mass. to Putnam, Conn.



USRA ANALYSIS

PORTION OF PLAINFIELD SECONDARY TRACK USRA Line No. 41



This portion of the Plainfield Secondary Track, formerly part of the New Haven RR, extends from *Willimantic, Conn.* (Milepost 23.3), to *End of Track near Willimantic* (Milepost 24.1), a distance of 0.6 mile, in Windham County, Connecticut. The continuation of this line, also under study in this Report, extends eastward from Willimantic to Plainfield. This line also connects with the Central Vermont Ry at Willimantic.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Willimantic ¹	134
Total carloads generated by the line.....	134
Number of round trips per year.....	52
Estimated time per round trip (hours).....	1.0
¹ Includes only traffic on segment.	
Revenue received by PC.....	\$20,166
Average revenue per carload.....	\$150
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	13,638
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	681
Cost incurred beyond the branch line.....	28,206
Total variable (avoidable) cost.....	42,525
Net contribution (loss) total.....	(22,359)

USRA Recommendation

It is *not* recommended that this portion of the Plainfield Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—In much of the testimony this line was considered in conjunction with line 674. For these lines combined, the loss of rail service would result in unemployment for 551 people with a loss of more than \$5 million in personal income according to the Eastern Connecticut Development Council.

—The Connecticut Development Council questions the figures used to determine the viability of the lines.

—The Eastern Connecticut Rail Alliance believes line 41 was mislabeled. USRA ignored a branch from Willimantic to North Windham which serves two companies—The Kendall Company and Home Gas Corporation whose volume and revenue were not included in the data. They would be 13 miles from any ConRail service if both lines 41 and 674 are abandoned.

—Without rail service the Kendall Co. alone would need 800 trucks a year to transport the 350 to 400 rail cars they handle yearly.

—Without lines 678a, 674, 41, and 40 Eastern Connecticut would lose all freight service.

—The Norwich & Worcester and the Providence & Worcester Railroads have expressed interest in operating this line.

—Consideration should be given to analyzing this line with USRA line segment 674. This segment appears to be a natural extension of that line and due to its short length seems to be an inappropriate candidate for a sub-segment analysis.

—Congressman Christopher Dodd testified that in 1974 lines 41 and 674 combined handled 2666 carloads.

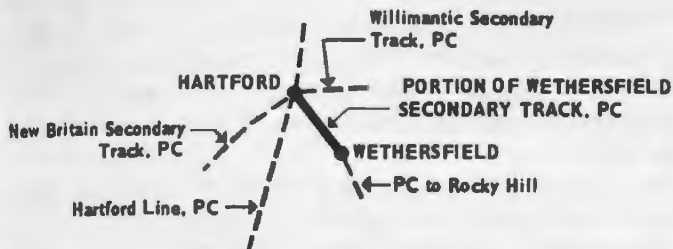
—Central Vermont wishes to acquire approximately 600 feet of this track in Willimantic which CV presently serves via trackage rights.

USRA ANALYSIS

PORTION OF WETHERSFIELD SECONDARY TRACK

USRA Line No. 46

Penn Central



This portion of the Wethersfield Secondary Track, formerly part of the New Haven R.R., extends from Hartford (Milepost 0.0), to Wethersfield, Conn. (Milepost 7.0), a distance of 7.0 miles, in Hartford County, Connecticut. This line extends southward from Wethersfield and is also under study in this Report. The line connects at Hartford with the Hartford Line, and the New Britain and Willimantic Secondary Tracks, all PC.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Wethersfield	240
Total carloads generated by the line.....	240
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3
Revenue received by PC.....	\$50,184
Average revenue per carload.....	\$209
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	60,986
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	5,111
Cost incurred beyond the branch line.....	39,667
Total variable (avoidable) cost.....	105,764
Net contribution (loss): total.....	(55,630)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Wethersfield Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony received from the Wethersfield-Rocky Hill Committee to Retain Rail Service which reported for USRA lines 46 and 47 combined stated that rail traffic in 1973 for both segments of the branch was 3100 cars more than the 312 cars shown in the PSP. These 3100 cars were generated by firms on the Hartford portion of the line, mostly located in the Regional Market, Brainard Industrial Park and Locust Avenue Industrial area.

—Five regular rail users project increased traffic over 1973 of 1014 cars in 1976, 1634 cars in 1977 and 1901 cars in 1978.

—Rail service discontinuance on the branch (line segments 46 and 47) would result in an estimated employment loss of 243 and income loss of over \$2 million not counting potential losses of Hartford firms using the branch line. Also, there would be about 1100 more truck trips through two towns bringing increased traffic congestion and noise pollution.

—The Connecticut DOT, in discussing line 46, feels that this line should begin at milepost 2.7 instead of 0.0. This would mean retaining the first 2.7 miles. This distance generates 3100 carloads annually and is profitable. The Connecticut Regional Market, which supplies a significant portion of the food used in the Hartford area is located on this 2.7 mile segment.

—The retention of this line is considered very important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution in the Hartford, Connecticut area.

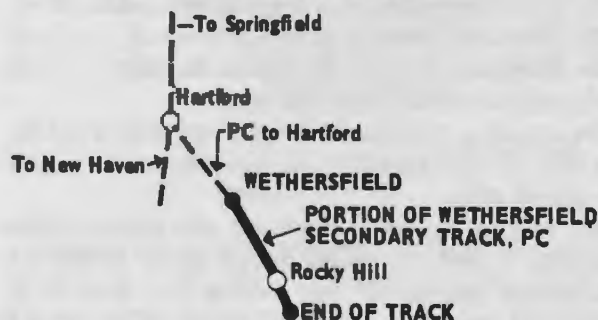
47 CONNECTICUT

USRA ANALYSIS

PORTION OF WETHERSFIELD SECONDARY TRACK

USRA Line No. 47

Penn Central



This portion of the Wethersfield Secondary Track, formerly part of the New Haven RR, extends from *Wethersfield* (Milepost 7.0) to the end of the track near *Rocky Hill, Conn.* (Milepost 9.8), a distance of *2.8 miles*, in Hartford County, Connecticut. The continuation of this line extends northward from Wethersfield to Hartford. It is also under study in this Report.

Summary of USRA Data

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

Rocky Hill	67
South Wethersfield	5

Total carloads generated by the line	72
Number of round trips per year	52
Estimated time per round trip (hours)	1
Revenue received by PC	\$20,896
Average revenue per carload	\$290

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	27,669
Cost of Upgrading Branch Line to FRA	
Class I: (1/10 of total upgrading cost)	7,222
Cost incurred beyond the branch line	14,853

Total variable (avoidable) cost 49,744

Net contribution (loss): total (28,848)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Wethersfield Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Wethersfield Rocky Hill Committee to Retain Rail Service, in its testimony, reported for USRA lines 46 and 47 combined. (See comment under line 46).

—The town of Rocky Hill is developing a 240-acre industrial park. Without rail lines 46 and 47, the community questions the park's possible success.

—It was reported that Connecticut Foundry and United Aircraft, handled 70 and 14 cars, respectively, in 1974.

—Connecticut Foundry in Rocky Hill expects to further increase use of rail to 140 carloads annually by switching from truck for coke and pig iron traffic.

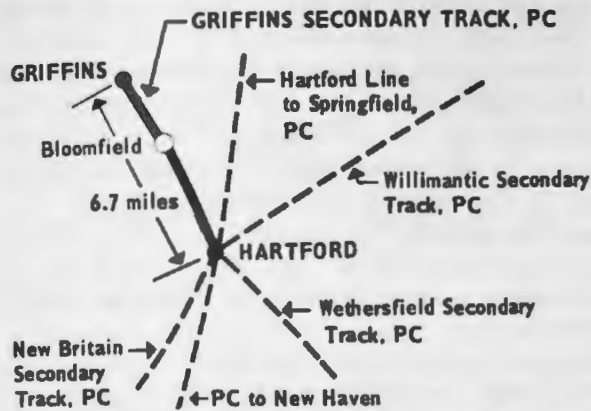
—The retention of this line is considered integral to the Transportation Control Plans of the Environmental Protection Agency. Significant reduction in air pollution in the Hartford, Conn., area is its main concern.

—Consideration should be given to analyzing USRA Lines 46 and 47 as a single line.

USRA ANALYSIS GRIFFINS SECONDARY TRACK

USRA Line No. 50

Penn Central



The Griffins Secondary Track extends from *Hartford* (Milepost 2.0) to *Griffins, Conn.* (Milepost 8.7), a distance of 6.7 miles, in Hartford County, Connecticut. This line connects at Hartford with the Hartford Line of the PC and with the Willimantic Secondary Track, the New Britain Secondary Track and the Wethersfield Secondary Track, all of them PC. The last-named is also under study in this Report.

Summary of USRA Data

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

Bloomfield	238
Griffins	78

Total carloads generated by the line..... 316

Number of round trips per year..... 150

Estimated time per round trip (hours)..... 5

Revenue received by PC..... \$90,930

Average revenue per carload..... \$288

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 90,695

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost).... 14,691

Cost incurred beyond the branch line.... 64,329

Total variable (avoidable) cost..... 169,715

Net contribution (loss): total..... (78,785)

USRA Recommendation

It is *not* recommended that the Griffins secondary track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Griffin Line User's Association say that operating information for this line should be two trips per week at four and a half hours each, yielding a savings of \$15,000 per year in operating costs over USRA figures and that the upgrading costs should be reduced by \$3,100 a year. They stated also that the 1974 traffic on the line was 351 cars.

—The Bloomfield Farmers Exchange Inc., testified they used 175 cars in 1974.

—Connecticut Printers also projected they will handle 160 cars of traffic over the line this year (1975). They will average 280 cars a year by the end of 1975.

—Congressman William R. Cotter pointed out that Connecticut Printers was not included in USRA's figures, and the potential rail traffic of Nationwide Moving & Storage was not considered.

—The Industrial Development Committee of the Bloomfield Chamber of Commerce feels that the large amount of land along the line available to industrial development will be in jeopardy if rail service is lost.

—The Connecticut DOT has this line under consideration as a potential mass transit corridor.

—The retention of this line is considered very important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution in the Hartford Connecticut area.

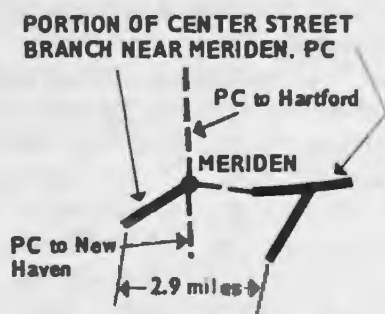
—An inconsistency is noted in that the USRA states that this line requires no upgrading to meet FRA Class I requirements; however, a figure of \$14,691 is listed as the cost of replacing the crossties necessary to upgrade this line.

USRA ANALYSIS

PORTION OF CENTER STREET BRANCH (NEAR MERIDEN)

USRA Line No. 52

Penn Central



This portion of the Center Street Branch, formerly part of the New Haven RR, extends *2.9 miles near Meriden, Conn.*, in New Haven County, Conn. This line connects with the Hartford line of the PC near Meriden. The PC applied to the ICC in September 1973 for permission to abandon this portion of the line (Docket AB-5 Sub. 200). No action has been taken on this application.

Summary of USRA Data

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

Meriden ¹	64
Total carloads generated by the line.....	64
Number of round trips per year.....	52
Estimated time per round trip (hours).....	1.0
¹ Includes only traffic on segment.	
Revenue received by PC.....	\$27,683
Average revenue per carload.....	\$432
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	24,195
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	2,825
Cost incurred beyond the branch line.....	14,047
Total variable (avoidable) cost).....	41,067
Net contribution (loss): total.....	(18,384)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

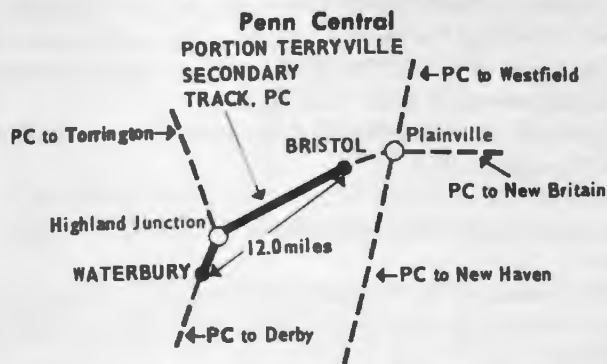
—Testimony concerning this line showed substantial interest in its potential if rehabilitated. The York Hill Traprock Quarry Co. bought 1.49 miles of the line in the eastern end of the City of Meriden in 1968 after it was abandoned with the understanding that the line from its point of abandonment to the main line would be rehabilitated by Penn Central. Penn Central did not restore the trackage leaving York Hill unable to use the line. If the branch were made usable again, the company says it could receive up to 1400 cars a year of washed sand from a plant in Springfield, Massachusetts.

—Union Manufacturing Company projects 61 carloads of coal annually if they change from an oil to coal boiler system. Decision is based on availability of service.

—Northeast Lumber Sales reported it had used the line for 72 cars in 1973 instead of the 64 stated in the report.

USRA ANALYSIS PORTION OF THE TERRYVILLE SECONDARY TRACK

USRA Line No. 53-53b



This portion of the Terryville Secondary Track, formerly part of the New Haven RR, extends from *Waterbury* (Milepost 0.0) to *Bristol, Conn.* (Milepost 12.0), a distance of *12.0 miles*, in Hartford and Litchfield Counties, Conn. A continuation of this line runs from Bristol to Plainville and beyond. At Waterbury, the line connects with the Waterbury Branch of the PC. It also connects at Highland Junction (Milepost 0.4), with the Torrington Secondary Track of the PC.

Summary of USRA Data

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

Terryville	144
Bristol ¹	402

Total carloads generated by the line.....	546
Number of round trips per year.....	52
Estimate time per round trip (hours).....	8.0

¹ Includes only shippers actually on this Segment.

Revenue received by PC.....	\$185,925
Average revenue per carload.....	\$341

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	120,030
Cost of upgrading branch line to FRA class	
I: (1/10 of total upgrading cost).....	9,594
Cost incurred beyond the branch line.....	126,861

Total variable (avoidable) cost.....	256,485
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Net contribution (loss): total.....	(70,560)
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USRA Recommendation

It is *not* recommended that this portion of the Terryville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Hubbard Hall Chemical Company stated that the line is profitable and contributing over \$45,000. Of the 250 cars received annually by Hubbard Hall, 100 contain lethal gases which require special equipment and handling and necessitated a specially constructed plant costing \$600,000.

—The Central Connecticut Regional Planning Agency and the Bristol Chamber of Commerce urged that approximately the last 3 miles of the line serving a \$3 million furniture plant, and a General Motors plant, be included in the system. According to the Chamber of Commerce, this New Departure Hyatt Division of GM had used a total of 439 cars in 1973. Including this part of the track would earn ConRail an estimated revenue of \$183 per car.

—According to the General Electric Company and the Railway Clearance Association, this track is a clearance route of Penn Central from Upstate New York through Poughkeepsie, New York; Danbury, Connecticut; Waterbury, Connecticut; and south to New Haven. It is required for large dimensional shipments into the Hartford and New Haven areas.

—Congressman Tobey Moffett reported 5 round trips are made weekly instead of the one reported by USRA.

—The 402 cars reported by USRA as attributable to Bristol for 1973 should be 475 according to the Central Connecticut Regional Planning Agency and the Connecticut DOT.

—Hubbard Hall reports 147 cars detoured over this line because they were over-dimensional. This makes the line total 766 for the line.

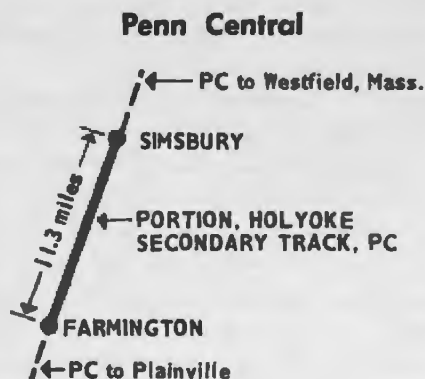
55

CONNECTICUT

USRA ANALYSIS

PORTION OF HOLYOKE SECONDARY TRACK

USRA Line No. 55



This portion of the Holyoke Secondary Track, formerly part of the New Haven RR, extends from Farmington (Milepost 3.4) to Simsbury, Conn. (Milepost 14.7), a distance of 11.3 miles, in Hartford County, Conn. Continuations of this line extend southward from Farmington and northward from Simsbury, both of which are also under study in this report (USRA line numbers 54 and 675 respectively).

Summary of USRA Data

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

Avon	202
Simsbury	102
Total carloads generated by the line.....	304
Number of round trips per year.....	156
Estimated time per round trip (hours).....	3
Revenue received by PC.....	\$94, 291
Average revenue per carload.....	\$310

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	112, 255
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	66, 244
Total variable (avoidable) cost.....	178, 499
Net contribution (loss): total.....	(84, 208)

USRA Recommendation

It is not recommended that this portion of the Holyoke Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Canal Line Rail User Association indicates that errors in cost figures used by USRA amount to \$141,000.

—It appears that USRA failed to include Eastman Color Printing Company's traffic. They handled 94 carloads in 1973, 444 in 1974, and project 500-600 carloads annually after that date.

—Sanford and Hawley, Inc.'s, traffic increased to 100 carloads in 1974.

—Loss of rail service will result in termination of 22 employees, \$150,000 in state taxes and \$8,300 in local taxes.

—New industry is hesitating to locate in the Avon Industrial Park due to the uncertain future of rail service.

—Local highways are not sufficient to handle the added volume by trucks if rail service is discontinued.

—This line is the only route in Connecticut capable of handling high-wide shipments such as transformers.

—The retention of this line is considered important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution, in the Hartford, Conn. area.

—The number of round trips per year and the estimated time per trip were questioned.

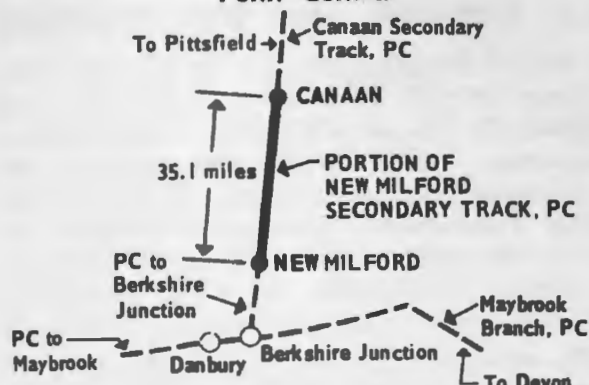
—Consideration should be given to the impact of a change in frequency of service in order to reduce on-branch costs.

USRA ANALYSIS

PORTION OF NEW MILFORD SECONDARY TRACK

USRA Line No. 60

Penn Central



This portion of the New Milford Secondary Track formerly part of the New Haven RR, extends from *New Milford* (Milepost 13.2) to *Canaan, Conn.* (Milepost 48.3), a distance of 35.1 miles, in Litchfield County, Connecticut. This line connects at Canaan with the Canaan Secondary track of the PC (also under study in this Report). A continuation of this line runs from New Milford to Berkshire Junction, near Danbury. The PC made application to the ICC in June 1972 for permission to abandon this line, Docket No. AB-5, Sub. 49. On September 17, 1974, the PC applied to the U.S. Railway Association for permission to abandon this line (USRA Docket No. 75-30). No action has been taken on either application.

Summary of USRA Data

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

Gaylordsville	6
Kent	36
Cornwall Bridge	12
Falls Village	2
Canaan	¹ 52
Total carloads generated by the line	108
See footnote at end of table.	
Number of round trips per year	81
Estimated time per round trip (hours)	5.0

¹ Includes only traffic on segment.

Revenue received by PC	\$78,976
Average revenue per carload	\$731

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	234,450
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	29,188
Cost incurred beyond the branch line	27,257
Total variable (avoidable) cost	290,904
Net contribution (loss): total	(\$211,928)

USRA Recommendation

It is *not* recommended that this portion of the New Milford Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

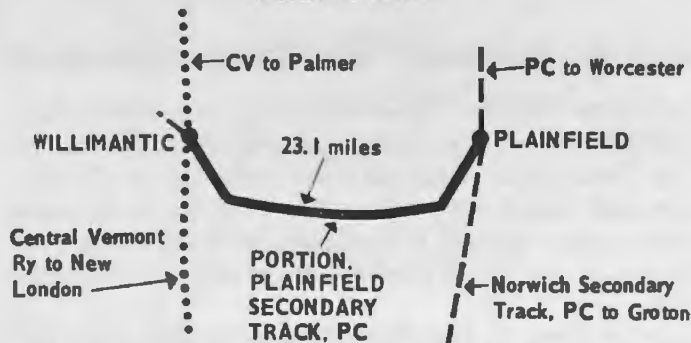
—George Wilber, Commissioner of the Connecticut Department of Agriculture, stated that the loss of this line would result in unemployment of 700 people, and would seriously affect farmers of the area who cannot afford an increase in their costs, particularly for grain received from outside Connecticut.

—According to the Berkshire Litchfield Environmental Council, Inc. the line is needed for possible future transportation of solid waste from northwestern Connecticut to a Danbury solid waste recovery center to be constructed in the next few years. —The Connecticut Department of Transportation claims loss of this line will destroy future industrial growth and prevent development of possible passenger service on the line.

—The retention of this line is considered important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution.

674 CONNECTICUT

USRA ANALYSIS PORTION OF PLAINFIELD SECONDARY TRACK USRA Line No. 674 Penn Central



This portion of the Plainfield Secondary Track, formerly part of the New Haven RR, extends from Plainfield (Milepost 0.0) to Willimantic, Conn. (Milepost 23.1), a distance of 23.1 miles, in Windham and New London Counties, Connecticut. The continuation of this line, also under study in the Report, extends a short distance beyond Willimantic to end-of-track. The line also connects with the Norwich Secondary Track of the PC at Plainfield and with the Central Vermont Ry at Willimantic. (The portion of the Norwich Secondary Track extending northward from Plainfield to Auburn, Mass. is also under study in this Report.)

Summary of USRA Data

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

Versailles	1,425
Baltic	52
Willimantic ¹	502

Total Carloads Generated by the line	1,979
Number of round trips per year	100
Estimated time per round trip (hours)	10

¹ Includes only traffic on segment.

Revenue received by PC	\$569,818
Average revenue per carload	\$283

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	281,869
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	101,054
Cost incurred beyond the branch line	325,823

Total variable (avoidable) cost	708,746
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Net contribution (loss): Total	(149,428)
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USRA Recommendation

It is recommended that the portion of the Plainfield Secondary Track from Milepost 0.0 to Milepost 9.8 be included in the ConRail System.

It is *not* recommended that the portion of the Plainfield Secondary Track from Milepost 9.8 to Milepost 23.1 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—In much of the testimony this line was considered in conjunction with line number 41. For these lines combined, the loss of rail service would result in unemployment for 551 people with a loss of more than \$5 million in personal income according to the Eastern Connecticut Development Council. The Council also questions the figures used to determine the viability of the lines. The Council projected 12,786 more trucks would be needed to handle the freight.

—Concern was expressed by Federal Paper Board Co. Inc., whether its two plants between Plainfield and Willimantic would retain service. In 1974 they shipped and received 1403 rail carloads.

—Several who testified expressed concern that without USRA lines 678a, 674, 41 and 40 Eastern Connecticut would lose all freight service. Farmers depend on these segments for grain and fertilizer shipments.

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

—According to the Eastern Connecticut Rail Alliance and the Eastern Connecticut Development Council, total *tonnages* shipped to and from Willimantic (includes Agway, American Thread, Mackey's and Olsen's Pet Supply) were 7,770 for 1973 and 8,007 for 1974. Western Grain in Baltic generated 1,500 tons of traffic in 1973 and again in 1974. Firms in Versailles (Amstar and Federal Paper Board), which is located at milepost 9.6 will be in the portion of the line recommended for service (milepost 0.0-9.8). They generated 33,400 tons in 1973 and 65,793 tons in 1974.

—Central Vermont would have to have outside resources for acquisition and rehabilitation before considering acquisition.

USRA ANALYSIS PORTION OF EAST LONGMEADOW SECONDARY TRACK

USRA Line No. 685



This portion of the East Longmeadow Secondary Track formerly part of the New Haven RR, extends from *East Windsor* (Milepost 18.0) to *East Hartford, Conn.* (Milepost 29.1), a distance of *11.1 miles*, in Hartford County, Conn. The northerly continuation of this line extends from East Windsor to Hazardville (also being studied in this Report) and beyond. At East Hartford the line connects with the Willimantic Secondary Track.

Summary of USRA Data

Stations (with their 1973 carloads) served this line :	
S. Windsor.....	509
E. Windsor Hill.....	1, 153
Total carloads generated by the line.....	1, 662
Number of round trips per year.....	290
Estimated time per round trip.....	10.5
Revenue received by PC.....	\$535, 096
Average revenue per carload.....	\$322
Variable (avoidable) cost of continued service :	
Cost incurred on the branch line.....	279, 635
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost).....	23, 232
Cost incurred beyond the branch line....	399, 254
Total variable (avoidable) cost.....	702, 121
Net contribution (loss) : total.....	(167, 025)

USRA Recommendation

It is *not* recommended that this portion of the East Longmeadow Secondary Track be included in the Con-Rail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Highland-Armory Rail Retention Committee, South Windsor Chamber of Commerce, and Connecticut DOT, testified that the 1,622 carloads attributed to the line by USRA should have been 7,347 carloads with 5,438 carloads projected for 1975. Reduction in 1975 volume is due to a major change in operation by First National Stores, Inc., which in 1974 reduced its traffic from 2,300 cars to 520 cars per year. The Committee also reported that unemployment along the line could be as high as 1000 if rail service is lost. The Great Atlantic and Pacific Tea Company alone would lose an investment of \$1.3 million.

—The Greater Hartford Chamber of Commerce stated there are 1,236 acres of industrial zoned land in their area while South Windsor has over 2,500 acres. Rail service is a great asset when selling an area to interested businesses.

—Mayor Richard H. Blackstone, of East Hartford, said the area would need 19,968 trucks to handle the 1973 rail freight volume.

—This line reportedly has never been known to be flooded, and can handle high and wide loads.

—Congressman Moffett, the Chamber of Commerce, and the Town Manager all said the carloads from South Windsor should have been 1,835 for 1973, not the 509 carloads used by USRA. Congressman Cotter submitted a list of 22 firms whose shipments made up the larger total.

—Monsanto was scheduled to open a new plant at milepost 22.4 in 1975, according to patron listing completed for USRA.

—The estimated time per round trip should be reviewed. The estimate of 10.5 hours appear high considering the length of the line and the traffic attributed.

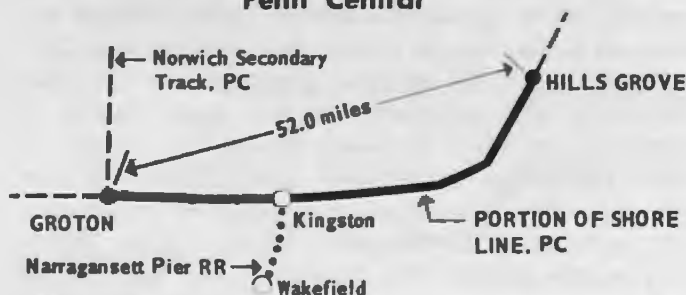
—The necessity for rehabilitation should be reviewed. Backing data indicates 25% good ties with no rail replacement requirements.

—Retention of this line is considered important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution in the Hartford, Conn. area.

43 CONNECTICUT to RHODE ISLAND

USRA ANALYSIS

PORTION OF SHORE LINE USRA Line No. 43 Penn Central



This portion of the Shore Line, formerly part of the New Haven RR, extends from *Groton, Conn.* (Milepost 125.0) to *Hills Grove, R.I.* (Milepost 177.0), a distance of 52.0 miles, in New London County, Connecticut and Washington County, Rhode Island. This line continues westward at Groton to New York, and eastward at Hills Grove to Boston. The line connects at Groton with the Norwich Secondary Track of the PC and at Kingston, R.I. (Milepost 158.1) with the Narragansett Pier RR.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Noank	0
Mystic	11
Stonington	0
Westerly	352
Bradford	98
Wood River Junction	9
Kenyons	10
Kingston	7
Slocums	29
Wickford Junction	77
Davisville	504
East Greenwich	157
Apponaug	16
Goulds ¹	0
Peace Dale ¹	70
Wakefield ¹	2

Total carloads generated by the line	1,842
Number of round trips per week	250
Estimated time per round trip (hours)	8.0

¹ Stations on the Narragansett Pier RR.

Revenue received by PC	\$621,595
Average revenue per carload	\$463

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	519,502
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	350,610

Total variable (avoidable) cost 800,112

Net contribution (loss): Total (278,517)

USRA Recommendation

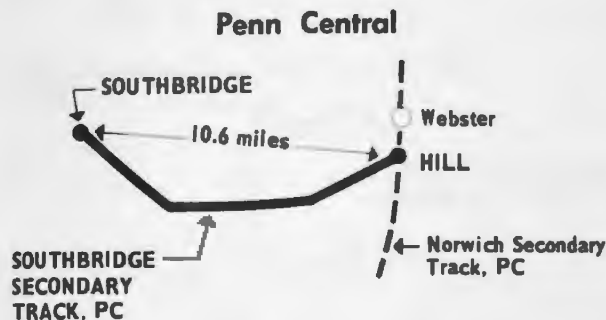
It is *not* recommended that this portion of the Shore Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—This line was reevaluated by the USRA and has been recommended for inclusion in ConRail in "USRA News" of March 14, 1975.

USRA ANALYSIS SOUTHBRIDGE SECONDARY TRACK

USRA Line No. 40



The Southbridge Secondary track, formerly a part of the New Haven RR, extends from Webster (Milepost 0.5), to Southbridge, Mass. (Milepost 11.1), a distance of 10.6 miles, in Worcester County Massachusetts and Windham County, Connecticut. At Hill it connects with the Norwich Secondary Track of the PC, also under study in this report. The PC petitioned the ICC to abandon the line in October 1972, but the application has not been acted on (ICC Docket No. AB-5 Sub. 129).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
West Dudley.....	110
Sandersdale	1
Southbridge	92
Total carloads generated by the line.....	
208	
Number of round trips per year.....	75
Estimated time per round trip (hours).....	2
Revenue received by PC.....	\$71,374
Average revenue per carload.....	\$352

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	82,025
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	13,041
Cost incurred beyond the branch line.....	51,251
Total variable (avoidable) cost.....	
146,317	
Net contribution (loss): total.....	(74,948)

USRA Recommendation

It is *not* recommended that the Southbridge Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—On March 4, 1975, the Providence and Worcester Co. expressed interest in acquiring and operating this line. P&W testified it would like its proposal concerning this line and USRA line No. 678a to be incorporated into the Final System Plan. Several parties testified in support of P&W's proposal.

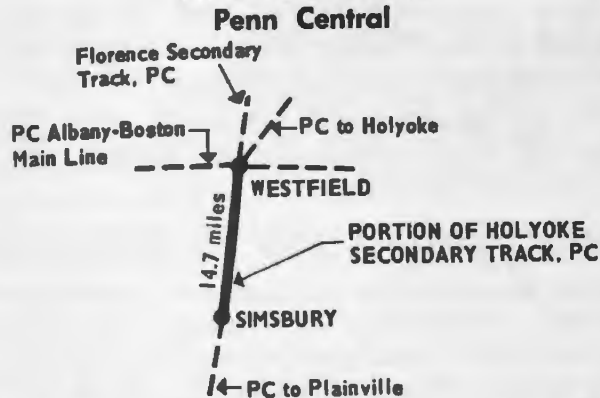
—The American Optical Corporation stated that it employs approximately 4,000 people in Southbridge with an annual payroll in excess of \$30 million. If rail service is discontinued, the firm estimated that alternative transportation would increase its costs between \$60,000 to \$70,000 per year. In addition the abandonment would result in a reduction in the company's work force. In 1974, American Optical received approximately 60 rail cars; more than half of which contained silica sand.

—According to evidence submitted, L & P Distributions generated 9 carloads over this line in 1974. (See additional comments under line No. 678a).

CONNECTICUT to MASSACHUSETTS

USRA ANALYSIS

PORTION OF HOLYOKE SECONDARY TRACK USRA Line No. 54



This portion of the Holyoke Secondary Track, formerly a part of the New Haven RR, extends from Simsbury, Conn. (Milepost 43.8) to Westfield, Mass. (Milepost 58.5), a distance of 14.7 miles, in Hartford County, Connecticut and Hampden County, Massachusetts. At Simsbury it connects with its own southerly continuation to Farmington, Conn. and Plainville, and at Westfield with its northerly continuation to Holyoke, Mass. Both these lines are also under study in this report. At Westfield, the line also connects with the Florence Secondary Track of the PC to Easthampton (also under study in this report) and the Albany-Boston line of the PC. The PC applied to the ICC in 1971 for authority to abandon this segment but was turned down. The PC applied on August 14, 1974, to the U.S. Railway Association for permission to abandon the line. No action has been taken on this application.

Summary of USRA Data

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

Floydville	1
Granby	17
Southwick	62

Total carloads generated by the line.....	50
Number of round trips per year.....	15
Estimated time per round trip (hours).....	2
Revenue received by PO.....	\$16,006
Average revenue per carload.....	\$320

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	101,318
Cost of upgrading branch line to FRA	
class I (1/10 of total upgrading cost).....	12,724
Cost incurred beyond the branch line.....	9,945

Total variable (avoidable) cost..... 123,987

Net contribution (loss) : total..... (107,982)

USRA Recommendation

It is *not* recommended that this portion of the Holyoke Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Columbia Manufacturing Company, Westfield, reported shipping 578 carloads in 1973 and 639 in 1974. If the company had to use trucks exclusively their shipping costs would double, they could not be competitive, and would probably have to go out of business. According to other testimony, however, alternate rail routing would be available to Columbia.

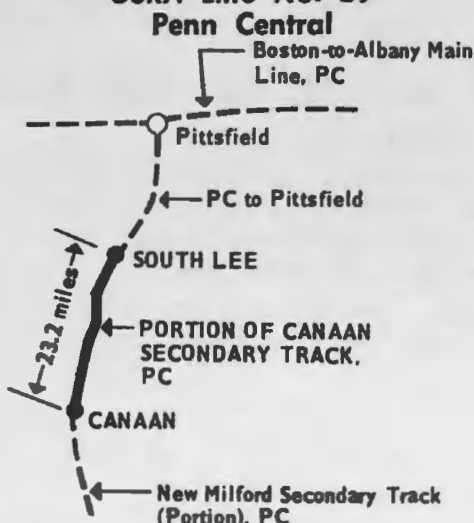
59

CONNECTICUT to MASSACHUSETTS

USRA ANALYSIS

A PORTION OF CANAAN SECONDARY TRACK

USRA Line No. 59



This portion of the Canaan Secondary Track, formerly a part of the New Haven RR, extends from Canaan, Conn. (Milepost 48.3) to South Lee, Mass. (Milepost 71.5), a distance of 23.2 miles, in Berkshire County, Mass. and Litchfield County, Conn. Continuations of this line extend northward from South Lee to Pittsfield where it connects with the Boston-to-Albany Line of the PC, and southward from Canaan to Berkshire Junction. A portion of the latter segment (from Canaan to New Milford) is also under study in this Report.

Summary of USRA Data

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

Canaan*	924
Ashley Falls	9
Sheffield	286
Great Barrington	58
Van Dusenville	73
Housatonic	409
Stockbridge	2
South Lee*	132

Total carloads generated by the line	1,893
Number of round trips per year	270
Estimated time per round trip (hours)	5.0

*(Includes only traffic on segment.)

Revenue received by PO	\$624,707
Average revenue per carload	\$330

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	272,237
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	27,685
Cost incurred beyond the branch line	386,384

Total variable (avoidable) cost..... 686,304

Net contribution (loss): total..... (61,599)

USRA Recommendation

It is recommended that the portion of the Canaan Secondary Track between Milepost 71.5 and Milepost 66.7 be included in the ConRail System.

It is *not* recommended that the portion of the Canaan Secondary Track between Milepost 66.7 and Milepost 48.3 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Berkshire County Development Commission (BCDC) stated that USRA included the shippers at Housatonic, Mass. in its figures for the portion of the line between Mileposts 71.5 and 66.7 which will be retained in the Conrail System. However, the shippers are at approximately Milepost 64 so it would not receive service.

—According to the BCDC discontinuance of service on the trackage between Mileposts 66.7 and 48.3 at Canaan will result in the loss of 400 jobs and \$1.5 million in personal income. The Berkshire Line Rail Users' Committee said loss of rail in the area would increase the current unemployment rate of 9.9% to 17.7%.

—Fifty out of the 70 people employed at Pfizer Lime, Limestone and Metal facilities at Canaan, Conn. would lose their jobs without rail service. In 1973 this plant generated 877 carloads.

—Without rail service U.S. Route 7 will be the primary highway for handling the northsouth traffic flow. This highway is inadequate to handle heavy trucks and would need to be upgraded, along with Route 8, at a cost of nearly \$20 million.

—The Berkshire Railroad Co. is contemplating establishment as a shortline rail carrier from Danbury, Conn., north to Pittsfield, Mass., and from Pittsfield to North Adams, Mass., with operating rights over the Boston and Albany Railroad in Pittsfield. The Company says it is the only one proposing to operate over the entire line.

—The Berkshire line rail users' committee wants service retained and the mileposts changed from 48.3–66.7 to 47.0–66.7. The additional 1.3 miles would include Becton-Dickinson, Inc. on the line. They also claim USRA's 1973 revenue figures for the line did not include Lane Construction Corp., Sheffield, Mass.—333 cars; New England Log Homes, Great Barrington, Mass.—8 cars; Massachusetts Electric, Great Barrington—10 cars; Berkshire Paper Company, Great Barrington—29 cars; and others; and

CONTINUATIONS CONNECTICUT to MASSACHUSETTS

59-CT to MS. Canaan, Conn. to South Lee, Mass.

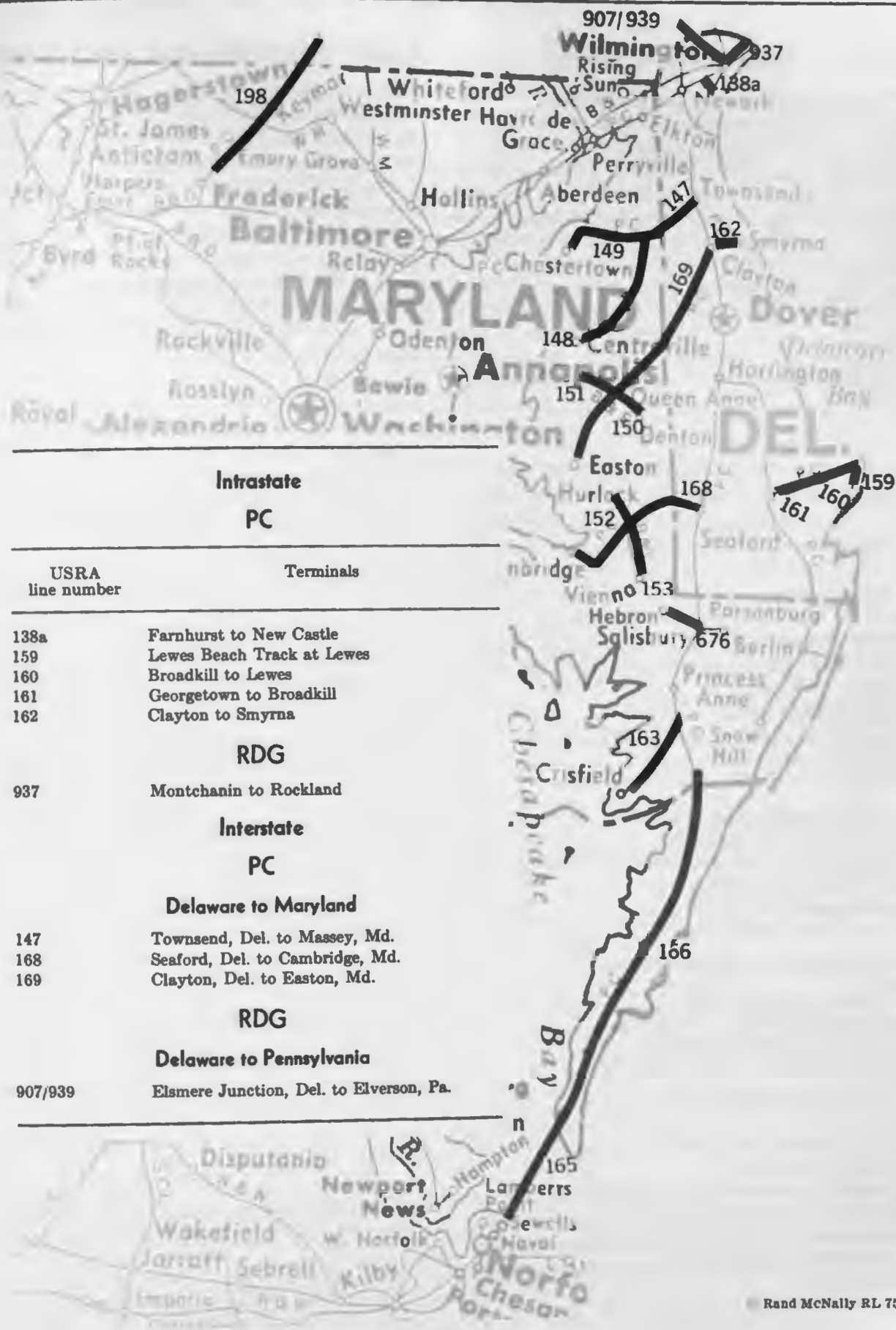
that revenue on line 59 was about 10% more than shown by USRA.

—The Department of the Interior stated that the proposed Route 7 linear park will extend from Norwalk, Conn., to New Milford, Conn. If lines 59 and 60 are abandoned a trail could extend north from New Milford along the Housatonic and Hoosic River Valleys to North Adams, Mass.

—The retention of this line is considered important to the Environmental Protection Agency in its Transportation Control Plans being developed for significant reduction in air pollution.

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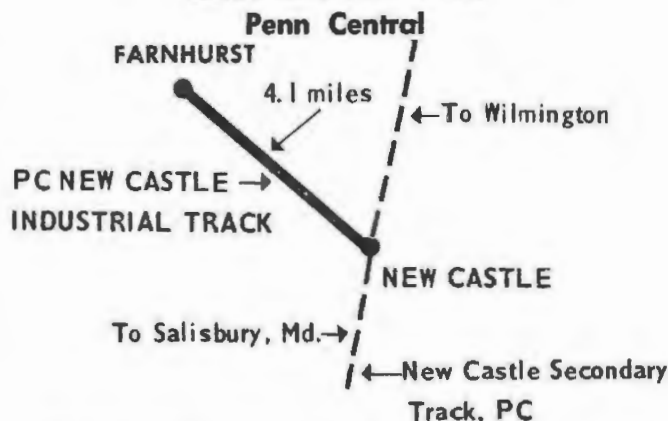
DELAWARE



138a DELAWARE

USRA ANALYSIS

NEW CASTLE INDUSTRIAL TRACK USRA Line No. 138a



The New Castle Industrial Track, formerly part of the Pennsylvania RR, extends from *Farnhurst* (Milepost 2.1), to *New Castle* (Milepost 6.2), a distance of 4.1 miles, in New Castle County, Delaware. Between Milepost 2.1 and Milepost 4.1, the line has not been used since August 30, 1972, and has been physically removed. At New Castle, this line connects with the PC New Castle Secondary Tracks. This line was the former connection from the Wilmington Passenger Station to the Delmarva Branch.

Summary of USRA Data

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

Farnhurst	44
New Castle ¹	12

Total carloads generated by the line	56
Number of round trips per year	52
Estimated time per round trip (hours)	1.0

¹ Includes only traffic on segment.

Revenue received by PC	\$12,737
Average revenue per carload	\$227

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	18,839
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	7,071
Cost incurred beyond the branch line	4,216

Total variable (avoidable) cost 30,126

Net contribution (loss): total (17,389)

USRA Recommendation

Although the preliminary recommendation is that the New Castle Industrial Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Kaiser Aluminum and Chemical Corporation stated their highway products plant, completed on this line in late 1973, shipped 102 carloads in 1974, and expects revenue tonnage to increase from 8% to 35% in 1975. Further increase is expected in 1976 to nearly double the revenue tonnage shipped in 1974. Inbound shipments in 1974 totalled 51 carloads. The plant would have to be relocated at great expense if rail service is discontinued.

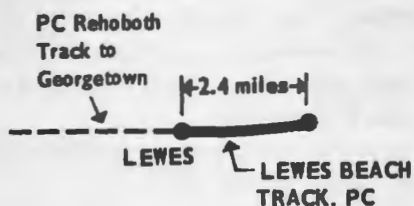
—Increased traffic in 1974 and projections for the future should be considered by USRA before final recommendations are made.

USRA ANALYSIS

LEWES BEACH TRACK

USRA Line No. 159

Penn Central



The Lewes Beach Track, formerly part of the Pennsylvania RR, extends from Milepost 0.0 to Milepost 2.4, a distance of 2.4 miles at Lewes, Sussex County, Delaware. At Lewes this line connects with the PC Rehoboth Track, also under study in this Report. An application for abandonment of this line was filed with the ICC (Docket No. AB-5, Sub. 195); but no action has been taken.

Summary of USRA Data

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

Lewes¹ 14

Total carloads generated by the line..... 14

Number of round trips per year..... 25

Estimated time per round trip (hours)..... 1

¹ Includes only traffic on segment.

Revenue received by PC..... \$7,561

Average revenue per carload..... \$540

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 18,370

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost)..... 5,258

Cost incurred beyond the branch line..... 3,887

Total variable (avoidable) cost..... 27,515

Net contribution (loss): total..... (19,954)

USRA Recommendation

It is *not* recommended that the Lewes Beach Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

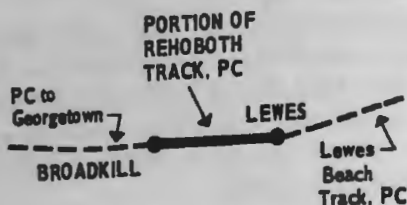
—Smith Douglas Division of Borden Chemicals opened storage tanks on the Lewes Beach Track in 1973 which generate 50–60 tankcars per year. The company states that truck shipments would cost \$7.00 per ton more than rail.

—RSPO analysis for the total 159/160/161 segment indicates that the total locomotive and crew hours for these lines total 1025 in the Association's Plan. An RSPO on-site study in 1974 determined the actual time spent on these lines to be 438.43 hours (43 percent of the USRA figure).

—The Smith Douglas carloads and revised crew hours could well change the line viability findings.

USRA ANALYSIS

PORTION REHOBOTH TRACK USRA Line No. 160 Penn Central



This portion of the Rehoboth Track, formerly part of the Pennsylvania RR, extends from *Broadkill* (Milepost 30.0) to *Lewes, Del.* (Milepost 38.0), a distance of 8.0 miles, in Sussex County, Delaware. At Broadkill, this line continues west to Georgetown, which line is also under study in this Report. It connects at Lewes with the Lewes Beach Track, which is also under study in this Report. In July, 1973, the PC applied to the ICC for permission to abandon this line; Docket No. AB-5, Sub. 195.

Summary of USRA Data

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

Cool Spring	1
Nassau	31
Lewes ¹	90

Total carloads generated by the line	122
Number of round trips per year	100
Estimated time per round trip (hours)	4.0

¹ Includes only traffic on segment.

Revenue received by PC	\$46,072
Average revenue per carload	\$378

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	77,601
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	10,874
Cost incurred beyond the branch line	34,566

Total variable (avoidable) cost	123,041
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Net contribution (loss): Total	(76,969)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Barcroft Company extracts necessary raw materials from the ocean for the company's chemical production. Barcroft depends on rail for out shipment of its chemicals. Because of the need to be on a rail line near the ocean, it would be difficult for the company to relocate. Barcroft is opposed to the 70/30 rail service continuation subsidy plan because it does not believe Delaware is in a position to supply the 30 percent.

—Eli Lilly reports shipping 14 carloads from Lewes to Lafayette, Indiana in 1974.

—Justin Atlantic Company projects handling 200 carloads per year for its new facility.

USRA ANALYSIS

PORTION OF THE REHOBOTH TRACK USRA Line No. 161

Penn Central



This portion of the Rehoboth Track, formerly part of the Pennsylvania RR, extends from *Georgetown* (Milepost 23.9) to *Broadkill, Del.* (Milepost 30.0), a distance of 6.1 miles, in Sussex County, Delaware. At Broadkill this line continues to Lewes. At Georgetown this line connects with the DM&V Secondary Track and the Snow Hill Secondary Track. The line from Broadkill to Lewes is also under study in this Report.

PUBLIC RESPONSE AND RSPO COMMENT

—The Sussex County Administrator projects movement of 200 carloads per year over the Georgetown to Broadkill line and is concerned that a proposed industrial park will not materialize without rail service.

Summary of USRA Data

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

Bennum	1
Broadkill	151
Total carloads generated by the line.....	152
Number of round trips per year.....	150
Estimated time per round trip (hours).....	4
Revenue received by PC.....	\$18,324
Average revenue per carload.....	\$121

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	72,211
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	5,759
Cost incurred beyond the branch line.....	18,360
Total variable (avoidable) cost.....	96,330

Net contribution (loss): Total..... (78,006)

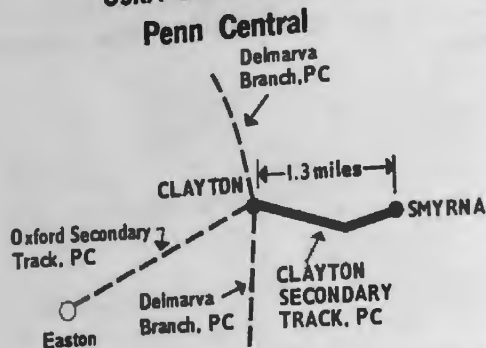
USRA Recommendation

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

162 DELAWARE

USRA ANALYSIS CLAYTON SECONDARY TRACK

USRA Line No. 162



The Clayton Secondary Track, formerly part of the Pennsylvania RR, extends from *Clayton* (Milepost 0.0) to *Smyrna, Del.* (Milepost 1.3), a distance of *1.3 miles*, in Kent County, Del. At Clayton, this line connects with the PC's Delmarva Branch and Oxford Secondary Track. The latter is also under study in this Report.

Summary of USRA Data

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

Smyrna	41
Total carloads generated by the line.....	41
Number of round trips per year.....	50
Estimated time per round trip (hours).....	1.0
Revenue received by PC.....	\$14,387
Average revenue per carload.....	\$350

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	15,685
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	5,999
Cost incurred beyond the branch line.....	12,507
Total variable (avoidable) cost.....	33,771

Net contribution (loss): Total..... (19,404)

USRA Recommendation

It is *not* recommended that the Clayton Secondary Track be included in the ConRail System.

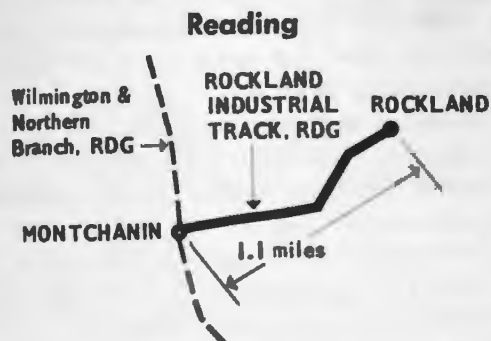
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS

ROCKLAND INDUSTRIAL TRACK

USRA Line No. 937



The Rockland Industrial Track, extends from *Montchanin* (Milepost 0.0), to *Rockland, Del.* (Milepost 1.1), a distance of *1.1 miles*, in New Castle County, Del. At Montchanin this line connects with the Reading's Wilmington & Northern Branch running from Wilmington, Del. to Birdsboro, Pa. A portion of this line is also under study in this Report.

Summary of USRA Data

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

Rockland	344
Total carloads generated by the line.....	344
Number of round trips per year.....	104
Estimated time per round trip (hours).....	2.0
Revenue received by RDG.....	\$27,883
Average revenue per carload.....	\$81

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	31,445
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)...	0
Cost incurred beyond the branch line.....	31,406
Total variable (avoidable) cost.....	62,851
Net Contribution (loss) : total.....	(34,968)

USRA Recommendation

It is *not* recommended that the Rockland Industrial Track be included in the ConRail System.

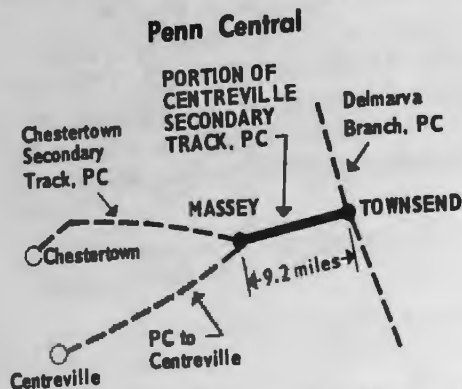
PUBLIC RESPONSE AND RSPO COMMENT

—Consideration should be given to reducing the frequency of service in order to reduce on-branch costs.
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. The 344 cars on this line generate a total revenue of \$123,274; however, only \$27,883 was attributed to the branch.

—Chessie is interested in acquiring the entire branch but only in conjunction with acquiring the Wilmington and Northern Branch.

147 DELAWARE to MARYLAND

USRA ANALYSIS PORTION OF THE CENTREVILLE SECONDARY TRACK USRA Line No. 147



This portion of the Centreville Secondary Track, formerly part of the Pennsylvania RR, extends from *Townsend, Del.* (Milepost 0.0), to *Massey, Md.* (Milepost 9.2), a distance of *9.2 miles*, in Kent County, Maryland and New Castle County, Delaware. At Massey the line continues south to Centreville and also connects with the P.C. Chestertown Secondary Track. It connects with the Delmarva Branch of the Penn Central at Townsend. Both of these are also under study in this Report.

Information for Line Retention Decision

This line does not directly serve any shippers. It is used as an overhead line to USRA line numbers 148 and 149. The preliminary recommendation for both of these lines is that they not be included in the ConRail System. Therefore, this line is not required by the ConRail System.

USRA Recommendation

It is *not* recommended that this portion of the Centreville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Commissioners of Kent County, Md., state that Baltimore Business Forms will generate 255 carloads per year on this line.

—The Kent County Chamber of Commerce and Delmarva Advisory Council Agriculture Committee testified to the need for rail service for farmers and light industry in the area.

—This segment connects lines No. 148 and No. 149 to the Delmarva mainline. 1973 traffic count reported by Delmarva Advisory Council Railroad Committee was 98 cars on line No. 148 in last 3 months of the year after washout damage was repaired. Also, traffic for the year from October 8, 1973 to October 7, 1974, totalled 456 carloads generated on line No. 148, which cars were the basis for significant bridge traffic on line No. 147.

USRA ANALYSIS

CAMBRIDGE SECONDARY TRACK

USRA Line No. 168

Penn Central



The Cambridge Secondary Track, formerly part of the Pennsylvania RR, extends from *Seaford Del.* (Milepost 1.2), to *Cambridge, Md.* (Milepost 31.5), a distance of *30.3 miles*, in Sussex County, Delaware and Dorchester County, Maryland. At Seaford, this line connects with Seaford Secondary Track and the Delmarva Branch of the PC. At Hurlock, Md. this line connects with the PC Preston Industrial Track running from Preston to Vienna.

Summary of USRA Data

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

Oak Grove.....	3
Dessard	3
Federalburg	89
Williamsburg	14
Hurlock ¹	18
East New Market.....	65
Linkwood	12
Cambridge	1,366
Seaford ¹	6

Total carloads generated by the line..... 1,576

Number of round trips per year..... 200

Estimated time per round trip (hours)..... 12

¹ Includes only traffic on segment.

Revenue received by PC..... \$702,808

Average revenue per carload..... \$446

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 368,998

Cost of upgrading branch line to FRA

class I (1/10 of total upgrading cost)..... 85,080

Cost incurred beyond the branch line..... 491,246

Total variable (avoidable) cost..... 945,274

Net contribution (loss): Total..... (240,466)

USRA Recommendation

Although the preliminary recommendation is that

the Cambridge Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Western Publishing Company states it would incur \$77,000 additional shipping costs annually if rail service is discontinued. Seaford Feed Company estimated its additional costs at \$68,000 to \$135,950 per year.

—The Banner Publishing Company testified that its supplier will ship newsprint only by rail. Connelly Containers (Milepost 32) shipped and received 458 carloads in 1974.

—Southern States Cooperative projects 3,000 additional tons of freight for its store in three years while Hanover Brands is planning a \$1,000,000 expansion of its Cambridge plant which will increase rail usage.

—The Dupont plant at Seaford, the largest employer on the peninsula is totally rail dependent. Dorchester County suggests a rail link between the branch line and Cambridge's deep water port.

—The Kerr McGee Corporation projects further growth of their facility on this line. Three smaller Kerr McGee facilities at Chestertown (Line 149), Centreville (148), and Massey (147) will not be forced to close if rail service to them is terminated. However, if rail service on Line 168 is discontinued, the Cambridge plant will be abandoned, causing the other plants to close.

Reported Traffic: Cambridge Secondary Track

Company	Carloads		
	1973	1974	Projected
Agrico.....		55	55 to 75 in 1978 and 1979
Kerr McGee.....	220	425	440 in 1976.
Connelly Containers, Inc.....		458	
Western Publishing Co., Inc.....	66	156	
Banner Corp.....	6	6	
Coldwater Seaford.....		65	409.
A. W. Sisk & Sons.....	171	176	
Continental Can.....		87	
Trappe Frozen Foods.....		5	
Seaford Feed Co., Inc.....		221	
Smith Douglas.....		32	
W. O. Covey, Inc.....		50	
R. J. R. Foods.....	248	356	
Hanover Brands.....			15 carloads in last 6 mos.
Shargood Poultry.....	22		

169 DELAWARE to MARYLAND

USRA ANALYSIS

OXFORD SECONDARY TRACK USRA Line No. 169 Penn Central



The Oxford Secondary Track, formerly part of the Pennsylvania RR, extends from *Clayton, Del.* (Milepost 0.0) to *Easton, Md.* (Milepost 44.2), a distance of 44.2 miles, in Kent County, Delaware and Caroline, Queen Annes and Talbot Counties, Maryland. At Clayton, this line connects with the PC Delmarva Branch. At Queen Anne, the line connects with the Denton Track running from Denton to Queenstown. All of these lines except the first are also under study in this report.

Summary of USRA Data

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

Kenton	10
Hartly	0
Marydel	82
Henderson	16
Goldsboro	9
Greensboro	23
Ridgely	87
Queen Anne	104
Cordova	48
Easton	891

Total carloads generated by the line	1,285
Number of round trips per year	250
Estimated time per round trip	8.0 hours
Revenue received by PC	\$621,506
Average revenue per carload	\$491
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	447,108
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	125,684
Cost incurred Beyond the branch line	441,600
Total variable (avoidable) cost	1,014,392
Net contribution (loss): total	(892,881)

USRA Recommendation

It is *not* recommended that the Oxford Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Bayshore Foods estimates that it would require 920 trucks per year to ship the same amount of material they now receive by rail. The company contends that shipping phosphate and gluten meal by means other than rail would result in an estimated \$113,500 annual increase in Bayshore's shipping costs. Bayshore reports 263 carloads in 1973. Ward Component Systems, Inc., also of Easton reports 345. J. L. Moors Lead Co., Inc., located at Milepost 31, states that in the last five months of 1974 it handled 1.75 million pounds of chemicals by rail.

—If service on this line is discontinued, Southern States Cooperatives estimates a \$50,000 facility alteration cost would be necessary for its store to handle goods by other modes.

—The Maryland DOT in its Railroad Planning Project stated "Although producing a \$57 per carload surplus in the 1973—*adjusted* time frame, the Clayton-Easton line creates a marginal \$15 operating deficit under 1978—*conservative* conditions; infrastructure costs would further increase these negative results per carload to \$190.

—To remain in operation this line would require a massive infusion of subsidy money to meet lease and rehabilitation expenses. The operating deficit alone would appear to be in a range which shippers will be able to meet. Should the traffic level increase to the 1978—*optimistic* level of 1,267 cars, the operating deficit would be reduced to \$2 per car."

—Estimated rehabilitation costs for the line should be reviewed.

—Reducing the frequency of service would substantially reduce the estimated subsidy payment.

907/939 DELAWARE to PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE WILMINGTON & NORTHERN BRANCH

USRA Line No. 907/939

Reading



This portion of the Wilmington & Northern Branch, extends from *Elsmere Junction, Del.* (Milepost 2.9), to *Elverson, Pa.* (Milepost 51.7), a distance of *48.8 miles*, in New Castle County, Delaware and Chester County, Pa. This line continues north from Elverson to Birdsboro, and south from Elsmere Junction to Wilmington.

Summary of USRA Data

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

Elverson	42
Brandamore	9
Embreerville	1
Northbrook	2
Lenape	1
Pocopson	6
Montchanin	8
Greenville	21
Kennett Road	1
Newbridge	9
Silverbrook	5
Elsmere Jct.	48
Wilmington	3,414
Delaware River Pier	64

Total carloads generated by the line	3,626
Number of round trips per year	312
Estimated time per round trip (hours)	4.0
Revenue received by RDG	\$762,498
Average revenue per carload	\$211

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	\$10,302
Cost of upgrading branch line to FRA	

Class I: (1/10 of total upgrading cost) 0
Cost incurred beyond the branch line 368,934

Total variable (avoidable) cost 977,286

Net contribution (loss): total (214,788)

USRA Recommendation

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

At Elsmere Junction, this line also connects with the Baltimore & Ohio's Philadelphia-Washington line. At Kentmere Junction, this line connects with the Reading line running to Kentmere. It also connects with the Reading's Rockland Industrial Track at Montchanin. Additionally, at Chadds Ford Junction, Pa., this line intersects the PC Octoraro Secondary Track; and at Coatesville, Pa., it connects with the PC line running from Philadelphia to Pittsburgh. Still another connection is made at Elverson with the Reading line running to Warwick. The Reading lines running to Kentmere, Rockland, and Warwick as well as the PC Octoraro Secondary Track are also under study in this Report.

PUBLIC RESPONSE AND RSPO COMMENT

—G. O. Carlson, Inc., at Coatesville, Pa. points out that although service charts indicate that Coatesville is served by two railroads, the Penn Central moves east to west over an elevated roadbed at least 75 feet in the air. Further, the connection between the Reading and the PC line from Pittsburgh to Philadelphia is only a car transfer junction with a very steep grade. The company would have to curtail a large portion of its operations without rail service.

—Lukens Steel reports that the Thorndale Yard 2½ miles east of the Penn Central Reading interchange, is inadequate to handle all of the freight now passing over this line due to interferences from mainline through freights and passenger trains. Lukens produces many items which exceed clearances available on the PC lines. The Company sees adequate justification for maintaining the line in its entirety. It reports traffic data for six firms which are served by this line as follows:

Company and location	1973	1974
Lukens Steel, Coatesville	13,102	14,634
G. O. Carlson, Coatesville	110	178
Coatesville Plate Washer, Rock Run	135	125
Fabricated Metals, Modestown	2	12
Lipsett Steel, S. Coatesville	2,137	2,069
Luria Bros. & Co., Modestown	2,291	1,716

Continued on page 166

DELAWARE CONTINUATIONS

DE-907/939

—Under USRA's three-carrier competitive structure, Chessie would be interested in acquiring the entire line (48.8 miles) including RDG traffic at Coatesville and including RDG float operation between Wilmington and Deepwater, N.J.

—Public Service Electric and Gas Company needs this line to serve its Salem Nuclear Generating Station on Artificial Island. The company also intends to use the line for moving an estimated 3,385 carloads of freight during construction of its new Hope Creek Generating Station, also on the Island.

—RSPO analysis indicates that exclusive of Modena and Coatesville, 353 additional carloads should have been attributed to this line.

—Combustion Engineering, Inc., of Wilmington, Del., shipped 507 cars on this line in 1974. They are satisfied with service given by Reading and fear reduction in daily freight service and increased transit if handled by another carrier. The company contends that 2,800 cars shipped by DuPont over this line in 1971 should have been considered.

—Gulf and Western Manufacturing Co. built a rail spur in late 1974 and plans for 9,000 to 9,600 tons of raw material to be shipped by rail annually. It estimates 14,000 carloads overhead traffic on this line in 1974.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 3,626 cars on this line generated a total revenue of \$2,287,221, however, only \$762,498 was attributed to the line.

—The Pennsylvania Office of State Planning and Development estimates unemployment of 245 if rail service is discontinued on this line.

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ILLINOIS



ILLINOIS

line number
USRA

Terminals

Intrastate

PC

415	Matteson to Frankfort
422	Depue Junction to Depue
434	Howe to PC Junction
434a	PC Junction to Churchill
435	Ladd Junction to Zearing (BN Trackage Rights)
605a	Paris to Hutsonville
605b	Hutsonville to Robinson
606	Robinson to Mount Carmel
606a	Mount Carmel to Harrisburg
609	Paris to Decatur
610/610a	Maroa to Decatur (ICG Trackage Rights)
611	Maroa to Waynesville
611b	East Peoria to Atlanta

Interstate

PC

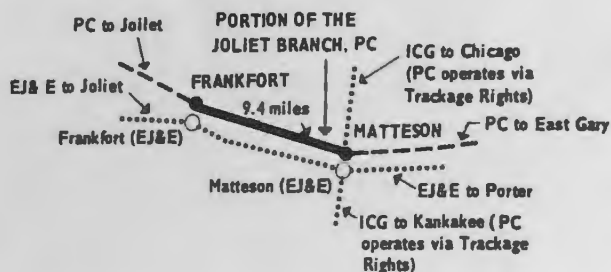
Indiana to Illinois

577a	Sheff, Ind. to Kankakee, Ill.
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USRA ANALYSIS PORTION OF THE JOLIET BRANCH

USRA Line No. 415

Penn Central



This portion of the Joliet Branch, formerly part of the New York Central RR, extends from Matteson (Milepost 24.8) to Frankfort, Ill. (Milepost 34.2), a distance of 9.4 miles, in Cook and Will Counties, Ill. A continuation of this line extends to Joliet from Frankfort. At Matteson, this line connects with the Illinois Central Gulf RR Main Line to Chicago (PC operates over this line from Kankakee via trackage rights). The PC connection (via trackage rights) and the continuations of this line are also under study in this report.

Summary of USRA Data

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

Frankfort 138

Total carloads generated by the line 138

Number of round trips per year 50

Estimated time per round trip (hours) 6.0

Revenue received by PC \$22,924

Average revenue per carload \$186

Variable (avoidable) cost of continued service:

Cost incurred on the branch line 68,462

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) 14,116

Cost incurred beyond the branch line 16,544

Total variable (avoidable) cost 99,544

Net contribution (loss): total (76,620)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Product purity and specialized terminal handling requirements result in Diversified Chemical & Propellants Company having no technologically feasible alternative to rail shipment. Relocation would cost the firm \$250,000.

—The Sauk Trail Line Steam and Railway Historical Association is conducting a study to determine the feasibility of continued operation of the line as an independent steam powered shortline railroad serving existing freight customers and encouraging additional light industry.

—The USRA should consider total revenues which would be lost if service is discontinued. The 138 carloads in 1973 generated \$141,157 in revenues of which only \$22,924 or 16.2% is attributed to the branch.

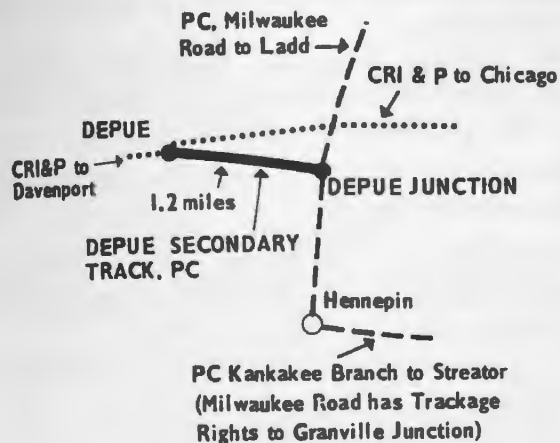
—The BN is interested in acquiring line segment 415 and is negotiating with USRA and the ICC to be permitted to do so.

USRA ANALYSIS

DEPUE SECONDARY TRACK

USRA Line No. 422

Penn Central



The Depue Secondary Track, formerly part of the New York Central RR, extends from *Depue Junction* (Milepost 0.0) to *Depue, Ill.* (Milepost 1.2), a distance of *1.2 miles*, in Bureau County, Illinois. At *Depue Junction*, this line connects with the PC Kankakee Branch, over which the Chicago, Milwaukee, St. Paul, and Pacific has trackage rights. It also connects with the Chicago, Rock Island & Pacific at *Depue*. This line is used to interchange with the Chicago, Rock Island and Pacific at *Depue*.

Information for Line Retention Decision

This line is used to interchange traffic with the Chicago, Rock Island and Pacific Railroad. This interchange can be provided at Peoria, East St. Louis, or Chicago.

USRA Recommendation

It is *not* recommended that this portion of the Depue Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Statements received on behalf of continued service over this line contend that as a section of the "Kankakee Belt" it is part of the best clearance route through Illinois. And, as a direct connection between the PC and the Rock Island, congested interchanges are avoided.

—Swift Edible Oil Company indicated that the elimination of this link would add 99 miles to some of its traffic by routing through Chicago or Peoria.

—The Milwaukee Road is holding open the possibility of purchasing the line.

—The route offers 20' high clearances.

—The Milwaukee will acquire what is necessary to protect its ability to continue serving present customers.

USRA ANALYSIS PORTION OF THE KANKAKEE BRANCH USRA Line No. 434

Penn Central



This portion of the Kankakee Branch, formerly part of the New York Central RR, extends from *Howe* (Milepost 188.3) to *Ladd Junction, Ill.* (Milepost 194.4), a distance of 6.1 miles, in Bureau County, Illinois. At *Howe*, this line continues east to *Streator*. At *Seatonville Junction*, the Chicago, Milwaukee, St. Paul & Pacific connects. (C&NW owns the portion (M.P. 192.2 to M.P. 193.8) from *Seatonville Junction* to *LX*; PC operates via trackage rights.) At *Ladd Junction*, the leg of the wye to PC Junction provides a connection to the Burlington Northern with PC Trackage rights to *Zearing*, the Chicago, Milwaukee, St. Paul & Pacific Line to *Davis Junction* and the Burlington Northern to *Streator*. The PC-BN Trackage Rights to *Zearing* and the PC Churchill Secondary Track are also under study in this Report. The Chicago, Milwaukee, St. Paul and Pacific has trackage rights over PC *Seatonville Junction* to *Granville Junction*.

Information for Line Retention Decision

This line is used to interchange traffic with the CMS&P&P and the C&NW also operates over this line via trackage rights. This traffic can be interchanged at Chicago.

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Milwaukee Road is opposed to any change in its present service over this line.

—One of the principal concerns expressed by shippers is the proposed link for interchanging.

—The Joanna Western Mills Company has recently improved its siding and wishes to retain service by the Milwaukee.

—The Railway Clearance Association, Bethlehem Steel, and General Electric all indicated that the line was part of an important clearance route.

—The BN has made application for authority to purchase segment No. 434.

—The Milwaukee will acquire what is necessary to protect its ability to continue serving present customers.

USRA ANALYSIS

PORTION OF THE CHURCHILL SECONDARY TRACK

USRA Line No. 434a

Penn Central



This portion of the Churchill Secondary Track, formerly part of the Pennsylvania RR, extends from *Ladd Junction* (Milepost 194.3) to *Churchill, Ill.* (Milepost 196.9), a distance of *2.6 miles*, in Bureau County, Ill. A continuation of this line extends southwestward to Hennepin. This line connects with the Chicago, Milwaukee, St. Paul and Pacific Railroad to Mendota at Ladd Junction. It also connects with the Chicago and North Western line to Sycamore.

Information for Line Retention Decision

This line is used to serve USRA Segment No. 435. The preliminary recommendation for Segment 435 is that it not be included in the ConRail System.

USRA Recommendation

It is *not* recommended that this portion of the Churchill Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Specific response to #434A was light, although it was usually included in references to the “Kankakee Belt.”

—The Railway Clearance Association and Bethlehem Steel listed this connection with the Chicago and North Western as a valuable clearance route.

USRA ANALYSIS

PC TRACKAGE RIGHTS OVER BURLINGTON NORTHERN

USRA Line No. 435

Penn Central



These PC trackage rights over the Burlington Northern extend from *Ladd Junction* (Milepost 193.8) to *Zearring, Ill.* (Milepost 200.4), a distance of *6.6 miles*, in Bureau County, Illinois. This line is owned by the Burlington Northern; PC operates over it by trackage rights. At Ladd Junction, this line connects with the PC Kankakee Branch to Streator, and the Chicago, Milwaukee, St. Paul and Pacific to Davis Junction. At Zearring, it connects with the Burlington Northern to Chicago and Galesburg. It also connects with PC's Churchill Secondary Track at Ladd Junction, which is also under study in this Report. A portion of the PC Kankakee Branch is also under study in this Report.

Information for Line Retention Decision

PC trackage rights over this line are used to interchange traffic with the BN. This interchange can be undertaken at East St. Louis, Peoria, Streator, or Chicago.

USRA Recommendation

It is *not* recommended that trackage rights over this portion of the BN be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

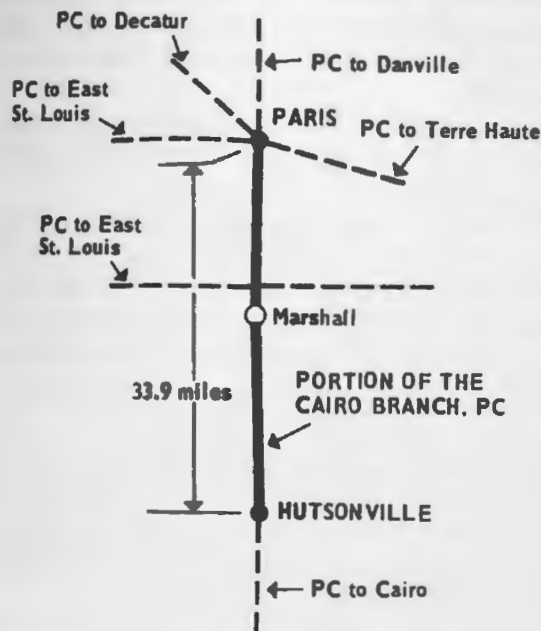
—The United Transportation Union was opposed to abandonment of this and the other segments of the "Kankakee Belt." It is regarded as being an efficient and valuable interchange network. See segment #434 for comments regarding clearance routes.

—The Milwaukee will acquire what is necessary to protect its ability to continue serving present customers.

USRA ANALYSIS PORTION OF THE CAIRO BRANCH

USRA Line No. 605a

Penn Central



This portion of the Cairo Branch, formerly part of the New York Central RR, extends from *Paris* (Milepost 37.1) to *Hutsonville, Ill.* (Milepost 71.0), a distance of *33.9 miles*, in Edgar, Clark, and Crawford Counties, Ill. At *Paris*, the line continues north to *Danville* and *Indiana Harbor, Ind.*, and at *Hutsonville* the line continues south to *Cairo*. Also at *Paris*, the line connects with the PC Peoria Secondary Track and the PC Lenox-to-Davis line to *East St. Louis* and *Terre Haute*. The two connecting lines, the PC Lenox-to-Davis line, and the PC Peoria Secondary Track are also under study in this Report.

USRA Recommendation

It is *not* recommended that this portion of the Cairo Branch be included in the ConRail System. ConRail will utilize this line only if Southern Illinois coal traffic cannot be rerouted.

PUBLIC RESPONSE AND RSPO COMMENT

—This segment of that portion of the Cairo Branch running from *Danville* south to *Olmsted*, is one of four segments which were not included in the Plan—USRA Lines No. 605a, 605b, 606, and part of 606a, and three segments which were included—USRA Lines No. 605, part of 606a and 607. This fragmentation received heavy criticism. The Cairo Branch is reportedly the shortest and most direct route for Southern Illinois coal to the Chicago area and is currently a high-volume through route for that commodity.

—The Brotherhood of Locomotive Engineers stated that the entire branch now meets FRA Class I track standards.

—Respondents along the Branch testified that the ICG cannot meet car supply demands, rerouting would be too circuitous, and the short haul for the ICG would create no incentive for that railroad to provide cars and service needed.

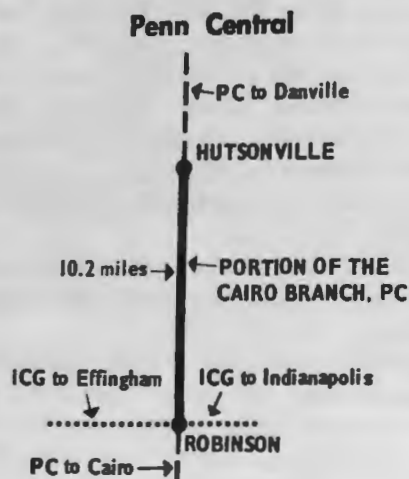
—Union Carbide suggested that, if the line is to be segmented, the logical break should be the PC intersection near *Marshall* instead of *Hutsonville*, leaving all of 605b and the *Hutsonville* to *Marshall* portion of 605a in to provide access for considerable traffic moving northeast from *Robinson*. Apparently little local traffic moves on 605a.

—The United Transportation Union reported the 300 round trips per year used by USRA in the Plan is double the actual number (3 per week).

—The ICG does *not* believe that 605a would be a viable addition to its system, but is negotiating with USRA to develop the most efficient route for the movement of coal.

USRA ANALYSIS PORTION OF THE CAIRO BRANCH

USRA Line No. 605b



This portion of the Cairo Branch, formerly part of the New York Central RR, extends from *Hutsonville* (Milepost 71.0) to *Robinson, Ill.* (Milepost 81.2), a distance of *10.2 miles*, in Crawford County, Ill. At Hutsonville, the line continues north to Danville and at Robinson, south to Cairo. A connection is made with the Illinois Central Gulf at Robinson. Both continuations are also under study in this Report.

Summary of USRA Data

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

Hutsonville	2,143
Trimble	11
Robinson ¹	45

Total carloads generated by the line	2,199
Number of round trips per year	300
Estimated time per round trip (hours)	1.5

¹ Includes only traffic on segment.

Revenue received by PC	\$368,801
Average revenue per carload	\$168

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	133,755
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	11,229
Cost incurred beyond the branch line	236,660

Total variable (avoidable) cost	431,714
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Net contribution (loss): total	(62,913)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—See comments on USRA Line No. 605a.

—Union Carbide pointed out a significant error in USRA's carload data for Robinson—stating that Union Carbide and Marathon Oil shipped a total of 1,487 carloads north on this line in 1973.

—The Central Illinois Public Service Company operates a coal-fired 218,000 kilowatt power plant at Hutsonville, which will use over 3,000 carloads of coal in 1975.

—Loss of rail service would seriously impair the ability of Central Illinois Power to serve its 760,000 electricity consuming customers.

—Peabody Coal Company plans to ship 100,000 tons of coal in 1975 from its Will Scarlet Mine at Stonefort north on the Cairo Branch to Hutsonville.

—The ICG believes that 605b/606/606a would be a viable addition to its system and is interested in acquisition pending the outcome of negotiations with USRA.

—The Federal Power Commission points out the importance of this line and lines 606 and 606a to the 200 megawatt electric power generating plant at Hutsonville, which receives about 200,000 tons of coal per year by rail.

USRA ANALYSIS PORTION OF CAIRO BRANCH

USRA Line No. 606

Penn Central



This portion of the Cairo Branch, formerly part of the New York Central RR, extends from *Robinson* (Milepost 81.2) to *Mount Carmel, Ill.* (Milepost 126.3), a distance of 45.1 miles, in Crawford, Lawrence, and Wabash Counties, Ill. At Robinson, this line continues north to Danville and, at Mount Carmel, south to Cairo. Other connections are: the Illinois Central Gulf RR at Robinson; the Baltimore-Ohio RR at Lawrenceville; the Southern Railway at Mount Carmel, and the PC Evansville Secondary Track at Mount Carmel. The continuations of this line as well as the PC Evansville Secondary Track are also under study in this Report.

Summary of USRA Data

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

Robinson ¹	1,493
Flat Rock	111
Pinkstaff	16
Lawrenceville	275
Allendale	39
Mt. Carmel ¹	566

Total carloads generated by the line	2,500
Number of round trips per year	300
Estimated time per round trip (hours)	5.5

¹ Includes only traffic on segment.

Revenue received by PC	\$728,760
Average revenue per carload	\$291

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	471,805
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	44,448
Cost incurred beyond the branch line	282,172

Total variable (avoidable) cost 797,925

Net contribution (loss): total (71,165)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—See comments on USRA line No. 605a.

—Pacific Press and Shear Co., stated its need for rail service at its Mt. Carmel plant. Pacific's inbound traffic is 4,000 tons of steel plate per year instead of the 2,700 tons indicated in the Plan.

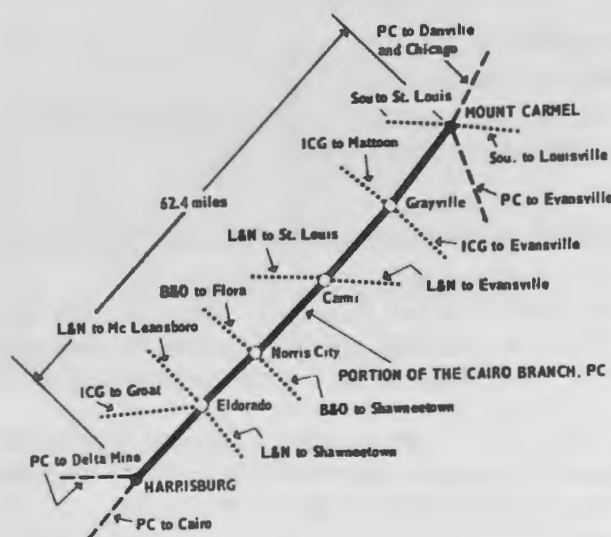
—The Mayor of Mt. Carmel estimated a daily traffic potential of 200,000 tons outbound and 100,000 tons inbound of agricultural products, coal, etc.

—Chessie would continue to provide rail service to *Lawrenceville shippers only*, who would otherwise be without service if 606 were abandoned.

USRA ANALYSIS PORTION OF THE CAIRO BRANCH

USRA Line No. 606a

Penn Central



This portion of the Cairo Branch extends from Mount Carmel (Milepost 126.3), to Harrisburg, Ill. (Milepost 188.7), a distance of 62.4 miles, in Wabash, Edwards, White, Gallatin, and Saline Counties, Ill. At Mount Carmel, this line continues north to Danville, and at Harrisburg, south to Cairo. In addition, the line connects with the Southern Ry. St. Louis-Louisville Line at Mount Carmel, the Illinois Central Gulf to Mattoon and Evansville at Grayville, the Louisville & Nashville at Carmi and Eldorado, the Baltimore & Ohio Shawneetown Branch at Norris City, the PC Saline Valley Branch at Harrisburg, and the PC Evansville Secondary Track at Mt. Carmel. Another connection is also made with the Illinois Central Gulf at Eldorado. The line's continuations at Mount Carmel and Harrisburg are also under study in this Report as is the PC Saline Valley Branch and Evansville Secondary Track.

Summary of USRA Data

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

Keensburg	67
Grayville	129
Crossville	68
Carmi	147
Norris City	1
Eldorado	1,745
Mt. Carmel ¹	135
Total carloads generated by the line	2,290

Number of round trips per year	300
Estimated time per round trip (hours)	12

¹ Includes only traffic on this segment.

Revenue received by PC	\$458,607
Average revenue per carload	\$200

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	737,601
Cost of upgrading branch line to FRA Class I: 1/10 of total upgrading cost	62,688
Cost incurred beyond the branch line	297,552

Total variable (avoidable) cost	1,097,841
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Net contribution (loss): total	(639,234)
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USRA Recommendation

It is *not* recommended that this portion of the Cairo Branch be included in the ConRail System *except* between Mt. Carmel and Eldorado.

PUBLIC RESPONSE AND RSPO COMMENT

—See comments on USRA Line No. 605a.

—Respondents considered as confusing and ambiguous the USRA recommendation that Line No. 606a not be included in ConRail except between Mt. Carmel and Eldorado, but that segment would be operated only if shippers were unable to reroute coal traffic.

—Public Service Company and Amax Coal Company were particularly concerned because Amax projects the shipment of 3 to 6 million tons of coal per year from their Wabash mine near Keensburg to Public Service's Gibson Station at Skelton. It is only six miles from Keensburg to Mt. Carmel and there is no reasonable alternative routing.

—The Sahara Coal Company operates three mines on the Saline Valley Branch (USRA Line No. 607b) west of Harrisburg. Sahara shipped over 1.9 million tons of coal in 1974, 61 percent on the PC and 39 percent on the ICG. Sahara says the ICG is perpetually short of cars and unable to meet present demand. The company would have to close two of its mines, laying off nearly 400 workers, if it lost access to the PC.

—At Eldorado, the Federal Wholesale Division of Scot Lad Foods, Inc., is located on the PC siding. It receives 2,300 cars per year. According to Federal, neither the ICG nor the L&N have the facilities in Eldorado to handle Federal's traffic.

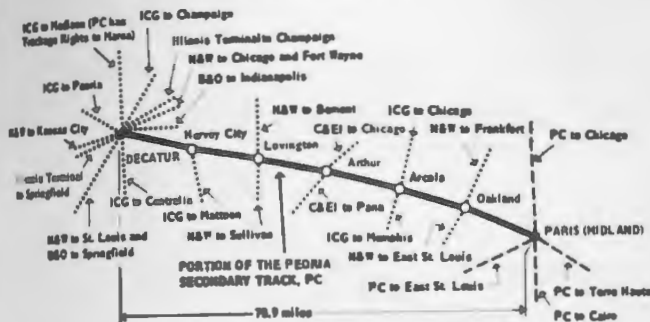
—Other shippers and receivers included Warren Petroleum Company (1974-90 cars) and Halliburton Services (1974-11 cars) in Crossville, Illinois.

USRA ANALYSIS

PORTION OF PEORIA SECONDARY TRACK

USRA Line No. 609

Penn Central



This portion of the Peoria Secondary Track, formerly part of the Pennsylvania RR, extends from *Paris* (Milepost 21.3) to *Decatur, Ill.* (Milepost 92.2), a distance of *70.9 miles*, in Edgar, Coles, Douglas, Moultrie, and Macon Counties, Illinois. At Decatur, this line continues to Peoria. Connections are: at Paris, the Cairo Branch and the Lenox-to-Davis Line, both PC, the Norfolk & Western Ry's Frankfort-St. Louis line at Oakland, the Illinois Central Gulf to Chicago and Cairo at Arcola, the C&EI to Chicago and Chaffee, the Norfolk & Western to Bement and Sullivan at Lovington, the Chicago & Eastern Illinois at Arthur, and the Illinois Central Gulf to Mattoon at Hervey City. From Hervey City to Maroa, the PC operates via trackage rights over the Illinois Central Gulf. Additionally, at Decatur, this line connects with the Norfolk & Western to Chicago, Ft. Wayne and St. Louis; Illinois Central Gulf lines to Freeport, Urbana and Centralia and Lincoln, the Baltimore & Ohio to Springfield and Indianapolis and the Illinois Terminal RR and the Norfolk & Western to Springfield. The PC Cairo Branch, the PC Lenox-to-Davis line and the continuation at Decatur are also under study in this Report.

Summary of USRA Data

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

Redmon	13
Borton	26
Oakland	63
Mindaboro	74
Kemp	80
Filson	1
Arcola	1
Chester ville	1
Arthur	168
Fairbanks	47
Lovington	294

Lake City	172
Prairie Hall	148
Mount Zion	0
Turpin	1

Total carloads generated by the line.....	1,087
Number of round trips per year.....	250
Estimated time per round trip (hours).....	8.5
Revenue received by PC.....	\$243,028
Average revenue per carload.....	\$224

Variable (avoidable) cost of continued service:

Cost incurred on the branch line-----	609,848
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)--	91,380
Cost incurred beyond the branch line----	126,699

Total variable (avoidable) cost----- **827,907**

Net contribution (loss) : Total----- (584, 879)

USRA Recommendation

It is *not* recommended that this portion of the Peoria Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Illini FS, Inc., operates two agriculture retail outlets on segment #609. These two businesses supply area farmers over 8,000 tons annually of fertilizer, chemicals, etc., and would be forced to close both facilities if the line were abandoned.

—Effingham Equity, Fairbanks, testified that if the entire line cannot be kept, the three-mile segment from Fairbanks to Arthur should be kept open to provide access to the C&EI at Arthur.

—Cereal Mills, Inc., at Paris, Ill., received 10,281 carloads in 1974. The mill depends upon rail access to the surrounding farm community. Without segment #609 the distribution pattern for the raw farm products would be altered, and Illinois Cereal Mills' production would be cut.

—The Mayor of Paris and the Paris Chamber of Commerce reported that the community is heavily dependent upon this line.

—The United Transportation Union challenged USRA for not including Paris and Decatur traffic in the profitability calculations. Virtually all of the traffic for Decatur moves over 609 from Paris. Without segment #609, the total revenue for Decatur traffic would be lost to Consolidated Rail Corporation.

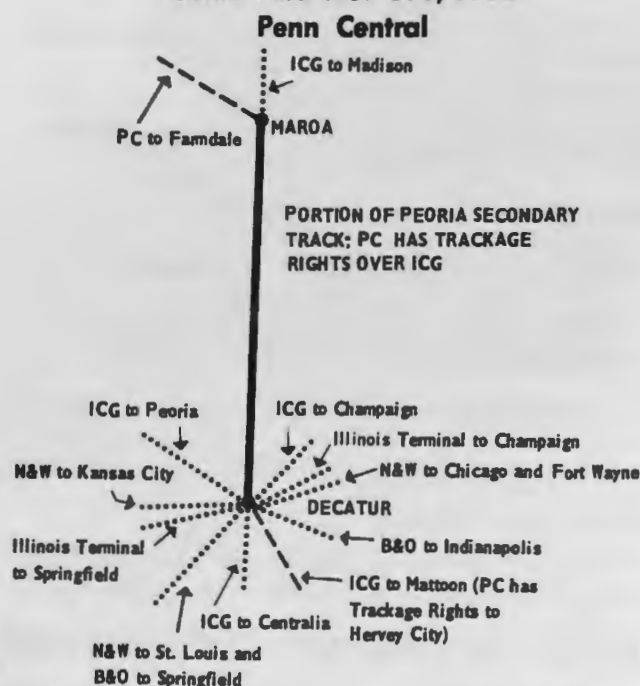
610/610a

ILLINOIS

USRA ANALYSIS

PORTION OF PEORIA SECONDARY TRACK

USRA Line No. 610/610a



PC trackage rights over this portion of the ICG extends from *Decatur* (Milepost 95.5), to *Maroa, Ill.* (Milepost 107.5), a distance of *12.0 miles*, in Macon County, Ill. At Decatur the line continues southeast to Paris and, at Maroa, the line continues northwest to Peoria. This section of track is owned by the Illinois Central Gulf and PC operates via trackage rights. From Maroa, the Illinois Central Gulf continues to Freeport. Also at Decatur the line connects with the Norfolk & Western to St. Louis, Chicago and Fort Wayne; the Illinois Central Gulf lines to Freeport, Urbana, Centralia and Lincoln; the Baltimore & Ohio to Springfield and Indianapolis; the Illinois Terminal RR; and the Norfolk & Western to Springfield. The northwest PC line from Maroa is also under study in this report. Abandonment application filed by Illinois Central Gulf, January 16, 1973, Docket No. AB-5, Sub. 156; with USRA, Docket No. 75-61, for most of the line.

Information for Line Retention Decision

These trackage rights over the ICG are used to serve USRA Segment No. 611. The preliminary recommendation for Segment 611 is that it not be included in the ConRail System.

USRA Recommendation

It is *not* recommended that the trackage rights over this portion of the ICG be included in the ConRail System.

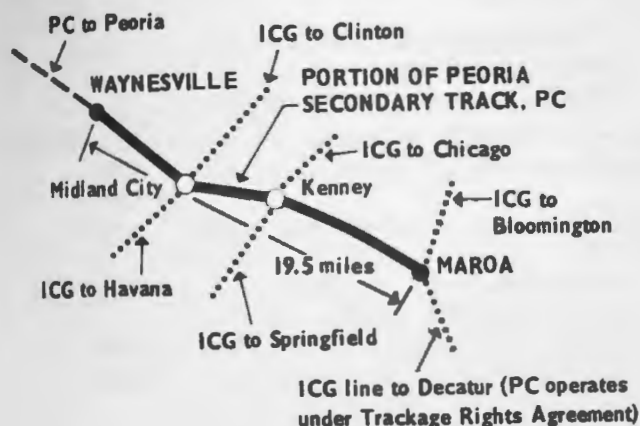
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS PORTION OF PEORIA SECONDARY TRACK

USRA Line No. 611

Penn Central



This portion of the Peoria Secondary Track, formerly part of the Pennsylvania RR, extends from Maroa (Milepost 107.5), to Waynesville, Ill (Milepost 127.0), a distance of 19.5 miles, in Macon and Dewitt Counties, Illinois. At Maroa, the line continues southeast to Paris, and at Waynesville it continues northwest to Peoria. This line connects with Illinois Central Gulf lines at Kenney and Midland City. The portion beyond Maroa is owned by the Illinois Central Gulf: PC operates under a trackage rights agreement. The continuations are also under study in this Report. An abandonment application was filed before the Interstate Commerce Commission Docket No. AB-5 Sub. 156, and with USRA, Docket No. 75-61.

Summary of USRA Data

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

Maroa	15
Rowell	1
Kenney	3
Midland City	16
Tabor	356
Waynesville	183
Total carloads generated by the line	574
Number of round trips per year	150
Estimated time per round trip (hours)	10
Revenue received by PC	\$124,945
Average revenue per carload	\$218

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	211,973
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	46,447
Cost incurred beyond the branch line	60,568

Total variable (avoidable) cost	318,988
Net contribution (loss) total	(194,043)

USRA Recommendation

It is *not* recommended that this portion of the Peoria Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Service to segment No. 611 is out of Decatur over segment No. 610/610a because a washout closed the line north of Waynesville.

—The United Transportation Union reported that it would have been an inexpensive job to repair the washout two years ago when it occurred.

—The UTU reported that service to No. 611 is on an as-needed basis, approximately once a week, instead of the 150 trips per year reported by USRA.

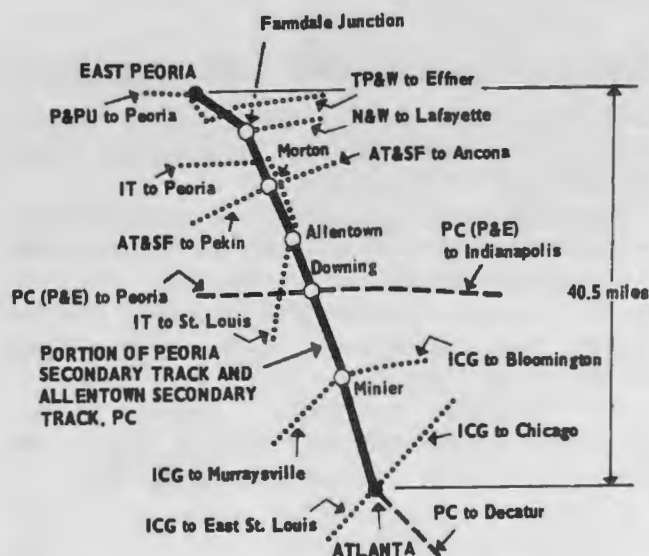
—The Illinois Terminal Railroad Company wishes to acquire all PC property between Peoria and Decatur, including yard and terminal facilities.

USRA ANALYSIS

PORTION OF PEORIA SECONDARY TRACK AND ALLENTOWN SECONDARY TRACK

Penn Central

USRA Line No. 611b



This portion of the Peoria Secondary Track and the entire Allentown Secondary Track, formerly part of the Pennsylvania RR, extends from Atlanta (Milepost 131.6) to East Peoria, Ill. (Milepost 172.1), a distance of 40.5 miles, in Logan, Tazewell, and Peoria Counties, Ill. At Atlanta this line continues southeast to Paris, and it also connects to the Illinois Central Gulf line to Chicago. Other connections include: The Illinois Central Gulf to Chicago at Minier, the PC Peoria & Eastern to Peoria at Downing, the Illinois Terminal to Peoria at Allentown, the Santa Fe to Chicago at Morton, the Norfolk & Western and the Toledo Peoria & Western (both to Peoria) at Farmdale, and the Peoria & Pekin Union at East Peoria. The PC Peoria & Eastern line, as well as the continued portion from Atlanta, are also under study in this Report. Furthermore, the Illinois Terminal maintains the line from Milepost 162.5 to 167.8 and from Milepost 167.8 to 172.1. PC operates via trackage rights granted by the Norfolk & Western between Farmdale Jct. and P. & P.U. Jct. PC has filed for abandonment (1-16-73 Docket No. AB-5-156) of their trackage rights on this portion of the line owned by the Norfolk & Western.

Summary of USRA Data

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

Mt. Joy	1
Armington	74
Hittle	0
Minier	0
Tazewell	17
Morton	568

Total carloads generated by the line	648
Number of round trips per year	120
Estimated time per round trip (hours)	12
Revenue received by PC	\$118,738
Average revenue per carload	\$176

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	284,929
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	75,464
Cost incurred beyond the branch line	56,184

Total variable (avoidable) cost 416,527

Net contribution (loss): Total (302,789)

USRA Recommendation

It is *not* recommended that the Peoria Secondary Track and the Allentown Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Rail Tech and Associates reported that the Atlanta Agricultural Center is an active rail user receiving traffic at Atlanta, but USRA reported no traffic at Atlanta.

—The Eminence Grain and Coal Company at Mt. Joy reported that rail service was necessary because all area roads are posted against heavy truck traffic.

—The United Transportation Union reported 18 rail users along segment No. 611b and said that the traffic potential would be very good if the shippers were offered better service.

—The Illinois Terminal Railroad Company wishes to acquire all PC property between Peoria and Decatur, including yard and terminal facilities.

INDIANA



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INDIANA

USRA

Terminals

Intrastate

PC

399	Goshen to Shipshewana
414	Hartsdale to East Gary
417/417a	Auburn Junction to Waterloo
418	Kendallville to State Line
419	North Manchester to Mexico
420	North Manchester to Columbia City
423	Logansport to Culver
429	Decatur to Ridgeville
521	New Castle to Richmond
523	Anderson to Elwood
524	Elwood to Kokomo
556	Richmond to Lynn
557	Lynn to Ridgeville
565	Ben Davis to Greencastle
571	Cedar Grove to Brookville
574/574a	Lebanon to Brant
578	Emporia to Knightstown
579a	Knightstown to Carthage
582	Columbus to Flat Rock
584	Fenns to Shelbyville
585/586/587	Shelbyville to North Rushville
589	North Vernon to North Madison
590	North Madison to Madison
591	Cory to Worthington
593	Martinsville to Rincon Junction
596	Duff Junction to Washington
597	Rincon to Sandborn
602	Waveland to Crawfordsville
622/623	Lebanon to Fisherburg
630	Effner to Kenneth
633	Richmond to Indianapolis
700	Columbia City Secondary Track at North Manchester

Interstate

PC

Indiana to Illinois

577a	Sheff, Ind. to Kankakee, Ill.
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Indiana to Ohio

520a	Richmond, Ind. to Eaton, Ohio.
554	Hunter, Ind. to Glen Karn, Ohio
571a	Valley Junction, Ind. to Cedar Grove, Ohio.

Indiana to Michigan

401	South of Angola, Ind. to Montgomery, Mich.
467	Michigan City, Ind. to Buchanan, Mich.

USRA ANALYSIS SHIPSHEWANA BRANCH

USRA Line No. 399



The Shipshewana Branch, formerly part of the New York Central RR, extends from *Goshen* (Milepost 0.2), to *Shipshewana, Ind.* (Milepost 16.7) a distance of 16.5 miles, in Elkhart and LaGrange Counties, Indiana. This line connects at Goshen with the Penn Central's Chicago-Buffalo line and with the PC Michigan Branch to Warsaw and Marion. Penn Central has filed a petition to abandon this line, ICC Docket No. AB-5 Sub. 197.

Summary of USRA Data

Stations (with their 1973 carloads) served by this

line:	
Middleburg	178
Shipshewana	275
Goshen ¹	25

Total carloads generated by the line	478
Number of round trips per year	50
Estimated time per round trip (hours)	7.0

¹ Includes only shippers on this segment.

Revenue received by PC	\$115,240
Average revenue per carload	\$241

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	155,781
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	30,371
Cost incurred beyond the branch line	50,026

Total variable (avoidable) cost	236,178
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Net contribution (loss): total	(120,938)
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USRA Recommendation

It is *not* recommended that the Shipshewana Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Coachman Industries in Middleburg states that because of industrial development a six-fold increase in employment occurred over the last decade.

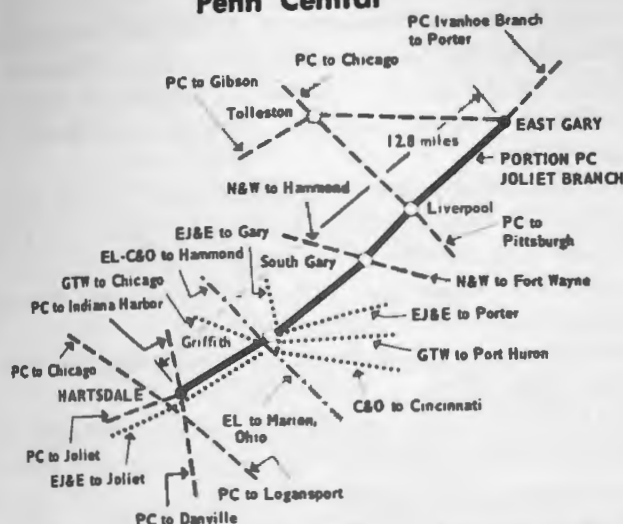
—If this line is closed, a 65 acre industrial park currently planned will not be developed.

—The Goshen Chamber of Commerce questioned USRA's figures on revenue attributable to the line stating local shippers have paid over a half million dollars per year to the railroad.

—The Chamber of Commerce believes that PC has deliberately discouraged use of the line.

—The LaGrange County Board of Commissioners estimates that the Pumpkin Vine branch could easily double its traffic under good service.

USRA ANALYSIS PORTION OF JOLIET BRANCH USRA Line No. 414 Penn Central



This portion of the Joliet Branch, formerly part of the New York Central RR, extends from *East Gary* (Milepost 0.0) to *Hartsdale, Ind.* (Milepost 12.8), a distance of *12.8 miles*, in Lake County, Indiana. This line continues beyond Hartsdale to Chicago Heights, Matteson and Joliet. At East Gary, it connects with the Penn Central Ivanhoe Branch at Liverpool with PC's line to Pittsburgh and at South Gary with the N&W main line to Fort Wayne. At Griffith the lines of the EL, C&O and GTW cross, as do two Elgin, Joliet and Eastern lines which converge and parallel this line through Hartsdale. At Hartsdale, Penn Central's lines to Logansport and Danville cross, the latter also being under study in this Report.

Summary of USRA Data

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

Liverpool	3
Ross	8
South Gary	12
Griffith	11
East Gary ¹	180
Gary ¹	2

Total carloads generated by the line	216
Number of round trips per year	52
Estimated time per round trip (hours)	3.0

¹ Includes only traffic on segment.

Revenue received by PC	\$39,624
Average revenue per carload	\$183

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	98,566
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0

Cost incurred beyond the branch line..... 24,084

Total variable (cost avoidable)..... 122,650

Net contribution (loss) : total..... (83,026)

USRA Recommendation

It is recommended that this portion of the Joliet Branch from *Milepost 0.0* to *Milepost 0.6* be included in the ConRail System.

It is *not* recommended that this portion of the Joliet Branch from *Milepost 0.6* to *12.8* be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

—The BN is interested in acquiring line segment 414 and is negotiating with USRA and the ICC to be permitted to do so.

417/417a

INDIANA

USRA ANALYSIS PORTION OF WATERLOO BRANCH

USRA Line No. 417/417a

Penn Central



This portion of the Waterloo Branch, formerly part of the New York Central RR, extends from *Auburn Junction* (Milepost 20.1) to *Waterloo, Ind.* (Milepost 25.0), a distance of 4.9 miles, in De Kalb County, Indiana. This line has two parts; the Waterloo-Auburn Junction link connecting the PC's Chicago-Buffalo line to the B&O Chicago-Pittsburgh line and the smaller line from Auburn Junction to Auburn.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Auburn ¹	269
Auburn Junction	1
Total carloads generated by the line	270
Average carloads per week	5.2
Average carloads per mile	49.1
Average carloads per train	3.6
Number of round trips per year	75
Estimated time per round trip (hours)	5

¹ Includes only shippers on segment.

Revenue received by PC	\$54,873
Average revenue per carload	\$203

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	69,666
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	12,327
Cost incurred beyond the branch line	35,896

Total variable (avoidable) cost

117,889

Net contribution (loss): total

(63,016)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Public response was light but indicated a definite community dependence upon rail.

—The Auburn Foundry, one of the area's largest employers, would be forced to relocate—a serious blow to the local economy. Auburn Foundry is currently half-way through a major expansion to double its capacity.

—Other testimony concerned the poor and declining service by the PC. The Mayor of Auburn has advocated that service be continued as a spur off the B&O. Negotiations are also underway for the community possibly to purchase the line.

—Total traffic of 670 carloads is projected for 1975 by three shippers.

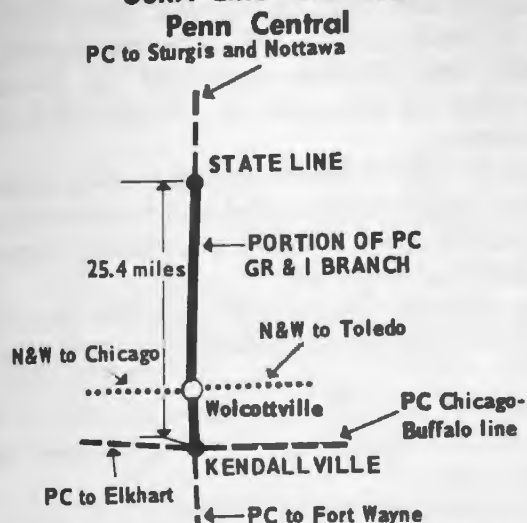
—Loss of service would cost the local economy 300 jobs, with an associated income loss of \$2.4 million.

—The Chessie wishes to provide service to Auburn traffic *only*.

USRA ANALYSIS

PORTION OF GR&I BRANCH

USRA Line No. 418



This portion of the GR&I Branch, formerly part of the Pennsylvania RR, extends from *Kendallville* (Milepost 121.0) to the *Michigan State line* (Milepost 146.4), a distance of *25.4 miles*, in Noble and LaGrange Counties, Indiana. This line is part of the Penn Central's GR&I Branch which continues south to Fort Wayne and north to Nottawa. At Kendallville, the PC's Elkhart-Toledo line crosses and at Wolcottville, the Norfolk and Western Ry. connects with this line. Penn Central has filed petitions to abandon this line: ICC Docket No. AB-5, Sub. 1&2, USRA Docket No. 75-58.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Wolcottville	34
LaGrange	342
Howe	57
Total carloads generated by the line.....	433
Number of round trips per year.....	250
Estimated time per round trip (hours).....	8.0
Locomotive horsepower.....	1,000
Train crew size.....	5
Revenue received by PC.....	\$105,842
Average revenue per carload.....	<u>\$244</u>
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	290,757
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	43,530
Cost incurred beyond the branch line.....	<u>61,989</u>
Total variable (avoidable) cost.....	<u>396,276</u>
Net contribution (loss) total.....	(290,414)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Rail Service Research Committee's research indicated nearly three times the revenue which USRA attributed to the line, and that only 5.7 miles of the trackage is below FRA Class I standards.

—Due-Therm Division of Motor Wheel Corporation, the largest employer in LaGrange, is dependent upon rail to remain competitive. Duo-Therm reported that the additional cost of alternate transportation would be \$250,000. The company is currently considering a new line of production which would increase rail usage 50 percent.

—The Indiana Farm Bureau estimated potential traffic of 1,550 tons per year.

—The LaGrange County Chamber of Commerce estimated unemployment of 200 with accompanying income loss of \$3,000,000 as a result of loss of service.

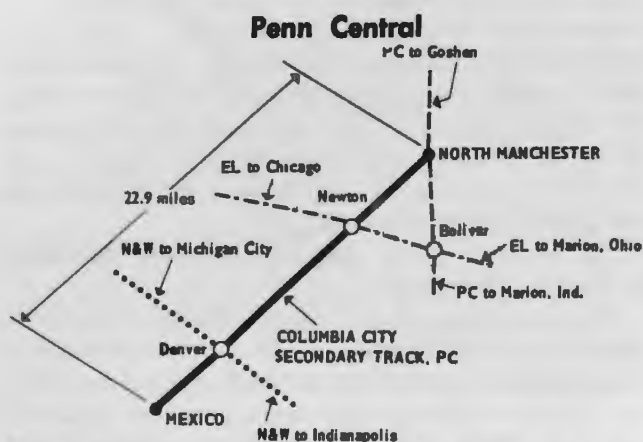
—Sturgis Iron & Metal Company located adjacent to the line three years ago because of availability of through service and a daily switch from Ft. Wayne to Kalamazoo. The Company would retain actual service but would lose the through link. The company is just developing its 55 acre complex and estimates annual traffic of 3,000 cars.

—The number of round trips attributed to the line should be reviewed.

USRA ANALYSIS

COLUMBIA CITY SECONDARY TRACK

USRA Line No. 419



The Columbia City Secondary Track, formerly part of the Pennsylvania RR, extends from *Mexico* (Milepost 14.3) to *North Manchester, Ind.* (Milepost 37.2), a distance of 22.9 miles, in Miami and Wabash Counties, Ind. This line connects at North Manchester with PC's Michigan Branch. At Newton, it connects with the Erie Lackawanna line from Chicago to Hoboken. The Norfolk & Western Railroad's Michigan City-Indianapolis Line connects with this line at Denver. Penn Central has filed a petition to abandon this line (ICC Docket No. AB-5, Sub. 24; USRA Docket No. 75-49).

Summary of USRA Data

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

Roann	52
Chili	7
Denver	7
Mexico	89

Total carloads generated by the line.....	155
Number of round trips per year.....	100
Estimated time per round trip (hours).....	6.0
Revenue received by PC.....	\$76,980
Average revenue per carload.....	\$497

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	186,672
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	53,208
Cost incurred beyond the branch line.....	52,590

Total variable (avoidable) cost..... 292,470

Net contribution (loss): total..... (215,480)

USRA Recommendation

It is *not* recommended that the Columbia City Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Indiana Rail Services Planning Commission challenged the USRA's figures. There were fewer than 40 round trips in 1973. The Plan reported substantial rehabilitation costs, but the Commission finds that the line already exceeds FRA Class I standards.

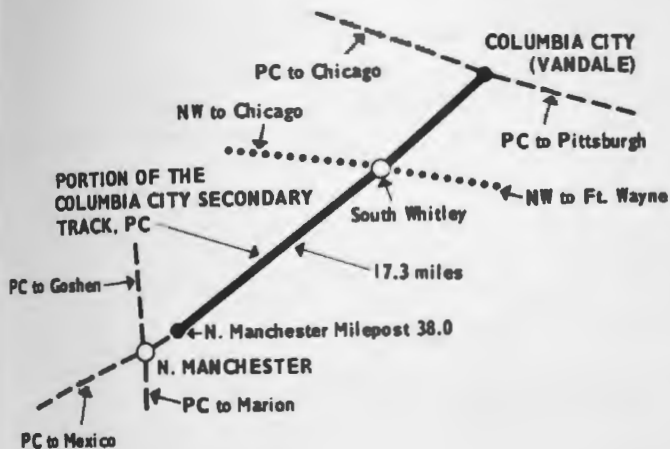
—Loss of rail service on this line would cause three grain elevators to close; the loss would cost the local economy 32 jobs, \$259,000 in personal income, and \$26,200 in tax revenues.

—The Indiana Farm Bureau estimates potential traffic of 6,900 tons of phosphates and potash per year.

—Over the past five years, the elevator at Mexico has spent \$200,000 on rail facilities to accommodate ten-car lots.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS COLUMBIA CITY SECONDARY TRACK USRA Line No. 420 Penn Central



This portion of the Columbia City Secondary Track, formerly part of the Pennsylvania RR, extends from *Columbia City (Vandale)* (Milepost 55.3) to *North Manchester, Ind.* (Milepost 38.0), a distance of 17.3 miles, in Whitley, Kosciusko and Wabash Counties, Indiana. A continuation of this line extends from N. Manchester to Mexico, which segment is also under study in this Report. At Columbia City, this line connects with the PC's Chicago-Pittsburgh line and at N. Manchester with the PC's Anderson-Goshen Line.

Information for Line Retention Decision

The ICC approved this line for abandonment on April 12, 1973 (Docket No. AB-5 Sub. No. 25). It has been kept in service to handle traffic generated on USRA segment No. 419.

USRA Recommendation

It is *not* recommended that this portion of the Columbia City Secondary be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Association reported that this line been approved for abandonment. It is kept open only as access to Line No. 419.

—The Rail Services Planning Commission reported that the Farmers Coop Elevator at South Whitley has invested \$200,000 over the past five years on rail facilities to handle ten-car lots.

—The South Whitley elevator shipped 130 cars last year and would have shipped 66 more if the cars had been available.

—See comments on Line No. 419.

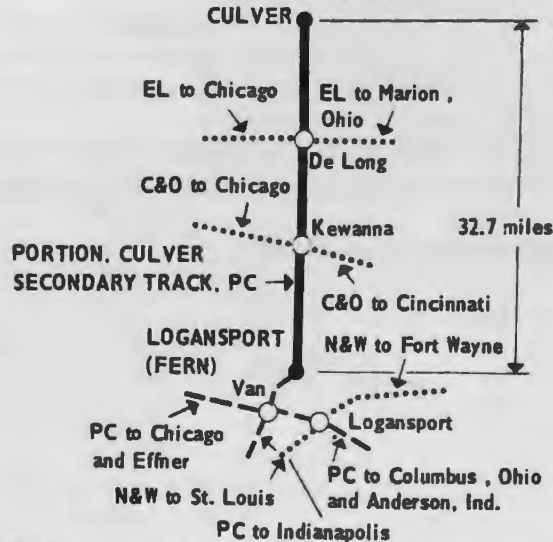
423 INDIANA

USRA ANALYSIS

PORTION OF CULVER SECONDARY TRACK

USRA Line No. 423

Penn Central



This portion of the Culver Secondary Track, formerly part of the Pennsylvania RR, extends from Logansport (Milepost 115.9) to Culver, Ind. (Milepost 148.6), a distance of 32.7 miles, in Cass, Fulton and Marshall Counties, Ind. At Logansport this line connects with the PC Chicago-to-Columbus line, the Norfolk & Western Ry, and the I&F Branch, PC. Kewanna is served by the Chesapeake & Ohio Ry's Chicago-Cincinnati line and De Long is served by the Erie-Lackawanna Ry's Chicago-Marion, Ohio line.

Summary of USRA Data

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

Lucerne	95
Grass Creek	22
Kewanna	20
De Long	0
Culver	9

Total carloads generated by the line..... 146

Number of round trips per year..... 40

Estimated time per round trip (hours)..... 8.0

Revenue received by PC..... \$64,558

Average revenue per carload..... \$442

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 224,205

Cost of upgrading branch line to FRA Class

I (1/10 of total upgrading cost)..... 75,106

Cost incurred beyond the branch line..... 42,650

Total variable (avoidable) cost..... 341,961

Net contribution (loss): total..... (277,408)

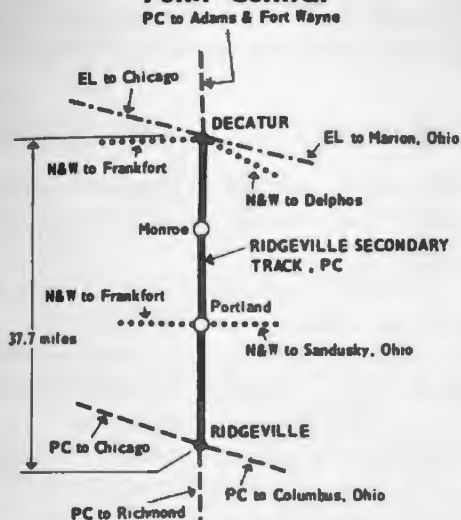
USRA Recommendation

It is *not* recommended that this portion of the Culver Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Indiana Farm Bureau projected annual traffic of 5,750 tons of phosphates and potash on this line.

USRA ANALYSIS RIDGEVILLE SECONDARY TRACK USRA Line No. 429 Penn Central



The Ridgeville Secondary Track, formerly part of the Pennsylvania RR, extends from *Ridgeville* (Milepost 33.0) to *Decatur, Ind.* (Milepost 70.7), a distance of *37.7 miles*, in Adams, Jay and Randolph Counties, Ind. This line continues south to Richmond and north (as the Ft. Wayne secondary track). Both extensions are also under study in this report. N&W lines cross at Decatur and Portland; the EL Chicago-Marion, Ohio line crosses at Decatur and there is a connection with the Penn Central's Chicago-Columbus line at Ridgeville. Penn Central has filed a petition to abandon the section of this line between Portland and Monroe (ICC Docket No. AB-5, Sub. 139).

Summary of USRA Data

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

Collett	1
Portland	389
Briant	5
Geneva	68
Berne	159
Monroe	105
Decatur ¹	18
Ridgeville ¹	32

Total carloads generated by the line	778
Number of round trips per year	200
Estimated time per round trip (hours)	11.0

¹ Includes only traffic on this segment.

Revenue received by PC	\$310,397
Average revenue per carload	\$402

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	498,975
Cost of upgrading branch line to FRA	

Class I (1/10 of total upgrading cost)	38,616
Cost incurred beyond the branch line	184,815

Total variable (avoidable) cost 687,406

Net contribution (loss) total (857,009)

USRA Recommendation

It is *not* recommended that the Ridgeville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Indiana Farm Bureau estimated that the potential local traffic on this line could be 7,025 tons of agricultural shipments per year.

—The Adams County Farm Bureau estimated that its members would be forced to pay \$68,000 yearly for alternative modes of transportation, if service is discontinued.

—The Riverside Warehouse, Inc. in Berne reported a potential capital investment loss of \$70,000.

—Economy Printing Concern, Inc. in Berne projects that its 1977 traffic will be nearly double its 1974 traffic. The company could not remain competitive without rail service. Abandonment would result in an immediate loss of 84 jobs at Economy.

—The Rail Study Committee indicated that USRA's traffic figures for this line are considerably understated. The Committee estimated a personal income loss of \$350,000 based on an estimate of 37 jobs lost due to discontinuance of service.

—The Berne Chamber of Commerce reported that Riverside Warehouse, Inc., Berne Coal and Supply Co., and McIntosh Corporation indicated that rail was necessary for their continued operation.

—The Committee stated that the Berne Coal and Supply Co. supplies residential heating coal for 900 families. They are dependent on this fuel.

—Naas Foods, Inc., at Geneva, ships approximately 50 cars per year, and would double its shipments if the cars were available. In 1973 Naas invested in new processing system equipment. This new addition has increased the potential of considerable traffic growth.

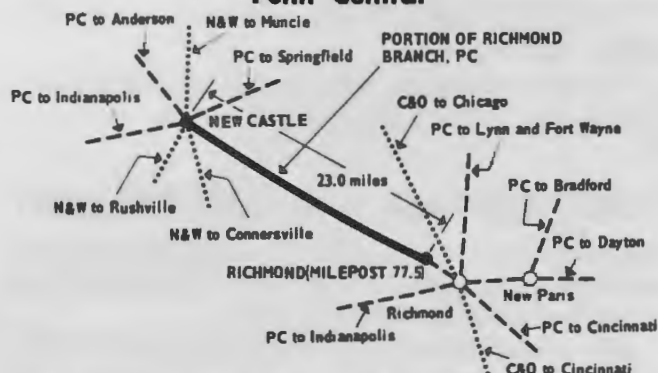
—Concorde Homes, at Monroe, contracted with the PC to build a spur line into its plant. It has suspended further plant development until rail service is assured. Concorde projects 10-15,000 tons per year.

—Testimony indicates that the number of round trips per year is overstated in the PSP. Naas Foods reported only two switches per week.

Continued on page 226

USRA ANALYSIS

PORTION OF RICHMOND BRANCH USRA Line No. 521 Penn Central



This portion of the Richmond Branch, formerly part of the Pennsylvania RR, extends from *Richmond* (Milepost 77.5) to *New Castle, Ind.* (Milepost 100.5), a distance of 23.0 miles, in Wayne and Henry Counties, Indiana. This is a segment of the Richmond Branch of the PC's line from Logansport, Ind. to Cincinnati, Ohio. Parts of the northern and southern continuation of this "Richmond Branch" are also under study in this Report. Other lines serving Richmond are: C&O Cincinnati to Muncie; PC Richmond to Ft. Wayne (portions of which are also under study in this Report); and PC Columbus, Ohio to Indianapolis, which is also under study in this Report. Penn Central has filed a petition to abandon this line (I.C.C. Docket No. AB-5 Sub. 131/132; USRA Docket No. 75-39).

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Greens Fork	0
Hagerstown	21
Millville	0
Richmond ¹	101

Total carloads generated by the line	122
Average carloads per week	2.8
Average carloads per mile	5.3
Average carloads per train	2.8
1978 operating information:	
Number of round trips per year	52
Estimated time per round trip (hours)	8.5

¹ Includes only traffic on segment.

Revenue received by PC	\$83,270
Average revenue per carload	\$278

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	157,946
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	18,608
Cost incurred beyond the branch line	14,001

Total variable (avoidable) cost----- 188,555

Net contribution (loss): Total----- (155,285)

USRA Recommendation

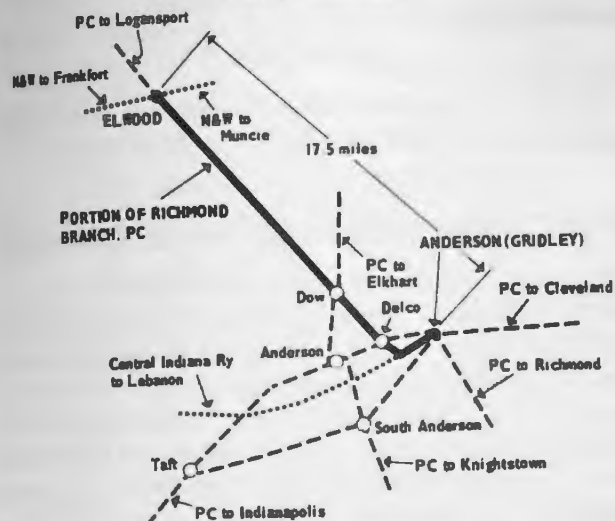
It is *not* recommended that this portion of the Richmond Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

- The Mayor of Richmond protested discontinuing service arguing that development of the community would be severely harmed.
- Lack of rail service would force a 250-acre industrial park to divert completely to trucking.
- Several area residents wished that the line would be abandoned as soon as possible and suggested the land be returned to the adjoining tracts.
- The Indiana Federation of County Taxpayers Association, Inc., argued that the right-of-way is not properly maintained and its return to adjacent land owners would increase the tax base.
- The Indiana Farm Bureau estimated traffic at 2,935 tons per year.
- The Wayne County Farm Bureau indicated a \$20,000 investment loss if service is discontinued.
- The Chessie is interested in providing service to *Richmond customers only* on the condition that suitable connections exist or can be reasonably established.

USRA ANALYSIS

PORTION OF RICHMOND BRANCH USRA Line No. 523 Penn Central



This portion of the Richmond Branch, formerly part of the Pennsylvania RR, extends from *Anderson* (Milepost 121.5) to *Elwood, Ind.* (Milepost 139.0), a distance of *17.5 miles*, in Madison County, Ind. This segment is part of the Logansport-Richmond-Cincinnati Branch; both its northern and southern extension are also under study in this Report. At Anderson the Penn Central's Cleveland-Indianapolis line and Michigan Branch cross. The Central Indiana RR to Lebanon also intersects at Lebanon, and at Elwood the N&W Frankfort to Muncie line crosses.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Frankton	56
Elwood	450

Total carloads generated by the line.....	506
Number of round trips per year.....	150
Estimated time per round trip, hours.....	2.5
Revenue received by PC.....	\$181,876
Average Revenue Per Carload.....	\$261

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	102,570
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	168,682
Total variable (avoidable) cost.....	168,252

Net contribution (loss): total..... (84,876)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony suggested that the line should be considered a through route; it is the most direct link between Cincinnati and Chicago.

—The line has served as an alternate route for Amtrak service between Indianapolis and Chicago when the regular lines have been out of service for repairs.

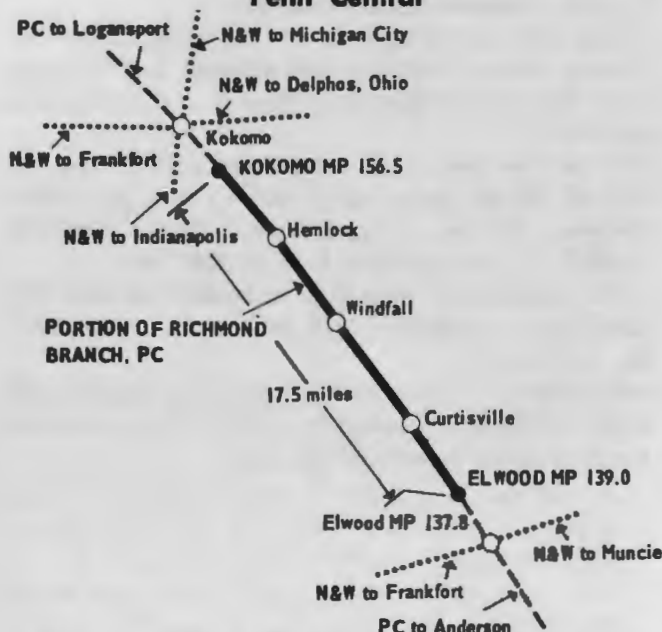
—If the line were to be considered a local line, the loss of the southern eight miles would not affect shipping. The majority, if not all, of the users are located on the northern half of the line.

—The Research Committee organized on line 523 identified 16 shippers with projected annual traffic of 890 cars.

—The N&W is interested in acquiring segment 523 from Anderson to Elwood including all industries in the immediate vicinity of Elwood.

USRA ANALYSIS

PORTION OF THE RICHMOND BRANCH USRA Line No. 524 Penn Central



This portion of the Richmond Branch, formerly part of the Pennsylvania RR, extends from *Elwood* (Milepost 139.0) to *Kokomo, Ind.* (Milepost 156.5), a distance of 17.5 miles, in Madison, Tipton and Howard Counties, Ind. Continuations of this line extend northwestward from Kokomo to Logansport and beyond, and southeastward from Elwood to Anderson and beyond. The line southeastward is also under study in this Report. This line connects at Elwood with the N&W to Frankfort and Muncie; and at Kokomo with the N&W to Delphos and Frankfort and to Indianapolis and Michigan City. An abandonment application has been filed with ICC Docket No. AB-5, Sub. 131, 132; with USRA, Docket No. 75-40.

Summary of USRA Data

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

Curtisville	37
Windfall	61
Nevada	4
Hemlock	75

Total carloads generated by the line	177
Number of round trips per year	52
Estimated time per round trip (hours)	2.2
Revenue received by PC	\$83,228
Average revenue per carload	\$470
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	122,396

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line

51,962

Total variable (avoidable) cost

174,358

Net contribution (loss): total

(91,130)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

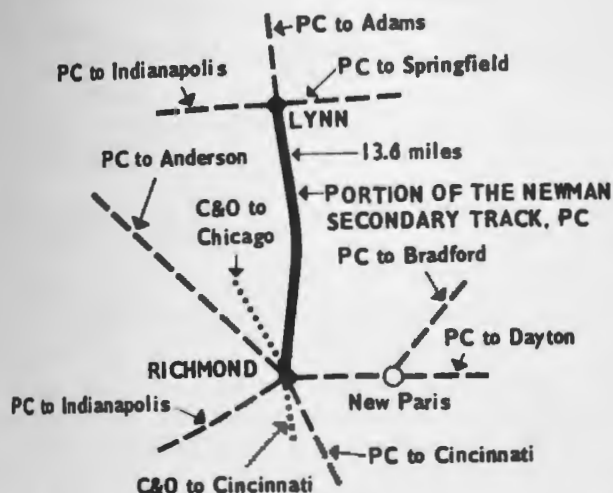
—The only testimony concerning this line was received from the Indiana & Michigan Electric Power Company which said it owns a site three miles north-east of Elwood on which a transformer station will be built in the next three years. Lack of rail service would seriously affect the possibility of their being able to move in the heavy and large equipment needed to establish the station.

USRA ANALYSIS

PORTION OF THE NEWMAN SECONDARY TRACK

USRA Line No. 556

Penn Central



PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

This portion of the Newman Secondary Track, formerly part of the Pennsylvania RR, extends from *Richmond* (Milepost 2.0) to *Lynn, Ind.* (Milepost 15.6), a distance of *13.6 miles*, in Wayne and Randolph Counties, Indiana. A continuation of this line extends northward from Lynn to Adams. (Over this portion the line is called the Fort Wayne Branch and Ridgeville Secondary Track). This continuation is also under study in this Report. Connections include: the PC Indianapolis to Columbus line, the PC Richmond Branch, and the Chesapeake & Ohio Ry., Cincinnati to Chicago at Richmond. At Lynn, there is a connection with the PC Springfield Branch. The PC Richmond Branch, Springfield Branch and Columbus-to-Indianapolis line are also under study in this Report.

Information for Line Retention Decision

This line has been used as an overhead detour route; it serves no local traffic. Since the PC line through Goshen and Anderson has been upgraded, this line is no longer required.

USRA Recommendation

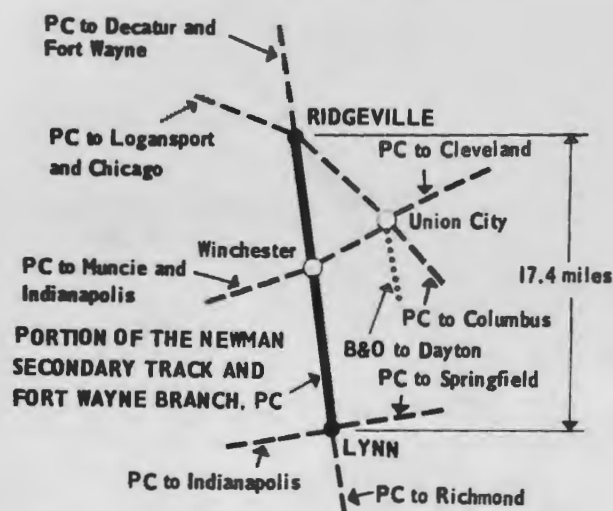
It is *not* recommended that this portion of the Newman Secondary Track be included in the ConRail System.

USRA ANALYSIS

PORTION OF THE NEWMAN SECONDARY TRACK AND THE FORT WAYNE BRANCH

USRA Line No. 557

Penn Central



This portion of the Newman Secondary Track and the Fort Wayne Branch, formerly part of the Pennsylvania RR, extends from *Lynn* (Milepost 15.6) to *Ridgeville, Ind.* (Milepost 33.0), a distance of 17.4 miles, in Randolph County, Ind. Continuations of this line extend southward from Lynn and northward from Ridgeville (this portion is the Ridgeville Secondary Track). These continuations are also under study in this Report. Connections include: the PC Springfield Branch at Lynn (portions of which are also under study in this Report), the PC Cleveland-to-Indianapolis line at Winchester, and the PC Columbus-to-Chicago line at Ridgeville. PC has filed for abandonment with the ICC Docket No. AB-5 Sub. 138, 139. PC has also filed with USRA Docket No. 75-37.

Information for Line Retention Decision

This line has been used as an overhead detour route; it serves no local traffic. Since the PC line through Goshen and Anderson has been upgraded, this line is no longer required.

USRA Recommendation

It is *not* recommended that this portion of the Newman Secondary Track and the Fort Wayne Branch be included in the ConRail System.

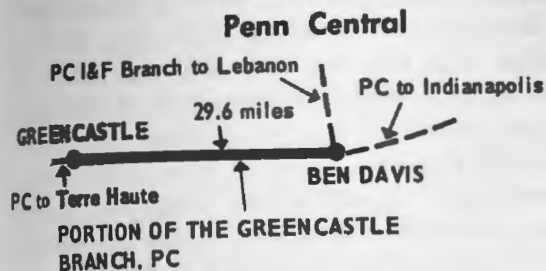
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS

PORTION OF THE GREENCASTLE BRANCH

USRA Line No. 565



This portion of the Greencastle Branch, formerly part of the Pennsylvania RR, extends from *Ben Davis* (Milepost 6.9), to *Greencastle, Ind.* (Milepost 36.5), a distance of 29.6 miles, in Marion, Hendricks, and Putnam Counties, Indiana. Continuations of this line extend eastward from Ben Davis to Indianapolis, and westward from Greencastle to Terre Haute. The portion between Greencastle and Terre Haute is also under study in this Report. This line connects with the I&F Branch of the PC at Ben Davis. The Penn Central Company has filed a petition for abandonment of this line with the ICC. No action has been taken.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Bridgeport	5
Plainfield	39
Clayton	14
Amo	0
Coatesville	4
Fillmore	14
Total carloads generated by the line.....	
76	
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3
Revenue received by PC.....	\$21,563
Average revenue per carload.....	\$284

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	222,801
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line....	11,562
Total variable (avoidable) cost.....	
234,363	

Net contribution (loss) : total..... (212,800)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

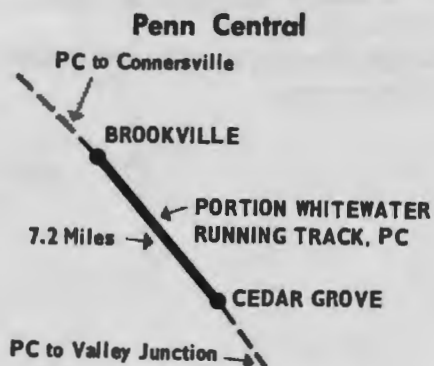
—The Coatesville Elevator and Feed Co. Inc., has invested \$382,000 in grain storage and loading facilities in anticipation of rail service. The Penn Central notified Coatesville that the company could lease the property necessary to build its siding, implying certain rail service.

—Coatesville Elevator's estimated traffic would be 645 carloads per year.

USRA ANALYSIS

PORTION OF THE WHITEWATER RUNNING TRACK

USRA Line No. 571



This portion of the Whitewater Running Track, formerly part of the New York Central RR, extends from Cedar Grove (Milepost 36.7) to Brookville, Ind. (Milepost 43.9), a distance of 7.2 miles, in Franklin County, Indiana. Continuations of this line extend southeastward from Cedar Grove and northwestward from Brookville. The latter portion is also under study in this Report. PC filed an abandonment application with the ICC on July 18, 1973, Docket No. AB-5, Sub. 180.

Summary of USRA Data

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

Cedar Grove	60
Brookville	685

Total carloads generated by the line

Number of round trips per year

Estimated time per round trip (hours)

Revenue received by PC

Average revenue per carload

Variable (avoidable) cost of continued service:

Cost incurred on the branch line

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

It is *not* recommended that this portion of the Whitewater Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Indiana Farm Bureau estimates local agricultural traffic of 1,400 tons per year on this line.

—The Brookville Chamber of Commerce lists eight rail users in Brookville and three in Cedar Grove.

—The Chamber of Commerce challenges the logic of breaking lines 571 and 571a at Cedar Grove. Access to 571 is over 571a; the line north of Brookville has been out of service for years. Most of the traffic generated on the line, however, is at Brookville.

—The estimated rehabilitation costs for the line should be reviewed. Available information indicates that the tie replacement indicated is too high.

574/574a

INDIANA

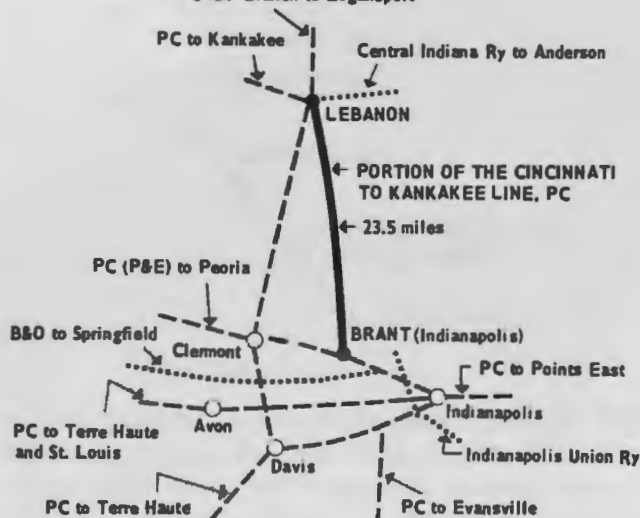
USRA ANALYSIS

PORTION OF THE CINCINNATI TO KANKAKEE LINE

USRA Line No. 574/574a

Penn Central

PC I&F Branch to Logansport



This portion of the Cincinnati-to-Kankakee Line, formerly part of the New York Central RR, extends from Brant (Milepost 113.5), to Lebanon, Ind. (Milepost 137.0), a distance of 23.5 miles, in Marion and Boone Counties, Indiana. Continuations of this line extend southeastward from Brant and northwestward from Lebanon. The latter portion is also under study in this Report. Connections are: the Peoria & Eastern line at Brant (out of service) and the PC I&F Branch at Lebanon. The Peoria and Eastern and a portion of the PC I&F are also under study in this Report. PC has filed an abandonment application with the ICC Docket No. AB-5, Sub. 94.

Summary of USRA Data

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

Rock Island	212
Augusta	418
Zionsville	285
Whitestown	9
Indianapolis ¹	109

Total carloads generated by the line	1,083
Number of round trips per year	150
Estimated time per round trip (hours)	4.0

¹ Includes only traffic on this segment.

Revenue received by PO	\$301,087
Average revenue per carload	\$291

Variable (avoidable) cost for continued service:

Cost incurred on the branch line	203,292
Cost of upgrading branch line to FRA	

Class I: (1/10 of total upgrading cost)	52,282
Cost incurred beyond the branch line	162,087

Total variable (avoidable) cost 417,661

Net contribution (loss): total (116,574)

USRA Recommendation

It is *not* recommended that this portion of the Cincinnati to Kankakee Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The response from the Office of the Mayor of Indianapolis described a comprehensive general land use plan indicating considerable industrial growth along this line.

—There is great potential along the line as indicated by the presence of two industrial parks, the Mooranci Park and the One Hundred Park.

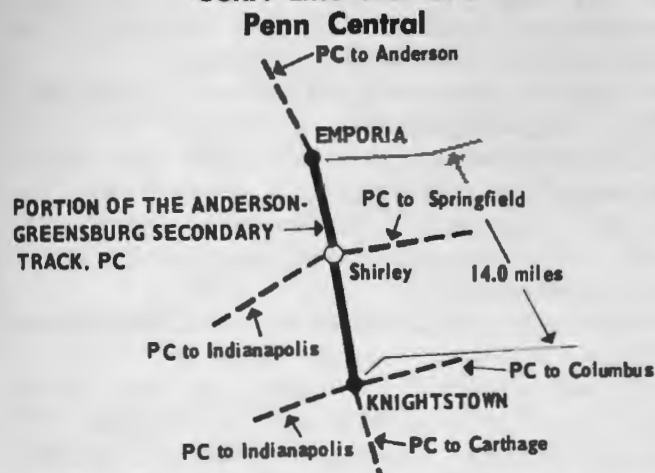
—The One Hundred Park has over 300 companies employing 2000. Future expansion envisions tripling the present numbers of employees. At least one firm already in the park (Dow Chemical Company) is planning a major expansion of its facility.

—The reply of the Research Committee on Penn Central's Cincinnati to Kankakee main line identified at least 21 shippers or receivers distributed over the entire length.

—Congressman David Evans estimated that 45 jobs would be lost in Tionsville alone as a result of abandonment.

USRA ANALYSIS

PORTION OF THE ANDERSON-GREENSBURG SECONDARY TRACK USRA Line No. 578



This portion of the Anderson-Greensburg Secondary Track, formerly part of the New York Central RR, extends from Emporia (Milepost 173.5) to Knightstown, Ind. (Milepost 187.5), a distance of 14.0 miles, in Madison, Henry and Hancock Counties, Ind. Continuations of this line extend southward from Knightstown and northward from Emporia (this becomes the PC Michigan Branch); the former portion is also under study in this Report. Connections include the PC Springfield Branch at Shirley and the PC Columbus to Indianapolis line at Knightstown. The Springfield Branch is also under study in this Report. PC applied for abandonment of this line in ICC Docket No. AB-5, Sub. 121.

Summary of USRA Data

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

Markleville	3
Shirley ¹	11
Total carloads generated by the line.....	14
Number of round trips per year.....	28
Estimated time per round trip, hours.....	6

¹ Includes only traffic on segment.

Revenue received by PC.....	\$6,185
Average revenue per carload.....	\$442

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	96,905
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	84,847
Cost incurred beyond the branch line.....	1,679

Total variable (avoidable) cost..... 183,431

Net contribution (loss): total..... (127,246)

USRA Recommendation

It is *not* recommended that this portion of the Anderson-Greensburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—It was pointed out by the Governor's Rail Task Force and by Container Corporation of America that 578 and 579a are actually one continuous branch from Anderson to Carthage. It is felt that breaking the line at Knightstown is arbitrary and erroneous. There is no physical connection between #579a and #633 at Knightstown.

—Container Corporation, a major shipper at Carthage, emphasized the great disparity between USRA's analyses of 578 and 579a regarding track conditions—in that the two are really the same line.

—In 1974 Container's traffic was nearly 1,100 cars.

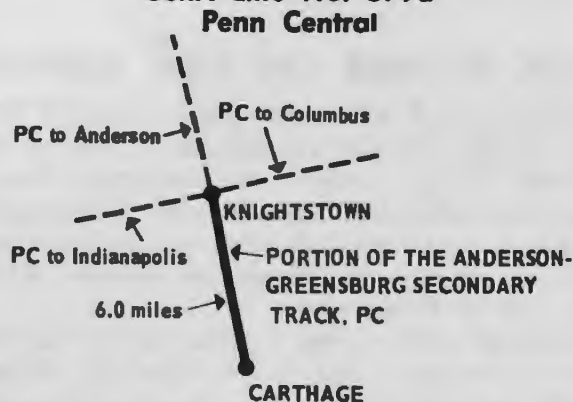
—If the interchange and the mile of track necessary to serve the six mile long #579a from #633 were constructed, Container's traffic would move to line #633 traffic and would certainly affect the viability analysis for that line.

—The number of round trips per year and the estimated time per trip appears to be high considering the traffic level and distance involved.

579a INDIANA

USRA ANALYSIS

PORTION OF THE ANDERSON-GREENSBURG SECONDARY TRACK USRA Line No. 579a



This portion of the Anderson-Greensburg Secondary Track, formerly part of the New York Central RR, extends from *Knightstown* (Milepost 187.5) to *Carthage, Ind.* (Milepost 193.5), a distance of 6.0 miles, in Henry and Rush Counties, Ind. Continuations of this line extend northward from Knightstown and southward from Carthage (this portion has been abandoned to Greensburg). The former continuation is also under study in this Report. This line connects with the PC Columbus to Indianapolis line at Knightstown.

Summary of USRA Data

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

Carthage	1,299
Knightstown ¹	41

Total carloads generated by the line..... 1,340

Number of round trips per year..... 150

Estimated time per round trip..... 4

¹ Includes only traffic on segment.

Revenue received by PC..... \$857,476

Average revenue per carload..... \$267

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 102,290

Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)..... 67,911

Cost incurred beyond the branch line..... 208,815

Total variable (avoidable) cost..... 380,016

Net contribution (loss): Total..... (22,540)

USRA Recommendation

It is *not* recommended that this portion of the Anderson-Greensburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Governor's Task Force and Container Corporation of America pointed out that Lines No. 578 and 579a should be considered as one line from Anderson to Carthage and that breaking it at Knightstown is arbitrary and erroneous.

—Container Corporation said analysis of track conditions on the two segments was wrong.

—Container Corporation's 1974 traffic was nearly 1,100 cars. If an interchange was effected with Line No. 633 (Richmond to Indianapolis), Container's traffic would move on 633, thus affecting viability of that line positively.

—RSPO review indicates that the USRA analysis excluded the Knightstown traffic (41 cars).

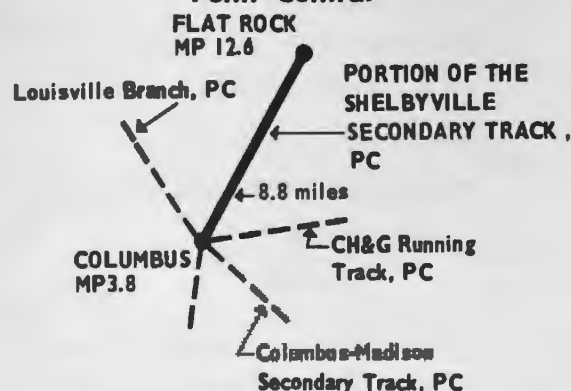
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS

PORTION OF THE SHELBYVILLE SECONDARY
TRACK

USRA Line No. 582

Penn Central



This portion of the Shelbyville Secondary Track, formerly part of the Pennsylvania RR, extends from *Columbus* (Milepost 3.9) to *Flat Rock, Ind.* (Milepost 12.6), a distance of 8.8 miles, in Bartholomew and Shelby Counties, Indiana. Connections include: the PC Louisville Branch and the PC Columbus-Madison Secondary Track at Columbus. These two are under study in this Report. Another connection is the PC CH&G Running Track at Columbus, a portion of this line is under study in this Report. PC has filed for abandonment of this line, Docket No. AB-5 Sub. 57, 58, 59 and USRA has also filed Docket No. 75-53.

Summary of USRA Data

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

Clifford	16
Flat Rock	41

Total carloads generated by the line	57
Number of round trips per year	52
Estimated time per round trip (hours)	2.5

Revenue received by PC	\$15,078
Average revenue per carload	\$265

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	64,759
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	9,472

Total variable (avoidable) cost	74,231
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Net contribution (loss): Total

(59,158)

USRA Recommendation

It is *not* recommended that this portion of the Shelbyville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

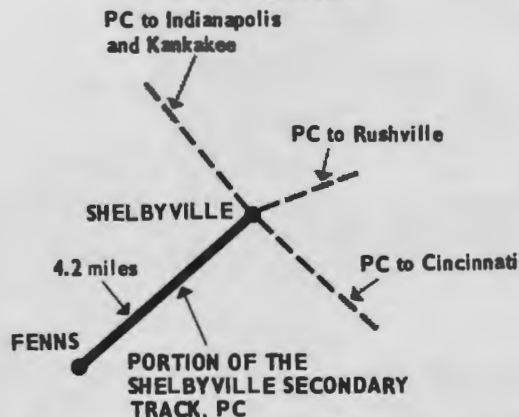
—The Swift Chemical Company protested discontinuing service on this line. They contend that the data used for analysis was outstanding for its lack of facts and based on system averages.

USRA ANALYSIS

PORTION OF THE SHELBYVILLE SECONDARY TRACK

USRA Line No. 584

Penn Central



This portion of the Shelbyville Secondary Track, formerly part of the Pennsylvania RR, extends from *Fenns* (Milepost 18.8) to *Shelbyville, Ind.* (Milepost 23.0), a distance of *4.2 miles*, in Shelby County, Indiana. A continuation of this line extends northeastward from Shelbyville. The continuation is under study in this Report. At Shelbyville this line connects with the PC Cincinnati to Kankakee line. PC has filed for abandonment with the ICC Docket No. AB-5, Sub. 57, 58 and 59 and USRA Docket No. 75-53.

Summary of USRA Data

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

Fenns	1
Total carloads generated by the line.....	1
Number of round trips per year.....	2
Estimated time per round trip (hours)	1.5
Revenue received by PC.....	\$200
Average revenue per carload.....	\$200

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	28,750
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	18,757
Cost incurred beyond the branch line.....	135

Total variable (avoidable) cost..... 40,642

Net contribution (loss): total..... (40,442)

USRA Recommendation

It is *not* recommended that this portion of the Shelbyville Secondary Track be included in the ConRail System.

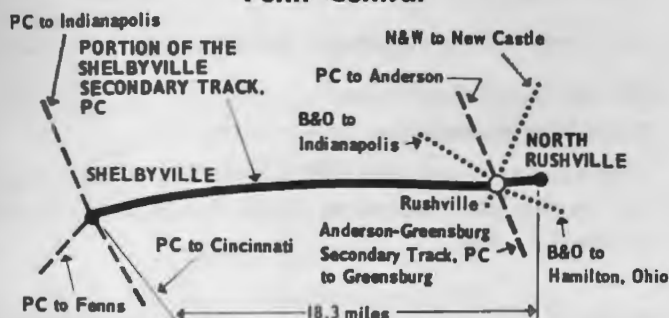
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS

PORTION OF THE SHELBYVILLE SECONDARY TRACK

USRA Line No. 585/586/587
Penn Central



This portion of the Shelbyville Secondary Track, formerly part of the Pennsylvania RR, extends from *Shelbyville* (Milepost 27.0), to *North Rushville, Ind.* (Milepost 45.3), a distance of *18.3 miles*, in Shelby and Rush Counties, Indiana. A continuation of this line extends southwestward from Shelbyville to Fenns (also under study in this Report). Connections include the Cincinnati to Indianapolis line at Shelbyville and the PC Anderson-Greensburg Secondary Track, the Norfolk & Western Ry., and the Baltimore & Ohio RR, at Rushville. The PC Anderson-Greensburg Secondary Track is also under study in this Report.

Summary of USRA Data

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

Ray's Crossing	17
Manilla	7
Homer	20
Rushville	360

Total carloads generated by the line	404
Number of round trips per year	100
Estimated time per round trip (hours)	11.0
Revenue received by PC	\$93,646
Average revenue per carload	\$232

Variable (avoidable cost of continued services:

Cost incurred on the branch line	191,495
Cost of upgrading branch line to FRA class I: (1/10 of total upgrading cost)	51,006
Cost incurred beyond the branch line	54,397

Total variable (avoidable) cost 296,898

Net contribution (loss): Total (203,252)

USRA Recommendation

It is *not* recommended that this portion of the Shelbyville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

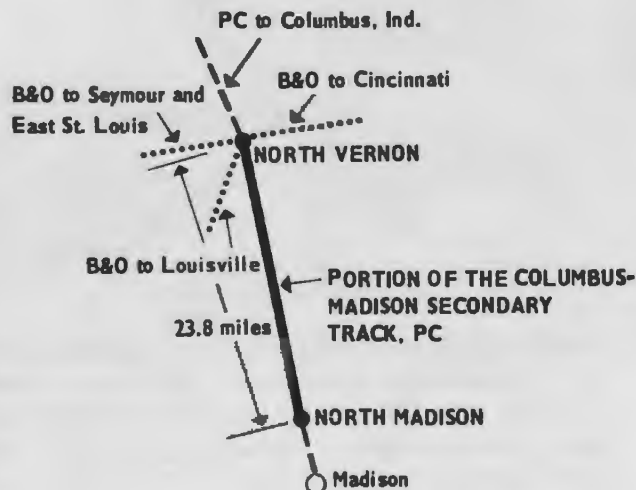
—The estimated time required per round trip appears to be high considering the distance and traffic involved.

—Consideration could be given to reducing the frequency of service and thereby reduce the on-branch costs.

USRA ANALYSIS PORTION OF THE COLUMBUS-MADISON SECONDARY TRACK

USRA Line No. 589

Penn Central



This portion of the Columbus-Madison Secondary Track, formerly part of the Pennsylvania RR, extends from *North Vernon* (Milepost 19.1) to *North Madison, Ind.* (Milepost 42.9), a distance of *23.8 miles*, in Jennings and Jefferson Counties, Indiana. Continuations of this line extend northwestward from North Vernon and southeastward from North Madison. These continuations are also under study in this Report. Connections at North Vernon include the Baltimore & Ohio Main Line, and a B&O branch to Jeffersonville, Ind., and Louisville, Ky. A portion of the PC extension from North Vernon to Columbus is out of service, and PC is presently operating via its Louisville Branch to Seymour, thence via the B&O to North Vernon.

Summary of USRA Data

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

North Vernon	69
Vernon	47
DuPont	0
Wirt	73
North Madison	2
Madison ¹	804

Total carloads generated by the line	995
Number of round trips per year	250
Estimated time per round trip (hours)	9.8

¹ Includes only traffic on segment.

Revenue received by PC	\$284,788
Average revenue per carload	\$286

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	324,558
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	59,029
Cost incurred beyond the branch line	161,592

Total variable (avoidable) cost 545,174

Net contribution (loss): total (260,486)

USRA Recommendation

It is *not* recommended that this portion of the Columbus to Madison secondary track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—All testimony on this and Line 590 insisted they could not be analyzed other than as a single line.

—Respondents expanded or reiterated testimony provided in 1974, as summarized in the Plan on page 457.

—The Governor's Task Force designated apparent errors in USRA's analysis, including use of approximately double the actual round trips per year.

—Lt. Governor Robert D. Orr listed this line as one of six in Indiana which *must* be kept in service.

—Rexnord, Inc., one of the area's major employers, would be forced to relocate if service is discontinued, which would cost the local economy the loss of 425 jobs, personal income of about \$7 million per year, and annual state and local tax revenues of \$119,000.

—The City of Madison emphasized the needs of the Indiana-Kentucky Electric Corporation's power plant for rail service to move outside loads.

—Respondents did not agree whether the B&O or ConRail should operate the line. The Governor's office recommended ConRail.

—The Greater Madison Chamber of Commerce indicates that the 250 round trips estimated is at least double the actual service frequency. It also points out that abandonment of this line would cut off service to Jefferson Proving Ground, one of the remaining U.S. Army artillery testing centers in the U.S.

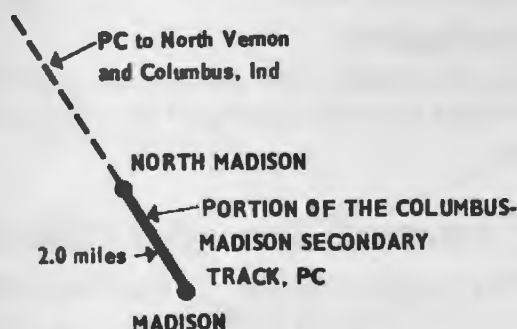
—The estimated time per round trip appears to be inconsistent with the length of the line and the traffic involved.

—The Chessie is interested in providing rail service to the entire line from the Chessie intersection at N. Vernon to Madison.

USRA ANALYSIS PORTION OF THE COLUMBUS-MADISON SECONDARY

USRA Line No. 590

Penn Central



This portion of the Columbus-Madison Secondary Track, formerly part of the Pennsylvania RR. extends from *North Madison* (Milepost 42.9) to *Madison, Ind.* (Milepost 44.9), a distance of *2.0 miles*, in Jefferson County, Indiana. Madison is the end of this line. The continuation of this line extends northwestward from North Madison, and is also under study in this Report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:
Madison¹ 178

Total carloads generated by the line..... 178

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

Estimated time per round trip (hours)..... 8

¹ Include only traffic segment.

Revenue received by PC..... \$53,222

Average revenue per carload..... \$299

Variable (avoidable) cost of continued
service:

Cost incurred on the branch line..... 29,728

Cost of upgrading branch line to FRA class

I: (1/10 of total upgrading cost)..... 6,830

Cost incurred beyond the branch line..... 31,094

Total variable (avoidable) cost..... 67,652

Net contribution (loss): total..... (14,430)

USRA Recommendation

It is *not* recommended that this portion of the Columbus-Madison Secondary Track be included in the Con-Rail System.

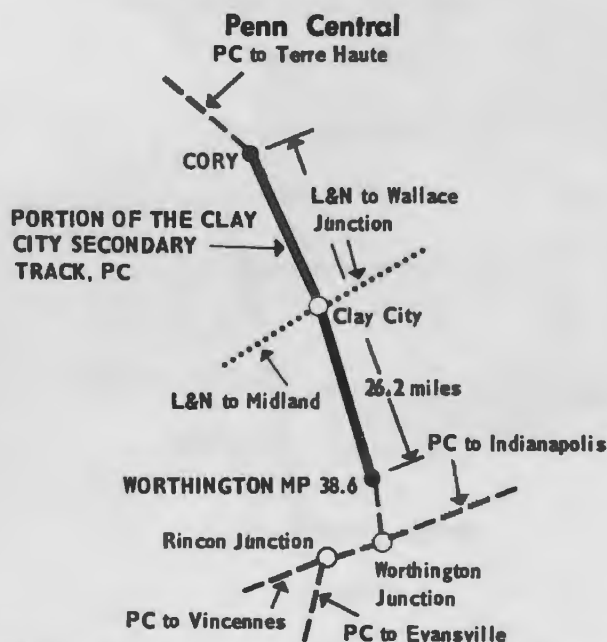
PUBLIC RESPONSE AND RSPO COMMENT

—See comment on USRA Line No. 589.

USRA ANALYSIS

PORTION OF CLAY CITY SECONDARY TRACK

USRA Line No. 591



This portion of the Clay City Secondary Track, formerly part of the New York Central RR, extends from Cory (Milepost 12.4) to Worthington, Ind. (Milepost 38.6), a distance of 26.2 miles, in Clay, Owen and Greene Counties, Ind. A continuation of this line extends northwestward from Cory and southeastward from Worthington to Worthington Junction. Connections are: a Louisville & Nashville branch to Wallace Junction & Midland at Clay City and the PC Petersburg Secondary Track at nearby Worthington Junction. The latter is also under study in this Report. PC has filed for abandonment to the ICC Docket No. AB-5, Sub. 151.

Summary of USRA Data

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

Riley	0
Cory	15
Clay City	54
Lancaster	2
Coal City	0
Mancourt	5
Total carloads generated by the line	76
Number of round trips per year	52
Estimated time per round trip (hours)	6
Revenue received by PC	\$19,098
Average revenue per carload	\$251

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	186,965
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	59,406
Cost incurred beyond the branch line	12,748

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

It is *not* recommended that this portion of the Clay City Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Worthington Chamber of Commerce states that line 591 is necessary to the economy of Greene County and the four rail users on the line.

—The line serves a national defense purpose in that the U.S. Naval Ammunition Depot at Crane requires maximum rail flexibility.

—The Chamber of Commerce reported that the Peabody Coal Company was developing a new mine which would be dependent on this line. Peabody Coal, however, did not mention this in its own testimony.

—The Indiana Farm Bureau estimated a yearly potential of 5,400 tons of phosphates and potash for the line.

USRA ANALYSIS

PORTION OF THE PETERSBURG SECONDARY
TRACK

USRA Line No. 593

Penn Central



This portion of the Petersburg Secondary Track, formerly part of the Pennsylvania RR, extends from Martinsville (Milepost 30.6) to Rincon Junction, Ind. (Milepost 73.8), a distance of 43.2 miles, in Morgan, Owen, and Greene Counties, Indiana. Continuations of this line extend northward from Martinsville and southwestward from Rincon Jct. The Petersburg section angles to the south from Rincon Jct. All lines are under study in this Report. Connections include: the Louisville & Nashville at Gosport (Milepost 44.1); the PC Clay City Secondary Track at Worthington (Milepost 72.3); and the PC Vincennes Secondary Track at Rincon Junction.

Summary of USRA Data

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

Paragon	11
Gosport	0
Gosport Junction	0
Romona	0
Spencer	1,361
Freedom	1
Worthington	22

Total carloads generated by the line	1,395
Number of round trips per year	250
Estimated time per round trip (hours)	12
Revenue received by PC	\$120,629
Average revenue per carload	\$86

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	654,988
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	114,040

Total variable (avoidable) cost

769,023

Net contribution (loss) total

(648,394)

USRA Recommendation

It is *not* recommended that this the portion of Petersburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—This portion of the Petersburg Secondary Track is one of six lines in Indiana which Lt. Governor Robert D. Orr has said must be retained.

—The logic of breaking this one segment out and analyzing it separately was challenged by the Governor's Rail Task Force.

—Several respondents pointed out that USRA must have been unaware that major rehabilitation has already been completed on parts of the line. Except for two bridges now being up-graded, the entire line from Indianapolis to south of Rincon Junction is 30 mph track.

—A large, to-be-developed gypsum deposit near Freedom, offers the potential of heavy traffic.

—Peabody Coal Company alone shipped over 20,000 carloads of coal to Indianapolis. Elimination of service would double Peabody's length of haul.

—The capacity to switch the several thousands of cars annually to the ICG at Switz City doesn't exist.

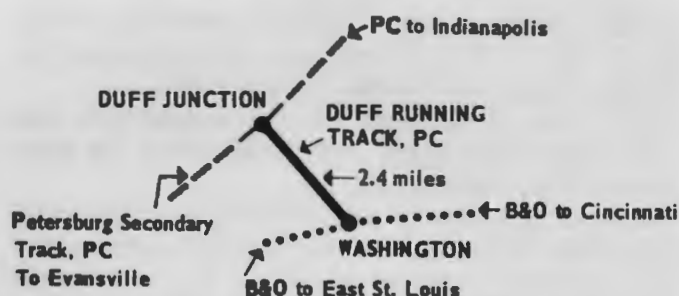
—Whirlpool Corporation, Evansville, ships more than 10,000 cars annually and is vitally concerned about distribution patterns and service factors, especially car supply which the company fears could not be maintained without this direct link to Avon Yard.

—The Indiana Farm Bureau is projecting local annual agricultural usage of 3,480 tons of phosphates and potash.

USRA ANALYSIS DUFF RUNNING TRACK

USRA Line No. 596

Penn Central



The Duff Running Track, formerly part of the New York Central Railroad, extends from *Duff Junction* (Milepost 77.6), to *Washington, Indiana* (Milepost 80.0), a distance of 2.4 miles, in Daviess County, Indiana. At Duff Junction, this line connects with the PC Petersburg Secondary Track, which is also under study in this Report. Another connection is with the Baltimore & Ohio Cincinnati-East St. Louis line at Washington. PC has filed for abandonment with the ICC (Docket No. AB-5, Sub. 91).

Summary of USRA Data

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

Washington	85
Total carloads generated by the line.....	85
Number of round trips per year.....	52
Estimated time per trip (hours).....	1.5
Revenue received by PC.....	\$16,618
Average revenue per carload.....	\$196

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	26,827
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	8,932
Cost incurred beyond the branch line.....	14,939
Total variable (avoidable) cost.....	50,198

Net contribution (loss) : Total..... (33,580)

USRA Recommendation

It is *not* recommended that the Duff Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The City of Washington protested abandonment. McCord Corporation, one of the city's largest firms, and several other local industries use the line.

—The Whirlpool Corporation is concerned because the Duff Spur is an interchange between Penn Central and the B&O. Loss of the line, it is feared, would result in longer transit times.

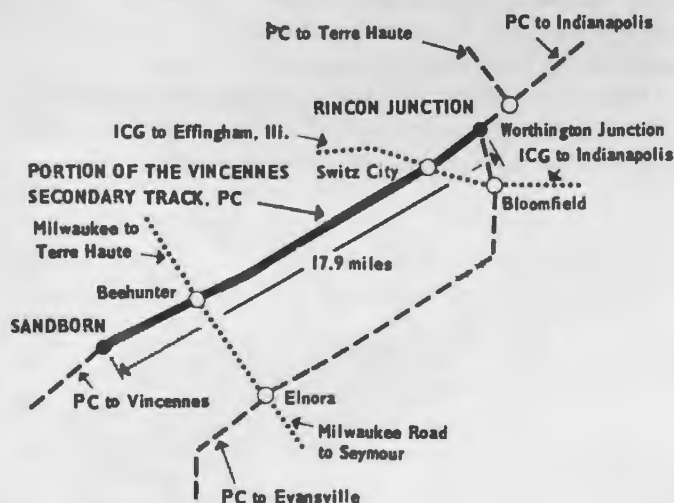
—RSPO staff recommends that USRA determine whether revenues on the overhead traffic to Whirlpool would be lost to Conrail.

—The Chessie is interested in serving PC customers at Washington *only*.

USRA ANALYSIS PORTION OF THE VINCENNES SECONDARY TRACK

USRA Line No. 597

Penn Central



This portion of the Vincennes Secondary Track, formerly part of the Pennsylvania RR, extends from *Rincon Junction* (Milepost 73.8), to *Sandborn, Ind.* (Milepost 91.7), a distance of *17.9 miles*, in Greene and Knox Counties, Indiana. A continuation of this line extends southwestward from Sandborn; it is also under study in this Report. Connections include: the PC Petersburg Secondary Track at Rincon Junction; the Illinois Central Gulf RR to Indianapolis and Effingham, Illinois, at Switz City; and the Chicago, Milwaukee, St. Paul and Pacific RR to Terre Haute and Seymour at Beehunter. The PC line is also under study in this Report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Switz City	22
Lyons	5
Bushrod	25
Beehunter	21

Total carloads generated by the line.....	73
Number of round trips per year.....	52
Estimated time per round trip (hours).....	8
Revenue received by PC.....	\$14,974
Average revenue per carload.....	\$206

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	160,778
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Cost of upgrading branch line to FRA class

I (1/10 of cost upgrading cost).....	39,254
Cost incurred beyond the branch line.....	11,792

Total variable (avoidable) cost..... 211,824

Net contribution (loss): total..... (196,850)

USRA Recommendation

It is *recommended* that the portion of the Vincennes Secondary Track between Sandborn and Switz City be included in the ConRail System.

It is *not* recommended that the portion of the Vincennes Secondary Track between Switz City and Rincon Junction be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Segment #597 apparently originates little tonnage, but is considered a vital link for the hauling of coal by both Indianapolis Power and Light Company and the Peabody Coal Company.

—Peabody ships 8000 cars per year in unit trains from its Hawthorn mine to Indianapolis Power and Light Company's Pritchard Plant at Campbells, Indiana. Without 597 (and 593) the length of haul would double and transit time would increase from the present 6 to 12 hours to an estimated 3 to 5 days, the result of multiple switching and interchanging with the ICG.

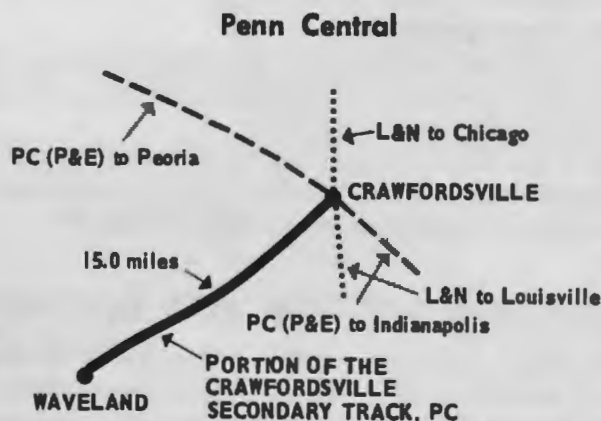
—According to RSPO and staff analysis the cost calculations reflect the use of four locomotives per trip, which is an overstatement of requirements for local service.

—The costs for upgrading should be reviewed. The background information indicates that existing good ties plus the number USRA states must be replaced exceeds FRA class I standards.

USRA ANALYSIS

PORTION OF THE CRAWFORDSVILLE SECONDARY TRACK

USRA Line No. 602



This portion of the Crawfordsville Secondary Track, formerly part of the Pennsylvania RR, extends from Waveland (Milepost 37.0), to Crawfordsville, Ind. (Milepost 52.0), a distance of 15.0 miles, in Montgomery County, Indiana. Continuations of this line did extend northeastward from Crawfordsville and southwestward from Waveland. These continuations have been abandoned. There are two connections on this line. They are the PC Peoria & Eastern line, and the Louisville & Nashville Chicago-Louisville line, both at Crawfordsville. The PC line is also under study in this Report. The PC has filed for abandonment of this line with the ICC and USRA (Finance Docket No. 26784; USRA Docket No. 75-50).

Summary of USRA Data

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

Crawfordsville ¹	3
Waveland	0

Total carloads generated by the line	3
Number of round trips per year	6
Estimated time per round trip (hours)	4

¹ Includes only traffic on segment.

Revenue received by PC	\$759
Average revenue per carload	\$253

Variable (avoidable) cost of continued service

Cost incurred on the branch line	97,142
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	41,016
Cost incurred beyond the branch line	319

Total variable (avoidable) cost	138,477
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Net contribution (loss) total	(137,718)
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USRA Recommendation

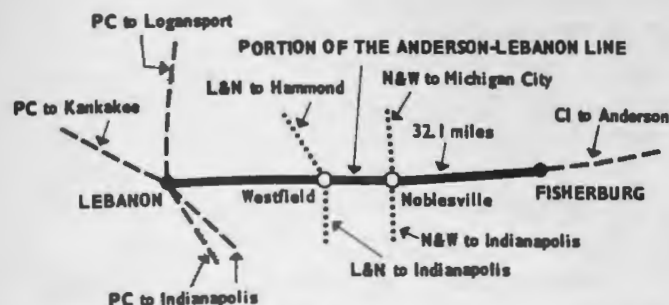
It is *not* recommended that this portion of the Crawfordsville secondary track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Elston Bank and Trust Company reported that whereas USRA reported only three cars for the entire line, the Custom Farm Service Company, located near milepost 42, received 52 cars in 1973.

—Testimony indicated that the projected usage for 1976 is 741 cars and for 1980, 933 cars for four shippers on the line if the line were upgraded.

USRA ANALYSIS
PORTION OF ANDERSON-LEBANON LINE
USRA Line No. 622/623
Central Indiana Railway



This portion of the Anderson-Lebanon line of the Central Indiana Railway extends from *Fisherburg* (Milepost 10.6), to *Lebanon, Ind.* (Milepost 42.7), a distance of *32.1 miles*, in Madison, Hamilton, and Boone Counties, Indiana. A continuation of this line extends eastward from Fisherburg. Connections include: the Norfolk & Western to Michigan City and Indianapolis at Noblesville; the Louisville & Nashville to Hammond and Indianapolis at Westfield; and at Lebanon, the PC Cincinnati-to-Kankakee line and the PC I&F Branch. Portions of both of the PC lines are also under study in this Report. PC has filed for abandonment of this line with the ICC, Finance Docket No. 26587; with USRA, Docket No. 75-561.

Information for Line Retention Decision

The Central Indiana Railway is independent of the PC and therefore has not been subjected to detailed analysis and is not to be a part of the ConRail System.

USRA Recommendation

It is *not* recommended that this portion of the Central Indiana Railway be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Confusion was expressed by respondents over the status of the Central Indiana Railroad. USRA indicates that the CI was independent and therefore a detailed analysis was not performed. Yet a portion of the line was recommended for exclusion.

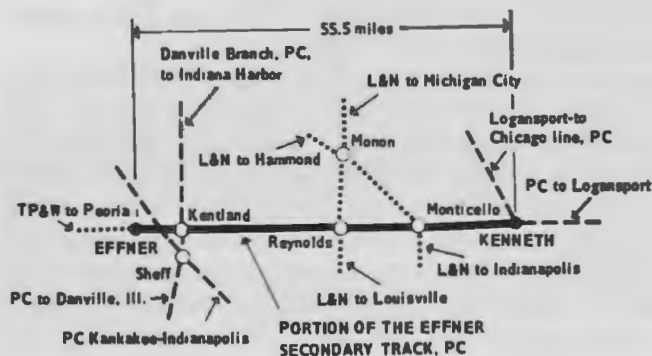
—The Carter Lumber Company testified that loss of rail service to their new store at Noblesville would result in an immediate loss of 4-6 jobs with associated personal income of \$60,000.

—Brockway Glass Company, Lapel, reported that the terminus of the segment should be Lapel. The track doesn't run through Fisherburg. Brockway's annual traffic is over 1700 cars, and the company is forecasting a 20 percent increase. Brockway must have two switches per day, one from the east and one from the west. To guarantee two-way service, the 9.1 miles from Lapel west to Noblesville must remain open to provide access to the N&W. Without this service, Brockway will be faced with curtailments and/or temporary shut downs. Brockway employs over 500 people.

USRA ANALYSIS PORTION OF THE EFFNER SECONDARY TRACK

USRA Line No. 630

Penn Central



This portion of the Effner Secondary Track, formerly part of the Pennsylvania RR, extends from *Kenneth* (Milepost 5.7) to *Effner, Ind.* (Milepost 61.2), a distance of *55.5 miles*, in Cass, White, Jasper and Newton Counties, Ind. A continuation of this line extends eastward from *Kenneth* to *Logansport*. Connections are: the PC *Logansport-to-Chicago* line at *Kenneth*; the *Louisville and Nashville* line to *Hammond* and *Indianapolis* at *Monticello*; the *Louisville and Nashville* to *Michigan City* and *Louisville* at *Reynolds*; the PC *Danville Branch* at *Kentland*; and the *Toledo Peoria & Western RR* to *Peoria* at *Effner*. The PC *Danville Branch* is also under study in this Report, as is a portion of the PC *Logansport to Chicago* line.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Lake Cicott	0
Burnettsville	32
Idaville	34
Monticello	895
Reynolds	1,240
Seafeld	0
Wolcott	159
Remington	927
Goodland	945
Perkins	18
Effner	5
Kentland ¹	271

Total carloads generated by the line..... 4,526

See footnote at end of table.

Number of round trips per year..... 300
Estimated time per round trip (hours)..... 12

¹ Includes only traffic on segment.

Revenue received by PC..... \$1,752,792

Average revenue per carload..... \$387

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 748,571

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading

cost)..... 51,207

Cost incurred beyond the branch

line..... 1,326,743

Total variable (avoidable) cost..... 2,126,521

Net contribution (loss): total..... (373,729)

USRA Recommendation

It is *not* recommended that this portion of the Effner Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Effner-to-Kenneth Rail Service Research Committee representing 39 rail users challenged the creditability of USRA's revenue figures, finding that on-line users had paid the PC over \$3.2 million in 1973, double the figure in the Plan.

—Several respondents emphasized the value of the line as an east-west link connecting the TP & W with the PC. Congressman George O'Brien feared that the TP&W would be forced out of business.

—Garvey International, Inc., reported the line was necessary to avoid the delays of the congested Chicago terminals.

—The W. R. Grace Company, Remington, distributes approximately 14,000 tons of fertilizer to area farmers annually and is dependent upon rail service for continued operation.

—Griffith Laboratories has just purchased 30 acres at Remington, with an option on an additional 65 acres and intends to build a plant on the site. The plant will use rail.

—The Pillsbury Company operates a grain elevator with a 3½ million bushel capacity at Reynolds. Pillsbury shipped 152,000 tons by rail in 1974, 85 percent of it on the PC. In the past 3½ years, Pillsbury has invested \$500,000 to upgrade its facilities to load 100 car unit trains.

—Seven elevators on the line handle 18,000,000 bushels annually; loss of rail service would cost area farmers an estimated \$1.5 million per year.

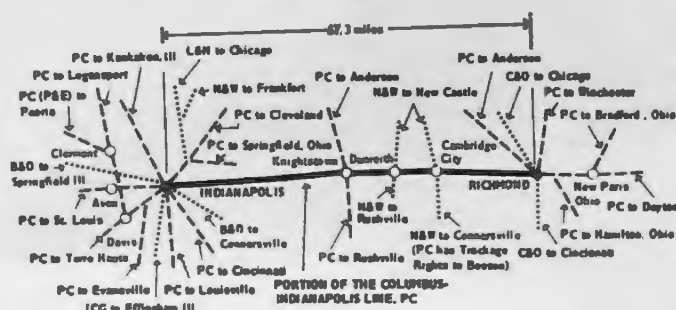
—At Monticello, Chemetron Welding Products has had to go to contract motor carriers because of poor service. The company is projecting a 30 percent increase in production and emphasized that its traffic on the line would increase if service were improved.

Continued on page 226

USRA ANALYSIS PORTION OF THE COLUMBUS-TO- INDIANAPOLIS LINE

USRA Line No. 633

Penn Central



This portion of the Columbus-to-Indianapolis Line, formerly part of the Pennsylvania RR, extends from *Richmond* (Milepost 119.6) to *Indianapolis, Ind.* (Milepost 186.9), a distance of *67.3 miles*, in Wayne, Henry, Hancock and Marion Counties, Ind.

A continuation of this line extends eastward from Richmond towards Dayton, Ohio. At Richmond, this line connects with the Penn Central Richmond Branch to Hamilton, Ohio and Anderson, Ind., the Penn Central Newman Secondary Track to Winchester, and the Chesapeake & Ohio to Chicago and Cincinnati. Other connections are: the Norfolk & Western at Cambridge City and Dunreith, the Penn Central Anderson-Greensburg Secondary Track at Knightstown, and at Indianapolis, the Penn Central Louisville Branch, the Penn Central Cincinnati-to-Kankakee Line, the Penn Central Petersburg Secondary Track to Evansville, the Penn Central to Springfield, Ohio, Peoria & Eastern Line, the Penn Central Greencastle Branch to Terre Haute, the Penn Central Springfield Branch, the Penn Central Cleveland-to-Indianapolis Line, the Penn Central Indianapolis-to-St. Louis Line, the Penn Central I&F Branch, the Baltimore & Ohio to Chicago and the Norfolk & Western to Frankfort.

Summary of USRA Data

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

Richmond ¹	8,521
Centerville	440
Germantown	24
Straughn	31
Cambridge City	69
Dunreith	35
Charlottesville	117
Greenfield	577
Gem	186
Knightstown ¹	64

Cumberland	89
Indianapolis ¹	5,184

Total carloads generated by the line	15,317
Number of round trips per year	250
Estimated time per round trip (hours)	36

¹ Includes only traffic on segment.

Revenue received by PC	\$4,182,160
Average revenue per carload	\$273

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	1,338,767
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	1,965,072

Total variable (avoidable) cost	3,301,839
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Net contribution (loss): total	880,321
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USRA Recommendation

It is *not* recommended that the portion of the Richmond to Indianapolis Line between these cities be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The public response to the proposed abandonment of this segment was quite heavy. The line generates significant local traffic; is a heavily used overhead and Amtrak route; and, by USRA's own analysis, profitable.

—The Mayor of Richmond described potential economic havoc. Loss of service would cost Richmond 900 jobs and \$300,000 in property taxes a year from two firms alone.

—The Richmond Area Chamber of Commerce estimated the potential loss from 15 of the major shippers 1,610 primary jobs, 1,100 secondary jobs, \$25 million annual payroll, \$14,000,000 tax base.

—National Automatic Tool Company, located just west of Richmond, is a shipper of machine tools and molding machines, some of whose products physically cannot be handled except by rail.

—The Richmond Power and Light Company burns 2,000 carloads of coal per year. Without this line, the utility company's costs would be higher by estimated \$118,000 per year, an amount which would be passed on in higher rates to consumers.

—The Amoco Oil Company operates a liquid fertilizer plant at Charlottesville where it receives 85 cars per year. Loss of rail service would force Amoco to relocate at a cost of \$606,000. The Company noted that 63 percent of 1973 traffic was generated on only 43 percent of the line and that at least the 29 mile

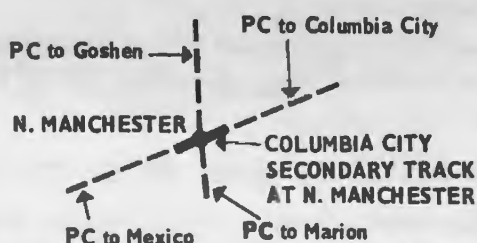
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INDIANA

USRA ANALYSIS PORTION OF COLUMBIA CITY SECONDARY TRACK

USRA Line No. 700

Penn Central



This portion of the Columbia City Secondary Track, formerly part of the Pennsylvania RR, extends from Milepost 36.9 to Milepost 37.2, a distance of *0.3 miles*, at *N. Manchester*, in Wabash County, Ind.

Information for Line Retention Decision

This line does not directly serve any shippers.

USRA Recommendation

It is *not* recommended that this portion of the Columbia City Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

577a

INDIANA to ILLINOIS

USRA ANALYSIS

PORTION OF CINCINNATI-TO-KANKAKEE LINE

USRA Line No. 577a

Penn Central



This portion of the Cincinnati-to-Kankakee Line, formerly part of the Pennsylvania RR, extends from Sheff, Ind. (Milepost 211.3), to Kankakee, Ill. (Milepost 249.4), a distance of 38.1 miles, in Iroquois and Kankakee Counties, Ill. and Benton County, Ind. A continuation of this line extends eastward to Cincinnati, also under study in this Report. This line connects with the PC to Evansville and the PC to Chicago at Sheff, Ind. These two lines are both under study in this Report. This line connects with the TP&W lines to Effner and to Peoria at Sheldon. At Nelson this line connects with the Milwaukee Road Chicago-Terre Haute Main Line. This line also connects with the C&EI Main Line from Chicago to Evansville at St. Anne. (The C&EI line to Chicago uses the L&N trackage. At Kankakee this line connects with the ICG Chicago-New Orleans Main Line. It also connects with the PC lines to South Bend and to Peoria at Kankakee).

Summary of USRA Data

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

Raub	149
Sheldon	1,194
Iroquois	109
Donovan	184
Beaverville	204
St. Anne	132
Aroma Park	15
Kankakee ¹	482

Total carloads generated by the line..... 2,469

Number of round trips per year..... 150

Estimated time per round trip (hours)..... 7

¹ Includes only traffic on segment.

Revenue received by PC..... \$1,034,157

Average revenue per carload..... \$419

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 376,695

Cost of upgrading branch line to FBA

Class I:

($\frac{1}{10}$ of total upgrading cost)..... 0

Cost incurred beyond the branch line... 884,436

Total variable (avoidable) cost..... 1,211,131

Net contribution (loss): total..... (176,974)

USRA Recommendation

It is *not* recommended that this portion of the Cincinnati to Kankakee Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Kankakee County Farm Bureau indicated that present and potential traffic make this line essential to the economic well-being of Kankakee County farmers.

—Congressman George O'Brien expressed interest in the line's being acquired by a solvent carrier, as did the Rail Research Committee organized on the line.

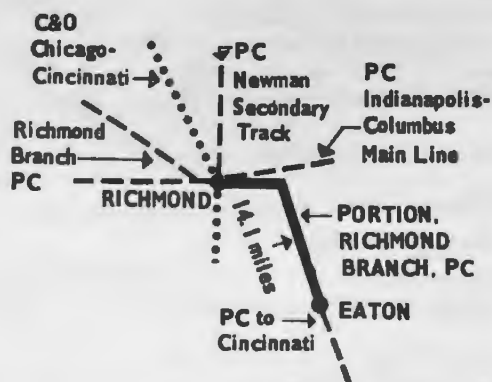
—The Rail Research Committee also pointed out apparent factual errors in USRA's analysis; e.g., nearly 1000 cars from five major on-line shippers in Kankakee were omitted. The Committee also pointed out seeming inconsistencies in the way USRA handled the different segments of the Cincinnati-to-Kankakee line—one segment having been included with no demonstrated analysis and two segments included because they were required for "through traffic." The main thesis of the Committee's criticism is that Line No. 577a is an integral segment of a through line, but that it can stand on its local traffic generating higher carloads per mile than the other Cincinnati Kankakee segments.

—The Early and Daniel Company at Sheldon argued that the entire line was profitable and should be retained, but especially the 7.8 mile segment from Sheff to Sheldon must stay. In 1973, this 7.8 miles generated 58 percent of the carloading and 80 percent of the revenues which USRA attributed to the entire line.

USRA ANALYSIS PORTION OF THE RICHMOND BRANCH

USRA Line No. 520a

Penn Central



This portion of the Richmond Branch, formerly part of the Pennsylvania RR, extends from *Eaton, Ohio* (Milepost 58.0), to *Richmond, Ind.* (Milepost 72.1), a distance of 14.1 miles, in Preble County, Ohio and Wayne County, Ind. The Richmond Branch runs south to Cincinnati and continues north beyond Richmond to Logansport; both extensions are also under study in this Report as is the Newman Secondary Track which connects at Richmond. At Richmond the C&O Chicago-Cincinnati line and the Penn Central's Indianapolis-Columbus line also cross.

Summary of USRA Data

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

Eaton	1,068
New Hope	44
Campbellstown	29

Total carloads generated by the line	1,136
Average carloads per week	21.8
Average carloads per mile	80.6
Average carloads per train	3.8

1973 Operating Information:

Number of round trips per year	800
Estimated time per round trip (hours)	2.0
Revenue received by PC	\$274,874
Average revenue per carload	\$242

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	154,149
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line	161,055

Total variable (avoidable) cost

Net contribution (loss) : Total

USRA Recommendation

Although the preliminary recommendation is that this portion of the Richmond Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Preble County Farm Bureau Cooperative said it serves 2,380 customers. Without rail service the Farm Bureau's transportation costs would go up by \$8,120 a year. To relocate would cost \$600,000 and would result in loss to the community of about \$10,000 per year in tax revenues. Further, it could have used 91 more hopper cars in 1974 had they been available, they plan to install three 30,000 bushel grain storage tanks which will increase rail service requirements, and that a Town and Country store plans to locate in Eaton in the near future and will need rail service.

—Community Improvement Corporation is negotiating to develop a 100 acre industrial park for Eaton.

—Westvaco Corporation will complete its previously reported \$1,750,000 expansion in 1975 and estimates 1975 traffic will total 1,329 carloads, growing to about 1,700 carloads in 1976. Also, the company said the track is in FRA Class III condition. However, because signalling has been removed it is officially only Class II. Finally, Westvaco said it is willing to negotiate immediately with the proper party for establishment of a specific rate increase to cover any deficit associated with movement of its traffic at Eaton.

—The Ohio Public Utilities Commission recommended that Lines No. 520a and 519/520 be considered as a single segment. On the other hand, the Community Corporation for Eaton and Preble Counties suggested that Line No. 520a be extended only to Camden on Line No. 519/520, to pick up the traffic there.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected
Campbellstown AG Center, Inc., Campbellstown	29	.....	64
Westvaco Corp., Eaton	902	.....	1,329-1,716
Preble Landmark, Eaton	128	114	130
Letherman Lumber Co., Eaton	30	.....	35
Teneco Products, Eaton	30	.....	30
Steinke Tractor and Truck Sales, Eaton	14	.....	20
St. Clair Custodial Supply Co., Eaton	10		10
Food Filters Corp., Eaton	1		1
Armcast Elevator, New Hope	44		97

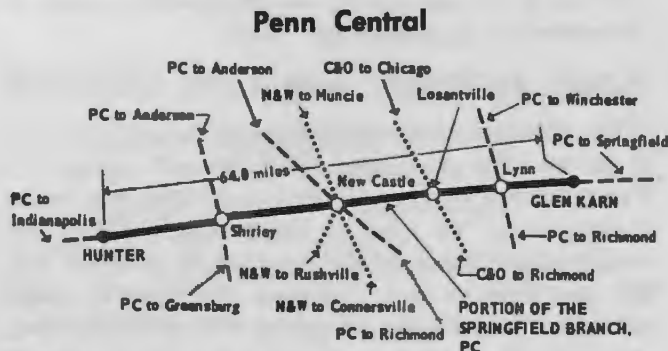
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554

INDIANA to OHIO

USRA ANALYSIS PORTION OF THE SPRINGFIELD BRANCH

USRA Line No. 554



This portion of the Springfield Branch, formerly part of the New York Central RR, extends from *Glen Karn, Ohio* (Milepost 60.4) to *Hunter, Ind.* (Milepost 131.2), a distance of 64.0 miles, in Marion, Hancock, Henry, and Randolph Cos., Ind., and Darke Co., Ohio. The total mileage between these points is 70.8, however, there are a number of small line segments—especially at key junctions that are not under study. At Hunter this line continues west to Indianapolis and at Glen Karn it continues east to Springfield. Connections with other lines are: the PC Anderson-to-Greensburg Secondary Track at Shirley; the PC Richmond Branch and the Norfolk and Weston to Rushville, Connersville, and Muncie at New Castle, the Chesapeake & Ohio Ry. at Losantville and the PC Newman Secondary Track to Richmond and Winchester at Lynn. Portions of or the entire line of the PC connections listed above are also under study in this Report.

Abandonment applications have been filed by the PC with the ICC, Finance Docket No. AB-5, Sub. 17, and USRA Docket No. 75-54 and 75-55.

Summary of USRA Data

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

Glen Karn	43
Crete	10
Lynn	70
Carlos City	0
Modoc	19
Losantville	28
Mooreland	19
New Castle ¹	258
Kennard	10
Wilkinson	43
Willow Branch	1
Maxwell	44
Mohawk	1
Mount Comfort	6
Hunter	58
Total carloads generated by the line	605

Number of round trips per year	90
Estimated time per round trip (hours)	12

¹ Includes only traffic on segment.

Revenue received by PC	\$183,351
Average revenue per carload	\$320

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	483,700
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	55,868
Cost incurred beyond the branch line	77,451

Total variable (avoidable) cost	617,019
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Net contribution (loss): Total	(423,668)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Indianapolis Chamber of Commerce is particularly concerned about the precise definitions of line end-points in the Indianapolis area.

—Hunter is actually 1900 feet west of the present switching limit. The C. W. Jackson Company has a 300 acre industrial park just beyond Hunter.

—The Maxwell Grain Company is constructing major new facilities at Maxwell, Indiana, and has submitted convincing evidence that the line can be operated profitably at least as far east as Maxwell.

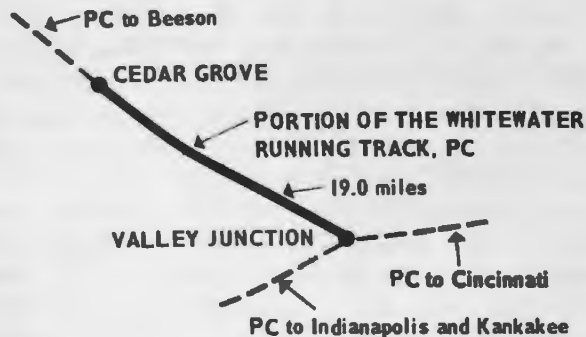
—Maxwell Grain is projecting traffic of at least 480 cars per year, mostly jumbo-hoppers, from its facilities at Mohawk and Maxwell. Long range prospects are good due to the planned construction of a new metropolitan airport between Hunter and Mount Comfort.

—Allegheny Ludlum Steel Corporation has a major installation on this line 1½ miles west of New Castle.

USRA ANALYSIS WHITEWATER RUNNING TRACK

USRA Line no. 571a

Penn Central



This portion of the Whitewater Running Track, formerly part of the New York Central RR, extends from Valley Junction, Ohio (Milepost 17.7), to Cedar Grove, Ind. (Milepost 36.7), a distance of 19.0 miles, in Hamilton County, Ohio and Dearborn, Franklin, Fayette and Wayne Counties, Indiana. At Valley Junction, this line connects with the PC Cincinnati-to-Kankakee Line, and at Cedar Grove it continues to Beeson. The latter continuation and a portion of the former line are also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Valley Junction.....	7
White Water.....	104
Harrison	274
Total carloads generated by the line.....	385
Number of round trips per year.....	90
Estimated time per round trip (hours).....	7
Revenue received by.....	\$186,325
Average revenue per carload.....	\$354
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	171,238
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	57,191
Cost incurred beyond the branch line.....	51,626
Total variable (avoidable) cost.....	280,055
Net contribution (loss) : total.....	(143,730)

USRA Recommendation

It is *not* recommended that this portion of the Whitewater Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Greater Cincinnati Chamber of Commerce reported that loss of rail service would hamper the future expansion of Cincinnati Inc., Crest Component Homes, and Seasongood Folding Box; affect expansion plans of Arling Lumber Company which could amount to 300 carloads per year, and jeopardize the employment of 860 people.

—The Cincinnati Gas and Electric Co. reported that it owns two industrial sites along the line; one being 190 acres and the other being 120 acres. Discontinuance of rail service on this line could dampen Cincinnati's chances of attracting industrial users to these sites. It also reported that Crest Component Homes, which generates 240 carloads annually, recently located along this line. Thus, its rail usage was not considered in USRA's analysis.

—The Greater Cincinnati Chamber of Commerce reported that the J. Cornelius Grain Elevator generates 4 carloads per year and that the Seasongood Folding Box Company generates 24 carloads per year.

—According to the Public Utilities Commission of Ohio, all traffic generated along this line originates or terminates between Valley Jct. and Harrison, a distance of 7.7 miles. The PUC thinks that USRA should recalculate the net contribution of this line using only the 7.7 mile segment.

—Cincinnati Incorporated, which generates 120 carloads annually, reported that some of its heavy machinery parts weigh up to 125,000 pounds, and cannot be moved other than by rail.

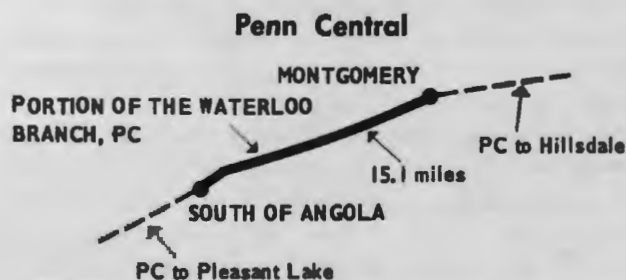
401

INDIANA to MICHIGAN

USRA ANALYSIS

PORTION OF THE WATERLOO BRANCH

USRA Line No. 401



This portion of the Waterloo Branch, formerly part of the New York Central RR, extends from south of *Angola, Ind.* (Milepost 39.7), to *Montgomery, Mich.* (Milepost, 54.8), a distance of 15.1 miles, in Steuben County, Indiana and Hillsdale and Branch Counties, Michigan. Continuations of this line extend northward from Montgomery and southward from south of Angola. Both continuations are also under study in this Report. PC has filed an abandonment application with the ICC Docket No. AB-5 Sub-193, 194.

Summary of USRA Data

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

Ray	0
Fremont	49
Angola	209

Total carloads generated by the line..... 258

Number of round trips per year..... 100

Estimated time per round trip (hours)..... 6.0

Revenue received by PU..... \$87,152

Average revenue per carload..... \$160

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 140,009

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) .. 37,617

Cost incurred beyond the branch line..... 35,282

Total variable (avoidable) cost..... 212,908

Net contribution (loss): total..... (145,756)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Indiana Farm Bureau estimates annual traffic of 3,555 tons of phosphates and potash.

—The Steuben County Farm Bureau has land under option just south of Angola for a new grain elevator which may not be developed without rail. The Farm Bureau also emphasized that 27 carloads of coal were used in 1973 (15 in 1974) for home heating.

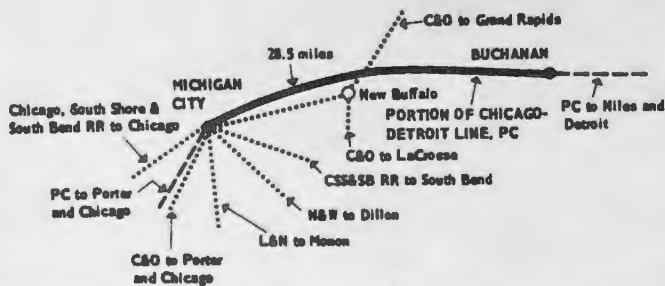
—USRA's estimate of 100 trips per year is high by a factor of two, at least; the Farm Bureau reported that the branch receives no more than once-a-week service, with only 27 trips in 1973.

—Moore Business Forms, Inc., has recently completed a 20,000 square-foot plant expansion; the company's rail usage increased from 48 cars in 1973 to 122 cars in 1974. Moore expects to continue to increase usage because some waste material now has recycling value. Loss of rail would knock Moore out of the market for some government contract business which specifies rail shipment.

USRA ANALYSIS PORTION OF CHICAGO TO DETROIT LINE

USRA Line No. 467

Penn Central



This portion of the Chicago to Detroit Line, formerly part of the New York Central RR, extends from *Buchanan, Michigan* (Milepost 199.5) to *Michigan City, Ind.* (Milepost 228.0), a distance of *28.5 miles*, in Berrien County, Michigan and La Porte County, Indiana. At Buchanan, Mich., this line continues eastward to Niles and Detroit, and at Michigan City, Indiana west towards Chicago. The Line eastward from Buchanan, Mich. is also under study. Connections with other railroads include the Chesapeake & Ohio at New Buffalo and Michigan City. Also at Michigan City, connections are made with the Chicago, South Shore & South Bend RR, the Louisville & Nashville RR and the N&W Ry. This line was not described as potentially excess in the U.S. DOT Report (see Zones 128 and 149).

Summary of USRA Data

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

Gallen	7
Three Oaks	9
Buchanan ¹	311

Total carloads generated by the line.....	327
Number of round trips per year.....	240
Estimated time per round trip (hours).....	3

¹ Includes only traffic on segment.

Information for Line Retention Decision

Data errors preclude complete analysis prior to the preliminary system plan.

USRA Recommendation

It does not appear, based on revenue and carloads per mile, that this line segment is financially self-sustaining. Analysis will be completed within 2 weeks.

PUBLIC RESPONSE AND RSPO COMMENT

—The American Cyanamid Company, Michigan City, suggested that the end point be redefined as milepost 226.0 instead of 228.0 to assure continued rail service to all Michigan City industries.

—Located at MP 201.0, the Buchanan Co-op, Inc. has recently completed \$150,000 grain loading facilities. The Company has invested a total of \$750,000 over the past five years at this location and is planning another expansion in three years. Rail service is essential. Buchanan is estimating 1977 traffic of 222 cars.

INDIANA CONTINUATIONS

IN-429

—The NW is interested in acquiring a two-mile segment only in the immediate area of Portland and would serve the three industries presently located on the PC at Portland.

IN-630

—The TP&W is definitely interested in acquiring segment #630 subject to successful negotiation with USRA of several conditions which would assure TP&W of full access to ConRail connections at a reasonable cost.

—Chesebrough-Pond's received 288 cars at Monticello in 1973. A recent shift in part of its production process will increase rail receipts at Monticello by 79 cars per year. Loss of rail service would cost Chesebrough-Pond's an additional \$180,000 per year in freight charges plus a plant modification investment of \$200,000.

—Finally, Congressman Floyd J. Fithian emphasized that the town of Monticello was just now being rebuilt after a devastating tornado one year ago. Loss of rail service would be a crippling economic blow.

IN-633

segment from Indianapolis to Charlottesville could operate profitably on a local-traffic basis.

—Bertsch and Company, Inc. located at M.P. 134.9, manufactures some of the largest bending roll machines in the world. Some of Bertsch's shipments are single items weighing 1,000,000 pounds. The Company is the *sole U.S. supplier* of some of the machines used in the fabrication of submarine hulls and nuclear reactors. The Company must have rail service.

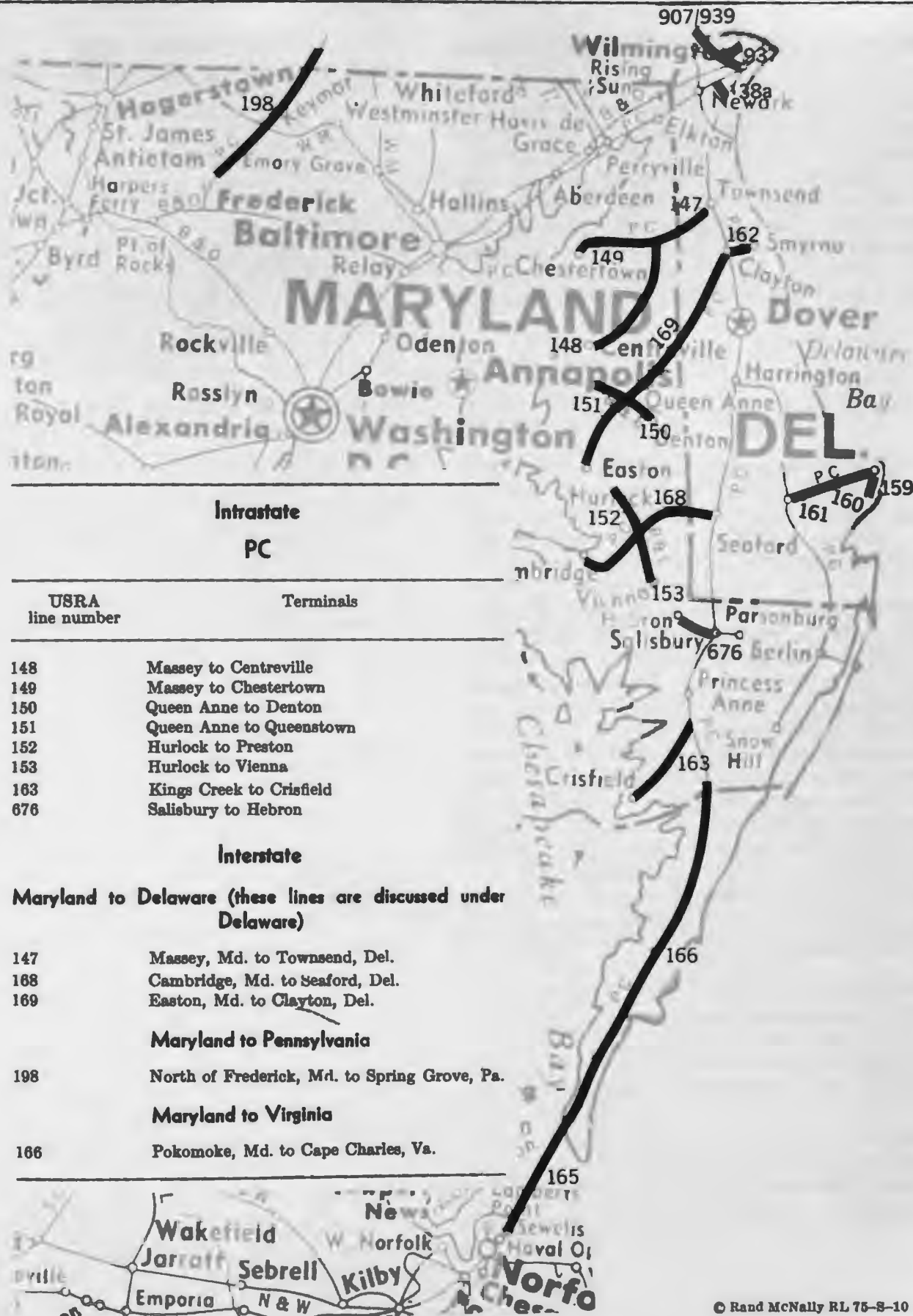
—The Chessie is interested in serving the shippers at both ends of the line. On the west, Chessie wants to serve Indianapolis customers only, a segment one to two miles long. On the east, Chessie wants the Richmond to Centerville section, approximately five miles.

IN-520a

—The Chessie is interested in acquiring the entire branch from Richmond to Eaton and would provide service to all shippers who would otherwise lose service.

—The Ohio Association of Railroad Passengers testified that Lines No. 518, 519/520, 520a and 521 should be considered as a secondary passenger corridor between Cincinnati and Indianapolis, providing service to Hamilton, Ohio, and Richmond, Ind.

MARYLAND

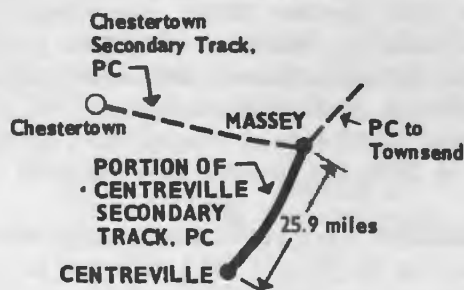


MARYLAND

USRA ANALYSIS PORTION OF CENTREVILLE SECONDARY TRACK

USRA Line No. 148

Penn Central



This portion of the Centreville Secondary Track, formerly part of the Pennsylvania RR, extends from Massey (Milepost 9.2) to Centreville, Md. (Milepost 35.1), a distance of 25.9 miles, in Kent and Queen Annes Counties, Md. At Massey, this line continues toward Townsend, Del. where it connects with the PC Delmarva Branch. At this point, it also connects with the PC Chestertown Secondary Track, which is also under study in this Report. In November 1972, the PC applied to the ICC for permission to abandon the line, Docket No. AB-5, Sub. 197. No final action has been taken on this application.

Summary of USRA Data

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

Millington	10
Sudlersville	2
Barclay	11
Price	2
Centreville	66
Roberts	0

Total carloads generated by the line.....	91
Number of round trips per year.....	75
Estimated time per round trip (hours).....	9
Revenue received by P C.....	\$34, 718
Average revenue per carload.....	\$382

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	206, 540
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost) ..	27, 585
Cost incurred beyond the branch line...	24, 819

Total variable (avoidable) cost..... 258, 944

Net contribution (loss) : Total..... (224, 226)

USRA Recommendation

It is *not* recommended that this portion of the Centreville Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Hurricane Agnes caused a washout of a section of the Massey to Centreville route. Several shippers formed C. M. Associates which under agreement with the Penn Central, in 1973 rebuilt the roadbed and relaid the destroyed tracks at the shippers expense. Since this work was not completed until late 1973 the carload figure used by USRA covers only a small portion of the year. According to Tidewater Publishing Co., figures based on the calendar year October 8, 1973 to October 7, 1974 show the following:

	Actual	USRA
Carloads generated on the line.....	456	91
Revenue received by PC.....	\$222, 793	\$35, 718
Average revenue per car.....	484. 65	382. 00
On branch cost of service.....	110, 525	206, 540

—Tidewater Publishing Company states that if rail service is discontinued it might be forced to close. Delmarva Sash and Door would relocate rather than be placed in a noncompetitive position.

—A soy bean processing plant is planned which will require rail service over this line.

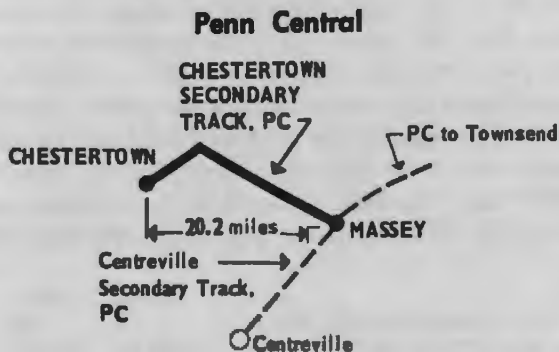
—Maryland DOT in its Railroad Planning Project states "Currently operated under a unique agreement between a shipper's group and PC, this line appears to generate operating results far worse than the current subsidy would indicate. Whereas the shippers now pay a \$65.40 surcharge per car, the operating deficit in the 1973 adjusted time frame comes to \$153 per car according to the present analysis. Even worse, the 1978 *conservative* time frame produces an operating deficit of \$238 per car before infrastructure costs are deducted. (With infrastructure costs deducted, the deficit becomes \$535 per car.) These estimates for 1978—*conservative* are in fact generous to the Massey-Centreville line because they allocate all crew costs at 25 miles per hour to the Townsend-Chestertown branch!

—In the long run, the only hope for this branch would appear to be a short line operation consolidated with Townsend-Chestertown. Also dramatic increases in rail use would be necessary. Even then, it is anticipated that considerable subsidy assistance will be required."

—Based upon 1973 traffic, revenue and operational data developed by USRA, and USRA costs adjusted to the categories included under the RSPO subsidy standards, the estimated subsidy is \$113,630, excluding upgrading costs.

USRA ANALYSIS CHESTERTOWN SECONDARY TRACK

USRA Line No. 149



The Chestertown Secondary Track, formerly part of the Pennsylvania RR, extends from *Massey* (Milepost 0.0) to *Chestertown, Md.* (Milepost 20.2), a distance of *20.2 miles*, in Kent County, Md. At *Massey*, this line connects with the *Centreville Secondary Track*, also under study in this Report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

<i>Massey</i>	12
<i>Kennedyville</i>	47
<i>Still Pond</i>	11
<i>Lynch</i>	52
<i>Chestertown</i>	290

Total carloads generated by the line..... 421

Number of round trips per year..... 75

Estimated time per round trip (hours)..... 8.5

Revenue received by PC..... \$266,797

Average revenue per carload..... \$685

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 177,891

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost)..... 40,461

Cost incurred beyond the branch line..... 160,609

Total variable (avoidable) cost..... 378,961

Net contribution (loss) : Total..... (112,164)

USRA Recommendation

Although the preliminary recommendation is that the *Chestertown Secondary Track* not be included in the *ConRail System*, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Royster, Inc., which shipped 175 cars in 1973 and 244 in 1974, projects handling 275 carloads for year ending June 30, 1975, estimates that if this line is excluded from *Conrail*, they would be compelled to reduce their *Eastern Shore* operations by fifty percent. Similarly, *Baltimore Business Forms* indicated that it would relocate its plant if rail service is discontinued causing unemployment of 127 people. *Tenneco Chemicals of Chestertown* reports 259 carloads in 1973, 316 in 1974, and projects 432 for 1975.

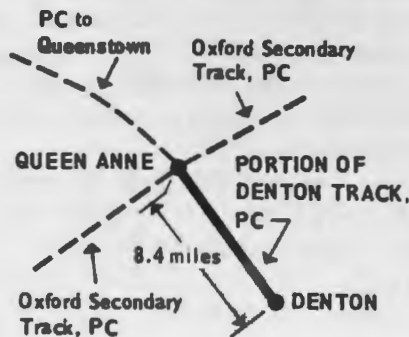
—The *Delmarva Advisory Council* points out an inconsistency in the Plan. USRA included an annual cost of \$40,461 for upgrading this line to Class I standards but then states that "This line would not require upgrading . . ."

—*Maryland DOT* in its *Railroad Planning Project* stated "Under 1973 conditions, this line generates remarkably favorable operating results: an operating surplus of \$227 per carload, the highest of any line on the *Maryland Eastern Shore*. However, under the 1978 conservative time frame, the line cannot meet its infrastructure costs, although it still produces an operating surplus. With some subsidy assistance, especially for rehabilitation expenses the *Townsend-Chestertown* line could be a viable operation. In view of the poor financial results of the *Massey-Centreville* line, and the necessary interdependence of the two branches, a short line operation over both might prove feasible."

USRA ANALYSIS PORTION OF DENTON TRACK

USRA Line No. 150

Penn Central



This portion of the Denton Track, formerly part of the Pennsylvania RR, extends from *Queen Anne* (Milepost 0.0) to *Denton, Md.* (Milepost 8.4), a distance of 8.4 miles, in Queen Annes and Caroline Counties, Md. At Queen Anne, this line connects with the Oxford Secondary Track and with its own continuation to Queenstown. Both of these lines are also under study in this report. In June 1973, application was made to the ICC to abandon this line. (Docket No. AB-5, Sub. 177). No final action has been taken.

Summary of USRA Data

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

Hillsboro	14
Denton	164

Total carloads generated by the line.....	178
Number of round trips per year.....	50
Estimated time per round trip (hours).....	3
Revenue received by PC.....	\$60,187
Average revenue per carload.....	\$338

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	71,358
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost).....	9,302
Cost incurred beyond the branch line.....	45,496

Total variable (avoidable) cost..... 126,156

Net contribution (loss): total..... (65,969)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Koppers Co., Inc. operates a sawmill at Denton which generated 125 carloads of untreated crossties in 1974 and has a potential of 200 per year. Such data was not included in the analysis since it is not revenue producing freight used by PC. The company points out that though this volume is insufficient alone to justify inclusion of this track, the critical need for crossties must be considered.

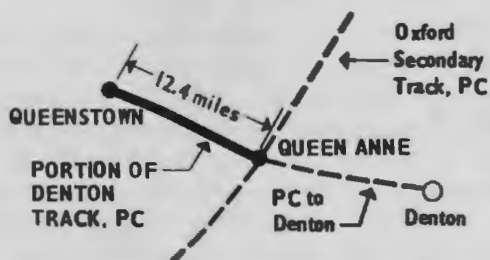
—Smith Douglas division of Borden Chemical has a plant at Denton handling 69 carloads per year. This company, commenting on coordination project Sou-4, states that the expense of maintaining and repairing the Choptank Bridge on this branch may be an influencing factor in the Southern Railway's intention not to acquire the Queenstown to Denton spur. Smith Douglas would urge the Southern to acquire the Queen Anne to Denton portion eliminating the bridge. The unloading facilities at Denton Supply Center could be used by rail patrons.

—Maryland DOT in its Railroad Planning Project states "Although the present analysis discloses a relatively profitable service from Queen Anne to Denton, the continued operation of this line depends exclusively on the fate of the Clayton-Easton branch. Unless Clayton-Easton is rehabilitated, Queen Anne-Denton will have no outlet to the world. In addition, under this analysis the operating results for Queen Anne-Denton benefit from the exclusion of any crew costs at 25 miles per hour; such crew costs are assumed to be borne by Clayton-Easton exclusively. When final subsidy requirements are calculated under the newly revised standards of the Rail Services Planning Office, a portion of the Clayton-Easton crew costs will have to be allocated to Queen Anne-Denton, thus hurting the operating results. In any event, if Clayton-Easton continues operation, there is no reason to allow the abandonment of Queen Anne-Denton".

USRA ANALYSIS PORTION OF THE DENTON TRACK

USRA Line No. 151

Penn Central



This portion of the Denton Track extends from *Queen Anne* (Milepost 0.0) to *Queenstown, Md.* (Milepost 12.4), a distance of 12.4 miles, in Queen Annes County, Md. At Queen Anne, this line connects with the Oxford Secondary Track and with its own continuation to Denton; both lines are also under study in this report. In June 1973, application was made to the ICC for permission to abandon this line. (Docket No. AB-5, Sub. No. 118).

Summary of USRA Data

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

Queenstown	38
Wye Mills	15
Willoughby	0

Total carloads generated by the line.....	53
Number of round trips per year.....	86
Estimated time per round trip (hours).....	5
Revenue received by PC.....	\$39,388
Average revenue per carload.....	\$743

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	103,211
Cost of upgrading branch line to FRA Class	
I: (1/10 of total upgrading cost).....	13,672
Cost incurred beyond the branch line.....	23,603

Total variable (avoidable) cost..... 143,486

Net contribution (loss): total..... (104,098)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The S. E. W. Friel Company and Friel Lumber Company testified that the social security and unemployment taxes paid for its employees in one year far exceeds the operating losses projected for the Queen Anne to Queenstown branch line. The company stated that curtailed rail service could result in unemployment of 435. With improved service this firm expects to use 400 carloads per year by 1978. Its two facilities are located at milepost 12.4 and between mileposts 6.0 and 7.0.

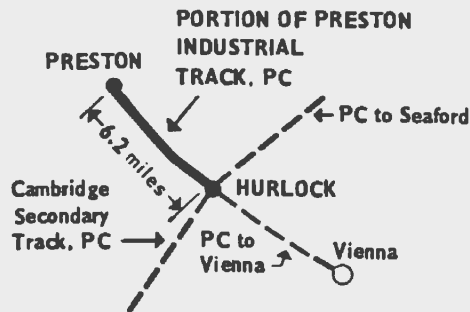
—The Nuttle Lumber Company states that due to distance it is not feasible to ship the raw materials the company depends upon by truck. The alternative of shipping to a railhead and then delivery by truck would increase costs and render Nuttle noncompetitive.

—The Maryland DOT in its Railroad Planning Project stated "This 13.4-mile line cannot financially sustain an operation which generated only 54 carloads in 1973. Unless other mitigating circumstances can be found, there is very little hope that subsidies of any kind will be justified for the line. It is likely that shippers will be forced to use team track facilities at Queen Anne should the line be abandoned".

USRA ANALYSIS PORTION OF THE PRESTON INDUSTRIAL TRACK

USRA Line No. 152

Penn Central



This portion of the Preston Industrial Track extends from *Preston* (Milepost 10.0), to *Hurlock, Md.* (Milepost 16.2), a distance of *6.2 miles*, in *Dorchester* and *Caroline* Counties, *Maryland*. At *Hurlock*, this line continues to *Vienna*, and it also connects with the *Cambridge Secondary Track, PC*. Both of these lines are also under study in this report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Preston	282
Hurlock ¹	44

Total carloads generated by the line..... 326

Number of round trips per year..... 60

Estimated time per round trip (hours)..... 3.0

¹ Includes only traffic on segment.

Revenue received by PC..... \$186,730

Average revenue per carload..... \$419

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 62,704

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost)..... 16,715

Cost incurred beyond the branch line..... 103,042

Total variable (avoidable) cost..... 182,461

Net contribution (loss) : total..... (45,781)

USRA Recommendation

It is *not* recommended that this portion of the *Preston Industrial Track* be included in the *ConRail System*.

PUBLIC RESPONSE AND RSPO COMMENT

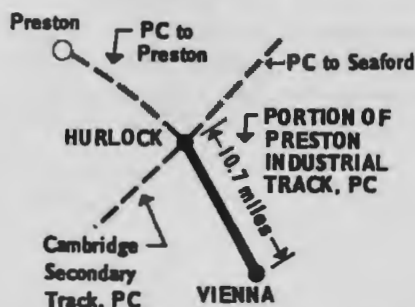
—The *Maryland DOT* in its *Railroad Planning Project* stated “Although requiring capital for rehabilitation, this line produces operating surpluses and should be acquired by the carrier which assumes operation of the *Cambridge branch*.”

—The estimated cost for upgrading this line to *FRA Class I* standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS PRESTON INDUSTRIAL TRACK

USRA Line No. 153

Penn Central



This portion of the Preston Industrial Track, extends from Hurlock (Milepost 16.2) to Vienna, Md. (Milepost 26.9), a distance of 10.7 miles, in Dorchester County, Md. At Hurlock, this line connects with the Cambridge Secondary Track of the PC. At this point, it also continues to Preston. Both of these lines are also under study in this Report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Hurlock ¹	161
Vienna	14

Total carloads generated by the line 165

Number of round trips per year 50

Estimated time per round trip (hours) 4.0

¹ Includes only traffic on segment.

Revenue received by PC \$54,243

Average revenue per carload \$329

Variable (avoidable) cost of continued service:

Cost incurred on the branch line 82,759

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost) 28,062

Cost incurred beyond the branch line 82,457

Total variable (avoidable) cost 148,278

Net contribution (Loss): total (80,035)

USRA Recommendation

It is *not* recommended that this portion of the Preston Industrial Track be included in the ConRail System.

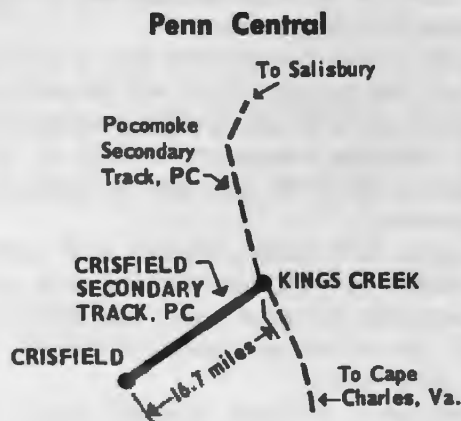
PUBLIC RESPONSE AND RSPO COMMENT

—The Maryland DOT in its Railroad Planning Project, stated "This line cannot sustain itself financially under present traffic conditions, and abandonment of operations appears inevitable. However, to allow for possible future conversion of the Delmarva Power and Light generating plant in Vienna back to coal, the right-of-way of this line should be maintained intact."

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS CRISFIELD SECONDARY TRACK

USRA Line No. 163



The Crisfield Secondary Track, formerly part of the Pennsylvania RR, extends from *Kings Creek* (milepost 0.0), to *Crisfield, Md.* (Milepost 16.7), a distance of *16.7 miles*, in Somerset County, Md. At Kings Creek, this line connects with the Pocomoke Secondary Track of the PC. A portion of this line is also under study in this report. In July, 1972, the PC applied for permission to abandon this line (Docket No. AB-5, Sub 71). No final action has been taken in this application.

Summary of USRA Data

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

Westover	3
Kingston	2
Marion	8
Crisfield	52
Kings Creek ¹	153

Total carloads generated by the line..... 218

Number of round trips per year..... 40

Estimated time per round trip (hours)..... 5.0

¹ Includes only shippers on this segment.

Revenue received by PC..... \$118,827

Average revenue per carload..... \$542

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 128,985

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost)..... 25,361

Cost incurred beyond the branch line..... 107,788

Total variable (avoidable) cost..... 257,079

Net contribution (loss): Total..... (188,752)

USRA Recommendation

It is *not* recommended that the Crisfield Secondary Track be included in the ConRail System.

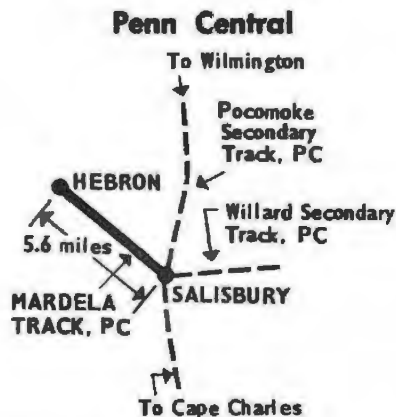
PUBLIC RESPONSE AND RSPO COMMENT

—The first 1.2 mile segment of this line west from Kings Creek to Milepost 1.2 has been reassessed by USRA and recommended for inclusion in ConRail.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan.

USRA ANALYSIS MARDELA TRACK

USRA Line No. 676



The Mardela Track, extends from *Hebron* (Milepost 35.2) to *Salisbury, Md.* (Milepost 40.8), a distance of 5.6 miles, in Wicomico County, Md. At Salisbury, this line connects with the Pocomoke Secondary Track of the PC. The latter is also under study in this Report.

Summary of USRA Data

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

Hebron	825
Salisbury ¹	45

Total carloads generated by the line..... 870

¹ Includes only traffic on segment.

Revenue received by PC.....	\$118,082
Average revenue per carload.....	\$136

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	80,825
Cost of upgrading branch line to FRA Class	
I (1/10) of total upgrading cost).....	8,170
Cost incurred beyond the branch line.....	72,582

Total variable (avoidable) cost..... 161,577

Net contribution (loss): total..... (43,545)

USRA Recommendation

Although the preliminary recommendation is that the Mardela Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Koppers Company, Inc. operates a sawmill on this line at Hebron capable of supplying 300 carloads per year of crossties to ConRail plus 100 carloads per year of home building lumber.

—Southern States Cooperative has a new facility planned on this branch which will receive approximately 60 carloads by the third year of operation.

—Marvil Package Company, located at milepost 35.2, estimates 20 to 25 lost jobs in Hebron if rail service is ended.

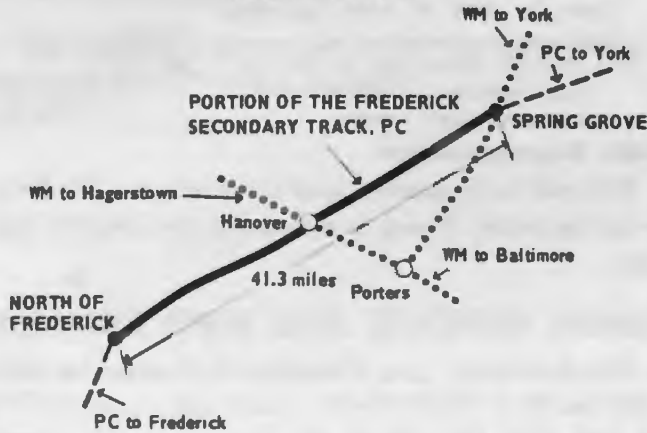
—Based upon 1973 traffic, revenue and operational data developed by USRA, and USRA costs adjusted to the categories included under the RSPO subsidy standards, the estimated subsidy is \$16,863, excluding upgrading costs.

—The Delmarva Advisory Council cannot understand how a branch line with a density of 155 cars per mile a year can be calculated a loser.

—The traffic increases realized in 1974 and projected in the future should be considered.

USRA ANALYSIS PORTION OF THE FREDERICK SECONDARY TRACK

USRA Line No. 198 Penn Central



This portion of the Frederick Secondary Track, formerly part of the Pennsylvania RR, extends from Spring Grove, Pa. (Milepost 23.9), to North of Frederick, Md. (Milepost 65.2), a distance of 41.3 miles, in York County, Pennsylvania, and Carroll and Frederick Counties, Md. Continuations of this line extend southward to Frederick and northward from Spring Grove to York. Connections with the Western Maryland are made at Hanover and Spring Grove. These connecting lines extend to Hagerstown, York and Baltimore. The continuation to Frederick is also under study in this Report.

Summary of USRA Data

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

Spring Grove	1,669
Hanover	1,500
Sell	50
Littlestown	405
Taneytown	90
Keymar	33
Legore	1
Woodsboro	136
Walkersville	240
Frederick	1
Total carloads generated by the line	4,125
Number of round trips per year	280
Estimated time per round trip (hours)	10.0
Revenue received by PC	\$1,138,877
Average revenue per carload	\$276

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	565,323
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	79,800
Cost incurred beyond the branch line	835,896

Total variable (avoidable) cost	1,481,019
Net contribution (loss): Total	(342,142)

USRA Recommendation

It is recommended that the portion of the Frederick Secondary Track between milepost 23.9 and milepost 33.0 be included in the ConRail System.

It is *not* recommended that the portion of the Frederick Secondary Track between milepost 33.0 and milepost 65.2 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Kerr McGee Corp. at Keymar, Md. states that the 41.3 mile track generated 4,125 carloads in 1973. Plant operations would be curtailed and increased costs could lead to an eventual closing of the plant.

—Testimony was received that this line should be analyzed as a whole along with USRA Line No. 199.

—The York-Frederick Rail Committee states that it is fully prepared to organize a railroad company to operate the entire rail line from York, Pa. to Frederick, Md.

—P. H. Glatfelter Company states that the only connections in Spring Grove would be through the Glatfelter private yard facilities. The Western Maryland passes over the Penn Central at a bridge crossing.

—The Westervelt Co. expanded in 1973 and is building a 40,000 square foot warehouse in 1975.

—The United Cabinet Corporation of Littlestown, Pa. projects movements of more than 1000 carloads in 1976. Exclusion of the line could eventually close the plant. United contends that by using the 1974 carload figure of 486 carloads for Littlestown, that portion of the line falls within the high probability of financial viability by the ICC's 34-carload rule.

—Testimony supplied the following data:

Company and/or location	1973	1974	Future
Bair	130		
Spring Grove	1,693		
Hanover	4,174		
Sell	94		
Littlestown	457	511	
Taneytown	95		
Keymar	33		
Legore	0		
Woodsboro	166		
Walkersville	239		
Frederick	0		
Westervelt Co.	47	121	
Wm. D. Bowers Co.			150
Kerr McGee		35	

MD-DE 168 (Cambridge, Md. to Seaford, Del.)

—According to USRA calculations the ties required to upgrade this line plus the good ties already on the line will exceed the FRA Class I standard of 640 good ties per mile by 66 percent.

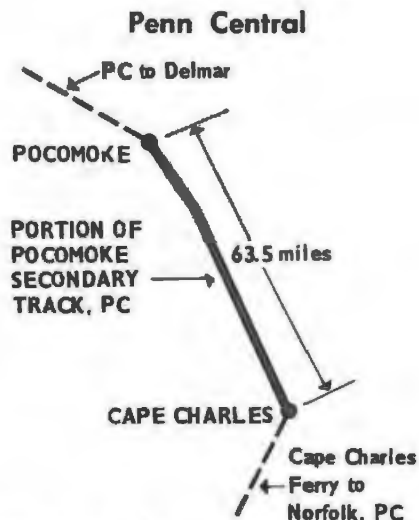
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available

Continued on page 239

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MARYLAND to VIRGINIA

USRA ANALYSIS PORTION OF THE POCOMOKE SECONDARY TRACK USRA Line No. 166



This portion of the Pocomoke Secondary Track, formerly part of the Pennsylvania RR, extends from Pocomoke, Md. (Milepost 31.5) to Cape Charles, Va. (Milepost 95.0), a distance of 63.5 miles, in Worcester County, Maryland and Accomack and Northampton Counties, Virginia. At Pocomoke this line continues north to Delmar. At Cape Charles the line connects with the PC Cape Charles freight-car ferry to Norfolk, Va. The latter line is also under study in this Report.

Summary of USRA Data

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

New Church	179
Lecato	305
Makemie Park	55
Oak Hall	5
Hallwood	138
Mears	2
Cheriton	369
Bay View	42
Bloxom	163
Hopeton	32
Parkaley	131
Green Bush	165
Tasley	207
Onley	386
Cape Charles	914
Melfa	160
Keller	84
Painter	80
Belle Haven	148
Exmore	279
Nassawadox	18
Chesapeake	4
Wierwood	24
Birdsnest	21
Machipongo	83
Kendall Grove	1,413
Eastville	80
Simpkins	7

Total carloads generated by the line	5,494
Number of round trips per year	200
Estimated time per round trip (hours)	11

Revenue received by PC	\$1,482,698
Average revenue per carload	\$261
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$81,435
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	64,643
Cost incurred beyond the branch line	992,173
Total variable (avoidable) cost	1,738,251
Net contribution (loss): total	(305,553)

USRA Recommendation

It is *not* recommended that this portion of the Pocomoke Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Salisbury Area Chamber of Commerce states that much of the Delmarva main line is rated Class II and that the use of the line as an alternative North-South route is justification for retaining.

—The Railway Industrial Clearance Association calls this route the best clearance route from the East to the South.

—The present freight bill for Zapata Haynie Company's customers is \$334 for 50 tons of fish meal by rail, and would be an additional \$494 by truck. The company predicts its facility will close if rail service is discontinued on line 166 and the car float.

—Smith Douglas sees the possibility of closing its plant if rail service is discontinued.

—Southern States Cooperative recently built a facility on the line and projects a first year rail movement of 6,000 tons and a third year total of 10,000 tons.

—Consideration should be given to analyzing Delmarva mainline as a single line.

Reported Traffic: Portion of Pocomoke Secondary Track

Company	Carloads		
	1973	1974	Projected
Brown and Root			570-652
Economy Feed and Milling Co., Ind.		6-8	
Chesapeake Bay Plywood Corp.		91	
H. & H. Poultry	160		
Golden Poultry	395		
Perdue and Co.	105		300
Holly Farm	140		812 by 1985
Red/White Mills, Inc.	561		
Zapata Haynie		358	500
Smith Douglas		60	
Shore Fertilizer		141	
G. L. Webster Co.	337		
Dulany Foods	35		
General Foods	5,500		
Campbell Soup	450	200	1,200 (with improved service)
Wm. B. Tilghman Co., Inc.		200	
Suburban Propane		74	
Inland Container Corp.	700	450	
Bayshore Concrete	310	413	

**198—MD/PA (North of Frederick, Md. to Spring
Grove, Pa.)**

**information on the line indicates that the tie replace-
ment estimate may be high.**

**—The Chessie is interested in serving the endpoints
only, Spring Grove and Hanover.**



MASSACHUSETTS

USRA
line number

Terminals

Intrastate

PC

6	Millbury to Millbury Junction
8/8a/9	Palmer to South Barre
13	South Sudbury to Lowell
15	South Braintree to Plymouth
16	Plymouth Secondary Track at Plymouth
17	North Abington to West Hanover
19	Westdale to East Bridgewater
21	Buzzards Bay to Hyannis
22	Yarmouth to South Dennis
23/24	Buzzards Bay to Falmouth
25	Stoughton to Easton
29	Cedar to Wrentham
30	Cedar to East Walpole
31/32	Walpole to Milford
33	Forest Hills to Needham Junction

Interstate

Massachusetts to Connecticut (these lines are discussed under
Connecticut)

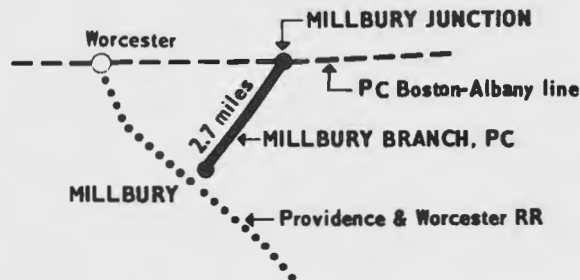
40	Webster, Mass. to Southbridge, Mass.
54	Westfield, Mass. to Simsbury, Conn.
59	South Lee, Mass. to Canaan, Conn.
678a	Auburn, Mass. to Putnam, Conn.

MASSACHUSETTS

USRA ANALYSIS MILLBURY BRANCH

USRA Line No. 6

Penn Central



The Millbury Branch, formerly a branch of the New York Central RR, extends from *Millbury Junction* (Milepost 0.0) to *Millbury, Mass.* (Milepost 2.7), a distance of 2.7 miles, in Worcester County, Mass. At Millbury Junction it connects with the Boston-Albany line of the Penn Central; at Millbury with the Providence & Worcester RR.

Summary of USRA Data

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

Millbury	91
Total carloads generated by the line.....	91
Number of round trips per year.....	52
Estimated time per round trip (hours).....	2
Revenue received by PC.....	\$36,964
Average revenue per carload.....	\$406

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	26,860
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	3,605
Cost incurred beyond the branch line.....	20,840

Total variable (avoidable) cost..... 51,305

Net contribution (loss): total..... (14,341)

USRA Recommendation

It is *not* recommended that the Millbury Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to evidence submitted, there are three rail users located on this 2.7 mile branch line.

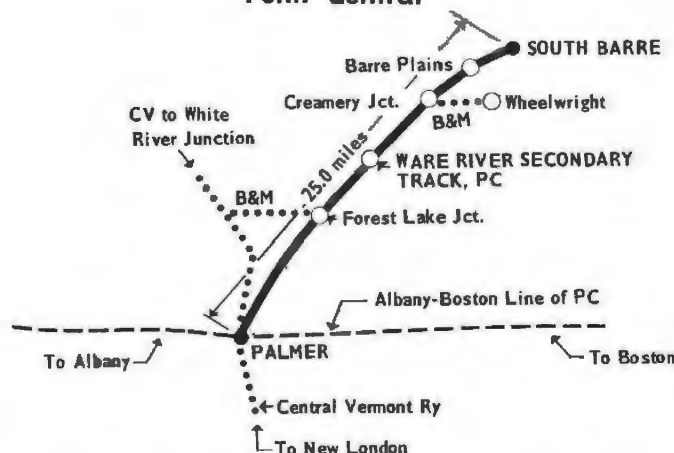
—The New England High Carbon Wire Co. was the only shipper to show any concern over the discontinuance of rail service. In 1974, this company received 18,000 tons of materials and shipped 16,000 tons of finished products. Most of these shipments were transported by motor carriers. In 1975, the firm projects an inbound movement of raw materials amounting to 20,000 tons or 1,000 rail cars. Officials of the company have stated that if rail service is preserved and improved, the entire projected inbound tonnage could be brought in by rail.

—The estimated time per trip of 2 hours for the 2.7 mile line should be reviewed.

8/8a/9 MASSACHUSETTS

USRA ANALYSIS WARE RIVER SECONDARY TRACK,

USRA Line No. 8-8a-9
Penn Central



The Ware River Secondary Track, formerly a branch of the New York Central RR, extends from *Palmer* (Milepost 0.0) to *South Barre, Mass.* (Milepost 25.0), a distance of *25.0 miles*, in Hampden, Hampshire and Worcester counties, Mass. This line connects with the Albany-Boston line of the Penn Central and with the Central Vermont Railway at Palmer. The Wheelwright Branch of the Boston & Maine comes in from Northampton at Forest Lake Junction (Milepost 7.2) and uses these tracks as far as Creamery Junction (Milepost 18.4), where it diverges for Wheelwright. The portion between Creamery Junction and Wheelwright is being served temporarily by the PC as a washout between Northampton and Forest Lake Junction has made that portion inaccessible to the B&M.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Palmer ¹	81
Thorndike	248
Ware	9
Gilbertville	29
Old Furnace	54
Barre Plains	344
S. Barre	15
Total carloads generated by the line	780
Number of round trips per year	260
Estimated time per round trip (hours)	10.0

¹ Includes only shippers on segment.

Revenue received by PO

\$296,673

Variable (avoidable) cost of continued service:

Cost incurred on the branch line

307,810

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading

cost)

55,939

Cost incurred beyond the branch line... 209,011

Total variable (avoidable) cost

572,760

Net contribution (loss): total

(276,087)

USRA Recommendation

It is *not* recommended that the Ware River Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

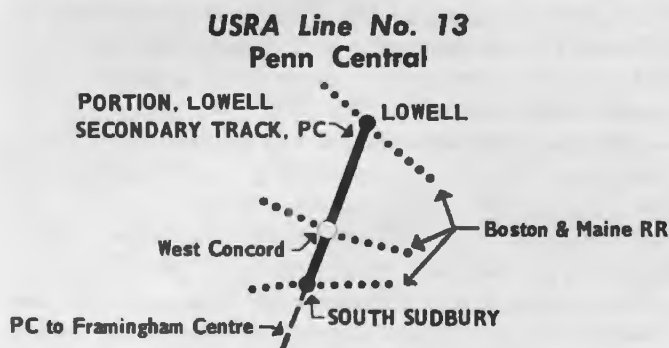
—The Ware River Valley Railroad Association (WRVRA) testified that there were numerous errors in USRA's "print out" which was used to determine the viability of this line. For example, the line was charged with 260 trips when in reality only 64 full round trips were made to the end of the line at South Barre.

—The companies located on this line are served by both the PC and B&M. The WRVRA contacted all rail users on the line and reported that in 1973 PC customers shipped 879 carloads (not 780 as indicated by USRA) and the B&M customers generated 592 carloads.

—The Diamond International Corp. contemplates building a warehouse complex at Thorndike, which will generate over 1,000 carloads a year over this line. Ludlow Specialty Papers also projected 276 carloads a year to move over the line.

—A proposal has been under study to combine the B&M Wheelwright Branch and the PC Ware River Secondary Track into a 45 to 50 mile Short Line operated by the Massachusetts Central Railroad Company. A bill will be submitted to the State Legislature in March or April 1975, to incorporate the Massachusetts Central Railroad Company.

USRA ANALYSIS PORTION OF LOWELL SECONDARY TRACK



This portion of the Lowell Secondary track, formerly a part of the New Haven RR, extends from *South Sudbury* (Milepost 0.0) to *Lowell, Mass.* (Milepost 26.5), a distance of *26.5 miles*, in Middlesex County, Mass. This line connects with its own southerly continuation at South Sudbury, with the Central Massachusetts branch of the Boston & Maine RR, also at South Sudbury, with the Boston-Mechanicville main line of the Boston & Maine at West Concord (Milepost 11.5), and with the Boston-White River Junction main line of the Boston & Maine at Lowell.

Summary of USRA Data

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

S. Sudbury.....	30
Sudbury	9
W. Concord.....	3
Acton	120
S. Chelmsford.....	3
Chelmsford	104
Lowell	649

Total carloads generated by the line.....	918
Number of round trips per year.....	260
Estimated time per round trip (hours).....	6
Revenue received by PC.....	\$375,716
Average revenue per carload.....	\$409

Variable (avoidable) cost of continued services:

Cost incurred on the branch line.....	271,351
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	51,444
Cost incurred beyond the branch line....	284,045

Total variable (avoidable) cost.....	586,840
Net contribution (loss): Total.....	(211,124)

USRA Recommendation

It is *not* recommended that this portion of the Lowell Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony states that USRA's data may be incomplete in describing the line's economic potential.

—The Greater Lowell Rail Action Committee reported that transportation charges incurred by the users of this line were \$852,130 in 1974. These revenues, 80 to 90 percent received by Penn Central, are nearly 3 times higher than the 1973 revenues reported by USRA. The Committee charges that USRA has miscalculated the number of trips per year. The line generates approximately 2 round trips per week, or 104 per year. The Committee reported that the line generated 1,037 carloads in 1974 and expects to carry 2,062 a year by 1977.

—Statements revealed that ~~three~~ businesses would relocate and one shipper would close if service on the line were discontinued.

—At least 150 jobs would be lost directly, while indirect effects on employment would result in an overall reduction of 375 jobs.

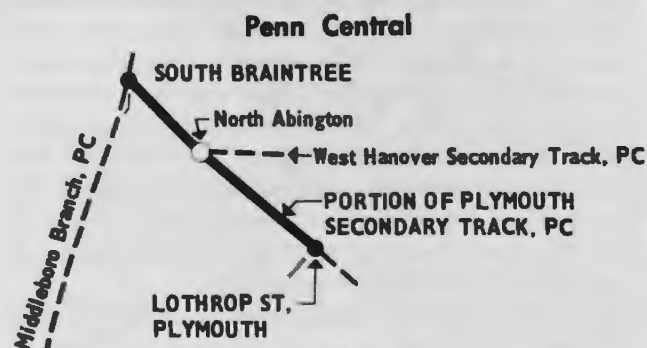
—Total income in the region would be reduced by approximately \$1.4 million. Indirectly, reduced circulation of money in the region would reduce total income by \$6.8 million.

—The Wickes Corp. testified that it received 105 carloads at Acton in 1973. The company indicated that alternate methods of transportation are not available on a practical basis and would result in considerably higher transportation costs.

15 MASSACHUSETTS

USRA ANALYSIS PORTION OF THE PLYMOUTH SECONDARY TRACK

USRA Line No. 15



This portion of the Plymouth Secondary Track, formerly part of the New Haven RR, extends from *South Braintree* (Milepost 1.7) to *Plymouth, Mass.* (Milepost 27.1), a distance of 25.4 miles, in Norfolk and Plymouth Counties, Mass. This line connects with the Middleboro Branch of the Penn Central at South Braintree, with the West Hanover Secondary track of the PC at North Abington and with its own southerly continuation at Lothrop Street, Plymouth. The two latter lines are also under study in this Report. Although PC operates the freight service on this line, it is owned by the Massachusetts Bay Transportation Authority. MBTA bought the line from the PC in January 1973 for possible future passenger transportation use.

Summary of USRA Data

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

S. Weymouth	78
N. Abington	84
Abington	182
Whitman	147
S. Hanson	87
Burrage	1
Kingston	84
Cordage	0
N. Plymouth	405

Total carloads generated by the line	1,018
Number of round trips per year	280
Estimated time per round trip (hours)	9
Revenue received by PC	\$350,969
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$218,725
Cost of upgrading branch line to FRA	
Class 1: (1/10 of total upgrading cost)	37,348
Cost incurred beyond the branch line	267,347
Total variable (avoidable) cost	518,420
Net contribution (loss): Total	(167,451)

1 Excludes ownership costs due to MBTA ownership.

USRA Recommendation

It is *not* recommended that freight service be provided over this portion of the Plymouth Secondary Track by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to evidence submitted more than 37 firms employing approximately 5,000 people will be affected by discontinuing service on Line Nos. 15, 16 and 17. Four businesses employing a total of 121 people have indicated they will relocate.

—Congressman Gerry E. Studds challenged USRA's charge of \$37,348 for upgrading costs because the line is owned by the Massachusetts Bay Transportation Authority so ConRail would not assume ownership and presumably would not pay for upgrading.

—The South Shore Chamber of Commerce is concerned that companies located on the South Shore will not be able to meet EPA's air quality standards if trucks are used.

—The South Shore Rail Research Committee pointed out that the Preliminary System Plan did not take into consideration two major shippers, the Armstrong Cork Co. and the J. L. Hammett Co., in Braintree, which accounted for 853 shipments in 1974. The Committee estimated that 28 shippers will generate 2,921 carloads in 1975.

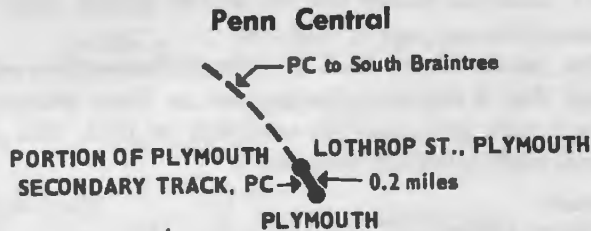
—Reported Traffic:

Company	Location	1974 carloads
Armstrong Cork Co.	S. Braintree	752
J. L. Hammett Co.	S. Braintree	101
Gallagher's Garden Center	S. Weymouth	6
Spencer Press ¹	S. Weymouth	156
Weymouth Naval Air Station	S. Weymouth	2
Brady Enterprises	S. Weymouth	6
South Shore Fence Co.	S. Weymouth	4
Kol-Tar Products	N. Abington	12
Anderson Insulation	Abington	100
Littlefield-Wyman	Abington	24
Elp's Paper Co.	Abington	2
Whitman Board Products	Whitman	97
Whitman Foundry	Whitman	4
Sprack Farms	Whitman	12
D. B. Gurney Co.	Whitman	3
Ocean Spray Cranberries	S. Hanson	37
John Ripley Hay & Feed	S. Hanson	106
Kingston Oil & Gas	Kingston	60
Admiral Petroleum Corp.	Kingston	8
Walter Prince Co.	Kingston	10
Halliday Lithograph	N. Plymouth	577
Superior Pet Foods	N. Plymouth	6
L. Knife & Sons	N. Plymouth	45
Boston Insulated Wire & Cable	N. Plymouth	2
Ad Tec Products	N. Plymouth	14
Edes Mfg.	N. Plymouth	36
Colonial Candle	N. Plymouth	2
Sullivan's Express	N. Plymouth	63

¹ Spencer Press is now receiving in Plymouth.

USRA ANALYSIS PORTION OF THE PLYMOUTH SECONDARY TRACK

USRA Line No. 16



This portion of the Plymouth Secondary Track, formerly part of the New Haven RR, extends from *Lothrop Street, Plymouth* (Milepost 27.1), to *Plymouth, Mass.* (Milepost 27.3), a distance of *0.2 miles*, in Plymouth County, Massachusetts. It connects with the northerly continuation of this line at Lothrop Street, Plymouth, which sector is also under study in this report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Plymouth	100
Total carloads generated by the line.....	100
No. of Round Trips Per Year.....	52
Estimated Time Per Round Trip (hours).....	0.5
Revenue received by PC.....	\$43,124
Average revenue per carload.....	\$431
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	10,108
Cost of upgrading branch line to FRA Class	
I: (1/10 of total upgrading cost).....	370
Cost incurred beyond the branch line.....	37,796
Total variable (avoidable) cost.....	48,274
Net contribution (loss) total.....	(5,150)

USRA Recommendation

It is *not* recommended that this portion of the Plymouth Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Plymouth Area Chamber of Commerce reported that Plymouth is the fastest growing community in Massachusetts. In the five year period since 1970 the population increased 50 percent, from 18,606 to 27,000 residents. According to the Chamber, Plymouth is now experiencing an unemployment rate of 24 percent and loss of service on this line will aggravate the situation with a direct loss of 28 to 33 jobs. In 1973, and 1974, the tonnage shipped amounted to 25,090 tons and 31,740 tons, respectively. The Chamber projects that 49,112 tons of freight will be transported in 1975, an increase of 95 percent over 1973.

—The Plymouth Division of the New England Gas and Electric System uses rail service for oversized equipment and materials and testified that the size of some power transformers prohibits the use of truck shipment because of highway limitations. The lack of rail service would necessitate many oversize items being shipped in a knocked-down state, which would have to be assembled at the job site at greater cost than a factory unit shipped directly by rail. The company reported that it generated 25 carloads in both 1973 and 1974 and it projected 25 for 1975.

—Congressman Gerry E. Studds challenged USRA's charge for upgrading costs as the line is owned by the 30th Anniversary of Plymouth, Inc., and ConRail presumably would not pay for upgrading.

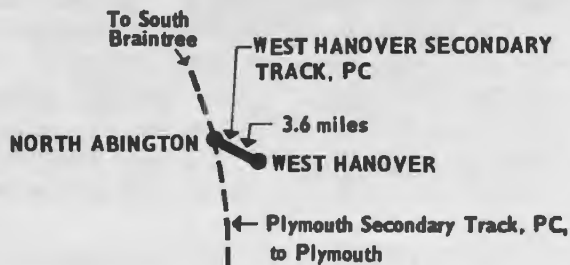
—See comments on USRA line No. 15.

17 MASSACHUSETTS

USRA ANALYSIS WEST HANOVER SECONDARY TRACK

USRA Line No. 17

Penn Central



The West Hanover Secondary Track, formerly a part of the New Haven RR, extends from a junction with the PC Plymouth Secondary Track at *North Abington* (Milepost 0.0) to *West Hanover, Mass.* (Milepost 3.6), a distance of 3.6 miles, in Plymouth County, Mass. (The Plymouth Secondary Track is also under study in this Report.

Summary of USRA Data

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

Rockland	37
West Hanover	562

Total carloads generated by the line..... 599

Number of round trips per year..... 156

Estimated time per round trip (hours)..... 2.0

Revenue received by PC..... \$164,558

Average revenue per carload..... \$275

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 55,609

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost)..... 10,960

Cost incurred beyond the branch line..... 149,528

Total variable (avoidable) cost..... 216,097

Net contribution (loss) Total..... (51,539)

USRA Recommendation

Although the preliminary recommendation is that the West Hanover Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Wes-Pine Millwork stated it needs rail service to bring in lumber from the West Coast. If rail service is discontinued the company believes that it will cause unemployment for 90 to 125 people with a personal income loss of \$500,000.

—The South Shore Rail Research Committee estimated that 8 shippers located on the West Hanover Branch will generate 810 carloads in 1975. The reported traffic at West Hanover:

Company:	1974 Carloads
United Cabinet.....	154
Angelo's Supermarkets, Inc.....	420
Wes-Pine Millwork.....	53
N.E. Sealcoating Co. ¹	25
S & D Rubber Co.....	4
Unfinished Furniture.....	15
Graphic Development, Inc.....	20
Home Gas Corp.....	21
Norman Robbins Co.....	0

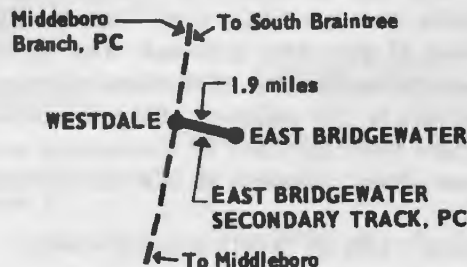
¹N.E. Sealcoating will not use rail in 1975 due to supplier's preference of shipping.

—See Comment on USRA line No. 15

USRA ANALYSIS EAST BRIDGEWATER SECONDARY TRACK

USRA Line No. 19

Penn Central



The East Bridgewater Secondary track, formerly a part of the New Haven RR, extends from *Westdale* (Milepost 0.0) to *East Bridgewater, Mass.* (Milepost 1.9) a distance of *1.9 miles*, in Plymouth County, Mass. At *Westdale* this line connects with the Middleboro Branch of the Penn Central.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

Summary of USRA Data

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

E. Bridgewater ¹	112
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Total carloads generated by the line	112
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¹ Includes only traffic on segment.

Number of round trips per year	52
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Estimated time per round trip (hours).....	1
--	---

Revenue received by PC.....	\$38,386
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Average revenue per carload.....	\$343
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Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	18,849
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Cost of upgrading branch line to FRA Class

I: (1/10 of total upgrading cost)	2,505
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Cost incurred beyond the branch line.....	22,455
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Total variable (avoidable) cost.....	43,809
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Net contribution (loss) : Total.....	(5,423)
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USRA Recommendation

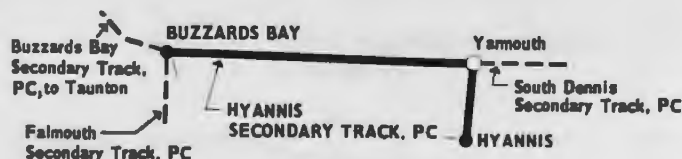
It is *not* recommended that the East Bridgewater Secondary Track be included in the ConRail System.

21 MASSACHUSETTS

USRA ANALYSIS HYANNIS SECONDARY TRACK

USRA Line No. 21

Penn Central



The Hyannis Secondary Track, formerly a part of the New Haven RR, extends from *Buzzards Bay* (Milepost 0.0) to *Hyannis, Mass.* (Milepost 24.3), a distance of *24.3 miles*, in Barnstable County, Massachusetts. At Buzzards Bay, it connects with the Buzzards Bay and Falmouth Secondary tracks of the PC, and Yarmouth (Milepost 21.2) with the South Dennis Secondary Track. All three of these connecting lines are among those studied in this Report.

Summary of USRA Data

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

Sagamore	208
Sandwich	296
E. Sandwich	0
W. Barnstable	163
Barnstable	1
Yarmouth	324
Hyannis	522

Total carloads generated by the line	1,508
Number of round trips per year	260
Estimated time per round trip (hours)	4
Revenue received by PC	\$697,690
Average revenue per carload	\$463

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	267,578
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	405,485

Total variable (avoidable) cost	673,013
Net contribution (loss): total	24,677

USRA Recommendation

It is recommended that the portion of the Hyannis Secondary Track *between milepost 0.0 and milepost 7.5* be included in the ConRail System.

It is recommended that the portion of the Hyannis Secondary Track *between milepost 0.0 and milepost 7.5* be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Bay Colony Transportation Corp. proposes that Lines 20 through 24 be excluded from ConRail so the State of Massachusetts can acquire the right of way. Bay Colony indicated it would operate the Middleboro through Cape Cod lines for the State as a Class II shortline railroad. The company intends to improve the line at its own expense and improve service to the shippers along the lines.

—The Cape Cod Chamber of Commerce prefers to have these lines included in the overall system of ConRail.

—Reported traffic on this line is as follows:

Company and location	Carloads	
	1973	1974
New England Gas & Electric:		
Sandwich	200	115
Hyannis	35	48
Barnstable County Supply, West Barnstable	201	143
Suburban Gas Co., Hyannis	130	120

—The New England Gas & Electric System indicated that it would be difficult to transport its large transformers and switches by motor carriers.

—The firm at Sandwich believes it will generate the same volume in 1973–1982 as it did in 1973–1974. The company projects receiving approximately 70 cars in 1975 and 97 cars in 1976.

—The Suburban Gas Company anticipates its rail loadings to increase by 2 cars each year through 1980. The company stated that costs of changing to motor carrier would be \$75,000 per year.

—The Barnstable County Supply Company estimated that discontinuance of rail service would increase its expenses between \$700 and \$800 per carload.

—The Environmental Protection Agency believes that this line is an important transportation link between Boston and Cape Cod. Only two highway bridges cross the Cape Cod Canal. Loss of the railroad bridge would require alternate construction of roads and bridges.

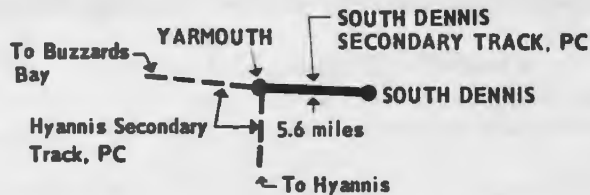
—The Department of the Interior stated that the line should be considered for recreational use if a mass transit alternative is not found desirable.

—See Line No. 22.

USRA ANALYSIS SOUTH DENNIS SECONDARY TRACK

USRA Line No. 22

Penn Central



The South Dennis Secondary Track, formerly a part of the New Haven RR, extends from *Yarmouth* (Milepost 0.0) to *South Dennis, Mass.* (Milepost 5.6) a distance of *5.6 miles*, in Barnstable County, Mass. At Yarmouth, it connects with the Hyannis Secondary Track of the PC, which is also under study in this Report.

Summary of USRA Data

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

Bass River.....	21
S. Dennis.....	416

Total carloads generated by the line.....	437
Number of round trips per year.....	280
Estimated time per round trip (hours).....	2.6
Revenue received by PC.....	\$187,497
Average revenue per carload.....	\$429

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	78,137
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)...	0
Cost incurred beyond the branch line.....	188,263
Total variable (avoidable) cost.....	266,400
Net contribution (loss): Total.....	(78,903)

USRA Recommendation

It is *not* recommended that the South Dennis Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Estimates show abandonment of the line will result in immediate loss of 250 jobs plus 450 to 500 potential job opportunities.

—Testimony finds that an estimated 7,500 trucks would be needed to replace rail service. The increased truck traffic could adversely affect Cape Cod's tourist trade.

—The Mid-Cape Center, Inc., at South Dennis, reported that it has averaged 359 carloads per year during the past five years. The company stated that the elimination of rail freight service would force major price increases.

—The Environmental Protection Agency stated that this line is an important link between Boston and Cape Cod. Loss of the railroad bridge would require construction of new roads and bridges.

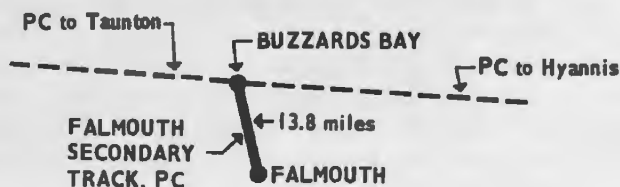
—The Department of the Interior stated that the line should be considered for recreational use if a mass transit alternative is not found desirable.

23/24 MASSACHUSETTS

USRA ANALYSIS FALMOUTH SECONDARY TRACK

USRA Line No. 23-24

Penn Central



The Falmouth Secondary Track, formerly a part of the New Haven RR, extends from *Buzzards Bay* (Milepost 0.0) to *Falmouth, Mass.* (Milepost 13.8), a distance of *13.8 miles*, in Barnstable County, Mass. This line connects at Buzzards Bay with the Buzzards Bay and Hyannis Secondary Tracks of the PC, to Taunton and Hyannis, respectively, which are also being studied in this Report. The PC had filed with the ICC for abandonment of the portion of the line between North Falmouth (Milepost 6.7) and Falmouth, a distance of 7.1 miles, in November 1973, ICC Docket AB-5-134. In August 1974, the PC also petitioned USRA for abandonment of this portion.

Summary of USRA Data

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

Cataumet	0
N. Falmouth	125
Falmouth	97

Total carloads generated by the line..... 222

Revenue received by PC..... \$85,276

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

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 148,019

Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) -- 0

Cost incurred beyond the branch line.. 66,432

Total variable (avoidable) cost..... 214,451

Net contribution (loss): Total..... (129,175)

USRA Recommendation

It is *not* recommended that the Falmouth Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony shows evidence of increased activity at Otis AFB. Otis projects that it will receive approximately 50,000 tons of coal, liquid fuels, and supplies in the near future. The base uses rail to transport oversized vehicles and other equipment. In 1974 it shipped more than 50M-48 tanks weighing 98,000 lbs. each.

—The Falmouth Chamber of Commerce surveyed four shippers on the line and found that they expect to generate 105 carloads in 1975. This figure does not include the projections by Otis AFB.

—Reported traffic data on this line is as follows:

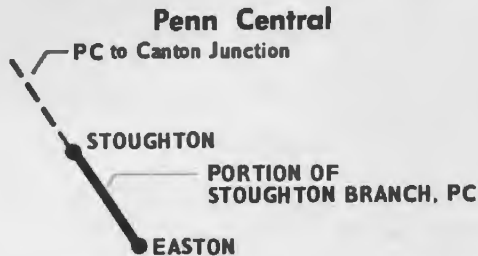
Company	Carloads		
	1973	1974	Projected
Falmouth Lumber.....	10	12	24
Grain Mill.....	38	42	48
Grossman's Lumber.....	24	18	18
Wood Lumber.....		15	15
Otis Air Force Base.....		290	

—The estimated number of round trips per year and the estimated times required per trip should be reviewed. Significant savings of on-branch costs would result from estimates that are compatible with the traffic and length of the line.

—(See comments under Line 21 and Line 22).

USRA ANALYSIS PORTION OF STOUGHTON BRANCH

USRA Line No. 25



This portion of the Stoughton Branch, formerly part of the New Haven RR, extends from *Stoughton* (Milepost 4.4) to the *End of track near Easton, Mass.* (Milepost 10.0), a distance of 5.6 miles, in Norfolk and Bristol Counties, Mass. At Stoughton, this line connects with its own northerly continuation to Canton Junction, which segment is also under study in this report. The PC had applied to the ICC to abandon the line, in October 1972, (Docket No. AB-5, Sub. 137). Before action was taken by the ICC, the PC sold the line in January 1973 to the Massachusetts Bay Transportation Authority. The PC continues to provide freight service over the line. The PC has also applied to the U.S. Railway Association for permission to discontinue freight operations over the line, (Docket No. 75-28).

Summary of USRA Data

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

Easton	82
North Easton.....	0
Total carloads generated by the line.....	82
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$31,408
Average revenue per carload.....	\$383

Variable (avoidable) cost of continued service:

Cost incurred on the branch line ¹	35,248
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	23,502
Total variable (avoidable) cost.....	58,750

Net contribution (loss) Total..... (27,342)

¹ This line is owned by MBTA; therefore, the costs reported are exclusive of ownership costs.

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Transportation Committee of Easton is concerned that the discontinuance of rail service will have a significant impact on employment in the area. The unemployment rate in the area is now above 10 percent.

—According to the Committee, this line generated 88 carloads in 1973. It feels that USRA overstated maintenance costs.

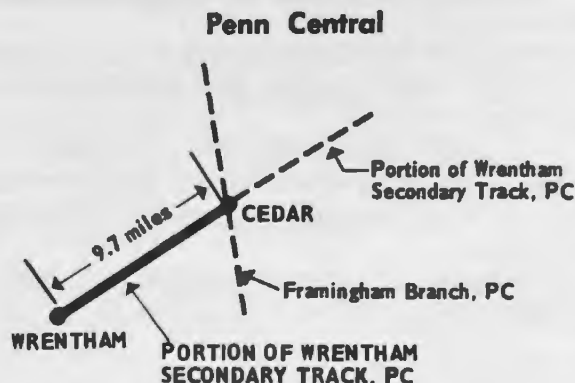
—The Committee points out that the salvage value belongs to the Massachusetts Bay Transportation Authority which owns the track between Stoughton and Easton.

—Cirelli Foods, Inc., testified that it uses this line even though the firm is not located on it.

29 MASSACHUSETTS

USRA ANALYSIS PORTION OF WRENTHAM SECONDARY TRACK

USRA Line No. 29



PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

This portion of the Wrentham Secondary Track, formerly a part of the New Haven RR, extends from Cedar (Milepost 6.0) to Wrentham, Mass. (Milepost 15.7), a distance of 9.7 miles, in Norfolk County, Mass. This line connects at Cedar with its own continuation to Norwood Central (the portion of which from Cedar to East Walpole is also under study in this Report) and with the Framingham Branch of the PC.

Summary of USRA Data

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

Wrentham 143

Total carloads generated by the line..... 143

Number of round trips per year..... 50

Estimated time per round trip (hours)..... 4.0

Revenue received by PC..... \$42,472

Average revenue per carload..... \$297

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 79,308

Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)..... 24,897

Cost incurred beyond the branch line..... 27,107

Total variable (avoidable) cost..... 131,307

Net contribution (loss): Total..... (88,835)

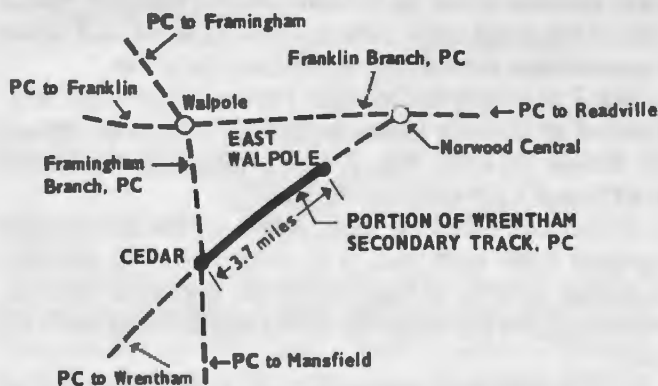
USRA Recommendation

It is *not* recommended that this portion of the Wrentham Secondary Track be included in the ConRail System.

USRA ANALYSIS PORTION OF WRENTHAM SECONDARY TRACK

USRA Line No. 30

Penn Central



PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

This portion of the Wrentham Secondary Track, formerly part of the New Haven RR, extends from *East Walpole* (Milepost 2.3) to *Cedar, Mass.* (Milepost 6.0), a distance of *3.7 miles*, in Norfolk County, Mass. This line connects with its own continuations at both Cedar (to Wrentham) and East Walpole (to Norwood Central). The portion from Cedar to Wrentham is also under study in this Report. This line (from East Walpole to Cedar) also connects at Cedar with the Framingham Branch of the PC.

Information for Line Retention Decision

This line does not serve any shippers directly. It is used as an overhead line to USRA segment No. 29. The Preliminary Recommendation for segment 29 is that it *not* be included in the ConRail System. Therefore, segment 30 is not required.

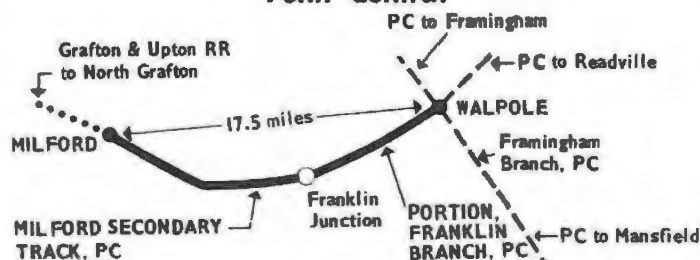
USRA Recommendation

It is *not* recommended that this portion of the Wrentham Secondary Track be included in the ConRail System.

31/32 MASSACHUSETTS

USRA ANALYSIS PORTION OF FRANKLIN BRANCH AND MILFORD SECONDARY TRACK

USRA Line No. 31/32 Penn Central



This portion of the Franklin Branch, formerly part of the New Haven RR, extends from *Walpole* (Milepost 10.0) to *Franklin Junction, Mass.* (Milepost 19.0). The Milford Secondary Track, also formerly a part of the New Haven RR, extends from *Franklin Junction* (Milepost 0.0), to *Milford, Mass.* (Milepost 8.5). Taken together as a single line, it is 17.5 miles long and is in Norfolk and Worcester Counties, Massachusetts. From Walpole, the line continues in a northeasterly direction to Readville. Also at Walpole, the line connects with the Framingham Branch of the PC. The line connects at Milford with the Grafton & Upton RR. The PC sold the portion of this line from Walpole to Franklin (Milepost 18.0) to the Massachusetts Bay Transportation Authority in January, 1973. The PC continues to provide freight service over the line, and passenger service operates between Boston and Franklin.

Summary of USRA Data

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

Milford	394
Norfolk	9
City Mills	1
Franklin	433
Unionville	0
Total carloads generated by the line	837
Number of round trips per year	260
Estimated time per round trip (hours)	6
Revenue received by PC	\$268,863
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line ¹	156,213
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	18,855
Cost incurred beyond the branch line	194,771
Total variable (avoidable) cost	369,839
Net contribution (loss): total	(100,976)

¹ Excludes maintenance and ownership costs on that portion owned and operated by MBTA.

USRA Recommendation

Although the preliminary recommendation is that this portion of the Franklin Branch and the Milford Secondary Track be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Foster Forbes Glass Co. started full production at its Milford plant in April 1974 and projects the following rail movements; 1,300 cars in 1975, 1,700 cars in 1976, 2,000 cars in 1977 and 2,000 cars in 1978. If rail service is discontinued Foster Forbes would have to close down its \$10 million operation. It would take 5,000 trucks per year to handle sand and other commodities needed for operating its plant.

—The J & J Corrugated Box Corporation began production at its new plant located in Franklin, Mass., on March 10, 1975. The J & J projects 650 carloads in 1975 and 1,100 carloads by 1976.

—Testimony revealed that traffic on this line in 1974 totalled 1,600 cars and it is anticipated to be 2,450 carloads in 1975. It was projected that this line will produce 3,109 carloads by 1976 and 3,609 carloads by 1977.

—If rail service is discontinued, J & J and Foster Forbes would close their plants with a combined loss of investment of \$16 million.

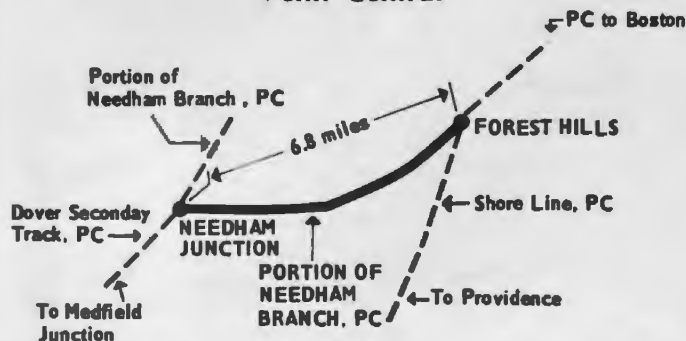
—A new company, Franklin Warehousing is contemplating the construction of a 50,000 square foot building in Franklin which will generate 250 carloads a year.

—The major rail users on this line employ a total of 531 people. Of this amount, 471 jobs would be lost which represents \$5.2 million of lost wages if this line is closed.

—The USRA should reconsider its recommendation based upon the traffic increases since 1973.

USRA ANALYSIS PORTION OF NEEDHAM BRANCH

USRA Line No. 33
Penn Central



This portion of the Needham Branch, previously a part of the New Haven RR, extends from *Forest Hills* (Milepost 3.3), to *Needham Junction, Mass.* (Milepost 10.1), a distance of *6.8 miles*, in Suffolk and Norfolk Counties, Mass. This line connects with the Shore Line of the PC at Forest Hills and with its own northerly continuation at Needham Junction to Cook Street, a line which is also under study in this Report. At Needham Junction, it connects with the Dover Secondary Track of the PC (also under study in this Report). The PC sold the line in January, 1973 to the Massachusetts Bay Transportation Authority. The PC continues to provide freight service over the line.

Summary of USRA Data

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

West Roxbury.....	49
Total carloads generated by the line.....	49
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$29,932
Average revenue per carload.....	\$611

Variable (avoidable) cost of continued serv-

ice	¹ 26,487
Cost incurred on the branch line.....	0
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	30,223

Total variable (avoidable) cost..... 56,710

Net contribution (loss): total..... (26,778)

¹ Excludes maintenance and ownership costs due to MBTA ownership.

USRA Recommendation

It is *not* recommended that *freight service* be provided over this portion of the Needham Branch by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

MICHIGAN

USRA line number	Terminals
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Intrastate

PC

391	Lenawee Junction to Ida
392a	N&W Xing East of Adrian to Adrian
394	Grosvenor to Morenci
395/395a	Lenawee Junction to Manchester
398	Jonesville to Litchfield
402	Montgomery to Bankers
404	Fort Wayne Junction to Horton
436	Oakman Spur at Dearborn
438	Caro to Colling
438a	Vassar to Caro
440	Bav City to Gaylord
440b	Gladwin Branch at Pinconning
441	Gaylord to Mackinaw City
442	Mackinaw City to St. Ignace (car float)
444	Munger to Denmark Junction
444a	Vassar to Denmark Junction
445	Vassar to Millington
445a	Millington to Lapeer Junction
445b	Lapeer Junction to Oxford
451/452/453	Rives Junction to Grand Rapids
454	Mackinaw City to Cadillac
454a	Cadillac to Cedar Springs
455a	Lansing to Saginaw
456/457/458	State Line to Vicksburg
461	Cedar Springs to Comstock Park
463a	Otsego to Dorr
463b	Dorr to Byron Center
463d	Lamar to Grand Rapids
464/465	Parchment to Doster
466	Kalamazoo to Dowagiac
470	Traverse City to Walton Junction
472	Muskegon to Fuller
472a	Muskegon Heights to Muskegon
530a	Hudson to Cement City
680	Buchanan to Dowagiac
688	Oxford to Utica
692a/693a	White Pigeon Junction to Hillsdale
698	At Cheboygan (D&M Trackage Rights)

AA

1300	Dundee to Owosso
1301	Owosso to Thompsonville

Interstate

AA

Michigan to Wisconsin

1302/1303	Thompsonville, Mich. to Kewaunee, Wis. (ferry)
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USRA line number	Terminals
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PC

Michigan to Indiana (these lines are discussed under Indiana)

401	Montgomery, Mich. to South of Angola, Ind.
467	Buchanan, Mich. to Michigan City, Ind.

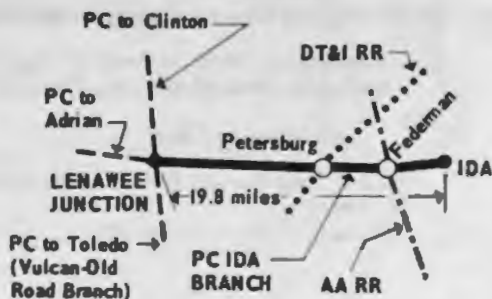
Michigan to Ohio

393	N&W Xing East of Adrian, Mich. to Vulcan, Ohio
530	Hudson, Mich. to Bryan, Ohio

391 MICHIGAN

USRA ANALYSIS IDA BRANCH

USRA Line No. 391 Penn Central



The Ida Branch, formerly part of the New York Central RR. extends from *Lena-wee Junction* (Milepost 0.0), to *Ida, Mich.* (Milepost 19.8), a distance of 19.8 miles, in Lenawee and Monroe Counties, Mich. This line runs east from the Penn Central's Adrian-Toledo Vulcan-Old Road Branch (also under study in this Report). Other connections include the PC line north to Clinton (also under study in this Report), the Detroit, Toledo & Iron-ton RR, which crosses near Petersburg, and the Ann Arbor RR, which crosses at Federman. The Penn Central filed a petition with the ICC to abandon this line in October, 1972. In September, 1974, the PC made similar application to the U.S. Railway Association (Docket No. 75-26). No final action has been taken on either application.

Summary of USRA Data

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

Ida	143
Petersburg	0
Deerfield	2

Total carloads generated by the line..... 145

Revenue received by PC..... \$45,795

Average revenue per carload..... \$316

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... \$142,327

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) .. 51,079

Cost incurred beyond the branch line..... 33,718

Total variable (avoidable) cost..... 227,124

Net contribution (loss): total..... (181,329)

USRA Recommendation

It is *not* recommended that the Ida Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

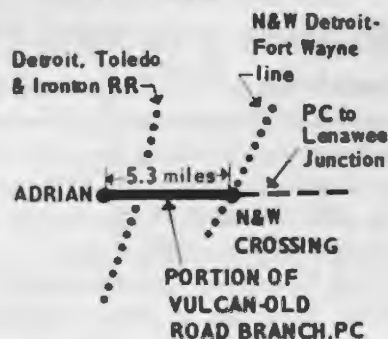
—James F. Schouman, attorney for the Ida Farmers Coop Co., testified that the Co-op has made an offer of acquisition for the section of track from Ida to the Ann Arbor crossing at Fedderman Jet. The cost of upgrading this 3 mile track would be \$120,000.

—Paul Treska of the United Transportation Union testified that at the time the Ann Arbor filed for bankruptcy, successful negotiations were already underway for service to Ida. Should this alternative of service from Fedderman to Ida occur, costs for this line would be greatly reduced.

USRA ANALYSIS PORTION OF VULCAN-OLD ROAD BRANCH

USRA Line No. 392a

Penn Central



This portion of the Vulcan-Old Road Branch, formerly part of the New York Central RR, extends from *N&W Crossing east of Adrian* (Milepost 328.3) to *Adrian, Mich.* (Milepost 333.6), a distance of 5.3 miles, in Lenawee County, Mich. This is the western portion of the PC's Vulcan-Old Road Line which continues through Lenawee Junction to Toledo and is also under study in this Report. A Detroit, Toledo & Ironton RR branch crosses near Adrian; the N&W line runs between Detroit and Fort Wayne. A continuation of this line, extending from Adrian to Clayton has been officially abandoned.

Summary of USRA Data

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

Adrian¹ 1,145

Total carloads generated by the line..... 1,145

Number of round trips per year..... 300

Estimated time per round trip (hours)..... 2

¹ Includes only traffic on segment

Revenue received by PC..... \$268,118

Average revenue per carload..... \$234

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 94,554

Cost of upgrading branch line to FRA Class

I: (1/10 of total upgrading cost)..... 8,922

Cost incurred beyond the branch line..... 158,887

Total variable (avoidable) cost..... 262,363

Net contribution (loss): total..... 5,755

USRA Recommendation

It is *not* recommended that this portion of the Vulcan-Old Road Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony cited that this line is dependent on line 393, not 391 as stated by USRA.

—The Adrian Chamber of Commerce reported that actual car loads for 1973 were 2,383, and the net contribution per carload average \$510.

—Jackson Iron and Metal and Tri-State Equipment testified that they have many customers who will only receive shipments of rail. Jackson is planning a major expansion involving a capital expenditure of 1 and 1/2 million dollars. Loss of rail service would mean a loss of more than \$600,000 for Tri-State.

—Stubnitz Spring Division of Hoover Ball Bearing Company, which handled 1,634 carloads in 1973 stated it would be forced to close if rail service is lost. This would result in the loss of 565 jobs with an annual payroll of over 4 million dollars and approximately 1 million in rail revenues.

—W. A. Leasing and Transport plans to locate on this line only if rail service is continued.

—The N&W is interested in acquiring 5.3 miles of the line from the N&W crossing east of Adrian to Adrian.

USRA ANALYSIS MORENCI BRANCH

USRA Line No. 394

Penn Central



The Morenci Branch, formerly part of the New York Central RR, extends from Grosvenor (Milepost 0.0) to Morenci, Mich. (Milepost 18.6), a distance of 18.6 miles, in Lenawee County, Michigan. This line is in Zone 150 in the U.S. Department of Transportation Report, "Rail Service in the Midwest and Northeast Region," dated February 1, 1974. This line is a branch of the PC Vulcan-Old Road Branch which is also under study in this report. At Bimo, a branch of the Detroit Toledo & Ironton Railroad crosses.

Summary of USRA Data

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

Grosvenor ¹	74
Ogden	18
Jasper	12
Weston	138
Morenci	252

Total carloads generated by the line	494
Average carloads per week	9.5
Average carloads per mile	26.6
Average carloads per train	9.9

1973 operating information:

Number of round trips per year	50
Estimated time per round trip (hours)	6.0

¹ Includes only traffic on segment

Revenue received by PC	\$182,256
Average revenue per carload	\$369

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	145,608
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	45,556
Cost incurred beyond the branch line	83,996

Total variable (avoidable) cost 275,162

Net contribution (loss): total (92,906)

USRA Recommendation

Although the preliminary recommendation is that the Morenci Branch not be included in the ConRail System, the possibility of immediately increasing revenue may be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Lenawee County Rail Users Task Force found 591 actual carloads shipped on this line.

—The Task Force reports that revenues from Sohio and Jasper Lumber were not included in USRA calculations and found that there was an average contribution of \$510 per carload.

—The Stauffer Chemical Company questioned 1973 traffic revenue accruing to Penn Central. Stauffer determined that the net contribution was \$14 per carload for this line.

—Stauffer Chemical at Weston testified that elimination of rail service would result in placing 450 tank trucks of hazardous materials over heavily travelled two-lane highways which pass through residential communities.

—The Parker Division of Oxy Metal Industries Corporation in Morenci shipped 138 carloads in 1973. They testified that they would resume their former levels of shipment, over 300 carloads, if reliable service were provided.

—Baker questioned USRA's contention that service would be provided at Morenci by the N&W if service over the line were discontinued.

—The N&W crossing is located in North Morenci, 3-4 miles from Morenci.

—Agrico Chemical Co. stated that their actual carloads for 1973 were 137. They project to ship at least 160 carloads in 1975.

—Cousins Iron and Metal Company reported that if this line were abandoned, they would truck their shipments to their siding in Hudson, which would increase their shipments by 40 percent.

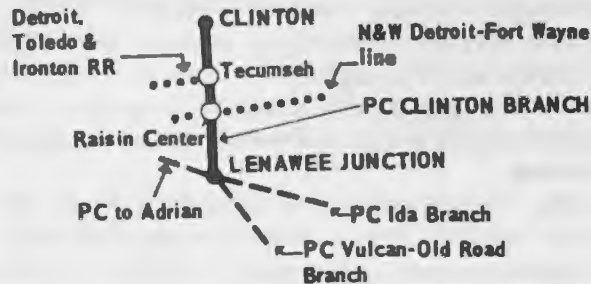
—A representative of the Lenawee County Farm Bureau stated that the county has approximately 2,588 farms with an annual production of \$1,330,000 in wheat, corn and soybeans and that loss of rail service would amount to a loss of 10 cents per bushel realized by the farmers.

—The Michigan Department of Agriculture determined that continued service on this line was vital to the agriculture needs of the State.

USRA ANALYSIS CLINTON BRANCH

USRA Line No. 395 and 395a

Penn Central Railroad



This portion of the Clinton Branch, formerly part of the New York Central Railroad, extends from *Lenawee Junction* (Milepost 0.0) to *Manchester, Mich.* (Milepost 13.6), a distance of 13.6 miles, in Lenawee County, Mich.

Summary of USRA Data

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

Tecumseh	188
Clinton	1,004
Adrian ¹	63

Total carloads generated by the line..... 1,255

Number of round trips per year..... 125

Estimated time per round trip (hours)..... 6

¹ Includes only traffic on segment.

Revenue received by Penn Central..... \$511,067

Average revenue per carload..... \$407

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 176,299

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) .. 15,924

Cost incurred beyond the branch line..... 282,140

Total variable (avoidable) cost..... 474,363

Net contribution (loss): Total..... 36,704

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

Testimony expressed the opinion that URSA judge the viability of this line on its profitability, not its dependency on line 393.

—The Adrian Chamber of Commerce/Lenawee County Rail Users Task Force testified that actual figures show a net contribution of \$466 per carload.

—Tecumseh Products indicated that if service were improved on this line, they could resume their 1966 shipment level of 420 carloads.

—The Budd Company reported 852 carloads in 1973, and projected 1,085 and 1,414 for 1974 and 1979 respectively. They would be forced to close the Clinton plant if rail service were lost. The plant employs 338 persons with an annual payroll of \$3,459,000. The assets employed in 1973 were \$16.455 million and the Company paid \$575,000 in state and local taxes.

—Ford Motor Company supports the retention of service to the Budd Clinton plant and emphasized that the plant generated \$1,092,000 in gross revenues.

—The cost of conversion to tank trucks, safety factors and loss of growth potential might justify closing the Stauffer Chemical Tecumseh plant. This would result in a loss of 268 jobs.

—Borden Inc. testified that it would close its Tecumseh Crop Service if this line and 393 were abandoned.

—The Michigan Department of Agriculture considers continued service on this line vital.

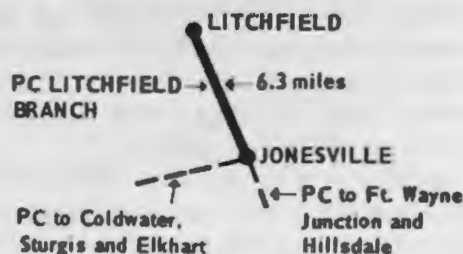
—The Department of the Interior has identified this line as having good recreational potential if the line were abandoned.

—The N&W is interested in acquiring 11.3 miles of the line from Raisin Center to, and including all industries in, Clinton.

USRA ANALYSIS LITCHFIELD BRANCH

USRA Line No. 398

Penn Central



The Litchfield Branch, formerly part of the New York Central RR, extends from *Jonesville* (Milepost 0.6) to *Litchfield, Mich.* (Milepost 6.9) a distance of 6.3 miles, in Hillsdale County, Mich. This line is a branch running north from the Penn Central's line from Elkhart to Hillsdale. The segment north of Litchfield was abandoned in 1971. The lines from Jonesville to Hillsdale and White Pigeon Jct. are also under study in this report.

Summary of USRA Data

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

Litchfield	187
Jonesville ¹	7

Total carloads generated by the line.....	194
No. of round trips per year.....	100
Estimated time per round trip (hours).....	3.0

¹ Includes only traffic on segment.

Revenue received by PC.....	\$58,204
Average revenue per carload.....	\$300

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	65,062
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	26,418
Cost incurred beyond the branch line.....	35,510

Total variable (avoidable) cost.....	126,990
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Net contribution (loss): total.....	(68,786)
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USRA Recommendation

It is *not* recommended that the Litchfield Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Plymouth Flush Door, in Litchfield, increased its annual carloads by 50. It expects to double its traffic to 500 per year. The additional expenses of converting to alternate transportation would jeopardize their competitive position. Loss of rail service would force the company to close.

—The Mayor of Litchfield testified that \$2,792,510 in State and Federal funds have been spent to develop the community and the industrial park at Litchfield. He projects 500–600 carloads annually for the line.

—The Vice-President of Litchfield State Savings Bank reported that the bank is involved with Government agencies in financing facilities dependent on rail service in the amount of \$3,400,000. He stated that these companies will be unable to continue production without rail service.

—Wells Equipment Sales testified that frost regulation weight restrictions apply to motor transportation a third of the year.

—Litchfield Grain stated that with rail service they could triple their output to 210 cars per year.

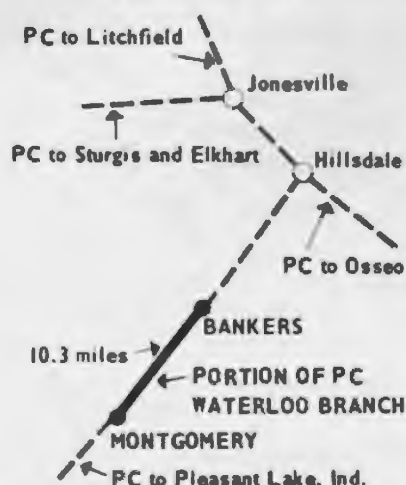
—Addison Products of Jonesville testified that they had shipped 340 cars piggyback from Bryan, Ohio in 1973. If a piggyback loading platform were available in Hillsdale or Jonesville, they would ship more than 600 rail cars per year.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS PORTION OF WATERLOO BRANCH

USRA Line No. 402

Penn Central



This portion of the Waterloo Branch, formerly part of the New York Central RR, extends from *Montgomery* (Milepost 54.8), to *Bankers, Mich.* (Milepost 65.1), a distance of *10.3 miles*, in Hillsdale County, Michigan. This line is part of a branch running south from Hillsdale into Indiana. The southern and northern continuations of this branch are also under study in this Report.

Summary of USRA Data

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

Reading	293
Montgomery	198
Total carloads generated by the line.....	491
Number of round trips per year.....	150
Estimated time per round trip (hours)	7.5

Revenue received by PC.....	\$247,947
Average revenue per carload.....	\$506

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	144,500
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	21,862
Cost incurred beyond the branch line.....	153,750

Total variable (avoidable) cost.....	320,172
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Net contribution (loss): total.....	(72,225)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Reading Feed and Grain testified that they shipped 269 carloads in 1973 and 318 in 1974. They could have shipped 500 more carloads a year if cars had been available.

—The Mayor of Reading stated that if Reading Feed and Grain were to close their operation, the community would lose $\frac{1}{8}$ of its property tax base.

—Testimony indicates that Reading generated a total of 295 carloads in 1973 and Montgomery 276.

—This area is not served by Class A highway; therefore, trucks are not permitted to carry full loads during part of the year.

—Shipper data shows a small amount of traffic from Jonesville, Hanover and Horton.

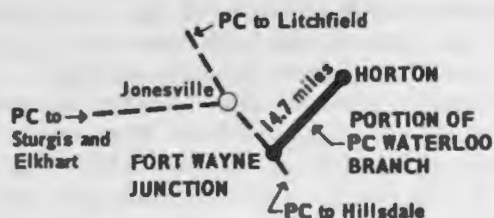
—The frequency of service and time per trip required to serve the line should be reviewed. Both estimates appear high considering the traffic and distance involved.

404 MICHIGAN

USRA ANALYSIS PORTION OF WATERLOO BRANCH

USRA Line No. 404

Penn Central



This portion of the Waterloo Branch, formerly part of the New York Central RR, extends from *Fort Wayne Junction* (Milepost 71.0), to *Horton, Michigan* (Milepost 85.7), a distance of *14.7 miles*, in Jackson County, Michigan. This line, once part of a through route between Jackson and Fort Wayne, now exists solely as a branch off PC's line through Jonesville and Hillsdale, which is also under study in this Report. Penn Central has filed a petition to abandon this line (ICC Docket No. AB-5, Sub. 193 and 194).

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

Summary of USRA Data

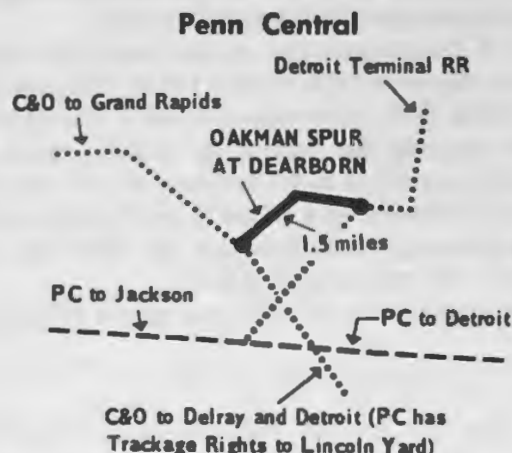
Stations (with their 1973 carloads) served by this line:	
Horton	5
Hanover	1
Total carloads generated by the line.....	
6	
Number of round trips per year.....	12
Estimated time per round time (hours).....	4 0
Revenue received by Penn Central.....	\$1,402
Average revenue per carload.....	\$234
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	97,587
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) ..	30,523
Cost incurred beyond the branch line....	872
Total variable (avoidable) cost.....	128,982
Net contribution (loss): Total.....	(127,580)

USRA Recommendation

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

USRA ANALYSIS OAKMAN SPUR AT DEARBORN

USRA Line No. 436



The Oakman Spur, formerly part of the Pennsylvania RR, extends 1.5 miles at Dearborn, Mich. in Wayne County, Mich. This line runs from the C&O mainline approximately one and one-half miles until it joins the Detroit Terminal Ry. There are no physical connections with other PC-controlled lines. This line was the former PRR connection with the Detroit Terminal, using trackage rights from Lincoln Yard via Delray over the C&O.

Information for Line Retention Decision

All of the industries on this branch could be served by the Detroit Terminal RR.

USRA Recommendation

It is *not* recommended that the Oakman Spur be included in the ConRail System.

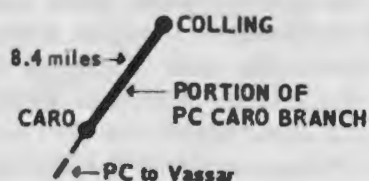
PUBLIC RESPONSE AND RSPO COMMENT

—Louis Drapeau, Mayor of Dearborn, Eugene Forbes, City Attorney for Dearborn and Dearborn City Planner John J. Nagy support the abandonment of the Oakman Spur. They cited lack of opposition to the abandonment, little use, and high frequency of accidents on the spur. They added that the area in which the spur is located has been re-zoned and residential dwellings have been constructed in the area. Industries that currently use the spur could be serviced by the Detroit Terminal Railway line.

USRA ANALYSIS PORTION OF CARO BRANCH

USRA Line No. 438

Penn Central



This portion of the Caro Branch, formerly part of the New York Central RR, extends from *Caro* (Milepost 13.8), to *Colling, Mich.* (Milepost 22.2), a distance of 8.4 miles, in Tuscola County, Mich. This is the northern portion of the Caro Branch; the southern extension to Vassar is also under study in this report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line: Colling	85
Total carloads generated by the line.....	85
No. of round trips per year.....	30
Estimated time per round trip (hours).....	3
Revenue received by PC.....	\$55,836
Average revenue per carload.....	\$657
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	59,337
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	21,820
Cost incurred beyond the branch line.....	25,366
Total variable (avoidable) cost.....	106,523
Net contribution (loss): Total.....	(50,687)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Caro Development Corporation and the Peoples State Bank of Caro stated that availability of rail service was essential to attract new business and ensure the retention of existing industry.

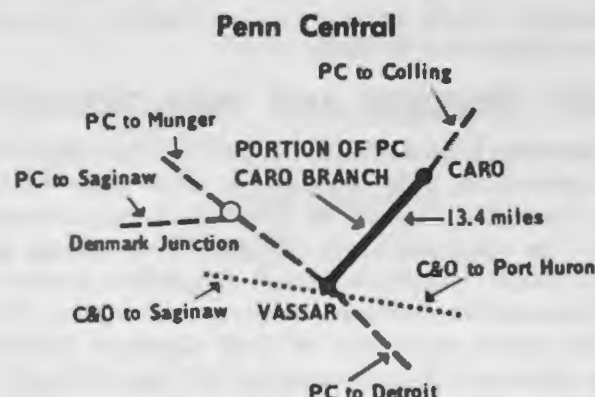
—The J. P. Burroughs, Inc., stated that while it used only 85 carloads in 1973, it used 139 in 1974 and plans to use 202 in 1975. Alternate modes of travel would increase the cost per bushel by \$30.25, which constitutes 15 percent of total revenue in 1972 and 1973.

—Colling is located on a Class B restricted highway and the Grand Trunk Western has filed for abandonment of the nearest rail siding.

—Unemployment in the area was given as 17.7 percent.

USRA ANALYSIS
PORTION OF THE CARO BRANCH

USRA Line No. 438a



This portion of the Caro Branch, formerly part of the New York Central RR, extends from Vassar (Milepost 0.4) to Caro, Mich. (Milepost 13.8), a distance of 13.4 miles, in Tuscola County, Mich. This line is the lower portion of the PC's Caro Branch. A continuation of this line from Caro to Colling is also under study in this Report. At Vassar, this line connects with the PC line to Detroit going south and northward to Denmark Junction. Both of these line segments are also under study. Also at Vassar this line connects with the Chesapeake & Ohio's Port Huron-to-Saginaw line.

Summary of USRA Data

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

Banksand	0
Wahjamega	0
Caro	874

Total carloads generated by the line.....	874
Number of round trips per year.....	150
Estimated time per round trip (hours).....	9.0
Revenue received by PC.....	\$354,068
Average revenue per carload.....	\$406

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	174,621
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	87,964
Cost incurred beyond the branch line.....	261,047

Total variable (avoidable) cost..... 473,622

Net contribution (loss) total..... (118,644)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Bay County Planning Commission reported that while the Plan showed 874 carloads for the line in 1973, it found 1,115 carloads for the Detroit Edison Co., Michigan Sugar Co., Caro Building Center and Gunsells, Inc.

—The Caro Building Center, Inc., although using only 21 carloads in 1974, testified it would have to close as it would not be able to compete with other lumber retailers in Saginaw, Bay City and Flint.

—Michigan Sugar, with an annual payroll of \$1,100,000, would be forced to severely curtail its operations without rail service. In 1974, it shipped and received 685 carloads, 138 of which consisted of coal from Kentucky.

—Eight of eleven lumber yards in Tuscola County are served by this line.

—The estimated time per round trip appears to be high considering the traffic and length of the line.

USRA ANALYSIS PORTION OF MACKINAW BRANCH

USRA Line No. 440



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from Bay City (Milepost 5.0) to Gaylord, Mich. (Milepost 120.4), a distance of 115.4 miles in Bay, Arenac, Ogemaw, Roscommon, Crawford and Otsego Counties, Mich.

Summary of USRA Data

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

Kawkawlin	19
Linwood	4
Pinconning ¹	35
Standish	103
West Branch	285
St. Helens	230
Roscommon	51
Grayling	262
Frederick	1
Gaylord	2,247

Total carloads generated by the line..... 3,237

Number of round trips per year..... 300

Estimated time per round trip, (hours)..... 11

¹ Includes only traffic on segment.

Revenue received by PC..... \$1,339,274

Average revenue per carload..... \$432

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 1,083,630

Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)

Cost incurred beyond the branch line

Total variable (avoidable) cost..... 1,821,663

Net contribution (loss) total..... (482,389)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Mackinaw Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Champion International Corporation testified that they generated 2,400 carloads in 1974. They stated that the added expense of alternate transportation would be approximately \$674,000. This added expense would force them out of competitive markets. —Champion is currently mid-way through a \$17.5 million plant expansion at their Gaylord facility. They forecast 5,000 carloads for 1977, providing \$1.3 million in additional revenue.

—Lake Woods Forest Products, Inc., is in the process of building a \$3 million wood utilization complex on the line. It was constructed on the basis of excellent rail services being available. They project 560–1,400 carloads per year.

—The city of Grayling testified that shippers at Grayling accounted for 276 carloads in 1974.

—Camp Greyling and the Consite facility at Greyling Army Airfield transport heavy equipment by rail.

—Camp Greyling reported 23 carloads in 1973, 34 carloads in 1974 and projects 45 carloads in 1975.

—The Department of Defense urged the retention of this line in the interest of national defense.

—The Gaylord Chamber of Commerce testified that they have established a 177 acre industrial park on the line. Its establishment was predicated on the availability of rail service.

—Semco Inc. and Osceola Refinery stated that they were able to bid on government contracts because of their availability to rail service. They ship heavy and oversize loads unsuitable to motor transport.

—The Department of the Interior has identified this line as having potential as an urban access to outdoor recreation. It also has great recreational potential if service is discontinued.

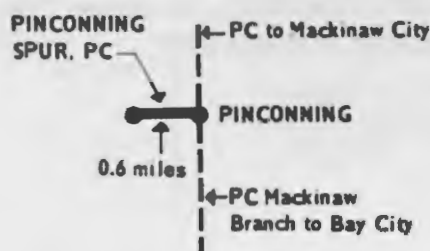
—A review of USRA's calculation by RSPO technical staff indicates the average revenue per carload should be \$413.

—The Detroit and Mackinaw would be interested in providing service over the portion of the line from Gaylord south to the Standish vicinity where it connects with a D&M line. The D&M is not interested in the PC line from Standish to Bay City. To implement such service, some funding would have to be made available.

USRA ANALYSIS GLADWIN BRANCH

USRA Line No. 440b

Penn Central



The Gladwin Branch, formerly part of the New York Central RR, extends a distance of *0.6 miles* at *Pinconning* in Bay County, Mich. This line is a short spur off the Penn Central's Mackinaw Branch which is also under study in this Report.

Summary of USRA Data

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

Pinconning¹ 48

Total carloads generated by the line..... 48

Number of round trips per year..... 50

Estimated time per round trip (hours)..... 0.5

Locomotive horsepower..... 2,000

Train crew size..... 4

¹ Includes only traffic on segment.

Revenue received by PC..... \$25,596

Average revenue per carload..... \$533

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 8,139

Cost of upgrading branch line to FRA Class

I: (1/10 of total upgrading cost)..... 4,490

Cost incurred beyond the branch line.... 14,887

Total variable (avoidable) cost..... 27,516

Net contribution (loss): total..... (1,920)

USRA Recommendation

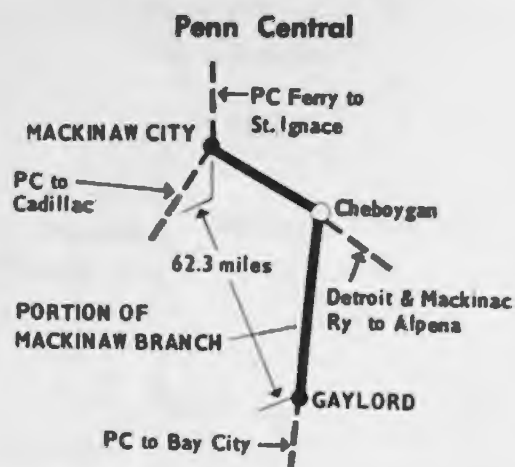
It is *not* recommended that the Gladwin Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Gaylord Chamber of Commerce reported that user data reflected 75 carloads on this line for 1973.

USRA ANALYSIS PORTION OF MACKINAW BRANCH

USRA Line No. 441



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Gaylord* (Milepost 120.4) to *Mackinaw City, Mich.* (Milepost 182.7), a distance of *62.3 miles*, in Otsego, Cheboygan and Emmet Counties, Mich. This segment is the southern end of Penn Central's Mackinaw Branch. The southern extension of this line from Gaylord to Bay City, and the PC's line to Cadillac and Grand Rapids are also under study in this Report. The Detroit & Mackinac Ry's Main Line connects at Cheboygan. Penn Central has filed a petition to abandon this line, ICC Docket No. AB-5, Sub. 175.

Summary of USRA Data

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

Mackinaw City.....	75
Vanderbilt	9
Indian River.....	35
Topinabee	0
Cheboygan	232

Total carloads generated by the line.....	351
Number of round trips per year.....	150
Estimated time per round trip (hours).....	10.0
Revenue received by PC.....	\$91,974
Average revenue per carload.....	\$262

Variable (avoidable) cost of continued service:

Cost incurred on the Branch line.....	501,368
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	76,424
Cost incurred beyond the branch line.....	75,388
Total variable (avoidable) cost.....	653,180
Net contribution (loss): total.....	(561,156)

USRA Recommendation

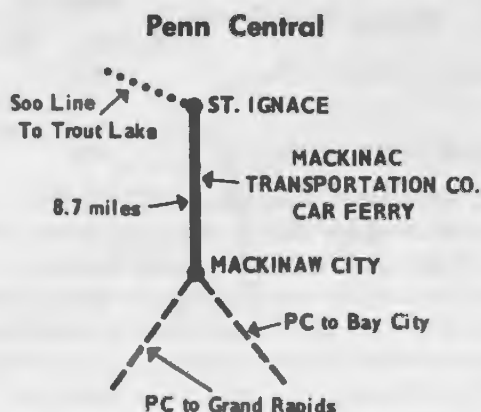
It is *not* recommended that this portion of the Mackinaw Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The McRae Lumber Co., Mackinaw City, reported 10 carloads for 1973 and 1974.

USRA ANALYSIS
USRA Line No. 442

MACKINAC TRANSPORTATION CO.



The Mackinac Transportation Company operates railroad car-ferry service extending from *Mackinaw City* to *St. Ignace*, a distance of 8.7 miles, in Mackinaw, Emmett, and Cheyabogan Counties, Mich. This line connects at Mackinaw City with the GR&I Branch of Penn Central extending south to Grand Rapids and with the Mackinaw Branch of Penn Central extending to Bay City, both of which are under study in this Report. At St. Ignace the line connects with the Soo line extending north to Trout Lake. Mackinac Transportation Company applied to abandon this line with the Interstate Commerce Commission on August 11, 1970 under Finance Docket No. 26303. Public hearings were held commencing January 25, 1971.

USRA Recommendation

It is *not* recommended that the Mackinac Company car ferry service be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—A substantial number of witnesses testified on behalf of retaining the ferry which serves Mackinaw City and St. Ignace via the Straits of Macinac.

—Congressman Phillip E. Ruppe stated that loss of this service would sever rail movement from the upper and lower peninsulas. All eastern upper peninsula traffic would have to be routed through Chicago. He also cited the intention of the Soo Line Rail Road to apply for permission to abandon service to St. Ignace.

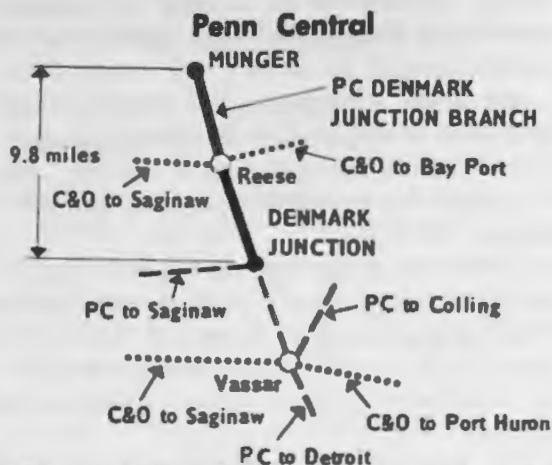
—Denny Woytek, representing the Macinac Straits area, testified that loss of service would result in an immediate loss of 40 jobs. He added that the bridge over the Straits cannot accommodate certain payloads of machinery because of their weight or weight distribution.

—The St. Ignace Planning Commission cited increased demand for the shipment of raw products in their area. The Commission feels that the ferry should be retained in the national interest.

—The D&M would consider operating rail service from Cheboygan to Mackinaw City but would be dependent upon some funding being made available.

USRA ANALYSIS DENMARK JUNCTION BRANCH

USRA Line No. 444



The Denmark Junction Branch, formerly part of the New York Central RR, extends from *Denmark Junction* (Milepost 91.1) to *Munger, Michigan* (Milepost 100.9), a distance of 9.8 miles, in Tuscola, Bay and Saginaw Counties, Michigan. This line is a branch of the Saginaw-Vassar segment of the PC's Mackinaw line. The Mackinaw line is also under study in this Report. The C&O line from Saginaw to Bay Port crosses at Reese.

Summary of USRA Data

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

Munger	121
Reese	85

Total carloads generated by the line.....	206
Number of round trips per year.....	100
Estimated time per round trip (hours).....	4.0

Revenue received by PC.....	\$88,023
Average revenue per carload.....	\$427

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	80,545
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	51,716

Total variable (avoidable) cost.....	141,261
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Net contribution (loss): total.....	(53,238)
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USRA Recommendation

It is *not* recommended that the Denmark Junction Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Bay County Planning Commission reported the following traffic data on this line:

Station	Carloads	
	USRA data	User's data
Munger.....	121	121
Reese.....	85	196
Total.....	206	317

—J. P. Burroughs and Son, Inc., reported it could have used 58 more cars if they had been available; Gollin Block and Supply Co., said it could have used 17 more cars. This would bring the total carload figure to 392 which the Commission stated the USRA maintained was needed to make the line profitable.

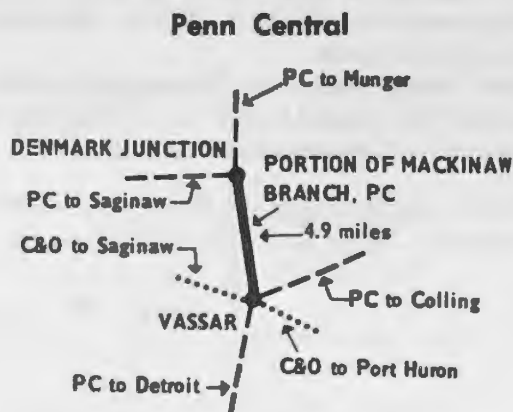
—J. P. Burroughs and Son, Inc., estimated a 10-30 percent decrease in revenue if rail service were discontinued.

—Super Food Service reported it would have to close if rail service were not available.

—The Chessie is interested in providing service only at the Chessie intersection at Reese.

USRA ANALYSIS PORTION OF MACKINAW BRANCH

USRA Line No. 444a



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Vassar* (Milepost 86.2) to *Denmark Junction, Mich.* (Milepost 91.1), a distance of 4.9 miles, in Tuscola County, Mich. The Mackinaw branch continues west to Saginaw, and south to Oxford and Detroit. The Penn Central branch to Munger comes in at Denmark Junction, and the branch to Colling meets at Vassar; all Penn Central lines in this area are also under study in this Report. The C&O line to Port Huron crosses at Vassar.

Summary of USRA Data

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

Denmark Jct.....	84
Total carloads generated by the line.....	84
Number of round trips per year.....	52
Estimated time per round trip (hours).....	1
Revenue received by PC.....	\$23,943
Average revenue per carload.....	\$285
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	37,304
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost)...	0
Cost incurred beyond the branch line.....	15,825
Total variable (avoidable) cost.....	53,129
Net contribution (loss) : Total.....	(29,186)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Bay City Planning Commission testified that user's data from Vassar showed 1,295 carloads in 1973. They maintained that USRA incorrectly credited this traffic to Line 445. Since there has not been regular service on that line for several years and traffic to and from Vassar moves through Denmark Junction, the Vassar to Denmark Junction is the proper line to accredit.

—Wickes Agriculture stated that its traffic originating from Vassar, 695 carloads in 1973, should be attributed to this segment, not Line 445 as reported by USRA. This company plans an 80 percent increase in volume, contingent on continuation of rail service.

—Weber Lumber and Millwork, Inc., reporting 94 carloads in 1974, would be forced to close or relocate with loss of rail service. This would result in a loss of 34 jobs and an annual payroll of \$325,000.

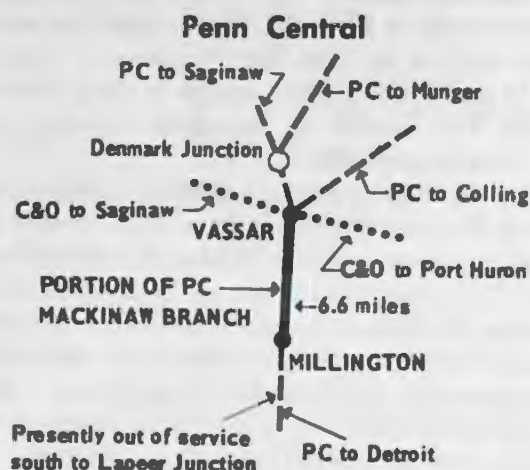
—Super Foods, which employ 113 persons at their Vassar facility, would be forced to close should rail service be discontinued.

445

MICHIGAN

USRA ANALYSIS PORTION OF PC MACKINAW BRANCH

USRA Line No. 445



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Millington* (Milepost 79.6) to *Vassar, Mich.* (Milepost 86.2), a distance of 6.6 miles, in Tuscola County, Mich. This segment formed part of the through Detroit-to-Saginaw Line. At Vassar, Penn Central Lines from Denmark Junction and Colling converge. Both these line segments are under study as is the line segment south of Millington to Lapeer Junction. At Vassar this line connects with the Chesapeake & Ohio's Port Huron-to-Saginaw Line.

Summary of USRA Data

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

Millington	34
Vassar	695

Total carloads generated by the line	729
Number of round trips per year	100
Estimated time per round trip (hours)	4.0
Revenue received by PC	\$150,634
Average revenue per carload	\$207

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	83,091
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	12,638
Cost incurred beyond the branch line	131,163

Total variable (avoidable) cost 226,852

Net contribution (loss): Total (76,258)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Wickes Agriculture testified that their traffic in Vassar, 695 carloads in 1973, should be applied to line 444a. It should not have been credited to this line because there has not been regular through traffic here in several years.

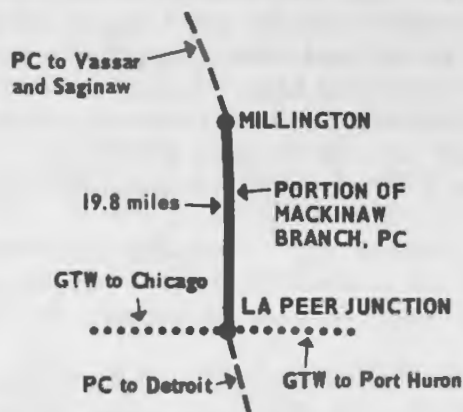
—Super Foods, employing 57 persons at their Millington facility, would be forced to close their operation should rail service be discontinued.

—The Chessie is interested in serving customers at Vassar only.

USRA ANALYSIS PORTION OF MACKINAW BRANCH

USRA Line No. 445a

Penn Central



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Millington* (Milepost 79.6) to *Lapeer Jct., Mich.* (Milepost 59.8), a distance of *19.8 miles*, in Lapeer and Tuscola Counties, Mich.).

Information for Line Retention Decision

This line does not directly serve any patrons but is occasionally used as an overhead line.

USRA Recommendation

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

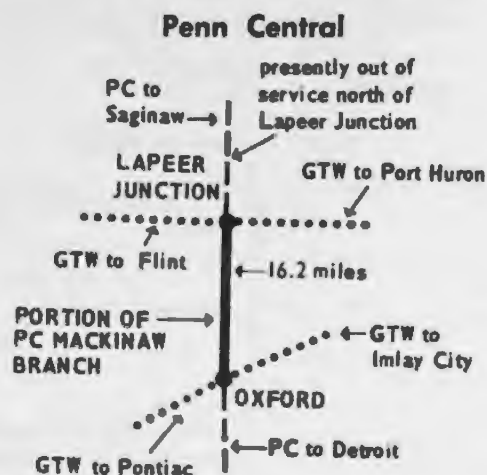
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

445b MICHIGAN

USRA ANALYSIS PORTION OF MACKINAW BRANCH

USRA Line No. 445b



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Oxford* (Milepost 43.6) to *Lapeer Junction*, Mich. (Milepost 59.8), a distance of *16.2 miles*, in Lapeer and Oakland Counties, Mich. This line is part of Penn Central's Detroit-to-Mackinaw City Mackinaw Branch; this line only receives local service. It connects at Lapeer Junction with the Grand Trunk Western's Main Line to Port Huron and at Oxford with their line to Pontiac.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Metamora	21
Lapeer	378
Total carloads generated by the line.....	399
Number of round trips per year.....	100
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$126,594
Average revenue per carload.....	\$317

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	129,168
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	35,735
Cost incurred beyond the branch line....	81,544

Total variable (avoidable) cost..... 246,447

Net contribution (loss): Total..... (119,853)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Lapeer Rail Service Research Committee testified that this line should be considered together with line No. 688; not to do so is "unrealistic and irrational." The Committee found that lack of rail service would cause the direct loss of 150 positions and of payroll and other expenditures throughout the Metamora and Lapeer area of \$1,370,000 a year.

—The Metamora Products Corporation testified that they had recently invested \$50,000 in a materials handling system for plastic pellets which can only be served by a rail siding.

—The Union Camp Corporation testified that it shipped and received 146 carloads for 1973; Church's Lumber Yard reported 44 carloads for the same period.

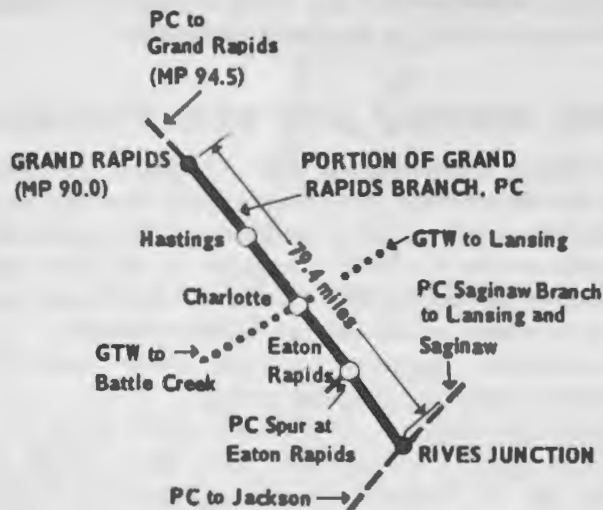
—The Michigan Department of Agriculture stated that the retention of this line is vital to the agricultural needs of the State.

—Pending further study and negotiation GTW proposes to serve customers at Lapeer *only*.

USRA ANALYSIS PORTION OF GRAND RAPIDS BRANCH

USRA Line No. 451/452/453

Penn Central



This portion of the Grand Rapids Branch, formerly part of the New York Central RR, extends from *Rives Junction* (Milepost 10.6) to *Grand Rapids, Mich.* (Milepost 88.1), a distance of 77.5 miles, in Kent, Barry, Eaton, Ingham and Jackson Counties, Mich. This line runs from the Jackson Branch at Rives Junction, to Grand Rapids; the branch continues for an additional four and one-half miles past the end of this line segment, all within the city of Grand Rapids.

Summary of USRA Data

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

Onondaga	0
Eaton Rapids	689
Charlotte	453
Chester	2
Vermontville	80
Nashville	14
Hastings	204
Middleville	8
Caledonia	94
Dutton	9

Total carloads generated by the line	1,553
Number of round trips per year	100
Estimated time per round trip (hours)	11.5
Revenue received by PO	\$606,220
Average revenue per carload	\$390

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	677,758
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	308,841

Total variable (avoidable) cost..... 981,599

Net contribution (loss): total..... (375,379)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Valley Shippers Association reported businesses with 1,528 carloads in 1973. These shippers could have used 410 more cars if they had been available.

—Since 1973, two new firms at Dutton have been producing 100 carloads annually.

—White Products Corporation in Middleville finds it necessary to truck 200 carloads per month to Grand Rapids for shipment by rail. They cite the undependable service received on this line at Middleville.

—The Association stated that the needs of White Products Corporation, demands of new businesses and the 410 additional cars would increase the traffic level by 200%.

—The Valley Shippers took exception to maintenance costs reported by USRA. Their estimate was one-seventh the figure given in the Plan.

—The Michigan Department of Highways and Transportation reported that this line was one of the more profitable in the State.

—The Eaton Farm Bureau reported that grain receiving terminals were not equipped to handle large amounts of tonnage by truck, nor could the highway system accommodate an increase over the present level of motor carrier. Due to the unavailability of cars in 1973, Eaton lost grain to other mills.

—Long Bean and Grain Company testified that they were forced to close for a month last year due to the unavailability of cars.

—The E. W. Bliss Co. produces machinery that can only be moved profitably by rail. To disassemble this apparatus, ship by another mode and then reassemble shipping would result in an additional cost of \$1,150 per unit to be incurred by the consumer. This would place the company at a severe competitive disadvantage.

—Testimony stated that users would have shipped many more carloads over this line if the PC had been able to provide cars on request and to furnish regular rail service.

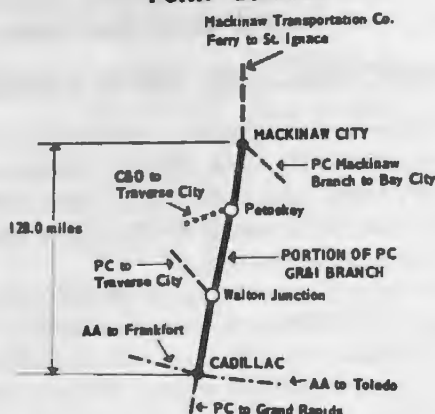
—The Department of the Interior had identified this line as having potential access to outdoor recreation areas if discontinued.

—On March 14, 1975, the United States Railway Association announced that the portion of this line from Rives Junction (MP 10.6) to Eaton Rapids (MP

Continued on page 303

USRA ANALYSIS PORTION OF THE GR&I BRANCH

USRA Line No. 454 Penn Central



This portion of the GR&I Branch, formerly part of the Pennsylvania RR, extends from *Cadillac* (Milepost 331.8) to *Mackinaw City, Mich.* (Milepost 459.8), a distance of *128.0 miles*, in Wexford, Kalkaska, Grand Traverse, Antrim, Emmet, Charlevoix and Cheboygan Counties, Mich. This line is the northern portion of Penn Central's GR&I branch.

Summary of USRA Data

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

Cadillac	257
Missaukee Junction	153
Manton	70
Walton Junction	29
Fife Lake	2
South Boardman	61
Kalkaska	344
Antrim	33
Mancelona	38
Alba	1
Elmira	29
Boyne Falls	53
Petoskey	285
Kegonic	8
Alanson	0
Pellston	38
Levering	0

Total carloads generated by the line	1,346
Number of round trips per year	100
Estimated time per round trip (hours)	12
Revenue received by PO	\$526,098
Average revenue per carload	\$391

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	982,890
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	225,428

Cost incurred beyond the branch line... 289,421

Total variable (avoidable) cost... 1,427,244

Net contribution (loss): total... (901,186)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Michigan Consolidated Gas Company testified that system average costs were higher than the cost of the line involved. They pointed out that substantial new traffic would be generated by new gas and oil discoveries on the line. Weather conditions render year round motor carrier service difficult.

—Halliburton Services stressed their potential growth and future expansion plans.

—West Side Salvage, at Petoskey, ships 20-25 carloads a year. They testified that they would be forced out of business without rail service. Motor carriers are not able to move their shipments.

—Loss of service over this line would put 150 persons out of work at McLaughlin Co.

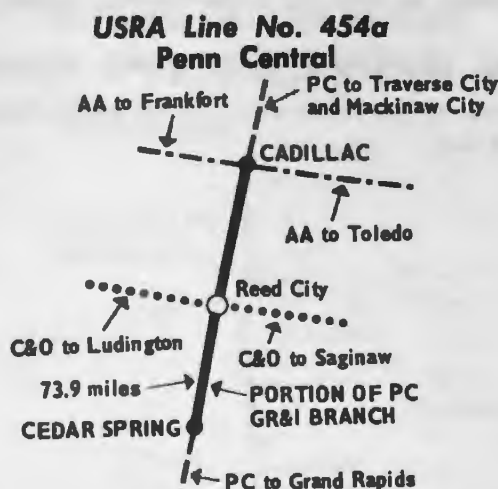
—The Cadillac Area Chamber of Commerce estimated a loss of at least 2500 jobs if rail service were discontinued.

—The Director of Planning for Charlevoix County testified that loss of rail service would jeopardize the competitive nature of firms on this segment. It would also dim prospects in attracting new industrial and commercial investors to the area.

—Northern Propane Gas Company stated that its Cadillac Plant received 72 tank cars last year. If frequency of rail service were increased, virtually all of its propane gas would be received by rail.

—The Department of the Interior has identified this line as having potential as an urban access to outdoor recreational areas. It also is claimed to have the best recreation potential if rail service is abandoned.

USRA ANALYSIS PORTION OF GR & I BRANCH



This portion of the GR&I Branch, formerly part of the Pennsylvania RR, extends from *Cedar Springs* (Milepost 257.9) to *Cadillac, Mich.* (Milepost 331.8), a distance of *73.9 miles*, in Mecosta, Kent, Montcalm, Osceola, and Wexford Counties, Mich. This line is a segment of the Penn Central's Grand Rapids & Indiana Branch; both its northern and southern extensions are also under study in this Report. At Reed City, the C&O Ludington-Saginaw line crosses and at Cadillac the Ann Arbor Railroad (also under study in this report) crosses en route from Toledo and Owosso to Frankfort. Penn Central has filed to abandon the entire GR&I branch north of Cedar Springs, ICC Docket No. AB-5, Sub. 159 and USRA Docket No. 75-57.

Summary of USRA Data

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

Sand Lake	8
Pierson	9
Howard City	3
Morley	0
Stanwood	13
Big Rapids	100
Reed City	82
Leroy	7
Tustin	2

Total carloads generated by the line.....	233
Number of round trips per year.....	100
Estimated time per round trip (hours).....	6.0
Revenue received by PC.....	\$70,209
Average revenue per carload.....	\$301

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	516,196
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading	

cost)	126,451
Cost incurred beyond the branch line....	45,405

Total variable (avoidable) cost..... 688,052

Net contribution (loss): total..... (617,848)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Michigan Consolidated Gas Co. testified that substantial increases in traffic would be generated by new gas and oil discoveries along the line. They forecast increased freight revenues in their plans for pipeline expansion.

—The Northwest Michigan Regional Planning and Development Commission cited the lack of direct highway linkage with downstate metropolitan areas. This could affect available marketing of manufactured goods. Additional traffic on existing highways would require major road improvement.

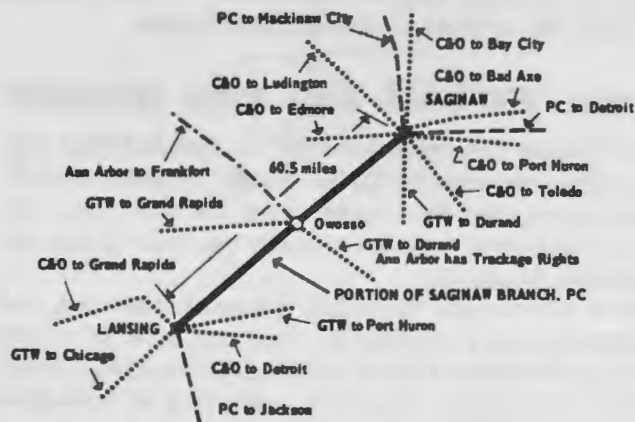
—The Chessie is interested in serving customers at Reed City only.

455a MICHIGAN

USRA ANALYSIS PORTION OF THE SAGINAW BRANCH

USRA Line No. 455a

Penn Central



This portion of the Saginaw Branch, formerly part of the New York Central RR, extends from *Lansing* (Milepost 40.0), to *Saginaw* (Milepost 101.5) a distance of *61.5 miles*, in Clinton, Sciaawasee, and Saginaw Counties, Mich. At Lansing, this line connects with the southern portion of the Saginaw Branch, also under study in this Report.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Lansburg	5
Bennington	1
Owosso	214
Menderson	91
Oakley	24
Chesaning	246
Fergus	7
St. Charles	29
Saginaw ¹	801

Total carloads generated by the line	1,418
Number of round trips per year	350
Estimated time per round trip (hours)	7

¹ Includes only traffic on this segment.

Revenue received by PC	\$782,787
Average revenue per carload	\$517

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	615,370
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	361,353

Total variable (avoidable) cost	976,723
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Net contribution (loss): total	(243,936)
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USRA Recommendation

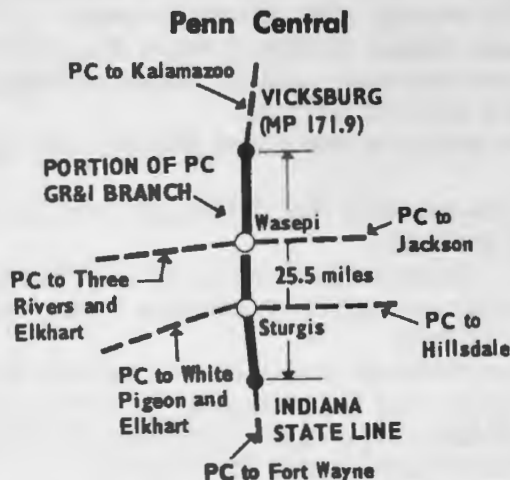
It is *not* recommended that this portion of the Saginaw Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS PORTION OF GR&I BRANCH

USRA Line No. 456/457/458



This portion of the GR&I Branch, formerly part of the Pennsylvania RR, extends from *State Line* (Milepost 146.4) to *Vicksburg, Mich.* (Milepost 171.9), a distance of 25.5 miles, in St. Joseph and Kalamazoo Counties, Mich. This line is a segment of the Penn Central's GR&I Branch which is under study in this Report.

Summary of USRA Data

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

Sturgis ¹	1,473
Nottawa	5
Mendon	93

Total carloads generated by the line	1,571
Number of round trips per year	250
Estimated time per round trip (hours)	6.0

¹ Includes only traffic on segment.

Revenue received by Penn Central	\$544,425
Average revenue per carload	\$347

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	297,779
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	42,476
Cost incurred beyond the branch line	801,976

Total variable (avoidable) cost..... 642,231

Net contribution (loss): total..... (97,806)

USRA Recommendation

Although the preliminary recommendation is that this portion of the GR&I not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Alden Peterson, Director of Industrial Development for the City of Sturgis, testified that the actual carloads on this line were 1,627 in 1973 and 1,812 in 1974. Projected carloads for 1975 are 2,917. None of the 903 carloads at Vicksburg were credited to this segment. Further, since Penn Central has removed .7 of one mile of track at Wasepi, it is impossible for any train to make the complete run from State Line to Vicksburg.

—Mr. Peterson proposed service from the state line to Nottawa (11.1 mi.). If 1,473 carloads were generated on this proposed segment, the result would be an average profit of \$140 per carload.

—Mr. James Peterson of Borden Chemical, stated that the Wasepi to Vicksburg portion is served by switch trains from the Kalamazoo yard to Wasepi and terminate at Three Rivers Junction. Operations personnel of the Penn Central have not supported the abandonment of this portion because of ease of operation. Without the Kalamazoo-Wasepi line, the switch engine would deadhead from Three Rivers Junction to Kalamazoo. Therefore, the only avoidable cost of providing service between Kalamazoo and Wasepi is the maintenance-of-way cost.

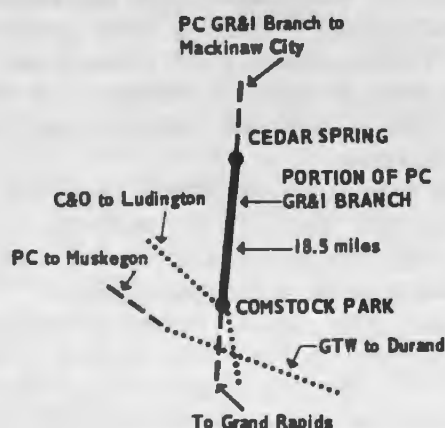
—The City of Sturgis testified that over one-half of its 4,400 industrial jobs would be lost if rail service were discontinued. The city generated 1,473 carloads in 1973, and 1,630 in 1974. Investments have been made in a new industrial park which would be dependent on rail service.

—Sturgis Iron and Metal testified that delays by PC in installing siding have cost the company \$18,500, and increased transportation costs.

USRA ANALYSIS PORTION OF GR&I BRANCH

USRA Line No. 461

Penn Central



This portion of the G.R. & I Branch, formerly part of the Pennsylvania RR, extends from *Comstock Park* (Milepost 239.4) to *Cedar Springs, Mich.* (Milepost 257.9), a distance of *18.5 miles*, in Kent County, Mich. This line is a segment of the Penn Central's Grand Rapids & Indiana Branch; both its northern and Southern extensions are also under study in this Report.

Summary of USRA Data

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

S. Rockford.....	74
Rockford	169
Cedar Springs.....	337

Total carloads generated by the line.....	580
Number of round trips per year.....	100
Estimated time per round trip (hours).....	3.0
Revenue received by PC:.....	\$131,258
Average revenue per carload.....	\$228

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	153,617
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	28,953
Cost incurred beyond the branch line....	105,070

Total variable (avoidable) cost..... 287,640

Net contribution (loss): Total..... (156,382)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Rail Service Research Committee testified that there were 580 carloads in 1973, 998 in 1974, and projected that future usage will continue to increase to 1,100 carloads without new business.

—A new shipper, Rockford Paper Inc., which projects 200 additional carloads annually, began shipments in March of this year.

—The Committee stated that 1973 was not a typical year.

—Testimony stated that the branch costs were overstated by USRA.

—The arbitrary segmentation of this branch discriminates against those shippers located beyond Comstock Park.

—Martin Marietta Chemicals testified that it would close its plant at Cedar Springs if rail service were discontinued. Its production would cause a pollution problem if forced to locate in Woodville.

—Additional transportation costs for Wolverine World Wide would be \$25,000. The company would lose the only viable method for disposing of some of its scrap leather.

—The Department of the Interior has designated this line as having potential for urban access to outdoor recreation. It has recreation potential if the line is discontinued.

—It appears that two locomotives were included in the viability calculation.

USRA ANALYSIS
PORTION OF THE KALAMAZOO BRANCH

USRA Line No. 463a

Penn Central

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

(Map not available)

This portion of the Kalamazoo Branch, formerly part of the New York Central RR, extends from *Otsego* (Milepost 52.5) to *Dorr, Michigan* (Milepost 77.0), a distance of *24.5 miles*, in Kalamazoo and Allegan Counties, Michigan. Continuation of this line extends northward from *Dorr* and southeastward from *Otsego*; these are also under study in this Report. This line connects with the Chesapeake & Ohio line to Muskegon at Allegan. PC has filed petitions to abandon this line between *Otsego* and *Lamar* (ICC Docket No. AB-5, USRA Docket No. 75-60).

Summary of USRA Data

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

Allegan	26
Hopkins	23
Dorr	155

Total carloads generated by the line..... 204

Number of round trips per year..... 44

Estimated time per round trip (hours)..... 8

Revenue received by PC..... \$54,026

Average revenue per carload..... \$265

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 179,158

Cost of upgrading branch line to FRA
class I: (1/10 of total upgrading cost)..... 0

Cost incurred beyond the branch line..... 33,764

Total variable (avoidable) cost..... 212,922

Net contribution (loss): total..... (158,896)

USRA Recommendation

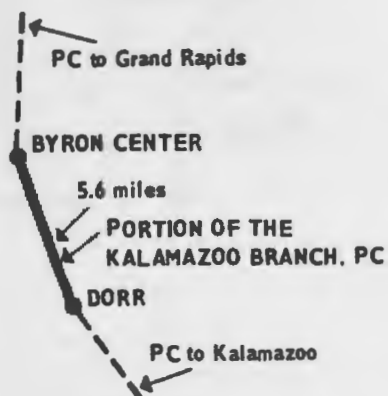
It is *not* recommended that this portion of the Kalamazoo Branch be included in the ConRail System.

463b MICHIGAN

USRA ANALYSIS PORTION OF THE KALAMAZOO BRANCH

USRA Line No. 463b

Penn Central



This portion of the Kalamazoo Branch, formerly part of the New York Central RR, extends from *Dorr* (Milepost 77.0) to *Byron Center, Mich.* (Milepost 82.6), a distance of 5.6 miles, in Allegan and Kent Counties, Michigan. Continuation of this line extends southward from *Dorr* and northward from *Byron Center*. Both of these continuations are also under study in this Report. PC has filed petitions to abandon this line between *Otsego* and *Lamar*, ICC Docket No. AB-5, USRA Docket No. 75-60.

Summary of USRA Data

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

Byron Center.....	41
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Total carloads generated by the line.....	41
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Number of round trips per year.....	6
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Estimated time per round trip (hours).....	1.0
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Revenue received by PC.....	\$8,735
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Average revenue per carload.....	\$218
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Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	37,582
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Cost of upgrading branch line to FRA Class	
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I: (1/10 of total upgrading cost).....	3,848
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Cost incurred beyond the branch line.....	5,417
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Total variable (avoidable) cost.....	46,847
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Net contribution (loss): total.....	(38,112)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS PORTION OF THE KALAMAZOO BRANCH

USRA Line No. 463d

Penn Central



This portion of the Kalamazoo Branch, formerly of the New York Central RR, extends from *Lamar* (Milepost 89.8) to *Grand Rapids, Mich.* (Milepost 94.5), a distance of *4.7 miles*, in Kent County, Mich. A continuation of this line extends southward from *Lamar*; which is also under study in this Report. This line connects with the Waverly to Grand Rapids line of the Chesapeake & Ohio at Lamar. In addition, this line connects with the PC GR&I Branch and the PC line to Jackson at Grand Rapids; which are also under study in this Report.

Summary of USRA Data

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

Wyoming	128
Wentworth	8
Eagle Mills	40
Total carloads generated by the line	176
Number of round trips per year	52
Estimated time per round trip (hours)	2.0
Revenue received by PC	\$42,375
Average revenue per carload	\$255

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	47,998
Cost of upgrading branch lines to FRA class I (1/10 of total upgrading cost)	0

Cost incurred beyond the branch line..... 28,464

Total variable (avoidable) cost..... 76,462

Net contribution (loss): Total..... (34,087)

USRA Recommendation

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

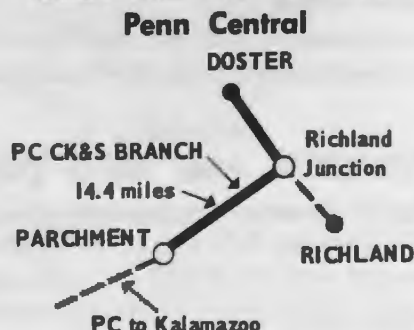
PUBLIC RESPONSE AND RSPO COMMENT

—Grand Rapids Gypsum Co. located at Eagle Mills reported 1,385 tons for 1973 and 1,780 for 1974, adding that they would have used rail for up to 25 percent of their annual shipments of 60,000 tons had flat cars been available.

—Georgia Pacific Corporation testified that their Eagle Mills facility generated 192 carloads in 1973 and 191 carloads with a freight expenditure of \$144,500 in 1974. The Corporation also stated that there were other shippers in the area in addition to Grand Rapids Gypsum Co., and suggested an additional study be undertaken to determine the actual number of cars generated at Eagle Mills but billed at Grand Rapids.

USRA ANALYSIS CHICAGO, KALAMAZOO AND SAGINAW BRANCH

USRA Line No. 464/465



The Chicago, Kalamazoo and Saginaw Branch, formerly part of the New York Central RR, extends from *Richland Junction* (Milepost 36.0) to *Parchment* (Milepost 42.3) and from *Richland Junction* (Milepost 0.0) to *Doster, Mich.* (Milepost 8.1), a total distance of 14.4 miles, in Kalamazoo County, Michigan. This line continues from *Parchment* to *Kalamazoo* where it connects with diverging lines; also from *Richland Junction* to *Richland*. Penn Central has filed a petition to abandon the CK&S Branch from *Parchment* to *Richland Junction* and from *Doster* to *Richland*, ICC Docket Number 26706. The ICC approved abandonment but then stayed their approval.

Summary of USRA Data

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

Highland Park	9
Richland	100
Doster	43

Total carloads generated by the line	152
Number of round trips per year	40
Estimated time per round trip (hours)	5.5

Revenue received by PC	\$56,480
Average revenue per carload	\$872

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	103,440
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	36,977

Total variable (avoidable) cost	140,417
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Net contribution (loss): total	(83,937)
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USRA Recommendation

It is *not* recommended that the Chicago, Kalamazoo and Saginaw Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Brown Company testified that their 1,745 carloads should have been credited to this line.

—The Michigan Department of State Highways and Transportation concurred with the Brown Company. The Department stated that USRA incorrectly included the station at Highland Park on this segment.

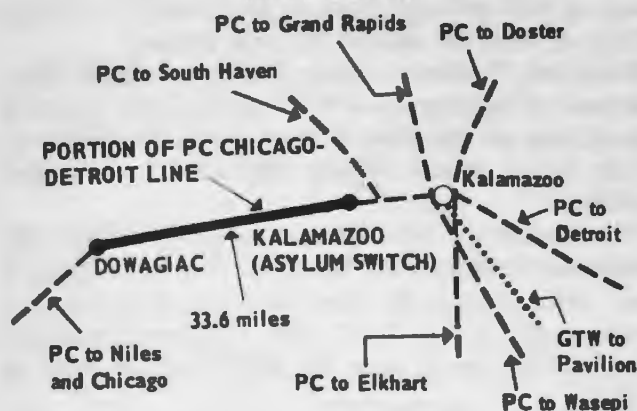
—Doster Lumber Co. reported their actual carloads as 54 in 1973.

—Richland Farm Service Co. reported 38 carloads for 1973 and 21 for 1974. They noted that the highway serving Richland has two turns which would be hazardous for use by large semi-trailers.

—Richland Home Service Co. testified that truck service would put them at a competitive disadvantage with lumber firms in Kalamazoo.

USRA ANALYSIS PORTION OF CHICAGO-DETROIT MAIN LINE

USRA Line No. 466 Penn Central



This portion of the Chicago-Detroit Line, formerly part of the New York Central RR, extends from *Kalamazoo* (Milepost 145.0), to *Dowagiac, Mich.* (Milepost 178.6), a distance of *33.6 miles*, in Kalamazoo, Van Buren, and Cass Counties, Mich. This line is part of the old Michigan Central Main Line between Chicago and Detroit. The line continues westward from Dowagiac to Niles (also under study in this report) and eastward from Kalamazoo to Detroit. Amtrak currently operates passenger service over this route.

Summary of USRA Data

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

Mattawan	3
Lawton	128
Decatur	173

Total carloads generated by the line..... 304

Number of round trips per year..... 240

Estimated time per round trip (hours)..... 4

Revenue received by PC..... \$102,444

Average revenue per carload..... \$337

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 285,629

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line..... 44,514

Total variable (avoidable) cost..... 310,143

Net contribution (loss): total..... (207,699)

USRA Recommendation

It is *not* recommended that this portion of the Chicago-Detroit Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Paul Treska, United Transportation Union, testified that USRA failed to credit Dowagiac traffic of 1,450 carloads to this line.

—The Michigan Association of Railroad Passengers stated that the elimination of this line would add 22 miles to the route from Chicago to Detroit. Also that the routes between Kalamazoo and Three Rivers to Elkhart would require passenger trains to be backed up in Kalamazoo and switch to south track which would cause further delays.

—The City of Kalamazoo stated the need for Amtrak, a solvent carrier or the State to subsidize or purchase this line in order to create a high speed passenger route from Kalamazoo to Chicago.

—The Mayor of Dowagiac testified that State and Federal funds in the amount of \$5,250,000 had been committed to improve facilities in this area of high unemployment and to encourage growth based on continued rail service.

—Jessco, Inc., a shipper on this line, has plans for a \$400,000 expansion in facilities also dependent upon continued rail service.

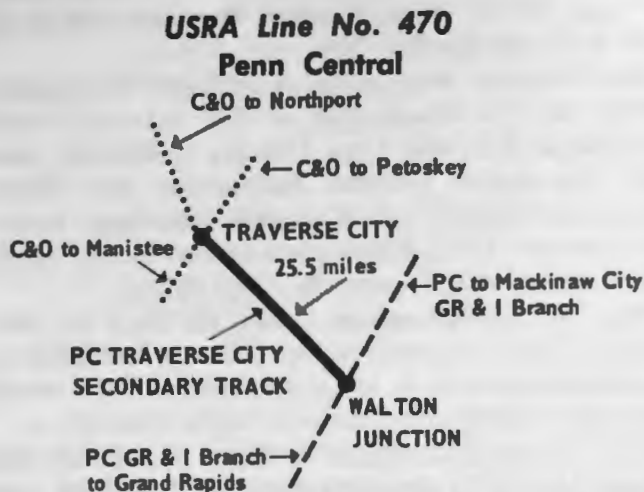
—Michigan Power Company testified that without rail service inordinately large expenses would be incurred in movement of its oversized transformers.

—It was stated that Dowagiac and other cities on this line are not served by Class A Highways.

—Jessup Door Co., Inc. testified that they shipped or received 588 carloads in 1973 and 434 carloads in 1974.

—The frequency of service attributed to this line should be reviewed.

USRA ANALYSIS TRAVERSE CITY SECONDARY TRACK



The Traverse City Secondary Track, formerly part of the Pennsylvania RR, extends from *Walton Junction* (Milepost 0.0) to *Traverse City, Mich.* (Milepost 25.5), a distance of *25.5 miles*, in Grand Traverse County, Mich. This line connects with the GR&I branch of the PC at Walton Junction. The GR&I branch extending north and south of Walton Junction is also under study in this Report. At Traverse City the line connects with the C&O lines to Northport, Petoskey and Manistee. The Penn Central has filed a petition to abandon this line, ICC Docket No. AB-5, Sub. 48.

Summary of USRA Data

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

Summit City	0
Kingale	12
Mayfield	1
Traverse City	166

Total carloads generated by the line	179
Number of round trips per year	90
Estimated time per round trip (hours)	8
Revenue received by PC	\$66,539
Average revenue per carload	\$872

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	214,672
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	89,256
Cost incurred beyond the branch line	42,659

Total Variable (avoidable) cost

296,587

Net contribution (loss): total

(230,048)

USRA Recommendation

It is *not* recommended that the Traverse City Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Brown Lumber and Supply, Traverse City, testified that their expansion plans, contingent on retention of service on this line, would increase their usage of rail carloads from approximately 6 to 12 in 1973 to at least 100 cars in the near future.

—Burwood Products, citing C&O's proposed abandonment of its Bay View to Manistee Line, stated it would ship via this line if the C&O is discontinued, which would result in over \$200,000 in additional revenue.

—The Northwest Michigan Regional Planning Development Commission testified that according to their calculations, the total number of locomotive hours is 624 rather than 1,400 and crew costs are substantially lower than the \$23,788 as reported by USRA.

—The Mayor of Traverse City testified that the Department of Labor has classified the area as one of substantial and persistent unemployment. Half of a 44-acre industrial park, aided by grants from the Economic Development Administration and the Upper Great Lakes Regional Commission, is constructed to receive rail services.

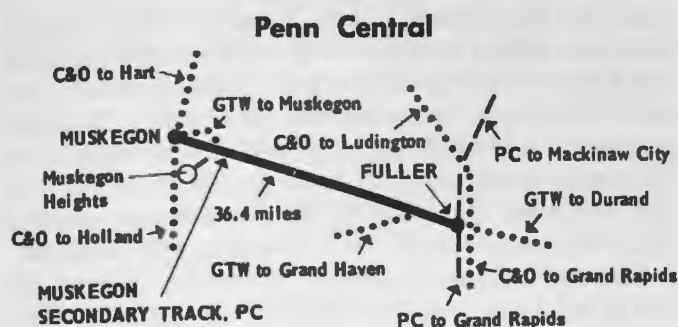
—The Department of the Interior has identified this line as having recreation potential if abandoned.

—Consideration should be given to reducing service, and thereby substantially reducing on-branch costs.

—USRA cost calculations use 2 locomotives (2,000 HP each), while the Plan shows only 2,000 HP used.

USRA ANALYSIS MUSKEGON SECONDARY TRACK

USRA Line No. 472



The Muskegon Secondary Track, formerly part of the Pennsylvania RR, extends from *Fuller* (Milepost 2.8) to *Muskegon, Mich.* (Milepost 39.2), a distance of *36.4 miles*, in Muskegon, Ottawa and Kent Counties, Mich. This line uses Grand Trunk Western Ry. trackage from Fuller to Walker (Milepost 10.0) and Penn Central trackage (over which Grand Trunk Western Ry. has trackage rights) from Walker to Muskegon. At Kinney, Grand Trunk Western's branch to Grand Haven diverges. At Muskegon, C&O's lines to Hart and Holland connect as does a Penn Central industrial line to Muskegon Heights, also under study in this Report.

Summary of USRA Data

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

Grand Rapids ¹	97
Bristol	4
Kinney	129
Conklin	46
Ravenna	11
Muskegon	445

Total carloads generated by the line	732
Number of round trips per year	150
Estimated time per round trip (hours)	8.0

¹ Includes only traffic on segment.

Revenue received by PC	\$244,024
Average revenue per carload	\$333

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	265,900
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	126,953

Total variable (avoidable) cost	392,853
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Net contribution (loss): total	(148,829)
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USRA Recommendation

It is *not* recommended that the Muskegon Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Southeastern Wisconsin Regional Planning Commission, the Krause Milling Company, Milwaukee, and other witnesses testified that this line provides the Grand Trunk Western with through trackage rights to southeastern Wisconsin via their car ferry service at Muskegon. They maintain this will effectively terminate the GTW Lake Michigan car ferry. Although the GTW petitioned the ICC for authority to abandon the ferry on February 14, 1975, the witnesses maintained that the abandonment of 472 would circumvent the traditional ICC process.

—Krause Milling Company estimates loss of the GTW car ferry would result in more than \$1 million per year in additional freight charges.

—The Jos. Schlitz Brewing Company estimated that the loss of the ferry would mean increased freight costs in excess of \$300,000 annually to lower Michigan destinations alone.

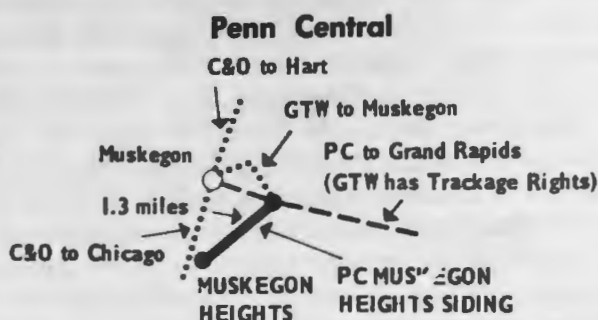
—The Port Traffic Manager of Milwaukee pointed out that USRA quoted shippers as saying that part of the inadequate service on the line is attributable to the poor condition of the track, while USRA later stated that this line would require no upgrading to meet the requirements of the Federal Railroad Administration Minimum Safety Standards.

—The Chessie is interested in provided service at Muskegon only.

—GTW currently has operating rights on this Branch and wishes to continue to serve the entire segment.

USRA ANALYSIS MUSKEGON HEIGHTS SIDING

USRA Line No. 472a



The Muskegon Heights Siding, formerly part of the Pennsylvania RR, extends from *Muskegon* (Milepost 0.0 to *Muskegon Heights, Mich.* (Milepost 1.3), a distance of 1.3 miles, in Muskegon County, Mich. This line is a short spur off the Penn Central's Muskegon Secondary Track which runs to Grand Rapids. (The Muskegon secondary track is also under study in this Report.) The Muskegon Heights Siding connects with the C&O.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Muskegon Heights.....	387
Total carloads generated by the line.....	387
Number of round trips per year.....	150
Estimated time per round trip (hours).....	2
Revenue received by PC.....	\$183,311
Average revenue per carload.....	\$344
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	32,786
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	5,849
Cost incurred beyond the branch line.....	85,581
Total variable (avoidable) cost.....	124,216
Net contribution (loss): total.....	9,095

USRA Recommendation

It is *not* recommended that the Muskegon Heights Siding be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Southeastern Wisconsin Regional Planning Commission, the Krause Milling Company, Milwaukee, and other witnesses testified that this line provides the Grand Trunk Western with through trackage rights to southeastern Wisconsin via their car ferry service at Muskegon. They maintain this will effectively terminate the GTW Lake Michigan car ferry. Although the GTW petitioned the ICC for authority to abandon the ferry on February 14, 1975, the witnesses maintained that the abandonment of 472 would circumvent the traditional ICC process.

—Krause Milling Company estimates loss of the GTW car ferry would result in more than \$1 million per year in additional freight charges.

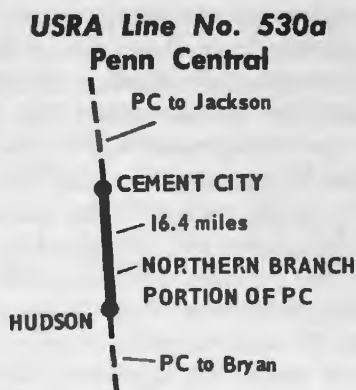
—The Jos. Schlitz Brewing Company estimated that the loss of the ferry would mean increased freight costs in excess of \$300,000 annually to lower Michigan destinations alone.

—The Port Traffic Manager of Milwaukee pointed out that USRA quoted shippers as saying that part of the inadequate service on the line is attributable to the poor condition of the track, while USRA later stated that this line would require no upgrading to meet the requirements of the Federal Railroad Administration Minimum Safety Standards.

—The Chessie is interested in provided service at Muskegon only.

—GTW currently has operating rights on this Branch and wishes to continue to serve the entire segment.

USRA ANALYSIS PORTION OF NORTHERN BRANCH



This portion of the Northern Branch, formerly part of the New York Central RR, extends from *Cement City* (Milepost 13.5) to *Hudson, Mich.* (Milepost 29.9), a distance of *16.4 miles*, in Lenawee County, Mich. This line continues northward to Jackson and southward to Van Wert. Both are also under study in this Report. Penn Central has filed a petition to abandon this line, USRA Docket No. 75-33.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

Summary of USRA Data

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

Cement City.....	10
Addison Junction.....	1
Maniton Beach.....	2
Rollin	0

Total carloads generated by the line.....	18
Number of round trips per year.....	26
Estimated time per round trip (hours).....	1.5

Revenue received by PC.....	\$5,692
Average revenue per carload.....	\$488

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	106,786
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	18,867
Cost incurred beyond the branch line.....	8,025

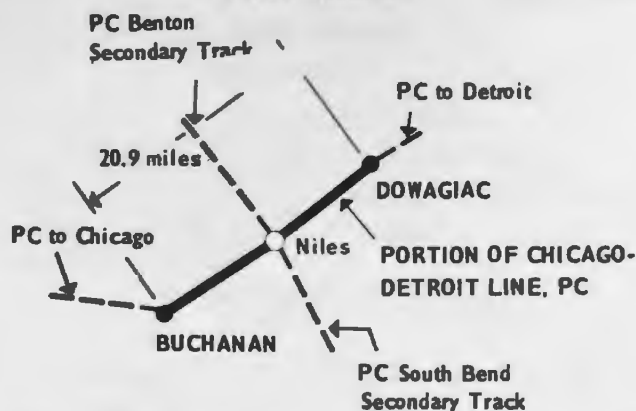
Total variable (avoidable) cost.....	123,678
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Net contribution (loss): total.....	(117,986)
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USRA Recommendation

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

USRA ANALYSIS PORTION OF CHICAGO-DETROIT LINE USRA Line No. 680 Penn Central



This portion of the Chicago-Detroit line, formerly part of the New York Central RR, extends from *Dowagiac* (Milepost 178.6) to *Buchanan, Mich.* (Milepost 199.5), a distance of 20.9 miles, in Cass and Berrien Counties, Mich. The eastern and western extensions of this line to Kalamazoo and Michigan City respectively, and the PC Benton and South Bend Secondary Tracks which intersect at Niles, are also under study in this Report.

Summary of USRA Data

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

Buchanan ¹	102
Niles ¹	641

Total carloads generated by the line	743
Number of round trips per year	240
Estimated time per round trip (hours)	4.0

¹ Includes only traffic on segment.

Revenue received by PC	\$252,649
Average revenue per carload	\$340

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	208,952
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	100,887

Total variable (avoidable) cost

Net contribution (loss): Total

USRA Recommendation

It is *not* recommended that this portion of the Chicago to Detroit line be included in the ConRail System, except for that traffic at Niles which can be served off line 657.

PUBLIC RESPONSE AND RSPO COMMENT

—On March 14, 1975 USRA announced that this line had been reevaluated and divided into two subsegments. The portion from Dowagiac to Niles was reassessed on the basis of traffic data and found profitable and therefore recommended for inclusion in ConRail. The portion from Niles to Buchanan, was reevaluated on the assumption that the line will be operated by Amtrak, who will bear its maintenance costs. This subsegment will be served by ConRail on the condition that passenger service continue and the fixed plant costs are borne by the passenger entity.

—The United Transportation Union testified that USRA did not credit an additional 600 cars from Niles to this segment and added that since this is a portion of the Amtrak route, continuation of passenger service should be considered as well as the condition of the line.

—The Chamber of Commerce of Greater Niles reported they conducted their own study of the line, contacting all businesses and industries served, and found that the line generates a profit of \$234,841, not a loss of \$57,190 as reported by USRA.

USRA ANALYSIS
MACKINAW BRANCH

USRA Line No. 688

Penn Central



This portion of the Mackinaw Branch, formerly part of the New York Central RR, extends from *Utica* (Milepost 20.7) to *Oxford, Mich.* (Milepost 43.6), a distance of *22.9 miles*, in Oakland and Macomb Counties, Mich. This line's northern extension to Lapeer Junction and Saginaw is also under study in this Report. Southward from Utica, the line continues into Detroit. It intersects two Grand Trunk Western Lines—the line from Pontiac to Caseville at Oxford and the Pontiac to Port Huron Line at Rochester.

Summary of USRA Data

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

Rochester	46
Lake Orion	19
Oxford	108

Total carloads generated by the line..... 168

Number of round trips per year..... 50

Estimated time per round trip (hours)..... 8

Revenue received by PC..... \$83,019

Average revenue per carload..... \$197

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 178,814

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line..... 29,091

Total variable (avoidable) cost..... 207,405

Net contribution (loss): total..... (174,386)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The first few miles of this line serves the Ford Motor Company plants of Sterling, Utica and Van Dyke. The three Ford plants generated 22,250 carloads in 1973, employ a total of 14,760 persons with an annual payroll of over \$221 million. USRA credited the line with 168 total carloads in 1973.

—The Rochester Paper Division testified that they received 225 cars in 1973. With the return to normalcy of the automobile business, Rochester Paper predicts its rail use will increase by 50 percent.

—The Oxford Chamber of Commerce reported that they have recently developed an industrial park along this line.

—If this line is abandoned, Church's Lumber Co., who reported 238 carloads for 1973, indicated that they would close their Oxford facility, and the Oxford Lumber Co., employing 25 persons, would either close or relocate their distribution center.

—Pending further study and negotiation the GTW proposes to serve customers at Oxford only.

692a/693a

MICHIGAN

USRA ANALYSIS PORTION OF THE WHITE PIGEON JUNCTION- HILLSDALE BRANCH

USRA Line No. 692a/693a

Penn Central

(Map not available)

This portion of the Penn Central, formerly part of the New York Central RR, extends from *Hillsdale* (Milepost 360.6) to *White Pigeon Jct.* (Milepost 419.0), a distance of *58.4 miles*, in St. Joseph, Branch, and Hillsdale Counties, Mich.

Summary of USRA Data

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

Hillsdale	6,087
Jonesville	30
Coldwater	1,985
Batavia	18
Bronson	47
Burr Oak	44

Total carloads generated by the line..... 8,211

Number of round trips per year..... 300

Estimated time per round trip (hours)..... 15.0

Revenue received by PC..... \$2,028,478

Average revenue per carload..... \$247

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 814,829

Cost of upgrading branch line to FRA
Class I: (1/10 of total upgrading
cost) 0

Cost incurred beyond the branch
line 1,670,085

Total variable (avoidable) cost... 2,484,914

Net contribution (loss) : total..... (406,441)

USRA Recommendation

It is *not* recommended that the White Pigeon Junction to Hillsdale Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Michael Seward, Executive Director of the Hillsdale County Industrial Development Commission, and many others stated that the Plan did not include carload figures from the cities of Allen, Quincy, Sturgis or White Pigeon. The actual carloads for the line is 11,261 as opposed to 8,211 as reported by USRA. In the Commission's analysis, they found the average carloads per week were 216.6 as opposed to USRA's 157.9, the train crew size was 4 not 5 as reported by USRA and the net contribution per carload was \$28.97 excluding bridge traffic while USRA reported a loss of \$50 per carload. Mr. Seward added that Hillsdale County was classified as economically depressed by the Economic Development Administration in 1969. A program of industrial development was begun, and, as a result, 22 new industries either relocated or began operations in the County, 2 industrial parks were improved and construction of a third is in the planning stage. Of these new industries, 8 are rail users and together they employ 930 persons, or 80 percent of the total new jobs and represent a payroll of \$7,833,000. In 1973, these 8 rail users shipped or received a total of 1,129 carloads. The EDA, Small Business Administration, Farmer's Home Administration and the State of Michigan have provided grants of assistance to the county. Current projections call for 16 new industries over the next 5 years which will employ at least 1,200 workers.

—In the City of Hillsdale, there are currently 12 rail users employing 1,077 persons with a payroll of \$8,418,898. The two largest employers, DCA Food Industries, Inc. and Sierra Permaneer Furniture Co. have indicated that they would leave Hillsdale if service were lost.

—DCA testified that 1,473 of their carloads credited to line 456/457/458 should have been assigned to 692a/693a.

—In Allen, the only rail user, Briskey Elevator with 185 carloads in 1973, indicated they would be forced to close if rail service were lost.

—Quincy Milling Company is the largest user in Quincy, shipping 502 cars in 1973. Loss of rail service would result in closing of the mill, valued at approximately \$1 million, and the loss of 25 jobs.

—Half of Sturgis' 4,400 industrial jobs will be lost if rail service is discontinued.

—The Board of Public Utilities in Coldwater is dependent upon the use of rail to receive coal to provide electricity to 15,000 users in Coldwater and portions of three townships. *Continued on page 303*

**USRA ANALYSIS
D&M TRACKAGE RIGHTS**

USRA Line No. 698

Penn Central

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

(Map not available)

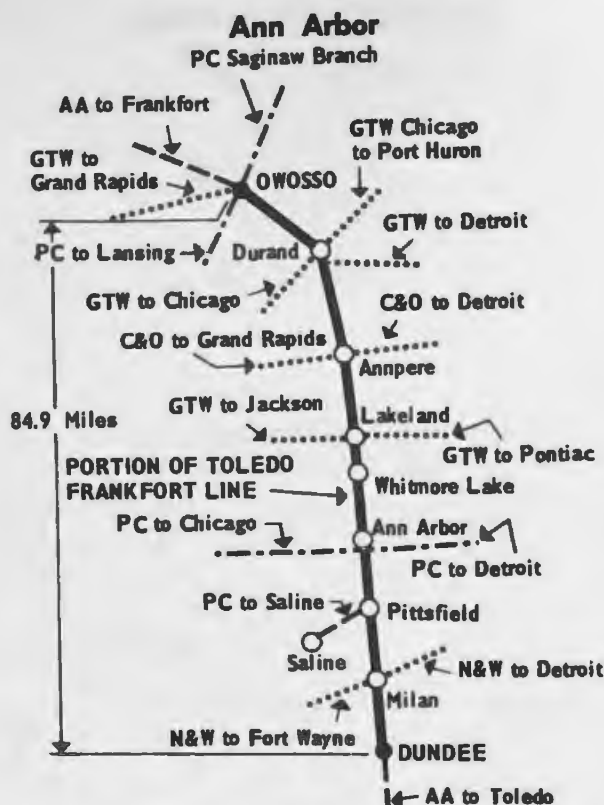
This portion of the Detroit and Mackinac Railway is located in *Cheboygan*, in Cheboygan County, Mich. This line was not described as potentially excess in the U.S. DOT Report (see Zone 165).

Information for Line Retention Decision

Continued ConRail trackage rights over this line are *not* recommended.

USRA ANALYSIS PORTION OF TOLEDO-TO-FRANKFORT LINE

USRA Line No. 1300



This portion of the Toledo-Frankfort line extends from Dundee (Milepost 22.8), to Owoosso, Mich. (Milepost 106.0) a distance of 83.2 miles, in Monroe, Washtenaw, Livingston and Shiawassee Counties, Mich.

Summary of USRA Data

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

Milan	116
Urania	1
Pittsfield	32
Saline	3,808
Ann Arbor	1,363
Whitmore Lake	1,227
Hamburg	2
Annpere	5
Howell	340
Oak Grove	16
Cohoctah	87
Byron	18
Durand	2
Vernon	218
Corunna	112

Totals carloads generated by the line	7,339
Number of round trips per year	260
Estimated time per trip (hours)	12.0

Revenue received by AA	\$921,400
Average revenue per carload	\$125

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	1,105,160
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	432,639

Total variable (avoidable) cost 1,537,799

Net contribution (loss): total (616,399)

USRA Recommendation

It is *not* recommended that this portion of the Toledo-to-Frankfort Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—On March 28, 1975, USRA announced that two subsegments of this line had been reevaluated and recommended for inclusion in ConRail. They are the portion from Dundee (MP 22.8) to the Dundee Cement Co. (MP 24.8) and the portion from Ann Arbor (MP 45.0) to Pittsfield (MP 40.5) which continues west for 6.2 miles on a Penn Central line to Saline.

—The Dundee Cement Co. Plant, located two miles north of Dundee at MP 24.8, testified that they generated 10,200 carloads in 1973. None of their traffic was credited to this segment. They could have shipped an additional 1,365 if the cars had been available. Dundee forecasts continuing at the 1973 level for the next 5 years. In 1981, an expansion program should be completed which would increase traffic to 14,900 carloads per year. They stated that should rail service be abandoned they would be faced with relocation costs in excess of \$3 million.

—Ford Motor Company and two of its major suppliers are located on this line. Ford's Saline Parts Plant generated 4,005 carloads in 1973; the Hoover Company at Whitmore Lake generated 1,295; and the Globe Battery Plant at Owoosso, 568. Rail traffic at Globe, Owoosso, is expected to increase to over 700 carloads in 1975.

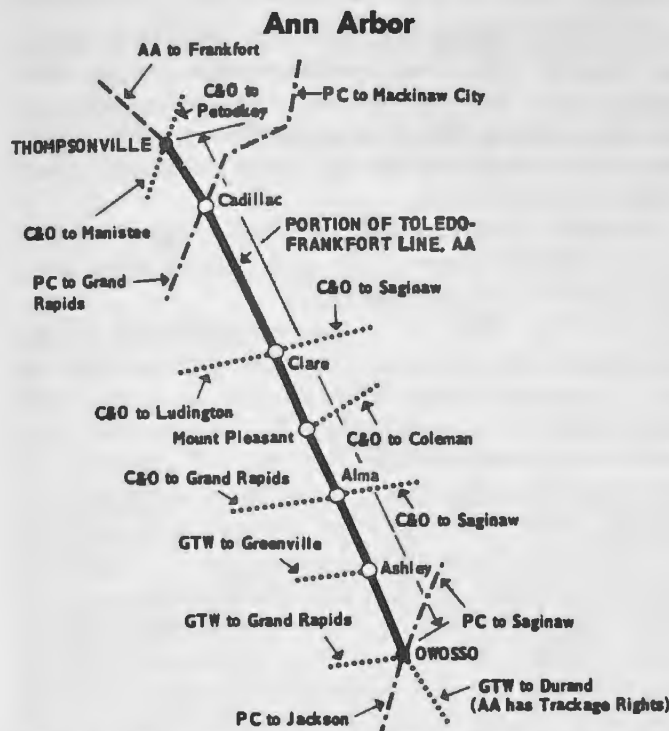
—Globe predicts that without rail, they would lose their competitive position. Rail loss would mean a 65 percent reduction in business, a loss of 200 jobs and payroll of \$3 million.

—These three companies, Ford, Globe and Hoover, generate in excess of \$6 million annually in rail revenues, and contribute well over \$40 million annually in wages.

—Fingerle Lumber Company reported 573 carloads in 1973, and testified that rail loss would force them to close. *Continued on page 303*

USRA ANALYSIS PORTION OF TOLEDO-FRANKFORT LINE

USRA Line No. 1301



This portion of the Ann Arbor Railroad extends from Owosso (Milepost 106.0) to Thompsonville, Mich. (Milepost 270.3), a distance of 164.5 miles, in Shiawassee, Clinton, Gratiot, Isabella, Clare, Missaukee, Wexford, Manistee, and Benzie Counties, Mich.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:

Owosso	1,688
Carland	1
Elsie	16
Ashley	407
North Star	91
Ithaca	387
Alma	201
Shepherd	201
Mt. Pleasant	185
Rosebush	59
Clare	60
Farwell	10
Marion	25
McBain	63
Cadillac	967
Yuma	1,838
Thompsonville	20

Total carloads generated by the line	5,227
Number of round trips per year	200
Estimated time per round trip (hours)	15.5

Revenue received by AA \$1,122,655

Average revenue per carload \$214

Variable (avoidable) cost of continued service:

Cost incurred on the branch line 1,609,988

Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) 0

Cost incurred beyond the branch line 408,938

Total variable (avoidable) cost 2,018,641

Net contribution (loss) total (890,986)

USRA Recommendation

It is *not* recommended that this portion of the Toledo-Frankfort line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Ford Motor Co. testified it plans to move 10,000 carloads of sand annually from the newly developed Sargeant Sand Co. at Yuma. Sargeant is reviewing plans to have 5,000–10,000 carloads of “used sand” returned annually to the northern Michigan area, generating in excess of \$5 million annually in freight revenues. Haupt said that revenue and traffic for this segment in 1973 is grossly understated and that this line needs no rehabilitation.

—Congressman Elford A. Cedarburg testified that line 1301 has 5,227 carloads a year. He stated that if one-half of Sargeant Sand Co.’s projections are accurate the line would be profitable.

—The Mt. Pleasant Area Chamber of Commerce testified the removal of rail service would force relocation of the agricultural industry in the area. It is not profitable for smaller agricultural organizations to transport goods via truck.

—It was noted that the C&O from Coleman to Mt. Pleasant has filed an application for abandonment, which would leave the Mt. Pleasant area without any rail service.

—Ithaca Roller Mills stated that approximately 700 carloads were not attributed to this line. The shipments were from Ithaca Elevator, Prima Donna Pullets and Paragon (which is no longer in business but did ship in 1973).

—Alma Plastics testified that it could have provided the line with substantial traffic if cars had been available. If the line were abandoned they would be forced to relocate, resulting in a loss of \$1,357,752 in payroll, and \$19,000 in real estate and property taxes.

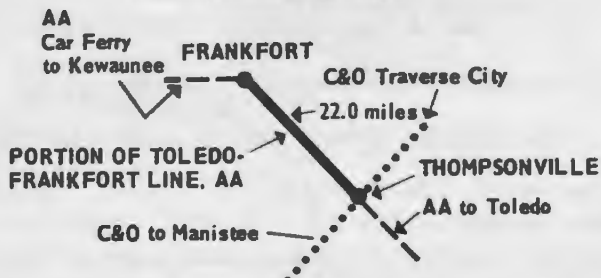
—Cadillac Rubber and Plastics cites a current need for 9 boxcars a month; Brooks and Perkins, Inc. 3–6 a month; and Western Concrete needs 3 boxcars a month. *Continued on page 303*

1302/1303

MICHIGAN to WISCONSIN

USRA ANALYSIS PORTION OF TOLEDO-FRANKFORT LINE AND THE CROSS LAKE FERRY

USRA Line No. 1302/1303 Ann Arbor Railroad



This portion of the Ann Arbor Railroad, extends from *Thompsonville* (Milepost 270.5) to *Frankfort, Mich.* (Milepost 292.3), a distance of *21.3 miles*, in Benzie County, Mich. Connecting with this segment is the Cross Lake Ferry Service between Frankfort, Michigan and Kewaunee, Wisconsin. This line is the western end of the Ann Arbor line from Toledo. The C&O Traverse City to Manistee line crosses at Thompsonville. At Frankfort the AA operates Cross Lake Ferry Service to Kewaunee, Wis. which is also under study in this report.

Summary of USRA Data

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

Beulah	27
Elberta	28
Frankfort	137
Kewaunee	19,637
Manitowoc	7,487

Total carloads generated by the line..... 27,314

Number of round trips per year..... 521*

Estimated time per round trip (hours)..... 3.0*

*For rail service only.

Revenue received by AA..... \$5,628,818

Average revenue per carload..... \$206

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 670,530

Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)..... 0

Cost of float operation..... 2,499,000

Cost incurred beyond the branch line (rail haul)..... 3,802,977

Total variable (avoidable) cost..... 6,972,507

Net contribution (loss): total..... (1,343,689)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony stated that the ferry should be viewed as part of a regional transportation system. Witnesses said that the delays, additional switching charges and the loss of a competitive market, resulting from loss of rail service, were given only superficial consideration.

—Governor Lucey stated that USRA based its decision on cost revenue factors only, and failed to document these factors adequately.

—Gerald W. Fauth, Jr., a cost and economic consultant specializing in transportation, testified that the A. T. Kearney Study "showed that the ferry route as it exists today makes a profit to the railroad system." He questioned many of the cost data factors used in the study. The criteria to be addressed, he stated, were the effect of abandonment on the GB&W, the supply of empty cars to northern Wisconsin, the time on the ferry route versus the Chicago route, and the effect of maintaining present competitive rates to and from Wisconsin. He said the Kearney study recommended retention of the car ferry. Many respondents agreed with the possible ill-effects presented in these criteria.

—Professor James Murray found that abandonment would result in substantial loss to the major industries and employers in the region.

—The Wisconsin DOT stated that 35,000 industrial jobs were related to the car ferry traffic between Frankfort and Kewaunee and Manitowoc.

—The Vice-President of the GB&W, testified that the line has been profitable only since their system was extended to Kewaunee and linked with the car ferries that cross Lake Michigan. Previously, the GB&W had gone bankrupt three times. In 1974, AA ferry traffic generated 18,694 carloads, representing 26 percent of total system revenue for the GB&W. This loss in revenue, he maintained, would not enable the GB&W to survive.

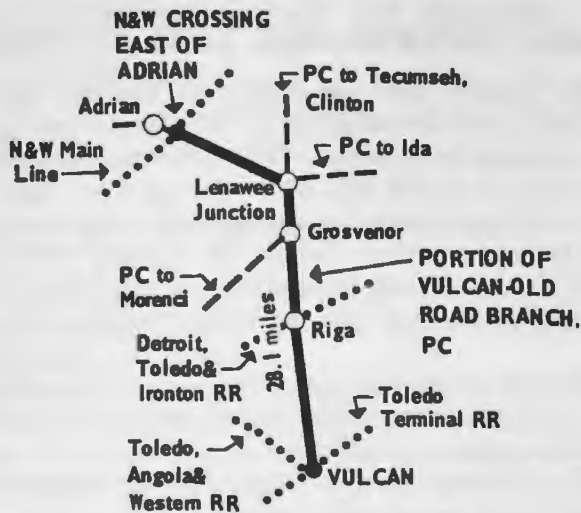
—It was noted that the Burlington Northern application to obtain control of the GB&W is contingent upon the availability of ferry service.

—Ft. Howard Paper Company, reporting 2,100 carloads in 1974, testified that abandonment would close the direct gateway to the east and west route. In 1973, Fort Howard announced plans for an expansion in Green Bay, which would employ an addi-

Continued on page 303

USRA ANALYSIS PORTION OF VULCAN-OLD ROAD BRANCH

USRA Line No. 393



This portion of the Vulcan-Old Road Branch, formerly part of the New York Central RR, extends from *Vulcan, Ohio* (Milepost 300.2), to *N&W Crossing E. of Adrian, Mich.* (Milepost 328.3), a distance of 28.1 miles, in Lucas County, Ohio, and Lenawee and Monroe Counties, Mich. This line continues west to Adrian, approximately one-half mile west of the end of this segment, which portion is also under study in this report. The lines from Clinton and Ida converge at Lenawee Jct. and a third branch runs from Grosvenor to Morenci; all three are also under study in this Report. At Riga the Main Line of the Detroit, Toledo & Ironton RR crosses and at Vulcan, Angola & Western RR.

Summary of USRA Data

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

Sylvania	108
Ottawa Lake	18
Riga	316
Blissfield	378
Palmyra	41
Adrian ¹	79
Toledo ¹	5

Total carloads generated by the line	940
Number of round trips per year	300
Estimated time per round trip (hours)	12

¹ Includes only traffic on segment.

Revenue received by PO	\$294,886
Average revenue per carload	\$314

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	412,146
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost) ..	79,329

Cost incurred beyond the branch line.... 174,414

Total variable (avoidable) cost..... 665,889

Net contribution (loss): total..... (\$71,008)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Vulcan-Old Road Branch not be included in the ConRail System, the costs and revenues generated by the cars switched for Michigan Elevator Exchange must be analyzed before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—On March 28, 1975, the Association reevaluated the segment of this line from Vulcan, Ohio (MP 300.2) to Ottawa Lake (MP 310.0) and found it eligible for inclusion in ConRail.

—The Michigan Elevator Exchange testified that 3,269 carloads shipped from their facilities at Ottawa Lake were incorrectly attributed to the Toledo Freight Station.

—The Adrian Chamber of Commerce using the corrected figures of 3,957 carloads for the line which included those for the Michigan Elevator Exchange, found that the complete line generated a net contribution of \$494 per carload as opposed to the USRA reported loss of \$395 per carload.

—The Smith-Douglas plant, located at Riga-Blissfield north of Ottawa Lake, moves large amounts of hazardous materials to Riga-Blissfield.

Using 1973 tonnage figures, the company estimates that they would require 1,250 truckloads moving over the local road, a two lane highway, should the line be excluded. Due to the hazardous nature of these materials and the insuitability of the highway to accommodate this increased traffic, Smith-Douglas would close its facility resulting in the secondary closings of other Borden facilities in Morenci, Tecumseh, Dundee, Michigan and Bryan, Ohio. This would cause the immediate loss of 73 jobs and an elimination of \$1,333,080 which Borden contributes to the local economy in payroll and local expenditures.

—Agrico Chemical Co., at Blissfield stated that there was no indication that their tonnage was included in the Blissfield station computation. They reported 125 carloads in 1974 and forecast 205 for 1975 and a similar amount for 1978-79.

—Consolidated Mills indicated that loss would result in a decrease of \$100,000 in expenditures in the Blissfield area.

—Kohlman's International, a dealer in farm equipment, has several shipments every year of large

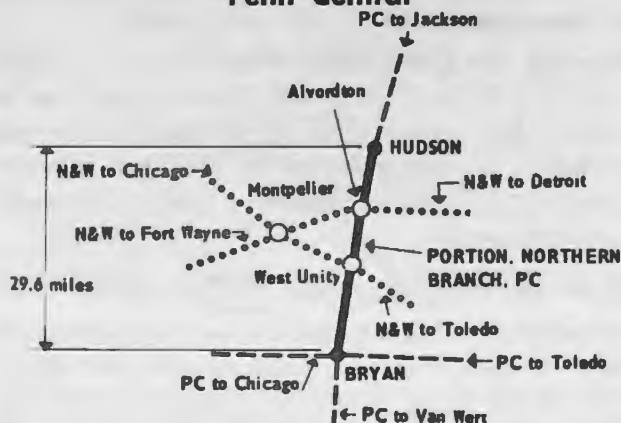
Continued on page 304

530

MICHIGAN to OHIO

USRA ANALYSIS PORTION OF NORTHERN BRANCH

USRA Line No. 530 Penn Central



This portion of the Northern Branch, formerly part of the New York Central RR, extends from *Hudson, Mich.* (Milepost 29.9), to *Bryan, Ohio* (Milepost 58.7), a distance of *28.8 miles*, in Lenawee and Hillsdale Counties, Mich. and Williams County, Ohio. Continuations of this line are northward from Hudson and southward from Bryan. Both of these continuations are also under study in this Report. Connections with other lines are: the PC Buffalo-to-Chicago line at Bryan, the Norfolk & Western Montpelier-to-Toledo line at West Unity and Fort Wayne to Detroit line at Alfordton. An abandonment application has been submitted to the ICC by PC, Docket No. AB-5, Sub. 112-113 and also to USRA, Docket No. 75-33.

Summary of USRA Data

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

Alfordton	0
West Unity	39
Pulaaki	28
Hudson	125
Prattville	9
Waldron	28

Total carloads generated by the line..... 227

Number of round trips per year..... 50

Estimated time per round trip (hours)..... 9.5

Revenue received by PC..... \$90,981

Average revenue per carload..... \$401

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 218,288

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost)..... 29,065

Cost incurred beyond the branch line..... 51,411

Total variable (avoidable) cost..... 298,764

Net contribution (loss): total..... (207,828)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Cousins Iron and Metal Co., Hudson, Michigan reported 40 carloads in 1974, and cited poor and undependable service from the Penn Central on that line. It stated that 50 percent of their customers will receive only by rail and that there are no truck line common carriers in Hudson with the equipment essential for hauling metal scrap. They currently receive service one week after they request it.

—The City of Hudson submitted a resolution calling on the ICC to dismiss the Penn Central petition for abandonment for this line.

—The Williams County Farm Bureau Cooperative Association reported 56 carloads.

451/452/453-MI (Rives Junction to Grand Rapids)

24.5) had been reevaluated and found eligible for inclusion in the ConRail system.

—Pending further study and negotiation GTW proposes to serve customers at the station of of Charlotte only.

—The Chessie is interested in providing service at Muskegon Heights only.

692a/693a-MI (White Pigeon Jct. to Hillsdale)

—The Ann Arbor Chamber of Commerce testified that this line has more bridge traffic than any other segment in the State.

—Consumers Power Company shipped 861,289 tons of coal in 1973, and 1,149,961 in 1974, in 140 unit trains over the Ann Arbor from Toledo to Owosso.

—Subject to further study and negotiation the GTW proposes to acquire and serve that portion of the line between Owosso and Durand.

—The N&W is interested in acquiring 56.9 miles of the Toledo to Frankfort line from Toledo north to Whitmore Lake plus the 4.1 miles from Pittsfield to Saline.

—The Chessie is interested in providing service from its Annapere connection over that section of the line from Howell to Saline.

—The City manager of Coldwater cited 26 rail users in Branch County who reported 2,822 carloads in 1973 as opposed to 2,050 by USRA. A 550-acre industrial park is predicated on rail service availability.

1300-MI (Dundee to Owosso)

—Owosso Iron and Metal testified that loss of rail service would force it out of business. Reporting 200 carloads in 1973, this company employs 9 persons and contributes annual freight charges of \$125,000.

—Standard Lumber and Supply Co. with 44 carloads in 1973, has just completed expanding its physical plant twofold which should result in increased traffic.

—Tri-State Hospital Supply has recently purchased a location in Howell based on the anticipation of rail service.

—Lumber Distributors, Inc., reported its actual traffic as 64 carloads in 1973 and 1974.

—Testimony believed that bridge traffic may not have been considered when the profitability of this line was determined.

1301-MI (Owosso to Thompsonville)

—Gratiot County Farm Bureau stated that if the AA were abandoned, the Grand Trunk would be forced to abandon its trackage in the County. Nearest rail would then be 29 miles away. Many of the shippers who would use this line are not located on all-weather roads.

—The Department of the Interior designated this line as having potential as urban access to outdoor recreation.

—The Chessie is interested in providing service only to customers at Chessie intersections, Alma and Clare.

—Subject to further study and negotiation the GTW proposes to acquire and serve that portion of the line between Owosso and Ashley.

1302/1303-MI/WI (Thompsonville, MI to Kewauenee, WI (ferry))

tional 600. However, curtailment of rail service could force transfer of expansion to Oklahoma.

—The Green Bay Chamber of Commerce stated that the majority of users were pleased with service by the ferry and the GB&W.

—Frank Hamachek, manufacturer of food processing equipment, stated that his company would have to close with abandonment of the ferry. This would result in the job loss of 155 persons in Kewaunee.

—Herbert J. Saunders, of Freeman Paper Co., testified that the ability of his firm to continue without use of the ferry would be questionable. The firm employs 33 persons with an annual payroll of \$200,000.

—Purvis Brothers stated they would be forced to close if the ferry were abandoned. This is the only mode of transporting their 55-60 foot lengths of steel.

—The U.S. Fish and Wildlife Service testified that the ferry has provided service in stocking fish in Lake Michigan. Alternative means of stocking would result in excessive costs.

—Pet, Inc., Frozen Foods Division, testified it would probably relocate if rail service were lost. The company employs 140 persons at their Frankfort facility with an annual payroll of \$1,195,000.

—Several witnesses, including the Wisconsin DOT, indicated that the Preliminary System Plan treated ferry service from Manitowoc as abandoned rather than embargoed. The vessel serving this port went out of service in August, 1973, and an embargo was placed on the Ann Arbor service. No analysis of this still existing route was made.

MICHIGAN CONTINUATIONS

—Witnesses criticized USRA for failing to consider the passenger service on the Ann Arbor ferry.

—The Department of the Interior designated this line as having potential as urban access to outdoor recreation.

393—MI/OH (N&W Xing E. of Adrian, MI to Vulcan, OH)

farm implements which cannot be trucked due to their size.

—The Home Canning Company stated that loss of rail would cause approximately 6 persons to be laid off and result in higher costs.

—Several parties stressed that all traffic originating or terminating on lines 392, 394, and 395/395a must travel over 393. The bridge traffic over 393 in 1973 amounted to 2,921 carloads and using an average of \$170 revenue per carload, amounted to an additional \$496,570 in revenues.

NEW JERSEY

Intrastate

PC

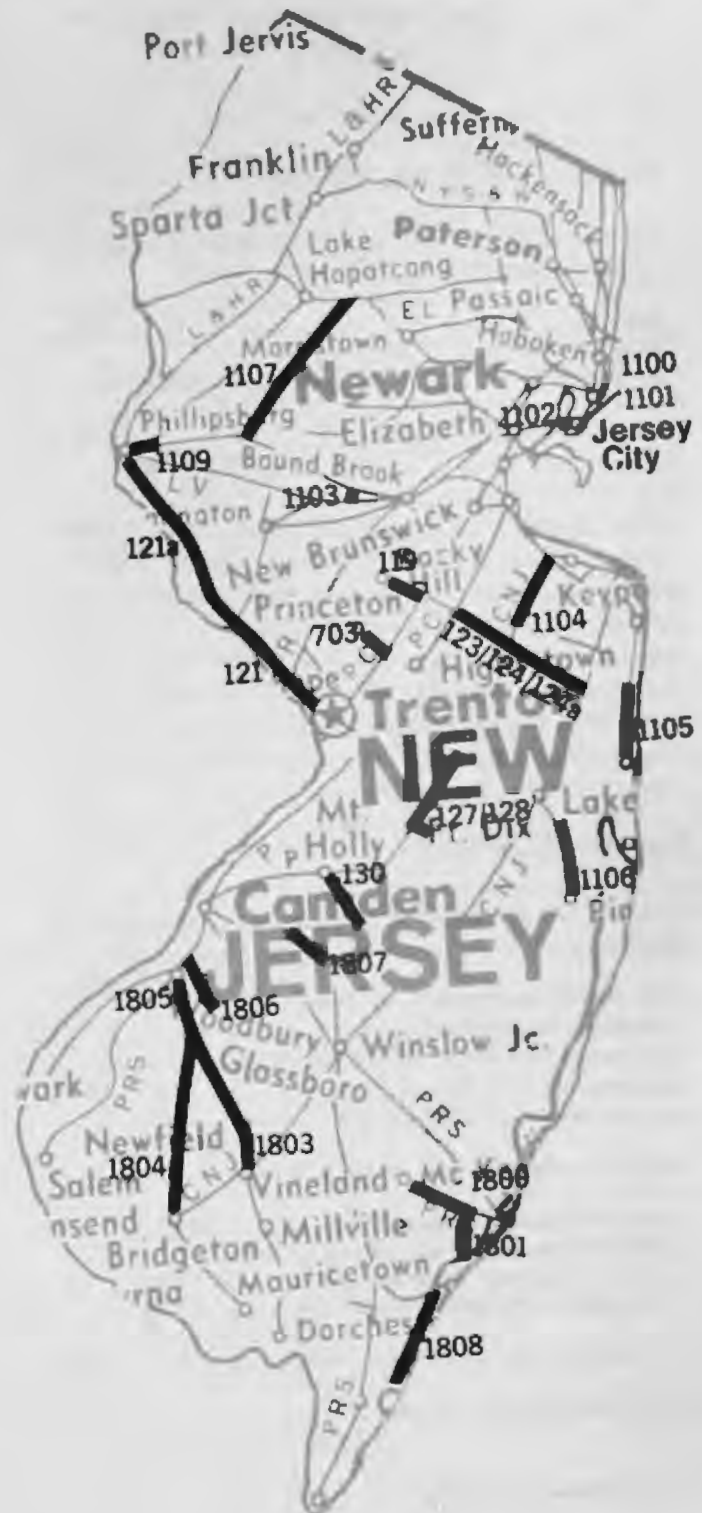
USRA line number	Terminals
119	Monmouth Junction to Rocky Hill
121	Trenton to Lambertville
121a	Lambertville to Phillipsburg
123/124/124a	Farmingdale to Jamesburg
127/128	Fort Dix to Shrewsbury
130	Mount Holly to Medford
703	Princeton Junction to Princeton

CNJ

1100	Jersey Avenue Branch at Jersey City
1101	West Side Avenue Branch at Jersey City
1102	Newark Bay Bridge
1103	Somerville to Royce
1104	Matawan to Morganville
1105	Asbury Park to Bay Head Junction
1106	Toms River to Oyster Creek
1107	High Bridge to Lake Junction
1109	Hampton to Phillipsburg

PRSL

1800	McKee City to Pleasantville
1801	Linwood to Pleasantville
1803	Vineland to Glassboro
1804	Bridgeton to Glassboro
1805	Glassboro to Woodbury
1806	Bellmawr to Glendora
1807	Haddonfield to Lucaston
1808	Ocean City to Palermo



USRA ANALYSIS

ROCKY HILL RUNNING TRACK, KINGSTON BRANCH

USRA Line No. 119

Penn Central



The Rocky Hill Running Track-Kingston Branch, formerly part of the Pennsylvania RR, extends from *Monmouth Junction* (Milepost 2.7) to *Rocky Hill, N.J.* (Milepost 6.3), a distance of 3.6 miles, in Middlesex and Somerset Counties, N.J. At *Monmouth Junction*, this line connects with the PC line running from New York to Philadelphia, and also the PC Jamesburg Branch which is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Kingston	11
Total carloads generated by the line.....	11
Number of round trips per year.....	22
Estimated time per round trip (hours).....	2.0
Revenue received by PC.....	\$3,375
Average revenue per carload.....	\$307
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	26,243
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	7,975
Cost incurred beyond the branch line.....	1,546
Total variable (avoidable) cost.....	35,764
Net contribution (loss): total.....	(32,389)

USRA Recommendation

It is *not* recommended that the Rocky Hill Running Track, Kingston Branch, be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Raritan Valley Chamber of Commerce reported primary employment loss of 154, and secondary employment loss of 190 if this line is abandoned. It reports the line would show a total income loss of \$16 million, and a loss of \$33,022 in property taxes.

—The Rail Service Research Committee stated that loss of rail service would increase fuel consumption by 1,360 gallons a year. Atmospheric pollution would also increase. The Committee estimates that the line generated 519 carloads in 1973 and 648 in 1974.

—Trap Rock Industries points out that its non-revenue producing shipments were not included in USRA calculations. It expects that ConRail rehabilitation efforts will increase the demand for ballast.

—TPCO has planned a facility expansion which would increase rail usage by 24 carloads. The company states that it would be forced to close without rail service.

—Cities Service has planned to construct a new facility on the line.

—Many shippers were confused by the designation of MP 2.7 as the segment starting point.

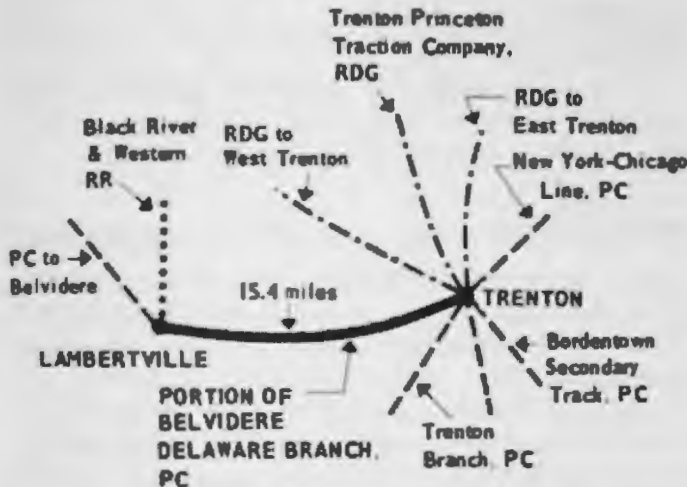
—Representatives of Frankline Township felt that the increased use of motor carriers, resulting from cessation of rail service, would present a safety hazard for school children.

USRA ANALYSIS

PORITION OF BELVIDERE DELAWARE BRANCH

USRA Line No. 121

Penn Central



The Belvidere Delaware Secondary Track and a portion of the Belvidere Delaware Branch, formerly part of the Pennsylvania RR, extends from Trenton (Milepost 0.0) to Lambertville, N.J. (Milepost 15.4), a distance of 15.4 miles, in Mercer and Hunterdon Counties, New Jersey. This line continues, at Lambertville, north to Belvidere. At Trenton, this line connects with the PC line running from New York to Chicago, and the PC Bordentown Secondary Track. It also connects with the Black River & Western RR at Lambertville. The PC Bordentown Secondary Track, the northerly continuation of the Belvidere Delaware and Branch, are also under study in this Report.

Information for Line Retention Decision

This line does not directly serve any shippers. It is used to provide access to the shippers located on USRA segment No. 121a. The preliminary recommendation for segment 121a is that it *not* be included in the ConRail System. Therefore, Segment No. 121 would not be required.

USRA Recommendation

It is *not* recommended that these portions of the Belvidere Delaware Secondary Track and the Belvidere Delaware Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony indicated that the Delaware Valley Cooperative ships poultry and dairy feed from this line. —The New Jersey DOT reports that elimination of this line, or line 121a, would necessitate rerouting extensive overhead traffic. Past experience shows that rerouting would entail a 210 mile detour and a two day delay in shipments.

—The New Jersey DOT contends that routing plans by USRA would require the use of the Belvidere Delaware Branch.

—The Railway Industrial Clearance Association presented information showing this line to be part of a through clearance route. As such, it extends from the Trenton PC corridor to connections with the L&HR at Phillipsburg. It guarantees through freight movement to New England and Canada. When operable this route can serve as a relief route for the Metroliner.

—Hunterdon County Freeholder Benjamin Kirkland stated that there are 1,575 through trips per year on the Belvidere Delaware Branch, carrying 114,125 cars.

—During 1973, Pennsylvania Power and Light shipped 9,055 coal cars over the branch. Additions to its Martin's Creek operation required 6,750 cars in 1974, and are expected to require 13,740 in 1975.

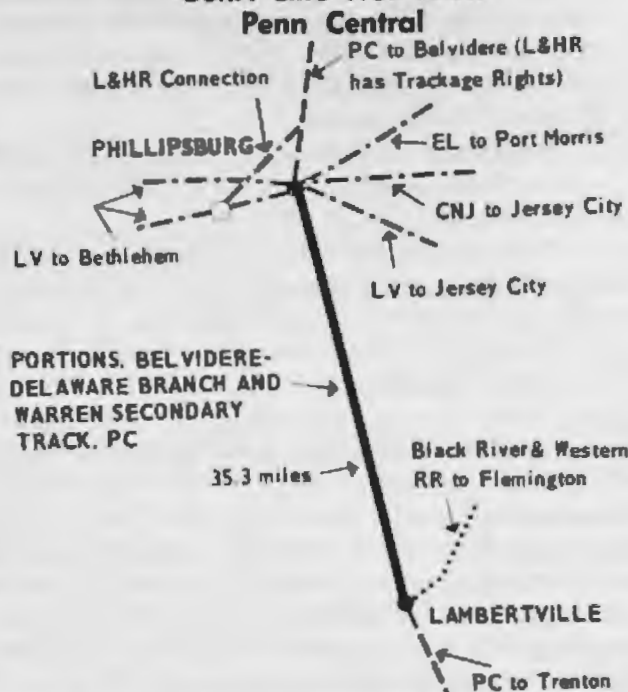
—Elimination of this line would force the Black River and Western Railroad out of business. The line reports that it handled 730 carloads in 1973 and 1,395 in 1974. The 659 carloads of traffic from Flemington would be lost.

121a NEW JERSEY

USRA ANALYSIS

PORTIONS OF BELVIDERE DELAWARE BRANCH AND WARREN SECONDARY TRACK

USRA Line No. 121a



This portion of the Belvidere Delaware Branch and Warren Secondary Track, formerly part of the Pennsylvania RR, extends from *Lambertville* (Milepost 15.4) to *Phillipsburg, N.J.* (Milepost 50.7), a distance of *35.3 miles*, in Hunterdon and Warren Counties, New Jersey. At Lambertville the line continues south to Trenton, and at Phillipsburg north to Belvidere. At Lambertville it also connects with the Black River & Western RR. At Phillipsburg the line also connects with the Lehigh Valley. The continuations of this line north and south are also under study in this Report.

Summary of USRA Data

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

Phillipsburg ¹	16
Riegelsville	382
Holland	1,347
Milford	1,015
Frenchtown	58
Stockton	15
Lambertville	72

Total carloads generated by the line	2,905
Number of round trips per year	100
Estimated time per round trip (hours)	9

¹ Includes only traffic on segment.

Revenue received by PC	\$922,845
Average revenue per carload	\$318

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	385,384
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	646,699

Total variable (avoidable) cost..... 1,032,083

Net contribution (loss): total..... (\$109,781)

USRA Recommendation

It is *not* recommended that these portions of the Belvidere Delaware Branch and the Warren Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Hunterdon County Board of chosen freeholders estimates that loss of rail service between Milford and Phillipsburg would result in unemployment of 900–1,000.

—Riegals Products estimates that the 15.5 mile segment of track from Milford to Phillipsburg could generate a \$69,167 profit. (USRA has found that this subsegment is economically viable).

—Highways in the northern part of the county would not be able to bear the volume of motor traffic that would be required as an alternative to rail service.

—Joseph Shanahan of the South Hunterdon Taxpayers Association points out that the loss of rail service would have disastrous effects on small communities and small businesses.

—Hoffman LaRoche, Inc., states that it generates 298 carloads annually.

—According to the NJ DOT, restrictions have been placed on the utilization of alternative modes used in transporting #2 fuel oils.

—If the Jersey Central Power and Light Co. facility at Martin's Creek were to convert to coal use, a significant increase in rail traffic would be registered.

—See comments under Line 121.

—According to information available the good ties already on the line exceed the FRA Class I standard of 640 good ties per mile by 120 percent.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The USRA announced on March 28, 1975, that a reassessment of traffic on the subsegment of this line from Phillipsburg, N.J. (milepost 50.7) to Milford, N.J. (milepost 34.4) had proven the subsegment viable.

USRA ANALYSIS

FREEHOLD SECONDARY TRACK USRA Line No. 123/124/124a Penn Central



The Freehold Secondary Track, formerly part of the Pennsylvania RR, extends from *Farmingdale* (Milepost 8.3) to *Jamesburg, N.J.* (Milepost 27.2), a distance of 18.9 miles, in Middlesex and Monmouth Counties, New Jersey. At Jamesburg this line connects with the Jamesburg Branch, the Amboy Secondary Track and Hightstown Secondary Track of the PC. It also connects with the Central Railroad of New Jersey Farmingdale. The Jamesburg Branch and the Hightstown Secondary Track of the PC are under study in this Report, as well as the Central Railroad of New Jersey line at Freehold.

Summary of USRA Data

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

Englishtown	141
Tennent	153
Freehold	1,728
Howell	8
Farmingdale	69

Total carloads generated by the line	2,099
Number of round trips per year	300
Estimated time per round trip (hours)	6
Revenue received by PC	\$970,876
Average revenue per carload	\$468

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	345,594
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	44,726
Cost incurred beyond the branch line	614,826
Total variable (avoidable) cost	915,694
Net contribution (loss): total	55,182

USRA Recommendation

It is recommended that the portion of the Freehold Secondary Track between Milepost 13.9 and Milepost 27.2 be included in the ConRail System.

It is *not* recommended that the portion of the Freehold Secondary Track between Milepost 8.3 and Milepost 13.9 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—This line passes all of the USRA viability tests.
—The Monmouth County Transportation Coordination Committee estimates 2,000 additional unemployed if this segment is closed.

—Witnesses testified that this segment provides a good clearance route connection between the CNJ Southern Division and the Penn Central Jamesburg to Freehold Branch, both of which are to be part of ConRail. Additionally, without this line all of Monmouth County's rail service would depend on the Raritan River Bridge between Perth and South Amboy. This bridge has been out of service for extended periods due to marine accidents in the past.
—Assemblyman Kozloski of Freehold calls for increased commuter service over this line. He states that 8,500 residents of Monmouth County now commute.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The 3M Company states that it owns property just beyond the 13.9 milepost for which any future plans would be enhanced by it having rail service.

—The New Jersey Farm Bureau identifies this line as critical to local agriculture. Clifford Case points out that this line is utilized by the Earle Naval Ammunition Depot.

—The Monmouth County Transportation Coordination Committee finds 2,986 carloads generated on the entire 18.9 mile line in 1973 and states that it is profitable.

—The New Jersey Department of Transportation states that the 391 carloads generated on the excluded 5-mile segment in 1973 should justify its inclusion in ConRail.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected
The Nestle Company, Inc.		1,200	
Brockway Glass Co.		1,000	
Minnesota Mining & Mfg.		16	
Charms Candy Co.			420
Cherwell-Ralli			200
Truss Systems, Inc.		6	
Knappe Smith Mfg. Co.	391	42	
Rokeach & Son, Inc. of N.J.		14	
Crosaluna Ceilings System		24	
Poster Canning Co., Inc.		50	

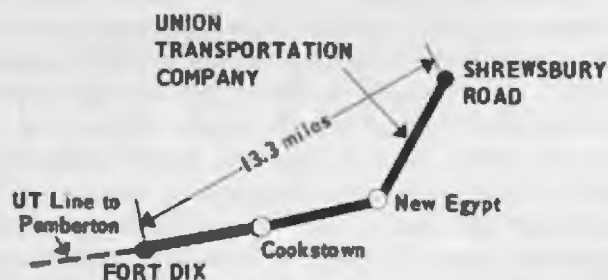
These firms employ a total of 1,949 persons.

127/128

NEW JERSEY

USRA ANALYSIS PORTION OF UNION TRANSPORTATION COMPANY

USRA Line No. 127/128



The portion of the Union Transportation Company, extends from *Fort Dix* (Milepost 5.6), to *Shrewsbury, N.J.* (Milepost 18.9), a distance of 13.3 miles, in Monmouth and Burlington Counties, New Jersey. At Fort Dix this line continues to Pemberton. In January 1972, an application was filed with the ICC for permission to abandon this line (Finance Docket No. AB-38). No final action has been taken on this application.

Information for Line Retention Decision

This line is leased from the PC and operated by the Union Transportation Company. Therefore, it has not been subjected to detailed analysis. Current operations can be continued by Union Transportation Company.

USRA Recommendation

It is *not* recommended that this line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Union Transportation Company reports that the line generates 325 carloads per year.

—The Burlington County Rail Research Committee estimates an employment loss of nine if service on this branch is terminated; personal income loss would be \$81,000, and property tax loss of \$6,618.

—Agrico states that it generated 60 carloads on this line in 1971.

—TAPC, Ltd. estimates that it would use 55 to 65 carloads per year, up significantly from 35 in 1974, if service were improved.

—Agway Corporation, 12-14 cars per year, expects a 100 percent traffic increase when a new customer moves on the line 1975.

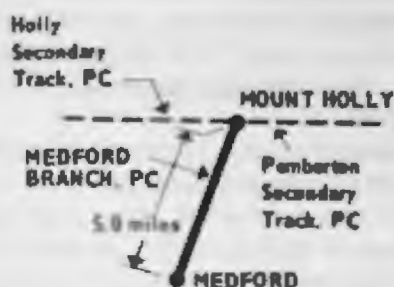
—McGuire Air Force Base is considering converting two of its central heating boilers to coal. The Union Transportation Company estimates that this could result in an increase in coal traffic of 200 cars per year.

—The New Jersey Farm Bureau testified that much of the State's fertilizer production occurs in this area. Rail service is vital in transporting this commodity.

USRA ANALYSIS
MEDFORD BRANCH

USRA Line No. 130

Penn Central



The Medford Branch, formerly part of the Pennsylvania RR, extends from *Mount Holly* (Milepost 1.3), to *Medford, N.J.* (Milepost 6.3), a distance of *5.0 miles*, in Burlington County, New Jersey. At Mount Holly, the line connects with the PC Holly Secondary Track and the PC Pemberton Secondary Track.

Summary of USRA Data

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

Medford	190
Total carloads generated by the line	180
Number of round trips per year	180
Estimated time per round trip (hours)	2
Revenue received by PC	\$52,848
Average revenue per carload	\$407

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	\$4,515
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	13,786
Cost incurred beyond the branch line	42,418

Total variable (avoidable) cost

110,724

Net contribution: Total

(57,840)

USRA Recommendation

Although the preliminary recommendation is that the Medford Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Brotherhood of Locomotive Engineers said the actual number of round trips on this line is 40.

—The New Jersey Farm Bureau stated that the elimination of this line would cause a severe economic loss to the agricultural community.

—The New Jersey DOT identified 22 shippers on this line. Seven of these generated 121 carloads in 1973. The other companies stated that their rail usage has ceased due to poor service and unavailability of cars.

—Bermico, Inc., located on the 1.3 mile segment to be included in ConRail is currently receiving service twice a week.

—The New Jersey DOT stated that much of the lost rail usage on this line can be recovered with improved service. It feels that the branch could be profitable.

—The Mt. Holly-Medford Rail Research Committee stated that the elimination of this line would result in the loss of 105 jobs. The total income lost would be \$850,000, and \$10,000 lost in property taxes.

—The Committee estimated that use of motor carrier would mean a 500% increase in fuel consumption. Ten bridges in the area would require \$1 million rehabilitation.

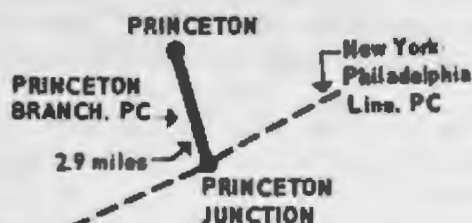
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

703 NEW JERSEY

USRA ANALYSIS PRINCETON BRANCH

USRA Line No. 703

Penn Central



The Princeton Branch, formerly part of the Pennsylvania RR, extends from *Princeton Junction* (Milepost 0.0) to *Princeton, N.J.* (Milepost 2.9), a distance of 2.9 miles, in Mercer County, New Jersey. At Princeton Junction the line connects with the PC line between New York and Philadelphia.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Princeton ¹	15
Total carloads generated by the line	15
Number of round trips per year	30
Estimated time per round trip (hours)	4.0

¹ Includes only traffic on segment.

Revenue received by PC	\$1,348
Average revenue per carload	\$90

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	7,364
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	3,610

Total variable (avoidable) cost	10,974
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Net contribution (loss): total	(9,626)
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USRA Recommendation

It is *not* recommended that *freight service* be provided on the Princeton branch by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The major concern of testimony received on this line focused on passenger service. A spokesman for Princeton University noted that the Princeton Dinky is the only public transportation which provides access to the Penn Central main line for the 400 employees and 5800 students at the university.

—Prior to 1970 the university utilized fourteen carloads of coal per week. It is hopeful that the line will remain intact in case the university has to revert to coal.

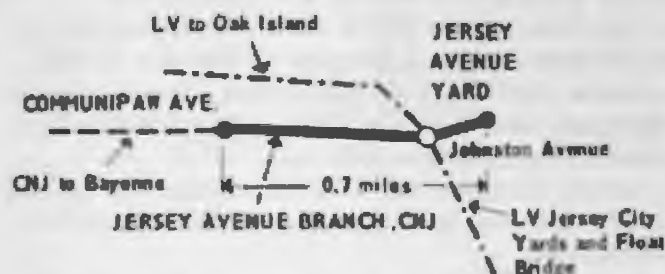
—The Princeton Forrestal Center is planned for the area. It would require rail service.

—Testimony was presented citing the adverse effects abolition of rail passenger service would have on the environment. The line carries approximately 800 passengers a day.

—The New Jersey Department of Transportation, based on its analysis of Penn Central abstract data, credits the line with 56 carloads.

USRA ANALYSIS JERSEY AVENUE BRANCH

USRA Line No. 1100
Central Railroad of New Jersey



The Jersey Avenue Branch, extends from *Communipaw to Jersey Avenue, N.J., 0.7 mile*, in Hudson County, N.J. This line connects at Communipaw Avenue with the CNJ line to Bayonne. It connects at Johnston Avenue with the LV lines to Oak Island and to the Jersey City yards and float bridge.

Information for Line Retention Decision

The traffic generated on this line is billed as Jersey City. At this time, specific traffic information cannot be identified and no recommendation can be forwarded.

PUBLIC RESPONSE AND RSPO COMMENT

—A rail user survey identified six shippers on this line, generating 294 cars in 1974.

—Testimony predicts the loss of at least 38 jobs if the line is eliminated.

—Lignum Products estimates a 20% annual growth over its 1973 traffic. They would cease operations without rail service.

—According to the New Jersey DOT, requests for rail service to the new facility constructed by Schiavone Bonomo have been ignored by the CNJ.

—Mr. Allen of the CNJ reported that this line needs considerable rehabilitation.

—The Jersey City Development Council of the Chamber of Commerce reports the following shippers on the line:

Company	Carloads		Number of employees
	1973	1974	
Colwell Corp.	40	40	13
Lignum Products		25	25
Schiavone-Bonomo	144	204	190
U.S. Gypsum Co.		25	250
Total	184	294	478

—The estimated cost for upgrading this line to FRA Class 1 standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS WEST SIDE BRANCH USRA Line No. 1101

Central RR of New Jersey



The CNJ *West Side Branch* (and extension) runs from Communipaw to West Side Avenue in Jersey City, a distance of 2.1 miles in Hudson County, New Jersey. At Communipaw, this line connects with the Central Railroad of New Jersey line running from the Jersey City Terminal to Bayonne and beyond. At Communipaw, this line does not connect but it crosses a branch of the Jersey City-Buffalo line of the Lehigh Valley.

Information for Line Retention Decision

Study of this line was requested by CNJ. Data for this line is merged with all Jersey City data, and therefore study must be postponed until data for this line can be segregated and analyzed. Detailed analysis will be completed as the data becomes available.

PUBLIC RESPONSE AND RSPO COMMENT

—A rail user survey identified eleven shippers generating 2,069 carloads in 1974. Termination of rail service would result in the loss of at least 600 jobs. All planned growth and expansion of these firms would cease if rail service were eliminated.

—The New Jersey DOT's survey indicated 510 carloads generated by 5 shippers on this line in 1971.

—Metro Containers estimates that alternate transportation costs would be \$293,796. It has a \$3 million expansion planned for 1976.

—Armin Polyethylene Bag estimates a 15 percent annual growth. However, they would close without rail service.

—Malinckrodt Chemicals plans a 50 percent expansion of their operations.

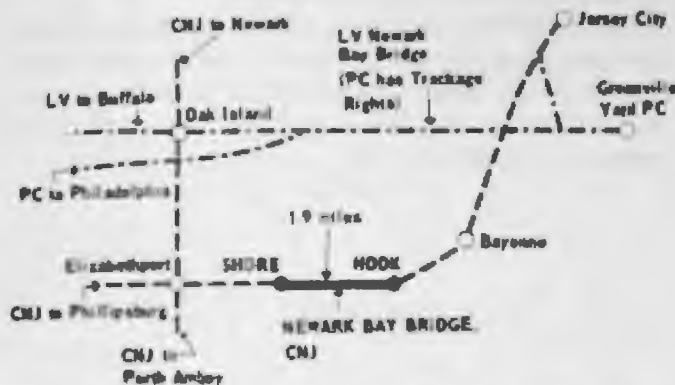
—The New Jersey City Chamber of Commerce reports the following companies located on this line:

Company name	1974 Carloads	Number of employees
Metro Container Corp.	1,500	500
Armin Polyethylene Bag	75	100
Baldwin Steel Co.	N.A.	60
Foods, Inc.	55	8
Malinckrodt Chemicals	61	160
M. Pashelinsky & Sons	45	24
Robert Wood and Wire	(1)	35
J. T. Ryerson & Sons	55	150
Shoe-Taylor Inc.	43	21
Stagg Lumber Co.	25	15
Y. & T. Trucking	210	60
Branch total	2,069	1,136

¹ Siding needs repair.

USRA ANALYSIS NEWARK BAY BRIDGE

USRA Line No. 1102
Central Railroad of New Jersey



The Newark Bay Bridge extends from *Hook* (Bayonne) (Milepost 7.0) to *Shore* (Elizabethport), N.J. (Milepost 8.9), a distance of 1.9 miles, in Hudson and Union Counties, New Jersey. At Hook and Shore the line continues as the Central Railroad of New Jersey line.

Information for Line Retention Decision

Bayonne shippers will continue to be served by ConRail via the existing Lehigh Valley bridge which is located 3 miles to the North of the CNJ bridge. Subsequent dismantling of the CNJ bridge will remove a serious navigational hazard for ocean shipping moving between Newark Bay and New York Harbor. Elimination of the bridge will, however, sever a lightly patronized suburban service.

USRA Recommendation

It is *not* recommended that the Newark Bay Drawbridge be included in the ConRail System.

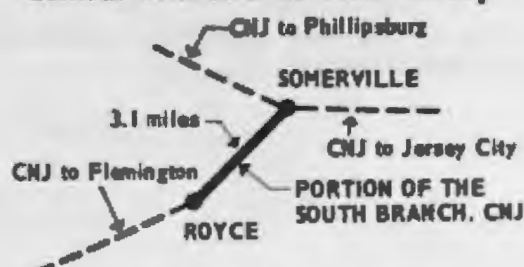
PUBLIC RESPONSE AND RSPO COMMENT

—The New Jersey DOT finds no shippers affected by cessation of service over this bridge as long as service is continued over the Lehigh Valley bridge three miles north.

—The City of Bayonne opposes the elimination of rail passenger service via this bridge.

1103 NEW JERSEY

USRA ANALYSIS PORTION OF THE SOUTH BRANCH USRA Line No. 1103 Central Railroad of New Jersey



This portion of the South Branch extends from *Somerville* (Milepost 0.0) to *Royce, N.J.* (Milepost 3.1), a distance of *3.1 miles*, in Somerset County, New Jersey. A continuation of this line extends westward from Royce, which sector is also under study in this Report. At Somerville, this line connects with the Central RR of New Jersey's Jersey City-to-Phillipsburg Line.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Royce	101
Total carloads generated by the line.....	
101	
Number of round trips per year.....	52
Estimated time per round trip (hours).....	2.0
Revenue received by CNJ.....	\$11,721
Average revenue per carload.....	\$116
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	32,351
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	4,262
Cost incurred beyond the branch line....	7,288
Total variable (avoidable) cost.....	43,851
Net contribution (loss): total.....	(32,130)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The New Jersey DOT identifies the two main users of this line as the US Postal Service Eastern Area Supply Center, and the Veterans Administration Supply Depot.

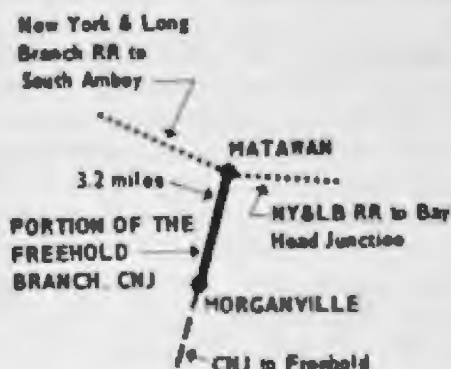
—The New Jersey DOT feels that on-branch cost estimates by USRA are overstated.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 101 cars on this line generated a total revenue of \$111,366; however, only \$11,721 was attributed to the line.

USRA ANALYSIS PORTION OF THE FREEHOLD BRANCH

USRA Line No. 1104

Control RR of New Jersey



This portion of the Freehold Branch, extends from *Morganville* (Milepost 8.9), to *Matawan, N.J.* (Milepost 12.1), a distance of *3.2 miles*, in Monmouth County, New Jersey. At Matawan, this line connects with the New York & Long Branch RR.

Summary of USRA Data

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

Freeport	12
Morganville	67
Bradvelt	1
Marlboro	2

Total carloads generated by the line..... 82

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

Estimated time per round trip (hours)..... 2.0

Revenue received by CNJ..... \$13,593

Average revenue per carload..... \$166

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 80,112

Cost of upgrading branch line to FRA class

1: (1/10 of total upgrading cost)..... 7,067

Cost incurred beyond the branch line..... 5,461

Total variable (avoidable) cost..... 43,280

Net contribution (loss): total..... (29,687)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—This line segment is in the northern portion of the former Matawan to Freehold CNJ branch. The portion of the line south of Morganville is out of service due to a bridge failure.

—CNJ trustees have placed rehabilitation costs of this line at \$200,000.

—Representative James J. Howard states that the Imperial Oil Company of Morganville would close if rail service over this line is eliminated.

—New Jersey DOT states that from CNJ abstract data it found 44 carloads terminating in Freehold in 1973. However, no CNJ service was provided to customers in Freehold in 1973. The possibility that these carloads were destined to customers located along the branch line should be investigated.

—New Jersey DOT states that on branch costs incurred in the USRA figures seem excessive since the service is rendered by a crew assignment that serves other Matawan area industries and will doubtless continue to work the area in the future.

—The Monmouth County Transportation Coordinating Committee recommended that service be maintained over line 1104 with the remaining portions of the branch placed in a land bank.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 83 cars on this line generated a total revenue of \$46,460; however, only \$13,593 was attributed to the line.

USRA ANALYSIS

NEW YORK & LONG BRANCH RR

USRA Line No. 1105



This portion of the New York & Long Branch RR extends from *Asbury Park* (Milepost 28.1) to *Bay Head Junction, N.J.* (Milepost 38.0), a distance of *9.9 miles*, in Monmouth and Ocean Counties, N.J. At *Asbury Park*, this line continues to South Amboy.

Summary of USRA Data

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

Belmar	8
Spring Lake	19
Point Pleasant	255
Total carloads generated by the line	282
Number of round trips per year	104
Estimated time per round trip (hours)	5.0
Revenue received by CNJ	\$77,893
Average revenue per carload	\$276

Variable (avoidable) cost of continued service:

Cost incurred on the branch line (excludes maintenance)	74,830
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	20,076
Total variable (avoidable) cost	104,006
Net contribution (loss): total	(26,113)

USRA Recommendation

It is *not* recommended that *freight service* be provided over this portion of the New York & Long Branch RR by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—New Jersey DOT states that this line is jointly owned by PC and CNJ. There were 175 carloads handled by PC on the line that were not included by USRA. These generated an additional \$67,392 in revenues for the line.

—New Jersey DOT identified sixteen shippers on this line.

—CNJ reports that its carloads increased 25 percent in 1971 to 351. The Monmouth County Transportation Coordinating Committee reports 398 carloads in 1974. Revenue per car is also increasing according to Point Pleasant Distributors which received 170 cars at \$821 per car in 1973 but paid \$800 per car for 203 carloads in 1974. It expects to receive 240 in 1975. Using 1974 carload figures and applying the 20.5 percent rate increase it has experienced, the company finds a \$59 per carload profit for the line.

—CNJ contends that USRA has also overstated the on-branch operations and rehabilitation costs and challenges the figure of eight hours for round trip crew time, stating that only three hours of the crew's time is attributable to this segment.

—\$1 million has been invested in maintenance for this line by the State of New Jersey in the past four years.

—This line is an essential commuter route, serving more than 20,000 commuters in Monmouth and Ocean Counties going to the Newark/New York City area.

—Reported that \$38 million has been appropriated by the State of New Jersey for electrification of the entire line from South Amboy to Bay Head Junction.

—According to the Monmouth County Transportation Coordinating Committee the Asbury Park freight yard is in this segment.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in ConRail. In 1973 the 282 cars shown by USRA generated a total revenue of \$301,116, however, only \$77,893 was attributed to the line.

USRA ANALYSIS

PORTION OF TOMS RIVER BARNEGAT BRANCH

USRA Line No. 1106

Central Railroad of New Jersey



This portion of the Toms River & Barnegat Branch extends from *Toms River* (Milepost 7.4) to *Oyster Creek, N.J.* (Milepost 11.5), a distance of 4.1 miles, in Ocean County, N.J. At Toms River, this line continues to Lakewood.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Pinewald	52
Waretown	4
Total carloads generated by the line	56
Number of round trips per year	52
Estimated time per round trip (hours)	4.0
Revenue received by CNJ	\$9,221
Average revenue per carload	<u>\$165</u>
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	87,945
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	<u>5,489</u>
Total variable (avoidable) cost	<u>93,434</u>
Net contribution (loss): total	<u>(\$4,213)</u>

USRA Recommendation

Although the preliminary recommendation is that this portion of the Toms River & Barnegat Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The portion of the branch from Pinewald to Oyster Creek is presently operated under a contractual agreement between the Jersey Central Power and Light Company and CNJ. JCP&L pays CNJ \$14,000 per year under this agreement, which runs until 1981. JCP&L estimates the following rail usage:

	Cars	Tons
1975	33	225
1976	17	730
1977	482	18,129
1978	220	12,300

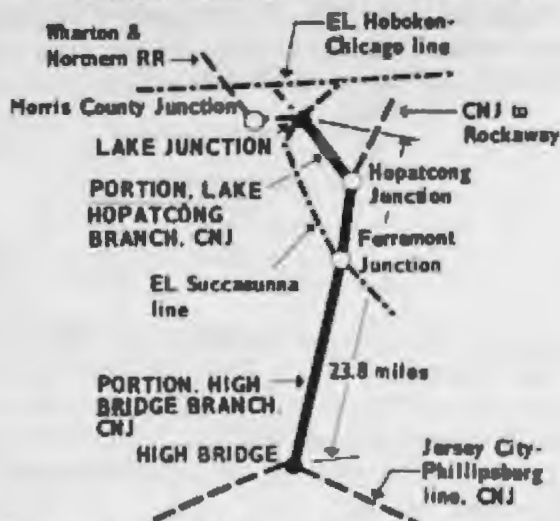
The company has invested \$460,000 in a rail spur to serve the planned Forked River Nuclear Station, adjacent to the Oyster Creek Nuclear Generating Station. Rail service is mandatory for the construction of this facility and for the replacement of any oversize components.

—CNJ states that the USRA figure of four hours for a round trip on this 4.1 mile segment is incorrect; a one hour time is more realistic. Additionally, the cost incurred on branch is listed as \$87,945 but when compared to the costs incurred on Line No. 1105, the cost shown is three times greater for the Toms River Branch on a per mile basis.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 56 cars on this line generated a total revenue of \$29,599; however, only \$9,221 was attributed to the line.

USRA ANALYSIS

PORTIONS OF HIGH BRIDGE BRANCH USRA Line No. 1107 Central Railroad of New Jersey



These portions of the High Bridge and the Lake Hopatcong Branch, extend from *High Bridge* (Milepost 0.0), to *Lake Junction, N.J.* (Milepost 23.9), a distance of 23.9 miles, in Hunterdon and Morris Counties, N.J. At High Bridge, this line connects with the Central Railroad of New Jersey line running from Phillipsburg to Elizabethport. It connects with the Erie Lackawanna line running from Hoboken to Chicago, the Lake Hopatcong Branch of the CNJ, and the Wharton & Northern Railroad at Lake Junction. The Lake Hopatcong Branch of the CNJ continues north at Lake Junction to Morris County Junction. The High Bridge Branch of the CNJ continues north at Hopatcong Junction to Rockaway.

Summary of USRA Data

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

High Bridge.....	28
Califon.....	0
Long Valley.....	1
Flanders.....	72
Kenvil.....	67

Total carloads generated by the line.....	177
Number of round trips per year.....	52
Estimated time per round trip (hours).....	5.0

Revenue received by CNJ.....	\$83,586
Average revenue per carload.....	\$190

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	190,864
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost).....	21,818
Cost incurred beyond the branch line.....	11,922

Total variable (avoidable) cost..... 224,724

Net contribution (loss): total..... (190,864)

USRA Recommendation

Although the preliminary recommendation is that these portions of the High Bridge Branch and the Lake Hopatcong Branch not be included in the ConRail System, the possibility of immediately increasing revenue at Bartley must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Board of Public Transportation of Morris County testified that 240 carloads were generated on this line in 1973. There is a large concentration of shippers in Wharton, N.J., east of Hopatcong Junction, many of which rely on this line. Morris County stated that if their traffic is included, 1973 usage was 3,523 carloads and 1974 was 3,430.

—Thatcher Glass of Wharton was concerned about the circuitous routing its sand shipments would be forced to use without this line.

—The Halecrest quarry, located on the Mt. Hope Mineral RR which connects the CNJ near Wharton, went into operation in November, 1974 and had shipped 125 carloads over the High Bridge line by March, 1975. It projects 2,000 carloads for 1975, and over 5,000 per year for 1977-1979.

—CNJ testified that 40,000 carloads a year of bridge traffic are handled over this line.

—Sears Roebuck and Company is planning a new distribution center which would generate 2,500-3,000 piggyback loads and 500-750 carloads per year. Without rail service Sears states that the facility would be built elsewhere.

—Keuffel and Esser projects 150 carloads per year.

—Elimination of this line could cut off access to the Mt. Hope Mineral RR.

—The CNJ testified that USRA rehabilitation and operating costs for this line should be reduced. The company has expended \$350,000 on rehabilitation since 1973; 15,000 rail ties have been replaced and 10,000 are scheduled to be replaced in the summer of 1975. 11½ miles of the track have been reballasted since 1973 and additional ballasting and surfacing are scheduled.

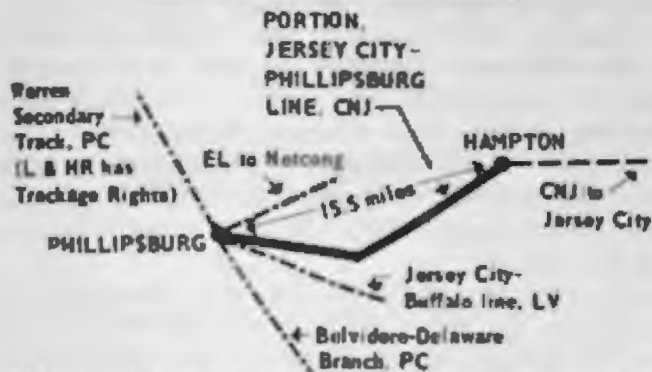
—The South Branch Watershed Association supports discontinuance of service over the High Bridge branch because six derailments and cargo spills in the past two years have resulted in tons of material falling into the South Branch of the Raritan River, a primary potable water source for central
Continued on page 330

USRA ANALYSIS

PORTION OF THE PHILLIPSBURG LINE

USRA Line No. 1109

Control R.R. of New Jersey



This portion of the Jersey City-Phillipsburg Line extends from Hampton (Milepost 56.6), to Phillipsburg, N.J. (Milepost 72.1), a distance of 15.5 miles, in Hunterdon and Warren Counties, New Jersey. At Hampton, the line continues east to Elizabethport. At Phillipsburg, the line connects with the Lehigh Valley RR Line between Jersey City and Buffalo. Limited suburban passenger service was recently inaugurated on this portion of the line.

Summary of USRA Data

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

Hampton	38
Ludlow	150
Bloomsbury	41
Phillipsburg	194

Total carloads generated by the line	423
Number of round trips per year	104
Estimated time per round trip (hours)	8.0

Revenue received by CNJ	\$89,005
Average revenue per carload	\$163

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	\$77,422
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	27,912

Total variable (avoidable) cost: 105,334

Net contribution (loss) - total: (\$6,000)

* Excludes maintenance due to the use of the line for passenger service.

USRA Recommendation

It is *not* recommended that freight service provided over this portion of the Jersey City to Phillipsburg line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Wedco, Inc., West Portal, and Ashbury Graphite Mills, Inc., Hampton, state that they would both be forced out of business without rail service. Wedco estimates 35 to 40 job losses and a local tax loss of \$19,000. In 1973 the company received 51 carloads, in 1974, 61, and it projects future usage of 151 with a planned expansion. Ashbury, located at milepost 60 received 167 in 1973 and 131 in 1974.

—Grief Bros., reports overhead traffic on the line amounting to 60 cars per day.

—Representative Helen Meyner reports that the elimination of service on line 1109 would jeopardize the planned expansion of CanRon Company. Management estimates a cutback of approximately 100 employees without rail service.

—The CNJ testified that the possibility of this line being retained as an auxiliary freight route between Allentown, Pa., and Newark, N.J., should be considered. The New Jersey DOT concurs.

USRA ANALYSIS PORTION OF PLEASANTVILLE SECONDARY TRACK

USRA Line No. 1800

Pennsylvania-Reading Seashore Lines



This portion of the Pleasantville Secondary Track, extends from McKee City (Milepost 53.1 to Pleasantville, N.J. (Milepost 56.9) a distance of 3.8 miles in Atlantic County, New Jersey. At Pleasantville, this line connects with the Linwood Secondary Track of the Pennsylvania-Reading Seashore Lines, and it also continues to Atlantic City. The former line is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
McKee City.....	81
Northfield	26
Total carloads generated by the line.....	107
Number of round trips per year.....	52
Estimated time per round trip (hours).....	2.5
Revenue received by PRSL.....	\$15,836
Average revenue per carload.....	\$149
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	33,879
Cost of upgrading branch line to FRA Class 1: (1/10 of total upgrading cost)...	0
Cost incurred beyond the branch line.....	6,804
Total variable (avoidable) cost.....	40,173
Net contribution (loss): total.....	(24,237)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Pleasantville Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—New Jersey DOT states that the USRA used PC cost factors in evaluating all of the PRSL lines and points out that using PRSL figures instead might favorably influence inclusion of some of the lines.

—Also, NJ DOT notes that the revenues attributed to the traffic on these lines are only those revenues east of Camden that now accrue to PRSL. A more realistic picture can be obtained if total revenue that would accrue to ConRail are considered. It notes that the cars for the Northfield station were credited to this line while the station is actually located on Line No. 1801.

—The Pleasantville McKee City Rail Research Committee states that this line generated 512 carloads in 1973 and 551 in 1974. They estimate employment loss at 252 jobs and alteration of facility costs to rail users at \$120,250.

—Lumber Distributors, Inc., at Pleasantville reports 90 carloads per year in 1973, 100 in 1974, and expects 105 in 1975. It states that its facility is so close to the included segment that if service were extended just to the lumber company that portion of the segment would be profitable.

—Atlantic Plastic Containers, Inc., would halt plans to operate its plant 24 hours a day which would have increased employment by 55 and traffic by 90 cars per year.

—SICO Steel Corp., would cancel further plans to develop an industrial park.

—Sears, Roebuck and Co. of Pleasantville recently began receiving rail shipments at the McKee City team track, because of frequent pilferage and vandalism at the Pleasantville team track. Sears expects to receive approximately 60 carloads per year at this location.

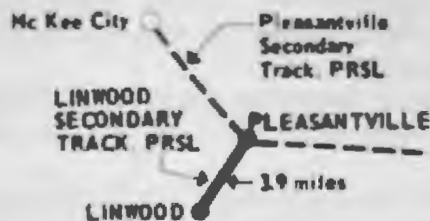
—Atlantic City Electric Co. receives transformers at McKee City whose height and weight characteristics necessitate continued rail service.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS LINWOOD SECONDARY TRACK

USRA Line No. 1801

Pennsylvania-Reading Seashore Lines



The Linwood Secondary Track, extends from *Pleasantville* (Milepost 0.0) to *Linwood*, New Jersey (Milepost 3.9), a distance of 3.9 miles, in Atlantic County, New Jersey. At Pleasantville, this line connects with the Pleasantville Secondary Track of the Pennsylvania Reading Seashore lines. The portion from Pleasantville west is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Linwood	254
Total carloads generated by the line	254
Number of round trips per year	104
Estimated time per round trip (hours)	3.5
Revenue received by PRSL	\$64,087
Average revenue per carload	\$253
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$2,090
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	19,417
Cost incurred beyond the branch line	14,826
Total variable (avoidable) cost	\$36,333
Net contribution (loss): total	(\$32,296)

USRA Recommendation

It is *not* recommended that the Linwood Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

- The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.
- New Jersey DOT reports that results from their rail service survey indicate at least 271 carloads were generated on this line in 1973.
- Dee Wood Industries shipped 250 carloads in 1973 and states that it might have to cease operations without rail service. The company contends that the figure stated by USRA for maintenance is too high. New Jersey DOT also states that according to PRSL timetable and track chart, the 26 carloads at Northfield station attributed to Line No. 1800 is incorrect as the station is really located on Line No. 1801.
- Consideration could be given to reducing the round trips per year. Reducing from twice to once a week service would result in substantial on branch cost reductions.
- The estimated time per round trip appears to be high considering the volume of traffic and the length of the line.
- Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 the 254 cars on this line generated a total revenue of \$388,236, however, only \$51,037 was attributed to the line.

1803 NEW JERSEY

USRA ANALYSIS

PORTION OF MILLVILLE BRANCH USRA Line No. 1803 Pennsylvania-Reading Seashore Lines



This portion of the Millville Branch extends from Glassboro (Milepost 18.0) to Vineland, N.J. (Milepost 34.0), a distance of 16.0 miles, in Gloucester and Cumberland counties, New Jersey. At Glassboro, this line continues through Woodbury to Camden, and it also connects with the Bridgeton Branch of the Pennsylvania-Reading Seashore Lines. At Vineland, it intersects the Central Railroad of New Jersey's Southern Line running from Red Bank to Bridgeton. At this point, it also continues to Dorchester. The Glassboro to Woodbury segment and the Bridgeton Branch of the PRSL, as well as the CNJ Southern Line, are also under study in this Report.

Summary of USRA Data

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

Clayton	143
Franklinville	3
Newfield	106
Total carloads generated by the line	251
Number of round trips per year	104
Estimated time per round trip (hours)	1.5

Revenue received by PRSL	\$42,300
Average revenue per carload	\$160

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	139,014
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	15,415

Total variable (avoidable) cost

154,429

Net contribution (loss): total

(112,120)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—There was much testimony opposing abandonment of the PRSL Lines No. 1803, 1804, and 1805 while retaining CNJ Line No. 1108 running from Vineland to Lakehurst, with a connection in Winslow Junction for east-west service. Respondent stated that the PRSL line is in better condition and is a better clearance route.

—Mr. Wayne Rodan stated that the PRSL line is a shorter route, handling more carloads (785 versus 470).

—Owens Illinois said that the PRSL line from Vineland south to Millville and beyond, included in ConRail, will terminate at Vineland if line 1803 is eliminated as there is no physical connection between this Millville branch and the CNJ. Owens Illinois shipped 1,025 carloads in 1974.

—The City of Vineland stated that it understands switching facilities are planned in the vicinity of the Boulevards and Pear Street where the CNJ crosses the PRSL in downtown Vineland. This is an unacceptable plan to the city and 16,000 cars would have to be interchanged in a downtown shopping area. The city also stated that the interchange facilities at Winslow Junction are inadequate. The Vineland Safety Director is concerned about resultant traffic congestion and hindrance to the movement of emergency vehicles.

—The Railway Industrial Clearance Association states that the line is part of a through clearance route connecting with CNJ at Bridgeton Junction. It is vital for the movement of excessive dimension machinery to industries in southern New Jersey.

—This route is an overhead route for 10,000–12,000 carloads of sand per year from sand pits south of Vineland to glass plants in Camden and other points.

—Many witnesses called for consideration of line segments 1803 and 1805 as one branch.

—T and T Freezers testified that its traffic was not included because it was billed at Vineland. The company stated that its \$500,000 contribution to the area's economy as well as its plant investment would be lost without rail service.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected 1974-75
PNC, Newfield	...	...	6 1974-75 1974-75
Sandbrook Farms, Sandbrook	...	67	...
Ridgely, Newfield	61	92	100-125
T & T Proctor, Milepost 39.5	39	90	...
Carmen Paladino, Newfield	18	19	...
Lawrence Pepper	...	1 16,000	...
Imure Foods, Vineland	225	247	200-225
ECHO	167	130	...
1 Sand.	...	...	...

USRA ANALYSIS BRIDGETON BRANCH USRA Line No. 1804 Pennsylvania-Reading Seashore Lines



The Bridgeton Branch extends from *Glassboro* (Milepost 17.8) to *Bridgeton, N.J.* (Milepost 36.0), a distance of *18.2 miles*, in Gloucester, Salem, and Cumberland Counties, New Jersey. At Glassboro, this line connects with the Millville Branch Line of the PRSL. At Bridgeton Junction, it connects with the Red Bank to Bridgeton Line of the CNJ, and the CNJ-C. & M.R. Branch. All lines except the last are also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Glassboro	462
Elmer	223
Husted	4
Bridgeton	1,216
Total carloads generated by the line	1,904
Number of round trips per year	250
Established time per round trip (hours)	8.0
Revenue received by PRSL	\$192,900
Average revenue per carload	\$102
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	278,376
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	130,650
Total variable (avoidable) cost	409,026
Net contribution (loss): total	(216,126)

USRA Recommendation

Although the preliminary recommendation is that the Bridgeton Branch not be included in the ConRail system, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The New Jersey Farm Bureau states that elimination of this line would be very detrimental to the agricultural industry in the area.

—Schalick Mills, of Elmer, received 158 carloads of grain in 1973. This would increase by as much as 50 cars in the event of reduced Midwest agricultural output, such as occurred in 1974. Loss of service over this line would cause the mill to close since the extra cost for utilizing motor freight and construction of new unloading and storage facilities would be prohibitive. Closing would create a hardship for farmers in the area since Schalick is one of only two suppliers for certain feed products.

—Schalick Mills also states that 61 other carloads were received by customers of the PRSL in Elmer.

—Hunt Wesson has a new plant on this line which expects to ship 335 carloads in the year beginning April 11, 1975. It estimates a \$2 million annual additional expense if forced to use motor freight.

—Seabrook Agricity, a several thousand acre unit development, is in advanced planning stages at this time. Upon completion, it projects a 40,000 population and expects to generate considerable rail traffic.

—The Railway Industrial Clearance Association states that this line is part of a through clearance route to Southern New Jersey, connecting with the CNJ at Bridgeton. This segment is vital to the movement of outsize machinery to industries in South New Jersey since alternative routes via CNJ or other PRSL lines have restrictive clearances.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 1,894 cars on this line generated a total revenue of \$1,368,094 however, only \$192,900 was attributed to the line.

1805 NEW JERSEY

USRA ANALYSIS PORTION OF MILLVILLE BRANCH USRA Line No. 1805 Pennsylvania-Reading Seashore Lines



This portion of the Millville Branch extends from Woodbury (Milepost 9.7) to Glassboro, N.J. (Milepost 18.0), a distance of 8.3 miles, in Gloucester County, New Jersey. At Woodbury, this line continues to Camden. At Glassboro, it connects with the Bridgeton Branch of the PRSL, and the line also continues to Dorchester. The former line and the segment of the latter line from Glassboro to Vineland are also under study in this Report. At Woodbury, this line also intersects the Penns Grove Branch and the Salem Branch, both PRSL.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Sewell	150
Pitman	31
Total carloads generated by the line	
Number of round trips per year	52
Estimated time per round trip (hours)	3.6
Revenue received by PRSL	\$16,034
Average revenue per carload	\$84
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$8,730
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	16,007
Total variable (avoidable) cost	\$9,737
Net contribution (loss): Total	(\$8,703)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—This line would require no upgrading according to Amstar Corporation. This is in contrast to Line 1100, the CNJ line to be included in ConRail, which will require substantial rehabilitation and cannot handle the clearance loads that this line can. The Railway Industrial Clearance Association calls for the retention of this line as a through clearance route to Southern New Jersey.

—Amstar Corporations reported 621 carloads generated on this line in 1973 as follows:

Company	1973
Amstar Corporation	36
Crown Zellerbach	8
Owens Illinois Glass	1
Pier 1 Imports	6
Sealsweet Packers	3
Glassboro Cold Storage Co.	1
South Jersey Gas Co.	2
Pitman Cold Storage Co.	2
Hungerford & Terry	1
Zeolite Chemical Co.	1
Inversand Co.	1

Total

—Middle Atlantic Millwork Co., at milepost 10.2, received 305 carloads in 1973.

—C. M. Kandle Co. of Pitman reported to New Jersey DOT that it received 11 carloads in 1973.

—Amstar Corporation projects a 34 percent increase in traffic through 1980 (36 cars), that it will be required to install \$70,000 worth of unloading equipment, and will incur an additional \$38,100 per year for truck deliveries, if rail service is discontinued.

—Owens Illinois projects future usage of 800 carloads per year.

—New Jersey DOT reports "USRA Line 1805 was, apparently, analyzed primarily on the basis of its local service. However, little weight was given to its value as a bridge route for traffic generated beyond Glassboro. Overhead traffic, alone, accounted for 10 to 12 thousand carloads of sand per year from the sand pits below Vineland, in addition to industrial traffic from both the Bridgeton Branch and the Millville Branch below Glassboro. Also, this line is vital as a through clearance route for oversize freight. These factors must be taken into consideration by the USRA analysis of this portion of the Millville Branch."

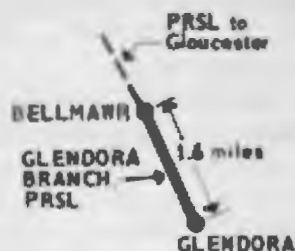
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 190 cars on this line generated a total revenue of \$113,740; however, only \$16,034 was attributed to the line.

USRA ANALYSIS

PORTION OF GLENDORA BRANCH

USRA Line No. 1806

Pennsylvania-Reading Seashore Lines



This portion of the Glendora Branch extends from Bellmawr (Milepost 7.9) to Glendora, New Jersey (Milepost 9.5), a distance of 1.6 miles, in Camden County, New Jersey. At Bellmawr, this line continues to Gloucester.

PUBLIC RESPONSE AND RSPO COMMENT

—Consideration should be given to the total revenue that would be lost to Conrail without this segment. The 118 cars on the line generate \$93,119 of which only \$13,171 is attributed to the branch.

—The estimated time per round trip appears to be high considering the traffic, and the length and condition of the line.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Runnemede	72
Glendora	46
Total carloads generated by the line	118
Number of round trips per year	50
Estimated time per round trip (hours)	2.7
Revenue received by PRSL	\$13,171
Average revenue per carload	<u>\$112</u>
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	21,905
Cost of upgrading branch line to PRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	<u>7,165</u>
Total variable (avoidable) cost	<u>29,060</u>
Net contribution (loss): total	(15,000)

USRA Recommendation

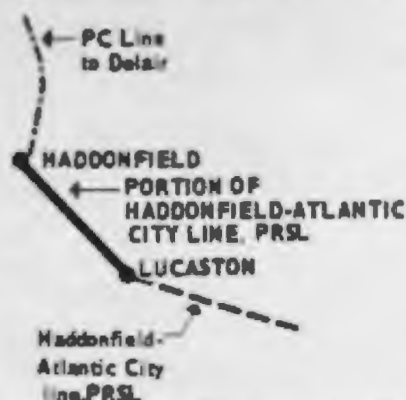
It is not recommended that this portion of the Glendora Branch be included in the ConRail System.

USRA ANALYSIS

PORTION OF CAMDEN TO ATLANTIC CITY LINE

USRA Line No. 1807

Pennsylvania Reading Seashore Lines



This portion of the Camden to Atlantic City Line, extends from *Haddonfield* (Milepost 6.1) to *Lucaston, N.J.*, (Milepost 13.6), a distance of 7.5 miles, in Camden County, New Jersey. At Haddonfield, this line connects with the PC line running to Delair. At Lucaston, this line continues to Atlantic City.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Woodcrest	25
Kirkwood	4
Total carloads generated by the line.....	
Number of round trips per year.....	50
Estimated time per round trip (hours).....	1.8
Revenue received by PRSL.....	\$4,941
Average revenue per carload.....	170

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	58,080
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	2,023
Total variable (avoidable) costs.....	61,083
Net contribution (loss): total.....	(56,122)

USRA Recommendation

It is *not* recommended that this portion of the Camden to Atlantic City Line be included in the ConRail System

PUBLIC RESPONSE AND RSPO COMMENT

—Several commuters report this line is utilized by 100 commuters per day and has potential for greater use. The State of New Jersey subsidizes passenger service on the line.

—The Chamber of Commerce states that the line is being considered for an extension of PATCO (mass transit system).

—The New Jersey DOT states:

"At this time, local freight service on the line between Haddonfield and Winslow Junction is provided by an assignment operating out of Pavonia Yard, Camden, and operating on the Clementon Branch to Winslow Junction and then back westward to Haddonfield. This arrangement involves considerable circuitry because of Penn Central ownership of the line between Haddonfield and Pavonia Yard. Once ConRail is in existence, the use of the Penn Central from Pavonia to Merchantville then the Haddonfield-Lucastown might be the more desirable method of operating the local freight providing service on the line between Haddonfield and Winslow Junction. The exclusion of this line at this time would foreclose an option of ConRail that could result in considerable operating efficiencies and economic goals of the Act.

"On this basis, the line should be recommended for inclusion in the final system."

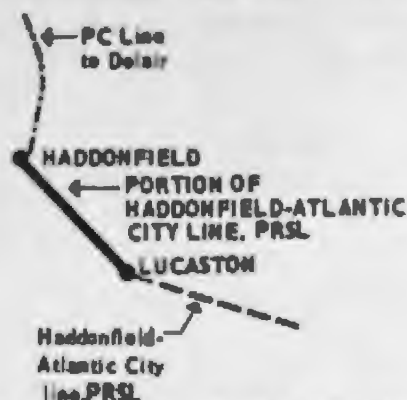
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 the 29 cars on this line generated a total revenue of \$35,000; however, only \$4,941 was attributed to this line.

1807 NEW JERSEY

USRA ANALYSIS PORTION OF CAMDEN TO ATLANTIC CITY LINE

USRA Line No. 1807

Pennsylvania Reading Seashore Lines



This portion of the Camden to Atlantic City Line, extends from *Haddonfield* (Milepost 8.1) to *Lucaston, N.J.*, (Milepost 13.6), a distance of 7.5 miles, in Camden County, New Jersey. At Haddonfield, this line connects with the PC line running to Delair. At Lucaston, this line continues to Atlantic City.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Woodcrest	25
Kirkwood	4
Total carloads generated by the line	29
Number of round trips per year	50
Estimated time per round trip (hours)	1.5
Revenue received by PRSL	\$4,941
Average revenue per carload	170
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	50,030
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	2,031
Total variable (avoidable) costs	61,061
Net contribution (loss): total	(56,122)

USRA Recommendation

It is *not* recommended that this portion of the Camden to Atlantic City Line be included in the ConRail System

PUBLIC RESPONSE AND RSPO COMMENT

—Several commuters report this line is utilized by 100 commuters per day and has potential for greater use. The State of New Jersey subsidizes passenger service on the line.

—The Chamber of Commerce states that the line is being considered for an extension of PATCO (mass transit system).

—The New Jersey DOT states:

"At this time, local freight service on the line between Haddonfield and Winslow Junction is provided by an assignment operating out of Pavonia Yard, Camden, and operating on the Clement Branch to Winslow Junction and then back westward to Haddonfield. This arrangement involves considerable circuitry because of Penn Central ownership of the line between Haddonfield and Pavonia Yard. Once ConRail is in existence, the use of the Penn Central from Pavonia to Merchantville then to Haddonfield-Lucaston might be the more desirable method of operating the local freight providing service on the line between Haddonfield and Winslow Junction. The exclusion of this line at this time would foreclose an option of ConRail that could result in considerable operating efficiencies and economic, both goals of the Act.

"On this basis, the line should be recommended for inclusion in the final system."

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 the 29 cars on this line generated a total revenue of \$35,000; however, only \$1,941 was attributed to this line.

USRA ANALYSIS PORTION OF OCEAN CITY BRANCH USRA Line No. 1808 Pennsylvania-Reading Seashore Lines



This portion of the Winslow and Cape May Line, extends from *Palermo* (Milepost 59.6) to *Ocean City, N.J.* (Milepost 66.4), a distance of *6.8 miles*, in Cape May County, New Jersey. At Palermo this line continues until it reaches the PRSL Cape May line at Tuckahoe.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Ocean City	116
Total carloads generated by the line	116
Number of round trips per year	62
Estimated time per round trip (hours)	1.5
Revenue received by PRSL	\$11,572
Average revenue per carload	\$100
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	\$1,142
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	7,295
Total variable (avoidable) cost	\$8,437
Net contribution (loss) total	(\$2,865)

¹ Excludes maintenance due to the presence of commuter services.

USRA Recommendation

It is *not* recommended that this portion of the Winslow and Cape May line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Mayor of Ocean City and others expressed concern for the retention of passenger service on this line between Palermo and Ocean City.

—New Jersey DOT supports the statement of the USRA in its preliminary recommendation that "The inclusion of this smaller bankrupt carrier in ConRail will improve carrier revenue as the acquiring road can "long haul" the traffic. The present carloads per mile indicate that the line may be viable under this circumstance."

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 116 cars on this line generated a total revenue of \$82,066; however, only \$11,572 was attributed to the line.

NEW JERSEY CONTINUATIONS

NJ-1107

and northeastern New Jersey, and the bulk of this line runs through residential zones.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 117 cars on this line generated a total revenue of \$198,406; however, only \$33,586 was attributed to the line.

NJ-1803

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 the 251 cars on this line generated a total revenue of \$300,098, however, only \$42,309 was attributed to the line.



NEW YORK

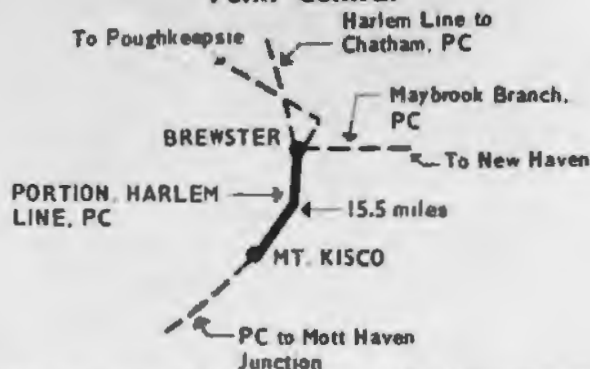
USRA line number	Terminals	USRA line number	Terminals
Intrastate		LV	
66	Mount Kisco to Brewster	1015	Owego, N. Y. to Sayre, Pa.
66c	Wassaic to Millerton	1016	Van Etten Junction, N. Y. to Sayre, Pa.
67	Millerton to Ghent		
68	Bay Ridge at Bay Ridge		
80	Camden to McConnellsville		
81	Rotterdam Junction to South Fort Plain		
83a	South Utica to New York Mills		
84	West Shore Secondary Track at New York Mills		
85	Oncida Castle to Vernon		
86	East Syracuse to Fayetteville		
87	Malone to Canadian Border		
89a	DeKalb Junction to Ogdensburg		
90	Emeryville to Edwards		
92/93	Watertown to Limerick		
95	Cayuga to Auburn		
98	Canadaigua to Victor		
100/101	Akron Junction to Transit Road		
102	Williamson to Oswego		
103/104	Williamson to Windsor Beach		
105/107	Charlotte to Riverview		
108	Newark to Sodus Point		
109/110	Newark to Marion		
111	Windsor Beach to Rochester		
114a	Rochester to Scottsville Yard		
137	Kingston to Bloomville		
230a	Southport to Elmira		
231a	Elmira to Horseheads		
231b	Watkins Glen to Starkey		
233/234	Seneca Castle to Penn Yan		
238	Canadaigua Track at Stanley		
246	16th Street Track at Olean		
248	Brocton to Mayville		
666a	Green Island to Crescent		
670	Rome to McConnellsville		
671	Geneva to Cayuga		
LV			
1000	Rochester to Lima		
1002	East Ithaca to Cortland		
1003	Owego to Mead		
1017	Van Etten Junction to Ithaca		
1020	Van Etten Junction to Geneva Junction		
1021	Geneva Junction to Geneva		
1022	Geneva to Rochester Junction		
1023	Batavia to P & L Junction		
1025	P & L Junction to Rochester Junction		
Interstate			
PC			
New York to Pennsylvania			
249	Mayville, N. Y. to Corry, Pa.		
260	Falconer, N. Y. to North Warren, Pa.		

USRA ANALYSIS

PORTION OF HARLEM LINE

USRA Line No. 66

Penn Central



This portion of the Harlem Line, formerly part of the New York Central RR, extends from *Mt. Kisco* (Milepost 36.6), to *Brewster, N.Y.* (Milepost 52.1), a distance of 15.5 miles, in Westchester and Putnam Counties, N.Y. A continuation of this line extends northward from Brewster to Chatham (also under study in this Report) as far as Ghent. A southerly continuation of this line runs from Mt. Kisco to Mott Haven Junction. The Harlem line connects at Brewster with the Maybrook Branch of the PC.

Summary of USRA Data

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

Mt. Kisco ¹	1,612
Bedford Hills	4
Katonah	0
Goldens Bridge	20
Purdys	0
Croton Falls	1

Total carloads generated by the line	1,637
Number of round trips per year	300
Estimated time per round trip (hours)	12

¹ Includes only traffic on segment

Revenue received by PO	\$553,681
Average revenue per carload	\$338
variable (avoidable) cost to continued service:	
Cost incurred on the branch line	\$227,840
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	443,084
Total variable (avoidable) cost	670,874
Net contribution (loss): total	(116,995)

¹ Excludes maintenance cost due to commuter operation by M.T.A.

USRA Recommendation

It is recommended that freight service be provided over the Harlem Line between Milepost 36.6 and Milepost 37.7.

It is *not* recommended that freight service over the

portion of the Harlem Line between Milepost 37.7 and Milepost 52.1 be provided by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Consolidated Edison Corp. states that this line is necessary for the shipment of oversized electrical and mechanical equipment to its substations in the area. The company noted that if a major piece of transformer equipment fails while in service, it must be returned to the factory for repair.

—New York State Electric and Gas Corporation received two 50-ton transformers at Golden's Bridge team track in 1974. No further shipments are planned. The company stated that rail service is essential. It is the only means of transportation which could carry the transformers to the manufacturer for repair.

—General Electric Company reported that it ships large transformers over this line.

—Grand Union stated that it needs the Harlem Line for shipment of Plate C cars.

—Alternate routes to this line have clearance problems. The Hudson Division has a third rail below Croton-Harmon. Plate C cars can neither move under low bridges in the Bronx and southern Westchester County, nor next to other moving equipment on the Hudson Division.

—Several witnesses noted that there is no connection between the Harlem Line and the PC Maybrook Branch at Brewster. It was estimated that a connection could be built for \$100,000.

—The County Executive of Westchester County stated that, according to USRA's statistics, this segment produces more revenue than Line 66a which was included in the system.

—The Westchester Planning Board reported that it has adopted land use planning concepts. These recommend that the most intensive land uses be clustered in centers along transportation corridors. The Northern Saw Mill Valley and the Harlem Division are the most essential of such corridors in northern Westchester County.

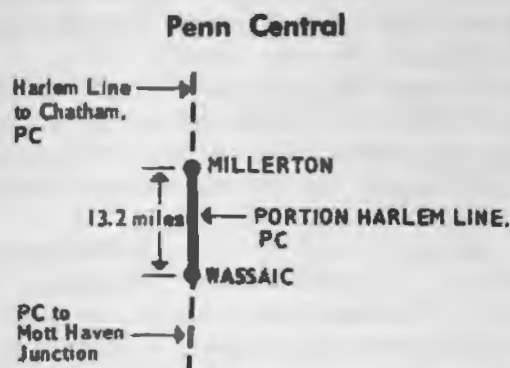
—Much of the testimony was concerned with preserving the entire Harlem Valley Line. See other comments under USRA Lines 66c and 67.

—The estimated time per round trip appears very high. Even though the line meets FRA Class I track standards, the estimated time per round trip is 12 hours, even though the distance involved is only 15.5 miles.

USRA ANALYSIS

PORTION OF HARLEM LINE

USRA Line No. 66c



This portion of the Harlem Line, formerly part of the New York Central RR, extends from *Wassaic* (Milepost 81.6) to *Millerton*, N.Y. (Milepost 94.8), a distance of *13.2 miles*, in Dutchess County, N.Y. This line extends northward to Chatham from Millerton (also under study in this Report as far as Ghent). A southerly continuation of this line extends from Wassaic to Mott Haven Junction via PC. The portion from Wassaic to Mt. Kisco is also under study in this Report.

Summary of USRA Data

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

Amenia	213
Sharon	4
Millerton	304

Total carloads generated by the line.....	521
Number of round trips per year.....	100
Estimated time per round trip (hours).....	1.8
Revenue received by PC.....	\$168,667
Average revenue per carload.....	324

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	106,416
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	15,735
Cost incurred beyond the branch line..	141,735

Total variable (avoidable) cost..... 263,886

Net contribution (loss): total..... (95,219)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Agway reported that, at Sharon Station it shipped 248 carloads in 1973 (New York DOT pointed out these carloads were overlooked in USRA's calculations) and 275 carloads in 1974. Agway stated that corrected carload data would result in a revised average of 57.9 carloads per mile. With effective service, Agway predicted total shipments could reach 69.8 carloads per mile. The Agway facility projects 450 carloads per year.

—At Millerton, Agway received 78 carloads in 1973.

—Kerr-McGee Chemical Corp., in Amenia, shipped 80 carloads in 1974, and expects to ship 84 carloads in 1975 and 90 carloads in 1976. The company reported that its plant is operating at only 66 percent of capacity.

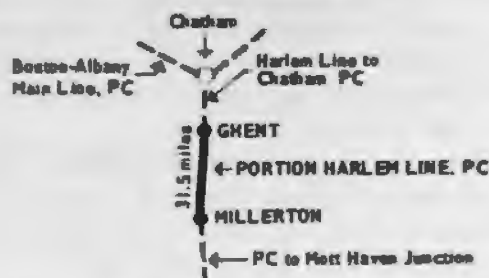
—According to the Town of Northeast, the New York DOT Rail Transportation Program planned for the rehabilitation of this line from Millerton, milepost 94.8, to Dover Plains, milepost 76.6. This was planned to restore passenger service from Millerton to New York City. The town pointed out that a passenger service contract would reduce the branch costs of ownership and maintenance.

USRA ANALYSIS

PORTION OF HARLEM LINE

USRA Line No. 67

Penn Central



This portion of the Harlem Line, formerly part of the New York Central RR, extends from *Millerton* (Milepost 94.8) to *Ghent, N.Y.* (Milepost 126.3), a distance of *31.5 miles*, in Dutchess and Columbia Counties. A northerly continuation of this line extends from Ghent to Chatham, where it connects with the Boston-Albany Line, PC. A southerly continuation extends from Millerton to Mott Haven Junction (the portion from Millerton to Mt. Kisco is also under study in this report). In August 1972, the PC applied to the ICC for the abandonment of this line (Docket No. AB-5, Sub. 85). On September 25, 1974, the PC applied to the USRA for abandonment of this line (USRA Docket No. 75-46). No action has been taken on either application.

Summary of USRA Data

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

Copake Falls.....	16
Hilldale	31
Phillmont	28
Total carloads generated by the line.....	75
Number of round trips per year.....	50
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$28,539
Average revenue per carload.....	\$381

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	206,653
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	82,132
Cost incurred beyond the branch line ..	21,496

Total variable (avoidable) cost..... 260,281

Net contribution (loss): total..... (231,742)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—According to the Columbia County Pomona Grange, this segment serves a high impact agricultural area with 550 commercial farms. They are operated on 135,000 acres with the annual gross income of \$30 billion.

—Consolidated Edison Corp., reported that this segment is necessary for shipment of oversized electric equipment. It noted that reduced maintenance on this line has already made it inaccessible to the company's shipments.

—The Harlem Valley Transportation Association, introduced numerous letters from area private schools and environmental organizations which favored resumption of passenger service from Pittsfield, Massachusetts to New York City over this line.

—Donald Walsh reported that the following companies use rail service at Millerton: Suburban Propane, Wayne Feeds, Bloch's Furniture, Inc., and Samuel Deull Lumber Co.

USRA ANALYSIS

PORTION OF THE BAY RIDGE SECONDARY TRACK

USRA Line No. 68
Penn Central

This portion of the Bay Ridge Secondary Track, formerly part of the Pennsylvania RR, extends from Bay Ridge (Milepost 0.0) to Parkville, N.Y. (Milepost 3.4), a distance of 3.4 miles, in Kings County, N.Y. A continuation of this line runs in a northeasterly direction from Parkville to Fremont. At Parkville this line connects with the South Brooklyn Railway.

Summary of USRA Data

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

Bay Ridge.....	45
Parkville ¹	31

Total carloads generated by the line.....	76
Number of round trips per year.....	52
Estimated time per round trip (hours).....	0.8

¹ Includes only traffic on segment.

Revenue received by PC.....	\$41,456
Average revenue per carload.....	\$545

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	26,161
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	1,940
Cost incurred beyond the branch line.....	25,105

Total variable (avoidable) cost.....	53,106
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Net contribution (loss): total.....	(11,650)
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USRA Recommendation

It is *not* recommended that this portion of the Bay Ridge Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to the New York DOT, G&R Packing Co., the only shipper on this line, generates 187 carloads annually. USRA attributed only 76 carloads to G&R in 1973.

—The following companies testified that continued service by the New York Dock Railway is essential to their operation: Prudential Lines, Inc.; Supreme Equipment and System Corp.; Guide Systems Supply; Hellenic Lines; Moore-McCormack; American Export Lines Universal Maritime Services and Warshaw Manufacturing Company.

—Several witnesses pointed out that discontinuing service on this line, coupled with the surcharge on float operations in New York Harbor, could ruin New York as a port city.

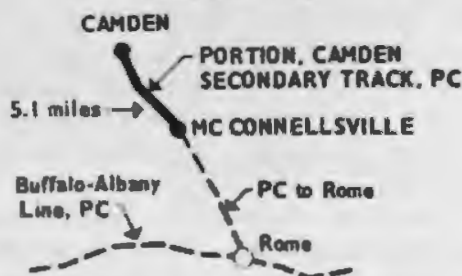
—Northeast Marine Terminal reported that it handled 568 cars in 1974. When fully developed, the terminal will cover 280 acres and have facilities for 20 ships at once.

USRA ANALYSIS

PORTION OF THE CAMDEN SECONDARY TRACK

USRA Line No. 80

Penn Central



This portion of the Camden Secondary Track formerly part of the New York Central RR, extends from Camden (Milepost 22.9) to McConnellsville, N.Y. (Milepost 28.0), a distance of 5.1 miles, in Oneida County, N.Y. A continuation of the line runs to Rome where it connects with the Buffalo-Albany Line of the PC.

Summary of USRA Data

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

Camden	174
Total carloads generated by the line.....	174
Number of round trips per year.....	60
Estimated time per round trip (hours).....	2.5
Revenue received by PC.....	\$62,129
Average revenue per carload.....	\$357

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	45,833
Cost of upgrading branch line to FRA class I: (1/10 of total upgrading cost).....	7,349
Cost incurred beyond the branch line.....	49,941

Total variable (avoidable) cost..... 103,123

Net contribution (loss): total..... (40,994)

USRA Recommendation

It is *not* recommended that the Camden Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPQ COMMENT

—Testimony pointed out that elimination of this line would end all intermodal competition. There are no air, water, or other rail facilities in the area.

—Agway noted that its data submitted at RSPQ hearings in 1974 was not considered by USRA.

—Agway reported that it received 85 carloads at Camden in 1973. They suggested that if shippers on the McConnellsville to Rome segment of the line (USRA Line No. 670) could adjust to the frequency of service on the McConnellsville to Camden segment—60 roundtrips per year—the cost of providing service would be reduced. Average carloads per mile for the entire line would be 48.6. Average carloads per train would be 13.8.

—Mohawk Valley Wholesale Grocers, Inc., shipped 25 carloads in 1974. The firm requests that line 80 and line 670 be considered as one segment.

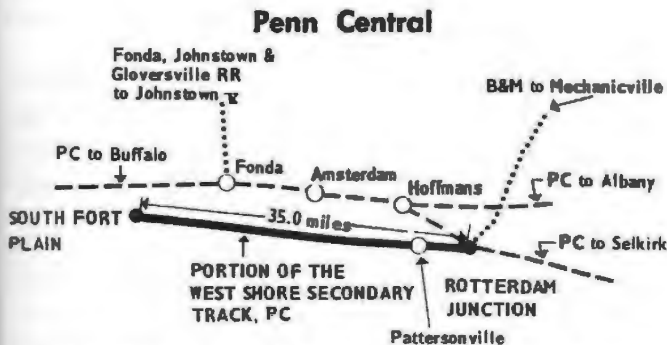
—Rochester Shoe Tree Company received 14 carloads in 1974. The company anticipates its inbound shipments of lumber to increase at the rate of 10 to 15 percent per year for the next five years. If the company were to lose rail service, it would either greatly curtail or close its operation.

—The Rome Industrial Development Corporation reported that Camden Agway shipped 68 carloads over this line in 1974. It expects to ship 70 carloads in 1975. The corporation also reported that Rowell Feed shipped 12 carloads in 1974.

USRA ANALYSIS

PORTION OF THE WEST SHORE SECONDARY
TRACK

USRA Line No. 81



This portion of the West Shore Secondary Track, formerly part of the New York Central RR., extends from *Rotterdam Junction* (Milepost 159.5) to *South Fort Plain, N.Y.* (Milepost 194.5), a distance of 35.0 miles, in Schenectady and Montgomery Counties, New York. This line connects at Rotterdam Junction with the Hoffmans Branch and the West Shore Branch of the PC, and with the Boston & Maine RR.

Summary of USRA Data

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

S. Amsterdam	144
Fultonville	28
Canajoharie	1,063
South Fort Plain	361

Total carloads generated by the line	1,596
Number of round trips per year	150
Estimated time per round trip (hours)	12.0
Revenue received by PC	\$595,413
Average revenue per carload	\$373

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	386,738
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	28,213
Cost incurred beyond the branch line	458,275

Total variable (avoidable) cost 871,226

Net contribution (loss): total (275,813)

USRA Recommendation

It is *not* recommended that this portion of the West Shore Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Both Baker-Beechnut Corp. and Life Savers, Inc. have major operations at Canajoharie which rely on rail service.

—Baker-Beechnut generates over 900 carloads annually. The company is a leader in the highly competitive baby food industry and could not absorb the increased cost of trucking.

—Wherever possible, Baker-Beechnut is transferring its customers from truck to rail. As a result it now predicts that it will generate an additional 422 carloads in 1975.

—Life Savers is considering expanding its confection products line by adding manufacturing facilities at Canajoharie before mid-1976.

—Life Savers projects that it will receive 444 carloads in 1976 and 572 in 1977. If the company's planned expansion takes place, it would generate an additional 2,400 tons outbound in 1976 and an additional 10,000 tons outbound in 1977.

—It was reported that Baker-Beechnut and Life Savers together employ over 1,700 people. There is no other industry in the Mohawk Valley that could absorb these employees should the two firms restrict or discontinue their operations.

—A shift from rail service to truck would cost Baker-Beechnut \$1,797,000 per year. Additional costs to Life Savers would amount to \$200,000.

—Agway reported that it has made a down payment on land, track, and an old freight house in South Amsterdam which it intends to use for the storage of bag fertilizer. A nitrogen storage tank would also be erected on the premises. This facility would need rail service.

—Agway has a new fertilizer plant in Fultonville which received 6 carloads in 1973 and 26 in 1974. The facility is expected to receive 84 carloads in 1975. Agway noted that 30 percent of the cars received in Fultonville in 1973 and 1974 were tank or covered hopper cars owned by Agway. This means that on-branch car days and car costs used by USRA for 1973 are overstated.

—Texgas, a division of Allied Chemical, reported that it has a distribution center for handling propane gas at South Fort Plain. The facility received 24 privately owned 30,000 gallon tank cars of propane gas in 1974.

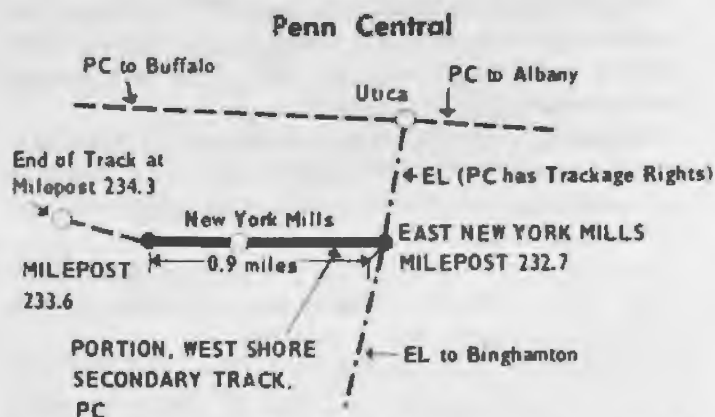
—Nathan's Waste and Paperstock Co., Inc. shipped approximately 16 carloads over the line in 1974. The company, which is in the recycling business, intends to triple its use of rail service in the next few years.

Continued on page 384

USRA ANALYSIS

PORTION OF WEST SHORE SECONDARY TRACK

USRA Line No. 83a



This portion of the West Shore Secondary Track, formerly part of the New York Central RR, extends from Milepost 232.7 near South Utica, to Milepost 233.6 near New York Mills, N.Y., a distance of 0.9 mile, in Oneida County, New York. The continuation of this line, also under study, continues westward from Milepost 233.6. The line connects at Milepost 232.7 with the Erie Lackawanna Ry.

Summary of USRA Data

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

New York Mills ¹	176
Total carloads generated by the line.....	176
Number of round trips per year.....	45
Estimated time per round trip (hours).....	1.0

¹ Includes only traffic on segment

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	10,793
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	1,841
Cost incurred beyond the branch line.....	45,744

Total variable (avoidable) cost..... 67,351

Net contribution (loss): total..... (10,707)

USRA Recommendation

It is *not* recommended that this portion of the West Shore Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—It was reported that the following companies are users of this line: Vicks Lithograph and Printing Corporation; Westinghouse Electric Corporation; O. W. Hubbell & Sons; S. C. I. Plywood Company; Rich Plan of Utica; Bonide Chemical Company; Alling and Cory; H. Waterbury & Sons; and General Electric Company (AED).

—Alling and Cory reported that these shippers have an annual business volume of over \$31 million and employ over 540 people. The firm disputed USRA's figures, contending that the viability analysis showed 1973 carloads as 199, not 176 as USRA reported. The same analysis showed revenues for the line of \$65,692, which is \$9,048 more than indicated by USRA.

—Alling and Cory, a paper distribution firm, constructed a new warehouse on the line in 1972 at a cost of \$1 million. The location was chosen because of its rail service. Many of the firm's suppliers, such as Scott Paper Company of Chester, Pennsylvania, are oriented for rail shipment only.

—S. C. I. Plywood of New York Mills receives from 50 to 80 carloads of lumber per year from the west coast. If the firm lost rail service, it would be forced to close or relocate, at an estimated cost of \$300,000.

—General Electric reported that a major portion of its business is with the Department of Defense which requires a secure means of transportation.

—D. W. Hubbell & Sons, Inc., guard railing contractors, would ship more by rail if service were improved. The company anticipates receiving increased shipments of steel from Chicago. This could amount to 125 carloads per year.

—The Rich Plan of Utica uses the line to receive household freezers.

—Bonide Chemical of Yorkville needs rail service to expand its business. Its current location was chosen because of rail availability. Bonide currently receives raw materials by other means which could account for 23 to 25 carloads per year.

—The De Lia Industrial site, located on this segment, is a potential generator of new rail traffic.

—H. Waterbury & Sons Company, a manufacturer of wet felts for the paper making industry, has a warehouse at New York Mills with a 144-foot dock for rail loading.

—Vicks Lithograph and Printing Corporation of Yorkville stated that over 80 percent of its printing paper is shipped by rail. The firm's development was not complete in 1973.

Continued on page 384

USRA ANALYSIS

PORTION OF WEST SHORE SECONDARY TRACK

USRA Line No. 84



This portion of the West Shore Secondary Track, formerly part of the New York Central RR, extends from *Milepost 233.6 near New York Mills, N.Y.*, to *End of track at Milepost 234.3*, a distance of *0.7 miles*, in Oneida County, N.Y. A continuation of this line is also under study in this Report. In November 1972, the PC applied for permission to abandon this line and replace service by trackage rights over a nearby Erie Lackawanna line. No action has been taken.

Information for Line Retention Decision

Highway construction now being undertaken by the State of New York would necessitate substantial investment on the bridge on this line. The state is prepared to construct a siding between Niagara Mohawk Power Co. (the only shipper on this line) and the Erie Lackawanna in order to avoid interference with the highway construction.

USRA Recommendation

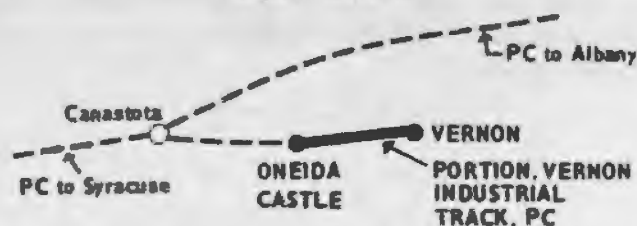
It is *not* recommended that this portion of the West Shore Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Delaware Otsego Corporation which operates the Central New York Shortline Railroad, advised USRA that it is willing to acquire the entire EL line, including the Penn Central branch to New York Mills in order to protect its investment in the Central New York.

USRA ANALYSIS

PORTION OF VERNON INDUSTRIAL TRACK USRA Line No. 85 Penn Central



This portion of the Vernon Industrial Track, formerly part of the New York Central RR, extends from Vernon (Milepost 246.3), to Oneida Castle, NY (Milepost 252.5), a distance of 6.2 miles, in Oneida County, New York. The continuation of this line extends westward from Oneida Castle. It is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Vernon	269
Oneida Castle ¹	85
Total carloads generated by the line	354
Number of round trips per year	75
Estimated time per round trip (hours)	2.0
¹ (Includes only traffic on segment.)	
Revenue received by PC	\$146,008
Average revenue per carload	\$403
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	65,140
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	6,238
Cost incurred beyond the branch line ...	98,320
Total variable (avoidable) cost	169,698
Net contribution (loss): Total	(23,092)

USRA Recommendation

It is recommended that the portion of the Vernon Industrial Track from Milepost 252.5 to Milepost 251.9 be included in the ConRail System.

It is *not* recommended that the portion of the Vernon Industrial Track from Milepost 251.9 to Milepost 246.7 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pohl's Agway ships grain mill products and special machinery over the line. Pohl's generated 219 carloads in 1973 and 185 in 1974 and expects to ship 200 carloads per year in the future. Loss of service would mean Pohl's would have to truck from a siding in Oneida or Canastota at an additional cost of \$46,000 which would have to be passed along to farmers.

—Vernon Milling Co. received 100 carloads in 1973 and 105 carloads in 1974. The firm expects this volume to continue. It would go out of business if it lost rail service.

—Oneida, Ltd., the largest manufacturer of flatware in the world, reported that it shipped 240 carloads of coal per year until 1972. In that year Oneida changed to oil and natural gas to meet environmental standards. The firm noted that rising costs or new environmental standards could force a reversion to coal, in which case its need for rail service would be renewed.

—Oneida Container Corp. chose its present location because of its rail service. The company shipped 4 carloads in 1973 and 4 in 1974. It expects its shipments to increase dramatically after 1976. Expansion plans include use of craft linerboards which must be shipped from the South.

—Dairylea Corp. had a large volume of rail shipments over the line in the past. It has discontinued use of the line because of poor service and damage to its shipments.

—Grant's Building Supply ships 5 carloads of lumber and dimension stock hardware per year.

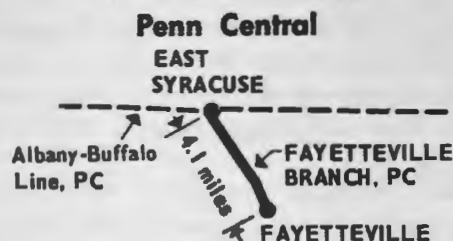
—Vernon Telephone Co. plans to expand its operation and will need rail service in the future for shipment of telephone poles.

—Eastern Crown, Inc. shipped 36 carloads in 1973.

USRA ANALYSIS

FAYETTEVILLE BRANCH

USRA Line No. 86



The Fayetteville Branch, formerly part of the New York Central RR, extends from *East Syracuse* (Milepost 5.8), to *Fayetteville, N.Y.* (Milepost 9.9), a distance of *4.1 miles*, in Onondaga County, New York. At East Syracuse, this line connects with the Albany-Buffalo Line of the PC.

Summary of USRA Data

Stations (with their 1978 carloads) served by this line:	
Fayetteville	111
Total carloads generated by the line.....	111
Number of round trips per year.....	60
Estimated time per round trip (hours).....	1.5
Revenue received by PC.....	\$40,999
Average Revenue Per Carload:.....	\$369
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	35,916
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	6,993
Cost incurred beyond the branch line.....	27,040
Total variable (avoidable) cost.....	69,949
Net contribution (loss): total.....	(28,950)

USRA Recommendation

It is *not* recommended that the Fayetteville Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The New York DOT reported that Penn Central's DICCS Report shows 215 carloads for Fayetteville in 1973, not 111 as reported by USRA. USRA stated that recovery of costs would require approximately a two-fold increase in traffic. Because USRA understated traffic on the line by more than half, the line currently carries sufficient traffic and should be included in the system.

—Figures submitted to RSPO indicated that the following 10 users of the line generated 935 carloads: 84 Lumber Co., Inc., 67 carloads; Sears, Roebuck & Co., 656 carloads; McIntosh Box & Pallet Company, 35 carloads; Ceco, Inc., 9 carloads; Wallgene Construction Co., 30 carloads; Energy Gases Co., 2 carloads; Doow Lumber Co., 34 carloads; Precision Castings Co., 23 carloads; McIntyre Brothers Paper Co., 33 carloads; and B. H. Tracy & Sons, Inc. 46 carloads. Lyndon Lawns Furniture Co. and Branch Nursery Co. also received carloads in 1973 at the Fayetteville team track.

—McIntyre Brothers Paper Co., Inc., manufactures lightweight, chemically neutral kraft tissue. The product is manufactured from selected grades of sulfate secondary fibers which are received on the team track of the Fayetteville branch. The product cannot be shipped by truck, and the company cannot relocate because the specialization of its product is directly related to the quality and characteristics of the water available from Limestone Creek.

—The Town Board of Manlius states its concern that loss of service over the line would adversely affect the ability of its businesses to receive supplies. —B. H. Tracey & Sons would eventually have to close its operation if it lost rail service.

—The Daer Road Industrial Park, McIntosh Box and Pallet Co. and Precision Casting would be severely affected by loss of service over the line.

—According to the Central New York Regional Transportation Authority, Champion International Corporation has a plant on the branch within the Syracuse switching district.

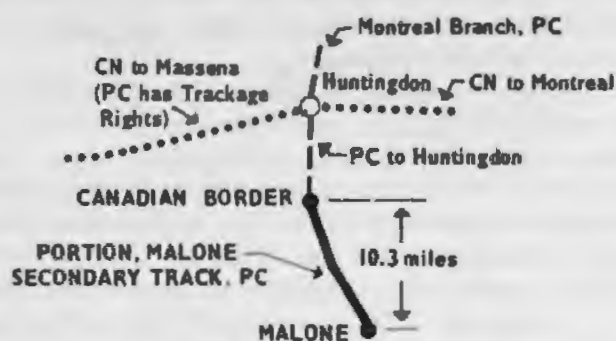
—Lumber Distributors, Inc., generated 50 carloads over the line in 1973 and 80 carloads in 1974.

USRA ANALYSIS

PORTION OF THE MALONE SECONDARY TRACK

USRA Line No. 87

Penn Central



This portion of the Malone Secondary Track, formerly part of the New York Central RR, extends from *Malone, N.Y.* (Milepost 0.0) to the *Canadian Border* (Milepost 10.3), a distance of 10.3 miles, in Franklin County, N.Y. A continuation of this line extends northward across the Canadian Border to Huntingdon, Quebec where it connects with the Canadian National Railways and the Montreal Branch of the PC. The PC also operates over the CN-GT from Huntingdon to Massena, N.Y.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line: Malone.....	480
Total carloads generated by the line:.....	480
Number of round trips per year.....	50
Estimated time per round trip (hours).....	12 0
Revenue received by PC.....	\$210, 718
Average revenue per carload.....	\$439
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	125, 225
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	7, 514
Cost incurred beyond the branch line.....	108, 030
Total variable (avoidable) cost.....	300, 769
Net contribution (loss): total.....	(90, 051)

USRA Recommendation

It is *not* recommended that this portion of the Malone Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Over 300 carloads of feed were shipped over this line in 1973. Without rail service, this feed would have to be trucked from the nearest rail terminal, a distance of 17.5 miles, at greatly increased cost.

—Franklin County has the highest unemployment rate—16 percent—in the state of New York.

—Malone Feed and Farm Supply, Inc. received 163 carloads in 1973.

—Clarence Collins & Son (dairy feeds), stated that trucking would be too expensive and that roads in the area were inadequate. The firm submitted over 225 letters from its customers stating the need of area farmers for continuing rail service.

—Several witnesses disputed USRA's figures especially the 12 hours stated as the estimated time on the line per round trip.

—The Town Attorney for the Town of Malone reported that train crews on the Malone run are taxied from Massena, New York to Huntingdon, Quebec. Another crew is taxied several times a week from Malone to Beauharnois, Quebec for switching.

—It is noted that, although viability analysis was based on 12 hours per trip, the USRA questionnaire showed only 3 hours per round trip. If the latter figure is valid, the crew and locomotive costs would be only 25 percent of the amounts stated by USRA. It was also noted that upgrading costs were assessed even though the questionnaire reflected that 50 percent of the line's ties are good. The good ties already on the line plus the 500 new ties recommended by USRA would result in 1,408 good ties per mile, a figure substantially in excess of the 640 good ties per mile required by FRA for Class I track.

USRA ANALYSIS

**OGDENSBURG SECONDARY TRACK AND
DEKALB BRANCH
USRA Line No. 89a
Penn Central**



The Ogdensburg Secondary Track, formerly part of the New York Central RR, extends from *DeKalb Junction* (Milepost 0.0), to *Ogdensburg, N.Y.* (Milepost 19.0), and the DeKalb Branch, also formerly part of the New York Central RR, extends from end-of-track near Ogdensburg (Milepost 132.5) to Ogdensburg (Milepost 134.3), for a combined distance of *20.8 miles*, in Saint Lawrence County, N.Y. At DeKalb Junction this line connects with the Massena Branch of the PC.

Summary of USRA Data

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

Ogdensburg	2,061
DeKalb Junction	0
Heuvelton	251

Total Carloads generated by the line	2,312
Number of round trips per year	250
Estimated time per round trip (hours)	5.0
Revenue received by PC	\$747,375
Average revenue per carload	\$323
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	250,655
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	23,654
Cost incurred beyond the branch line	632,200
Total variable (avoidable) cost	\$906,509
Net contribution (loss): total	(159,134)

USRA Recommendation

It is *not* recommended that the Ogdensburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The St. Lawrence County Board of Legislators reported that abandonment of this line would force the closing of two manufacturing firms and would jeopardize the employment of 1,238 people. Diamond International Corporation, one of the two at Ogdensburg, employs 350 and has an annual payroll of \$4,000,000. The company shipped 1,732 carloads in 1973 and 2,065 carloads in 1974. It would cost Diamond International \$634,000 more per year to ship by truck.

—The Standard Shade Division of Joanna Western Mills Co., in Ogdensburg, has an outbound average of 1,064 carloads per year and an inbound average of 48 to 50 carloads per year.

—Cooperative Marketing Agency (CMA) (Dairy Lea) in Ogdensburg, estimated that between 800 and 1,200 primary and secondary jobs would be lost if the line were abandoned. Direct economic loss in the area would be between \$7.2 million and \$10.8 million. CMA stated that the cost of transporting milk powder from Ogdensburg to New York City is 68 cents per cwt by rail and \$1 per cwt by truck.

—The Northeast Dairy Cooperative Federation, Inc. supported CMA's plea for continued service.

—SKF Mills, Inc. in Heuvelton stated that if it had a siding constructed it would ship 3 to 5 carloads of wood chips per week and on the average of 2 cars of lumber per week.

—Ogdensburg Bridge and Port Authority noted that St. Lawrence County ranks 61st among New York's 62 counties with per capita income of \$3,362. The only road service to the area is two-lane, and it would be very hard to attract new industry without rail service.

—Sperling's, Inc., with retail furniture stores in Ogdensburg, Massena, and Potsdam, has a new warehouse and distribution center in the urban renewal area of Ogdensburg. The warehouse was built in November, 1974. The company receives much of its furniture, most of its bedding, and some of its electrical appliances by rail.

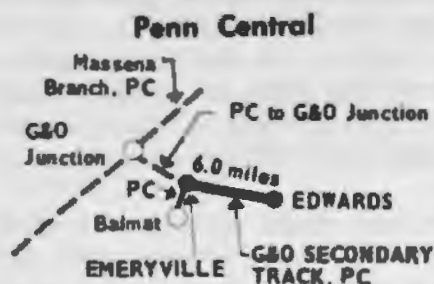
—The United Paperworkers International Union submitted copies of a petition containing approximately 4,000 signatures. The petition requested Senators Javits and Buckley and Representative McEwen to take every available step to include the Ogdensburg-DeKalb Junction line in ConRail.

—Other users of the line included Heuvelton Agway, which generated 60 carloads in 1973; McAdam Cheese Co., Inc. with 43 carloads in 1973; and Heuvelton Lumber Co., Inc. which generates approximately 10 to 15 carloads per year.

USRA ANALYSIS

PORTION OF THE G&O SECONDARY TRACK

USRA Line No. 90



This portion of the G&O Secondary Track, formerly part of the New York Central RR, extends from Emeryville (Milepost 8.0) to Edwards, N.Y. (Milepost 14.0), a distance of 6.0 miles, in St. Lawrence County, N.Y. A continuation of this line runs from Emeryville to G&O Junction, near Gouverneur, N.Y. At Emeryville an industrial spur diverges.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Edwards	350
Total carloads generated by the line.....	350
Number of round trips per year.....	140
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$123,394
Average revenue per carload.....	\$381
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	70,565
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	6,280
Cost incurred beyond the branch line.....	96,638
Total variable (avoidable) cost.....	173,483
Net contribution (loss): total.....	(40,089)

USRA Recommendation

It is *not* recommended that this portion of the G&O Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The St. Lawrence County Board and County Chamber of Commerce reported closing of the line would jeopardize employment of 220 people of the St. Joe Minerals Corporation's Edwards mining operation characterized as a marginal operation by the company.

—St. Joe stated that car costs attributed to the line by USRA should be reduced since 61 percent of the cars it used in 1973 were privately owned and maintained.

—St. Joe Minerals also contended that crew costs should be reduced since there would not be any saving from eliminating the branch because the crew would still be needed to serve the Gouverneur to Balmat segment. The company suggested that frequency of service on the line could be reduced from 3 to 2 trips per week.

—The town of Edwards reported that loss of service would affect more than 50 basic and secondary jobs. Per capita income was reported to be \$2,226. Loss of rail service would lead eventually to a tax increase from \$164.96 to \$217.44 per \$1,000 of assessment.

—Niagara Mohawk Power Corporation has two power generating stations at Edwards and land holdings on the Oswegatchie River that had been considered for development.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS

LIMERICK INDUSTRIAL TRACK

USRA Line No. 92/93



The Limerick Industrial Track formerly part of the New York Central RR, extends from Watertown (Milepost 1.5) to Limerick, N.Y. (Milepost 8.8), a distance of 7.3 miles, in Jefferson County, New York. At Watertown, this line connects with the Massena Secondary Track of the Penn Central.

Summary of USRA Data

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

Brownville	240
Limerick	123
Watertown ¹	57

Total carloads generated by the line.....	420
Number of round trips per year.....	150
Estimated time per round trip (hours).....	3

¹ Includes only traffic on segment.

Revenue received by PC.....	\$171,598
Average revenue per carload.....	\$409

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	\$3,323
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost) ..	9,806
Cost incurred beyond the branch line.....	115,063

Total variable (avoidance) cost..... 208,302

Net contribution (loss): total..... (36,704)

USRA Recommendation

It is *not* recommended that the Limerick Industrial Track be included in the ConRail System.

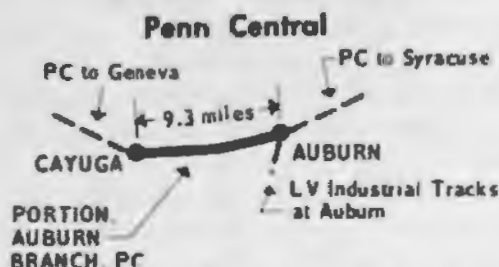
PUBLIC RESPONSE AND RSPO COMMENT

—Pargas reported that it shipped 71 carloads over this line in 1973 and 80 carloads in 1974. USRA only attributed 57 carloads to Pargas.

—The New York DOT contended that this line should be evaluated as a 1.1 mile branch instead of a 7.3 mile branch. Pargas, the only rail user on the branch, is located 1.1 miles from the mainline and generates sufficient traffic to warrant continued service.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS PORTION OF AUBURN BRANCH USRA Line No. 95



This portion of the Auburn Branch, formerly part of the New York Central RR, extends from Auburn (Milepost 26.9) to Cayuga, N.Y. (Milepost 36.1), a distance of 9.2 miles, in Cayuga County, New York. Continuations of this line extend eastward to Syracuse and westward to Geneva. The latter is also under study in this report. The Lehigh Valley RR also uses these tracks to reach industrial trackage at Auburn. In June 1973, the PC applied to the ICC for permission to abandon this line, Docket No. AB-5, Sub. 165. No final action has been taken.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Relius	34
Total carloads generated by the line.....	34
Number of round trips per year.....	15
Estimated time per round trip (hours).....	1.5
Revenue received by PC.....	\$12,520
Average revenue per carload.....	\$368
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	61,614
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	10,320
Total variable (avoidable) cost.....	71,943
Net contribution (loss): total.....	(59,423)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Several witnesses pointed out that the USRA did not address the issue of the Lehigh Valley sidings at Auburn which Lehigh Valley serves via trackage rights over Line 95.

—New York DOT pointed out that, while Auburn will continue to receive service from the east, the Auburn sidings are not strong enough to support the larger Penn Central locomotives.

—New York DOT stressed that USRA should credit the Lehigh Valley traffic as "overhead" to Line 95 or should state specifically that ConRail service will be provided to all customers at Auburn.

—Columbia Rope Co. reported that the Lehigh Valley handled 734 carloads over the line in 1974. Although the Preliminary System Plan would provide service to Auburn from Syracuse, there is a 10 mile per hour limit on that segment of track.

—Columbia Rope stated that one half of Line 95 has been completely renovated with New York DOT funds at a cost of almost \$500,000.

—According to the Cayuga County Planning Board the line is in good condition and requires no upgrading.

—Rose State Custom Service, Inc. reported that it shipped 32 carloads in 1973 from the Relius siding. O'Hara Machinery also at Relius, shipped 2 carloads that year.

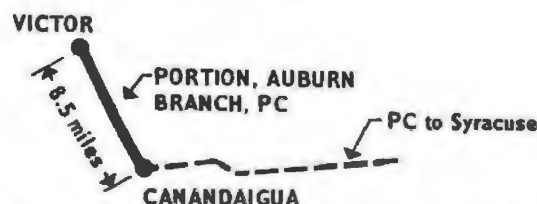
—The Lehigh Valley handled the following cars between Cayuga and Sunburn in 1974: Agway Feed, 25 carloads; Agway Soil, 36 carloads; P&R, 56 carloads; Finger Lakes Bottling, 41 carloads; New York State Electric and Gas Corp., 5 carloads; Lyed Eldren, 4 carloads; Bero Construction, 14 carloads; Alco Products, 42 Carloads; Hemingway, 3 carloads; Auburn Prison, 2 carloads; Kruger Feed, 2 carloads; Consolidated Scrap, 26 carloads; Oswasco Co. Club, 1 carload; and Columbia Rope Co., 249 carloads.

USRA ANALYSIS

PORTION OF THE AUBURN BRANCH

USRA Line No. 98

Penn Central



This portion of the Auburn Branch, formerly part of the New York Central RR, extends from *Canandaigua* (Milepost 76.0), to *Victor, N.Y.* (Milepost 84.5), a distance of 8.5 miles, in Ontario County, New York. A continuation of this line runs from Canandaigua to Syracuse.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Victor	239
Total carloads generated by the line.....	
	239
Number of round trips per year.....	50
Estimated time per round trip (hours).....	2.0
Revenue received by PC.....	\$85,521
Average revenue per carload.....	\$358
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	68,728
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	70,633
Total variable (avoidable) cost.....	
	139,359
Net contribution class: Total.....	(53,838)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Auburn Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Victor Insulators Division of ITE Imperial Corporation (ITE) reported that its records show revenues for this line in 1973 of \$167,400.20 and in 1974 of \$275,625.

—ITE also pointed out that traffic over the line could be increased by the construction of a short connecting track to USRA Line No. 1022 at Victor, allowing all shippers in Victor and Farmington to retain service.

—ITE estimated that the new line would move 103,430 tons per year and produce revenues of \$2,797,870. No upgrading would be required. The four shippers on Line 1022 that could be served by Line 98 and their carloads per year are as follows: Agway, 31 carloads; Iron City, 44 carloads; Victor Farm Home Center, 50 carloads; and Ryan Homes, 215 carloads. A potential shipper on the Line No. 1022 segment would be Hartman Engineering, which could generate an additional 35 carloads per year. —ITE reported that it ships 239 carloads per year over Line 98.

—Georgia-Pacific Corporation recently purchased 17 acres of property in Victor for the construction of a 100,000 square foot building products distribution center. The company reported that the current recession has delayed its construction plans but the facility should be completed in 1977. When operational, the facility will generate between 900 and 1,100 carloads per year.

—ITE noted that it also ships 130 piggyback carloads out of Rochester. If the ITE Victor plant loses rail service, it will have to close and these piggyback shipments will be lost to the rail system.

USRA ANALYSIS

TRANSIT ROAD RUNNING TRACK

USRA Line No. 100-101

Penn Control



The Transit Road Running Track, formerly part of the New York Central RR, extends from *Akron Junction* (Milepost 17.9) to *Transit, N.Y.* (Milepost 26.5), a distance of 8.6 miles, in Erie County, N.Y. This line connects at Akron Junction with the Oakfield Secondary Track of the PC. In October 1972, the PC applied to the ICC for permission to abandon the portion of this line from Clarence Center (M.P. 25.0) to Transit, a distance of 1.5 miles (Docket No. AB-5, Sub. 120). No action has been taken on this application.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Clearance Center.....	203
Transit	19
Total carloads generated by the line.....	
312	
Number of round trips per year.....	150
Estimated time per round trip (hours).....	4.0
Revenue received by PC.....	\$151,840
Average revenue per carload.....	\$486
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	97,791
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	23,505
Cost incurred beyond the branch line.....	76,897
Total variable (avoidable) cost.....	198,253
Net contribution (loss): total.....	(46,413)

USRA Recommendation

It is *not* recommended that the Transit Road Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Niagara Frontier Transportation Committee noted that the New York DOT's figures for this line indicate that financial viability is possible. The line could be profitable if the cost of rebuilding were assumed by others.

—Jurek Lumber Corporation identified the following users of this line: Gold Bond Building Products and R. B. Fogelsonger, Inc. at Clarence Center; Gary Pool Sales and Service, Fanta-Sea Swim Center, Inc., and Yoder Brothers, Inc. at Clarence; and Fence City, Inc., at East Amherst.

—Consideration could be given to reducing the frequency of service and thereby reducing on-branch costs.

USRA ANALYSIS

PORTION OF THE ONTARIO SECONDARY TRACK

USRA Line No. 102

Penn Central



This portion of the Ontario Secondary Track, formerly part of the New York Central RR, extends from Oswego (Milepost 26.6) to Williamson, N.Y. (Milepost 72.0), a distance of 45.4 miles, in Oswego, Cayuga and Wayne Counties, New York. A continuation of this line runs from Oswego to Scriba (also under study in this report). At Oswego, this line connects with the Phoenix Branch of the PC and the Syracuse Branch of the EL Railway. The Sodus Bay Secondary Track of the PC (also under study in this report) intersects at Wallington. A westerly continuation of this line runs from Williamson to Suspension Bridge (also under study in this report).

Summary of USRA Data

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

Furness	4
Hannibal	102
Crocketts	80
Red Creek	221
Wolcott	320
North Rose	50
Alton	41
Sodus	52
E. Williamson	72
Williamson	544

Total carloads generated by the line	1,445
Number of round trips per year	220
Estimated time per round trip (hours)	11.0
Revenue received by PC	\$631,661
Average revenue per carload	\$437

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	498,040
Cost of upgrading branch line to FRA	

Class I: (1/10 of total upgrading cost) ... 104,634
Cost incurred beyond the branch line ... 445,380

Total variable (avoidable) cost ... 1,043,054

Net contribution (loss): total ... (411,388)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Ontario Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—This line is a segment of the PC "Hojack Line" which consists of USRA Lines Nos. 102, 102a, 103/104, 105/107, and 106. Considerable testimony was received recommending that all of these segments be evaluated as one line.

—The Rochester-Genesee Regional Transportation Authority recommends that an independent regional railroad should be set up to operate the entire Hojack Line and six connecting branches.

—Rochester Gas and Electric stated that this line and Line No. 108 are crucial for the supplying of plant components, equipment, aggregate and fuel to the company's planned generating site at Sterling. Plans are already far advanced for locating over 1,200 megawatts of electrical generating capability on the site. It will include both coal-burning and nuclear facilities, with construction to begin in 1976.

—Public testimony indicated that 11 shippers now use Line No. 102.

—Comstock Foods reported that shipments from its Red Creek facility were low in 1973 because of storm damage. Comstock's seasonal packing facility shipped 157 carloads in 1972, 128 in 1973, and 146 in 1974. Alternate loading facilities are not available.

—Curtice-Burns, Inc. has a food processing plant and warehouse at Alton. The company stated that the nearest piggy-back loading facility is 35 miles away. Curtice-Burns shipped 26 carloads in 1974.

—Webster Lumber Co. received 12 carloads in 1973 and 11 in 1974. If it could have gotten better service, the company would have received 27 additional carloads in 1973 and shipped 15 carloads.

—Duffy-Mott Co. at Williamson shipped 369 carloads in 1973 and 287 carloads in 1974.

—According to the Central New York Regional Transportation Authority, the Hammermill Papers Group, located at Oswego shipped 1,460 carloads over the Hojack Line in 1973. If the line were abandoned, Hammermill would incur an additional \$1.5

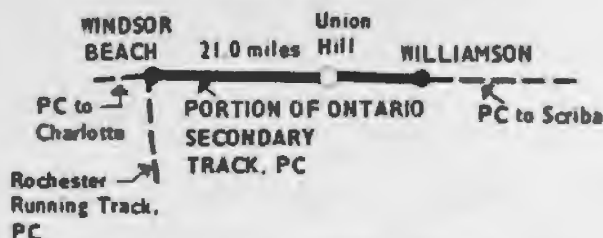
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USRA ANALYSIS

PORTION OF THE ONTARIO SECONDARY TRACK

USRA Line No. 103-104

Penn Central



This portion of the Ontario Secondary Track, formerly part of the New York Central RR, extends from Williamson (Milepost 72.0) to Windsor Beach, N.Y. (Milepost 93.0), a distance of 21.0 miles, in Wayne and Monroe Counties, N.Y. An easterly continuation of this line runs from Williamson to Scriba (also under study in this report). At Windsor Beach, this line connects with the Rochester Running Track of the PC (also under study in this report). A westerly continuation of this line extends from Windsor Beach to Charlotte. In August 1973, the PC applied to the ICC for permission to abandon the portion of this line from Williamson to Union Hill (Milepost 81) Docket No. AB-5, Sub. 75. No action has been taken on this application.

Summary of USRA Data

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

Ontario	78
Union Hill	39
Webster	217
Sea Breeze	1
Total carloads generated by the line	335
Number of round trips per year	80
Estimated time per round trip (hours)	8.0
Revenue received by PC	\$111,900
Average revenue per carload	\$334

Variable (avoidable) cost of continued service:

Cost Incurred on the branch line	185,511
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading Cost)	43,453
Cost incurred beyond the branch line	92,092

Total variable (avoidable) cost **\$321,056**

Net contribution (loss): total

USRA Recommendation

It is *not* recommended that this portion of the Ontario Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—See comment on USRA Line No. 102.

—Rochester Gas and Electric has a nuclear power plant at Ginna Station. Plans exist for the construction of two 600 megawatt coal-fired units. The company stated that it is not planning to build such units presently, but would like to keep its options open.

—Xerox estimated it would ship 500 carloads per year over the line by 1976 and 1,700 carloads per year by 1980. Xerox also reported the following annual carload projects for other users of the line: Pugsley Marine, 10 carloads; Sportsmen Village, 10 carloads; Union Hill Lumber, 8 carloads; 84 Lumber, 85 carloads; Witmer Brothers, 8 carloads; Mason Lumber, 2 carloads.

—Xerox stated that Webster shippers generated 390 carloads in 1973, not 217 as reported by USRA. Many contained lumber shipments from the West Coast.

—Gordon Beh Excavating Contractors is developing an industrial park at Union Hill. 84 Lumber Co. is located in that park.

—1022 Land Development, Inc. has been developing an industrial community at Webster for the past seven years. This community needs rail service.

—American Kitchen Products shipped 37 carloads in 1973 and 35 in 1974 from its plant at Ontario. If service were lost the company would move its operation to New Jersey. The local community would lose 85 jobs and \$600,000 in payroll.

—Lumber Distributors, Inc. shipped 49 carloads in 1973 and 53 in 1974 and estimates it will ship 60 carloads in 1975. Lumber Distributors stated that extremely inadequate service by the PC has resulted in a reduction in traffic on this line.

—Spartan Beverage Corp., Webster, generated 151 carloads in 1974 and expects 220 carloads in 1975.

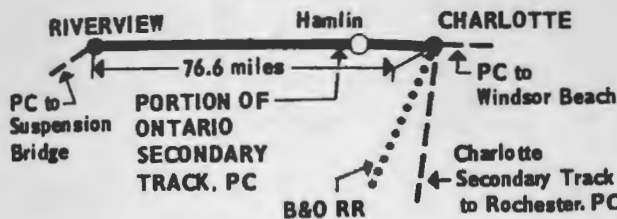
—The Lawyers Co-operative Publishing Co. stated that it received 99 carloads and 168 truckloads of paper in 1974. Due to a shortage of paper the company had to expedite its deliveries by using truck as well as rail. In 1975, the company expects to receive the same amount of paper but all delivered by rail. It is expected that this will amount to 170 carloads. It would cost the company an additional \$60,602 per year to ship by truck.

USRA ANALYSIS

PORTION OF THE ONTARIO SECONDARY TRACK

USRA Line No. 105/107

Penn Central



This portion of the Ontario Secondary Track, formerly part of the New York Central RR, extends from Charlotte (Milepost 95.6) to Riverview, N.Y. (Milepost 172.2), a distance of 76.6 miles, in Monroe, Orleans and Niagara Counties, N.Y. An easterly continuation of this line runs from Charlotte to Windsor Beach and a westerly continuation runs from Riverview to Suspension Bridge (the latter also under study in this Report). At Charlotte, this line connects with the Charlotte Secondary Track of the PC and with the B&O RR. In August 1972, the PC applied to the ICC for permission to abandon the portions of this line from Hamlin (Milepost 111.0) to Riverview, Docket No. AB-5 (Sub. No. 90). No action has been taken on this application.

Summary of USRA Data

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

Odenbach	0
Hilton	16
Walker	1
Hamlin	598
Morton	9
Carlton	3
Waterport	24
Ashwood	0
Lyndonville	45
Millers	0
Barker	50
Appleton	2
Burt	1
Wilson	99
Elberta	8
Ransomville	198
Model City	34

Total carloads generated by the line	1,086
Number of round trips per year	104
Estimated time per round trip (hours)	12.0
Revenue received by PC	\$584,330
Average revenue per carload	\$538
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	599,736

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading

cost) 176,225

Cost incurred beyond the branch line 815,012

Total variable (avoidable) cost 1,000,973

Net contribution (loss): total (506,643)

USRA Recommendation

It is *not* recommended that this portion of the Ontario Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—See comment on USRA Line No. 102

—Several witnesses noted that USRA shows a loss on Line 105/107 of \$506,643 and a profit on Line 106 of \$1,138,245. Originally these segments were joined, however, a .6 mile segment is out of service at Riverview. Witnesses requested that the .6 mile segment be restored and that Lines 106 and 105/107 be evaluated as one line from Charlotte to Suspension Bridge. It was estimated that it would cost \$150,000 to restore the segment and that, once restored, the Charlotte to Suspension Bridge segment would generate 13,145 carloads per year and would operate at a profit.

—Local residents of Riverview testified in opposition to the reactivation of the .6 mile segment, reporting that there are thirty or forty homes adjacent to the track, many of which were purchased on the assumption that rail service would not be resumed. Several individuals testified that the roadbed in this area was ideal for a nature trail.

—The Niagara Frontier Transportation Committee stated that according to USRA figures, Line 105/107 would be profitable from Riverview to Wilson. The Committee stated that service is essential from Suspension Bridge to Lyndonville. The Committee's figures show 687 cars between Riverview and Wilson, a distance of 16 miles. Net contribution for this segment would be \$8,251.

—The Alcan Company reported that it is planning a plant at Lewport, near mile post 170. The plant will only be constructed if rail service is assured. It is expected that the Alcan facility will generate 160 carloads in its first year of activity.

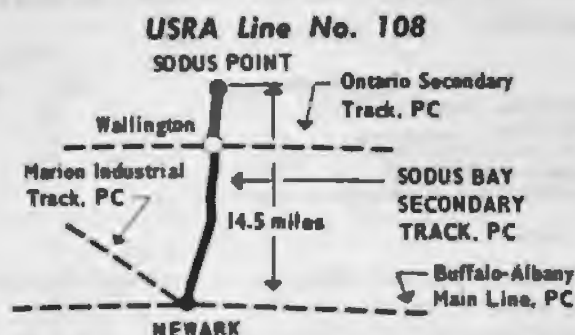
—New York State Electric and Gas Corp., is planning one or more electric generating units at Somerset, near mile post 140. The company has already invested \$12.8 million. The facility will require coal deliveries by 100 car unit trains, five days per week. The plant will be in operation by 1980. In the meantime, it is expected that its construction will generate considerable traffic.

Continued on page 384

NEW YORK

USRA ANALYSIS

SODUS BAY SECONDARY TRACK



The Sodus Bay Secondary Track, formerly part of the Pennsylvania RR, extends from *Newark* (Milepost 18.8) to *Sodus Point, N.Y.* (Milepost 33.3), a distance of 14.5 miles, in Wayne County, New York. At Wallington, this line connects with the Ontario Secondary Track of the PC (also under study in this report). At Newark, this line connects with the Marion Industrial Track of the PC (also under study in this report), and with the Buffalo-Albany line of the PC. In October 1972, the PC applied to the ICC for permission to abandon this line. Docket No. AB-5, Sub. 133. No action has been taken on this application.

Summary of USRA Data

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

Sodus Center.....	11
Wallington	21
Sodus Point.....	47

Total carloads generated by the line..... 79

Number of round trips per year..... 50

Estimated time per round trip (hours)..... 4

Revenue received by PC..... \$45,576

Average revenue per carload..... \$577

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 112,830

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line..... 30,342

Total variable (avoidable) cost..... 143,178

Net contribution (loss): total..... (97,602)

USRA Recommendation

Although the preliminary recommendation is that the Sodus Bay Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Genessee Brewing Co.'s plant at Sodus received 47 carloads in 1973 and 243 carloads in 1974. Genessee estimates that the plant will require 300 carloads in 1975, 400 in 1976, and 750 in 1979. Without rail service, the plant would have to close.

—Genessee Brewing pointed out that the USRA stated recovery of costs would require a six-fold increase in traffic over 1973 levels. Genessee Brewing would almost meet that requirement on its own by 1976. The Company is also planning to alter its facilities to make it possible to ship outbound malt from Sodus to Rochester. This traffic is presently carried by truck.

—Although Line 108 crosses USRA Line No. 102 at Wallington, Genessee pointed out that the two lines do not connect as stated in the USRA Plan.

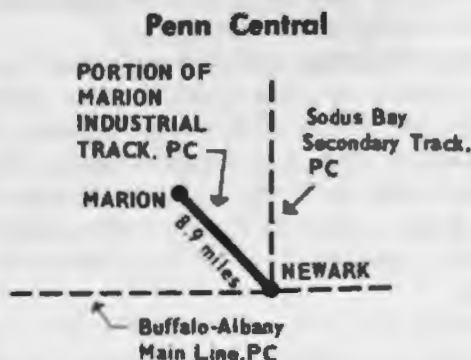
—Rochester Gas and Electric stated that this line is crucial for the supplying of plant components equipment, aggregate, and fuel to its planned generating site at Sterling on Line 102.

—The Rochester-Genessee Regional Transportation Authority recommends that this line be included in an independent regional railroad comprising the entire Hojack Line and five other connecting branches.

USRA ANALYSIS

MARION INDUSTRIAL TRACK

USRA Line No. 109-110



The Marion Industrial Track, formerly part of the Pennsylvania RR, extends from *Newark* (Milepost 0.0) to *Marion, N.Y.* (Milepost 8.9), a distance of 8.9 miles, in Wayne county, New York. At Newark, this line connects with the Buffalo-Albany Line and the Sodus Bay Secondary Track of the PC (also under study in this report).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Marion	487
Total carloads generated by the line.....	
Number of round trips per year.....	125
Estimated time per round trip (hours).....	5.0
Revenue received by PC.....	\$187,051
Average revenue per carload.....	\$406
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	105,804
Cost of upgrading branch line to FRA.	
Class I: (1/10 of total upgrading cost)...	53,643
Cost incurred beyond the branch line....	140,800
Total variable (avoidable) cost.....	300,047
Net contribution (loss): total.....	(102,996)

USRA Recommendation

It is *not* recommended that the Marion Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Howard Hance, representing shippers in Marion, presented the information contained in the following table:

Shippers and commodity	Carloads	
	1973	1974
Corenco Corp., Fertilizer ingredients	234	21
Marion Foods	201	18
W. M. Storage, Frozen foods	56	0
Topping Ladder Co., Ladders	1	1
Peter Blief & Sons, Potato and onion products	45	2
Totals	537	42

—Marion shippers propose connecting this line to the Penn Central mainline west of Newark. This would eliminate a weight limit now on the line and would also eliminate several miles of track along Pearl Street in Newark.

—Corenco would be especially helped if it could receive 80-ton cars instead of 52-ton cars necessitated by the weight limit. Loss of service would force Corenco to close.

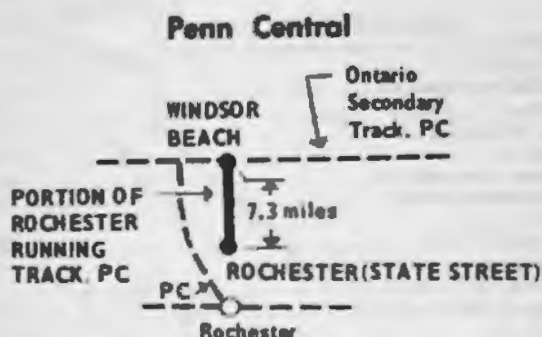
—Marion shippers estimates of costs on the 9.3 mile segment of the line show a \$17,330 profit for the branch as now operated as opposed to the loss of \$102,996 shown by USRA figures.

—The Rochester-Genesee Regional Transportation Authority recommends that this line be included in an independent regional railroad comprising the entire Hojack Line and five other connecting branches.

USRA ANALYSIS

ROCHESTER RUNNING TRACK

USRA Line No. 111



The Rochester Running Track, formerly part of the New York Central RR, extends from *Windsor Beach* (Milepost 0.0) to *Rochester, N.Y.* (Milepost 7.3), a distance of 7.3 miles, in Monroe County, N.Y. At Windsor Beach this line connects with the Ontario Secondary Track of the PC of which the portion to the east is also under study in this Report. This line was described as potentially excess in the U.S. DOT Report (see Zone 47).

Summary of USRA Data

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

Rochester ¹	404
Total carloads generated by the line.....	404
Number of round trips per year.....	104
Estimated time per round trip (hours).....	8

¹ Includes only traffic on segment.

Revenue received by PC.....	\$134,010
Average revenue per carload.....	\$332

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	125,652
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	24,719
Cost incurred beyond the branch line.....	68,002

Total variable (avoidable) cost..... 218,403

Net contribution (loss): Total..... (84,453)

USRA Recommendation

It is *not* recommended that the Rochester Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Rochester Gas and Electric Corp. (RG&E) reported that its Beebee Station plant shipped 2,900 carloads of coal over the line in 1973 and 2,712 carloads in 1974. The decrease was due to a coal shortage, not to a decrease in coal consumption. RG&E pointed out that its 1973 carload figures alone were more than 7 times the 104 carloads attributed to the line by USRA.

—The Preliminary System Plan noted that 5 out of 6 of RG&E's boilers at Beebee Station were converted to oil-firing in 1973. RG&E stressed that it has no intention of converting the sixth boiler from coal-firing to oil and that it is more likely that the five oil-firing boilers might eventually have to be recon-verted to coal-firing. If such a conversion took place, RG&E would generate 6,400 carloads per year.

—Rochester Germicide Company reported that it generated 102 carloads over this line in 1973. The firm estimated that its 1974 shipments were 132 carloads.

—It was pointed out that costs for this line were calculated on the assumption that 2 locomotives were required.

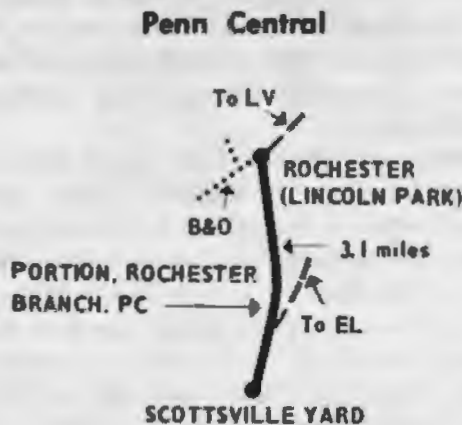
—It was suggested that annual round trips on the line could be reduced to one per week.

—The Rochester-Genessee Regional Transportation Authority recommends that this line be included in an independent regional railroad comprising the entire Hojack Line and five other connecting branches.

114a NEW YORK

USRA ANALYSIS PORTION OF THE ROCHESTER BRANCH

USRA Line No. 114a



This portion of the Rochester Branch, formerly part of the Pennsylvania RR, extends from Rochester (Milepost 0.0) to Scottsville Yard, N.Y. (Milepost 3.1), a distance of 3.1 miles, in Monroe County, N.Y.

Summary of USRA Data

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

Rochester¹ 284

Total carloads generated by the line..... 284

Number of round trips per year..... 104

Estimated time per round trip (hours)..... 4.0

¹ Includes only traffic on this segment.

Revenue received by PC..... \$76,000

Average revenue per carload..... \$290

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 53,460

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line... 55,872

Total variable (avoidable) cost..... 109,332

Net Contribution (loss): Total..... (32,683)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Specialized Warehouse Corp., presented the information contained in the following table:

Shipper	Carloads	
	1973	1974
M. Egan Co., Inc.		21
Exxon Co., U.S.A.	192	191
General Railway Signal Co.	190	190
Kolko Paper Co., Inc.	61	54
J. Kozel & Sons, Inc.	53	25
Pfandler Co.	175	189
Specialized Warehouse Corp.	381	386
Standard Builders Supply	114	140
Sun Oil Co.		14
United States Plywood	231	233
Willits Lumber Co., Inc.		1
Genesee Scrap Tin Baling Corp.		
American Excelsior	106	106
Mobil Oil Co.	47	34
Totals	1,633	1,083

—Genesee Scrap Tin Baling Corp., anticipates a recycling operation which would be operational in 1976. The facility would ship about 50 carloads per month.

—Pfandler Co., stated that it must have direct access to the Penn Central to enable it to move large, dimensional loads, many of which comprise a large part of the company's substantial order backlog.

—Eastman Kodak received 55 carloads in 1973 and 199 carloads in 1974. All of Kodak's shipments must be rehandled and transferred by truck or rail for outbound shipment. Kodak estimates an annual 5 percent increase in its traffic.

—Kodak stated that the Lincoln Park Industrial Complex is served by the Penn Central and the Chessie under an operating switching agreement that has been in effect for over 25 years.

—J. Kozel & Son, Inc., is presently making an investment of approximately \$150,000 in an overhead crane to unload rail cars.

—Specialized Warehouse Corp., expects its traffic to increase by 17 percent in 1975.

—A consultant for the Rochester-Genesee Regional Transportation Authority reported that this line fails to meet FRA Class I standards. USRA reported that the line would require no upgrading. According to the same source, Exxon traffic was credited by USRA to Line 1000 instead of Line 114a.

—The Chessie is interested in providing service to customers in Rochester only.

USRA ANALYSIS

CATSKILL MOUNTAIN BRANCH
USRA Line No. 137
Penn Central

The Catskill Mountain Branch, formerly part of the New York Central RR, extends from Kingston (Milepost 2.9) to Bloomville, N.Y. (Milepost 86.3), a distance of 83.4 miles, in Ulster, Delaware and Schoharie Counties, New York. At Kingston, this branch connects with the River Line and the Wallkill Valley Branch of the PC. The latter is also under study in this report. In April 1972, the PC applied to the ICC for permission to abandon this branch (Docket No. AB-5, Sub. 10). In August, 1974, the PC applied to the USRA for permission to abandon the branch (Docket No. 75-11). No final action has been taken on either application.

Summary of USRA Data

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

W. Hurley.....	0
Phoenicia.....	2
Grand Hotel.....	0
Fleischmanns.....	42
Arkville.....	7
Halcoffville.....	1
Roxbury.....	348
Grand Gorge.....	23
Stamford.....	330
Hobart.....	3
South Kortright.....	67
Bloomville.....	6
Total carloads generated by the line.....	847
Number of round trips per year.....	160
Estimated time per round trip (hours).....	11.5
Revenue received by PC.....	\$401,715
Average revenue per carload.....	\$474

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	672,431
Cost of upgrading branch line to FRA.....	

Class I (1/10 of total upgrading cost) 97,579
Cost incurred beyond the branch line... 320,107

Total variable (avoidable) cost..... 1,006,117

Net contribution (loss): total..... (694,402)

USRA Recommendation

It is *not* recommended that the Catskill Mountain Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Catskill Mountain Transportation Corporation (CMTC), said this line could show a profit of \$90,701 on the assumption that the line would produce \$100,429 in additional revenues with assurance of improved and expanded service. Included was a surcharge of \$2 per ton which shippers on the line would be willing to pay on all freight shipped or received on the line. Lutz Feed and Briggs Lumber Co. stated that they offered PC such a surcharge three years ago but have never received a reply.

—CMTC reported it had three qualified men thoroughly check "every inch" of roadbed on the Catskill branch and submitted a 200-page, mile-for-mile report describing the condition of the roadbed. The report concluded that total rehabilitation costs for the branch would be \$467,000 or \$47,000 per year.

—CMTC also pointed out the following errors in USRA's analysis of the line:

USRA stated there were 180 round trips, but there were not more than 90.

The average number of cars per train was 10, not 4.7.

The line has only one turnout every five miles instead of one every 2 miles as estimated by USRA's average.

The line has only one crossing every 3 miles instead of one every 2 miles as estimated by USRA's average.

—Lutz Feed and Briggs Lumber account for 50 percent of the traffic on the line. These companies stated that the line now meets FRA Class I standards and could be brought to Class II standards with a minimum of work. Lutz predicts that its traffic would grow 25 percent if the line remains in service.

—Lutz Feed receives 20,000 tons of feed per year. Lutz, Briggs and Wadler Lumber stated that loss of service would have a serious effect upon their competitive positions.

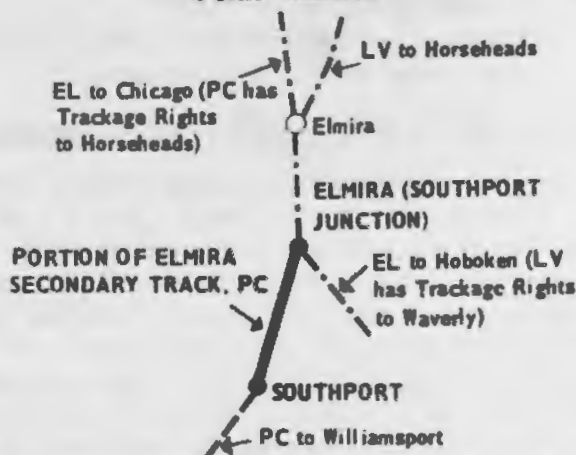
—Williamson Veneer has reopened a plant at Fleischmanns which will generate at least 35 carloads per year. *Continued on page 384*

USRA ANALYSIS

PORTION OF THE ELMIRA SECONDARY TRACK

USRA Line No. 230a

Penn Central



This portion of the Elmira Secondary Track, formerly part of the Pennsylvania RR, extends from *Southport* (Milepost 74.0) to *Elmira (Southport Junction)*, N.Y. (Milepost 76.5), a distance of 2.5 miles in Chemung County, N.Y. At Elmira, this line connects with the Jersey City-to-Chicago Line of the EL over which PC has trackage rights to Horseheads. From Southport, this line continues to Williamsport (also under study in this Report). LV also serves Elmira and Horseheads via trackage rights over the EL from Waverly.

Summary of USRA Data

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

Elmira Southport ¹	48
Total carloads generated by the line.....	48
Number of round trips per year.....	52
Estimated time per round trip (hours).....	1.0

¹ Includes only traffic on segment.

Revenue received by PC.....	\$17,802
Average revenue per carload.....	\$371

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	24,011
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	2,848
Cost incurred beyond the branch line.....	7,807

Total variable (avoidable) cost..... 34,756

Net contribution (loss): total..... (16,954)

USRA Recommendation

It is *not* recommended that this portion of the Elmira Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Thatcher Glass Manufacturing Co. has a \$30 million plant at Elmira which uses this line and Line No. 231a. The plant consumes 120,000 tons of sand and 43,000 tons of soda ash per year.

—Linn S. Chapel Co., Inc. of Elmira reported that it shipped 14 carloads over this line in 1973 and 142 carloads in 1974 and contended that the line would meet USRA's criteria for inclusion in ConRail.

—The data available indicates that the USRA analysis included two locomotives per trip. The traffic involved does not appear to warrant a second unit.

USRA ANALYSIS

PORTION OF THE ELMIRA-HORSEHEADS LINE

USRA Line No. 231a

Penn Central



This portion of the Elmira-Horseheads Line, which involves trackage rights over the Erie Lackawanna Ry., Chicago-Jersey City line, extends from *Elmira (Southport Junction)* (Milepost 271.9) to *Horseheads, N.Y.* (Milepost 276.8), a distance of 4.9 miles, in Chemung County, N.Y. At Horseheads, this section of trackage connects with the Watkins Glen Secondary Track of the PC over which EL has trackage rights (also under study in this Report) and with the Chicago-Jersey City line of the Erie Lackawanna Ry. westward. At Elmira (Southport Junction), this line connects with the Elmira Secondary Track of the PC to Williamsport (also under study in this Report) and with the Chicago-Jersey City line of the EL eastward.

Information for Line Retention Decision

Trackage rights over this portion of the EL are used to serve USRA Segment 230a. The Preliminary Recommendation for Segment 230a is that it not be included in the ConRail System.

USRA Recommendation

It is *not* recommended that trackage rights over this portion of the Erie Lackawanna be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Lehigh Valley Railroad pointed out that it also has trackage rights over this segment of the EL. The Plan did not mention these rights. 1,808 carloads were generated over the LV by shippers located on this line. The LV wants to retain this traffic and its trackage rights over this segment.

USRA ANALYSIS

PORTION OF THE WATKINS GLEN SECONDARY TRACK

USRA Line No. 231b

Penn Central



This portion of the Watkins Glen Secondary Track, formerly part of the Pennsylvania RR, extends from Watkins Glen (Milepost 17.4) to Starkey, N.Y. (Milepost 29.5), a distance of 12.1 miles, in Yates and Schuyler Counties, N.Y. Continuations of this line run from Starkey to Himrod Junction and from Watkins Glen to Horseheads. The latter is also under study in this Report. The Corning Branch of the PC runs through Watkins Glen, but it does not connect with this portion of the Watkins Glen Secondary Track.

Information for Line Retention Decision

No shippers are served directly by this line. The adjoining segments can be served without using this segment.

USRA Recommendation

It is *not* recommended that this portion of the Watkins Glen Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

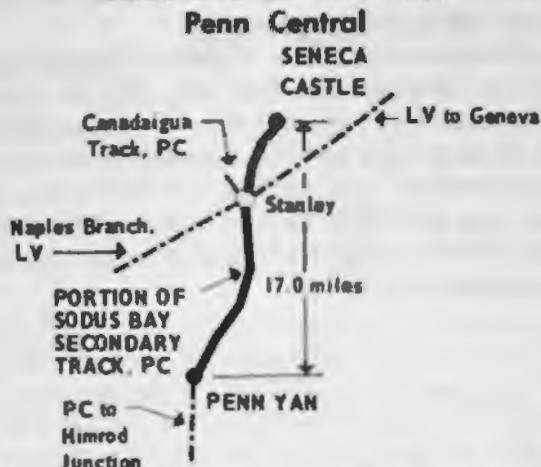
—Watkins Salt Co. wants continued service over this line to enable it to have a northbound connection for its shipments.

—International Salt Co. noted that, if this line is abandoned, to reach ConRail east-west mainline service between Syracuse and Buffalo, it would be necessary to ship south to Horseheads, then west to Corning, and then north through Himrod Junction and Geneva.

USRA ANALYSIS

PORTRION OF THE SODUS BAY SECONDARY TRACK

USRA Line No. 233/234



This portion of the Sodus Bay Secondary Track, formerly part of the Pennsylvania RR, extends from Seneca Castle (Milepost 4.9) to Penn Yan, N.Y. (Milepost 40.0), a distance of 17.0 miles, in Yates and Ontario Counties, N.Y. (The mileposts are drawn from two different Milepost series; 17.0 miles is the actual distance.)

Summary of USRA Data

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

Bellona	52
Hall	74
Seneca Castle	77
Penn Yan ¹	321
Stanley ¹	37

Total carloads generated by the line	561
Number of round trips per year	100
Estimated time per round trip (hours)	5.0

¹ Includes only traffic on segment.

Revenue received by PC	\$281,945
Average revenue per carload	\$506

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	163,285
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	137,053
Total variable (avoidable) cost	300,338

Net contribution (loss): total	(18,393)
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USRA Recommendation

It is recommended that the portion of the Sodus Bay Secondary Track from Milepost 40.0 to Milepost 40.5 be included in the ConRail System.

It is *not* recommended that the portion of the Sodus Bay Secondary Track from Milepost 40.5 to Milepost 4.9 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Reported traffic.

Company and location	Carloads	
	1973	1974
Olin Corp., Bellona	52	311
HJ-N Corp., Stanley	29	31
C. R. Zarnow, Inc., Seneca Castle	31	87
Seedway, Inc., Hall	7	4
Hall Fertilizer Corp., Hall	67	80
Block & Guggenheimer, Inc., Seneca Castle	9	2
Total	225	487

—The Agricultural Division of Olin Corporation has a plant at Bellona six miles north of Penn Yan. Olin's warehouse was out of commission for six months in 1973 as a result of damage from Hurricane Agnes. Comstock Foods reported that flooding from spring rains at Bellona caused the shutdown of the line for six months in 1973.

—Olin stated that 1973 was the poorest year in the history of its Bellona facility.

—A representative of interested shippers on the line stated that, using 1974 carload figures for shippers listed and assuming Penn Yan shippers will ship the same volume as in 1973, the adjusted net contribution for the line would be \$121,060.72 or \$153.54 per carload.

—It was also recommended that this line be joined at Stanley to Line No. 1001, the LV line between Geneva and Rushville, which is now out of service. Projections indicated that such a connection could be operated at a profit if service over Line 1001 was limited to the segment from Stanley to Rushville.

—New York DOT recommends that this line and Lines No. 238 and 1001 should be evaluated as one segment. New York DOT stated that Line 1001 could generate 300 carloads per year.

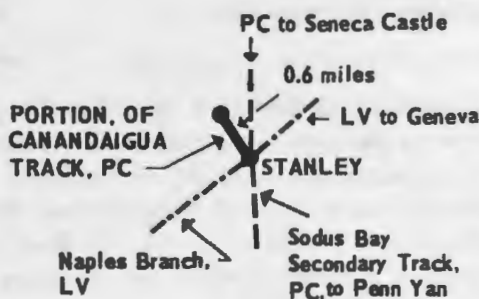
—The available data on the line indicates that the USRA analysis included two locomotives. This data should be reviewed as the number of cars per trip does not appear to warrant the second unit.

USRA ANALYSIS

PORTION OF THE CANANDAIGUA TRACK

USRA Line No. 238

Penn Central



This portion of the Canandaigua Track, formerly part of the Pennsylvania RR, extends from Milepost 52.2 to Milepost 52.8, a distance of 0.6 mile, at Stanley, Ontario County, N.Y. At Stanley, this line connects with the Sodus Bay Secondary Track of the PC and the Naples Branch of the LV, both of which are also under study in this Report.

Summary of USRA Data

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

Stanley ¹	34
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Total carloads generated by the line.....	34
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Number of round trips per year.....	50
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Estimated time per round trip (hours).....	0.5
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¹ Includes only tram on segment.

Revenue received by PC.....	\$27,231
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Average revenue per carload.....	\$800
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Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	8,329
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Cost of upgrading branch line to FRA Class

I: (1/10 of total upgrading cost).....	1,084
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Cost incurred beyond the branch line.....	11,745
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Total variable (avoidable) cost.....	21,158
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Net contribution (loss): total.....	6,073
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The New York DOT recommended that this line and lines 233/234 and 1001 be evaluated as one segment. New York DOT stated that Line 1001 could generate 300 carloads per year.

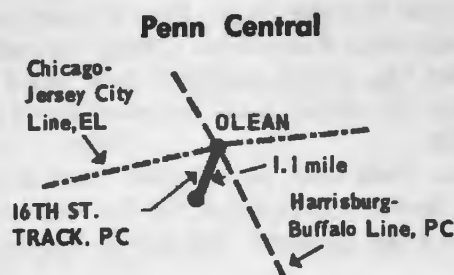
—The Rochester-Genesee Regional Transportation Authority recommends that this line be included in an independent regional railroad, comprising the entire Hojack Line and five connecting branches.

—The available data on the line indicates that 2 diesel units are used. This data should be reviewed as the number of cars per trip does not appear to warrant the second unit.

USRA ANALYSIS

16TH STREET TRACK

USRA Line No. 246



The 16th Street Track, formerly part of the Pennsylvania RR, extends for a distance of 1.1 miles at Olean, N.Y. It is located in Cattaraugus County, New York. At Olean it connects with the PC Harrisburg, Buffalo line. In June 1973, the PC applied to the ICC for permission to abandon this line (Docket No. AB-5, Sub. 162). In December 1974, a similar application was made to the U.S. Railway Association. No action has been taken on either application.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

Summary of USRA Data

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

Olean ¹	50
Total carloads generated by the line	50
Number of round trips per year	50
Estimated time per round trip (hours)	0.5

¹ Includes only traffic on segment.

Revenue received by PC	\$24,558
Average revenue per carload	\$491

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	11,926
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	9,586
Cost incurred beyond the branch line	12,152
Total variable (avoidable) cost	33,664

Net contribution (loss): total (9,106)

USRA Recommendation

It is *not* recommended that the 16th Street track be included in the ConRail System.

USRA ANALYSIS

PORTION OF THE CHAUTAUQUA BRANCH

USRA Line No. 248

Penn Central



This portion of the Chautauqua Branch, formerly part of the Pennsylvania RR, extends from *Brocton* (Milepost 51.0) to *Mayville, N.Y.* (Milepost 65.0), a distance of *14.0 miles*, in Chautauqua County, New York. At Brocton this line connects with the Chicago-Buffalo lines of the PC and the N&W. A continuation of this line runs south from Mayville to Corry, Pa. (also under study in this Report). In July 1972, the PC applied to the ICC for permission to abandon this line (Docket No. AB-5, Sub. 79). In September 1974, the PC applied to the USRA to abandon this line (USRA Docket No. 75-38). No action has been taken on either application.

Summary of USRA Data

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

Brocton ¹	14
Total carloads generated by the line	14
No. of round trips per year	28
Estimated time per round trip (hours)	5.0

¹ Includes only traffic on segment.

Revenue received by PC	\$5,680
Average revenue per carload	\$406

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	98,738
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	1,568
Total variable (avoidable) cost	98,306
Net contribution (loss): total	(92,626)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Chautauqua Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Since 1961 as a result of the construction by the Army Corps of Engineers of the Kinzua Dam in Pennsylvania, \$20 million had been spent to rebuild this line from Brocton to Oil City, Pennsylvania.

—Joseph Gerace, Chautauqua County Executive, reported that the USRA analysis was based on 250 hours when the actual total hours of service on the line was 140.

—The New York DOT stated that there is no connection at Brocton with either the Norfolk and Western or the Penn Central Buffalo to Chicago main lines.

—Ethan Allen, Inc. is located .54 mile south of the southern terminus of this segment at Mayville on Line 249. If Line 249 is abandoned, Ethan Allen requests that Line 248 be included in ConRail as well as the .54 mile of track necessary for connection to its plant. The Company stated that its traffic would add 600 carloads per year to Line 248 and should make it viable.

—Most witnesses believed that Lines 248 and 249 should have been analyzed as one segment.

—Loss of service to these lines would result in a loss of 894 jobs in Cattaraugus County.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS

CRESCENT INDUSTRIAL TRACK

USRA Line No. 666a

Penn Central



The Crescent Industrial Track, formerly part of the New York Central RR, extends from *Crescent* (Milepost 15.4) to *Green Island, NY* (Milepost 20.5), a distance of *5.1 miles*, in Albany County, New York. At Green Island, this line connects with the D&H Ry running in a northerly direction to Mechanicville and with the PC line to Albany via trackage rights over the D&H.

Summary of USRA Data

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

Cohoes	60
Crescent	228
Troy ¹	119
Green Island ¹	12

Total carloads generated by the line.....	414
Number of round trips per year.....	100
Estimated time per round trip (hours)	6.0

¹Includes only traffic on segment.

Revenue received by PC.....	\$120,299
Average revenue per carload.....	\$291

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	81,564
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	98,850

Total variable (avoidable cost)..... 175,414

Net contribution (loss): total..... (55,115)

USRA Recommendation

Although the preliminary recommendation is that the Crescent Industrial Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Ford Motor Co. reported that service to its Crescent facility could be continued without upgrading the track. Ford would favor having the Delaware and Hudson Railway acquire the line or trackage rights over it.

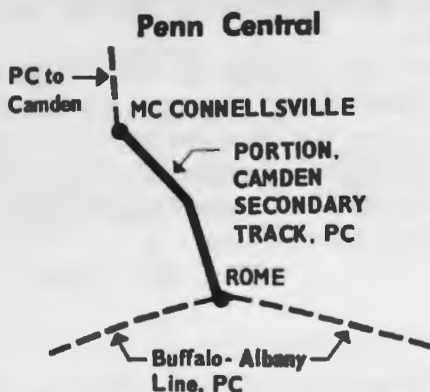
—Ford ships 124 carloads per year to its Crescent facility. Continued rail service is necessary for the company to keep the Crescent facility in operation.

—The estimated time per round trip should be reviewed. The estimate appears high considering the traffic and length of the line.

USRA ANALYSIS

PORTION OF THE CAMDEN SECONDARY TRACK

USRA Line No. 670



This portion of the Camden Secondary Track, formerly part of the New York Central RR, extends from *McConnellsville* (Milepost 28.0), to *Rome, N.Y.* (Milepost 39.9), a distance of 11.9 miles, in Oneida County, New York. A continuation of this line runs in a northwesterly direction from McConnellsville to Camden (also under study in this Report). At Rome, this line connects with the Buffalo-Albany Line of the PC.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Humaston	1
McConnellsville	651
Total carloads generated by the line.....	652
Number of round trips per year.....	80
Estimated time per round trip (hours).....	6
Revenue received by PC.....	\$245,001
Average revenue per carload.....	\$376
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	183,135
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost).....	10,866
Cost incurred beyond the branch line.....	132,976
Total variable (avoidable) cost.....	276,977
Net contribution (loss) : total.....	(31,976)

USRA Recommendation

It is *not* recommended that this portion of the Camden Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Line 670 connects Line 80 with the Penn Central main line at Rome. Many witnesses suggested that the two segments should have been considered as one line.

—Line 670 borders the West Rome Industrial Park, which has been financed through a \$206,000 Economic Development Administration grant. The park was in its incipency in 1973.

—Rite Aid Corp. has a new 210,000 square foot distribution center in the park. Rite Aid employs 150 and has a payroll of \$1 million. In 1974 it shipped 148 carloads, and it expects to ship 175 in 1975. Rite Aid chose its present location because of its rail service; its plant was built to accommodate expansion.

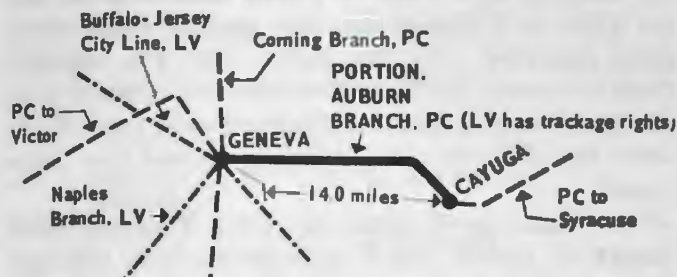
—G. W. Bryant Core Sands, Inc. in McConnellsville, reported that it shipped 303 carloads in 1974 and in addition shipped the equivalent of 60 carloads of sand by truck in 1974 because rail cars were not available. They could ship up to 415 carloads in 1975 if cars are available.

—Harden Furniture abandoned shipping by rail because of bad service.

—Whitehead Brothers ships industrial sand over the line and estimates that it would take over 1,000 truckloads per year to ship its sand, if it lost rail service. Whitehead shipped 280 carloads in both 1973 and 1974 and expects to ship the same volume in 1975.

—Carl's Drugs shipped 96 carloads in 1974 and expects to ship 100 carloads in 1975.

USRA ANALYSIS

PORTION OF THE AUBURN BRANCH
USRA Line No. 671
Penn Central

This portion of the Auburn Branch, formerly part of the New York Central RR, extends from Cayuga (Milepost 36.0) to Geneva, N.Y. (Milepost 50.0), a distance of 14.0 miles, in Ontario, Seneca and Cayuga Counties, N.Y. Continuations of this line run from Cayuga to Syracuse and from Geneva to Victor (a portion of the latter line is also under study in this Report). At Geneva this line connects with the Naples Branch of the LV (also under study in this Report), with the Corning Branch of the PC and with the Buffalo-Jersey City line of the LV. The last-named line is also under study in this Report from Mehoopany, Pa. to Buffalo.

The Lehigh Valley RR operates over this line under a trackage-rights agreement.

Summary of USRA Data

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

Cayuga	773
Seneca Falls	219
Waterloo	372
Geneva ¹	229

¹ Includes only traffic on segment.

Total carloads generated by the line	1,593
Number of round trips per year	250
Estimated time per round trip	6
Revenue received by PC	\$535,974
Average revenue per carload	\$836

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	200,048
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost) ..	19,397
Cost incurred beyond the branch line	872,591

Total variable (avoidable) cost

601,086

Net contribution (loss): total

(65,062)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Several witnesses pointed out that the LV has trackage rights over this line and line 95. Beacon Milling Co. in Cayuga pointed out that its plant at Cayuga shipped 1,892 carloads in 1973. The LV noted that 1,119 of those carloads were handled by it. USRA credited only the PC traffic of Beacon Milling to Cayuga Station. Beacon Milling stated that if all of its traffic were credited to the segment, total carloads for the entire segment would be 2,712 and total revenue would be \$911,232. The line would show a profit of \$310,196.

—The Seneca County Chamber of Commerce stated that 10 firms in Seneca Falls, Waterloo, and Geneva shipped 731 carloads in 1973 and 806 carloads in 1974.

—Comstock Foods division of Borden, Inc., stated that 24 percent of its business is dependent upon rail service. Comstock has a facility at Waterloo which shipped 69 carloads in 1972, 44 in 1973, and 64 in 1974. The low carload figure for 1973 was a result of damage from Hurricane Agnes. Comstock would be willing to accept a 50 percent reduction in service.

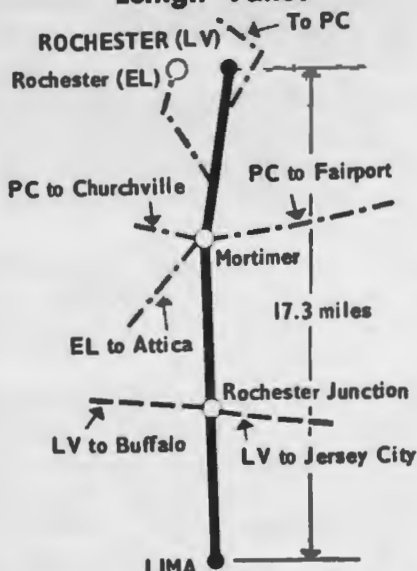
—Wickes Corporation receives 100 carloads per year over this line.

—Agway has facilities at Geneva and at Seneca Falls. Its bulk feed plant at Geneva is within the switching limits of Geneva and open to reciprocal switching. The plant is served by a yard crew in Geneva but is located on Line No. 671 segment. Agway stressed that the integrity of local switching districts must be preserved. In 1973 Agway received 314 carloads at Geneva, 282 of which were routed via the LV with PC performing only final switching. Agway questioned whether non-revenue cars were included in the data supplied to USRA by PC.

—It was pointed out that the average carloads per mile over the line, using USRA's figures, should have been 113.8, not 114.

USRA ANALYSIS

ROCHESTER BRANCH USRA Line No. 1000 Lehigh Valley



The Rochester Branch extends from *Rochester Junction* (Milepost 379.5) to *Rochester, N.Y.* (Milepost 390.8), a distance of *11.3 miles*, and from *Rochester Junction* (Milepost 379.5) to *Lima, N.Y.* (Milepost 385.5), a distance of *6.0 miles*. This is a combined distance of *17.3 miles* in Monroe and Livingston Counties, N.Y.

Summary of USRA Data

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

Lima	658
Honeoye Falls	80
Henrietta	294
Rochester	716

Total carloads generated by the line..... 1,748

Number of round trips per year..... 260

Estimated time per round trip (hours)..... 3

Revenue received by LV..... \$321,244

Average revenue per carload..... \$184

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 228,748

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading

cost) 20,796

Cost incurred beyond the branch line..... 196,540

Total variable (avoidable) cost..... 427,288

Net contribution (loss): Total..... (106,044)

USRA Recommendation

Although the preliminary recommendation is that the Rochester Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Several witnesses pointed out that the number of round trips attributed to the line by USRA was erroneous. There were 260 round trips over the line per year, as USRA states, but none of these round trips operated over the entire line. The segment from Rochester to Rochester Junction received service three times a week, and the segment from Rochester Junction to Lima received service two times a week.

—The Rochester-Genesee Regional Transportation Authority stated that it is studying lines 1000 and 114a and Erie Lackawanna's Rochester branch for possible operation as a short line railroad.

—Shippers on this line have agreed to reroute their traffic to give ConRail the long haul to gateways in the west and south.

—If the line was abandoned, the area would sustain the loss of 112 jobs and \$1,114,120 in payroll.

—Reported traffic:

Company	Carloads			
	1973	1974	1975	1976
Joslyn Manufacturing & Supply Co.....	319	314	332	365
Beam Milling Co., Inc.....	55	65	65	65
Swift Chemical Co.....	349	349	410	435
S.S. Caves Lumber, Inc.....	30	20	25	30
Kington Farm Machinery.....	3			
High Point Mills.....	42	49	55	60
Schram Builders.....	0	7	50	100
Mathew & Fields Lumber.....	231	240	240	250
McCurdy & Co.....		15	15	15
Simons Co.....		47	65	80
University of Rochester.....	462	468	602	796
Pinkel Co.....	319	314	332	365

—It was pointed out that Line 1000 does not connect with the Penn Central west shore line at Mortimer or the Penn Central main line at Rochester as stated in the USRA plan, except via trackage rights over the Erie Lackawanna.

—The line is essential to the University of Rochester which depends upon deep mined coal from West Virginia to heat its campus and its hospital. If the University had to truck its coal it would cost an extra \$3.50 per ton and would result in 2,358 truckloads moving over local streets and highways.

—Joslyn Manufacturing reported that it has a multi-million dollar expansion program under way at its Lima plant. Joslyn could not absorb the 50 to 150 percent increase in costs which would result from shipping by truck.

—Swift Chemical has a major fertilizer manufacturing plant in Lima which could not continue in operation without rail service. Swift stated that elimination of the plant would hurt the total farm economy of New York and Pennsylvania.

Continued on page 384

USRA ANALYSIS

CORTLAND SECONDARY TRACK AND EAST
ITHACA RUNNING TRACK

USRA Line No. 1002



The Cortland Secondary Track and the East Ithaca Running Track extend from *East Ithaca* (Milepost 50.4) to *Cortland, N.Y.* (Milepost 71.8), a distance of 21.4 miles in Cortland and Tompkins Counties, N.Y. At Freeville (Milepost 59.4), this line connects with the Mead Secondary Track and the Freeville Secondary Track, both LV. Both lines are also under study in this Report. At Cortland, this line connects with the Syracuse Branch of the EL.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Etna	21
McLean	14
Cortland	198
Total carloads generated by the line.....	228
Number of round trips per year.....	52
Estimated time per round trip (hours).....	4.0
Revenue received by LV.....	\$41,565
Average revenue per carload.....	\$182
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	182,342
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	29,991
Cost incurred beyond the branch line.....	28,048
Total variable (avoidable) cost.....	240,381
Net contribution (loss): Total.....	(198,816)

USRA Recommendation

It is *not* recommended that the Cortland Secondary Track and the East Ithaca Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—New York DOT stated this line is out of service from Etna to East Ithaca and recommended that traffic from Etna to Freeville be evaluated separately. Traffic from East Ithaca was not included in USRA's evaluation.

—The State of New York has spent \$18,000 to have the line upgraded to FRA Class I standards.

—Cornell University used between 250 and 300 carloads to coal in the last year the line was in use and stated it would cost from \$6–8,000 to repair the washed-out bridge. The University intends to upgrade its coal-burning central heating facilities at a cost of \$3,100,000, has agreed to help fund line rehabilitation and will need 400 carloads of coal per year when the plant is in full operation. A study has shown that rail service would facilitate delivery of waste materials to the heating plant, which would dispose of 500 carloads of solid waste per year.

—Overhead Door Company, in operation in Cortland for 46 years, stated it must have rail service.

—New York Electric and Gas Corporation needs continued rail service to its substation at Etna.

—The Central New York Regional Transportation Authority reported that R. H. Miller shipped 157 carloads of metal working compounds over the line in 1973. The company would have to relocate if it lost rail service. Several witnesses noted that roads between Cortland and Ithaca are especially bad. New York DOT shows Route 13 is overloaded on several stretches.

—Cortland Standard Printing Co. Inc., received 16 carloads of newsprint in 1974.

—Barton & Robeson reportedly ships 94 carloads per year.

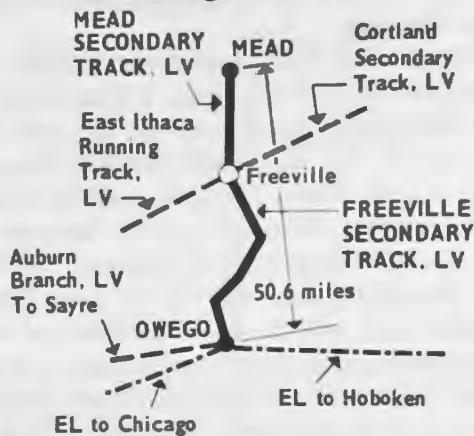
—The Cortland County Chamber of Commerce estimated that loss of service would lead to the closing of two plants and loss of employment for 300 people.

—Brewer-Titchener Corp. estimated its shipping costs would increase by \$40,000 if it lost rail service.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 228 cars on this line generated total revenues of \$154,512; only \$41,565 was attributed to the line.

USRA ANALYSIS

FREEVILLE SECONDARY TRACK AND MEAD SECONDARY TRACK USRA Line No. 1003 Lehigh Valley



The Freeville Secondary Track and Mead Secondary Track, extend from *Owego* (Milepost 289) to *Mead*, N.Y. (Milepost 339.6), a distance of *50.6 miles*, in Cayuga, Tompkins, Cortland, and Tioga Counties, N.Y.

Summary of USRA Data

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

Owego	476
Newark Valley	202
Berkshire	15
Mills	820
Dry Den	100
Freeville	12
Groton	20
Locke	162
Moravia	194

Total carloads generated by the line	2,001
Number of round trips per year	300
Estimated time per round trip (hours)	9.0
Revenue received by LV	\$261,736
Average revenue per carload	\$131

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	578,965
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	110,662
Cost incurred beyond the branch line	240,952

Total variable (avoidable) cost 925,579

Net contribution (loss): total (663,843)

USRA Recommendation

It is *not* recommended that the Freeville Secondary Track and Mead Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The New York DOT has invested \$832,000 in upgrading this line, which meets FRA Class I standards and will be up to FRA Class II standards by September. DOT noted that upgrading costs should, therefore, not be included in the viability analysis of the line. Increased speeds possible over the line should reduce operating costs.

—Atlantic Richfield is Harford Mills' storage facility. It serves the entire northeastern United States and during summer and early fall receives approximately 570 tank carloads of propane, with a like number dispatched in the winter. Arco does not believe it has an alternative to continued operation at Harford Mills. If Harford Mills' rail service is lost, the company estimates that it would have to ship 3,000 truckloads per year. Many of its distributors and consumers are not equipped to accept truck shipments. Arco stated that loss of service to Harford Mills would almost certainly result in an imbalance in the market for fuels in the whole of the region.

—It was suggested that an alternative to abandonment of the entire segment would be to retain Line 1002 from Cortland to Freeville and Line 1003 from Freeville to Harford Mills, assuming that the EL line at Cortland remains in service.

—Agway has facilities at Owego, Dryden and Moravia. It pointed out that tank cars used in transportation of propane gas over the line are privately owned and suggested that the revenue figures attributed to the line by USRA should make no provision for transit charges for these propane gas movements.

—Baker-Miller Lumber, Inc., reported it received 23 carloads of lumber and plywood products in 1974, most of which originated in California, Oregon, Washington and Idaho. Assuming its shipments were unloaded at Ithaca, the company estimated that it would incur an additional cost of \$400 per car.

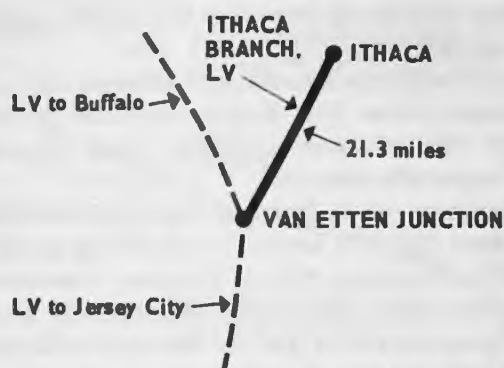
—Honey Butter Products Co. Inc., received 8 carloads, largely bulk honey, in 1973, from the Midwest.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 2,001 cars on this line generated a total revenue of \$1,109,183; only \$261,736 was attributed to the line.

USRA ANALYSIS ITHACA BRANCH USRA Line No. 1017 Lehigh Valley

PUBLIC RESPONSE AND RSPO COMMENT

—Reevaluation of this line has led to its being recommended for inclusion in ConRail, per "USRA News" of March 14, 1975.



The Ithaca Branch extends from *Van Etten Junction* (Milepost 285.8) to *Ithaca, N.Y.* (Milepost 307.1), a distance of *21.3 miles*, in Chemung, Tioga, and Tompkins Counties, N.Y. At Van Etten Junction, this line connects with the Lehigh Valley Jersey City-to-Buffalo line, a portion of which is also under study in this Report.

Summary of USRA Data

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

Spencer	61
Ithaca	485
Total carloads generated by the line.....	498
Number of round trips per year.....	158
Estimated time per round trip (hours).....	10.0
Revenue received by LV.....	\$126,770
Average revenue per carload.....	\$256

Variable (avoidable) cost of continued service:

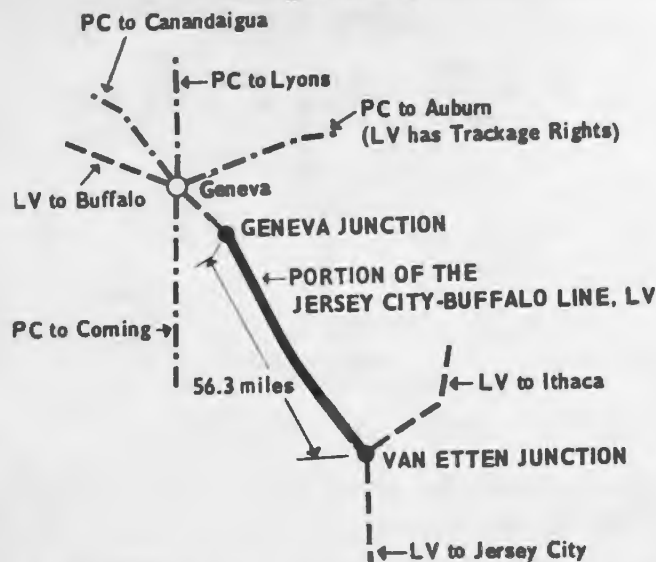
Cost incurred on the branch line.....	244,527
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	56,656
Total variable (avoidable) cost.....	301,183
Net contribution (loss): total.....	(174,413)

USRA Recommendation

It is *not* recommended that the Ithaca Branch be included in the ConRail System.

USRA ANALYSIS

PORTION OF THE JERSEY CITY TO BUFFALO LINE USRA Line No. 1020 Lehigh Valley



This portion of the Jersey City to Buffalo Line, extends from *Van Etten Junction* (Milepost 285.8) to *Geneva Junction, N.Y.* (Milepost 342.1), a distance of *56.3 miles*, in Chemung, Schuyler, and Seneca Counties, N.Y.

Summary of USRA Data

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

Van Etten	8
Cayuta	177
Odessa	200
Burdett	17
Caywood	30
Lodi	2
Gilbert	20
Kendaia	1,013
Total carloads generated by the line	1,471
Number of round trips per year	260
Estimated time per round trip (hours)	10.0
Revenue received by LV	\$503,538
Average revenue per carload	\$342
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	597,810
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	141,819
Total variable (avoidable) cost	739,629
Net contribution (loss): Total	(236,091)

USRA Recommendation

It is *not* recommended that this portion of the Jersey City to Buffalo Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—In a news release dated March 28 1975, USRA announced that the portion of Line No. 1020 from Geneva Junction to Kendaia would be included in the ConRail system.

—The New York DOT stated that this line should have been evaluated from Geneva Junction to Kendaia, from Van Etten Junction to Cayuta, and from Cayuta to Odessa.

—Agway, which has a facility at Odessa, stated that the segment from Van Etten Junction to Odessa produces 385 revenue carloads and should be granted separate analysis.

—The Department of Defense reported that Seneca Army Depot (SEAD) needs rail service from Geneva Junction to Kendaia. SEAD receives stores and issues ammunition, including propellants and explosive components of guided missiles. SEAD also receives supplies for the Government Services Administration and the Office of Civil Defense and industrial production equipment for the Product Equipment Agency and the Defense Industrial Plant Equipment Center.

—E. E. Miller & Son of Geneva requested that if its service via the LV is eliminated, a short connecting line be constructed between the Miller plant and the PC line.

—The United Transportation Union stated that by extending Line No. 1020 to include Line No. 1021 and the 2,484 cars handled by Geneva Station over Line No. 1022, a 200 percent increase in traffic could be achieved.

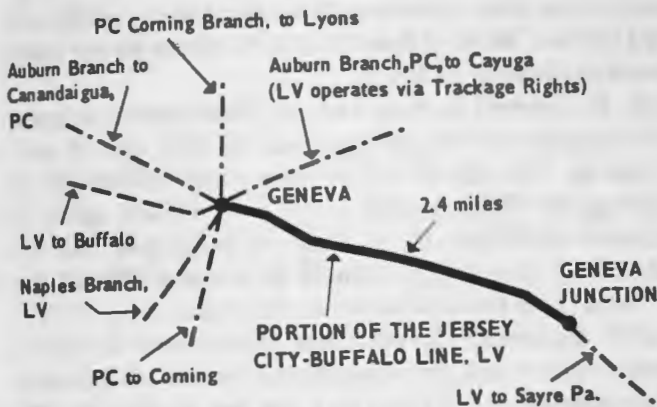
—It was reported that this segment of the LV mainline has a traffic control system which costs \$2 million. Also, 50 miles of the track between Van Etten Junction and Buffalo has welded rail.

—Cotton-Hanlon, Inc. stated that it shipped 156 carloads in 1974. If the company lost rail service, 20 to 30 of its employees would lose their jobs. The payroll loss to the community would be \$185,000, and the state and local area would lose \$91,000 in tax revenues.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 1,471 cars on this line generated a total revenue of \$2,042,277; only \$503,538 was attributed to the line.

USRA ANALYSIS PORTION OF JERSEY CITY-BUFFALO LINE USRA Line No. 1021

Lehigh Valley



This portion of the Jersey City-Buffalo Line of the Lehigh Valley, extends from *Geneva Junction* (Milepost 342.1), to *Geneva, N.Y.* (Milepost 344.5), a distance of *2.4 miles*, in Seneca and Ontario Counties, N.Y. Continuations of this line extend southward from Geneva Junction and westward from Geneva. Both of these continuations are also under study in this Report. Connections with other lines at Geneva are: the Lehigh Valley Naples Branch, the PC Auburn Branch and the PC Corning Branch. The PC Auburn Branch between Geneva and Cayuga and the LV Naples Branch are also under study in this Report. The LV operates over this Auburn Branch segment under a trackage rights agreement.

Information for Line Retention Decision

This line does not directly serve any shippers but is used to serve USRA Segment Nos. 1020 and 1022. The Preliminary Recommendation for both of these lines is that they not be included in the ConRail system.

USRA Recommendation

It is *not* recommended that this portion of the Jersey City to Buffalo Line be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

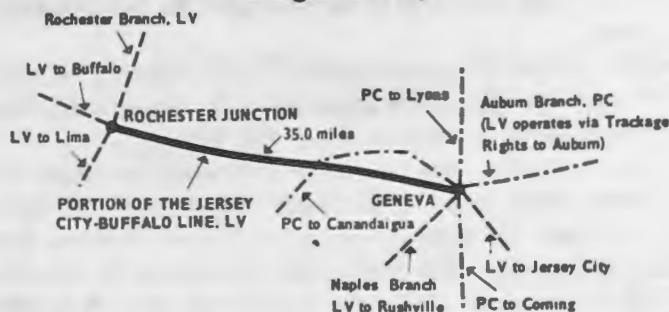
—In a news release dated March 28, 1975, USRA announced that Line 1021 is required as an overhead route for the Geneva Junction to Kendaia segment of Line 1020 which is to be included in the ConRail system.

—The United Transportation Union stated that this line along with traffic generated by Geneva should be considered as part of Line No. 1020.

—Nabisco, Inc., has a major distribution center at Geneva which handled 2,140 carloads in 1974. Nabisco stated that its grocery product line at Geneva has been expanded this year, and it expects to handle 2,800 carloads in 1975 with continued growth in the future.

USRA ANALYSIS PORTION OF JERSEY CITY-BUFFALO LINE

USRA Line No. 1022 Lehigh Valley



This portion of the Jersey City-Buffalo Line extends from Geneva (Milepost 344.5) to Rochester Junction, N.Y. (Milepost 379.5), a distance of 35.0 miles, in Ontario and Monroe Counties, N.Y. Continuations of this line extend southward from Geneva and westward from Rochester Junction. Both of these continuations are also under study in this Report. Connections at Geneva are: the Lehigh Valley Naples Branch and the PC Auburn and Corning Branches (the LV operates via trackage rights over the PC Auburn Branch). This line also connects with the Lehigh Valley Rochester Branch at Rochester Junction. Portions of the aforementioned connections are under study in this Report except for the PC Corning Branch.

Summary of USRA Data

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

Geneva	2,484
Manchester	335
Farmington	2
Victor	342

Total carloads generated by the line	3,163
Number of round trips per year	260
Estimated time per round trip (hours)	9.0
Revenue received by LV	\$403,853
Average revenue per carload	\$128

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	459,386
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	312,984

Total variable (avoidable) cost

772,370

Net contribution (loss): total

(\$368,517)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Texgas Corporation (division of Allied Chemical Corporation) propane gas distribution center at Manchester received 58 privately owned 38,000 gallon tank carloads of propane gas in 1974.

—Iron City Sash and Door Co. stated that it has 32 employees whose jobs are dependent upon continued rail service. Most of Iron City's suppliers do not have facilities to ship by truck.

—R. B. Crowell & Son, Inc., at Manchester shipped 34 carloads in 1972, 22 carloads in 1973 and 49 carloads in 1974, all of which were grain shipments to Baltimore. They would have cost \$15,600 more if shipped by truck. R. B. Crowell suggested that this section of Line No. 1022 could be made a spur of the PC line from Geneva to Canandaigua.

—ITE Imperial Corporation recommended that a connecting track be constructed to link shippers in Farmington and Victor to Line No. 98, the PC line from Victor to Canandaigua. ITE stated that the Farmington and Victor traffic would make Line No. 98 viable.

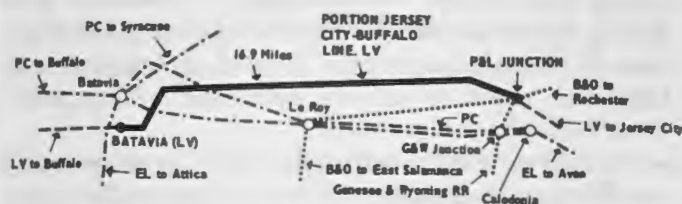
—Ryans Homes reported it shipped 175 carloads in 1973, 215 in 1974, and expects to ship 330 carloads in 1977.

—Consideration must also be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 3,163 cars on this line generated a total revenue of \$1,236,445; only \$403,853 was attributed to the line.

USRA ANALYSIS PORTION OF THE JERSEY CITY-BUFFALO LINE

USRA Line No. 1023

Lehigh Valley



This portion of the Jersey City-Buffalo line extends from *P & L Junction* (Milepost 394.1) to *Batavia, N.Y.* (Milepost 411.0), a distance of *16.9 miles*, in Genesee, Monroe and Livingston Counties, N.Y.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Caledonia	139
Batavia	312
Total carloads generated by the line.....	
451	
Number of round trips per year.....	150
Estimated time per round trip (hours).....	7.0
Revenue received by LV.....	\$90,805
Average revenue per carload.....	\$201
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	192,061
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line....	42,238
Total variable (avoidable) cost.....	234,299*
Net contribution (loss) : Total.....	(143,494)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—International Salt Co. is located on the Genesee and Wyoming Railroad (G&W) at Retsof. The G&W connects with the EL at Greigsville, with the PC (Line 112) at G&W Junction, and with the LV (Line 1023) at P&L Junction. International Salt noted that if EL becomes a part of ConRail, G&W customers will no longer have a choice of connecting lines.

—The LV noted that 4,996 carloads of International Salt's traffic were interchanged at P&L Junction in 1973 and 6,799 carloads in 1974. With the exception of 182 carloads in 1973, this traffic moved east over Lines No. 1023 and 1025. LV noted that the International Salt traffic interchange with the PC influenced USRA's decision to retain Line 112 in ConRail, even though it requires upgrading. LV questioned the logic of eliminating two of its mainline segments, both of which require no upgrading, and retaining the PC segment which does. Use of the PC line would mean that International Salt's eastern traffic would have to be backhauled.

—Caledonia Lumber and Coal Co., Inc. received 180 carloads of forest products in 1974.

—Batavia Waste Material Company ships 173 carloads per year. If improvements in service were made, the company would ship 268 carloads per year.

—Northern Propane Gas generates 80 carloads per year. If service were lost, the firm would have to absorb a \$10,000 in transportation costs or transfer to another location.

—GTE-Sylvania moves 183 carloads per year. If service were improved the company would ship an additional 75 carloads. If service ceased, the company would have to absorb a \$40,000 increase in transportation costs.

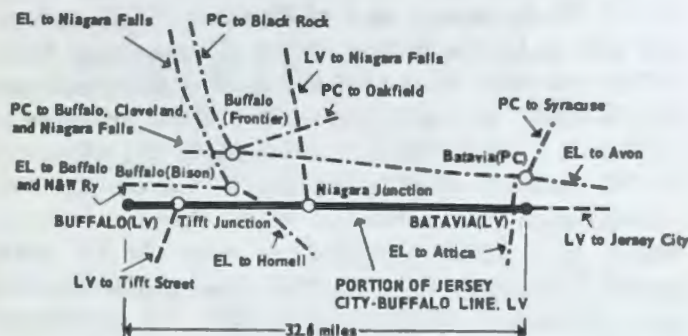
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 451 cars on this line generated a total revenue of \$305,555; only \$90,805 was attributed to the line.

USRA ANALYSIS

PORTION OF BUFFALO TO JERSEY CITY LINE

USRA Line No. 1024

Lehigh Valley



This portion of the Buffalo to Jersey City Line, extends from *Buffalo* (Milepost 443.6) to *Batavia* (Milepost 411.0), a distance of *32.6 miles*, in Genesee and Erie Counties, N.Y. There are no industries on this line be-

Summary of USRA Data

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

Depew	8
Williamsville	288
North Tonawanda	309
Niagara Falls	4,015
Suspension Bridge	201
Cheektowaga	15
Buffalo	15,171
Niagara Junction, N.Y.	3

Total carloads generated by the line	19,950
Number of round trips per year	150
Estimated time per round trip (hours)	10.0
Revenue received by LV	\$7,208,818
Average revenue per carload	\$360

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	749,053
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	3,640,615

Total variable (avoidable) cost 4,389,668

Net contribution (loss): Total 2,819,150

USRA Recommendation

It is recommended that the portion of the Buffalo to Jersey City line serving the industries in the Buffalo area be included in the ConRail System. The remainder of the line will be subject to more detailed analysis.

PUBLIC RESPONSE AND RSPO COMMENT

—New York State Railroad Task Force corrected the Plan by pointing out that Williamsville is not on this line, instead being located on the LV Suspension Bridge branch.

—Northern Propane Gas Company, Batavia, cited receipt of 33 carloads in 1973, 20 in 1974, and it expects a total of 33 carloads in 1975. If rail service is not available the shift to trucking would increase shipping costs about \$10,000 a year.

—New York State Department of Commerce said that if service on this line is discontinued, five firms have indicated they would go out of business and four others would have to relocate, "adding more than 900 to the jobless rolls."

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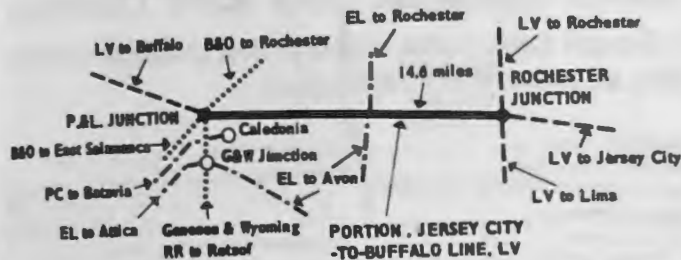
—New York State Department of Commerce said that if service on this line is discontinued, five firms have indicated they would go out of business and four others would have to relocate, "adding more than 900 to the jobless rolls."

USRA ANALYSIS

PORTION OF JERSEY CITY-TO-BUFFALO LINE

USRA Line No. 1025

Lehigh Valley



This portion of the Jersey City-to-Buffalo Line of the Lehigh Valley, extends from *Rochester Junction* (Milepost 379.5) to *P&L Junction, N.Y.* (Milepost 394.1), a distance of *14.6 miles*, in Livingston and Monroe Counties, N.Y. This line continues westward from P&L Junction to Buffalo and eastward from Rochester Junction to Jersey City, N.J., both continuations are under study in this Report. At Rochester Junction the line connects with the Rochester Branch of the LV to Rochester and Lima, also under study in this Report. At P&L Junction the line connects with the B&O line between Ashford and Rochester and with the Genesee & Wyoming RR to Retsof.

Information for Line Retention Decision

This line does not directly serve any shippers, and is not planned to be used for through service.

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The LV stated that this line is an important carrier of overhead traffic from the International Salt Co., which is located on the Genesee and Wyoming Railroad at Retsof. See the discussion under Line No. 1023.

249

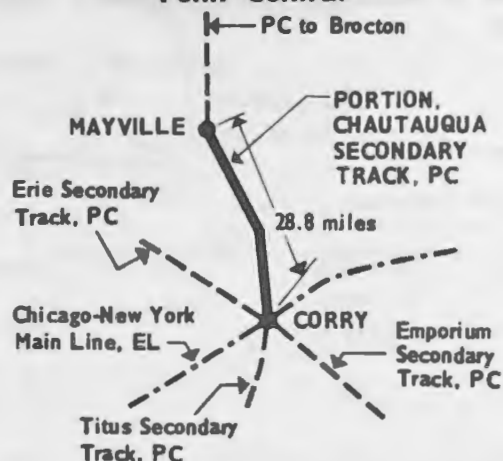
NEW YORK to PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE CHAUTAUQUA SECONDARY TRACK

USRA Line No. 249

Penn Central



This portion of the Chautauqua Secondary Track, formerly part of the Pennsylvania RR, extends from Mayville, N.Y. (Milepost 65.0), to Corry, Pa. (Milepost 93.8), a distance of 28.8 miles, in Chautauqua County, New York and Erie County, Pennsylvania. A continuation of this line runs from Mayville to Brocton (also under study in this Report). At Corry, this line connects with the Chicago-to-Jersey City line of the EL and with the Erie Secondary Track, the Emporium Secondary Track and the Titus Secondary Track of the PC. The three latter lines are also under study in this Report.

Summary of USRA Data

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

Clymer	185
Panama	43
Sherman	206
Mayville	595

Total carloads generated by the line	1,009
Number of round trips per year	110
Estimated time per round trip (hours)	8
Revenue received by PC	\$271,870
Average revenue per carload	\$269

Variable (avoidable) cost of continued service

Cost incurred on the branch line	258,082
Cost of upgrading branch line to FRA Class I: (1/10 of Total Upgrading cost)	0
Cost incurred beyond the branch line	226,088

Total variable (avoidable) cost	484,150
Net contribution (loss)	(212,280)

USRA Recommendation

It is *not* recommended that this portion of the Chautauqua Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Joseph Lepkowski, representing 12 shippers on this line, submitted the following:

Mapleville Farms	Grocery products	6
Sherman Steam Mill	Feed and grain	25
Farmers Mill	do	124
Myerink Milling	do	30
Clymer Agway	Agricultural products	13
N. Clymer Agway	do	34
Cadisch Lumber	Lumber, wood products	1
Gallup & Ten Haken	Farm machinery	5
John Wiggers & Son	do	6
Russell H. Pillsbury	Lime	30
Clumer Bag Co.	Burlap bags and wood chips	6
Ethan Allen	Furniture	563

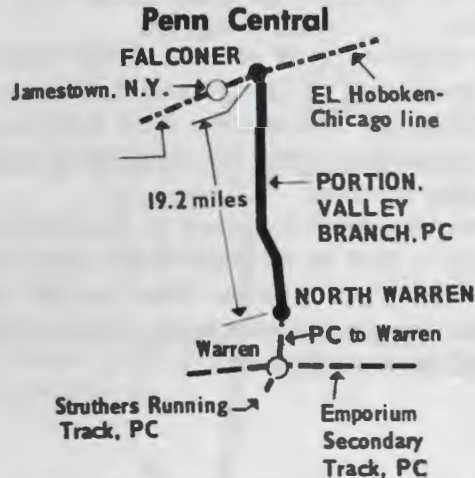
—If the line were abandoned, these shippers estimated they would incur an additional \$252,000 per year in transportation costs.

—Ethan Allen requested that, if Line 249 is abandoned, Line 248 be kept in service along with the first 5.4 miles of track on Line 249 at Mayville. This would enable Ethan Allen to ship its traffic northbound over Line 249 and, in the opinion of the company, should make that line viable.

260 NEW YORK to PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE VALLEY BRANCH USRA Line No. 260



This portion of the Valley Branch, formerly part of the New York Central RR, extends from *Falconer, N.Y.* (Milepost 32.1) to *North Warren, Pa.* (Milepost 51.3), a distance of *19.2 miles*, in Chautauqua County, New York and Warren County, Pa. At Falconer this line connects with the Chicago-to-Jersey City line of the EL. A continuation of this line runs from N. Warren to Warren (Milepost 54.4) where it connects with the Emporium Secondary Track of the PC. Both lines are also under study in this Report. In June 1973, the PC applied to the ICC for permission to abandon this line (Docket No. AB-5, Sub. 163). In September 1974, the PC applied to USRA for permission to abandon this line. No action has been taken on either application.

Summary of USRA Data

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

Falconer	253
Jamestown	19
Frewsburg	54
Akeley	83
Russell	14

Total carloads generated by the line.....	423
Number of round trips per year.....	50
Estimated time per round trip (hours).....	12 0
Revenue received by PC.....	\$185, 105
Average revenue per carload.....	<u>\$320</u>
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	174, 941
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)...	34, 848
Cost incurred beyond the branch line.....	<u>92, 083</u>
Total variable (avoidable) cost.....	<u>301, 882</u>

Net contribution (loss) : total..... (166, 777)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—James Jennings, representing seven shippers on this line submitted the following:

Company	Commodity	1974 carloads
Vac Air Alloya.....	Scrap metals.....	85
Falconer Feed Service.....	Feed and grain.....	60
American Manufacturing Concern.....	Furniture.....	68
Falconer Agway.....	Feed and grain.....	200
Regal Lumber.....	Lumber & Mill products.....	30
West Penn Oil.....	Petroleum products.....	127
Larimer Norton Co.....	Lumber.....	100

—These seven firms have total annual sales of \$23,950,000; total employees of 291; and payroll of \$3,253,500 per year.

—These seven shippers estimated that they would incur an additional \$137,000 per year in increased transportation charges if the line were abandoned.

—Hillerich & Bradsby Co. reported that it has shipped an average of 85 carloads per year for the past three years from Akeley siding and expects to ship at least 100 carloads in 1975. If the service is discontinued, the nearest shipping point would be Warren, Pennsylvania. The company estimates that shipping via Warren would increase costs by more than \$10,000 per year.

—Shippers on the line unloaded an additional 75 cars on the EL team track because PC could not furnish adequate service.

—Agway pointed out that industries now served by PC could be efficiently served by the EL mainline through Falconer over a connecting track. Agway expects its Falconer shipments to remain at 200 carloads per year.

—West Penn Oil reported that it would have used 450 carloads in 1974 if they had been available.

—American Manufacturing Concern expects to ship 100 carloads per year in the future.

—The estimated time per round trip appears to be high considering the traffic and length of the line.

1015

NEW YORK to PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE AUBURN BRANCH

USRA Line No. 1015



This portion of the Auburn Branch, extends from Sayre, Pa. (Milepost 271.0) to Owego, N.Y. (Milepost 289.6), a distance of 18.6 miles, in Bradford County, Pa. and Tioga County, N.Y. This line continues northward from Owego, a portion of which is also under study in this Report. Also at Owego the line connects with the Erie Lackawanna Jersey City-Chicago line. Connections at Sayre, include the Lehigh Valley Waverly-Elmira Branch (via trackage rights over the EL); and the Lehigh Valley Jersey City-Buffalo line, a line which is also under study in this Report between Mehoopany, Pa. and Buffalo.

Summary of USRA Data

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

Smithboro	180
Total carloads generated by the lines.....	180
Number of round trips per year.....	52
Estimated time per round trip (hours).....	12.0

Revenue received by LV.....	\$35,882
Average revenue per carload.....	\$199

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	189,166
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line....	21,662

Total variable (avoidable) cost..... 190,828

Net contribution (loss): Total..... (154,946)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Agway confirmed that the line has recently undergone general upgrading and should need no new expenditures.

—Supply sources for 90 percent of the commodities received by Agway at Owego and Smithboro are in Ohio, Indiana, or Jamestown, New York and offer ConRail the opportunity for developing long haul or single line revenue.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 180 cars on this line generated a total revenue of \$69,745; only \$35,882 was attributed to the line.

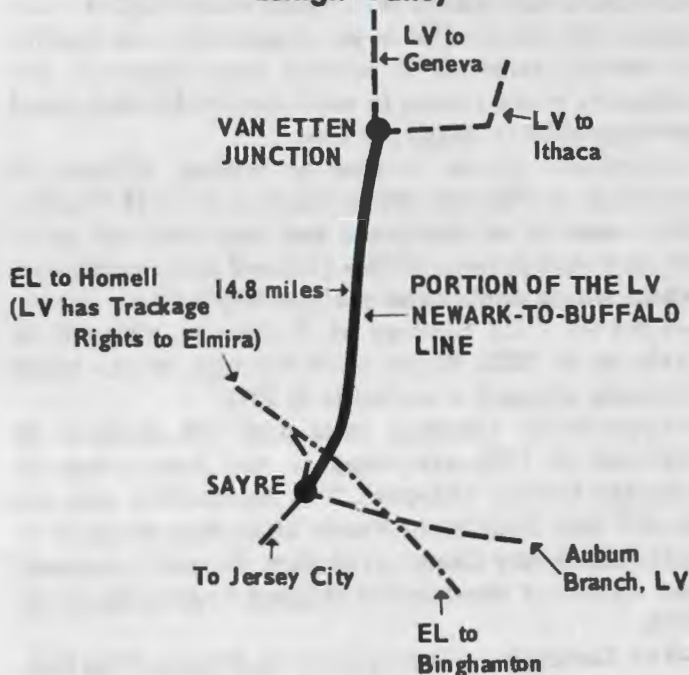
1016

NEW YORK to PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE JERSEY CITY-TO-BUFFALO LINE

USRA Line No. 1016 Lehigh Valley



This portion of the Jersey City-to-Buffalo Line, extends from *Sayre, Pa.* (Milepost 271.0), to *Van Etten Junction, N.Y.* (Milepost 285.8) a distance of *14.8 miles*, in Bradford County, Pennsylvania, and Tioga and Chemung Counties, N.Y. Continuations of this line extend northward from Van Etten Junction and southward from Sayre. Both continuations are also under study in this Report. Connections with other lines include: the Lehigh Valley Auburn Branch at Sayre and the Lehigh Valley Ithaca Branch at Van Etten Junction. Both branches are also under study in this Report. Additionally, this line connects with the Lehigh Valley Waverly-Elmira Branch at Sayre. This line was not described as potentially excess in the U.S. DOT Report (see Zones 52, 53 and 73).

Summary of USRA Data

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

Sayre	884
Waverly	583

Total carloads generated by the line	867
Number of round trips per year	812
Estimated time per round trip (hours)	10.0
Revenue received by LV	\$177,980
Average revenue per carload	\$205

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	288,388
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	106,330

Total variable (avoidable) cost 392,718

Net contribution (loss): total (214,788)

USRA Recommendation

It is recommended that the portion of the LV traffic at Sayre and Waverly be handled by ConRail or the EL or its successor (see Chapter 3). The line north of Waverly is *not* recommended for inclusion in the ConRail System nor to the EL or its successor.

PUBLIC RESPONSE AND RSPO COMMENT

—That portion of this line which was not included has been reevaluated and recommended for inclusion in ConRail per "USRA News" of March 14, 1975.

NEW YORK CONTINUATIONS

NY.-81

—New York DOT reported that the Penn Central purchased 1,600 carloads of crushed stone from the Cushing Crushed Stone Co. in South Amsterdam. These carloads were carried over Line 81 but were not included in USRA's analysis of the line.

NY.-83a

—Several witnesses disputed USRA's allocation of costs to this line. State Senator Donovan stated "Does anyone believe that USRA would save \$45,744 by eliminating this less than a mile of track?"

NY-102

million per year in transportation costs and would have to spend \$5 million for new facilities. If Hammerrill moved, the loss to the community of Oswego would be \$115,000 in taxes and \$2.3 million in payroll.

NY-105/107

—The Chessie is interested in acquiring that portion of the line from Charlotte to Hamlin.

—Rochester Gas and Electric reported that it has a coal-fired electrical generating plant at Russell Station, west of Charlotte, which generated 6,501 carloads in 1973 and 7,947 carloads in 1974. RG&E stated that there is no substantial prospect any of the four units at Russell Station will be converted from coal-firing and the facility should generate 8,500 carloads in 1975.

—Reported Traffic:

Company and location	Carloads	
	1973	1975
Duffy-Mott Co., Hamlin.....	549	397
Allied Chemical, Elberta.....	189	187
Speas Co., Lyndonville.....	20	15
Pfeiffer's Foods, Wilson.....	99	102
Grower's Cold Storage, Waterport.....	24	
Water Cold Storage, Waterport.....		55
Lyndonville Canning, Lyndonville.....	45	
Southland Foods, Barker.....	50	
Noury Chemical, Burt.....	1	
Agway, Ransomville.....	8	
Chemtrol, ³ Model City.....	34	

¹ Poor quality service caused decline.

² Would expand and double or triple car shipments if service quality were improved and assured.

³ If service is improved will complete expansion with potential in excess of 1,000 carloads per year.

—New York DOT suggested that the following segmentations of this line should be evaluated: Riverview to Wilson, including the replacement of the .6 mile of track now out of service at Riverview; Charlotte to Hamlin; Hamlin to Lyndonville; and Wilson to Lyndonville.

—Duffy-Mott Co. at Hamlin shipped 549 carloads in 1973 and 397 carloads in 1974.

—Allied Chemical shipped 189 carloads in 1973 and 187 carloads in 1974. Some of the materials which it ships cannot be shipped by any other mode.

—Speas Co. in Lyndonville shipped 20 carloads in 1973 and 5 carloads in 1974. Speas stated that the sole reason for the decline in its shipments is the quality of service received. If service were improved, the company could return to what used to be its normal average of 30 carloads per year.

—Pfeiffer's Foods, located at Wilson, shipped 99 carloads in 1973 and 102 carloads in 1974. If Pfeiffer were assured of continued and improved rail service, it would proceed with a planned plant expansion which would double and perhaps triple its car usage.

—Growers Cold Storage at Waterport, shipped 24 carloads in 1973. Water Cold Storage, at the same location, shipped 55 carloads in 1974.

—Lyndonville Canning, mile post 133, shipped 45 carloads in 1973, according to the Association of Niagara County Shippers. The Association also reported that Southland Foods at Barker shipped 50 carloads, Noury Chemical at Burt shipped 1 carload, and Agway at Ransomville shipped 8 carloads, all in 1973.

—The Association also reported that Chem-Trol Pollution Service at Model City shipped 34 carloads in 1973. If service is assured and improved, Chem-Trol plans to complete capital expansion plans that include new rail loading and unloading facilities. Chem-Trol's potential is in excess of 1,000 carloads per year.

NY-137

—Husky Industries of Grand Gorge and Stamford would build a new plant with a rail siding if assured of continued service. The plant would produce 90 carloads per year.

—The New York DOT noted the following station errors: Roxburg generated 445 carloads and Stamford generated 449 carloads. New York DOT recommended that the line be evaluated as the Kingston to Stamford branch since service is not warranted beyond Stamford.

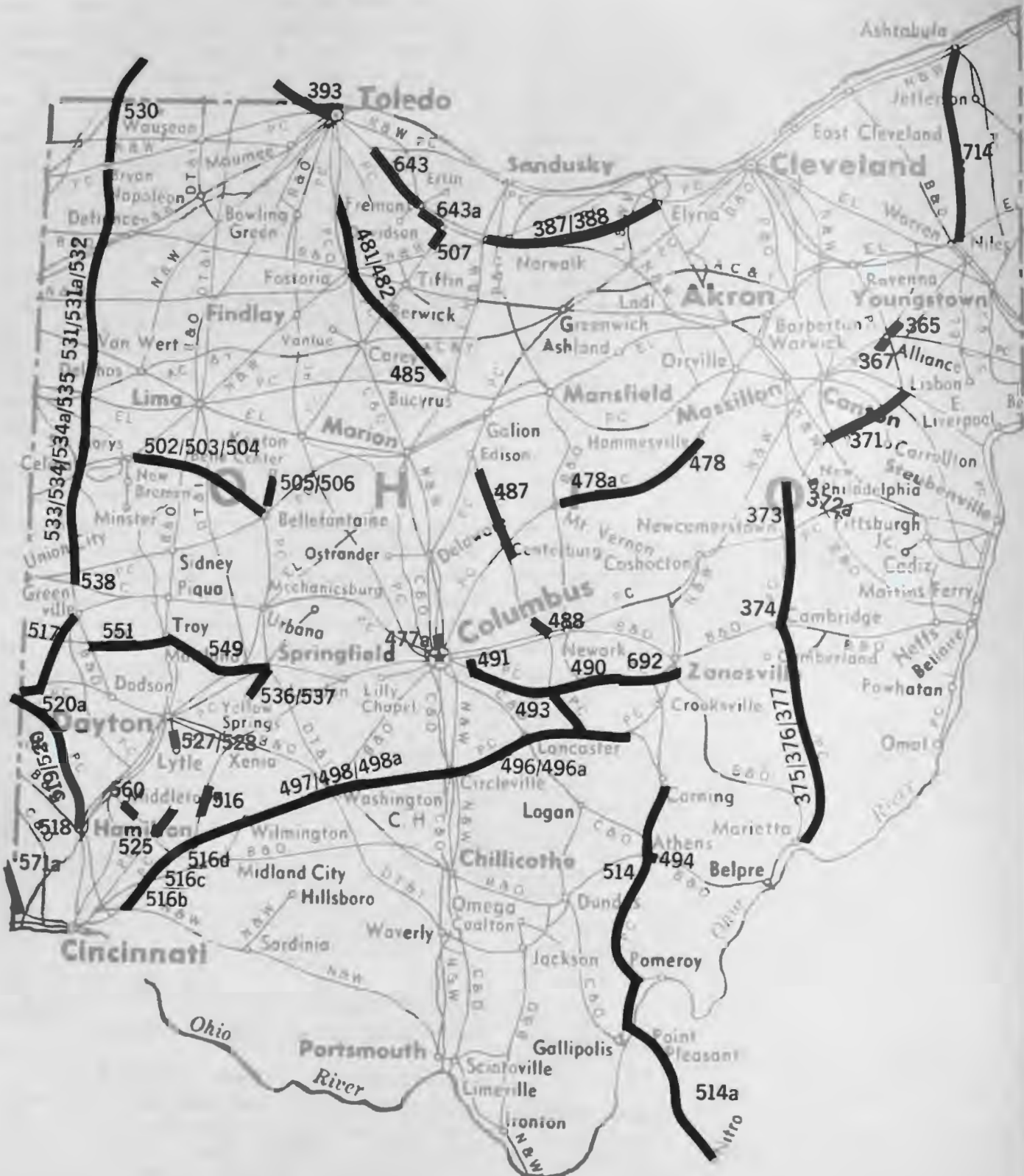
NY-1000

—Swift estimated that the cost of transfer and trucking from a rail terminal over a 20 mile length of haul would be closer to \$7 per ton than to the \$3.66 per ton estimated by USRA.

—Consideration must also be given to the total revenue which would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 1,748 cars on this line generated a total revenue of \$1,273,704. Only the LV share of \$321,244 was attributed to this line.



OHIO



OHIO

USRA line number	Terminals
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Intrastate

PC

365	North Benton to Alliance
367	Alliance to Mount Union
371	Magnolia to Minerva
373	Dover to Newcomerstown
374	Newcomerstown to Cambridge
375/376/377	Marietta to Cambridge
387/388	Elyria to Bellevue
477a	Columbus Union Station
478	Holmesville to Howard
478a	Howard to Mount Vernon
481/482	Luckey to Berwick
485	Berwick to Spore
487	Edison to Johnstown
488	Granville to Heath
490	Glass Rock to Thurston
491	Truro to East Columbus
493	Truro to Bremen
494	Athens to Armitage
496/496a	Bremen to Circleville
497/498/499a	Morrow to Circleville
502/503/504	Bellefontaine to St. Marys
505/506	Belle Centre to Bellefontaine
507	Clyde to Green Springs
514	Corning to Hobson
516	Spring Valley to Waynesville
516b	Milford to Clare
516c	Milford to South Lebanon
516d	South Lebanon to Morrow
517	New Paris to Bradford
518	Old River Junction to New River Junction
519/520	New River Junction to Eaton
525	Lebanon to Hageman
527/528	Lytle to Hempstead
531/531a/532	Bryan to Van Wert
533/534/534a/ 535	Van Wert to Ansonia
536/537	Springfield to Yellow Springs
538	Ansonia to Meekers
549	Troy to Cold Springs
551	Troy to Arcanum
560	Oxford State Street to Union Village
640	Breman to New Lexington
643	Millbury Junction to Fremont
643a	Fremont to Clyde
692	Glass Rock to Spangler
714	Warren to Ashtabula

Interstate

Ohio to Michigan (these lines are discussed under Michigan)

393	Vulcan, Ohio to N&W Xing East of Adrian
530	Bryan, Ohio to Hudson, Mich.

USRA line number	Terminals
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Ohio to West Virginia

514a	Hobson, Ohio to Nitro, W. Va.
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Ohio to Indiana (these lines are discussed under Indiana)

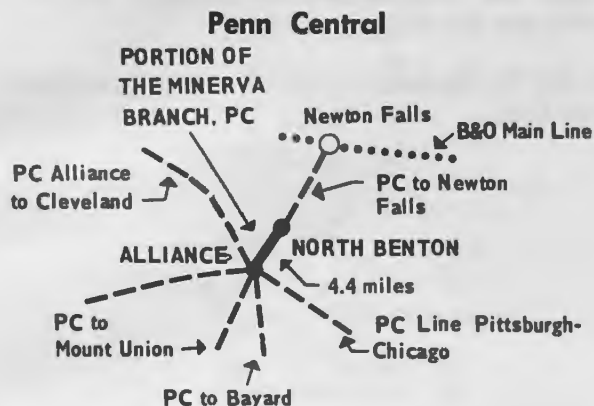
520a	Eaton, Ohio to Richmond, Ind.
554	Glen Karn, Ohio to Hunter, Ind.
571a	Cedar Grove, Ohio to Valley Junction, Ind.

OHIO

USRA ANALYSIS

PORTION OF THE MINERVA BRANCH

USRA Line No. 365



This portion of the Minerva Branch, formerly part of the New York Central RR, extends from *North Benton* (Milepost 18.5) to *Alliance, Ohio* (Milepost 22.9), a distance of 4.4 miles, in Mahoning, Portage and Stark Counties, Ohio. The northerly continuation of this line, from North Benton to the B&O at Newton Falls, is also under study in this report. At Alliance, PC lines to Cleveland, Chicago and Pittsburgh intersect as do local lines to Bayard and Mount Union, both also under study.

Summary of USRA Data

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

North Benton.....	37
Total carloads generated by the line.....	37
Number of round trips per year.....	45
Estimated time per round trip (hours).....	1.5
Revenue received by PC.....	\$15,385
Average revenue per carload.....	\$416
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	32,314
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	11,641
Cost incurred beyond the branch line.....	8,560
Total variable (avoidable) cost.....	52,524
Net contribution (loss) total.....	(37,139)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Mahoning Farm Bureau Cooperative protested the proposed discontinuance of service on this line. According to the Farm Bureau, the ICC denied permission to abandon this line in February, 1973. In light of that decision, the Farm Bureau, which generates between 30 and 50 carloads a year, has made plans to increase its rail usage by moving part of its facilities from Canfield to North Benton.

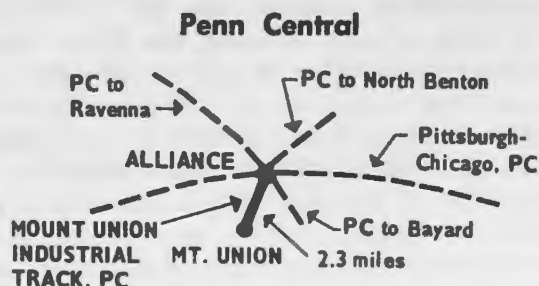
—Armak protested USRA's recommendation for abandonment of this line from Alliance to a point 2.37 miles northeast. Armak has spent \$15,000 over the last 2 years replacing cross-ties and track in anticipation of greater rail use. It owns land which has been intended for use in future plant expansion.

—It is noted that the estimated number of round trips per year exceed the number of carloads in 1973.

USRA ANALYSIS

MT. UNION INDUSTRIAL TRACK

USRA Line No. 367



The Mount Union Industrial Track, formerly part of the New York Central RR, extends from *Alliance* (Milepost 25.6) to *Mt. Union, Ohio* (Milepost 26.9), a distance of 2.3 miles, in Stark County, Ohio. This line connects at Alliance with Penn Central's line to Ravenna and Cleveland and with Penn Central's line between Pittsburgh and Chicago. The three other Penn Central lines at Alliance are the branches to Bayard, Newton Falls, and Niles. The first two are under study in this report. Penn Central filed to abandon this line (Docket No. AB-5 Sub. 179).

Summary of USRA Data

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

Alliance ¹	11
Total carloads generated by the line.....	11
Number of round trips per year.....	22
Estimated time per round trip (hours).....	2.0

¹ Includes only traffic on segment.

Revenue received by PC.....	\$2,102
Average revenue per carload.....	\$191

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	23,433
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	14,626
Cost incurred beyond the branch line.....	2,240

Total variable (avoidable) cost..... 40,309

Net contribution (loss): total..... (38,207)

USRA Recommendation

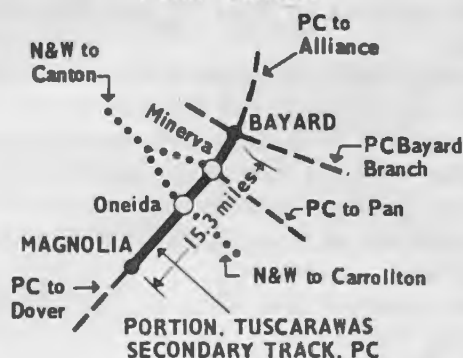
It is *not* recommended that the Mount Union Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—A review of USRA's calculations indicate that the average carload per mile should read 4.8, not 4.3, and the average loss per carload should be (\$3,472) not (\$9,473).

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS

PORTION OF TUSCARAWAS SECONDARY
TRACKUSRA Line No. 371
Penn Central

This portion of the Tuscarawas Secondary Track, formerly part of the Pennsylvania RR, extends from *Minerva* (Milepost 2.9) to *Magnolia, Ohio* (Milepost 15.3), a distance of 12.4 miles, in Stark, Carroll and Columbiana Counties, Ohio. This line continues south to *Dover*, which is also under study in this Report. At *Oneida* (Milepost 5.7) and *Minerva* (Milepost 2.6) it connects with branches of the N&W Ry. At *Bayard* it connects with the PC's Bayard Branch, and with the Mahoning Secondary Track to Alliance. At *Minerva* it also connects with the Alliance Branch of the PC to Pan.

Summary of USRA Data

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

Minerva ¹	175
Malvern	10
Waynesburg	617
Magnolia	189

¹ Includes only traffic on segment.

Total carloads generated by the line	991
Number of round trips per year	150
Estimated time per round trip	4
Revenue received by PC	\$338,241
Average revenue per carload	\$342

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	152,105
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	236,350
Total variable (avoidable) cost	388,455

Net contribution (loss): Total (50,214)

USRA Recommendation

It is *not* recommended that this portion of the Tuscarawas Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Whitacre Greer Fireproofing Company, Magnolia and Waynesburg, said lack of rail service would force it to truck bricks to the nearest railhead at an additional cost of four dollars a ton, placing it at a competitive disadvantage and handicapping future plant modernization and expansion. Whitacre Greer projected a 50 percent reduction in employment without rail service.

—The Ohio Power Company claimed its power station at Malvern would be adversely affected if rail service were discontinued.

—Testimony indicated a potential for growth in rail service in the area, including reported recoverable coal reserves of 10 million tons.

—The Stark County Board of Commissioners has given Waynesburg a top priority for community development. A new sewer system is to be built when funds are available, with the expectation this will promote industrial growth as well as new housing.

—The Ohio Public Utilities Commission says revenues on this line are understated, that about 7,750 cars moving between Bayard and Minerva and then on to the Alliance Branch should have been included. The PUC also contends crew costs might have been overstated, that Minerva shippers generated 253 carloads in 1974.

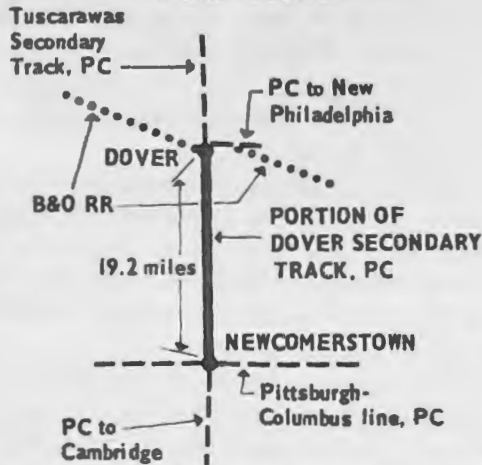
—Whitacre Greer recommended that if the line is excluded from ConRail it should be leased to the N&W or the Chessie System.

—Reported Traffic:

Company and location	Carloads	
	1973	1974
Whitacre Greer Fireproofing Co., Magnolia	750	991
General Color & Chemical Co., Inc., Minerva		60
Seaway Canadian Sphagnum Peat Moss		5

USRA ANALYSIS

PORTION OF DOVER SECONDARY TRACK USRA Line No. 373 Penn Central



This portion of the Dover Secondary Track, formerly part of the Pennsylvania RR, extends from *Newcomerstown* (Milepost 84.1) to *Dover, Oh.* (Milepost 103.3), a distance of *19.2 miles*, in Tuscarawas County, Ohio. A continuation of this line extends southward from *Newcomerstown* to *Cambridge* (also under study in this Report). At *Dover*, this line connects with the *Tuscarawas Secondary Track, PC* (and with a *PC* line to *New Philadelphia*, both also under study in this Report). Also at *Dover*, this line connects with the *Baltimore & Ohio Railroad*. At *Newcomerstown*, this line connects with the *Pittsburgh-Columbus Line* of the *PC*.

Summary of USRA Data

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

Dover ¹	780
Stone Creek	414
Total carloads generated by the line	1,194
Number of round trips per year	200
Estimated time per round trip, hours	7

¹ Includes only traffic on segment.

Revenue received by	\$440,887
Average revenue per carload	\$369
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	230,925
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	267,788
Total variable (avoidable) cost	498,713
Net contribution (loss): total	(57,826)

USRA Recommendation

It is *not* recommended that this portion of the Dover Secondary Track be included in the ConRail System unless this line is required to provide service from USRA Line segment No. 372a.

PUBLIC RESPONSE AND RSPO COMMENT

—The Stone Creek Brick Co. which used 433 cars during its fiscal year 1972–1973, reported that because the section of the Tuscarawas Secondary Track between Dover and Bayard is out of service, the 1,688 carloads on lines 372 and 372a travel over this line.

—According to Stone Creek Brick, trucks are not a suitable alternative to rail because bricks are heavy and susceptible to damage with excessive handling. They also reported that their competitive position would be impaired because they would be the sole brick plant out of 13 in Tuscarawas County to lose rail service.

—It was reported that there is great potential for additional traffic along this line. Testimony stated that the Stark Truss Co. plans to expand its facilities, thereby increasing its need for rail use.

—Testimony reported that there are 50,000 to 60,000 acres of coal producing land adjacent to this line. The Tuscarawas County Chamber of Commerce reported that 23,900 acres of this land, with a capability of producing 71,700,000 tons of coal, is presently unmined.

—The Public Utilities Commission of Ohio recommends that lines 372a and 373 be considered one line for analysis purposes. The Tuscarawas County Chamber of Commerce expanded this recommendation. They felt that lines 372, 372a, and 373 should be analyzed as one line.

—In the event that this line and line 372a are not recommended for inclusion in ConRail, shippers proposed that Newcomerstown be served by a local train from the Dennison yard.

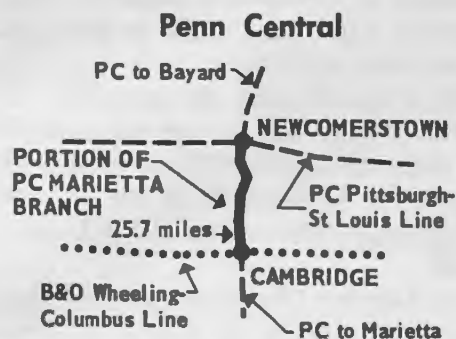
—The Ohio Power Co. reported that its power substations at Newcomerstown, West New Philadelphia, and West Dover would be adversely affected if the track is abandoned.

—The Chessie is only interested in providing service to shippers at Dover.

USRA ANALYSIS

PORTION OF MARIETTA BRANCH/DOVER SECONDARY TRACK

USRA Line No. 374



This portion of the Marietta Branch and the Dover Secondary Track, formerly part of the Pennsylvania RR, extends from *Cambridge* (Milepost 58.8) to *Newcomerstown, Ohio* (Milepost 84.5), a distance of *20.4 miles*, in Guernsey and Tuscarawas Counties, Ohio. The southern section of the Marietta Branch, which runs from Marietta to Cambridge and the line's northern connection, the PC Dover Secondary Track, are both under study in this Report. The Penn Central line from Pittsburgh to St. Louis connects with this line at Newcomerstown; the B&O Columbus-Wheeling line connects at Cambridge.

PUBLIC RESPONSE AND RSPO COMMENT

—The Brotherhood of Locomotive Engineers reported that 8,450 cars were handled in the Newcomerstown yard between July 1974 and December 1974. Testimony states that the bulk of this traffic is generated by points between Marietta and Dover.

—The Cambridge Chamber of Commerce claimed 613 carloads were generated in Cambridge during 1973. They reported that this figure could increase. Negotiations are under way with two businesses considering relocation to an industrial park adjacent to this line.

—Without rail service, the Chamber of Commerce reported that Oxford Tile, employing 165 people, would relocate.

—Coal shipments along this line would have to be rerouted if rail service were discontinued.

—The Chessie is only interested in providing service to shippers at Cambridge.

Summary of USRA Data

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

Cambridge	407
Oldham	0

Total carloads generated by the line 407

Number of round trips per year..... 140

Estimated time per round trip (hours)..... 10

Revenue received by PC..... \$186,568

Average revenue per carload..... \$458

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 223,062

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line..... 104,999

Total variable (avoidable) cost..... 327,961

Net contribution (loss): Total..... (141,393)

USRA Recommendation

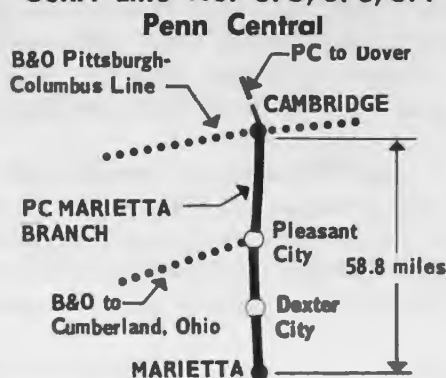
It is *not* recommended that this portion of the Marietta Branch be included in the ConRail System.

375/376/377

OHIO

USRA ANALYSIS

PORTION OF MARIETTA BRANCH USRA Line No. 375/376/377



This portion of the Marietta Branch, formerly part of the Pennsylvania RR, extends from *Marietta* (Milepost 0.0) to *Cambridge, Ohio* (Milepost 58.8), a distance of 58.8 miles, in Washington, Noble and Guernsey Counties, Ohio. This line continues north as the Dover Secondary Track to Dover. It connects with the B&O (Pittsburgh-Columbus line) at Cambridge and with a B&O branch to Cumberland, Ohio at Pleasant City. In August 1972, Penn Central petitioned to abandon the portion of this line south of Dexter City (Milepost 27.0), ICC Docket No. AB-5, Sub. 92. No action has been taken.

Summary of USRA Data

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

Vanadis	141
Byesville	82
Pleasant City	2
Ava	24
Belle Valley	1
Caldwell	187
Dexter City	57
Macksburg	0
Marietta	459
Total carloads generated by the line	903
Number of round trips per year	45
Estimated time per round trip (hours)	12

Revenue received by PC..... \$331,793

Average revenue per carload..... \$367

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 459,397

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) .. 72,563

Cost incurred beyond the branch line..... 185,588

Total variable (avoidable) cost..... 727,548

Net contribution (loss): total..... (395,755)

USRA Recommendation

It is *not* recommended that the Marietta Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Marietta Area Chamber of Commerce reported that this line serves Meigs Creek mine, which is estimated to be capable of producing 12 million tons of coal.

—The Chamber of Commerce reported that without rail service, 1,500 jobs could be lost, and \$15,600,000 in personal income.

—Testimony claimed that shippers in Marietta would be cut off from rail service altogether if this segment is abandoned. The Chessie bridge over the Muskingum River at Marietta is out of service, so that an interchange between the PC and the Chessie is impossible.

—The Carter Lumber Company reported that without rail service it would be forced to close. This closure would result in an investment loss of \$100,000, the loss of 8-10 jobs, the loss of \$100,000 in personal income, and the loss of \$70,000 in tax revenues. Carter Lumber estimates that relocation costs would be \$250,000.

—The Ohio Power Company reported that its power substation would be adversely affected if rail service is eliminated.

—Future traffic should increase as a result of expansion by Foote Mineral Company. Foote generated 133 carloads in 1974.

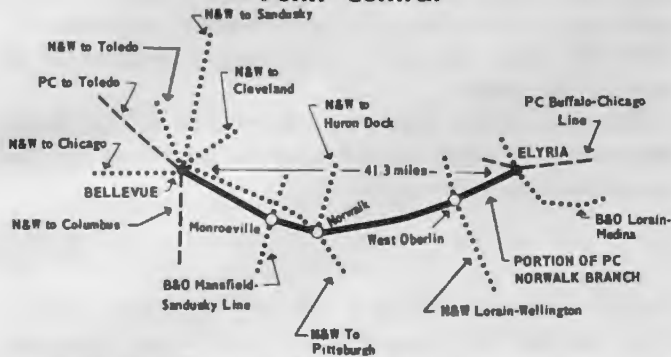
—Governor Rhodes has identified Marietta as a possible location for the construction of port facilities. Abandonment of this line would eliminate further consideration of this project.

—The Marietta Chamber of Commerce feels that USRA's revenue figures are understated.

—Testimony suggested that lines 374/375/376/377 be analyzed as one line. Most of the traffic which moves between Cambridge and Marietta also moves between Cambridge and Newcomerstown.

—The Chessie is interested in acquiring approximately 9 miles between Cambridge and Pleasant City over which it presently has trackage rights.

USRA ANALYSIS
PORTION OF NORWALK BRANCH
USRA Line No. 387/388
Penn Central



This portion of the Norwalk Branch, formerly part of the New York Central RR, extends from *Elyria* (Milepost 209.4), to *Bellevue* (Milepost 250.7), a distance of 41.3 miles, in Lorain and Huron Counties, Ohio. This line continues west to Toledo; the adjacent section from Bellevue to Clyde is under study in this Report. At Elyria connection is made with the PC Buffalo-Chicago line and with the B&O Lorain-Medina line. At Bellevue, N&W lines to Columbus, Sandusky, Chicago, Cleveland and Pittsburgh intersect. Two other N&W lines cross this branch; the Huron Dock line at Norwalk and the Lorain-Wellington line at West Oberlin. Two B&O branches also cross this portion of the Norwalk Secondary Track; the Mansfield-Sandusky line at Monroeville and the Lorain-Medina line at Elyria. In December 1972, the Penn Central filed to abandon this line (ICC Docket No. AB-5, Sub 132).

Summary of USRA Data

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

Oberlin	65
Kipton	72
Wakeman	14
Collins	8
Norwalk	124
Monroeville	4
Bellevue	<u>675</u>
Total carloads generated by the line.....	962
Number of round trips per year.....	200
Estimated time per round trip (hours).....	12
Revenue received by PC.....	\$435,120
Average revenue per carload.....	<u>\$217.60</u>
Variable (avoidable) cost of continued service:	
Cost incurred beyond the branch line.....	427,139
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	72,608
Cost incurred beyond the branch line.....	<u>269,168</u>
Total variable (avoidable) cost.....	<u>768,915</u>
Net contribution (loss): total.....	(883,795)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Northeast Ohio Areawide Coordinating Agency (NOACA) reported that the Kipton Elevator, after repeatedly failing to receive as many cars as it ordered from the Penn Central, built a small holding facility at Wellington to utilize the N&W.

—The NOACA also expressed concern that the industrial park in Oberlin might not be able to hold the industries located there or attract new industries without rail service.

—The NOACA pointed out that the N&W line from Lorain to Wellington has been abandoned. Thus shippers in Kipton and Oberlin can no longer utilize this route as an alternative to the PC.

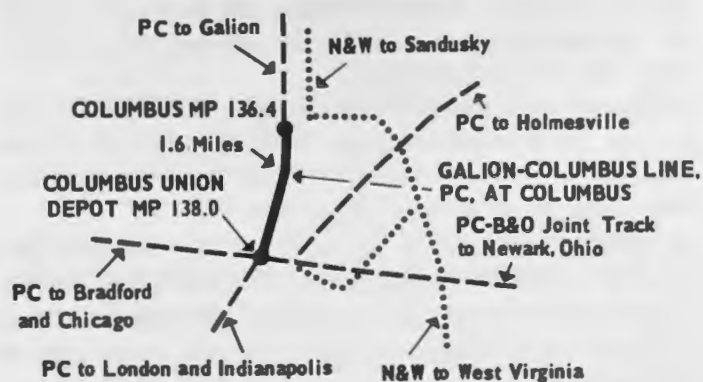
—Consideration could be given to reducing the frequency of service in order to reduce on-branch costs.

—The N&W would be interested in acquiring a 2 mile section within and including all industries in Bellevue.

USRA ANALYSIS COLUMBUS UNION STATION

USRA Line No. 477a

Penn Central



The Columbus Union Station extends from *Milepost 136.4 to 138.0*, a distance of *1.6 miles*, in Franklin County, Ohio. This line provides access to the Columbus Union Station.

Summary of USRA Data

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

Columbus ¹	71
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Total carloads generated by the line.....	71
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Number of round trips per year.....	52
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Estimated time per round trip (hours).....	2.5
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¹ Includes only traffic on segment.

Revenue received by PC.....	\$20,856
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Average revenue per carload.....	\$294
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Variable (avoidable) cost of continued service :

Cost incurred on the branch line.....	24,200
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Cost of upgrading branch line to FRA Class	
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I: (1/10 of total upgrading cost)	0
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Cost incurred beyond the branch line.....	13,263
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Total variable (avoidable) cost.....	37,463
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Net contribution (loss) : total.....	(16,607)
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USRA Recommendation

It is *not* recommended that this line at Columbus Union Station be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

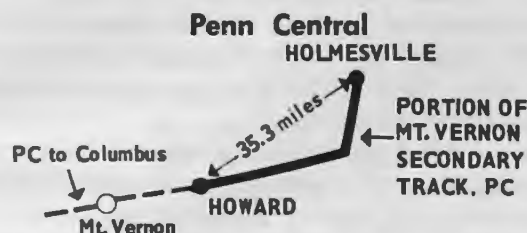
—Ohio DOT, as spokesman for Governor Rhodes, said this segment is necessary for possible future passenger service connection and for freight service. The Mid-Ohio Regional Planning Commission reported the same.

—The estimated time per round trip of 2.5 hours appears to be high, considering the length of the line and the amount of traffic.

USRA ANALYSIS

PORTION OF MOUNT VERNON SECONDARY
TRACK

USRA Line No. 478



This portion of the Mt. Vernon Secondary Track, formerly part of the Pennsylvania RR, extends from *Holmesville* (Milepost 54.6), to *Howard, Ohio*, (Milepost 89.9), a distance of *35.3 miles*, in Knox and Holmes Counties, Ohio. The continuation of this line from Howard to Mount Vernon and Columbus is also under study in this Report. In August, 1972, Penn Central filed a petition to abandon this line (ICC Docket No. AB-5, Sub. 93). On September 25th, 1974, PC applied to the U.S. Railway Association for similar action (Docket No. 75-45). No final action has been taken in either case.

Summary of USRA Data

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

Holmesville	344
Millersburg	329
Killbuck	91
Glenmont	54
Brink Haven	5
Danville	44
Total carloads generated by the line	887
Number of round trips per year	150
Estimated time per round trip (hours)	4.0
Revenue received by PC	\$234, 210
Average revenue per carload	\$270

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	316, 968
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line	160, 445

Total variable (avoidable) cost

477, 413

Net contribution (loss): total

(243, 203)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Mt. Vernon Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Ohio Power Company reported that its power substations at South Millersburg and West Millersburg would be adversely affected if service were discontinued. It also reported that there are 2 industrial sites, one of 55 acres, the other of 111 acres, located along this line.

—Landmark, Inc. at Danville, stated it is willing to subsidize each of its cars by \$300.00 above freight charges in order to retain service. Landmark said that without rail service its transportation costs would increase by \$50,000–\$75,000 per year; it would require capital expenditures of \$14,000 to alter facilities to accommodate trucks; or relocation would cost \$180,000 and the loss of 4 jobs.

—The Knox County Farm Bureau related that both Kaylor Elevator and the stone quarry in Glenmont formerly used rail but switched to trucks because cars were not always available.

—The Ohio Public Utilities Commission recommended the segment from Orrville to Holmesville, closed since 1969 because of flooding, be reopened to through-freight and for Cleveland-Akron-Columbus passenger service.

—Arthur Davis reported there is a group that wants to acquire the track from Mt. Vernon to Orrville to operate it as a switching line. However, Mr. Davis reported that the PC line has been incorporated in negotiating with the group.

—Congressman John Ashbrook reported that trucks are not a suitable substitute for rail because the nearest interstate or 4-lane highways are 1 hour away and because there is widespread use of horses and buggies along the roads by the many members of the Amish group living in the area. He also indicated that the PC failed to seek Addressograph-Multigraph's traffic, projected to start at 100 carloads, increasing to 250 carloads per year.

—The MICA Company plans to locate a processing plant in Millersburg. By 1977 it estimates it will be using 3,400 carloads per year. Without rail service it will not locate in Millersburg.

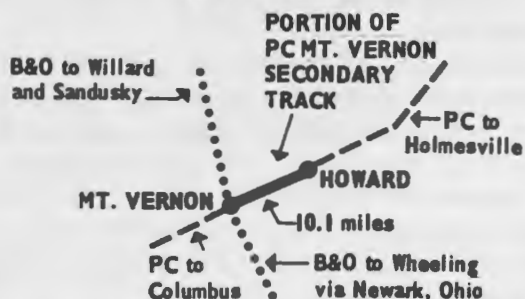
—The Holmes Lumber & Building Center reported it is not economically feasible to receive lumber from the west coast and the south by truck. Without rail service it will be forced to reduce employment from 36 to 16. Similarly, Quality Feed Store reported that without rail service it would need to reduce its employees from 7 to 3.

Continued on page 436

USRA ANALYSIS

PORTION OF MOUNT VERNON SECONDARY TRACK

USRA Line No. 478a
Penn Central



This portion of the Mt. Vernon Secondary Track, formerly part of the Pennsylvania RR, extends from *Howard* (Milepost 89.9) to *Mt. Vernon* (Milepost 100.0), a distance of 10.1 miles, in Knox County, Ohio. The eastern and western continuations of this track are both also under study in this Report. The Baltimore & Ohio line between Newark and Willard crosses this line at Mt. Vernon.

Summary of USRA Data

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

Howard	1,881
Gambler	0
Mt. Vernon ¹	179

Total carloads generated by the line	2,060
Number of round trips per year	250
Estimated time per round trips (hours)	12

¹ Includes only traffic on segment.

Revenue received by PO	\$420,755
Average revenue per carload	\$204

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	296,066
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	186,162

Total variable (avoidable) cost	472,228
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Net contribution (loss): total	(51,473)
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USRA Recommendation

Although the preliminary recommendation is that this portion of the Mt. Vernon Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—According to Millwood Sand, discontinuance of rail service on this line might force it to close resulting in the loss of 31 jobs and \$312,400 in personal income. Furthermore, since Millwood Sand is the major supplier of sand to Chattanooga Glass Co. and PPG Industries, the two largest employers in Knox County, the shutdown of its plant would have additional adverse effects.

—Millwood Sand pointed out errors in USRA's analysis of this line. The company generated 2137 carloads in 1973, not 1881 as reported for Howard by USRA (Howard is Millwood Sand's rail billing point). Furthermore, Millwood Sand reported that it takes only 3 hours to make a round trip, not 12.

—PPG reported that the 12 percent rate increase required to recover costs would represent a total increase of 34 percent since 1973.

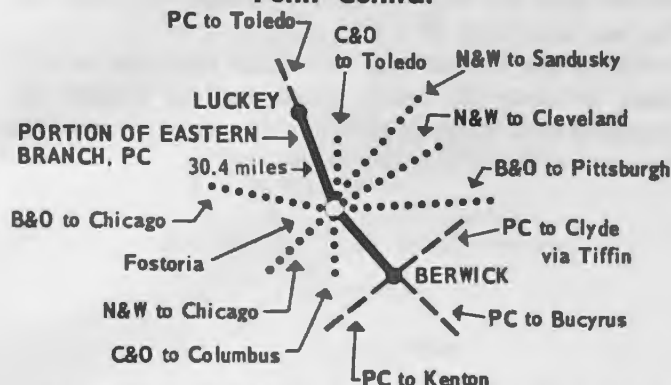
—Chessie is interested in acquiring the 10.1 mile segment from Mt. Vernon to Howard and would provide service to all shippers.

USRA ANALYSIS

PORTION OF EASTERN BRANCH

USRA Line No. 481/482

Penn Central



This portion of the Eastern Branch, formerly part of the New York Central Railroad, extends from *Luckey* (Milepost 15.8), to *Berwick, Ohio* (Milepost 46.2), a distance of *30.4 miles*, in Wood and Seneca Counties, Ohio. This line continues northward to Toledo and southward to Kenton. The southern continuation, the Thurston Secondary Track (to Bucyrus) and the Sandusky Secondary Track (to Clyde), which intersect the line at Berwick, are all under study in this Report. At Fostoria, the N&W Chicago-Cleveland, B&O Chicago-Pittsburgh and the C&O Columbus-Toledo lines meet.

Summary of USRA Data

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

Pemberville	11
Wayne	16
Fostoria	758
New Riegel	0
Berwick	1

Total carloads generated by the line	786
Number of round trips per year	150
Estimated time per round trip (hours)	6
Revenue received by Penn Central	\$312,658
Average revenue per carload	\$398

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	259,741
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	166,737

Total variable (avoidable) cost

426,478

Net contribution (loss) : total

(113,820)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Swift and Company and Crop & Soil Service, Inc. testified to shipping and receiving problems facing them if rail service is discontinued. Flexibility in competitive markets would be reduced and costs would go up if diverted to motor carriers.

—Ohio Farmers Grain Corporation reported it would use the PC trackage with its 100 car (N&W) and 65 car (B&O) unit trains if PC tracks were in better condition and interchange arrangements with the N&W more satisfactory.

—Swift and Company reported 1973 carload figures were misleading because there was a shortage of cars. Its shipments increased from 128 cars in 1973 to 440 in 1974. Ohio Farmers Grain Corporation reported that it generates generating 500–600 cars, that Bendix Auto-Lite Spark Plug plant generates 200 cars, and the Roppe Rubber Company generates 60 carloads per year on the PC.

—Swift and Company also recommended that service on the PC should be maintained, either by including in ConRail the segment from Berwick to Fostoria or that from Luckey to Fostoria. An alternative would be acquiring trackage rights for ConRail over the C&O from Carey to Fostoria.

—The U.S. Department of the Interior recommended the right-of-way of this line be preserved for possible use as a trail or linear park in the event service is discontinued.

—The N&W might be interested in acquiring approximately 5 miles of the line to include all industries in the immediate area of Fostoria.

—The Chessie is only interested in providing service to shippers at Fostoria.

USRA ANALYSIS PORTION OF THURSTON SECONDARY TRACK

USRA Line No. 485

Penn Central



This portion of the Thurston Secondary Track, formerly part of the New York Central RR, extends from *Berwick* (Milepost 46.0), to *Spore, Ohio* (Milepost 62.9), a distance of 16.9 miles, in Crawford, Wyandot and Seneca Counties, Ohio. All three Penn Central connections at Berwick to Kenton, Clyde and Toledo are under study in this Report, as is this line's southern extension from Spore to Bucyrus. Penn Central applied to abandon this line (ICC Docket # AB-5 Sub. 41). This application was approved in June, 1973; however, tracks will not be removed until a connection is constructed at Bucyrus linking the lower portion of the Thurston Secondary Track to the PC Pittsburgh-Chicago line.

Information for Line Retention Decision

This line is only used to serve the traffic generated on USRA Line Segment 485a. The construction of a connection at Bucyrus will eliminate the need for this line.

USRA Recommendation

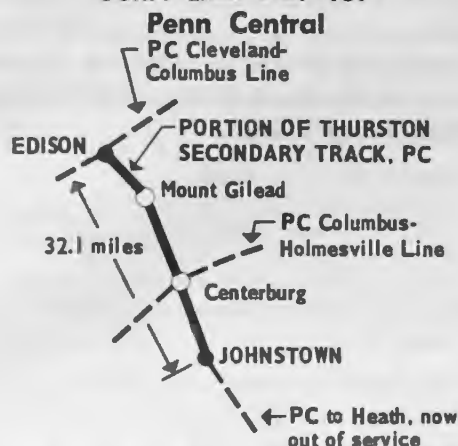
It is *not* recommended that this portion of the Thurston Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Department of the Interior recommended that if this line is abandoned the right-of-way between Berwick and Sycamore should be preserved for use as a trail or linear park.

—While the USRA reported that this line is only used to serve the traffic generated on USRA line segment 485a, records indicate that 11 carloads were generated along this line in 1973.

USRA ANALYSIS
PORTION OF THE THURSTON SECONDARY
TRACK
USRA Line No. 487



This portion of the Thurston Secondary Track formerly part of the New York Central RR, extends from Edison (Milepost 87.2) to Johnstown, Ohio (Milepost 119.3), a distance of 32.1 miles, in Morrow, Knox, and Licking Counties, Ohio. At Edison this route connects with the PC Cleveland-Columbus-Main Line, and at Centerburg, this line crosses the PC Mount Vernon Secondary Track, which is also under study in this Report. Penn Central filed to abandon the entire stretch of the Thurston Secondary Track between Mt. Gilead and Heath (ICC Docket No. AB-5, Sub. 62). In August 1974 PC applied to the U.S. Railway Association for the same (Docket No. 75-14). No action has been taken on either request.

Summary of USRA Data

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

Mount Gilead	86
Fulton	63
Marengo	0
Croton	7
Johnstown	76
Total carloads generated by the lines.....	232
Number of round trips per year.....	100
Estimated time per round trip (hours).....	7.0

Revenue received by PC..... \$122,428

Average revenue per carload..... \$528

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 266,863

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) 37,384

Cost incurred beyond the branch line.... 52,667

Total variable (avoidable) cost..... 356,914

Net contribution (loss): total..... (234,486)

USRA Recommendation

It is *not* recommended that the portion of the Thurston Secondary Track from Milepost 89.0 to Milepost 119.3 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Landmark Inc. reported that it trucked the equivalent of 63 large hopper cars in 1973. Without rail service, it would lose \$353,000 in investments, 10 jobs, and \$110,000 in personal income. Furthermore, Landmark reported it would cost \$700,000 to relocate its facilities.

—Snyder Milling Service reported its transportation costs would increase \$39,500 if it is forced to switch to truck. If Marengo continues to receive rail service, Snyder plans to move its Lexington storage capacity of 250,000 bu. to that location. This will increase Snyder's storage capacity at Marengo to 600,000 bu.

—Snyder Milling Service reported that Robert Bradley at Fulton is preparing to load hopper cars. Mr. Bradley would use 5-10 cars annually.

—The Sharrock Elevator reported that considerable acreage along this line could be used for industrial expansion. The Ohio Power Company reported that a 110-acre industrial site at Millersport can be subdivided to meet the needs of industry.

—Sharrock Elevator reported that abandonment would deprive 40 percent of its county from grain marketing terminals that are served by railroad.

—Sharrock Elevator reported that cars ordered by Snyder Milling in January arrived in June. Furthermore, Sharrock Elevator reported that Snyder Milling anticipates shipping 100 car unit trains in the future.

—Snyder Milling Service reported using 66 cars in 1973, 57 cars in 1974, and projects 130 cars for 1975. Landmark Inc. reported that it used 47 cars in 1973 and 55 cars in 1974. USRA reported zero carloads for Marengo in 1973.

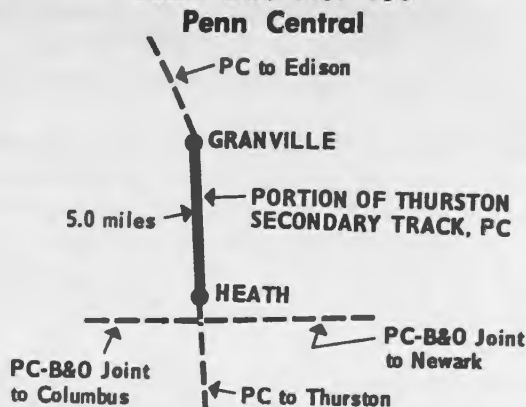
—The Ohio Power Co. reported that without rail service its power substation at Fulton would be adversely affected.

—The U.S. Department of Interior reported that if this line is abandoned the right of way should be preserved for possible use as a long distance bike-way.

—The Sharrock Elevator reported it would share the cost with the railroad in constructing an improved crossing in Mt. Gilead which would require less maintenance and cause less wear and tear on trucks and cars.

USRA ANALYSIS

PORTION OF THURSTON SECONDARY TRACK USRA Line No. 488



This portion of the Thurston Secondary Track, formerly part of the New York Central RR, extends from near Granville (Milepost 128.0) to Heath, Ohio (Milepost 133.0), a distance of 5.0 miles, in Licking County, Ohio. The joint line of the Penn Central and the B&O running between Columbus and Newark passes through Heath. The Thurston Secondary Track continues south from Heath, which line is also under study in this report. In July 1972, the Penn Central filed to abandon the entire stretch of the Thurston Secondary Track between Mt. Gilead and Heath (ICC Docket No. AB-5. Sub. 62). The PC has also applied to the U.S. Railway Association for permission to abandon this line (Docket No. 75-9). No final action has been taken on either application.

Summary of USRA Data

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

Granville	72
Total carloads generated by the line	72
Number of round trips per year	40
Estimated time per round trip (hours)	2.5
Revenue received by PC	\$20,086
Average revenue per carload	\$279

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	41,084
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	4,342
Cost incurred beyond the branch line	10,550

Total variable (avoidable) cost

55,976

Net contribution (loss): total

(35,890)

USRA Recommendation

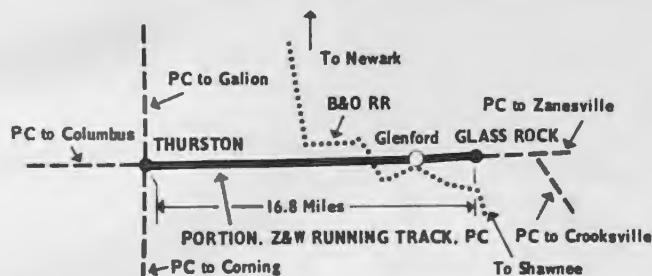
It is not recommended that this portion of the Thurston Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Department of the Interior recommended that if this line is abandoned the right-of-way should be preserved for use as a long distance bikeway.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS USRA Line No. 490 Z&W RUNNING TRACK Penn Central



This portion of the Z&W Running Track, formerly part of the New York Central RR, extends from *Glass Rock* (Milepost 45.6) to *Thurston* (Milepost 28.8), a distance of *16.8 miles*, in Perry and Fairfield Counties, Ohio. At Thurston, Ohio this line connects with PC lines, all under study, to Corning, to Columbus, and Galion; at Glass Rock with PC line under study to Fultonham and thence to Zanesville and Crooksville, Ohio (all under study). The B&O crosses this line at Walser.

Information for Line Retention Decision

This line does not directly serve any shippers. It is used as an overhead line between segments 493 and 692. The preliminary recommendation for both of these lines is that they *not* be included in the ConRail System.

USRA Recommendation

It is *not* recommended that this portion of the Z&W Running Track be included in the ConRail System.

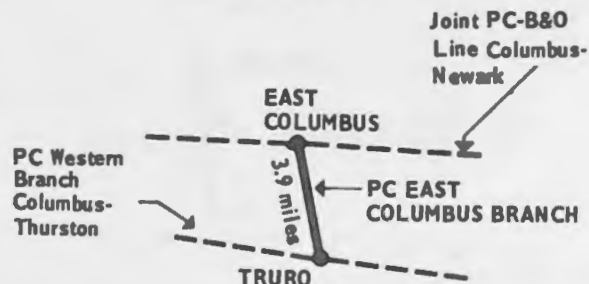
PUBLIC RESPONSE AND RSPO COMMENT

—The only testimony received concerning this line came from Congressman Clarence Miller, who opposed abandonment.

USRA ANALYSIS EAST COLUMBUS BRANCH

USRA Line No. 491

Penn Central



The East Columbus Branch, formerly part of the New York Central RR, extends from *Truro* (Milepost 0.1) to *East Columbus, Ohio* (Milepost 4.0) a distance of *3.9 miles*, in Franklin County, Ohio. At *Truro* this line joins the PC Western Branch, which is also under study in this Report from *Truro*, eastward. At *East Columbus*, the joint B&O/Penn Central line from *Columbus* to *Newark*, Ohio crosses at grade.

Summary of USRA Data

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

Columbus ¹	180
Total carloads generated by the line	180
Number of round trips per year	52
Estimated time per round trip (hours)	4.0

¹ Includes only traffic on segment.

Revenues received by PC	\$49,043
Average revenue per carload	\$272

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	47,686
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	4,253
Cost incurred beyond the branch line	32,922

Total variable (avoidable) cost	84,861
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Net contribution (loss): total	(35,818)
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USRA Recommendation

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

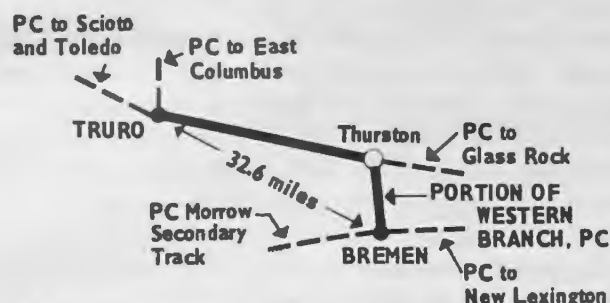
PUBLIC RESPONSE AND RSPO COMMENT

—No information was received from shippers. Testimony was presented concerning this line's importance as an overhead route between *Columbus, Ohio*, and *Charleston, West Virginia*, since it allows traffic to bypass *Columbus' Buckeye Yard*.

USRA ANALYSIS WESTERN BRANCH

USRA Line No. 493

Penn Central



This portion of the Western Branch, formerly part of the New York Central RR, extends from *Truro* (Milepost 141.2) to *Bremen* (Milepost 173.8), a distance of 32.6 miles, in Franklin and Fairfield Counties, Ohio. This line connects with PC's East Columbus-Truro Branch at Truro (E. Columbus Branch) and the Thurston Secondary Track and Z&W Running Tracks at Thurston, and the Morrow Secondary Track at Bremen. From Truro, the Western Branch extends to Columbus and Toledo. From Bremen it extends to New Lexington and Hobson.

Summary of USRA Data

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

Columbus ¹	481
Brice	7
Pickerington	1
Baltimore	1,405
Thurston	29
Bremen	35

Total carloads generated by the line	1,958
Number of round trips per year	230
Estimated time per round trip (hours)	9

¹ Includes only traffic on segment.

Revenue received by PC	\$561,519
Average revenue per carload	\$287

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	401,040
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	335,236

Total variable (avoidable) cost..... 736,276

Net contribution (loss) : total..... (174,757)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Bremen Manufacturing Co., which estimates it will use 600 carloads annually in the future, said that switching to truck or a combination of truck-rail is not practicable because some of its products are too large for motor carriers.

—Crown Zellerbach reported that the PC is in the process of installing new rails between Thurston and Bremen, with the replacement and surfacing over this 11.5 miles of track scheduled for completion during 1975. According to Crown Zellerbach, operating speed over this line is presently 20–30 miles per hour.

—George K. Kellner, Jr., town solicitor, reported that without Crown Zellerbach, Baltimore's tax income would drop by 48 percent. Furthermore, Baltimore's real estate and personal property value valuation would drop from \$7.2 million to \$2 million.

—Landmark Inc. said it would be hindered in loading its 100 car unit trains if the track east of Truro is abandoned.

—Line carries 135,000 carloads of overhead traffic annually.

—Line is most direct route from West Virginia to Columbus.

—Line is equipped with heavy duty rail.

—Alternative route via Crooksville has light weight rail and presently is out of service.

—Alternative route requires passing through congested Buckeye yard.

—Ohio Power Company reported that loss of service would adversely affect its power substations in West Millersport, Millersport and Baltimore, estimating additional costs would be \$8.5 million in 1980.

—J.C. Penney has installed a rail siding at its new Brice facility with expectations of generating over 1100 carloads per year beginning mid-1975 and reaching about 1700 carloads annually by 1980.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected
Crown Zellerbach, Baltimore		1,400	
Bremen Manufacturing Co. Inc., Bremen		37	
J. C. Penney, Brice		147	1,057
Landmark Inc., Truro		(?)	(?)

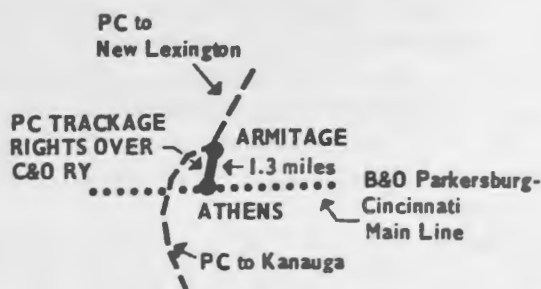
¹ Figure is for September, October, November 1974.

² Landmark loaded 35 unit trains in 1974 and expects to ship 45 unit trains in 1975.

USRA ANALYSIS ARMITAGE-ATHENS

USRA Line No. 494

Penn Central



These trackage rights over the Chesapeake & Ohio Ry, extend from *Armitage* (Milepost 74.7), to *Athens, Ohio* (Milepost 76.0), a distance of *1.3 miles*, in Athens County, Ohio. This line links upper segments of the old New York Central line from Central Ohio to West Virginia with the city of Athens. Both segments of the Penn Central line, north from Armitage and south to Kanawha and Charleston, West Virginia are also under study in this Report. The main line of the B&O passes through Athens. The C&O Branch of which this segment was originally a part, was torn up some years ago. The ICC has approved C&O's application to abandon but track removal awaits the approval of a Penn Central abandonment petition.

Information for Line Retention Decision

This line is only PC trackage rights over a C&O line which has been approved for abandonment.

USRA Recommendation

It is *not* recommended that trackage rights over this portion of the C&O be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Environmental Protection Agency reported that this line is an important part of Ohio's air pollution control plan.

—The Swift Chemical Co. questioned whether its plant would continue to receive service by the N&W if the PC is abandoned.

—The Circleville Chamber of Commerce stated that 3 grain elevators in Circleville had to truck over half of their grain in 1974 due to a lack of available rail cars. This included Amanda and Muston Grain Companies which could have used 70 more cars and Leist Farm Supply, which could have used 40 more cars. Leist is in the process of adding facilities for liquid and dry fertilizers which will result in additional rail use of 4,000 tons per year.

—The Circleville Chamber of Commerce also reported that the Cellar Lumber Company is building a new rail facility with an enclosed ramp to assist in unloading lumber. This new facility will enable Cellar to use 40 more rail cars per year. The Chamber also said that rail cars could only be loaded to 150,000 pounds due to weight restrictions on the track.

—The Ray-O-Vac Division of ESB, Incorporated reported that its inbound raw materials are not suited for either piggyback or motor carrier shipment.

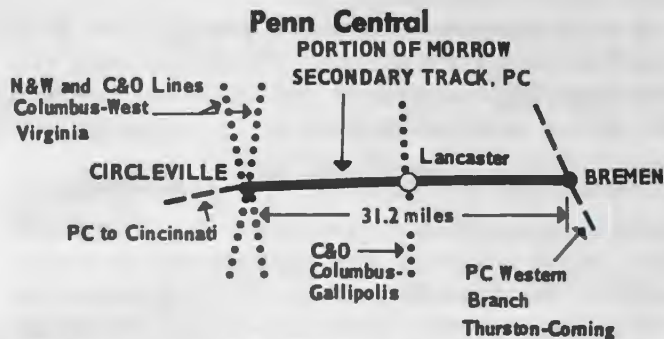
—Anchor Hocking Corp. reported that its furnaces require a daily supply of incoming raw material. Motor carriers cannot provide sufficient equipment to transport the large volume of materials. Anchor believes the heavy traffic volume on this line offers the possibility of achieving viability through increasing rates before completion of the Final System Plan.

—John Eshelman and Sons of Circleville said that rail service by the N&W is not a suitable alternative to PC service because its traffic generally moves east to New England. Traffic moved by the N&W would have to go through its Bellevue yard, 125 miles north of Circleville. This additional mileage would add \$8.80 per ton to Eshelman's shipments, making them non-competitive. John Eshelman reported that it plans to invest \$750,000 during 1975/1976 for expansion of its facility.

—Also, the Circleville Chamber of Commerce reported: the Ralston Purina Company generates 1,400 carloads per year; Cellar Lumber Company has received an average of 10 cars per year with expectations of using 50 cars per year in the future; Leist Farm Supply shipped 35 carloads in 1974 and

Continued on page 436

USRA ANALYSIS
PORTION OF MORROW SECONDARY TRACK
USRA Line No. 496/496A



This portion of the Morrow Secondary Track, formerly part of the Pennsylvania RR, extends from Bremen (Milepost 49.9) to Circleville, Ohio (Milepost 81.1) a distance of 31.2 miles, in Pickaway and Fairfield Counties, Ohio. This line crosses the N&W at Circleville, and the C&O at Lancaster. The Penn Central connections are under consideration in this Report. These include the Western extension of this line toward Cincinnati, and the Western Branch from Bremen north to Thurston and south to Corning.

Summary of USRA Data

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

Lancaster	983
Amanda	30
Stoutsville	24
Circleville	5,336
Bremen ¹	55

Total carloads generated by the line	6,378
Number of round trips per year	275
Estimated time per round trip (hours)	12

¹ Includes only traffic on segment.

Revenue received by PC	\$1,644,524
Average revenue per carload	\$258

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	589,211
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	34,087
Cost incurred beyond the branch line	1,360,948

Total variable (avoidable) cost	1,784,196
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Net contribution (loss): total	(139,672)
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USRA Recommendation

It is *not* recommended that this portion of the Morrow Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

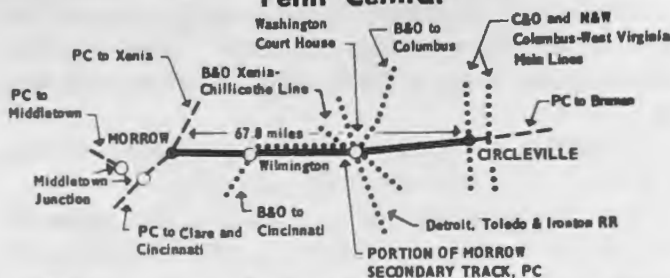
—The only statement received concerning this line was from the Meigs County Rail Service Committee which reported that the Chessie has abandoned its line and the PC, which has trackage rights over the Chessie is currently not providing service along the line.

—The Chessie is only interested in providing service to shippers at Lancaster and Circleville.

—The N&W is interested in acquiring 24.1 miles of the line from Circleville through, and including all industries in, Lancaster.

USRA ANALYSIS

PORTION OF MORROW SECONDARY TRACK USRA Line No. 497/498/498a Penn Central



This portion of the Morrow Secondary Track, formerly part of the Pennsylvania RR, extends from Circleville (Milepost 81.1) to Morrow, Ohio (Milepost 148.9), a distance of 67.8 miles, in Pickaway, Warren, Clinton, and Fayette Counties, Ohio. This line's eastern extension, to Bremen, is also under study in this Report. Between Washington Court House and Wilmington (19.3 miles) the Penn Central has trackage rights over the B&O Columbus-Cincinnati line; at Morrow, Penn Central lines from Cincinnati to Xenia, also under study in this Report, converge. At Washington Court House, a B&O line from Xenia to Chillicothe and the DT&I Main Line cross. At Circleville, the N&W line running from Columbus to West Virginia points connect. In August 1972, Penn Central filed a petition to abandon the part of this line between Wilmington and Clarksville and to abandon Penn Central service over B&O trackage rights between Wilmington and Washington Court House. (ICC Docket No. AB-5, Sub. 80.) In August 1974, the PC made similar application to the U.S. Railway Association (Docket No. 75-35).

Summary of USRA Data

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

Williamsport	60
Atlanta	70
New Holland	10
Washington Court House	441
Sabina	114
Melvin	3
Wilmington	96
Clarksville	1,015

Total carloads generated by the line	1,809
Number of round trips per year	300
Estimated time per round trip (hours)	11.5
Revenue received by PO	\$527,406
Average revenue per carload	\$292

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	592,660
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading	

cost)	50,253
Cost incurred beyond the branch line	237,045

Total variable (avoidable) cost	879,958
Net contribution (loss): total	(352,552)

USRA Recommendation

It is *not* recommended that this portion of the Morrow Secondary Track be included in the ConRail System. Continued operation of this line would require a rail service continuation subsidy.

PUBLIC RESPONSE AND RSPO COMMENT

—Valley Steel Products Company, the largest rail user located along this line, reported that its major supplier, Interlake Steel, Inc., cannot ship steel to Valley Steel by truck. Thus, without rail service its investment of \$1,084,608 would be lost. Additionally, 94 jobs and \$177,049 in tax revenues would be lost. Interlake would lose \$5 million in wages and salaries.

—Because the PC has discontinued service over part of the C&X Branch and over the Morrow Secondary Track between Morrow and Clarksville, Interlake routes its shipments to Valley Steel via Cincinnati-Dayton-Columbus-New Lexington-Lancaster-Circleville-Clarksville. This route is 200 miles longer than the Cincinnati-Morrow-Clarksville routing which reduces the revenue per ton mile from 10.4 cents to 2.8 cents and the weighted car average revenue from \$4.57 to \$.91 per mile.

—Reported Traffic:

Company and location	Carloads		
	1973	1974	Projected
Valley Steel Products Co., Clarksville		1,133	
Landmark, Washington Court House		142	
Pennington Bread, Washington Court House		280	
Washington Lumber, Washington Court House		60	
Carter Lumber, Washington Court House		70	145
Midland Grocery, Washington Court House		31	
Bell Dor-Lite, Washington Court House		20	
Red Rose Feed, Washington Court House		104	
Redman Industries, Washington Court House		100	

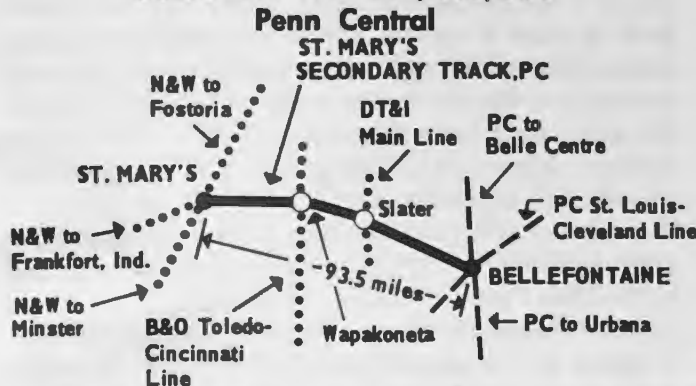
—The Washington Court House Chamber of Commerce reported that the Penn Central serves 50 percent of all industries located in Washington Court House's industrial park. Without the Penn Central, the Chamber of Commerce estimated that there would be losses of \$625,000 in investments, 30 jobs, \$300,000 in personal income, and \$218,000 in taxes. The Chamber also reported it would cost \$2 million for those firms using the PC to relocate.

—The Redman Industries reported that converting

Continued on page 436

USRA ANALYSIS

ST. MARY'S SECONDARY TRACK USRA Line No. 502/503/504



The St. Mary's Secondary Track, formerly part of the New York Central RR, extends from *Bellefontaine* (Milepost 54.7), to *St. Mary's* (Milepost 93.5), a distance of *38.8 miles*, in Logan and Auglaize Counties, Ohio. This line branches off the Penn Central's St. Louis-Cleveland Main Line at Bellefontaine where it also connects with a PC branch to Belle Centre, which also is under study in this report, and with the PC line to Urbana and Springfield. Three other railroads cross this line; the Detroit-Toledo & Ironton at Slater, the Baltimore & Ohio at Wapakoneta and the Norfolk & Western at St. Mary's.

Summary of USRA Data

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

Russells Point.....	2
Lake View.....	5
Santa Fe.....	182
Wapakoneta.....	223
Moulton.....	18
St. Mary's.....	68
Lewistown.....	0
Gutman.....	0

Total carloads generated by the line.....	443
Number of round trips per year.....	80
Estimated time per round trip (hours).....	12.0
Revenue received by PC.....	\$116,128
Average revenue per carload.....	\$262

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	319,789
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	57,787
Cost incurred beyond the branch line.....	76,979
Total variable (avoidable) cost.....	454,555

Net contribution (loss) -total..... (388,427)

USRA Recommendation

It is *not* recommended that the St. Mary's Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Counsel for Ametek Westchester Plastics, H. G. Boogher & Sons, Auglaize Lumber Co., Wapakoneta Industrial Development, and the Wapakoneta Area Chamber of Commerce, pointed out that USRA was in error in attributing to the B&O 715 carloads shipped by Ametek in 1973, stating that the B&O does not connect with the PC at Wapakoneta and, therefore, it is impossible to use B&O service.

—Mr. Boogher testified also, saying that abandonment of the line would destroy his grain, coal, steel, and fertilizer business plus deprive a wide local area of coal.

—Vistron Corporation said it would be forced to close down or increase prices.

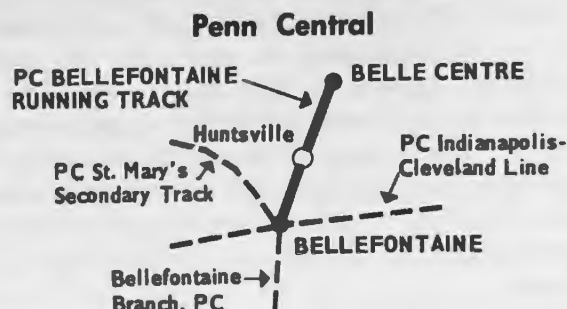
—The Ohio Power Co. reported that its power substation located at West Moulton would be adversely affected if this line were abandoned.

—The RSPO staff also found that a review of USRA's calculations indicates that the net loss of the line should read \$338,427, not \$388,427 as found in the Plan.

USRA ANALYSIS

BELLEFONTAINE RUNNING TRACK

USRA Line No. 505/506



The Bellefontaine Running Track, formerly part of the New York Central RR, extends from *Belle Centre* (Milepost 85.9) to *Bellefontaine, Ohio* (Milepost 94.0), a distance of 8.1 miles, in Logan County, Ohio. This line is a spur off the Penn Central's Indianapolis-Cleveland line which passes through Bellefontaine. Also serving Bellefontaine are the St. Mary's Secondary Track which is also under study in this Report, and the Bellefontaine Branch, both PC. In July, 1972, the Penn Central filed a petition with the ICC to abandon the segment of this branch north of Huntsville (ICC Docket No. AB-5, Sub. 76). No action has been taken on this application.

Summary of USRA Data

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

Belle Centre.....	29
Huntsville	27

Total carloads generated by the line.....	56
Number of round trips per year.....	40
Estimate time per round trip, hours.....	2.5
Revenue received by PC.....	\$18,827
Average revenue per carload.....	\$300

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	58,121
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	13,728
Cost incurred beyond the branch line.....	7,714

Total variable (avoidable) cost..... 79,561

Net contribution (loss): total..... (62,734)

USRA Recommendation

It is *not* recommended that this portion of the Bellefontaine Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Carter Lumber Company reported its plant, which opened in March, 1974, anticipates 75 to 115 carloads per year for the next three to four years and would have to close if service is discontinued. Cost to the community would be 5 to 7 jobs, \$60,000 in personal income and \$40,000 in taxes per year, plus \$250,000 in costs to the firm to relocate.

—Super Foods, Inc., submitted that its plant received 1,570 carloads in 1973 and 1,794 in 1974 and they also would have to shut down with no service (1974 testimony). The 1973 traffic was also supplied by the Ohio Public Utilities Commission.

—Super Foods questioned identification of the line, pointing out its actual length as closer to 12 miles. Both firms are located more than 8.1 miles from Belle Centre, and believe the traffic they generate on a line less than four miles in length should be profitable.

—Carter Lumber Company reported its plant, which opened in March, 1974, anticipates 75 to 115 carloads per year for the next three to four years and would have to close if service is discontinued. Cost to the community would be 5 to 7 jobs, \$60,000 in personal income and \$40,000 in taxes per year, plus \$250,000 in costs to the firm to relocate.

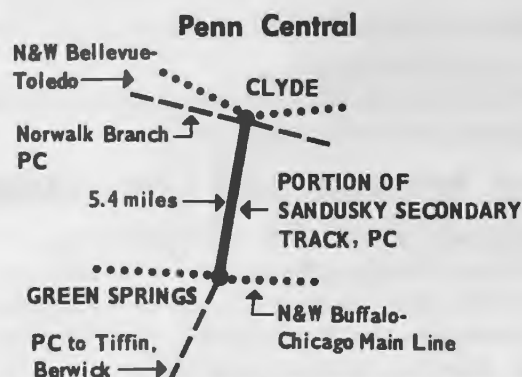
—Super Foods, Inc., submitted that its plant received 1,570 carloads in 1973 and 1,794 in 1974 and they also would have to shut down with no service (1974 testimony). The 1973 traffic was also supplied by the Ohio Public Utilities Commission.

—Super Foods questioned identification of the line, pointing out its actual length as closer to 12 miles. Both firms are located more than 8.1 miles from Belle Centre, and believe the traffic they generate on a line less than four miles in length should be profitable.

USRA ANALYSIS

PORTION OF SANDUSKY SECONDARY TRACK

USRA Line No. 507



This portion of the Sandusky Secondary Track, formerly part of the New York Central RR, extends from *Olyde* (Milepost 17.3) to *Green Springs, Ohio*, (Milepost 22.7), a distance of *5.4 miles*, in Seneca and Sandusky Counties, Ohio. This segment is the upper portion of the PC's Sandusky Secondary Track; the lower segments (below Green Springs) are also under study in this report. At Clyde, the Penn Central's Norwalk Branch, also under study, and the N&W's Bellevue-Toledo lines cross and at Green Springs, the N&W's Buffalo-Chicago Main Line is met. The Penn Central has filed a petition to abandon this line (ICC Finance Docket No. 26810). The ICC tentatively approved the abandonment, but stayed the order owing to protests until December 9, 1974.

Summary of USRA Data

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

Green Springs.....	65
Total carloads generated by the line.....	65
Number of round trips per year.....	30
Estimated time per round trip (hours).....	2.0
Revenue received by PC.....	\$13,288
Average revenue per carload.....	\$204

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	38,817
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost).....	14,952
Cost incurred beyond the branch line.....	9,445

Total variable (avoidable) cost..... 63,214

Net contribution (loss) total..... (\$49,976)

USRA Recommendation

It is *not* recommended that this portion of the Sandusky Secondary Track be included in the ConRail System.

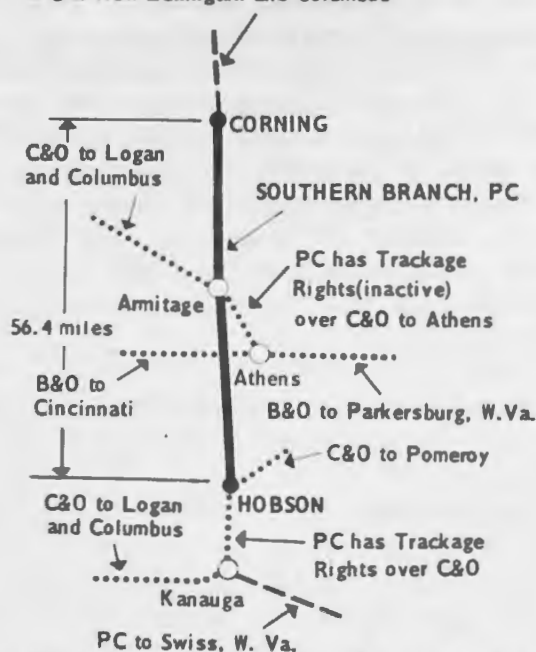
PUBLIC RESPONSE AND RSPO COMMENT

—The Ohio-Michigan Seed Company, which generated 90 carloads in 1973 and 70 carloads in 1974, provided the only testimony concerning this line. According to this company, the Penn Central has tried unsuccessfully to abandon this line in the past. However, due to present discontinuance of service by the PC, Ohio-Michigan Seed has been hauling its products to a team track served by the N&W $\frac{1}{4}$ mile south of its plant. According to the company, complete abandonment of service would decrease its business by 25 percent. The Company therefore recommends that the N&W acquire and operate the track from Green Springs north to its plant.

USRA ANALYSIS SOUTHERN BRANCH USRA Line No. 514

Penn Central

PC to New Lexington and Columbus



The Southern Branch, formerly part of the New York Central RR, extends from *Corning* (Milepost 0.0) to *Hobson, Ohio* (Milepost 56.4), a distance of 56.4 miles, in Perry, Athens, and Meigs Counties, Ohio. A continuation of this line extends southeastward from Hobson (a portion of this, Hobson to Kanauga, is owned by the Chesapeake & Ohio and PC operates via trackage rights). Connections are: the aforementioned Chesapeake & Ohio line at Hobson and at Armitage; the Baltimore & Ohio at Grosvenor; and the PC Western Branch at Corning. The continued portion and the PC Western Branch are also under study in this Report.

Summary of USRA Data

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

Gloucester	7
Chancey	15
Armitage	4
Athens	6
Grosvenor	0
Albany	7
Hobson	11
Total carloads generated by the line.....	50
Number of round trips per year.....	52
Estimated time per round trip (hours).....	6
Revenue received by PC.....	\$12,460
Average revenue per carload.....	\$249

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	384,155
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	42,837
Cost incurred beyond the branch line.....	9,308
Total variable (avoidable) cost.....	436,300

Net contribution (loss): total..... (423,840)

USRA Recommendation

It is *not* recommended that the Southern Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony submitted to the RSPO reported substantial overhead traffic moving over this line, and substantial coal reserves located along this line.

—According to the Meigs County Rail Service Committee, this line handled approximately 40,000 carloads during 1974. Traffic volumes should increase as coal extraction increases in the area.

—The Meigs County Chamber of Commerce reported that the Ohio Power Company owns 55,000 acres of coal producing land having a reserve of 270,000,000 tons. Furthermore, there is an additional 30,000 acres of land capable of producing 150,000 tons of coal in Meigs County which the Environmental Protection Agency ruled could not be burned in power plants due to its high sulphur content. However, due to the present energy crisis, requirements have been relaxed so that the Chamber of Commerce is confident this coal will be mined. Additional traffic increases could result from the development of 100 acres of land at Hobson.

—Without rail service, the jobs of approximately 200 railroad employees will be lost representing a reduction of \$2.5 million in personal income. And, due to the very poor highway system and lack of facilities for loading or unloading along the Ohio River in Meigs County, the loss of rail service will effectively isolate the county from all adequate transportation systems.

—The Meigs County Rail Service Committee (MCRSC) pointed out an error in USRA's analysis for the line.

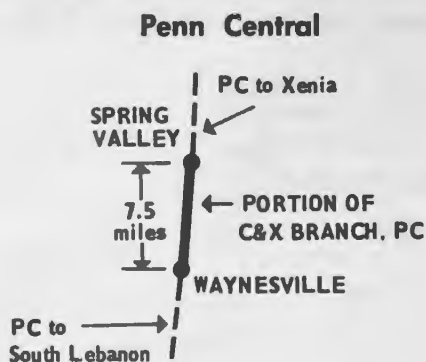
—The U.S. Department of Interior recommended that if this line is abandoned, the right-of-way should be preserved for possible use as a trail or linear park.

—The Ohio Power Co., reported that without rail service, its substations at North Cheshire and Rutland would be adversely affected.

Continued on page 43

USRA ANALYSIS PORTION OF C&X BRANCH

USRA Line No. 516



This portion of the C&X Branch, formerly part of the Pennsylvania RR, extends from *Spring Valley* (Milepost 61.4) to *Waynesville, Ohio* (Milepost 68.9), a distance of 7.5 miles, in Warren and Greene Counties, Ohio. This line is a middle segment of the Penn Central's C&X branch; both the northern and southern connecting segments are also under study in this report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Spring Valley.....	23
Roxanna	56
Waynesville	27

Total carloads generated by the line.....	106
Number of round trips per year.....	50
Estimated time per round trip (hours).....	4.0
Revenue received by PC.....	\$31,687
Average revenue per carload.....	\$299

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	66,966
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	5,465
Cost incurred beyond the branch line.....	15,384

Total variable (avoidable) cost.....	87,815
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Net contribution (loss) : total.....	(56,128)
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USRA Recommendation

It is *not* recommended that this portion of the C&X branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Several statements about this segment expressed concern that service should be continued to provide an alternative route for heavy through freight traffic from Cincinnati to Columbus, relieving the Cincinnati - Middletown - Dayton - Springfield - Columbus route to permit operating passenger service.

—Waynesville Lumber Company and the Ohio Public Utilities Commission reported traffic as 115,714 cars in 1973.

—The Greater Cincinnati Chamber of Commerce was not opposed to discontinuing service as long as an alternative was available in light of plans for initiating rapid rail transit from Cincinnati through Columbus to Cleveland.

—Waynesville Lumber said it could use four times as many cars as were made available in 1973.

—The Vistron Corporation said its deficit was 20 cars in 1973.

—Waynesville Lumber is the only building materials supplier in Waynesville and projected an increase in construction to handle Dayton and Cincinnati housing needs.

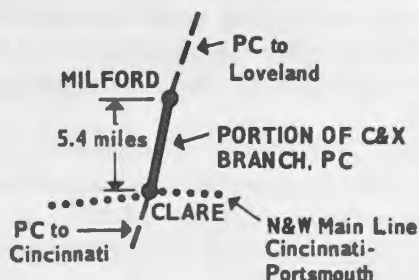
—Agri-Urban forecasted a demand for 50-60 cars per year.

—Vistron Corporation said it could function with service reduced to 2-3 times weekly if this will cut railroad costs and projected ceasing operations or increased selling prices if rail service is discontinued.

USRA ANALYSIS PORTION OF C&X BRANCH

USRA Line No. 516b

Penn Central



This portion of the C&X Branch, formerly part of the Pennsylvania RR, extends from *Milford* (Milepost 105.6) to *Clare, Ohio* (Milepost 111.0), a distance of *5.4 miles*, in Hamilton County, Ohio. The northern part of this branch, from Milford to Loveland and Xenia is also under study in this report. Below Clare, this line runs into Undercliff Yard in Cincinnati. At Clare the Main Line of the Norfolk & Western crosses.

Summary of USRA Data

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

Milford	118
Terrace Park	0

Total carloads generated by the line.....	118
Number of round trips per year.....	52
Estimated time per round trip (hours).....	5

Revenue received by PC.....	\$27,899
Average revenue per carload.....	\$236

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	58,376
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost) ..	3,863
Cost incurred beyond the branch line.....	18,376

Total variable (avoidable) cost.....	80,615
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Net contribution (loss): total.....	(52,716)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Comments on USRA Line No. 516 generally apply to this segment. In addition, the Clermont Lumber Company reported it has been unable to obtain service on this line since November, 1974, after having previously used loading facilities at Milford.

USRA ANALYSIS PORTION OF C&X BRANCH

USRA Line No. 516c

Penn Central



This portion of the C&X Branch, formerly part of the Pennsylvania RR, extends from *South Lebanon* (Milepost 87.8) to *Milford, Ohio* (Milepost 105.6), a distance of *17.8 miles*, in Hamilton, Clermont and Warren Counties, Ohio. The northern and southern continuations of this branch (to Morrow and Cincinnati, respectively) are also under study in this report. At Middletown Junction the PC Middletown Secondary Track connects and at Loveland the Cincinnati-Cumberland, Maryland Main Line of the Baltimore & Ohio RR crosses.

Summary of USRA Data

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

S. Lebanon	12
Loveland	27
Total carloads generated by the line	39
Number of round trips per year	52
Estimated time per round trip (hours)	3.0
Revenue received by PO	\$11,889
Average revenue per carload	\$305

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	126,373
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	11,442
Cost incurred beyond the branch line	6,834
Total variable (avoidable) cost	144,649
Net contribution (loss): total	(182,760)

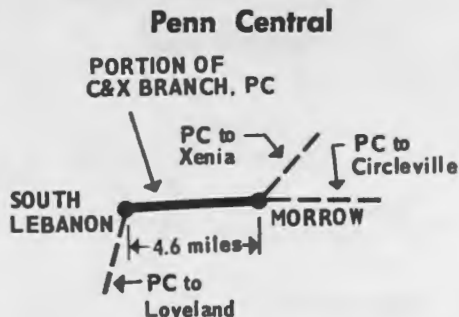
USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Comments on USRA Line No. 516 generally apply to this segment.

USRA ANALYSIS PORTION OF C&X BRANCH USRA Line No. 516d



This portion of the C&X Branch, formerly part of the Pennsylvania RR, extends from *Morrow* (Milepost 83.2) to *South Lebanon*, Ohio (Milepost 87.8), a distance of *4.6 miles*, in Warren County, Ohio. This line is a central link in Penn Central's C&X Branch. At Morrow, two lines, both under study, radiate to Xenia and Circleville. At South Lebanon, the southern portion of the C&X branch continues to Loveland. All lines connecting with this one are also under study in this report.

Summary of USRA Data

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

Morrow	38
Total carloads generated by the line.....	38
Number of round trips per year.....	25
Estimated time per round trip (hours).....	2.0
Revenue received by PC.....	\$6,132
Average revenue per carload.....	\$161

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	39,351
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	2,639
Cost incurred beyond the branch line.....	5,348
Total variable (avoidable) cost.....	47,338
Net contribution (loss): total.....	(41,206)

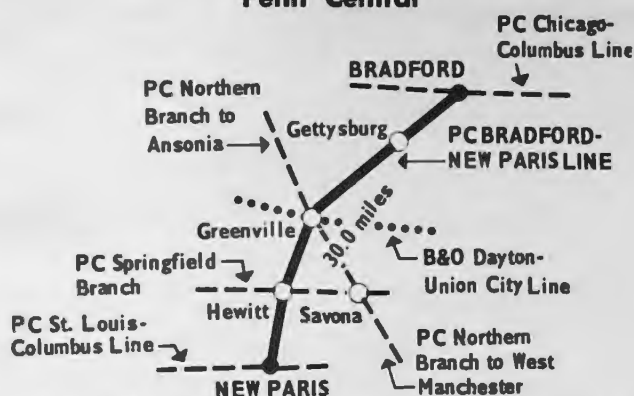
USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Comments on USRA Line No. 516 generally apply to this segment.

USRA ANALYSIS
BRADFORD-NEW PARIS LINE
USRA Line No. 517
Penn Central



The Bradford-New Paris Line, formerly part of the Pennsylvania RR, extends from *Bradford* (Milepost 83.5) to *New Paris, Ohio* (Milepost 113.5), a distance of *30.0 miles*, in Darke and Preble Counties, Ohio. This line connects the PC Chicago-Columbus line at Bradford with the St. Louis-Columbus line at New Paris. This line is also crossed by the PC Springfield Branch at Hewitt and the PC Northern Branch at Greenville, both of which are also under study in this Report, and by the B&O Indianapolis-to-Dayton line at Greenville. In July 1972, the PC applied to the ICC for permission to abandon this line (except for 4 miles near Greenville); Docket No. AB-5, Sub. 64-65. No final action has been taken on this application.

Summary of USRA Data

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

Gettysburg	7
Greenville ¹	1,006
New Madison	35

Total carloads generated by the line	1,048
Number of round trips per year	250
Estimated time per round trip (hours)	7.0

¹ Includes only traffic on segment.

Revenue received by PC	\$300,088
Average revenue per carload	\$295

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	317,783
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	24,067
Cost incurred beyond the branch line	165,201

Total variable (avoidable) cost	507,001
Net contribution (loss): total	(197,913)

USRA Recommendation

It is recommended that the portion of the Bradford to New Paris line from Milepost 83.5 to Milepost 94.6 be included in the ConRail System.

It is *not* recommended that the portion of the Bradford to New Paris line from Milepost 94.6 to Milepost 113.5 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

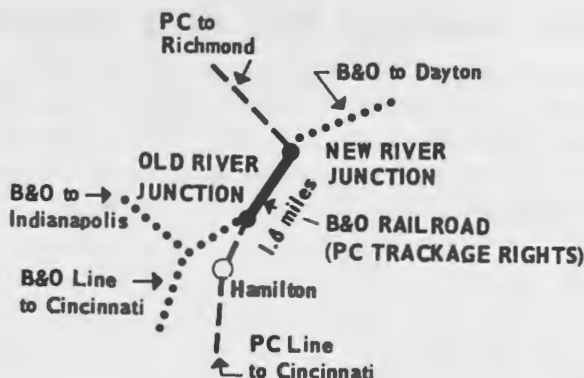
—The Standard Oil Company of Ohio reported its Vistron Corporation's \$52,000 facility at New Madison would either have to be shut down in the event service is discontinued or else fertilizer prices would increase. 1974 traffic amounted to 23 cars.

USRA ANALYSIS

TRACKAGE RIGHTS OVER B&O OLD RIVER JCT- NEW RIVER JCT

USRA Line No. 518

Penn Central



These PC trackage rights over the Baltimore & Ohio extend from *Old River Junction* (Milepost 31.5), to *New River Junction, Ohio* (Milepost 33.1), a distance of *1.6 miles*, in Butler County, Ohio. This stretch of B&O tracks forms a part of PC's Cincinnati-Richmond line. The PC-owned portion north of New River Junction to Eaton is also under study in this Report. This trackage is part of the B&O's Dayton-Cincinnati line, which diverges from the Richmond branch at both ends of this segment. In July 1973, the PC filed to abandon operation over this line (ICC Docket No. AB-5, Sub. 186). No final action has been taken.

Information for Line Retention Decision

PC trackage rights over this line are used to serve USRA line segments Nos. 519 and 520. The preliminary recommendation for these segments is that they *not* be included in the ConRail System. Therefore, these trackage rights over the B&O are not required.

USRA Recommendation

It is *not* recommended that trackage rights over this portion of the B&O be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

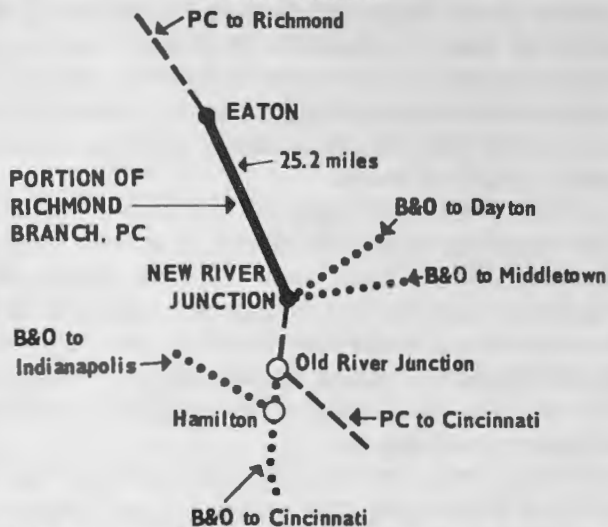
—The Ohio Association of Railroad Passengers recommended this line segment be maintained as a connecting link for a secondary passenger corridor between Indianapolis, Indiana, and Cincinnati, Ohio.

USRA ANALYSIS

PORTION OF RICHMOND BRANCH

USRA Line No. 519/520

Penn Central



This portion of the Richmond Branch, formerly part of the Pennsylvania RR, extends from *New River Junction* (Milepost 33.1) to *Eaton, Ohio* (Milepost 58.3), a distance of *25.2 miles*, in Butler and Preble Counties, Ohio. This segment was part of PC's line from Cincinnati to Richmond, Logansport and Chicago. The 1.6 miles south of New River Junction (where PC runs over B&O via trackage rights) are also under study in this report. The connecting line at New River Junction is the B&O's Dayton-Cincinnati line. In July 1973, the PC filed with the ICC for permission to abandon the portion of this line between New River Junction and Camden (Docket AB-5, Sub. 186).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Seven Mile	82
Somerville	20
Camden	202
Total carloads generated by the line	284
Number of round trips per year	104
Estimated time per round trip (hours)	4
Revenue received by PC	\$96,181
Average revenue per carload	\$345

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	192,076
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	20,729
Cost incurred beyond the branch line	55,819
Total variable (avoidable) cost	268,124
Net contribution (loss): total	(169,993)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Universal Manufacturing Corporation said its transportation costs would increase by \$115,000 a year if forced to divert to motor carriers.

—The Community Corporation for Eaton and Preble Counties estimated loss of rail service would eliminate 269 jobs and \$2,774,000 in revenues in Preble County. It would have an adverse effect on Opekasit, Inc., Landmark Mill and Dunkelberger and Sons, three of Butler County's largest agricultural businesses.

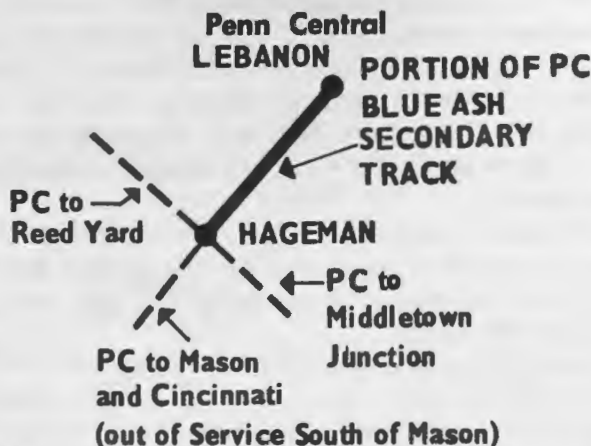
—Westvaco Corporation said agricultural interests would have used more rail service in 1973 had the PC made hopper cars available for movement of grain to the south.

—Butler County Farm Bureau has recently added 1,000 ton fertilizer warehouse which will result in demand for additional rail service.

—See comment on Line No. 520a concerning passenger service.

USRA ANALYSIS PORTION OF BLUE ASH SECONDARY TRACK

USRA Line No. 525



This portion of the Blue Ash Secondary Track, formerly part of the Pennsylvania RR, extends from *Lebanon* (Milepost 26.6) to *Hageman, Ohio* (Milepost 31.4), a distance of 4.8 miles, in Warren County, Ohio. This line is the northern end of the Blue Ash Secondary Track which runs south to Mason and Cincinnati (out of service south of Mason). It connects at Hageman with the Middletown Secondary Track. This line was described as potentially excess in the U.S. DOT Report (See Zone 106).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Lebanon	311
Total carloads generated by the line.....	
Number of round trips per year.....	100
Estimated time per round trip (hours).....	2.5
Revenue received by PC.....	\$80,565
Average revenue per carload.....	\$259
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	60,810
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	17,476
Cost incurred beyond the branch line.....	50,909
Total variable (avoidable) cost.....	129,195
Net contribution (loss) total.....	(48,630)

USRA Recommendation

It is *not* recommended that this portion of the Blue Ash Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Agri-Urban, which serves the needs of 600 farmers, reported that only 20 percent of the material it receives could be moved by truck.

—Dave Steel Corp stated that its incoming shipments of steel, which arrive in 60 foot lengths, cannot be shipped by truck due to highway restrictions and prohibitive costs. Stock of heavy structural steel under sixty feet results in higher wastage costs and less flexibility of usage.

—Artyle Industries reported that one of its Canadian suppliers ships only by rail. If service were discontinued, Artyle would be cut off from this supplier.

—Lebanon Distribution Warehouse reported that it is negotiating storage contracts with two large firms in which the rail siting in Lebanon is a necessity. Without this line, Lebanon Distribution would lose these two accounts.

—Brant's, Inc., reported that without rail service it would be forced to stop selling its coal, fence, and some brick.

—Vistron reported that discontinued service on this line would either force it to shut down its plant or charge higher prices for its fertilizer. In 1974, Vistron paid \$39,306 to its 6 employees.

—Several firms reported that future rail use should increase and that past rail use would have been greater had service been better.

—According to the Lebanon Chamber of Commerce, both Agri-Urban and Vistron were handicapped by low load limits for rail cars and an insufficient supply of cars. There is a load limit of 50 tons and Vistron reported a 30 car shortage of 50 ton cars.

—Reported Traffic:

Company and location	Carloads		
	1973	1974	Projected
Agri-Urban, Lebanon	44	51	80
Artyle Industries, Inc., Lebanon			
Brant's, Inc., Lebanon			
Brattain Lumber Co., Lebanon			
Dave Steel Corp., Lebanon		140	
Green Thumb, Inc., Lebanon			4
Horn & Jones Constr., Lebanon			
Lebanon Dist. Warehouses, Lebanon			299
Lebanon Lumber Co., Lebanon	20	10	5-10
Sohigro, Lebanon		37	
Gordon Steininger, Lebanon			
Valley Kitchens, Inc., Lebanon	130	130	
Kendrick Moving & Storage, Lebanon			

1 Figure includes traffic received at Mason and Lebanon plants.

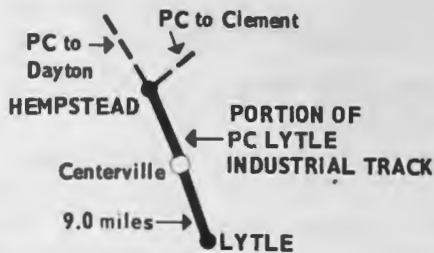
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS

PORTION OF LYTLE INDUSTRIAL TRACK

USRA Line No. 527/528

Penn Central



This portion of the Lytle Industrial Track, formerly part of the Pennsylvania RR, extends from *Hempstead* (Milepost 7.0) to *Lytle, Ohio* (Milepost 16.0), a distance of 9.0 miles, in Montgomery and Warner Counties, Ohio. This is an industrial line which runs southwest from Dayton. Its connections, the Lytle Running track to Clement and the northern extension of the Industrial track to Dayton are both under study in this Report. Penn Central has filed a petition to abandon the segment of this line between Centerville (Milepost 11.0) and Lytle. No action has been taken on the application.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Lytle	89
Centerville	659
Total carloads generated by the line.....	
748	
Number of round trips per year.....	
100	
Estimate time per round trip (hours).....	
3	
Revenue received by Pc.....	
\$160, 972	
Average revenue per carload.....	
\$215	
Variable (avoidable cost of continued service):	
Cost incurred on the branch line.....	
98, 070	
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) ..	
20, 868	
Cost incurred beyond the branch line....	
104, 164	
Total variable (avoidable) cost.....	
223, 102	
Net contribution (loss) : total.....	
(62, 180)	

USRA Recommendation

Although the preliminary recommendation is that this portion of the Lytle Industrial Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—According to Centerville Councilman Charles A. McQueeney, MacMillan Bloedel Containers, Inc., which generated 603 carloads in 1973, would be forced to relocate if this line were abandoned. MacMillan Bloedel is Centerville's largest industry, employing 245 people and providing the city with \$18,000 in tax revenues during 1973. If the company did remain in Centerville, it estimates that it would be forced to spend \$200,000 to alter its facilities to accommodate truck use. This action would increase its transportation costs by approximately \$1 million per year.

—Smokey, Inc., which generated 43 cars in 1974, reported its transportation costs would have increased by \$100,000–\$130,000 during 1974 had it been forced to use all truck shipments.

—The Dayton Chamber of Commerce reported that up to 500 jobs could be affected by abandonment of this line.

—MacMillan Bloedel estimates its rail traffic will increase to 1,120 carloads per year.

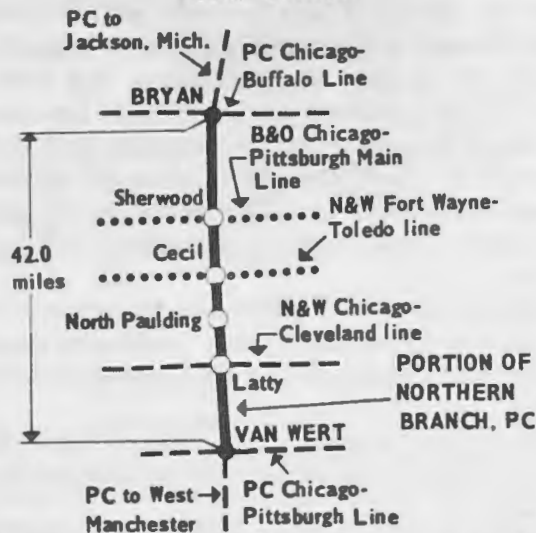
—Additional rail traffic could come from Snyder Concrete Products which now receives 36,000 tons of brick by truck due to PC's poor service. Furthermore, over 400 acres of land have been zoned for industrial use with an expected 24,000 cars per year.

—The Miami Valley Regional Transit Authority has requested funding to institute Dayton Area Rapid Transit (DART) service over part of this line to shuttle passengers between Dayton and Centerville during the day while freight traffic would move over the line at night.

—The Montgomery County Transportation and Development Program in Dayton reported that there are 800 carloads generated along this line.

USRA ANALYSIS

PORTION OF NORTHERN BRANCH USRA Line No. 531/531a/532 Penn Central



This portion of the Northern Branch, formerly part of the New York Central RR, extends from Bryan (Milepost 60.0) to Van Wert, Ohio (Milepost 102.0), a distance of 42.0 miles, in Williams, Defiance, Paulding and Van Wert Counties, Ohio. This line is part of PC's through line between West Manchester, Ohio and Jackson, Mich.; both the northern and southern continuations of this line are under study in this Report. Three lines cross this segment of the Northern Branch. The PC Chicago-Buffalo Line at Bryan, the B&O Chicago-Pittsburgh Main Line at Sherwood, the N&W Fort Wayne-Toledo Line at Cecil and their Chicago-Cleveland Line at Latty, and the PC Chicago-Pittsburgh Line at Van Wert. Penn Central has filed a petition to abandon the segment of this line between north Paulding and Bryan, ICC Docket AB-5, Sub 112, 113, USRA Docket 75-34.

Summary of USRA Data

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

Ney	35
N. Paulding	739
Sherwood	98
Cecil	2
Paulding	373
Latty	0
Haviland	35
Scott	145
Cavett	2

Total carloads generated by the line	1,429
Number of round trips per year	300
Estimated time per round trip (hours)	11.0
Locomotive horsepower	1,750
Train crew size	5

Revenue received by PC	\$568,192
Average revenue per carload	\$398

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	526,541
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	52,695
Cost incurred beyond the branch line	285,433

Total variable (avoidable) cost 864,669

Net contribution (loss): total (296,477)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Northern Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Bryan Chamber of Commerce testified that shippers in Bryan are not opposed to ending rail service on this line as a result of the poor service now being offered.

—Shippers sending traffic north-south stressed the importance of this line to their routing.

—Defiance Landmark reported that its transportation costs would increase significantly if its cargo had to be moved by truck. It estimates its costs would increase \$21,000.

—The Paulding County Farm Bureau Co-op Association reported that its cost would increase \$50,000 if rail service were curtailed.

—The Farm Bureau Co-op plans to expand its grain storage. As a result, rail shipments over this line should double the 1973 carloads.

—The Van Wert Chamber of Commerce reported that USRA understated the actual number of carloads by 301.

—Reported traffic on this line is as follows:

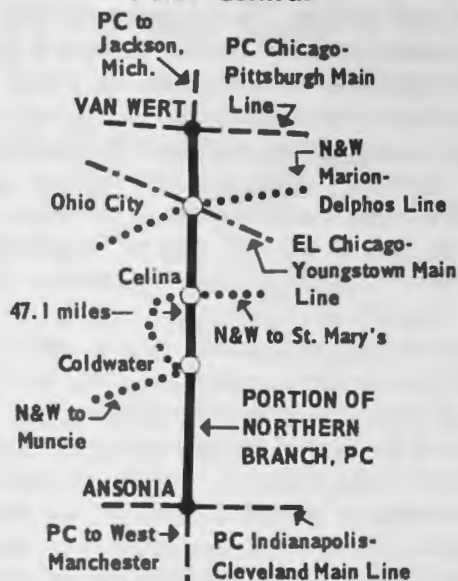
Company	Carloads		
	1973	1974	Projected
Steel Fabricating Co.			168
Pet Inc.	380		
Defiance Landmark	114	28	
General Portland Inc.	769	1,876	1,253
Paulding County Farm		35	40
Bureau Coop Ass'n		125	140
Scott Equity Exchange Co.			
Paulding Lumber	12,400		10
Paulding Grain and Seed			75
Stokely Van Camp			70
Grizzly Corp.			55
Reindenbach Equipment			20
Harzog Lumber			10
Pawner Plastics			

¹ Figure submitted by Congressman Delbert Latta.

Continued on page

USRA ANALYSIS

PORTION OF NORTHERN BRANCH USRA Line No. 533/534/534A/535 Penn Central



This portion of the Northern Branch, formerly part of the New York Central RR, extends from *Van Wert* (Milepost 104.2) to *Ansonia, Ohio* (Milepost 151.3), a distance of 47.1 miles, in Van Wert, Mercer and Darke Counties, Ohio. Five east-west lines cross this portion of the Northern Branch. They are the PC Chicago-Pittsburgh line at Van Wert, the N&W Marion-Delphos line and the EL main line at Ohio City, the N&W Muncie-St. Mary's line, which runs along the Northern Branch between Celina and Coldwater, and at Ansonia the PC Indianapolis-Cleveland main line. Both the southern extension of this line (to West Manchester) and the northern extension (to Jackson, Mich.) are also under study in this Report.

Summary of USRA Data

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

Ohio City	55
Rockford	202
Tama	0
Celina	893
Coldwater	137
St. Henry	479
Gilberts	13
New Weston	9
Rossburg	9

Total carloads generated by the line	1,797
Number of round trips per year	300
Estimated time per round trip, hours	10

Revenue received by PC	\$419,842
Average revenue per carload	\$234

Variable (Avoidable) Cost of Continued Service:	
Cost Incurred on the Branch Line	547,842
Cost of Upgrading Branch Line to FRA Class I: (1/10 of Total Upgrading Cost)	99,874
Cost Incurred Beyond the Branch Line	243,200
Total Variable (Avoidable) Cost	890,916

Net contribution (loss): total	(471,074)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Ohio City Landmark reported that it could ship from 150–180 carloads annually if it could get cars as it needed them.

—Mercer Landmark reported that abandonment will leave only 5 of Mercer county's 16 agricultural facilities with rail service.

—Ohio City Landmark reported that its transportation costs at its Ohio City facility will increase \$50,000–\$75,000 and its transportation costs at its Van Wert facility will increase \$25,000–\$35,000 if forced to divert to trucking.

—St. Henry Tile Co., reported that to ship by truck, it would cost \$40,000 for new equipment, 2 additional employees and fuel costs.

—St. Henry Tile Co., also testified it would be forced to close its coal business without rail service.

—Shockman Lumber Co., reported that discontinuing rail service would adversely affect its own business, its western lumber suppliers, and the 20 railroads which participate in these lumber shipments.

—The Ohio Power Co., reported that the Van Wert Industrial Corporation owns a 51-acre industrial site located southwest of Van Wert.

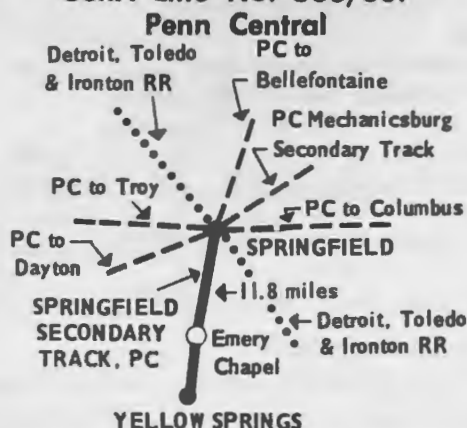
—The Van Wert Chamber of Commerce stated that USRA's 1973 figure of 1,797 carloads for this line is 845 cars below actual usage.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—N&W may be interested in acquiring two sections of the line, each approximately 2 miles long, one in the immediate area of Celina and the other in the immediate area of Coldwater. *Continued on page 436*

USRA ANALYSIS

SPRINGFIELD SECONDARY TRACK USRA Line No. 536/537



YELLOW SPRINGS

The Springfield Secondary Track, formerly part of the Pennsylvania RR, extends from *Yellow Springs* (Milepost 7.5) to *Springfield* (Milepost 19.3), a distance of 11.8 miles, in Clark and Greene Counties, Ohio. At Springfield, this line has connection possibilities with seven lines; the PC to Dayton and Troy (the latter also under study in this Report), the Detroit, Toledo & Ironton RR Main Line north or south, the PC line to Detroit, the PC Mechanicsburg Secondary Track and the PC line to Columbus (also under study in this Report). Penn Central has filed a petition to abandon the segment of this line between Emery Chapel (Milepost 14.7) and Yellow Springs, ICC Docket No. AB-5, Sub. 153.

Summary of USRA Data

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

Yellow Springs	294
Emery Chapel	182
Springfield ¹	15
Total carloads generated by the line	491
Number of round trips per year	220
Estimated time per round trip (hours)	5
Locomotive horsepower	1,000
Train crew size	5
¹ Includes only traffic on segment.	
Revenue received by PC	\$122,069
Average revenue per carload	\$249
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	153,497
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	29,060
Cost incurred beyond the branch line	74,875
Total variable (avoidable) cost	257,432
Net contribution (loss): total	(185,363)

USRA Recommendation

It is *not* recommended that the Springfield Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Morris Bean and Company stated that it has rearranged and expanded its Yellow Springs facility over the last two years due to its accessibility to rail. Without rail service, the company would lose \$30,000 in investments, be forced to spend \$125,000 to alter its facilities to accommodate truck use, and increase its transportation costs by 200 percent. The only other alternative available to Morris Bean is to shut down its Yellow Springs facility and use its Cedarville facility exclusively. This shift would result in the loss of 450–465 jobs in Yellow Springs, a payroll loss of \$4,500,000 and necessitate increasing storage capacity at Cedarville.

—Rail service discontinuance would prevent Antioch College from receiving coal along this line thus preventing it from using its own power plant. The college would be forced to depend upon the Dayton Power and Light Company for its electricity.

—Discontinuance of rail service would also have a detrimental effect upon the proposed construction of a multi-model cargo facility at the Springfield Municipal Airport.

—Dan Hollister of the Village of Yellow Springs reported that the Dewine & Hammon Seed Company could have shipped three times as many cases as it did had daily service been provided. Presently the PC serves Yellow Springs twice per week. Mr. Hollister thought that industrial investment would increase if the line was upgraded and continued service assured.

—Smokey, Inc., which reported that its 1974 carloads were down since 1974 was a slow year for the housing construction industry, favored takeover of the line by DT&I.

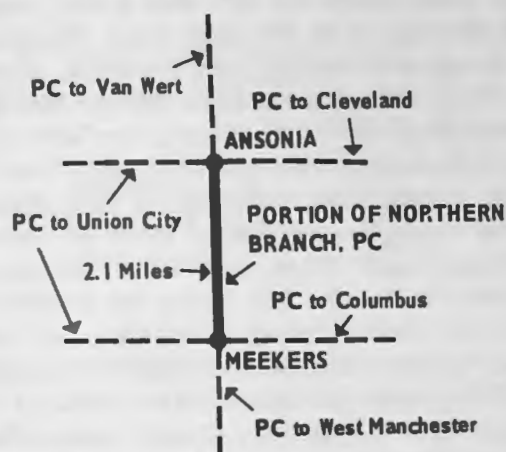
—Reported traffic:

Company and location	Carloads		
	1973 ¹	1974	Projected
Wickes Lumber Co., Emery Chapel	76		100
Morris Bean & Co., Yellow Springs	160	184	
Antioch College, Yellow Springs		58	
PK Lumber, Yellow Springs	7	3	
Dewine & Hammon Seed Co., Yellow Springs	31	30	
Smokey, Inc.		51	

¹ The city of Springfield reported that 1,341 carloads were generated along this line in 1973.

—The number of round trips per year appears to be substantially overstated in the Preliminary System Plan.

USRA ANALYSIS
PORTION OF THE NORTHERN BRANCH
USRA Line No. 538
Penn Central



PUBLIC RESPONSE AND RSPO COMMENT

—The only information received was supplied by the Van Wert Chamber of Commerce to the effect that much of the traffic generated south of Meekers Junction is routed north over Line No. 538.

This portion of the Northern Branch, formerly part of the Pennsylvania RR, extends from *Ansonia* (Milepost 152.0) to *Meekers, Ohio* (Milepost 154.1), a distance of *2.1 miles*, in Darke County, Ohio. A continuation of this line extends northward from Ansonia to Van Wert and southward from Meekers to West Manchester, both of which are under study in this Report. This line connects with the Penn Central line Indianapolis-Cleveland at Ansonia. It also connects with the Penn Central Chicago-Columbia line at West Manchester.

Information for Line Retention Decision

This line does not directly serve any shippers.

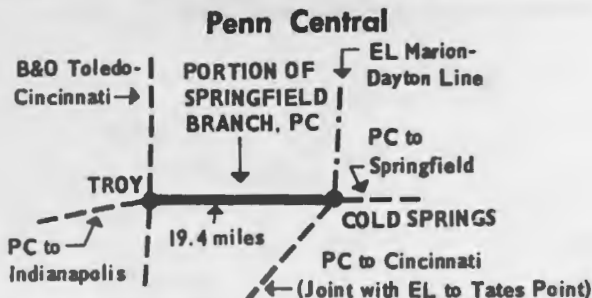
USRA Recommendation

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

USRA ANALYSIS

PORTION OF SPRINGFIELD BRANCH

USRA Line No. 549



This portion of the Springfield Branch, formerly part of the New York Central RR, extends from Cold Springs (Milepost 5.9) to Troy, Ohio (Milepost 25.3), a distance of 19.4 miles, in Miami and Clark Counties, Ohio. This line is part of the old New York Central Line between Springfield and Indianapolis, which is under study in this Report west of Cold Springs. This segment is crossed at Troy by the B&O's Toledo-Cincinnati line. At Cold Springs, it connects with the EL's Marion-Dayton line and the PC Cleveland-to-Cincinnati line.

Summary of USRA Data

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

Donnelsville	0
New Carlisle	110
Brown	0
Grayson	28
Miami Siding	0
Troy ¹	114

Total carloads generated by the line	252
Number of round trips per year	104
Estimated time per round trip, hours	8.0
Locomotive horsepower	1500
Train crew size	5

¹ Includes only traffic on segment.

Revenue received by PC	\$83,187
Average revenue per carload	\$380

Variable (avoidable) cost of continued Service:

Cost incurred on the branch line	178,074
Cost of upgrading branch line to FRA	
Class I (1/10 of total Upgrading cost)	48,807
Cost incurred beyond the branch line	55,650

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Borden Inc., reported that a switch to truck would increase its transportation costs for potash by \$1.75 per net ton; for phosphates by \$1.75 per net ton; and for ammonium sulphate by \$2.04 per net ton.

—E&W, which ships 100 car unit trains, reported that its alternative to PC unit train shipments is to use 10 car unit trains from the B&O. However, B&O's 10 car rate exceeds PC's 100 car rate by 45¢ per bushel of grain. Furthermore, the B&O doesn't serve 2 of the 4 eastern seaboard terminals that E&W presently serves. One of the two it does serve, the Tidewater Grain Co., has geared itself to receive 100 car unit trains only. Thus without PC service E&W anticipates its freight bill rising by \$250,000. The company is contemplating expanding its facilities to accommodate an additional 330,000 bushels. In 1975, E&W expects to ship 1,571 carloads of which 1,000 cars will move in 100 car unit trains. By 1980 it projects shipping 1,857 carloads of which 1,300 cars will move in 100 car unit trains. E&W also pointed out that 50 of the cars in the unit trains it uses are leased by them; thus, reducing car maintenance and per diem costs. E&W also said that all traffic originating on Lines No. 551 and No. 549 moves east over Line No. 549 since the line west of Arcanum is out of service. Brubaker Elevator reported that this includes 100 car unit trains shipped from Continental Grain at Arcanum.

—Reported traffic:

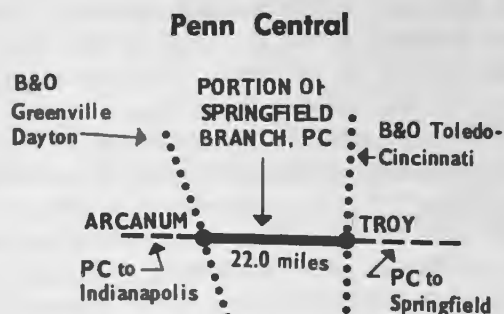
Company and location	Carloads		
	1973	1974	Projected
Borden, Inc., Grayson	25	25	.....
Brubaker Elevator, New Carlisle	80	80	.....
E&W, Eldean ¹	686	675	.....

¹ Eldean is located on the B&O branch between Troy and Piqua. However, because Eldean is within the switching limits of Troy, PC is permitted to become the originating long-haul carrier.

—The Chessie is only interested in providing service to shippers at Troy.

USRA ANALYSIS PORTION OF SPRINGFIELD BRANCH

USRA Line No. 551



This portion of the Springfield Branch, formerly part of the New York Central RR, extends from *Troy* (Milepost 25.3), to *Arcanum* (Milepost 47.3) a distance of 22.0 miles, in Miami and Darke Counties, Ohio. This line is a segment of the old New York Central line from Springfield to Indianapolis, which is under study in this Report. B&O lines cross this segment at its endpoints; the Indianapolis-Dayton line at Arcanum and the Toledo-Cincinnati line at Troy.

Summary of USRA Data

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

Troy ¹	1,607
Kessler	1
Ludlow Falls	24
Laura	2
Pittsburg	60
Arcanum	480

Total carloads generated by the line	2,174
Number of round trips per year	240
Estimated time per round trip, hours	4.0

¹ Includes only traffic on segment.

Revenue received by PO	\$920,545
Average revenue per carload	\$423

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	261,983
Cost of upgrading branch line to FRA class	
I: (1/10 of total upgrading cost)	58,202
Cost incurred beyond the branch line	537,617

Total variable (avoidable) cost	857,752
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Net contribution (loss): total	62,793
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—This line serves the Archer Industrial Park located in Troy. According to Huntsman Container Corp., which is located in the park, the complex is just beginning its development and loss of rail service would stifle its growth. The Troy Industrial Park would also be hindered in development as a result of diminished interest in purchasing property in the park.

—Huntsman Container, which is holding in abeyance a 50 percent expansion program until the rail service issue is settled, said its transportation costs would increase 200 percent if it had to switch to trucking.

—The Troy Chamber of Commerce said that jobs of 12,000 people are dependent upon Huntsman's egg packaging products.

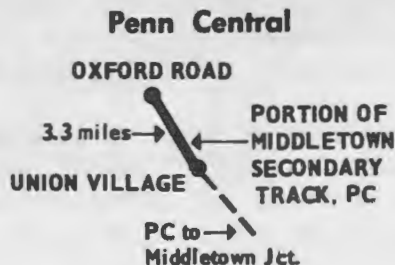
—Tube Products Company would be unable to compete effectively for high volume tailpipe and exhaust pipe business without rail service. Vistron Corporation said its \$69,000 facility at Pittsburgh would either have to close or raise prices on fertilizer sold locally. Its 1974 payroll was \$37,022 for five employees. Brubaker Elevator commented that loss of rail service would disrupt Continental Grain's 100 car unit train shipments from Arcanum. See comment on USRA Line No. 549.

—Huntsman Container and Tube Products both complained of poor service by the PC—poor car condition and damage to or loss of products as a result of derailments. The Chamber of Commerce reported 19 derailments on the line in 1974.

—The Chessie is only interested in providing service to shippers at Arcanum and Troy.

USRA ANALYSIS PORTION OF MIDDLETOWN SECONDARY TRACK

USRA Line No. 560



This portion of the Middletown Secondary Track, formerly part of the Pennsylvania RR, extends from *Oxford State Street* (Milepost 3.7), to *Union Village, Ohio* (Milepost 7.0), a distance of 3.3 miles, in Butler and Warren Counties, Ohio. This segment is the remaining stub end of the old PRR line to Middletown; it continues southeastward to Hageman and Middletown Junction. The Oxford Street-Middletown portion has been abandoned.

Summary of USRA Data

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

Union Village.....	5
Monroe	283
Total carloads generated by the line.....	288
Number of round trips per year.....	104
Estimated time per round trip (hours).....	8.0
Revenue received by PC.....	\$68,988

Average revenue per carload..... \$240

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	81,290
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	15,264
Cost incurred beyond the branch line.....	49,581

Total variable (avoidable) cost..... 146,135

Net contribution (loss): Total..... (77,147)

USRA Recommendation

It is *not* recommended that this portion of the Middletown Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—According to Caral Corporation, discontinued rail service would force it to spend \$110,000 to alter its facilities to accommodate truck use. If management decided this cost could not be justified, it would relocate. Relocation would result in the loss of 81 jobs and \$43,000 in personal property taxes, real estate taxes, and license taxes.

—The Wickes Lumber Company would be forced to relocate, resulting in the loss of 10 jobs and \$9,100 in tax revenues.

—Mayor Arlie Parke of Mason reported that traffic flowing to Mason and Lebanon is switched at the Reed Yards in Middleton and travels along this line before reaching Mason and Lebanon. Because the track south of Mason is already out of service, USRA's proposal would effectively cut off Mason, which generates approximately 2,500 cars annually, and Lebanon which generates approximately 400 cars annually, from rail service.

—Numerous witnesses reported industrial growth potential along this line. It serves the Miami Valley Industrial Park, which has 100 acres available for sale, the Cin-Day X Way Industrial Park, which already has investments of \$1 million, and the Heidelberg Industrial Park. Chrysler Corporation owns 660 acres in Union Village which it hasn't developed and Caral Corporation reported owning 20-25 acres which it wants to develop.

—The Middletown Chamber of Commerce testified that USRA made errors in attributing carloads to this line and errors in determining costs. According to its analysis, companies generated 552 carloads in 1973, not 288 as USRA reported. Furthermore, since rail users are served by crews working the Reed Yards, abandoning this line would not reduce locomotive or crew costs.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected
Wickes Lumber, Monroe	97		
Heidelberg Dist., Monroe	142	170	200-250
Texas Eastern, Transmission Corp., Monroe	313		

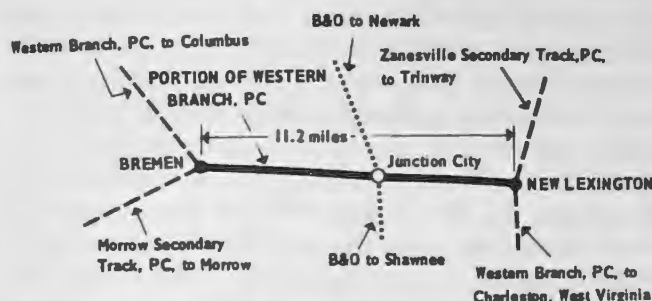
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The estimated time per round trip should be reviewed. The estimate appears to be high considering the traffic and the length of the line.

USRA ANALYSIS WESTERN BRANCH

USRA Line No. 640

Penn Central



This portion of the Western Branch, formerly part of the Pennsylvania RR, extends from *Bremen* (Milepost 173.8) to *New Lexington* (Milepost 185.0), a distance of 11.2 miles, in Fairfield and Perry Counties, Ohio. This portion of the Western Branch is used primarily for overhead traffic between Columbus and Charleston, W. Va. There are connections to other PC lines as illustrated, but the physical connection to the B&O at Junction City has been removed.

Information for Line Retention Decision

This line serves no shippers directly but is used to serve segments 496/496a. The preliminary recommendation for both of these segments is that they not be included in the ConRail System.

USRA Recommendation

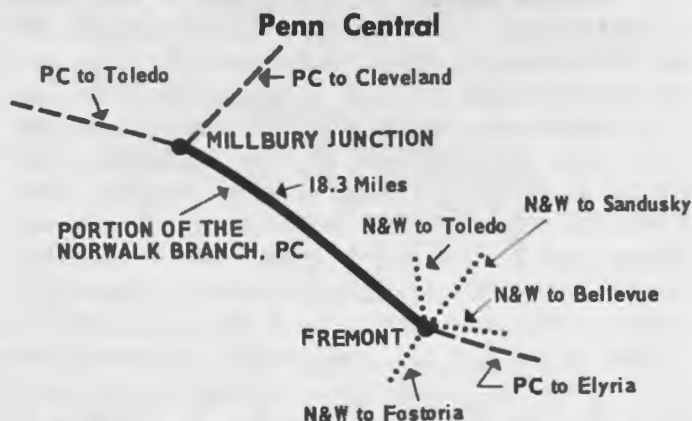
It is *not* recommended that this portion of the Western Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Peabody Coal Company, which operates its Sunnyhill mine just south of New Lexington at Sunnyhill, reported that this line is vital to its routings. In 1973, Peabody shipped 15,300 carloads of coal from Sunnyhill and in 1974 it shipped 13,694 carloads. Of its 1974 volume 11,202 carloads moved in 10,000 ton, 100 car unit trains destined for Essexville, Michigan. These unit trains, which originated three times per week, were routed north to New Lexington over USRA Line No. 513/513a; west to Bremen over USRA Line No. 640; north to Thurston to Truro over USRA Line No. 493; north from Truro to East Columbus over USRA Line No. 491 and on to Essexville. Peabody requests that each of these lines be included in ConRail for a number of reasons. First, this route is 39 miles shorter than the alternate route from New Lexington to Zanesville to Trinway to Columbus and on to Essexville. Second, the alternate route goes through Buckeye Yard, Columbus, which would cause added congestion and transit delays. Third, there are two passing tracks at Thurston whereas the alternate route has no siding that can accommodate 100 car unit trains. Fourth, the alternate route would require interchanging with the B&O at Zanesville which would increase transit delays. And last, then Penn Central is upgrading Peabody's present route to a 30 mile per hour operating speed. Peabody's alternate route is in poor condition. The track between New Lexington and Crooksville has been closed since January 10, 1975, due to a tunnel collapse. The track on this alternate route is of the 80-90 pound type and thus cannot support the weight of an 100 car unit train. Peabody believes that 125 pound track is needed for 100 car unit train shipments. In addition, mud slides in the winter along this alternate route have caused considerable maintenance expense and traffic delays. Peabody estimates that it would take 2½ years to upgrade this track to standards acceptable for the use of 100 car unit trains.

USRA ANALYSIS PORTION OF NORWALK BRANCH

USRA Line No. 643



This portion of the Norwalk Branch, formerly part of the New York Central RR, extends from *Fremont* Milepost 269.0 to *Millbury Junction*, Ohio. (Milepost 287.3), a distance of 18.3 miles, in Sandusky, Ottawa and Wood Counties, Ohio. Continuations of this line extend westward from Millbury Junction and eastward from Fremont. A portion of the latter extension is also under study in this Report. Connections include: the Norfolk & Western to Lima at Fremont and at Millbury Junction the PC Chicago-to-Buffalo line.

Summary of USRA Data

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

Lindsey	183
Elmore	116
Genoa	3,067
Total carloads generated by the line.....	3,366
Number of round trips per year.....	260
Estimated time per round trip (hours).....	11.5
Revenue received by PC.....	\$26,466
Average revenue per carload.....	\$275

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	345,884
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	52,228
Cost incurred beyond the branch line....	676,085
Total variable (avoidable) cost.....	\$1,074,147
Net contribution (loss): total.....	(147,681)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Norwalk Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Sandusky Chamber of Commerce pointed out several errors in USRA's analysis of this line. For example, it reflects a switch crew from Millbury Junction to Fremont, and return. The switch crew actually operates from Toledo Air Line yard to Martin to Genoa and return. Thus, the analysis does not reflect service provided to the Kralmer Quarries located at Martin, Ohio which generates 3,500 cars per year. Furthermore, the stations of Elmore and Lindsey are switched by a crew that services Clyde-Fremont-Lindsey-Elmore-Genoa. Thus, the correct traffic volume for the Toledo Airline Yard to Genoa switch should be approximately 6,500 cars, not 3,366.

—The Chamber of Commerce also testified that 300, not 260 round trips are made per year. In addition, since present operation is at 20 miles per hour, the \$53,228 expenditure needed to rehabilitate this track to a speed of 10 miles per hour (FRA Class I Standard) is not required.

—United States Gypsum Company, Genoa, confirmed the Chamber testimony regarding Genoa being served by switch crews from Toledo and confirmed that the track is in good condition. It did report that ties are in need of replacement. The Company also reported it generated 3,022 carloads in 1973; 2,670 carloads in 1974; and projects a use of 3,359 carloads for 1975. According to the company, there are no turnouts along this line and no routes are currently available for traffic to or from Genoa that permit interchange with the N&W at Fremont. Without rail service, U.S. Gypsum estimated it would cost \$19,000,000 to relocate its facilities, therefore, recommended that the track from Genoa to Millbury be analyzed separately from the rest of the branch.

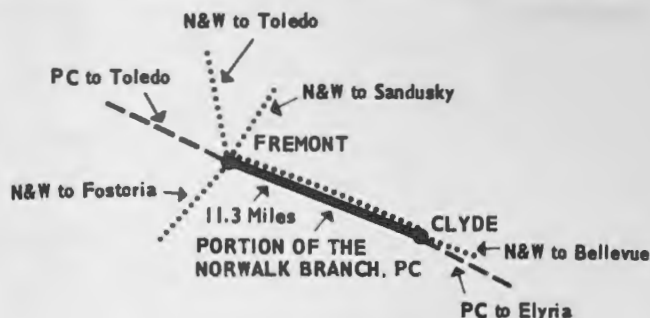
—The U.S. Environmental Protection Agency reported that this line is an important part of Ohio's air pollution control plans.

—N&W is interested in acquiring a 13.4 mile section of the 18.3 mile Norwalk Branch from Fremont (PC M.P. 269.0) to and including all industries in Genoa (PC M.P. 282.4). N&W's interest is for this exact and entire 13.4 mile section or none at all.

USRA ANALYSIS PORTION OF NORWALK BRANCH

USRA Line No. 643a

Penn Central



This portion of the Norwalk Branch, formerly part of the Pennsylvania RR, extends from *Clyde* (Milepost 257.7) to *Fremont, Ohio* (Milepost 269.0), a distance of 11.3 miles, in Sandusky County, Ohio. Continuations of this line extend westward from Fremont and eastward from Clyde. A portion of the former is also under study in this Report. Connections include: the Norfolk & Western to Sandusky at Fremont and the PC line to Sandusky at Clyde.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Clyde	1,200
Fremont	2,016
Total carloads generated by the line	3,216
Number of round trips per year	300
Estimated time per round trip (hours)	12
Revenue received by PC	\$867,616
Average revenue per carload	\$270
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	357,242
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	35,327
Cost incurred beyond the branch line	509,778
Total variable (avoidable) cost	902,347
Net contribution (loss): total	(34,731)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The Sandusky Chamber of Commerce pointed out the following errors in USRA's analysis of this line:

- Train crew size is 4, not 5.
- Number of round trips per year 260, not 300.
- Number of cars handled in 1973 was 3,637, not 3,216. This includes 299 cars for industries located in Elmore and Lindsey.
- The line is profitable, not unprofitable, since the additional cars generated \$112,320 revenue which exceeds the \$34,741 loss per year.
- Operating speed for this track is 20 mph which exceeds FRA Class I standards.

—Whirlpool Corporation stated because Penn Central has allowed this line to deteriorate, it has become more and more dependent on the N&W.

—Congressman Delbert Latta testified it would be impossible for Rural Service at Clyde, to inspect, load, and ship huge quantities of grain by any other mode.

—N&W is interested in acquiring only about 2 miles of the branch in the immediate area of Fremont and about 2 miles in the immediate area of Clyde.

—Reported traffic:¹

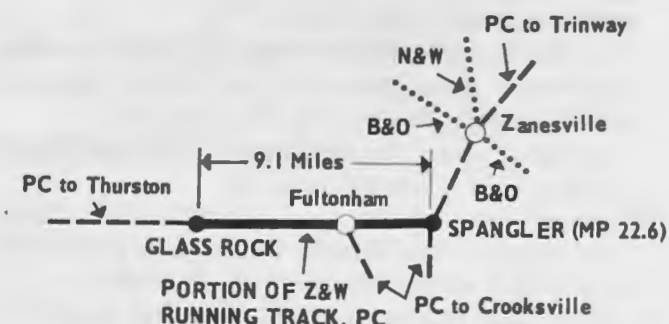
¹ Figures are supplied by the Sandusky Chamber of Commerce.

Company and location	Carloads		
	1973	1974	Projected
Whirlpool, Clyde	1,017	908	.....
Rural Service, Clyde	183	199	.....
Woodall Industries, Fremont	401	403	.....
Fremont Container, Fremont	572	559	.....
Moore Business, Fremont	520	652	.....
Rural Serve, Fremont	69	73	.....
Sweeney Warehouse, Fremont	237	286	.....
Robert Wolfe, Fremont	49	78	.....
Union Carbide, Fremont	169	170	.....
Fremont Foundry, Fremont	96	122	.....
Sunshine Blacut, Fremont	25	22	.....
City of Elmore	116	109	.....
City of Lindsey	183	173	.....

—The U.S. Environmental Protection Agency reported that this line is an important part of Ohio's air pollution control plan.

USRA ANALYSIS

Penn Central



This portion of the Z&W Running Track, formerly part of the Pennsylvania RR, extends from *Glass Rock* (Milepost 45.6) to *Spangler, Ohio* (Milepost 50.2), a distance of *4.6 miles* in Muskingum and Perry Counties, Ohio. This line continues to Thurston from Glass Rock and to Trinway from Spangler. It connects with the Crooksville Running Track at Fultonham and the Zonesville Secondary Track at Milepost 22.62. It connects with the B&O at Zanesville.

Summary of USRA Data

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

Glass Rock	1,107
Fultonham	390

Total carloads generated by the line-----	1,497
Number of round trips per year-----	240
Estimated time per round trip (hours)-----	8

Revenue received by PC_____	\$307, 235
Average revenue per carload_____	\$205

Variable (avoidable) cost of continued service :

Cost incurred on the branch line-----	205,071
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost)-----	8,573
Cost incurred beyond the branch line-----	148,438

Total variable (avoidable) cost..... **362,082**

Net contribution (loss) : total----- (54,847)

USRA Recommendation

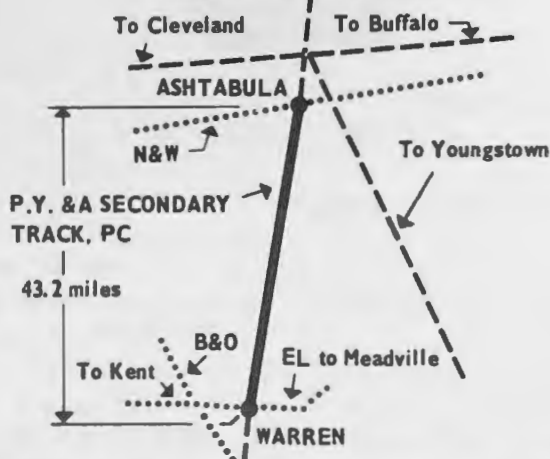
It is *not* recommended that this portion of the Z & W Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—In the Association News release of March 14, 1975, the Association reported that line 692 is now recommended for inclusion in the ConRail System. Its terminals should have been recorded in the Plan as Glass Rock and Fultonham Spur not Glass Rock and Spangler.

USRA ANALYSIS

P.Y. & A SECONDARY TRACK USRA Line No. 714 Penn Central



The P.Y. & A Secondary Track, formerly part of the Pennsylvania RR, extends from Ashtabula (Milepost 124.3) to Warren, Ohio (Milepost 81.1), a distance of 43.2 miles, in Ashtabula & Warren Counties, Ohio. Before the merger, it carried coal and ore traffic to and from Ashtabula Harbor; the traffic is now moving on the Youngstown Branch.

Summary of USRA Data

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

Champion	25
Bristolville	53
Lockwood	22
E. Orwell	13
New Lyme	0
Rome	22
Rock Creek	90
Austinburg	97
Ashtabula ¹	111

Total carloads generated by the line	433
Number of round trips per year	150
Estimated time per round trip (hours)	11.0

¹ Includes only traffic on segment.

Revenue received by PC	\$113,199
Average revenue per carload	\$261

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	417,690
Cost of upgrading branch line to FRA class	
I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	78,947

Total variable (avoidable) cost

491,637

Net contribution (loss): total

(378,438)

USRA Recommendation

It is *not* recommended that the P.Y.&A. Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Carter Lumber Company which generates 50 carloads per year, recommended that since 300 of the 433 carloads were generated between Ashtabula and Rock Creek, service along this portion of the line should be reduced to a once a week basis which might make the line viable. Lack of adequate unloading docks at the Ashtabula Team Track would probably result in its facility closure. This would result in the loss of Carter's \$130,000 investment, 8-9 jobs, \$85,000 in personal income, and \$90,000 in tax revenues. If rail service remains, Carter projects increasing its rail use to 65-80 cars per year.

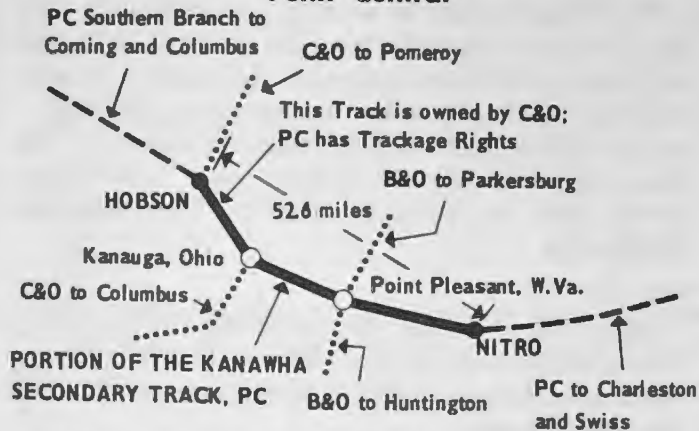
—Inland Container Corporation projects its rail use will increase to 896 carloads in 1976. Because Inland is located within the Ashtabula Switching limits, it desires to know whether it will continue to have rail service if the line is abandoned.

—The Western Reserve Economic Development Agency recommended that 13,000 additional feet of this line (from milepost 81.1 to milepost 83.5) be included in ConRail as 3,000 acres located on the northern corporate limits of Warren are to be developed as an industrial park. Rail service discontinuance would restrict the park's development and reduce the marketability of industrial sites. It recommends putting the remaining section of track in a rail bank in order to preserve it as one of the options available in solving the transportation disadvantage of the basic steel industry which comprises the primary element of the Mahoning Valley economy. This segment of track is used as a clearance route.

514a OHIO to WEST VIRGINIA

USRA ANALYSIS

PORTION OF KANAWHA SECONDARY TRACK USRA Line No. 514a Penn Central



This portion of the Kanawha Secondary Track, formerly part of the New York Central RR, extends from *Hobson, Ohio* (Milepost 56.4), to *Nitro, W. Va.* (Milepost 109.0), a distance of *52.6 miles*, in Meigs and Gallia Counties, Ohio, and Mason and Putnam Counties, W. Va. Continuations of this line extend southeastward from Nitro and northwestward from Hobson. Connections are: the Baltimore & Ohio Huntington-Wheeling line at Point Pleasant and the Chesapeake & Ohio Columbus-to-Pomeroy line at Kanauga (from this point to Hobson Junction, the C&O owns the line and PC operates via trackage rights). Both of the continued portions are also under study in this Report.

Summary of USRA Data

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

Port Pleasant	188
Arbuckle	6
Robertson	0
Buffalo	7
Rumer	0
Redhouse	785
McGill	1
Courtney	2
Bancroft	7

Total carloads generated by the line	946
Number of round trips per year	200
Estimated time per round trip (hours)	12.0
Revenue received by PC	\$121,591
Average revenue per carload	\$129

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	439,181
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	24,377
Cost incurred beyond the branch line	136,086

Total variable (avoidable) cost..... 599,644

Net contribution (loss): total..... (478,053)

USRA Recommendation

It is *not* recommended that this portion of the Kanawha Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Discontinuance of the railroad at milepost 109 would preclude rail service from the Rock Branch Regional Industrial Park which received \$900,000 funding from EDA. Other EDA loans pending in cities along this line total more than \$2.5 million.

—Rerouting will cause congestion in the Charleston yards. Over 50,000 additional cars per year will be funneled over the Charleston bridge; a bridge constructed early in the century for the use of trolley cars.

—Line carries over 100,000 carloads of overhead traffic.

—ACF Industries, Inc., the third largest rail car lessor in the United States, with a repair facility at Red House has the only repair facility of this type within hundreds of miles.

—USRA included ACF Industries' repair facility in line No. 514b analysis instead of 514a.

—Relaxed standards for sulphur content of coal may allow the reopening of many mines in the Kanawha Valley.

—The State of West Virginia believes that the Swiss, to Point Pleasant, W. Va. line should be considered as a whole, rather than broken into segments.

—The Railway-Industrial Clearance Association states that the portion of 514a from Pt. Pleasant to Nitro is the only route over which clearance loads of power generation equipment weighing up to 600,000 lbs. destined to Ohio Power Co.'s plant at Cheshire may be moved.

—The Meigs County Rail Service Committee states: the Charleston to Columbus line which generated 105,178 carloads should be considered in total and not in segments; the line accommodates 30 mph train speeds; therefore, USRA's rehabilitation expenses for this line are overstated.

—Assuming Chessie acquires segment 514b, Charleston to Nitro, as proposed, Chessie would also be interested in providing service to that portion of 514a from Nitro north to Redhouse. Chessie would also serve the northern end of the line from Hobson down to Pt. Pleasant.

Continued on page 437

OHIO CONTINUATIONS

OH-478

—The Hipp Lumber Company reported it would take 4 trucks to move the equivalent of 1 rail car. Hipp would lose some of its customers who will not accept truck shipments.

—The Briar Hill Stone Company reported that shipping its sandstone by truck would increase transportation costs by \$12 to \$18 per ton, reducing Briar Hill's market by 25 percent.

—The Rice Chadwick Rubber Co. said that shipments of rubber masterbatch from Texas by rail cost \$1.06 per hundred weight. By truck they cost \$2.80 per hundred weight. Based upon 1,760,000 pounds shipped, Rice Chadwick reports its transportation costs would increase by \$30,624 if it is forced to use trucks.

—Reported traffic:

Company and location	Carloads		
	1973	1974	Projected
Landmark, Inc., Danville	44	53	160
Banbury Lumber Co., Danville		8	
Briar Hill Stone Co., Gleumont	13,091	13,710	
Trusco Mfg. & Supply Co., Holmesville		416	
Rice Chadwick Rubber Co., Killbuck	82	85	87
Quality Feed Store, Millersburg		54	60
Hipp Lumber Co., Millersburg	46	60	70
Holmes Lumber & Building Center, Millersburg		60	
Dabo Corp.		22	
Schwan's Sales Enterprises, Inc.			156-208
Holmes Farm Chemical Co.			50
MICA, Millersburg			3,400

¹ Landmark plans to increase the amount of fertilizer it receives by 500-700 tons per year over the next four years. Also Landmark anticipates shipping 3000 tons of material in the future.

² In tons.

—The U.S. Department of the Interior recommended that if this line is abandoned, the right-of-way be preserved for possible use as a bikeway or linear park.

OH-494

anticipates using 175 carloads in 1975; and Amanda and Huston Grain Companies shipped 22 carloads in 1974. John Eshelman and Sons reported that it shipped 2,806 carloads in 1974.

OH-497/498/498a-

to trucks would increase its transportation costs by \$37,500-\$50,000. Similarly, Carter Lumber projected a \$44,000 increase in transportation costs. Likewise, Bell Dor-Lite, Inc., projected a \$22,500-\$30,000 increase and Red Rose Feed & Farm Supply projected a \$20,000 increase in transportation costs.

—The Carter Lumber Co., reported that trucking lumber from the West Coast is economically unfeasible.

—The Fayette County Farm Bureau Cooperative Association reported it could have shipped 120 additional cars in 1974. It also plans to expand its facilities which will triple its rail use.

—The DT&I wishes to acquire approximately 1500 feet of this line immediately east of the DT&I's line at Washington Court House for the purpose of serving Landmark (Fayette County Farm Bureau).

—The Chessie wishes to acquire the section of the line, approximately 10 miles, from Washington Court House to Clarksville to serve PC customers at Clarksville.

OH-514

—Shaul Farms stated that, if it lost rail service, it would discontinue growing a large part of its vegetable crop. Consequently, it would lose over \$100,000 per year in sales.

—The Montgomery County Farm Bureau reported that county farmers generated 320 carloads over the line in 1974.

OH-531 531a 532

—The N&W is interested in acquiring a section approximately 7.7 miles long to serve all industries in and in the immediate area of North Paulding.

—The Chamber of Commerce expressed concern over using barges, the alternative mode, in transporting the grain shipments. Each dam on the rivers has one lock. If one of the locks were forced to close for any length of time, the transportation of food, fuel, and fiber to the eastern seaboard would be disrupted.

—The Ohio Power Co. reported that its power substation at Haviland would be adversely affected if this line were abandoned.

—Consideration could be given to a reduction in frequency of service and thereby substantially reduce on-branch costs.

OH-533/534/534a/535

—Reported Traffic:

Company and location	Carloads		
	1973	1974	Projected
Pet Milk, Coldwater	40	40	
Continental Can, Van Wert	1,250	1,270	
Ohio Underground Warehouse Cold Storage	6,000		
St. Henry Tile Co., St. Henry		420	
St. Charles Seminary		20	
Shockman Lumber Co., St. Henry		18-20	
Ohio City Landmark:			
Ohio City	55	93	
Van Wert	40-45	40-45	40-45

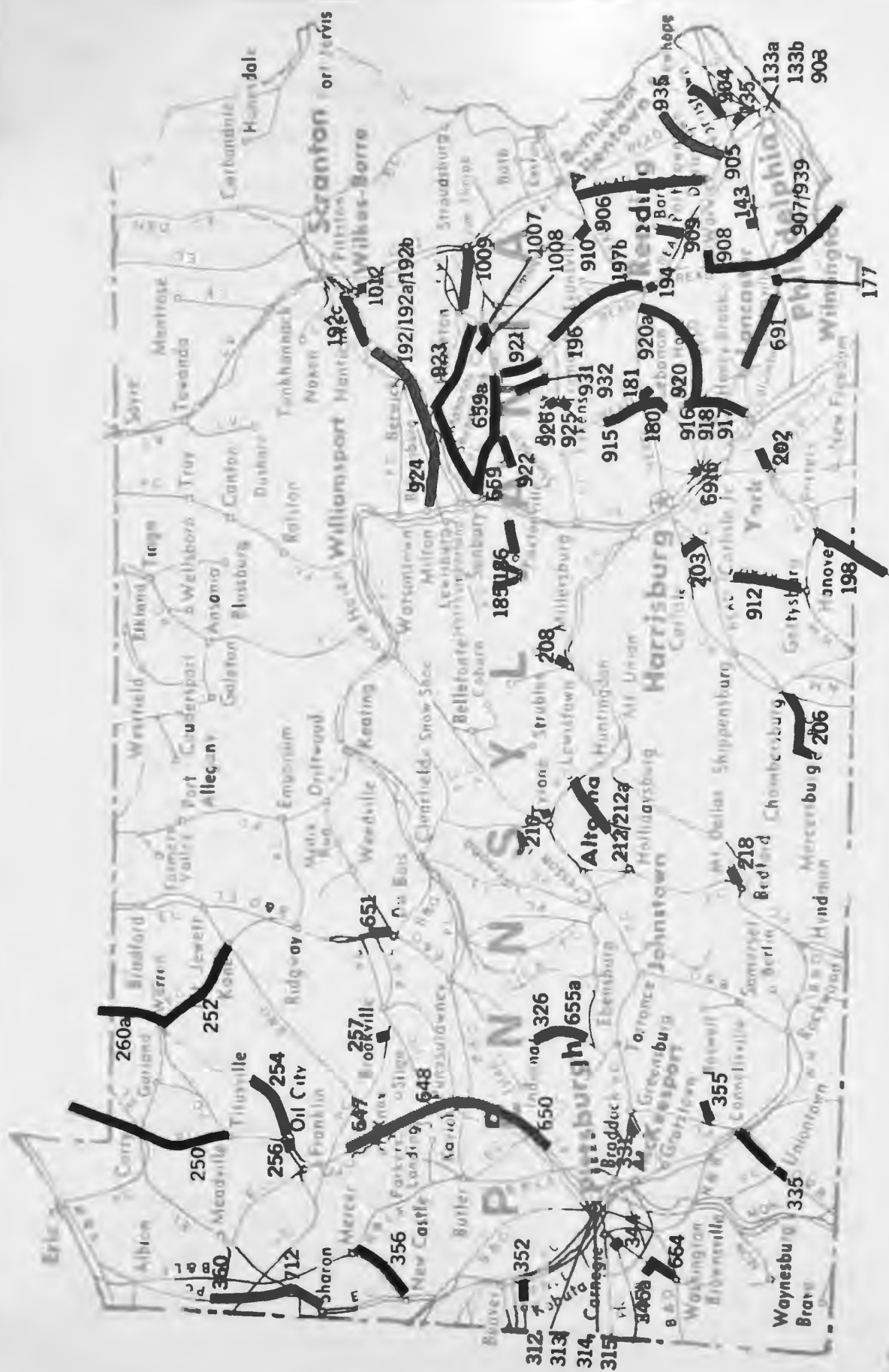
OH-514a

Reported Traffic: Portion of Kanawha Secondary Track

Company	Carloads	
	1973	1974 Pro- jected
BIDCO.....		
Putnam Fabricating.....	103	148
Georgia Pacific.....	564	551
West Virginia Steel (tons).....	17,105	19,806
ACF Industries, Fike Chemicals.....	1,765	2,137
Motor Freight Line.....	238	
FMC.....	300	188
Monsanto:		
Outbound.....	835	835
Inbound.....	3,000	3,000

—Cost of acquiring trackage rights to carry overhead traffic should be considered in the analysis of this line.

PENNSYLVANIA



PENNSYLVANIA

USRA line number	Terminals
Intrastate	
133a	Queen Lane to Allen Lane
133b	Allen Lane to Chestnut Hill
135	Fort Washington Branch at Philadelphia
143	West Chester Branch at West Chester
177	Pomeroy to Doe Run
180	Cornwall to Lebanon
181	East Lebanon Branch at Lebanon
185/186	Paxtonville to Selinsgrove
192/192a/192b	Sunbury to Wilkes-Barre
192c	Hudson to Buttonwood
194	Court Street Secondary Track at Reading
196	Hamburg to Schuylkill Haven
197b	Reading to Hamburg
201	Mifflinburg to Lewisburg
202	York to Hellam
203	Mechanicsburg to Dillsburg
206	Marion to Mercersburg
208	Yeagertown to Reedsville
210	Fairbrook Branch at Tyrone
212/212a	Petersburg to Williamsburg
218	Creek to Mount Dallas
250	Corry to Titusville
252	Warren to Ridgway
254	Oil City to Tidioute
256	Polk Junction to Reno
257	Brookville Track at Brookville
260a	North Warren to Warren
312	Fort Wayne Bridge at Pittsburgh
313	Pittsburgh to Chicago Line at Pittsburgh
314	Pittsburgh to St. Louis Line at Pittsburgh
315	Allegheny Branch at Pittsburgh
326	Black Lick Junction to Indiana
331	Hempfield Junction to Herminie
335	Coal Lick Run near Uniontown
344	Bridgeville to Sygan
345a	Westland Industrial Track
352	Shippingport to Kobuta
355	Scottdale to Mount Pleasant
356	New Castle to Mercer
360	Jamestown to Linesville
647	Red Bank to Emlenton
648	Red Bank to Schenley
650	Kiskiminetas Junction to Logans Ferry
651	Falls Creek to Brockway
655a	Black Lick to Blairsville
659	Sunbury to Thompson
659a	Thompson to Mount Carmel
663	Fairchance to Connellsville
664	Houston to Washington
691	Parkesburg to Lancaster
691b	Conewago to Royalton
712	Sharon to Jamestown

RDG

903	Chestnut Hill to Wayne Junction
904	Cheltenham Junction to Newtown
905	Lansdale to Doylestown

USRA line number	Terminals
906	Perkiomen Junction to Emmaus Junction
908	Elverson to Warwick
909	Eshbach to Pottstown
910	Kutztown to Topton
912	Gettysburg to Carlisle Junction
915	Suedburg to Lebanon
916	Manheim to White Oak
917	Columbia to Lancaster Junction
918	Manheim to Lancaster Junction
920	Manheim to Lititz
920a	Lititz to Sinking Spring
921	St. Clair to Bear Run Junction
922	Trevorton to Herndon
923	Lofty to Rupert
924	Rupert to West Milton
925	Tremont to Pine Grove
926	Tremont to Good Spring
931	Silverton to West Junction
932	West Junction to Terminus
935	Norristown to Lansdale

LV

1007	Laurel Junction to Rock
1008	Delano to Raven Run
1009	Nesquehoning Junction to Tamanend
1012	Franklin Branch at Wilkes-Barre

Interstate

PC

Pennsylvania to New York (these lines are discussed under New York)

249	Corry, Pa. to Mayville, N.Y.
260	North Warren, Pa. to Falconer, N.Y.

PC

Pennsylvania to Maryland (these lines are discussed under Maryland)

198	Spring Grove, Pa. to North of Frederick, Md.
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RDG

Pennsylvania to Delaware (this line is discussed under Delaware)

907/939	Elverson, Pa. to Elsmere Junction, Del.
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133a

PENNSYLVANIA

USRA ANALYSIS PORTION OF CHESTNUT HILL BRANCH

USRA Line No. 133a

Penn Central



This portion of the Chestnut Hill Branch, formerly part of the Pennsylvania Railroad, extends from *Queen Lane* (Milepost 2.2), to *Allen Lane*, Pennsylvania (Milepost 4.8), a distance of *2.6 miles*, in Philadelphia County, Pennsylvania. Continuations of this line extends northwestward from Allen Lane to Chestnut Hill, and southeastward from Queen Lane to North Philadelphia. (Both lines are also under study in this Report). The line also connects with the Fort Washington Branch of the PC at Allen Lane, also under study in this Report. This line was described as potentially excess in the U.S. DOT Report

Information for Line Retention Decision

This line is primarily used for passenger service although it is used as an overhead line to serve freight shippers on USRA Segment No. 135. The Preliminary Recommendation for line Segment No. 135 is that freight service not be provided by the ConRail System. Therefore, this segment is not required for freight service.

USRA Recommendation

It is *not* recommended that *freight service* be provided over this portion of the Chestnut Hill Branch in the ConRail System.

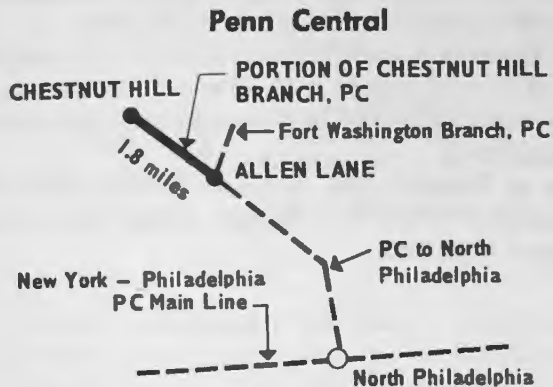
PUBLIC RESPONSE AND RSPO COMMENT

—The Public Utility Commission of Pennsylvania confirmed that the line should remain for passenger service. It also is used to serve USRA line No. 135.
—The United States Environmental Protection Agency noted that the line is a vital link in Philadelphia's Transportation Control Plan.

USRA ANALYSIS

PORTION OF CHESTNUT HILL BRANCH

USRA Line No. 133b



This portion of the Chestnut Hill Branch, formerly part of the Pennsylvania RR, extends from *Allen Lane* (Milepost 4.8) to *Chestnut Hill, Pa.* (Milepost 6.6), a distance of *1.8 miles*, in Philadelphia County, Pennsylvania. The continuation of this line extends southeastward to North Philadelphia (also under study in this Report). The line connects at Allen Lane with the Fort Washington Branch of the PC, also under study in this Report.

Information for Line Retention Decision

USRA Staff has had several meetings with SEPTA representatives in order to lay the groundwork for a detailed inventory of SEPTA's required passenger facilities. Both staffs are continuing to discuss ways in which SEPTA may wish to acquire portions of this line for passenger service, as provided in the Regional Rail Reorganization Act.

USRA Recommendation

It is *not* recommended that *freight service* be provided over this portion of the Chestnut Hill Branch by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania Public Utility Commission assumes that the line will be retained in service as part of the passenger system and will be available for freight if demand requires.

—The United States Environmental Protection Agency is concerned because service over the line is vital to Philadelphia's Transportation Control Plan.

135

PENNSYLVANIA

USRA ANALYSIS FORT WASHINGTON BRANCH

USRA Line No. 135

Penn Central



The Fort Washington Branch, formerly part of the Pennsylvania RR, extends from *Allen Lane* (Milepost 0.0) to *East Lane, Pa.* (Milepost 1.4), a distance of 1.4 miles, in Philadelphia County, Pa. This line connects with the Chestnut Hill Branch of the PC at Allen Lane (also under study in this Report).

Summary of USRA Data

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

Philadelphia¹ 26

Total carloads generated by the line..... 26

Number of round trips per year..... 30

Estimated time per round trip (hours)..... 0.5

¹ Includes only traffic on segment.

Revenue received by PC..... \$7,806

Average revenue per carload..... \$300

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 12,489

Cost of upgrading branch line to FRA

Class I (1/3 of total upgrade cost)..... 1,116

Cost incurred beyond the branch line.. 7,771

Total variable (avoidable) cost..... 21,376

Net contribution (loss): total..... (13,570)

USRA Recommendation

It is *not* recommended that the Fort Washington Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The City of Philadelphia testified that traffic on this line increased to 70 carloads in 1974. According to the City's calculations, the branch generated a profit of \$3,652 for Penn Central in 1974 contrasted with USRA's estimated 1973 loss of \$13,570.

—A. Z. Bogert Co. and National Crucible Co. project traffic of 85 carloads in 1975. If service ceases, A. Z. Bogert would be forced to close and 32 people would be unemployed.

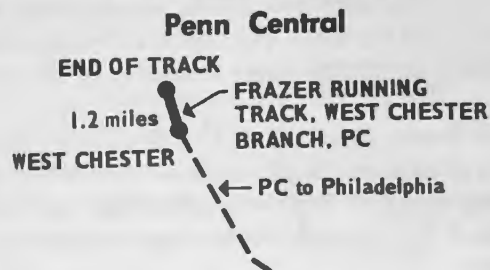
—State of Pennsylvania indicates that 50 carloads were handled on this line in 1973 rather than 26 as attributed by USRA.

USRA ANALYSIS

WEST CHESTER BRANCH

(FRAZER RUNNING TRACK)

USRA Line No. 143



Milepost 29.5 to Milepost 30.7, a distance of *1.2 miles*, in West Chester and Chester County, Pa. This line is a continuation of the West Chester Branch at West Chester.

PUBLIC RESPONSE AND RSPO COMMENT

—The length of the segment is shown in the Plan as 1.2 miles. A review of USRA's calculation indicates they used 1.9 miles in their viability analysis.

Summary of USRA Data

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

West Chester ¹	12
Total carloads generated by the line.....	12
Average carloads per week.....	0.2
Average carloads per mile.....	10
Average carloads per train.....	0.5
1973 Operating Information:	
Number of round trips per year.....	24
Estimated time per round trip (hours).....	1.5

¹ Includes only traffic on segment.

Revenue received by PC..... \$2,039

Average revenue per carload..... \$170

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	17,381
Cost of upgrading branch line to FRA class	
I (1/10 of total upgrading cost).....	5,257
Cost incurred beyond the branch line.....	2,009

Total variable (avoidable) cost..... 24,647

Net contribution (loss) : total..... (22,608)

USRA Recommendation

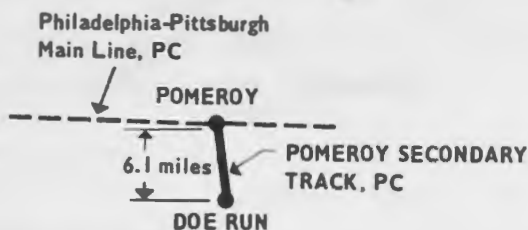
It is *not* recommended that the Frazer Running Track, West Chester Branch be included in the ConRail System.

177 PENNSYLVANIA

USRA ANALYSIS POMEROY SECONDARY TRACK

USRA Line No. 177

Penn Central



The Pomeroy Secondary Track, formerly part of the Pennsylvania RR, extends from Pomeroy (Milepost 0.0) to Doe Run, Pa. (Milepost 6.1), a distance of 6.1 miles, in Chester County, Pa. This line connects with the Philadelphia-Pittsburgh Line at Pomeroy.

Summary of USRA Data

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

Doe Run	238
Buck Run	278
Pomeroy ¹	20

Total carloads generated by the line.....	536
Number of round trips per year.....	150
Estimated time per round trip (hours).....	2.5

¹ Includes only shippers on this segment.

Revenue received by PC.....	\$153,508
Average Revenue per carload.....	\$286

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	73,098
Cost of upgrading branch line to FRA Class I (1/10 of total upgrade cost).....	15,646
Cost incurred beyond the branch line.....	123,225

Total variable (avoidable) cost.....	211,969
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Net contribution (loss): total.....	(58,463)
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USRA Recommendation

It is *not* recommended that the Pomeroy Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania General Paper Corporation, at Buck Run, objects strenuously to the Association's recommendation that this line not be included in ConRail.

—USRA's traffic and operating information shows 150 round trips for 1973, but General Paper testified bad weather or derailments resulted in fewer than 150.

—General Paper points out that the USRA analysis makes no provision for the cost of dismantling and restoration work on highway crossings and bridges as required by Pennsylvania law in abandonment situations.

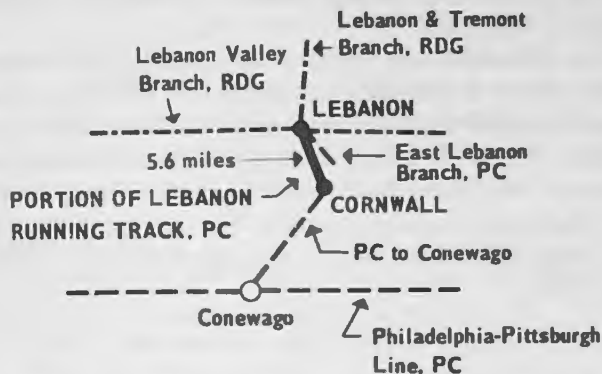
—As an alternative to abandoning the entire 6.1 miles, the Company proposes that the line be retained from Pomeroy to its siding at Buck Run (approximately 3 miles).

—The Pennsylvania Public Utility Commission points out that USRA states 2100 ties are required to bring the line up to Class I, while Penn Central's waiver petition to FRA indicated only 234 ties would be required.

USRA ANALYSIS PORTION OF LEBANON RUNNING TRACK

USRA Line No. 180

Penn Central



This portion of the Lebanon Running Track, formerly part of the Pennsylvania RR, extends from *Cornwall* (Milepost 16.1), to *Lebanon, Pa.* (Milepost 21.7), a distance of *5.6 miles* in *Lebanon County, Pa.* This line is in Zone 82 in the U.S. Department of Transportation Report, "Rail Service in the Midwest and Northwest Region," dated February 1, 1974. A continuation of this line extends southwestward from Cornwall to Conewago (also under study in this Report). This line connects with the Reading Company's Lebanon Valley Branch at Lebanon and with the Lebanon & Tremont Branch at Lebanon (also under study). This line also connects with the East Lebanon Branch of the PC at Lebanon (also under study as potentially excess). This PC line is out of service because of flood damage in June 1972; service is being provided by the Reading Company.

Information for Line Retention Decision

At this time, PC cannot serve the shipper on this line owing to flood damage. The shippers are receiving and will continue to receive service from the Reading.

USRA Recommendation

It is *not* recommended that this portion of the Lebanon Running Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Despite assurance by USRA that shippers will continue to be served by the RDG, the Pennsylvania Public Utility Commission states it is not possible for the RDG to serve Alcoa, Midway Mills, Olin Matheson, the Lebanon Daily News, Lebanon Paper Box or Brooks Bologna unless part of the line is included in ConRail.

—The Commission believes the line generated 1,647 carloads in 1973. It notes that USRA did not give any traffic figures for the line and questions on what basis the recommendation for exclusion from ConRail was reached.

—USRA states that continuation of the line southward from Cornwall to Conewago (Line No. 179) is "also under study in this Report." This line is not analyzed in the Plan and is simply listed under "Lines Not Now Being Served."

—The Lebanon Valley Chamber of Commerce does not oppose abandonment from Cornwall to Conewago as long as present service continues between Cornwall and Lebanon.

181

PENNSYLVANIA

USRA ANALYSIS EAST LEBANON BRANCH

USRA Line No. 181

Penn Central



The East Lebanon Branch, formerly part of the Pennsylvania RR, extends from *Lebanon* (Milepost 0.0), to *East Lebanon, Pa.* (Milepost 1.4), a distance of *1.4 miles*, in Lebanon County, Pa. This line connects with the PC Lebanon Running Track near Lebanon (also under study in this Report). It also connects with the Reading Company's Lebanon Valley Branch and Lebanon & Tremont Branch of the Reading at Lebanon, the latter also under study in this Report.

Information for Line Retention Decision

At this time, the shippers on this line are being served by the Reading. Flood damage prevents PC service. The shippers will continue to receive service from the Reading.

USRA Recommendation

It is *not* recommended that the East Lebanon Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

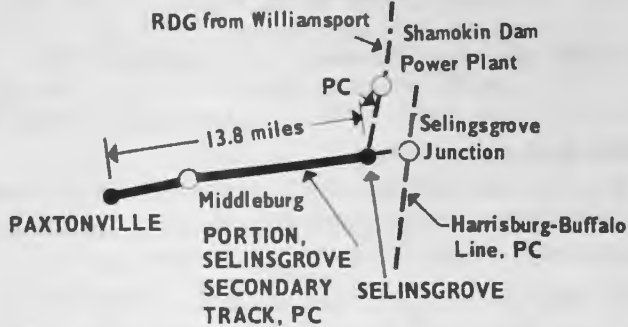
—The Pennsylvania Public Utility Commission says this apparently out-of-service line, which received 94 cars in 1973, is required for a connection to the Lebanon Running Track (USRA Line No. 180). It questions how USRA determined that the line should not be included in ConRail since no traffic figures are given in the Plan.

—The Pennsylvania Office of Planning and Development shows 2 shippers on the line. It estimates that loss of service would cause 3 people to lose their jobs.

—The City of Lebanon does not object to abandonment of the line. The Lebanon County Housing Redevelopment Authority would acquire the property, and shippers would continue to receive service from the RDG.

USRA ANALYSIS

PORTION OF SELINGSGROVE SECONDARY USRA Line No. 185/186 Penn Central



This portion of the Selingsgrove Secondary Track, formerly part of the Pennsylvania RR, extends from Paxtonville (Milepost 30.1) to Selingsgrove, Pa. (Milepost 43.9), a distance of 13.8 miles, in Snyder County, Pa. A continuation of this line extends eastward to Selingsgrove Junction where it connects with the PC Harrisburg-Buffalo line. The PC applied in June, 1973 for permission to abandon the portion of this line from Paxtonville to Middleburg (ICC Docket AB-5, Sub 166). No action has been taken on this application.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Selingsgrove ¹	216
Clifford	5
Kreamer	218
Middleburg	263
Paxtonville	81
Total carloads generated by the line.....	733
Number of round trips per year.....	298
Estimated time per round trip (hours).....	12.0

¹ Includes only shippers on segment.

Revenue received by PC.....	\$348,236
Average revenue per carload.....	\$475

Variable (Avoidable) Cost of Continued Service:	
Cost incurred on the branch line.....	298,025
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	45,671
Cost incurred beyond the branch line.....	243,360
Net contribution (loss): Total.....	587,056
Net contribution (loss): Total.....	(238,820)

USRA Recommendation

It is recommended that the portion of the Selingsgrove Secondary Track from milepost 43.9 to milepost 37.0 be included in the ConRail System.

It is *not* recommended that the portion of the Selingsgrove Secondary Track from milepost 37.0 to milepost 30.1 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The PSP states that these line segments totaled 13.8 miles; however, USRA's viability analysis used a 14.5 mile figure.

—Governor Shapp claims that USRA charges the second half of the line with two and a half times the annual cost of the first part of the line even though the railroad said it served the end of the line only one-seventh as often as it served the first part.

—The Snyder County Planning Commission recommends that, as a minimum, milepost 43.9 to milepost 33.0 (Middleburg) be included in ConRail.

—The Commission's survey showed that USRA understated the 1973 carloads by 141 at Selingsgrove, 15 at Clifford, 18 at Kreamer and 34 at Middleburg-Paxtonville. Also 8,309 cars were received by the Pennsylvania Power and Light Company at Shamokin by way of a 3.2 mile spur off this line at milepost 43.9.

—The Pennsylvania Department of Transportation says there were 334 cars at Middleburg-Paxtonville, not 294 as reported by USRA.

—Universal Manufacturing has constructed a new plant on the line.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The Pennsylvania Office of Planning and Development says that discontinuing service on this line will force at least one company to close, resulting in the loss of 347 jobs.

192/192a/192b

PENNSYLVANIA

USRA ANALYSIS

BUTTON AND DAN SECONDARY TRACKS USRA Line No. 192/192a/192b Penn Central



The Button and Dan Secondary Tracks, (sometimes called the Buttonwood Line) formerly part of the Pennsylvania RR, extend from *Sunbury* (Milepost 1.0) to *Wilkes-Barre, Pa.* (Milepost 62.8), a distance of 61.8 miles, in Northumberland, Montour, Columbia and Luzerne Counties, Pa. This line connects at Sunbury with the Harrisburg-Buffalo line and the Shamokin Secondary Track of the PC. The Shamokin Secondary Track is also under study in this Report. At Norca, this line is intersected by the Catawissa Branch of the Reading to West Milton and Tamaqua, which is also under study in this Report. At Nanticoke, the line connects with the Glenlyon Branch of the PC, also under study in this Report. At Wilkes-Barre the line connects with the LV line to Coxton, and with the Wilkes-Barre Connecting Railroad (jointly owned by the PC and D&H). The Wilkes-Barre Connecting Railroad is also under study in this Report.

Summary of USRA Data

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

S. Danville	820
Catawissa Junction	0
Catawissa	7
East Bloomsburg	0
Creasy	0
Nescopeck	35
Wapwallopen	2
Retreat	2
Honey Pot	0
Nanticoke	1
Buttonwood	0
Wilkes-Barre	187
Total carloads generated by the line	1,004
Number of round trips per year	290
Estimate time per round trip (hours)	12

Revenue received by PC	\$614,446
Average revenue per carload	\$612
Variable (avoidable) cost of continued service:	
Cost incurred on branch line	610,538
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	303,689
Total variable (avoidable) cost	914,227
Net contribution (loss): total	(299,781)

USRA Recommendation

It is recommended that the portion of the Button and Dan Secondary Tracks from Milepost 1.0 to 10.2 be included in the ConRail System.

It is not recommended that the portion of the Button and Dan Secondary Tracks between 10.2 and 61.8 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Office of Planning and Development found 11 users who generated 694 carloads in 1973 on this line. A new shipper had 142 in 1974. Testimony stated that with better service the line could generate 944 cars per year.

—The Regional Railroad Task Force claimed 1218 carloads in 1973.

—Air Products and Chemicals, Inc., must have the portion of the line between its plant in Wilkes-Barre and the Lehigh Valley Railroad interchange at South Main Street open in order to continue manufacturing items of extreme size and weight.

—The line is part of a critical clearance route between New England and New York power generation manufacturers and the South.

—Pennsylvania DOT says this route is part of the shortest and best route for Pittsburgh, Johnstown and Altoona to New England and Montreal. They contend that the proposed exclusion will add over a million dollars in annual operating costs while saving only \$400,000 on track maintenance.

—The Northumberland County Planning Commission points out that USRA did not consider bridge traffic which exceeded 40,000 carloads in 1974.

—Congressman Flood insists that the line cannot be dropped because of the Emergency Rail Facilities Restoration Act, Public Law 92-591.

—The Railroad Task Force for the Northeast Region says that 15 shippers located along the line from South Danville to Wilkes-Barre generated 1,200 cars in 1973, and 1,381 in 1974. It points out that USRA's 1973 figures cover only the last 4 months of 1973. The line was not restored to service after the 1972 Agnes flood until September, 1973.

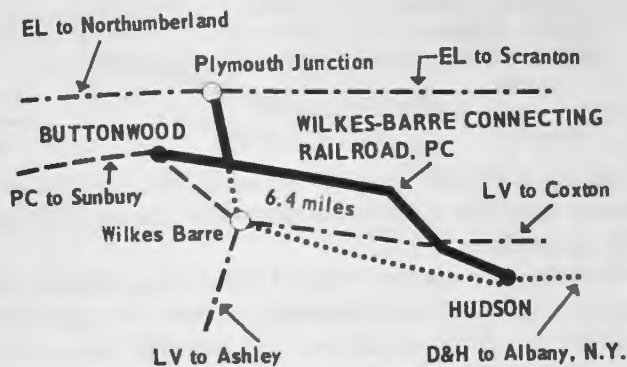
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USRA ANALYSIS

WILKES-BARRE CONNECTING RAILROAD

USRA Line No. 192c

Penn Central (and Delaware & Hudson)



The Wilkes-Barre Connecting Railroad extends from *Buttonwood* (Milepost 0.0) to *Hudson, Pa.* (Milepost 6.4), a distance of *6.4 miles*, in Luzerne County, Pennsylvania. The Wilkes-Barre Connecting Railroad is jointly owned by the Penn Central and Delaware & Hudson Railroads on a 50-50 basis. It provides a "bridge" for interchange between the two railroads. At Buttonwood this line connects with the Button Secondary Track of the PC, which is also under study in this Report. At Hudson, the line connects with the Delaware & Hudson RR to Scranton.

Information for Line Retention Decision

This track is not necessary for ConRail's operation. Local shippers can still be served by the D&H. Interchange between the D&H and ConRail can still take place at Wilkes-Barre with freight then moving via the Lehigh Valley route to Allentown, and the Reading route to Harrisburg.

USRA Recommendation

It is *not* recommended that the Wilkes-Barre Connecting Railroad be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania PUC believes this line is required for the interchange of bridge traffic from Penn Central to the D&H at Hudson Yard. ConRail might need it as a clearance route for heavy, and high and wide shipments.

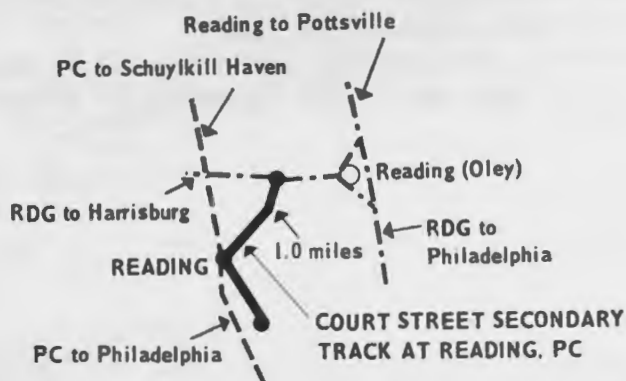
—The Wilkes-Barre Chamber of Commerce believes it is needed to assure competition.

—The Pennsylvania Office of Planning and Development contends that the line generated 174 carloads in 1973.

USRA ANALYSIS COURT STREET SECONDARY TRACK

USRA Line No. 194

Penn Central



The Court Street Secondary Track, formerly part of the Pennsylvania RR, extends from Milepost 0.0 to Milepost 1.0, a distance of 1.0 miles, at Reading in Berks County, Pa. This line has been used as an interchange track with the Reading RR. It connects with the Schuylkill Secondary Track of the Penn Central at Reading (also under study in this Report).

Information for Line Retention Decision

This line does not directly serve any shippers. It is used to interchange traffic with the Reading.

USRA Recommendation

It is *not* recommended that the Court Street Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—USRA says the line does not serve any shippers, however, the City of Reading reports the following rail users based on PC records.

Company:	Traffic for First 10 Months of 1974
Chestnut Operating Co.....	108
Hyde Park Bedding.....	18
Georgia Pacific.....	48
O'Brien's Moving and Storage (Columbian Warehouse)	42
Total	216

—Georgia Pacific reports directly that its Hopper Paper Division generated 442 carloads in 1973 and 481 carloads in 1974.

—UGI Corporation at 4th and Canal Streets received 132 cars in the last 12-month period. It expects to receive 308 cars in the next 12 months because the growing shortage of natural gas necessitates a greater reliance on propane gas. If rail service is not available next winter, 900 tractor trailer deliveries will have to be scheduled over the 150-day winter season.

—Pennsylvania Office of Planning and Development reports that the line generated 227 carloads in 1973.

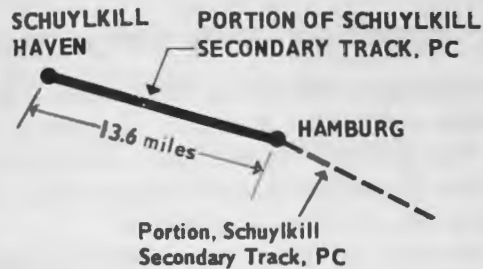
—Two companies report the termination of service on this line will result in the loss of 140 jobs.

USRA ANALYSIS

PORTION OF SCHUYLKILL SECONDARY TRACK

USRA Line No. 196

Penn Central



This portion of the Schuylkill Secondary Track, formerly part of the Pennsylvania RR, extends from *Hamburg* (Milepost 76.9) to *Schuylkill Haven* (Milepost 90.5), a distance of *13.6 miles*, in Schuylkill and Berks Counties, Pennsylvania. This line continues southeastward from Hamburg (which sector is also under study in this report).

Summary of USRA Data

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

Auburn	94
Schuylkill Haven.....	92

Total carloads generated by the line.....	186
Number of round trips per year.....	104
Estimated time per round trip (hours).....	6

Revenue received by PC.....	\$98,163
Average revenue per carload.....	\$528

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	126,021
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)	6,791
Cost incurred beyond the branch line....	71,485

Total variable (avoidable) cost.....	204,297
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Net contribution (loss): total.....	(106,134)
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USRA Recommendation

It is *not* recommended that this portion of the Schuylkill Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania PUC reports that USRA traffic figures are inaccurate. 1973 carload figures should show Auburn with 124 and Schuylkill Haven 103.

—In Auburn, Griffith Ladder Corporation and Phillips Film Company are dependent on rail service. Phillips receives polyvinyl chloride in jumbo hopper cars. It received 81 cars in 1973 and expects 120 in 1975. Griffith Ladder plans to use about 100 cars of lumber. The two companies employ 405 people with an annual payroll of \$3.5 million. They pay \$30,161 in area taxes.

—The Committee of 14 to retain the line questions the \$51,723 branch maintenance figure. They speak of reports that no maintenance was performed on the line in 1973.

—The line is about 45 feet centerline to centerline from a paralleling Reading line. It is estimated that a connection enabling the Reading to serve Griffith and Phillips could be built for \$40,000.

—The U.S. Bureau of Mines shows 9.9 million tons of coal reserves in the area served by this line.

—Based on the 1973 traffic level and the length of the line, the number of round trips per year and the estimated time per round trip appears to be high.

USRA ANALYSIS PORTION OF THE SCHUYLKILL SECONDARY TRACK

USRA Line No. 197b
Penn Central



This portion of the Schuylkill Secondary Track, formerly part of the Pennsylvania RR, extends from Reading (Milepost 58.3), to Hamburg, Pa. (Milepost 76.9), a distance of 18.6 miles, in Berks County, Pennsylvania. A continuation of this line extends northwestward from Hamburg and southeastward from Reading, which are also under study in this Report. Connections include: The Reading, East Pennsylvania Branch, Lebanon Valley Branch and Philadelphia-Pottsville line at Reading. A portion of this line was described as potentially excess in the U.S. DOT Report (see Zone 68).

Summary of USRA Data

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

Temple	207
Leesport	209
Shoemakersville	192
Hamburg	40
Total carloads generated by the line.....	1,048
Number of round trips per year.....	90
Estimated time per round trip (hours).....	9.0
Revenue received by PC.....	\$411,652
Average revenue per carload.....	<u>\$408</u>
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	189,183
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost),	44,523
Cost incurred beyond the branch line..	<u>340,851</u>
Total variable (avoidable) cost.....	<u>574,557</u>
Net contribution (loss): total.....	(162,905)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Schuylkill Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Reading to Hamburg Rail Service Research Committee submitted a report disputing USRA's branch line profitability analysis on an item-by-item basis. The Committee's calculations show the line made of profit in 1973 of \$13,208.

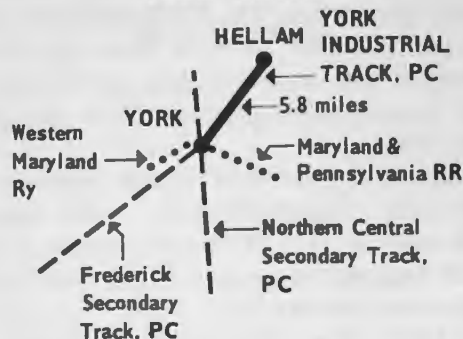
—The Pennsylvania Office of State Planning and Development says that because of a discrepancy in the milepost designation of the major shipper in Reading, USRA included service to milepost 58.3 when it discussed Line No. 197a, but excluded service between milepost 58.3 and 76.9 when it treated this segment. At least 17 shippers who generated a minimum of 5,293 carloads in 1973 will be excluded if service on this line is discontinued. If service is discontinued, 6 shippers would lay off 553 employees.

—Pennsylvania DOT reported that the line handled 425 cars of bridge traffic from Line No. 196.

—Glen-Gery Corporation built a new plant in 1972 and doubled its capacity in 1974, rebuilding its siding that year at a cost of \$15,000. The company generated 175 cars in 1973 while projecting 350 annual carloads. If service is abandoned, ConRail will lose about \$95,000 in revenue from Glen-Gery.

—USRA says that some shippers will receive service from the RDG but the river is said to separate this line and the Reading tracks.

USRA ANALYSIS YORK INDUSTRIAL TRACK USRA Line No. 202 Penn Central



The York Industrial Track, formerly part of the Pennsylvania RR, extends from York (Milepost 7.0) to Hellam, Pa. (Milepost 12.8), a distance of 5.8 miles, in York County, Pa. This line connects with the Penn Central Northern Central Secondary Track at York (also under study in this Report). It also connects with the Penn Central Frederick Secondary Track at York, and the Maryland & Pennsylvania Railroad at York.

Summary of USRA Data

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

York¹ 985

Total carloads generated by the line..... 985
Number of round trips per year..... 150
Estimated time per round trip (hours)..... 4.0
Locomotive horsepower..... 1,000
Train crew size..... 4

¹ Includes only traffic on segment.

Revenue received by PO..... \$308,557
Average revenue per carload..... \$313

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 112,933
Cost of upgrading branch line to FRA
Class I (1/10 of total upgrading cost) .. 10,314
Cost incurred beyond the branch line... 244,762

Total variable (avoidable) cost..... 368,009

Net contribution (loss): total..... (59,452)

USRA Recommendation

Although the preliminary recommendation is that the York Industrial Track be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Caterpillar Tractor Company reports that despite its repeated attempts to set the record straight, USRA omitted its 1973 traffic of 708 carloads plus 1720 trailers of piggyback traffic on this line. In 1974 it had 628 carloads plus 2028 piggyback trailers. It is located midway on the 5.8 mile line. There is a good possibility this plant will expand its capacity within the year.

—The Manufacturers' Association of York presented the following traffic data for this line:

	USRA	Manufacturing Association of York
1973 carloads	985	2,648
Average carloads per week	18.9	50.92
Average carloads per mile	169.8	456.55
Average carloads per train	6.6	9.74
1973 round trips	150	272
Estimated time per trip (hours)	4	7
Train crew	4	5
Revenue received by PC	\$308,557	\$1,159,000
Average revenue per carload	\$313	\$437.93

Company	1973 carloads	1974 carload.
York Dispatch	59	72
United Cabinet	21	0
Swift Distributors	45	52
Ettline Grocery	55	60
Quaker City Paper	118	121
Molybdenum Corp.	81	46
York Ice and Storage	45	44
Standard Concrete	0	2
Kramers	78	68
Thonet Industries	13	0
Borg Warner	0	0
Wolf Distributing	47	5
York Shipley	1	0
Sears Roebuck	27	0
Caterpillar	708	728
Edgecomb Steel	50	43
G. McNew	688	334
York Container	324	368
Standard Register	179	193
Carew Steel	0	8
Fincor	0	0
Ace Beer Distributors	0	0
Campbell Chain	52	82
Motter Printing	0	5
Perlite	50	54
Lok-Box	7	8
Car-Box		
Total	2,648	2,342

—York Container estimates its inbound freight costs on raw materials will increase 50 percent or some \$16,000 a month if it loses rail service.

—Lumber Distributors, Inc., said it had 30 carloads in 1973 and 63 in 1974.

—Agrico Chemicals reported an average of 24 carloads annually.

—The Pennsylvania PUC and the local UTU agree that the line handled 2,500 cars in 1973.

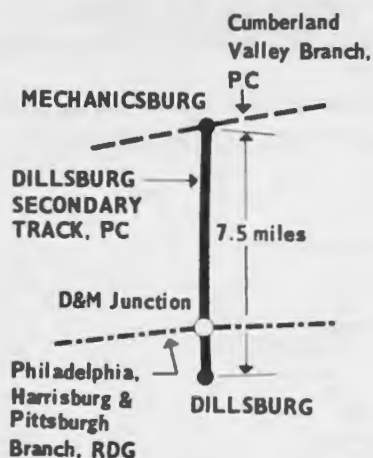
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USRA ANALYSIS DILLSBURG SECONDARY TRACK

USRA Line No. 203

Penn Central



The Dillsburg Secondary Track, formerly part of the Pennsylvania RR, extends from *Mechanicsburg* (Milepost 8.9) to *Dillsburg, Pa.* (Milepost 16.4), a distance of 7.5 miles, in Cumberland and York Counties, Pa. This line connects with the Penn Central Cumberland Valley Branch at Mechanicsburg.

Summary of USRA Data

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

Dillsburg	220
Total carloads generated by the line.....	220
Number of round trips per year.....	104
Estimated time per round trip (hours).....	6
Revenue received by PC.....	\$95,612
Average revenue per carload.....	\$435

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	92,464
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	68,283

Total variable (avoidable) cost..... 160,747

Net contribution (loss): Total..... (65,135)

USRA Recommendation

It is *not* recommended that the Dillsburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania DOT reports that the line generated 327 cars in 1973. The revenue was \$142,245 with \$113,115 in expenses generating a \$29,130 contribution to the system. The DOT estimates the cost at \$7,277 per mile for twice a week service.

—A review of the Association's calculations indicates the Association's averages loss per carload should be \$296.

—J. H. Rearich & Son at Dillsburg receives 24 carloads annually. It estimates it would have cost \$30–40,000 more in 1973 to receive lumber by truck. As a small business it needs rail service to remain competitive with larger businesses.

—Lumber Distributors received 60 carloads in 1973, 61 in 1974, and expects to receive 66 in 1975. It employs 10 people and will close if rail service is discontinued.

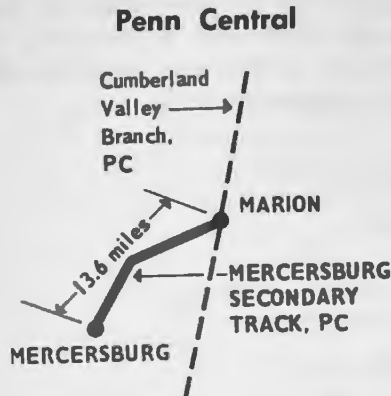
—Pennsylvania Office of Planning and Development reports that 29 to 37 employees will be unemployed if rail service is abandoned.

—The Pennsylvania PUC states that the branch was retied 6 years ago at considerable expense to the PC. It estimates the time per trip at 4 hours and feels that 6 hours, stated by the Association, is too high.

—Consideration could be given to reducing service from twice a week to weekly and thereby substantially reducing on-branch costs.

USRA ANALYSIS MERCERSBURG SECONDARY TRACK

USRA Line No. 206



The Mercersburg Secondary Track, formerly part of the Pennsylvania RR, extends from *Marion* (Milepost 59.1) to *Mercersburg, Pa.* (Milepost 72.7), a distance of 13.6 miles, in Franklin County, Pa. This line connects with the Cumberland Valley Branch of the Penn Central at Marion (S. Penn Jct.) also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Williamson	97
Lehmasters	30
Mercersburg	160
Marion	0
Total carloads generated by the line.....	287
Number of round trips per year.....	75
Estimated time per round trip (hours).....	5.0
Revenue received by PC.....	\$139,733
Average revenue per carload.....	\$487
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	128,951
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line....	95,634
Total variable (avoidable) cost.....	222,585
Net contribution (loss) : total.....	(82,852)

USRA Recommendation

It is *not* recommended that the Mercersburg Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Mercersburg Chamber of Commerce submitted the following traffic to correct the carload figure on the line as found in the PSP:

Company:	1973 cars handled
Loewengart	31
Sniders Elevator.....	18
Smith Implement.....	14
PBS	40
Distillers Products.....	9
Shirley-Ayr	98
J. N. Snider & Son.....	4
Lehmaster Elevator.....	20
Dietrich Elevator.....	78
Mercersburg Building Supply.....	22
Cecil Mellott	200
S. V. Bridendolph.....	6
McConnellsburg Motor & Implement	3
D. C. Martin.....	1
Total	541

—Testimony stated that it is possible that 200 carloads of railroad ties shipped by Cecil Mellott in 1973 were not counted because they are non revenue traffic for Penn Central. The firm could supply as many as 15 cars per week or 800 cars a year.

—Shirley-Ayr Farms, Inc. at Mercersburg projects 251 cars in 1975, 548 in 1976, 622 in 1977 and 670 in 1978.

—Joseph Seagrams and Sons stated they would ship 900 cars a year if the railroad provided good service.

—Testimony showed that Penn Central retied this branch approximately 5 years ago.

—According to Pennsylvania DOT, revenue was \$254,270 and expenses \$202,169, so that \$52,101 was contributed to the system. The car line cost per mile was \$7,222.

—Most of the commodities handled—ties, agricultural products and lumber—are well suited to rail transportation. The cost of trucking them would be much higher.

—Roads could not handle the added truck traffic nor could the Borough of Mercersburg afford to upgrade them. The cost of constructing a truck terminal would be \$479,807.

—Franklin County Farmers Association reports that 4 grain elevators accounted for 120 inbound shipments.

—Pennsylvania Office of Planning and Development says 9 rail users would be forced to terminate 60-221 employees if rail service is abandoned.

—The estimated time per round trip appears to be high considering the traffic volume and the condition and length of the line.

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PENNSYLVANIA

USRA ANALYSIS

PORTION OF MILROY SECONDARY TRACK

USRA Line No. 208

Penn Central



This portion of the Milroy Secondary Track, formerly part of the Pennsylvania RR, extends from Yeagertown (Milepost 3.9) to Reedsville, Pa. (Milepost 5.8), a distance of 1.9 miles, in Mifflin County, Pa. A continuation of this line extends southward to Lewistown and northward to Milroy (both of which are also under study in this Report).

Summary of USRA Data

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

Reedsville	7
Milroy	0

Total carloads generated by the line..... 7

Number of round trips per year..... 14

Estimated time per round trip (hours)..... 1.5

Revenue received by PC..... \$2,181

Average revenue per carload..... \$312

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 3,933

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost) 2,727

Cost incurred beyond the branch line.... 1,551

Total variable (avoidable) cost..... 8,211

Net contribution (loss) : total..... (6,080)

USRA Recommendation

It is *not* recommended that this portion of the Milroy Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony shows that 195 cars moved on this line to Reedsville in 1973. In 1974 the number was 170.

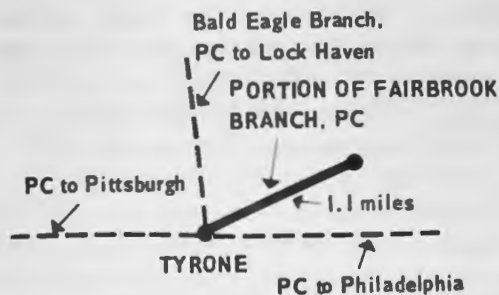
—The nearest team track is 5–20 miles away.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS PORTION OF FAIRBROOK BRANCH

USRA Line No. 210

Penn Central



This portion of the Fairbrook Branch, formerly part of the Pennsylvania RR, extends from *Milepost 0.0* to *Milepost 1.1*, at *Tyrone, Pa.*, a distance of *1.1 miles* in Blair County, Pa. This small segment is the last portion of the Fairbrook Branch, as all but 1,175 feet have been removed. At Tyrone, this line connects with the PC Philadelphia-Pittsburgh line and the PC Bald Eagle Branch, both of which are under study in this Report. The Trustees of the Penn Central Transportation Company have filed for abandonment on Docket No. AB-5 Sub. 158 with the ICC.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Tyrone ¹	40
Total carloads generated by the line	40
Number of round trips per year	24
Estimated time per round trip (hours)	0.5
¹ Includes only traffic on segment.	
Revenue received by PC	\$9,398
Average revenue per carload	\$234
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	4,468
Cost of upgrading branch line to FRA Class I:	
(1/10 of total upgrading cost)	9,466
Cost incurred beyond the branch line	1,801
Total variable (avoidable) cost	15,735
Net contribution (loss): total	(6,842)

USRA Recommendation

It is *not* recommended that the Fairbrook Branch at Tyrone be included in the ConRail System.

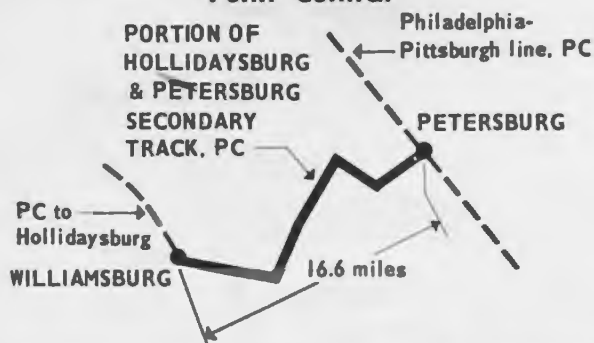
PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania PUC agrees with the Association's recommendation on this line. The only shipper on the line is relocating.

212/212a PENNSYLVANIA

USRA ANALYSIS

PORTION OF HOLLIDAYSBURG AND PETERSBURG SECONDARY TRACK USRA Line No. 212/212a Penn Central



This portion of the Hollidaysburg and Petersburg Secondary Track, formerly part of the Pennsylvania RR, extends from *Petersburg* (Milepost 0.5) to *Williamsburg, Pa.* (Milepost 17.1) a distance of 16.6 miles, in Blair and Huntingdon Counties, Pennsylvania. A continuation of this line extends westward from Williamsburg to Hollidaysburg. This line also connects with the Penn Central line at Petersburg. An application for abandonment of the portion of the line between Alexandria and Williamsburg has been filed with the ICC (Docket AB-5 Sub. 43).

Summary of USRA Data

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

Alexandria	362
Horrell	0

Total carloads generated by the line.....	362
Number of round trips per year.....	104
Estimated time per round trip (hours).....	3.5
Revenue received by PC.....	\$109,608
Average revenue per carload.....	\$303

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	134,878
Cost of upgrading branch line to FRA	
Class I:(1/10 of total upgrading cost) ..	12,494
Cost incurred beyond the branch line..	68,325

Total variable (avoidable) cost.....	215,697
Net contribution (loss): total.....	(106,089)
Average per carload.....	(293)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Hollidaysburg and Petersburg Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Westab, a paper converter at Alexandria, had 319 carloads in 1973 and 450 in 1974. It projects 455 carloads in 1975 and 481 in 1976. It believes that the revenues used in analysis should judge the self sufficiency of the 5.2 mile segment serving it, not the entire length of 16.6 miles. Plans for expansion are pending a decision on the future of the line.

—Six firms dependent on this rail line agree that service over the 5.2 miles would be sufficient.

—Testimony indicates that a tie producer is located on the 5.2 mile segment.

—Alexandria generated 559 carloads in 1974.

—The Pennsylvania DOT states that the Association did not credit the line with 73 cars. Although the line was abandoned, PC found the route essential as a short route from Williamsburg (5,412 cars annually) and the Hollidaysburg car shops. It is also potentially beneficial as a bypass for main line trouble spots. All flood damage was repaired and the line was operating on January 2, 1974; therefore, it must be continued under the terms of P.L. 93-236.

—ConRail may find it necessary to use this track until the mainline is upgraded and sufficient switching facilities are installed.

—Altoona Enterprises, Inc. points out that the line services reserves of 90 million tons of trap rock.

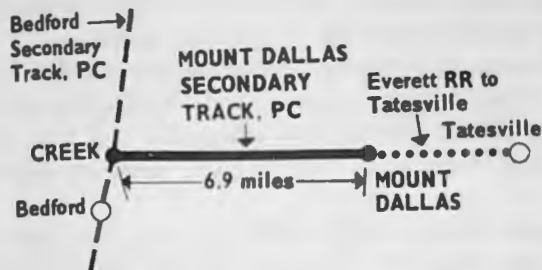
—Pennsylvania Office of Planning and Development says 4 shippers would be forced to terminate 67-267 jobs if service is abandoned.

USRA ANALYSIS

MOUNT DALLAS SECONDARY TRACK

USRA Line No. 218

Penn Central



The Mount Dallas Secondary Track, formerly part of the Pennsylvania RR, extends from *Creek* (Milepost 0.0) to *Mount Dallas, Pa.* (Milepost 6.9), a distance of 6.9 miles, in Bedford County, Penn. At Bedford, this line connects with the Penn Central Bedford Secondary Track (also under study in this report). This line also connects with the Everett Railroad at Mount Dallas.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Ashcom	5
Mount Dallas ¹	322
Total carloads generated by the line.....	327
Number of round trips per year.....	90
Estimated time per round trip (hours).....	2.0
¹ Includes carloads interchanged with the Everett Railroad.	
Revenue received by PC.....	\$107,964
Average revenue per carload.....	\$330
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	61,228
Cost of upgrading branch line to FRA class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	84,242
Total variable (avoidable) cost.....	145,470
Net contribution (loss): total.....	(37,506)

USRA Recommendation

It is *not* recommended that the Mount Dallas Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania DOT says the line generated 482 carloads in 1973. They claim that the 1973 revenue is \$159,390 plus \$14,490 in overhead traffic from the Bedford Secondary (USRA Line No. 216). Costs were \$114,888, leaving a \$58,992 contribution.

—The return on salvage value is in question because a major bridge must be removed.

—The Everett Railroad is a switching company for Penn Central. It operates about 6 miles of track and interchanges freight at Mount Dallas. USRA claimed the Everett RR served only 3 shippers. However, the railroad shows the following rail users:

Company:	1973	1974
Everett Hardwood Lumber Co	71	127
Mellott & Klahre	46	59
J. Crotaley		
Central Chemical Corp.	147	125
Everite Door Corp.	51	40
Van Hemen	33	35
Farm Bureau	20	15
Hinsh Feed & Farm Supply	4	11
Morris Farm Equipment	8	7
Sollenberger Farm Equipment	3	2
Buchanan Building Supply	8	8
Columbus Gas & Trans., Co		
Hopewell Hardwood Flooring	3	1
Miscellaneous	8	7
Total	402	441

—The first three shippers listed ship rail ties. Prior to 1970, approximately 500 carloads left the Everett area.

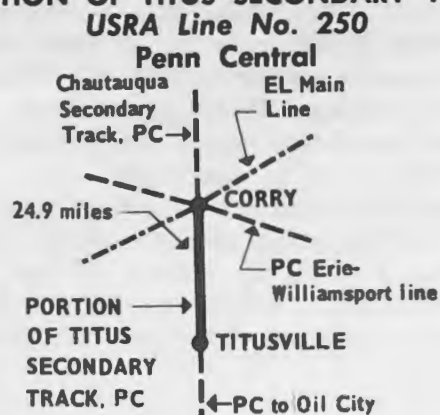
—Three coal producers are located on the line.

—Pennsylvania Office of Planning and Development estimates that loss of rail service on this line would force the elimination of 61-79 jobs.

250 PENNSYLVANIA

USRA ANALYSIS

PORCION OF TITUS SECONDARY TRACK



This portion of the Titus Secondary Track, formerly part of the Pennsylvania RR, extends from Corry (Milepost 95.0) to Titusville, Pa. (Milepost 119.9), a distance of 24.9 miles, in Crawford and Erie Counties, Pennsylvania. This line was part of a through line between Buffalo and Oil City; both the northern (Chautauqua Secondary Track) and southern extensions of this line are also under study in this Report. At Corry, this line also connects with the PC's Erie and Emporium Secondary Tracks, (also under study in this report) and the Chicago-to-Jersey City line of the EL. Penn Central has filed petitions to abandon this line, (ICC Docket No. AB-5, Sub. 168 and USRA Docket No. 75-52).

Summary of USRA Data

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

Hydetown	2
Centerville	51
Spartansburg	76

Total carloads generated by the line.....	129
Number of round trips per year.....	52
Estimated time per round trip (hours).....	4.0
Revenue received by PC.....	\$23,108
Average revenue per carload.....	\$179

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	186,108
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	31,803

Total variable (loss) : Total..... 217,911

Net contribution (loss) : Total..... (194,803)

USRA Recommendation

It is *not* recommended that this portion of the Titus Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—This line segment is an extension of the Association Line No. 647a from Emlenton to Oil City and Line No. 649 from Oil City to Titusville.

—The City of Oil City points out that the exclusion of this line will leave Oil City with ConRail Service 17 miles to the North and 36 miles to the South, but with no connection with a ConRail mainline.

—The Pennzoil refinery at Rouseville (USRA Line No. 649) would have no access to a ConRail mainline. Pennzoil points out that if Lines 250 and 649 were considered together, they would show a \$24,000 profit.

—Pennzoil states that traffic on line No. 649 increased revenue car loadings by 1,647 in 1974 over 1973.

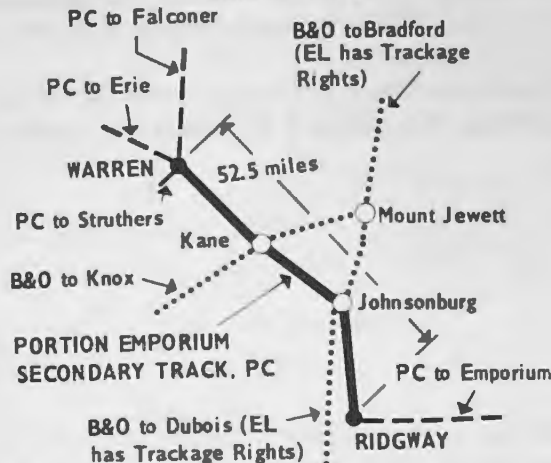
—Ernst Steel Corporation at Titusville (Line No. 649) has increased inbound & outbound rail usage from 182 cars in 1973 to 189 in 1974 and 56 in just the first two months of 1975.

—Other testimony pointed out that availability of secondary track (Line No. 649) without access to mainlines (via Line No. 250) is no service at all.

—Testimony received indicated concern that exclusion of Line 250, 647, and 648 will sever a good competitive route from Buffalo and Erie to Pittsburgh.

USRA ANALYSIS

PORTION OF EMPORIUM SECONDARY TRACK USRA Line No. 252 Penn Central



This portion of the Emporium Secondary Track, formerly part of the Pennsylvania RR, extends from Warren (Milepost 66.5) to Ridgway, Pa. (Milepost 119.0), a distance of 52.5 miles, in Warren, McKean, and Elk Counties, Pa. Continuations of this line extend westward to Erie from Warren and eastward to Emporium from Ridgway (both of which are also under study in this Report). At Warren, the line connects with the Valley Branch of the PC to North Warren and Falconer. At Kane it connects with the B&O. It is paralleled by the B&O Pittsburgh-Buffalo line between Johnsonburg and Ridgway over which the EL also operates.

Summary of USRA Data

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

Ridgway	58
Johnsonburg	618
Sergeant	46
Kane	1,178
Ludlow	0
Sheffield	83
Tiona	117
Clarendon	65
Stoneham	0
Warren ¹	29
Roystone	0

Total carloads generated by the line	2,194
Number of round trips per year	300
Estimated time per round trip (hours)	10

¹ Includes only traffic on segment

Revenue received by PC	\$717,139
Average revenue per carload	\$327

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	627,635
Cost of upgrading branch line to FRA	

Class I: (1/10 of total upgrading

cost) ----- 0

Cost incurred beyond the branch line --- 321,148

Total variable (avoidable) cost ----- 948,781

Net contribution (loss): total ----- (231,651)

USRA Recommendation

It is recommended that the portion of the Emporium Secondary Track from Milepost 93.8 to Milepost 119.0 be included in the ConRail System.

It is *not* recommended that the portion of the Emporium Secondary Track from Milepost 93.8 to Milepost 66.5 be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Industrial Council of St. Mary's and the North Central Pa. Regional Planning and Development Commission point out that the combined revenue for the entire Emporium Secondary Track between Erie (milepost 2.9) and Emporium (milepost 149.8), USRA Line Nos. 646, 646a, 252, 253a, and 253, totals \$4,643,516. This exceeds the combined cost so that Council sees no justification for breaking the Emporium Secondary track into segments.

—North Central Pennsylvania estimates that 509 additional cars would have been shipped over this line in 1974 if service had been better. It believes USRA should include estimated revenue to be gained from improved service.

—Testimony states that loss of rail service could place area shippers at a competitive disadvantage.

—The Warren County Research Committee profitability calculation determined that this line should show a net profit of \$185,399.

—Warren County does not feel that its highways could handle the traffic that would result from abandonment of rail service.

—Governor Shapp says at least 3,200 carloads were through routed over this line in 1973.

—United Refining Co. at Warren generated 2,472 carloads in 1974. Almost two-thirds of its shipments go to the eastern points of Williamsport, New Kingston and Mt. Holly Springs. The resulting circuitous routing will add 57 miles and 5 classification yards. The added costs in time and charges to United Refining would exceed \$376,000.

—Hammermill Paper Company has mills at Erie and Lock Haven and is interested in retaining direct service between these points. In 1973, it originated 92 carloads and in 1974, 168 from Tiona (milepost 75.2). In 1973, it originated 853 carloads from Otter Creek Corporation at milepost 93. These shipments

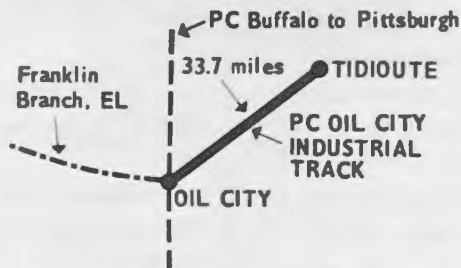
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USRA ANALYSIS

SALAMANCA BRANCH USRA Line No. 254 Penn Central



The Salamanca Branch, formerly part of the Pennsylvania RR, extends from *Oil City* (Milepost 1.9), to *Tidioute, Pa.* (Milepost 35.6), a distance of *33.7 miles*, in Venango, Forest and Warren Counties, Pennsylvania. This line is a branch off the Penn Central's old Buffalo to Pittsburgh route via Corry, Titusville and Kiskiminetas Junction. At Oil City this line connects with the Oil City and Titus Secondary Tracks, both of which are also under study in this Report. At Oil City, the line also connects with the Franklin Branch of the Erie Lackawanna Ry. The use of EL Tracks allows access to the PC Reno Industrial Track at Polk Junction. This line was approved for abandonment several years ago (ICC Docket Number 26571) but the ICC subsequently stayed its order. The PC also applied to the USRA for permission to abandon this line (USRA Docket No. 75-48). No final action has been taken on this request.

Summary of USRA Data

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

Tidioute	29
W. Hickory	102
Tionesta	0

Total carloads generated by the line..... 131

Number of round trips per year..... 45

Estimated time per round trip (hours)..... 5.0

Revenue received by PC..... \$43,171

Average revenue per carload..... \$329

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 224,648

Cost of upgrading branch line to FRA

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

Cost incurred beyond the branch line..... 38,464

Total variable (avoidable) cost..... 263,112

Net contribution (loss): Total..... (219,941)

USRA Recommendation

It is *not* recommended that the Oil City Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Forest County Commissioners and the Forest County Planning Commission indicate that Endeavor Lumber Company, a division of Hammermill paper at West Hickory Pennsylvania will close its plant if it loses rail service.

—Pennsylvania Office of Planning and Development shows 145 as the number of actual carloadings in 1973.

USRA ANALYSIS

RENO INDUSTRIAL TRACK USRA Line No. 256



The Reno Industrial Track, formerly part of the New York Central RR, extends from *Polk Junction* (Milepost 68.3), to *Reno, Pa.* (Milepost 81.9), a distance of 13.6 miles, in Venango County, Pennsylvania. This line extends from the JF&C Branch at Polk Junction to Franklin, where Erie Lackawanna trackage right are used for 1.1 miles and then continues to Reno. The connecting EL line is the Franklin Branch from Oil City to the EL Chicago-Jersey City line at Meadville. The Penn Central has filed a petition to abandon this line, including 1.1 miles of Erie Lackawanna trackage rights; ICC Docket No. AB-5, Sub. 173.

Summary of USRA Data

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

Franklin	719
Polk Junction	0
Reno	181
Total carloads generated by the line	900
Number of round trips per year	100
Estimated time per round trip (hours)	4
Revenue received by PC	\$381,430
Average revenue per carload	\$423
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	124,820
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost) ..	36,173
Cost incurred beyond the branch line	193,683
Total variable (avoidable) cost	354,676
Net contribution (loss): total	26,754

USRA Recommendation

It is recommended that the portion of the Reno Industrial Track from *Milepost 68.3 to Milepost 77.6* be included in the ConRail system.

It is *not* recommended that the portion of the Reno Industrial Track from *Milepost 77.6 to Milepost 88.9* be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Venango County Industrial Development Corp. submitted the following from on-line users:

Company	Milepost location	1973 carloads
Barrett Flats Industrial Park	73.00	
Brown Boiler Works	76.56	8
Erickson's Feed	76.73	47
Arnold Business Forms	76.73	44
Joy Manufacturing Co.	76.73	
Franklin Steel (Car for switching to EL)	77.40	1,492
Mooney Chemical Co.	78.60	122
Wolf's Head Oil	81.80	322
Total		1,035

¹ Approximately.

—Governor Shapp pointed out that analysis of the entire line showed it to be economically viable yet USRA arbitrarily excluded the last 4.3 miles serving Reno.

—Wolf's Head Refining Co., shipped and received 312 carloads in 1974.

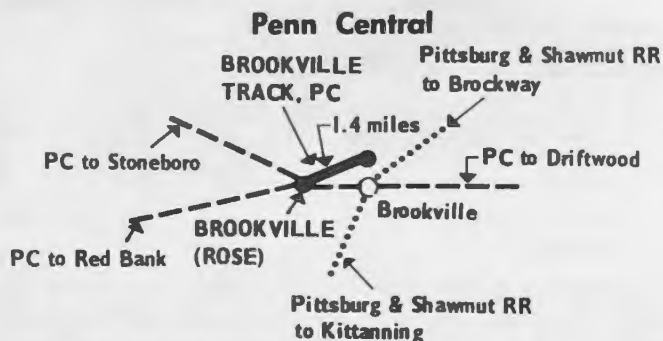
—Mooney Chemical points out that while its traffic is credited to Franklin the switch connection to its siding is at milepost 78.6, one mile west of where USRA would have service terminated. PC switched about 83 cars between its plant and the EL track in 1973 earning revenue of \$106,000. Mooney Chemicals expects to increase its plant capacity by 260 percent during the next 5 years.

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PENNSYLVANIA

USRA ANALYSIS BROOKVILLE TRACK

USRA Line No. 257



The Brookville Track, formerly part of the Pennsylvania RR, extends from Milepost 0.0 to Milepost 1.4, at Brookville, Pa. a distance of 1.4 miles, in Jefferson County, Pennsylvania. This line connects with the PC Low Grade Secondary Track at Brookville and with the Pittsburgh & Shawmut RR Brockway-Freeport Junction line at Brookville. A petition for abandonment of this line was filed with the I.C.C. (Finance Docket Number 26569-Sub. 4), but the order was stayed due to protests.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:		
Brookville ¹	-----	42
Total carloads generated by the line	-----	42
Number of round trips per year	-----	25
Estimated time per round trip (hours)	-----	1.0
¹ Includes only traffic on segment.		
Revenue received by PC	-----	\$14,017
Average revenue per carload	-----	\$333
Variable (avoidable) cost of continued service:		
Cost incurred on the branch line	-----	13,958
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	-----	9,166
Cost incurred beyond the branch line	-----	9,210
Total variable (avoidable) cost	-----	32,334
Net contribution (loss) : total	-----	(18,317)

USRA Recommendation

It is *not* recommended that the Brookville Track be included in the ConRail System.

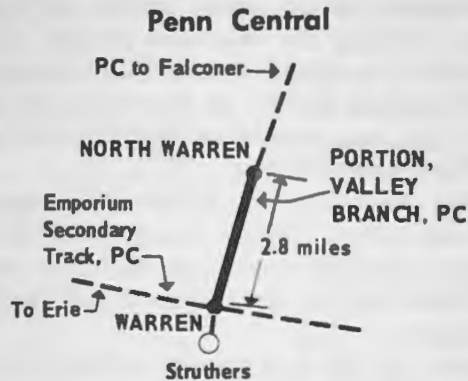
PUBLIC RESPONSE AND RSPO COMMENT

—The Pennbro Corporation manufactures locomotives. It currently averages 42 carloads a year but expects to use 15 or 20 more. It purchased the facility in 1974. In that year it produced 12 locomotives, this year it will produce 18 and next year expects to produce 24.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

USRA ANALYSIS PORTION OF VALLEY BRANCH

USRA Line No. 260a



This portion of the Valley Branch, formerly part of the New York Central RR, extends from *N. Warren* (Milepost 51.3) to *Warren, Pa.* (Milepost 54.1), a distance of *2.8 miles*, in Warren County, Pa. A continuation of this line extends northward from North Warren (also under study in this Report). At Warren, this line connects with the Emporium Secondary Track, PC, extending northwest to Corry and southeast to Ridgway, with the Struthers Running Track, PC, (all of which are also under study in this Report).

Summary of USRA Data

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

North Warren	125
Warren ¹	20

Total carloads generated by the line	145
Number of round trips per year	50
Estimated time per round trip	2

¹Includes only traffic on segment.

Revenue received by PC	\$60,704
Average revenue per carload	\$419

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	28,161
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	17,868
Cost incurred beyond the branch line	41,088

Total variable (avoidable) cost	87,117
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Net contribution (loss): total	(26,353)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—West Penn Oil Co. shipped 123 cars in 1973 and could ship more than 350 cars per year if it could receive 3 switches a week instead of the one it now receives.

—The Warren County Railroad Task Force believes a reappraisal of the data it has submitted to USRA will show that the branch could be profitable.

—Pennsylvania PUC says that comparing costs per car on this line with an extension of the same line, Line No. 260, shows

	Costs per car	
	260	260a
On-Branch	\$425	\$194
Off-Branch	218	283
Total	643	477

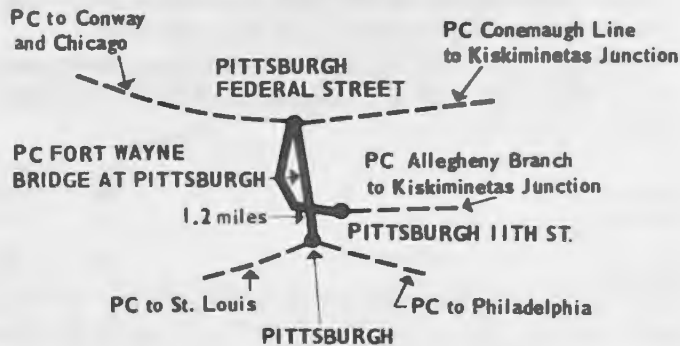
The difference in costs for handling a car on the same branch, one segment being 2.8 miles long and the other an extension of an additional 19.2 miles appears suspect.

—Cutting off 2.8 miles of a branch generating revenue according to USRA of \$60,764 and 31.8 cars per mile needs to be reappraised.

USRA ANALYSIS FORT WAYNE BRIDGE

USRA Line No. 312

Penn Central



The Fort Wayne Bridge, formerly part of the Pennsylvania RR, at Pittsburgh extends a distance of 1.2 miles, in Allegheny County, Pennsylvania. This bridge connects with the following PC lines at Pittsburgh: the Conemaugh line to Kiski Junction; the Allegheny Branch; the Pittsburgh to Philadelphia line, and the Pittsburgh to Chicago line. A portion of the Allegheny Branch is also under study in this report as potentially excess. An application to abandon this line was approved by the ICC on June 28, 1968.

Information for Line Retention Decision

This line is used as a route for connecting segments 314 and 315. Both of those links are not necessary for ConRail. An abandonment was previously approved as part of a local renewal project. No local shippers are dependent upon this line.

USRA Recommendation

It is *not* recommended that the Fort Wayne Bridge at Pittsburgh be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony was for USRA Line Nos. 312–315 collectively.

—The City of Pittsburgh and the State of Pennsylvania oppose abandonment because the proposed alternative routing for mainline freight is over a more circuitous northerly route. This routing avoids the Southwestern corner of Pennsylvania so that service to the area would be reduced and jobs at Conway Yard would be lost.

—The Port Authority of Allegheny County supports abandonment, stating that some of the area's important public improvements have been delayed for years pending the abandonment and removal of these segments.

—Numerous citizens and groups such as the League of Women Voters, who favor mass transit and intercity rail passenger service spoke for or against the proposal.

—The Pennsylvania PUC maintains that the bridge will sever the PC mainline between New York and Chicago and require unfavorable rerouting of about 12,000 trains, including passenger trains, per year.

—USRA says that no local shippers depend on the line, however, at least two shippers voiced reservations about what this proposal would do to their service.

—Papercraft generates more than 2,250 cars at Pittsburgh annually. A shift of mainline traffic to the Conemaugh Division mainline will increase greatly the number of trains operating on this line. Papercraft is concerned that its need to shift, load, and unload traffic daily will be given lower priority for track use than through passenger and freight trains.

—Nabisco received approximately 1,200 cars of flour last year, most of it in jumbo hoppers. It anticipates that the abandonment will cause greater use of the Brilliant Bridge and trusts that the necessary strengthening of this bridge has been accomplished before the added traffic creates an intolerable situation.

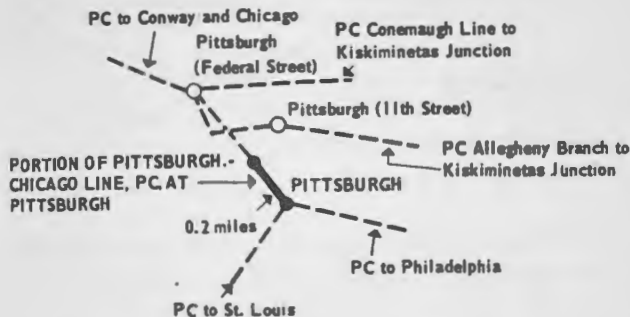
—The City claims that several businesses in the Strip District representing approximately 100 carloads per year would be without service and that rail users from downtown Pittsburgh eastbound to and including Wilkensburg, Homewood, Edgewood, and Swissvale would be adversely affected.

USRA ANALYSIS

PORTION OF PITTSBURGH-CHICAGO MAIN LINE

USRA Line No. 313

Penn Central



This portion of the Pittsburgh-Chicago Line, formerly part of the Pennsylvania RR, extends from *Milepost 0.0* to *Milepost 0.2*, at Pittsburgh, Pa., a distance of *0.2 miles*, in Allegheny County, Pa. A continuation of this line extends westward to Chicago. This line connects with the PC line to St. Louis at Pittsburgh, also under study in this Report. This line also connects with the B&O Main Line New York-Chicago and the B&O to St. Louis, at Pittsburgh. A petition for abandonment of this line was filed with the ICC (Docket Number AB5-Sub. 2). This petition is still pending final decision.

Information for Line Retention Decision

This segment of right-of-way has been sold to the State of Pennsylvania for use in constructing a rapid transit system.

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—The position of the City, state, Port Authority and public witnesses are identical to that set out in the comment on Line 312.

—Pennsylvania DOT says the segment is the passenger station used by 4 Amtrak and 20 freight trains passing through to Line 312 daily.

—Pennsylvania denies USRA's assertion that this segment has been sold to the state for use in constructing a rapid transit system.

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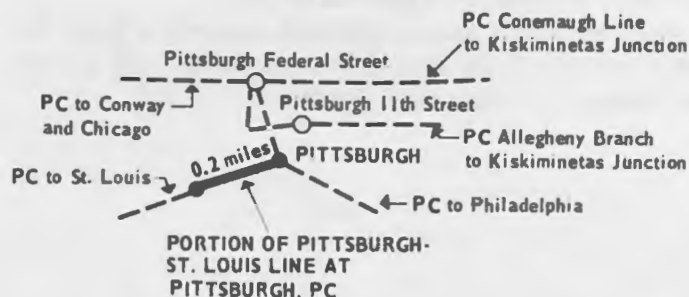
PENNSYLVANIA

USRA ANALYSIS

PORTION OF PITTSBURGH-ST. LOUIS LINE

USRA Line No. 314

Penn Central



This portion of the Pittsburgh-St. Louis Line, formerly part of the Pennsylvania RR, extends from Milepost 0.0 to Milepost 0.2 at *Pittsburgh Pennsylvania*, a distance of *0.2 miles*, in Allegheny County, Pa. A continuation of this line extends westward to St. Louis from Pittsburgh. This line connects with the B&O lines from New York-Chicago and St. Louis. This line also connects with the PC line to Chicago, also under study in this Report. A petition for the abandonment of this line was filed with the ICC (Docket Number AB-5, Sub. 3).

Information for Line Retention Decision

This segment of right-of-way has been sold to the State of Pennsylvania for use in constructing a highway.

USRA Recommendation

It is *not* recommended that this portion of the Pittsburgh to St. Louis line be included in the ConRail System.

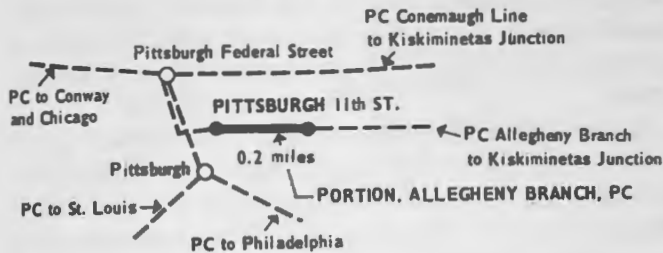
PUBLIC RESPONSE AND RSPO COMMENT

—Position of the City, state, Port Authority and public witnesses are the same as has been noted in the comments on Line No. 312.

USRA ANALYSIS ALLEGHENY BRANCH

USRA Line No. 315

Penn Central



This portion of the Allegheny Branch, formerly part of the Pennsylvania RR, at *Pittsburgh*, extends a distance of *0.2 miles*, in Allegheny County, Pa. A continuation of this line extends northeastward from Pittsburgh. This line connects with the following PC lines at Fort Wayne Bridge: the Pittsburgh to Philadelphia line and the Pittsburgh to Chicago line. An abandonment application for this line was approved by the ICC on April 18, 1972, Finance Docket 26942.

Information for Line Retention Decision

This line is already authorized for abandonment as part of a local Urban Renewal project. No local shippers are directly served by this line.

USRA Recommendation

It is *not* recommended that this 0.2-mile portion of the Allegheny Branch be included in the ConRail System.

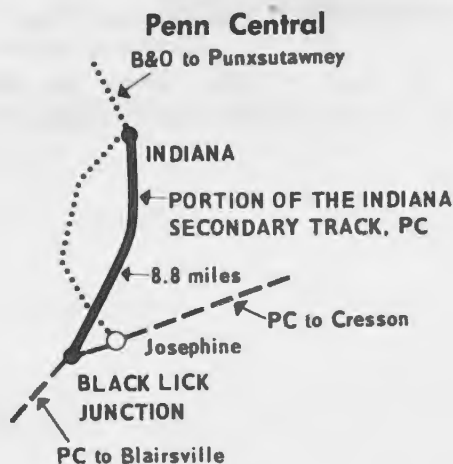
PUBLIC RESPONSE AND RSPO COMMENT

—Position of the City, State, Port Authority and public witnesses is treated in the comments for Line No. 312.

—Pennsylvania PUC asserts that this line's primary value is in conjunction with the Fort Wayne Bridge route (Line No. 312). It provides a much shorter route to the many shippers along the Allegheny Branch and it may be desirable to retain it for this reason.

USRA ANALYSIS PORTION OF THE INDIANA SECONDARY TRACK

USRA Line No. 326



This portion of the Indiana Secondary Track, formerly part of the Pennsylvania RR, extends from *Black Lick Junction* (Milepost 8.5) to *Indiana, Pa.* (Milepost 17.3), a distance of 8.8 miles, in Indiana County, Pennsylvania. This line connects with the Baltimore & Ohio to Creekside at Indiana, and PC's Black Lick Secondary at Black Lick Junction.

Summary of USRA Data

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

Graceton	0
Homer City	18
Indiana, Pa.	287

Total carloads generated by the line	305
Number of round trips per year	40
Estimated time per round trip (hours)	3.0

Revenue received by PC	\$123,045
Average revenue per carload	\$403

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	73,993
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	23,184
Cost incurred beyond the branch line	67,258

Total variable (avoidable) cost	164,435
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Net contribution (loss): total	(41,390)
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USRA Recommendation

It is *not* recommended that this portion of the Indiana Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Indiana County Planning Commission objects to the proposed abandonment. It disagrees with USRA's statement that the area's coal reserves can be served from adjacent Line No. 327, since this line is listed as recently abandoned.

—This line is being sold to the Blairsville and Indiana Railroad for a shortline railroad. This sale is pending before the Commission in Finance Docket 27666.

—General Electric Company says this segment is the only rail means of delivering shipments to the Pennsylvania Electric and New York Gas power plant at Homer. General Electric will have in excess of 30 carloads to Homer.

—Pennsylvania PUC would not include this segment in ConRail on the expectation that B&O will provide the existing shippers with service. B&O has filed to abandon the southern 3.23 miles of its line from the town of Indiana. The matter is pending in ICC Docket AB-19 (Sub-No. 10). Penn Central has a trackage agreement permitting it to use the B&O northward to the town of Indiana from Black Lick, from which all its customers can be served except those on the team track at Homer City. Customers involved could more readily be served by the B&O from the town of Indiana.

—Pennsylvania Office of Planning and Development says the accurate car count for 1973 was 423 not 305.

—The 287 cars from Indiana station shown in the Preliminary System Plan are not shown in supporting questionnaires.

—The line traverses large coal reserve fields which presently serve the Homer City power plant. Pennsylvania Electric and New York Gas insist that one rail outlet must remain to both the power plant and the reserves. Retention of this branch is vital due to the B&O's abandonment application.

—Plans for the coal development on the Yellow Creek Branch (USRA Line No. 327) are being delayed due to the questionable status of the Indiana Branch. This development would insure the through-routing of over 500,000 tons of coal annually over this branch in the near future.

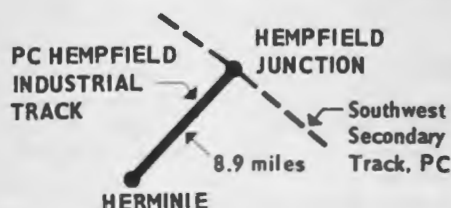
—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The Chessie is only interested in providing service to shippers at Indiana.

USRA ANALYSIS HEMPFIELD INDUSTRIAL TRACK

USRA Line No. 331

Penn Central



The Hempfield Industrial Track, formerly part of the Pennsylvania RR, extends from *Hempfield Junction* (Milepost 0.0), to *Herminie, Pa.* (Milepost 8.9), a distance of 8.9 miles, in Westmoreland County, Pennsylvania. This line connects at Hempfield Junction with the Southwest Secondary Track of the PC.

Summary of USRA Data

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

Elsaman	74
Madison	18
Herminie	104
Hempfield Br.....	0
Sinclair	0
Cribb	0

Total carloads generated by the line.....	196
Number of round trips per year.....	50
Estimated time per round trip (hours).....	2.0
Revenue received by PC.....	\$60,612
Average revenue per carload.....	\$309

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	70,874
Cost of upgrading branch line to FRA class	
I: (1/10 of total upgrading cost)	17,568
Cost incurred beyond the branch line.....	48,578

Total variable (avoidable) cost..... 137,020

Net contribution (loss): total..... (76,408)

USRA Recommendation

Although the preliminary recommendation is that the Hempfield Industrial Track not be included in the Con-Rail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Office of Planning and Development states that the branch formerly served several large coal companies. Some of their mines were closed when 40–50 percent of the coal had been recovered and some of the companies had acquired rights to the deeper Freeport Veins which have not yet been mined. In 1973 actual car use was 243 not 196.

—Shuster's Building Components near Herminie projects that shippers on the line will use 247 cars in 1975, 297 in 1976, 356 in 1977, 428 in 1978, 512 in 1979 and 617 in 1980.

—Pennsylvania PUC suggests that this line be retained for potential traffic because it serves a growing industrial area and the untouched Freeport Vein coal.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

335

PENNSYLVANIA

USRA ANALYSIS PORTION OF COAL LICK RUN

USRA Line No. 335

Penn Central



This portion of the Coal Lick Run, formerly part of the Pennsylvania RR, extends from Milepost 0.0 to Milepost 1.9 at Uniontown, Pa., a distance of 1.9 miles, in Fayette County, Pennsylvania. This segment connects with the PC line to Brownsville Junction and the PC line to Connellsville at Uniontown; both of which are under study in this Report. This line also connects with the B&O line to Dickerson Run and the Western Maryland to Greene Junction. A petition was filed with the ICC for abandonment of this line (Docket No. AB-5 Sub. 70), but it was withdrawn.

Summary of USRA Data

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

Uniontown ¹	86
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Total carloads generated by the line	86
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Number of round trips per year	52
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Estimated time per round trip (hours)	1
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¹ Includes only shippers on segment.

Revenue received by PC	\$36,925
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Average revenue per carload	\$429
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Variable (avoidable) cost of continued service:

Cost incurred on the branch line	17,340
--	--------

Cost of upgrading branch line to FRA Class	
--	--

I: (1/10 of total upgrading cost)	5,118
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Cost incurred beyond the branch line	21,986
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Total variable (avoidable) cost	44,444
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Net Contribution (loss): total	(7,519)
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USRA Recommendation

It is *not* recommended that this portion of the Coal Lick Run Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Office of Planning and Development says that this line generated 200 cars in 1973.

—Pennsylvania PUC submitted the following traffic data. The figures show more than a 50 percent increase in traffic, which USRA said was needed to recover costs.

Company:	Carloads
Art Snyder.....	15
Agway	30
Agway Home & Garden.....	12
Wilson Packing.....	52
Foundry Tech.....	17
Bower Lumber & Home Building.....	104
Total	230

—All these users are on the first mile of track.

—The Fayette County Board of Commissioners support retention of service. They point out that service is dependent on line 663 which USRA recommended not be included in ConRail.

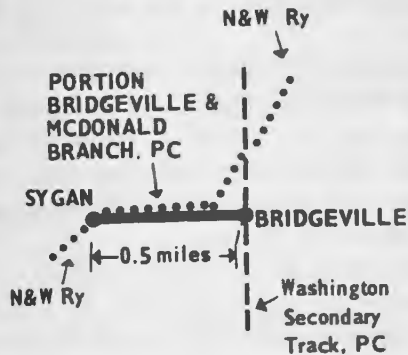
—The City of Uniontown's "Disaster Urban Renewal Project" has indicated an interest in acquiring the line.

—The Chessie is only interested in providing service to shippers at Uniontown.

USRA ANALYSIS PORTION OF BRIDGEVILLE & McDONALD BRANCH

USRA Line No. 344

Penn Central



This portion of the Bridgeville & McDonald Branch, formerly part of the Pennsylvania RR, extends from Bridgeville (Milepost 0.9), to Sygan, Pa. (Milepost 1.4), a distance of 0.5 miles, in Allegheny County, Pennsylvania. At Bridgeville, this line connects with the Washington Secondary Track, PC. Both Sygan and Bridgeville are also served by the Norfolk & Western Ry.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Bridgeville ¹	7
Total carloads generated by the line.....	7
Number of round trips per year.....	14
Estimated time per round trip (hours).....	0.5
¹ Includes only shippers on segment.	
Revenue received by PC.....	\$1,823
Average revenue per carload.....	\$260
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	5,490
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost).....	1,239
Cost incurred beyond the branch line.....	1,130
Total variable (avoidable) cost.....	7,859
Net contribution (loss): total.....	(6,036)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony stated that there are extensive undeveloped deep coal reserves in this area, owned primarily by U.S. Steel. At some future date an underground mine may be developed; however, presently, there is potential for a strip gathering tippie location.

—Pennsylvania PUC believes the line does not generate enough traffic to warrant retention.

—Desmet Lumber and Supply Co., 84 Lumber Co., Ionics, Inc., Mulach Steel Corp., and Nicholson Pile Co. want service continued. Nicholson Pile used 35 cars in 1974. All of these rail users are at Bridgeville except Desmet which is at Cecil.

—Lumber Distributors, Inc., at Bridgeville received 74 cars in 1974 and expects to use 95 in 1975.

—A review of USRA's calculations indicates that the first "average carloads per train" should read "average carloads per week," and the figure should be .13 not 1.5.

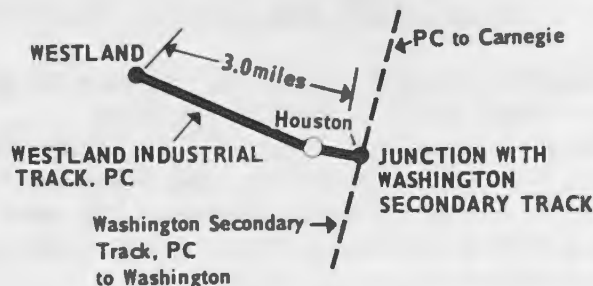
345a

PENNSYLVANIA

USRA ANALYSIS WESTLAND INDUSTRIAL TRACK

USRA Line No. 345a

Penn Central



The Westland Industrial Track, formerly part of the Pennsylvania RR, extends from the *Junction with Washington Secondary Track* (Milepost 0.0), to *Westland, Pa.*, (Milepost 3.0), a distance of 3.0 miles, in Washington County, Pa. This line is a branch off the PC Washington Secondary Track, formerly known as the Charters Branch. The Washington Secondary Track is also under study in this Report.

Information for Line Retention Decision

Available information indicates that there are no shippers served by this line.

USRA Recommendation

It is *not* recommended that the Westland Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania Office of Planning and Development shows this line handled 306 cars in 1973.

—This line is in active use for almost a mile west of the Borough of Houston, serving the Washington Steel plant. Washington Steel has averaged 300 carloads annually and expects to use over 400 as a result of expansion. This line is the only rail line it has available.

—Pennsylvania PUC points out that abandonment of this line from milepost 3 to milepost 5 was authorized by the ICC at AB-5 (Sub-31) on September 13, 1972. It believes that the line beyond the Washington Steel plant should be retained because of the potential coal traffic.

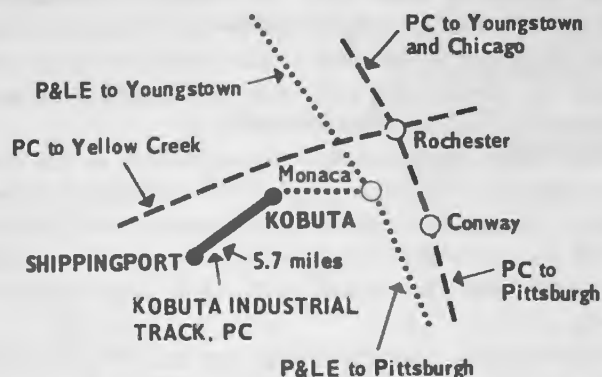
—The Bituminous Processing Company, Inc. owns approximately 200 acres of land in the area. This includes approximately 30 acres of Pittsburgh seam coal which will be opened for stripping in the near future. Estimates of recoverable coal reserves located near this branch line are 2 million tons. This firm anticipates transporting over this line and line 345.

—The Director of Coal Development at Penn Central stated that they will serve a new Consolidated Coal Company mine at Westland and a cleaning plant which will be developed in 4 to 6 years to replace the then obsolete Montour mines. The new mine would produce 2.5 million tons annually, and demand service from the north and the south, therefore employing the Penn Central Westland Branch.

USRA ANALYSIS KOBUTA INDUSTRIAL TRACK

USRA Line No. 352

Penn Central



The Kobuta Industrial Track, formerly part of the Pennsylvania RR, extends from *Shippingport* (Milepost 28.7), to *Kobuta, Pa.* (Milepost 34.4), a distance of 5.7 miles, in Beaver County, Pennsylvania.

Information for Line Retention Decision

The PC does not serve this line. The Duquesne Light Co. has leased 4.75 miles of this line and rail service is being provided by the P&LE via its own lines and trackage rights over 0.95 miles of the PC. Service can be continued under the current arrangement or by the assumption of less than one mile of track by the Duquesne Light Co. or by the P&LE. An evaluation of coal reserves by USRA staff indicated that there are no significant reserves adjacent to this line.

USRA Recommendation

It is *not* recommended that the Kobuta Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Duquesne Light Co. objects to the proposed discontinuance of service. It leased the right of way between milepost 28.76 and 33.5 from Penn Central Transportation Co. in 1969. Duquesne has a proprietary interest with other electric public utilities in 5 major generating units under construction along the right-of-way. All are located in Shippingport. Two are nuclear units and 3 are coal fired.

—The 0.95 mile segment of this line between the leased portion and Kobuta belong to the PC. The Pittsburgh and Lake Erie has trackage rights over this portion and is providing service over the entire line. USRA proposes that the current arrangement be continued, or that Duquesne assume Penn Central's 0.95 mile. Duquesne does not find this acceptable because it is fraught with legal and financial complications.

—The Shippingport Atomic Power Station operated by Duquesne is adjacent to the power plants. The reactor at the power station is owned by the United States Energy Research and Development Administration.

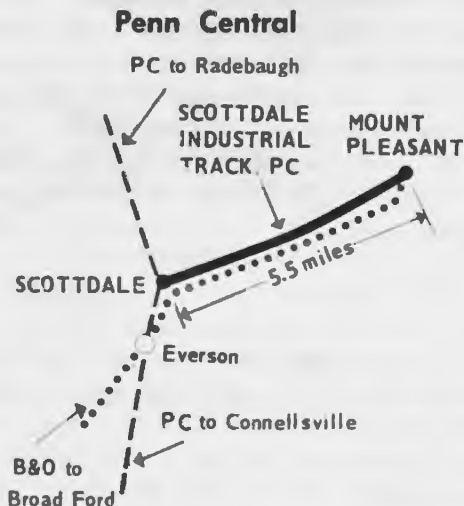
—Rail service is necessary during construction and will be vital for the operation and maintenance of these plants.

—Pennsylvania Office of Planning and Development says the line generated 64 carloads in 1973.

—Pennsylvania PUC points out that the P&LE shippers on the 0.95 mile section of PC track are not mentioned in the Preliminary System Plan.

USRA ANALYSIS SCOTTDALE INDUSTRIAL TRACK

USRA Line No. 355



The Scottdale Industrial Track, formerly part of the Pennsylvania RR, extends from *Scottdale* (Milepost 0.0), to *Mount Pleasant, Pa.* (Milepost 5.5), a distance of 5.5 miles, in Westmoreland County, Pennsylvania. At Scottdale, this line connects with the Southwest Secondary Track, PC. The Baltimore & Ohio Railroad also serves Scottdale and Mount Pleasant,

Summary of USRA Data

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

Mount Pleasant.....	193
Total carloads generated by the line.....	193
Number of round trips per year.....	75
Estimated time per round trip (hours).....	2.5
Revenue received by PC.....	\$64,921
Average revenue per carload.....	\$336

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	55,357
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	10,463
Cost incurred beyond the branch line.....	37,662

Total variable (avoidable) cost..... 103,482

Net contribution (loss): total..... (38,561)

USRA Recommendation

Although the preliminary recommendation is that the Scottdale Industrial Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—This line traverses an area replete with coal reserves. Over 50 small and medium size operations are now stripping in the area.

—Sinter Fuel Company ships an average of 200 carloads annually over this line. Sinter indicated it would be forced to close if rail service were not available. As Sinter is located on the west side of Jacob's Creek, the Baltimore and Ohio Railroad's Scottdale Branch is not a feasible alternative.

—Two strip operators developing mines in the area have plans to temporarily ship from the Sinter Fuel tippie. Sinter indicated that these developments could result in the shipment of over 1,800 carloads annually from their plant within the next two to five years.

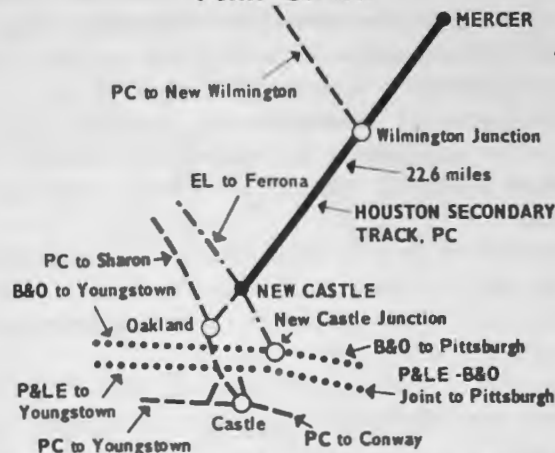
—Pennsylvania Office of Planning and Development shows the line generating 588 carloads in 1973.

—Shipper surveys indicate 15–23 employees would lose their jobs if service were abandoned.

—The estimated cost for upgrading this line to FRA Class I standards should be reviewed. The available information on the line indicates that the tie replacement estimate may be high.

—The Chessie is only interested in providing service to shippers at Mt. Pleasant.

USRA ANALYSIS HOUSTON SECONDARY TRACK USRA Line No. 356 Penn Central



The Houston Secondary Track, formerly part of the Pennsylvania RR, extends from *New Castle* (Milepost 49.9) to *Mercer, Pa.* (Milepost 72.5), a distance of 22.6 miles, in Lawrence and Mercer Counties, Pennsylvania. The Wilmington Branch, PC, connects with this line at Wilmington Junction (also under study in this report). The following lines also serve New Castle: P.C. Erie and Pittsburgh Branch, Erie Lackawanna Railway New Castle Branch; Pittsburgh & Lake Erie Railroad, and the Baltimore & Ohio Railroad. Petition for permission to abandon was filed before the I.C.C. on June 26, 1972, (Docket No. AB-5, Sub. 47). On September 25, 1974, the PC applied to the U.S. Railway Association for the same permission (USRA Docket No. 75-27). No action has been taken on either application.

Summary of USRA Data

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

Mercer	224
Volant	0
Houston Jct.....	0

Total carloads generated by the line..... 224

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

Estimated time per round trip (hours)..... 8.0

Revenue received by PC..... \$69,106

Average revenue per carload..... \$309

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 176,479

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading cost)..... 26,115

Cost incurred beyond the branch line..... 52,017

Total variable (avoidable) cost..... 254,611

Net contribution (loss): total..... (185,505)

USRA Recommendation

It is *not* recommended that the Houston Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Lawrence County Board of Commissioners points out that Line No. 347, the Wilmington Branch, shown as an out-of-service line, is a 2.9 mile spur off this track, and is presently serving New Wilmington. If the two lines were analyzed as one, the car count would be 310 for 1973.

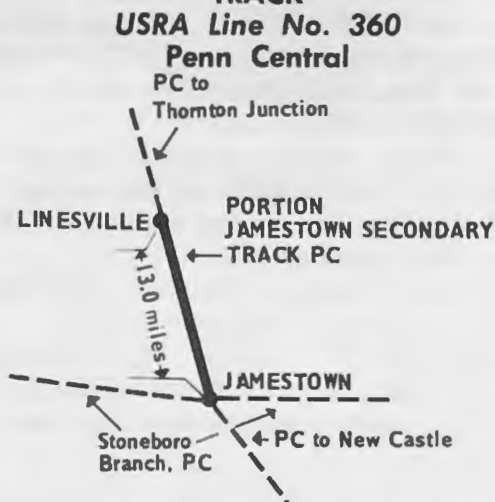
—Local officials questioned a per car cost of \$787 on this branch and only \$85 car cost on the Walford Branch, another line in the county which USRA analyzed and found profitable.

—Pennsylvania Office of Planning and Development says the line generated 233 cars in 1973.

—Pennsylvania PUC stated that although this branch does not generate sufficient traffic to be viable using USRA methodology, it is vital to the survival of the Reznor plant.

USRA ANALYSIS

PORTION OF THE JAMESTOWN SECONDARY TRACK



This portion of the Jamestown Secondary Track, formerly part of the Pennsylvania RR, extends from *Jamestown* (Milepost 90.6) to *Linesville, Pa.* (Milepost 103.6), a distance of 13.0 miles, in Mercer and Crawford Counties, Pennsylvania. A continuation of this line extends northward from Linesville, which is also under study in this report. The Stoneboro Branch and the Erie & Pittsburgh Branch, connect with this line at Jamestown, Pa.; the Erie & Pittsburgh Branch is also under study in this Report. Petition for permission to abandon was filed with the ICC on August 13, 1972, Docket No. AB-5 (Sub No. 22). On September 25, 1974, the PC petitioned the U.S. Railway Association for the same permission (Docket 75-44). No action has been taken on either application.

Summary of USRA Data

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

Westford	33
Linesville	4
Espyville	0
Total carloads generated by the line.....	37
Number of round trips per year.....	45
Estimated time per round trip (hours).....	3.0
Revenue received by PC.....	\$10, 216
Average revenue per carload.....	\$276
Variable (avoidable) cost of continued service	
Cost incurred on the branch line.....	94, 913
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost)....	0
Cost incurred beyond the branch line.....	7, 709
Total variable (avoidable) cost.....	102, 622
Net contribution (loss): total.....	(92, 406)

USRA Recommendation

It is *not* recommended that this portion of the Jamestown Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Jamestown-Linesville Rail Service Research Committee estimates that farmers would experience increased operational costs of \$800–\$1300 annually if service is abandoned. The Committee sees this proposal as an economic constraint on the farmer and a hindrance to local industrial growth.

—The Rockwell International Toteline plant in Linesville anticipates increasing production. They envision using at least 5 additional carloads per month.

—The City of Erie believes abandonment of this line would jeopardize port traffic. It would eliminate service over the most direct rail route between Erie and Pittsburgh.

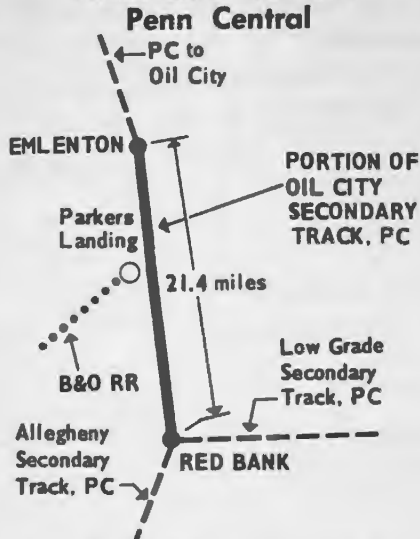
—The Pennsylvania PUC thinks that USRA's on-branch and off-branch costs per car appear unreasonable.

—This line is one of many north-south routes in western Pennsylvania recommended for abandonment, or relegated to stub and branch tracks. Concern has been expressed over the potential impact on service of this proposed circuitry.

USRA ANALYSIS

PORTION OF THE OIL CITY SECONDARY TRACK

USRA Line No. 647



This portion of the Oil City Secondary Track, formerly part of the Pennsylvania RR, extends from Red Bank (Milepost 63.5) to Emlenton, Pa. (Milepost 90.3) a distance of 21.4 miles, in Venango and Clarion Counties, Pennsylvania. This line connects with the Allegheny Secondary Track also under study in this Report, and the PC Low Grade Secondary Track at Red Bank. Parkers Landing is also served by the Baltimore & Ohio RR (opposite side of the Allegheny River). At Emlenton this line continues on to Oil City which sector is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
E. Brady	321
Parkers Landing	1
Foxburg	35
Emlenton	2, 274
Total carloads generated by the Line.....	2, 631
Number of round trips per year.....	250
Estimate time per round trip (hours).....	11. 0
Revenue received by PC.....	\$784, 249
Average revenue per carload.....	\$298
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	329, 445
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	524, 284
Total variable (avoidable) cost.....	853, 729
Net contribution (loss): total.....	(69, 480)

USRA Recommendation

It is *not* recommended that this portion of the Oil City Secondary Track be included in the ConRail System, *except* for the traffic at Emlenton, Pa.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony was for this line and Line No. 648.

—The Lake Erie, Franklin and Clarion Railroad, a privately owned short line operating between Clarion and Summerville, opposes abandonment of this line. In the first 2 months of 1975, it moved 27 cars of coal from Donald Deitz Co., destined for the Quaker State Refining Company at Emlenton. This is expected to yield about \$11,000 in revenue in 1975. Also abandonment would shut off the EL as a source of cars to be used for shipments by the Hanley Co. at Summerville and Owens-Illinois Glass Manufacturing plant at Clarion. The EL supplied the LEF&C with 127 cars from Oil City in 1974. Without these cars the LEF&C would have lost \$10,800 in revenue.

—Rex Hide, Inc., at East Brady used 321 cars in 1973 and 500 in 1974. Without adequate rail service, the company will close and 240 to 260 people will lose their jobs.

—Quaker State Oil Refining Corp. at Emlenton ships or receives lube oil additives and coal. Its traffic totalled 2,274 carloads in 1973, and 2,827 in 1974. It believes the route to Pittsburgh is the most feasible way of having its facility served by rail.

—The City of Erie believes abandonment of service would damage the port's competitive position by eliminating the most direct rail route between Erie and Pittsburgh.

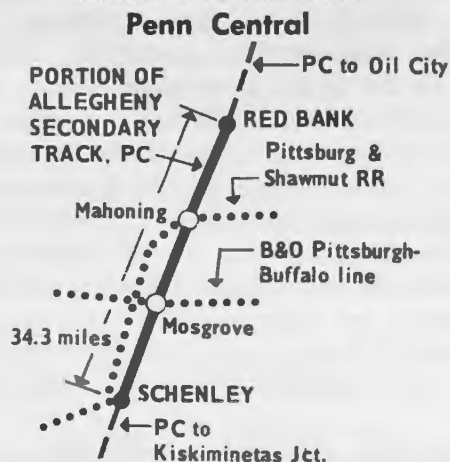
—The Pennsylvania Office of State Planning and Development says that the stations of East Brady, Parkers Landing and Foxburg generated 449 carloads in 1973.

—Pennsylvania PUC points out that if service on this line is abandoned, the only remaining north-south routes available to western Pennsylvania will be at Buffalo, N.Y., and Ashtabula, Ohio. USRA evidently looked at lines individually and did not consider their potential for efficient, economical service to the system. The circuitry caused by the abandonment of this line will be tremendous. A derailment or catastrophe could virtually stop ConRail's north-south movements in Pennsylvania.

—The C&K Coal Co. of Clarion County objects to the abandonment of this line. It has estimated coal reserves of 65,000,000 tons and is located on the Sligo Branch of the PC. This branch feeds into USRA Line No. 648.

USRA ANALYSIS

PORTION OF ALLEGHENY SECONDARY TRACK USRA Line No. 648



This portion of the Allegheny Secondary Track, formerly part of the Pennsylvania RR, extends from Schenley (Milepost 29.2) to Red Bank, Pa. (Milepost 63.5), a distance of 34.3 miles, in Clarion and Armstrong Counties, Pa. This line continues south to Kiskiminetas Junction and north to Oil City; the northern extension is also under study in this Report. The B&O crosses at Mosgrove and the Pittsburgh-Shawmut Railroad runs parallel from Schenley to Mahoning and then runs east.

Summary of USRA Data

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

Godfrey	94
Kelly	0
Logansport	0
Ford City	979
Kittanning	865
Templeton	442
Rimerton	1

Total carloads generated by the line..... 2,381

Number of round trips per year..... 340

Estimated time per round trip (hours)..... 12.0

Revenue received by PC..... \$883,333

Average revenue per carload..... \$371

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 589,278

Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)

0

Cost incurred beyond the branch line.. 588,207

Total variable (avoidable) cost..... 1,125,485

Net contribution (loss): total..... (242,152)

USRA Recommendation

It is *not* recommended that this portion of the Allegheny Secondary Track be included in the ConRail System.

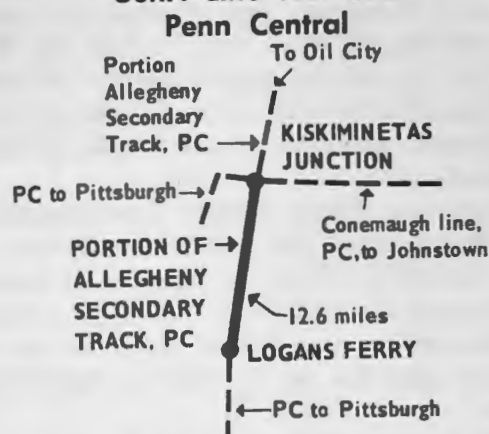
PUBLIC RESPONSE AND RSPO COMMENT

—Testimony was submitted jointly for this line and Line No. 647.

—This line was reevaluated by the USRA and has been recommended for inclusion in ConRail in "USRA News" of March 14, 1975.

USRA ANALYSIS

PORTION OF ALLEGHENY SECONDARY TRACK USRA Line No. 650



This portion of the Allegheny Secondary Track, formerly part of the Pennsylvania RR, extends from *Logans Ferry* (Milepost 16.1) to *Kiskiminetas Junction, Pa.* (Milepost 28.7), a distance of *12.6 miles*, in Westmoreland and Allegheny Counties, Pennsylvania. A continuation of this line runs north to Schenley and south to Pittsburgh, both of which are under study in this Report as potentially excess. This line also connects with the Conemaugh line, PC, at Kiskiminetas Junction.

Summary of USRA Data

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

Logan's Ferry ¹	484
Parnassus	0
New Kensington	2, 543
Braeburn	7
Total carloads generated by the line	3, 034
Number of round trips per year	250
Estimated time per round trip (hours)	11

¹ Includes only traffic on segment.

Revenue received by PC	\$1, 316, 864
Average revenue per carload	<u>\$434</u>
Variable (avoidable) cost of continued services:	
Cost incurred on the branch line	288, 229
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	26, 425
Cost incurred beyond the branch line	<u>674, 853</u>
Total variable (avoidable) cost	<u>989, 507</u>
Net contribution (loss) total	327, 357

USRA Recommendation

It is recommended that the portion of the Allegheny Secondary Track from *Milepost 16.1 to Milepost 18.6* be included in the ConRail System.

It is *not* recommended that the portion of the Allegheny Secondary Track from *Milepost 18.6 to Milepost 28.7* be included in the ConRail System.

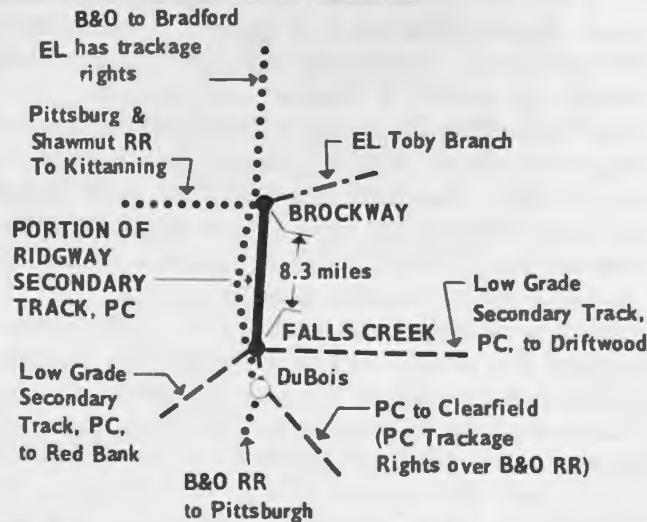
PUBLIC RESPONSE AND RSPO COMMENT

—Standard Terminal, Inc., is located in Arnold at milepost 19.3. USRA recommends that only the portion of the line between milepost 16.1 and 18.6 be included. Standard believes it should continue to receive service at Arnold and that there is confusion because the traffic it generates at Arnold is consigned to it at New Kensington, where it has another facility. PC serves Arnold from its New Kensington yard. In 1974 Standard received 1,721 cars (150,000 tons) and shipped 134 cars (11,000 tons). Standard requests that USRA extend the portion of this line to be included by 1.4 miles to milepost 20.0.

—There is an industrial park 0.7 of a mile north of milepost 18.6 which will be left without service if the line is discontinued. Westmoreland County urges extension of the line to serve this industrial development.

USRA ANALYSIS

PORTION OF RIDGWAY SECONDARY TRACK USRA Line No. 651 Penn Central



This portion of the Ridgway Secondary Track, formerly part of the Pennsylvania RR, extends from Brockway (Milepost 19.0) to Falls Creek, Pa. (Milepost 27.3), a distance of 8.3 miles, in Jefferson County, Pa. The Pittsburgh & Shawmut RR and the Erie Lackawanna Ry connect with this line at Brockway. This line continues south to Curwensville (via trackage rights over the B&O, which is also under study in this Report). The Low Grade Secondary Track, PC, connects at Falls Creek and runs west to Red Bank and east to Driftwood. The Baltimore & Ohio RR runs parallel to this line and continues north to Ridgway and south to Curwensville or Pittsburgh, forking near DuBois.

Summary of USRA Data

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

Brockway	2
Minns	627
Total carloads generated by the line.....	629
Number of round trips per year.....	120
Estimated time per round trip (hours).....	9.0
Revenue received by PC.....	\$161,597
Average revenue per carload.....	\$257
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	131,575
Cost of upgrading branch line to FRA Class	
I: (1/10 of total upgrading cost).....	8,126
Cost incurred beyond the branch line.....	128,989
Total variable (avoidable) cost.....	268,690
Net contribution (loss) : total.....	(107,093)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Ridgway Secondary Track not be included in the ConRail System, the possibility of minable coal must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Benjamin Coal Co. has a tippie located near Brockway and ships 1,000 tons of coal daily by rail.

—Service at Brockway was stopped two years ago when a portion of track was washed out. The Esquire Fuel Co. trucks approximately 100,000 tons of coal annually 7-8 miles to the Pittsburgh & Shawmut Railroad. Attempts to use the EL or the B&O have failed.

—Pennsylvania Public Utility Commission's position is that because the line is now in use to load coal at Minns, it should be retained at least until major repairs are necessary. This is in accord with the statement on page 340 of the Plan on the Association's position on service to fossil fuel resources.

—The PUC also points out that PC indicated in a track waiver petition to FRA that 930 crossties were required, not 1,250, the number used by the Association.

—The estimated time per round trip appears to be high considering the traffic and the length of the line.

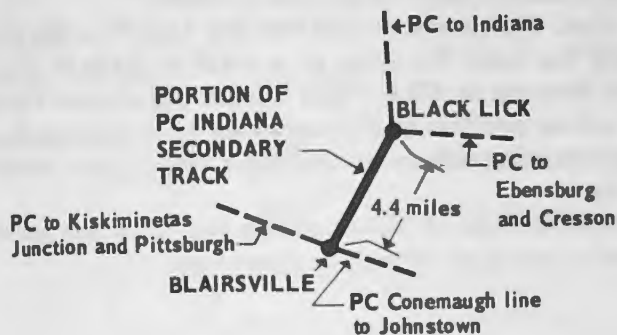
—The Chessie is interested in acquiring approximately 3 miles of the line between Brockway and Minns.

USRA ANALYSIS

PORTION OF INDIANA SECONDARY TRACK

USRA Line No. 655a

Penn Central



This portion of the Indiana Secondary Track, formerly part of the Pennsylvania RR, extends from Blairsville (Milepost 2.9), to Black Lick, Pa. (Milepost 7.3), a distance of 4.4 miles, in Indiana County, Pa. At Blairsville this line connects with Penn Central, Conemaugh line. At Black Lick PC branches from Indiana and Ebensburg converge, both of which are also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Smith	1
Total carloads generated by the line.....	1
Number of round trips per year	2
Estimated time per round trip (hours)	2
Revenue received by PC.....	\$263
Average revenue per carload.....	\$263
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	28,337
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	4,544
Cost incurred beyond the branch line---	394
Total variable (avoidable) cost.....	33,275
Net contribution (loss): Total.....	(33,012)

USRA Recommendation

It is *not* recommended that this portion of the Indiana Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

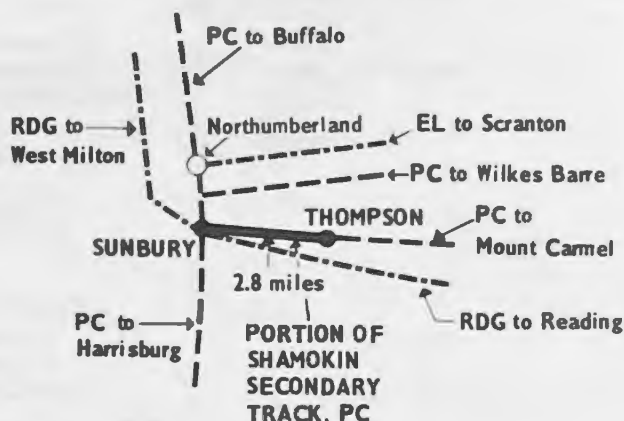
—The USRA announced on March 14, 1975, that further evaluation of coal reserves in the vicinity of this line has resulted in its being recommended for inclusion in ConRail.

USRA ANALYSIS

PORTION OF SHAMOKIN SECONDARY TRACK

USRA Line No. 659

Penn Central



This portion of the Shamokin Secondary Track formerly part of the Pennsylvania RR, extends from *Sunbury* (Milepost 0.0) to *Thompson, Pa.* (Milepost 2.8), a distance of *2.8 miles*, in Northumberland County, Pa. A continuation of this line runs from Thompson to Mount Carmel (also under study in this Report). At Sunbury the Harrisburg-Buffalo line connects with this line. Also at Sunbury, the Reading Railroad intersects the Harrisburg-Buffalo line and runs eastward to Shamokin, parallel to this line.

Summary of USRA Data

Stations (with their 1973 carloads) served by this	
Line: Sunbury ¹	113
Total carloads generated by the line.....	113
Number of round trips per year.....	52
Estimate time per round trip (hours).....	4

¹ Includes only traffic on segment.

Revenue received by PC.....	\$57,511
Average revenue per carload.....	\$509

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	35,659
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	3,555
Cost incurred beyond the branch line.....	29,366

Total variable (avoidable) cost..... 68,580

Net contribution (loss): total..... (11,069)

USRA Recommendation

It is *not* recommended that this portion of the Shamokin Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Regional Railroad Task Force knows of no local rail users between Sunbury milepost 0.0, and Thompson, milepost 2.8 and concurs in the recommendation that service be abandoned.

—Pennsylvania PUC contends that this line must be kept in ConRail to serve Line No. 659(a). This line is essential for hauling coal traffic.

—Also, USRA shows 180 ties for Line No. 659 and 1,620 for Line No. 659a, or a total of 2,179 to bring the lines up to FRA Class I track standards. PC in a waiver petition to FRA showed 1,447 ties required to bring these lines up to FRA Class I track standards.

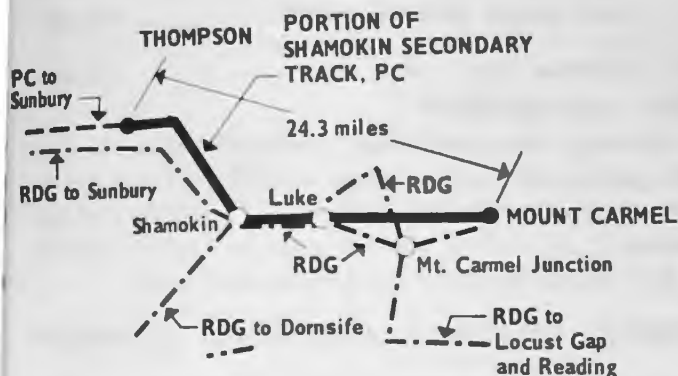
—U.S. Bureau of Mines shows that this line serves coal reserves of 1.9 million short tons.

USRA ANALYSIS

PORTION OF SHAMOKIN SECONDARY TRACK

USRA Line No. 659a

Penn Central



This portion of the Shamokin Secondary Track, formerly part of the Pennsylvania RR, extends from Thompson (Milepost 2.8) to Mount Carmel, Pa. (Milepost 27.1), a distance of 24.3 miles, in Northumberland County, Pa. A continuation of this line runs from Thompson to Sunbury (also under study in this Report). The Reading Railroad runs parallel to this line between Mount Carmel and Sunbury.

Summary of USRA Data

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

Snydertown	2
Paxinos	106
Shamokin	3,081
Locust Gap Jct.	9
Sagon Jct.	0
Mt. Carmel	6

Total carloads generated by the line	3,204
Number of round trips per year	150
Estimated time per round trip (hours)	10.0
Revenue received by PC	\$636,430
Average revenue per carload	\$199

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	\$318,886
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost)	22,785
Cost incurred beyond the branch line	498,771

Total variable (avoidable) cost \$840,442

Net contribution (loss): total (204,012)

USRA Recommendation

It is *not* recommended that this portion of the Shamokin Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Due to two industrial parks in the Paxinos area, a feed mill at Weighscales, and a large mine in Shamokin, Northumberland County requests that the line be included between mileposts 12 to 18.8. A cross-over is recommended to eliminate parallel PC—RDG lines from Thompson, 2.8, to Paxinos, milepost 12.

—The County further recommends abandonment of PC track within the city of Shamokin to provide a right-of-way for proposed highway construction.

—A second connection between the RDG line and the remainder of the Shamokin Secondary Track should be made to serve coal deposits located on the line between mileposts 19 and 27.1.

—The Brown Packaging Co. and Consolidated Cigar Co's new plant at Paxinos expect to receive 36 carloads annually of paperboard from Alabama. The average roll weighs 1,500 pounds and is 5 feet in diameter. Truck rates are 130 percent higher than rail. Rail revenue on this traffic is 160 percent of cost so that it is desirable traffic. Brown is agreeable to receiving service from the RDG.

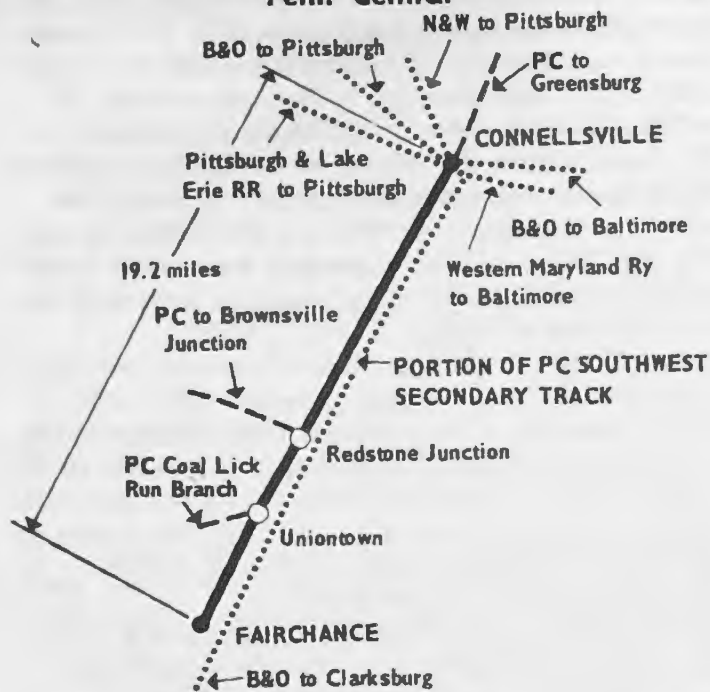
—The Regional Rail Task Force supports abandonment of the section between Thompson, milepost 2.8, and Paxinos, milepost 12.0, because it does not serve any shipper. However, there are 6 shippers and 2 industrial parks between Paxinos and Mt. Carmel. Four of these operated 3,641 carloads in 1973; two did not begin operating until 1974 but they have expectation of 70 carloads.

—Pennsylvania Office of State Planning and Development shows a 1973 car count for this line and Line No. 659a of 4,100 compared with USRA's combined total of 3,317.

—Glen Burn Colliery, Inc., at Mt. Carmel also has access to the RDG. It expects to need 1,900 hopper cars in 1975. The book value of its assets are over \$5 million and it could not continue operating without rail service.

USRA ANALYSIS

PORTRION OF SOUTHWEST SECONDARY TRACK USRA Line No. 663 Penn Central



This portion of the Southwest Secondary Track, formerly part of the Pennsylvania RR, extends from Connellsville (Milepost 25.0), to Fairchance, Pa. (Milepost 44.2), a distance of 19.2 miles, in Fayette County, Pennsylvania. At Reading Junction this line connects with the Redstone Secondary Track of the PC, also under study in this Report. It also connects with B&O Connellsville-to-Fairmont Branch, the N&W line to Pittsburgh, and the Western Maryland line to Baltimore at Connellsville. This line also connects with the P&LE's branch to McKeesport at Connellsville.

Summary of USRA Data

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

Watts transfer	416
Dunbar	8
Mount Braddock	4
Stambaugh	0
Uniontown ¹	305
Hutchinson Siding	2
Fairchance	9
Laughead Ovens	288

Total carloads generated by the line	1,032
Number of round trips per year	150
Estimated time per round trip (hours)	7

¹ Includes only traffic on segment.

Revenue received by PC	\$361,125
Average revenue per carload	\$349

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	234,033
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	50,045
Cost incurred beyond the branch line	247,731

Total variable (avoidable) cost 581,809

Net contribution (loss): total (170,884)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Southwest Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Public Utility Commission points out that the PC reports carloads by stations in 1973 as follows:

Dunbar	9
Mt. Braddock	7
Uniontown	488
Hutchinson siding	998
Fairchance	282
Total	1,785

Compared with 1,032 carloads given by USRA, this is more than the 150 percent increase in traffic USRA says is needed for viability.

—This line parallels a Baltimore and Ohio main line. Service could possibly be furnished by the B&O if appropriate connections were made.

—A review of USRA's calculations indicates that, even accepting the accuracy of their data, a 47 percent increase in rates is necessary to recover costs, not a 165 percent increase as stated in the PSP.

—Steel Scaffolding operates plants at Uniontown and Connellsville. It has averaged 21 carloads for the last 3 years. It also trucked 66 trailers to Pittsburgh for loading on flatcars in 1973.

—Freuhauf Corp. used the Braddock Station to ship 18 trailers in 1973.

—Pennsylvania DOT says that abandonment of service on this line would cut off service to Lines No. 335 and 336.

—PC's Southwest Branch traverses an area replete with strip and deep coal reserves. Much of this area has been extensively mined. Water drainage problems, which could be resolved today, precluded complete exploitation of many former mines.

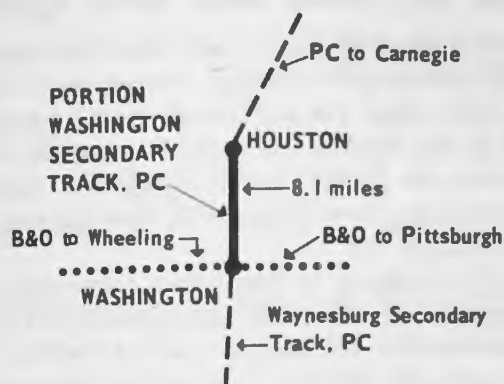
Continued on page 519

USRA ANALYSIS

PORTION OF WASHINGTON SECONDARY TRACK

USRA Line No. 664

Penn Central



This portion of the Washington Secondary Track, formerly part of the Pennsylvania RR, extends from *Houston* (Milepost 15.5), to *Washington, Pa.* (Milepost 23.6), a distance of 8.1 miles, in Washington County, Pennsylvania. A continuation of this line extends north from Houston to Carnegie. At Washington, this line connects with the Waynesburg Secondary Track, PC, to Waynesburg (also under study in this Report) and with the Baltimore & Ohio RR.

Summary of USRA Data

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

Meadow Lands.....	315
Arden	121
Washington	379
Total carloads generated by the line.....	815
Number of round trips per year.....	150
Estimated time per round trip (hours).....	6.0
Revenue received by PC.....	\$280,083
Average revenue per carload.....	\$344
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	138,112
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost)...	24,523
Cost incurred beyond the branch line.....	161,716
Total variable (avoidable) cost.....	322,351
Net contribution (loss): total.....	(42,268)

USRA Recommendation

It is *not* recommended that this portion of the Washington Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Office of Planning and Development says that this line generated 1,263 cars in 1973 and 200 more were shipped in 1974 by a new company.

—Pennsylvania PUC claims 1974 traffic figures show 733 cars for Meadowlands, 48 for Arden and 613 for Washington. This represents a 71 percent increase over 1973 figures. It appears that 480 cars of nonrevenue traffic (brake shoes) were omitted from this line.

—This line leads to the Waynesburg Secondary which Penn Central has carefully retained for 40 years. It serves huge coal reserves.

—Manor Real Estate, Consolidated Coal, Republic Steel, and Hillman Coke & Coal together control approximately 300 million tons in the vicinity of this line. Consolidated Coal indicated it plans to develop a deep mine in the area within the next 10 years and would expect to produce one to two million tons annually.

—Pennsylvania Power and Light Co., recently purchased a large coal field north of Waynesburg which it estimates contains 300 million tons. It plans to develop five or six mines, each with an estimated annual production of 1.5 to 2 million tons. If the section of track north of Waynesburg were rehabilitated in time to meet their needs, this route would be preferable, as it would provide the most direct access to their reserves.

—Bethlehem mines have a reserve field southeast of Washington with 70–80 million tons.

—McGraw-Edison at Canonsburg, 2 miles north of Houston, says the line handles at least 100 cars a month. Users are served two or three times a week by an engine and caboose domiciled in Canonsburg. This same engine and caboose perform work on the line between Houston and Washington. McGraw-Edison questions whether this fact has been considered by USRA in costing operations on the line.

—Carter Lumber Co. used 22 cars in 1974.

—It would cost Federal Paper Board at Washington more than \$59,196 to receive its inbound materials by truck. It considers continued service over this line essential.

—Federal Paper Board questions USRA's data base since it credits the Arden Station for 121 cars in 1973, yet it used 190 cars at this point. Federal used 235 cars in 1974 and expects a 5 percent growth in car use over the next 5 years.

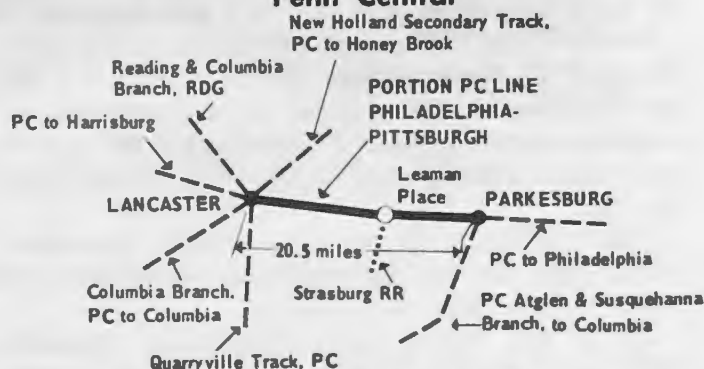
—Washington County produced the following traffic summary of line use:

USRA ANALYSIS

PORTION OF PHILADELPHIA-PITTSBURGH LINE

USRA Line No. 691

Penn Central



This portion of the Philadelphia-Pittsburgh Line, formerly part of the Pennsylvania RR, extends from *Parkesburg* (Milepost 44.0), to *Lancaster, Pa.* (Milepost 64.5), a distance of *20.5 miles*, in Chester and Lancaster Counties, Pennsylvania. Continuations of this line extends eastward from Parkesburg to Philadelphia and westward from Lancaster to Pittsburgh. The Lancaster-Royalton portion of the westward continuation is also under study in this Report. Connections include: the PC Susquehanna Branch at Parkesburg; the Strasburg RR at Leaman Place; and at Lancaster with the PC's New Holland Secondary Track, Columbia Branch, and Quarryville Track. All of these connections at Lancaster are under study in this Report. The Reading's Reading and Columbia Branch also connects at Lancaster and is under study in this Report.

Summary of USRA Data

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

Atglen	95
Christiana	51
Gap	11
Vintage	0
Leaman Place.....	456
Bird-in-Hand	144
Witmer	60
Gordonville	187

Total carloads generated by the line.....	1,004
Number of round trips per year.....	50
Estimated time per round trip (hours).....	10.0
Revenue received by PC.....	\$435,232
Average revenue per carload.....	\$434

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	\$197,908
Cost of upgrading branch line to FRA class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line....	322,668

Total variable (avoidable) cost.....	\$520,571
Net contribution (loss) : total.....	(85,339)

USRA Recommendation

It is *not* recommended that *freight services* be provided over this portion of the Philadelphia-Pittsburgh Line by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—General Electric points out that this segment of the Philadelphia-Pittsburgh line is the only clearance route open for extremely heavy export shipments to the Port of Newark. It suggests that consideration be given to allowing these specialized movements to move along this line during off-passenger hours.

—The Parkesburg to Lancaster Committee (PLC) representing 17 rail users analyzed USRA's branch line profitability calculation and determined the line made a profit of \$36,200 in 1973. The committee thinks 10 hours per round trip is too high and questions the salvage value of \$49,246 calculated using USRA data if the line will still be used for passenger service.

—Further, the PLC said at least two companies will expand and use 90 more cars if assured of rail service, and an estimated 190 people will lose their jobs if service is abandoned.

—The Pennsylvania Public Utility Commission says the line handled 1,098 carloads in 1973 and does not think that alternative freight routes will be able to handle the added traffic.

—The Strasburg Railroad's only interchange is at Leaman Place. It cannot continue to operate if this line is abandoned.

—Since the line was being maintained for freight only, costs that should be considered are the direct out-of-pocket costs for operating local freight trains. The result should be less than under the normal branch line formula.

—Carter Lumber at Lancaster says conversion to truck and team track unloading are too costly and wonders why USRA failed to credit the line with 1,100 carloads of bridge traffic.

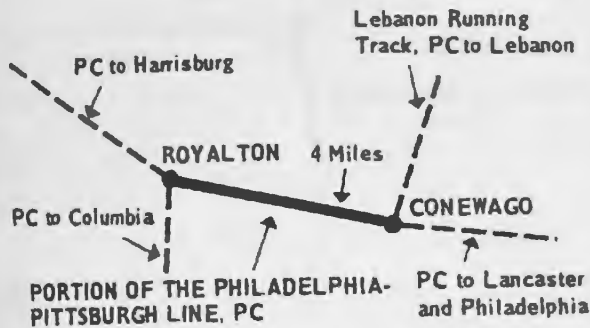
—Governor Shapp points out that this is one of three segments of this mainline which USRA proposes to eliminate, abolishing an electrified route for an inferior diesel route. Through service to Lancaster would be eliminated.

USRA ANALYSIS

PORTION OF THE PHILADELPHIA-PITTSBURGH LINE

USRA Line No. 691b

Penn Central



This portion of the Philadelphia-Pittsburgh Line, formerly part of the Pennsylvania RR, extends from Conewago (Milepost 90.5) to Royalton, Pa. (Milepost 94.5), a distance of 4 miles, in Dauphin County, Pennsylvania. A continuation of this line runs eastward to Lancaster which is also under study in this Report. At Conewago this line connects with the Lebanon Running Track, PC, which is also under study in this Report. At Royalton, this line continues westward to Harrisburg and connects with the Susquehanna Branch PC.

Information for Line Retention Decision

This line serves no shippers and is not required to serve any line recommended for inclusion in the ConRail System. Information from USRA and Penn Central staff indicates through service only—no local service. Amtrak presently uses this route for intercity trains to and from the midwest, as well as for Harrisburg-Philadelphia service.

USRA Recommendation

It is *not* recommended that this portion of the Philadelphia to Pittsburgh line be included in the ConRail System.

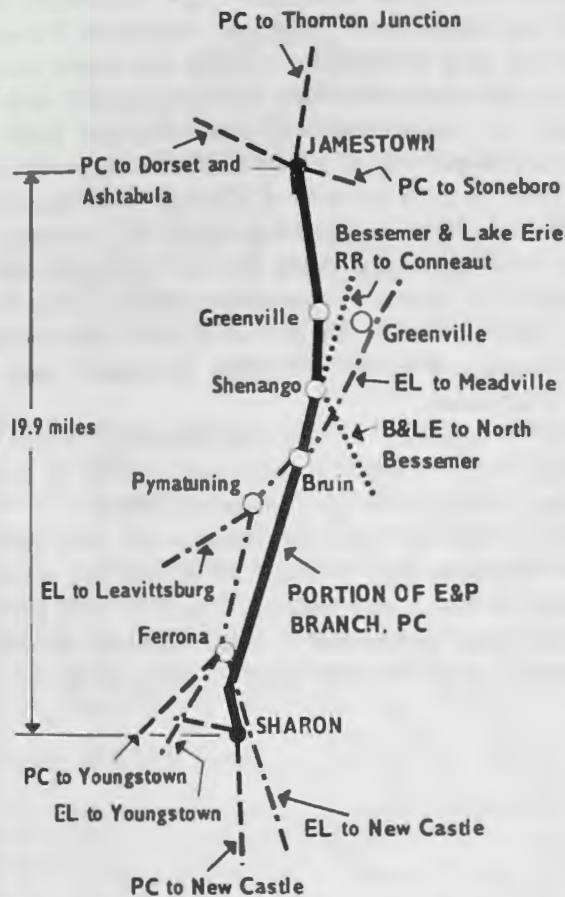
PUBLIC RESPONSE AND RSPO COMMENT

—No testimony was received on this line, however, Pennsylvania has objected to the elimination of service on Line Nos. 312, 313 and 691 for the reason that they are mainline segments and their abandonment would result in costly detours. The same reasoning is applicable here.

PENNSYLVANIA

USRA ANALYSIS

ERIE & PITTSBURGH BRANCH USRA Line No. 712 Penn Central



This portion of the Erie & Pittsburgh Branch, formerly part of the Pennsylvania RR, extends from Sharon (Milepost 70.6) to Jamestown, Pa. (Milepost 90.5), a distance of 19.9 miles, in Mercer County, Pa. This line continues south from Sharon to New Castle. The PC Sharon Branch to Youngstown connects at Wheatland and the PC Stoneboro Branch connects at Jamestown. The EL Youngstown line runs parallel from RD Yard to Greenville (another PC line extends from Jamestown to Thornton Junction). The Sharon Branch is also under study in this Report. The Bessemer & Lake Erie RR connects at Shenango.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Sharpsville	597
Transfer	0
Shenango	37
Greenville	552
Total carloads generated by the line	1,186
Number of round trips per year	275
Estimated time per round trip (hours)	6

Revenue received by PC	\$331,488
Average revenue per carload	\$279

Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	277,969
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	230,821

Total variable (avoidable) cost	508,780
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Net contribution (loss): total	(177,342)
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USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Westinghouse Electric Corp. says it is essential that the line from milepost 69.8 at Sharon to and including the PC's interchange track with the EL at milepost 72.0 at Sharpsville be included. This interchange is essential for handling large transformers that exceed 16'5" above the rail in height.

—USRA states that the PC Sharon Branch to Youngstown is also under study in the report but witnesses said they could not find it.

—National Castings Division, Midland-Ross Corp. wants to purchase a portion of the EL's Sharon to New Castle branch. It proposes to install crossover tracks to the PC. It wants to keep intramodal rail competition because it makes for better service, car supply and rates. In 1974 National Castings generated 1,035 carloads about equally divided between the PC and EL.

—City of Erie is concerned that the future of the port will be damaged if it loses the most direct rail route to Pittsburgh.

—The Pennsylvania Office of State Planning and Development claims that the line generated 1,498 cars in 1973.

—The Pennsylvania Public Utility Commission says this line carries heavy traffic for the Bessemer and Lake Erie Railroad Company interchange at Shenango on a direct line to Youngstown. It reports that in 1974, the PC reported 1,079 cars at Sharpsville, 292 at Victory, 5 at Shenango and 662 at Greenville for a total of 2,038. This substantial increase plus the bridge traffic should make this line viable to Con-Rail.

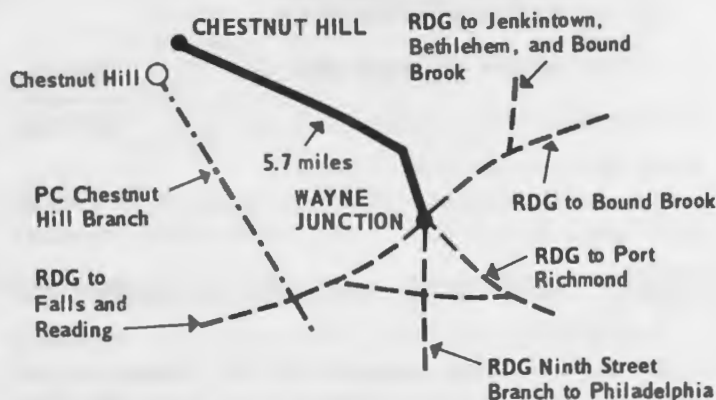
—Bessemer would be interested in acquiring the portion of the E&P branch from Shenango to Sharon, approximately 13 miles, providing the acquisi-

Continued on page 519

USRA ANALYSIS CHESTNUT HILL BRANCH

USRA Line No. 903

Reading Railroad



The Chestnut Hill Branch, extends from *Wayne Junction* (Milepost 5.1), to *Chestnut Hill, Pa.* (Milepost 10.8) a distance of 5.7 miles, in Philadelphia County, Pennsylvania. At Wayne Junction, this line connects with the RDG Ninth Street Branch. Chestnut Hill is also served by the PC Chestnut Hill Branch, also under study in this Report as potentially excess. This line was described as potentially excess in the U.S. DOT Report (see Zone 66).

Summary of USRA Data

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

Germantown	142
Chestnut Hill	1

Total carloads generated by the line	143
Number of round trips per year	156
Estimated time per round trip (hours)	2.0
Revenue received by RDG	\$11,830
Average revenue per carload	\$83

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	52,341
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	11,505
Total variable (avoidable) cost	63,846
Net contribution (loss): total	(52,016)

USRA Recommendation

It is *not* recommended that this portion of the Chestnut Hill Branch be included in the ConRail System for freight service. Passenger service will remain.

PUBLIC RESPONSE AND RSPO COMMENT

—The branch is part of the Southeastern Pennsylvania Transportation Authority's commuter network. It carries an average of 6,153 passengers daily, with an additional 3,469 on weekends. Passenger revenue and passenger subsidy payments amounting to approximately \$1.7 million annually cover the costs of maintenance-of-way. Freight traffic increased 60 percent in 1974 when 229 cars moved along the line. In 1975 the city of Philadelphia expects the traffic to climb to approximately 347 carloads.

—In 1974 the total costs for switching amount to \$33,800 and gross revenue attributed to the traffic was \$21,564, for a net loss of \$12,016. The loss may be eliminated in 1975 through increased usage and rate increases.

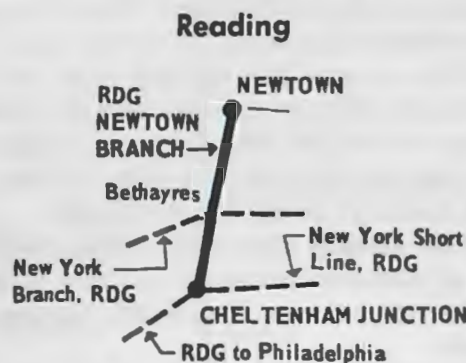
—The frequency of service assigned to this line should be reviewed. It does not appear to be consistent with the freight traffic attributed.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 143 cars on this line generated a total revenue of \$50,439; however, only \$11,830 were attributed to the line.

USRA ANALYSIS

PORTION OF NEWTOWN BRANCH

USRA Line No. 904



The Newtown Branch extends from *Cheltenham Junction* (Milepost 8.6) to *Newtown, Pa.* (Milepost 26.4), a distance of 17.8 miles, in Philadelphia, Montgomery, and Bucks Counties, Pennsylvania. This line connects at Cheltenham Junction with the New York Short Line between Newtown Junction and Neshaminy Falls. The Reading Company operates suburban passenger service over this line under contract to the Southeastern Pennsylvania Transportation Authority.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Southampton	14
Newtown	107
Total carloads generated by the line.....	121
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3.0
Revenue received by RDG.....	\$14,962
Average revenue per carload.....	\$124
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line..... ¹	51,324
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	11,756
Total variable (avoidable) cost.....	63,080
Net contribution (loss): total.....	(48,118)

¹ Excludes maintenance costs due to the existence of commuter services.

USRA Recommendation

It is *not* recommended that *freight service* be provided over this portion of the Newtown Branch by the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Users of the line stated that actual carloads in 1973 were 179.

—Reported Traffic:

Company:	1973 Carloads
Frost-Watson Lumber Corp.....	149
Agway Inc.....	12
Eisel Feed.....	2
CTI.....	5
Oskar Huber.....	4
Strathmann Lumber.....	6
Hyzner & Lewellen.....	1
Total	179

—Using USRA's figure of \$124 revenue per carload results in a net revenue of \$22,154, not \$14,962.

—Frost-Watson brings in 60 to 80 carloads of timber from the West Coast with revenues accruing to the railroads of from \$1800 to \$2000 per car. If rail service is lost, the company will pay much higher freight charges by truck and the entire railroad system from the West Coast to the East Coast will lose revenue. The company testified that 1,500 truck trips would be needed to transport its material and these trucks would travel through a residential area and past a hospital and four schools.

—Southeastern Pennsylvania Transportation Authority uses this line for commuter service. It is concerned about the source of funds to purchase the line if it is not included in ConRail.

—The testimony is that this line carries over 452 commuters daily, with gross revenues of \$115,000 per year.

—The Bucks County Board of Commissioners testified that the Newton area is "slated for drastic growth" with an increase in population of over 43,000 "in the near future". Nine industrial developments which will increase the employment in the area by more than 12,500 jobs are planned.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 the 121 cars on this line generated a total revenue of \$140,465; however, only \$14,692 was attributed to the line.

905 PENNSYLVANIA

USRA ANALYSIS DOYLESTOWN BRANCH

USRA Line No. 905

Reading Railroad



The Doylestown Branch, extends from *Lansdale* (Milepost 0.0) to *Doylestown, Pa.* (Milepost 10.0), a distance of 10.0 miles, in Bucks and Montgomery Counties, Pennsylvania. At Lansdale, this line connects with the Reading's Philadelphia-to-Bethlehem line and Stony Creek Branch.

Summary of USRA Data

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

Colmar	56
Chalfont	98
New Britain	0
Doylestown	275

Total carloads generated by the line..... 429

Number of round trips per year..... 156

Estimated time per round trip (hours)..... 3

Revenue received by Reading..... \$61,786

Average revenue per carload..... \$144

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 110,385

Cost of upgrading branch line to FRA

Class I: (1/10 of total upgrading

cost) 0

Cost incurred beyond the branch line... 45,584

Total variable (avoidable) cost..... 155,969

Net contribution (loss): total..... (94,183)

USRA Recommendation

Although the preliminary recommendation is that the Doylestown Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The RDG records indicated that the correct total for 1973 is 1,439 carloads. This error could be because the traffic of American Olean Tile Co. and the Lansdale Warehouse Co. was omitted. The billing station for these two users is Lansdale.

—Using \$144 revenue per carload with the correct carload total of 1,439, revenue for this line is \$207,216. Comparing the freight revenue to the total variable cost listed in the Plan the line shows to be a viable operation, making a profit of over \$51,000.

—The Bucks County Board of Commissioners said that loss of rail service would put over 5,700 truck round trips per year on Route 202, causing severe congestion.

—Lansdale Warehouse Company said that even though cars are loaded and unloaded at its siding, the freight charges are billed to its customers. There is a distinct possibility that some of the revenue generated at the company's siding is not being properly credited to this line.

—American Olean Tile Co. believes the line generated 1,567 cars in 1973. The firm has a capital investment in its plant of approximately \$23 million. It employs 1,240 people with an annual payroll of about \$10 million. Local property taxes amount to over \$275,000. If rail service is lost, the company will have to relocate.

—The FMC Corp. ships heavy machinery that must move by rail because of its height and width.

—Mrs. Paul's Kitchens, Inc. is planning an expansion that will increase its facilities 40 percent, at a total cost of \$1 million. If rail service is discontinued, this expansion will be abandoned.

—Reported traffic:

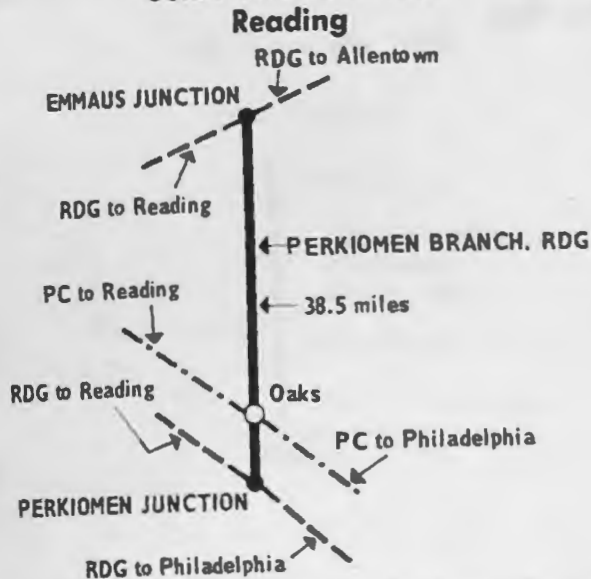
Company	Carloads	
	1973	1974
American Olean Tile.....	671	829
Lansdale Warehouse.....	467	.....
Mrs. Paul's Kitchens.....	93	.....
FMC Corp.....	35	35
Lumber Distributor.....	106	120
Total	1,372	964

—Southeastern Pennsylvania Transportation Authority uses the line for commuter service and is concerned about the source of funds to purchase the line if it is not included in ConRail.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 429 cars on this line generated a total revenue of \$434,436; however, only \$61,786 was attributed to the line.

USRA ANALYSIS

THE PERKIOMEN BRANCH USRA Line No. 906



The Perkiomen Branch, extends from *Perkiomen* (Milepost 0.0), to *Emmaus Junction* (Milepost 38.5), a distance of 38.5 miles, in Lehigh, Berks, Montgomery, and Chester Counties, Pennsylvania. At Perkiomen Junction this line connects with the Reading's Philadelphia-to-Pottsville line, and at Emmaus Junction, with the Reading East Pennsylvania Branch. Also at Perkiomen Junction (Oaks, Pa.), the line connects with the PC Schuylkill Secondary Track, which is also under study in this Report.

Summary of USRA Data

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

Oaks	3,582
Yerkes	36
Collegeville	58
Greaterford	3
Schwenksville	22
Salford	2
Green Lane	53
Pennsburg	815
Palm	19
Dillinger	2

Total carloads generated by the line	4,592
Number of round trips per year	312
Estimated time per round trip (hours)	8.0
Revenue received by RDG	\$641,983
Average revenue per carload	\$140

Variable (avoidable) cost of continued service :

Cost incurred on the branch line	502,390
Cost of upgrading branch line to FRA class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	477,443

Total variable (avoidable) cost 979,833

Net contribution (loss) : total (337,850)

USRA Recommendation

It is recommended that service be provided to Oaks. For the remainder of the line, although the preliminary recommendation is that the Perkiomen Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The line is broken into two segments by a washed-out portion approximately 20 miles south of Emmaus.

—Pennsylvania Office of State Planning and Development estimates that 425 jobs would be lost if service ends.

—The branch is a possible future passenger route for SEPTA so that retention of the entire right of way is vital.

—Montgomery County is willing to acquire the right of way between Collegeville and Green Lane. They believe freight service should be retained between Perkiomen Junction and Collegeville and between Green Lane and Emmaus Junction.

—The Mayor of Schwenksville says area highways would be unable to handle the traffic and the county has no program through 1990 for improving them.

—Pennsylvania Public Utility Commission says the line handled 4,939 cars in 1973.

—Amsat Corporation at East Greenville used 179 cars in 1974 and expects to use 103 cars in 1975. In 1974, 3,000 tons of bauxite were trucked to the plant from Baltimore because of a shortage of hoppers.

—Pillsbury's plant at East Greenville, is switched 3 times a week so the correct figure is about 200 round trips per year rather than the 312 cited in the Plan. It used about 600 cars in 1974.

—The route is the shortest one between Philadelphia and Allentown.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 4,592 cars on this line generated a total revenue of \$3,491,815; however, only \$641,983 was attributed to the line.

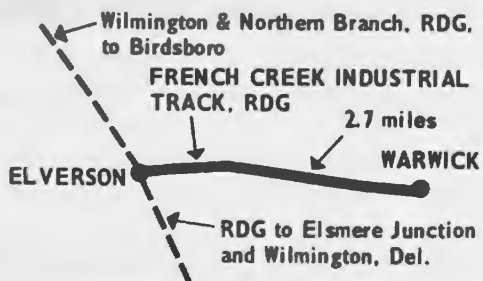
USRA ANALYSIS FRENCH CREEK INDUSTRIAL TRACK

USRA Line No. 908

Reading

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.



The French Creek Industrial Track, extends from *Elverson* (Milepost 0.0) to *Warwick, Pa.* (Milepost 2.7), a distance of 2.7 miles, in Chester County, Pa. At Elverson this line connects with the Reading's Wilmington & Northern Branch, which line is also under study in this Report.

Information for Line Retention Decision

Available information indicates that no shippers are directly served by this line.

USRA Recommendation

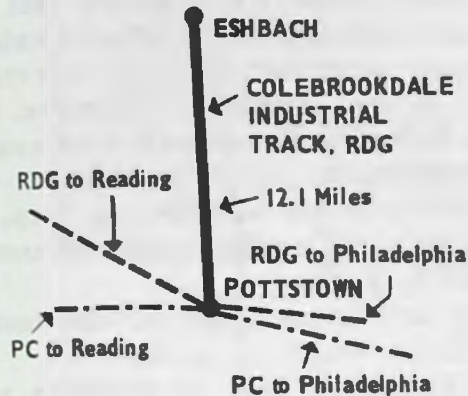
It is *not* recommended that the French Creek Industrial Track be included in the ConRail System.

USRA ANALYSIS

COLEBROOKDALE INDUSTRIAL TRACK, READING

USRA Line No. 909

Penn Central



The Colebrookdale Industrial Track extends from *Eshbach* (Milepost 0.0) to *Pottstown, Pa.* (Milepost 12.1), a distance of *12.1 miles*, in Montgomery and Berks Counties, Pennsylvania. At Pottstown, this line connects with the Reading's Philadelphia-to-Pottsville Line.

Summary of USRA Data

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

Pine Forge.....	14
Colebrookdale	7
Boyertown	1,037
New Berlinville.....	12
Bechtelsville	23

Total carloads generated by the line.....	1,093
Number of round trips per year.....	100
Estimate time per round trip (hours).....	5.0
Revenue received by PC.....	\$163,408
Average revenue per carload.....	\$150

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	160,974
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost) ..	0
Cost incurred beyond the branch line.....	106,455
Total variable (avoidable) cost.....	267,429

Net contribution (loss): total..... (104,021)

USRA Recommendation

Although the preliminary recommendation is that the *Colebrookdale Industrial Track* not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania Office of Planning and Development shows a car count of 1,270 for 1973.

—Rail Service Research Committee submitted a detailed analysis of USRA's branch line profitability calculations. It found that the revenue after track improvement to Class II would be \$570,628.

—Pennsylvania PUC states that Pottstown shippers are apparently not credited to the line.

—Testimony shows a great potential for industrial growth on the line.

—Pennsylvania Office of Planning and Development projects 111 job losses with discontinuance of rail service.

—Retaining this line for 8+ miles to Boyertown would keep 1,058 cars or 97 percent of the traffic. This would produce \$158,700 revenue based on the average per car.

—Testimony indicated that the average 84.7 carloads per mile appears high for this to be considered a light-density line.

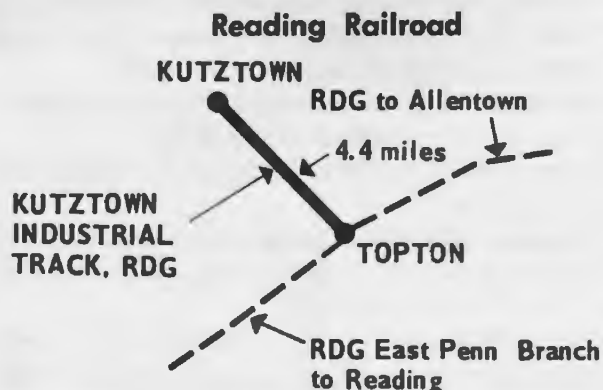
—Consideration must be given to the total revenue that would be lost to ConRail if this line were not included in the Final System Plan. In 1973, 1,093 cars on this line generated a total revenue of \$1,127,349; however, only \$163,408 was attributed to the line.

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PENNSYLVANIA

USRA ANALYSIS KUTZTOWN INDUSTRIAL TRACK

USRA Line No. 910



The Kutztown Industrial Track, extends from *Kutztown* (Milepost 0.0), to *Topton, Pa.* (Milepost 4.4), a distance of *4.4 miles*, in Berks County, Pennsylvania. At Topton this line connects with the Reading's East Pennsylvania Branch to Allentown and Reading.

Summary of USRA Data

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

Kutztown	408
Total carloads generated by the line.....	408
Number of round trips per year.....	156
Estimated time per round trip (hours).....	3.0
Revenue received by RDG.....	\$66,893
Average revenue per carload.....	\$164

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	65,512
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	35,388

Total variable (avoidable) cost..... 100,900

Net contribution (loss): total..... (34,007)

USRA Recommendation

Continuation of freight service on this line cannot be decided at this time.

PUBLIC RESPONSE AND RSPO COMMENT

—Detailed analysis by the Kutztown Rail Service Committee found that the line had net revenue, after improving track to FRA Class II standards, of \$160,922.

—Testimony showed 60 jobs would be lost if service ended.

—The Pennsylvania PUC believes that cars at Topton were not included in USRA's calculations.

—Testimony stated that this is the only rail service available to the Borough of Kutztown. Shippers would be forced to use trucks if service on the line were discontinued.

—Kutztown Foundry and Machine Corp., receives coke, pig iron and molding sands, all commodities best handled by rail.

—Reading says the average annual maintenance cost of this track is \$13,500.

—Berks Products Corp., at Kutztown would be satisfied with service once a week.

—Pennsylvania DOT questions use of a 5-man crew. Other lines in the area use 4.

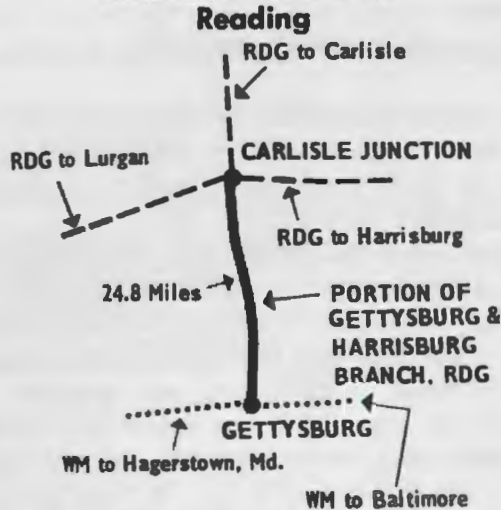
—Pennsylvania Office of Planning and Development says the branch handled 447 cars in 1973.

—Testimony indicated the possibility of reducing the number of annual trips to 52.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 408 cars on this line generated a total revenue of \$296,492; however, only \$66,893 was attributed to the line.

USRA ANALYSIS

PORTION OF THE GETTYSBURG AND HARRISBURG BRANCH USRA Line No. 912



This portion of the Gettysburg & Harrisburg Branch extends from *Gettysburg* (Milepost 6.3) to *Carlisle Junction, Pa* (Milepost 31.1), a distance of *24.8 miles*, in Adams and Cumberland Counties, Pennsylvania. At Gettysburg this line connects with the Western Maryland Ry. to Hagerstown and Baltimore. At Carlisle Junction, this line connects with the Reading's PH&P Branch and it also continues northward to Carlisle. This continuation is also under study in this Report.

Summary of USRA Data

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

Peach Glen	86
Gardners	208
Bendersville	266
Biglerville	959
Gettysburg	71

Total carloads generated by the line	1,590
Number of round trips per year	156
Estimated time per round trip (hours)	6.0

Revenue received by RDG	\$216,415
Average revenue per carload	\$138

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	301,977
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	138,982

Total variable (avoidable) cost 440,959

Net contributions (loss) : Total (219,544)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Gettysburg and Harrisburg Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—This line is used as a clearance route in conjunction with the Western Maryland to Baltimore. It is capable of handling large units on 12, 16, 20 and 24 axle rail cars and provides clearance up to 18 feet above top of rail. The alternate route is not adequate for these large units. Several public utilities in the area receive this type of traffic.

—Testimony shows that the line handled 121 over-size loads in 1973.

—General Electric Company spent \$8,000 in 1974 to upgrade the track in the area east of Biglerville.

—The Shippers Research Committee for the line found an operating deficit in 1973 of \$26,255. They predict car use to be 2,500–3,000 by 1978.

—Bridge traffic on this line averaged 12,000 carloads.

—The line appears to be at FRA Class II level.

—Testimony produced the following table of rail users:

Company	Carloads	
	1973	1974
Coyle Lumber	10	12
Peter J. Schweitzer Div.	78	82
Easton-Dikeman	69	68
Knouse Foods Coop., Inc.	75	146
Musselman Div., Pet. Inc.	105	115
Zelger Bros, Inc.	87	91
Pfaltzgraf Co		67
Duffy-Mott Co., Inc.	243	230
Mt. Orchard Coop, Inc.	9	10
Pa. Mineral & Mining Co. ¹		46
Inland Container Corp.	888	794
Agway, Inc.	24	24
Keystone Lumber & Millwork	40	40
W. D. Wentzel Machine Co	4	
Musselman Div., Pet Inc.	140	182
Mt. Valley Farms & Lumber Prod., Inc.		2
Westinghouse Electric Corp.	2	4
Wagman Iron & Metal	98	115
Total	1,872	2,028

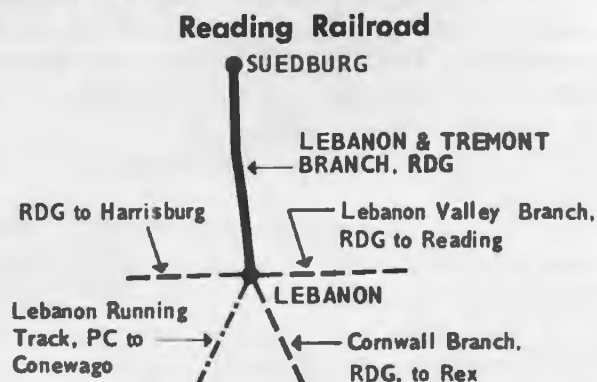
¹ Did not start operations until June and July 1974 because paper pulp was allocated in 1974.

—Testimony showed that USRA's figures did not include prepaid or COD shipments.

—Consideration must be given to a total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 1,590 cars on this line generated a total revenue of \$1,371,739; however, only \$216,415 was attributed to the line.

—The Chessie is interested in acquiring the entire line.

USRA ANALYSIS USRA Line No. 915 LEBANON & TREMONT BRANCH



The Lebanon & Tremont Branch extends from *Suedburg* (Milepost 0.0) to *Lebanon, Pa.* (Milepost 18.5), a distance of 18.5 miles, in Schuylkill and Lebanon counties, Pennsylvania. At Lebanon, this line connects with the Lebanon Valley Branch and the Cornwall Branch, both of the Reading, and the PC Lebanon Running Track. The RDG. Cornwall Branch is also under study in this Report as is the PC Lebanon Running Track. Reading has filed an abandonment application with USRA, Docket No. 75-63, for a portion of this branch (from Engineering Station 565+60 to Engineering Station 965+69, 7.6 miles).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Jonestown	113
Indiantown Gap	27
Suedburg	0
Total carloads generated by the line.....	
140	
Number of round trips per year.....	52
Estimated time per round trip (hours).....	3.0
Revenue received by RDG.....	\$25,373
Average revenue per carload	\$181
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	153,751
Cost of upgrading branch line to FRA class I (1/10 of total upgrading cost).....	00
Cost incurred beyond the branch line.....	12,166
Total variable (avoidable) cost.....	
165,917	
Net contribution (loss): total.....	(140,544)

USRA Recommendation

It is *not* recommended that the Lebanon & Tremont Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The branch line committee reports that the line handled 735 cars in 1973, generating \$85,198 in railroad revenue and a profit of \$35,695.

—The RDG would not supply the committee with cost information making it difficult to check accuracy of data.

—If service is abandoned, 349 jobs and a total payroll of \$3½ million will be jeopardized because branch line firms would be placed at a competitive disadvantage.

—This line serves the Indiantown Gap Military Reservation which is used by the Pennsylvania National Guard and U.S. Army Reserve. The Reservation has priority in the National Mobilization Plan, and uses the line to move its equipment and supplies.

—The U.S. Bureau of Mines shows that 1 million short tons of coal reserves are located near this line.

—Pennsylvania Office of State Planning and Development expects that 4 firms would terminate 349 jobs if service were abandoned.

—Lebanon Packaging Corp. says abandonment would cost \$22,600–\$55,640 annually.

—Swatara Coal Co. favors retention of the line citing the potential development of deep mine reserves at either end of the track.

—A planned industrial park would be hurt if the line between Lickdale and Lebanon were abandoned.

—The Schneck Coal Company at Suedberg buys raw coal from independent coal operators in adjacent parts of the Southern Anthracite Field. They have no direct rail access. Schneck shipped 240 carloads in 1973 and 621 carloads in 1974.

—The Oakwood and Franklin Coal Companies shipped 222 carloads from Suedberg in 1973.

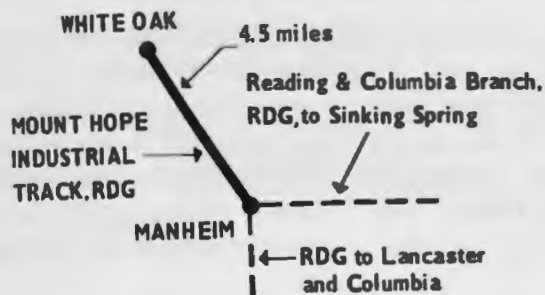
—The Pennsylvania DOT believes that access to the Suedberg coal plant and tipple must be retained to allow producers access to industrial consumers dependent on rail. It believes that if the line from Lickdale to Suedberg is abandoned, the line from Pine Grove to Suedberg should be rebuilt.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 140 cars on this line generated a total revenue of \$144,078; however, only \$25,373 was attributed to the line.

USRA ANALYSIS MOUNT HOPE INDUSTRIAL TRACK

USRA Line No. 916

Reading Railroad



The Mount Hope Industrial Track, extends from *Manheim* (Milepost 0.0) to *White Oak, Pa.* (Milepost 4.5), a distance of *4.5 miles*, in Lancaster County, Pennsylvania. At Manheim, this line connects with the Reading & Columbia Branch of the Reading, which is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
White Oak.....	42
Total carloads generated by the line.....	42
Number of round trips per year.....	52
Estimated time per round trip (hours).....	2.0
Revenue received by Reading.....	\$5,015
Average revenue per carload.....	\$96
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	39,020
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	4,580
Total variable (avoidable) cost.....	43,612
Net contribution (loss): total.....	(88,597)

USRA Recommendation

It is *not* recommended that the Mount Hope Industrial Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

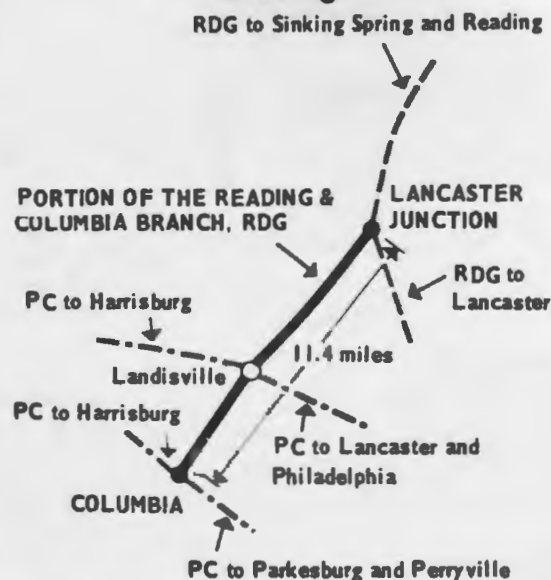
917 PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE READING AND COLUMBIA BRANCH

USRA Line No. 917

Reading



This portion of the Reading & Columbia Branch extends from *Columbia* (Milepost 28.3) to *Lancaster Junction, Pa.* (Milepost 39.7), a distance of 11.4 miles, in Lancaster county, Pennsylvania. At Lancaster Junction, this line continues northeast to Sinking Spring and Reading and southeast to Lancaster. Both of these continuations are also under study in this Report. At Landisville, this line intersects the PC Philadelphia-to-Pittsburgh Line, which also is under study in this Report.

Summary of USRA Data

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

Lancaster Junction	0
Landisville	398
Bruckarts	0
Cordella	0
Columbia	1,309

Total carloads generated by the line	1,707
Number of round trips per year	260
Estimated time per round trip (hours)	8.0
Revenue received by Reading	\$299,445
Average revenue per carload	\$175

Variable (avoidable) cost of continued:
service:

Cost incurred on the branch line	223,809
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost)	0
Cost incurred beyond branch line	179,797
Total variable (avoidable) cost	403,606
Net contribution (loss): total	(104,161)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Reading & Columbia Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Pennsylvania PUC stated that the entire Reading and Columbia Branch from Columbia to Sinking Springs should be analyzed as a single line, rather than in segments which results in exclusion of 4 of the 5 segments, and cuts out a through route. PUC's traffic count for the entire branch in 1974 is 11,113 as opposed to USRA's count of 9,030 cars in 1973.

—Armstrong Cork points out that this 39.6 mile branch has been segmented into 4 parts ranging from 2.3 to 21.3 miles. The shortest segment, line 918, has no shippers or receivers so it could not possibly be found viable.

—A survey of users on the entire branch showed a total of 7,004 carloads in 1973.

—F. W. Woolworth has opened a warehouse at Denver. It estimates 1,000–1,300 cars a year.

—ITT Grinnell opposes abandonment of the 0.97 mile of track between its facilities in Columbia and the Penn Central interchange in Columbia. Grinnell used 1,106 cars in 1973 and believes revenue on this line would increase if car supply improved.

—Reading has an abandonment application pending with the ICC in Docket No. AB-50 (Sub No. 13) and before USRA in Docket No. 75-5.

—Rail service is a must for Amherst Industries at Landisville because it does maintenance, repair, and conversions of rail freight cars. In 1973 it serviced 438 cars, constructed 60 new cars and received 32 loaded cars of sand and steel. It would be satisfied with service two or three days a week.

—Amherst Industries purchased 22 acres for expansion in 1973. If it is not serviced by ConRail, it will consider purchasing the line that ties into the proposed ConRail siding in Landisville.

—It is not feasible for J. JC. Snively & Sons, Inc., at Landisville to receive lumber by truck.

—Frank Sahd Salvage Center at Columbia, a processor of ferrous and non-ferrous metals, cannot switch to truck because most steel mills will not accept truck shipments. In 1974, it shipped 121 gondolas.

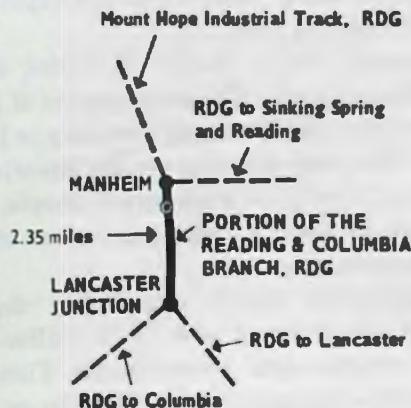
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USRA ANALYSIS

PORTION OF READING & COLUMBIA BRANCH

USRA Line No. 918

Reading



This portion of the Reading & Columbia Branch extends from *Manheim* (Milepost 25.9) to *Lancaster Junction, Pa.* (Milepost 28.25), a distance of *2.35 miles*, in Lancaster County, Pa. At Manheim this line continues northeastward to Sinking Spring and Reading, and at Lancaster Junction the line splits with one segment going to Lancaster and the other to Columbia. All of these continuations are under study in this Report. At Manheim the line also connects with the RDG Mount Hope Industrial Track, which is also under study in this Report.

Information for Line Retention Decision

This line does not directly serve any shippers.

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—This is a 2.3 mile piece of a 39.6 mile line. It has no shippers or receivers located on it.

—See discussion in Lines 917, 920, and 920a since testimony treated the line from Columbia to Sinking Springs as one unit.

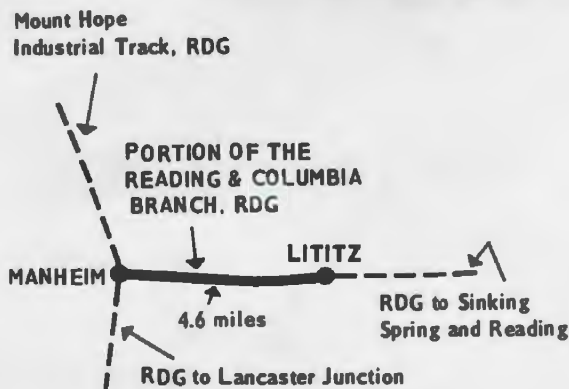
920

PENNSYLVANIA

USRA ANALYSIS PORTION OF READING & COLUMBIA BRANCH

USRA Line No. 920

Reading



This portion of the Reading & Columbia Branch extends from *Manheim* (Milepost 0.0) to *Lititz, Pa.* (Milepost 4.6), a distance of *4.6 miles*, in Lancaster County, Pennsylvania. Continuations of this line extend southward from Manheim and eastward from Lititz. At Manheim this line also connects with the Mount Hope Industrial Track of the Reading. All of these lines are also under study in the Report.

Summary of USRA Data

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

Lime Rock	25
Manheim	1,329
Total carloads generated by the line	1,354
Number of round trips per year	312
Estimated time per round trip (hours)	8.0
Revenue received by RDG	\$231,808
Average revenue per carload	\$171

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	199,276
Cost of upgrading branch line to FRA Class I. (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	146,359

Total variable (avoidable) cost 345,635

Net contribution (loss): total (118,832)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony treated the line between Columbia and Sinking Springs as a unit.

—Warner Lambert's plant at Lititz has not been a heavy rail user; however, it will embark on a new production schedule in July, 1975. It expects to be generating 495 cars a year.

—One of Agway, Inc.'s, major facilities, at Manheim, produces annually 2¼ million tons of feed for the dairy, poultry and livestock industry in 11 north-east States. The mill represents an investment of approximately \$1 million, employs 40 people, with an annual payroll of \$350,000, and pays taxes of \$10,000 to the local community.

—Wilbur Chocolate Co. is completely dependent upon this rail for delivery of over 30 million pounds each of bulk sugar and cocoa beans. These items cannot be handled adequately by over-the-road haulers. These commodities cannot be purchased as reasonably in less than rail car quantities. The company employs 250 people and loss of incoming service would cause it to relocate.

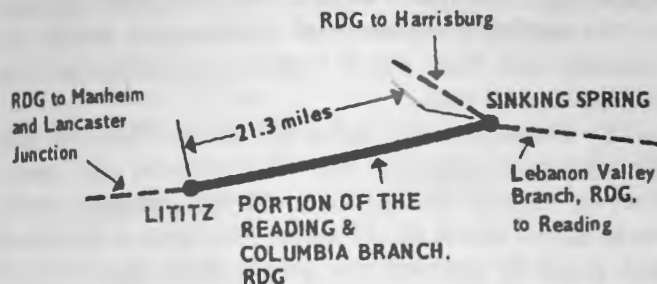
—Nelson Weaver and Son is located 3 miles west of Lititz. It averages 200 cars a year and has just completed a \$100,000 distribution center for receiving product in bulk hopper cars. Elimination of service would curtail its operation. Truck service is impossible because much of the material is from the far west.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 1,354 cars on this line generated a total revenue of \$922,109; however, only \$231,803 was attributed to the line.

—(See Lines 917, 918 and 920a)

USRA ANALYSIS

PORTION OF READING & COLUMBIA BRANCH USRA Line No. 920a Reading



This portion of the Reading & Columbia Branch extends from Lititz (Milepost 4.6) to Sinking Spring, Pa. (Milepost 25.9) a distance of 21.3 miles, in Lancaster and Berks Counties, Pa. At Lititz this line continues westward and southward through Manheim to Lancaster Junction where it forks into two segments. This continuation is also under study in this Report. At Sinking Spring this line connects with the Reading's Lebanon Valley Branch.

Summary of USRA Data

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

Montello	0
Reinholds	71
Denver	379
Stevens	79
Ephrata	866
Akron	2
Millway	0
Lititz	1,335

Total carloads generated by the line	2,732
Number round trips per year	312
Estimated time per round trip (hours)	8.0
Revenue received by RDG	\$461,908
Average revenue per carload	\$169

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	370,663
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line	245,271

Total variable (avoidable) cost

Net contribution (loss): total

USRA Recommendation

Although the preliminary recommendation is that this portion of the Reading & Columbia Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony treated the line between Columbia and Sinking Springs as a unit.

—F. W. Woolworth's Mid-Atlantic Distribution Center will become fully operational in June. It expects to generate 1,000–1,300 cars annually. If it does not continue to have rail service, it will be forced to review its distribution patterns.

—Wilbur Chocolate says its traffic moves north and south and therefore it requires service on the line.

—Wickes Corporation at Ephrata needs rail service or it will not be able to compete with other lumber dealers.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 2,732 cars on this line generated a total revenue of \$2,013,576; however, only \$461,908 was attributed to the line.

—(See Lines 917, 918 and 920).

921 PENNSYLVANIA

USRA ANALYSIS

PORTION OF FRACKVILLE BRANCH

USRA Line No. 921

Reading



This portion of the Frackville Branch, part of the Reading Co., extends from *St. Clair* to *Bear Run Jct.* between Milepost 4.0 and 9.6 and Milepost 2.9 and 0.0, a distance of 8.5 miles, in Schuylkill County, Pa. At *St. Clair* it connects with the remainder of the Frackville Branch of the Reading extending southward toward Pottsville. At *Bear Run Junction* it connects with the Mahanoy and Shamokin Branch of the Reading extending westward to Shamokin and eastward to East Mahanoy Junction.

Summary of USRA Data

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

St. Clair.....	43
Frackville.....	346
Gilberton.....	2
Total carloads generated by the line.....	391
Number of round trips per year.....	104
Estimated time per round trip (hours).....	4
Revenue received by RDG.....	\$74,305
Average revenue per carload.....	\$190

-Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	96,991
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	40,299

Total variable (avoidable) cost..... 137,290

Net contribution (loss): total..... (62,985)

USRA Recommendation

No decision can be made on this line until further information on coal traffic and potential is developed.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

—The Pennsylvania Public Utility Commission stated that this line is situated immediately adjacent to the southern segment of the western middle anthracite coal field which contains an estimated 1.96 billion tons of coal.

—The Pennsylvania Office of State Planning and Development reported that there are no coal operators or tipples on this branch but several nearby strip mines could in the future support a pre-cleaning plant or preparation plant. This branch could also be used as a through route between coal fields, allowing the Western Middle field to ship more directly to southern destinations and the Southern Field to northern destinations.

—Witnesses reported that 538 carloads were generated along this branch in 1973.

—The Rail Research Committee for this line maintains that the revenue figures are understated and the maintenance costs are overstated. The Committee found that this line generated a profit of \$403,626 minus the cost of repairing the portion of track washed out in 1972.

—Loss of service could result in the loss of 797 jobs and \$6 million in income. The *St. Clair Industrial Park* and the *Frackville Industrial Park* would be hindered in attracting new industries.

—Zapata Industries Inc. reported that its transportation costs would rise to \$400,000 if rail service is eliminated.

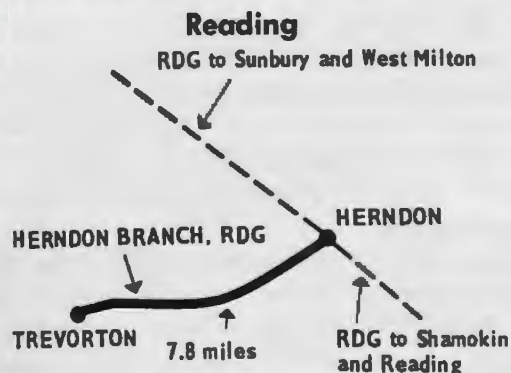
—The *Penna Bedding Manufacturing Co.* reported that its transportation costs would increase by \$1,500 if rail service is eliminated. Similarly, the *Met-tam Bros. Lumber Co.* reported that costs would increase by \$30,000 and *Robbins Door & Sash Co. Inc.* said its costs would increase by \$100,000.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 391 cars on this line generated a total revenue of \$380,645; however, only \$74,305 was attributed to the line.

USRA ANALYSIS

HERNDON BRANCH

USRA Line No. 922



This portion of the Herndon Branch extends from Trevorton (Milepost 0.0) to Herndon, Pa. (Milepost 7.8) a distance of 7.8 miles, in Northumberland County, Pennsylvania. At Herndon, this line connects with the RDG line between Reading, Shamokin and West Milton. This line was described as potentially excess in the U.S. DOT Report (see Zone 82).

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Kulps	1
Trevorton	2
Total carloads generated by the line.....	3
Number of round trips per year.....	6
Estimated time per round trip (hours).....	6.0
Revenue received by RDG.....	\$483
Average revenue per carload.....	\$161
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	65,066
Cost of upgrading branch line to FRA Class I: (1/10 of the total upgrading cost)	0
Cost incurred beyond branch line.....	392
Total variable (avoidable) cost.....	65,458
Net contribution (loss): total.....	(64,975)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Herndon Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—While describing this line as between Herndon and Trevorton, the USRA analyzed it as if it were between Trevorton and Shamokin which appears to be where it actually is. The track between Herndon and Dunkelsbergers, a town 1.5 miles west of Trevorton, has been removed and the track between Dunkelsbergers and Trevorton has been approved for abandonment. Herndon is located on the PC main-line between Harrisburg and Sunbury.

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 1.9 million tons of coal.

—The Reading Anthracite Co. has an active coal breaker at Trevorton which shipped 1,100 carloads in 1973 and has plans to increase this amount by another 100–200 cars a year. It estimates at least 180 million ton: of recoverable coal tributary to the Trevorton breaker on lands stretching from Trevorton to Locust Summit.

—The Regional Railroad Task Force and the Pennsylvania Office of State Planning and Development agree that the branch generated around 1,100 carloads in 1973.

—Both the Reading Anthracite Company and the L-Co. Cabinet Co. would be forced to close without rail service; this would result in the loss of 200 jobs and \$1,800,000 in personal income.

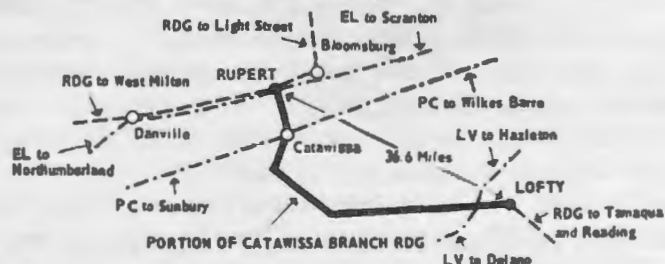
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. Based on USRA data in the plan 3 cars on this line in 1973 would have generated total revenue of \$5,486; however, only \$483 was attributed to the line.

USRA ANALYSIS

PORTION OF THE CATAWISSA BRANCH

USRA Line No. 923

Reading



This portion of the Catawissa Branch extends from *Lofty* (Milepost 110.5) to *Rupert, Pa.* (Milepost 147.1), a distance of 36.6 miles, in Columbia and Schuylkill Counties, Pa. This line connects with the Erie-Lackawanna Scranton-Northumberland line at Rupert and the Reading Bloomsburg Branch. It is also crossed by the PC's Dan Secondary Track at Norca (Catawissa). The PC line and the continuation of the Reading line to West Milton are also under consideration in this Report.

Summary of USRA Data

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

Brandonville	1
Ringtown	109
Catawissa	85
Total carloads generated by the line.....	195
Number round trips per year.....	52
Estimated time per round trip (hours).....	4.0
Revenue received by RDG.....	\$35,144
Average revenue per carload.....	\$180

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	268,404
Cost of upgrading branch line to FRA	
Class I. (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	21,561
Total variable (avoidable) cost.....	289,965
Net contribution (loss): total.....	(254,821)

USRA Recommendation

Although the preliminary recommendation is that the Catawissa Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

—Swatara Coal Co. said the Catawissa Branch is an active and strategic through-route between Harrisburg and Philadelphia, and points in New York, Canada and New England via the EL and the D&H. The segment from Lofty to Rupert has potential to service the Southern and Middle Anthracite Fields during the next 10 years of expected expansion in coal production.

—The Rail Service Research Committee for this line found that average freight revenue is \$1,440 per car. Based upon 195 carloads, revenue generated would be \$280,800. Using USRA's data and the branch line profitability formula, the committee calculates a \$74,853 profit for this line during 1973.

—Without rail service an estimated 2,665 jobs and \$3,728,718 in personal income would be lost.

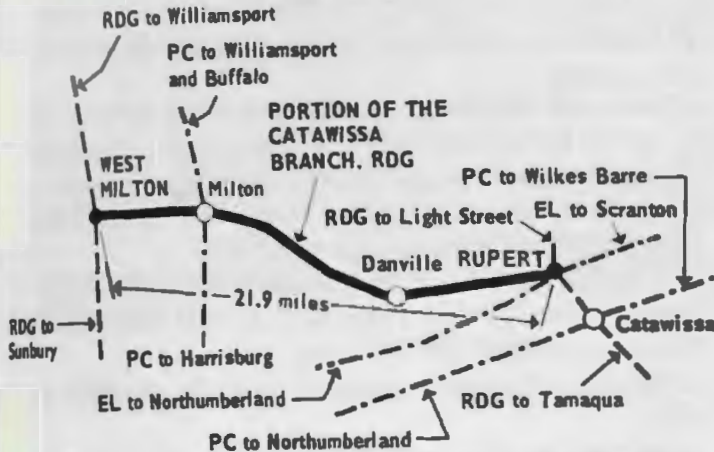
—The Pennsylvania Office of State Planning and Development reported 364 carloads originating or terminating along this branch in 1973.

—The Pennsylvania Public Utility Commission reported that this line was rebuilt at the cost of \$419,279 following Hurricane Agnes.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 195 cars generated a total revenue of \$214,686; however only \$35,144 was attributed to the line.

USRA ANALYSIS CATAWISSA BRANCH USRA Line No. 924

Reading



This portion of the Catawissa Branch, Reading RR, extends from *Rupert* (Milepost 147.1) to *West Milton, Pa.* (Milepost 169.0), a distance of *21.9 miles*, in Union, Northumberland, Montour, and Columbia Counties, Pennsylvania. Continuations of this line extend northward from West Milton and southeastward from Rupert. At West Milton, this line connects with the Reading Shamokin, Sunbury & Lewisburg Branch. Other connections are the PC Harrisburg-to-Buffalo Line at Milton and the Erie Lackawanna Scranton-Northumberland line at Rupert.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Danville	107
Mausdale	3
Pottsgrove	14
Total carloads generated by the line.....	124
Number of round trips per year.....	52
Estimated time per round trip (hours).....	5.0
Revenue received by RDG.....	\$16,979
Average revenue per carload.....	\$137
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	172,754
Cost of upgrading branch line to FRA	
Class I (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	12,825
Total variable (avoidable) cost.....	185,579
Net contribution (loss): total.....	(168,600)

USRA Recommendation

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

PUBLIC RESPONSE AND RSPO COMMENT

—Testimony indicates that traffic generated by businesses located in Milton was left out of USRA's analysis. A spokesman for 7 shippers reported that Milton generated 3,775 cars on this branch in 1973 and 3,510 cars in 1974. Considering these additional carloads the line should have generated a profit of \$602,019.

—Danville shippers could operate without this branch providing the Erie Lackawanna continues to serve Danville. Assuming that service to Danville is continued by the EL, Milton shippers request that 1.53 miles of the extreme western end of Line No. 924 together with connecting sidetracks be recommended for inclusion in ConRail.

—A connection of the RDG track with the north-south PC line through Milton is not feasible due to the physical layout of Milton and its industries.

—The Pennsylvania Office of State Planning and Development reported that 4,902 carloads were generated along this branch in 1973. The Office also reported that without rail service 3 companies would either reduce production or close down completely, leaving approximately 527 workers unemployed.

—In defining the end points of this line, USRA designates West Milton as milepost 169.0 however, the RDG track chart shows milepost 169.0 on the east side of Milton.

—The Pennsylvania Public Utility Commission stated that the on-branch cost per car figure of \$1,394 and the off branch cost figure of \$103 are unreasonable. Revenue per car appears understated and revenue generated by the interline carrier should be credited to the line, thereby increasing average revenue.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973 124 cars on this line generated a total revenue of \$69,690; however, only \$16,979 was attributed to the line.

USRA ANALYSIS

PORTION OF THE WEST END BRANCH

USRA Line No. 925



This portion of the West End Branch extends from Tremont (Milepost 22.9) to Pine Grove, Pa. (Milepost 29.9) a distance of 7.0 miles, in Schuylkill County, Pa. At Tremont this line splits with one segment continuing westward to Good Spring and the other continuing eastward to Westwood. Both of these continuations are also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Pine Grove.....	253
Tremont	0
Total carloads generated by the line.....	253
Number of round trips per year.....	104
Estimated time per round trip (hours).....	3.0
Revenue received by RDG.....	\$35,477
Average revenue per carload.....	\$140
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	75,716
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	0
Cost incurred beyond the branch line.....	24,956
Total variable (avoidable) cost.....	100,672
Net contribution (loss): total.....	(65,195)

USRA Recommendation

No decision can be made on this line until further information on coal traffic and potential is developed.

PUBLIC RESPONSE AND RSPO COMMENT

—Newport Homes reported that this line was rebuilt after Hurricane Agnes; therefore maintenance costs should be low.

—Testimony stated that abandoning this branch could result in the loss of 537 jobs, approximately \$4 million in personal income, and \$36,500 in property taxes.

—The coal tributary to this branch includes $\frac{1}{3}$ to $\frac{1}{2}$ of all the reserves in the 12th district. The local Pennsylvania Department of Environmental Resources mine inspector estimates it contains 3 billion tons of recoverable reserves.

—A large number of independent strip coal operators are located along this line. In 1973 these operations generated 362 carloads.

—Newport Homes generated over 260 carloads in 1973.

—The Pennsylvania Office of State Planning and Development reported that 1,480 carloads were generated along this branch in 1973.

—The Schneck Coal Co. will probably utilize this branch if the line from Lickdale to Suedberg is abandoned. Schneck and Oakwood Coal together could generate as much as 6,300 carloads annually.

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 407,000 tons of coal.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 253 cars on this line generated a total revenue of \$278,530; however, only \$35,477 was attributable to the line.

—The number of locomotives assigned and the number of round trips per year appear to be inconsistent with the traffic attributed to the line by USRA.

USRA ANALYSIS PORTION OF WEST END BRANCH

USRA Line No. 926

Reading



This portion of the West End Branch extends from Tremont (Milepost 29.9) to Good Spring, Pa. (Milepost 35.3), a distance of 5.4 miles, in Schuylkill County, Pennsylvania. At Tremont, this line continues eastward through Tremont Junction to Westwood. At Tremont Junction, the line splits with one segment continuing southward to Pine Grove. All of these continuations are also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Good Spring.....	16
Total carloads generated by the line.....	16
Number of round trips per year.....	32
Estimated time per round trip (hours).....	6.0
Revenue received by RDG.....	\$2,180
Average revenue per carload.....	\$136
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	53,717
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	1,600
Total variable (avoidable) cost.....	55,317
Net contribution (loss): total.....	(53,137)

USRA Recommendation

No decision can be made on this line until further information on the potential for coal traffic is developed.

PUBLIC RESPONSE AND RSPO COMMENT

—This line is essential to carry traffic from line 927 to 947.

—Kocher Coal Co. shipped 2,409 carloads at Good Spring in 1973. Kocher has an annual carload potential of more than 3,300 carloads.

—Manbeck Dredging Co. shipped 1,025 carloads of coal in 1973 and will soon reach 2,160 carloads per year.

—The Superior Coal Co. and the Pine Creek Coal Co. shipped a total of 187 carloads in 1973. These companies have a maximum capacity of 1,188 carloads annually.

—Testimony indicated that 2,289 carloads were generated at Good Spring in 1973.

—The Pennsylvania Office of State Planning and Development reported that 3,391 carloads of originating/terminating and overhead traffic were transported on this line.

—The Pennsylvania Office of State Planning and Development reported that this branch serves the western end of the southern anthracite field, coinciding with the 11th Pa. State DER Deep Mining District. The local mine inspector has estimated the recoverable reserves to be 2.5 billion tons. There are over 25 independent coal operators supplying raw coal to 6 active preparation plants located along the line.

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

—Within 10 years the New York Gas and Electric Co. expects to demand 2 million tons of semi-anthracite coal annually.

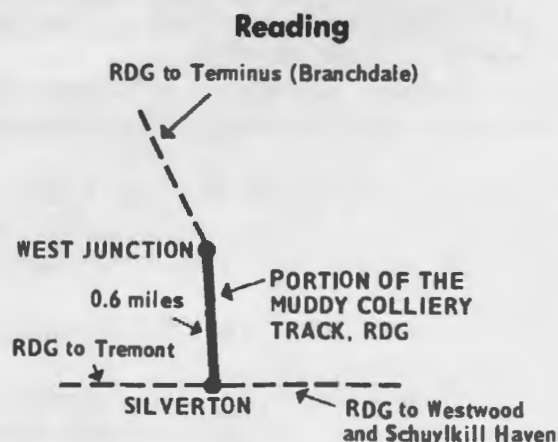
—The F. A. Potts Coal Co. is planning to revive large scale deep mining in the area and expects to produce 1 million tons a year.

—The costs for this line reflect the use of 2 locomotives per trip which does not appear to be consistent with the traffic involved. The estimated time per round trip appears to be high considering the length of this line and the traffic.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 16 cars on this line generated a total revenue of \$23,263; however, only \$2,180 was attributed to the line.

USRA ANALYSIS PORTION OF MUDDY COLLIERY TRACK

USRA Line No. 931



This portion of the Muddy Colliery Track extends from *Silvertown* (Milepost 2.0) to *West Junction, Pa.* (Milepost 2.6), a distance of *0.6 miles*, in Schuylkill County, Pa.

At *West Junction*, this line continues to *Terminus*. At *Silvertown*, this line connects with the Reading West End Branch, segments of which are also under study in this Report.

Information for Line Retention Decision

An evaluation of coal reserves by USRA staff confirms no coal activity here. Available data indicates that there is no traffic generated by this line.

USRA Recommendation

It is *not* recommended that this portion of the Muddy Colliery Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—CLC Coal Co. buys spot coal from at least 8 independent strippers for preparation in its plant. It controls 8.5 million tons of reserves and plans to expand rail shipments to 175 carloads in 1974, and 350 in 1975. Demand for anthracite is increasing rapidly and CLC is one of the few remaining coal breakers in this area that still have rail service.

—CLC Coal is committed to spend \$1 million within the next 2 years on equipment for further expansion.

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

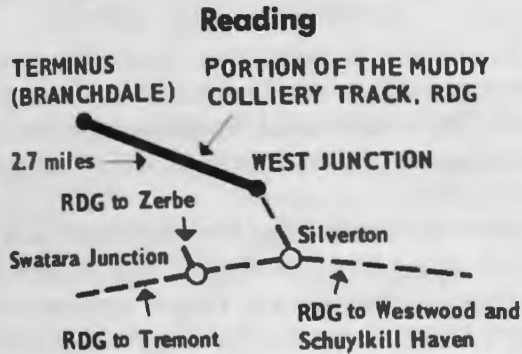
—Racho Company and the Pennsylvania Public Utility Commission recommended that lines 931 and 932 be analyzed as one line.

—The Committee in Defense of Branch Line 931 reported that this line is the sole link from CLC Coal Co. to the West End Branch, line no. 929.

USRA ANALYSIS

PORTION OF THE MUDDY COLLIERY TRACK

USRA Line No. 932



This portion of the Muddy Colliery Track extends from *West Junction, Pa.* (Milepost 0.0) to *Terminus (Milepost 2.7)*, a distance of *2.7 miles*, in Schuylkill County, Pa.

At West Junction, this line continues to the Reading West End Branch at Silverton. This continuation is also under study in this Report.

Information for Line Retention Decision

An evaluation of coal reserves by USRA staff confirms no coal activity here. Available information indicates that no traffic is generated by this line.

USRA Recommendation

It is *not* recommended that this portion of the Muddy Colliery Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

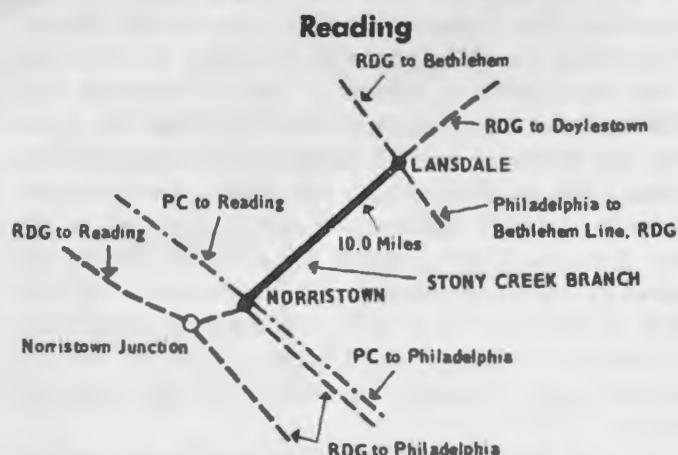
—The Pennsylvania Public Utility Commission reported that this line and line No. 931 operate as one line and are located in a fossil fuel reserve area. Therefore, the Commission recommends this line as well as line No. 931 should be included in ConRail.

—The Pennsylvania Office of State Planning and Development reported that the CLS Coal Co. buys spot coal from at least 8 independent strippers for preparation in their plant, for which the company plans to spend \$1 million for new equipment in the next 2 years. They control 8.5 million tons of reserves and plan to expand rail shipments to 175 carloads in 1974 and 350 in 1975. Demand for anthracite is increasing rapidly and CLS is one of the few remaining coal breakers in this area that has rail service.

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

USRA ANALYSIS STONY CREEK BRANCH

USRA Line No. 935



The Stony Creek Branch extends from *Norristown* (Milepost 0.0) to *Lansdale, Pa.* (Milepost 10.0), a distance of 10.0 miles, in Montgomery County, Pa. At Norristown this line connects with the Reading Norristown Branch, and the Reading Philadelphia to Pottsville Line. At Lansdale it connects with the Reading Philadelphia to Bethlehem Line, and the Reading Doylestown Branch. The Reading Doylestown Branch is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Belfry	3
Hartranft	18
Total carloads generated by the line.....	
Number of round trips per year.....	42
Estimated time per round trip (hours).....	2.0
Revenue received by Reading.....	\$2,868
Average revenue per carload.....	\$136
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	77,208
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	0
Cost incurred beyond the branch line.....	2,032
Total variable (avoidable) cost.....	79,240
Net contribution (loss): total.....	(76,372)

USRA Recommendation

It is *not* recommended that the Stony Creek Branch be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—Abandonment of the Stony Creek Branch would force considerable traffic through the complex and congested Philadelphia terminal and eliminate a service route and a detour bypass for the RDG East Penn Line.

—The Container Corporation of America testified that without rail service its transportation costs for 1973 would have increased by about \$210,000, and its 1974 transportation costs would have increased by almost \$330,000.

—Witnesses reported that over 1,800 carloads were generated along this line in 1973, not 21 as reported in the Plan. Consequently traffic revenues should have read \$288,864 not \$2,868. The Pennsylvania Office of State Planning and Development stated that 1,056 carloads were generated along this line in 1974.

—The RDG uses this branch for a nightly train of approximately 87 cars making a minimum of 325 trips per year. To divert this train through Philadelphia would cost the RDG an additional \$100,000.

—Pakwell Paper Products stated that its transportation costs would increase 50 to 60 cents per hundred weight if it is forced to truck from a team track to its plant. Furthermore, Pakwell would lose a \$200,000 investment in its rail siding and would be forced to spend \$200,000 more to modify its facilities. —Pennsylvania Public Utility Commission reported that this branch carries 225,621 carloads of overhead traffic to and from the Bethlehem Branch. Additionally, the Commission questioned USRA's figure of 42 round trips and USRA's on branch cost figure of \$3,677 per car.

—J.O.N. Millwork Co. reported that, due to weight, length, and long haul involved, lumber must be brought into its plant by rail transportation. The company also said that a recalculation of this line's net contribution using correct revenue figures would reveal a profit of \$237,899.

—Zenith Electronics Corp. reported that its plant shut down in the beginning of 1975 due to the economic recession. Zenith anticipates using 1,100 trailers (TOFC) in 1976.

—SEPTA reported that it is interested in using this line for commuter service.

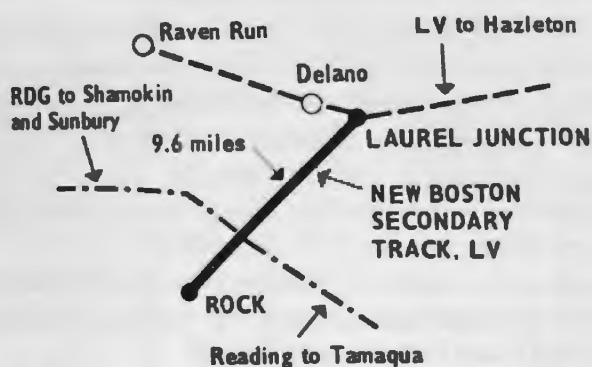
—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 21 cars on this line generated a total revenue of \$29,089; however, only \$2,868 was attributed to the line.

USRA ANALYSIS

NEW BOSTON SECONDARY TRACK

USRA Line No. 1007

Lehigh Valley Railroad



The New Boston Secondary Track extends from Laurel Junction (Milepost 157.5) to Rock, Pa. (Milepost 167.1), a distance of 9.6 miles, in Schuylkill County, Pa. At Laurel Junction, this line connects with the Lehigh Valley line to Hazleton and the Lehigh Valley Delano Secondary Track to Kohinoor Junction. A portion of the latter line is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Buck Mountain College.....	8
Total carloads generated by the line.....	8
Number of round trips per year.....	16
Estimated time per round trip (hours).....	2
Revenue received by LV.....	\$1,900
Average revenue per carload.....	\$238
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	68,206
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost).....	7,321
Cost incurred beyond the branch line.....	545
Total variable (avoidable) cost.....	76,072
Net contribution (loss) : total.....	(74,172)

USRA Recommendation

It is *not* recommended that the New Boston Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Morea Colliery of the Lehigh Valley Anthracite Co., closed temporarily, is located at the end of this line. It has an annual capacity of 300,000 tons of prepared coal, all to be shipped by rail. Lehigh Valley Anthracite controls over 10 million tons of coal around New Boston and is studying the possibility of reopening Morea.

—Skytop Coal Company ships 16,200 tons of coal annually. It expects to increase production to 30,375 tons next year. The plant has a maximum capacity of 40,500 tons annually. It controls 4 million tons of reserve and leases 2 million tons.

—In 1973 Skytop shipped 121 carloads, in 1974 it shipped 61.

—Locust Valley Coal Co. controls 5 million tons of raw anthracite bank materials. The plant has been out of operation since 1965. It plans to begin production soon, producing 1,500–2,000 tons daily. One-half of their production is expected to be shipped by rail.

—Rail access is vital because of the terrain.

—An industrial site of 100 acres is being considered as the location of a rail using warehouse.

—Skytop Coal, Inc. testified that it is unaware of the existence of Buck Mountain College allegedly served by the line. Skytop estimates that abandonment would result in the loss of 135 jobs and \$432,894.83 in personal income.

—The branch-line defense committee calculated that this line produced a profit of \$63,591 for 1973.

—Nitka Manufacturing Co. reported that it has a present rail potential of 70 to 95 cars per year. Assuming success in its two to four year expansion program, its carload use could increase to 300 cars per year. Before rail service can be used, Nitka requires installation of a switch connecting its siding with the main line

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 9.9 million tons of coal.

—The Pa. Office of State Planning and Development reported that the actual number of carloads generated by this line is 207.

1008

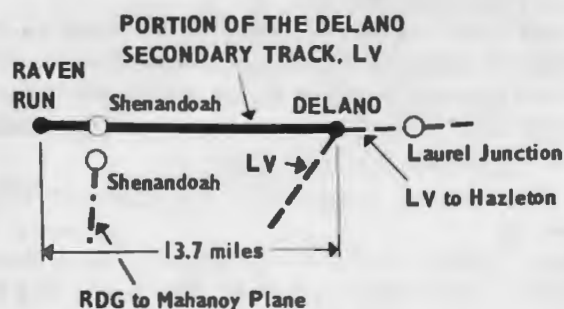
PENNSYLVANIA

USRA ANALYSIS

PORTION OF THE DELANO SECONDARY TRACK

USRA Line No. 1008

Lehigh Valley



This portion of the Delano Secondary Track, extends from *Delano* (Milepost 158.4) to *Raven Run, Pa.* (Milepost 172.1), a distance of 13.7 miles, in Schuylkill County, Pa. Continuations of this line extend eastward from Delano and westward from Raven Run. The section of this line from Raven Run to Shenandoah has been abandoned for several years.

Summary of USRA Data

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

Delano	174
Park Place	2
Raven Run	1

Total carloads generated by the line.....	177
Number of round trips per year.....	55
Estimated time per round trip (hours).....	1.0
Revenue received by LV.....	\$21,791
Average revenue per carload.....	\$123

Variable (avoidable) cost of continued service:

Cost incurred on the branch line.....	78,989
Cost of upgrading branch line to FRA	
Class I: (1/10 of total upgrading cost).....	16,441
Cost incurred beyond the branch line.....	15,382

Total variable (avoidable) cost..... 110,812

Net contribution (loss): Total..... (89,021)

USRA Recommendation

Although the preliminary recommendation is that this portion of the Delano Secondary Track not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The Pennsylvania Office of State Planning and Development reported that this line is an essential northern access route for coal from the Girardville area reserves of the Western Middle Anthracite Field. The only outlet for this branch is through Hazelton and Weatherly to the Lehigh Valley Mainline between New York and Buffalo.

—The Girard Mammoth Colliery at Raven Run serviced this coal field until recently, generating approximately 1,750 carloads annually. The L. V. Anthracite Co. is studying the possibility of reactivating the Girard Mammoth Colliery in the near future. It could served either by this line or by the RDG's Preston and Girard Mammoth Branches.

—There are at least 33 million tons of strip and coal reserves in this area owned by Lehigh Valley Anthracite Co. and the Girard Estate.

—An experimental coal gasification plant in Hazelton may depend on coal from this field. This branch would be the only route in that direction.

—Not all the coal operators in the area agree retention of this branch is essential.

—The U.S. Bureau of Mines has listed that this line serves an area capable of producing 9.9 million tons of coal.

—United Wiping Cloth, located at Shenandoah, objected that its 30–35 carloads were not included in the USRA analysis. The company reported that the length of this line, based upon the Lehigh Valley Railroad timetable #9, published Oct. 27, 1968, is 10.8 miles. United Wiping said there were 430 carloads generated at Delano in 1974, a 150 percent increase over 1973, and that abandonment would result in the loss of 88 jobs, and a \$616,000 payroll. The company is negotiating for an extension of their services which could add 100 jobs.

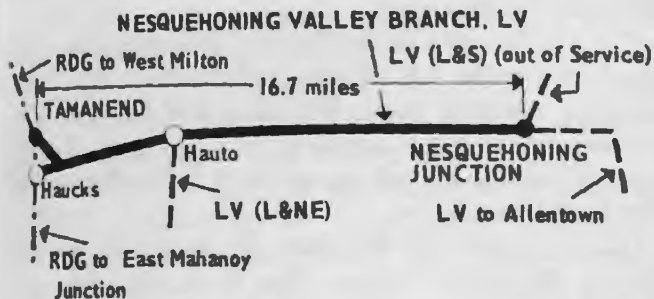
—The Pennsylvania Office of State Planning and Development said its figures reveal that 438 carloads were generated along this line.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, 171 cars on this line generated a total revenue of \$86,922; however, only \$21,791 was attributed to the line.

USRA ANALYSIS NESQUEHONING VALLEY BRANCH

USRA Line No. 1009

Lehigh Valley



The Nesquehoning Valley Branch of the Lehigh Valley, extends from *Nesquehoning Junction* (Milepost 0.0) to *Tamanend, Pa.* (Milepost 16.7), a distance of 16.7 miles, in Carbon and Schuylkill Counties, Pa. This line connects with the Lehigh & New England Ry. at Hauto. At Nesquehoning Junction this line connects with the LV line south to Packerton and north to Hetchell. The former line is also under study in this Report. The latter is out of service with the track partially removed.

Summary of USRA Data

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

Nesquehoning	25
Hauto	34
Hometown	428
Haucks	4

Total carloads generated by the line	489
Number of round trips per year	95
Estimated time per round trip (hours)	6.0
Revenue received by LV	\$126,567
Average revenue per carload	\$259

Variable (avoidable) cost of continued service:

Cost incurred on the branch line	156,665
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost)	14,640
Cost incurred beyond the branch line	51,311
Total variable (avoidable) cost	222,616

Net contribution (loss): total (96,249)

USRA Recommendation

Although the preliminary recommendation is that the Nesquehoning Valley Branch not be included in the ConRail System, the possibility of immediately increasing revenue must be explored before a final recommendation can be made.

PUBLIC RESPONSE AND RSPO COMMENT

—The U.S. Bureau of Mines lists this line as serving an area capable of producing 11.6 million tons of coal.

—Coal mined in the Panther Valley has traditionally been shipped on this branch.

—Northeast Land Company, Kovatch Brothers, Seaboard Industries and the Marsden Coal Company have fly ash refuse banks with large recoverable tonnages, which would move on this line.

—Bethlehem Steel recently purchased the Greenwood Company in Panther Valley and plans to produce about 800,000 tons of coal per year, of which 50 percent would have to move on this line owing to lack of capacity on the L&NE and because it provides direct access to Bethlehem's steel plants served by the LV.

—Manbeck Dredging Company expects to ship 100,000 tons of coal per year.

—Testimony indicated that this line serves 5 plants and 3 industrial parks.

—Reported traffic:

Company	Carloads		
	1973	1974	Projected
Air Products & Chemicals Inc	24	35	75
Diversified Industries	426	420	600
Ametek, Inc. ¹			432
Tonelli Corp. Ltd. ²			40,000
Kovatch Truck Center	228	12	110

¹ Ametek is in the process of building a \$4 million plant in the Green Acres Industrial Park in Nesquehoning.

² Tonelli is scheduled to commence operations in June 1975.

³ Tons.

—The Pennsylvania Public Utility Commission reported that the line handled 532 carloads in 1973. The PUC suggested excluding milepost 0.0 to milepost 12.6 and serving shippers at Hometown and Haucks from the RDG by renewing the Haucks interchange.

—The Nesquehoning Branch Shipper's Committee forecasts 1,073 carloads for 1976. Using 1973 carloads, revenues, off-branch and on-branch costs, and the same formulas applied to the revised 1973 calculations, the committee estimates a \$230,195 "net return" in 1976.

—The Rail Service Research Committee reported abandonment would eliminate 256 jobs which produce approximately \$2,204,800 in personal income per year. \$53,500 in annual property taxes would also be lost as would \$12,233,513 in capital investments.

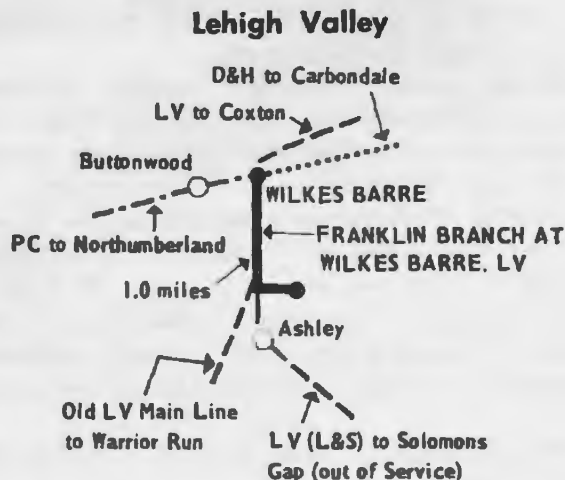
—Air Products & Chemicals receives ethylene oxide and anhydrous hydrogen chloride, substances which

Continued on page 520

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PENNSYLVANIA

USRA ANALYSIS FRANKLIN BRANCH USRA Line No. 1012



The Franklin Branch, extends from Milepost 0.0 to Milepost 1.0, a distance of *1.0 mile*, at *Wilkes-Barre*, in Luzerne County, Pa. At Wilkes-Barre this line connects with the LV line to Pittston and with the PC Button Secondary Track, which is also under study in this Report.

Information for Line Retention Decision

At this time, the traffic generated on this line cannot be identified, therefore no analysis was conducted.

PUBLIC RESPONSE AND RSPO COMMENT

—This branch serves the closed Franklin Colliery of Lehigh Valley Anthracite which has 4–5 million tons of deep coal reserves. If operations are resumed, about 3,000 carloads of coal could be generated on this branch each year. The coal will not be mined without this rail spur.

—The USRA gave to the State of Pennsylvania a list provided by the LV of users of the line. The Pennsylvania Office of State Planning and Development believes that USRA's difficulty in analyzing the line stems from the LV billing of all of the traffic on this line to Wilkes-Barre.

—Users include Air Products & Chemicals Inc. and Wickes Building Center. The State Planning and Development Office reported that these two firms generated 144 carloads in 1973 and projects an increase in use over this line. A third company plans to build a scrap processing plant which will generate 100 to 150 carloads of scrap metal per week when completed. The office also estimated that without rail service 415 jobs could be lost.

—Air Products and Chemicals Inc. stated it has no objections to service via the LV's Nanticoke Branch provided height and weight clearance on the branch are improved. A 100 yard long connection would have to be built to join the two branches.

—The Pennsylvania Public Utility Commission reported that the map in the Preliminary System Plan is in error. According to the PUC only the horizontal dark line is the LV's Franklin Branch. The vertical dark line is L&S (Lehigh Coal and Navigation) property needed by the city of Wilkes-Barre for a sewer line. Service to the real Franklin Branch can still be provided, however, by installing a connection to the Nanticoke Branch where they cross, at grade, along Route 309 in Wilkes-Barre.

PA-192, 192a 192b

—Allan's Scrap Yard at Nanticoke says it did not have service for 3 months in 1973 because of flood damage. It had 130 carloads in 1974 and with the installation of a new hydraulic shear expects 300 carloads in 1975 and 600 in the near future.

—City of Nanticoke wants rail service to its 600 acre industrial park, the park has a potential of 2,400 carloads per year.

—Pennsylvania Office of Planning and Development estimates that abandoning service to 3 companies would cause 108 people to lose their jobs.

—The Delaware and Hudson Railroad contends that USRA's designation of this line as secondary is wrong because it has physical attributes and traffic density peculiar to primary track. It is the D & H's principal access to the large markets exclusively served by PC as well as an alternate North-South route. According to PC's figures, it spent in excess of \$250,000 to rehabilitate the line in 1973. To abandon it would be a waste of public monies. From experience, the D&H knows that the EL's Bloomsburg Branch is not a replacement for this line.

—The State of Pennsylvania reports that the Glen Lyon Branch feeds into this branch. It has a closed colliery at the end, and more than 35.9 million tons of deep and strip anthracite coal are located nearby.

—Consideration could be given to reducing the number of round trips per year. Substantial savings would result from switching to every other day service.

PA-202

—The Chessie is only interested in providing service to shippers at York.

—Governor Shapp says the line handled 2,892 cars in 1973.

—The Pennsylvania Office of Planning and Development claims that 10 companies report that unemployment would increase by 364-1694 jobs if rail service were to be discontinued on this line.

PA-252

increased to 1,024 in 1974. Hammermill has been assured that service will be continued at Otter Creek. They are certain that the milepost designated in the Preliminary System Plan is wrong. Trucking from Tiona and Otter Creek Corporation would result in 4,131 trips per year.

—GTE Sylvania, Inc., and Struthers Wells Corp. support retention of service eastbound out of Warren.

—The City of Erie fears abandonment of the line

will adversely affect the growth of industries in Erie.

—Airco Speer Carbon-Graphite at St. Mary's is in the process of a \$3.5 million expansion which should increase its traffic to 275 cars in 1976. It believes abandonment of the line would result in circuitous routing and poor service. Airco Speer feels abandoning the entire Emporium Secondary Track is illogical.

—The Borough of Kane objects to being placed at the end of a 56-mile spur. It says the correct car count for Kane is 1,634.

—Kane Hardwood is completing a new plant and expects to ship 650 cars annually. If this line is abandoned, it expects service and car supply will be adversely affected.

—The North Central Pa. Regional Planning and Development Commission believes future traffic will satisfy USRA's requirement.

—Pennsylvania PUC states that revenue from a recent rate increase will make the branch economically viable.

PA-663

—The Ruane Coal Coke Company purchased and rehabilitated the U.S. Steel Beehive Coke Ovens at Ryle. It controls 20 million tons of coal in the area, half of which is not presently being mined and claims an additional 22 million tons of deep reserves are available for lease. In 1973, Ruane shipped 505 carloads of coke. By 1976, it expects to ship approximately 1,200 carloads annually.

—The Chessie is only interested in providing service to shippers at Watts Transfer, Uniontown, and Laughead Ovens (Chessie intersections).

PA-712

tion would include satisfactory facilities in the Sharon-Ferrell area for direct linehaul to Sharon Steel Corporation and for interchange with other railroads providing service between Sharon and Youngstown.

—The Chessie would be interested in acquiring approximately 12 miles of the branch between Sharpsville and Greenville, assuming partial operation of EL properties by Chessie as proposed by USRA.

PA-917

—Penn Ag Industries points out that this entire run could be served by one crew and one engine in one day. Yet USRA has charged 8 hours and a 5 man crew in costing each segment.

—Consideration must be given to the total revenue that would be lost to ConRail if this line were not

PENNSYLVANIA CONTINUATIONS

included in the Final System Plan. In 1973, 1,707 cars on this line generated a total revenue of \$1,000,547; however, only \$299,445 was attributed to the line.

PA - 1009

cannot move by trucks under DOT regulations. Air Products anticipates spending \$2,000,000 to double its existing fluorine plant and increase the size of its specialty chemical production area.

—Kovatch Truck Center projects a \$35,000 expenditure for facility expansion; Diversified Industries projects a \$2,000,000 expansion.

—Consideration must be given to the total revenue that would be lost to ConRail if this line is not included in the Final System Plan. In 1973, the 489 cars on this line generated a total revenue of \$390,599; however, only \$126,567 was attributed to the line.

RHODE ISLAND

Intrastate

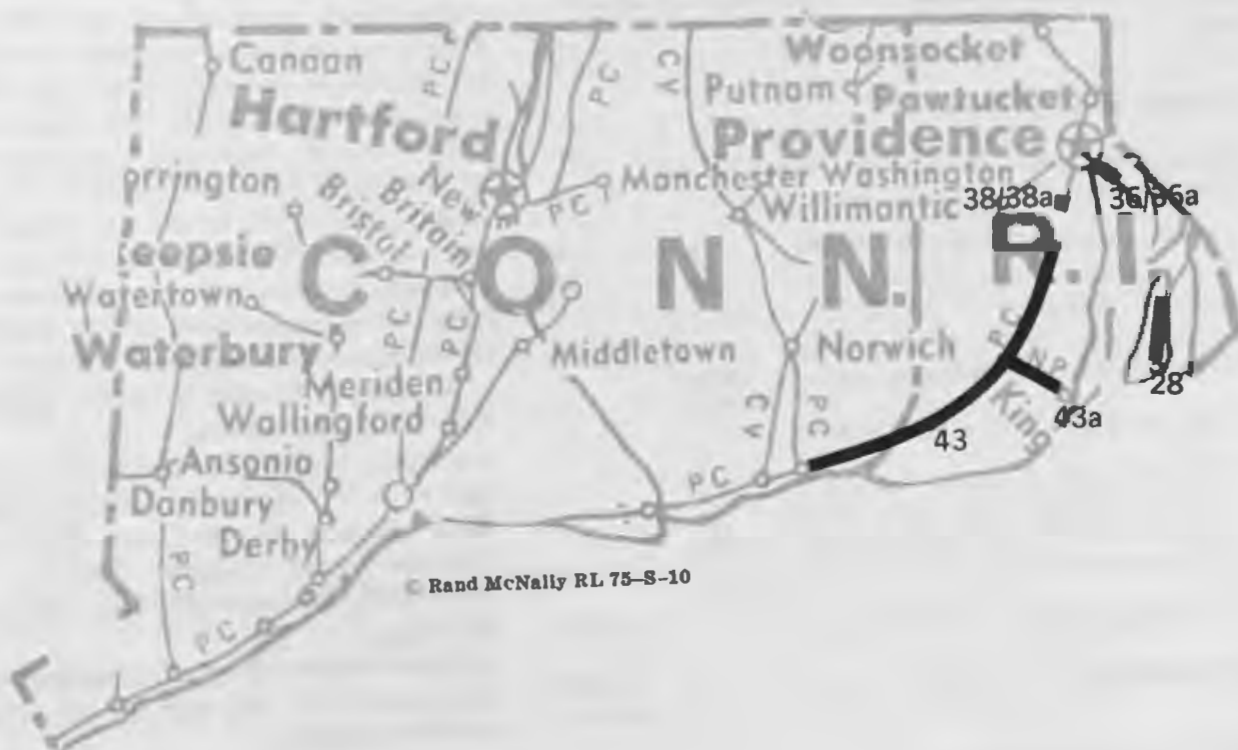
PC

USRA line number	Terminals
28	Newport to Portsmouth
36/36a	East Providence to Warren
38/38a	Cranston to Pontiac
43a	Kingston to Wakefield

Interstate

Rhode Island to Connecticut (this line is discussed under Connecticut)

43 Hills Grove, R.I. to Groton, Conn.



28

RHODE ISLAND

USRA ANALYSIS PORTION OF NEWPORT SECONDARY TRACK

USRA Line No. 28
Penn Central



This portion of the Newport Secondary Track, formerly part of the New Haven RR, extends from *Portsmouth* (Milepost 21.2) to *Newport, R.I.* (Milepost 30.5), a distance of *9.3 miles*, in Newport County, R.I. The northerly continuation of this line extends from Portsmouth, R.I. to Fall River, Mass. In June 1973, the PC applied to the ICC for permission to abandon this line (Docket No. AB-5, Sub. 164). On September 17, 1974, the PC applied to the U.S. Railway Association for the same permission (USRA Docket No. 75-27). No final action has been taken on either application.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line: <i>Newport</i>	166
Total carloads generated by the line.....	166
Number of round trips per year.....	50
Estimated time per round trip (hours).....	8.0
Revenue received by PC.....	\$54,577
Average revenue per carload.....	\$329
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	75,613
Cost of upgrading branch line to FRA Class I: (1/10 of total upgrading cost) ..	14,388
Cost incurred beyond the branch line.....	62,391
Total variable (avoidable) cost.....	150,392
Net contribution (loss) total.....	(95,815)

USRA Recommendation

It is *not* recommended that this portion of the Newport Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Rhode Island DOT reported that USRA's analysis of this line contained the following errors:

On-branch costs were overstated by \$1,722; return on salvage value was overstated, since a 6.5 mile segment of the line reverts to the Navy upon abandonment; grade crossing rehabilitation costs were not included; the weight of scrap iron to be removed is about 30 percent less than assumed; and no rehabilitation is necessary to bring the line up to FRA Class I standards.

—Concern was expressed that abandonment of this line would adversely affect several industrial development projects now underway.

—The City of Middletown has title to 90 acres which it plans to develop as a light industrial park and has received a grant of \$600,000 from EDA matched by a local bond issue. A large tract of land, formerly part of the Navy base at Newport, is being developed by the Rhode Island Port Authority and Economic Development Corporation as a waterfront industrial park. This project is expected to ship 1,120 carloads per year by 1977.

—Coddington Ship Building would like to locate on the line at Coddington Cove. They would generate 200 carloads per year.

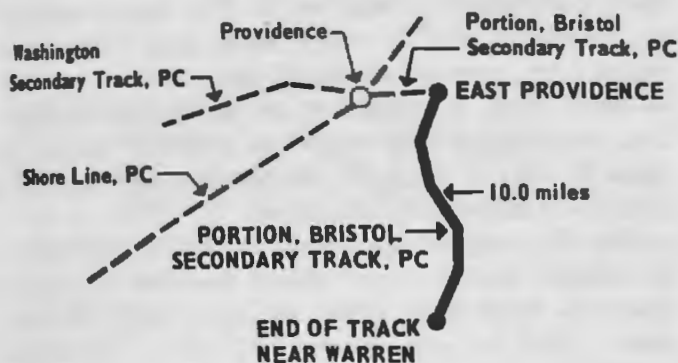
—The Department of Defense reported that it has a defense fuel support point at Melville which receives, stores and ships seven grades of bulk petroleum products. It is the only Government owned facility in the northeastern United States which stocks ground fuels and is accessible by water. The facility is being upgraded by the installation of a fuel loading rack. In 1977 it is expected to generate 600-1,000 carloads per year. The Department of Defense recommended that service to this facility be continued in the interests of national defense.

—Aquidneck Island rail users shipped 192 carloads in 1973 and 105 in 1974.

—Present and future users of the line were identified as J. T. O'Connell, Newport Ship Yard, Naval Base Supply, Solna Corp., Boulevard Nurseries, Defense Supply Agency (Melville), Rhode Island Nurseries, Newport Electric, and Coddington Ship Building.

—State Senator Erich Taylor opposes continued operation of this line and stated that the line is in terrible condition.

USRA ANALYSIS PORTION OF THE BRISTOL SECONDARY TRACK USRA Line No. 36/36a Penn Central



This portion of the Bristol Secondary Track, formerly part of the New Haven RR, extends from *East Providence* (Milepost 1.9), to *End of Track near Warren, R.I.* (Milepost 11.9), a distance of 10.0 miles, in Providence and Bristol Counties, Rhode Island. A continuation of this line extends from East Providence to Providence where it connects with the Shore Line and the Washington, R.I. Secondary Track, both PC. The latter is also under study in this Report.

Summary of USRA Data

Stations (with their 1973 carloads) served by this line:	
Riverside	30
Barrington	166
Warren	170
Total carloads generated by the line.....	366
Number of round trips per year.....	104
Estimated time per round trip (hours).....	4.0
Revenue received by PO.....	\$215,424
Average revenue per carload.....	\$588
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line.....	96,597
Cost of upgrading branch line to FRA Class I (1/10 of total upgrading cost).....	16,139
Cost incurred beyond the branch line.....	154,354
Total variable (avoidable) cost.....	267,090
Net contribution (loss) : total.....	(51,666)

USRA Recommendation

It is *not* recommended that this portion of the Bristol Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Rhode Island DOT reported that revenue on this line was understated by 50 percent and carloads by about 100 percent.

—The State Rail Coordinator reported that \$160,000 in additional revenue should be shown on this line.

—The State Chamber of Commerce concurred with the Rail Coordinator's findings.

—Testimony stated that over 300 people would be unemployed if service were discontinued on the line.

—Witnesses stated the line was served 52 times during 1973 and average time on the branch was 3.5 hours per trip.

—The Chamber of Commerce study indicated that the actual number of carloads per year was 598–677.

—The Rhode Island DOT reported that branch revenue was \$394,691, based on 759 carloads.

38/38a

RHODE ISLAND

USRA ANALYSIS PONTIAC SECONDARY TRACK

USRA Line No. 38/38a

Penn Central



The Pontiac Secondary Track, formerly part of the New Haven RR, extends from *Cranston* (Milepost 0.0) to *Pontiac, R.I.* (Milepost 5.0), a distance of 5.0 miles, in Providence and Kent Counties, R.I. This line connects at Cranston with the Shore Line of the PC. In June 1973, the PC applied to the ICC for permission to abandon a portion of this line (from Howard to Pontiac, R.I.) (Docket No. AB-5, Sub 170). No action has been taken on this application.

Summary of USRA Data

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

Howard	45
Pontiac	1

Total carloads generated by the line..... 46

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

Estimated time per round trip (hours)..... 3

Revenue received by PC..... \$20,037

Average revenue per carload..... \$435

Variable (avoidable) cost of continued service:

Cost incurred on the branch line..... 42,820

Cost of upgrading branch line to FRA

Class I (1/10 of total upgrading cost).... 13,871

Cost incurred beyond the branch line..... 18,461

Total variable (avoidable) cost..... 75,152

Net contribution (loss): total..... (55,112)

USRA Recommendation

It is *not* recommended that the Pontiac Secondary Track be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Rhode Island DOT reported that its analysis suggested the line could meet the criteria of 10 percent loss after USRA's Test VIII A. It feels inclusion in ConRail is warranted. According to the State Rail Coordinator, costs for the line were overstated by assuming that it was 5 miles long. The last 1.8 miles have been out of service for years.

—Davol, Inc., a subsidiary of International Paper Co., reported it has approved a \$60,000 project to ship by rail. It projects 8 carloads in 1976 and 35 in 1980 from its plant at Cranston.

—The Director of the Rhode Island Department of Economic Development stated that the line serves Howard Industrial Park, an area under development. EDA has contributed \$1,739,555 to the project and the State, \$400,000. The park will be ready for its first occupants by late summer, 1975. The park's development corporation is budgeted to spend \$75,000 for rail sidings and \$345,000 for a rail bridge.

—Testimony pointed out that the line serves the state hospital and correctional facility at Howard.

—The Providence & Worcester proposes that the State acquire this branch and lease it to the P&W.

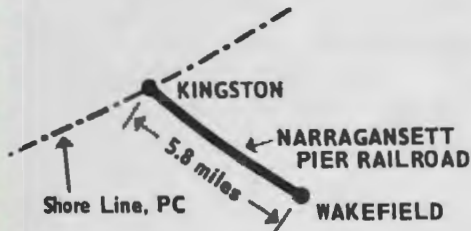
—Witnesses stated the line was served 78 times during 1973 and time on the branch was 2.5 hours per trip.

—The Rhode Island Department of Administration pointed out that the plan understated traffic at Howard. The State warehouse there generated 59 carloads.

USRA ANALYSIS

NARRAGANSETT PIER RR

USRA Line No. 43a



The Narragansett Pier RR, extends from *Kingston* (Milepost 0.0) to *Wakefield, R.I.* (Milepost 5.8), a distance of *5.8 miles*, in Washington County, R.I. This line connects at Kingston with the Shore Line of the Penn Central; this portion of which is also under study in this Report. This line was not described as potentially excess in the U.S. DOT Report (see Zone 28).

USRA Recommendation

The Narragansett Pier Railroad is an independent carrier. The traffic interchanged between the NP and the PC amounted to 72 cars and this was not sufficient to change the decision, or the decision on line 43. Continued access by the NP to connecting rail service will depend on the availability of service continuation subsidy for line 43.

PUBLIC RESPONSE AND RSPO COMMENT

—This line is operated by an independent carrier, the Narragansett Pier Railroad. In the Plan, USRA said access to connecting service would depend upon the availability of service continuation subsidy for Line No. 43. However, on March 14, 1975, the USRA announced that Line No. 43 had been reassessed and recommended for inclusion in ConRail.

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VIRGINIA



Intrastate

PC

USRA
line number

Terminals

165 Little Creek to Cape Charles (car float)

Interstate

Virginia to Maryland (this line is discussed under Maryland)

166 Cape Charles, Va. to Pocomoke, Md.



USRA ANALYSIS

CAPE CHARLES FERRY USRA Line No. 165



This portion of the Delmarva Branch, formerly part of the Pennsylvania RR, extends from *Little Creek* to *Cape Charles, Va.*, a distance of 26 miles in Northampton County, Va. This line is between Zones 182 and 184 in the U.S. Department of Transportation Report, "Rail Service in the Midwest and Northeast Region," dated February 1, 1974. At Little Creek it connects with the Norfolk and Portsmouth Belt R.R., Norfolk Southern SRS, and Norfolk Western. At Cape Charles it connects with the Delmarva Branch of Penn Central extending north to Pocomoke, which is also under study in this Report.

USRA Recommendation

It is *not* recommended that the Cape Charles Ferry be included in the ConRail System.

PUBLIC RESPONSE AND RSPO COMMENT

—The Virginia State Corporation Commission points out that on March 21, 1972, Penn Central testified before the ICC (finance docket 26572) that the float operation was profitable.

—Routing via Potomac Yard as an alternative was also criticised. A shipment from Norfolk, Va., to Pocomoke, Md., would travel 100 miles over one railroad using the float, compared to 416 miles via Potomac Yard, be transferred from one railroad to another three times, and traverse the already overloaded line going north from Washington.

—Southern States Cooperative states that without the car float an additional 51,000 carloads per year

would be channelled through Potomac Yard.

—Because of clearance problems, Newport News Shipbuilding and Drydock Company would have to utilize either the Hagerstown or Columbus gateways thus increasing the cost and transit time of material vital to the construction of both naval and commercial vessels.

—The Railway Industrial Clearance Association calls the Cape Charles car float route the best clearance route between the East and South, noting that the alternate clearance route through Hagerstown restricts height to 17'2" as opposed to 17'8" through Delmarva, plus operating in an Amtrak corridor and doubling transit time from Philadelphia and Charlotte.

—Witnesses mentioned the Summit Bridge accident in February, 1973, as a reason for inclusion of the float in the Final System Plan as an alternate route in case of disaster.

—The Delmarva Power and Light Company utilizes the car float to ship large transformers to facilities on the peninsula. Many of these exceed the legal size for truck loads.

—Moore Business Forms receives more than 150 carloads per year at the company's Snow Hill plant via the car float. Due to higher costs and damage to paper rolls, a shift to trucking is not feasible.

—Red/White Mills estimates that closing of the car float would cost the mill an additional \$175,000 to \$350,000 per year in freight charges.

—The Virginia Potato and Vegetable Growers Association predicts 3,000 people would be unemployed if lines 165 and 166 are closed.

—Perdue and Co. is building a new facility in North Carolina which will add 114 carloads per year to the car float operation.

—According to several witnesses, the 120,000 carload figure USRA mentions as necessary for break-even of a new car float is attainable with better rail service throughout the peninsula. In 1956, 138,311 carloads moved via the car float, but in 1974 traffic dropped to 44,523 carloads due in part to poor service, according to William E. Carpenter.

WEST VIRGINIA

Intrastate

PC

USRA
line number

Terminals

205a

Berkeley to Cumbo Yard

512/512a

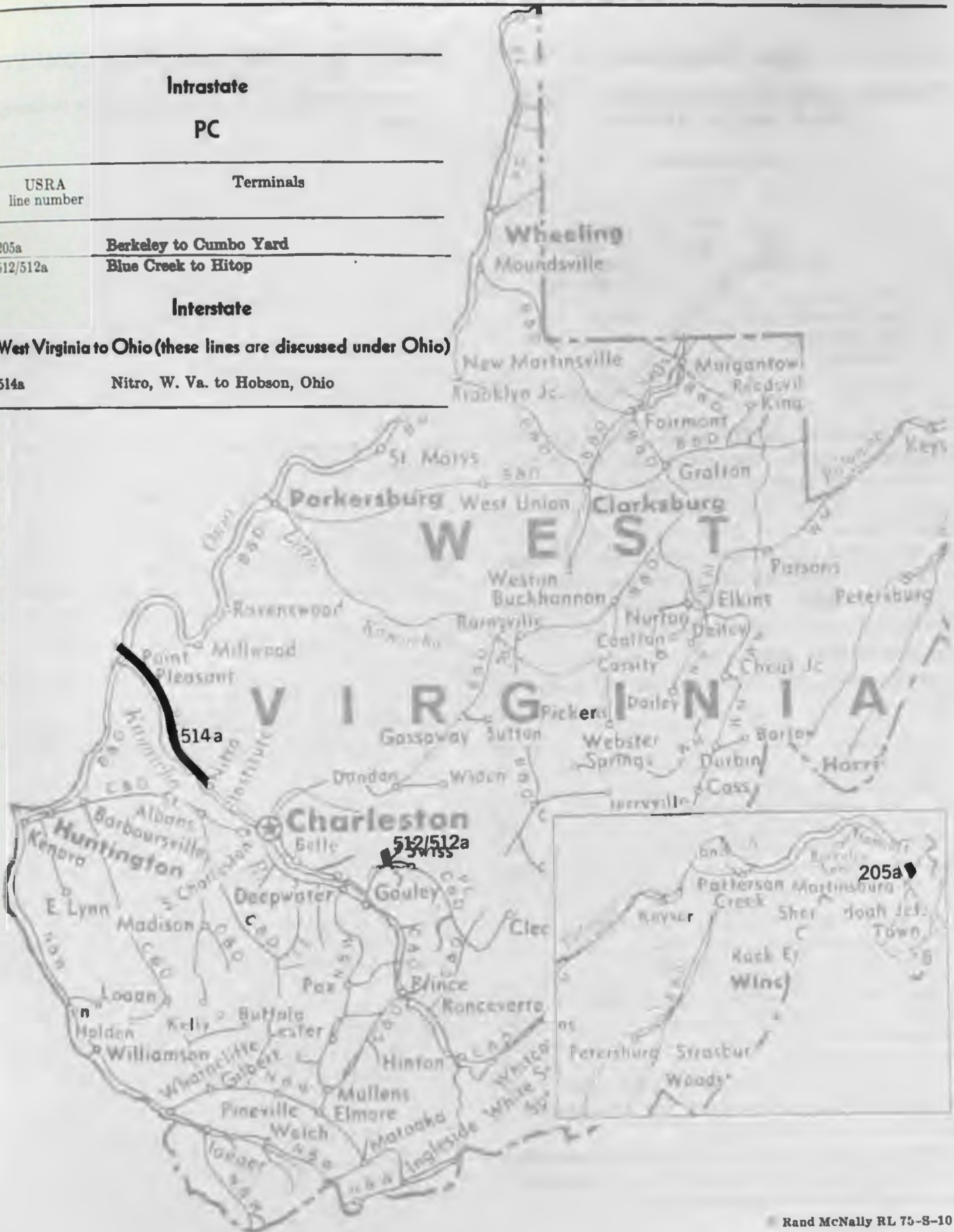
Blue Creek to Hitop

Interstate

West Virginia to Ohio (these lines are discussed under Ohio)

514a

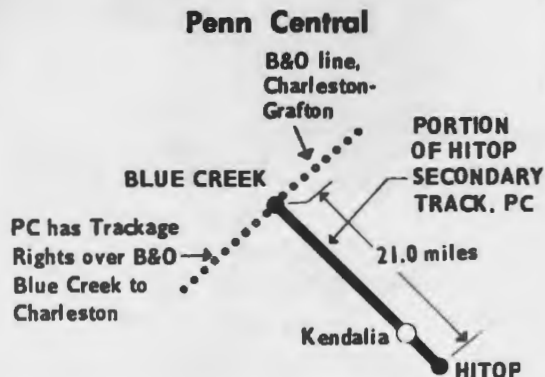
Nitro, W. Va. to Hobson, Ohio



512/512a WEST VIRGINIA

USRA ANALYSIS

PORTION OF HITOP SECONDARY TRACK USRA Line No. 512-512a



This portion of the Hitop Secondary Track, formerly part of the New York Central RR, extends from Blue Creek (Milepost 13.4) to Hitop, W. VA. (Milepost 34.4), a distance of 21.0 miles, in Kanawha County, West Virginia. At Blue Creek, this line connects with the Baltimore & Ohio RR line running from Charleston to Grafton. The PC operates via trackage rights over the B&O line between Charleston and Blue Creek; this arrangement is also under study in this Report.

Summary of USRA Data

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

Morris Fork	8,498
Sanderson	65
Hitop	0
Total carloads generated by the line	8,563
Number of round trips per year	240
Estimated time per round trip (hours)	8.0
Revenue received by PC	\$1,155,945
Variable (avoidable) cost of continued service:	
Cost incurred on the branch line	414,458
Cost of upgrading branch line to FRA Class I (1/10 of Total Upgrading Cost)	51,770
Cost incurred beyond the branch line	748,458
Total variable (avoidable) costs	1,214,686
Net contribution (loss): total	(58,741)

USRA Recommendation

It is recommended that the portion of the Hitop Secondary Track, from milepost 13.4 to milepost 26.5 be included in the ConRail System.

It is *not* recommended that the portion of the Hitop Secondary Track from milepost 26.5 and milepost 34.4 be included in the ConRail System.

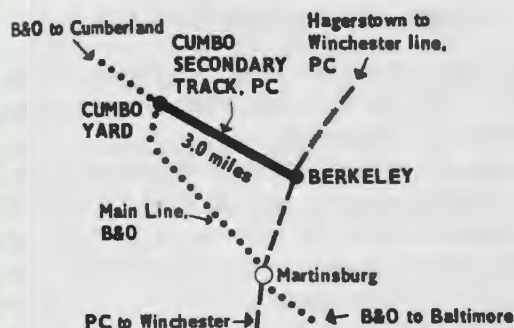
PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

USRA ANALYSIS CUMBO SECONDARY TRACK

USRA Line No. 205a

Penn Central



PUBLIC RESPONSE AND RSPO COMMENT

—Review by the Office revealed no public testimony on this line.

The Cumbo Secondary Track, formerly part of the Pennsylvania RR, extends from *Berkeley* (Milepost 0.0) to *Cumbo Yard, W. Va.* (Milepost 3.0) a distance of *3.0 miles*, in Berkeley County W. Va. At Cumbo Junction this line connects with the B&O Main Line. At Berkeley it connects with the PC line running from Hagerstown, Md. to Winchester, Va. This line is also under study in this Report.

USRA Recommendation

It is *not* recommended that the Cumbo Secondary Track be included in the ConRail System.

PART II: LINES NOT CURRENTLY BEING SERVED AND RECENTLY ABANDONED LINES

LINES NOT CURRENTLY BEING SERVED

412—IN (Nutwood to South Bend)

—This seven mile long line was erroneously listed by USRA as being out of service. In fact, it is heavily used. The line extends from its southern terminus at MP 176 to MP 182.3.

—The South Bend-Mishawaka Area Chamber of Commerce reports that the southern three miles should be retained because it serves the prime industrial development corridor in the South Bend area; though apparently three are not users at present.

—From MP 179 northward through a portion of the Studebaker Industrial Complex the line serves over 17 active rail uses including Am General at MP 179 which, estimates its rail usage in excess of 2000 cars per year.

—A profitability study performed by Dr. Paul A. Joray and Dr. Paul S. Kochanowski of Indiana University indicates that revenues exceed costs several fold.

199—MD (North of Frederick to Frederick)

—This line was cut off from line 198 by Hurricane Agnes' wash-out of the Monacacy River Bridge 3.7 miles north of Frederick. In order No. 1106 the ICC required the B&O to service the shippers on line 199.

—The cost to repair the bridge is placed at \$10,000–\$15,000. Prior to the wash-out the bridge handled 20–35 cars per week. Witnesses expressed strong feeling that the bridge should be repaired and the line considered as a whole.

463c—MI (Byron Center to Lamar)

—The Preliminary System Plan reports that this line is out of service due to lack of demand for service.

—Paul Treska, United Transportation Union, stated that no analysis has been made with the 3 industries located on this line.

—Testimony showed that Byron Center originates 41 carloads per year.

232—NY (Penn Yan to Dresden)

—This line has been out of service since June 23, 1972, when it was damaged by Hurricane Agnes.

—Brickett Mills has its main plant on this line at Penn Yan. The firm would like to have service re-

sumed. They point out that this can be done either through restoration of the line or by constructing a cross-over track to connect with the PC Penn Yan to Himrod Junction Track.

1001—NY (Geneva to Rushville)

—Testimony reported that the line is viable from Stanley to Rushville only. There are no shippers on the remaining segment.

—Testimony suggested that the Stanley to Rushville segment could be served from Line 233/234.

—A representative of interested shippers on Line 233/234 estimated that traffic generated by the Stanley to Rushville segment of this line would produce a net contribution of \$19,758.40 or \$65.80 per carload.

—Edward Pease of Pease Bean and Grain wants service resumed to his facility at Gorham. He reported that his firm has been losing money because of the increased costs of shipping by truck.

370—Ohio (Magnolia to Dover)

—The Brotherhood of Locomotive Engineers reported that this segment of track, from a point 1500 feet south of milepost 15 to a point 1500 feet south of milepost 28, was taken out of service March 1, 1971.

381, 382, 383 and 384—OH (Fairhill Rd. to Cleveland Un. Term. (N&W) to Cleveland Union Terminal to West 25th Street at Clark)

—The Northeast Ohio Areawide Coordinating Agency recommended these out-of-service lines be retained for use by Amtrak to provide access to the Cleveland Union Terminal when passenger service is reinstituted to Cleveland.

487a—OH (Johnstown to North of Granville)

—The U.S. Department of Interior recommended that if this line is abandoned, the right-of-way should be preserved for possible use as a long distance bikeway.

—No public testimony was received on this line.

516a—OH (Waynesville to Morrow)

—According to the Lebanon Chamber of Commerce this line is presently out of service due to substandard condition of the track.

—The Public Utilities Commission of Ohio reported that the C&X Branch from Spring Valley to Claire

(lines 516, 516a, & 516b) carried 115,714 carloads of through freight in 1973.

—The Ohio Association of Railroad Passengers said that maintaining this through route would relieve the already overburdened PC route via Springfield, Dayton, and Middletown allowing the S-D-M route to become a passenger route between Cincinnati and Columbus.

526-OH (Dayton to Hempstead)

—Testimony revealed this line is not out-of-service as reported in the Plan. Apparently, a short interior segment is not in service, but traffic is maintained on either side.

—Wagner Wood Company explained that Line No. 526, with Lines No. 527/528 and No. 529 form a "Y" on the south side of Dayton to facilitate spotting cars for industrial use.

—The Dayton Mental Health Center would have to spend \$4-5,000 to handle trucked-in coal if service were discontinued.

—Peerless Storage Co. said loss of rail service and diversion to trucking would cost it \$25,000 for facility alterations. If it relocated to where rail service was accessible, cost would be \$731,000, plus a loss of \$210,000 in investment and 15 jobs.

—If the Defense Electronics Supply Center relocated, nearly 3000 civilian employees would face unemployment.

—Elder Beerman Stores Corporation anticipates an 18-20 percent growth in rail use over the next five years.

—Several witnesses testified that the Miami Valley Regional Transit Authority plans to establish the Dayton Area Rapid Transit (DART) between Dayton and Centerville, using this right-of-way.

—The Department of Defense pointed out the importance of this line to the Defense Electronics Supply Agency emphasizing that coal would have to be trucked from an unloading facility elsewhere, thus increasing consumption of petroleum fuel and coal delivery costs. Further, DOD specified that only one and a half miles of the line needed to be retained in service to supply DESA needs.

—Reported Traffic:

Company	Carloads Estimated	
	1973	1974
Dayton Mental Health Center.....		135
Elder Beerman Stores.....	46	21
National Cash Register.....		72
Wagner Wood Co.....		150
Day's Carriage House.....		27
Dayton Power & Light.....		1,425
Defense Electronic Supply.....	150	150
Farnbacher Toys.....		150
Peerless Transportation.....		600
Topco Paper Co.....		24

140-PA Wawa to Upland

—The Delaware County Chamber of Commerce believes this out-of-service line should be analyzed further, because it serves as a major freight bridge route avoiding conflict between freight traffic and commuter services through the community of Media.

—The Southeastern Pennsylvania Transportation Authority (SEPTA) noted that the branch is considered a potential future route for passenger transportation.

173-PA (Phoenixville to Devault)

—The Southeastern Pennsylvania Transportation Authority (SEPTA) considers this out of service line a potential future route for commuter transportation.

179-PA (Conewago to Cornwall)

—The Pennsylvania Public Utility Commission contends that a portion of the northern end of this out-of-service line is essential for the service now being provided by the RDG.

—Success of the new 505-acre Conewago Industrial Park requires rail service.

—When Penn Central filed to abandon this line, the impression was left that it intended to continue service between Conewago Station and the Agway plant, a distance of less than 2 miles.

184-PA (Elizabethville to Millersburg)

—The Pennsylvania Office of State Planning and Development states that there are 7 rail users on this out of service line. If service is not reinstituted, 2 shippers would be forced to reduce their workforce by 16.

—Testimony indicated that the line generated 121 carloads in 1973. USRA showed last date of use as June 23, 1972.

The Pennsylvania Office of State Planning and Development reported that one coal company is planning to develop a mine which would produce one million tons annually and would use the branch heavily.

189-PA (Sagon Junction to Terminus)

—The Sun Coal Company at Mount Carmel averaged 100 cars per month until April, 1973. It has used the line as recently as December, 1974. It is in the process of activating a fine coal plant and expects to be shipping 100 to 125 cars per month beginning May, 1975. The shipments should continue for 7-10 years.

—If the branch is abandoned, the Sun Coal Company will be forced to invest \$200,000 in trucks and

a loading ramp at a rail head. The added use of 300-350 truckloads per month is expected to require 2,000 gallons of fuel.

—Pennsylvania Office of Planning and Development says the line generated 250 carloads in 1973.

200-PA (Chambersburg to Waynesboro)

—The Center Lumber Company points out that there is no unloading dock at the team tracks in Chambersburg where its Fayetteville plant will have to receive shipments of lumber, if service on this line is not restored.

211-PA (Lemont to Coburn)

—The Pennsylvania PUC thinks this line may be viable as far as Center Hall. The track damage to that point by Hurricane Agnes in June 1972 is minimal.

—Abandonment was proposed in ICC Docket AB-5 (Sub-No. 40).

—The State has opposed abandonment of the 8.8 miles from Lemont to Center Hall.

—If service were restored, the 3 shippers on this line would generate more than 300 carloads per year.

221-PA (Paint Creek Branch at Windber)

—This line is shown as out of service.

—Somerset County Planning and Zoning Commission believes this line segment is the last .9 mile of a branch that is 1.6 miles long. The first .7 mile is being used as a siding for unit coal trains. The track has been removed from the last .9 of a mile. The County objects to any action which will jeopardize the potential for future service to the area's coal reserves.

—Berwind White Company has extensive coal holdings in the area. It wants right of way retained so that the branch can be reactivated in the near future.

—Pennsylvania Power and Light Co. is interested in keeping the right of way as they purchase large amounts of steam coal from operators along the Central City-Windber corridor.

227-PA (Antlers to Williamsport)

—A study done for the Pennsylvania DOT in the Canton/Troy/Columbia Cross Roads area estimates that the increased transportation costs due to loss of rail service amounts to \$165,000-\$200,000 annually. The loss of milk production reduced farmers' income by another \$575,000-\$950,000.

—It is estimated that the total direct loss to the economy is between \$740,000 and \$1,150,000 each year.

239-PA (Lawrenceville to Blossburg)

—The Endless Mountains Resource Conservation and Development Project cites the increased feed cost to farmers as a result of the loss of rail service. Testimony questions the Association's failure to evaluate the line in the face of efforts by local people and the attempts by the Pennsylvania DOT to have service restored. The project findings show that the line went out of service because of damage done by Hurricane Agnes, not due to lack of business as stated by the Association.

—The Pennsylvania Office of Planning and Development pointed out that this line is owned by the Erie Lackawanna; Penn Central merely maintains trackage rights. Projections for 1975 envision 2,266 carloads.

242a-PA (Mill Hall Ind. Tr. at McElhattan)

—Clinton County Development Office suggests that the segment between mileposts 5.5 and 6.2 be included in ConRail. It serves the Clinton County Industrial Park. A crossover has already been constructed to connect this segment to an adjacent track which is to remain in service.

—The Regional Railroad Task Force is in favor of rail service to the industrial park. They point out that over \$1 million in Federal and State grant money has been procured for its development.

274-PA (Potts Run to Kellytown)

—Pennsylvania complained that Kellytown is credited with no traffic and no potential while there are reserves of 10 million tons of coal in the Kellytown area, and the tipple has been reconstructed recently.

—The Dean Coal Co. expects to begin mining soon and anticipates shipping 5,400 carloads per year.

—The Hepburnia Coal Co. expects to develop forty-eight million tons of coal for 8,333 cars per year within three years.

303-PA (Price Run Industrial Track near Dixonville)

—Penn Central claims that this section of track has been out of service for 5 years. However, the Greensteel Co., Inc., claims to be located at the end of this branch. It receives 60-100 cars a year. If rail service were not available for their inbound raw materials, they would be forced to close. This could result in the loss of 150 jobs.

348-PA (Langeloth to Studa)

—The Pennsylvania Office of State Planning and Development reports that Bologna Coal Co. leases the first mile of this branch from milepost 0.5 to

milepost 1.5. It plans to expand its rail shipments from 35 carloads to 100 carloads a week. It shipped 2,596 carloads between April and December, 1974, and expects to be shipping 10,000 carloads per year by 1977. Bologna controls 1 million tons of prime strip coal. Also, Manor Real Estate, A. J. Cindrich, and another large coal owner control 11 million tons and 1,117 acres of deep coal adjacent to this line. These holdings are being marketed to an operator who would develop a mine head on this line and ship at least 2,857 carloads annually by rail. Possible loading points include Cedar Grove at milepost 6.0 or 2.5 miles south of Bologna's tipple, at milepost 4.0. Further, that Stravaggi Industries and Paris Construction Co. also control land with extensive coal deposits in the area.

357-PA (Wilmington Jct. to New Wilmington)

—The Lawrence County Commissioners are confident that if adequate service were provided, the line could generate 100-120 cars per year.

—Damage to the line is reported as very minor wash-out, which would take one or two hours to correct.

—It was suggested that this line be analyzed with the segment of Line 256 needed to serve the rail users at Mercer.

652-PA (Punxsutawney to Mundorf)

—Pennsylvania Office of State Planning and Development believes this branch is essential as an outlet for coal shipments from Fordham.

—This line is in service, however a 5 mph speed limit is in effect. Three rail users, who receive 135 carloads annually depend on this line for inbound materials. Because of the direction of the shipments received, use of the B&O exclusively would not be a feasible alternative.

913-PA (Hummelstown to Middletown)

—Middletown East End Warehouse Company has been served by Penn Central on this line from Adelia Street to the Penn Central mainline (1.1 mile) pursuant to a Pennsylvania Public Service Commission order since the flood in 1972.

—The 9 companies based in the warehouse received 400 cars in 1973 and 200 cars in 1974. The warehouse expects to increase its occupants so that traffic should double by 1977.

942-PA (Girard Mammoth Colliery Branch)

—These two branch lines total 3.1 miles and were used to connect the Girard Mammoth Colliery and the Girard Estate coal reserves with the Shenandoah Branch of the Reading. These lines have been out

of service since 1972 due to damage sustained from Hurricane Agnes.

—Testimony indicated that the Mammoth Colliery produced as much as 400,000 tons of prepared coal annually. In peak years, this accounted for over 4,000 carloads on these branches.

—Coal reserves in the area served by these lines are estimated at 33 million tons.

—Testimony indicated that major repairs are not needed to put these lines back in service. Estimated cost of rehabilitation for both of these lines is \$7,000-\$14,000.

—Between 1500-1800 tons of coal are being recovered per day. This coal is being trucked to the Rosa Breaker facility six miles away.

—Testimony indicated that restoring these tracks to FRA Class I standards could result in a \$40,200 net profit to the railroad per year. Failing to restore these lines could result in the loss of 200 jobs, and \$1,400,000 in personal income, and \$60,000 in property taxes.

—The U.S. Bureau of Mines lists these lines as serving an area capable of producing 9.9 million tons of coal.

1004-PA (Towanda to Dushore)

—Shaffer's Feed Service reported that this line has been out of service since the 1972 Agnes flood. According to the company the flood damaged approximately a mile and a half of track and created major bridge damage. In 1971, Shaffer's Feed received 66 cars and O. Ames Company shipped 47 cars. If the two companies were forced to discontinue business in Monroeton, it would create a payroll loss of approximately \$96,000 annually.

—Shaffer's Feed reported that there is a bituminous coal mine located 7 miles west of More which is capable of producing a thousand tons of coal per day.

—Substantial semi-anthracite coal reserves exist in the Bernice coal fields adjacent to Dushore. The Locey Coal Co. is presently mining in this area. It leases mineral rights to approximately 2,000 acres with reserves of 1 million tons, producing 30-40,000 tons of coal annually which could be shipped on the line. P&M Coal Co. is drilling on 1,000 acres and in 1980 will have access to another 1,500.

1005-PA (Montrose to Tunkhannock)

—The Pennsylvania Office of State Planning and Development reported that this line has been out of service since February 28, 1973, when it was embargoed by the LV due to unsafe track conditions. The continued embargo amounts to an illegal de facto abandonment. According to the Office 15 firms would use this branch if service were restored, and

together would generate at least 1,135 carloads annually. The total employment of these firms is 417. If rail service is not restored soon, several firms have indicated they would have to close, leaving at least 28 persons unemployed.

—Lott's Feed Mill, Inc., which uses approximately 22,000 tons of whole grains and feed ingredients has been forced to receive its materials at a railhead 21 miles away. Using truck transportation increases the cost of producing feed \$5.00 to \$10.00 per ton.

1006-PA (Pink Ash Junction to Freeland)

—State deep mine inspectors estimate 6.8 million tons of recoverable reserves.

—The Lehigh Valley Anthracite Co.'s main plant at Harleigh is 10 miles away. It needs this line to move coal from reserves along the line to Harleigh or, if it rebuilds the breaker on the line, to serve the area directly.

1010-PA (Freemansburg to West Easton)

—The Pennsylvania DOT reported that this line is in service, with 10 businesses generating 2,271 carloads in 1973.

—This line might be needed for future passenger service use.

142-PA (Wawa, Pa. to Colora, Md.)

—The Octoraro Committee for this line submitted a list of 50 companies that indicate an interest in utilizing efficient and economical rail freight service on the line.

—The Committee requests that USRA take notice of the voluminous sworn testimony regarding the public need for rail service, found in ICC Docket AB-5 (Sub-No. 19).

—A survey by the Chester County Development Council shows that on-line industries have been adversely affected by the discontinuance of service. Economic growth in the Octoraro Corridor has been stunted by the high cost of transportation.

—The Southeastern Pennsylvania Transportation Authority (SEPTA) considers this branch a potential route for passenger transportation.

—A study entitled "Demand for Service on the Octoraro Branch Line" done in May, 1974, by the Wharton School, University of Pennsylvania found that most former shippers would return to the line with volumes at least as great as those experienced prior to the floods of 1972. Future for using the line is good.

—The Chester County Development Council points out that renewal of service on the branch hinges on an interchange of freight traffic with the Wilmington and Northern branch (USRA line Nos. 907/939).

—The Line is the only railroad servicing southern

Chester County, Pa., and parts of Cecil County, Md. Rail service is vital to the agricultural community of southern Chester County, the world's largest producer of canned and fresh mushrooms.

—According to Pennsylvania DOT the cost of line rehabilitation is \$581,400.

—In 1969 the line handled 1,800 cars and projections for future use are for over 2,000 with a possibility of from 3-5,000.

—Large potential users include the Carborundum Co., projecting up to 800 cars.

—Herr's Potato Chips could ship 790 carloads by 1980.

—Quaker Containers and NVF Company each could move 240 cars.

145-PA (York, Pa., to Cockeysville, Md.)

—The United Transportation Union Local 454, Baltimore protests the abandonment of this line because: it is a main link between Harrisburg, York, and Baltimore; use of this line for freight would leave the main line for the exclusive use of Amtrak; this line (closed due to Hurricane Agnes) is 20 percent shorter than the route now used.

—Maryland DOT in its Railroad Planning Project states "Prior to the washouts, the line generated only an estimated 80-100 cars per year in Maryland. Repair and rehabilitation of the line solely for the purpose of resuming Maryland local freight service would thus not appear to be economically justifiable".

—The Northern Central Railway Protestants' Committee expressed frustration that a de facto abandonment has been allowed to continue and that it cannot get service restored despite convincing evidence of economic viability. It takes exception to the data used by USRA stating that no one contacted rail users, communities involved, or the Stewartstown Railroad for information.

—The United Transportation Union's Local 1722 reported that in ICC Docket No. AB-5 (Sub No. 106) the initial decision of the Administrative Law Judge, dated May 25, 1973, found "there is an evident public need for restoration of service between New Freedom and Hyde. As to this segment of the line, the balancing process shows that public need as outweighing the possibility of burden on the Penn Central or interstate commerce. Indeed there is persuasive evidence that resumed operations here will produce significant benefit to Penn Central, as well as to the public."

—The Stewartstown Railroad operates 7 miles between New Freedom and Stewartstown. To survive, the company says it needs an interchange with a viable carrier at New Freedom. A 145 acre industrial park adjacent to the line is awaiting service. Sev-

eral shippers detailed extra costs incurred by having to divert to trucks.

—The line is not a stub end branch but a link in an alternate rail line between Baltimore and Penn Central is Enola Yard at Harrisburg.

—This line should be retained as an alternate route because the main line following the Susquehanna River is flooded on the average of one to two weeks each year.

—The Pennsylvania PUC believes this route would take traffic off the corridor at less expense than building new track on the B&O right-of-way.

217-MD/PA (Bedford, Pa. to Cumberland, Md.)

—The Bedford County Commissioners report that Penn Central agreed to continue serving the Westinghouse plant at milepost 50.7 in the fall of 1974. Westinghouse expects to receive 30 cars in 1975.

—This 4.2 mile portion of the line goes through an industrial development park.

—Watson Wood Products of Manns Choice is anxious to have rail service.

230-PA-N8 (Williamsport, Pa. to Southport, N.Y.)

—James Rockwell, Chairman of a group of users of this line stated USRA incorrectly reported that this line had been previously abandoned. The line is out of service as a result of damage from Hurricane Agnes.

—The Pennsylvania Office of State Planning and Development stated that, if the line was restored, eight shippers would generate 741 carloads per year. One previous user has already gone out of business due to lack of rail service.

—The Pennsylvania Office noted that there are two major bituminous coal fields on this line which are being developed. One field, near Ralston, is being mined by the Jones and Brague Coal Company.

—The Planning and Development Office cited a report showing the economic impact which loss of service has had. The transportation costs of area agricultural supply and feed dealers has risen by \$165,000. In addition, lost milk production has caused a reduction in farmer's income of \$575,000—\$950,000. The report estimated other indirect losses totalling between a quarter and a half million dollars.

—Jones and Brague expects to open a new mine near Canton. It will ship 300,000 to 500,000 tons per year to New York State Gas and Electric Corp.'s Milliken Station.

RECENTLY ABANDONED LINES

18-MA Portion of West Quincy Secondary Track

—The West Quincy Secondary Track was termed potentially excess by the Department of Transpor-

tation. USRA classified this line as "under study" until it discovered that the line had been abandoned under ICC abandonment procedures effective on July 4, 1973. No further study followed and the Preliminary System Plan did not include this line in ConRail.

—It was pointed out that USRA overlooked the fact that under an agreement between Penn Central and the ICC, a portion of this line, from its beginning to the receiving dock of the Quincy Patriot-Ledger remains in service. The Quincy Patriot-Ledger receives 67 boxcars a year of newsprint. The company asserts that this rail spur is its only way of receiving precious newsprint. Congressman James A. Burke believes that USRA's oversight could have serious consequences to the South Shore Communities; a daily newspaper, as well as being a major employer, is the best outlet for advertising among the businessmen.

—USRA should reevaluate the preliminary recommendation of excluding from ConRail this portion of USRA Line No. 18 which is still in service.

372-Ohio (Dover to Parral)

—The Tuscarawas County Chamber of Commerce testified that this line has not been abandoned as USRA reported. The track from milepost 0 to milepost 1.7 is still in operation and serves four companies.

—The Amko Service Co., which generated 136 carloads in 1973, reported that it operates one of the few facilities in the country which services, repairs, and rehabilitates cryogenic cars.

—Sanders Transfer Inc. built a new warehouse on this line in 1973 and installed its rail siding later that year. During 1974 it generated 88 rail cars and is considering doubling its warehouse facilities.

—This line also serves the Dover Chemical Corp. which generated 93 carloads in 1973 and 188 in 1974.

489-OH (Hebron to Thurston)

—The U.S. Department of Interior recommended that this line's right-of-way be preserved for possible use as a bikeway or a linear park.

Review by H. Office revealed, etc.

222-PA (South Fork Secondary Track at Ashtola)

—The PSP shows this line as having been recently abandoned.

—The Pennsylvania DOT reports that this .3 mile segment was leased September 1974 to the M. H. Bigan Coal Co. with the agreement that it repair and maintain the track. The Company plans to develop both a stock pile facility and a fast loading unit-train coal dock. They anticipate shipping 270–540,000 tons annually.

336-PA (Fairchance to Terminus)

—Ruane Coal Co., which uses about a mile of the branch controls more than 20 million tons of strip and deep coal in the area.

—Fayette County Board of Commissioners reported that in 1972 the Ruane Coal and Coke Co., shipped 365 cars, in 1973—505 cars and January–October 4, 1974—343 cars.

—The truck rate per ton to Detroit is said to be \$25 more than the rail rate.

—It appears that USRA attributed the Ruane coal traffic in its analysis of Line No. 663.

341-PA (Cokeburg Branch near Cokeburg)

and

342-PA (Ontario Branch near Cokeburg)

—The Pennsylvania Office of Planning and Development reports the Penn Central Coal Dept. is negotiating the lease or sale of these spurs to a large strip-coal mining and brokerage firm for a strip-coal gathering facility. C. J. Langenfelder and Son Co., Inc., of Baltimore, plans to develop a fast loading coal dock which would serve a large area of small strip operators. It anticipates shipping 250–300,000 tons annually.

APPENDIX C

Subsidy Analysis

In summarizing its light-density line results, the Association stated that: "Even if all the branch lines not recommended for inclusion were subsidized, the Association estimates the total cost will be within the funding subsidy available under the Act." (Plan p. 22.)

In an effort to validate this conclusion, the Office developed *hypothetical* rail service continuation subsidy amounts for all 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, where trackage rights were involved, where the carrier failed to provide the data, where an independent carrier was involved, or when Amtrack passenger service was 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 detailed in the Light-Density Line Analysis chapter. 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 Plan. 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 cost" 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. 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 en-

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 1			With rehabilitation to FRA Class 1 (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	598,000	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	674,000	472,000	202,000	1,114,000	780,000	334,000
New York	4,100,000	2,352,000	1,646,000	706,000	6,757,000	4,730,000	2,027,000
Pennsylvania	4,500,000	3,165,000	2,216,000	949,000	5,482,000	3,837,000	1,645,000
Illinois	4,500,000	923,000	646,000	277,000	2,500,000	1,750,000	750,000
Indiana	4,500,000	2,120,000	1,484,000	636,000	6,356,000	4,449,000	1,907,000
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	2,528,000	1,770,000	758,000	7,088,000	4,948,000	2,120,000
West Virginia	610,000	306,000	214,000	92,000	497,000	348,000	149,000
Virginia	2,880,000	1	1	0	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		17,691,000	12,384,000	5,307,000	45,063,000	31,544,000	13,519,000

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

titlement 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, 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 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-2.—Hypothetical subsidy calculations by line

[Amounts in dollars]

USRA segment No	Without rehabilitation	With rehabilitation
Connecticut:		
41	18,000	21,000
46	29,000	55,000
47	10,000	46,000
50	40,000	40,000
52	1,000	15,000
53/53b	21,000	69,000
55	45,000	45,000
60	76,000	222,000
674 ¹	19,000	310,000
685	85,000	201,000
Interstate lines ²	52,000	109,000
Total	396,000	1,133,000

See footnotes at end of table.

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

[Amounts in dollars]

USRA segment No	Without rehabilitation	With rehabilitation
Delaware		
138a	3,000	38,000
159	7,000	33,000
160	39,000	93,000
161	53,000	82,000
162	8,000	48,000
937	28,000	28,000
Interstate lines ³	41,000	577,000
Total	179,000	899,000
Illinois		
415	38,000	109,000
422	23,000	23,000
434	51,000	51,000
434a ⁴		
435 ⁵		
605a	1 ⁶	1 ⁶
605b	10,000	66,000
608	1 ⁶	71,000
608a	326,000	689,000
609	242,000	699,000
610/610a ⁷		
611	83,000	315,000
611b	127,000	504,000
Interstate lines ⁸	23,000	23,000
Total	923,000	2,500,000
Indiana:		
399	31,000	183,000
414 ¹	42,000	42,000
417/417a	29,000	91,000
418	161,000	379,000
419	89,000	355,000
420 ²		
423	100,000	476,000
429	165,000	358,000
521	67,000	150,000
523	1 ⁴	1 ⁴
524	38,000	38,000
556 ³		
557 ⁴		
565	103,000	103,000

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

[Amounts in dollars]

USRA segment No.	Without rehabilitation	With rehabilitation
Indiana—Continued		
571	1 ⁴	73,000
574/574a	1 ⁴	248,000
578	49,000	223,000
579a	1 ⁴	273,000
582	31,000	31,000
584	13,000	82,000
585/586/587	91,000	346,000
589	117,000	412,000
590	1 ⁴	33,000
591	99,000	396,000
593	477,000	477,000
596	16,000	61,000
597 ¹	26,000	72,000
602	50,000	255,000
622/623 ²		
630	95,000	351,000
633	1 ⁴	1 ⁴
700 ³		
Interstate lines ²	231,000	850,000
Total	2,120,000	6,356,000
Maryland		
148	114,000	252,000
149	5,000	5,000
150	28,000	75,000
151	50,000	118,000
152	8,000	92,000
153	28,000	168,000
163 ¹	58,000	176,000
676	17,000	58,000
Interstate lines ²	167,000	1,253,000
Total	475,000	2,197,000
Massachusetts:		
6	1,000	19,000
8/8a/9	136,000	416,000
13	18,000	275,000
15	65,000	252,000
16	2,000	4,000
17	26,000	81,000
19	1 ⁴	8,000
21 ¹	1 ⁴	1 ⁴
22	59,000	59,000
23/24	83,000	83,000
25	9,000	9,000
29	32,000	156,000
30 ²		
31/32	48,000	142,000
33	25,000	25,000
Interstate lines ²	92,000	275,000
Total	696,000	1,804,000
Michigan		
391	68,000	323,000
392a	1 ⁴	6,000
393 ¹	178,000	436,000
394	1 ⁴	216,000
395/395a	1 ⁴	
398	20,000	152,000
402	14,000	123,000
404	51,000	204,000
436 ²		
438	3,000	112,000
438a	34,000	224,000
440	1 ⁴	354,000
440b	1 ⁴	17,000
441	288,000	670,000
442 ²		
444	22,000	22,000
444a	13,000	13,000
445	41,000	104,000
445a ¹		
445b	32,000	211,000
451/452/453 ¹	122,000	122,000
454	275,000	1,402,000

See footnotes at end of table.

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

[Amounts in dollars]

USRA segment No.	Without rehabilitation	With rehabilitation
Michigan—Continued		
454a	260,000	892,000
455a	1 ⁴	1 ⁴
456/457/458	1 ⁴	166,000
461	68,000	213,000
463a	82,000	82,000
463b	17,000	38,000
463d	16,000	16,000
464/465	41,000	41,000
466	102,000	102,000
470	109,000	305,000
472	53,000	53,000
472a	1 ⁴	9,000
530a	54,000	123,000
680	1 ⁴	1 ⁴
688	101,000	101,000
692a/693a	169,000	169,000
698 ²		
1300 ¹	208,000	208,000
1301	175,000	175,000
1302/1303	1,237,000	1,237,000
Interstate lines ²	46,000	133,000
Total	3,897,000	8,770,000
New Jersey:		
119	13,000	53,000
121 ²		
121a ¹	72,000	72,000
123/124/124a ¹	81,000	97,000
127/128 ²		
130	28,000	95,000
703	9,000	9,000
1100 ²		
1101 ²		
1102 ²		
1103	14,000	35,000
1104	9,000	47,000
1105	20,000	20,000
1106	42,000	42,000
1107	76,000	185,000
1109	29,000	29,000
1800	13,000	13,000
1801	1,000	98,000
1803	58,000	58,000
1804	139,000	139,000
1805	53,000	53,000
1806	11,000	11,000
1807	33,000	33,000
1808	25,000	25,000
Total	674,000	1,114,000
New York:		
66 ¹	158,000	158,000
66c	38,000	117,000
67	104,000	265,000
68	1 ⁴	8,000
80	18,000	55,000
81	111,000	242,000
83a	4,000	13,000
84 ²		
85 ¹	5,000	33,000
86	8,000	43,000
87	47,000	85,000
89a	52,000	170,000
90	14,000	45,000
92/93	2,000	51,000
95	31,000	31,000
96	27,000	27,000
100/101	1 ⁴	111,000
102	124,000	647,000
103/104	97,000	314,000
105/107	85,000	968,000
108	52,000	52,000
109/110	19,000	287,000
111	27,000	151,000
114a	19,000	19,000

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

(Amounts in dollars)

USRA segment No.	Without rehabilitation	With rehabilitation
New York—Continued		
137	335,000	823,000
230a	4,000	18,000
231a ¹		
231b ¹		
233/234 ¹	24,000	24,000
238	1 ⁴	1 ⁴
246	1 ⁴	43,000
248	49,000	49,000
666a	36,000	36,000
670	1 ⁴	31,000
671	1 ⁴	83,000
1000	18,000	122,000
1002	84,000	234,000
1003	321,000	874,000
1020 ¹	1 ⁴	1 ⁴
1022	207,000	207,000
1023	80,000	80,000
1025 ³		
Interstate lines ²	152,000	243,000
Total.	2,352,000	6,757,000
Ohio		
365	11,000	69,000
367	12,000	85,000
371	1,000	1,000
373	1 ⁴	1 ⁴
374	75,000	75,000
375/376/377	129,000	492,000
387/388	127,000	490,000
477a	8,000	8,000
478	127,000	127,000
478a	4,000	4,000
481/482	16,000	16,000
485 ³		
487 ¹	59,000	235,000
488	15,000	37,000
490 ³		
491	13,000	34,000
493	42,000	42,000
494 ²		
496/498	178,000	348,000
497/498/499	102,000	353,000
502/503/504	157,000	446,000
505/506	23,000	92,000
507	19,000	94,000
514	209,000	423,000
516	25,000	52,000
516b	29,000	48,000
516c	65,000	122,000
516d	21,000	34,000
517 ¹	126,000	202,000
518		
519/520	71,000	175,000
525	11,000	98,000
527/528	11,000	115,000
531/531a/532	70,000	333,000
533/534/534a/535	180,000	679,000
536/537	64,000 ¹	209,000
538 ¹		
549	89,000	332,000
551	1 ⁴	80,000
560	48,000	126,000
640		
643	17,000	278,000
643a	1 ⁴	119,000
714	239,000	239,000
Interstate lines ²	136,000	356,000
Total.	2,528,000	7,068,000
Pennsylvania		
133a ³		
133b ³		
135	7,000	13,000
143	10,000	36,000
177	21,000	99,000

See footnotes at end of table.

TABLE C-2 Hypothetical subsidy calculations by line—Continued

(Amounts in dollars)

USRA segment No.	Without rehabilitation	With rehabilitation
Pennsylvania—Continued		
180		
181 ¹		
185/186 ¹	138,000	252,000
192/192a/192b ¹	330,000	330,000
192c ¹		
194 ¹		
196	24,000	58,000
197b	56,000	279,000
202	20,000	72,000
203	39,000	39,000
206	38,000	38,000
208	8,000	22,000
210	3,000	50,000
212/212a	42,000	104,000
218	15,000	15,000
250	117,000	117,000
252 ¹	117,000	117,000
254	117,000	117,000
256 ¹	1 ⁴	50,000
257	4,000	50,000
260a	1 ⁴	88,000
312 ³		
313		
314 ³		
315 ¹		
326	1 ⁴	106,000
331	30,000	118,000
335	1 ⁴	22,000
344	2,000	8,000
345a ³		
352 ³		
355	9,000	61,000
356	88,000	219,000
360	52,000	52,000
647	1 ⁴	1 ⁴
648 ¹	66,000	66,000
650 ¹	116,000	222,000
651	70,000	111,000
659	1 ⁴	13,000
659a	81,000	195,000
663	43,000	293,000
664	1 ⁴	107,000
691	16,000	16,000
691b ¹		
712	96,000	96,000
903	30,000	30,000
904	43,000	43,000
905	53,000	53,000
908	154,000	154,000
908 ³		
909	57,000	57,000
910	16,000	16,000
912	95,000	95,000
915	67,000	67,000
916	22,000	22,000
917	45,000	45,000
918 ³		
920	84,000	84,000
920a	36,000	36,000
921	27,000	27,000
922	32,000	32,000
923	124,000	124,000
924	88,000	88,000
925	38,000	38,000
926	31,000	31,000
931 ³		
932 ³		
935	39,000	39,000
1007	33,000	70,000
1008	37,000	119,000
1009	21,000	95,000
1012 ¹		
Interstate lines ²	218,000	466,000
Total.	3,165,000	5,482,000

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

[Amounts in dollars]

USRA segment No.	Without rehabilitation	With rehabilitation
Rhode Island:		
28.....	52,000	124,000
38/38a.....	3,000	3,000
38/38a.....	25,000	94,000
43a ¹		
Total.....	80,000	221,000
Virginia:		
165 (ferry) ¹		
Interstate lines ²	1 ⁴	265,000
Total.....	1	265,000
West Virginia:		
205a ³		
512/512a ¹	65,000	162,000
Interstate lines ²	241,000	335,000
Total.....	306,000	497,000
Interstate lines:		
CT-MA 40.....	28,000	93,000
CT-MA 54.....	48,000	112,000
CT-MA 59 ¹	6,000	116,000
CT-MA 678a.....	63,000	63,000
DE-MD 147.....	1 ⁴	378,000
DE-MD 168.....	35,000	460,000
DE-MD 169.....	91,000	720,000
DE-PA 907/930.....	1 ⁴	1 ⁴
MD-VA 166.....	1 ⁴	309,000
MD-PA 196 ¹	177,000	488,000
NY-PA 249.....	120,000	120,000

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

[Amounts in dollars]

USRA segment No.	Without rehabilitation	With rehabilitation
Interstate lines—Continued		
NY-PA 260.....	65,000	239,000
NY-PA 1015.....	87,000	87,000
NY-ON 101a ⁴	43,000	43,000
IN-IL 577a.....	27,000	27,000
IN-OH 520a.....	1 ⁴	1 ⁴
IN-OH 554.....	164,000	443,000
IN-OH 571a.....	25,000	311,000
IN-MI 401.....	58,000	246,000
IN-MI 467 ³		
MI-OH 530.....	89,000	234,000
OH-WV 514a.....	314,000	436,000
Total¹.....	1,440,000	4,925,000

¹ The calculations for this line segment are based on data for only that portion of the line not recommended for inclusion in ConRail.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."⁵ The total of this line includes \$39,000 which would be allocated within the Province of Ontario, Canada. (See ² above)

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