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RAIL SERVICE COMMUTER PROBLEMS ON THE NORTHEAST CORRIDOR

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HEARING

BEFORE THE

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SUBCOMMITTEE ON

TRANSPORTATION AND COMMERCE

OF THE

COMMITTEE ON

INTERSTATE AND FOREIGN COMMERCE

HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

HOW TO BEST COORDINATE ONGOING COMMUTER SERVICE
WITH OUR MOST EXTENSIVE CAPITAL IMPROVEMENTS PRO-
GRAM IN THE NORTHEAST

SEPTEMBER 2, 1980

Serial 96-215

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RAIL SERVICE COMMUTER PROBLEMS ON THE NORTHEAST CORRIDOR

TUESDAY, SEPTEMBER 2, 1980

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 2123, Rayburn House Office Building, Hon. James J. Florio, chairman, presiding.

Mr. FLORIO. The Subcommittee on Transportation and Commerce will come to order.

As I have repeatedly said, I think it important that the committee start on time.

The hearing today will focus on commuter service problems on the Northeast corridor. Poor service and continual delays are particularly apparent on commuter lines that operate on the Northeast corridor's main line. Currently the Northeast corridor must accommodate Amtrak's intercity passenger trains from Boston to Washington, Conrail's freight traffic, and over 850 daily commuter operations carrying over 310,000 passengers per day.

I am pleased to have with us today Congressman James J. Howard, the distinguished chairman of the House Subcommittee on Surface Transportation. Congressman Howard's constituents in Monmouth County have been especially hard hit by disruptions to commuter service on the North Jersey Coast Line and what is known as the "highline" approach into Penn Station, New York.

Construction work resulting from the Northeast corridor improvement project will compound the problem of providing service to meet everyone's needs. Although disruptions to commuter service caused by Northeast corridor improvement project construction have been minimal up to this point, the focus of the project will shift from New England to the northern New Jersey and New York region through 1983. Commuter and freight traffic is much heavier in this area, and the construction work more extensive and complex. It is important that all service needs are taken into consideration and delays are minimized.

I am concerned about conflicts between overlapping roles and responsibilities of government agencies, commuter authorities, and operators of rail service on the corridor. Lack of coordination and poor communication have often caused confusion and resulted in poor service.

While I am committed to the completion of the Northeast corridor improvement project, and I would like to see its progress continue, we must decide how to best coordinate ongoing commuter

service with our most extensive capital improvements program in the Northeast.

We have a very distinguished list of witnesses this morning. We are very honored to have before us my colleague, Congressman Jim Howard.

**STATEMENT OF HON. JAMES J. HOWARD, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW JERSEY**

Mr. HOWARD. Mr. Chairman, I would first like to express my thanks and appreciation to you for convening these hearings and offering the opportunity to commuter leaders from my district to testify before the Subcommittee on Transportation and Commerce. I am especially grateful to you for holding the hearings on this today. As we know, the House is not in session today, and this does take a day away from you during this very important election year where you could use your time very, very well. Again, we want to thank you for these hearings today.

As you know, I represent a district in New Jersey with a large number of rail commuters. Roughly 11,000 people travel the North Jersey Coast Line to Newark and New York every day. I can think of no issue that has caused me more concern and caused my constituents more personal stress than the repeated failure of this particular rail transit system to operate efficiently.

It is a long commute even when the trains run on time. This makes heating, air conditioning, and other mechanical breakdowns all the more unbearable. It was in the winter of 1977-78 that the antiquated CNJ and Penn Central equipment still in use on the line suffered repeated failures and service hit a new low. Commuters and government officials alike put great pressure on the appropriate authorities to proceed more rapidly with track improvements. I was able to put together—during what was a genuine rail emergency—a funding package of \$4 million in Federal funds and \$1 million in State funds to purchase 10 remanufactured locomotives for the line. The commuters formally organized and brought their own clout to bear on State, Amtrak, and Conrail officials. State officials pledged their best efforts to stick to a new schedule for electrification of the North Jersey Coast Line, undertaken with 80 percent Federal and 20 percent State matching funds.

The shock to the official community of this new militancy among commuters combined with the receipt of new Federal funds and promises for improvements made the picture appear a little brighter. Slowly, delays due to equipment failures became less frequent.

Now, however, we are faced with another monster that cannot be corrected with Federal money. As I said in my letter to you requesting this hearing, we have been successful in directing additional funds for capital projects and operating expenses to New Jersey. But money is not the problem today. It is the lack of coordination among those parties which have responsibility for undertaking rail improvements and for providing commuter service in the New York-New Jersey region.

As we all know, Conrail and Amtrak were not established for the primary purpose of providing commuter service. For some reason, commuter service in this country is like the runt of the litter—

nobody wants it. Long-haul passenger service and the more profitable freight service receive all the attention, while commuter service remains the subject of protracted controversy. Today, 4 years after rail properties were conveyed and Conrail assumed operating responsibility for North Jersey Coast Line from the bankrupt railroads, it is still unclear which party—Amtrak, Conrail, or New Jersey Transit—has responsibility for certain operating costs in the Northeast corridor.

We have a situation in which Amtrak, at its Sunnyside, Queens, yards maintains our North Jersey Coast Line trains during the day and Conrail, at the Bay Head terminal, takes care of them at night. New Jersey Transit owns the locomotives, the cars, the tracks, and the stations. During morning and evening rush hour, Amtrak and Conrail share the responsibility for operations, switching, and dispatching for different segments of the trip between Bay Head, N.J., and New York City. Repairs underway on bridges, tunnels, and stations as part of the Northeast corridor improvement project are administered by the Federal Railroad Administration. On top of all this, we cannot forget that the U.S. Coast Guard has jurisdiction over opening and closing the six railroad bridges between Sunnyside Yards and Bay Head.

One would think that with all these agencies and officials concerned about the operation of the North Jersey Coast Line, the service would be fast and efficient. But what we have instead is a clear case of too many cooks spoiling the soup.

You will hear shortly from commuter leaders representing the three rail commuter groups in central Jersey: the Irate Shore Commuters, the Shore Commuters for On-time Service, and the Commuter Wives of Monmouth, Middlesex, and Ocean Counties. They are more than adequately prepared to relate to you their firsthand experiences—and those of their families and friends—commuting on the North Jersey Coast Line. I will leave it to them to relate specific examples of breakdowns, dangerous misroutings, and mismanagement. But I would like to take a few moments to suggest some approaches that the subcommittee could pursue in seeking to correct these problems.

As a first step, it is my understanding that the Northeast Corridor Commuter Rail Authorities Committee (NECCRAC) was established in 1976 by this committee to resolve just the kinds of jurisdictional problems in the Northeast corridor that we are discussing here today. This panel, made up as it is of representatives from Amtrak, Conrail, commuter rail authorities, and two neutral persons appointed by the National Mediation Board, would be an appropriate forum to more clearly define the lines of authority. The panel has been inactive, but because it is already established, it could get to work immediately to resolve some of the disputes. All parties must be willing to relegate to the committee the authority necessary to make its decisions stick.

I do not feel, however, that NECCRAC can solve the day-to-day operational problems on the North Jersey Coast Line and other lines. It must be remembered that though we are focusing on the North Jersey Coast Line today, the problems we are experiencing are not unique. Many of the lines running into New York and other urban areas are plagued by the same kind of operational

confusion. Commuters in other areas undergoing Northeast corridor rehabilitation are no doubt experiencing the same kinds of delays as we are.

It may be that the only solution is to establish a single agency, corporation, or authority to oversee New York-New Jersey commuter operations. This could be a hybrid of Amtrak and Conrail and serve as a regional division of a larger, national entity with responsibility for commuter operations. Or, it could be specific to the New York metropolitan region where the bulk of the problems have surfaced. Regardless of the structure, it should have as its primary responsibility the provision of safe and reliable daily commuter service, and it should not have to answer to any corporation or agency that does not have a priority commitment to commuter service.

While there is no question that the establishment of high-speed, efficient rail passenger service between major cities is an admirable goal for Amtrak and this Nation, it should not be at the expense of the larger number of daily commuters who are the real mass transit patrons in this country. As chairman of the Surface Transportation Subcommittee of the Public Works and Transportation Committee, I know what public transit means in terms of energy savings and the environment. Under section 3 of the Urban Mass Transit Act, the Federal Government has so far sent New Jersey over \$100 million toward a \$129 million electrification of the Coast Line from South Amboy to Matawan. That is to be completed by the fall of 1981, when work will begin on electrification further south to Long Branch.

If this kind of investment is not matched by operational and administrative efficiency, then we might as well give up trying to get people out of their cars and onto public transportation.

Mr. Chairman, I thank you again for the opportunity to appear before your committee today. I refer you now to the true experts on commuter rail service, the leaders of the three most active rail commuter groups in New Jersey.

I would like to add, Mr. Chairman, that with the tremendous energy problem that this Nation faces, I think that we are indebted to the commuters who, despite the difficulties they have had over the years, still continue to have enough faith to continue using this commuter line. Although they work in the cities of Newark and many in New York, we have them as very, very valuable constituents in the Third District of New Jersey, and we feel it is the responsibility of all of us, Federal, State, Amtrak, Conrail, to see that they can get to work in a reasonable time, to have safe transportation.

I hope we will be able to do something to make sure that it is not worse than it has to be.

I thank you very, very much for permitting me to have some of my constituent leaders here this morning.

Mr. FLORIO. I would like to echo a couple of your points. I share your opinion that although money will always be somewhat of a problem, it will not be the problem that it has been in years gone by. There is an appreciation in the Congress of the importance in terms of energy conservation of the expansion of rail as a mode of transporting people.

The very fact that this Congress saw fit to allocate a substantial amount of the windfall profits tax to transportation is indicative over the long term that there will be resources to make the capital improvements required.

Again, you point out the problem this committee has been pointing to as a serious problem in rail operation—the absence of coordination and the fact that there is too much of a split in terms of jurisdiction. There are those who say that Conrail, which is essentially a freight operation, is not interested in commuter operation. Therefore, you get the quality of service that you would from someone not interested in providing the service.

On the other hand, you have Amtrak, which is not into commuter transportation as it should be. In many instances, there is no real distinction. People in our State commute from Trenton to Newark on the intercity line of Amtrak, notwithstanding the commutation rates. The distinctions are very difficult to make.

The question as to funding is whether UMTA is to be used by Amtrak because Amtrak is not a commuter service and UMTA is supposed to be for commuter operations. It is my understanding the Public Works Subcommittee is giving consideration to modifying UMTA's use.

Mr. HOWARD. I would like to say that we have been successful, because just a few years ago, when we had this emergency need for more efficient locomotives for the North Jersey Coast Line, I was able to go to Mr. Richard Page, the Director of UMTA, and convince him that although this was a commuter line, because it was a commuter line, in a sense it came under UMTA, and they should be a part of helping to solve this problem.

We were able to get \$4 million immediately in a grant to New Jersey to pay for the 80-percent Federal share of having 10 locomotives remanufactured in Paducah, Ky., and made available for this line. So, we do have them on record already of at least acknowledging that commuters, if it is a long commutation, certainly are a part of urban mass transportation, and ought to be. We are going to use every avenue we can to help solve the energy crisis. We hope to have that as a permanent basis where that money can be tapped, working as you say with the share our subcommittee may get from the 15-percent windfall profits tax.

Mr. FLORIO. The main actors in this drama are Amtrak, Conrail, and the State commuter agency. One of the things I will be asking questions about is the Operations Review Panel which was supposed to be the mechanism coordinating the interaction among all those participants and which in my opinion, has not been working as well as it should.

One of the main things that will come from this hearing is obtaining information to formulate appropriate legislative response, and if this panel was designed to coordinate each of these entities, can it be improved so as to make it functional? If so, we will be inclined to go forward as rapidly as possible to achieve that goal. It is my understanding the people from New Jersey have specific suggestions as to what is wrong on this point.

Mr. HOWARD. You showed a great deal of foresight, Mr. Chairman, in establishing this committee, realizing there would be this

problem in the day-to-day operation. I believe implementation of what you have begun would go far to solve this problem.

Thank you, Mr. Chairman.

Mr. FLORIO. We are now very pleased to call three panelists forward who represent various commuter groups: Mr. John D'Amico, cochairman, Irate Shore Commuters, Mr. David Pindar, chairman, Shore Commuters for On-Time Service, and Arlene Stump, cochairwoman, Commuter Wives.

We are very pleased to have you appear before our committee. I would appreciate your going forward in any manner you choose to see fit. Introduce yourselves for the record and then proceed.

STATEMENTS OF DAVID M. PINDAR, CHAIRMAN, SHORE COMMUTERS FOR ON-TIME SERVICE, AND ALSO MONMOUTH COUNTY TRANSPORTATION COORDINATING COMMITTEE; ARLENE STUMP, COCHAIRWOMAN, COMMUTER WIVES AND ALSO ON BEHALF OF NORTH JERSEY COAST LINE COMMUTERS; AND JOHN D'AMICO, JR., COCHAIRMAN, IRATE SHORE COMMUTERS

Mr. PINDAR. We have slightly amongst ourselves altered the presentation setup for reasons we feel appropriate to this particular problem. A resolution setting forth the committee's position on this issue is included in the material sent up to you.

The time limitations impose certain restraints on our prepared statements. [See p. 9.] I would like to impose slightly on you, because this is the best opportunity we have ever had to make the points that we want to make, and this opportunity should not be lost. We thank you, and since these petitions were addressed to Representative Howard, we most assuredly thank him for arranging this hearing.

New Jersey affords some of the best commutation in the country. Unfortunately, we do not use it. It is all in the northern area of the State where Conrail operates it, and Conrail is directly under the aegis of the State's transportation authorities.

There are other areas where unfortunately—and I use that word deliberately—Amtrak operates the trains. The cars are old and the railroad is run by the State for the last 8 miles. Then from Rahway to New York, Conrail operates the trains from Rahway to Bay Head; Amtrak from there to New York. Most of these trains have to change from electric power to diesel power about two-thirds of the route going south. There is a built-in delay and is something the committee you mentioned should address, the concentrating upgrading committee.

I am departing slightly from my statement to make four essential points as I see them:

In connection with the Northeast corridor improvement project, the present physical state of the railroad track, apart from safety or anything connected with it, is that more important than the people who ride on it? We submit that it is not. We submit that most of Amtrak's riders are occasional passengers. We are on these trains up to 4 hours a day. I myself travel about 100 miles per day. That is my working day.

There are certain aspects we want to specifically bring to your attention. The first relates to operation. We do not wish to bore

you with horror stories because as we say in the formal statement, we now have an executive director who said he will be managing by results. We are going to hold him very carefully to that standard, but there is a New Jersey forum in which we can do that. I, personally, in connection with Amtrak's operation, have been subject to four misroutings of trains on one of the most significant junctions in the corridor, Union interlocking. Three of those misroutings were in a westbound direction, where the train was sent down to Trenton. One was as recent as July 16, where an east-bound train was sent on the wrong track. Very fortunately, the operator stopped soon enough to stop a fouling of the main line.

I do not want you to get the impression all these horror things have passed. They are still going on.

With respect to equipment, Amtrak is a sub-subcontractor as to maintenance of the equipment.

Specifically, we think we are much more important than the Northeast corridor project and its timetable, and the fact we ride on these trains makes us so.

In connection with the Northeast corridor project, we have four points we would like to bring to your attention. We do not think that either track in the Hudson River or New York highline should ever be taken out of service for any reason whatever except a real emergency. I think we ought to be very careful about defining for these people what a real emergency is. It should never be taken out of service on a weekday between 7 a.m. and 7 p.m. except in emergency. We do not think more than one track should be taken out of service during those days and during those hours at the interlocking for the same reason.

Finally, we do not believe the physical integrity of any interlocking plant should be intentionally disturbed so as to disturb the number of trains through that plant for any reason whatever on a weekday between 7 a.m. and 7 p.m. We think that is very, very important. We think it is ridiculous to emphasize the completion of the Northeast corridor when to do that would interfere with the convenience and commuting time of thousands and thousands of people.

Mr. FLORIO. You have eliminated the whole working day. I would have anticipated you would have said something about commuting hours in the balance of the day.

Mr. PINDAR. I think that should be told to you by the people who will be doing the project. I do not think the project should be done during the day if it will interfere. I am told that European railroads do this all the time, they work evenings and Saturdays. If we are going to start this work at 8 in the morning, you will not be able to shut it down by the rush hour. I would expect more than an admonition to Conrail to go and sin no more. I think these experts should tell you what it is they can do during those hours and why they cannot do the things they are supposed to do, and somebody will have to make a social judgment. We submit to you the regular operation of these commuter trains is far, far more important than any timetable it might now have.

There is one other thing that nobody has mentioned very much that is very significant to us. As I told you, on this line, about two-thirds of the way down and between the words "river" and

"Morgan", power has to be changed on most of these trains. There is a truly great artifact called the GG-1 locomotive, now used to take the trains from Pennsylvania to South Amboy. At the moment Conrail has abandoned that locomotive. Amtrak is winding down its heavy repair facilities to take care of it. It is one of the best things that ever ran on the American railroad system, and it will stop running. At that point, most trains on the North Jersey Coast Line will not be able to run directly into New York unless substitute power is provided. There are arrangements to keep the GG-1 alive until 1985 or put Conrail and Amtrak on direct notice that they must cooperate to provide electric service to these trains. I think they should be put to specifics on this and all these questions, because nobody has ever done that before, and we have suffered tremendously.

I would like to turn this over to Mrs. Stump at this time.

[Testimony resumes on p. 41.]

[Mr. Pindar's prepared statement and attachments follow:]

HOUSE OF REPRESENTATIVES, INTERSTATE COMMERCE COMMITTEE, SEPT. 2, 1980:

STATEMENT OF DAVID M. PINDAR REPRESENTING SHORE COMMUTERS FOR ON-TIME SERVICE (SCOTS) AND THE MONMOUTH COUNTY TRANSPORTATION COORDINATING COMMITTEE.

My name is David M. Pindar. I am a member of the Monmouth County, N.J. Transportation Coordinating Committee, which is an official agency of the governing body of the county. I am here today at the direction of that committee (Exhibit A). I have been a regular daily commuter over the line of railroad we are going to discuss for almost all of the past 28 years, traveling about 100 miles per day. I am the current chairman of the Shore Commuters for On-Time Service (SCOTS).

In its northern section, the state of New Jersey provides commuter rail service for many tens of thousands of citizens to and from points in and around the cities of Newark and New York. This service is under the control of New Jersey Transit Corporation (TRANSIT), a public corporation in the state Department of Transportation (NJ DOT) which owns hundreds of miles of main and side railroad tracks, terminals and much modern passenger equipment. This system is so extensive that some of it even lies outside the boundaries of the state.

A large part of TRANSIT's commuter rail service is operated over owned railroad plant, to and from owned terminals using owned motive power and rolling stock by its operating contractor Consolidated Rail Corporation (Conrail). TRANSIT, as to such

service, can deal directly with and control Conrail and its performance. Except for the effect of a current project to re-electrify a part of the described plant and replace that part's life-expired rolling stock, this service of TRANSIT is probably the best in the New York metropolitan area.

TRANSIT also provides electric trains over that part of the Northeast Corridor (N.E.C.) which traverses the state of New Jersey. N.E.C. is owned, and unfortunately, operated by the National Railroad Passenger Corporation (AMTRAK). Conrail operates TRANSIT'S commuter trains over a railroad plant on which AMTRAK controls all train movement as well as the major terminal and its support facilities. The maintenance of TRANSIT'S equipment at the New York end of this line must be done by Conrail through sub contract with AMTRAK to discharge its duty to TRANSIT. We are now approaching the serious problems we are here to discuss today. We are most appreciative of this opportunity to do so. Since our petition for this hearing was addressed to Rep. Howard, we assume he has arranged for it and thank him as well as the committee.

The commuters we represent face the worst problems of divided rail plant ownership, ^{and} divided operating control responsibility of all of TRANSIT'S riders. We have none of the amenities described above plus the additional problem of the use of two different methods of train propulsion for one trip on some of our trains. We are here today to implore you to exercise your duty of legislative oversight of the use of federal funds by these creations of the federal government - AMTRAK and Conrail. You are the only agency which can assure that some very bad present problems do not become very much

worse and there is a clear and present danger that such is about to happen.

We do not expect you to sit through a litany of "horror stories." We have addressed demands for the fixing of responsibility for what has happened in the past to the Senate of the state of New Jersey. We expect a report from the Transportation committee of that body very shortly. TRANSIT has a new executive director who will address you today. He has promised to demand management by results from those who are to carry out his orders. He has been assured that we will insist that he do so in the future in the proper New Jersey forum. We do not intend to waste your time on that subject.

I promise that "horror stories" will only be used to illustrate points and very sparingly. Mrs. Stump, Mr. D'Amico and I have divided this presentation to assist you and in the hope of cogency. I will address:

1. The coming N.E.C. improvement work in our area and what must be done to accommodate acceptable operation of TRANSIT's commuter rail service.
2. AMTRAK's demonstrated record of inadequate operation of trains and station facilities under its control and its insensitivity to the need to cooperate with Conrail for the good of the commuter.

3. The demonstrated record of inadequate preventive maintenance on the part of both AMTRAK and Conrail; AMTRAK in its capacity as sub contractor to Conrail at New York (which makes it a "sub-sub" contractor to TRANSIT) and Conrail when it controls equipment at the other end of the line. We are dissatisfied with the entire record of preventive maintenance of the whole railroad plant.
4. The need for advance planning to assure that AMTRAK cooperates with TRANSIT to keep in existence certain repair facilities without which our trains will not have motive power to be hauled directly into the New York station; or, in the alternative to work out definite commitments for substitute locomotive supply.

1. The N.E.C. Improvement Project

AMTRAK is a creation of the federal government. Its original purpose was to contract for the operation of intercity passenger trains. It was basically a marketing organization but was subsequently given operating control of what was the heaviest traffic portion of the old Pennsylvania Railroad. This was long enough ago to support questions

in 1980 as to why it has not yet learned to run a railroad.

(Exhibit B)

To know that the New York "highline" is the weakest link in the whole NE Corridor from Washington to Boston does not take much expertise. It is only double as opposed to quadruple tracked; it includes a swing bridge (Portal) opened to traffic in 1910; it runs through two subaqueous tunnels under the Hudson River opened in the same year and includes what was once Pennsylvania Station, NY. This last is an area of extremely limited operational flexibility which requires almost ~~exquisite~~ efficiency to operate properly. The support facilities are across another river reached through 4 subaqueous tunnels which must be shared with the Long Island Railroad a rather busy line!

If a chain is as strong as its weakest link, these 10 "highline" miles should have been rebuilt first in the NE Corridor reconstruction project. The Portal bridge is the single thing AMTRACK owns which has the greatest potential to cause interruptions in service to the largest number of trains and riders due to its location, the physical aspects of the Hudson River tunnels and the New York station. Billions of dollars of federal tax monies have now been spent by AMTRAK to rebuild the NE Corridor.

This hearing is one of the results of a complex of horrors which occurred on July 31st, one feature of which was the failure of the Portal bridge. Why, at this point in the N.E.C. improvement project has not this 10 mile "wasp's waist" in the N.E.C. been completely rebuilt

? ? ?

The project is about to start in this area. We face a value judgment

You have here a golden opportunity to exercise oversight: To fix responsibility for some very bad planning and to insure that the project in this complex very congested area will not unduly interfere with the convenience of tens of thousands of commuters - our constituents and others from the main urban industrialized belt across the state from Trenton to Newark. We are on these trains twice a day - every day. Except for those who commute from Philadelphia and a few other points in Pennsylvania to New York AMTRAK's customers are mainly occasional riders. The N.E.C. project is for the benefit of the whole public. It should not be permitted to become some kind of end in itself. Whatever may be its timetable today, September 2, 1980, such should not be permitted to become some kind of immutable SHIBBOLETH to which the interest of people who spend up to 4 hours per day on NJCL and N.E.C. NJ TRANSIT commuter trains will be offered up as a sacrifice.

We are not railroad experts or engineers and do not claim to know-it-all. We are citizens, users and voters. Since this vital segment of the N.E.C. project has been let go this long, we submit to you that the overriding public interest is an acceptable regular performance of commuter trains as close to on-time as possible even at the expense of any timetable the N.E.C. project may have.

We hope for more from this hearing than mere admonitions to AMTRAK and Conrail. We submit the following points:

- Neither track in the Hudson River tunnels or on the New York highline, which is almost an extension of the tunnels from the point of view of operational flexibility, should ever be taken out of service - except for real emergencies - at any time from 6:00 am to 7:00 pm on any week day for any reason.
- Except where 6 tracks are available between the ELMORA and UNION interlockings, no more than one main track should ever be taken out of service between 6:00 am and 7:00 pm on any week day for any reason.
- The number of possible train movement routings through any interlocking plant should never be reduced between 6:00 am and 7:00 pm on any week day for any reason; nor should the physical integrity and switching capacity of any interlocking plant be disturbed during those days and hours.

2. & 3. Operation and Maintenance

We start this discussion with the assumption that AMTRAK's train operation of the N.E.C. is not adequate from our point of view. We feel that no honest AMTRAK representative can dispute it. Indeed many of them of high authority have publically admitted it. If they choose to deny it today, we are prepared to recite a litany of specific horror stories.

Examples:

- a.) Operation: on July 16, 1980 eastbound train 3308 was misrouted through UNION interlocking - a major control point on the 6 track portion of N.E.C. This was unheard of until a few years ago.

- b.) Maintenance: At a press conference called by these groups to discuss the petition for this hearing a N.J. State Senator stated he saw an air conditioner leaking condensation all over the seats. A member of SCOTS produced a car card which indicated that this very condition had been reported and repaired, not once but several times. The chief of AMTRAK maintenance at Sunnyside Yard said when it was given to him: "The entries are perfect, Bill." The air conditioner was not.

We have provided Exhibit C to demonstrate that there is a "role-model" for effective operation of this railroad. The material on Exhibit C comes from the December 1947 issue of the "Official Guide to the Railways" and demonstrates that more trains ran over the complex of tracks on the diagram than today. Moreover they were more difficult to run in that there were more trains

running in the non rush hour direction and there were more which were locomotive hauled as opposed to being selfpropelled. Reversing direction on such trains required more effort than running them backward.

4. Motive Power:

As noted above some of our trains are hauled by electric power from New York to South Amboy, N.J. by means of the GG-1 electric locomotive, one of the great artifacts of American industry. At South Amboy a change must be made to diesel power. This must be done eastbound and westbound. It is a built-in delay in addition to all of these other problems. Conrail has phased out the GG-1; AMTRAK is in the process of winding down its maintenance and repair facilities for it at the Wilmington, Del. heavy repair shops, TRANSIT owns 13 of these units which must operate to bring NJCL trains into New York. The GG-1 is unique; only AMTRAK can repair and maintain it and it must remain sensitive to our needs to do so at least until NJCL is electrified to Long Branch, N.J. - 1985 by latest NJ DOT announcement.

At the very least AMTRAK and Conrail must come to a realistic agreement on substitute electric power if the GG-1 cannot be maintained or else all NJCL direct service into New York will cease.

It will be pleased at this point to turn the presentation over to Mr. D'Amico. Thank you.

Ex.A

R E S O L U T I O N

WHEREAS, commuter and other rail service in Monmouth, Middlesex and Ocean Counties on the North Jersey Coast Line (NJCL) must operate between Rahway and New York over the Northeast Corridor (N.E.C.) which is owned and operated by the National Railroad Passenger Corporation (AMTRAK) and,

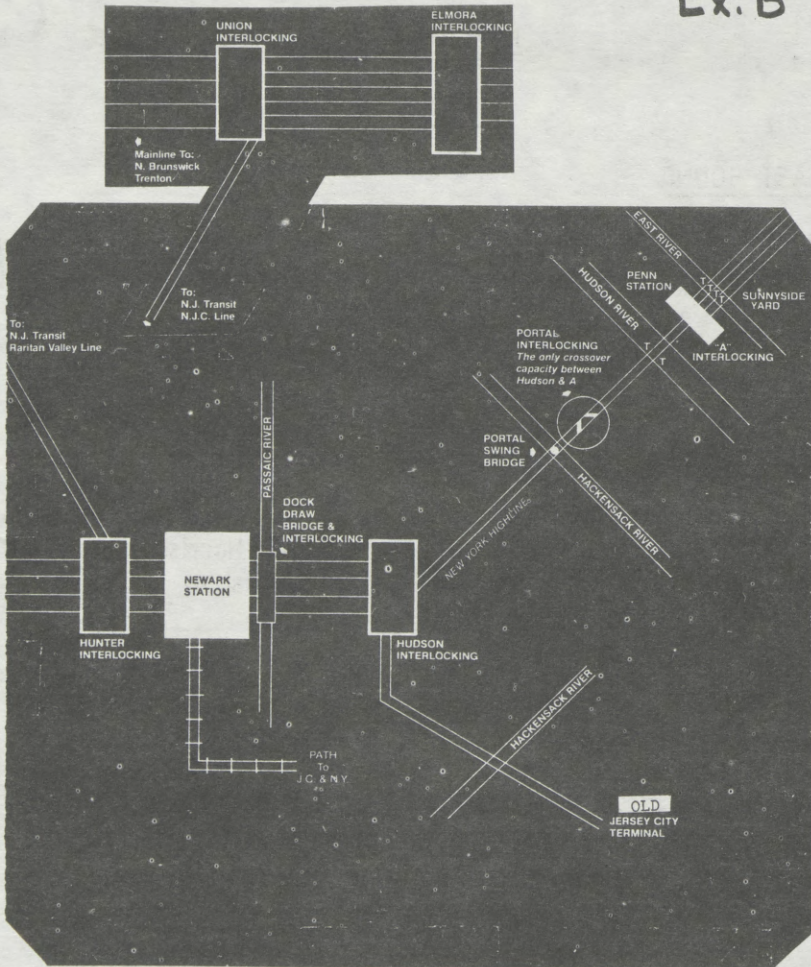
WHEREAS, AMTRAK is about to undertake extensive rebuilding and repair of the N.E.C. in this area which will disturb the physical integrity of the railroad plant, its tracks, bridges and interlocking installations, to the point of seriously interfering with the regular operation of the said rail service for an extended time and,

WHEREAS, such work as AMTRAK has already done on the said project, while of great necessity and future value to the riders of NJCL, has so adversely affected service that the Interstate Commerce Committee of the House of Representatives of the United States Congress has scheduled an investigatory hearing on September 2, 1980 in Washington D. C. to address the problem of carrying out the said repair and rebuilding project with the least possible interference to NJCL rail service and,

WHEREAS, this committee desires to participate in the aforesaid hearings to protect the interests of Monmouth County riders on the NJCL,

NOW THEREFORE LET IT BE RESOLVED, that the Monmouth County Transportation Coordinating Committee, make a detailed presentation on the subject of scheduling the N.E.C. repair and rebuilding project so as to interfere as little as possible with regular train service on the NJCL at the aforesaid congressional hearing on September 2, 1980 in Washington, D. C.

Ex. B



RUSH HOUR SUMMARY

Ex. C

7:00-9:00 AM - 1947EAST BOUND

20 Movements to New York
7 to Jersey City Terminal

WEST BOUND

14 Movements from New York
2 From Jersey City Terminal

7:00-9:00 AM - 1980EAST BOUND

23 Movements to New York
12 In Station or to
Harrison Yard

WEST BOUND

9 Movements from New York
3 From Harrison Yard or
In Station

4:00 PM-6:00 PM - 1947WEST BOUND

24 Movements from New York
7 From Jersey City Terminal

EAST BOUND

17 Movements to New York
3 To Jersey City Terminal

4:00 PM-6:00 PM - 1980WEST BOUND

24 Movements from New York
9 In Station or Harrison Yard

EAST BOUND

7 Movements to New York
2 In Station or Harrison Yard

AM	December 12, 1947	Latest Schedule 1980	AM	December 12, 1947	Latest Schedule 1980	AM	December 12, 1947	Latest Schedule 1980	AM	December 12, 1947	Latest Schedule 1980
7:00	255		8:00		5408 RV	9:00		5407 RV	10:00	3822	5409 RV
7:04	4	3817 NE	8:02	3710 JC		9:05	48	3820 NE		805	
7:12	3706 JC		8:04	70	3817 NE	9:08		42 NE	10:09	64	
7:13		190 NE	8:05	25-285	3816 NE	9:10	710		10:14	114	
7:14	203-1005		8:08		3312 NJ	9:15	28		209-19		
7:15		5406 RV	8:09	40			207		10:17	258	141 NE
7:16		61 NE	8:10		5410 RV	9:16		181 NE	10:19	206	
7:20		3606 SA	8:12	254 JC		9:19	204			620	
7:22		5445 RV		257		9:20	191			618	
7:25		3304 NJ	8:14	205		9:23	712 NJ JC	3320 NJ	10:20	1073	
7:26	38			732-704 NJ-JC				3715 NE	10:23		3711 NE
7:27	3751 JC	252 NE				9:26	3760 JC		10:24	26-74	
7:31		3814 NE	8:16	3754	5910 RV	9:30	580	5305 NJ	10:29	188	
7:34	2500	3710 NE	8:17	25-45	5405 RV		182	5414 RV	10:30	4203	5416 RV
7:35	109				89 NE		2554			1073	
7:37		3607 SA	8:19	256	3314 NJ	9:35	30		10:37	104	
7:38		5306 NJ		2552	3705 NE	9:36	3821		10:42	120	
7:39	702		8:20	3758 JC		9:39	785			604	
7:40		5448 RV	8:21		3818 NE	9:40		3622 SA	10:43		204 NE
		3812 NE	8:23		3716 NE	9:45	115		10:45	121	
7:42	66		8:24	705		9:46		202 NE	10:46	714	
7:44		3608 SA	8:25		5600 RV	9:50	3722 JC		10:52		3322 NJ
7:47	3752 JC	3712 NE	8:27		5316 NJ	9:54	709 NJ	3709 NE	10:54	711	3821 NE
7:48	3707 JC		8:28		3904 NE	9:55		3822 NE		3724	
7:49		3819 NE	8:30		200 NE				10:56		3724 NE
7:50		3308 NJ	8:31	202							
		5708 RV	8:33		5712 RV						
7:54		3610 SA	8:35	68							
7:55	3755		8:36	3816 JC							
	3756 JC		8:39	75	3707 NE						
7:57	60	5310 NJ	8:40		3618 SA						
7:58		254 NE	8:41	3718 JC							
			8:43		3318 NJ						
			8:45	585							
				111							
			8:46	2359							
			8:48		5412 RV						
					3720 NE						
			8:50	3818							
				2359							
				169							
			8:53		3823 NE						
			8:54	708							
			8:55		3906						
			8:59	118							
				781							
Total Trains	15	22	29	24			17	12	21	8	
JC	Jersey City origin or destination										
NE	Northeast Corridor										
NJ	North Jersey Coast/Van Hook / Long Branch RR										
RV	Raritan Valley										
SA	South Amboy										

[illegible]

NEWARK TRAIN ARRIVALS OR DEPARTURES											
PM	December 12, 1947	Latest Schedule 1940	PM	December 12, 1947	Latest Schedule 1940	PM	December 12, 1947	Latest Schedule 1940	PM	December 12, 1947	Latest Schedule 1940
3:00	133	5309 NJ	4:00		3311 NJ	5:00		5423 RV	6:00		5705 RV
3:04	3728		4:03		5726 RV	5:03	272				5430 RV
3:09	180		4:04	725 NJ	3837 NE		3723 JC				5847 NE
3:10		5424 RV	4:05	221		5:04		3317 NJ	6:01		3748 NE
3:13		172 NE	4:06	3833		5:06		3623 SA	6:04	737 NJ	
3:14	271			812		5:07		142 NE	6:05	3735 JC	
3:15	219	173 NE	4:11		174 NE	5:12		3832 NE	6:06		3327 NJ
	617-631		4:13	72		5:13	62-72		6:09		176 NE
3:20	195		4:14	621			500		6:10		3941 NE
3:24	216			2372		5:15	527		6:11	3734 JC	
	1077			2577			223		6:13		225 NE
3:25		3624 SA	4:16		187 NE	5:17		3843 NE	6:14	29	
3:31	3828		4:18	54		5:18	54	5319 NJ	6:17	225	
3:32	263		4:19	77		5:19	69	43 NE	6:20		3830 NE
3:34		3729 NE	4:20		3723 NE	5:20	3778 JC		6:23	3787 JC	
			4:21	218		5:22		5923 RV	6:24	222	3849 NE
3:40	5	5419 RV	4:22	3769		5:23	271	221 NE	6:25	31	
3:45	155	3826 NE	4:25	3776 JC	3619 SA		220		6:29	170	
3:47	138				3326 NJ		733 NJ JC		6:30	65	5429 RV
			4:29	176		5:26		5428 RV			220 NE
3:50	725		4:30	206-6-18		5:28	3775 JC	3630 SA			3635 SA
3:56	32		4:34	720		5:29	735 NJ	3735 NE	6:33		3624 SA
3:57		3744 NE	4:35	3719 JC		5:30		5321 NJ	6:35		3635 NE
			4:36	2509				5703 RV	6:38	3840	3838 NE
			4:37		5421 RV	5:32	3730 JC	3323 NJ	6:44		5328 NJ
			4:40		5313 NJ	5:33	3727 JC		6:45	581	5932 RV
			4:42		3853 NE	5:34		5425 RV		137	3745 NE
			4:43		3746 NE	5:36	2509	3627 SA	6:49	268	
			4:44	153		5:39	41	3845 NE	6:50	3739 SA	3329 NJ
			4:47	729 NJ			1072		6:51		5432 RV
			4:49		219 NE	5:41	3837		6:54	222-16	
			4:50	49		5:43	142			722 NJ	
				157		5:44	177		6:57	139	
				3771 JC		5:46	3779 JC		6:59	71	
			4:51		3315 NJ	5:49		223 NE			
			4:55		3841 NE	5:50	3839				
			4:58		3733 NE	5:52		3834 NE			
						5:53		3737 NE			
						5:54	3731 SA				
							3780				
						5:55		5325 NJ			
						5:56	737 NJ	5427 RV			
								3631 SA			
						5:57	190				
Total											
Trains	16	9	23	16		28	25		19	21	
					Total Trains			for the 12 Hour Period	224	158	
JC	- Jersey City origin or destination										
NE	- Northeast Corridor										
NJ	- North Jersey Coast/ New York & Long Branch Railroad										
RV	- Raritan Valley										
SA	- South Amboy										

up four successive engine changes at South Amboy (on trains 3308, 3310, 3312 and 3314), turning 3310 into the present diesel powered 5310 and running it non-stop from the Bay Head terminal to Asbury Park to protect the eastbound schedule. There has already been effective commuter participation in your affairs.

I am the current chairman of SCOTS and it is in that capacity only that I am writing this letter.

On behalf of SCOTS and its executive board I must reluctantly advise you that while your apology is accepted, the rest of your communication is not. It amounts to a promise that you will reinvent the procedures already supposedly in place and also the NJCL Advisory Committee which is now functioning. Please also note the attached correspondence between Senator Gagliano and the Commissioner and R. L. Downing. What you say you will do has already been said only days ago.

The affair of July 31 was not a single situation, but a constellation of breakdowns. Your luck ran out. Each of the problems had its proximate and remote causes. Each was responded to by some definite person (or persons); each of the proximate and remote causes can be laid at the door of some definite person (or persons). You do not identify any of those people by name. At this very moment they may still be in control and poised to permit the exact situations to happen again as they have done before.

NJ TRANSIT, Conrail and AMTRAK all played their parts on July 31. AMTRAK is the cause of almost all of our problems.

The performance of Conrail under Mr. Downing has improved significantly.

AMTRAK was created to contract for the operation of intercity passenger trains. It was basically a marketing organization but was subsequently given operating control of what was the heaviest traffic portion of the old Pennsylvania RR. This was long enough ago to support questions in 1980 as to why it has not yet learned to operate trains efficiently or maintain key bridges and other vital structures on an efficient preventive maintenance schedule.

To know that the New York "highline" is the weakest link in the whole NE Corridor from the point of view of danger to service does not take much expertise. It is double as opposed to quadruple tracked; it includes a swing bridge (Portal) opened to traffic in 1910; it runs through two subaqueous tunnels opened in the same year and includes what was once Pennsylvania Station, NY. This last is an area of extremely limited operational flexibility which requires the almost exquisite efficiency of bygone years to operate properly. If a chain is as strong as its weakest link, these 10 "highline" miles should have been rebuilt first in the NE Corridor reconstruction project. The Portal bridge is the single thing AMTRAK owns which has the greatest potential to cause interruptions in service to the largest number of trains and riders due to its location, the physical aspects of the Hudson River tunnels and the New York station. Billions of dollars of public money have now been spent by AMTRAK to rebuild the NE Corridor.

Why was the Portal bridge still in condition to malfunction as it did on July 31? Is the person (or persons) who made the effective decisions not to rebuild this area first still in control of the NE Corridor rehabilitation project? To whom is he (or they) responsible? What precisely will NJ TRANSIT (ie you) do at your meeting to alleviate the deleterious impact of AMTRAK'S demonstrated fiscal, mechanical and operating inadequacies on our valuable publicly owned train service? The public is entitled to know whose fault it is that the Portal bridge and the signals in the Hudson River tunnels are still unreliable. For years, NJ TRANSIT and its predecessors have neglected to protect the state's huge social, environmental and fiscal stake in its rail commuter service which now is at the mercy of AMTRAK on the NE Corridor.

Please examine the record over the last two and one-half years of actual misroutings of both NJCL and Trenton trains through Union interlocking, a key AMTRAK control point. It is SCOTS present information that the personnel responsible for this atrocious performance are still in service. Is this true? Who is responsible for their supervision and what has been done, in terms other than promises, to assure that these previously unheard of events do not happen again?

When you have recovered from your enforced extended station stop at Perth Amboy, may I respectfully suggest that you visit the New York station between the hours of 4:30 and 7:00 p.m.

on any weekday? Trains 3323 and 3327 are notorious for their late arrival from Sunnyside yard as a matter of course and their failure to interest AMTRAK enough to announce them very well. Last night 3327 was not even on the departure board until I called it to the attention of the station master. I was told to, "take it easy, we'll put it up."

May I also respectfully suggest that you do the same thing at the Newark station, but during the hours of 7:30 to 9:00 a.m.? You will observe at Newark the effect of the total indifference to your patrons safety and convenience displayed by AMTRAK in its dealings with the escalator replacement contractor. Is that job moving at all? Can you get that contract renegotiated as a matter of overriding public interest? Can AMTRAK?

The reconstruction of the Morgan drawbridge is now behind schedule and getting more so. SCOTS wants to know who examined this structure prior to the drafting of the specifications for the reconstruction contract. Are those specifications adequate? Do you now have any indication that they are not?

This bridge has been stripped to its essential moving parts for some time. Who, if anyone, was in charge of periodic inspections of the work in progress? Should he (or they) have been able to foresee the condition which caused the July 31 problem? If not, why not? If no such periodic inspections have been made who decided not to do so? Why did it shift to the east?

Who was in direct overall operating control of NJCL trains at the time the bridge operator reported he was unable to seat the moveable span properly? How much time elapsed between the event and the report? How long did the repair crews take to get there and start to work?

You know first hand that communication with riders was poor. Does this also apply to communications among those responsible for reacting to the problem? Who was responsible for the lack of communication to riders? Will the same person continue to have this responsibility? If so, why?

I personally arrived at the Newark station at about 6:30 p.m. on July 31. I intended to take the 6:50 p.m. train. (No. 3329) It was about 45 minutes late due to the Portal bridge problem. It was announced that passengers on 3329 "might" have to be bussed from South Amboy to Matawan because of the Morgan drawbridge problem. Since the announcement was made when the train was 45 minutes late one could assume that one would get to South Amboy. If busses were to be at South Amboy, all trains prior to 3329 must have crossed the Raritan River bridge. As one who had been through this kind of thing before (as all regular riders had been) I did not even make a phone call home.

When 3329 arrived at the Perth Amboy station, thousands of riders were milling around the railroad tracks. Some walked across the Raritan River bridge! This bridge spans at least one-half mile of the tidal estuary of the Raritan River. What did Conrail or NJ TRANSIT do to stop them? Where were the

Conrail police? Remember the Morgan bridge problem occurred by your statement before 6:00 p.m.

While I was waiting to make my then required phone call, an announcement came over the station loudspeakers that "train service" had been "suspended" and that riders should "seek alternate means of transportation." I noticed in the paper that you and Senator Gagliano were quoted \$50.00 as the cost of a taxi to Red Bank. In view of the recent fare increase this is a high surcharge. I hope your supervisors are not trying to pass the blame on to the train crews who were as uninformed as the rest of us. Please note the attached letter from Christina Pritchard.

As darkness fell and waiting to use public phones, more than one woman express fears for her bodily integrity - in other words, they were afraid of being raped and said so, out loud. No one can say they had no cause for such concern in view of the total chaos which had been going on for hours in the area. One member of SCOTS saw a mugging of a commuter.

In connection with dealing with the Coast Guard about RR bridge openings during commuting hours, NJ TRANSIT had an opportunity to do so at a recent public hearing on the subject. SCOTS participated in that hearing. We expected to support a position advertised in advance which would prevent opening the Portal bridge until well after the passage of train 3329, due at Portal at 6:42 p.m. 3329 is scheduled as a two hour and fifteen minute ride from New York to Bay Head. NJ TRANSIT

indicated a willingness to reduce the restriction on opening to 6:40 p.m. This is a small thing in itself - indeed it involves two minutes - but NJ TRANSIT did not even consider the potential effect of those two minutes on the long distance riders of NJCL. We found ourselves in the position of having to disagree with the 6:40 time and explain why, if the advertised position was to be cut back, it should be to 6:45 p.m.

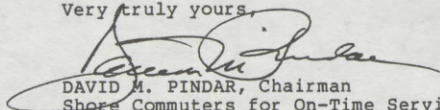
For all of the above reasons - which unbelievably but truly only scratch the surface of these long festering situations, your official reply is unacceptable to SCOTS and, I expect, all commuters.

It is time; long past time, for the imposition of accountability enforced by removal from positions of authority of those incapable of acceptable performance. SCOTS seeks this response at a minimum and is using copies of this communication as petitions for plenary legislative investigations by the N.J. Senate and the United States Congress of the proximate and remote causes of the July 31 complex of incidents and the persons responsible for them.

NJ TRANSIT, Conrail and AMTRAK must bring these appalling on going conditions to an end.

Our petitions to Congressman Howard and Senator Gagliano
are attached for your information.

Very truly yours,



DAVID M. PINDAR, Chairman
Shore Commuters for On-Time Service (SCOTS)

Copies to: All Monmouth County Legislators
Hon. James J. Howard, M.C., 3rd DNJ
Senators Williams and Bradley
M.C.T.C.C.
Robert L. Downing, Conrail
George Sharp, AMTRAK
NJ DOT NJCL Advisory Committee
Commuter's Wives
Irate Shore Commuters

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645



4-018996S196002 07/14/80 ICS IPMMTZZ CSP NWKT
1 2018706611 MGM TDMT WEST LONGBRANCH NJ 07-14 1042A EST

SENATOR TOM GAGLIANO
1090 BROADWAY
WEST LONG BRANCH NJ 07764

July 14, 1980

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2018706611 TDMT WEST LONGBRANCH NJ 181 07-14 1042A EST
PMS HONORABLE LOUIS J GAMBACINI COMMISSIONER
DEPARTMENT OF TRANSPORTATION STATE OF NEW JERSEY 1035 PARKWAY AVE
TRENTON NJ 08625
I HAVE BEEN CONTACTED BY A CONSTITUENT, WHO IS A COMMUTER TO NEW
YORK, AND HIS WIFE, DESCRIBING THE OPERATION OF THE NORTH JERSEY
COAST LINE RAILROAD AS DISGRACEFUL AND A DISASTER AND THAT THINGS ARE
GETTING WORSE EACH DAY
SPECIFICALLY, EVERY EVENING TRAIN IS UNREASONABLY LATE AND ALWAYS
WITHOUT ANY EXPLANATION, THE COMMUTERS IN THIS AREA HAVE THE SAME
FEELING NOW THAT THEY HAD THREE YEARS AGO. THEY FEEL THAT THEIR
INTERESTS HAVE BEEN TOTALLY ABANDONED BY THE NEW JERSEY DEPARTMENT OF
TRANSPORTATION AND BY CONRAIL.
I REQUEST THAT YOU PERSONALLY TAKE THE TIME TO RIDE ONE OR TWO OF THE
EVENING TRAINS OUT OF NEW YORK, I HAVE DONE THIS, AND I CAN CONFIRM
THAT THEY ARE RUNNING LATE WITHOUT EXPLANATION
A QUOTE FROM ONE OF MY CONSTITUENTS IS AS FOLLOWS: "I FEEL RAGE, THEN
FRUSTRATION, THEN SORROW THAT THE USA HAS A STATE CALLED NEW JERSEY
THAT CANNOT RUN A RAILROAD. WHY?"
IT IS TIME THAT MORE PERSONAL ATTENTION WAS PAID TO THE RAILROAD
OPERATION BY CHIEF EXECUTIVES SUCH AS YOU.
I WOULD APPRECIATE A VERY PROMPT RESPONSE
SENATOR TOM GAGLIANO

10:42 EST

MGMCOMP

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645



4-021458S196002 07/14/80 ICS IPMTZZ CSP NWKT
1 2018706611 MGM TDMT WEST LONGBRANCH NJ 07-14 1102A EST

SENATOR TOM GAGLIANO
1090 BROADWAY
WEST LONG BRANCH NJ 07764

July 14, 1980

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2018706611 TDMT WEST LONGBRANCH NJ 07-14 1102A EST
PMS ROBERT L. DOWNING, ASSISTANT GENERAL MANAGER
MANAGER OF COMPUTER SERVICE CONRAIL 1100 HAYMOND BLVD
NEWARK NJ 07102

I HAVE BEEN CONTACTED BY A CONSTITUENT, WHO IS A COMMUTER TO NEW YORK, AND HIS WIFE, DESCRIBING THE OPERATION OF THE NORTH JERSEY COAST LINE RAILROAD AS DISGRACEFUL AND A DISASTER AND THAT THINGS ARE GETTING WORSE EACH DAY SPECIFICALLY, EVERY EVENING TRAIN IS UNREASONABLY LATE AND ALWAYS WITHOUT ANY EXPLANATION. THE COMMUTERS IN THIS AREA HAVE THE SAME FEELING NOW THAT THEY HAD THREE YEARS AGO. THEY FEEL THAT THEIR INTERESTS HAVE BEEN TOTALLY ABANDONED BY THE NEW JERSEY DEPARTMENT OF TRANSPORTATION AND BY CONRAIL.

I REQUEST THAT YOU PERSONALLY TAKE THE TIME TO RIDE ONE OR TWO OF THE EVENING TRAINS OUT OF NEW YORK. I HAVE DONE THIS, AND I CAN CONFIRM THAT THEY ARE RUNNING LATE WITHOUT EXPLANATION. A QUOTE FROM ONE OF MY CONSTITUENTS IS AS FOLLOWS: "I FEEL RAGE, THEN FRUSTRATION, THEN SORROW THAT THE USA HAS A STATE CALLED NEW JERSEY THAT CANNOT RUN A RAILROAD. WHY?"

IT IS TIME THAT MORE PERSONAL ATTENTION WAS PAID TO THE RAILROAD OPERATION BY CHIEF EXECUTIVES SUCH AS YOU.

I WOULD APPRECIATE A VERY PROMPT RESPONSE

SENATOR TOM GAGLIANO

11102 EST

MGMCOMP

UNION TELEGRAM & TELEGRAPH
WESTERN UNION

ASA28 07-17 1149AM

SA104(0929)(4-013110S199)PD 07/17/80 0924

ICS IPMMIZZ CSP

6092923535 TDMT TRENTON NJ 68 07-17 0924A EST

PMS SENATOR S THOMAS GAGLIANO RPT DLY MGM, DLR

1090 BROADWAY PO BOX 67

WEST LONG BRANCH NJ 07764

I HAVE RECEIVED YOUR TELEGRAM REGARDING THE NJCL. WHILE
ELECTRIFICATION WORK IS CAUSING SOME DELAYS THE BULK OF THE PROBLEM
IS WITH AMTRAK WORK ON THE CORRIDOR. NJ TRANSIT IS PLANNING A MEETING
WITH AMTRAL OFFICIALS IN WASHINGTON ON THIS ISSUE. AND INITIAL NOTICE
TO COMMUTERS WAS ISSUED 6/27/80. WE ARE PREPARING A SECOND NOTICE. I
SHARE YOUR CONCERN AND AM PERSONALLY INVOLVED IN ATTEMPTING TO
RESOLVE IT.

LOUIS J GAMBACCINI NJ COMMISSIONER OF TRANSPORTATION

1035 PARKWAY AVE

TRENTON NJ 08625

July 17, 1980

CONRAIL



July 15, 1980

Hon. S. Thomas Gagliano
Member of New Jersey Senate
495 Broadway
Long Branch, New Jersey 07740

Dear Senator:

Your wire of July 14, 1980, is acknowledged.

As you are well aware, the Navesink River Bridge is still out of service, programmed to be completed on September 1, 1980. In addition, you are aware of the work going on at Morgan Draw and Travis Creek, in connection with the extension of the Electrification to Matawan.

While these projects cause some delay to our operation, I can advise that, on a daily basis, the biggest contributor to the poor performance of the North Jersey Coast Line is the AMTRAK operation. In almost daily discussions with General Superintendent Sharp I find that the Northeast Corridor Improvement Project, which involves taking track out of service for ties, new rail and surfacing, bridge repairs at Elizabeth, and the work in the North and South River Tubes, will continue this year and, I am told, become more energetic in 1981 and 1982.

Nevertheless, we have been delaying the trains, and we are working on a continuing basis to improve the safe, on time, and comfortable service that I have dedicated my people to provide.

Very truly yours,

R. L. Downing
R. L. Downing
Assistant General Manager -
Manager of Commuter Services

OFFICENTERS
 OFFICENTERS
 OFFICENTERS
 OFFICENTERS
 OFFICENTERS
 OFFICENTERS

OFFICENTERS INTERNATIONAL

August 5, 1980

Mr. J. Reed
 Conrail
 North Jersey Shore Line

Dear Mr. Reed:

I am writing to you to protest the inaccurate accusations made by Conrail against the trainmen on the North Jersey Shore Line. As I understand it they have been accused of making inadequate announcements on Thursday, July 31, 1980 when our trains were delayed by the Morgan Bridge.

I believe this to be a grave misjustice on the part of Conrail. Our Trainmen, on the 5:50 from N.Y., were very informative, helpful, and willing to help us get home as soon as possible. As far as I can see the only inadequacy was on the part of Conrail by not supplying enough information to trainmen for them to supply to the commuters. Our trainmen told us the delay was indefinite, the problem was with the bridge and not the train, and that we would be wise to try to find alternate means of transportation.

It seems to me that these were the most accurate announcements that could possibly be made with the information they were given. I even saw a Trainman silence an entire Club Car of rowdy commuters in order to relay his latest report on the delay. If that effort is not adequate I seriously don't know what you would consider to be adequate.

I hope that you will listen to what we commuters have to say. We ride the trains every day, we know the problems, and we are willing to let you know as well. Feel free to ask us anytime.

Sincerely,

Christina Pritchard
 Christina Pritchard
 Communications De

ONE WORLD TRADE CENTER SUITE 7267 NEW YORK, NY 10048 212-410-8500



SHORE COMMUTERS FOR ON TIME SERVICE

P.O. Box 597, Red Bank, N.J. 07701

William Nesbitt
Chairman

William Meiter
Treasurer

Les Turner
Secretary

Thomas Kitrick
Rail Operations

Charles Guariglia
Public Relations

Dennis Lenahan
Membership

Joseph McChristian
Newsletter

Peter Carlton
Legal Counsel

Harold Arnold, Jr.
Legal Counsel

Donald Steckroth
Legal Counsel

August 6, 1980

Hon. S. Thomas Gagliano
1090 Broadway
West Long Branch, NJ 07764

PETITION FOR SENATE INVESTIGATION

My dear Senator:

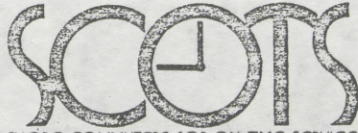
The citizens and voters of Monmouth County who comprise Shore Commuters for On-Time Service (SCOTS) hereby petition the Senate of the State of New Jersey for a plenary legislative investigation of the commuter rail service operated by the New Jersey Department of Transportation's NJ TRANSIT Corporation over the "North Jersey Coast Line" and AMTRAK's "Northeast Corridor" to the boundary line between the states of New Jersey and New York located in the AMTRAK Hudson River tunnels.

The basis of this petition is set forth in a communication from SCOTS to Jerome Premo dated August 6, 1980 attached hereto and the notorious conditions of inept train operation and poor maintenance of structures and equipment which are common knowledge and constitute prima facie evidence of substantial waste of the public monies of the state of New Jersey.

At this time, we are also petitioning the Hon. James J. Howard M.C., Third Congressional District of New Jersey, for a congressional investigation of the performance of AMTRAK in these premises. A copy of that petition is also enclosed for your information.

Sincerely,

DAVID W. PINDAR, Chairman
Shore Commuters for On-Time Service
(Enclosures)



SHORE COMMUTERS FOR ON TIME SERVICE

P.O. Box 597, Red Bank, N.J. 07701

August 6, 1980

William Nisbitt
ChairmanWilliam Meier
TreasurerLes Turner
SecretaryThomas Krick
Rail OperationsCharles Guagliola
Public RelationsDennis Lahanan
MembershipJoseph McChismon
NewsletterPeter Canon
Legal CounselHarold Arnold, Jr.
Legal CounselDonald Steckman
Legal CounselHon. James J. Howard, M.C.
Third District of New Jersey
House of Representatives
Washington, DC

PETITION FOR CONGRESSIONAL INVESTIGATION

Dear Jim:

The citizens and voters of the Third Congressional District of N.J. who comprise "Shore Commuters for On-Time Service" (SCOTS) hereby petition the U.S. Congress for a plenary legislative investigation of the National Railroad Passenger Corporation (AMTRAK) insofar as it has affected and continues to affect the commuter rail service provided by the state of New Jersey over the NE corridor in accordance with applicable federal statutes.

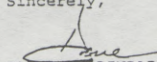
The basis of this petition is set forth in the attached letter to Jerome Premo dated August 6, 1980 and the notorious conditions of inept train operation and poor maintenance of structures and equipment which are common knowledge and constitute prima facie evidence of substantial waste of the public monies of the United States.

Since this matter involves surface rail transportation, we respectfully request that you retain jurisdiction of such investigation based upon the fact that you represent the Third District in which the vast majority of the users of the rail service involved reside. As such, we respectfully request that you press our interests herein.

Thank you for your past interest in this situation.

Please note the enclosed petition to Hon. S. Thomas Gagliano.

Sincerely,


DAVID M. PINDAR, Chairman
Shore Commuters for On-Time Service
(Enclosures)

STATEMENT OF ARLENE STUMP

Mrs. STUMP. Good morning. I would like to thank you before I begin for convening this quickly. We, I guess, have been basically trying to come here, hoping we would not have to, but our visit has been necessary.

I am cochairwoman of Commuter Wives, and I come here not only in that capacity, but in behalf of all the commuters on the North Jersey Coast Line.

There are many, many great problems. It is hard to squeeze it all into 5 minutes.

I come before you today to present testimony which I trust will provide the necessary insight to the enormous and cancerous problems that exist on the Conrail-operated North Jersey Coast Line, and the Northeast corridor.

Commuters' Wives came together during some rather cold and frustrating days in February 1978. We took our husbands' protests before the New Jersey Department of Transportation's Commuter Operating Agency. We vented anger, asked for answers to simple questions, and demanded safe, on-time service. Almost 3 years have passed, and we are still pretty close to the starting line.

To get right to the crux of the matter, I am going to relate an incident which occurred on July 31, 1980—two incidents occurred during the evening rush hours. At the invitation of Senator S. Thomas Gagliano, a member of the State transportation and communications committee, Mr. Jerry Premo, the new executive director for N.J. Transit, took a train ride. They both ended up amongst 5,000 stranded commuters.

I will read from a New Jersey Transit special seat notice dated August 5, 1980, that Mr. D'Amico has or will make part of the public record.

What happened?

"Just before 6 p.m."—if you look at this map here, you will understand the two bridges we are speaking of [indicating].

The Morgan Drawbridge was raised for river traffic, as required by U.S. Coast Guard law. At 6:05 p.m., the bridge operator reported that the bridge would not close, and Conrail repair crews were dispatched to the site immediately. Initial investigation indicated that the moveable span of the bridge had shifted slightly to the east, causing it to bind and fail to close properly.

The situation was compounded at 6:15 p.m., when the Portal Bridge between New York and Newark over the Hackensack River also failed to close after being raised for river traffic. Repair on the Morgan Drawbridge was completed, and train movement resumed at 8:40 p.m. Repair work on the Portal Bridge was completed and train movement resumed at 6:50 p.m.

During the period that those bridges were out of service, a total of 12 southbound NJCL trains, and four northbound NJCL trains were halted.

In both instances we drew the following conclusions, just to give you an example:

One, there was a lack of proper supervision, delegation of authority, responsibility, and accountability. Too many cooks in the kitchen, and no one to do the cooking. Why is New Jersey Transit taking 6 weeks to formally report on the incident? Another committee, another consultant. Failure to act immediately. Did Amtrak investigate the Portal Bridge mishap? Did they place any seat notices on any trains? Not to our knowledge.

Two, lack of communication. This is one of the biggest problems. I experienced it this morning from Metropark to Washington, serv-

ice was delayed for 45 minutes. No one knew why, nobody was told why.

When delays occurred, very few people knew:

(a) What happened, (b) When it would be corrected, or (c) If the problem could be corrected.

Three, no Conrail police were dispatched to the Morgan Draw-bridge area to provide standard levels of safety under that set of circumstances. People walked across railroad bridges, along tracks, and into station areas, seeking telephones and a way to get home.

Four, no contingency plans when there is a breakdown of service. No arrangements to provide commuters with alternate means of transportation.

I, too, direct attention to the fact that we are having the main problem with these two incidents involving the U.S. Coast Guard regulations. I think it effective at this time for all agencies to sit down with the U.S. Coast Guard and at least broaden the window for river traffic, especially during the summer and peak commuter hours that they not be permitted to open the bridge at those times.

I now direct my testimony to the evening of August 6, 1980. A press conference was held by the three commuter groups here today, at which time the incidents of July 31, 1980, were discussed. New Jersey Transit, Conrail, and Amtrak representatives attended the meeting.

The subject of NECIP priorities and future construction plans on the Northeast corridor came up. Mr. George Sharp, general superintendent in New York for Amtrak said, and I quote, "You ain't seen nothin' yet." A threat of impending doom? Why do not the FRA, Amtrak, Conrail, and New Jersey Transit coordinate efforts to deal with upcoming construction phases instead of chatting about the consequences?

On-time performance was also discussed at this meeting. Amtrak was reluctant to admit to the fact that they have contributed to 75 percent of the NJCL delays in recent months.

I submit as part of the record, 6 months of documented daily trips on the NJCL, written by Mr. Patrick B. Stanley, of Rumson, N.J., a commuter of 45 years. The comparative tardiness analysis is done and speaks for itself. Maintenance and equipment failures are also outlined.

We want safe, on-time service for all commuters on the NJCL and the Northeast corridor. We feel the key to obtaining it is in the management of commuter rail service—proficiency and expediency should be No. 1 goals in rail operations.

Thank you for allowing me the time to address these issues.

We feel money and maintenance will come if the management is there. If you know how to run a railroad and you do it well, I do not think there would be a problem with Congress funding for necessary projects. If you have the proper management, you have the proper maintenance. So just so I can zero in on that one point, I do feel your one suggestion, this oversight committee over the agencies, as far as management is concerned, is the answer to the problems that we are experiencing. There are too many people doing too many things, and no one has control over what is going on.

So, I thank you for allowing me the time to address these issues.

Mr. FLORIO. One of the virtues or characteristics this chairman brings to this committee is that I commute from Philadelphia to Washington on the Amtrak lines, so I know what you are speaking of as to the frustration of sitting on the track for periods of time. That is something that has to be addressed, the mental well-being of those sitting in the car wondering what is going on.

STATEMENT OF JOHN D'AMICO

Mr. D'AMICO. Mr. Chairman, I am John D'Amico, cochairman of the Irate Shore Commuters, and am making this statement on behalf of the 11,000 daily riders of the line, and we would happily make you an honorary member of the two groups.

Our organization was formed in the winter of 1977-78, when passenger rail service in New Jersey reached its nadir. That year North Jersey Coast Line trains were late 56 percent of the time. Since that time, there have been some improvements, but we have continued to experience frequent breakdowns and delays. Over the past several months, interstate and intrastate passenger rail service has deteriorated to the point where it is as unreliable, unsafe, inefficient, uncoordinated, uncomfortable, and unsanitary as it was 2 years ago.

I would like to present as exhibits a North Jersey Coast Line progress report submitted by the commuter groups to Conrail, Amtrak, and New Jersey Transit Corp. on June 2, 1980, together with copies of 22 apologies distributed to commuters over the past 23 months. These documents describe 30 different service breakdowns of catastrophic proportions which occurred during that period. There have been many other serious incidents not described in these materials—not to mention the weekly delays, misroutings, and malfunctions which do not merit written apologies by Conrail or the State of New Jersey. [See p. 47.]

We believe that the question before the Congress is this: Why do these terrible conditions persist, notwithstanding the fact that millions of dollars of Federal capital and operating assistance have been provided over the last 2 years for the improvement of mass transit in our region?

The answer appears to be, Mr. Chairman, that the Congress, the agencies of the Federal Government, and the corporations chartered by Congress are responsible for many of the problems which Federal money is being spent to solve.

A review of the documents I have submitted will show that out of 30 service breakdowns described therein, Conrail was responsible for 12; Amtrak for 12; the Northeast corridor and/or NJCL improvement projects, 5; and the U.S. Coast Guard, 1. That does not count the many instances where there were collaborations or orchestrations involving two or more of these organizations.

We gain a better perspective of the problem if we consider the following facts:

One, Congress created Conrail, whose top management is primarily concerned with freight operations—which it is handling poorly—with scant regard for commuter rail service.

Two, Congress also created Amtrak and transferred to it ownership of the Northeast corridor, in effect giving Amtrak veto power over commuter rail operations. In the exercise of that power,

Amtrak discriminates in favor of intercity operations and against commuter operations.

Three, Congress created the Northeast corridor improvement project, which is constructing improvements without regard for the need to minimize the disruption of daily service. Approximately 35,000 commuters travel on the Northeast corridor between Trenton and Newark one-way each day, and another 16,000 travel between Newark and New York.

Four, Congress created the U.S. Department of Transportation and Federal Railway Administration, which heretofore have not been sufficiently sensitive to the needs and problems of commuter rail operations.

Five, the rules and regulations of the Coast Guard mandate the opening of railroad bridges during commuter rush hours, disrupting service.

Six, Congress has not enacted strong labor laws designed to preserve essential transit services. This summer, a labor dispute between the Port Authority of New York and New Jersey and 177 members of the Carmen's Union shut down service for 80,000 commuters for 3 months.

Federal policy encourages the use of mass transportation to reduce our dependence on foreign oil and to prevent and control air pollution at its source. In practice, however, Congress has created rail corporations and agencies which are not required to act in the best interests of the mass transit user and do not do so. Instead, the interests of freight shippers, boats, long-haul rail passengers, and the labor unions are favored over the needs of the tens of thousands of people who must struggle daily to get to and from work—and pay ever higher fares for the privilege. Is it any wonder that more and more commuters are turning to their automobiles out of frustration and disgust, while at the same time the State of New Jersey says that it cannot meet the 1982 attainment deadline for ozone or carbon monoxide and has requested an extension to 1987?

We urge you to respond to this crisis on behalf of the commuters of New Jersey and other States—and on behalf of the even larger numbers of people impacted by the energy, economic, and environmental fallout of deteriorating mass transportation—by exercising congressional oversight and reforming Federal laws pertaining to passenger rail transportation.

We suggest as a starting point and additional perspective that you review for adequacy and completeness the various reports, plans, and studies presently required of the Federal Railway Association, the Operations Review Panel of the Northeast corridor project, and the Performance Evaluation Center of the National Railroad Passenger Corporation.

If after doing so, you agree that rail passengers and commuters are the only consumers without protection in this age of consumerism, we recommend that you change the applicable laws, or enact new ones, along the following lines.

Let me give you one small example of what I mean, that by reading from the timetable published by Conrail on the North Jersey Coast Line: "Conrail cannot be responsible for errors in timetables, delayed trains, failure to make connections, or for

shortage of equipment. Schedules are subject to change without notice."

Contrast this warranty for our commuters with what the U.S. Department of Agriculture has established as to transportation of livestock. Title IX, section 91.1(b), for example, decrees that animals weighing 150 pounds be allowed 5 square feet each while in transport. Federal regulations require that stock pens have sufficient space for all livestock to lie down at the same time. Regulations for the transport of pets mandate enough space for each dog and cat so they can easily stand, sit, or lie in a comfortable position. Trains unheated in the winter or unventilated in the summer would be illegal if used for livestock. Adequate and consistent lighting is required for animal handling facilities, largely because excessive patterns of light and shadow are emotionally upsetting to animals, particularly hogs. Finally, Federal animal regulations require all equipment, unless new, to be used in the loading, stowing, or other handling of animals, equipment shall first be cleaned and disinfected.

Now what, Members of Congress, can we do to focus the attention and protections of the law on the people who use the trains? I have a few suggestions:

One, restructure the governance and duties of Conrail and Amtrak to insure protection of the interests of rail commuters and/or create a new corporation with primary responsibility for commuter rail services.

Two, require Amtrak and Conrail to give equal time and fair treatment to commuter service in relation to long-haul passenger service and preference over freight.

Three, pass a law giving passenger rail service priority over water traffic so that the opening of railroad bridges for boat traffic will not interfere with rail operations.

Mr. FLORIO. May I interrupt at that point. The U.S. Department of Transportation is at this time reviewing the Coast Guard regulations on bridge operation, and within the next 30 to 60 days will come forward with modifications to achieve the points you are making. We would like to share with you and appropriate legislators those recommendations to see if in fact they address the concerns we have. It is important to note, perhaps as a result of some of your activities, that that review process is going on right now. We are anticipating there will be more sensitivity on the part of the U.S. DOT to the rail implications of the bridge openings to balance off the concerns of the river traffic.

Mr. D'AMICO. That is good news, and we would like to have copies of the proposals and give you our input on them.

I have a few more points:

Four, require the Northeast corridor improvement project to minimize interference with normal rail operations during the construction of Northeast corridor improvements.

That has been said already.

Five, require mandatory arbitration of all labor disputes impacting on mass transit services, with stiff fines and penalties for noncompliance.

Six, place the Northeast corridor under the joint ownership and operation of a regional transportation authority which is controlled

by, and accountable to, all corridor users, including State transit agencies or corporations, Conrail, and Amtrak.

If the Northeast corridor review panel is to be the vehicle for this, one suggestion I would make is that you consider improving the representation on that panel of the commuter rail authorities which carry the predominant number of the people using the Northeast corridor.

One final note: We sense that our only institutional advocates at this time are the New Jersey Department of Transportation, under the direction of Commissioner Louis Gambaccini, and the New Jersey Transit Corporation, headed by Mr. Jerome Premo. We hope that you will provide adequate Federal funding for these agencies, so that they can continue much-needed capital improvements. We also urge that you pay close attention to the recommendations of these and other mass transit experts who are dedicated to providing in the United States the same kind of dependable, safe, and efficient rail passenger service which is operated virtually everywhere else in the world.

Thank you, Mr. Chairman. We appreciate this opportunity to sound off, and thank you for listening to us.

[Testimony resumes on p. 76.]

[The following materials were received for the record:]

NORTH JERSEY COAST LINE ADVISORY
COMMITTEE--PROGRESS REPORT

From: Irate Shore Commuters, Shore Commuters for On-Time Service, and Commuter Wives Date: June 2, 1980

To: Mr. Robert Keith, Assistant Commissioner, Department of Transportation
Mr. Martin Robins, Acting Executive Director, N.J. Transit
Mr. Robert Downing, Asst. Gen. Manager of Commuter Services, Conrail
Mr. George Sharpe, Director of Operations Amtrak

As we approach the first anniversary of the North Jersey Coast Line Advisory Committee, we thought it timely to assess our progress to date and set down in writing our objectives and principal concerns for the future.

In a nutshell, our objectives with reference to the operation of the North Jersey Coast Line remain as follows:

- (1) Safety;
- (2) Dependable, on-time service;
- (3) Improved communications; and
- (4) Reasonable comfort.

Over the past year, we have seen improved dependability and comfort. Also, the revision of the schedule was a major advance. Many problems remain, however--particularly in the areas of safety, dependability and communications--and much remains to be done to improve operations. Some of our major concerns are described below:

Preventative Maintenance and Operations

During recent months, serious defects in this area have manifested themselves as the following events will illustrate:

- (1) On March 4, 1980, at the westbound Portal of the tunnel, the panograph on the motor for train 3327 would not hold the wire. This took about ten minutes to fix. At that point, the train limped to Portal. The condition recurred, and the train limped to Hudson, where it was held for almost 30 minutes when a motor was sent from New York to pick up the train and take it to South Amboy. Another delay occurred at SA Tower.
- (2) The very next day, train 3329 suffered sticking brakes on four separate occasions between New York and South Amboy. Each time, the condition was remedied by the crew. Three breakdowns took place on the mainline.

- (3) On the previous weekend, an engine change at South Amboy took at least 45 minutes because there was no diesel engine available to pull the train west of South Amboy.
- (4) On March 21, 1980, on train 3308 eastbound from Asbury Park to South Amboy, the braking system malfunctioned each time the brakes were applied. It required at least a minute each time to pump the air back up.
- (5) On March 21, 1980, there were some very serious signal problems on the highline between New York and Newark. An overhead catenary wire was pulled down on the westbound track in the vicinity of Portal. As a result of this breakdown, every train out of Penn Station was delayed beginning with the 3:45. Also, signal covers between Newark and New York were blown off shorting out the signals requiring train order for each and every train out of Penn Station. There were delays up to two hours and 15 minutes.
- (6) On April 15, 1980, train 5325 broke down near Matawan. Two following trains (3327 and 3329) passed the stalled train and did not pick up passengers of 5325--many of whom walked the tracks to Matawan and Hazlet at their own peril. The remaining passengers arrived at their destination two hours late. There were no relief engines in Red Bank; they had to be sent up from Bay Head.

All of the foregoing incidents illustrate that preventative maintenance is not being performed on the railroad. Toward the end of remedying this situation, we have the following questions, comments and suggestions:

- (1) What is the program of preventative maintenance now being used by Conrail and New Jersey Transit Corporation and Amtrak and what steps are being taken to improve it and insure that it is followed?
- (2) What plans have been formulated to deal with service breakdowns and emergencies, and what steps are being taken to prevent a recurrence of the problems described in paragraph (6) above?
- (3) Describe the operating supervision at South Amboy in reference to engine change and train movement control?
- (4) Why does it take twice as long to change engines on westbound trains than on eastbound trains?

- (5) What deficiencies in supervision have resulted in the engine change and operating problems in the South Amboy area described above?
- (6) What changes and improvements in the operating supervision for South Amboy will be implemented to prevent a recurrence of the problem?
- (7) What are the current provisions in the contract between N.J. Transit and Conrail relating to maintenance of engines and coaches?
- (8) What is N.J. Transit doing to enforce these provisions?

Communications

For many months now, we have been pointing out that communications--especially at times of breakdowns--are grossly inadequate in New York and Newark Penn Stations. Nevertheless, no improvements have been made. Our questions are as follows:

- (1) Unlike all other commuter train lines, announcements pertaining to the North Jersey Coast Line at New York Penn Station are inaccurate and inadequate. What steps will be taken to remedy this problem?
- (2) With respect to Newark Penn Station, please advise when the train master for Amtrak will be placed on top of the station so that he will be able to give proper information to all commuters without continual interruptions?
- (3) What are the responsibilities of the Conrail train master in the Newark Penn Station, and what steps are being taken to provide the communications center with accurate, on-the-spot information concerning operations?
- (4) What steps are being taken to pass this information on to the train passengers?

For over a year, we have been urging the use on the trains of a commuter complaint card similar to the one successfully used by the Central N.J. Transportation Board. A recent N.J. Transit bulletin said that "service scorecards" will be available on trains. When and in what form?

Safety

We have had discussions with Mr. George Sharpe of Amtrak regarding the safety of train movements on the Northeast corridor. What steps are being taken by Amtrak and N.J. Transit to avoid a repetition of the train collisions and misroutings of North Jersey Coast Line trains which occurred during the past year?

Access to tracks 2, 3 and 4 at Newark Penn Station has been curtailed by the escalator contractor, who has closed off two stairways. Considering the heavy use of Newark Penn Station, this is a dangerous condition. It sometimes happens that one train load of people will be trying to go down the single stairway for track 3, for example, while another train load is trying to go upstairs to catch a train. When trains are delayed, the hazard is compounded by the absence of clear announcements because passengers do not know on which track the train might appear, and those on track 2 may have to move over to track 3 or 4 or vice versa.

Our position is that the danger to the public requires, as a matter of public policy, that the contract with the escalator contractor be reformed to require him to provide access on the stairways adjacent to the escalators. We know this can be done, because at the Port Authority Bus Terminal, stairways are kept open while work is done on adjacent escalators.

We are concerned that adequate police protection is not being provided by Conrail or New Jersey Transit. The importance of this matter is underscored by the incident several months ago of a sniper firing rifle shots at N.J.C.L. trains in the vicinity of Woodbridge. Vandalism also seems to be on the increase.

Conrail police assigned to the North Jersey Coast Line use to be stationed in Long Branch, but that office has been abandoned. There is less police protection in general than was previously provided. We want to know what steps are being taken to improve police protection for the passengers on the North Jersey Coast Line?

Capital Improvements

We understand that work on foundations for support structures in connection with electrification to Matawan is two months behind schedule, and that there are delays of anywhere from two to six months on other key contracts. What is being done to prevent further slippage on this project?

There will be reverse signaling between Perth Amboy and Matawan when Phase I of electrification is completed. We have been advised by Mr. Keith, however, that reverse signaling between Perth Amboy and Rahway was not funded by UMTA when Phase I (to Matawan) was approved. We had assumed all along that reverse signaling would exist all the way from Long Branch to Rahway upon completion of the electrification project. It is senseless to spend millions of dollars for electrification if we won't be able to take full advantage of its reverse running capability because of a gap in reverse signaling. Therefore, we expect N.J. Transit and N.J. D.O.T. to do whatever is necessary to engineer and install reverse signaling between Perth Amboy and Rahway as soon as possible, using 1979 Transportation Bond Issue moneys, if necessary.

While electric power is supposed to be operational to Matawan in 1981, it is not certain that expanded and improved parking will be available at that time. Given the fact that parking at Matawan is already inadequate,

it is imperative that the expansion of parking facilities be completed in time to meet the increased patronage which will be generated by the improved service and equipment which will result from electrification.

Steps should be taken now to acquire the necessary properties; and plans should be prepared and presented as soon as possible to the Mayors and Councils and Planning Boards of Matawan Borough and Aberdeen Township so that any problems can be worked out well in advance. Similar steps should be taken with reference to other capital improvements--particularly substations--so that electrification to Long Branch will not be delayed by local objections relating to buffer zones, aesthetics, etc.

Schedule Improvements

The changes made in December of 1979 were a positive first step, but we have all agreed that more work needs to be done to improve the train schedule.

Our next objective in this connection is to shorten running times. By reason of track work done last year, many trains are already running ahead of schedule. Some are being held at stations south of Newark to use up time and others are arriving early in Newark and New York.

By the fall of 1980, the following projects should be completed, with the result that even faster running times will be feasible:

- (1) Completion of Navesink River Bridge rehabilitation;
- (2) Additional track work;
- (3) Switch and signal improvements in middle tunnel at Union interlocking (What is the status of this project?); and
- (4) Improvements in South Amboy operating supervision (engine changes).

It is expected that new timetables will be prepared for implementation in the fall which will reflect faster service and other adjustments.

With respect to post-electrification service between Matawan and Newark/New York, we have already presented some suggestions for improvements in service. It is anticipated that any changes will meet the following objectives:

- (1) Provide additional express and semi-express from and to Matawan on new MU equipment;
- (2) Extend certain local MU trains to Matawan;
- (3) Improve service to points south of Matawan by coordinating long-haul trains with MU trains originating in Matawan;
- (4) Improve connections at Rahway to allow commutation to Metropark, New Brunswick, Trenton, etc.

Conclusion

We feel that the North Jersey Coast Line Advisory Committee has functioned well over the past year, and that we have accomplished a great deal. The nature and scope of the problems discussed in this report suggest, however, that we have only scratched the surface and that much work remains to be done.

We appreciate your cooperation over the past year, and we look forward to a continuation of our joint effort to improve service on the North Jersey Coast Line.

A P O L O G I E S

TO OUR NORTH JERSEY COAST COMMUTERS:

We want to apologize for the delays to this morning's rush hour trains. They resulted from the opening of the Raritan River Drawbridge to river traffic.

The first opening occurred from 6:47 A.M. to 7:13 A.M.
A second opening occurred from 7:45 A.M. to 8:03 A.M.

For some time we have been requesting the U.S. Coast Guard to allow the bridge to be kept closed to river traffic during the crucial morning and evening rush hours. This morning's incident were unusual, but we hope to arrive at some long term solution through our talks with the Coast Guard.

November 14, 1978

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

TO OUR COMMUTERS:

We sincerely regret the delays many of you experienced the night before last on our North Jersey Coast service. After changing from electric power to diesel at South Amboy, from train 3317, the electric unit derailed when moving over the crossover tracks enroute to the storage yard blocking both main line tracks.

While Conrail immediately ordered buses and operated extra trains from Perth Amboy and South Amboy, it was impossible to transport the great number of peak hour commuters without considerable delay.

In all, 17 trains were affected with the average delay between one and two hours.

NEW JERSEY DEPARTMENT OF TRANSPORTATION

May 11, 1978

September 14, 1978

TO OUR NORTH JERSEY COAST COMMUTERS:

We want you to know why this morning's commuter trains to Newark and New York were delayed.

A local freight train enroute from Elizabethport to Red Bank derailed at 4:30 a.m. just west of the Navesink River Bridge damaging both the eastbound track and a westbound switch.

While crews worked to restore the eastbound track, the trains had to be detoured onto the westbound track for a distance of 4.5 miles. The procedure is a slow one and it was complicated by a malfunctioning crossing gate at one of our road crossings where crews had to flag down approaching highway traffic. The delays ranged in length from 30 to 65 minutes.

We regret any inconvenience this morning's delays may have caused you.

NEW JERSEY DEPARTMENT OF TRANSPORTATION

TO OUR NORTH JERSEY COAST COMMUTERS:

We want to explain the 30 to 45 minute delays to some of yesterday morning's commuter trains.

They resulted from problems with two switches:

1. Slight rail contraction caused a switch operating rod to rub a tie, preventing the switch from being moved completely.
2. An electrical contactor in an electric motor burned, and the resulting loss in electric contact prevented the switch from moving.

Both problems were repaired yesterday afternoon.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator

CONRAIL

December 11, 1978

TO OUR NORTH JERSEY COAST COMMUTERS:

We want to explain the cause of the delays to some of this morning's commuter trains.

At 7:20 A.M. near South Amboy Station, the electric engine for train 3310 from Bayhead short circuited the live wire twice, rendering both the engine and the railroad's electrical and signal system inoperative.

A diesel locomotive was dispatched to pull the disabled engine out of the way until the problem could be rectified.

In the meantime, other trains were delayed until the engine could be moved from the main track.

We regret the delays and apologize for any inconvenience they may have caused you.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

January 12, 1979

TO OUR NORTH JERSEY COAST COMMUTERS:

We want to explain the reasons for this morning's lengthy delays and for the cancellation of two trains.

At 3:30 A.M., a coach derailed in the Bay Head yard on the track used by Newark and New York-bound trains. The location of the derailment made it difficult to maneuver the morning's trains out of the yard.

Equipment was arranged for the early morning trains, but as the departure times ran closer together, delays increased to an hour or more.

Once equipment became available, an extra train was dispatched at 8:00 A.M., making all stops to Newark and New York.

We regret the problems which developed this morning.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

January 19, 1979

TO OUR NORTH JERSEY COAST LINE COMMUTERS:

We want you to know why there were delays to this morning's rush hour trains.

They developed after the second train of the morning, the 5:00 A.M. from Bayhead became disabled at Deal. A freight engine was dispatched for the disabled train and passengers were transferred to the following trains.

This triggered a series of delays for all following trains in the morning rush hour.

Information was released to the media throughout the morning.

We recognize that many of you were crowded onto trains. These delays meant that while many of you showed up at the station at your regular time, you were mixing in with regular commuters on earlier - also delayed trains.

If a train passed by your station without stopping, it was only because there was no room for more passengers.

We regret the delays and apologize for the inconveniences they may have caused you on the day of the winter's first real storm.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

February 7, 1979

A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: March 30, 1979

On Monday, April 2, 1979, the third construction year of the \$1.75 billion Northeast Corridor Improvement Project is scheduled to begin.

This year's program calls for segments of track to be taken out of service for several weeks at a time. Because the work will move from one track to another and up and down the commuter lines, we will not be able to adjust schedules to reflect these changing conditions.

As a result, we expect delays of as much as 10 minutes on some commuter trains. When other rush hour problems develop, however, the inability to use all tracks may hamper our ability to avoid congestion.

Amtrak has taken every step possible to minimize any significant delays in the commuter train operation.

Throughout the work season, we will issue periodic notices informing you of the status of the work which will produce for all of us a faster, more efficient commuter line.

The first several weeks of the project will be concentrated on Track 2 between Newark and North Elizabeth.

A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: May 8, 1979

During the next few weeks, rail and tie gangs will be installing welded rail and new ties along sections of the North Jersey Coast Line between South Amboy and Red Bank.

While workers are scheduled to be off the tracks in advance of the homebound rush hour, the evening trains will have to operate under speed restrictions as they pass the newly installed rail or ties.

For this reason, we anticipate that evening rush hour trains could be delayed as much as 15 minutes enroute to destination.

Mid-day trains will also be subject to delays due to the track work.

Thank you for your patience during this period.

A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: July 26, 1979

NORTH JERSEY COAST LINE

We are pleased to report that surfacing crews will today complete the levelling and resurfacing program on the northbound track of the North Jersey Coast Line between Red Bank and Hazlet. We hope you will enjoy the improved smoothness of your ride as a result.

We apologize to the patrons of our mid-day trains for the delays this work has caused, and we hope you will understand that these unavoidable inconveniences will allow us to improve your railroad.

The surfacing unit will now move to Long Branch, to begin work on track and railbed between Long Branch and Asbury Park. This surfacing project is expected to take three weeks, depending on weather conditions.

Riders on mid-day trains between Long Branch and Asbury Park can expect ten (10) to fifteen (15) minute delays while this work is in progress. The crews will be working Monday through Friday, from 7:00 A.M. to 4:00 P.M.

Thank you for your continued patronage and cooperation during these track improvements.

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A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: August 17, 1979

Thirty minute delays can be expected on some weekend trains into and out of New York City due to rehabilitation work continuing in Amtrak's north Hudson River tunnel.

Work has already begun to correct drainage problems in the tunnel -- the major cause of recent signal failures. Currently scheduled are repairs to rails, ties and ballast, which should further improve drainage conditions.

Amtrak crews will be working nights and weekends, when rail traffic through the area is at its lowest level. In this way, we hope to avoid delaying the majority of passengers.

Conditions permitting, crews will be at work in the tunnel from 8:00 P.M., Friday evening to 5:00 P.M., Sunday afternoon. This schedule will continue for most weekends in the near future.

We want to thank you for the understanding and cooperation you've already shown regarding recent delays to and from New York. The long-term benefits of Amtrak's project will be faster, more efficient rail service.

Every effort is being made to insure that work-related delays will be kept to a minimum.

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NJ TRANSIT SPECIAL NOTICE

A special announcement from NJ TRANSIT for our riders

****TO OUR NORTH JERSEY COAST LINE COMMUTERS****

Since May 18, work crews have been engaged in a rehabilitation project involving the Morgan Drawbridge and Travis Creek Bridge between Matawan and South Amboy. This work is part of the electrification project that will extend electric train service to Matawan by the end of next year.

The work thus far has involved removing the westbound track from service for rehabilitation of the bridges. In addition, crews have been working simultaneously to install concrete-filled metal pilings which will serve as support bases for overhead electrical wiring that will eventually supply power to the electric trains.

The first phase of this work has been completed, and work will begin next week on the eastbound track. When the eastbound track is removed from service, trains will be detoured onto the westbound track, but the installation of power-operated switches closer to the bridges will reduce the length of the detour.

Eastbound morning trains will experience delays of from three to five minutes in the detour. Westbound evening trains will not be affected, since they will not have to cross over to the opposite track.

Busing of the six mid-day trains between Matawan and South Amboy will continue for the duration of the work project, as noted in the North Jersey Coast Line timetable effective July 4, 1980.

We thank you for the patience you have demonstrated during the first half of this project.

If you have any questions regarding train service, please call our toll-free New Jersey number, (800) 242-0212, or (212) 736-6000 from New York City.

* * * *

August 15, 1980

TO OUR NORTH JERSEY COAST COMMUTERS:

Some of you were delayed on your way to work this morning and we want you to know why.

At 6:47 A.M., Train 3310 broke down in Long Branch station with a generator drive shaft problem under one of the cars. Following trains were routed around the disabled train, but were subject to 35 minute delays as a result.

Train 3312 did not make its scheduled Long Branch stop - but did make an extra stop in Hazlet. An earlier train, 3308, made an extra stop in Newark.

While these moves were made, a welder and maintainer were dispatched to Long Branch to work on the broken drive shaft, and the train operated 45 minutes late.

We regret the delays and any inconvenience they may have caused you.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

February 23, 1979

A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: October 16, 1979

We sincerely regret the inconvenience and delay you may have experienced on the North Jersey Coast Line yesterday morning.

The delays occurred when a passenger coach on Train #3314 developed a mechanical problem near the Point Pleasant Beach station. Because of the failure of a generator drive shaft on the coach, the car had to be cut out of the train.

By the time this operation could be performed, Train #5316 would have departed Bay Head nearly a half hour late, so passengers who normally ride #5316 were handled by later trains.

In addition, Train #5318, which normally departs Bay Head at 7:00 A.M., was delayed 18 minutes because it was necessary to switch it to the opposite track in order to bypass the disabled coach.

We apologize for the delays, and we appreciate your understanding.

TO OUR NORTH JERSEY COAST AND JERSEY AVENUE COMMUTERS:

We are sorry about any delays incurred by your rush hour trains yesterday afternoon and we would like to explain the problem to you.

Shortly after noon, an automatic signal failed in a tunnel between Sunnyside Yard, Long Island, (where your trains are stored during the day) and Penn Station, New York. In such instances, safety considerations require the issuing of special train movement orders to go by the signal - a time consuming procedure.

This tunnel is used not only for Conrail trains but Amtrak and Long Island Railroad trains as well. As a result all trains experienced considerable delays.

We regret the lengthy delays incurred by last evening's rush hour trains which were involved in this Amtrak signal problem.

NEW JERSEY DEPARTMENT OF TRANSPORTATION

September 19, 1978

December 1, 1978

TO OUR NORTH JERSEY COAST LINE COMMUTERS:

This past week there were a significant number of train delays, and we would like to review these delays, the causes and remedial management actions to you.

On Monday evening, November 27th, fourteen trains were late.

The primary cause was an equipment failure on Amtrak's 5:20 p.m. Train #43 which stalled just beyond the Hudson River Tunnel. Conrail then operated NJDOT trains into and out of New York on the remaining single track, resulting in delays of up to one hour.

Train #5319 scheduled to depart Newark at 5:18 p.m. was unable to proceed from Newark Station and was cancelled. Passengers were transferred to the following train. This train, Train #5321 and the following four trains were then delayed from 20 to 45 minutes because of a signal problem at Oceanport Draw Bridge. A thorough investigation of why Train #5319 stalled at Newark Station revealed that the diesel units were out of fuel. Conrail management has initiated remedial action to prevent a recurrence of this type of incident. Six additional signal maintenance personnel were assigned to the NJCL beginning last Monday to identify and correct signal problems.

On Wednesday evening, November 29th, eleven trains were late.

At 4:49 p.m. Amtrak Train #219 stalled just east of Newark Station because of locomotive problems. This train could not be started until 5:33 p.m. In the interim, the trains following were delayed 20 minutes re-routing them around the stalled train.

At 8:30 p.m. Portal Draw Bridge on the New York-Newark Line was opened for river traffic and the operator was then unable to close it until 10:11 p.m. Three NJCL trains were delayed up to one hour. Amtrak maintenance personnel are working to correct the cause of this malfunction.

We sincerely regret this unusual sequence of events which has frustrated our attempt to give you the best possible service.

New Jersey Department of Transportation

and its contract operator

CONRAIL

TO OUR NORTH JERSEY COAST, RARITAN VALLEY, AND TRENTON-
NEW BRUNSWICK COMMUTERS:

A number of your trains were delayed last night and we want you to know why.

At approximately 4:38 P.M., an Amtrak train became disabled in one of the tunnels under the Hudson River between New York and New Jersey.

Until that train could be cleared from the tunnel, your commuter trains had to be re-routed through the other tunnel - a time consuming procedure which in one case involved backing-up a train caught behind the disabled train.

In some cases, Raritan Valley trains which originate in Newark were held for connections from the delayed New York trains.

We know the delays were lengthy and we apologize for any inconvenience they may have caused you.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
• and its contract operator
CONRAIL

February 22, 1979

TO OUR NEW JERSEY DIVISION COMMUTERS:

We want to explain the causes of last night's train delays. Twice, during the rush hour, Amtrak trains became disabled in the tunnels under New York.

At 4:18 P.M., an Amtrak train was stopped for 41 minutes in the tunnel between New York and Sunnyside Yard, blocking trains into Penn Station.

At 5:27 P.M., another Amtrak train stopped in the tunnel between New Jersey and New York for 30 minutes, blocking all trains into this state.

These problems resulted in lengthy delays to all New Jersey bound trains, including your commuter trains. In addition, several Raritan Valley and North Jersey Coast trains were delayed at Newark for connections from the city.

We also want to comment on the lack of heat many of you have called to complain about.

Our crews are working around the clock, many registering 15 and 16 hour days, in an attempt to keep the steam-heated equipment working and warm. Propane is applied to the steam equipment in the yards to ward off freezing, but the extreme cold is still leading to condensation and subsequent freezing up of the pipes.

We apologize for these inconveniences and we thank you for your patience while we cope with the problems.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator

CONRAIL

February 14, 1979

TO OUR NEW JERSEY DIVISION COMMUTERS:

We want you to know the cause of the lengthy delays many of you encountered on your way home last night.

At approximately 4:00 P.M., train 3837 reported a broken catenary wire in one of the tunnels under the Hudson River. Although this train had passed the problem when it developed, other trains were blocked on both the east and west ends of the tunnel until it was repaired. The tunnel was out of service until 6:00 P.M.

In the meantime, all trains were forced to use the North tunnel under the river which has signal problems due to wet conditions. While efforts were made to give the westbound trains priority, lengthy delays developed on virtually all trains entering and leaving New York during the rush hour.

Commuters from Newark were also delayed to give people time to make connections from New York.

We regret the delays and apologize for the inconvenience we have caused you.

NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator
CONRAIL

March 7, 1979

A MESSAGE TO OUR COMMUTERS

**From: THE NEW JERSEY DEPARTMENT OF TRANSPORTATION
and its contract operator, Conrail**

Date: March 21, 1979

TO OUR NEW JERSEY COMMUTERS:

We want you to know why last night's rush hour trains were delayed.

At 4:48 P.M., last night, all signal and overhead electrical power was lost due to a high voltage transmission fault between New York and Trenton. This cut all the power to the electric trains, the signal system and the switches.

Attempts were made to isolate the affected area and to supply power from other areas.

No trains were able to move on the corridor between New York and Trenton until the power was restored at approximately 6:00 P.M.

Throughout the evening, our Commuter Relations personnel contacted metropolitan area radio stations, informing them of the problem and asking commuters to seek alternate forms of transportation. The Commuter Information Center also received all the information available to keep the public informed. This system was backed up by Amtrak announcements at stations in New York and Newark that there would be indefinite delays.

We regret the inconveniences caused by the power failure.



LOUIS J. GAMBACCINI
COMMISSIONER

STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION
1035 PARKWAY AVENUE
TRENTON, N. J. 08625

December 24, 1979

TO MEMBERS OF NORTH JERSEY COAST LINE ADVISORY COMMITTEE:

Last week was not a very good week (In terms of service disruptions) on the North Jersey Coast Line. There were track blockages, equipment failures, public information was confused, and dispatching was poor. Problems began early in the week and by the day of the snowstorm (Wednesday), many of our customers thought conditions had returned to 1976-77. Thursday was no better and by Friday, I decided to convene a special meeting of the Advisory Committee to discuss what went wrong and what can and is being done to improve the situation.

The meeting is scheduled for the Eatontown Borough Hall at 8:30 p.m. on Wednesday, December 26, 1979. (Note the 8:30 p.m. time instead of our usual time.) George Sharp, Amtrak General Manager of the New York Division, will attend the meeting.

My secretary has tried to telephone as many of you as possible, and I hope you will be able to attend Wednesday's meeting.

Sincerely,

Robert A. Keith

Robert A. Keith
Assistant Commissioner
for Public Transportation

NJ TRANSIT SPECIAL NOTICE

A special announcement from NJ TRANSIT for our riders

August 5, 1980

TO OUR NORTH JERSEY COAST LINE COMMUTERS

On last Thursday evening, you experienced the worst delay in train operations on the North Jersey Coast Line in 2½ years. You deserve an explanation of the reasons for the nearly three-hour delays, and what we are trying to do to avoid future recurrences.

What Happened?

Just before 6 p.m., the Morgan Drawbridge was raised for river traffic, as required by U.S. Coast Guard Law. At 6:05 p.m., the bridge operator reported that the bridge would not close, and Conrail repair crews were dispatched to the site immediately. Initial investigation indicated that the moveable span of the bridge had shifted slightly to the east, causing it to bind and fail to close properly.

The situation was compounded at 6:18 p.m., when the Portal Bridge between New York and Newark over the Hackensack River also failed to close after being raised for river traffic. Repair work on the Morgan Drawbridge was completed, and train movement resumed at 8:40 p.m. Repair work on the Portal Bridge was completed and train movement resumed at 6:50 p.m.

During the period that those bridges were out of service, a total of 12 southbound NJCL trains, and four northbound NJCL trains were halted.

What are we doing about delays on the NJCL?

Some minor delays are inevitable as a result of Amtrak track improvement on the Northeast Corridor portion of the NJCL, and electrification and track work, particularly in the area of the Morgan Drawbridge and the Navesink River Bridge. But the delays in the operations of the NJCL go beyond that, and, accordingly, I am taking the following actions:

(OVER, PLEASE)

1035 Parkway Avenue

P.O. Box 101

Trenton, N J 08625

1. NJCL Operations Review

I am convening a special committee to evaluate the overall NJCL operations. The committee will consist of senior staff of NJ TRANSIT, Conrail, which provides the service under contract from NJ TRANSIT, and Amtrak, which controls the operations from New York to Union Tower. In addition, I shall invite representatives from the United States Railway Association and the Federal Railway Administration to participate in this effort.

The committee will focus on the following and submit its report within six weeks:

- * Operating practices and procedures
- * Management and supervision
- * Equipment maintenance quality control
- * Communications between railroad personnel and passengers, including station announcements, phone information, and on-board announcements.

Once I've gone over the reports, I would like a representative group of NJCL commuters to review it and offer any suggestions for our consideration. I want the commuters who depend on this line to be directly involved in this process.

2. We are now developing, in conjunction with Conrail, specific procedures for securing buses to transport passengers in case of emergency. Although there is currently a statewide shortage of bus equipment, particularly during peak hours, as a result of alternative service during the PATH strike, these procedures must be formalized so that every possible effort is made to secure buses for emergency transport.

3. I am writing to U.S. Secretary of Transportation Neil Goldschmidt, requesting that drawbridge openings be restricted during peak periods of commuter rail service. The reason for this request is obvious. Several thousand of you were delayed because of a bridge opening for one boat.

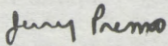
4. I will be meeting shortly with Amtrak officials regarding excessive delays to NJ TRANSIT trains over the past two months as a result of signal, switch, and track problems between New York and Newark.

Last Thursday's delay was lengthy, tiresome, and hot. I know; I was on the 6:06 p.m. from Newark. Thanks to many of you with whom I spoke that evening. I intend to follow up on your suggestions and criticisms. I'm committed to improving NJCL operations and to keeping you informed of our problems and progress.

On behalf of NJ TRANSIT, I apologize for the extreme inconvenience you suffered as a result of the delays.

I invite you to offer comments on NJCL operations and related issues. We must concentrate on solving the problems, so we will not be able to answer every piece of correspondence, but I assure you that your views will be considered. Please write to me at P.O. Box 101, 1035 Parkway Avenue, Trenton, N.J. 08625.

Sincerely,



Jerry Premo
Executive Director

Mr. FLORIO. Thank you very much. At the outset, I have just met Mr. Premo, for actually the second time, but I have not had an opportunity to work with him. I have had occasion to be dealing with Commissioner Gambaccini, and am very enthused with the sensitivity he has brought into the job in terms of the highest degree of awareness of mass transportation in New Jersey than was ever the case before in that particular department.

Just to explain the complications of the problems we are talking about and giving a different perspective, because I do not adhere to the conspiracy theory that there are agencies out to outdo activities of other agencies not on their turf. I have been on this committee for 5 or 6 years, and have taken part in activities in this committee as well as on the floor of the House, and have watched the people from Amtrak and NRA get totally devastated for not going forward with the Northeast corridor project. I have been part of legislative debates where there was discussion whether they should receive any additional money for the Northeast corridor.

The suggestion was made of spreading out the Northeast corridor among other agencies. I think that would run counter to the interests of everybody. The Northeast corridor for a while had too many people at its head, and accordingly nothing ever went forward, and there were cost deficiencies, management delays, and things were worse. I think what we are doing is pinpointing responsibility and bringing into play, making that responsible agency responsive to all other considerations. What you are saying is not incompatible with what I think is the general thrust of where we want to go.

Have any of you had experience with the Operations Review Panel or something called the Main Scheduling Planning Unit?

Mr. PINDAR. I think I know they exist.

Mr. FLORIO. That may well be a comment on the functioning of those two units, because these units are designed to try to bring together all the pieces. It is true that FRA is not primarily charged with the responsibility of commuter operations. It is true that Conrail's prime function as it sees it is freight. It is true, likewise, that Amtrak is charged with the responsibility of intercity operations as opposed to commuter services, and UMTA is charged with mass transportation.

This splitting of jurisdiction even extends to Congress. This committee does not have jurisdiction over UMTA and the moneys allocated. The Coast Guard is in a totally different committee. So we have to get our own house in order in terms of having legislative oversight capabilities over the total problem. I think we are in the process of trying to do something of that sort.

Mr. D'AMICO. A good point, Mr. Chairman. I think there are people at Conrail, and I am going to single out Mr. Downing, and also people in Amtrak, who are genuinely concerned with our problems. But if I were the top management of those corporations and if I were charged with the legal duties which the Congress has charged these agencies, I certainly would give preference to my own operations over commuter service as well. So, you have your finger on the jugular there.

Mr. FLORIO. One point that has been made, a suggestion approach perhaps to deal with this problem, if Conrail is the current operator of commuter service, over and above that Conrail has a

great number of financial problems and is going to be coming before the Congress asking for more money.

If Amtrak is interested in rail passenger service, which they are, and has an interest in becoming an operator under contract with a commuter agency, and Amtrak is charged with the paramount responsibility of developing the Northeast corridor project, which they are, were it to come to pass that Amtrak would be substituted as a contracting agency for commuter services, and also then be charged with providing those services in a timely way, and if its capacity as the main actor, being Conrail in the Northeast corridor development project, wouldn't they then have greater motivation to see the Northeast corridor program go forward in a manner which is compatible with their other primary responsibility of operating commuter operating agencies?

Mr. PINDAR. First of all, you represent the legislative arm, and you can direct that to happen, but if you look at the history of Amtrak's operating capacity in relation to efficient movement of trains, at the moment I would not do that. I do not think Amtrak is capable of operating trains efficiently, and it has demonstrated that it has not.

Its high authoritarian figures in public readings have admitted this; they are not. Amtrak requires a very intensive course in how to properly operate trains.

The record of what has happened on the Northeast corridor, particularly in relation with the North Jersey Coast Line, is ample proof of that. Amtrak is not capable of undertaking that responsibility at this point, unless you give it some specified lines as to what it must accomplish in the way of operational capacity.

New Jersey is a pioneer in something that I would suggest to you as being appropriate in this very difficult complex weaving of whose responsibility it is to rebuild the Northeast corridor. The New Jersey Transit Corporation has four public directors. The commission has undertaken to have a North and South Jersey advisory committee reappointed. Both Mrs. Stump and Mr. D'Amico serve on an informal board for the North Jersey Coast Line.

Even the Congress might take some leadership from New Jersey on this point, and if there is to be a centralized authoritarian agency to overlook the project, I would suggest to you that official representation from the people who use the line, namely the riders, be added to whatever legislative fix that you have in mind.

Mr. FLORIO. Thank you.

Mr. D'AMICO. I agree with that. Before you were to transfer this awesome responsibility to Amtrak, certainly a restructuring of the board of directors of the corporation from the board of directors down to include participation by the other users and particularly the State agencies, and representation and input from the commuters themselves would be desirable.

Mr. FLORIO. Gentlemen and Ma'am, I appreciate your testimony and look forward to continuing the work of your group to get your input on what it is that is going to go forward. I happen to be one of the people who is optimistic on what it is that is going to happen, and there will be a certain amount of disruption as we get to the point that we have a good system.

Hopefully, it will be sooner rather than later, but I am convinced this Congress is prepared to provide the resources. I know this committee and other committees are prepared to do the legislative oversight to keep people's feet to the flame to make sure those resources are used in the appropriate way.

It is going to be done only if the people most adversely affected by the system do provide us with their expertise and firsthand information to make sure we are going in the right path. We can make adjustments when we do veer from the proper path.

I appreciate what you have done in lending us your expertise today.

Our next witness is Mr. Louis S. Thompson, director of the Northeast corridor project.

STATEMENT OF LOUIS S. THOMPSON, DIRECTOR, NORTHEAST CORRIDOR PROJECT, FEDERAL RAILROAD ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY HARRY R. DAVIS, CHIEF, OPERATIONS STAFF; PAUL F. SCHWARTZ, GENERAL ENGINEER, OPERATIONS STAFF; AND DAVID S. GEDNEY, ASSOCIATE DIRECTOR, OFFICE OF ENGINEERING

Mr. THOMPSON. I appreciate having a second to get adjusted here.

It is a pleasure for me to be here and testify before you today on a subject that you and I have spent many hours discussing before.

I will represent the Federal Railroad Administrator, Mr. Sullivan, today. He is devoting full time to another piece of legislation.

Mr. FLORIO. We are pleased he is taking his time on that matter.

Mr. THOMPSON. Let me summarize the statement that I have, and we will put the details in the record. [See p. 85]

As you know, the Northeast corridor project is aimed primarily at upgrading the facilities and high-speed rail services on the Northeast corridor, but the Federal investment will significantly improve the facilities jointly used by the commuters as well as the intercity passengers.

The NECIP construction efforts are underway, and they will continue in the New Jersey area through 1983. One of the main reasons for this lengthy period of construction, and I want to juxtapose the impatience with getting the job done, is that we are attempting to balance construction and we are attempting to minimize disruption to the train schedules. We have a pretty good record.

We are going to be spending about \$300 million of the total \$2½ billion improvement program in New Jersey. An investment of that magnitude is absolutely certain to have an effect on train operations. We believe, however, that those impacts can be minimized, but I see no way to avoid them totally.

We have worked closely with New Jersey Department of Transportation and we have done our best on the problems of coordinating our respective interests, and we expect to continue doing so.

Commissioner Gambaccini, in my opinion, has done a superb job in recognizing emerging problems, articulating the common concerns of commuter authorities, and communicating those concerns in a very constructive way.

He has worked with us at FRA and with his colleagues of the other commuter rail authorities to structure an admirable working relationship.

I think that ought to be stressed. He has been a leader in representing commuter authorities, not just in New Jersey but in Philadelphia, Baltimore, Boston, New York, and in Connecticut.

The Northeast Corridor Commuter Rail Authorities Committee (NECCRAC), of which Mr. Gambacinni is the chairman, has accomplished a great deal in the short period of its existence, and I am confident it will remain the forceful and creative organization that it has been.

I am proud of the supportive role that FRA and our sister agency, the Urban Mass Transportation Administration, were able to play in supporting this committee.

Let me turn to your specific questions and go over them quickly and answer any questions you may have.

Your first question was, How has the construction of the Northeast corridor contributed to problems with the commuter operations, and what are we doing to solve those problems?

The Northeast corridor project is a huge design and construction problem involving extensive rehabilitation and replacement of major elements of almost every aspect of the 450-mile right-of-way between Washington and New York.

This work must be done while the very complex and tightly spaced operations of intercity trains, commuter trains, and freight trains are maintained on a day-to-day basis. It is fair to say that this is an unprecedented railroad reconstruction job in magnitude and complexity. Inevitably, there will be delays, and in some cases disruptions of service in the process of getting this job done.

I would like to give you a little example of how this is done and how we can solve some of the problems.

I was also interested in hearing the discussion earlier that most people acknowledge that the delays to date have not been that bad, attributable to the Northeast corridor project. There are concerns about the future.

What I would like to do is show you what we are doing to try to resolve those concerns and minimize the results of the problems that we have.

I brought this chart; I don't want to dwell on it too long, but to give you a feeling for the kind of information we have been using and have made available to the commuter authorities up and down the corridor to work with them to schedule construction in a way that minimizes the disruption.

This chart shows the track work that has been done to date, and it shows the type of work. It is far too detailed to see, but I could place copies of it in the record, and the type of work that has been done, its exact location, and when it was done. That records the past which is not what we are planning for now.

The important chart is this one which shows you what will be done in the future. This is the date, from January through December. The bottom part of this shows you the exact location of the railroad starting in Philadelphia and ending in Penn Station in New York.

We have repeated this for 1980, 1981, 1982, 1983, and a little bit of work in 1984. This is a joint planning instrument that we have developed with Amtrak and with our consulting firm to lay out so that everyone can see exactly what work is being done, where, when, and so that if we need to minimize disruptions or if we need to shift it slightly, it can be done.

Mr. FLORIO. You expressed so much admiration for Commissioner Gambacinni. Has he or any of the agencies that he represents or other committees had an opportunity to have any input into this?

Mr. THOMPSON. Indeed they have. On January 9, for example—we have been discussing this informally—we had a formal discussion of this information with NECCRAC which included all of the commuter authorities.

This is just showing New Jersey, but we have this for the entire length of the corridor. They had a chance to comment, make suggestions, and I believe in some cases, those suggestions were accommodated.

One important thing to note is that there are a set of ground rules that go into formulating this which inherently minimized disruptions. For example, Amtrak has a requirement that only a certain amount of trackage can be taken out of service for a given period of time.

As soon as we know that a piece of track is going to be taken out of service—and I have highlighted here for you the track-laying machine, concrete tie machine, operating in 1981 right in the Trenton area in August—as soon as we know that that is going to happen so the track will have to be out of service, then we bring in all of the other activities that are necessary for that track so that those are not done at some other time and cause additional disruption.

It is a very, very difficult piece of stitching together, though one problem is to minimize the cost of getting the work done, which often dictates maximum disruption, and the other is to minimize the disruption and try to come out with a balance that everyone can live with.

I think we have been fairly successful. I can report to you that we plan to meet again with Commissioner Gambaccini and his people on September 10 to discuss exactly this issue again, and we intend to go through it in detail and respond as well as we can to any comments that he may have.

Mr. FLORIO. It might be of interest to the people here, if you might be able to give us some indication as to when you will be working on these intersection points that most affect their interests, the Northeast coast line.

Mr. THOMPSON. The charts indicate that. We could correspond with them, and would be glad to do that if that would be desirable.

Some of the specific problems we believe the Northeast corridor project has caused, and I will give you one good example, is the track rehabilitation work in the Hudson River tunnels. Those tunnels are many years old and the drainage problem had reached a point at which the signaling operations were becoming less and less reliable.

That work has continued for over a year, and I hope it will be completed in this year, but it has been done in a very special way

responsive to some of the concerns that Mr. Pindar mentioned earlier.

We have only worked on this tunnel on the weekends, not during the week but only on the weekends, when one track has been taken out of service for panel replacement work to go on. There have been one or two instances in which the work has inadvertently stretched over into early Monday morning. By and large we have made every effort to schedule that work at a time when it causes minimum inconvenience to the commuters.

I referred earlier to the meeting in January of 1980. I would like to refer also to the table that I have which shows the results of what I think is another major innovation that has been brought to bear in the Northeast corridor.

This is the train planning and scheduling unit. As you may know, the genesis of this unit goes back to what was called the redirection study in which Secretary Adams expressed his concern for the need to balance the interests of the commuter as well as the intercity passenger.

One of the initiatives that came out of that was the formation of a planning and scheduling unit which would be able to stitch together the schedules of the commuters, the intercity freight and passengers in a way that would produce an operation which is consistent from end to end.

Let me elaborate: An Amtrak train which leaves from Washington may transit the corridor perfectly well until it reaches the MBTA zone, at which point there might be a schedule conflict. The Amtrak schedule is changed in order to accommodate the MBTA train, and it might cause that train to impact a New Jersey DOT train.

We have to look at all of the schedules of all the authorities and put them together in such a way there is no conflict. This was done by an Amtrak staff group called the train planning and scheduling unit established in late 1979.

The FRA played a supportive role with that group and provided them with consulting services from British Rail who have a unit similar to this and have had many years of expertise in putting together commuter and intercity schedules.

Mr. FLORIO. I would think that the criticism that would be made would be, if the Amtrak staff put that together, that there might very well be a bias which may or may not be appropriate toward facilitating Amtrak's trains giving them first order of preference. That is not the case?

Mr. THOMPSON. Let me distinguish two issues: The schedules themselves do not reflect any bias at all. That was the result of a set of discussions between Amtrak and let us say SEPTA, in which there appears to be interference, and they worked out in total cooperation how the schedule should be changed.

The issue at which bias could arise, and I do not know of its existing, but the point at which bias could arise is if one train is late, not on the schedule, and that poses a conflict between another train, that train and another train which is on time, then the dispatcher who is actually deciding which one has priority could exercise his judgment.

As far as I know, the instructions for operating the railroad are clear and do not include any kind of bias in favor of one or the other.

Let me refer to the table that we were discussing, table 1. If you look at the actual on-time performance of the commuter rail services operated over the corridor, certainly the performance shows a considerable improvement in the last year, certainly no significant deterioration, and that does not really lead me to support the charge of bias against the commuter in discharging of the railroad.

Mr. FLORIO. You are making reference to commuters on the Northeast corridor. Are you including the people, for example, from Trenton to Newark?

Mr. THOMPSON. Yes; in New Jersey the commuter operations I am referring to are the ones that operate completely on the Northeast corridor. They would not include the coast line operation, which is an operation for which I do not have statistics.

Mr. FLORIO. Someone might make the observation that the trains are no different than intercity passenger trains. Saying you are improving your commuter operations is not quite duplicitous, but to the point that your intercity operations are virtually the same as your commuter operations.

You are not addressing the concerns the representatives of the commuter operation have brought to us today.

Mr. THOMPSON. Take the example of the commuter operations from Trenton to Penn Station. That operates over the same section of line as the coast line does when it joins the corridor at Rahway. Unless there has been something unusual done to those coast line trains, it is difficult to see how they would have suffered uniquely from corridor construction project problems. When those commuter trains ran over the corridor they did not suffer all that badly.

We do have to qualify the record, as soon as the PATH strike began, but up until that point it would appear that the operation of the corridor per se and trains as they transitted the corridor, without regard to who they were, were not suffering all that badly from the corridor project.

Mr. FLORIO. How about the indirect routing examples that were presented to the committee by some of the earlier witnesses that some of the coast line trains have been rerouted in the wrong way?

Mr. THOMPSON. With all due respect, I would like to let the Amtrak people answer that question, if I could.

Your second question was what actions we felt necessary to alleviate other problems with operating commuter service along the corridor.

We have highlighted several areas in which we think action would be desirable and is being taken. One of them is equipment failures. As you know, it was referred to finally as the GG-1, a magnificent piece of design work. That locomotive is getting old, and most of those are 40 years old and some even a little older than that.

They must be replaced. Now, the Amtrak Board has approved with a positive vote by the Department the acquisition of 47 new lightweight AEM-7 locomotives, and the rehabilitation of 34 Metroliners. Together, we believe, they should resolve many of the reliability problems with respect to the Amtrak operation.

The commuter operation also has a lot of equipment, including C-G-1's, and I have to assume that New Jersey Transit will be addressing this issue. With respect to fixed plant problems, of course, this is the purpose of the Northeast corridor project, to repair those things. I know of no major problems which will not receive pretty significant attention.

It will take time and has taken time, and I think it is important to know the exact state of the railroad that Amtrak took over when they acquired the ownership of the property in 1976.

The Pennsylvania Railroad and the Penn Central did not have the money to maintain the railroad. They had had a problem with morale as well, so the operation Amtrak took over was in bad shape and there was a massive problem to try to correct it.

To give you some examples of some of the things we are doing with reference to the Portal Bridge, it is a complicated mechanical problem to resolve it. We plan to spend over \$9 million repairing that bridge and putting it in very good operating condition.

We have not been totally passive even to date. We have already spent over \$2 million repairing the fenders on the bridge in order to prevent the kinds of problems that have happened in the past where boats have bumped into the fenders and affected the operation of the bridge.

We have already spent over \$100,000 repairing emergency repair work of the electrical and mechanical system to keep the bridge operating until the major rehabilitation can be completed. When we work further on that bridge, all of the track outages will be confined either to the night hours or to the weekend hours in order to minimize the interference that this will cause.

There will be some, but I think we can minimize it.

Mr. FLORIO. When you testified before our committee in furtherance of requests for the \$750 million for completion of the Northeast project, you indicated that amount of money would be sufficient for all the capital construction needs for the completion of the project in accordance with the timetable to deal with the mileage and the time requirements.

Since that time, has anything changed to in any way cause you to have any apprehensions about the need for additional moneys to deal with any of the problems that you are alluding to now, bridges, yards or anything of that sort?

Mr. THOMPSON. Well, to be perfectly honest with you, Mr. Chairman, inflation has of course proceeded and as some of the engineering design problems have been worked out, we have run into cost problems. I know of nothing today to tell you that will cause us any difficulty in completing the work that we are discussing here with respect to the reliability of the Portal Bridge and the commuter related problems in New Jersey.

I don't think anyone could tell you that there are not or won't be cost problems which will cause us every day to be fighting the problems of the budget of the Northeast corridor project. There will be. We will keep you up to date on those, but I do not see any reason why the work that we are discussing today, dealing with the reliability of the commuter service, cannot be completed.

We intend to do so, and that certainly is from your point of view one of the highest priorities that is used whenever we start looking

at a question of what can we afford and what can't we afford as we have cost problems to deal with.

Mr. FLORIO. A brief comment on the Wilmington Yard. You are going to do some expansion activities there?

Mr. THOMPSON. We intend to expend more than \$30 million there to be able to maintain all of the new equipment which Amtrak has. A point was made earlier, and it may deserve some discussion, we are not now intending to spend a major amount of money at Wilmington to enable it to continue to maintain GG-1 locomotives.

Amtrak expects to dispose of that, and Conrail has all of those mothballed now, and I don't know if they ever have any intention of ever operating them again.

Amtrak would probably be able to maintain the GG-1's for another couple of years, but I don't think it makes any sense to plan on operating those vehicles much beyond the next few years when their lifetime will really be consumed.

Plans should be made now to acquire replacement equipment.

Mr. FLORIO. This investment into the Wilmington Yard puts to rest any speculation that the yard is going somewhere else.

Mr. THOMPSON. It will be rehabilitated and will be a major service facility.

One of your questions which I think I have already answered dealt with the importance that we attach to the train planning and scheduling unit in a sense that it can serve as its function is further strengthened, it can serve not just in a long-range planning environment, but in a very short reactive environment as well.

It can serve not just to plan next year's schedules, which is what its primary function should be, but with the right kind of cooperation with the commuter authorities, it can serve as a very short range dealing with immediate problems of how to reschedule trains if there is an outage or a problem which is causing problems.

That is a function which has not been as fully explored yet as it will be, probably because the training planning and scheduling unit is still getting its feet on the ground.

The capability is there and is something that the Department is certainly encouraging and Amtrak has picked up on it and, on the other side, NECCRAC, which the Department is also funding, is beginning to work very effectively in representing the commuter interest in this kind of problem.

Your final question dealt with the working relationship between FRA, Amtrak, Conrail, New Jersey DOT, and others, in providing service along the Northeast corridor. I would be the first to admit it is a complex working relationship. It is defined in law which has evolved over a number of years and has led to a number of ad hoc relationships.

FRA specifically, as you know, is not involved in commuter service per se. We do not fund it, except through the operation of what amount to commuter trains for Amtrak. We don't fund the acquisition of the equipment, but we are certainly under a very strong direction from the Secretary to work very closely with UMTA and with the commuter authorities to see to it to the extent we can do so the Northeast corridor project benefits both.

We can go back to the Hudson River tunnels as an example. As to the use of those tunnels, there will be more commuter trains

through those tunnels than there will be Amtrak trains. The reliability and the speed through the tunnel will improve and the commuter trains will benefit just as much as the intercity trains will benefit.

I think that the Northeast corridor project is making a major effort to work with commuter authorities. We have gone out of our way to solicit their comments and to try to respond to them whenever we can, and I am delighted to commit to you that we will continue doing that.

[Testimony resumes on p. 99]

[Mr. Thompson's prepared statement follows:]

STATEMENT

of Louis S. Thompson, Director, Northeast Corridor Project Office representing John M. Sullivan, Administrator, Federal Railroad Administration, U.S. Department of Transportation, before the House Subcommittee on Transportation and Commerce, Tuesday September 2, 1980, on the subject of

"Commuter Rail Service Problems on the Northeast Corridor"

Mr. Chairman, members of the subcommittee, Mr. Sullivan has asked me to represent him at today's hearing and inform you of the effort which the U.S. Department of Transportation and, in particular, the Federal Railroad Administration are making to improve the rail commuter system thru the Northeast Corridor Improvement Program (NECIP). In the New York-New Jersey area, rail passenger service is recognized to be an essential element of the region's overall transportation system.

Before addressing the specific questions which the subcommittee has raised, I would like to make a brief general statement about the NECIP and the relationship which we have tried to establish with all of the Commuter authorities that interface with the corridor operations.

The NECIP is aimed primarily at upgrading the facilities and high speed rail services on the NEC, but this Federal investment will significantly improve the facilities jointly used by commuter services. The NECIP construction efforts are underway and will continue in the New Jersey area through 1983. One of the main reasons for the lengthy period of construction is our desire to minimize disruptions to the train schedules. I believe we have a good record in this regard. Nobody has ever rebuilt

a railroad while maintaining hundreds of commuter and high speed rail trains a day on schedule.

Close to \$300 million of our total \$2.5 billion improvement program will be spent in New Jersey. An investment of that magnitude is bound to have an effect on train operations. We have worked closely with N.J.DOT on the problems of coordinating our respective interests and will continue to do so. I would also like to emphasize at this point that Commissioner Gambaccini has done a magnificent job in recognizing emerging problems, in articulating the common concerns of commuter authorities and communicating those concerns constructively. He has worked with us at FRA and with his colleagues of the other commuter rail authorities to structure an admirable working relationship at both the policy and technical levels. The Northeast Corridor Commuter Rail Authorities Committee (NECCRAC) has accomplished a great deal in the short period of its existence and I am confident that it will remain the forceful organization that it is today. I am proud of the supportive role that FRA and our sister agency, the Urban Mass Transportation Administration, were able to play in supporting this committee.

Permit me to turn now to Chairman Florio's specific concerns. I am prepared to respond to his 5 questions in detail and to clarify the particular role that FRA's NEC Office is playing in helping to solve the New Jersey commuter rail problems.

Q. How has construction on the Northeast Corridor contributed to problems with commuter operations? What steps are being taken to address these problems?

A. I must emphasize at the outset that the Northeast Corridor Improvement Project (NECIP) is a huge design and construction project involving extensive rehabilitation and replacement of major elements of almost every aspect of the 450-mile right-of-way between Washington and New York. This work must be done while the very complex and tightly spaced operations of intercity trains, commuter trains and freight trains are maintained on a day-to-day basis. I think it fair to say that this is an unprecedented railroad reconstruction job in magnitude and complexity. Inevitably, there will be delays and in some cases disruptions of service in the process of getting this job done. I am here today to describe some of the major problems, and the steps we are taking to address them.

I have with me construction plans and track charts which depict the NECIP construction work which took place on the Corridor in 1977, 1978 and 1979, separate charts for the construction work in progress in 1980, and additional charts showing completion of the NECIP work in 1981 and subsequent years.

These charts, which we call the "Green Plan," depict the type of work being done (whether new rail, new ties, track realignment, electrification work, etc.), the exact location on the Corridor, and the time span in which the work is conducted. The purpose of the Green Plan is to stitch together this complex construction plan and the operational requirements of the railroad in such a way that the job is completed in a timely fashion while minimizing disruption to all services. Specifically, the construction

is planned to be done in conjunction with specific "track outages" designed to accommodate the continuing operations with minimum possible delay.

To answer your question, I would first like to discuss specific problems caused by the NECIP construction program this year in the New Jersey area from Trenton into New York Pennsylvania Station.

The single largest source of commuter train delay this year has been caused by extensive track rehabilitation work in the Hudson River Tunnel. The most extensive elements of this work have been limited to weekends to minimize the impact on commuter trains. The delay has nonetheless averaged 12 minutes per train for 27 weekend commuter trains. Except for isolated incidents, the long delays have been confined to the weekend trains. Fortunately, this work will be completed within several months. The effect of this work, which has improved tunnel drainage and the reliability of the signalling systems, will be to add to the reliability of all services using the tunnel. Additional but smaller sources of delay this year have been caused by track and tie renewal operations and high speed surfacing operations between Trenton and New York.

Even though the tunnel delays have averaged 12 minutes on weekends, our best estimate is that the average delay to all trains caused by the NECIP has been significantly less than 5 minutes.

We have taken a number of steps to address these problems. First, we met with the commuter agencies January 9, 1980, before construction began this year and presented them with the Green Plan, and discussed adjustments in train schedules to minimize delay impact. Since that time, there have been numerous meetings of the "Train Planning and Scheduling Unit" (TPSU) at which the Federal Railroad Administration (FRA), Amtrak and the commuter agencies have met to discuss particular problems in overall train scheduling. In the case of the New York-Washington Amtrak trains, Amtrak has rescheduled and respaced trains to minimize conflicts. The results of this are indicated in the attached Table I, where we can see that the on-time performance of all services has improved, with the exception of the New Jersey service, where problems associated with the PATH strike have caused about a 10 percent deterioration in on-time performance. I believe that the New Jersey Department of Transportation (NJDOT) has chosen to keep their schedules essentially as they have been. I understand that their approach has been to inform their ridership of problems and likely delays arising from the construction program. We look forward to discussing and dealing with any construction impacts at our next meeting with NJDOT on September 10, 1980.

Finally, I want to emphasize that I have discussed our mutual problems frequently with Mr. Gambaccini and I agree completely with him that the coordination so far has just been a beginning, and that our staffs need to meet and communicate more frequently in the future to assure the best possible accommodations of all services during the construction program.

Table I

On-Time Performance - Monthly Summary

April 1979 - As of July 20, 1980

	<u>MBTA</u>	<u>NJT</u>	<u>SEPTA</u>	<u>MD DOT</u>	<u>Amtrak</u>
April 1979	82.6	90.2	87.3	70.0	59.8
May 1979	73.5	87.7	89.4	53.4	67.0
June 1979	76.9	89.1	89.4	70.2	58.8
July 1979	86.1	81.1	83.5	79.8	57.3
Aug. 1979	74.0	84.2	76.3	76.1	53.3
Sept. 1979	77.7	88.4	77.9	68.1	62.9
Oct. 1979	68.8	86.4	74.2	72.7	59.9
Nov. 1979	81.6	88.2	84.7	62.5	68.1
Dec. 1979	91.8	89.0	87.3	67.5	70.2
Jan. 1980	92.4	90.3	84.9	87.2	77.7
Feb. 1980	90.6	91.3	92.0	93.8	79.1
March 1980	94.4	91.5	90.4	75.0	72.7
April 1980	96.3	91.7	90.5	77.4	69.8
May 1980	96.2	91.7	93.0	78.6	74.5
June 1980	93.9	85.1	89.4	78.6	68.3
As of 7/20/80	95.6	80.2	90.6	82.7	70.8

Q. What actions do you feel are necessary to alleviate other problems with operating commuter service along the Corridor?

A. A significant number of other problems exist which are not attributable to the Northeast Corridor Improvement Project (NECIP) and which adversely affect commuter service as well as Amtrak service. Following is a brief summary of some of the major problems, and the actions necessary to alleviate them.

- o Equipment (vehicle) Failures: Portions of the present Amtrak and commuter equipment are old and unreliable, and in need of replacement or major overhaul. Equipment failure, particularly motive power failures, causes major disruptions in service at unpredictable times. Amtrak's present equipment replacement and overhaul program will greatly alleviate this problem within 2 to 3 years. Some of the Amtrak fleet is still hauled by the old GG-1 locomotives which have been in service for 40 or more years. Amtrak has already introduced into service the first of 47 modern lightweight electric locomotives which will completely replace the GG-1's by the time the NECIP is completed. This will greatly reduce the incidence of engine failures and service disruptions caused by Amtrak. I might add, however, that even with the continued operation of some very old equipment, Amtrak has managed to maintain or improve their on-time performance, as our previous statistics in Table I indicate.

Much of the commuter equipment is also old and in need of replacement or major overhaul. For example, the GG-1's used by the New Jersey

Department of Transportation (NJDOT) are of approximately the same vintage as the Amtrak GG-1's. We presume that NJDOT will be addressing this issue in the near future.

- o Fixed Plant Failures: Many elements of the fixed plant (electrification, track structure, drainage, interlockings, signalling equipment, etc.) are old and failure prone and in need of replacement or repair. Failures to the fixed plant can and do cause service disruptions as severe as failures to rolling stock. In particular, electrical supply failures, failures of switch machinery at interlockings, track failures, and lack of proper drainage all cause service disruptions at random times but with increasing frequency. The NECIP program is accomplishing major replacement and repair in all of these areas, and is also designed to accomplish major track reconfigurations in particular areas, such as the "Fairham," "Dock" and "Bergen" interlockings on the New Jersey segment of the railroad, which will greatly alleviate train congestion and conflicts between Amtrak and commuter service. As we have already noted, construction in particular areas will cause temporary delays in the process of improving the railroad. This is unavoidable, but the effects can be minimized by continued and even more concerted efforts of the Train Planning and Scheduling Unit (TPSU) directed at appropriate, temporary changes in schedules and spacing of trains.

- o Additional Operational Disruptions: The present PATH strike is a good example. Amtrak's records indicate that the effect of the strike has been to reduce on-time performance in some cases from well over 90 percent to 80 percent. At present, Amtrak is running 44 shuttles per day to fill in for the commuter service. Delays in particular areas such as Newark are being experienced because of lower headways between trains. The effect of the strike is to cause routings of the Amtrak shuttles which are different from the routings of the commuter equipment. This is another area where more concerted cooperative planning by TPSU may help.

Q. What will be the impact of future Northeast Corridor Improvement Project (NECIP) construction on commuter service? What steps would you recommend to minimize disruption to commuter operations? e.g. Train Planning and Scheduling Unit. (TPSU)

A. Again, I want to reiterate that some delays and disruptions will be inevitable as we work this very complex job of rebuilding the railroad while maintaining the most effective possible operations for the many services and agencies using it.

Construction which will take place in the 1981 work season will include major reconfiguration of the "Fair" interlocking located at Trenton, reconfiguration of the "Dock" interlocking at Newark, and replacement and rehabilitation of the "highline" bridges between Newark and New York. We are working with Amtrak to determine as closely as we can what the total impact on the intercity and commuter services will be. The "Fair," "Dock" and highline work will have impact, of course. However, the significant delays which we are experiencing this year in the Hudson River Tunnel will be behind us. This will certainly have an offsetting effect on the delays due to the new construction.

We have given the highline area particular attention in the planning for the staging and phasing of the construction because this portion of the Corridor is limited to only two tracks and has always carried heavy traffic. Under the best of conditions in this area, congestion is always a possibility.

The five bridges which require replacement on the highline will be replaced by the "roll-in" method. In this method of construction, major portions of the bridge are assembled off the right-of-way, with no impact on train services. The installation ("roll-in") of the bridge will be done in 56-hour weekend periods to minimize the impact on train operations. This work is scheduled to begin in late 1981 and continue through 1982 into 1983.

Seven other highline bridges and the Portal bridge will be rehabilitated. The track outage work on these bridges will be done at night during available service "windows" or on weekends to minimize the impact on train operations.

In 1982, major construction on the Portal bridge on the highline will take place. As many of you know, this movable bridge has been an increasing source of delay and inconvenience to railroad and maritime traffic. The mechanical and electrical machinery for operating the movable portion of the bridge will be replaced; this will clearly have a positive effect on the reliability of all services using the Corridor in this area. Recently, we experienced traffic interruptions when this bridge became temporarily stuck in the open position.

I can assure you that we are sensitive to the problems which have been created by the Portal bridge, and the need to put this bridge in good working order at the earliest possible time. In the highline area particularly, I want to emphasize that the past 2 years of planning was

directed at achieving an optimum staging and phasing of all highline construction to minimize disruptions to all services. Though it is frequently necessary to make minor adjustments to the construction plan to work around particular problem areas, I must emphasize that we must follow the essential elements of the plan, or suffer very major delays in the entire program.

I want to make clear that the Department is supporting NECCRAC because we sincerely believe that this group and its activities are absolutely necessary to lay the basis for fair and equitable consideration for all services using the Corridor. By exercising all possible planning methods, including the TPSU, we must redouble our efforts to adjust and fine tune all train operations and other essential planning elements in such a way that the temporary inconvenience to the riding public is minimized.

As many of you know, from the time I took this job, I have strongly and consistently encouraged the forming of an effective TPSU where the planners of all users of the railroad work together in a true spirit of cooperation. I am gratified today to see the emphasis which Amtrak is placing on their TPSU. As I noted before, it looks like we are already seeing positive results. However, I want to again emphasize as strongly as I can that we all work together in this most important activity.

In summing up my reaction to these very important questions on commuter operations, I look forward to working in more detail with Mr. Gambaccini and with the New Jersey Department of Transportation to find solutions to the problems which exist. We are prepared to meet as often as necessary to solve the difficult communication and technical problems which we all share.

Q. Describe the working relationship between FRA, Amtrak, Conrail, New Jersey DOT, and others, in providing commuter service along the Northeast Corridor.

A. The working relationship among the various parties are determined by the applicable laws which created and sustain the various entities and which assigned specific functions and responsibilities to them. Additionally, there are a number of legal agreements defining the respective roles that the agencies perform in meeting their obligations. The interim "NEC Commuter Operating Agreement between Amtrak and Conrail," dated April 1, 1976, is the key document as far as the provision of commuter service is concerned and it is the source of some of the frustrations expressed by those that are not parties to the agreement.

Briefly, the agreement defines the nature of the commuter service easement reserved by Conrail from its conveyance to Amtrak of the NEC and outlines the terms under which Conrail provides commuter services on behalf of the States or regional transportation authorities. According to the agreement, Amtrak has exclusive control over the operation of trains on the NEC. Conrail is responsible for providing fuel (other than electric traction power), train supplies, and labor at its own expense for the operations of the service. Amtrak provides dispatching, maintenance-of-way and all other services necessary for the operation.

In recognition of the problems of coordinating commuter intercity and freight service on the NEC, the regional and state transit authorities have formed the so-called Northeast Corridor Commuter Rail Authorities Committee (NECCRAC) as a means of expressing their concerns effectively and expeditiously. FRA, UMTA, Amtrak and Conrail have all responded positively to the concerns of NECCRAC. One of the outcomes of the discussions of how to resolve operating problems during the implementation of the NECIP, has been the establishment of FRA/UMTA funded Train Planning and Scheduling Unit at Amtrak, and which was mentioned earlier in my testimony.

FRA has worked closely with the commuter authorities, Amtrak and Conrail to minimize the construction impact on the train operations. The problem arising from the conflicting needs of the respective parties and the solution to the problems were described in a Congressionally mandated report on the subject published on March 5, 1980. Copies of the report have been made available to the Committee.

Q. What is your agency's responsibility for ensuring coordinated and efficient commuter operations?

A. FRA does not have a statutory authority over commuter rail service. UMTA is the responsible agency within DOT to provide capital assistance and operating subsidies through Sections 3 and 5 of the Urban Mass Transit Act of 1974, as amended. Funds are made available to the States on a formula basis and the allocation of funds is based on local priorities. FRA has assumed a coordinating role in the NEC as a consequence of the NECIP mandate in the 4R Act of 1976, which required close coordination between the respective interests. An interagency agreement between FRA and UMTA signed in the Fall of 1979 defines the respective responsibilities for funding of capital projects for commuter rail on the NEC. FRA is committed to respect the interests of commuter rail authorities. We fully intend to contribute our share to ensuring the viability of commuter rail service in New Jersey and elsewhere.

This concludes my statement Mr. Chairman. I would be pleased to answer any additional questions for the record.

Mr. FLORIO. I will reserve the right to submit some questions to you.

One question with regard to the interim operating agreement that has been entered into between Conrail and Amtrak, was FRA or the Northeast corridor project principals or participants in the discussions between those two entities?

Mr. THOMPSON. No, sir, I don't believe so.

Mr. FLORIO. We will reserve our questions.

Mr. THOMPSON. One further point that was raised earlier, if I might have one second, Portal Bridge in its openings, public hearings were held in 1980 in New Jersey dealing with the way in which that bridge would operate. As you may know, under the law as it applies right now, mariners have the right-of-way to demand that a bridge be opened.

There has been what has been referred to as a gentleman's agreement under which the Portal Bridge was not opened for mariners during the morning and rush hour in the afternoon. The Coast Guard in an unprecedented proposal proposed a new rule-making which would formally state that the bridge may not be opened during a window in the morning and the afternoon so commuter service and intercity service would not suffer any delays due to maritime traffic during those periods.

The hearings discussed two different types of windows which might be available. The Coast Guard, in holding these hearings, discussed the two windows. One was from 7:22 in the morning to about 10 o'clock in the morning, and 4:30 in the afternoon to almost 7:30 in the evening for the evening rush hour.

That was a window proposed by FRA and Amtrak.

The Coast Guard proposed an alternative window which they stated came from their discussions with maritime interests which would have started at the same time in the morning and afternoon, but would have been about an hour shorter in the evening.

The Coast Guard has those two different proposals under consideration right now, as well as a proposal from New Jersey DOT, which was a compromise between the two other positions. I expect that rulemaking will be completed sometime in the near future.

The important point here is that the Department is responding to the needs of the commuters as well as the needs of the maritime interests, and really is innovating in the way in which the bridge openings can be regulated so the bridge openings can be taken care of.

Commissioner Gambacinni's position has to be understood as being influenced not just by the commuters, but by maritime interests, and they are significant under that bridge. There are balances that have to be struck between both, and his position was that it was his best attempt at trying to strike a balance between both.

Mr. FLORIO. Thank you.

Our next witness is Mr. Jerome C. Premo, executive director, New Jersey Transit Authority.

We are pleased to welcome you before our committee. We are pleased to see your colleague, Mr. Robins, with you.

**STATEMENT OF JEROME C. PREMO, EXECUTIVE DIRECTOR,
NEW JERSEY TRANSIT CORP., ACCOMPANIED BY MARTIN
ROBINS, ASSOCIATE EXECUTIVE DIRECTOR**

Mr. PREMO. I am Jerome C. Premo, executive director of the New Jersey Transit Authority, and a commuter on the Morris and Essex lines.

With me this morning is Martin Robins, the associate executive director of New Jersey Transit, and the acting director for 6 months prior to my appointment this past June, and a commuter on the Raritan Valley line, and a force of several years in helping shape policies in New Jersey, not the last of which is the very fact of the creation of the New Jersey Transit Corp.

We have submitted a formal text to you with a number of important attachments which I hope can receive the consideration not only of you and your committee but of Amtrak, Conrail, the Transportation Department and others, and those attachments raise a number of issues and document a concern that you have heard well expressed this morning by those whom we are principally here to serve, namely, transit riders.

I acknowledge obviously the fact that agencies involved in this effort are concerned beyond just transit riders, that is, certainly Amtrak's responsibilities extended to intercity passengers and Conrail's to the important freight to industry in this country, but I admit to being a biased advocate in support of the commuters of New Jersey.

What we want and have a shared commitment to is the provision of safe on-time service, and we believe that we can look forward to such safe on-time service through a recommitment and to quality management starting at the platform and engineer level extending up and across and down through the entire fabric that is the provision of service to the taxpaying public.

I sit here with you this morning representing both Commissioner Gambacinni in his capacity as chairman of the New Jersey Transit Corp. and specifically myself, as executive director of that corporation.

I have had this responsibility for about the last 2½ months, and during that time period I have sought to understand the issues that confront New Jersey and its public transportation, and they are very unique, and I think it is important to understand the context of the debate or the discussion today in commuter service.

New Jersey Transit was created by the 1979 State legislature and charged with coordinating an efficient and effective public transportation system throughout the State.

I say system because it is important that we integrate our many private bus companies with our rail services. That is the charge that we take seriously.

We now have through the wisdom of the voters of the State of New Jersey sizable amounts of Federal matching funds available to us in the amount of \$150 million so we can get on with a much needed capital improvement program of our rail and bus systems.

The Port Authority of Newark and New Jersey has provided a portion of what we will soon expect result in \$120 million being available to us for capital improvements. We are aggressively moving out the capital program in the rail area, such that by the

middle of this decade we will have all new rail cars, upgrading track beds, the rail itself, electrification is proceeding on the Morris and Essex line as well as the coast line, but the issues are less today, the capital improvements in our State, as they are the quality of rail service now being provided.

We have three essential operations for commuter service within our State, Hoboken Division, New Jersey Division, and the important service in South Jersey. The concentration is as it should be.

What is occurring particularly in the coast line area and through Newark into New York City, the parties are well represented. Conrail, Amtrak, the Northeast corridor project, FRA, DOT, Urban Mass Transit Administration, et cetera, we have written to them all, and we are working with them all and looking forward to developing results with them all.

But the concerns that we have at this point in time center around three or four particular areas of concern. On-time performance is diminishing at a time when major capital improvements are about to begin on the Northeast corridor project. Our concern is that without this capital improvement work, we are going downhill. We are concerned with what will be occurring when those long needed and overdue improvements do finally occur.

We have some, and I think to a degree I represent my own view in this particular discussion. I realize I may not have some of the historical perspective of other participants, but I am concerned with what seems to be a lack of adequate attention to detail, the detail of getting a train out whose equipment works.

When a train leaves Penn Station in the evening and is carrying people to Bay Head or points this side of Bay Head, the equipment should work, air-conditioning, cars which are checked by Amtrak employees should reflect what in fact is the case rather than what we might want to be.

Attention to detail translates into not being 280 days behind schedule by replacing escalators in Penn Station and Newark. It is a visible thing. Five of the night escalators were taken out and people are looking forward to the day when they can get those escalators rebuilt and back into service.

Attention to detail is when a problem arises in the railroad, finding an orderly way to inform the users of that railroad as to the problems and likely solutions.

Now, as we envision what is before us, we are hopeful that a sense of urgency about commuter service can characterize the way we try to do business and the way those people with whom we contract do business.

Conrail operates on the basis of an \$87 million contract per year with us. It is imperative that as we move into the Northeast corridor for capital improvements as further Amtrak improvements occur, that there be a clear definition of who is doing what to whom and on what time schedule; and we look forward on the 10th of this month to meeting with FRA, as Mr. Thompson has just indicated, meeting with Amtrak and Conrail to review in detail a construction program which will be our guide for the next many months.

When an individual asks me when the Portal Bridge is going to be fixed and in turn when I ask Conrail and Amtrak when the

bridge is going to be fixed, and when one of us knows, because we have not recently talked to FRA and the Northeast corridor about this subject, we all have to acknowledge that we can do a better job of working together in answering as basic a question as improvements on this key facility.

One of our concerns clearly is in the time it takes to get things done. This is a difference between those improvements which are operating in nature and those improvements which do not interrupt the train service or impact safety.

Escalators on the Newark Station is one case in point, and it translates into things like us going to our board to invest \$90,000 of our own money so we can assure a new board and associated improvements occur at Penn Station in New York. Rather than having to apply through Amtrak and Conrail and through all the different processes, they have to get the job done.

I would like, if I could, to cite a couple of excerpts from the testimony, because I think they are important in bringing to attention some of the proposals we have.

I would first like to make one quote from a July 16, 1980, letter to Secretary Goldschmidt, which is included as exhibit B in my testimony. This again is a personal reflection based on my efforts to understand the nature of our contract with Conrail and the associated services of Amtrak.

The quote is from a letter to Secretary Goldschmidt from Allen Boyd. In that letter Mr. Boyd says:

"What seems slightly ironic in all of this", that is, cost sharings, who pays for what in all the corridor activities and overlaps into commuter service, "What seems slightly ironic in all of this is that three separate categories of recipients of Federal subsidies are disagreeing about whose share of those subsidies goes to pay a bill that almost no matter what will most likely be paid with U.S. funds controlled by DOT."

What I sense may be occurring too much is that some of the legal listing and fiscal gymnastics of our relationship and some of the appropriately needed construction aspects overshadow the need of hourly and minute-by-minute attention to detail in getting trains available and on line and delivering commuters to their destinations, and if we can succeed in busting beyond some of the fiscal and legalistic gymnastics to concentrate on this point, we will add a new dimension to the attention that needs to be devoted to the division of service in this corridor.

I will ask Martin Robins to briefly refer to the map. It points out well some of what you have heard today, that is, the shared responsibilities which exist starting in Sunnyside and ultimately affecting those who would wish to ride the Coast Line.

Martin, if you could refer to the map, I think it can prove instructive, the downpayment on some proposals that we have, Mr. Chairman.

Mr. ROBINS. Thank you. The point of this map is the shared responsibility, the overlapping responsibilities that affect the north Jersey coast service, which is probably the most complex service in New Jersey, possibly anywhere in the Northeast.

The point was made earlier today that cars that are serviced during the midday at Sunnyside Yard here in Queens, all of the

Amtrak-owned facility here is in blue and the State-owned portion of the north Jersey companies in green.

The cars start here in the afternoon where they are serviced by Amtrak, and they finish up their day at Bay Head Yard, which is a Conrail yard, so you have a cycle of car movements for half of the service on the north Jersey coast which is split between Amtrak responsibility and Conrail responsibility.

Moving through the East River tunnels from Sunnyside Yard, we have to share those tunnels with Amtrak and the Long Island Railroad, which produces congestion and there are historic problems in that area. Within this portion of the service from Penn Station, New York, in Newark is probably the most critical portion of the Northeast corridor.

It's a two-track railroad and bisects the Portal Bridge and it is the subject of the hearings discussed by Lou Thompson.

We enter Newark Penn Station, one of the principal causes of commuter concerns and gripes. It has poorly run escalators and has been a historic problem for communications to all the different users who enter that terminal, PATH users, Amtrak, the Newark City Subway, and walk-ons, so it is quite a busy terminal, and it has inadequately served all those users over the past decade.

The Northeast corridor continues down through Elizabeth, Rahway, and we have that critical junction point, Union, where we have had a number of misroutings.

This is a very, very important junction. Throughout this area is the Northeast corridor improvement project which will be affecting it rather substantially in the next couple of years. Down through this area is the New Jersey transit-owned portion of the operation operated by Conrail, and, of course, Conrail trains are operating throughout this whole line all the way into Sunnyside Yard, but this is the portion that is under the control of New Jersey Transit and contract operated by Conrail.

One of the most remarkable parts about this line is that it has more movable railroad bridges than any other rail line in the United States that operates commuter service.

We have in the green dots the area of our north Jersey coast electrification project from South Amboy to Matawan from the end of 1981 and from Long Branch to Matawan to 1985.

This is an area of very, very busy construction, but the major theme is in order to get a train from here, to do it goes through a lot of different hands.

Mr. PREMO. Having identified some of the operating problems, both Amtrak and Conrail are federally chartered, have vast responsibilities outside New Jersey and have been charged with missions that are deemed to be of greater significance than providing commuter service.

Within existing institutional structure, we think it is imperative that the most affected parties in the New Jersey sector of the Northeast corridor, New Jersey Transit, Amtrak, Conrail, and the Northeast corridor improvement project organize themselves into some form of consolidated management of the corridor between Rahway and Sunnyside Yard to insure safe, effective, on-time performance in this particular area given the magnitude of capital improvements.

On a broader or longer range point of view, we believe you and Chairman Howard and others might wish to pursue a more detailed analysis of the issues affecting corridor and Conrail commuter service. We pose a number of questions as part of the testimony leading to a specific set of recommendations on the long-term future of this corridor.

We know that one of the earlier commuter speakers expressed some impatience about my taking 6 weeks to address adequate reasons for a particular delay. Quick fix solutions are important if they work, but we are charged with now, and confronting us now is a problem that was many years in the making.

We need to work hard together to see if there is some better approach to what we have now, and that could have included the possible transfer of management of the corridor to a corporation jointly governed by Amtrak and affected commuter agencies.

The decision on a project of that magnitude is one that we wish to work closely with you, with the affected parties. Given the alternative of working together, well, we feel there is no alternative to working together on this.

The next few months are crucial in organizing ourselves. We look forward to it and appreciate the invitation that you have extended, the concern of Congressman Howard in calling for this hearing, and the concern of the commuter groups themselves who better than any of us know the problems of that corridor.

We will be following up with each of those groups. We hope we can answer some of your questions now.

[Testimony resumes on p. 131]

[Mr. Premo's prepared statement and attachments follow:]

STATEMENT OF JEROME C. PREMO, EXECUTIVE DIRECTOR,
NEW JERSEY TRANSIT CORPORATION

Good morning Mr. Chairman and members of the Subcommittee on Transportation and Commerce. I am Jerry Premo, Executive Director of the New Jersey Transit Corporation.

With me this morning is Martin Robins, the Associate Executive Director of NJ TRANSIT and the Acting Director for six months prior to my appointment this past June. As you are well aware, Congressman Florio, Mr. Robins has been involved in commuter rail issues for a number of years. He was instrumental in developing the RRRA Amendments of 1976 which set forth Conrail's obligations in passenger rail service. He was also an architect of the New Jersey Public Transportation Act of 1979 which created NJ TRANSIT.

The New Jersey Transit Corporation, a statewide public transit agency within the Department of Transportation, was created July 17, 1979, by the New Jersey State Legislature. Over the past 15 years of State subsidy of bus and rail operations, it became clear in New Jersey that a strong and flexible agency not embedded in State government but closely aligned with State transportation policy was needed to address the complex institutional arrangements and operations facing New Jersey's transit services. The Corporation formally assumed responsibility of New Jersey's public transit services in December, 1979.

Its powers include the authority to acquire, operate, and contract for the operation of public transportation services and facilities. It is the responsibility of NJ TRANSIT as a State agency to establish and provide for the operation and improvement of a coherent public transportation system in New Jersey in the most effective and efficient manner.

In the short time the Corporation has been operating it has made some significant strides in fulfilling its mandate to improve transit

services in New Jersey. Within a very short period of time, NJ TRANSIT will acquire and directly operate the nation's largest privately owned bus company, Transport of New Jersey, which serves 60 percent of the bus passengers in the State. This summer NJ TRANSIT coordinated an interim commuter bus and rail service for passengers affected by the PATH strike, transporting over 50,000 people a day.

The Corporation has embarked on an ambitious capital program known as TRANSPAC, designed to complete the modernization of the State's commuter rail system and bus fleet. It has recently awarded a contract for purchase of 57 cars for the Raritan Valley line service with an option to purchase at least 46 additional cars, most of which will be assigned to the North Jersey Coast Line. Bids have recently been let for 271 transit buses and will be awarded in October. This fall we intend to let bids for a minimum of 350 commuter buses with an option to increase the purchase to 700.

In addition, the New Jersey Department of Transportation is administering two major electrification projects: the extension of the electrification of the North Jersey Coast Line from South Amboy to Matawan at a cost of \$129 million to be completed in the fall of 1981; design of the further extension of electrification to Long Branch; and the electrification of the Morris and Essex Line at a cost approaching \$400 million to be completed in the fall of 1982.

NJ TRANSIT has a transit operations program budget of almost \$665 million for 1980. It administers service contracts with 22 independent bus operators totaling \$54 million, owns more than 1500 buses leased to 119 operating bus companies, and serves 248,000 bus passengers a day in 20 of New Jersey's 21 counties.

The regional railroad passenger system operated by Conrail under an \$87 million contract to NJ TRANSIT, encompasses ten lines in sixteen counties distributed among three divisions of Conrail: Hoboken, New Jersey, and Philadelphia. Much of the service on the New Jersey Division operates over Amtrak's Northeast Corridor. Conrail administers contracts with Amtrak for operations and maintenance relating to Northeast Corridor commuter service. On an average weekday 468 local trains operate in New Jersey serving approximately 70,000 passengers over 430 miles of railroad serving 175 railroad stations. Some 388 miles of the right-of-way are owned by NJ TRANSIT as are 137 of the stations. In addition, the Northeast Corridor Improvement Project has budgeted approximately \$300 million of improvements for New Jersey during the next five years. This should considerably complicate an already complex operation.

NJ TRANSIT has been in close communication with groups of commuters such as those which are represented so well here today. Their plea is clear, insistent and not simple for NJ TRANSIT to fulfill. They want safe, reliable, courteous service. This request is not easy to fulfill because the physical plant had been neglected for many years. The management of some of the bankrupt operating companies had withered. A considerable amount of capital improvement work is being carried out contemporaneously with operations. Most significantly, the institutional arrangements almost defy efforts at success.

We thank Congressman Howard for requesting this session to air some of the Federal-State problems which, if corrected, could lead to our common goal of increased rider satisfaction. We are confident that the issues to be raised today, which fall within the Chairman's jurisdiction, are worthy of legislative attention. But they will only be resolved

through a strong commitment to and understanding of the needs of New Jersey's rail passengers and intense cooperation and communication among the responsible parties, Congress, NJ TRANSIT, Amtrak, Conrail, and FRA.

Over the past few months, NJ TRANSIT and the New Jersey Department of Transportation have communicated their concerns to the U. S. Department of Transportation, Amtrak, and Conrail in order to represent and plead for the interests of the New Jersey rail commuters. Attached to my testimony are several recent letters to Amtrak president Alan Boyd from New Jersey Department of Transportation Commissioner and NJ TRANSIT Chairman of the Board, Louis J. Gambaccini.

The letter dated January 2, 1980, (attached as Exhibit A) sets forth our difficulties with Amtrak on a number of issues: a) a series of daily operational failures on the Northeast Corridor which seriously affected New Jersey commuter trains during the winter of 1979; b) New Jersey's long-standing commuter cost allocation dispute among Amtrak, Conrail, and NJ TRANSIT on the Northeast Corridor, the annual amount of which has reached \$17 million per year. On July 16, 1980, we set forth our position to USDOT Secretary Neil Goldschmidt (in attached Exhibit B); c) concerns relating to the future of certain Amtrak-operated 200 Series trains between Philadelphia and New York, which current federal law requires Amtrak to discontinue by October 1, 1981. (Attached as Exhibit C to this testimony is Martin Robins' August 25, 1980 letter to David E. Yudin, Assistant Counsel, Subcommittee on Housing and Urban Affairs, requesting Congressional assistance in resolution of this dispute.)

On July 31, 1980, (Exhibit D) Louis J. Gambaccini again wrote to Mr. Boyd reiterating that serious Northeast Corridor problems have continued to plague the New Jersey commuter this past summer. It is

NJ TRANSIT's opinion that this pattern of serious management, maintenance, and communications problems has not been satisfactorily addressed.

With regard to Conrail's performance, NJ TRANSIT has made significant progress in improving Conrail's passenger operation in New Jersey through the ongoing capital investment program which I have previously described. Furthermore, in the past two years I have seen positive evidence of healthy communication and management responsiveness on the part of Conrail regional passenger service personnel. I do, however, have serious concerns about Conrail's long term commitment at the corporate level to continue the substantial upgrading of its performance. This concern stems from Conrail's concentration on its legislated corporate mission to render a profitable freight service.

Because NJ TRANSIT cannot choose any other provider, Conrail lacks the ordinary incentive of a vendor to satisfy its contracting agency. It expends undue effort securing full and timely financial reimbursement from NJ TRANSIT. It has failed to develop a passenger service organization with adequate stature in the corporate framework. Its corporate personnel policies have resulted in serious morale problems, with indifferent, inadequately trained and supervised operating personnel assigned to passenger service ranks. Its labor relations policies have not sufficiently concentrated on passenger-related issues.

Adding to this already muddled picture is the Northeast Corridor Improvement Project (NECIP) and its accelerating construction program in the New Jersey portion of the Corridor. We have enjoyed a good relationship with Louis Thompson, the NECIP's able Director, but in light of the numerous maintenance-related mishaps which occurred in the past several months on the Corridor right-of-way, we are increasingly concerned that the requisite

consultation, control, and coordination among the several affected parties might not take place with the result that commuter service would be disrupted more than necessary. Very special care must be taken by all parties to achieve this; as further cause for concern, I am advised by my staff that NECIP's so-called "Green Line process" for construction management has not yet reached NJ TRANSIT.

We are also concerned that the divided responsibility on construction projects between NECIP and Amtrak has led to inattention to details of great interest to NJ TRANSIT. For instance, after considerable prodding by New Jersey, NECIP undertook to replace five escalators at Newark Penn Station. These now have been removed from service for nearly a year and the program is about six months behind schedule, causing considerable inconvenience to thousands of daily commuters. Yet NECIP/Amtrak have maintained inadequate communications on the project with NJ TRANSIT and the long-suffering riding public. Further, now that the NECIP budget has apparently been secured, it is imperative that scheduling decisions on capital projects, crucial to both commuter and intercity services, are made after consultation with commuter agencies. For instance, we desire that the schedule for repair of the vital Portal Drawbridge over the Hackensack River in northeastern New Jersey is accelerated.

In light of these operating difficulties outlined by myself and so ably by the preceding witnesses, we have convened a special NJ TRANSIT-Conrail-Amtrak Operations Review Committee to examine and, to the greatest extent possible, correct the specific problems which contribute to poor service conditions on the North Jersey Coast Line. This is no easy task. I will ask Martin Robins to explain how the bewildering institutional

complexity on the North Jersey Coast Line demonstrates how many separate groups are required to make commuter rail service work in New Jersey. The more parties whom NJ TRANSIT must depend upon, the greater the likelihood that something significant in the day-to-day operation or long-range planning will go wrong. (See Attachment E).

Our current predicament stems, understandably, from the northeastern railroad crisis of the middle 1970's. It culminated in the April 1, 1976 conveyance which transferred ownership and operation of the Northeast Corridor in our State to Amtrak and turned over commuter service to Conrail as the only feasible operator. Both Amtrak and Conrail are federally chartered, have vast responsibilities outside the New Jersey region and have been charged with missions deemed of greater significance than providing adequate commuter service.

At a minimum, within the existing institutional structure, it is imperative that the most affected parties in the New Jersey sector of the Northeast Corridor—NJ TRANSIT, Amtrak, Conrail, and NECIP—organize themselves into some form of consolidated management of the Corridor between Rahway and Sunnyside Yard to assure adequate communication, control, and coordination of the numerous operational and construction activities in that area. Through such a management unit, the parties would meet regularly to exchange information and to critique each other's performances. Each party will then know what special activities are occurring, what procedures each follows in emergencies and how each can best communicate with another, as well as with the riding public. This would lead to a substantial upgrading of the existing service. Now that the NECIP construction activities

are on the threshold of a massive initiative in New Jersey, the necessity for institutionalized collaboration to maintain control and coordination on dense Corridor operations becomes even more important. We respectfully request the Chairman and Congressman Howard to assist NJ TRANSIT in gaining support from Conrail, Amtrak, and NECIP for a consolidated management unit in the New Jersey sector of the Northeast Corridor.

This approach may buy us some valuable time, but it is unlikely to provide a desirable permanent mechanism. Therefore, we respectfully suggest that the Chairman and Congressman Howard take the lead in undertaking a penetrating analysis of the core issues plaguing the Corridor and Conrail commuter service: the multiple entities involved and the divergence in missions objectives between Conrail, Amtrak, NECIP and the commuter agencies.

The time is ripe for a thorough Congressional re-examination of these issues for the purpose of developing an appropriate long-term institutional solution. The USRA, in its role as monitor of Conrail, has undertaken a reevaluation of Conrail's future, and, we are informed, that the future of Conrail's role in commuter service will receive considerable attention. USDOT, although it houses both FRA and UMTA, is past due in coping with the numerous institutional issues arising from the inter-relationship of the Corridor and Conrail commuter service.

In fact, just last year despite constant urging from New Jersey, the FRA let the opportunity slip by to analyze these fundamental and nagging questions in its Congressionally mandated "Corridor Coordination Study."

We recommend that the Congress direct USDOT and USRA, in partnership with commuter agencies, to organize and finance a joint examination of the relationship between Amtrak, Conrail, NECIP, and the commuter agencies. We can report that in preliminary conversations with several other major commuter agencies we have obtained support for the idea that bold thinking ^{is needed} to shape an institutional form designed to produce long-term effective results in northeastern commuter railroading. NJ TRANSIT has agreed to bring these issues to the attention of the Northeast Corridor Commuter Rail Authorities Committee (NECCRAC) and to work with its sister agencies to develop a legislative proposal to achieve these objectives. A prime option for examination will be the possible transfer of management of the Corridor, and commuter services operating on it, to a corporation governed jointly by Amtrak and affected commuter agencies. This corporation would also hold the responsibility for construction implementation of the NECIP plans. The critical questions that NECCRAC will consider, and which we would hope Congress, USDOT, and USRA would also examine, are as follows:

1. Should the densely used portions of the Northeast Corridor be managed solely by Amtrak?
2. Is Conrail a suitable instrument for the long-term provision of commuter service?
3. How can NEC be integrated more fully into the communication, control, and coordination procedures of the Corridor users?
4. What form of replacement arrangements is more desirable and workable than those which exist today?

The strong interest shown today by the Chairman and Congressman Howard in the difficult problems of New Jersey's commuter railroading give me hope that we can begin to reshape a fragmented, unsatisfactory set of arrangements. We should dedicate ourselves to the proposition that when we are through with any short and long-term recomposition of the institutional structure we can reassure ourselves, commuter groups and taxpayers that those in control of the service and facilities are fully responsive to their most interested constituents. Then, perhaps the goal of truly safe, reliable, and courteous commuter rail service could conceivably be within our grasp.

EXHIBIT A



LOUIS J. GAMBACCINI
COMMISSIONER

STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION
1035 PARKWAY AVENUE
TRENTON, N. J. 08625

January 2, 1980

Dear Mr. Boyd:

I enjoyed speaking with you on Monday, September 10 in Philadelphia about some of our mutual concerns on the Northeast Corridor. As I indicated at that time, I want to exchange views with you further about several issues that affect both Amtrak and New Jersey.

1. 900 Day Option

On September 15, 1978, the Department acting through the Commuter Operating Agency (COA), exercised its 900 Day Option on properties held by Amtrak. These properties included fourteen existing and abandoned stations along Amtrak's mainline, properties for the Direct Rail Access Project to Penn Station, New York, and leasehold interests in Harrison and Sunnyside Yards. Additionally, the COA exercised its option on miscellaneous parcels at Trenton and Metro Park Stations on March 31, 1979. Both sets of option exercises were based upon provisions in the Regional Rail Reorganization Act of 1973, as amended, and resolutions of the United States Railway Association (USRA) of February and March, 1976, which gave the State the right to purchase these properties from Amtrak. We have already successfully negotiated with Conrail a sales agreement concerning the COA's option exercises on its property.

Since the Spring of 1978, members of my staff have repeatedly attempted to negotiate the 900 Day Option sales agreement with Amtrak representatives but have met with little willingness on the part of Amtrak to discuss the purchase in any detail. This causes me considerable concern. We have provided substantial documentation to your former chief counsel, Nathaniel Goodrich, to support our claim. In addition, counsel for the USRA met with Amtrak and New Jersey representatives on December 1, 1978 and strongly supported the validity of our option stating that the COA had an unequivocal right to the stations upon which it had exercised an option. The result of this meeting was an offer by Amtrak to sell to us some of the subject stations, but with many of the lands associated with the station excised. Amtrak rejected all other components of our exercise. We refused to accept this offer.

It is our hope that we can still negotiate an acceptable solution to the 900 Day Option using the criteria contained in the law and as stated by the USRA, rather than being forced to resort to litigation to vindicate our legal rights.

Mr. Alan Boyd

- 2 -

January 2, 1980

2. Commuter Cost Allocation on the Northeast Corridor

Since 1976, when Conrail began operating commuter service on the Corridor, Conrail has been unable to obtain agreement from Amtrak on the costs properly allocable to this service. Elsewhere on the New Jersey rail system, commuter costs have been calculated according to the Rail Services Planning Office's Standards for Determining Commuter Rail Service Continuation Subsidies (Standards). The RSPO Standards represent a significant effort by all commuter authorities, RSPO, Conrail, this Department and Amtrak in assuring an equitable formula for the calculation of commuter costs. Amtrak has refused to accept the Standards for the calculation of commuter costs on the Corridor, although it is our understanding that Amtrak's position off the Corridor, where it operates service over other railroads' properties, is that an avoidable cost standard should apply which is similar to the Standards. Moreover, the Rail Passenger Service Act now requires that section 403(d) commuter service operated by Amtrak be reimbursed on an "avoidable cost" basis, which strongly implies an RSPO methodology.

Amtrak and this Department have almost finished a study to determine the cost differences between utilizing the present Standards and Amtrak's proposed modifications of the Standards for the commuter costs on the portion of the Northeast Corridor over which New Jersey passenger trains are operated. However, neither party has made any further agreement as to what to do once the study has been completed.

Because of the importance of settling the cost allocation issue to the present and future federal funding of our commuter rail program and because Amtrak and New Jersey both stand to lose from a further delay in resolving this issue, I propose that Amtrak accept the RSPO Standards as the proper basis for determining commuter costs on the Corridor and end the cost allocation impasse.

3. Amtrak Operational Problems

The Department desires that Amtrak work much more quickly to improve its dispatch and control responsibilities so that our rail passengers can be assured of on-time service in the future. The serious operational difficulties that were experienced during the week of December 17 and, in particular, during the season's first snowstorm that week highlight the difficulties which our trains have encountered in operating on the Corridor in the past and strongly indicates the need for accelerated improvements on Amtrak's part. Specifically, better performance by Amtrak is needed in the following areas:

a) Hudson River Tunnels

- 1) Disabled Trains - When a train is disabled in the Hudson River Tunnels it must be removed from service more quickly. There have been situations in the past where revenue service trains have been stranded for over an hour in the tunnels. There are many reasons for this, but it is clear that Amtrak needs to develop contingency plans so that these disabled trains can be rescued expeditiously and delays to passengers minimized.

Mr. Alan Boyd

- 3 -

January 2, 1980

- 2) Tunnel Repairs - Although the on-going repairs in the tunnel have reduced delays, there are still service interruptions that affect our trains and undermine our service to the public. We urge you to complete the current work as soon as possible, while continuing to expedite other planned improvements.

b) Train Movements to and from Sunnyside Yard - The Department would like Amtrak's dispatching and maintenance procedures improved so that our trains are kept operational, clean and are positioned at Penn Station early enough so they can depart punctually. When an electric locomotive-hauled train or electric multiple unit train from Sunnyside is dispatched, it should be in reliable operating condition.

c) Newark Penn Station Public Address System - The need for improvements to the public address system should not wait until NECIP makes its comprehensive improvements to Newark Penn Station. The importance of this system to the public in obtaining accurate and timely information on train movements and delays makes it essential that this part of the improvement program be implemented as soon as possible. The Department is willing to consider cost-sharing in order to expedite this project.

d) Dispatching and Switch Operations - You are no doubt aware of Amtrak's performance during the December snowstorm. Supervision of dispatching and tower operations on the Corridor left much to be desired. Train movements were confused and information available at Penn Station, Newark was spotty and inaccurate. In addition, there were many inoperable switches which hampered operations and caused many delays.

I believe that improved supervision and management of your operations will alleviate many of the problems and that as a result the performance of our trains can be significantly improved. I, therefore, urge you to take immediate steps to resolve these problems. To this end, I am requesting your cooperation in having your staff work jointly with the Department and Conrail, perhaps through the formation of "task teams", to work on specific problems. In addition, it would be helpful to the Department if you would send us information on your management structure, extending from your office to the main elements of your organization as it applies to New Jersey and/or the Northeast Corridor. I believe that through this joint effort we can achieve a quality of service on the Corridor which will properly meet the public's needs.

4. Commutation Tickets on Amtrak's "200 Series" Trains

Presently Amtrak honors Conrail commuter tickets on "200 Series" trains and other Amtrak service on the Corridor and then is reimbursed by Conrail. The Department in turn reimburses Conrail. USDOT contends that the reimbursement rate paid by Conrail is too low in light of recent fare increases and that the basis of the reimbursement rate is out-of-date. The Department acknowledges that the reimbursement rate should be updated.

January 2, 1979

Under the Amtrak Improvement Act of 1979 Congress preserved the "200 Series" trains for 18 months. In correspondence with Congressman Florio this Department has agreed to work with Amtrak in securing a new revenue division agreement. In order to negotiate this agreement, the Department requires revenue information from Amtrak on these services. G. W. Berkner, of Public Transportation Services has already met with your staff to begin working on this matter. Because of the importance of the "200 Series" trains to New Jersey, I am asking you for Amtrak's full cooperation on this work, so that our staffs may work together effectively and expeditiously to secure a new revenue division agreement that is fair to both parties.

5. Cooperative Station Improvement Program

In the past, Amtrak has had a cooperative Station Improvement Program which led to station improvements on the Northeast Corridor which are not incorporated in the NECIP plans. In New Jersey, Amtrak has cooperated with us in a partial renovation of the New Brunswick Station. Since the Amtrak Improvement Act of 1979, which has been signed into law, provides a three-year capital funding authorization, we would like you to consider re-instituting this modest program. We have several candidates for these programs including Princeton Junction, Metro Park and further renovation at New Brunswick. I believe that such a program would contribute significantly to the overall quality of service in New Jersey along the Northeast Corridor and would help attract additional passengers to all services.

I look forward to your response and would welcome another opportunity to meet with you to discuss the aforementioned matters.

Sincerely,

Louis J. Gambaccini
Commissioner of Transportation

Mr. Alan Boyd
President
AMTRAK
400 N. Capitol Street, N.W.
Washington, D.C.

LJG:MER:mob

bcc: Deputy Commissioner Jamieson
Assistant Commissioner Keith
Martin E. Robins
Albert R. Hasbrouck
Melvin Lehr
Kenneth S. Levy, Larry Filler
SOURCE: MARTIN E. ROBINS



LOUIS J. GAMBACCINI
COMMISSIONER

EXHIBIT B

bcc: Martin E. Robins

STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION
1035 PARKWAY AVENUE
TRENTON, N.J. 08625

July 16, 1980

Dear Secretary Goldschmidt:

I am pleased to have received your letter of April 14, 1980 in which you undertake to assist in resolving several funding and institutional areas that remain in dispute among Amtrak, Conrail and the local commuter rail agencies along the Northeast Corridor, many of which were raised in Alan Boyd's letter to you, February 20, 1980.

We appreciate your response in your April 14 letter to Mr. Boyd that in no event will USDOT support a forced takeover of commuter services by Amtrak. We agree that if such an event were to occur it must be consensual. In addition, we support your statement that Amtrak's request for freedom from both local agency funding pass-through and capital acquisition "sign off" is impractical.

However, Mr. Boyd's provocative letter raises a number of other substantial issues concerning the NEC. I welcome the opportunity for the USDOT to become fully involved in sorting out the multiple problems of cost and operation on the Northeast Corridor toward the end of assuring a coordinated, effective rail passenger and freight service. We can assure you our cooperation in any policy exploration you may undertake. We would like to take this opportunity to clarify the position of the State of New Jersey, through NJ TRANSIT, the State's new commuter rail agency, on the cost-sharing issues applicable to commuter operations on the Northeast Corridor (NEC).

The continued existence of NEC cost-sharing disputes among Amtrak, Conrail, and NJDOT and the lack of movement between Amtrak and Conrail on these disputes causes severe budgetary distress for NJ TRANSIT. I cannot fully subscribe to Alan Boyd's observation on this controversy, to wit:

"What seems slightly ironic in all of this is that three separate categories of recipients of federal subsidies are disagreeing about whose share of those subsidies goes to pay a bill that almost no matter what will most likely be paid with U.S. funds controlled by DOT."

Although both Amtrak and Conrail are supported with federal funds, NJDOT commuter service is supported by a combination of federal and state funds and the level of federal support is strictly limited by formula

and is almost entirely obligated. Hence, the impact on the State of New Jersey is not just a matter of which federal pot the money is coming from and through which entities it is flowing.

Continuing lack of resolution of NEC cost-sharing issues and the concomitant budget uncertainty has prompted the State of New Jersey to take the responsible position of seizing the initiative to force this issue. I would like to describe this initiative and its results to date. In May 1979, NJ TRANSIT's predecessor, the Commuter Operating Agency (COA), sent a letter to Conrail requesting that Conrail notify Amtrak of the COA's intent to "review Amtrak materials in an effort to determine appropriate amounts chargeable to [COA] commuter service." COA also provided a memorandum setting out the approach which it intended to utilize under the Rail Services Planning Office (RSPO) Standards for Determining Commuter Rail Service Continuation Subsidies and Emergency Operating Payments (49 CFR Part 1127) (RSPO Commuter Standards) to determine such costs. A copy of the May 29, 1979 letter and attached memorandum entitled "Data and Analyses Required to Determine Amtrak Costs and Revenues Applicable to [COA] Rail Commuter Service" are included herewith as Appendix A. The source documents referred to in the memo of Appendix A had been developed in the course of negotiations between Amtrak and Conrail as part of attempts to settle the cost-sharing issues. Some of these documents, particularly the "Required Capacity Plans", had been agreed to by Amtrak and Conrail.¹

As a result of the COA initiative, Amtrak and Conrail agreed in July 1979 to undertake joint Amtrak-Conrail-COA special studies to determine costs assignable to COA for operations on the NEC. These joint special studies were undertaken on two bases. One basis, reflecting the cost approach NJ TRANSIT maintains is appropriate, follows the RSPO Commuter Standards including all interpretations. The other basis, reflecting the cost approach Amtrak feels is appropriate, is a hybrid of the RSPO Commuter Standards and allocated costs. The principal distinction between the Amtrak approach and the NJ TRANSIT approach lies in the treatment of fixed costs. Under the RSPO Commuter Standards, the owner of a facility is considered to be the dominant user and bears the base costs associated with the facility. The base costs are defined by the RSPO Commuter Standards as follows:

"Base costs means all costs that are specifically related to a rail property and/or facility, except those costs which could be avoided if the minority user(s) service(s) were not present."

¹ It is our understanding that Amtrak and Conrail had neither agreed nor disagreed as to how the Required Capacity Plans should be employed for cost determination.

The minority user is defined as:

"Minority user means a user, other than the dominant user of a rail property and/or facility, on an incremental use basis."

Dominant user is defined as:

"Dominant user means the person, railroad, state or local or regional transportation authority who is the owner of a rail property and/or facility." (49 CFR 1127.1)

The RSPO Commuter Standards also state that the non-owners should pay "their entire share of common variable costs as viewed from a long-term perspective but no significant portion of common fixed costs."

Hence, the distinction between the NJ TRANSIT basis and the Amtrak basis lies in whether or not NJ TRANSIT is to be assigned a portion of the common fixed costs of the NEC (i.e., those common costs which are not affected by the presence or absence of NJ TRANSIT service on the NEC).

The intent of the special studies was to provide the parties an order of magnitude quantitative measure of the difference between the two approaches. At present, neither NJ TRANSIT nor Amtrak has agreed to accept the other party's costing approach as the basis for determining Amtrak-incurred costs chargeable to NJ TRANSIT.

Joint special studies were conducted throughout the late summer and fall of 1979 and concluded by January 1980. In January 1980, Amtrak representatives furnished a statement jointly to L. E. Peabody & Associates, Inc. (consultants to NJ TRANSIT) and Conrail reflecting the results of the joint special studies (a copy is attached hereto as Appendix B). Joint special studies were conducted for the labor component of most cost areas. Some categories of non-labor costs would have required significantly more detailed analyses and were considered to be beyond the scope of the intended effort. Based on the materials developed in the joint special studies, it appears that the spread between the NJ TRANSIT approach and the Amtrak approach is approximately \$12 million annually for the NJDOT portion of the NEC and over \$25 million annually for the NEC as a whole (i.e., for all commuter agencies, not just NJ TRANSIT). Hence, as the Boyd letter asserts this is an important policy issue for Amtrak, Conrail, and the commuter authorities.

For Amtrak fiscal years 1977 and 1978, Amtrak has provided a Cost Package to Conrail which sets out what Amtrak claims to be amounts payable by each of the various commuter authorities for operating on the NEC. The Amtrak Cost Package follows the Amtrak cost approach described hereinabove. In developing a subsidy estimate for NJ TRANSIT commuter operations for New Jersey's fiscal year 1981 (July 1, 1980 - June 30, 1981), Conrail utilized the Amtrak FY 78 cost package (with amounts indexed up to reflect anticipated unit cost increases). NJ TRANSIT's subsidy offer to Conrail included various adjustments to the Amtrak

Cost Package to bring it in line with the RSPO Commuter Standards as implemented using the NJ TRANSIT methodology. These adjustments took into account the joint special studies and other available source data. Projected costs for New Jersey FY 81 as developed under the Amtrak approach and as developed under the NJ TRANSIT approach are set out in a letter and attachments which are included as Appendix C hereto. As you can see from examining Appendix C, charges to New Jersey in accordance with the Amtrak Cost Package would be more than double those payable under the RSPO Commuter Standards (Amtrak's Cost Package amount projected for FY 81 is \$34,094,042 versus \$16,659,396 using the RSPO Commuter Standards as implemented through the NJ TRANSIT methodology). Please also note that this is an annual amount. (For periods 1976 to present a similar variance would presumably exist, adjusted for differences in unit cost levels.) A difference in cost sharing of this magnitude has severe implications for all of the entities involved, because those NEC fixed costs not chargeable to the commuter authorities under the RSPO Commuter Standards must perforce be shared in some manner by Amtrak and Conrail.

The dispute concerning cost allocation among the three classes of users on the NEC has lingered for approximately four years and shows no sign of resolution. Neither Amtrak nor Conrail has petitioned the ICC to resolve the dispute, as provided in the Railroad Revitalization and Regulatory Reform Act of 1976. The budgetary dislocation to commuter agencies which would arise from an adverse ICC determination would be staggering. Careful consideration must be given to a federal legislative solution which recognizes the character of the NEC as a national resource. This could be done by identifying the fixed costs of the NEC as an entity which are independent of the operations of the various users over it and include these fixed costs as a separate line item in either the Amtrak budget or the Conrail budget with federal funding to cover such costs.

In closing, it seems to us that the major costing issues on the NEC yet to be resolved should properly be those involving Amtrak passenger service and Conrail freight service. With regard to the commuter services, a methodology developed by the Interstate Commerce Commission (ICC) through its Rail Services Planning Office, already exists for determining costs assignable to the commuter authorities. Furthermore, the amounts chargeable to NJDOT under the RSPO Commuter Standards including all interpretations have been calculated to an order of magnitude level through joint special studies and other analyses following the same procedures as those developed in the joint special studies. The number of issues in dispute among Amtrak, Conrail, and the local commuter agencies along the NEC can be reduced in number and the local commuter agencies can be removed as concerned parties to the resolution of these cost issues by agreement that amounts payable by the local commuter agencies are appropriately determined using the RSPO Commuter Standards including all interpretations.

I, the NJ TRANSIT staff, and its consultants are available to discuss the materials addressed in this letter, further clarify our position as you may require, and otherwise assist to the best of our ability in resolving the issues in dispute in the NEC.

Sincerely,

ORIGINAL SIGNED BY
LOUIS J. GAMBACCINI

Louis J. Gambaccini
Chairman of the Board
NJ TRANSIT

The Honorable Neil Goldschmidt
Secretary
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Enclosures

cc: Jerome C. Premo, NJ TRANSIT
Ed Jordan, Conrail
Alan Boyd, Amtrak
David Gunn, SEPTA
John Simpson, MTA
James J. O'Donnell, Maryland DOT

bcc: Governor William Cahill
Martin E. Robins
George Warrington
Larry Filler
Albert R. Hasbrouck, III
G. W. Herkner
William W. Whitehurst
Marilyn Berry Thompson
Frank Blatz, USRA

SOURCE: Martin E. Robins:jm

EXHIBIT C



1035 Parkway Avenue
P.O. Box 101
Trenton, NJ 08625
609-292-7481

August 25, 1980

Mr. David E. Yudin.
Assistant Counsel
Subcommittee on Housing and Urban Affairs
Room 5228
Dirksen Building
Washington, D.C. 20510

Dear Mr. Yudin:

This letter follows our conversation of last week about Amtrak's threat to cease operating trains between New York and Philadelphia on April 1, 1980 notwithstanding Conrail's directive to continue the service at least through September 30, 1980. In early 1979, the U.S. Department of Transportation released its Final Report to Congress on the Amtrak Route System as required by the Amtrak Improvement Act of 1978. USDOT included in the report a recommendation which threatened to eliminate, by October 1, 1979,* passenger trains defined by the report as "commuter type service". This included the heavily utilized New York-Philadelphia intercity service (the 200 Series), which provides intermediate stops in New Jersey. The report stated that termination could be avoided only if a state or local transit agency agreed to subsidize Amtrak or increase commutation ticket prices to a level which was at least the avoidable cost of operating these services or some undefined portion of it.

* The Amtrak Improvement Act of 1979 required Amtrak to operate "commuter" service through April 1, 1981. The Northeast Corridor Improvement Act of 1980 extends the service deadline through September 30, 1981, although, as you report, Amtrak claims it has no funds for the extended operation.

Considerable confusion ensued after the release of the report. Questions were raised concerning whether the recommendation on "commuter service" was mandatory or permissive; which of the 200 Series trains were affected (because many New York-Philadelphia trains serve primarily intercity not daily commuter passenger); how would New York, Pennsylvania and New Jersey transit agencies allocate the avoidable cost among themselves; what is the definition of avoidable cost.

New Jersey has strongly opposed mandatory implementation of the Report's recommendations in reference to Amtrak "commuter service", because it believes they were misdirected. The 200 Series has been part of Amtrak's Basic System since its inception. The trains have historically provided an important link in the public transportation network of the Northeast Corridor. These trains serve as an efficient and essential means of moving intercity travellers to and from Northeast corridor cities such as Washington, Baltimore, Harrisburg and Philadelphia, and intermediate points in New Jersey. There exists serious confusion about which 200 Series trains could, under any definition, be appropriately described as "commuter". An extensive preliminary analysis prepared under the auspices of NJDOT in March 1979 determined that ten of the fifteen daily 200 Series trains carry at least 60 percent intercity passengers.

An abrupt cessation of 200 Series trains by Amtrak would have a highly disruptive effect upon both Northeast Corridor and New Jersey commuter service. During peak hours Amtrak provides sorely needed additional capacity from New Brunswick and West to Newark and New York City. Were these 200 Series trains eliminated, the fabric of New Jersey commuter operations on the Northeast Corridor would be ripped apart. That March 1979 study also determined that existing service on the Corridor provided by NJ TRANSIT with Conrail as its operator would prove insufficient to provide reasonable, alternative service for passengers on twelve of the fifteen 200 Series trains.

For four of these twelve trains, no NJ TRANSIT trains operate within thirty minutes of the 200 Series schedule during off peak hours or within fifteen minutes of the 200 Series schedule during peak hours. For the other eight of these twelve trains, the NJ TRANSIT trains, which are scheduled close to the 200 Series schedule, are already so crowded that the NJ TRANSIT trains would surely not have the capacity to carry most of the displaced 200 Series passengers. In the longer run, the State of New Jersey, furthermore, neither has the prospect for equipment nor finances to initiate new trains or add additional cars to existing scheduled trains to provide comparable rail service for the displaced passengers.

New Jersey acknowledges that a financial problem exists in the arrangement by which Amtrak accepts Conrail monthly commuter passes on the 200 Series trains and receives less reimbursement than it is entitled. For example, the one way Amtrak fare from Trenton to New York is \$7.95 per day while the cost per ride on a Conrail monthly pass is only \$2.40. Amtrak receives only \$1.09 per ticket in reimbursement from Conrail based on not wholly reliable daily train counts of monthly passes recognized. Although fare differentials between NJ TRANSIT and SEPTA services between New York and Philadelphia and Amtrak have tended to widen since 1971, the reimbursement level has remained steady since 1959.

We propose that the best solution for this long-standing financial problem is not for Congress or Amtrak to re-designate as "commuter" unspecified trains providing basic intercity service. This process will lead to the discontinuance of these trains, unless complex and far-reaching agreements on avoidable cost allocation are made. Rather, the preferred solution is for the parties to be encouraged to revise existing financial arrangements, so that Amtrak is compensated more fully for its acceptance of monthly commuter passes.

NJ TRANSIT has tried to pursue this sensible course. It has long recognized that a major obstacle to a prompt negotiated settlement is an inadequate data base. For example, available ridership data does not show origins and destinations of commuters on a given train; therefore, there is no way to determine the number of New Jersey riders. Also, Amtrak has no records to identify the costs that are avoidable with the operation of each train or with New Jersey commuters on that train. In March, 1979, NJDOT requested background data from Amtrak. It was not until December, 1979, that a first meeting was held with Amtrak officials and at that time it was determined that a ridership study was a substantial but required undertaking. Such a study has not yet occurred. Without this data, the parties cannot reach a permanent solution of the dispute.

Beyond the critical issue of determining the appropriate amount equitably due Amtrak, another policy issue should be left to the commuter agencies; i.e., how much of the revenue now not reimbursed to Amtrak from the acceptance of monthly commutation tickets should be paid by the agencies and how much should be shared by the riders. An argument can be made that Amtrak express service from New Brunswick and west to Newark and New York City could be priced at a premium. By allowing Amtrak and the commuter agencies to negotiate a reimbursement level, the agencies would have the opportunity to apportion the resulting cost in sound and locally acceptably manner.

The most sensible approach, therefore, would be for Congress to instruct Amtrak informally that it must continue operating the 200 Series through September 30, 1981. In the meantime, Amtrak should negotiate an interim reimbursement rate or alternative fare adjustments with the commuter agencies, with an agreement to conduct a jointly funded and directed ridership study to determine a more reliable longer-term reimbursement relationship.

New Jersey seeks the assistance of Senator Williams or his staff in convening the affected parties - NJ TRANSIT, Penn DOT, Amtrak, USDOT - to discuss both an interim and longer-term settlement of this 18 month dispute. I offer the assistance of myself and our rail economic consultant, William W. Whitehurst of L.E. Peabody & Associates, to you in any initiative Senator Williams may undertake.

Sincerely,

Martin E. Robins

Martin E. Robins
Associate Executive Director

MER:kttd

cc: Hon. James J. Florio

EXHIBIT D

July 31, 1980

Mr. Alan Boyd
President
National Railroad Passenger Corporation
400 North Capital, N. W.
Washington, D. C. 20001

Dear Mr. Boyd:

I have indicated to you on several occasions that New Jersey has been and continues to be dissatisfied with Amtrak's handling of commuter operations on the Northeast Corridor which impact on Conrail's New Jersey Division passenger service. Over the past two months, the situation has turned from bad to deplorable, particularly with regard to operations between Sunnyside Yard, Queens, and Newark Penn Station in New Jersey. Basically, we sense a disturbing trend which appears to be symptomatic of organization, management, and supervision difficulties within Amtrak, worsened by the placement of inexperienced and inadequately trained staff in key operating positions.

During the past two months, more than 200 New Jersey Division rush-hour trains have been subjected to serious delays resulting from Maintenance of Way related failures. Commuters have endured literally hundreds of thousands of hours of delays during these past two months. I must point out that these delays include only those incidents which impact on eight trains or more during critical peak hour periods. Additional delays are being experienced nearly every day by individual trains during rush and off-peak hours as a direct result of Maintenance of Way problems.

Certainly the fatal accident which occurred in Linden, New Jersey, on the evening of July 9, 1980, gives me cause for great concern relating to operational safety on the Northeast Corridor. However, apart from this incident, there appears to be a pattern of inadequate management and supervision of ongoing program track work on the Northeast Corridor in New Jersey. Consider these examples:

Friday, May 23, 1980 - A NJ TRANSIT train derailed in Elizabeth after recently laid welded rail "buckled" under the first car, delaying 18 NJ TRANSIT trains an average of 15 minutes.

Friday, June 27, 1980 - 29 NJ TRANSIT trains were each delayed an average of 30 minutes because Amtrak crews failed to clear Track 1 in the Eastbound Hudson River Tunnel in time for the morning rush hour after depositing welded rail during the night.

Mr. Alan Boyd
 Page 2
 July 31, 1980

Monday, July 21, 1980 - 39 NJ TRANSIT trains were delayed an average of 20 minutes due to "buckled" rail in the Westbound Hudson River Tunnel.

In addition to these track problems, serious delays are being experienced as a result of recurring signal and switch failures, and I have highlighted several rush hour incidents below:

Friday, June 27, 1980 - In addition to the above discussed track related delays during the morning rush hour, nine Raritan Valley trains were delayed an average of 20 minutes due to switch failures at Hunter Interlocking and 41 NJ TRANSIT trains were delayed an average of one hour in the evening due to Portal Bridge signal failure.

Wednesday, July 9, 1980 - 14 NJ TRANSIT trains were delayed an average of 20 minutes due to signal failures at Dock Interlocking.

Friday, July 11, 1980 - 38 NJ TRANSIT trains were delayed an average of 20 minutes due to signal failures in the Westbound Hudson River Tunnel.

Tuesday, July 15, 1980 - 11 NJ TRANSIT trains were delayed an average of 25 minutes due to switch and signal failures in the vicinity of "A" Tower.

Monday, July 21, 1980 - 14 NJ TRANSIT trains were delayed an average of 20 minutes due to signal failures in the Eastbound Hudson River Tunnel.

As I indicated above, these are only several examples of a recurring problem seriously affecting rush hour service in New Jersey. Understandably, the nerves of our frustrated commuters are wearing quite thin.

We have made considerable strides over the past two years to improve the Conrail operation in New Jersey and while we still have quite a way to go along these lines, it appears that our progress has been seriously impaired by Amtrak's operations on the Northeast Corridor. Another example should illustrate this: on July 14, 1980, of 47 NJ TRANSIT trains delayed on the New Jersey Division, 42 were attributable to Amtrak facility and operational difficulties. This leads me to the additional problem of poor supervision and inadequately trained staff in critical operating positions within Amtrak.

On July 16, 1980, Amtrak misrouted a rush hour NJ TRANSIT train in Newark Penn Station and attempted to correct the situation in improper fashion, resulting in average delays of 30 minutes for 24 NJ TRANSIT trains. We are also experiencing continuing delays as a result of

Mr. Alan Boyd
 Page 3
 July 31, 1980

dispatching decisions which do not provide adequate preference to NJ TRANSIT trains operating on the Northeast Corridor.

Even setting aside those instances when Amtrak trains receive preference over NJ TRANSIT trains, during May and June of 1980, 20 NJ TRANSIT trains were delayed a total of three hours and 36 minutes on account of preference being given to Conrail freight trains by Amtrak personnel. We simply cannot tolerate this type of operational judgement.

As you can see, the pattern is disturbing and the operational impacts are serious. Our concern is that, while we have consistently brought these matters to the attention of Amtrak operating staff, we find our problems intensifying rather than being resolved. Mr. Jerome C. Premo, the new Executive Director of NJ TRANSIT, recently spoke with Clark Tyler about setting up an early meeting to go over NJ TRANSIT/Amtrak issues. I think we need to get together soon so we can reach agreement on how our problems will be corrected.

Sincerely,

(S)
 Louis J. Gambaccini
 Chairman of the Board

Copies To: Mr. Robert Hermann - Vice President, Operations, Amtrak
 Mr. Clark Tyler - Group Vice President, Passenger Services
 and Communications, Amtrak

BCC: J. C. Premo
 M. E. Robins
 A. R. Hasbrouck, III
 G. Warrington
 G. W. Herkner, Jr.
 R. J. Yanosey
 R. Steele
 L. Pelton
 C. Arnone
 Hugh L. Randall - General Manager, Conrail
 Robert L. Downing - Assistant General Manager--Manager of Commuter
 Services, Conrail
 R. Sullivan - Vice President - Passenger Services, Conrail
 Marilyn Berry-Thompson

FACT SHEET TO ACCOMPANY MAP - NJ TRANSIT TESTIMONYMAP LEGEND

Blue Line - Amtrak jurisdiction
 Green Line - NJ TRANSIT jurisdiction
 Dotted Green Line - North Jersey Coast Line Electrification Project
 Orange Dots - North Jersey Coast Line moveable bridges over waterways

INSTITUTIONAL SITUATION TRAVELING FROM SUNNYSIDE YARD TO BAY HEAD.

1. SUNNYSIDE YARD - Equipment maintenance facility owned and operated by Amtrak which, under contract with Conrail, performs equipment maintenance on NJ TRANSIT equipment operated on the Northeast Corridor and the North Jersey Coast Line (currently 137 electric multiple-unit cars, 83 coaches and electric GG I locomotives). Amtrak dispatches and controls train movements on the Northeast Corridor, over which North Jersey Coast Line service operates from Sunnyside Yard to Union Tower (just south of Rahway Station).
2. EAST RIVER TUNNELS - Four (4) tubes connecting Sunnyside Yard Queens with Manhattan, through which Amtrak Conrail and the Long Island Railroad operate into Penn Station New York.
3. PENN STATION NEW YORK - Operational control is vested with Amtrak.
4. HUDSON RIVER TUNNELS - Two (2) tubes through which Amtrak and Conrail operate into New Jersey, heading toward Newark Penn Station. Only two (2) tracks connect Penn Station New York through the Hudson River Tunnels and through the New Jersey Meadowlands with Penn Station Newark.
5. PENN STATION NEWARK - Operational control is vested with Amtrak. The Federal Railroad Administration is administering the Northeast Corridor improvement project which includes improvements to Penn Station Newark.
6. UNION TOWER - Located just south of Rahway Station, this is the point where switching operations occur which direct North Jersey Coast Line trains off the Northeast Corridor and onto NJ TRANSIT property, where operational control is vested with Conrail.
7. SOUTH AMBOY - Location where North Jersey Coast Line trains originating in New York (as opposed to Newark where certain trains originate), change engines for a continuation of the trip through non-electrified territory to Bay Head.
8. BAY HEAD YARD - This is the terminal point for North Jersey Coast Line operations, with the property owned by NJ TRANSIT

and with operations managed by Conrail. Equipment is stored at Bay Head Yard overnight where it is cleaned and serviced by Conrail personnel for the morning rush hour.

9. MOVEABLE BRIDGES - From Sunnyside Yard to Bay Head, there are six (6) moveable bridges under the jurisdiction of the U.S. Coast Guard. Existing policies for the opening of each of these is as follows:

Portal, Raritan River, Morgan and Shark River - opened on demand for river traffic.

Oceanport - requires four (4) hours notice to be opened.

Manasquan - remains open; lowered for train crossings.

TOTAL NUMBER OF TRAINS IN ONE DAY

<u>LINE</u>	<u>A.M. PEAK</u> 6:31-8:59	<u>P.M. PEAK</u> 4:01-6:59	<u>OFF</u> <u>PEAK</u>	<u>TOTAL</u>
	<u>ARRIVALS</u>	<u>DEPARTURES</u>		
Hoboken Diesel	28	28	57	113
Hoboken Electric	25	32	106	163
Raritan Valley	11	10	34	55
Northeast Corridor	11	12	59	82
North Jersey Coast	13	14	28	55
Amtrak	4	10	67	81

Mr. FLORIO. Your transit corporation has how many members?

Mr. PREMO. Seven members; four of them public individuals who are transit riders, and three are members of State government. Under State law, Chairman Gambacinni is chairman of New Jersey Transit, a treasurer, and a third is picked by the Governor.

Mr. FLORIO. Is the makeup of the board fixed by statute?

Mr. PREMO. At seven; yes, sir.

Mr. FLORIO. It is my understanding that none of the seven members comes from the southern half of the State. Is there any particular reason why that was determined to be appropriate?

Mr. PREMO. I am unable to address the reasons for the appointment. Written into the statute is a requirement that there be not only in the southern part but also in the northern part a 15-member advisory committee, and we will be making an informal designation of individuals to sit on these 15-member advisory committees.

The reason it is informal is that the nominations require Senate approval but we will be activating very strongly those advisory committees and working with them.

Mr. FLORIO. Let me suggest that it might be appropriate when you formulate the advisory committee membership to review on a geographic basis the overall makeup of what that board is so as to be able to insure that everyone in the State feels appropriately that they have input into the work of your corporation.

Mr. PREMO. This Thursday we will be meeting with some of the individuals in south Jersey to move out with improved bus service, much of it designed to better feed the Lindenwold line. Your message is well taken.

Mr. FLORIO. One other item I would like some clarification on. Did the corporation receive from New Jersey DOT title to the rights-of-way to the Pennsylvania State shoreline?

Mr. ROBINS. Yes; it did.

Mr. FLORIO. So then you are the key factor in terms of the prospects of developing the Philadelphia-Atlantic City corridor, rather than New Jersey DOT.

Mr. ROBINS. We hold the right-of-way, but the New Jersey DOT has taken the lead role with regard to the future development; we are working on a partnership on that project.

Mr. FLORIO. But it will be you who will have to signoff.

Mr. ROBINS. Ultimately, it will require board action of New Jersey Transit.

Mr. FLORIO. I would like to express my cooperation pursuant to congressional mandate. I believe Amtrak and the U.S. DOT are in the process of concluding the analysis of the various corridors around the country. That should be developed by virtue of the density, energy conservation, and so on. It is my understanding that the announcement will be forthcoming; that the Atlantic City-Philadelphia corridor is at the top of the list. This comes as somewhat of a surprise to the people in San Diego, who felt the Los Angeles-San Diego corridor was the most deserving.

One of the unique and complex considerations is that this Congress has specified that the Atlantic City-Philadelphia corridor be looked at toward the end of private sector development and U.S. DOT is charged with the responsibility of exploring the feasibility of private sector development. Should the private sector development fall through, we now have a list of corridors, with that corridor at the top of it, deserving of public sector support. So the message that comes through is that that corridor is deserving and will be developed whereby the public or private sector and certainly your organization can play a helpful role and we looked forward to your doing that.

The contract which the State has with the corporation, the contract with Conrail, is it a cost-plus contract? What are the incentives or disincentives in the contract which prove on-time performance has not been effective? Is it a contract comparable to the Amtrak contracts which exist with the carriers around the country that do have in them, disincentive provisions to provide some incentives for better service?

Mr. ROBINS. The contract between New Jersey Transit and Conrail covering the New Jersey and Hoboken division is one based on the standard promulgated by the rail services planning office. This is a job delegated to that organization under our railroad revitalization format in 1976. We negotiated a contract pursuant to those standards. It took about 2½ years. The parties have generally reached agreement on virtually all of the cost items under that contract. With regard to the critical issue that you raise concerning incentives, incentives under the RFP's standards are encouraged. There is also a penalty provision. I think both parties will admit—

the incentive and penalty provision of the contract when you look at Conrail as an overall organization of multimillions of dollars in expenses and revenues is an insignificant part of the picture. So in terms of affecting Conrail's overall ability and interest in improving its performance in New Jersey, the penalties clause that we have today is of modest benefit. In order to interest any organization of Conrails size financially in providing better service in New Jersey through the offering of incentives, our concern has always been that we would have difficulty justifying an incentive provision of such a magnitude to our legislature. It would be a difficult thing to do; there would have to be a substantial kitty unless we could work out a way to encourage local management to perform better.

Mr. FLORIO. From what I hear, disincentive penalties may compensate—

Mr. PREMO. We have to reanalyze the nature of the contract. In Chicago, certain railroads have clauses we want to explore. We have retained Greg Maxwell of the Erie Lackawanna Railroad to work with us.

Mr. FLORIO. When do these contracts expire?

Mr. ROBINS. Each July, the contract is renewed.

Mr. FLORIO. Has it been an independent review or are these virtually automatically reviewed?

Mr. PREMO. Compared to the review we will undertake this year, they have been relatively automatic.

Mr. ROBINS. The contract has only been in place since 1979, but it was retroactive to September 1976.

Mr. FLORIO. I will ask Conrail the same question, but I would ask you, is it your understanding that the results of this contract are beneficial to Conrail's economic state or in fact do not contribute to its financial well being?

Mr. PREMO. I do not think they are losing funds. I do not think the contract from their viewpoint is putting undue financial burden on them.

Mr. FLORIO. Was the State a participant to this interim agreement between Amtrak and Conrail?

Mr. ROBINS. The state was not a party to those negotiations. However, under our contract, Conrail and Amtrak have been negotiating for 4 years to put together a permanent agreement. As I said, that is another one of those longrunning disputes that did not ever seem to come to an end as mentioned in the letter to Secretary Goldschmidt, attached to the testimony. This is at the heart of some of the problems we have in New Jersey in that there are all these actors and many of the disputes do not seem to be capable of resolution.

Mr. FLORIO. You have been in negotiation for all these years and you have no permanent agreement and you now have an interim agreement where you have no authority.

Is there any thought that we will have an interim agreement forever?

Mr. ROBINS. I think you have a chance to look at the letter to Secretary Goldschmidt, you will note we have raised the point that this conflict eludes resolution. We, as a result of the argument that has gone on, are now in a position where Amtrak is saying that we owe them \$17 million a year in allocated costs in the corridor. We

do not subscribe to this, so, this is becoming an enormous cloud over our financial picture.

Mr. FLORIO. Are some of the difficulties in negotiating these agreements related to labor disputes or labor work rule controversies?

Mr. ROBINS. As to the particular dispute between Conrail and Amtrak on cost allocation, I do not believe labor issues are of direct concern. Where labor is a particular issue as far as New Jersey is concerned, Conrail is a national organization and as our testimony indicates, we have seen some significant strides from the Conrail organization in New Jersey, which has been headed by Hugh Randall and Bob Downing, who is here today. We have seen improvements, but at the core of Conrail is its mission to perform successful freight operations. When it is negotiating on a collective bargaining level, the 4 years of Conrail's history do not point to a particularly intense interest in passenger issues. We are working with Conrail and will try to make progress along that end. But it gets to the question of Conrail's future. Can it be somehow shaped into an organization which at its very top, expresses a deep concern of commuter service or from our discussions with USRA, maybe Conrail should shuck its commuter services because it gets in the way of its basic mission.

Mr. FLORIO. Our next witness is Mr. Clark Tyler.

STATEMENT OF CLARK TYLER, GROUP VICE PRESIDENT, PASSENGER SERVICES AND COMMUNICATIONS, NATIONAL RAILROAD PASSENGER CORP. (AMTRAK), ACCOMPANIED BY BOB HERMAN, VICE PRESIDENT, OPERATIONS; AND BOB LAWSON, VICE PRESIDENT AND CHIEF ENGINEER

Mr. TYLER. I would like to comment briefly on some of the complexities that have been alluded to here. I think several witnesses have alluded to the fact that the Northeast corridor in its entirety is an extremely complex system. It involves 1,312 trains a day, of which 1,120 are commuter, 132 Amtrak, and 60 freight trains in the corridor between Boston and Washington.

The arrangement in New Jersey is only one of four that govern commuter rail service. I would recommend to the committee to take a look at the entire range of that as indeed we at Amtrak are doing now.

Certainly no one, starting from scratch, would design such a setup. However, Amtrak is part of a series of arrangements that combine historical accident, diverse funding sources, inherited contractual obligations, overlapping jurisdictions, incompatible equipment and a multitude of public and semipublic transportation entities.

Small wonder that the harassed and frustrated commuter does not regard it as a satisfactory answer to his or her problems to be told that the late train he or she is riding is owned and scheduled by New Jersey, operated and manned by Conrail, dispatched by Amtrak over tracks that may be owned by any of the three entities, is serviced and maintained by Amtrak under contract to Conrail and paid for by the State of New Jersey using funds from a number of sources, one of which is the U.S. Department of Transportation.

Amtrak has three official roles in connection with rail service in New Jersey. It owns the Northeast corridor right-of-way—and some stations utilized solely by commuter trains; it dispatches all trains on those tracks; Amtrak is also the prime contractor for the Northeast corridor improvement project; finally, we maintain and service at our Sunnyside, N.Y., yards, under contract to Conrail, the New Jersey commuter trains—both conventional equipment and electric.

Beyond this, I should point out that Amtrak is totally committed to quality rail passenger service whether it is commuter or intercity. We have a great interest in the service we provide and indeed have a commitment to the riders to provide the same kind of excellent service we want to provide to our intercity passengers.

One of the first things we did in relation to this is become a member of the American Public Transit Association so we could relate better to the needs of all passengers. We have met regularly with the commuter groups to look at some of the problems. The several States and transportation agencies have been vocal and effective supporters of Amtrak and its goals, and Amtrak is anxious to do everything in its power to make all rail service efficient, economic and responsive to the demands of an energy-conscious public.

The letter Mr. Premo quoted from was a February 20 letter from Alan Boyd to Secretary Goldschmidt, which really, I think, triggered a policy review on the whole commuter passenger subject. This letter which was rather lengthy and which I would be happy to give you a copy of, detailed at some length all the various operational and costing problems we see in connection with the Northeast corridor. Many of these have to do with commuters and it is something Amtrak has a great interest in. Not being defensive, we recognize things are not being done the best possible way and we think a look needs to be taken at the "big picture," not only for New Jersey but on behalf of the entire ridership. Ridership in just the Northeast corridor amounts to something like 250 million riders a year, which compares with about 22 to 25 million riders a year on Amtrak's intercity system.

The subject matter of this hearing is of great concern to Amtrak. Although the system and the arrangements connected with it are complex, they are workable and we are anxious to do whatever we can to insure that both commuter and intercity passengers get the best service possible.

As evidence of that commitment, I would cite Amtrak's role in the recent strike shutting down service on the PATH trains between New York City and Newark. Working with Conrail and New Jersey Transit, Amtrak ran and serviced 44 additional shuttle trains a day. This involved considerable disruptions at Penn Station in New York, complex passenger handling situations, extensive manpower demands, and increased work at our Sunnyside yards in Queens, in servicing the additional 24 cars.

Ironically, it was the response to this extra demand that caused some disruptions and delays to rail service on the New Jersey part of the Northeast corridor. I believe Mr. Thompson alluded to the on-time performance. It was 90 percent for the North Jersey com-

muter trains just before the PATH strike as compared to about 70 percent for Amtrak trains in our New York division.

Following are the questions as they appeared in Chairman Florio's letter of August 26, and our responses.

One, how has construction in the Northeast corridor contributed to problems with commuter operations? What steps are being taken to address these problems?

Although it has no direct responsibility for daily operations, FRA does try to insure that NECIP work is scheduled in such a fashion as to have as little adverse impact upon operation of all three classes of service—commuter, intercity passenger and freight—as possible. In this regard, FRA works very closely with Amtrak operations personnel to develop work schedules and operating timetables which permit vitally needed repairs to go forward while trains continue to operate. In some cases, the nature and extent of the repair work is such that train operations are inevitably affected. Every effort is made to see that these effects are kept to a minimum.

Rail traffic in the Northeast corridor is extremely dense. In the territory between Union Tower in Rahway and Penn Station, New York, on a weekday, there are 82 Amtrak trains and 137 commuter trains. Another 55 commuter trains run over the corridor between Hunter Tower, west of Newark, and Harrison Yard. Since the PATH strike began on June 12, 1980, an additional 44 trains per day have operated between Newark and Penn Station, New York.

In November 1979, Amtrak established a Train Planning and Scheduling Unit—TPSU—which was patterned after the very successful planning system used by British Rail. The TPSU is a permanent full-time Amtrak staff responsible for the coordination and development of schedules for both Amtrak and the commuter agencies.

Before any elements of the Northeast corridor improvement project are undertaken, our train planning unit carefully analyzes the impact that construction will have on the schedules and predicts the amount of delays that can be expected. Any option available to minimize delay is examined and the final predictions discussed with Conrail and New Jersey Transit. The information regarding work elements is continuously updated and each commuter agency is provided with a weekly program for the following week.

In the fall of 1979, our train planning unit began a series of meetings with the commuter authorities, which led to the publishing of the April 1980 timetable. This provided time allowances for construction delays and adequate spacing to eliminate or reduce conflicts between trains. In many instances, the predicted delays due to construction are minor, that is 2 or 3 minutes. Furthermore, the duration of any particular element of work is generally so short as to make rescheduling and the printing of commuter timetables impractical. As a result of these efforts, the average construction-related delay to all passenger trains in the Trenton-New York corridor during the 1980 work season has been approximately 4 minutes.

Obviously, the NEC project creates some delay and reduces our capacity to recover from unforeseen problems. It is not, however, the principal cause for the recent decline in on-time performance.

During the months just prior to the PATH strike, the performance was in the 92-percent range. The added congestion resulting from the operation of 44 shuttles each day has contributed to a 10-percent reduction in performance. For any given train, these delays are usually minor and, although they affect the statistics, they do not produce serious complaints.

During the past 2 or 3 months we have had several incidents which caused serious inconvenience and frustration for passengers. During July, for example, we experienced nine signal failures which delayed 180 trains an average of 15 minutes. Such things as open drawbridges, switch failures, and even vandalism have all added to the delays.

In general, the serious delays are caused not by the improvement project but by the deteriorated condition of the property that the project is designed to correct. Over a period of several years, the property not only deteriorated, but many of the highly skilled technicians retired without adequate replacement. Amtrak now has a training school for signal maintainers, but it will take time before these new people reach a level of skill which will assure relatively failure-free maintenance. In the meantime, we are currently augmenting the signal forces by working supervisory people overtime.

Two, what actions do you feel are necessary to alleviate other problems with operating commuter service along the corridor?

One of the more serious problems in the operation of commuter services in the Northeast corridor is the age and condition of commuter equipment. As an example, some of the coaches operated in the North Jersey Coast Service were built in 1937—43 years old—while the newest of these were built in 1946—34 years old. I understand these cars were overhauled 11 years ago, but have had no major shop attention since then.

It becomes increasingly difficult to maintain the air-conditioning and heating systems of such equipment. Anyone who has attempted to secure replacement parts for an old car or appliance can understand this difficulty. I would point out that Amtrak has probably become the expert in how to deal with rehabilitated railroad equipment. At our Beech Grove facility, we have five people whose only job is to sit there all day and manufacture parts that are no longer made in the United States. Some of those are not even as old as those we are talking about in the North Jersey service.

One of the problems with the air-conditioning system, for example, is that these old cars have generators which charge the batteries which power the air-conditioning when the car is not moving. These generators only work if the train is going more than 20 miles an hour. When you have a multitude of stops, it is not always possible to maintain those speeds.

Amtrak has faced similar problems with older steam-operated equipment, and for the last couple of years has been completely overhauling conventional equipment and converting some to electric power provided by a diesel generator in the locomotive.

It is imperative that replacement and/or major rehabilitation of both passenger cars and locomotives be addressed in the near

future. Performance in this area plays a major role in the quality of service experienced by passengers.

Three, what will be the impact of future NECIP construction on commuter service? What steps would you recommend to minimize disruption to commuter operations—for example, Train Planning and Scheduling Unit?

FRA are the experts. They design most of the construction work. I would say however, we anticipate no significant increase in construction delays during the summer of 1981; however, during 1982, we will be reconfiguring Dock Interlocking, just east of Newark, and reconstructing several of the undergrade bridges on the two-track line between Harrison and New York. While the bridge work is to be confined to nights and weekends, the work at Dock will require one track at a time to be taken out of service around the clock. Our people will be examining the impacts of this work and will work very closely with Conrail and New Jersey Transit to identify problem situations and develop appropriate schedules. It is very difficult, as I am sure you know, to deal with the number of trains we are dealing with in the corridor. One has to schedule tight windows. When you receive a train late at a given time, as Mr. Thompson has said, that impacts trains all the way down the line. It involves split second timing.

Various elements of the operation are performed by Conrail, New Jersey Transit, FRA, and Amtrak. This arrangement requires a high degree of coordination to accommodate the special interests of each of the parties. In the last month, there have been several joint meetings by officials of Amtrak, Conrail, and New Jersey Transit, to identify actions that could be taken to improve New Jersey commuter service performance. This cooperative effort will be continued in the future.

Four, describe the working relationship between FRA, Amtrak, Conrail, New Jersey DOT, and others, in providing commuter service along the Northeast corridor.

I have stated previously the three roles we have in operation along the corridor and in construction of the project. I think there is no question that the arrangements are complex but, as I said before, I think they are workable. Starting about 2 years ago, when I got to Amtrak, having known Commissioner Gambaccini over a period of years, he called me and suggested we work much more closely in working out the problems involved with commuter service. In a number of discussions we have had since then with Conrail and New Jersey DOT, I think we have developed a better working relationship. I would say however this has not had its full impact down to the field operating level but that is something we continue to look at. We have monthly meetings with all the players in the commuter service in Philadelphia and New Jersey which Amtrak, Conrail and various commuter agencies attend. I think it is possible to set up much more formal groups and panels, but I think good working relationships among people in the field is really the best answer and I would hope such efforts would continue and intensify. I understand there are by statute, formal groups set up. I am not sure that they address the main problem in terms of the working relationships out in the field and I think that is basically where the problem is.

Amtrak, as the owner of the Northeast corridor, is responsible for the dispatching of trains and for the maintenance of the tracks, bridges, signals, and electric power distribution system. Amtrak maintains its own intercity locomotives and cars and, as a contractor for Conrail, maintains the multiple-unit electric cars, electric locomotives and conventional coaches used in the commuter services between Bay Head, South Amboy, Trenton, and New Brunswick-to-New York, for which Conrail is the operator for New Jersey Transit. Conrail supplies all of the train and engine crews for both Amtrak's intercity service and for the commuter service. There is no direct contractual relationship between Amtrak and New Jersey Transit for these services.

Amtrak provides the various functions for the operation of Conrail commuter trains under a commuter operating agreement dated April 1, 1976. Conrail, in turn, holds the contract with New Jersey Transit for the operation of the commuter service.

The Federal Railroad Administration's—FRA—role in the Northeast is as the agency with overall responsibility for the Northeast corridor improvement program—NECIP. This includes planning and budgeting the overall project. Amtrak is prime contractor to FRA for actual construction.

Five, what is your agency's responsibility for insuring coordinated and efficient commuter operations?

Amtrak, as the operator of the Northeast corridor, has the responsibility for efficient operation of the traffic over this territory, including commuter trains.

As previously stated in response to question No. 3, with the special interests and responsibilities of various agencies involved, coordination and communication are essential to the provision of an acceptable level of service.

In closing, I would say we attach great hope to what I characterize as this policy review. Not being a member of the Government, I cannot speak for the administration as to its view. I look for a general consensus among Conrail, Amtrak, and the commuter agencies and Representatives of the Congress on how this problem might be better addressed than it is now, considering the full range of problems, including construction of the corridor, provision of service to intercity trains, commuter needs, and probably more significantly, the capital needs associated with the commuter services. This is a process that is ongoing now and I expect it will intensify.

[Testimony resumes on p. 150.]

[Mr. Tyler's prepared statement follows:]

TESTIMONY OF
CLARK TYLER, GROUP VICE PRESIDENT
PASSENGER SERVICES & COMMUNICATIONS
NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Good morning Mr. Chairman. My name is Clark Tyler, and I am Group Vice President for Passenger Services and Communications. My responsibility includes general coordination of commuter service, including liaison with the commuter agencies.

I have brought along Bob Herman, Our Vice President for Operations nationwide, who is also responsible for assuring proper operation of the Northeast Corridor. Also with us is Bob Lawson, Vice President and Chief Engineer, who has overall responsibility for planning and implementation of Amtrak's role in construction of the Northeast Corridor Improvement Project.

At the outset, I would like to comment on the complexities of the system that is involved with rail passenger service on the Northeast Corridor.

Certainly no one, starting from scratch, would design such a set-up. However, Amtrak is part of a series of arrangements that combine historical accident, diverse funding sources, inherited contractual obligations, overlapping jurisdictions, incompatible equipment and a multitude of public and semi-public transportation entities.

Small wonder that the harrassed and frustrated commuter does not regard it as a satisfactory answer to his or her problems to be told that the late train they are riding in is

owned and scheduled by New Jersey, operated and manned by Conrail, dispatched by Amtrak over tracks that may be owned by any of the three entities, is serviced and maintained by Amtrak under contract to Conrail and paid for by the State of New Jersey using funds from a number of sources, one of which is the U.S. Department of Transportation.

Amtrak has three official roles in connection with rail service in New Jersey. It owns the Northeast Corridor right-of-way (and some stations utilized solely by commuter trains); it dispatches all trains on those tracks; Amtrak is also the prime contractor for the Northeast Corridor Improvement Project; finally, we maintain and service at our Sunnyside, N.Y. Yards, under contract to Conrail, the New Jersey commuter trains (both conventional equipment and electric).

Beyond this, I should point out that Amtrak is totally committed to quality rail passenger service whether it is commuter or intercity. The several states and transportation agencies have been vocal and effective supporters of Amtrak and its goals and Amtrak, is anxious to do everything in our power to make all rail service efficient, economic and responsive to the demands of an energy-conscious public.

The subject matter of this hearing is of great concern to Amtrak. Although the system and the arrangements connected

with it are complex, they are workable and we are anxious to do whatever we can to insure that both commuter and intercity passengers get the best service possible.

As evidence of that commitment, I would cite Amtrak's role in the recent strike shutting down service on the PATH trains between New York City and Newark. Working with Conrail and New Jersey Transit, Amtrak ran and serviced 44 additional shuttle trains a day. This involved considerable disruptions at Penn Station in New York, complex passenger handling situations, extensive manpower demands, and increased work at our Sunnyside Yards in servicing the additional 24 cars.

Ironically, it was the response to this extra demand that caused some disruptions and delays to rail service on the New Jersey portion of the Northeast Corridor.

Following are the questions as they appeared in Chairman Florio's letter of August 26, and our responses.

1. How has construction on the Northeast Corridor contributed to problems with commuter operations? What steps are being taken to address these problems?

Although it has no direct responsibility for daily operations, FRA does try to insure that NECIP work is scheduled in such a fashion as to have as little adverse impact upon operation of all three classes of service -- commuter, intercity passenger and freight -- as possible. In this regard, FRA works very closely with Amtrak operations personnel to develop work schedules and operating timetables which permit vitally needed repairs to go forward while trains continue to operate. In some cases, the nature and extent of the repair work is such that train operations are inevitably affected. Every effort is made to see that these effects are kept to a minimum.

Rail traffic in the Northeast Corridor is extremely dense. In the territory between Union Tower in Rahway and Penn Station, New York, on a weekday there are 82 Amtrak trains and 137 commuter trains. Another 55 commuter trains run over the corridor between Hunter Tower, west of Newark and Harrison

Yard. Since the PATH strike began on June 12, 1980, an additional 44 trains per day have operated between Newark and Penn Station, New York.

In November 1979, Amtrak established a Train Planning and Scheduling Unit (TPSU) which was patterned after the very successful planning system used by British Rail. The TPSU is a permanent full-time Amtrak staff responsible for the coordination and development of schedules for both Amtrak and the commuter agencies.

Before any elements of the Northeast Corridor Improvement Project are undertaken, our Train Planning unit carefully analyzes the impact that construction will have on the schedules and predicts the amount of delays that can be expected. Any option available to minimize delay is examined and the final predictions discussed with Conrail and New Jersey Transit. The information regarding work elements is continuously updated and each commuter agency is provided with a weekly program for the following week.

In the fall of 1979, our Train Planning Unit began a series of meetings with the Commuter Authorities, which led to the publishing of the April 1980 timetable. This provided time allowances for construction delays and adequate spacing to

eliminate or reduce conflicts between trains. In many instances, the predicted delays due to construction are minor (i.e., 2 or 3 minutes). Furthermore, the duration of any particular element of work is generally so short as to make rescheduling and the printing of commuter timetables impractical. As a result of these efforts, the average construction-related delay to all passenger trains in the Trenton-New York corridor during the 1980 work season has been approximately 4 minutes.

Obviously, the NEC project creates some delay and reduces our capacity to recover from unforeseen problems. It is not, however, the principal cause for the recent decline in on-time performance. During the months just prior to the PATH strike, the performance was in the 92% range. The added congestion resulting from the operation of 44 shuttles each day has contributed to a 10% reduction in performance. For any given train, these delays are usually minor and, although they affect the statistics, they don't produce serious complaints.

During the past two or three months we have had several incidents which caused serious inconvenience and frustration for passengers. During July, for example, we experienced 9 signal failures which delayed 180 trains an average of 15 minutes. Such things as open drawbridges, switch failures, and even vandalism have all added to the delays.

In general, the serious delays are caused, not by the Improvement Project, but by the deteriorated condition of the property that the Project is designed to correct. Over a period of several years, the property not only deteriorated, but many of the highly-skilled technicians retired without adequate replacement. Amtrak now has a training school for signal maintainers, but it will take time before these new people reach a level of skill which will assure relatively failure-free maintenance. In the meantime, we are currently augmenting the signal forces by working supervisory people overtime.

2. What actions do you feel are necessary to alleviate other problems with operating commuter service along the Corridor?

One of the more serious problems in the operation of commuter services in the Northeast Corridor is the age and condition of commuter equipment. As an example, some of the coaches operated in the North Jersey Coast Service were built in 1937 (43 years old) while the newest of these were built in 1946 (34 years old). I understand these cars were overhauled 11 years ago, but have had no major shop attention since then.

It becomes increasingly difficult to maintain the air-conditioning and heating systems of such equipment. Anyone who has attempted to secure replacement parts for an old car or appliance can understand this difficulty.

Amtrak has faced similar problems with older steam-operated equipment, and for the last couple of years has been completely overhauling conventional equipment and converting same to electric power.

It is imperative that replacement and/or major rehabilitation of both passenger cars and locomotives be addressed in the near future. Performance in this area plays a major role in the quality of service experienced by passengers.

3. What will be the impact of future NECIP construction on commuter service? What steps would you recommend to minimize disruption to commuter operations? (e.g. Train Planning and Scheduling Unit).

We anticipate no significant increase in construction delays during the summer of 1981; however, during 1982, we will be reconfiguring Dock Interlocking (just east of Newark) and

reconstucting several of the undergrade bridges on the two-track line between Harrison and New York. While the bridge work is to be confined to nights and weekends, the work at Dock will require one track at a time to be taken out of service around the clock. Our people will be examining the impacts of this work and will work very closely with Conrail and New Jersey Transit to identify problem situations and develop appropriate schedules.

Various elements of the operation are performed by Conrail, New Jersey Transit, FRA and Amtrak. This arrangement requires a high degree of coordination to accommodate the special interests of each of the parties. In the last month, there have been several joint meetings by officials of Amtrak, Conrail and New Jersey Transit, to identify actions that could be taken to improve New Jersey commuter service performance. This cooperative effort will be continued in the future.

4. Describe the working relationship between FRA, Amtrak, Conrail, New Jersey DOT, and others, in providing commuter service along the Northeast Corridor.

Amtrak, as the owner of the Northeast Corridor, is responsible for the dispatchment of trains and for the maintenance of the tracks, bridges, signals, and electric power distribution system. Amtrak maintains its own intercity locomotives and cars and, as a contractor for Conrail, maintains the multiple-unit electric cars, electric locomotives and conventional coaches used in the commuter services between Bay Head, South Amboy, Trenton, and New Brunswick-to-New York, for which Conrail is the operator for New Jersey Transit. Conrail supplies all of the train and engine crews for both Amtrak's intercity service and for the commuter service. There is no direct contractual relationship between Amtrak and New Jersey Transit for these services.

Amtrak provides the various functions for the operation of Conrail commuter trains under a Commuter Operating Agreement dated April 1, 1976. Conrail, in turn, holds the contract with New Jersey Transit for the operation of the commuter service.

The Federal Railroad Administration's (FRA) role in the Northeast is as the agency with overall responsibility for the Northeast Corridor Improvement Program (NECIP). This includes planning and budgeting the overall project. Amtrak is prime contractor to FRA for actual construction.

5. What is your agency's responsibility for ensuring coordinated and efficient commuter operations?

Amtrak, as the operator of the Northeast Corridor, has the responsibility for efficient operation of the traffic over this territory, including commuter trains.

As previously mentioned in response to question #3, with the special interests and responsibilities of various agencies involved, coordination and communication are essential to the provision of an acceptable level of service.

Mr. FLORIO. Thank you, Mr. Tyler.

There are those who say that Conrail has a tall enough order to fill in dealing with its freight operations that it should phase out its commuter operations, with the suspicion that Amtrak would more fully qualify to deal with passenger commuter operations. The rationale for that approach is that you already have service facilities, as a matter of fact in this particular instance you used those servicing yards. You are in charge to an extent of a Northeast corridor project now and the thrust of the legislation passed by the Congress has ultimately put you totally in charge of the Northeast corridor project. The suggestion therefore being, that were you to be the commuter operating contracting party, everything would be on you, for the good or for the bad. At least there are those of us who have to go around and find out whose fault something was and we would come to you.

There are discussions going on between Conrail and Amtrak toward the end of having Amtrak being the operating entity. Can you give us some verification if there are discussions going on and if in fact, there are discussions, what is the status of those discussions?

Mr. TYLER. The discussions, as you term them, were triggered by a change in Amtrak's authorization act of 1978 which allowed us to contract for commuter service. We were anxious at that point when that amendment was put in, as to the Northeast corridor, to get our own house in order and to find out what the impact of absorbing a piece or all of such service would be on Amtrak.

Mr. FLORIO. My recollection on the legislation is that Amtrak could only be involved in commuter operations if the fares or the revenue that are generated and are sufficient to cover the total costs of the operating costs of the operations. Is my recollection correct?

Mr. TYLER. That is true, Mr. Chairman.

Mr. FLORIO. It was somewhat unrealistic, as I recall.

Mr. TYLER. There were also two other words which were used: "avoidable costs." Without getting into a prolonged discussion, the terminology that is used or the cost basis used in assigning who has what responsibility for what costs in the use of the corridor is extremely complex. This problem is what triggered the discussions with Conrail and the commuter agencies. I cannot speak for Conrail as to their desires but I do think that were Conrail to get out of the commuter business through one means or another, and I believe this would probably take legislation, they are anxious that there be a viable alternative as an operator. Whether that operator is Amtrak, another corporation, or the individual commuter authorities themselves is really for others to decide. Our only concern is if anybody wants Amtrak to do it, we must have an accurate assessment of what is involved both in operating and capital costs. We clearly have no desire to be held accountable for deteriorating service.

Mr. FLORIO. If it could be demonstrated that the current contracts are providing to Conrail a source of revenue, and this is particularly significant for Conrail because they are not getting great amounts of revenue over costs in their great operations, why would it in any way be questionable that Amtrak, even under the

same contracts, would generate more revenue than it expends in terms of costs?

Mr. TYLER. I am not sure we could generate more revenue. What worries us is the maintenance of the equipment and the condition of it. The North Jersey Coast Line is one example and there are others up and down the corridor.

One of the systems which has been mentioned to us by the State of New York and been brought up in discussions with the MTA is the Hudson and Harlem Division and here, if I read the newspapers correctly, there have been a series of problems involving deferred maintenance and shortened consists and problems such as that.

We would like to have everyone agree on the true cost of running the service with full maintenance and with an acceptable program of equipment replacement, station upgrading and perhaps extending to the provision of adequate parking, if indeed commuter rail is to be promoted as an alternative to driving the automobile, as I believe it should be.

Mr. FLORIO. This interim operating agreement that has been made reference to through the course of the morning between Conrail and Amtrak, is there a particular reason why it is an interim operating agreement after 4 years of negotiations?

Mr. TYLER. Conrail and Amtrak have not been able to agree on precisely the cost basis on which the usage of the corridor would be allocated. That involves both Conrail's freight operations and their provision of commuter service. There are two different types of disagreements there.

Mr. FLORIO. Are you saying that because we have had Conrail before us and they have complained very vigorously that Amtrak charges them too much by way of trackage right fees for their freight operation, is that one of the variables in the discussions that are being conducted on this interim agreement for commuter services?

Mr. TYLER. There are three uses of the corridor: Freight, commuter and intercity. It just happens that Conrail is involved in two of them. The interim agreement is separate from the freight dispute in terms of the cost-per-car mile. Here Conrail would be your best witness on exactly what is involved there.

The commuter service also involves some disputed costs on what is the actual cost of the corridor usage involved with commuter service.

Mr. FLORIO. My point is it would be totally inappropriate if Conrail's dispute with Amtrak with regard to trackage fees for its freight operations, which is what they are unhappy about, is a factor in precluding an agreement between Conrail and Amtrak on commuter operations, sir.

Mr. TYLER. I don't know that it is.

Mr. FLORIO. One final question and it relates to something Mr. Premo said before.

He was talking about details. Sometimes relatively insignificant details are important to providing good commuter service and so on and, just as I have indicated, riding the trains from time to time I get an opportunity to see that first hand.

What kind of job training programs do you have for your employees in terms of things as fundamental as courtesy, in terms of attempting to facilitate understanding, what is going on, communicating to people, some of the people in the stations?

Do you have programs designed to impress upon some of the employees that the people that use the trains are not the enemies of the train system, but rather are people that we should try to make happy?

Mr. TYLER. You have mentioned a subject on which we have been incredibly guilty. My only defense to our guilt on this particular subject is that many of the people who come in contact with the passengers on the train are not our employees. The train crews, for instance, in the corridor are Conrail employees. It is hard to hold to account someone who may be wearing your sign on his hat but cashing somebody else's pay check. That is difficult but not insurmountable.

In terms of what we plan to do about it, we have instituted a department of passenger services which reports to me, and we are about to embark upon an expanded training program for all passenger service employees that would include station personnel, on-board people and the whole gamut of passenger service employees.

We have been dealing with our board of directors to establish a national training center which for the first time would cycle all of our employees involved with passenger services through a series of the type of training of which you are talking about.

We have not given that type of training to our passenger service people in the past, and I think that has been a woeful omission on Amtrak's part. It is something that we are going to correct, because if we cannot offer the best possible service there, quite frankly, there is no hope for Amtrak, and that is something we are totally dedicated to doing.

Mr. FLORIO. Thank you very much.

Mr. TYLER. Thank you.

Mr. PINDAR. Mr. Chairman, may I exercise a citizen's privilege? Is this the end of the Amtrak testimony?

Mr. FLORIO. Yes, it is.

Mr. PINDAR. You have before you exhibit C [see p. 123] which I demonstrated in 1947 more trains ran over the complex of tracks which ran over the Northeast corridor than do now between Newark and New York Station, eastbound nine movements to the older Jersey City Terminal during that time which is more trains than Amtrak is running now except for the aberration of the PATH strike, and I don't think you should permit the PATH strike and what they had to do as a matter of public response to basic human consideration to interfere with the issue you are addressing.

I have here a December copy of the Official Guide to the Railroads, and I prepared exhibit C for you, because I was told they were running more trains over these same tracks than they were 35 years ago.

The Official Guide is not broken down, I just discovered, by the entire New York Division, but I respectfully request the opportunity to augment exhibit C for you subsequent to this hearing, because I have someone who will go through this book and I will swear to

you more trains were operating over the Pennsylvania Railroad and New York Division in 1947, freight, passenger, local, long distance than these people are trying to run today.

Mr. FLORIO. I would look forward to that information. It is not something that will surprise me too terribly much. It is related in a different area. We have been having hearings in South Jersey about trying to have this rail in between Philadelphia and Atlantic City, and we have had all of the experts and a great number of people testify.

It is now 10-mile-an-hour track, in some areas 20-mile-an-hour track, and we were talking about going forward to get up to at least 70-mile-an-hour track, the suggestion being it would cost anywhere from \$85 million to \$150 million.

One older gentleman in the back of the room stood up and said he was an exrailroad employee, and he was really happy that we had made this progress to the point we were talking about 70-mile-an-hour track, telling me that in 1910 there were trains that were running down that line at something like 85 to 90 miles an hour on a regular basis, adhering to good standards, and if this was progress he wasn't sure he agreed with the total definition.

Maybe we are trying to get back to what we had at that point.

Mr. PINDAR. They were steam locomotives. The average ride on any train in New York was more comfortable and more reliable and almost just as fast as any Amtrak ride is today, as they have been since they took over the cars.

Mr. FLORIO. The vice president, Passenger Service, Conrail Corp., Mr. Richard Sullivan, we welcome you to the committee.

We ask you to introduce for the record your colleagues, and you may proceed.

STATEMENT OF RICHARD C. SULLIVAN, VICE PRESIDENT, PASSENGER SERVICES DEPARTMENT, CONSOLIDATED RAIL CORPORATION, ACCOMPANIED BY ROBERT L. DOWNING, ASSISTANT GENERAL MANAGER, COMMUTER SERVICES; AND W. A. O'TOOLE, DIRECTOR OF OPERATIONS, AMTRAK SERVICE

Mr. SULLIVAN. Thank you, Mr. Chairman.

I am Richard Sullivan, vice president of Passenger Services for Conrail.

I am accompanied by Robert Downing, who is responsible for Conrail's operation of rail commuter services under contract with New Jersey Transit.

Mr. Downing, you will recall, is the gentleman to whom Mr. D'Amico referred in his testimony this morning, and I think you will find, because I have read many of the reports, I think you will find similar comments in the extensive reports compiled by Mr. Stanley which were submitted to the committee by Mrs. Stump.

I am also accompanied by William O'Toole of the Passenger Service Department, who is responsible for maintaining our interrelationships with Amtrak.

We appreciate the invitation to participate in this hearing on behalf of Conrail to explain what we are doing and planning to do to overcome the operational difficulties we face in connection with rail commuter service in northern New Jersey.

Much of my testimony has been touched on by previous witnesses, but I would like to skim through it and emphasize portions of it. [See p. 156.]

I do want to emphasize that the operational interrelationships that we have in northern New Jersey are to a large extent common to commuter service through the Northeast corridor.

The difficulties of train service are most intense in this northern New Jersey area because of a concentration of a high density of traffic funneling into a narrowing corridor. Other witnesses have talked about the added difficulty possibly about the active drawbridges along these lines.

When rail traffic runs according to plan in this northern New Jersey area, it is truly an intricate and well-orchestrated operation. But when difficulties develop, there is a correspondingly great potential for severe disruptions in operational schedules.

An example of how a delay can escalate in severity occurred in late August when one of the two tracks in the Hudson River tunnels, taken out of service for rehabilitation work by Amtrak or by the Northeast corridor project over the weekend, was restored to service nearly 3 hours later than planned.

In some locations, in a commuter service operation such a deviation from schedule could have been accommodated. It would have had in the end relatively minor consequences. In this location, it caused delays for 41 commuter trains carrying approximately 16,000 passengers with delays ranging from 6 to 71 minutes, and in addition, delayed 15 Amtrak trains.

Other witnesses have talked about various communications and coordinating efforts that we have with Amtrak, and of the exacerbating effect of the 44 shuttle trains that they have recently had to handle because of the PATH strike.

We also concur in the view that the train planning and scheduling unit established late last year has had a positive impact to date in dealing with operational problems. As to the things that could be specifically done to improve the situation other than the comments on limiting the hours of drawbridge operations we do believe the Northeast corridor construction program should give high priorities to an intensive program to improve the reliability of the signal interlocking switch systems and drawbridge operations.

Those are components of the overall system that do have a proclivity for causing substantial operational difficulties that can snowball when they do occur during commuter hours. We also believe additional funding is required to accelerate maintenance programs and to provide new maintenance facilities for New Jersey Transit as commuter equipment failure can exacerbate operational difficulties, and inoperative air conditioning or heating systems make even unavoidable delays more unbearable for the passengers.

We encourage scheduling as much track rehabilitation work as possible for the weekends and noncommuter hours, but this will involve greater expense for Amtrak; and, in connection with being prepared for specific operational difficulties, we do feel that emergency busing and other operational measures to be utilized in the event of extended interruptions in commuter rail service should be provided, and we are currently working with New Jersey Transit in planning for such services.

The rest of my testimony, I believe, has been covered or touched upon by other people, and I will be happy to have it submitted for the record.

[Testimony resumes on p. 163.]

[Mr. Sullivan's prepared statement follows:]

Testimony of Richard C. Sullivan
Vice President of Passenger Services
Consolidated Rail Corporation

Mr. Chairman, I am Richard C. Sullivan, Vice President of Passenger Services for Conrail. I am accompanied by Robert Downing, who is responsible for Conrail's operation of rail commuter services under contract with New Jersey Transit, and by William O'Toole of the Passenger Services Department, who is responsible for some of our inter-relationships with Amtrak.

We appreciate the invitation to participate in this hearing on behalf of Conrail to explain what we are doing and planning to do to overcome the operational difficulties we face in connection with rail commuter service in Northern New Jersey.

At the outset, I want to emphasize that the operational inter-relationships present in Northern New Jersey are, to a large extent, common to commuter service throughout the Northeast Corridor. However, the difficulties of train service are most intense in the Northern New Jersey area because of the concentration of a high density of traffic funneling into a narrowing corridor. Also unique to the North Jersey area is the number of active drawbridges on lines carrying heavy commuter traffic which complicate operational problems. Indeed, when rail traffic runs according to plan in the Northern New Jersey area it is truly an intricate and well-orchestrated operation. But when difficulties develop, there is a correspondingly greater potential for severe disruptions in operational schedules.

Now, if I may, I will review the questions posed in your letter of August 26 and our responses.

1. How has construction on the Northeast Corridor contributed to problems with commuter operations? What steps are being taken to address these problems?

Construction on the Corridor has obviously made commuter operations more difficult. Tracks at a number of locations are taken out of service on a daily basis for rehabilitation work relating to the Northeast Corridor Improvement Project and for work trains distributing new material and picking up old material replaced by new rails and ties. This reduces the capacity of the system to adequately handle the normal number of scheduled trains. This problem is made even more difficult when minor delays occur on the tracks remaining in use, causing them to escalate in severity.

A recent example of this was the serious delay to trains operating from Newark into Penn Station, New York, on Monday morning August 25. One of the two tracks in the Hudson River tunnels had been taken out of service for rehabilitation work over the weekend, and was restored to service nearly three hours later than planned. In some locations, such a deviation from schedule would have had relatively minor consequences; in this location it caused delays for 41 commuter trains carrying approximately 16,000 passengers for from six minutes to 71 minutes, in addition to delaying 14 Amtrak trains.

Achieving an accommodation between construction on the

Northeast Corridor and commuter operations has been even more complex in the last two months because of the PATH strike and the resultant addition of some 44 shuttle trains operating daily between Newark and New York in the commuter hours. That emergency has now ended with announcement that PATH service will be resumed today.

Construction problems, of course, are not limited to the Corridor. There have been numerous--and worsening--delays to North Jersey Coast Line trains because of extensive bridge reconstruction work between Perth Amboy and Red Bank, New Jersey. This work is being performed by contractors to NJ Transit as part of the extensive electrification project on that line.

To deal with these increasingly difficult operational problems, Conrail works closely with Amtrak and NJ Transit in operational planning. Close communication has been established between Amtrak and Conrail dispatching offices in New York and Newark, and new direct lines have been installed between Amtrak's New York power director's office and Conrail's control points at Woodbridge and South Amboy on the North Jersey Coast Line.

Amtrak has provided programs on an annual basis showing where and when each major project will be done. The current program is supplemented each week to update changes and to provide specific information to Conrail and the commuter agencies as to the times tracks will be out of service, and the overall length of time the project will take. Certain Amtrak rehabilitation work is being performed at night so that passenger operations will not be affected.

In addition, all Conrail train dispatching for NJ Transit off the Northeast Corridor will be consolidated in Hoboken in October to improve communications and flexibility for all commuter operations. Increased supervision has been established on the North Jersey Coast Line at strategic points to respond to any delays that might occur. Communication and Signal Department supervision and personnel have been increased and re-deployed to be available to respond very quickly to any traffic service interruptions during commuter hours.

One other step being taken to address these problems as part of the Northeast Corridor Improvement Project is a Train Planning and Scheduling Unit established late last year by the FRA. Its purpose is to attempt to simulate train operations and delays which could occur because of the massive track rehabilitation program. Consultants from the British Railways, whose track occupancy and traffic density are much higher than in the United States, were brought in to recommend programs to minimize delays, and then to participate in their implementation on an ongoing basis for the duration of the project. We believe this Unit is beneficial to dealing with these problems.

2. What actions do you feel are necessary to alleviate other problems with operating commuter service along the Corridor?

A number of additional steps have been or could be taken to accomplish this aim:

- o The seven drawbridges on the Northeast Corridor and on the North Jersey Coast Line should be kept closed for water traffic during the commuter hours by whatever means may be required to change present Coast Guard regulations giving boats the right of way.
 - o The Northeast Corridor construction program should give high priority to an intensive program to improve the reliability of the signal, interlocking switch systems and drawbridge operations.
 - o Additional funding is required to accelerate maintenance programs and to provide new maintenance facilities for NJ Transit commuter equipment. Equipment failures exacerbate operational difficulties, and inoperative air conditioning or heating systems make even unavoidable delays more unbearable for the passengers.
3. What will be the impact of future NECIP construction on commuter service? What steps would you recommend to minimize disruption to commuter operations? (e. g. Train Planning and Scheduling Unit).

Amtrak advises us that there will be more rehabilitation work going on in the North Jersey area in 1981 than there has been in 1980. Therefore, NECIP rehabilitation work could have the potential to cause even greater interference with commuter operations next year.

Of a number of steps that are potentially helpful, the following are the most important:

1. Scheduling as much track rehabilitation work as possible for weekends and non-commuter hours. This will involve greater expense for Amtrak.
2. Relief from the requirement to open drawbridges for water traffic during the commuter hours. This is a matter within the jurisdiction of the U. S. Coast Guard.
3. Provide emergency busing and improve other operational measures to be utilized in the event of extended interruptions to commuter rail service. These plans are currently being developed by NJ Transit and by Conrail.
4. Describe the working relationship between FRA, AMTRAK, CONRAIL, New Jersey DOT, and others, in providing commuter service along the Northeast Corridor.

There are daily--and even hourly--communications between Conrail, Amtrak and NJ Transit in planning for operations and dealing with operational problems as they arise.

Service meetings with participants from NJ Transit, Amtrak, and Conrail are conducted monthly to review the past month's operations and to plan remedies for recurring problems. Meetings have also been scheduled for September 3 and September 10 by the same parties to make all participants aware of the capital improvement and rehabilitation projects planned for the balance of 1980 and for 1981.

Close communications have been established between Amtrak maintenance shops at Sunnyside Yard, and Conrail maintenance forces at Bay Head, to correct any over-the-road mechanical failures and incidents of air conditioning failures.

5. What is your agency's responsibility for ensuring coordinated and efficient commuter operations?

Conrail is responsible for providing commuter rail service in Northern New Jersey, under its contract with NJ Transit, and in doing so must work closely with all parties involved to achieve maximum coordination and efficiency in those operations. We believe this close working relationship is increasingly effective. As examples:

- o Close communication is maintained among Conrail, NJ Transit and Amtrak on any occurrence affecting commuter operations.
- o Increased supervision is being provided by Conrail at strategic operational points during commuter hours.
- o Conrail's System Quality Control personnel are now overseeing the maintenance of equipment work done on commuter equipment by Amtrak, as well as by Conrail forces.
- o Conrail has also diverted a number of scheduled freight trains away from the Northeast Corridor so that delays related to freight train interference are now minimal.

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Mr. FLORIO. Thank you very much. It is my understanding that the commuter operations of Conrail constitute about 10 percent of the overall operation of Conrail. That is the number that was given to me.

Does that mean 10 percent of the work force, 10 percent of Amtrak's efforts?

Mr. SULLIVAN. The first relationship that comes to mind in terms of a 10-percent relationship is the total revenues that Conrail receives from its passenger operations as compared to its freight operations.

Mr. FLORIO. Ten percent of the total revenue?

Mr. SULLIVAN. Yes.

Mr. FLORIO. What percent is lost?

Mr. SULLIVAN. A greater percentage of our work force is connected with commuter operations than 10 percent. I am sorry I interrupted your question.

Mr. FLORIO. I am trying to find out if Conrail makes money from commuter operations or loses money, and if it loses money does it lose as much in terms of proportion as it does otherwise in its freight operation?

Mr. SULLIVAN. We believe that the mandate put upon us by the legislation which has us operating commuter services was essentially that there be no cross-subsidization between freight and passenger service, so in effect the cost of providing the service would be represented by the revenues that we receive, and that there not be a differential on either the plus or the minus side.

Mr. FLORIO. Does everyone share your analysis that in fact you are just meeting costs?

Mr. SULLIVAN. Everyone at Conrail.

Mr. FLORIO. There has been some suggestion that you are doing fairly well, that Conrail is not just meeting costs, that they are doing better than just meeting costs, and in that way contributing to the overall health of the Conrail system.

Mr. SULLIVAN. No, sir; I would be glad to discuss that with any individual who has that belief, and in fact from a cash flow standpoint Conrail has suffered substantial deficits in cash flow in terms of funds that are owed to us by Amtrak and by the commuter agencies under the existing contracts that we have with them.

Mr. FLORIO. Well, if that is the case, there is going to be a rather substantial deficit—an effort to come to the Congress asking for an authorization of \$400 million for this year, and anticipated in the next couple of years asking for an additional \$2 billion. Conrail is not primarily into the commuter operation so should there not be some serious thought to channeling Conrail's major efforts into what it is primarily established for, that is freight operations, and therefore, looking around for someone else to do the commuter operation, which you acknowledge you are losing money on?

Mr. SULLIVAN. Certainly, as I recall several years ago in our annual report when we responded to this idea that perhaps some thought should be given to having some other organization operate commuter service, we stated that Conrail operated the commuter services in response to a legislative mandate that we provide that service, and so long as we have that mandate Conrail is committed

to providing the services in the most effective and efficient manner.

If it is decided someone else should be designated to operate those services, we will cooperate fully in providing for an orderly transition and seeing that the job can be well done by someone else, but so long as we do have that responsibility, we will provide the services in the best possible manner that we can.

Mr. FLORIO. You saw the charts with regard to the Northeast corridor project projections in terms of improvements and in terms of trying to minimize the disruption that will occur in the northeast New Jersey area.

Have you had an opportunity to review those charts or play a role in making suggestions as to how those work schedules should go forward?

Mr. SULLIVAN. I have not, but Mr. Downing I believe, has.

Mr. DOWNING. For the year 1980 we participated in the program, and we were satisfied that delays to trains would not exceed more than 3 to 4 minutes. As a result thereof, we made no horrendous schedule changes.

Our review for the year 1981 will take place yet this month, sir.

Mr. FLORIO. You are satisfied with the degree of input you have into the whole process of evaluating what the work schedules should be so as to minimize disruptions?

Mr. DOWNING. To this point, yes, sir.

Mr. FLORIO. On the Amtrak-Conrail interim operating agreement, I would ask the same question of you, first of all, why has there been such a long period of time in coming to this agreement and what are the major sticking points in coming up with a permanent agreement?

Mr. SULLIVAN. If I may, Mr. Chairman, I have had this responsibility now for about a month and a half. I have devoted some time to reading and trying to understand that situation.

I think I understand more of it than I perhaps yet recognize, but certainly not enough to be an expert in it. It is a most intricate arrangement, and the problems that have held up its resolution, I am not yet fully familiar with, and I would like an opportunity to study the matter further before talking to it in any detail.

Mr. FLORIO. Let me ask you the question then, and perhaps your response would be the same on this, with regard to the contracts that are in existence between the State or the commuter operating agency and Conrail, the representation that is made that there is no provision in those contracts for incentive payments or disincentive payments as is standard procedure in some of Amtrak's contracts when it contracts with some of the carriers around the country, is there a particular reason why that has not been done?

What are your thoughts as to the desirability of providing the operator in this case with some incentives for improvements that would result in financial rewards or, conversely, providing them with the incentive to meet certain standards and if they didn't they would be financially penalized.

Mr. SULLIVAN. We do have incentives and penalty payments in a contract with New Jersey Transit. We are open to having incentive provisions and penalty provisions in any of those contracts, so long as there are both incentive and penalties in the same contract.

Mr. FLORIO. My recollection of the testimony of the people in New Jersey was that in New Jersey there were no incentive payments or on-time disincentive payments.

Could you clarify that?

Mr. SULLIVAN. I believe that it is a case of misunderstanding, sir. There are such penalties, though they are quite modest, provided in the contract with New Jersey.

Mr. FLORIO. I see.

Mr. DOWNING. Martin Robins indicated that the penalty was not sufficient to cause the corporation of Conrail to be excited about the operation of its trains, I believe, not quoting him exactly. However, those that work on that region and are responsible for the operation feel deeply the moment they are penalized \$100,000 for failure to perform, touches everyone personally, so I don't look at the corporate level in that regard.

Mr. FLORIO. One final question with regard to the same point I raised with Amtrak. What is it that you do, if anything, in employee training with regard to continuing programs to attempt to impress upon the employees their responsibilities in carrying out their jobs?

Do you have such training programs for employees, not only technical programs?

Mr. SULLIVAN. We have had some in the past. We have not had them in all the commuter services divisions. That is in part because we work out the financing of them with all the commuter agencies. This is the first that I had heard the comment by Amtrak this morning that they feel that we should have been providing some training for those Conrail personnel that they employ. Mr. Downing has plans for this coming year, for example, for such training and the trains that we operate, for people who are employed on trains that we operate for New Jersey Transit.

Mr. DOWNING. That is correct, and that is worked out in concert with New Jersey Transit.

Mr. FLORIO. The discussion about diverting freight from the corridor has been one that we talked about on a regular basis. Under the extraordinary circumstances of repair work that is going to be taking place, particularly in the New York-New Jersey area, such that running freight on the corridor is going to be that much more disruptive because of some lines being repaired, are there any contingency plans being formulated, and are they capable of being formulated to divert any freight from the corridor because of the repair work that is going to be done?

Mr. SULLIVAN. We have in fact been diverting freight trains from the corridor, and particularly from that area north of Trenton. In the first 6 months of the year we had diverted approximately 1,250 trains from the corridor and we are currently diverting about 10 trains each day. Delays of the commuter services that could be attributed to freight train interference, for example, have now decreased to where they are essentially nonexistent.

Mr. FLORIO. Has that resulted in much interruption from your freight trains?

Mr. SULLIVAN. No, sir; we plan for it.

Mr. FLORIO. Gentlemen, thank you very much. We appreciate the testimony of all the witnesses this morning.

The hearing is adjourned.

[The following statement was received for the record:]



Southeastern Pennsylvania Transportation Authority

TESTIMONY TO BE SUBMITTED TO THE
SUBCOMMITTEE ON TRANSPORTATION AND COMMERCE
OF THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
BEFORE ITS HEARING ON COMMUTER SERVICE PROBLEMS ON THE NORTHEAST CORRIDOR

Tuesday, September 2, 1980

John T. Ficarra, P.E.
Asst. General Manager
Regional Railroad Division
Southeastern Pennsylvania
Transportation Authority
(SEPTA)

History

In its embryonic stages, SEPTA was primarily concerned with railroad operations. This concern came about in the late 50's when mass transit ridership was declining and citizens were taking to the convenience and comfort of their automobiles. This movement away from mass transit created great demands on the Philadelphia road network. As an alternative to building new roads, the City of Philadelphia tried to reverse the trend by subsidizing improved railroad service.

First Subsidized Service

(See Exhibit I)

The first experiment with subsidized service was Operation Northwest on the Penn Central and Reading railroad lines to Chestnut Hill. As part of the experiment, service was improved and the fares lowered. The result was that ridership jumped 20% from October 1958 to October 1959. This was expected; however, it had a price. That price was a subsidy of \$60,000 in 1958 and \$365,000 in 1959. The City of Philadelphia viewed this experiment as a significant success; it had managed to remove a large number of automobiles coming into Center City during the day, thus relieving highway congestion.

Creation of SEPTA

The success of "Operation Northwest", led to the City of Philadelphia joining the surrounding counties to form the Southeastern Pennsylvania Transportation Compact (SEPACT). This was done in September 1961. The coming together of the City and its surrounding counties not only resulted in a cooperative subsidy program, but also brought about Act 450 which authorized the creation of a regional transportation authority in 1963. In 1964, the Southeastern Pennsylvania Transportation Authority was established under Act 450, "to preserve, unify and expand the regional transportation system in Southeastern Pennsylvania."

The Regional Railroad Reorganization Act ("3R Act") and the Railroad Revitalization and Regulatory Reform Act ("4R Act") created Conrail which began operations in 1976. SEPTA contracts with Conrail to provide commuter service. Responsibilities under this contracting arrangement are spelled out in Exhibit II.

While SEPTA's efforts have managed to stabilize commuter ridership, (See Exhibit III), costs have escalated rapidly. (See Exhibit IV) The total operating costs to provide essentially the same level of service today as provided in 1965 have risen from \$24.6 million to an estimated \$105.8 million in Fiscal Year 1981.

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Cost of Commuter Railroads

It should be pointed out, however, that the costs used to "calculate" the subsidy to be charged to SEPTA between 1965 and 1976 were not the actual costs of the operation. For example, in 1965 the railroads absorbed (i.e., did not pass on to SEPTA) \$6.9 million of costs. The full cost of the commuter operation was not felt by public agencies until 1977 when Conrail was required by the 3R and 4R Acts of Congress to allocate full costs to commuter operations. The ultimate effect to SEPTA was a 333% increase in operating expenses over 16 years. Of note, the Consumer Price Index increased 157% during this period. Exhibits V and VI detail the changes in operating costs and CPI over this period.

Conrail

The single most important factor in the escalation of commuter costs was the establishment of Conrail. In 1973, Congress created Conrail with the mandate to make freight service profitable and to pass on the full actual cost of commuter operations, instead of the previous avoidable costs, to the commuter authorities. This Act resulted in a 29% increase in reported expenses between 1976 and 1977. Exhibit VII clearly portrays the effect of the prescribed method of charging costs to commuter operations.

Prior to 1976, the freight railroads were supporting commuter service on an avoidable cost basis, and absorbing as much as 28% of the cost of operations which occurred in 1965.

Initially this increase in costs assigned to commuter service was not felt by the local governments because Congress, under Section 17 of the 3R Act of 1973, subsidized this increase at 100% in 1976, 90% the next year, 80% the next nine months, with the subsidy dropping to zero for the remainder of fiscal year 1978. Federal subsidies for commuter rail operators continued in the UMTA Section 5 funding program, however, the growth in Section 5 funds (Tier III) failed to offset the decline and final elimination of Section 17 subsidy. Exhibit VIII shows the effect of these funding actions and the impact on State and Local subsidy.

Description of SEPTA Service

SEPTA provides extensive railroad services covering a three-state region using 837 miles of track. (See Exhibit IX). Of this total, SEPTA owns 270 miles and has to pay charges to Amtrak and Conrail when SEPTA (or City) commuter cars are operated over their track. SEPTA utilizes over 200 railroad stations and provides over 16,000 parking spaces. In a normal weekday, SEPTA operates about 800 trains to move 130,000 passengers.

While SEPTA owns and/or operates a great deal of property and equipment, the condition of the track, stations, parking lots and rolling stock used for commuter service is poor. The many millions of dollars already pumped into the commuter rail system have not been sufficient to stop the steady decline of the quality of service.

Current Situation

The continued successful operation of SEPTA's Regional Railroad System is in jeopardy. The cold hard fact is that the day-to-day cost of providing commuter railroad service has been increasing at a greater rate than passenger revenue and subsidies. In addition to the operating cost problem, the commuter rail system currently has a tremendous backlog of capital projects which must be undertaken to maintain the system in its current state. For the most part, these capital programs are unfunded.

Financial Problem I - Paying for the Service

- Subsidies and Revenue have failed to keep pace with the rising costs of operating the service. It can be seen from Exhibit X that over the past few years, costs have risen at a faster rate than Subsidies and Revenue.
- State and Local subsidies have had to bear a greater share of funding. Since 1978 when Federal subsidies reached a high of 51% of total subsidies, they have rapidly declined to a projected 30% of total subsidies in FY '81. This means State and Local subsidies have increased from 49% in 1978 to 70% of total subsidies in Fiscal Year 1981. In dollars, this represents an increase of almost \$17 million since 1978.

- The fare-paying passenger has, will and must absorb a major share of the increased costs through fare increases. For example, Exhibit XI shows that fares will increase such that fares will cover 49% of operating costs in Fiscal Year 1981. Prior to the July 25th fare increase, fares covered only 38% of operating costs.
- Despite rapidly escalating State and Local subsidies and passenger fares, Total Revenue from all subsidies has not grown as fast as operating expenses - as Exhibit IV demonstrates using the worst case, i.e., Amtrak and Conrail claims. According to Conrail and Amtrak, the region has an unfunded deficit of approximately \$33,750,000 arising from the period FY 1977 through FY 1980 inclusive. While SEPTA believes these claims are overstated, there nonetheless is no doubt that a sizeable liability has been incurred by the State, City and four member counties of SEPTA.

Financial Problem II - Runaway Cost of Operations

As noted previously, the cost of commuter rail operations allocated to SEPTA services has risen by 333% since 1965. Unfortunately, this increase in cost does not reflect the true extent of the problem since there have also

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been massive deferrals of maintenance in plant and equipment. If plant and equipment had been properly maintained, the increase would have been substantially more dramatic.

The impact of Conrail and the 3R & 4R Acts on costs has been discussed previously. However, these rapid rises in the cost to SEPTA of railroad commuter operations have been the result of several additional factors. They are:

- 1 - Inflation, which affects all costs related to the service, particularly over the last two years.
(Exhibit XII)
- 2 - Ineffective Conrail management of the service, particularly as it relates to utilization of labor under existing work rules. Quite simply, there is no incentive for Conrail or Amtrak to operate efficient commuter railroad service, either as legislated by the 3R and 4R Acts, or by the mandated costing procedures set out by the Rail Services Planning Office (RSPO).
- 3 - Lack of budgets, financial controls, and timely reporting by both Conrail and Amtrak.
- 4 - SEPTA's management failed to aggressively pursue good management practices in order to control costs related to the operation of the commuter service.
- 5 - Deferred maintenance, which is abundant, and extremely costly to correct. This inferior system

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is what SEPTA inherited from the bankrupt Reading and Penn Central Railroads.

- 6 - Conrail's inability and/or unwillingness to implement a capital program for SEPTA's commuter operations in a timely, cost effective, efficient manner.

Ineffective Management

Conrail has not provided effective or responsive management. Under Federal law, they are required to pass on all costs associated with the commuter operations. The present Conrail management, operating under current legislation, has shown no real interest in controlling costs.

For example, Conrail has not:

- 1 - given a single corporate officer the authority and responsibility to run SEPTA's commuter operation;
- 2 - negotiated hard with labor;
- 3 - used modern management tools;
- 4 - sought out cost-effective solutions to problems (for example, searching for the optimum replacement parts);
- 5 - demanded productivity;
- 6 - cooperated in capital programs.

These problems are a direct effect of the insensitivity of the 3R and 4R Acts as they regard commuter operations and Conrail's management attitudes.

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Organization

SEPTA has informed Conrail that the current management structure which operates the commuter railroad system is incapable of dealing with the operation in a timely and effective manner. The present commuter railroad operating structure, as envisioned by Conrail, is essentially a regional operation, subservient, in most respects, to the freight operation in our area. This arrangement is inadequate to deal with the myriad of problems associated with our commuter operation. (See Exhibit XIII)

In many instances, decisions cannot be made at a regional level because they involve Conrail policy areas or system-level departments to which the Conrail Eastern Region must turn before appropriate actions can be taken. SEPTA has requested, but has not yet received from Conrail, an effective management structure to deal with its \$106 million-a-year commuter operation.

Another problem which SEPTA and Conrail have identified jointly is that of Amtrak involvement in our operation. Amtrak provides facilities to some of SEPTA's commuter trains. It also provides the services of non-operating personnel in the dispatching of these trains. The arrangement is that Amtrak contracts with Conrail, who in turn contracts with SEPTA, for commuter railroad service. This arrangement has been unsatisfactory. For example, there is no operating budget for these expenses within Amtrak and no reporting against any budget.

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Contractual Relationships with Labor

A major factor concerning operating expenses is labor work rules. Conrail operates SEPTA's commuter railroad service with archaic work rules imposed under existing collective bargaining agreements and arrangements. These labor rules must be modified and improved if we are to have a cost-effective service. Currently, over 60% of the cost of providing commuter service is in the area of labor and fringe benefits. Therefore, labor must be underscored as a major problem, particularly in the transportation area.

Ineffective Supervision

This area of concern is inextricably intertwined with the labor issues. SEPTA has observed and documented many examples of Conrail's ineffective supervision of the employees in commuter service. It is apparent that Conrail supervision has neither the incentive nor top management support to effectively deal with labor productivity or labor-related problems. The historic reluctance of the railroads to take a strong stand with labor has perpetuated itself, to the detriment of the commuter operation. SEPTA provided Conrail management with a list of specific instances of this inefficiency, examples of which can be seen in Exhibit XIV.

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SEPTA believes that changes in the labor work rules as they apply to the commuter railroad operation must be effected. Only then can we have reasonable transportation costs for our daily riders.

Like Conrail, SEPTA believes that Amtrak is also burdened with unrealistic work rules that are literally bleeding the system to death. This country cannot have cost-effective intercity or commuter service if Congress legislates inefficiency into the operation. Most likely, there must be changes to the Federal legislation.

Financial Control

Costs of SEPTA's commuter railroad operations are determined as mandated by the Rail Services Planning Office ("RSPO"), an arm of the Interstate Commerce Commission ("ICC"). The RSPO Standards, as they are known, are a legislated approach to cost sharing among commuter, freight and intercity services. SEPTA's Operating Agreement with Conrail incorporates these costing provisions. One element which SEPTA considers critical to the continued operation and management of the system, is the ability to develop, maintain, and monitor an effective operating budget for SEPTA's commuter service. Under the RSPO Standards, Conrail is only required to report expenses

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by major categories on a quarterly basis. But even this "reporting" is provided to SEPTA some sixty days after each calendar quarter, which means some of the expenses were incurred as much as five months before they are reported.

In one instance, Conrail advised SEPTA that an additional \$6,657,000 was owed to Amtrak for commuter services furnished by Amtrak during the two-year period ending September 30, 1978. This notification was received in November 1979 and the additional costs and resultant deficits were never anticipated or budgeted when continuation of the commuter service was being considered. Thus, these huge cost increases were reported more than two years late. This lack of timely, adequate financial information with the obvious complete lack of controls has resulted in a large unfunded deficit problem facing SEPTA. The report required under the RSPO Standards is useless for control purposes. See Exhibit XV for a sample report.

SEPTA's Operating Facilities and Equipment - Need for a Capital Program

SEPTA's facilities and equipment are suffering badly from deferred maintenance. Operating costs have been extremely high because of the past deferred maintenance practices.

In order to prevent further decline of SEPTA's commuter system, maintenance levels on equipment, track and facilities should

be at substantially higher levels than currently budgeted. In fact, current maintenance efforts, particularly on track and facilities, are not adequate and will not maintain the existing level of service.

As an example of the true crisis nature of past, and all too often present, maintenance practices, the Reading Division almost shut down in May. This was due to an FRA order to immediately slow all trains on our lines leading into Reading Terminal. Consequently, a major emergency track rehabilitation program was undertaken at a cost originally estimated by Conrail at \$700,000 and subsequently revised by Conrail to \$960,000. For this money, 24 track miles are being upgraded by the installation of over 15,000 ties and related work.

The survival of the commuter rail system requires massive infusions of capital. In order to support the operation, SEPTA has developed a capital program. This program lists major projects which SEPTA must do. They are in three primary areas:

- 1 - those which are critical to the coordination necessary between SEPTA and the City of Philadelphia to operate the Center City Commuter Connection (CCCC) and Airport High Speed Line (AHSL);
- 2 - facility projects which must be implemented independent of the CCCC, which primarily concern track, signals and power;

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- 3 - equipment projects required to maintain the SEPTA rolling stock in an acceptable, reliable manner over the foreseeable future and replacement of the World War I vintage cars.

Conservatively, the cost of this capital program will be in excess of \$500 million during the next ten years. While this involves a substantial expenditure of funds, SEPTA believes it is necessary in order to operate the existing system in an effective manner.

Conrail has not facilitated the implementation of a capital program. For example, Conrail has not responded to SEPTA's requests to estimate project costs. Constant meetings have produced little or no results; such matters as separability of certain overhead expenses, as highway and off-highway equipment, are agreed upon by certain members of Conrail's staff but objected to by others. To this date, no projects have had these simple details settled.

Conrail engineering is bound by past procedures and regulations to the point where estimates offered are unimaginative, deficient in detail, and contain inefficient elements that are unreasonably expensive for the benefits accrued.

Promises of completion dates are routinely missed to the point where the SEPTA capital program is seriously delayed.

Overhead rates are rising much faster than direct costs, and no details have been provided, and none have been promised.

Action Items

Because SEPTA's commuter rail system is in serious financial and physical trouble, SEPTA is taking the following actions concerning Conrail.

- 1 - A 55% fare increase in FY '81.
- 2 - We have proposed a detailed operating budget with appropriate financial controls. This budget will detail expenses down to management centers. It will also provide a monthly report comparing Actual against Budget expense - two months after the fact. We are now negotiating with Conrail on this.
- 3 - We will implement a series of economies designed to improve efficiency and reduce the cost of operations. These will involve labor reductions.
- 4 - We will force Conrail to effect work rule changes by aggressive labor negotiations.
- 5 - We will insist that Conrail provide a responsive management organization, capable of providing adequate supervision and dealing with SEPTA's Regional Railroad Operation.
- 6 - SEPTA will progress its capital programmed items that will reduce operating costs.

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- 7 - We will push to negotiate a settlement of the existing unfunded deficits, related to the Conrail and Amtrak operations. We will inform Conrail that future budget overruns must be approved in advance.

Justification for Proposed Actions

There are many problems involved in operating the SEPTA commuter rail system; however, there are solutions to those problems. While operating costs are rising rapidly, subsidies are not. The State and Local operating subsidies have kept pace with inflation, budgeting a \$16 million increase in Fiscal Year 1981. But the Federal Government is falling far short by apparently programming only a \$1 million increase in operating subsidy in the same period. It should be noted, however, that the actual amounts are even now being determined in Congress. The House bill would appropriate \$49.6 million to SEPTA, but the Senate Bill has not yet been introduced and is likely to be lower. If, in the mark-up process, the House Bill is compromised, SEPTA could conceivably receive substantially less than was programmed and budgeted for by SEPTA. See Exhibit XVI. It is assumed that neither the State nor local governments would be able to increase their already tight budgets. This leaves service reductions, fare increases and further efficiency measures as the obvious sources to make up any Federal shortfall in operating subsidy.

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Fare Increases

SEPTA had budgeted a 30% commuter rail fare increase for July 1st, and a 25% fare increase on January 1, 1981. Due to strong opposition, the July 1st increase was not implemented until July 25th. This delay resulted in a \$789,000 loss in revenue. For obvious reasons, the staff recommends that the fare-paying passenger be relieved of any further responsibility in FY 1981. This leaves only the alternatives of service reductions and efficiency measures to balance our budget.

Service Reduction - Ruled Out Initially

Initially, it was determined that service reductions should not be undertaken until a serious effort was made to manage the commuter service properly. However, because of the delay in the fare increase, SEPTA has been forced to re-evaluate this option. Examples of reductions follow.

One type of service reduction involves combining medium-size, peak-hour trains into longer trains. This, however, decreases the frequency of service and, as is shown on the first line of Exhibit XVII, would net a little over \$1 million.

Also, we could eliminate all Reading-Pottsville service and save approximately \$1,668,000.

On the third line, another million dollars could be saved by eliminating all service between Philadelphia and Bethlehem. Finally, the total elimination of service on another five branches would only net \$3.3 million.

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With all of these cuts in service, the savings would only be \$7 million. Ultimately, SEPTA feels that greater cost savings will be realized by dealing with the crucial issues of management efficiency and productivity.

Management Controls

In Budget Year 1981, SEPTA plans to manage the commuter operation utilizing well-defined budgets. We recognize that this will be the first time such action has been taken since our subsidies began. Until FY 1981, Conrail was reporting to SEPTA the very general cost categories as shown on Exhibit XV. There is no meaningful breakdown of labor, material or other expenses to permit control. There were no targets or budgets within Conrail or SEPTA, only the general categories shown here were reported by Conrail, and they are provided to SEPTA 60 days after each calendar quarter. In other words, the Conrail expense items for the month of October were not made available to SEPTA until March 1st of the following year. This indicated a total lack of control by both SEPTA and Conrail management.

To correct this lack of managerial control by both Conrail and SEPTA, SEPTA management is installing a computerized management reporting system that will report down to management centers within Conrail. Exhibit XVIII shows the

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level of detail that SEPTA will attempt to have to control the up-until-now uncontrolled expenses of Conrail. SEPTA will now have detailed information that will allow us to sit down with the Conrail managers and demand accountability. Conrail's failure to respond by effective management will lead to SEPTA demanding action. This is a significant step to be taken by the SEPTA management to control costs.

Economy Program/Productivity

The second step to be taken by SEPTA is to implement an economy program that trims the fat from the railroad operations, and focuses on inefficiencies. Exhibit XIX shows our planned economies in the coming fiscal year, with examples of what we have done and/or what we are going to do.

SEPTA has already implemented a portion of these planned economies shown on Exhibit XIX. The first seven economies were implemented with the belief that these expenditures would have minimal impact on level of service or quality of maintenance. For example, on Line C, station agents at low patronage stations were eliminated. This was a desirable economy, to reduce our ticket selling expense. This function is now performed by the conductor on the train with little inconvenience to the passenger.

As another example, cafe attendants on Line E were also eliminated. These four persons provided a luxury cafe

service on our Wall Street and Crusader trains operating between Philadelphia and Newark, New Jersey.

Work Rules/Productivity

While most of the items listed in our economy program for FY '81 reflect management inefficiencies, the greatest potential inefficiencies lie in the area of current labor work rules and productivity. A portion of the potential savings from work rule reform are shown on Line N, Exhibit XIX. These will, however, be the most difficult efficiencies to implement, but ultimately the most significant,

For example, we intend to eliminate the fireman riding on a rail diesel car, which adds absolutely nothing to the movement of passengers. This is the most obvious example of outdated work rules. This position has been eliminated on other railroads through hard negotiations, and must be eliminated from our commuter operations.

Exhibit XX shows some typical comparisons of earnings of a Conrail worker compared to a SEPTA worker performing similar types of work. While there is a small difference in base pay for most major areas of work, the effect of work rules on productivity and cost to perform a unit of work

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is severe. The greatest difference occurs in the transportation area. Transportation costs, exclusive of maintenance, are the single largest element of cost at Conrail and they comprise 37% of operating expenses.

A problem existing with the Conrail operation is the fact that Conrail train crew employees in addition to receiving a higher base pay are paid on the basis of an unrealistic basic day, and, in addition, receive arbitrary payments. Thus, the annual cost per employee is very high. In addition, Conrail basic crew requirements per train are higher than those of SEPTA, and Conrail crews are paid for over-miles and overtime plus their basic day's pay, thus creating even higher costs per crew.

To demonstrate the relative costs of the Conrail operation compared to SEPTA's transit operations, the Conrail Operating Budget for labor and fringes of \$62,771,992 divided by its estimated 1,824 employees averages approximately \$34,414 per employee. (It should also be noted Conrail is unable to furnish SEPTA with the actual number of employees charged to SEPTA.) SEPTA's Transit Operating Budget includes \$167,545,000 for labor and fringes which when divided by SEPTA's 6,770 employees averages \$24,748 per employee. In addition, because of work rules and contract agreements, it can be shown that SEPTA employees have a higher level of productivity. If this disparity is not corrected, we cannot afford to continue commuter service in the SEPTA region.

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Most certainly, hard negotiations with the Conrail unions are necessary. The alternative may be the ultimate collapse of the commuter rail system on its own - a collapse that will occur at a time when the City of Philadelphia is spending \$400 million on the Center City Commuter Connection (CCCC) and the Airport High Speed Line (AHSL). In addition, it should be noted that failure to make these necessary work rule changes will result in an even higher operating cost structure when the CCCC and AHSL become operational. This is due to current seniority district operating rights existing under current agreements.

Capital Requirements

In the current fiscal year, SEPTA will undertake the beginning of an aggressive capital program necessary to restore the commuter rail system and permit the opening of the commuter tunnel and Airport High Speed Line. This will require further confrontations with Conrail and its unions. Thus, the poor management which characterizes Conrail and Amtrak's operating efforts also applies to the capital projects area.

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Exhibit XXI shows the capital needs of our commuter rail operation with and without traffic growth. This means that in the next ten years an average expenditure of \$51 million per year will be required to keep our commuter rail system intact. We will need \$8.5 million annually from the Commonwealth and \$1.7 million from local sources to match Federal funding. When this requirement is added to SEPTA's other operating divisions, an annual Capital Program of approximately \$188 million is needed for SEPTA to operate its current service levels with steady improvement in the quality of that service.

Unfunded Deficit

The final ingredient involved in placing the commuter system on a sound management and financial basis is the resolution of Conrail claims for expenses incurred in past Fiscal Years - 1977, 1978, 1979, and 1980.

The various funding governments signed letters which indicate that they will make an effort to pay for actual expenses incurred. See Exhibit XXIII for a sample letter.

There appears little question that actual expenses have exceeded SEPTA payments to Conrail. However, the exact amount is in dispute. See Exhibit XXII, page 3, for a comparison of payments and railroad claims.

SEPTA intends to undertake negotiations in the coming fiscal year designed to resolve past liabilities if possible. For each \$1,000,000 of liability, the governments funding SEPTA would be liable as follows:

State	\$666,667
City of Philadelphia	233,333
Bucks County	19,667
Chester County	14,333
Delaware County	29,333
Montgomery County	36,667

EXHIBIT I

Chronology

EXHIBIT I

1958	First Experiment by City of Philadelphia with subsidized railroad service
1961	Formation of Southeastern Pennsylvania Transportation Compact ("SEPACT") by Philadelphia and surrounding counties
1963	Creation of SEPTA (SEPTA expanded the program started by SEPACT by contracting with the Pennsylvania and Reading Railroads for railroad service)
1973	Congress passed the Regional Railroad Reorganization Act (3R Act)
1976	Conrail was established - Section 17 funding began at 100% subsidization
1977	Section 17 funding dropped to 90%
January, 1978	Section 17 funding dropped to 80%
September 30, 1978	Section 17 funding dropped to <u>zero</u>
1979	Creation of Tier III of Section 5 subsidies. Subsidies not enough to offset loss of Section 17 funds.

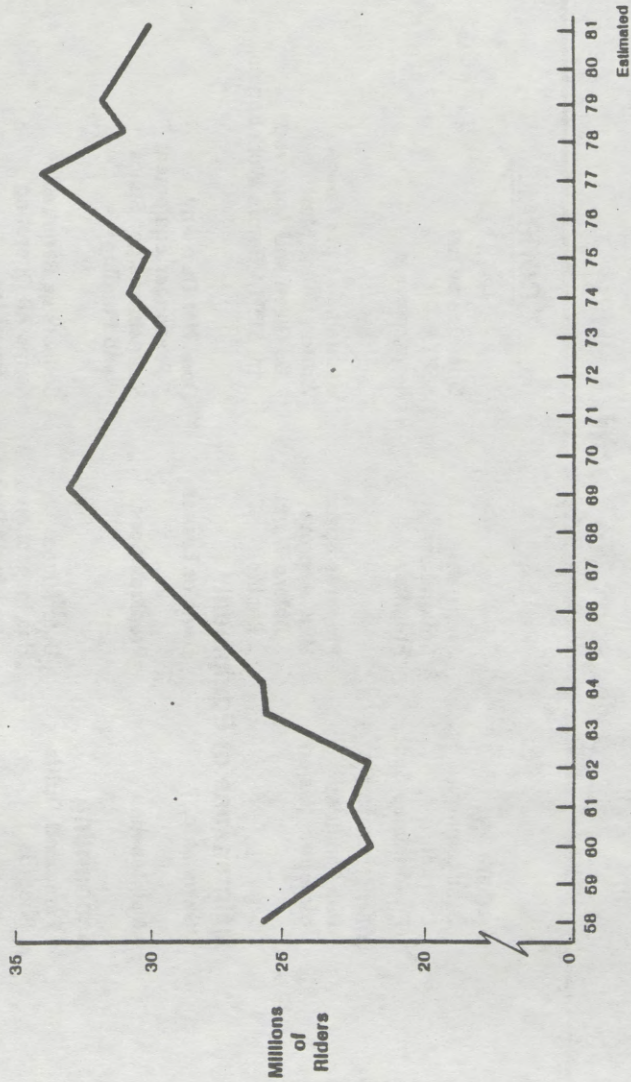
SEPTA/Conrail Operating Agreement

Areas of Responsibility

	SEPTA	CONRAIL
Operations		
Schedules	Prepares	Operates as per
Consists	Determines	SEPTA
Performance Specs	Prepares	Requirements
Maintenance of Way		
Rail Facilities	Prepares Specs	Maintains as per Specs
Structural (Major)	Must Approve	Written Notice Must
	Before Work	Be Given and Approved
	Begins	by SEPTA Before Work Begins
Maintenance of Equipment		
Ownership	Owns or Leases	Does Not Own Any
Maintenance	Prepares Specs	Passenger Equipment
		Maintains as per Specs
		and Funding
Accounting		
Fares and Tariffs	Determines	Collects as Required
Records	Has Inspection	Keeps All Operating
	and Audit Rights	Records
Subsidies	Sole Responsibility	Prepares Estimate of
	to Obtain Funds	Needed Subsidy
		Conrail Must Keep or Cause Amtrak to Perform Under All Aspects of the
		SEPTA/Conrail Operating Agreement

EXHIBIT III

SEPTA Area Annual Rail Commuter Ridership



**SEPTA's Conrail Commuter Service
Costs, Revenues and Subsidy
Loss Absorbed by Railroads and Unfunded Deficit
1965 Through 1981
In Thousands of Dollars**

Fiscal Year	Actual or SEPTA Estimated Avoidable Cost	Avoidable Cost Based on Amtrak/Conrail Estimate	Railroad Subsidy	Federal Subsidy	State & Local Subsidy	SEPTA Estimated Unfunded Deficit	Conrail/Amtrak Estimated Unfunded Deficit
1965	\$24,850	\$—	\$6,920	\$14,347	\$3,383	\$—	\$—
1966	24,120	—	4,161	14,405	5,554	—	—
1967	24,898	—	3,013	15,498	6,385	—	—
1968	25,795	—	1,463	16,232	8,100	—	—
1969	26,882	—	507	17,875	8,600	—	—
1970	29,075	—	2,849	17,826	8,600	—	—
1971	33,634	—	4,342	20,042	9,250	—	—
1972	38,922	—	4,075	21,997	10,850	—	—
1973	40,482	—	3,427	22,530	14,525	—	—
1974	44,769	—	2,758	22,576	19,434	—	—
1975	50,309	—	5,332	22,377	1,919	—	—
1976	58,863	—	3,568	23,725	20,661	—	—
1977	73,108	81,220	—	29,364	21,472	—	2,237**
1978	72,369	80,228	—	31,390	20,847	—	7,837
1979	82,692	88,144	—	33,870	19,428	2,495	7,947
1980	96,824	102,040	—	36,077	16,930	12,317	15,733
*1981	105,821	—	—	52,963	36,998	—	—

NOTE:

* 1981 SEPTA Budget Estimate

** Deficit is after applying available Section 17 funds of \$6,875.

EXHIBIT IV

EXHIBIT V

SEPTA Commuter Rail Program Cost of Operations Philadelphia and Reading Districts

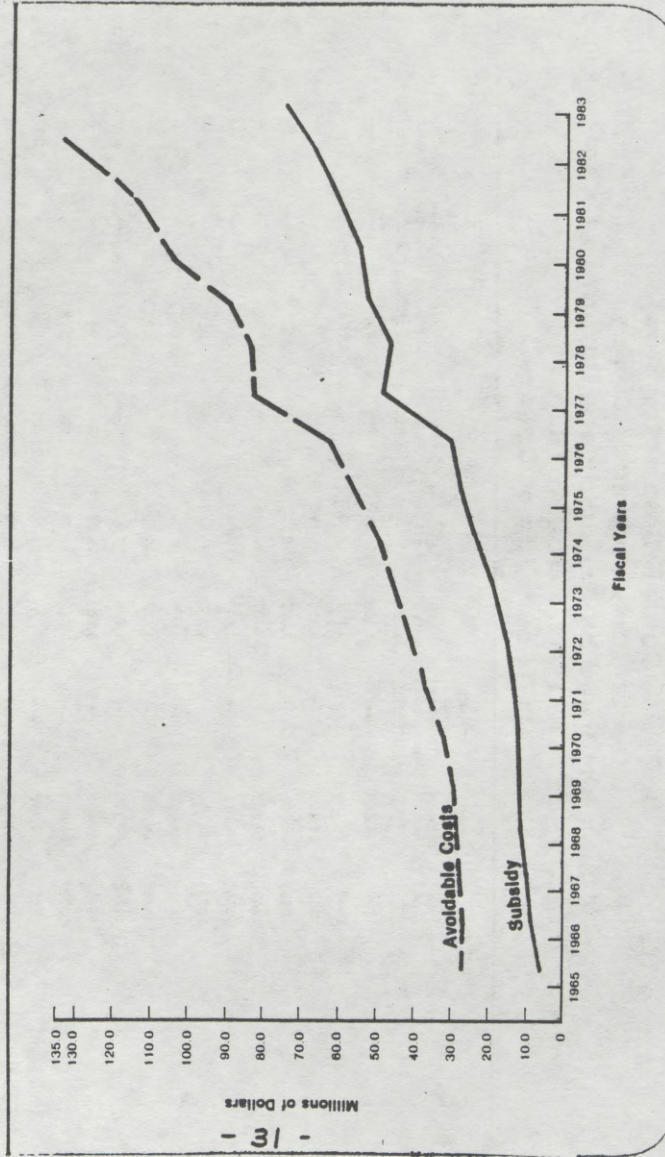
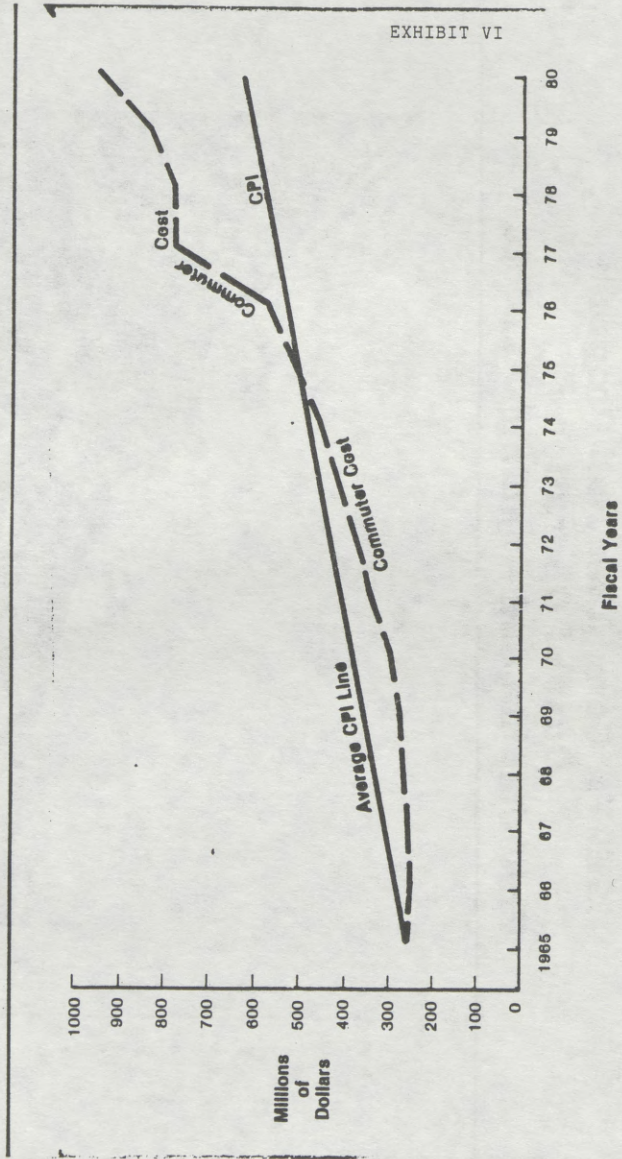


EXHIBIT VI

SEPTA's Commuter Cost vs. Consumer Price Index



SEPTA Commuter Rail Program Cost of Operations Philadelphia and Reading Districts

EXHIBIT VII

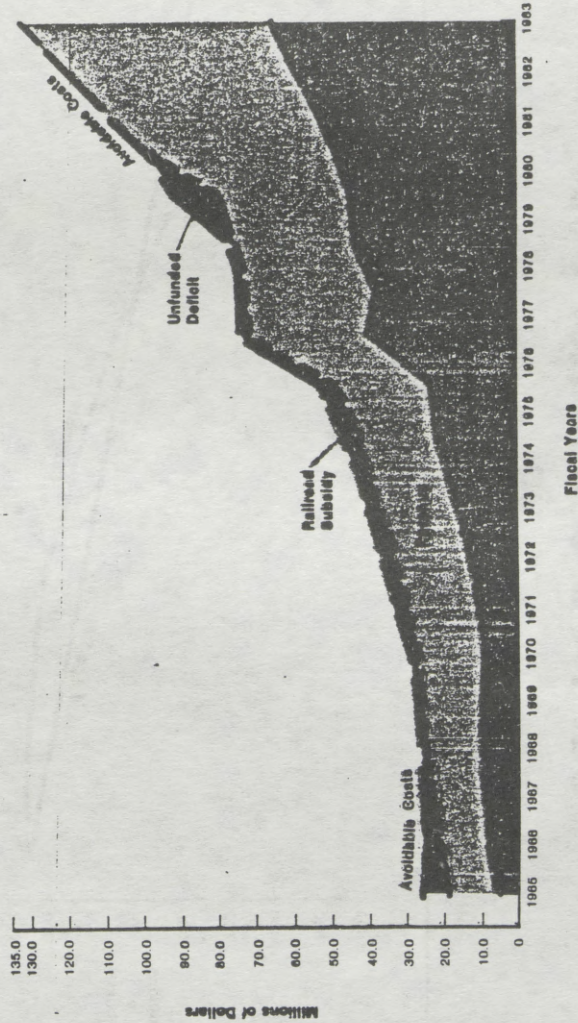


EXHIBIT VIII
page 1 of 2

SEPTA Rail Commuter Program Subsidy Income Philadelphia and Reading Districts

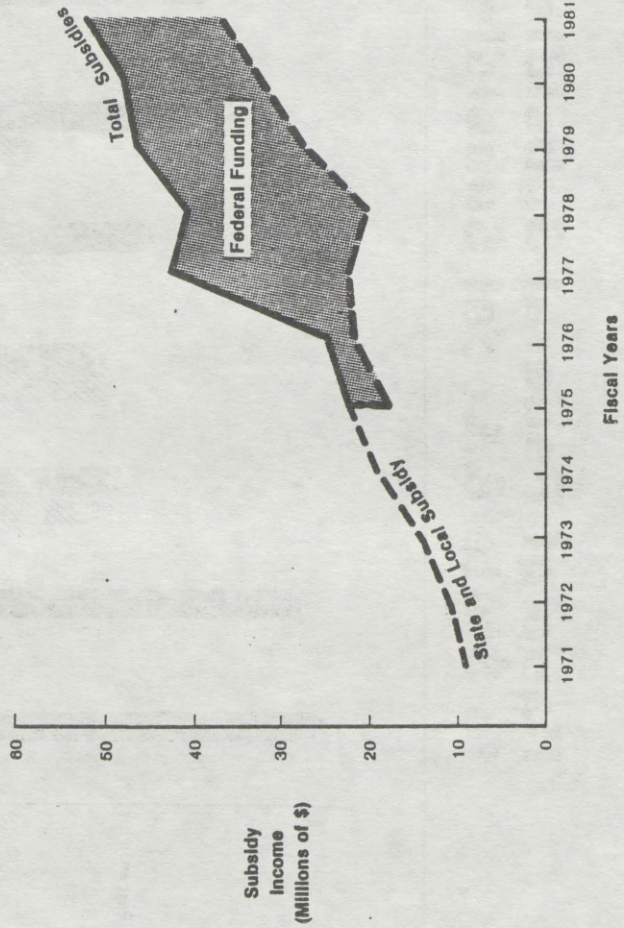
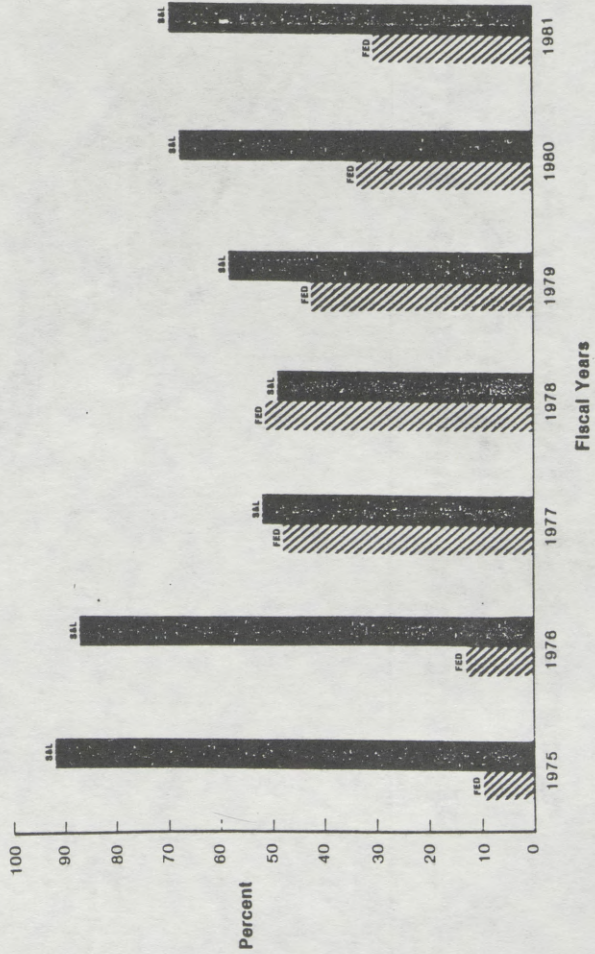


EXHIBIT VIII
Page 2 of 2

Ratio of Federal Subsidies to State & Local Subsidies



SEPTA COMMUTER RAILROAD SYSTEM

EXHIBIT IX

EXHIBIT IX

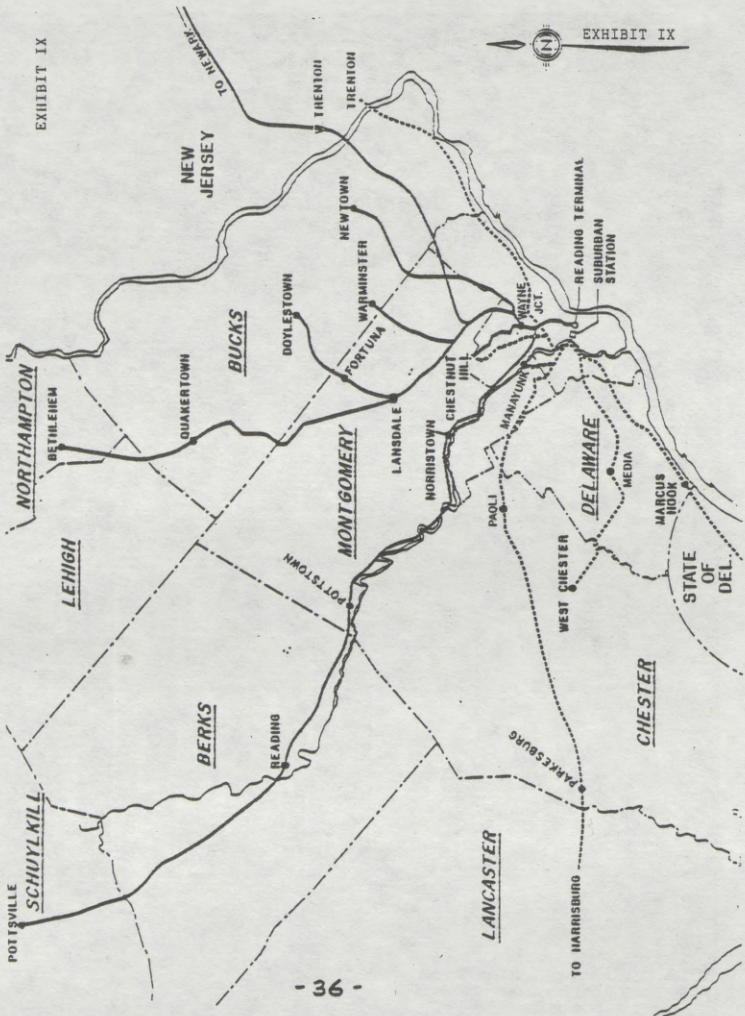
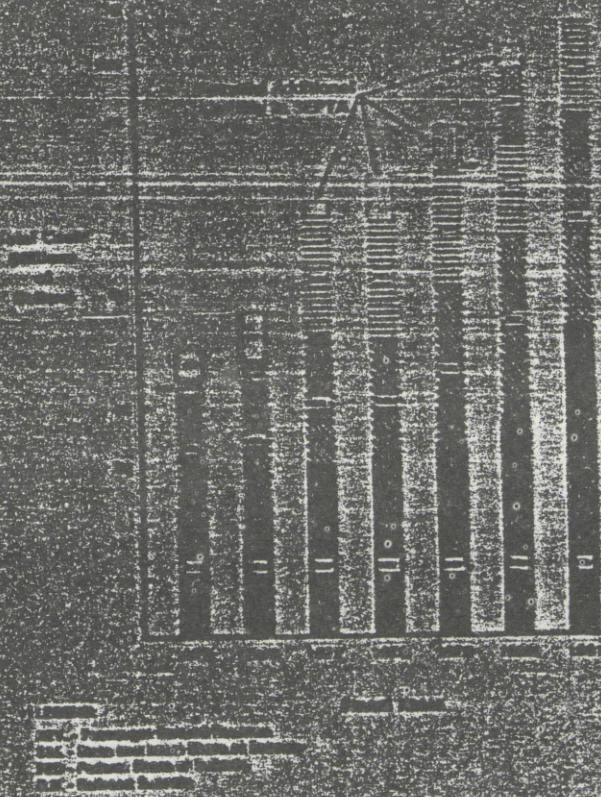


EXHIBIT X

SEPTA Rail Commuter Program **Relationship of Revenues, Federal, State** **and Local Subsidies** **and Losses Absorbed by Railroads to** **Total Costs**



Fares/Operating Cost

	FY 80 Est./Act	FY 81 with Fare Change
Commuter Rail	38%	49.0%
City Transit	49%	52.9%
Red Arrow	50%	53.6%
Frontier	50%	54.5%

Major Inflation Factors

F.Y. 81 vs. F.Y. 80

	Railroad % Inflation
Labor	12.3%
Fringes	10.7
Propulsion Power	35.0
Fuel	75.0
Materials & Supplies	17.5
Injuries and Damages	9.8%

EXHIBIT XII

EXHIBIT XIII



Examples of Conrail Inefficiency

- On October 16, 1979, a Conrail system supervisor visited Paoli Car Shop on third track. He found no activity by workmen or supervision and photographed two of the supervisors sleeping. The only disciplinary action by Conrail was to demote the Assistant General Foreman to Gang Foreman.
- On December 5, 1979, a member of the switching crew at Paoli Car Shop was interrogated by Police for alleged theft of gasoline from an Amtrak vehicle. The crew member who was supposed to be at work reported that he was not stealing since he was drinking at a local bar at the time of the incident. Conrail did not take any action.
- From February, 1977 until February, 1978, Conrail's Altoona Shops failed to properly repair SEPTA's Model #1252 traction motors by performing poor workmanship, not vacuum impregnating armatures and field coils, using defective bearings, and not following instructions. This resulted in premature failure of 188 of these Model #1252 traction motors between November, 1977 and March, 1978. The cost of these failures exceeded \$700,000.

Conrail Financial Status Report Philadelphia District Service Jan. 1 - March 31, 1980

	Recorded Costs Jan.-Mar. '80
Revenues Attributable For:	
1. Passenger	\$5,259,961
2. Dining & Buffet	0
3. Pass Rider Allowance	332,119
4. All Other	273,177
5. Total Revenues Attributable (Lines 1 through 4)	\$5,865,257
Avoidable Costs For:	
6. Maintenance of Way and Structures	\$1,089,132
7. Maintenance of Equipment	3,280,080
8. Amtrak Cost Package	1,225,011
9. Transportation	5,407,942
10. Miscellaneous Operations	218,613
11. General	300,031
12. Fringe Benefits	1,712,641
13. Taxes	268,914
14. Casualty Reserve Account	404,874
15. Performance Standards	0
16. Total Avoidable Costs (Lines 6 through 15)	\$13,937,238
Return on Value For:	
17. Valuation of Property (Line 17a - 17b)	
a. Book Value of Equipment	
b. Book Value of Roadway and Structures: NEC	
CRC	\$77,325
18. Rate of Return	0
19. Total Return on Value (Line 17 × Line 18): NEC	\$8,149,306
CRC	
20. Subsidy Estimate (Line 5 - Lines 16 and 19)	
21. Financial Assistance From Subsidizer	
22. Estimated Emergency Operating Assistance from the Secretary (Line 20 - 21)	
Traffic and Operating Data:	
1. Number of Passengers Carried	5,111,001
2. Total Car Miles	1,538,651

EXHIBIT XVI

Budgeted Operating Subsidies **\$ Millions**

	FY '80	FY '81	Percent Change
Federal	\$49.7	\$50.8	2%
State	66.4	77.2	16
Local	34.3	39.6	16
Total Subsidies	\$150.4	\$167.6	11%

Potential Service Reductions Commuter Railroad Operation

Annual Savings

Combine Peak Trains Into Longer Trains on 7 Lines
(Paoli, Media, Chestnut Hill West, Wilmington,
West Trenton, Lansdale, and Norristown)

\$1,120,000

Eliminate All Reading-Pottsville Service

1,668,000

Eliminate All Bethlehem Service

1,000,000

Eliminate All Service on 5 Branches

Elwyn-West Chester

323,000

Chestnut Hill East

1,744,000

Manayunk

481,000

Newtown

587,000

Newark, NJ (PA Portion)

179,000

\$7,102,000

EXHIBIT XVII

**SEPTA Operating Budget
Conrail Commuter Service
Philadelphia District
Fiscal Year 1981**

**Maintenance of Equipment Function
Management Center #44710 (Paoli Shop)***

Month	Straight Labor	Premium Labor	Material	Other	Total
July	\$239,903	\$11,394	\$582,836	\$—	\$834,133
August	255,173	14,162	367,481	—	636,816
September	251,924	15,427	370,337	—	637,688
October	313,819	17,758	869,670	11,820	1,212,867
November	279,819	16,830	634,663	20,484	951,596
December	249,943	11,481	518,082	14,871	794,377
January	270,956	18,227	331,035	9,979	630,197
February	291,313	18,953	401,904	18,063	730,233
March	287,723	18,163	520,309	12,883	839,078
April	267,788	10,553	420,652	21,145	720,138
May	303,333	12,387	525,375	10,644	851,739
June	272,301	9,941	335,434	12,587	630,263
Total Fiscal Year	\$3,283,795	\$175,076	\$5,877,778	\$132,478	\$9,469,125

* Note: There are about 200 Management Centers that will be used to accumulate cost for this District.

EXHIBIT XIX

Railroad Economy Program FY 1981

	\$ Thousands
A - Ticket Collectors (Trans.)	\$470*
B - Car Cleaners (M of E)	591*
C - Station Agents (Trans.)	368*
D - Station Cleaners (Trans.)	146*
E - Cafe Attendants (Trans.)	136*
F - Ushers (Trans.)	65*
G - Administration (General)	66
H - Shop Positions (M of E)	213
I - Paoli IE Program (M of E)	263
J - Towerman - Baldwin (Trans.)	55
K - Reduce Car Fleet (M of E)	539
L - Car 252 (M of E)	267
M - Operational Safety (M of E)	214*
N - Labor Rule Changes (Trans.)	1,049
O - Operational Savings - Capital Program (M of W)	441
P - Casualty Reserve Funding Reduction	113
TOTAL	\$4,996

* Already Implemented

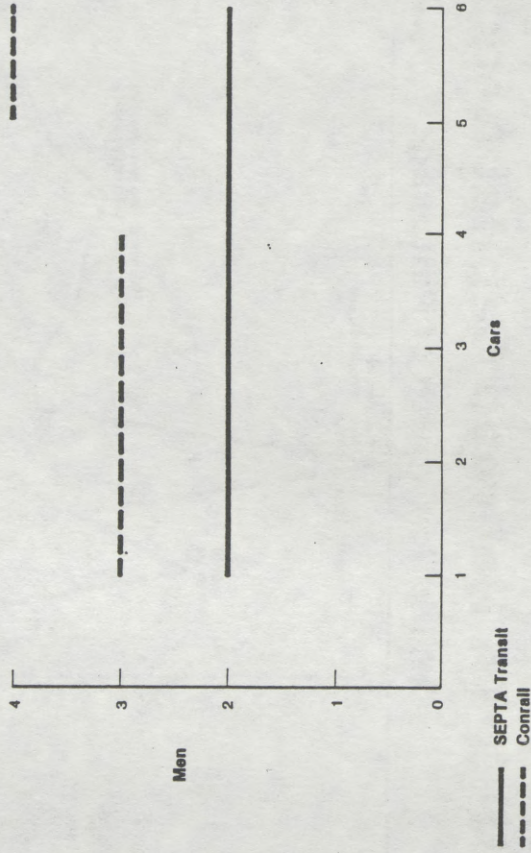
Comparison of Conrail and SEPTA Employee Wages

	Daily Base Rate		Annual Base Rate + Fringes		1980 Estimated Annual Cost	
	SEPTA	Conrail	SEPTA	Conrail	SEPTA	Conrail
Station Operations						
Ticket Clerk	\$62.97	\$71.60	\$21,013	\$22,379	\$23,900	\$25,100
Transportation						
Engineer	8.08	8.88	21,573	22,195	27,700	37,200
Conductor	8.08	8.73	21,573	21,828	27,700	33,900
Trainmen	—	7.86	—	19,656	—	31,500
Maintenance of Equipment						
Electrician	8.34	9.70	22,264	24,254	27,700	26,000
Machinist						
Blacksmith						
Maintenance of Way						
Trackman	7.87	7.99	21,010	19,982	23,700	24,300

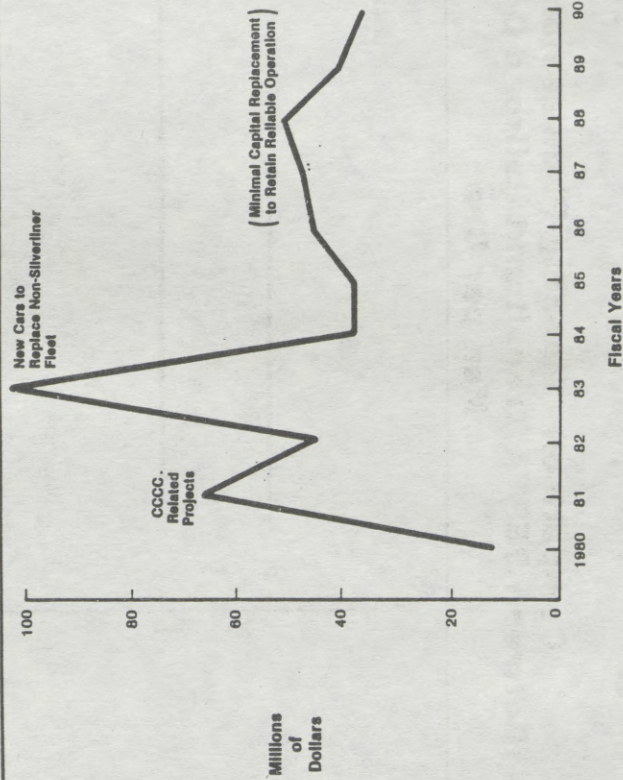
SOURCES: Conrail's Regional Personnel Office and Regional Timekeeping Section
SEPTA's Industrial Relations and Employee Relations Department

EXHIBIT XX
Page 1 of 2

Comparison - Manning Requirements Between SEPTA Translt and Railroad Operation Men per Car



SEPTA Railroad Capital Needs (With No Growth of Patronage)





COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF TRANSPORTATION
HARRISBURG, PENNSYLVANIA 17122

EXHIBIT XXII
Page 1 of 3

OFFICE OF
SECRETARY OF TRANSPORTATION

April 26, 1979

Mr. Joseph T. Mack
Acting General Manager
Southeastern Pennsylvania
Transportation Authority
12 South Twelfth Street
2028 PSFS Building
Philadelphia, Pennsylvania 19107

Dear Mr. Mack:

The Pennsylvania Department of Transportation is aware that commuter rail service in Southeastern Pennsylvania may be discontinued on or after July 1, 1979 unless an offer of financial assistance for the continuation of that service is made to the Consolidated Rail Corporation (ConRail) on or before April 30, 1979. We understand that the Southeastern Pennsylvania Transportation Authority (SEPTA) has given ConRail notice of SEPTA's intention to offer such assistance.

We also understand that a subsidizer such as SEPTA is required by federal law to undertake a binding commitment to (1) make monthly estimated subsidy payments in advance, (2) pay interest on late payments, and (3) pay an actual subsidy payment as determined retroactively on the basis of actual attributable revenues, avoidable costs and a reasonable return on value, all as calculated in accordance with the "Railroad Revitalization and Regulatory Reform Act" and the "Standards for Determining Commuter Rail Service Continuation Subsidies and Emergency Operation Payments" of the Rail Services Planning Office (the "Standards") (49 C.F.R. §1127) and the operating agreement between SEPTA and ConRail.

Under the Standards, SEPTA's offer of financial assistance must be accompanied by evidence that SEPTA has the "financial resources to subsidize the service and otherwise fulfill its contractual obligations."

This will advise you that, in light of our desire to assure continuation of commuter rail service in Southeastern Pennsylvania for the nine month period July 1, 1979 through March 31, 1980, the Commonwealth of Pennsylvania hereby states its intention to contract with SEPTA (for the purchase of service from ConRail) in nine equal payments, payable monthly in advance, the sum of \$15,500,000 to cover the Commonwealth's purchase of service obligation in the nine counties served by the SEPTA commuter rail contract. We will ini-

Mr. Joseph T. Mack
Page 2
April 26, 1979

tiate the necessary actions to secure appropriations to make available to SEPTA the payments above referred to and necessary funds for the balance of the fiscal year. The Commonwealth further agrees that if we fail to make timely payments to SEPTA and such failure results in the imposition of interest charges against SEPTA, we will promptly work with SEPTA to arrange or provide justifiable and agreed to funding in accordance with State laws and regulations equal to the amount of interest resulting from said failure which SEPTA must pay to ConRail.

In addition, upon retroactive determination of the actual subsidy payment payable by SEPTA to ConRail for continuation of the above-described service for the period July 1, 1979 - March 31, 1980, we recognize our obligation to work with SEPTA to provide any funds that may be necessary to bring the total of Commonwealth payments, up to our agreed proportion of the non-federal share of that actual subsidy payment. The Commonwealth further agrees to continue its arrangement with SEPTA for the Allentown-Philadelphia service on the same basis as is currently being negotiated. Correspondingly, we understand that SEPTA will pay to or credit to us any amount that may be necessary to reduce the net Commonwealth payments to 66-2/3% of the non-federal share of the actual subsidy payment for the Southeastern Pennsylvania area for these services.

We expect that in exchange for the Commonwealth commitments which are expressed above, ConRail will fulfill its obligations to provide high quality railroad passenger services, to make continuing efforts to improve the efficiency of its operations, and to offer full cooperation with State and local officials in providing, in a timely manner, necessary financial and operating data.

We authorize the submission of this letter to ConRail as evidence of SEPTA's financial resources.

Sincerely yours,

Thomas D. Larson, P.E.
Secretary of Transportation

Commuter Service Estimated Maximum Unfunded Deficit (Millions of Dollars)

SEPTA Estimate:	Fiscal Years				Total
	1977	1978	1979	1980	
Costs	\$73,108	\$72,389	\$82,692	\$98,624 ⁽¹⁾	\$326,813
Revenue	29,384	31,390	33,670	38,077	132,521
Deficit	\$43,724	\$40,999	\$49,022	\$60,547	\$194,292
Less Subsidy	43,724	40,999	46,527	48,230	179,480
Estimated Deficit	\$0	\$0	\$2,495	\$12,317	\$14,812
Audit Recommendations Disputed by Conrail:	\$5,616	\$4,508	\$1,749	—	\$11,873
Additional Amtrak Costs (Unaudited):					
Amtrak Billing	\$2,496	\$3,329	\$832	\$—	\$6,657
SEPTA Estimate	—	—	2,871	3,416	6,287
Maximum Est. Deficit	\$8,112	\$7,837	\$7,947	\$15,733	\$39,629
Estimated Section 17 Funding Available (SEPTA)	5,875	—	—	—	5,875
Max. Estimated Deficit Requiring State and Local Funds	\$2,237	\$7,837	\$7,947	\$15,733	\$33,754

⁽¹⁾ Three-quarters unaudited actual and one-quarter estimated.

EXHIBIT XXII
Page 3 of 3

EXHIBIT XXIII

COMMUTER SERVICE RAIL STATISTICS BY OWNERSHIP

	<u>SEPTA</u>	<u>Conrail</u>	<u>AMTRAK</u>	<u>Total</u>
Route Miles	151	102	112	365
Track Miles	270	150	417	837
Stations	127	25	58	210

SEPTA
8/21/80

EXHIBIT XXIV

BRIEF DESCRIPTION OF EQUIPMENT
PHILADELPHIA DIVISION AREA

There are 249 cars operating on the Philadelphia Division of ConRail, consisting of the following types:

- 11 - 73-foot MU cars seating 86 passengers, built between 1931 and 1950. (SEPTA owned)
- 46 - E-6, 65-foot cars, seating 72 passengers, built in 1950-1951 (18 owned by NJDOT)
- 5 - Silverliner I (Pioneer), 85-foot air-conditioned cars, seating 125 passengers, built in 1958. (SEPTA owned)
- 37 - Silverliner II, 85-foot air-conditioned cars, seating 122-124 passengers, built in 1963-1964 (owned by City of Phila.)
- 20 - Silverliner III, 85-foot air-conditioned cars, seating 100-122 passengers, built in 1967 (owned by City of Phila.)
- 130 - Silverliner IV, 85-foot air-conditioned cars, seating 127 passengers, built in 1974-1976. Cars operate as single cars and as married pairs. (SEPTA owned)

249 * Total

*Total includes 11 - 73 foot MU cars borrowed from the Reading Division area and 18 - E-6, 65 foot cars owned by NJDOT.

Section U - Capital Equipment Inventory
 Part 1 - Transit Vehicle Characteristics
 Type of Service (Model)^b COMMUTER RAIL
 DECEMBER 31, 1979
 as part of their inventory and note source
 under Special Features),
 1 OF 3

1. Fleet Numbers	2. Quantity	3. Manufacturer	4. Model Number	5. Year Built	6. Year Acquired	7. Age	8. No. of Seats	9. Special Features (e.g. A/C, Gasoline or Diesel)
648 - 690	5	PENNSYLVANIA RAILROAD	E-5	1911-26*	1911-1916	60.5	72	
411 - 458	28	"	E-6	1950-51	1950-1951	23.5	72	
244 - 248	5	BUPP CO.	PIONEER III (SL I)	1958	1958	21	125	AIR CONDITIONING, RADIO, TOILET
201 - 219	18	"	SILVERLINER (SL II)	1963-64	1963-1964	15.5	124	AIR CONDITIONING, RADIO
251 - 269	19	"	"	1964-64	1963-1964	15.5	127	AIR CONDITIONING, RADIO
220 - 229	10	G. S. I.	SILVERLINER (SL III)	1967	1967	12	122	AIR CONDITIONING, RADIO, TOILET
230 - 233	4	"	"	1967	1967	12	100	AIR CONDITIONING, RADIO, TOILET
234 - 239	6	"	"	1967	1967	12	101	AIR CONDITIONING, RADIO, TOILET
270 - 303	34	G.E. CO.	SILVERLINER (SL IV)	1974-75	1974-1975	4.5	127	AIR CONDITIONING, RADIO, PA SYSTEM
304 - 375	72	"	"	1976	1975	4	127	AIR CONDITIONING, RADIO, PA SYSTEM
376 - 399	24	"	"	1976	1976	3	127	AIR CONDITIONING, RADIO, PA SYSTEM
								EXHIBIT XXV
*Total cars includes 5 cars (648-690) owned by SEPTA but non-operational.								

10. Total Transit Vehicles 225*

11. Average Vehicle Age 11.25 YRS

12. Transit Fleet Seat Capacity 26,322

* REBUILT IN 1951-1953

Please complete inventory information for all vehicles used in regularly scheduled service, as of the end of the reporting year.

Please complete information in Section D for each type of service indicated by question 17, Section A.

BRIEF DESCRIPTION OF EQUIPMENTREADING DIVISION AREA

- 102 - Silverliner IV cars were delivered to the Reading Division of ConRail between May 1974 and February 1977. Seating is 127 (60 owned by City of Phila.)
- 17 - Silverliner II, 85-foot air-conditioned MU cars, seating 127 passengers, built in 1963. (Owned by the City of Philadelphia)
- 38 - 73-foot MU cars, seating in most cases 86 passengers, built between 1931 and 1950, were rebuilt in 1964-1965 (owned by City of Phila.)
- 19 - 85-foot RDC's, diesel, self-propelled cars, seating in most cases 103 passengers, built between 1951 and 1962 (4 owned by SEPTA, 12 by City of Phila., 3 by State of Pa.)
- 6 - 72-foot Conventional Coaches, converted for push-pull service in 1966, seating from 57 to 75 passengers, originally built between 1922 and 1927. (SEPTA owned)
- 3 - 1,500 H.E. Diesel Locomotives, built between 1950 and 1952, converted for push-pull service in 1966. (SEPTA owned)

The present fleet consists of 185 cars, which includes three diesel locomotives.

185 Total

Section U - Capital equipment inventory CONRAIL - READING DISTRICT
 Part I - Rail Vehicle Characteristics RAIL COMMUTER
 DECEMBER 31, 1974
 Type of Service (Mode) COMPUTER RAIL

1. Fleet Numbers	2. Quantity	3. Manufacturer	4. Model Number	5. Year Built	6. Year Acquired	7. Age	8. No. of Seats	9. Special Features (e.g. A/C, Gasoline or Diesel)
802 - 834	11	BETHLEHEM STEEL	EPA	1931	1931	48	86	AIR CONDITIONING
9101 - 9109	9	"	EEZ	1931 - 32	1931 - 1932	47.5	86	AIR CONDITIONING
9110 - 9138	29	"	"	1931 - 32	1931 - 1932	47.5	86	AIR CONDITIONING
9001 - 9017	17	BUD CO.	SILVERLINE (SL II)	1964	1964	15	127	AIR CONDITIONING, RADIO, PA SYSTEM
9018 - 9031	14	GE CO.	SILVERLINE (SL IV)	1974	1974	5	127	AIR CONDITIONING, RADIO, PA SYSTEM
101 - 108	8	"	"	1975	1975	4	127	AIR CONDITIONING, RADIO, PA SYSTEM
109 - 178	66	"	"	1976	1976	3	127	AIR CONDITIONING, RADIO, PA SYSTEM
171 - 188	14	"	"	1976	1977	3	127	AIR CONDITIONING, RADIO, PA SYSTEM
9151 - 9162	12	BUD CO.	RDC-1	1962	1962	17	103	AIR CONDITIONING, TOILET
9163	1	"	"	1951	1962	28	89	AIR CONDITIONING, TOILET
9164	1	"	"	1955	1968	24	89	AIR CONDITIONING, TOILET
9165	1	"	"	1955	1968	24	70	AIR CONDITIONING, TOILET
9166	1	"	"	1957	1965	22	49	AIR CONDITIONING, TOILET
9167	1	"	"	1953	1975	26	89	AIR CONDITIONING, TOILET
9168	1	"	"	1951	1975	28	89	AIR CONDITIONING, TOILET
9169	1	"	"	1956	1975	23	89	AIR CONDITIONING, TOILET
1547	1	BETHLEHEM STEEL	PBR	1927	1927	52	49	AIR CONDITIONING, TOILET

EXHIBIT XXVII

10. Total Transit Vehicles _____
 11. Average Vehicle Age _____
 12. Transit Fleet Seat Capacity _____
 * REBUILT IN 1964

Please complete inventory information for all vehicles used in regularly scheduled service, as of the end of the reporting year.
 Please complete information in Section 0 for each type of service indicated by notation 7. Section A.

3 OF 3

- 58 -

Please complete inventory information for all vehicles used in regularly scheduled service, as of the end of the reporting year.

10.	Total Transit Vehicles	1,196	to
11.	Average Vehicle Age	18.3	years
12.	Transit Fleet Seat Capacity	21,467	(in thousands)

[Whereupon, at 12:30 p.m. the hearing adjourned.]

○

