

SERVICE DATE – JANUARY 29, 2021

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36400

CHESTER COUNTY, PA.—PETITION FOR DECLARATORY ORDER

Digest:¹ Before taking further action on a petition for declaratory order filed by Chester County, Pa., the Board requests comment from the County on documents the agency has obtained from the National Archives and Records Administration.

Decided: January 28, 2021

By petition filed on May 20, 2020, Chester County, Pa. (the County), seeks a declaratory order that a railroad right-of-way in Warwick Township, Pa., and West Nantmeal Township, Pa., that was formerly owned by The Wilmington and Northern Railroad Company (Wilmington & Northern) has not been abandoned and that the Board retains jurisdiction over the right-of-way. (Pet. 3-4.) The County states that it acquired the right-of-way from the Friends of St. Peters Village and Trailway in 2014² and now wishes to place a recreational trail along it. (Id. at 2-3.)

In support of its request, the County submits a 1970 order from the Board's predecessor, the Interstate Commerce Commission (ICC), permitting Wilmington & Northern to abandon and the Reading Company³ to "abandon operations" over a portion of the French Creek Branch and the Falls Extension Branch. See Wilmington & N. R.R.—Aban. in Chester Cnty., Pa., FD 26327 (ICC served Nov. 10, 1970).⁴ The order required that the authority be exercised within one year

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol'y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

² The deed describes the right-of-way as "[beginning] at a point in the centerline of said French Creek Branch at Engineering Station 34+71, more or less, thence extending along said right-of-way 27,601.2 lineal feet, more or less, to Engineering Station 310+72.2, more or less, to the place of ending." (Pet., Ex. A at 2.)

³ It appears that Wilmington & Northern and the Reading Company were related entities. See, e.g., RailAmerica, Inc. & Del. Valley Ry., Pet. to Set Subsidy Terms Under 49 U.S.C. 744(c) and 49 CFR Part 1155, FD 33285, slip op. at 1 (STB served June 24, 1998).

⁴ Specifically, the 1970 order concerned: "(1) that portion of the French Creek Branch which extends in a general easterly direction from engineering station 140 + 68 to the end of the Branch at engineering station 310 + 63.2, a distance of 3.22 miles, and (2) the Falls Extension Branch which extends in a general southerly direction from engineering station 0 + 00

and that the ICC be notified by submission of a journal entry within 60 days after exercise of the abandonment authority. Id. at 2. The County also submits a document it obtained from the National Archives and Records Administration (NARA), which appears to be an undated journal entry. (Pet. 3, Ex. C.) The County argues that, because that document is not dated, “it cannot be determined with certainty whether the abandonment authorization . . . was timely exercised.” (Pet. 3.) The County therefore “requests that the Board determine that the line was not legally abandoned because there was no indication that [Wilmington & Northern] timely filed its journal entry with the ICC.” (Id.)

In a decision served on August 14, 2020, the Board directed the County to file any additional information or documentation it has concerning the status and history of the right-of-way since 1970 and to explain, to the best of its ability, the discrepancy in the descriptions of the length of the French Creek Branch noted above. See supra note 3. That decision also noted that the Board intended to examine records in Docket No. FD 26327 held at NARA’s Maryland facility.

On September 21, 2020, the County filed its explanation for the discrepancy in the descriptions of the French Creek Branch but did not provide any additional information concerning the right-of-way. The National Association of Reversionary Property Owners also filed a comment on September 25, 2020.

DISCUSSION AND CONCLUSIONS

Under 5 U.S.C. § 554(e) and 49 U.S.C. § 1321, the Board may issue a declaratory order to terminate a controversy or remove uncertainty. The Board has broad discretion in determining whether to issue a declaratory order. See Bos. & Me. Corp. v. Town of Ayer, 330 F.3d 12, 14 n.2 (1st Cir. 2003); Delegation of Auth.—Declaratory Order Proc., 5 I.C.C.2d 675, 675 (1989). For the reasons discussed below, before deciding the merits of the petition, the Board will allow an opportunity for comment on certain documents appended to this decision.

As noted above, on November 10, 1970, the ICC authorized Wilmington & Northern to abandon and the Reading Company “to abandon operations” over a portion of the French Creek Branch and the Falls Extension Branch in Docket No. FD 26327. See Wilmington & N. R.R., FD 26327, slip op. at 1. That decision required that the authority be exercised within one year—that is, by November 10, 1971—and that a journal entry be submitted to the ICC within 60 days after exercising the authority. Id. at 2.

The Board has received from NARA the file for Docket No. FD 26327, totaling 63 pages. The third page of the file is a letter from the ICC’s Director of the Bureau of Accounts to the

(beginning point of said Branch being the point of switch at engineering station 304 + 79 in the French Creek Branch) to the end of the Branch at engineering station 15 + 67, a distance of 0.29 miles, in Chester County, Pennsylvania.” Wilmington & N. R.R., FD 26327, slip op. at 1. In its petition, the County did not explain the apparent discrepancy in the length of the French Creek Branch as described in the 1970 order (3.22 miles) and the deed for the County’s 2014 acquisition (approximately 5.2 miles).

Reading Company, responding to correspondence from the Reading Company regarding rail line retirements authorized in 11 dockets, one of which is Docket No. FD 26327.⁵ The fourth page of the file is the journal entry for the Reading Company in Docket No. FD 26327.⁶

In its letter, the ICC's Director of the Bureau of Accounts responded to letters from the Reading Company dated December 23 and 28, 1970, and January 15, 1971. The letters from the Reading Company are described as "submitting accounting" for rail line retirements in the referenced dockets, including Docket No. FD 26327, and the ICC was responding to note that the accounts were, with one exception, satisfactory. This letter from the ICC shows that the Reading Company submitted a journal entry including the accounting information for Docket No. FD 26327 prior to November 10, 1971—suggesting that the abandonment authority was exercised within the one-year period provided by the ICC. See Black Hills Transp., FD 34924, slip op. at 5 (letter from ICC to carrier referencing carrier's earlier letter dated within one year of ICC's abandonment authorization along with journal entry "conclusive evidence" that carrier exercised abandonment authority).

Prior to deciding the merits of the petition, the Board will allow an opportunity for the County to comment on the documents obtained from NARA, which are appended to this decision. Comments are due by February 18, 2021.

It is ordered:

1. Comments on the information contained in this decision are due by February 18, 2021.
2. This decision is effective on its service date.

By the Board, Board Members Begeman, Fuchs, Oberman, Primus, and Schultz.

⁵ In this context, "retirement" means consummation of abandonment authority. See Black Hills Transp.—Modified Rail Certificate, FD 34924, slip op. at 5 (STB served Jan 27, 2010).

⁶ The County provided this journal entry as Exhibit C of its petition; it did not include the letter from the ICC to the Reading Company.

OFFICE OF THE SECRETARY
SECTION OF RECORDS AND SERVICE

Date September 3, 1970

Mr. Earl S. Lockett, Chief
Docket Files Branch

The attached pleading has been given the following Docket Number and
title: FINANCE DOCKET NO. 26327, READING COMPANY and THE WILMINGTON AND NORTHERN
RAILROAD COMPANY -- ABANDONMENT -- CHESTER COUNTY, PENNSYLVANIA.

LOUISE R. SHIELDS, CHIEF
Status Branch

Copy to: Mrs. Morris, Miss Chesivoir, Mrs. Bonner, Mr. Renninger

CORRESPONDENCE

ACA-AH

Mr. C. W. Pleiss, General Auditor
Loading Company
Loading Terminal
Philadelphia, Pa. 19107

Dear Mr. Pleiss:

This refers to your letters of December 23 and 28, 1970,
and January 15, 1971, submitting accounting for retirements
authorized in the following finance dockets:

FD No. 25821	FD No. 26383-2
" " 26354	" " 26383-3
" " 26327	" " 26383-5
" " 26135	" " 26383-8
	" " 26383-9
	" " 26383-10
	" " 26383-11

Based on the information submitted, the accounting appears
satisfactory with this exception. Each entry lists charges to
account 735, Accrued Depreciation; Road and Equipment, for re-
tirement of a depreciable portion of accounts 76, Interest
During Construction, and 77, Other Expenditures; General.
Since these accounts are nondepreciable, please explain the
charges to account 735.

Very truly yours,

M. Paolo ~~Director~~

bc: Regional Auditor - Philadelphia
bc: Section of Dockets, Room 1221, For inclusion in FD Nos. .
25821, 26354, 26327, 26135, and 26383

READING COMPANY

Journal Entry

Month _____

570 - Extraordinary Items

Retirement

\$ 46,721.91

\$ 33,421.91

L. Consideration

13,300.00

(To be sold "as is where is")

701 - Cash

Consideration (Sold "as is where is").

13,300.00

737 - Miscellaneous Physical Property

Land Cost

409.28

785 - Accrued Depreciation

Retirement

9,195.32

9,195.32

Less Salvage

-

731 - Road and Equipment Property

\$ 56,326.51

Cost of Property to be RetiredDepreciableNon-Depreciable

R&E	1	\$ 212.06	\$	929.48
	2			409.28
	3	1,709.00		5,295.37
	6	6,778.96		
	8			9,979.31
	9			11,463.51
	10			7,884.41
	11			1,703.34
	12			7,000.17
	13			89.52
	39			207.52
	76	419.21		1,836.05
	77	76.09		333.23
		<u>\$ 9,195.32</u>	<u>\$</u>	<u>47,131.19</u>

To record proposed accounting in connection with the abandonment of the French Creek Branch and the Falls Extension Branch. Authority granted by the Interstate Commerce Commission in a report and certificate of Public Convenience dated November 11, 1970. Finance Docket No. 26327.

AFE 487

Correct _____

Title GENERAL BOOKKEEPER

Title _____



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, PA. 17120

November 17, 1970

IN REPLY PLEASE
REFER TO OUR FILE
F.D. 26327

Wilmington & Northern Railroad Company And Lessee Reading
Company Abandonment in Chester County, PA.

Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

Receipt is acknowledged of a copy of the Interstate
Commerce Commission's order of November 4, 1970, issued
in the above docketed proceeding.

Very truly yours,

C. J. McElwee
for C. J. McELWEE
Acting Secretary

**ADVISE OF ALL
PROCEEDINGS**

INTERSTATE
COMMERCE COMMISSION
RECEIVED
NOV 19 1970
ADMINISTRATIVE SERVICES
MAIL BRANCH

GEORGE F. LYNCH

PRACTITIONER BEFORE THE INTERSTATE COMMERCE COMMISSION

TELEPHONE
703-JA 2-9619
703-JA 2-8800

4625 SECOND ROAD, NORTH
ARLINGTON, VIRGINIA 22203

November 5, 1970

Mr. Robert L. Oswald, Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Re: Finance Docket No. 26327,
Reading Company and
Wilmington and Northern
Railroad Company -
Abandonment - Chester
County, Pa.

Dear Mr. Oswald:

Will you please place my name on the service
list in the above entitled proceeding to receive copies of
all notices, reports and orders issued therein.

Sincerely,

George F. Lynch
George F. Lynch



INTERSTATE
COMMERCE COMMISSION
RECEIVED

NOV 5 1970

ADMINISTRATIVE SERVICES
A MAIL BRANCH

ADVISE OF ALL
PROCEEDINGS

5337
RECORDS & SERVICE

FILE IN DOCKET

SEP 22 4 08 PM 1970

September 18, 1970

RECEIVED

In Reply Refer To:
Finance Docket No.
26327

Mr. Joel E. Mazor, Esquire
Reading Company
415 Reading Terminal
Philadelphia, PA 19107

Dear Mr. Mazor:

This refers to the application of the Reading Company and The Wilmington and Northern Railroad Company in the above-numbered proceeding for permission to abandon a line of railroad, as described in the enclosed form of notice.

It is requested that the notice be examined and, if it correctly describes the transaction proposed, it should be published and posted as required in section 42.5 of the Commission's order of November 27, 1941. If it does not describe the transaction correctly, please advise.

Sincerely yours,

RICHARD BLOCK, JR.
Deputy Director
Section of Finance

ENCLOSURE

[Handwritten signature] *[Handwritten mark]* *[Handwritten mark]*

NOTICE

THE WILMINGTON AND NORTHERN RAILROAD COMPANY AND LESSEE
READING COMPANY hereby give notice that on the 2nd day of
September, 1970, they filed with the Interstate Commerce
Commission at Washington, D. C., an application for a certi-
ficate of public convenience and necessity permitting abandon-
ment by The Wilmington and Northern Railroad Company, and
operations thereover by the Reading Company to (1) that
portion of the French Creek Branch which extends in a general
easterly direction from engineering station 140+68 to the
end of the Branch at engineering station 310+63.2, a dis-
tance of 3.22 miles, and (2) the Falls Extension Branch which
extends in a general southerly direction from engineering
station 0+00 (beginning point of said Branch being the point
of switch at engineering station 304+79 in the French Creek
Branch) to the end of the Branch at engineering station 15+67,
a distance of 0.29 miles, all in Warwick Township, Chester
County, Pennsylvania, Finance Docket No. 26327. The proceed-
ing will be handled without holding hearings unless protests
are received indicating a need for such hearings. Any
protests submitted should be filed with the Commission promptly
after public notice has been given by the railroads.

THE WILMINGTON AND NORTHERN RAILROAD COMPANY
AND LESSEE READING COMPANY



READING COMPANY

LAW DEPARTMENT

READING TERMINAL, PHILADELPHIA, PA. 19107

LOCKWOOD W. FOGG, JR.

ALLEN LESLEY

JAMES E. FROST
GENERAL ATTORNEYS

ALFRED W. HESSE, JR.

VICE PRESIDENT AND GENERAL COUNSEL

JOEL E. MAZOR

B. DAVID SIGMAN

ASSISTANT GENERAL ATTORNEYS

JOSEPH M. O'MALLEY

ATTORNEY

SEP 22 1970

September 18, 1970.

RECORDS & SERVICE
MAIL BRANCH

French Creek Branch of
The Wilmington and Northern Railroad Company
Finance Docket No. 26327

FILE IN DOCKET

Railway Labor Executives' Association
Railway Labor Building
400 1st Street, N. W.
Washington, D. C. 20001

Gentlemen:

We are in receipt of a copy of your letter of September 10, 1970, addressed to the Interstate Commerce Commission concerning the captioned abandonment application.

We enclose a copy of the application and direct your attention to paragraph (k), indicating applicant's consent to conditions for protection of employees should the application be granted.

Very truly yours,

Joel E. Mazor

Enc.
JEM/n

cc:
Robert L. Oswald, Secretary

R-5337

U.S.D.
RECORDS & SERVICE

SEP 22 4 07 PM 1970

FILE IN DOCKET

FINANCE DOCKET NO. 26327

RECEIVED

PLEASE ADVISE OF ALL NOTICES, REPORTS AND ORDERS ISSUED
IN THIS PROCEEDING:

Mr. Lawrence N. Stevens
Acting Director
United States Department
of the Interior
Bureau of Outdoor Recreation
Washington, D. C. 20240

ADVISE OF ALL
PROCEEDINGS



READING COMPANY

LAW DEPARTMENT
READING TERMINAL, PHILADELPHIA, PA. 19107

FILED

LOCKWOOD W. FOGG, JR
JAMES E. FRICK
GENERAL ATTORNEYS

ALFRED W. HESSE, JR.
VICE PRESIDENT AND GENERAL COUNSEL

SEP 17 1970
JOEL E. MAZOR
B. DAVID SIGMAN
JOSEPH M. O'MALLEY
ASSISTANT GENERAL ATTORNEYS

September 15, 1970
File: G-13285

INTERSTATE
COMMERCE COMMISSION

Application of Reading Company and The Wilmington and Northern Railroad Company for a certificate of public convenience and necessity authorizing the abandonment of a portion of the French Creek Branch and the Falls Extension Branch in Chester County, Pennsylvania.

Finance Docket No. 26327

FILE IN DOCKET

SEP 17 1 15 PM '70
Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

Certificate of Service

In accordance with the requirements of your Commission, I hereby certify that I today served by first class mail a conformed copy of the Application and the Return to Questionnaire filed in the above entitled proceeding on the Governor of Pennsylvania and the Pennsylvania Public Utility Commission, advising them that if they desire to be heard in this matter they should advise your Commission within twenty days of their interest in the proceeding.

Very truly yours,

Joel E. Mazor
Joel E. Mazor

JEM:bw

INTERSTATE
COMMERCE COMMISSION
RECEIVED

SEP 17 1970

RECORDS & SERVICE
MAIL BRANCH

READING COMPANY

LAW DEPARTMENT
READING TERMINAL, PHILADELPHIA, PA. 19107

LOCKWOOD W. FOGG, JR.
ALLEN LESLEY
JAMES E. FRICK
GENERAL ATTORNEYS

ALFRED W. HESSE, JR.
VICE PRESIDENT AND GENERAL COUNSEL

JOEL E. MAZOR
B. DAVID SIGMAN
ASSISTANT GENERAL ATTORNEYS
JOSEPH M. O'MALLEY
ATTORNEY

September 15, 1970.

Re: Finance Docket No. 26327
French Creek Branch of
The Wilmington and Northern Railroad Company

Congress of Railway Unions
Room 800, Railway Labor Building
400 1st Street, N.W.
Washington, D. C. 20001

Gentlemen:

We are in receipt of a copy of your letter of September 10, 1970, addressed to the Interstate Commerce Commission concerning the captioned abandonment application.

We enclose a copy of the application and direct your attention to paragraph (k), indicating applicant's consent to conditions for protection of employees should the application be granted.

Very truly yours,

Joel E. Mazor

Enc.
JEM/n

cc:



Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423



CONGRESS OF RAILWAY UNIONS

ROOM 800, RAILWAY LABOR BUILDING • 400 1st STREET, N.W. • WASHINGTON, D. C. 20001

(202) 737-7616

CHARLES LUNA, *Chairman*

DONALD S. BEATTIE, *Executive Secretary*

HAROLD CROTTY, *Vice Chairman*

September 10, 1970

Mr. Robert Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Oswald:

Please refer to application filed by the Reading Co. and Wilmington & Northern RR Co. for authority to abandon portions of French Creek and Falls Extension Branch in Chester County, Pa., identified by the I.C.C. as Finance Docket No. 26327.

Upon investigation we find the the application, if granted, may well have an adverse effect on the employees of the applicant as well as employees of other railroad carriers affected. Therefore, the Congress of Railway Unions, composed of 6 of the standard railway labor organizations, representing practically all of the several classes of employees, enters its protest in opposition to approval of this application and prays that the application will be denied, and respectfully requests notice of hearings which may subsequently be arranged.

Should the Commission determine to approve the pending application without holding an oral hearing, it is understood that the Commission will impose the so-called "Burlington" conditions for the protection of employees. If for some reason the Commission considers that the imposition of protective conditions is unnecessary in this case or that another formula of conditions should be imposed, we request the right to be heard before such action is taken.

Very truly yours,

Donald S. Beattie
Executive Secretary

cc: Mr. Joel E. Mazor
415 Reading Term
Phila., Pa.

FORWARDED TO *file* 9-14-70 *SL*

AFFILIATED ORGANIZATIONS

Brotherhood of Maintenance of Way Employees • Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers Express and Station Employees • Hotel & Restaurant Employees and Bartenders International Union • Seafarers' International Union of North America • Transport Workers Union of America • United Transportation Union

FILED
SEP 11 1970

INTERSTATE
COMMERCE COMMISSION

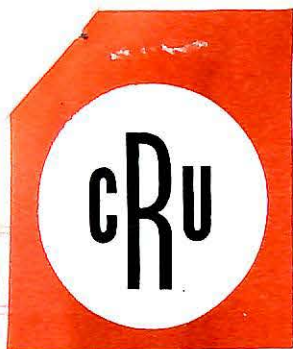
RECEIVED
SEP 11 1970

RECORDS & SERVICE
MAIL BRANCH

FILE IN DOCKET

RECEIVED

SECTION OF
RECORDS & SERVICE
SEP 11 4 04 PM '70



FILED CONGRESS OF RAILWAY UNIONS

ROOM 800, RAILWAY LABOR BUILDING • 400 1st STREET, N.W. • WASHINGTON, D. C. 20001

(202) 737-7616

CHARLES LUNA, *Chairman*

DONALD S. BEATTIE, *Executive Secretary*

HAROLD CROTTY, *Vice Chairman*

September 10, 1970

TO ALL CHIEF EXECUTIVES
Congress of Railway Unions

Dear Sirs and Brothers:

We quote below details in connection with an application filed with the I.C.C. by the Reading Co. and Wilmington & Northern RR Co., identified as Finance Docket No. 26327:

"Applied to abandon portion of French Creek Branch and Falls Extension Branch in Chester County, Pa., French Creek portion extending easterly direction from engineer station 140-68 to end of branch at engineer station 310-63.2 a distance of 3.22 miles, all in Warwick Township, Chester County, Pa., and 2 applicants' Falls Extension Branch which extends in a general southerly direction from engineer station 0-00 (beginning point of said branch being point of switch at engineer station 304-79 in the French Creek Branch) to end of branch at engineer station 15-67, a distance of 0.29 miles, all in Warwick Township, Chester County, Pa. Reason: Applicants desire to abandon both lines of RR because of extensive repairs needed to make the line operable and considerable rehabilitation is needed to enable applicant to use the line for the type of existing traffic. Such expense, in view of the declining amount of traffic on the lines resulting in declining revenues, makes the lines a burden on interstate commerce. Return to questionnaire filed but adds very little except to state that the estimated salvage value of both lines is \$61,000,000. The estimated cost of removing the lines is \$18,500. Salvage values are based on current scrap prices. Abandonment would relieve Reading Co. of the burden of rehabilitation and maintaining the lines and 6 grade crossings.

We would appreciate learning as promptly as possible to what extent any of the organizations are interested in this matter. If it develops that your organization has an interest in this proceeding, would you be agreeable that we make an effort to secure a stipulation or agreement from the applicant, for filing with the I.C.C., providing for the imposition of the Burlington conditions for protection of employees who may be adversely affected by the proposed abandonment?

AFFILIATED ORGANIZATIONS

Brotherhood of Maintenance of Way Employees • Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers Express and Station Employees • Hotel & Restaurant Employees and Bartenders International Union • Seafarers' International Union of North America • Transport Workers Union of America • United Transportation Union

Finance Docket No. 26327

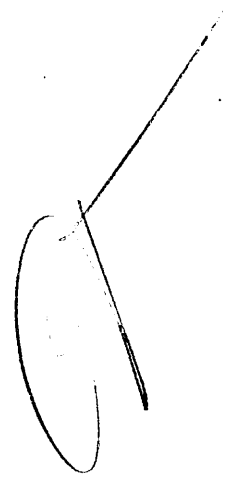
We are enclosing two copies of this communication in order that you may transmit one to your representative on the property if you so desire.

Fraternally yours,

Donald S. Berthie

Executive Secretary

cc: Nat'l Legis. Reps.

A large, stylized handwritten mark, possibly a signature or initials, consisting of a large loop and a diagonal stroke.

6



READING COMPANY

LAW DEPARTMENT
READING TERMINAL, PHILADELPHIA, PA. 19107

LOCKWOOD W. FOGG, JR.
ALLEN LESLEY
JAMES E. FRICK
GENERAL ATTORNEYS

ALFRED W. HESSE, JR.
VICE PRESIDENT AND GENERAL COUNSEL

September 1, 1970
File: G-13285

FILE IN DOCKET

26327

FINANCE DOCKET NO.

FILED SEP 2 1970

INTERSTATE COMMERCE COMMISSION

JOEL E. MAZOR
B. DAVID SIGMAN
ASSISTANT GENERAL ATTORNEYS
JOSEPH M. O'MALLEY
ATTORNEY

In re:

Application of Reading Company and The Wilmington and Northern Railroad Company for a certificate of public convenience and necessity authorizing the abandonment of a portion of the French Creek Branch and the Falls Extension Branch in Chester County, Pennsylvania.

Mr. Joseph M. Harrington, Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Sir:

There are enclosed for filing with the Commission original and ten (10) copies of application of Reading Company and The Wilmington and Northern Railroad Company for a certificate of public convenience and necessity authorizing the abandonment of a portion of the French Creek Branch and the Falls Extension Branch in Chester County, Pennsylvania, and ten (10) copies of the Return to Questionnaire.

Also enclosed is Reading Company check in the amount of \$200.00 covering the Commission's filing fee.

Very truly yours,

Joel E. Mazor
Joel E. Mazor

RECEIVED

SEP 3 9 09 AM '70

RECEIVED
SERVICE

INTERSTATE
COMMERCE COMMISSION
RECEIVED

SEP 2 1970

DEPT. OF TRANSPORTATION
& SERVICE
WASHINGTON, D.C.

JEM:ml
Encs.

ACKNOWLEDGED

SEP 9 1970

[Signature]

F.D. 26327

Certificate and

ORDER OF THE COMMISSION

SERVICE DATE
NOVEMBER 10, 1970

CERTIFICATE AND ORDER

At a Session of the INTERSTATE COMMERCE COMMISSION, Review Board Number 5, held at its office in Washington, D. C., on the 4th day of November, 1970.

Finance Docket No. 26327

WILMINGTON & NORTHERN RAILROAD CO. AND LESSEE READING CO. -
ABANDONMENT IN CHESTER COUNTY, PA.

Upon consideration of the application filed under section 1(18) of the Interstate Commerce Act, by the Reading Company and The Wilmington and Northern Railroad Company, lessor, for the former to abandon operations and the latter to abandon (1) that portion of the French Creek Branch which extends in a general easterly direction from engineering station 140 + 68 to the end of the Branch at engineering station 310 + 63.2, a distance of 3.22 miles, and (2) the Falls Extension Branch which extends in a general southerly direction from engineering station 0 + 00 (beginning point of said Branch being the point of switch at engineering station 304 + 79 in the French Creek Branch) to the end of the Branch at engineering station 15 + 67, a distance of 0.29 miles, in Chester County, Pennsylvania, and of a protest to said application filed by the Railway Labor Executives' Association and the Congress of Railway Unions on the ground that the proposed abandonment, if permitted, would have an adverse effect upon the employees of the applicant; and

It appearing, That the interest of employees will be protected by the imposition of appropriate conditions; that there is extremely limited demand for rail service in the area served by the line in the last three years; that there is no prospect for developing substantial traffic in the future; and that continued maintenance and operation of the line would impose an undue and unnecessary burden upon applicant and upon interstate commerce;

It is hereby certified, That, subject to the same conditions for the protection of employees as set forth in Chicago, B. & Q. R. Co. Abandonment, 257 I.C.C. 700, the present and future public convenience and necessity permit the abandonment by The Wilmington and Northern Railroad Company and abandonment of operations thereover by Reading Company (lessee) of the line described above;

It is ordered, That this certificate and order shall take effect and be in force from and after 35 days from the date of service hereof, and that tariffs applicable to the line herein permitted to be abandoned may be canceled upon notice to this Commission and to the general public by not less than 10 days' filing and posting in a manner prescribed in section 6 of the Interstate Commerce Act;

It is further ordered, That, when filing schedules canceling tariffs applicable to said line, the applicant shall in such schedules refer to this certificate and order by date and docket number;

It is further ordered, That, if the authority granted is exercised, applicant shall submit for the consideration and approval of the Commission, within 60 days thereof, two copies of the journal entries showing the retirement of the line from service; and

It is further ordered, That if the authority granted in this certificate and order is not exercised within one year from its effective date, it shall be of no further force or effect.

By the Commission, Review Board Number 5.

Robert L. Oswald
ROBERT L. OSWALD,
Secretary.

(SEAL)

November 10, 1970

FINANCE DOCKET NO. 26327

WILMINGTON & NORTHERN RAILROAD CO. AND LESSEE READING CO. -
ABANDONMENT IN CHESTER COUNTY, PA.

CERTIFICATE AND ORDER OF THE COMMISSION ENTERED NOVEMBER 4, 1970

A copy of the above-entitled certificate and order sent to
the following by regular mail:(7), air mail:(—) on
November 10, 1970. Total:(7)

GOVERNORS & STATE COMMISSIONS: Pa.

Donald S. Beattie
Railway Labor Bldg. Rm. 800
400 1st St., N.W.
Washington, D. C. 20001

J. G. Fisher
The Wilmington & Northern RR Co.
415 Reading Terminal
Philadelphia, Pa. 19107

Joel E. Mazor
Reading Company
415 Reading Terminal
Philadelphia, Pa. 19107

J. Taylor Coop
Ry. Labor Executives Assn.
400 1st St., N. W.
Washington, D. C. 20001

Lawrence H. Stevens
Bureau of Outdoor Recreation
U. S. Dept. of the Interior
Stop No. 43

F. D. NO. 26327

TM:LB

November 10, 1970

FINANCE DOCKET NO. 26327

WILMINGTON & NORTHERN RAILROAD CO. AND LESSEE READING CO. -
ABANDONMENT IN CHESTER COUNTY, PA.

- - - -

CERTIFICATE AND ORDER OF THE COMMISSION ENTERED NOVEMBER 4, 1970

- - - -

The undersigned agent hereby acknowledges receipt of a
copy of the above-entitled certificate and order on
November 10, 1970.

SEE NEXT PAGE -----

M.P. 11/10/70

F. D. NO. 26327

-2-

TM:LB

NO. CARRIER & AGENT

921

Reading Company
L. O. Ritchie

RECEIPT BY AUTHORIZED AGENT

L. O. RITCHIE

PER

C.H.K.

ch

PROOF OF POSTING OF NOTICE OF
APPLICATION



READING COMPANY

LAW DEPARTMENT
READING TERMINAL, PHILADELPHIA, PA. 19107

FILED

LOCKWOOD W. FOGG, JR.
JAMES E. FRICK
GENERAL ATTORNEYS

ALFRED W. HESSE, JR.
VICE PRESIDENT AND GENERAL COUNSEL

October 15, 1970
File: G-13285

OCT 19 1970

JOEL E. MAZOR
B. DAVID SIGMAN

JOSEPH M. O'MALLEY
ASSISTANT GENERAL ATTORNEYS

INTERSTATE
COMMERCE COMMISSION

Application of Reading Company and The Wilmington and Northern Railroad Company for a certificate of public convenience and necessity authorizing the abandonment of a portion of the French Creek Branch and the Falls Extension Branch in Chester County, Pennsylvania.
Finance Docket No. 26327

FILE IN DOCKET

Mr. Richard Block, Jr.
Deputy Director, Section of Finance
Interstate Commerce Commission
Washington, D. C.

Dear Sir:

Referring to your letter of September 18, 1970, in connection with the above entitled proceeding:

There are enclosed proofs, in affidavit form, of the posting and publishing of notice of filing of the application. You will note that the notice was published in the regular issues of the DAILY REPUBLICAN in Chester County, Pennsylvania, on October 1, 7 and 12, 1970, and was posted at the Joanna Station.

Very truly yours,

Joel E. Mazor
Joel E. Mazor

JEM:ml
Encs.

OCT 29 1970

INTERSTATE
COMMERCE COMMISSION

Before the
INTERSTATE COMMERCE COMMISSION

FILED

OCT 19 1970

INTERSTATE
COMMERCE COMMISSION

In re:

Application of Reading Company and :
The Wilmington and Northern Railroad Com- :
pany for a certificate of public conveni- :
ence and necessity authorizing the aban- :
donment of a portion of the French Creek :
Branch and the Falls Extension Branch in :
Chester County, Pennsylvania. :

FINANCE DOCKET

NO. 26327

FILE IN DOCKET

PROOF OF POSTING OF NOTICE OF APPLICATION

COMMONWEALTH OF PENNSYLVANIA:

: ss.

COUNTY OF Philadelphia :

On this 2nd day of October , 1970, personally
appeared E. E. Leisey, Jr. who, being duly sworn
according to law, deposes and says that he is employed by
Reading Company, and that on the date set forth below he
posted in plain view of the public, at the locations stated,
a notice similar to that which is hereto attached.

LOCALITY

DATE OF POSTING

Joanna Station

Agent's Office

September 30, 1970

North side of station building

September 30, 1970

Utility pole at driveway entrance to
Station.

September 30, 1970

Telephone Booth at road crossing.

September 30, 1970

E. E. Leisey, Jr.
System Agent and Operator

Sworn to and subscribed before me
this 2nd day of October , 19 70

Arthur Williams
Notary Public

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires January 17, 1974

NOTICE

THE WILMINGTON AND NORTHERN RAILROAD COMPANY AND LESSEE
READING COMPANY hereby give notice that on the 2nd day of
September, 1970, they filed with the Interstate Commerce
Commission at Washington, D. C., an application for a certi-
ficate of public convenience and necessity permitting abandon-
ment by The Wilmington and Northern Railroad Company, and
operations thereover by the Reading Company to (1) that
portion of the French Creek Branch which extends in a general
easterly direction from engineering station 140+68 to the
end of the Branch at engineering station 310+63.2, a dis-
tance of 3.22 miles, and (2) the Falls Extension Branch which
extends in a general southerly direction from engineering
station 0+00 (beginning point of said Branch being the point
of switch at engineering station 304+79 in the French Creek
Branch) to the end of the Branch at engineering station 15+67,
a distance of 0.29 miles, all in Warwick Township, Chester
County, Pennsylvania, Finance Docket No. 26327. The proceed-
ing will be handled without holding hearings unless protests
are received indicating a need for such hearings. Any
protests submitted should be filed with the Commission promptly
after public notice has been given by the railroads.

THE WILMINGTON AND NORTHERN RAILROAD COMPANY
AND LESSEE READING COMPANY

JOEL E. MAZOR
415 Reading Terminal
Philadelphia, Pa. 19107
Attorney for Applicants

Posted this 30th day of
September 1970

E. E. Lersey
SYSTEM AGENT & OPERATOR

Before the **FILED**

INTERSTATE COMMERCE COMMISSION

061-19-1970

re:

Application of Reading Company and
The Wilmington and Northern Railroad Com- : FINANCE
pany for a certificate of public conveni- :
ence and necessity authorizing the aban- : NO. 26
donment of a portion of the French Creek :
Branch and the Falls Extension Branch in :
Chester County, Pennsylvania. :

PROOF OF PUBLICATION OF NOTICE OF APPLICATION

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF Chester

: SS.

On this 13 day of October, 19 70

Joseph P. Ujobai, being duly sworn
to law, deposes and says that he is Editor-Manager
of the Daily Republican, in Chester
County, Pennsylvania, and that the clipping annexed is
of a notice in the above matter published in the said
in the regular issues of October 1, 7, and 1,
19 70.

Sworn to and subscribed before me

this 13th day of October, 1970

David M. Frees, Jr.
Notary Public

DAVID M. FREES, JR., Notary Public

PHOENIXVILLE, CHESTER CO., PA.

My Commission expires Jan. 14, 1971

NOTICE

THE WILMINGTON AND
NORTHERN RAILROAD COM-
PANY AND LESSEE READING
COMPANY hereby give notice
that on the 2nd day of September
1970, they filed with the Inter-
state Commerce Commission
at Washington, D.C., an appli-
cation for a certificate of public
convenience and necessity per-
mitting abandonment by The
Wilmington and Northern Rail-
road Company, and operations
thereover by the Reading Com-
pany to 1) that portion of the
French Creek Branch which
extends in a general easterly
direction from engineering sta-
tion 140 plus 68 to the end of the
Branch at engineering station
310 plus 63.2, a distance of 3.22
miles, and (2) the Falls Exten-
sion Branch which extends in a
general southerly direction from
engineering station 0 plus 00 (be-
ginning point of said Branch be-
ing the point of switch at engi-
neering station 304 plus 79 in the
French Creek Branch; to the
end of the Branch at engineer-
ing station 15 plus 67, a distance
of 0.29 miles, all in Warwick
Township, Chester County, Penn-
sylvania, Finance Docket No.
26327. The proceeding will be
handled without holding hearings
unless protests are received in-
dicating a need for such hear-
ings. Any protests submitted
should be filed with the Commis-
sion promptly after public notice
has been given by the railroads.

THE WILMINGTON AND
NORTHERN RAILROAD COM-
PANY

AND LESSEE READING
COMPANY.

JOEL E. MAZOR

415 Reading Terminal

Philadelphia, Pa. 19107

Attorney for Applicants

Before the **FILED**

INTERSTATE COMMERCE COMMISSION

OCT 19 1970

re:

Application of Reading Company and
The Wilmington and Northern Railroad Com- : FINANCE DOCKET
pany for a certificate of public conveni- :
ence and necessity authorizing the aban- : NO. 26327
donment of a portion of the French Creek :
Branch and the Falls Extension Branch in :
Chester County, Pennsylvania. :

FILE IN DOCKET

PROOF OF PUBLICATION OF NOTICE OF APPLICATION

COMMONWEALTH OF PENNSYLVANIA:

: ss.

COUNTY OF Chester :

On this 13 day of October, 19 70,

Joseph P. Ujobai, being duly sworn according
to law, deposes and says that he is Editor-Manager
of the Daily Republican, in Chester
County, Pennsylvania, and that the clipping annexed is a true copy
of a notice in the above matter published in the said publication
in the regular issues of October 1, 7, and 12,
19 70.

Joseph P. Ujobai

Sworn to and subscribed before me

this 13th day of October, 1970

David M. Frees, Jr.
Notary Public

DAVID M. FREES, JR., Notary Public

PHOENIXVILLE, CHESTER CO., PA.

My Commission expires Jan. 14, 1971

PROTEST

737-1541

R L E A**RAILWAY LABOR EXECUTIVES' ASSOCIATION**

RAILWAY LABOR BUILDING, 400 1ST STREET, N. W., WASHINGTON, D. C. 20001

FILED

September 10, 1970

SEP 15 1970

INTERSTATE
COMMERCE COMMISSION

Mr. Robert L. Oswald
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

FILE IN DOCKET

Dear Mr. Oswald:

Please refer to application filed by the Reading Company and Wilmington & Northern Railroad Company for authority to abandon 3.51 miles of track and operation thereover, located in Chester County, Pa., identified by the I.C.C. as Finance Docket No. 26327.

Upon investigation we find that the application, if granted, may well have an adverse effect on the employees of the applicant as well as employees of other railroad carriers affected. Therefore, the Railway Labor Executives' Association, composed of 15 of the standard railway labor organizations, representing practically all of the several classes of employees, enters its protest in opposition to approval of this application and prays that the application will be denied, and respectfully requests that the Association receive notice of hearings which may subsequently be arranged.

Should the Commission determine to approve the pending application without holding an oral hearing, it is understood that the Commission will impose the so-called "Burlington" conditions for the protection of employees. If for some reason the Commission considers that the imposition of protective conditions is unnecessary in this case or that another formula of conditions should be imposed, the Association requests the right to be heard before such action is taken.

Very truly yours,



Executive Secretary

cc: Mr. Joel E. Mazor
415 Reading Terminal
Philadelphia, Pa.

INTERSTATE
COMMERCE COMMISSION
RECEIVED
SEP 15 1970
RECORDS & SERVICE
MAIL BRANCH

FORWARDED TO

APPLICATION OF THE READING COMPANY AND THE WILMINGTON AND NORTHERN
RAILROAD COMPANY

FILE IN DOCKET

26327

FINANCE DOCKET NO.

FILED SEP 2 1970

Before the

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

74463

No. SEP 3 1970

Date

Fee \$ 200.00

ICC Washington, D. C.

Finance Docket No.

In re:

Application of Reading Company and
The Wilmington and Northern Railroad
Company for a certificate of public
convenience and necessity authorizing
the abandonment of a portion of the
French Creek Branch and the Falls
Extension Branch in Chester County,
Pennsylvania.

APPLICATION

SEP 3 3 09 AM '70
RECEIVED
ST. LOUIS
SERVICE

RECEIVED

STATE
COMMISSION

SEP 2 1970

ST. LOUIS
SERVICE

Joel E. Mazor, Esq.
415 Reading Terminal
Philadelphia, Pa. 19107.
Attorney for Applicants

Date: August 31, 1970.

FORWARDED TO *for 9-3-70*

Before the
INTERSTATE COMMERCE COMMISSION

In re:

Application of Reading Company and	:	
The Wilmington and Northern Railroad Com-	:	
pany for a certificate of public conveni-	:	FINANCE DOCKET
ence and necessity authorizing the aban-	:	
donment of a portion of the French Creek	:	NO.
Branch and the Falls Extension Branch in	:	
Chester County, Pennsylvania.	:	

TO THE HONORABLE, THE INTERSTATE
COMMERCE COMMISSION:

Reading Company and The Wilmington and Northern Railroad Company respectfully request that the Commission issue a certificate of public convenience and necessity under Section 1, paragraphs (18) to (20), inclusive, of the Interstate Commerce Act permitting the abandonment of a portion of the French Creek Branch and the Falls Extension Branch of said railroads, in Chester County, Pennsylvania, and in support thereof, respectfully represents that:

(a) The exact corporate names of applicants are Reading Company and The Wilmington and Northern Railroad Company.

(b) Applicants are carriers by railroad subject to the Interstate Commerce Act.

(c) The lines of railroad proposed for abandonment by The Northern and Wilmington Railroad Company, as owner, and Reading Company as lessee, are (1) that portion of applicants' French Creek Branch which extends in a general

easterly direction from engineering station 140+68 to the end of the Branch at engineering station 310+63.2, a distance of 3.22 miles, all in Warwick Township, Chester County, Pennsylvania; and (2) applicants' Falls Extension Branch which extends in a general southerly direction from engineering station 0+00 (beginning point of said Branch being the point of switch at engineering station 304+79 in the French Creek Branch) to the end of the Branch at engineering station 15+67, a distance of 0.29 miles, all in Warwick Township, Chester County, Pennsylvania.

(d) Permission to abandon both described lines of railroad is sought.

(e) Applicants desire to abandon both lines of railroad because extensive repairs are needed to make the lines operable and considerable rehabilitation is needed to enable applicants to use the lines for the type of existing traffic. Such expense, in view of the declining amount of traffic on the lines resulting in declining revenues, make the lines a burden on interstate commerce.

(f) Correspondence in regard to the application should be addressed to:

Joel E. Mazor, Esquire
Reading Company
415 Reading Terminal
Philadelphia, Pa. 19107

(g) Applicant, Reading Company, was incorporated and exists under the laws of the Commonwealth of Pennsylvania,

operates a railroad lying in the States of Pennsylvania, New Jersey and Delaware. Applicant, The Wilmington and Northern Railroad, was incorporated and exists under the laws of the Commonwealth of Pennsylvania and the State of Delaware, and owns a railroad lying in the States of Pennsylvania and Delaware which is operated by Reading Company, as lessee.

(h) The making and filing of this application was authorized by resolution of the Boards of Directors of applicants, adopted at a regular meeting of each Board held in Philadelphia, Pennsylvania, on July 21, 1970.

(i) This application is not made by a receiver or trustee in bankruptcy.

(j) There is attached hereto and made a part hereof a situation map showing the lines proposed to be abandoned.

(k) Granting of the proposed application will not have an adverse affect upon employees of applicant and applicant consents to an order imposing the same conditions for the protection of employees as prescribed in Chicago, B. & O.R.Co. Abandonment, 257 I.C.C. 700.

WHEREFORE, applicants respectfully prays that your Honorable Commission issue a certificate of public convenience and necessity under Section 1, paragraphs (18) to (20), inclusive, of the Interstate Commerce Act permitting the abandonment of a portion of the French Creek Branch and

the Falls Extension Branch in Chester County, Pennsylvania.

READING COMPANY

By: ✓



THE WILMINGTON AND NORTHERN
RAILROAD COMPANY

By: ✓



Philadelphia, Pa.

August 31, 1970.

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF PHILADELPHIA : ss.
:

F. G. FISHER, being duly sworn according to law,
deposes and says that he is a Vice President of READING
COMPANY; that he is authorized to and does make the fore-
going Application for it, and that the facts set forth
therein are true and correct to the best of his knowledge,
information and belief.



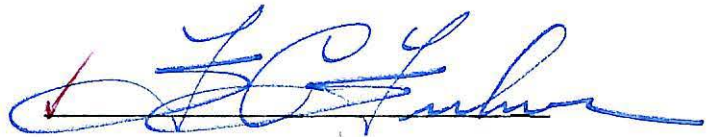
Sworn to and subscribed before me
this 31st day of August, 1970.


Notary Public

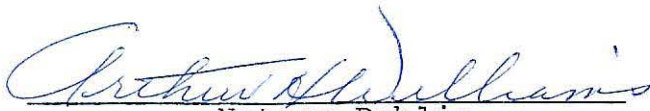
Notary Public, Philadelphia, Philadelphia Co.,
My Commission Expires January 17, 1974

COMMONWEALTH OF PENNSYLVANIA:
: SS.
COUNTY OF PHILADELPHIA :

F. G. FISHER, being duly sworn according to law,
deposes and says that he is a Vice President of
The Wilmington and Northern Railroad Company; that he is
authorized to and does make the foregoing Application for
it, and that the facts set forth therein are true and
correct to the best of his knowledge, information and belief.

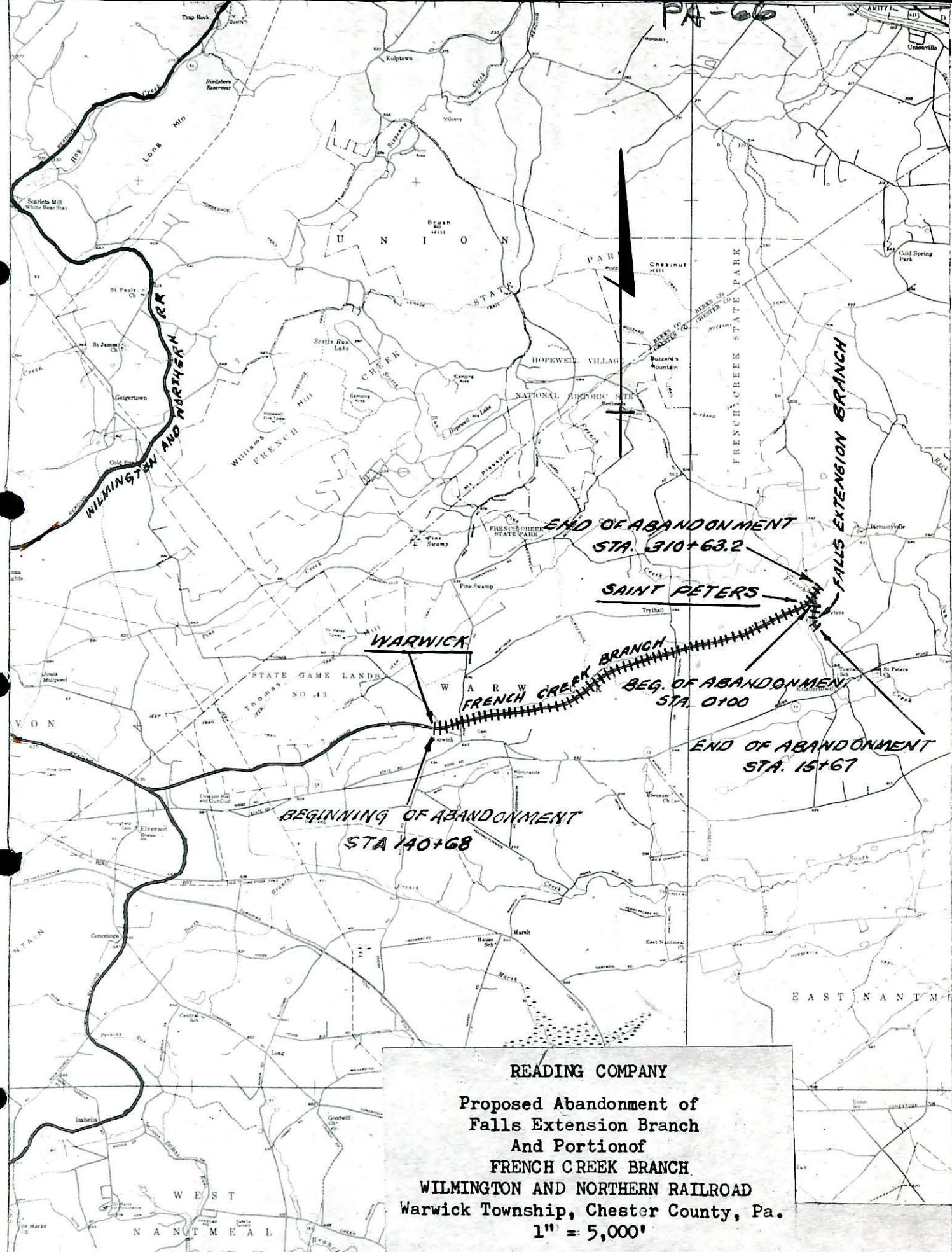


Sworn to and subscribed before me
this 31st day of August, 1970.


Notary Public

Notary Public, Philadelphia, Philadelphia Co.,
My Commission Expires January 17, 1974

PA-66



READING COMPANY
Proposed Abandonment of
Falls Extension Branch
And Portion of
FRENCH CREEK BRANCH
WILMINGTON AND NORTHERN RAILROAD
Warwick Township, Chester County, Pa.
1" = 5,000'

+++++ Tracks to be Abandoned
— Other Reading Company Tracks

Engineering Department
P-15109
June 16, 1970

FILED

SEP 2 1970

Before the
INTERSTATE COMMERCE COMMISSION

INTERSTATE
COMMERCE COMMISSION

Finance Docket No. 26327

FILE IN DOCKET

In re:
Application of Reading Company and
The Wilmington and Northern Railroad
Company for a certificate of public
convenience and necessity authorizing
the abandonment of a portion of the
French Creek Branch and the Falls
Extension Branch in Chester County,
Pennsylvania.

RETURN TO QUESTIONNAIRE

Joel E. Mazor, Esq.
415 Reading Terminal
Philadelphia, Pa. 19107.

Attorney for Applicants

August 31, 1970.

FORWARDED TO

7 for 93-90-1

Before the
INTERSTATE COMMERCE COMMISSION

In re:

Application of Reading Company and	:	
The Wilmington and Northern Railroad	:	
Company for a certificate of public con-	:	FINANCE DOCKET
venience and necessity authorizing the	:	
abandonment of a portion of the French	:	NO.
Creek Branch and the Falls Extension	:	
Branch in Chester County, Pennsylvania.	:	

RETURN TO QUESTIONNAIRE

TO THE INTERSTATE COMMERCE COMMISSION:

READING COMPANY, as the operating company, and THE WILMINGTON AND NORTHERN RAILROAD COMPANY, as the owner of the lines, both hereinafter called "applicant", respectfully submit the following information required by the Commission in support of the above captioned application:

Question 1: Complete statement of the purpose of the application.

Answer: Applicants seek by this application a certificate of public convenience and necessity authorizing the abandonment by Reading Company, as lessee, of the operation of, and by The Wilmington and Northern Railroad Company, as owner, of that portion of the French Creek Branch which extends in a general easterly direction from engineering station 140+68 to the end of the Branch at engineering station 310+63.2, a distance of 3.22 miles, all in Warwick Township,

Chester County, Pennsylvania; and the entire Falls Extension Branch which extends in a general southerly direction from engineering station 0+00 (beginning point of said Branch being the point of switch at engineering station 304+79 in the French Creek Branch) to the end of the Branch at engineering station 15+67, a distance of 0.29 miles, all in Warwick Township, Chester County, Pennsylvania.

Question 2: When, by whom, and for what purpose the line was constructed, and its proprietary history.

Answer: The French Creek Branch, and Fall Extension Branch were built by The Wilmington and Northern Railroad Company and opened for traffic about May 1, 1880, to reach the French Creek Ore Mines.

The Wilmington and Northern Railroad Company was incorporated April 3, 1877, through merger and consolidation of The Wilmington and Northern Railroad Company (of Pennsylvania) and The Wilmington and Northern Railroad (of Delaware), under authority conferred by general act of the General Assembly of the Commonwealth of Pennsylvania entitled "An Act supplementary to 'an act, regulating railroad companies' ...", approved March 24, 1865, and under authority conferred by an act of the General Assembly of the State of Delaware, passed at Dover, February 22, 1877.

The Wilmington and Northern Railroad Company was operated independently to January 31, 1900, at which time it was leased to The Philadelphia and Reading Railway Company under

lease dated February 1, 1900, for a term of 999 years.

The Philadelphia and Reading Railway Company was incorporated November 17, 1896, under general acts of the General Assembly of Pennsylvania, approved April 8, 1861, and April 4, 1868. By agreement dated October 1, 1923, approved by the Interstate Commerce Commission in Finance Docket No. 3320, Philadelphia and Reading Railway Company and certain other railroad companies were merged with Reading Company on December 31, 1923.

Reading Company was incorporated by Special Act of the General Assembly of Pennsylvania, approved May 24, 1871, as the Excelsior Enterprise Company. The name of Excelsior Enterprise Company was changed in 1873 to National Company which subsequently adopted the name of Reading Company by court order dated December 7, 1896. On December 31, 1923, Reading Company surrendered such of its corporate powers as were inappropriate for a railroad corporation in the Commonwealth of Pennsylvania, whereupon Reading Company became an operating company.

Question 3: A copy of the applicants' general balance sheet of the latest date available, and a copy of the applicants' income account for each of the last five calendar years, and for that portion of the current year for which the information is available.

Answer: There is attached hereto, marked Exhibit 1, copy of applicant Reading Company's general balance sheet as of June 30, 1970.

There is attached hereto, marked Exhibit 2, copy of

applicant Reading Company's income account for the calendar years 1965 to 1969, inclusive, and for the six months ending June 30, 1970, the latest date for which the information is available.

Question 4: The present state of maintenance of the line.

Answer: The lines involved are in a poor state of maintenance because of the low amount of traffic and the limited amount of funds available for maintenance, when considering the length of these lines in proportion to Reading Company's entire system. Extensive tie renewal, replacement of rail, installation of culverts, construction of ditches, reballasting, weed and brush control and bridge repair are required, due, in part, to several washouts caused by heavy rains.

Question 5: The estimated salvage value of the line, with a general statement of the basis of the estimate.

Answer: The estimated salvage value of both lines is \$61,600. The estimated cost of removing the lines is \$18,500. Salvage values are based on current scrap prices.

Question 6: The names of all railroads with which the line connects for interchange of traffic and the points of such interchange.

Answer: The lines do not connect with any other railroad for the interchange of traffic.

Question 7: A brief description of the present train service on the line, and of important changes made in the past five years.

Answer: Service is presently provided by Road Freight

on an as required basis, which averages about twice a month. There have been no important changes in the past five years.

Question 8: The names of all stations on the line, stated in order with milepost numbers, with the approximate population of each, and the authority for the information showing for each place the names of all other railroads by which it is served, or its distance by highway from the nearest other railroad. Distinguish nonagency stations.

Answer: The only station located on the lines proposed to be abandoned is a non-agency station at St. Peters, which is at the terminus of the French Creek Branch. The village of St. Peters has an approximate population of 100 persons, an estimated figure based on the size of the village. St. Peters is not served by any other railroad. The nearest other railroad is Penn Central Transportation Company at Pottstown, Pennsylvania, a distance of approximately ten (10) miles by improved highways. Applicant Reading Company also maintains a station at Pottstown, and one at Joanna, Pennsylvania, which is also located approximately ten (10) miles from St. Peters by improved highways.

Question 9: The approximate population of the territory served by the line, explaining how the limits of this territory are defined.

Answer: The territory is sparsely populated and is not served by either the portion of the French Creek or the Falls Extension Branch here involved.

Question 10: A detailed statement of the location and nature of the highways available for movement of the traffic now handled by the line, and of the common-carrier truck and bus service on such highways, if any.

Answer: State Highway Route 23, a two (2) lane black

top road in good repair, parallels the lines of railroad to be abandoned, and township roads serving St. Peters, connect with Route 23. There are approximately twenty-four (24) motor carriers certificated to serve St. Peters.

Question 11: The nature of the industries in the tributary territory (such as farming, mining, lumbering, manufacturing, etc.), how long established, and the extent to which each is dependent upon the line for transportation. State location and other facts concerning the most important plants served.

Answer: The tributary territory is mainly agricultural and the farming in the area does not depend upon or use the lines here involved for transportation. The only industry using the lines is French Creek Granite Company.

Question 12: The passenger traffic handled on the line in each of the last two calendar years, and for that part of the current year for which the information is available, giving separately the number of local and connecting-line passengers (if the latter designation is applicable) and the revenue from each class.

Answer: No passenger traffic has been handled on these lines for a period longer than the last two calendar years and the current year to date.

Question 13: The freight tonnage handled by the line for each of the last two calendar years, and for that part of the current year for which the information is available, showing the number of cars and the tonnage of carload freight, classified by principal commodities, and the tonnage of less-than-carload freight. Show in separate statements (a) local freight originated at and destined to points on the line, (b) freight moved between points on the line and points beyond it, and (c) freight neither originated at nor destined to points on the line (overhead or bridge traffic).

Answer: There is attached hereto, made a part hereof and marked Exhibit 3, a statement of freight traffic on the

lines proposed to be abandoned for two years and six months ending June 30, 1970.

Question 14: (1) If the line to be abandoned is less than the entire mileage operated by the applicant, a statement showing the effect of the proposed abandonment on the net railway operating income of the applicant. The statement should include for each of the last two calendar years and for that part of the current year for which the information is available.

- (a) The applicants' railway operating revenue from traffic handled locally between points on the line proposed to be abandoned;
- (b) The applicants' railway operating revenue from traffic originating on or destined to points on the line proposed to be abandoned and also handled on other parts of the applicants' lines of railroad;
- (c) An estimate in detail of the total operating revenue that should be assigned to the line proposed to be abandoned and a statement of the reasons for such assignment;
- (d) The expense of operating the line proposed to be abandoned, stated by appropriate primary accounts, actual so far as possible and otherwise approximated, with a full statement of the method used;
- (e) Railway Tax accruals with method of apportionment;
- (f) Other items entering into the applicants' income account and assignable to the line proposed to be abandoned, with methods of assignment; and
- (g) The costs of moving the traffic on the line proposed to be abandoned beyond the limits of said line on other parts of the applicants' lines, with method of determination.

Revenues from freight, passenger, and other service should be shown separately.

(2) If the applicants' line is operated as part of a system under common control and management, a statement for the same period as required in paragraph (1)

showing the effect of the proposed abandonment on the net railway operating income of the system and the unit members thereof. This statement should show the revenues accruing to the system and its unit members from traffic moving to and from the line proposed to be abandoned and the costs of handling such traffic. The method of determining such costs also should be shown.

Answer: There is attached hereto, made a part hereof and marked Exhibit 4, a statement of operating revenue accruing to Reading Company from traffic on the lines proposed to be abandoned for two years and six months ending June 30, 1970.

There is attached hereto, made a part hereof and marked Exhibit 5, a statement of operating revenues assigned to the lines proposed to be abandoned for two years and six months ending June 30, 1970, and a statement of the method of computation.

There is attached hereto, made a part hereof and marked Exhibit 6, a statement of the income accounts for the lines proposed to be abandoned for two years and six months ending June 30, 1970.

There is attached hereto, made a part hereof and marked Exhibit 7, a statement of costs of moving traffic on the lines proposed to be abandoned beyond the points of said lines on other parts of applicants' lines, on the basis of arbitrary 50% operating ratio for two years and six months ending June 30, 1970.

There is attached hereto, made a part hereof and marked Exhibit 8, a statement of the costs of moving traffic on the lines proposed to be abandoned beyond the limits of said lines

on other parts of applicants' lines on the basis of an actual operating ratio for two years and six months ending June 30, 1970.

There is attached hereto, made a part hereof and marked Exhibit 9, a statement of the methods used in determining operating revenues, expenses, taxes and operating expenses.

Applicants' lines are not operated as part of a system under common control and management.

Question 15: If the volume of freight or passenger traffic of the line has decreased during recent years, any reasons therefor.

Answer: Traffic has decreased over the years due to population and industry using other modes of transportation.

Question 16: If the line is operated as a joint facility, and abandonment of the applicants' operation only is proposed, state fully the facts as to operation by others and the extent to which it will supply the place of the operation it is proposed to abandon.

Answer: The lines are not operated as a joint facility. They are operated by Reading Company only.

Question 17: State what effort has been made to dispose of the line so as to insure its continued operation, and what, if any, transportation service will remain or may be substituted for that proposed to be discontinued.

Answer: No effort has been made to dispose of these lines, since the volume of traffic handled and revenues therefrom do not justify continued operation. No transportation service will be substituted for that proposed to be discontinued by applicants.

Question 18: A summary statement of the reasons for the application.

Answer: Applicants desire to abandon the lines because the small volume of traffic generated by the one remaining patron does not justify continued existence, in light of the continuing losses suffered and the relatively large amount required for rehabilitation and continued maintenance. Abandonment would relieve Reading Company of the burden of rehabilitating and maintaining the lines and six grade crossings.

READING COMPANY

By: 
Vice President

THE WILMINGTON AND NORTHERN
RAILROAD COMPANY

By: 

Philadelphia, Pa.
August 31, 1970.

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF PHILADELPHIA : ss.
:

J. F. FISHER, being duly sworn according to law,
deposes and says that he is a Vice President of READING
COMPANY; that he is authorized to and does make the foregoing
Return to Questionnaire for it, and that the facts set forth
therein are true and correct to the best of his knowledge,
information and belief.

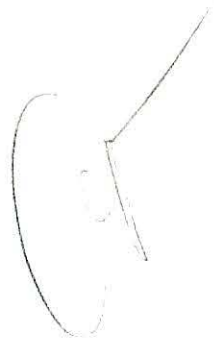


Sworn to and subscribed before me
this 31st day of August, 1970.



Notary Public

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires January 17, 1974



COMMONWEALTH OF PENNSYLVANIA:

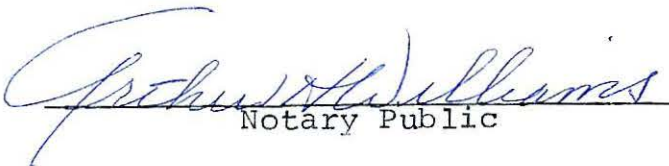
: ss.

COUNTY OF PHILADELPHIA :

F. G. FISHER, being duly sworn according to law, deposes and says that he is a Vice President of The Wilmington and Northern Railroad Company; that he is authorized to and does make the foregoing Return to Questionnaire for it, and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.



Sworn to and subscribed before me
this 31st day of August, 1970.



Notary Public

Notary Public, Philadelphia, Philadelphia Co.,
My Commission Expires January 17, 1974

READING COMPANY

GENERAL BALANCE SHEET

JUNE 30, 1970

SHEET 1 OF 2

Assets

Amount

CURRENT ASSETS

Cash	
Temporary Cash Investments	\$ 2,796,595
Special Deposits	1,000,000
Loans and Notes Receivable	71,748
Net Balance Receivable - from Agents & Conductors	84
Miscellaneous Accounts Receivable	5,810,218
Interest and Dividends Receivable	2,639,301
Accrued Accounts Receivable	55,641
Working Fund Advances	7,148,107
Prepayments	42,933
Material and Supplies	561,094
Other Current Assets	4,030,784
Total Current Assets	<u>44,324</u>
	\$ 24,200,829

SPECIAL FUNDS

Sinking Funds	\$ -
Capital and Other Reserve Funds	1,265,803
Insurance and Other Funds	179,777
Total Special Funds	<u>\$ 1,445,580</u>

INVESTMENTS

Investments in Affiliated Companies	\$ 20,302,382
Other Investments	4,575,050
Total Investments	<u>\$ 24,877,432</u>

PROPERTIES

Road and Equipment:	
Road	\$195,012,405
Equipment	128,786,430
General Expenditures	7,985,406
Other Elements of Investment	21,414,523
Construction Work in Progress	-
Improvements on Leased Property:	
Road	30,306,969
Equipment	102,350
General Expenditures	(112,691)
Other Elements of Investment	(1,528,754)
Construction Work in Progress	-
Total Transportation Property	<u>\$381,966,638</u>
Accrued Depreciation - Road and Equipment	\$ 98,781,695
Amortization of Defense Projects - Road and Equipment	807,837
Recorded Depreciation and Amortization	<u>\$ 99,589,532</u>
Total Transportation Property Less Recorded Depreciation and Amortization	\$282,377,106
Miscellaneous Physical Property	13,487,916
Accrued Depreciation - Miscellaneous Physical Property	<u>4,565,515</u>
Miscellaneous Physical Property less Recorded Depreciation	\$ 8,922,401
Total Properties less Recorded Depreciation and Amortization	<u>\$291,299,506</u>

OTHER ASSETS AND DEFERRED CHARGES

Other Assets	\$ 1,338,585
Unamortized Discount on Long-term Debt	152,517
Other Deferred Charges	3,826,232
Total Other Assets and Deferred Charges	<u>\$ 5,317,334</u>
Total Assets	\$347,140,681

Liabilities and Shareholders' Equity

Amount

CURRENT LIABILITIES

Loans and Notes Payable		\$ 1,200,000
Traffic and Car-Service Balances - Cr.		904,762
Audited Accounts and Wages Payable		692,382
Miscellaneous Accounts Payable		1,192,011
Interest Matured Unpaid		733,458
Unmatured Interest Accrued		587,897
Accrued Accounts Payable		20,951,462
Federal Income Taxes Accrued		56,028
Other Taxes Accrued		2,564,884
Other Current Liabilities		4,901,369
Total Current Liabilities		<u>\$ 33,784,253</u>

LONG-TERM DEBT DUE WITHIN ONE YEAR

Funded Debt Unmatured	(1) \$ 1,000,000	
	(2) 795,000	\$ 205,000
Collateral Trust Notes		2,000,000
Equipment Obligations:		
Conditional Sales Agreements		\$ 2,177,942
Equipment Trust Certificates		1,460,000
Miscellaneous		20,000
Total Equipment Obligations		<u>\$ 5,862,942</u>
Miscellaneous Obligations		-
Total Long-Term Debt Due Within One Year		<u>\$ 5,862,942</u>

LONG-TERM DEBT DUE AFTER ONE YEAR

Funded Debt Unmatured	(1) \$96,628,000	
	(2) 37,500,000	\$ 59,128,000
Collateral Trust Notes		26,000,000
Equipment Obligations:		
Conditional Sales Agreements		13,400,187
Equipment Trust Certificates	(1) \$11,520,000	
	(2) 11,000,000	520,000
Miscellaneous		91,262
Total Equipment Obligations		<u>\$ 14,011,449</u>
Miscellaneous Obligations		-
Amounts Payable to Affiliated Companies		\$ 731,784
Total Long-Term Debt Due After 1 Year		<u>\$ 99,871,233</u>

RESERVES

Equalization Reserves	(\$ 154,497)
Casualty and Other Reserves	1,000,602
Total Reserves	<u>\$ 846,105</u>

OTHER LIABILITIES AND DEFERRED CREDITS

Other Liabilities	\$ 1,732,295
Unamortized Premium on Long-Term Debt	102,741
Other Deferred Credits	2,391,219
Accrued Depreciation - Leased Property	13,162,509
Total Other Liabilities and Deferred Credits	<u>\$ 17,388,764</u>

SHAREHOLDERS' EQUITY

Capital Stock	(3) 2,800,000 - (1) \$140,000,000	
	(2) 49,150	\$139,950,850
Total Capital Stock		<u>\$139,950,850</u>
Capital Surplus:		
Other Capital Surplus		\$ 793,943
Total Capital Surplus		<u>\$ 793,943</u>
Retained Income:		
Retained Income - Unappropriated		\$ 48,642,591
Total Retained Income		<u>\$ 48,642,591</u>
Total Shareholders' Equity		<u>\$189,387,384</u>

Total Liabilities and Shareholders' Equity

\$347,140,681

- (1) Total issued.
(2) Held by or for Company.
(3) Number of shares (Par value \$50)

READING COMPANY
INCOME ACCOUNT
 FOR 5 YEARS ENDED DECEMBER 31, 1969
 AND 6 MONTHS ENDED JUNE 30, 1970

EXHIBIT NO. 2
 WITNESS _____

Item	1965	1966	1967	1968	1969	6 MONTHS ENDED JUNE 30, 197
<u>OPERATING INCOME</u>						
Railway Operating Revenues	\$105,172,437	\$104,821,279	\$100,558,599	\$105,970,792	\$103,172,937	\$ 55,382,786
Railway Operating Expenses	84,431,924	84,459,713	88,779,572	91,472,992	92,460,786	50,082,430
Net Revenue from Railway Operations	\$ 20,740,503	\$ 20,361,566	\$ 11,779,027	\$ 14,497,800	\$ 15,712,151	\$ 5,300,356
Railway Tax Accruals	7,313,836	7,532,529	8,051,051	8,493,522	8,750,462	4,891,999
Railway Operating Income	\$ 13,426,667	\$ 12,829,037	\$ 3,727,976	\$ 6,004,278	\$ 6,961,689	\$ 408,363
Equipment Rents - Net Debit	4,653,436	4,627,944	4,924,259	5,717,923	7,048,468	4,009,468
Joint Facility Rents - Net Debit	553,570	469,027	476,263	488,868	516,207	262,796
Net Railway Operating Income	\$ 8,219,661	\$ 7,732,066	(\$ 1,672,546)	(\$ 202,513)	(\$ 602,986)	(\$ 3,863,901)
<u>OTHER INCOME</u>						
Revenues from Miscellaneous Operations	\$ 136,998	\$ 134,657	\$ 132,782	\$ 130,133	\$ 133,530	\$ 67,134
Miscellaneous Rent Income	798,667	823,144	890,027	999,350	909,514	530,298
Income from Non-Operating Property	382,497	384,564	504,987	428,336	362,941	256,937
Separately Operated Properties - Profit	19,686	29,073	30,931	17,434	7,449	4,294
Dividend Income	101,774	84,328	70,119	56,495	46,893	20,292
Interest Income	315,881	341,959	335,149	332,671	336,194	117,815
Income from Sinking & Other Reserve Funds	244,474	328,084	282,708	289,326	166,948	28,062
Release of Premiums on Funded Debt	4,699	4,591	4,484	4,333	4,191	2,067
Miscellaneous Income	933,568	411,763	1,491,399	1,877,172	2,919,675	1,534,630
Total Other Income	\$ 2,938,244	\$ 2,542,163	\$ 3,742,586	\$ 4,135,250	\$ 4,887,335	\$ 2,552,932
Total Income	\$ 11,157,905	\$ 10,274,229	\$ 2,070,040	\$ 3,932,737	\$ 4,284,349	(\$ 1,310,969)
<u>MISCELLANEOUS DEDUCTIONS FROM INCOME</u>						
Expenses of Miscellaneous Operations	\$ 98,176	\$ 92,766	\$ 93,140	\$ 95,257	\$ 98,646	\$ 53,730
Taxes on Miscellaneous Operating Property	29,033	31,909	31,909	34,414	34,414	32,179
Miscellaneous Rents	17,551	5,200	11,846	13,347	22,653	8,699
Miscellaneous Tax Accruals	211,137	212,852	220,673	227,426	174,806	85,835
Separately Operated Properties - Loss	1,325,000	1,325,000	337,077	975,000	1,175,000	600,000
Miscellaneous Income Charges	159,591	250,608	90,423	211,384	177,283	59,138
Total Miscellaneous Deductions	\$ 1,840,488	\$ 1,918,335	\$ 785,068	\$ 1,556,828	\$ 1,682,802	\$ 839,581
Income Available for Fixed Charges	\$ 9,317,417	\$ 8,355,894	\$ 1,284,972	\$ 2,375,909	\$ 2,601,547	(\$ 2,150,552)
<u>FIXED CHARGES</u>						
Rent for Leased Roads and Equipment	\$ 1,293,923	\$ 1,277,151	\$ 1,400,889	\$ 1,254,587	\$ 1,345,944	\$ 642,145
Interest on Funded Debt	5,029,900	5,169,340	5,156,571	4,829,767	4,394,027	2,096,826
Interest on Unfunded Debt	47,597	128,694	101,003	53,784	157,771	84,875
Amortization of Discount on Funded Debt	41,953	47,389	29,396	31,057	23,573	9,351
Total Fixed Charges	\$ 6,413,373	\$ 6,622,574	\$ 6,687,859	\$ 6,169,195	\$ 5,921,315	\$ 2,833,197
Net Income after Fixed Charges	\$ 2,904,044	\$ 1,733,320	(\$ 5,402,887)	(\$ 3,793,286)	(\$ 3,319,768)	(\$ 4,983,747)
Prior Period Items (Net)	-	-	\$ 3,959,364	-	68,933	-
Net Income Transferred to Retained	\$ 2,904,044	\$ 1,733,320	(\$ 1,443,523)	(\$ 3,793,286)	(\$ 3,388,701)	(\$ 4,983,747)
Income - Unappropriated	-	-	-	-	-	-

() Denotes reverse figure.

READING COMPANY

STATEMENT OF FREIGHT TRAFFIC ON LINE PROPOSED TO BE ABANDONED
FOR 2 YEARS ENDED DECEMBER 31, 1969
AND 6 MONTHS ENDED JUNE 30, 1970

Commodity	1968		1969		6 Months Ended June 30, 1970	
	Number of		Number of		Number of	
	Cars	Net Tons	Cars	Net Tons	Cars	Net Tons

LOCAL FREIGHT ORIGINATED AT AND DESTINED POINTS ON THE LINE

NONE

FREIGHT MOVED BETWEEN POINTS ON THE LINE AND POINTS BEYOND ITReceived Traffic

Granite.....	6	457	21	1,352	8	516
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Forwarded Traffic

Granite.....	8	498	4	206	-	-
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Total Received & Forwarded Traffic	14	955	25	1,558	8	516
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EXHIBIT NO.
WITNESS

4

READING COMPANY

STATEMENT OF TOTAL OPERATING REVENUES ACCRUING TO READING COMPANY FROM
TRAFFIC ORIGINATING ON AND DESTINED TO POINTS ON THE LINE
PROPOSED FOR ABANDONMENT AND ALSO HANDLED
ON OTHER PARTS OF APPLICANT'S LINES FOR
2 YEARS ENDED DECEMBER 31, 1969 AND
6 MONTHS ENDED JUNE 30, 1970

Period

Amount

1968	\$1,522
1969	3,189
1970 (6 Mos.)	1,303

No Local Traffic Handled
No Passenger Service Operated

EXHIBIT NO.

5

WITNESS

READING COMPANY

STATEMENT OF TOTAL OPERATING REVENUE ASSIGNED TO THE LINE PROPOSED
TO BE ABANDONED FOR 2 YEARS ENDED DECEMBER 31, 1969
AND 6 MONTHS ENDED JUNE 30, 1970

Period	Amount
1968	\$ 51
1969	102
1970 (6 Mos.)	48

Method of Computation

Revenue from freight traffic is actual. On Interline Traffic, the established Reading Company percents were applied to the freight charges on each interline shipment to determine Reading Company revenue and portion of revenue assigned to the line to be abandoned was obtained by applying the mileage prorate for such portions to the total mileage transported over Reading Lines.

INCOME ACCOUNTS FOR THE AREA PROPOSED TO BE ABANDONED
FOR 2 YEARS ENDED DECEMBER 31, 1969 AND 6 MONTHS ENDED JUNE 30, 1970

	1968	1969	6 Months Ended June 30, 1970
<u>Railway Operating Revenues</u>			
Freight	\$ 51	\$ 102	\$ 48
Miscellaneous	-	-	-
Rents	99	70	56
Total	\$ 150	\$ 172	\$ 104
<u>Maintenance of Way and Structures</u>			
Track, Bridges, etc.	\$2,848	\$1,992	\$1,102
Employees Health and Welfare Benefits	120	80	48
Total - Maint. of Way & Structures Expense	\$2,968	\$2,072	\$1,150
<u>Maintenance of Equipment - Freight</u>			
Other Locomotive Repairs - Train	\$ 53	\$ 77	\$ 35
Employees Health and Welfare Benefits	2	3	1
Total - Maint. of Equipment Expense	\$ 55	\$ 80	\$ 36
<u>Transportation Expenses</u>			
Train Enginemen	\$ 206	\$ 299	\$ 137
Trainmen	303	428	196
Train Fuel	43	53	24
Lubricants for Train Locomotives	3	3	1
Other Supplies for Train Locomotives	2	2	1
Enginehouse Expenses - Train	16	21	10
Train Supplies and Expenses	1	1	1
Employees Health and Welfare Benefits	20	27	14
Total Transportation Expenses	\$ 594	\$ 834	\$ 384
<u>Rents</u>			
Per Diem	\$ 283	\$ 425	\$ 53
<u>Railway Tax Accruals</u>			
Payroll Taxes	\$ 330	\$ 278	\$ 138
Other Taxes, (Penna. Utility Tax)	2	2	1
Total	\$ 332	\$ 280	\$ 139
Total Expenses, Rents and Taxes	\$4,232	\$3,691	\$1,762
Net Railway Operating Deficit	\$4,082	\$3,519	\$1,658

READING COMPANY

STATEMENT OF COST OF MOVING TRAFFIC ON LINE PROPOSED TO BE
ABANDONED BEYOND THE LIMITS OF SAID LINE ON OTHER PARTS
OF APPLICANT'S LINES, ON BASIS OF ARBITRARY RATIO
FOR 2 YEARS ENDED DECEMBER 31, 1968 AND
6 MONTHS ENDED JUNE 30, 1970

Item	1968	1969	6 Months Ended June 30, 1970
Operating Revenue Accruing to Reading Company from freight traffic handled to and from points on line to be abandoned, excluding proportion assigned to Branches	\$1,471	\$3,087	\$1,255
Estimated cost of handling above traffic on basis of an arbitrary operating ratio of 50% (actual operating ratio was greater than 50%).	\$ 736	\$1,544	\$ 628
Estimated Net Revenue from Railway Operations	\$ 735	\$1,543	\$ 627
<u>Deduct</u> Net Railway Operating Deficit from area proposed to be abandoned	\$4,082	\$3,519	\$1,658
Net Deficit	\$3,347	\$1,976	\$1,031

READING COMPANY

STATEMENT OF COST OF MOVING TRAFFIC ON LINE PROPOSED TO BE
ABANDONED BEYOND THE LIMITS OF SAID LINE ON OTHER PARTS
OF APPLICANT'S LINES, ON BASIS OF AN OPERATING RATIO
FOR 2 YEARS ENDED DECEMBER 31, 1968 AND
6 MONTHS ENDED JUNE 30, 1970.

ITEM	1968	1969	6 Months Ended June 30, 1970
Operating Revenue accruing to Reading Company from freight traffic handled to and from points on line to be abandoned, excluding proportion assigned to Branches	\$1,471	\$3,087	\$1,255
Operating Expenses (Operating Ratio) (1)	<u>1,254</u>	<u>2,593</u>	<u>1,130</u>
Estimated Net Revenue from Railway Operations	\$ 217	\$ 494	\$ 125
<u>Deduct</u> Net Railway Operating Deficit from area proposed to be abandoned	\$4,082	\$3,519	\$1,658
Net Deficit	\$3,865	\$3,025	\$1,533
(1) Operating ratio:	85.23	84.00	90.05

METHODS USED IN DETERMINING OPERATING REVENUES
EXPENSES AND TAXES

Sheet 1 of 2

OPERATING REVENUES

Freight - Represents portion of Reading Company revenue from traffic on the area proposed to be abandoned allocated on a mile-age basis.

Miscellaneous - None.

Rents - Represents credit balance of income from rents on the area proposed to be abandoned.

OPERATING EXPENSES

Maintenance of Way and Structures

Based on engineering estimates for expenses in area to be abandoned and covers:

Track, Bridges, etc.

Ordinary maintenance of road bed, replacement of ties, rails, etc. Emergency expense due to broken rail, excessive rain, snow duty, viz., cleaning of crossing flangeways and switches. Regular inspection by "Hi-Rail" car, annual weed control and annual bridge inspection.

Employees' Health and Welfare Benefits

System cost applied on labor portion of maintenance of way expense.

Maintenance of Equipment - Freight

Other Locomotive Repairs - Train

System rate per freight train locomotive unit mile was calculated for year 1968 and 1969 from annual reports for this account and the rate was applied to total locomotive freight train unit miles developed for the area to be abandoned. These freight train locomotive unit miles are the result of multiplying actual trips by distance on the area to be abandoned. The 1969 rates were used for 1970 costs.

Employees' Health and Welfare Benefits

System cost applied on labor portion of maintenance of equipment expenses.

Transportation Expenses - Freight

Trainmen

Train Enginemen

Average hourly straight time wages were taken from I.C.C. Wage Statistics Form B for 1968, 1969 and 1970. These wages were applied to the hours of train service crews worked in the area to be abandoned (Warwick to St. Peters). Time was constructed on the basis of an operating department estimated average of one hour per round trip - Warwick and St. Peters. This was applied on the 1968, 1969 and 1970 trips to develop crew hours in this territory.

Train FuelLubricants for Train LocomotivesOther Supplies for Train LocomotivesEnginehouse Expenses - Train

Charges to the above accounts were allocated on the basis of a system rate per train locomotive unit mile calculated for each account and these rates were applied to the unit miles in the area to be abandoned. 1969 rates were used for 1970 costs.

Train Supplies and Expenses

Car miles were developed by multiplying number of cars times distance on the area to be abandoned. Car miles were multiplied by the system cost developed for year 1968 and 1969 from annual reports. 1969 rates were used for 1970 costs.

Employees' Health and Welfare Benefits

System cost applied on labor portion of transportation expenses.

RentsPer Diem

All cars in area to be abandoned during 1968, 1969 and 1970 were railroad owned cars. All cars were studied and per diem shown is based on actual time these cars were on the branch to be abandoned.

Railway Tax AccrualsPayroll Taxes

Applied to the labor portion of the operating expenses.

Other Taxes

Includes:

Pennsylvania Utility Tax based on 30 mills per \$100.00 on original cost of right-of-way land on line to be abandoned.