

THE WHITE HOUSE
WASHINGTON

SJ
PAA

November 5, 1970

MEMORANDUM FOR: HONORABLE JOHN A. VOLPE
HONORABLE MAURICE H. STANS
HONORABLE JAMES D. HODGSON
HONORABLE PAUL W. McCRACKEN

Subject: Penn Central

At our October 31 meeting, we agreed to the following assignments:

1. Secretary Hodgson will talk with President Moore and the Trustees to determine Penn Central's likely reaction to the Arbitration Board.
2. Secretary Volpe will evaluate the potential for improving the commercial viability of Penn Central should a crisis develop if Penn Central rejects the Arbitration Board recommendations.
3. Mr. Flanigan will arrange for a meeting with a business statesman to discuss the potential for broad-based management improvements.
4. Secretary Volpe should inquire as to the extent that Penn Central can identify costs (both fixed and variable) and revenues for the services they provide and how lower-level managers are held accountable for these costs and revenues.
5. Secretary Volpe will encourage increases in demurrage charges so as to insure efficient use of railroad cars and an increase in cash flow.
6. Secretary Volpe will continue to work with Commissioner Blum and State Utilities Commissions to urge them to process intrastate rate increases so that they are up to date with ICC actions.

7. Secretary Hodgson will talk with President Moore concerning steps to be taken towards improving work rules.

8. Secretary Volpe will encourage the Trustees and President Moore to develop a plan to sell nonessential company assets.

9. Secretary Volpe and the Cabinet Committee on Economic Policy will continue to work on deregulation.

10. Secretary Volpe will outline the Department's legislative proposals concerning railroads.

11. Mr. Carlson will explore a more permanent mechanism for coordinating executive branch positions before regulatory bodies.

I should receive a progress report on each of these 11 items by November 27.



Peter V. Flanigan
Assistant to the
President

UNITED STATES GOVERNMENT

Memorandum

TO : PM

DATE: 29 October 1970

FROM : Sam Peltzman *SP*

SUBJECT: NRPC

1. Who will gain from NRPC

NRPC will relieve railroads of intercity passenger operation responsibility on payment of one half of their 1969 passenger deficit. ICC data on rail passenger deficits is available for 1968, but uses accounting rules different from those to be used in calculating the deficit for NRPC and include deficits for commuter service. The ICC reported 1968 deficit was \$486 million. Under NRPC *The "real" (available) loss of intercity passenger service* ~~accounting rules it would be~~ about 200 million. The 1968 data do permit some basis for determining the impact of NRPC on particular lines.

The rail passenger deficit is concentrated among a few roads. These were in 1968:

	Total Net Rwy. Opr. Income	Passenger Deficit*
Penn Central	-61.1	122.1
Burlington - <i>Northern</i>	58.9	61.5
Santa Fee	48.1	43.1
Union Pacific	80.2	40.0
Seaboard	24.2	35.6
Coast Line		
First 5	150.3	302.3
C&O/B&O	77.1	24.5
Illinois Central	26.3	20.7
Southern	46.0	19.9
Southern Pacific	89.3	16.8
Louisville & Nashville	35.1	14.0
Next 5	273.8	95.9

*Includes varying amount of
unrecovered NRPC (partially
important for P.C.)

commutation the

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

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Thus, one railroad accounts for 25 percent of the deficit, five account for over 60 percent and 10 account for over 80 percent. In this group, only the Penn Central was put in severe financial peril by passenger deficits. These more than ate up freight profits, and were in part responsible for P-C's bankruptcy. The other 9 lines earned \$761.3 million on freight of which about one third was dissipated in passenger deficits. The 9 railroads on this list constitute, ~~but~~ *than* *not enough for* for the Norfolk and Western, the financially strongest roads in the country. NRPC ~~will~~ *will* make them stronger, but is in no way essential to their survival.

2. Which railroads may be imperiled without NRPC?

The P-C is already in bankruptcy, so NRPC comes too late to save it. The current railroad "basket cases" include the Granger roads (Milwaukee, Rock Island and Northwestern, with the latter the strongest of the group at present). This group had a net operating deficit of 2 million in 1968, and a passenger deficit of 24 million. Avoidance of the passenger deficit would not have enabled these roads to meet fixed charges. Their situation, except for the Northwestern, has worsened greatly since 1968. Both the Rock Island the the Milwaukee ~~face~~ *face* bankruptcy within the next few years unless they are merged. NRPC will put the day of reckoning off a bit for these roads, but can't rescue them.

3. Would NRPC relieve railroads of all their passenger deficits?

Only intercity, not commutation, service is covered by NRPC. In addition, the bill contains an ambiguity. The Secretary of Transportation determines a grid of "essential" intercity routes to be operated by NRPC. But Section 401 permits any railroad to be relieved of its entire intercity passenger responsibility on payment of one half the 1969 deficit to NRPC. The same section though apparently compels the railroad to go through an ICC discontinuance proceeding for any route not in the "essential" network. Either, NRPC will have to include such routes in its network, or the railroad may be forced to continue picking up the deficit.

Summary: NRPC will benefit the trustees of the Penn Central plus a group of the strongest railroads in the country. Over 80 percent of NRPC subsidies will go to this group. Of the remaining roads, only the Rock Island and Milwaukee can be ~~left~~ ^{kept} afloat by NRPC, and even with it their fate is doubtful. As emergency rail financial legislation, NRPC is a shotgun blast aimed in the wrong direction.

CC: The Council, SJ
SP:eam



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 31 1970

MEMORANDUM FOR: Mr. Peter Flanigan
Assistant to the President
White House

SUBJECT: Status Report - Penn Central

You requested a status report on each of the 15 points raised in your memorandum of October 3, 1970. The following comments cover the efforts made by the Department of Transportation in each of the 15 areas:

1. Secretary Volpe will talk with Penn Central President William Moore and request a plan for improving operations by November 15, if possible, but certainly by December 15.

Comment: Penn Central President Moore and Trustees Langdon and Wirtz discussed financial and other problems with the Under Secretary at some length on October 28. At that time they left with the Under Secretary a copy of a financial plan for calendar year 1971 which included a plan for improving operations to be effectuated from the present through calendar year 1971. I understand that he will be providing you with a copy of this plan.

2. Secretary Hodgson will talk with President Moore concerning steps to be taken to:

Improve work rules in the near-term, especially those peculiar to the Penn Central.

Initiate long-term improvement of work rules.

Comment: Secretary Hodgson has direct responsibility for Item 2.

3. The Cabinet Committee on Economic Growth will meet in about 10 days to develop a strategy for productive deregulation.

Comment: The Committee has met and, pursuant to an agreement reached at the meeting, an outline of proposed work on deregulation has been prepared and submitted to the Committee. A copy of the outline is attached.

4. Secretary Stans (Jim Lynn) and Secretary Volpe will see what can be done to hasten the discontinuance of the 14 passenger trains now held up by court action.

Comment: Enactment of the Rail Passenger Corporation Act makes any further action by Secretary Stans and Secretary Volpe to hasten discontinuance of the 14 passenger trains moot. The Act is expected to be signed by the President momentarily. The 14 trains cannot be discontinued prior to May 1, 1971 under the provisions of the new Act and the court has essentially been divested of jurisdiction.

5. Secretary Volpe will encourage the ICC to approve an increase of 15 percent in freight rate effective November 18.

Comment: The Department is preparing a statement to be filed in Ex Parte 267 - Increased Freight Rates - 1971 supporting an increase in railroad rates effective November 18, 1970.

6. Secretary Volpe will contact Commissioner Blum and State utilities commissions to urge them to process intrastate rate increases immediately following ICC interstate rate increases.

Comment: The Secretary has discussed this matter.

7. Secretary Volpe will study the effect of an increase in demurrage and per diem charges on the cash flow of Penn Central and for longer term efficiency and make recommendations as to appropriate action steps.

Comment: Since Penn Central is now relying on use of foreign line freight cars to a significant degree, increases in per diem charges would almost definitely cost the Penn Central considerably more in daily operating expenses. At this time I do not have a report to furnish you any estimates of amounts which may be involved in increasing per diem rates.

Penn Central estimates that increased demurrage charges would amount to approximately \$2 million per month if loading-unloading performance levels remain constant. However, they estimate that they probably would not realize nearly that amount because shippers would release equipment more promptly. It would make more cars available, and with better utilization the railroad estimates that gross revenues would increase a like amount, \$2 million per month.

8. Secretary Volpe will work to reduce the delay in billing, delay in processing counter-claims or earmarking of excessive counter-claims, including both in the Government (primarily DOD and GAO) and Penn Central.

Comment: Under Secretary Begg's memoranda to you of October 1, October 12, and October 28, 1970, cover this item in detail.

9. Secretary Volpe will follow through on the payment of about \$19 million for highway right-of-way lands.

Comment: The Federal Highway Administration forwarded a check to the Pennsylvania Highway Department in the amount of \$19.6 million on October 8, 1970. Penn Central Trustees have not yet received payment and don't expect it until after Election Day. If they have difficulty then they will further contact DOT.

10. Secretary Stans (Jim Lynn) will encourage the delinquent major customers of Penn Central to pay their bills on time.

Comment: Secretary Stans has this responsibility. DOT transmitted a list of top 130 customers to him on October 1, 1970 and an updated list as of September 30, 1970 was transmitted to him on October 12, 1970.

11. Secretary Hodgson will work with the labor settlement board to encourage settlement of the retroactive pay issue a month or two after November 18.

Comment: This item is being handled by Secretary Hodgson.

12. Secretary Volpe has requested Penn Central to prepare a plan for the rapid and judicious sale of nonessential company assets.

Comment: The "plan" outlined by Trustees Langdon and Wirtz is only in most general terms. It is along the following lines: "We plan to sell all nonessential company assets. However, this must be done on other than a "fire sale basis" and in each instance a system must be devised for keeping the assets received from the sale since virtually all of the nonessential company assets of any appreciable value are mortgaged or otherwise subject to liens or prior claims."

13. Secretary Volpe will work with Ways and Means and Rules Committees to insure passage of the Passenger Service Act (Railpax) before adjournment of the Congress this year.

Comment: The Passenger Service Act was passed by the Senate and House on October 14. The bill is now awaiting the President's signature.

14. Decision on the resurrection of a modified Emergency Transportation Assistance Act will be delayed until the next meeting, at which time Secretary Volpe will make recommendations concerning a modified Emergency Transportation Assistance Act and/or a crisis lending bill (similar to the Reconstruction Finance Corporation).

Comment: There has been no change in the status of this item. The Penn Central trustees have been requested to take steps to bring their ability to float trustees certificates to a head as part of any effort that might be made before Congress after November 16.

15. Secretary Volpe will review the progress of railroads in selling commuter services to the States.

Comment: The agreement for sale of the west end branch of New Haven to the Bi-State compact was signed on October 27, 1970. Dr. Ronan of the Metropolitan Transit Authority of the New York area is, according to Mr. Langdon, completing the plans for an arrangement with Penn Central to relieve the problem related to operation of the commuter service over the Harlem and Hudson Divisions. Mr. Langdon is hopeful that SEPTA will expand its commuter activities in the Philadelphia area within the next few years.

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

INDEX

Exhibit

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11	Freight Car Expense Repair Program
12	Effect on Earnings of MTA/CTA and Railpax

1971 ADVANCE FINANCIAL PLAN

INCOME STATEMENT

ars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
OPERATING REVENUES					
Freight	\$1,752,100	\$1,445,735	\$1,558,600	\$306,365	\$ 193,500
All Other	182,000	287,360	297,000	(105,360)	(115,000)
Total Operating Revenues	1,934,100	1,733,095	1,855,600	201,005	78,500
Total Operating Costs	2,002,775	1,941,864	1,861,605	(60,911)	(141,170)
Operating Income	def.68,675	def208,769	def.6,005	140,094	(62,670)
OTHER CHARGES					
Rent for Leased Rd.& Equip	34,517	32,744	26,238	(1,773)	(8,279)
Interest on Debt	112,400	112,924	123,427	524	11,027
Miscellaneous - Net	7,286	5,456	5,096	(1,830)	(2,190)
Total Other Charges	154,203	151,124	154,761	(3,079)	558
Total Rail Earnings	def222,878	def359,893	def160,766	137,015	(62,112)
OTHER OPERATIONS-INCOME					
Total Real Estate	37,197	31,357	39,123	5,840	(1,926)
Total From Subsidiaries	10,680	24,288	57,686	(13,608)	(47,006)
Other Dividends & Interest	6,173	6,207	7,970	(34)	(1,797)
Securities Transactions	-	17,042	-	(17,042)	-
Impairment of Value in Investment	-	dr. 17,591	-	17,591	-
Total Other Operations	54,050	61,303	104,779	(7,253)	(50,729)
Net Ordinary Earnings	def. \$ 168,828	def. \$ 298,590	def. \$ 55,987	\$129,762	\$ (112,841)

1971 ADVANCE FINANCIAL PLAN

OPERATING REVENUES

Dollars in Thousands	1971 Advance Fin. Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Fin. Plan
Freight					
Coal	\$ 242,100	\$ 223,059	\$ 222,700	\$ 19,041	\$ 19,400
Ore	64,100	61,747	64,100	2,353	-
TrailVan	152,300	122,487	132,800	29,813	19,500
Motor Vehicles	78,200	61,065	63,300	17,135	14,900
Motor Vehicle Parts	108,900	87,769	96,800	21,131	12,100
Iron & Steel	201,900	188,481	184,200	13,419	17,700
Other	816,100	757,252	774,400	58,848	33,600
Total Commodity Revenues	1,663,600	1,501,860	1,538,300	161,740	117,200
Non Line haul	9,100	8,470	9,100	630	-
Total Gross Revenues	1,672,700	1,510,330	1,547,400	162,370	117,200
Absorbed Switching, etc.	(78,000)	(74,595)	(46,000)	(3,405)	(23,900)
Total Freight Respons.	1,594,700	1,435,735	1,501,400	158,965	93,300
1970 Incr. Not Granted	-	-	57,200	-	(57,200)
Tariff Incr. 11/18/70	99,000	10,000	-	89,000	99,000
Tariff Incr. 4/1/71	58,400	-	-	58,400	58,400
Total Freight Respons.	1,752,100	1,445,735	1,558,600	306,365	193,500
Incl. Tariff Increases					
Passenger	53,900	145,267	153,100	(91,367)	(99,200)
Tariff Incr. 1/1/71	2,500	-	-	2,500	2,500
Total Passenger	56,400	145,267	153,100	(88,867)	(96,700)
Incl. Tariff Increase					
Mail	37,700	46,601	50,100	(8,901)	(12,400)
Express	3,100	2,589	3,600	511	(500)
All Other	84,800	92,903	90,200	(8,103)	(5,400)
Total Respon. Revenues	\$1,934,100	\$1,733,095	\$1,855,600	\$ 201,005	\$ 78,500

NET TON MILES

Net Ton Miles (000,000)					
Coal	22,050	20,539	20,585	1,511	1,465
Ore	6,130	5,796	5,980	334	150
TrailVan	6,635	5,460	5,910	1,175	725
Motor Vehicles	1,975	1,537	1,585	438	390
Motor Vehicle Parts	2,770	2,171	2,425	599	345
Iron & Steel	9,175	8,213	8,350	962	825
Other	43,390	41,998	42,645	1,392	745
Total Net Ton Miles	92,125	85,714	87,480	6,411	4,645

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

OPERATIONS DEPARTMENT

(INCLUDING PASSENGER DEPARTMENT)

Dollars in Thousands

	<u>PASSENGER DEPARTMENT (Exhibit 3B)</u>	<u>OPERATIONS DEPARTMENT (Exhibit 3C)</u>	<u>TOTAL</u>
System Office - Passenger Dept.	\$ 9,629	\$ -	\$ 9,629
Administration	2,163	47,155	49, 8
Stations	4,938	89,315	94,253
Transportation	18,230	672,001	690,231
Maintenance of Equipment	17,892	425,066	442,958
Maintenance of Way	<u>7,561</u>	<u>262,960</u>	<u>270,521</u>
TOTAL (EXHIBIT 3-LINE 8)	<u>\$60,413</u>	<u>\$1,496,497</u>	<u>\$1,556,910</u>

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

FREIGHT REVENUES

Dollars in Thousands

	<u>1971 Advance Financial Plan</u>	<u>Forecast</u>	<u>1970 Financial Plan</u>
Freight Revenues Before Freight Rate Increases	\$1,594,700	\$1,399,235	\$1,463,600
Effect of Increases Granted/ Planned			
5/1/70 (6%) Planned			59,000
6/10/70 (5%) Granted		36,500	
7/1/70 (5%) Planned			36,000
(-) Granted			
11/18/70 (7%) Planned	99,000	10,000	
4/1/71* (8%) Planned	<u>58,400</u>		
Total Freight Revenue	<u>\$1,752,100</u>	<u>\$1,445,735</u>	<u>\$1,558,600</u>

* Effective Rate of 4%

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANOPERATING COSTS

Dollars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
System Offices	\$ 136,570	\$ 129,062	\$ 130,427	\$(7,508)	\$(6,143)
System Offices-Pass. Dept.	9,629	20,113	19,964	10,484	10,335
Administration	49,318	58,967	65,090	9,649	15,772
Stations	94,253	88,625	93,618	(5,628)	(635)
Transportation	690,231	693,970	661,484	3,739	(28,747)
Maint. of Equipment	442,958	377,588	369,287	(65,370)	(73,671)
Maint. of Way	270,521	246,855	242,388	(23,666)	(28,133)
Sub-Total (Lines 2 - 7)	<u>1,556,910</u>	<u>1,486,118</u>	<u>1,451,831</u>	<u>(70,792)</u>	<u>(105,079)</u>
F.I.T. Leased Lines	1,159	1,049	973	(110)	(186)
State & Local Taxes	62,936	61,820	65,646	(1,116)	2,710
Equipment Rents	201,242	180,919	170,582	(20,323)	(30,660)
Train Expenses	62,258	54,534	51,000	(7,724)	(11,258)
Corp. Adjustment	<u>CR. 18,300</u>	<u>28,362</u>	<u>CR. 8,854</u>	<u>46,662</u>	<u>9,446</u>
TOTAL OPERATING COSTS	<u>\$2,002,775</u>	<u>\$1,941,864</u>	<u>\$1,861,605</u>	<u>\$(60,911)</u>	<u>\$(141,170)</u>

1971 ADVANCE FINANCIAL PLAN

SYSTEM OFFICES

Dollars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
Executive	\$ 2,050	\$ 1,765	\$ 2,317	\$ (285)	\$ 267
Claims & Prevention	16,730	14,985	14,441	(1,745)	(2,289)
Finance	34,454	32,593	33,461	(1,861)	(993)
Ind.Devel, Real Est.& Taxes	4,323	4,239	4,784	(84)	461
Labor Relations	1,522	1,505	1,856	(17)	334
Legal and Public Affairs	5,146	5,283	5,402	137	256
Public Relations & Adv.	4,160	2,196	3,036	(1,964)	(1,124)
Secretary	1,454	1,286	1,388	(168)	(66)
Staff Department	30,890	29,690	31,469	(1,200)	579
Purchases & Materials (excl. Price Var.)	14,947	14,530	14,636	(417)	(311)
Purchase Price Variances	cr 2,000	cr 367	cr 4,300	1,633	(2,300)
Total Purchases & Mat'ls.	12,947	14,163	10,336	1,216	(2,611)
Traffic	22,894	21,357	21,937	(1,537)	(957)
TOTAL SYSTEM OFFICES	\$136,570	\$129,062	\$130,427	\$ (7,508)	\$ (6,143)
Reconciliation - Selected Items					
1969 Base	\$120,709	\$120,003			
Increase Wage Costs	10,697	5,269			
Material Price Variance	2,300	3,933			
Increase Cost of Material and Supplies	922	450			
Advertising	1,942	(593)			
Total Reconciling Items	\$15,868	\$9,059			

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

SYSTEM OFFICE

Dollars in Thousands

() = Unfavorable

	1971 Variance From <u>1970 Forecast</u>	
<u>Executive</u>		
Legal Fees - Trustees	\$ (250)	
Other	<u>(35)</u>	\$ (285)
<u>Claims & Prevention</u>		
1971 Wage Increase - Agreement	(746)	
1970 Security Wage Increase (Effect on 1971)	(838)	
Increase Overtime	(216)	
Other	<u>55</u>	(1,745)
<u>Finance</u>		
1971 Wage Increase - Agreement	(1,559)	
Increased Insurance Premiums	(165)	
P&LA Billing Not Budgeted	(88)	
Eliminate Penn Central Co. Billing	(26)	
Other	<u>(23)</u>	(1,861)
<u>Industrial Devel., Real Estate & Taxes</u>		
1971 Wage Increase Agreement	(63)	
Other	<u>(21)</u>	(84)
<u>Labor Relations</u>		
Other	<u>(17)</u>	(17)
<u>Legal & Public Affairs</u>		
Reduction in Attorneys fees-New Haven Cases	149	
1970 Non Agree. Wage Increase (Eff. on 1971)	(93)	
Reduction-Controllable Costs	16	
Reduction of Credits in 1971	(163)	
Reduction in Forces	190	
Other	<u>38</u>	137
<u>Public Relations & Advertising</u>		
<u>Advertising</u>		
Freight Sales	(851)	
Industrial Development	(150)	
N.Y. to Wash.-Demonstration Period	(1,534)	
Special A.A.R. Assessment in 1970	427	
Reduction in Force	29	
1971 Annual Report-Charged to Penn Central Co.	83	
Other	<u>32</u>	(1,964)

Secretary

1971 Wage Increase - Agreement	\$ (22)	
Exec. Dining Room Trf'd. from Operating Dept.	(23)	
Eliminated Penn Central Co. Billing	(100)	
Other	<u>(23)</u>	(168)

Staff Department

1971 Wage Increase - Agreement	(639)	
Non Agreement Wage Increase	(208)	
Communication Services	(375)	
Other	<u>22</u>	(1,200)

Material & Purchases

Force Reduction	790	
Non Agree. Wage Increase 6/1/70	(71)	
Loss of Credits a/c Closing Dispatch Shop Inc. Oper.	(84)	
1971 Wage Increase - Agreement	(949)	
Injuries to Persons	(60)	
Other	<u>(43)</u>	(417)

Purchase Price Variance

Price Adj.-Increase in Standard Prices	2,278	
Frt. Charges on Company Material	(164)	
Acctg. Change 1970-Eliminated Acquisition Allow.	<u>(481)</u>	1,633

Traffic

Non Agreement Wage Incr. 6/1/70	(295)	
Additional Non-Agreement Labor Cost-1971	(193)	
1971 Wage Increase-Agreement	(303)	
Additional Agreement Labor Cost-1971	(147)	
Increase in Controllable Costs	(341)	
Increase in Gen'l. & Fixed Costs	(117)	
Business Expenses	(155)	
Other	<u>14</u>	(1,537)

TOTAL VARIANCES

\$(7,508)

PENN CENTRAL TRANSPORTATION COMPANY

EXHIBIT 3-B

1971 ADVANCE FINANCIAL PLAN

PASSENGER SERVICE DEPARTMENT

Dollars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From 1970	
		Forecast	Financial Plan	1970 Forecast	Financial Plan
1 SYSTEM OFFICES					
2 Senior Vice President	\$ 157	\$ 126	\$ 16	\$ (31)	\$ (141)
3 V.P. New England	758	864	902	106	144
4 V.P. Passenger Operations	7,248	7,647	7,502	399	254
5 Dining & Sleeping Car	5,657	11,253	11,310	5,596	5,653
6 Asst. V.P. Contracts & Special Services	210	223	234	13	24
7 Other (Railpax)	(4,401)			4,401	4,401
8 TOTAL SYSTEM OFFICES	9,629	20,113	19,964	10,484	10,335
9 COMMUTER OPERATIONS					
10 Administration	2,163	3,801	3,033	1,638	870
11 Stations	4,938	5,485	6,175	547	1,237
12 Transportation	18,230	25,047	22,551	6,817	4,321
13 Maintenance of Equipment	17,892	22,768	22,051	4,876	4,159
14 Maintenance of Way	7,561	11,160	10,607	3,599	3,046
15 TOTAL COMMUTER OPERATIONS	50,784	68,261	64,417	17,477	13,633
16					
17 TOTAL PASSENGER SVC. DEPT.	\$ 60,413	\$ 88,374	\$ 84,381	\$ 27,961	\$ 23,968

Included in 1971 Advance Financial Plan are the following 1971 reduction programs

- 1) MTA/CTA effective January 1, 1971 \$59,241
- 2) Railpax effective May 1, 1971 10,236

1971 ADVANCE FINANCIAL PLAN

OPERATIONS DEPARTMENT

Dollars in Thousands

(Excluding Passenger)

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
Administration	\$ 47,155	\$ 55,166	\$ 62,057	\$ 8,011	\$ 14,902
Stations	89,315	83,140	87,443	(6,175)	(1,872)
Transportation	672,001	668,923	638,933	(3,078)	(33,068)
Maint. of Equip.	425,066	354,820	347,236	(70,246)	(77,830)
Maint. of Way	262,960	235,695	231,781	(27,265)	(31,179)
Total Oper. Dept.	<u>\$1,496,497</u>	<u>\$1,397,744</u>	<u>\$1,367,450</u>	<u>\$ (98,753)</u>	<u>\$ (129,047)</u>

Included in 1971 Advance Financial Plan are the following 1971 reduction programs:

1) Accelerated program for disposing of scrap	\$ 648
2) Elimination of automatic train controls	1,441
3) Elimination of locomotive speed recorders	168
4) More expeditious management of traffic	9,400
5) Elimination of surplus or idle TTX cars	1,470
6) Substantially improved utilization of locomotives and termination of "running while at standby" procedure	630
7) Capital Program Savings	3,545
8) Rail-Pax	<u>72,505</u>
Total	<u>\$ 89,807</u>

STATE, LOCAL & F.I.T. TAXES

() = Unfavorable

tober 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

EQUIPMENT RENTS

Assumes historic mix among Per Diem, Mileage, TrailVan and Rack Cars.

	<u>1971 Advance Financial Plan</u>	<u>Forecast</u>	<u>1970 Financial Plan</u>
<u>AVAILABLE CAR FLEET</u>			
Serviceable Freight Cars:			
Beginning of Year	155,413	164,774*	170,837
End of Year	157,874	155,413	167,360
Average During Year	156,655	160,882	168,883
Car Days available from			
Serviceable System Fleet (000)	57,179	58,722	61,642
System Days off line (000)	<u>23,400</u>	<u>23,416</u>	<u>23,027</u>
Net Serviceable System			
Days on line (000)	<u>33,779</u>	<u>35,306</u>	<u>38,615</u>
<u>VOLUME OF OPERATIONS</u>			
Net Rev. Ton Mi. (Billions)	92.1	85.7	87.5
Loads Handled (000)	21,345	19,941	19,325
Ton Mi. Per Load Handled	4,316	4,298	4,527
<u>CAR UTILIZATION</u>			
Region Target Car Days			
Per Load Handled	3.3	3.5	3.8
<u>CAR REQUIREMENTS [Car Days (000)]</u>			
Region use Car Days	70,062	69,986	73,673
Assigned Cars held for loading			
and System order	2,700	4,625	2,722
Mechanical other than Heavy Bad			
Order (Stored-hold for modifi-			
cation, Co. Mat'l., etc.)	<u>950</u>	<u>1,278</u>	<u>1,035</u>
Total Required	73,712	75,889	77,430
Serviceable System Fleet on line	<u>33,779</u>	<u>35,306</u>	<u>38,615</u>
Needs to be filled from Foreign			
Cars in Received traffic, Pool			
assignments, Car Service orders	<u>39,933</u>	<u>40,583</u>	<u>38,815</u>
<u>AS PLANNED</u>			
Average rate per foreign			
Per Diem Car Day	\$ 3.46**	\$ 3.35**	\$ 3.20***
Per Diem Payable (000)	\$138.270	\$135.803	\$124.400
" " Receivable (000)	<u>87,475</u>	<u>87,170</u>	<u>82,900</u>
Net Per Diem Payable (000)	50,795	48,633	41,500
Reclaims Payable (000)	<u>3,892</u>	<u>5,297</u>	<u>4,495</u>
Net Total Per Diem & Reclaims			
Payable (000)	<u>\$ 54,687</u>	<u>\$ 53,930</u>	<u>\$ 45,995</u>

[Estimated time/mileage benefit handled as a single adjustment in Per Diem in 1970 Reports. 1971 is distributed between Per Diem and Reclaims.]

* AVP-Equip. Weekly Revenue Freight Car Bad Order Report 12/29/69.

** 1970 includes incentive for 4 months; 1971 includes incentive for 6 months. Both based on time/mileage.

*** Time/mileage only - no incentive.

1971 ADVANCE FINANCIAL PLANEQUIPMENT RENTS

ars n Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
FREIGHT					
Per Diem - Payable	\$138,270	\$135,803	\$124,400	\$ (2,467)	\$(13,870)
" " - Receivable	87,475	87,170	82,900	305	4,575
" " - Net Payable	50,795	48,633	41,500	(2,162)	(9,295)
Reclaims	3,892	5,297	4,495	1,405	603
Mileage	28,247	26,185	25,435	(2,062)	(2,812)
Lease Rental	47,451	34,647	34,390	(12,804)	(13,061)
Flat Cars	7,967	8,535	7,800	568	(167)
Hwy. Trailers	-	-	-	-	-
Auto Rack Cars	19,857	19,487	18,025	(370)	(1,832)
Other Freight	4,188	4,110	4,010	(78)	(178)
TOTAL FREIGHT	162,397	146,894	135,655	(15,503)	(26,742)
PASSENGER ITEMS	7,214	10,669	10,938	3,455	3,724
LOCOMOTIVES	31,125	22,898	23,545	(8,227)	(7,580)
FLOATING & WORK EQUIPMENT	506	458	444	(48)	(62)
TOTAL EQUIPMENT RENTS	\$201,242	\$180,919	\$170,582	\$(20,323)	\$(30,660)



PENN CENTRAL

914 Six Penn Center
Philadelphia, Penna.
September 28, 1970

A. M. Underhill:

Confirming my conversation with your office today, we forecast an increase in our TrailVan traffic for 1971 to a total of 502,082 trailerloads. Our car rental costs for the total traffic which we will handle will be \$1,470,000 less in 1971 than what we expect to incur in 1970.


W. F. Kirk
Vice President -
Mail and TrailVan Services

cc: Mr. McDonald

Note: 502,082 Trailerloads x \$124.00 per Trailerload =
\$62,258,168.

October 19, 1970

1971 ADVANCE FINANCIAL PLAN

OTHER CHARGES

Dollars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From 1970	
		Forecast	Financial Plan	1970 Forecast	Financial Plan
<u>RENT FOR LEASED RD. & EQUIP.</u>					
Connecting Ry. Co.	\$ 2,112	\$ 2,111	\$ 2,110	\$ (1)	\$ (2)
Penndel	2,810	2,394	-	(416)	(2,810)
Northern Central	1,298	1,299	1,299	1	1
Pa. Tunnel & Terminal RR	2,304	2,317	2,303	13	(1)
Phila., Balto. & Wash. RR	12,445	11,105	7,277	(1,340)	(5,168)
United N.J. R.R. & Canal	2,004	2,007	2,028	3	24
CCC & St. Louis Ry. Co.	3,084	3,092	3,103	8	19
Mahoning Coal R.R. Co.	3,010	2,794	2,668	(216)	(342)
Other	5,450	5,625	5,450	175	-
Total Rent for Leased R&E	34,517	32,744	26,238	(1,773)	(8,279)
<u>INTEREST ON DEBT</u>					
Equipment:					
Conditional Sales Agreements	25,155	28,051	26,763	2,896	1,608
Equip. Trust Certificates	3,990	4,602	4,602	612	612
Miscellaneous	18	38	34	20	16
Total Equipment	29,163	32,691	31,399	3,528	2,236
Commercial Paper	12,165	8,750	18,224	(3,415)	6,059
Miscellaneous Obligations	71,072	71,483	73,804	411	2,732
Total Interest on Debt	112,400	112,924	123,427	524	11,027
<u>MISCELLANEOUS</u>					
P.R.S.L. Advances	2,800	3,140	3,140	340	340
Other Income/Expense (Net)	4,486	2,316	1,956	(2,170)	(2,530)
Total Miscellaneous	7,286	5,456	5,096	(1,830)	(2,190)
TOTAL OTHER CHARGES					

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCED FINANCIAL PLANTOTAL REAL ESTATE

Dollars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970 Forecast	1970 Financial Plan	1971 Variance From 1970 Forecast	1970 Financial Plan
<u>FROM SALES:</u>					
Proceeds	\$11,214	\$ 2,591	\$10,176	\$ 8,623	\$ 1,038
Cost	<u>1,751</u>	<u>1,255</u>	<u>2,276</u>	<u>(496)</u>	<u>525</u>
Net	<u>9,463</u>	<u>1,336</u>	<u>7,900</u>	<u>8,127</u>	<u>1,563</u>
<u>FROM HOTELS:</u>					
Revenues	37,344	37,269	40,898	75	(3,554)
Expenses	<u>28,444</u>	<u>28,688</u>	<u>30,233</u>	<u>244</u>	<u>1,789</u>
	<u>8,900</u>	<u>8,581</u>	<u>10,665</u>	<u>319</u>	<u>(1,765)</u>
<u>FROM OTHER OPERATIONS:</u>					
Revenues	23,111	25,996	24,137	(2,885)	(1,026)
Expenses	<u>4,277</u>	<u>4,556</u>	<u>3,579</u>	<u>279</u>	<u>(698)</u>
Net	<u>18,834</u>	<u>21,440</u>	<u>20,558</u>	<u>(2,606)</u>	<u>(1,724)</u>
 TOTAL REAL ESTATE	 <u>\$37,197</u>	 <u>\$31,357</u>	 <u>\$39,123</u>	 <u>\$ 5,840</u>	 <u>\$(1,926)</u>

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANREAL ESTATE PROFITS-FROM SALESMAJOR PROJECTS

\$ in Thousands

	<u>Proceed</u>	<u>Cost</u>	<u>Profit</u>
Niagara Mohawk Power, Gardenville, N.Y.	\$ 99	\$ 25	\$ 74
Penn State Construction Col, Newberry Jct., Pa.	75	6	69
General Drywall Products, Wickliffe, Ohio	100	20	80
Pittsburgh, Pa.	100	40	60
Pratt & Lambert, Buffalo, N.Y.	203	20	183
United Auto Workers, Newberry Jct., Pa.	65	9	56
I.C.T. Industries, River Rouge, Mich.	100	26	74
Commonwealth Edison Co., Chicago, Ill.	1,482	13	1,469
Rensselaer, N.Y.	400	65	335
Guardian Title & Guarantee, Cleveland, Ohio	300	-	300
Perry Supply Co., Harrisburg, Pa.	100	20	80
Southern Supply Co., Nitro, W. Va.	60	10	50
L. A. Katz, Bronx, N.Y.	1,500	100	1,400
Tarrytown Urban Renewal, Tarrytown, N.Y.	175	20	155
Redevelopment Authority of Altoona, Pa.	400	74	326
Buffalo School Board, Buffalo, N.Y.	230	50	180
Worcester, Mass.	130	5	125
Paramont Supermarkets, Queens, N.Y.	100	2	98
Iroquois Gas Co., Buffalo, N.Y.	100	50	50
Sobel Construction Co., Newberry, Pa.	111	8	103
Niagara Mohawk Power, Lake Placid, N.Y.	400	100	300
Harrisburg, Pa.	750	58	692
Tangleweld, Mott Haven, N.Y.	1,300	75	1,225
Miscellaneous	2,934	955	1,979
	<u>\$11,214</u>	<u>\$1,751</u>	<u>\$9,463</u>

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANTOTAL REAL ESTATE - OTHER OPERATIONS

Dollars in Thousands

	1971 Advance Financial Plan
51 East 42nd St. Corp.	\$ 235
Yale Club	70
51st Street Realty Corp.	500
Pan Am Bldg.	1,210
Lexington 43rd, Inc.	60
Graybar Bldg.	390
383-385 Madison Ave.	270
250 Park Avenue	355
270 Park Avenue	240
Adjacent Hotel Chatham	80
290 Park Avenue	270
320 Park Avenue	206
350 Park Avenue	187
230 Park Avenue	2,450
245 Park Avenue	1,050
277 Park Avenue	835
299 Park Avenue	1,045
Hotel Waldorf-Astoria	3,104
466 Lexington Ave.	1,625
Other	4,652
Total Real Estate - Other Operations	\$ 18,834

1971 ADVANCE FINANCIAL PLAN

FINANCIAL INCOME-FROM SUBSIDIARIES

In Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
DIVIDENDS					
Associates of The Jersey Co	\$	\$ 397	\$	\$ (397)	\$
Chgo. & Harrisburg Coal Co.	60	125	125	(65)	(65)
Clearfield Bituminous Coal			700		(700)
Cleveland Technical Center		50	50	(50)	(50)
Detroit Manufacturer's RR		6	12	(6)	(12)
Great Southwest Corp.		16	41	(16)	(41)
Indianapolis Union Ry. Co.		100	200	(100)	(200)
Little Miami R.R. Co.		16	33	(16)	(33)
Mahoning Coal R.R. Co.		742	1,482	(742)	(1,482)
Merchants Despatch Transp.	750	1,181	750	(431)	-
Merchants Trucking Co.		18	16	(18)	(16)
Pennsylvania Co.		12,000	24,000	(12,000)	(24,000)
Pennsylvania Truck Lines		96	268	(96)	(268)
PennTruck Co., Inc.		10	75	(10)	(75)
Peoria & Eastern R.R. Co.		180	180	(180)	(180)
Pitt , Chartiers & Yough.		26	52	(26)	(52)
Pittsburgh & Lake Erie RR		4,596	4,594	(4,596)	(4,594)
Toronto, Hamilton & Bflo. Rwy	100	160	160	(60)	(60)
Union Depot Co.		2	6	(2)	(6)
West Jersey & Seashore RR		200	401	(200)	(401)
Total Dividends	910	19,921	33,145	(19,011)	(32,235)
TAX ALLOCATION AGREEMENT					
Chicago & Harrisburg Coal	31	37	18	(6)	13
Clearfield Bituminous Coal	114	236	158	(122)	(44)
Cleveland Technical Center	40	40	51	-	(11)
Despatch Shops, Inc.		40	3	(40)	(3)
Excelsior Truck Leasing	850	810	676	40	174
Great Southwest Corp.	723	dr. 5,779	11,175	6,502	(10,452)
Indianapolis Union Ry. Co.	223	223	210	-	13
Mahoning Coal R.R. Co.	1,575	1,464	1,465	111	110
Merchants Despatch Transp.	1,843	2,223	2,380	(380)	(537)
New York Central Transport	821	564	812	257	9
Pennsylvania Improvement Corp.		101		(101)	
Pennsylvania Truck Lines	36	143	35	(107)	1
PennTruck Co., Inc.	30	2	48	28	(18)
Peoria & Eastern Rwy. Co.	384	356	233	28	151
Pittsburgh & Lake Erie RR	3,100	3,907	7,277	(807)	(4,177)
Total Tax Allocation Agree	9,770	4,367	24,541	5,403	(14,771)
TOTAL FINANCIAL INCOME -					
FROM SUBSIDIARIES					

1971 ADVANCE FINANCIAL PLAN

FINANCIAL INCOME-OTHER DIVIDENDS AND INTEREST

ars in Thousands

() = Unfavorable

	1971 Advance Financial Plan	1970		1971 Variance From	
		Forecast	Financial Plan	1970 Forecast	1970 Financial Plan
OTHER DIVIDENDS					
Cincinnati Union Terminal	\$	\$ 30	\$ 60	\$ (30)	\$ (60)
Fairport, Painesville & East.	75	dr. 35	93	110	(18)
Fort Wayne & Jackson R.R.Co.		2	2	(2)	(2)
Fort Wayne Union Rwy. Co.		2	3	(2)	(3)
Lehigh & Hudson River R.R.		8	24	(8)	(24)
New Gauley Coal Corp.	35	35	34	-	1
Raritan River R.R. Co.	50	97	99	(47)	(49)
Richmond-Washington Co.	50	46	45	4	5
Wilkes-Barre Connection RR		1	5	(1)	(5)
Other			2,327	-	(2,327)
TOTAL OTHER DIVIDENDS	210	186	2,692	24	(2,482)

INTEREST

Cleveland Union Terminal	1,164	1,164	1,164	-	-
Lehigh Valley	558	587	587	(29)	(29)
New York Central Transport	960	1,020	974	(60)	(14)
Penn Central Park	528	504	528	24	-
Railway Express Agency	451	451	451	-	-
Other	2,302	2,295	1,574	7	728
TOTAL INTEREST	5,963	6,021	5,278	(58)	685
TOTAL OTHER DIVIDENDS AND INTEREST	\$ 6,173	\$ 6,207	\$ 7,970	\$ (34)	\$ (1,797)

1971 ADVANCE FINANCIAL PLANSOURCE AND APPLICATION OF FUNDS

Dollars in Millions	1971 Advance	1970	
	Financial Plan	Forecast	Financial Plan
<u>SOURCE</u>			
Net Income	\$ (168.8)	\$(298.6)	\$ (56.0)
Adjustments to Income			
Clearfield Bituminous Coal	-	(16.9)	-
Profit on Sale of Property	(9.5)	(1.3)	(10.0)
Impairment of Assets	-	17.6	-
Accrual for Anticipated Wage Incr.	-	60.0	-
Accrued State, Local Taxes <u>1/</u>	62.9	61.8	65.1
Taxes Paid	-	(27.2)	(65.1)
Accrued Interest on Debt	112.4	112.9	123.4
Interest Paid	(34.1)	(75.7)	(123.4)
Accrued Leased Line Rentals	34.5	32.7	26.2
Leased Lines Rents Paid	(.8)	(17.0)	(26.2)
Depreciation	92.5	94.1	90.0
Increase in Payables	-	92.0	-
Change in Receivables	15.0	(10.0)	15.0
Casualty Reserves	(20.0)	35.1	-
Service Loss	10.0	5.7	.6
Other	(4.4)	.7	(5.0)
Net Cash Provided by Operations	<u>89.7</u>	<u>65.9</u>	<u>34.6</u>
Other			
Financing			
Equipment - C.S.A.	-	13.6	-
Equipment - Leasing	183.5	98.7	70.0
By Subsidiaries	-	103.7	-
Commercial Paper	-	16.0*	-
Other	100.2	-	155.0
Total Financing	<u>283.7</u>	<u>232.0</u>	<u>225.0</u>
Proceeds from Sale of Property	11.2	10.3	34.3
Salvage	24.7	22.2	20.0
Advances from Subsidiaries	-	(14.4)	-
Government Contrib.-N.E.C.	1.5	4.6	5.4
Passenger Service Subsidies	28.3	-	7.2
	<u>349.4</u>	<u>254.7</u>	<u>291.9</u>
TOTAL SOURCE.	<u>439.1</u>	<u>320.6</u>	<u>326.5</u>
<u>APPLICATION</u>			
Capital Program - Equipment			
C.S.A.	-	13.6	-
Leasing	183.5	98.7	70.0
Other	14.7	13.0	10.0
	<u>198.2</u>	<u>125.3</u>	<u>80.0</u>
Capital Expenditures - Road	74.6	68.0	86.4
New Haven Acquisition Cost	-	12.0	15.0
Debt Retirement (1971 - Equip. only)	63.0	89.3	126.6
Debt Service - Comm'l. Paper	-	21.9*	-
Merger Reserve			
Recalled Labor	14.0	15.4	15.0
Net Loss of Removal & Disp of Prop.	1.0	1.0	1.0
Southern Divisions	-	5.8	5.4
Special Fund	-	16.8	-
Retroactive Wage Payment 1970	60.0	-	-
Passenger Service Exp. Net of Rev.	28.3	-	-
Other	-	2.6	27.1
TOTAL APPLICATION	<u>439.1</u>	<u>358.1</u>	<u>356.5</u>
Net Increase (Decrease) in Cash	-	(37.5)	(30.0)
Beginning Cash-Treasurer	<u>20.5</u>	<u>58.0</u>	<u>58.0</u>
Ending Cash-Treasurer	\$ 20.5	\$ 20.5	\$ 28.0

1/ Does not include taxes collected as tenants rents which approximate \$25.0.

* Does not include special refund arrangement for commercial paper \$96.5.

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October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANINTEREST ON DEBT

Dollars in Thousands

	<u>1971 Advance Financial Plan</u>	<u>Forecast</u>	<u>1970 Financial Plan</u>
<u>Interest on Funded Debt</u>			
Commercial Paper - Prepaid Interest	\$ -	\$ 3,863	\$ 9,125
Sec. Obligation	64,443	63,582	61,987
Accounts Pay. to Affil. Cos.	985	920	720
Sec. Equipment Obligations	18*	38	34
Equipment Trust Certificates	3,990*	4,602	4,602
Additional Sales Agreements-Equipment	25,155*	28,051	26,763
1970 Financing per Fin. Plan-\$155,000	-	-	8,797
1971 Financing	4,928*	-	-
Interest in Default	<u>12,165</u>	<u>3,939</u>	<u>-</u>
	<u>111,684</u>	<u>104,995</u>	<u>112,028</u>
<u>Interest on Unfunded Debt</u>			
Commercial Paper - Prepaid Interest	-	4,887	9,099
Long-Term Bonds-Due in '71 to Default in '71	188	889	-
Bank Loans before Default	-	1,186	-
Trade Crossing Elim.	17	342	340
& E.	48	38	-
Cleveland Mail Terminal	76	108	-
c.	<u>387</u>	<u>479</u>	<u>1,960</u>
	<u>716</u>	<u>7,929</u>	<u>11,399</u>
1971 Interest Expense	<u>112,400</u>	<u>112,924</u>	<u>123,427</u>
Interest Paid (*Items in 1971)	<u>34,091</u>	<u>75,700</u>	<u>123,427</u>
Equipment	29,163	32,691	31,399
Commercial Paper	-	8,750	18,224
Other	-	34,259	73,804
1971 Financing	<u>4,928</u>	<u>-</u>	<u>-</u>
	<u>\$ 34,091</u>	<u>\$ 75,700</u>	<u>\$123,427</u>

October 19, 1970

Definition of assumptions, for 1971, under
Column A thru D on next page:

- Column: A Wage agreements on expected Industry basis including retroactive payments for service actually rendered in 1970. 190
- B Wage agreements on expected Industry basis-but no retroactive payments to be made.
- C Wage agreements on expected Industry basis applicable to 1970 rate-but no retroactive payments to be made and no further increase for 1971.
- D No wage rate changes for 1970 or for 1971 other than agreements already reached. (TWU, Shop-crafts (4), Teamsters (Police), Supervisors (MW & ME), Marine Division AFL-CIO and miscellaneous organizations).

1971 ADVANCE FINANCIAL PLAN

SOURCE AND USES OF FUNDS

Dollars in Millions

SOURCE	1970 Forecast	1971 Advance Financial Plan	1971 Assuming Independent Wage Settlement		
		A	B	C	D
Income Before Wage Charges	\$ 605.1	\$ 794.9	\$ 798.1	\$ 799.0	\$ 798.9
Wages Chargeable to Income #	(903.7)	(963.7)	(963.7)	(906.8)	(844.7)
Net Loss	(298.6)	(168.8)	(165.6)	(107.8)	(45.8)
Adjustments to Income					
Clearfield Bituminous Coal	(16.9)	-	-	-	-
Profit on Sale of Property	(1.3)	(9.5)	(9.5)	(9.5)	(9.5)
Impairment of Assets	17.6	-	-	-	-
Accrual for Anticipated Wage Increase	60.0	-	-	-	-
Accrued State, Local Taxes 1/	61.8	62.9	62.9	62.9	62.9
Taxes Paid	(27.2)	-	-	-	-
Accrued Interest on Debt	112.9	112.4	109.3	107.5	107.5
Interest Paid	(75.7)	(34.1)	(31.0)	(29.2)	(29.2)
Accrued Leased Line Rentals	32.7	34.5	34.5	34.5	34.5
Leased Lines Rents Paid	(17.0)	(.8)	(.8)	(.8)	(.8)
Depreciation	94.1	92.5	92.5	92.5	92.5
Increase in Payables	92.0	-	-	-	-
Change in Receivables	(10.0)	15.0	15.0	15.0	15.0
Casualty Reserves	35.1	(20.0)	(20.0)	(20.0)	(20.0)
Service Loss	5.7	10.0	10.0	10.0	10.0
Other	.7	(4.4)	(4.4)	(4.4)	(4.4)
Total Adjustments	364.5	258.5	258.5	258.5	258.5
Net Cash Provided by Operations	65.9	89.7	92.9	150.7	212.7
Proceeds from Sale of Property	10.3	11.2	11.2	11.2	11.2
Salvage	22.2	24.7	24.7	24.7	24.7
Advances from Subsidiaries	(14.4)	-	-	-	-
Gov. ment Contrib. - N.E.C.	4.6	1.5	1.5	1.5	1.5
Passenger Service Subsidies	-	28.3	28.3	28.3	28.3
Sub-Total	22.7	65.7	65.7	65.7	65.7
TOTAL SOURCE	88.6	155.4	158.6	216.4	278.4
USES					
Capital Program - Equipment	13.0	14.7	14.7	14.7	14.7
Capital Program - Road	68.0	74.6	74.6	74.6	74.6
New Haven Acquisition Cost	12.0	-	-	-	-
Debt Retirement (1971 - Equipment only)	89.3	63.0	63.0	63.0	63.0
Debt Service - Commercial Paper	21.9*	-	-	-	-
Merger Reserve					
Recalled Labor	15.4	14.0	14.0	14.0	14.0
Net Loss of Removal & Disposal of Property	1.0	1.0	1.0	1.0	1.0
Southern Divisions	5.8	-	-	-	-
Special Fund	16.8	-	-	-	-
Retroactive Wage Payment 1970	-	60.0 ✓	-	-	-
Passenger Service Expenses Net of Revenues	-	28.3	28.3	28.3	28.3
Other	2.6	-	-	-	-
TOTAL USES	245.8	255.6	195.6	195.6	195.6
Net Increase (Decrease) in cash	\$ (157.2)	\$ (100.2)	\$ (37.0)	\$ 20.8	\$ 82.8
Cash at beginning of year	\$ 58.0	\$ 20.5	\$ 20.5	\$ 20.5	\$ 20.5
Cash at end of year	\$ 20.5	\$ (79.7)	\$ (16.5)	\$ 41.3	\$ 103.3

Approximation - actual wage provision in total results is not separately determinable at this time.

1/ Does not include taxes collected as tenants rents which approximate \$25.0.

* Does not include special refund arrangement for commercial paper \$96.5.

Note: The above figures, for 1971, do not include a \$183.5 million Capital Equipment Program that needs to be financed. The 1970 Forecast does not include Capital Equipment Financing of \$112.3, of which \$75.5 has been secured.

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANROAD & EQUIPMENT CAPITAL PROGRAM

Dollars in Thousands

ROAD CAPITAL

Work in Progress	\$ 4,400
Safety	17,800
Industrial Development	19,200
Economy - Savings 75% and over	4,300
Economy - Savings 50% - 74%	7,500
Government Directives	4,100
Other	<u>17,300</u>
Total Road Capital	<u>74,600</u>

EQUIPMENT CAPITAL

Locomotives:	
New Locomotives (231 units)	50,450
Upgraded Locomotives (38 units)	<u>3,400</u>
Total Locomotives	<u>53,850</u>
Freight Car Program	137,621
Work Equipment	<u>6,700</u>
Total Equipment Capital	<u>198,171</u>

TOTAL ROAD & EQUIPMENT PROGRAM	<u>\$ 272,771</u>
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NOTE: Included in our expense projection is an overhaul of 110 locomotives at a cost of \$11.1 million, and freight car repairs of \$79.3 million.

PENN CENTRAL TRANSPORTATION COMPANY

1971 ROAD CAPITAL BUDGET

WORK IN PROGRESS ITEMS

IN MILLIONS

<u>BUDGET NO.</u>	<u>LOCATION AND DESCRIPTION</u>	<u>TOTAL CAPITAL</u>	<u>SPENT PRIOR TO 1971</u>	<u>1971 CAPITAL</u>
1023DC	Baltimore, Md. - Reconstruct Bay View Yard	\$ 1.7	\$.9	\$.8
1023EC	Edgemoor, Md. - Reconstruct Flat Switching Yard	1.5	1.3	.8
1700BC	Lordstown, Ohio - Additional Facilities for General Motors	1.6	1.4	.2
1700DC	Westboro, Mass. - Auto Facilities to Serve Chrysler Corp.	2.1	2.0	.1
3027AC	Boston, Mass. - Relocate Dover St. Passenger and Locomotive Facility	2.1	.1	2.0
4430BC	Kinport, Pa. - Side Track for Barnes and Tucker Coal Company	1.8	1.7	.1
	Various Miscellaneous Items	<u>.7</u>	<u>.3</u>	<u>.4</u>
	TOTAL	<u>\$11.5</u>	<u>\$ 7.7</u>	<u>\$ 4.4</u>

EXHIBIT 10-A

PENN CENTRAL TRANSPORTATION COMPANY

1971 ROAD CAPITAL BUDGET

SUMMARY OF SAFETY ITEMS

IN MILLIONS

<u>DESCRIPTION</u>	<u>1971 CAPITAL</u>
Bridge and Tunnel Program	\$ 4.3
Rail Program (Incl. O.T.M.)	4.4
Ballast and Tie Program	1.6
Communication and Signal Program	2.3
M.W. Machinery (Replacement Program)	4.8
Miscellaneous	<u>.4</u>
TOTAL	<u><u>\$17.8</u></u>

EXHIBIT 10-B

PENN CENTRAL TRANSPORTATION COMPANY

1971 ROAD CAPITAL BUDGET

INDUSTRIAL DEVELOPMENT ITEMS

IN MILLIONS

<u>BUDGET NO.</u>	<u>LOCATION AND DESCRIPTION</u>	<u>1971 CAPITAL</u>
1043AC	Willow Run, Mich.-Add'l. Track to Serve General Motors	\$ 1.0
1021C	Edison, N.J.-Tracks in Camp Kilmer Area	2.5
1043A	Lansing, Mich.-Expand Yard	.5
1043B	Willow Run, Mich.-Add'l. Yard Tracks	.6
1100A	Miscellaneous Industrial Sidetracks	2.5
1117A	Balmat, N.Y.-Track for St. Joseph Lead Co.	.7
1121A	Jersey City, N.J.-New Forwarder Facility	-*
1800A	System-TrailVan Terminals	1.1
1800B	System-Multi-Level Terminals	1.8
1800C	System-Flexi-Flo Terminals	.8
2434A	Ashtabula, Ohio-Expand Coal Storage Area	1.8
3433B	Tanoma, Pa.-Loop Track for Barnes and Tucker Coal Co.	2.5
	Various Other Items Under \$500,000 each	<u>3.4</u>
	TOTAL	<u>\$19.2</u>

*Project to be included in 1971 Road Capital Budget for \$8.9 million contingent upon other than Penn Central construction cash.

EXHIBIT 10-C

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS
SUMMARY BY REGIONS

S-1 (FIRST PRIORITY)
SAVINGS 75% & OVER

<u>REGION</u>	<u>TOTAL CAPITAL</u>	<u>INVESTMENT COST</u>	<u>1971 CAPITAL</u>	<u>MEASURABLE SAVINGS</u>			<u>% SAVINGS ON INV. COST</u>		<u>NON MEASURABLE SAVINGS</u>	<u>NO. OF POS. REDUCED</u>
				<u>LABOR</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>LABOR</u>	<u>TOTAL</u>		
NORTHEASTERN	\$ 729,347	\$ 752,324	\$ 659,511	\$ 756,307	\$ 81,311	\$ 837,618	101%	111%	\$ 18,087	76.3
EASTERN	619,990	524,476	619,990	495,426	34,813	530,239	94	101	544,783	21.4
NORTHERN	176,839	176,639	176,839	122,865	36,088	158,953	70	90	54,001	8.0
CENTRAL	426,031	439,681	425,012	418,093	7,686	425,779	95	97	55,556	9.0
SOUTHERN	587,737	629,122	581,769	661,500	93,892	755,392	105	120	-	37.2
METROPOLITAN	-	-	-	-	-	-	-	-	-	-
WESTERN	608,554	931,768	608,554	1,067,330	56,757	1,124,087	115	121	316,943	47.2
SYSTEM	1,250,983	1,360,273	1,250,983	1,266,065	205,066	1,471,131	93	108	2,250	106.0
TOTAL	<u>\$4,399,481</u>	<u>\$4,814,283</u>	<u>\$4,322,658</u>	<u>\$4,787,586</u>	<u>\$ 515,613</u>	<u>\$5,303,199</u>	<u>99%</u>	<u>110%</u>	<u>\$ 991,620</u>	<u>305.1</u>

EXHIBIT 10-D-1

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS OVER ITEMS

S-1-C MEASURABLE SAVINGS 75% R

NORT ERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA				MEASURABLE SAVINGS				% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	CAPITAL SPENT PRIOR YEARS	1971 CAPITAL	LABOR	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1218BC	N. TONAWANDA, N.Y. SIGNALLING TRK #2	\$ 15,470	\$ 15,470	\$ -	\$ 15,470	\$ 14,148	\$ -	\$ -	\$ 14,148	91	\$ -	\$ -	\$ -	\$ -	\$ -	-
1227DC	TAUNTON, MASS. AUTO. KING PROT.	21,332	21,747	-	21,332	26,998	-	-	26,998	124	-	-	-	-	-	3.2
1227FC	WEBSTER, MASS. SWITCH SENSING EQUIP.	15,357	15,357	-	15,357	11,812	-	-	11,812	77	-	-	-	-	-	1.4
1227OC	E. GREENWICH, R.I. AUTO KING PROT.	101,195	102,030	-	101,195	106,303	-	-	106,303	104	-	-	-	-	-	12.6
1726BC	NEW HAVEN, CONN. CLOSE CEDAR HILL HEAT PLT.	45,732	48,315	-	45,732	52,894	50,700	(5,000)	98,594	204	-	-	-	-	-	4.0
1727AC	ROUTE 128, MASS. PEDESTRIAN FOOTBRIDGE	33,954	33,954	-	33,954	38,493	-	-	38,493	113	-	-	-	-	-	3.5
1227BC	S. BOSTON, MASS. CLOSE FARGO HEAT PLANT	64,718	64,718	-	64,718	54,834	21,233	(12,000)	64,067	99	-	-	-	-	-	5.0
2125BC	NEW HAVEN, CONN. CRANE CONTROLS-TRUCK SHOP	8,969	8,969	-	8,969	11,589	-	-	11,589	129	-	-	-	-	-	1.0
2125CC	NEW HAVEN, CONN. CRANE CONTROLS-ME SHOP	19,658	19,658	-	19,658	34,767	-	-	34,767	177	-	-	-	-	-	3.0
2126BC	NEW HAVEN, CONN. SAND STORAGE FAC.	36,951	41,091	-	36,951	43,466	-	-	43,466	106	-	-	17,912	-	17,912	4.8
M327AC	MASSENA BRANCH - R.C. BLOCK STATIONS	80,941	81,105	69,836	11,105	77,530	-	(4,320)	73,210	90	-	-	-	-	-	9.0
TOTAL		\$ 444,277	\$ 452,414	\$ 69,836	\$ 374,441	\$472,834	\$ 71,933	\$ (21,320)	\$ 523,447	116	\$ -	\$ -	\$ 17,912	\$ -	\$ 17,912	47.5

EASTERN REGION

M104AC	PARKESBURG, PA. CHANGES AT BLOCK STATION	\$ 50,154	\$ 57,812	\$ -	\$ 50,154	\$ 42,500	\$ -	\$ 1,600	\$ 44,100	76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4.2
	TOTAL	\$ 50,154	\$ 57,812	\$ -	\$ 50,154	\$ 42,500	\$ -	\$ 1,600	\$ 44,100	76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4.2

CENTRAL REGION

M100AC	GEORGETOWN, O. REPLACE SCALE EQUIP.	\$ 12,554	\$ 12,554	\$ 1,000	\$ 11,554	\$ 5,552	\$ 1,650	\$ 2,704	\$ 9,906	79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1033BC	NEWBERRY, PA. - CONNECTION WMSPT & CORNING BR.	108,837	110,420	19	108,818	88,155	-	(4,320)	83,835	76	-	-	-	-	-	-	-
M092AC	ASHTABULA, OHIO 2 AUTO. CAR OILERS	32,753	33,029	-	32,753	33,383	-	-	33,383	101	-	-	-	-	-	-	-
	TOTAL	\$ 154,144	\$ 156,003	\$ 1,019	\$ 153,125	\$127,090	\$ 1,650	\$ (1,616)	\$ 127,124	81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

NORTHERN REGION

2142AC	W. DETROIT, MICH. AIR TEST PLANT	\$ 18,894	\$ 18,894	\$ -	\$ 18,894	\$ 14,174	\$ -	\$ -	\$ 14,174	75	\$ 4,810	\$ 2,244	\$ -	\$ -	\$ -	\$ 7,054	-
2143BC	KALAMAZOO, MICH. AIR TEST PLANT	31,369	31,369	-	31,369	29,882	-	-	29,882	95	6,956	2,518	-	-	-	9,474	-
M134AC	DETROIT, MICH. AIR COMPRESSORS	18,604	18,404	-	18,604	-	-	18,084	18,034	98	-	-	-	-	-	-	-
	TOTAL	\$ 68,867	\$ 68,667	\$ -	\$ 68,867	\$ 44,056	\$ -	\$ 18,084	\$ 62,140	90	\$ 11,766	\$ 4,762	\$ -	\$ -	\$ -	\$ 16,528	-

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECT RYOVER ITEMS

S-1-C MEASURABLE SAVINGS 75% ER

SOU.		REGION		ECONOMY PROJECT		RYOVER ITEMS		S-1-C MEASURABLE SAVINGS 75%		ER						
BUDGET NO.	LOCATION & DESCRIPTION	COST DATA				MEASURABLE SAVINGS				% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	CAPITAL SPENT PRIOR YEARS	1971 CAPITAL	LABOR	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1242BC	DUNREITH, IND. R.C. INTLG.	\$ 31,878	\$ 39,688	\$ -	\$ 31,878	\$ 35,671	\$ -	\$ 750	\$ 36,421	92	\$ -	\$ -	\$ -	\$ -	\$ -	4.2
1251DC	PIQUA, OHIO R.C. "CREST"	5,176	9,983	894	4,282	12,085	-	-	12,085	121	-	-	-	-	-	-
1251DC	HAMILTON, OHIO RELOCATE CTC MACHINE	33,204	36,355	-	33,204	40,009	-	360	40,369	111	-	-	-	-	-	4.2
1252GC	NEW LEXINGTON TO BREMAN, O. R.C. BLOCK SIGNALS	25,632	27,564	-	25,632	37,834	-	390	38,224	102	-	-	-	-	-	4.2
1253HC	INDLPS., IND. R.C. SWITCHES-HAWTHORNE YD.	49,942	49,942	-	49,942	39,716	-	(240)	39,476	79	-	-	-	-	-	4.2
1254BC	ARCOLA, ILL. CONVERT MANUAL INTLG.	7,249	7,722	-	7,249	8,076	-	180	8,256	107	-	-	-	-	-	-
1254DC	SMITHBORO, ILL. RELOCATE CTC MACHINE	70,675	74,771	-	70,675	60,286	-	540	60,826	81	-	-	-	-	-	8.4
1255CC	GLOVER, ILL.-CONVERT TO SEMI-AUTO INTLG.	12,280	13,061	-	12,280	12,549	-	120	12,669	97	-	-	-	-	-	1.4
1350AC	SOU. REGION INSTALL TONE EQUIP.	10,596	10,596	-	10,596	-	-	9,133	9,133	86	-	-	-	-	-	-
M015AC	TERRE HAUTE, IND. EXTEND YD OFFICE	33,433	35,344	-	33,433	29,576	-	-	29,576	84	-	-	-	-	-	3.0
M101AC	KENTON, OHIO RELOCATE R.C. MACHINE	23,364	26,028	5,074	18,290	21,970	-	-	21,970	84	-	-	-	-	-	1.0
M127AC	INDLPS., IND. 2 ICE MACHINES	3,280	3,280	-	3,280	-	-	2,600	2,600	79	-	-	-	-	-	-
TOTAL		\$ 306,709	\$ 334,334	\$ 5,968	\$ 300,741	\$297,772	\$ -	\$ 13,833	\$ 311,605	93	\$ -	\$ -	\$ -	\$ -	\$ -	30.6

WESTERN REGION

1072AC	HAMMOND, IND.-COLEHOUR YD ADD TRACKS	\$ 148,229	\$ 210,205	\$ -	\$ 148,229	\$238,680	\$ -	\$ 14,232	\$ 252,912	120		\$ 25,898	\$ 65,846	\$ -	\$ -	\$ 91,744	4.2
1075BC	CLEVELAND, OHIO 2 X-OVERS ON CSL	20,833	21,348	-	20,833	20,515	-	-	20,515	96		4,425	-	-	-	4,425	-
1872AC	HAMMOND, IND. FLEXI-FLOW TERM-FENCE	13,500	13,500	-	13,500	9,600	-	6,250	15,850	117		-	-	-	-	-	-
2670AC	CLEVELAND & TOLEDO TONE EQUIPMENT	14,162	14,162	-	14,162	-	-	12,161	12,161	86		-	-	-	-	-	-
2675AC	CLEVELAND, OHIO CONSOLIDATE DREW DIS. OFF.	11,776	11,776	-	11,776	27,458	-	(13,440)	14,018	119		-	-	-	-	-	3.0
2772AC	WHITING, IND. R.C. INTLG.	17,829	19,170	-	17,829	18,616	-	385	19,001	99		-	-	-	-	-	-
4471AC	LOGANSPOUT, IND. AIR COMPRESSOR	12,110	12,443	-	12,110	25,185	-	2,100	27,285	219		9,235	-	-	-	9,235	-
	TOTAL	\$ 238,439	\$ 302,604	\$ -	\$ 238,439	\$340,054	\$ -	\$ 21,688	\$ 361,742	120		\$ 39,558	\$ 65,846	\$ -	\$ -	\$ 105,404	7.2

SYSTEM & SHOPS

2281AC	WILMINGTON, DEL. PENDANT CRANE CONTROLS	\$ 37,956	\$ 38,041	\$ -	\$ 37,956	\$ 56,870	\$ 468	\$ -	\$ 57,338	151		\$ -	\$ -	\$ -	\$ -	\$ -	5.0
2288FC	HOLLIDAYSBURG, PA. FLASH WELDERS	38,927	39,172	-	38,927	33,926	-	-	33,926	87		-	-	-	-	-	4.0
2288JC	ALTOONA, PA. CRANE CONTROLS	19,439	19,530	-	19,439	15,760	-	-	15,760	81		-	-	-	-	-	2.0
2288KC	ALTOONA, PA. DUCTOR TEST MACH.	12,959	12,959	-	12,959	9,753	-	-	9,753	75		-	-	-	-	-	1.0
2288NC	ALTOONA, PA. VAPOR RECOVERY SYS.	19,958	19,958	-	19,958	-	-	14,962	14,962	75		-	-	-	-	-	-
	TOTAL	\$ 129,239	\$ 129,660	\$ -	\$ 129,239	\$116,309	\$ 468	\$ 14,962	\$ 131,739	102		\$ -	\$ -	\$ -	\$ -	\$ -	12.0

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-NEW ITEMS

S-1 MEASURABLE SAVINGS 75% & OVER

NORTHEASTERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1018D	BUFFALO, N.Y. CONSOLIDATE EA YD OFFICE	\$ 18,003	\$ 19,123	\$ 18,003	\$ 40,862	\$ 1,319	\$ -	\$ 3,700	\$ 45,881	240	\$ -	\$ -	\$ -	\$ -	\$ -	4.2
2010B	SELKIRK, N.Y. 3-STEAM GENERATORS	9,961	9,612	9,961	15,474	-	21,538	(7,000)	30,012	312	-	-	-	-	-	2.0
2012D	NEW HAVEN, CONN. ME SHOP - LIGHTING	12,512	12,512	12,512	11,640	-	-	-	11,640	93	-	-	-	-	-	1.0
2017A	SELKIRK, N.Y. CAR REPAIR SHED DOORS	14,400	14,400	14,400	2,544	-	-	12,460	15,004	104	-	-	-	-	-	-
2712D	DANBURY, CONN. AUTO. PROT.-WILDMAN ST.	44,244	44,765	44,244	35,435	-	-	-	35,435	79	-	-	175	-	175	4.2
2712J	WORCESTER, MASS. R.C. HOPE AVE. BLOCK STA.	50,374	51,025	50,374	41,997	-	-	-	41,997	82	-	-	-	-	-	4.2
2712N	PELHAM BAY, N.Y. INTLG. CHANGES	94,115	100,974	94,115	92,861	-	-	-	92,861	92	-	-	-	-	-	9.0
2713N	SPRINGFIELD, MASS. R.C. INTLG.	41,461	47,899	41,461	41,341	-	-	-	41,341	86	-	-	-	-	-	4.2
	TOTAL	\$ 285,070	\$ 300,310	\$ 285,070	\$282,154	\$ 1,319	\$ 21,538	\$ 9,160	\$ 314,171	96	\$ -	\$ -	\$ 175	\$ -	\$ 175	28.8

EASTERN REGION

2722C	PHILA., PA. R.C. STADIUM INTLG.	\$ 32,044	\$ 28,299	\$ 32,044	\$ 43,074	\$ -	\$ -	\$ 1,050	\$ 44,124	156	\$ -	\$ -	\$ -	\$ -	\$ -	4.2
2724I	BUTTONWOOD, PA. R.C. HUNLOCK INTLG.	19,849	24,299	19,849	26,527	-	-	1,010	27,537	113	-	-	-	-	-	2.8
2921A	N.Y., N.Y. - SS YARD AIR COMPRESSOR	37,519	37,019	37,519	-	-	-	28,828	28,828	78	-	-	-	25,000	25,000	-
3720A	EASTERN REGION 3 WIRE CARS	290,000	294,218	290,000	216,582	-	-	8,760	225,342	77	-	-	-	150,000	150,000	5.0
324BH	CRESWELL, PA. ELECT SW. HEATERS	8,427	8,427	8,427	-	6,307	474	500	7,281	86	-	-	-	-	-	-
2722F	PHILA. DIV. - THORN TO DALE SIGNALLING	22,581	(71,655)	22,581	12,760	-	-	-	12,760	Inf.	-	-	-	350,000	350,000	1.0
2722G	PHILA. DIV. - GLEN TO PAOLI SIGNALLING	56,443	40,791	56,443	14,671	-	-	-	14,671	-	-	-	-	-	-	-
2723C	ABERDEEN, MD. FIRE PROTECTION	40,906	43,199	40,906	33,122	-	-	1,200	34,322	79	-	-	-	-	-	4.2
4421A	WAVERLY, N.J. WRECKING EQUIP.	15,627	15,627	15,627	-	23,243	-	(1,863)	21,380	137	3,703	-	920	-	4,628	-
4422A	SO. PHILA., PA. WRECKING EQUIP.	15,775	15,775	15,775	-	24,516	-	(2,370)	22,146	140	3,958	-	1,086	-	5,044	-
4423A	WILMINGTON, DEL. WRECKING EQUIP.	14,890	14,890	14,890	-	22,366	-	(1,922)	20,444	137	3,347	-	882	-	4,229	-
4424A	ENOLA, PA. WRECKING EQUIP.	15,775	15,775	15,775	-	29,758	-	(2,454)	27,304	173	4,719	-	-	1,163	5,882	-
	TOTAL	\$ 569,836	\$ 466,664	\$ 569,836	\$346,736	\$106,190	\$ 474	\$ 32,739	\$ 486,139	96	\$ 15,732	\$ -	\$ 2,888	\$526,163	\$ 544,793	17.2

NORTHERN REGION

1042D	MELVINDALE, MICH. AIR TEST PLANT	\$ 6,445	\$ 6,445	\$ 6,445	\$ -	\$ 5,899	\$ -	\$ -	\$ 5,899	92	\$ 518	\$ 1,955	\$ -	\$ -	\$ 2,473	-
1543A	KALAMAZOO, MICH. OFFICE BUILDING	78,092	78,092	78,092	56,302	-	-	10,164	66,466	85	-	-	-	35,000	35,000	6.0
1942A	N. YARD & RIVER ROUGE SANDING FACILITY	19,910	19,910	19,910	16,608	-	-	4,270	20,878	105	-	-	-	-	-	2.0
1942B	BAY CITY, MICH. LUBE OIL TAND	3,525	3,525	3,525	-	-	3,570	-	3,570	101	-	-	-	-	-	-
	TOTAL	\$ 107,972	\$ 107,972	\$ 107,972	\$ 72,910	\$ 5,899	\$ 3,570	\$ 14,434	\$ 96,813	90	\$ 518	\$ 1,955	\$ -	\$ 35,000	\$ 37,473	8.0

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-NEW ITEMS

CENTRAL REGION

S-1 MEASURABLE SAVINGS 75% & OVER

UDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
931A	EBENSBURG, PA. WYE CONNECTION	\$ 7,781	\$ 7,796	\$ 7,781	\$ -	\$ 19,347	\$ -	\$ -	\$ 19,347	249	\$ 2,585	\$ 7,451	\$ -	\$ -	\$ 10,036	-
933B	BIGLER, PA. TRACK CONNECTION	17,548	12,912	17,548	32,590	-	-	-	32,590	252	-	15,018	-	-	15,018	-
933C	BELL RUN, PA. DOUBLE END COAL SIDING	7,115	7,118	7,115	-	8,550	-	-	8,550	120	-	-	-	-	-	-
032A	CONWAY, PA. NEW BLDG.-ENGINEHOUSE	97,116	101,022	97,116	108,614	-	-	-	108,614	108	-	-	5,848	-	5,848	9.0
033B	CHERRY TREE, PA. RENEW AIR COMP.	14,474	14,530	14,474	-	9,162	2,000	1,400	12,562	86	-	-	1,094	-	1,094	-
031G	ALTOONA, PA. ANTIS-WORKS - X-OVER	89,862	100,367	89,862	76,860	-	-	-	76,860	77	-	-	-	-	-	-
034N	STRUTHERS, OHIO CONNECTION DET. PC & LE&E	32,213	34,405	32,213	35,880	-	-	-	35,880	104	23,560	-	-	-	23,560	-
032A	PITTSBURGH, PA. WHITE PRINT MACH.	5,778	5,528	5,778	-	-	-	4,286	4,286	78	-	-	-	-	-	-
	TOTAL	<u>\$ 271,887</u>	<u>\$ 283,678</u>	<u>\$ 271,887</u>	<u>\$253,944</u>	<u>\$ 37,059</u>	<u>\$ 2,000</u>	<u>\$ 5,686</u>	<u>\$ 298,689</u>	<u>95</u>	<u>\$ 26,145</u>	<u>\$ 22,469</u>	<u>\$ 6,942</u>	<u>\$ -</u>	<u>\$ 55,556</u>	<u>9.0</u>

SOUTHERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1054A	ROSE LAKE, ILL. CONNECTION-A&S R.R.	\$ 198,505	\$ 213,413	\$ 198,505	\$276,317	\$ -	\$ -	\$ 59,904	\$ 336,221	158	\$ -	\$ -	\$ -	\$ -	\$ -	-
2753C	SEYMOUR, IND. R.C. BLOCK STATION	21,767	21,874	21,767	21,949	-	-	200	22,149	101	-	-	-	-	-	2.4
2753D	LAFAYETTE, IND. ELIM. ALTAMONT INTLG.	34,691	33,436	34,691	22,323	-	-	19,955	42,278	125	-	-	-	-	-	4.2
4451A	MORAIN, OHIO YARD AIR FACILITY	26,065	26,065	26,065	-	43,139	-	-	43,139	106	-	-	-	-	-	-
	TOTAL	<u>\$ 281,028</u>	<u>\$ 294,788</u>	<u>\$ 281,028</u>	<u>\$320,589</u>	<u>\$ 43,139</u>	<u>\$ -</u>	<u>\$ 80,059</u>	<u>\$ 443,787</u>	<u>151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6.6</u>

UDGET NO.	LOCATION & DESCRIPTION	TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL	ON INV. COST	ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	POS. RED.
372AH	S. BEND, T.M. EATERS	\$ 54,513	\$ 54,513	\$ 54,513	\$ -	\$ 57,562	\$ -	(16,784)	\$ 40,778	75	\$ -	\$ -	\$ -	\$ -	\$ -	-
376A	TOLEDO, OHIO - CONNECTION TOLEDO TERM R.R.	165,217	173,066	165,217	311,749	-	-	(97,596)	214,153	124	43,530	163,110	-	-	206,640	15.0
372A	ELKHART, IND. ADD'L. YMCA FAC.	70,383	70,383	70,383	-	-	-	54,097	54,097	77	-	-	-	-	-	-
372B	ELKHART, IND. 2 VAN AIR DRYERS	8,801	9,061	8,801	8,777	-	-	(1,768)	7,009	77	-	-	-	-	-	-
376B	SANDUSKY & ELYRIA REBUILD AIR COMP.	13,223	13,223	13,223	-	43,629	-	(3,950)	39,679	300	-	-	-	-	-	-
376C	GIBSONBURG, OHIO REBUILD AIR COMP.	2,646	2,646	2,646	-	6,239	-	(1,140)	5,099	193	-	-	-	-	-	-
971A	LOGANSPOUT, IND. DIESEL SERV. FAC.	14,200	90,885	14,200	119,791	-	-	32,862	152,653	168	-	-	-	-	-	8.0
376A	TOLEDO, OHIO REACTIVATE STANLEY ENCHSE.	27,516	193,055	27,516	161,249	-	-	53,100	214,349	111	4,899	-	-	-	4,899	15.0
376A	TOLEDO, OHIO INTERCOUPLER AT STANLEY YD	5,508	5,508	5,508	18,280	-	-	(3,120)	15,160	275	-	-	-	-	-	2.0
772B	CHICAGO, ILL. R.C. SWITCH-17TH ST.	8,108	16,825	8,108	-	-	-	19,368	19,368	115	-	-	-	-	-	-
	TOTAL	\$ 370,115	\$ 629,165	\$ 370,115	\$619,846	\$107,430	\$ -	\$ 35,069	\$ 762,345	121	\$ 48,429	\$163,110	\$ -	\$ -	\$ 211,539	40.0
	SYSTEM & SHOPS															
		COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO.OF POS. RED.
UDGET NO.	LOCATION & DESCRIPTION	TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL	ON INV. COST	ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	POS. RED.
000AM	S. ALTOONA, PA. MATERIAL DISTR. FACILITY	\$ 234,834	\$ 342,396	\$ 234,834	\$351,000	\$ -	\$ -	\$ 2,735	\$ 353,735	103	\$ -	\$ -	\$ -	\$ -	\$ -	39.0
000BM	COLLINWOOD, OHIO EXTEND TRUCK DOCK	6,665	6,665	6,665	8,200	-	-	-	8,200	123	-	-	-	-	-	1.0
085A	BEECH GROVE, IND. EXPAND DRAINAGE SYSTEM	24,706	24,706	24,706	30,177	-	-	-	30,177	122	-	-	-	-	-	-
085D	BEECH GROVE, IND. EXTEND REPAIR TRK BLDG 44	16,043	16,043	16,043	18,513	-	-	-	18,513	115	-	-	2,250	-	2,250	2.0
185A	BEECH GROVE, IND. SHELTER OVER INSP. AREA	19,240	19,240	19,240	19,486	-	-	-	19,486	101	-	-	-	-	-	2.0
705W	COLUMBUS, O. ACI SYSTEMS	15,975	15,975	15,975	78,511	-	-	(56,808)	21,703	136	-	-	-	-	-	-
685A	BEECH GROVE SHOP RADIOS	13,470	13,470	13,470	19,487	-	-	-	19,487	145	-	-	-	-	-	2.0
988A	ALTOONA WORKS WATER COOLING TOWER	20,094	20,094	20,094	-	-	-	15,581	15,581	78	-	-	-	-	-	-
703D	SYSTEM 4 TIE DESTROYERS	224,400	224,400	224,400	148,862	-	-	164,635	313,497	140	-	-	-	-	-	8.0
484B	COLLINWOOD SHOPS GOVERNOR TEST STAND	17,624	17,624	17,624	11,128	5,000	-	-	16,128	93	-	-	-	-	-	1.0
484G	COLLINWOOD SHOPS BAR CHECKING FIXTURE	20,503	20,503	20,503	-	-	-	24,136	24,136	118	-	-	-	-	-	-
484H	COLLINWOOD SHOPS HOSE REELS	2,391	2,391	2,391	2,548	-	-	-	2,548	107	-	-	-	-	-	-
484I	COLLINWOOD SHOPS FREEZER CHEST	2,424	2,424	2,424	2,534	-	-	-	2,534	105	-	-	-	-	-	-
485C	BEECH GROVE SHOPS AFTERCOOLER	8,734	8,734	8,734	9,761	-	1,741	-	11,502	132	-	-	-	-	-	-
485D	BEECH GROVE SHOPS FABRICATING SHOP MACHINERY	33,093	33,093	33,093	29,234	-	2,221	-	31,445	95	-	-	-	-	-	3.0
485E	BEECH GROVE SHOPS IMP. PASS SHOP FAC.	33,519	33,519	33,519	29,190	-	-	-	29,190	87	-	-	-	-	-	3.0
485F	BEECH GROVE SHOPS OVERHEAD CRANE	72,115	72,115	72,115	57,887	-	-	-	57,887	80	-	-	-	-	-	-
488A	ALTOONA WORKS CRANE CONTROLS	20,479	20,570	20,479	19,991	-	-	-	19,991	98	-	-	-	-	-	2.0
488B	ALTOONA WORKS CRANE CONTROLS	22,472	22,563	22,472	19,991	-	-	-	19,991	89	-	-	-	-	-	2.0
488C	ALTOONA WORKS CRANE CONTROLS	11,211	11,211	11,211	18,228	-	-	-	18,228	163	-	-	-	-	-	2.0
488D	ALTOONA WORKS CRANE CONTROLS	11,211	11,211	11,211	18,228	-	-	-	18,228	163	-	-	-	-	-	2.0
488D	ALTOONA WORKS ANGLE BEVELER	8,395	8,864	8,395	10,859	-	-	-	10,859	129	-	-	-	-	-	1.0
489H	ALTOONA WORKS VACUBLAST MACHINE	20,269	20,456	20,269	18,533	-	-	-	18,533	91	-	-	-	-	-	2.0
488J	ALTOONA WORKS REARRANGE WHEEL SHOP	273,088	273,557	273,088	240,636	-	35,405	-	276,041	101	-	-	-	-	-	24.0
	TOTAL	\$1,121,744	\$1,230,611	\$1,121,744	\$1,144,846	\$114,846	\$ 35,405	\$ 2,250	\$ 1,230,611	92	\$ -	\$ -	\$ 2,250	\$ -	\$ 2,250	94.0

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS
SUMMARY BY REGIONS

S-2 (SECOND PRIORITY)
SAVINGS 50% TO 74%

<u>REGION</u>	<u>TOTAL CAPITAL</u>	<u>INVESTMENT COST</u>	<u>1971 CAPITAL</u>	<u>MEASURABLE SAVINGS</u>			<u>% SAVINGS ON INV. COST</u>		<u>NON MEASURABLE SAVINGS</u>	<u>NO. OF POS. REDUCED</u>
				<u>LABOR</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>LABOR</u>	<u>TOTAL</u>		
NORTHEASTERN	\$1,413,956	\$1,422,787	\$1,413,956	\$ 726,683	\$ 15,424	\$ 742,107	51%	52%	\$ 29,170	55.0
EASTERN	857,815	886,341	857,815	453,291	82,904	536,195	51	60	81,555	36.6
NORTHERN	156,272	156,272	156,272	101,227	-	101,227	65	65	14,261	3.0
CENTRAL	1,430,194	1,465,224	1,414,390	746,096	109,054	855,150	51	58	440,858	13.2
SOUTHERN	1,625,525	2,031,780	1,621,726	942,157	297,692	1,239,849	46	61	445,304	91.2
WESTERN	1,108,175	1,151,693	1,108,175	561,538	134,169	695,707	49	60	462,641	32.2
SYSTEM	904,046	873,025	904,046	485,026	20,901	505,927	56	58	267,670	49.0
TOTAL	<u>\$7,495,983</u>	<u>\$7,987,122</u>	<u>\$7,476,380</u>	<u>\$4,016,018</u>	<u>\$660,144</u>	<u>\$4,676,162</u>	<u>50%</u>	<u>59%</u>	<u>\$1,741,459</u>	<u>280.2</u>

EXHIBIT 10-D-7

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-CARRYOVER ITEMS

S-2-C MEASURABLE SAVINGS 50% TO 74%

NORTHEASTERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA				MEASURABLE SAVINGS					NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	CAPITAL SPENT PRIOR YEARS	1971 CAPITAL	LABOR	MATERIAL	OTHER	TOTAL	% RETURN ON INV. COST	ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1216BC	FRAMINGHAM, MASS. T.C.S. - TRK #1	\$ 43,925	\$ 44,890	\$ -	\$ 43,925	\$ 27,342	\$ -	\$ 263	\$ 27,605	61	\$ -	\$ -	\$ -	\$ -	\$ -	-
1226PC	HARTFORD, CONN. AUTO XING PROT.	60,528	61,921	-	60,528	35,435	-	-	35,435	57	-	-	-	-	-	4.2
1226QC	DANBURY, CONN. SWITCH SENSING EQUIP.	32,807	34,127	-	32,807	23,623	-	-	23,623	69	-	-	-	-	-	2.8
1227AC	NEW LONDON, CONN. AUTO XING PROT.	50,592	50,878	-	50,592	34,689	-	-	34,689	68	-	-	-	-	-	4.2
1227CC	BRIDGENATER, MASS. AUTO XING PROT.	12,160	12,512	-	12,160	8,437	-	-	8,437	67	-	-	-	-	-	1.0
1227KC	DAVISVILLE, R.I. R.C. INTLG.	47,673	48,941	-	47,673	33,467	-	-	33,467	68	-	-	-	-	-	3.4
1227LC	KINGSTON, R.I. R.C. INTLG.	46,706	47,981	-	46,706	33,467	-	-	33,467	70	-	-	-	-	-	3.4
M226AC	N. TONAWANDA, N.Y. - MANUAL BLOCKING TRK #1	13,226	13,226	-	13,226	7,231	-	-	7,231	55	-	-	-	-	-	-
TOTAL		\$ 307,617	\$ 314,476	\$ -	\$ 307,617	\$203,691	\$ -	\$ 263	\$ 203,954	65	\$ -	\$ -	\$ -	\$ -	\$ -	19.0

EASTERN REGION

323AHC	NEWARK, DEL. ELECT SW. HEATERS	\$ 36,450	\$ 36,450	\$ -	\$ 36,450	\$ 21,846	\$ 4,810	\$ (2,483)	\$ 24,173	66	\$ -	\$ -	\$ -	\$ -	\$ -	-
323BHC	WILMINGTON, DEL. ELECT SW. HEATERS	31,130	31,130	-	31,130	16,803	3,688	(1,910)	18,581	60	-	-	-	-	-	-
1211AC	NEWARK, N.J. WAVERLY #6-R. CONTROL	84,934	84,634	-	84,934	50,273	-	500	50,773	60	-	-	-	-	-	4.2
1211BC	NEWARK, N.J. WAVERLY YD-POWER SWITCHES	222,780	246,069	-	222,780	143,903	-	1,400	145,303	59	-	-	-	-	-	14.0
1222CC	PHILA., PA. 3 AIR COMPRESSORS	194,539	195,635	-	194,539	55,143	-	73,000	128,143	66	-	-	-	70,000	70,000	5.2
1224NC	WILKES-BARRE, PA. R.C. INTLG.	41,525	43,506	-	41,525	29,403	-	934	30,337	70	-	-	-	-	-	4.0
TOTAL		\$ 611,358	\$ 637,424	\$ -	\$ 611,358	\$317,371	\$ 8,498	\$ 71,441	\$ 397,310	62	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	27.4

CENTRAL REGION

1032BC	CONWAY, PA. EXTEND 901 & 902 TRKS.	\$ 33,448	\$ 36,861	\$ -	\$ 33,448	\$ 21,777	\$ -	\$ -	\$ 21,777	59	\$ 7,862	\$ -	\$ -	\$ -	\$ 7,862	-
1232NC	JOHNSTOWN, PA. KISKI JCT. - CTC	430,497	437,709	15,804	414,693	222,253	2,003	5,000	229,256	55	21,500	25,700	8,281	22,400	77,881	4.2
TOTAL		\$ 463,945	\$ 474,570	\$ 15,804	\$ 448,141	\$244,030	\$ 2,003	\$ 5,000	\$ 251,033	53	\$ 29,362	\$ 25,700	\$ 8,281	\$ 22,400	\$ 85,743	4.2

EXHIBIT 10-D-8

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD C AL BUDGET
ECONOMY PROJECT RYOVER ITEMS

S-2-C MEASURABLE SAVINGS 50% 7

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA				MEASURABLE SAVINGS					NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	CAPITAL SPENT PRIOR YEARS	1971 CAPITAL	LABOR	MATERIAL	OTHER	TOTAL	% RETURN ON INV. COST	ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
1051AC	MIDDLETOWN, OHIO REEDS YD-ADD'L. TRACKS	\$ 306,200	\$ 306,576	\$ -	\$ 306,200	\$156,399	\$ -	\$ -	\$ 156,399	51	\$ 13,429	\$ -	\$ -	\$ -	\$ 13,429	12.0
1251AC	OHIO CITY, OHIO R.C. INTLG.	6,656	7,161	-	6,656	4,975	-	(524)	4,451	62	-	-	-	-	-	-
1251CC	DAYTON, OHIO AUTO XING PROT.	102,378	108,092	-	102,378	63,461	-	240	63,701	59	-	-	-	-	-	8.4
1251EC	KOKOMO, IND. R.C. INTLG.	31,336	35,026	-	31,336	17,624	-	155	17,779	51	-	-	-	-	-	2.1
1252CC	RIDGEWAY TO STANLEY, OHIO HOLDING SIGNAL	58,446	61,036	-	58,446	40,167	-	-	40,167	66	9,442	-	-	-	9,442	-
1252HC	COLUMBUS, OHIO AUTO XING PROT.	52,929	53,836	-	52,929	31,565	-	120	31,685	59	-	-	-	-	-	4.2
1253CC	COLUMBUS, OHIO LUDLOW ST-AUTO XING PROT.	34,044	38,341	299	33,745	27,756	-	-	27,756	72	-	-	-	-	-	-
1254HC	TERRE HAUTE, IND. AUTO XING PROT.	53,868	55,570	-	53,868	31,931	-	120	32,051	58	-	-	-	-	-	4.2
1255AC	BLOOMINGTON, ILL. CONVERT DEAN INTLG.	15,796	16,312	-	15,796	12,648	-	(2,494)	10,154	62	-	-	-	-	-	1.4
M095AC	VARIOUS LOCATIONS ICE MACHINES	4,440	4,440	-	4,440	-	-	2,450	2,450	55	-	-	-	-	-	-
M150AC	INDLPS., IND. R.C. "MASS" INTLG.	8,238	14,003	3,500	4,738	7,761	-	64	7,825	56	-	-	-	-	-	.9
	TOTAL	\$ 674,331	\$ 700,393	\$ 3,799	\$ 670,532	\$394,287	\$ -	\$ 131	\$ 394,418	56	\$ 22,871	\$ -	\$ -	\$ -	\$ 22,871	33.2

WESTERN REGION

2775AC	CLEVELAND, OHIO - INSTALL X-OVER WEST BR. #1	\$ 90,256	\$ 91,037	\$ -	\$ 90,256	\$ 59,528	\$ -	\$ -	\$ 59,528	65	\$ 26,171	\$ 1,166	\$ -	\$ -	\$ 27,337	-
2775BC	CLEVELAND, OHIO - WEST PARK TRACK & SIG. WORK	109,057	120,117	-	109,057	61,691	-	-	61,691	51	90,456	-	-	-	90,456	-
2776AC	TOLEDO, OHIO R.C. INTLG.	73,961	77,715	-	73,961	46,325	-	-	46,325	60	-	-	-	-	-	4.2
2776BC	MAPLE GROVE, OHIO R.C. INTLG.	31,898	32,704	-	31,898	20,392	-	205	20,597	63	-	-	-	-	-	2.8
	TOTAL	\$ 305,172	\$ 321,573	\$ -	\$ 305,172	\$187,936	\$ -	\$ 205	\$ 188,141	59	\$116,627	\$ 1,166	\$ -	\$ -	\$ 117,793	7.0

SYSTEM & SHOPS

1403CC	SYSTEM 4 YARD CLEANERS	\$ 327,600	\$ 324,390	\$ -	\$ 327,600	\$221,792	\$ -	\$(59,842)	\$ 161,950	50	\$ 54,550	\$ -	\$ -	\$ 66,000	\$ 120,550	20.0
2288HC	HOLLIDAYSBURG, PA. CHIP CONVEYOR	61,909	63,374	-	61,909	36,559	-	(453)	36,106	57	-	-	-	-	-	5.0
2288MC	ALTOONA, PA. CRANE CONTROLS	23,004	23,141	-	23,004	12,361	-	-	12,361	53	-	-	-	-	-	2.0
2288OC	HOLLIDAYSBURG, PA. AQUA TOWER	11,664	11,664	-	11,664	-	-	5,064	5,064	50	-	-	-	-	-	-
	TOTAL	\$ 424,177	\$ 422,569	\$ -	\$ 424,177	\$270,712	\$ -	\$(55,231)	\$ 215,481	51	\$ 54,550	\$ -	\$ -	\$ 66,000	\$ 120,550	27.0

EXHIBIT 10-D-9

PENN CENTRAL TRANS. ATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-NEW ITEMS

S-2 MEASURABLE SAVINGS 50% TO 74%

NORTHEASTERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
312CH	MAYBROOK BRANCH ELECT SW. HEATERS	\$ 26,571	\$ 26,571	\$ 26,571	\$ -	\$ 13,100	\$ 2,650	\$ (1,043)	\$ 14,707	55	\$ -	\$ -	\$ -	\$ -	\$ -	-
318AH	BUFFALO, N.Y. ELECT SW. HEATERS	22,794	22,794	22,794	-	19,600	-	(3,570)	16,030	70	-	-	-	-	-	-
1018A	BUFFALO, N.Y. 2 REC. & DEP. TRACKS	179,144	171,649	179,144	91,743	19,567	-	-	111,310	65	28,645	-	-	-	28,645	-
1313A	CHARLTON, MASS. - ELECT. BLANKETS-CHARLTON CUT	6,562	6,562	6,562	-	2,557	-	1,124	3,681	56	-	-	-	-	-	-
912B	BEACON JCT. HOPEWELL CONNECTION	200,000	200,000	200,000	-	-	-	-	-	-	-	-	-	-	-	-
2012C	NEW HAVEN, CONN. IMPROVE ROADWAYS	16,800	16,800	16,800	9,109	-	-	-	9,109	54	-	-	-	-	-	1.0
2013A	PROVIDENCE, R.I. SPOT CAR REPAIR FAC.	27,284	27,284	27,284	19,084	-	-	-	19,084	70	-	-	-	-	-	2.0
2712B	HARTFORD, CONN. AUT. PROT-FLATBUSH AVE.	50,313	51,094	50,313	35,435	-	-	-	35,435	69	-	-	175	-	175	4.2
2712C	WALLINGFORD, CONN. XING PROTECTION	50,477	51,098	50,477	35,435	-	-	-	35,435	69	-	-	175	-	175	4.2
2712M	NEW HAVEN, CONN. AUTO SWITCHING	175,532	178,767	175,532	89,735	-	-	-	89,735	50	-	-	-	-	-	6.0
1612A	NEW HAVEN, CONN. G.O.B. PACKAGE BOILER	25,000	25,000	25,000	-	-	-	16,000	16,000	64	-	-	-	-	-	-
2713D	NEEDHAM, MASS. AUTO PROT-GT. PLAIN AVE.	32,504	32,945	32,504	19,405	-	-	-	19,405	59	-	-	175	-	175	2.3
2713G	MANSFIELD, MASS. R.C. INTLG.	67,805	68,716	67,805	36,420	-	-	-	36,420	53	-	-	-	-	-	3.7
2713J	FRAMINGHAM, MASS. AUTO PROT-CONCORD ST.	49,015	49,666	49,015	36,094	-	-	-	36,094	73	-	-	-	-	-	4.2
2717A	DEWITT, N.Y. EB HUMP-RETARDER MACHINE	176,538	179,365	176,538	89,764	5,944	-	-	95,708	53	-	-	-	-	-	8.4
	TOTAL	<u>\$1,106,339</u>	<u>\$1,108,311</u>	<u>\$1,106,339</u>	<u>\$462,224</u>	<u>\$ 60,768</u>	<u>\$ 2,650</u>	<u>\$ 12,511</u>	<u>\$ 538,153</u>	<u>50</u>	<u>\$ 28,645</u>	<u>\$ -</u>	<u>\$ 525</u>	<u>\$ -</u>	<u>\$ 29,170</u>	<u>36.0</u>

EASTERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
324AH	COLUMBIA, PA. ELECT SW. HEATERS	\$ 78,314	\$ 78,314	\$ 78,314	\$ -	\$ 42,037	\$ 4,582	\$ (4,560)	\$ 42,059	54	\$ 5,600	\$ -	\$ -	\$ -	\$ 5,600	-
2721C	NEWARK, N.J. R.C. HUNTER FROM DOCK	132,754	132,754	132,754	76,660	-	-	1,000	77,660	58	-	-	5,955	-	5,955	4.2
2722B	NO. PHILA., PA. DRAGGING EQUIP. DETECTORS	1,333	1,391	1,333	-	317	384	24	725	52	-	-	-	-	-	-
2724C	HBC. DIVISION DRAGGING EQUIP. DETECTORS	3,988	4,161	3,988	-	1,426	864	108	2,398	58	-	-	-	-	-	-
2724E	HAGERSTOWN, MD. R.C. HAGER INTLG.	30,068	32,297	30,068	15,480	-	-	563	16,043	50	-	-	-	-	-	5.0
	TOTAL	<u>\$ 246,457</u>	<u>\$ 248,917</u>	<u>\$ 246,457</u>	<u>\$ 92,140</u>	<u>\$ 43,780</u>	<u>\$ 5,830</u>	<u>\$ (2,865)</u>	<u>\$ 138,885</u>	<u>56</u>	<u>\$ 5,600</u>	<u>\$ -</u>	<u>\$ 5,955</u>	<u>\$ -</u>	<u>\$ 11,555</u>	<u>9.2</u>

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-NEW ITEMS

S-2 MEASURABLE SAVINGS 50% TO 74%

CENTRAL REGION

GET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
14BH	HOMWOOD, PA. ELECT SW. HEATERS	\$ 13,646	\$ 13,776	\$ 13,646	\$ -	\$ 5,300	\$ 1,055	\$ 1,515	\$ 7,870	57	\$ -	\$ -	\$ -	\$ -	\$ -	-
14CH	CANTON, OHIO ELECT SW. HEATERS	45,874	46,167	45,874	-	18,018	3,587	5,151	26,756	58	-	-	-	-	-	-
14EH	GIRARD, OHIO ELECT SW. HEATERS	53,851	54,346	53,851	-	21,197	4,220	6,060	31,477	58	-	-	-	-	-	-
14FH	NILES, OHIO ELECT SW. HEATERS	51,229	51,699	51,229	-	20,138	4,009	5,757	29,904	58	-	-	-	-	-	-
13D	NEWBERRY, PA. - CONNECT WMSPT. & CORNING BR.	202,378	207,384	202,378	108,713	1,716	-	17,700	128,129	62	26,934	312,070	-	-	339,004	-
14C	E. PALESTINE, OHIO EXTEND TRACKS 101 & 102	145,548	149,135	145,548	101,503	-	-	-	101,503	68	-	-	-	-	-	-
14D	WARREN, OHIO IMPROVE CLEARANCE	181,303	181,303	181,303	4,536	63,300	23,000	2,900	93,736	52	7,898	-	-	-	7,898	-
12K	W. BROWNSVILLE R.C. & X-OVER	145,749	146,480	145,749	29,016	57,421	-	3,600	90,037	61	8,213	-	-	-	8,213	-
34I	CANTON, OHIO XING PROT. CONTROL	63,074	70,449	63,074	33,553	-	-	16,694	50,247	71	-	-	-	-	-	4.2
34L	SHARPSVILLE, PA. XING PROT.-SIXTH ST.	32,262	34,892	32,262	20,044	-	150	-	20,194	58	-	-	-	-	-	2.8
34M	SALEM, OHIO XING PROT. CONTROL	31,335	35,023	31,335	15,978	1,633	-	6,683	24,294	69	-	-	-	-	-	2.0
	TOTAL	\$ 966,249	\$ 990,654	\$ 966,249	\$313,343	\$188,723	\$ 36,021	\$ 66,060	\$ 604,147	61	\$ 43,045	\$312,070	\$ -	\$ -	\$ 355,115	9.0

SOUTHERN REGION

GET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
53D	INDIANAPOLIS, IND. TRACK CHANGES	\$ 372,817	\$ 666,304	\$ 372,817	\$184,129	\$ 27,678	\$ -	\$212,674	\$ 424,481	64	\$ 39,503	\$185,200	\$ -	\$150,000	\$ 374,703	16.0
52E	COLUMBUS, OHIO C.V. DEP.-TRACK CHANGES	461,717	515,644	461,717	246,976	-	-	83,555	330,531	64	-	-	47,730	-	47,730	29.4
53A	MUNCIE, IND. AUTO XING PROT.	30,690	31,319	30,690	15,995	-	-	60	16,055	51	-	-	-	-	-	4.2
51E	MORaine, OHIO OVERHEAD AT SPRINGBORO PIKE	30,000	60,000	30,000	32,278	-	-	120	32,398	54	-	-	-	-	-	4.2
51F	XENIA, O. R.C. HOLDING SIGNALS	55,970	58,120	55,970	40,772	42	-	1,152	41,966	72	-	-	-	-	-	4.2
	TOTAL	\$ 951,194	\$1,331,387	\$ 951,194	\$520,150	\$ 27,720	\$ -	\$297,561	\$ 845,431	64	\$ 39,503	\$185,200	\$ 47,730	\$150,000	\$ 422,433	58.0

EXHIBIT 10-D-11

WESTERN REGION

PENN CENTRAL TRANSPORTATION COMPANY
1971 ROAD CAPITAL BUDGET
ECONOMY PROJECTS-NEW ITEMS

S-2 MEASURABLE SAVINGS 50% TO 74%

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
975A	BROOKPARK, OHIO TRACK CONNECTION	\$ 63,746	\$ 64,006	\$ 63,746	\$ -	\$ 42,591	\$ -	\$ -	\$ 42,591	67	\$ 3,081	\$ -	\$ -	\$ -	\$ 3,081	-
976B	KENDALLVILLE, IND. TRACK CONNECTION	168,626	181,943	168,626	3,684	-	-	122,122	125,806	69	320,097	-	-	-	320,097	-
2771B	LOGANSPORT, IND. 18TH ST-XING PROT.	13,550	50,659	13,550	27,817	-	-	200	28,017	55	-	-	-	-	-	4.2
2771F	FOREST, OHIO AUTOMATE INTLG.	55,455	60,429	55,455	36,510	4,794	-	2,872	44,176	73	-	-	-	-	-	4.2
2772A	RIVERDALE, ILL. XING PROT-137TH & 138TH ST	56,009	64,158	56,009	32,295	-	-	102	32,397	50	-	-	-	-	-	4.2
2772D	WHITING & CHICAGO TRACK CONNECTIONS	300,753	257,251	300,753	119,403	-	-	8,668	128,071	50	-	-	-	-	-	12.6
2775A	CLEVELAND, OHIO CONTROL POINT E. 55TH ST.	107,863	112,249	107,863	83,018	-	-	-	83,018	74	-	-	-	-	-	-
2775B	CLEVELAND, OHIO R.C. X-OVER	37,001	39,425	37,001	20,350	3,140	-	-	23,490	60	-	-	-	21,670	21,670	-
	TOTAL	\$ 803,003	\$ 830,120	\$ 803,003	\$ 323,077	\$ 50,525	\$ -	\$ 133,964	\$ 507,566	61	\$ 323,178	\$ -	\$ -	\$ 21,670	\$ 344,848	25.2

SYSTEM & SHOPS

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
3703E	SYSTEM DITCHING EQUIPMENT	\$ 147,900	\$ 147,900	\$ 147,900	\$ 66,716	\$ -	\$ -	\$ 19,034	\$ 85,750	58	\$ -	\$ -	\$ -	\$ 64,000	\$ 64,000	10.0
3703G	SYSTEM REPLACE VARIOUS EQUIP.	113,628	113,448	113,628	71,120	-	-	(5,570)	65,550	58	-	-	-	60,000	60,000	7.0
4488E	ALTOONA WORKS MILLING HEADS FOR PLANNER	57,974	57,974	57,974	34,680	-	-	-	34,680	60	-	-	-	23,120	23,120	3.0
4488I	ALTOONA WORKS CLEANING FAC.-MOTORS	32,599	32,991	32,599	-	-	19,900	-	19,900	60	-	-	-	-	-	-
4488K	ALTOONA WORKS AXLE CENTERING MACHINE	35,418	35,793	35,418	22,311	-	-	-	22,311	62	-	-	-	-	-	2.0
4485B	BEECH GROVE, IND. INCINERATOR	92,350	92,350	92,350	19,487	-	-	42,768	62,255	67	-	-	-	-	-	-
	TOTAL	\$ 479,869	\$ 450,456	\$ 479,869	\$ 214,314	\$ -	\$ 19,900	\$ 56,232	\$ 290,446	64	\$ -	\$ -	\$ -	\$ 147,120	\$ 147,120	22.0

NORTHERN REGION

BUDGET NO.	LOCATION & DESCRIPTION	COST DATA			MEASURABLE SAVINGS					% RETURN ON INV. COST	NON-MEASURABLE SAVINGS					NO. OF POS. RED.
		TOTAL CAPITAL	INVESTMENT COST	1971 CAPITAL	LABOR S.T.	LABOR O.T.	MATERIAL	OTHER	TOTAL		ENGINE SAVINGS	CAR SAVINGS	OTHER	COST AVOID.	TOTAL	
943A	KALAMAZOO, MICH. CONNECTION-GIBSON ST.	\$ 137,477	\$ 137,477	\$ 137,477	\$ 79,198	\$ 8,580	\$ -	\$ -	\$ 87,778	65	\$ 5,934	\$ 2,250	\$ -	\$ -	\$ 8,184	3.0
1042C	RIVER ROUGE, MICH. AIR TEST PLANT	18,795	18,795	18,795	-	13,449	-	-	13,449	72	1,182	4,895	-	-	6,077	-
	TOTAL	\$ 156,272	\$ 156,272	\$ 156,272	\$ 79,198	\$ 22,029	\$ -	\$ -	\$ 101,227	65	\$ 7,116	\$ 7,145	\$ -	\$ -	\$ 14,261	3.0

PENN CENTRAL TRANSPORTATION COMPANY

1971 ROAD CAPITAL BUDGET

GOVERNMENT DIRECTIVES

IN MILLIONS

<u>BUDGET NO.</u>	<u>LOCATION AND DESCRIPTION</u>	<u>1971 CAPITAL</u>
2852BC	Charleston, W.Va.-Court St. Underpass	\$.2
2024A	Enola, Pa.-Modify Treating Plant	.3
2704A	System-Crossing Protection Program	.8
3904A	System-Governmental Orders Program	1.0
3922C	Philadelphia, Pa.-Tioga St. Improvement	.1
3922D	Philadelphia, Pa.-Westmoreland St. Improvement	.1
3932A	Uhrichsville, Pa.-Reconstruct O.H. Bridge 91.31	.1
3933A	Renovo, Pa.-Replace O.H. Bridge 194.99	.1
3954C	Terre Haute, Ind.-Construct O.H. Bridge - 9th St.	.3
	Miscellaneous Projects Under \$100,000	<u>1.1</u>
	TOTAL	<u><u>\$ 4.1</u></u>

EXHIBIT 10-E

MEMO ON SELECTED CAPITAL PROJECTS

Dollars in Thousands

	<u>CAPITAL EXPENDITURES</u>		
	<u>1970 TO DATE</u>	<u>1971 ESTIMATE</u>	<u>1972 AND BEYOND</u>
1) A. E. Perlman Yard - Selkirk, N.Y.	\$39,544	\$4,700	\$ 2,800
2) Buckeye Yard - Columbus, Ohio	24,421	3,600	-
3) Collinwood Yard - Cleveland, Ohio	-	700	20,900

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY

1971 ROAD CAPITAL BUDGET

OTHER ITEMS

IN MILLIONS

(PROJECTS INCLUDED IN THIS SEGMENT OF THE BUDGET ARE ESSENTIALLY SERVICE ORIENTED PROJECTS. THEY COMPREHEND ALL CATEGORIES, I.E., SAFETY, INDUSTRIAL DEVELOPMENT, ECONOMY, ETC., AND ARE CONSIDERED NECESSARY TO ESTABLISH AND SUSTAIN AN EFFECTIVE AND CONTINUOUS RAILROAD OPERATION.)

<u>BUDGET NO.</u>	<u>LOCATION AND DESCRIPTION</u>	<u>1971 CAPITAL</u>
1325AC	N.E. Region - Radio Equipment	\$.8
1017A	Selkirk, N.Y. - Expand Perlman Yard	4.7
1024C	Enola, Pa. - Yard and Track Changes	.7
1052A	Columbus, Ohio - Expand Buckeye Yard	3.6
1072D	Elkhart, Ind. - Yard Expansion	2.0
1075A	Cleveland, Ohio - Collinwood Yard	.7
2776A	Toledo, Ohio - T.C.S. on Detroit Branch	.5
M100A	Blanket Budget Item for Unforeseen Contingencies	2.5
	Various Miscellaneous Projects Under \$500,000	<u>1.8</u>
	TOTAL	<u>\$17.3</u>

1971 ADVANCE FINANCIAL PLAN
FREIGHT EQUIPMENT REQUIREMENTS

NEW CAR PROGRAM

<u>TYPE OF CAR</u>	<u>NUMBER OF UNITS</u>	<u>UNIT COST</u>	<u>TOTAL COST</u>
OPEN TOP HOPPER CARS			
100 Ton - H-43	2,300	\$ 16,600	\$ 38,180,000
GONDOLAS-GENERAL PURPOSE			
52' - 100 Ton	1,500	15,300	22,950,000
65' - 70 Ton	500	18,100	9,050,000
	<u>2,000</u>		<u>32,000,000</u>
COVERED HOPPERS			
4700 Cu.Ft.-100 Ton-Gravity-Lined	1,000	17,590	17,590,000
3560 Cu.Ft.-125 Ton-PD(Flexi-Flo)	90	21,500	1,935,000
3560 Cu.Ft.-100 Ton-PD(Flexi-Flo)	38	21,500	817,000
5700 Cu.Ft.-100 Ton-PD(Flexi-Flo)	14	23,350	326,900
	<u>1,142</u>		<u>20,668,900</u>
BOX CARS-GENERAL PURPOSE			
50' - 70 Ton XM - 10' Sliding Door	1,000	15,000	15,000,000
SPECIAL EQUIP. BOX CARS			
50'6" - 70 Ton Cushioned, Dual Air Pak, 10 ft. Single Door (Liquor)	200	22,850	4,570,000
50'6" - 70 Ton Cushioned, DFB, 10 ft. Single Door	350	22,625	7,918,750
50'6" - 70 Ton Cushioned, 9 Belt DF, 10 ft. Single Door	50	21,500	1,075,000
60'9" - 70 Ton Cushioned, High Cube, Single Air Pak, 10 ft. Single Door	50	26,175	1,308,750
60'9" - 70 Ton Cushioned, 22 Belt DF 10 ft. Single Door (Gen.Motors)	300	23,000	6,900,000
	<u>950</u>		<u>21,772,500</u>
CABIN CARS			
N - 12 - Cabin	100	20,000	2,000,000
IMPROVEMENTS TO EXISTING EQUIP.-SPECIAL DEVICES			6,500,000
ADDITIONS AND BETTERMENTS TO EXISTING EQUIPMENT			<u>1,500,000</u>
GRAND TOTAL	<u>7,492</u>		<u>\$137,621,400</u>

October 19, 1970

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EXHIBIT 10-C

1971 ADVANCE FINANCIAL PLAN

LOCOMOTIVE PROGRAMS

Dollars in Thousands

NEW LOCOMOTIVES

<u>TYPE</u>	<u>HORSEPOWER</u>	<u>MOTORS</u>	<u>MODEL</u>	<u>NO. OF UNITS</u>	<u>ESTIMATED GROSS COST</u>
Switcher	1500	4	SW 1500	90	\$ 15,120
Ad Switcher	2000-2300	6	SD38 or U23C	31	7,620
Ad Switcher	2000	4	GP38	70	15,750
Ad Freight	3000-3600	6	SD40-45 U30C-33C-36C	<u>40</u>	<u>11,960</u>
TOTAL NEW LOCOMOTIVES				<u>231</u>	<u>\$ 50,450</u>

GRADED LOCOMOTIVES

Electric Locomotive Conversions -			E 44	6	700
New Haven Units-to be selected throughout the year			-	<u>32</u>	<u>2,700</u>
TOTAL UPGRADED LOCOMOTIVES				<u>38</u>	<u>\$ 3,400</u>

TOTAL LOCOMOTIVE PROGRAM

269 \$ 53,850

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY

1971 ADVANCE FINANCIAL PLAN

FREIGHT CAR EXPENSE REPAIR PROGRAM

Dollars in Thousands

<u>Description</u>	<u>No. of Units</u>	<u>Total Cost</u>
Open Hoppers	1,750	\$ 10,131
General Purpose Gondolas	4,275	11,615
General Purpose Box Cars	9,725	32,945
Covered Hoppers	500	3,376
Flat Cars	1,565	4,829
Special Equip. Box Cars	2,125	14,098
Special Equip. Gondolas	550	1,678
Cabin Cars	<u>50</u>	<u>675</u>
Total	<u>20,540</u>	<u>\$ 79,347</u>

October 19, 1970

PENN CENTRAL TRANSPORTATION COMPANY1971 ADVANCE FINANCIAL PLANEFFECT ON EARNINGS OF MTA/CTA AND RAILPAX

Dollars in Thousands

	<u>MTA/CTA⁽¹⁾</u>	<u>Railpax⁽²⁾</u>	<u>Total</u>
Operating Revenues			
Passenger	\$50,000	\$49,600	\$ 99,600
Mail	-	9,600	9,600
Other	4,000	5,000	9,000
Total	<u>54,000</u>	<u>64,200</u>	<u>118,200</u>
Operating Costs			
Passenger Department	59,241	10,236	69,477
Operations Department	-	72,505	72,505
Equipment Rentals	-	3,924	3,924
State & Local Taxes	-	627	627
Total	<u>59,241</u>	<u>87,292</u>	<u>146,533</u>
Effect on Income (Unfavorable)	<u>\$ 5,241</u>	<u>\$23,092</u>	<u>\$ 28,333</u>

(1) Effective January 1, 1971

(2) Effective May 1, 1971

October 19, 1970

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 6, 1970

MEMORANDUM FOR HONORABLE JOHN A. VOLPE
HONORABLE MAURICE H. STANS
HONORABLE JAMES D. HODGSON

Subject: Penn-Central

At our October 3 meeting, we agreed to the following assignments:

1. Secretary Volpe will talk with Penn-Central President William Moore and request a plan for improving operations by November 15, if possible, but certainly by December 15.
2. Secretary Hodgson will talk with President Moore concerning steps to be taken to
 - . Improve work rules in the near-term, especially those peculiar to the Penn-Central.
 - . Initiate long-term improvement of work rules.
3. The Cabinet Committee on Economic Growth will meet in about 10 days to develop a strategy for productive deregulation.
4. Secretary Stans (Jim Lynn) and Secretary Volpe will see what can be done to hasten the discontinuance of the 14 passenger trains now held up by court action.
5. Secretary Volpe will encourage the ICC to approve an increase of 15% in freight rates effective November 18.
6. Secretary Volpe will contact Commissioner Blum and State utilities commissions to urge them to process intrastate rate increases immediately following ICC interstate rate increases.
7. Secretary Volpe will study the effect of an increase in demurrage and per diem charges on the cash flow of Penn-Central and for longer term efficiency and make recommendations as to appropriate action steps.
8. Secretary Volpe will work to reduce the delay in billing, delay in processing counter-claims or earmarking of excessive counter-claims, including both in the Government (primarily DOD and GAO) and Penn-Central.

9. Secretary Volpe will follow through on the payment of about \$19 million for highway right-of-way lands.
10. Secretary Stans (Jim Lynn) will encourage the delinquent major customers of Penn-Central to pay their bills on time.
11. Secretary Hodgson will work with the labor settlement board to encourage settlement of the retroactive pay issue a month or two after November 18.
12. Secretary Volpe will request President Moore and Trustee Bond to prepare a plan for the rapid and judicious sale of nonessential company assets.
13. Secretary Volpe will work with Ways and Means and Rules Committees to insure passage of the Passenger Service Act (Railpax) before adjournment of the Congress this year.
14. Decision on the resurrection of a modified Emergency Transportation Assistance Act will be delayed until the next meeting, at which time Secretary Volpe will make recommendations concerning a modified Emergency Transportation Assistance Act and/or a crisis lending bill (similar to the Reconstruction Finance Corporation).
15. Secretary Volpe will review the progress of railroads in selling commuter services to the States.

I (or Jack Carlson, Room 243, Executive Office Building) should receive a progress report on each of these 15 items by November 2.

15/
Peter M. Flanigan
Assistant to the
President

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