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The Rail Preservation Bond Act: Proposition No. 1 on the 1974 Ballot*

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THE ROCHESTER COMMITTEE FOR SCIENTIFIC INFORMATION
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Bulletin #175

Note to Members: Pending Legislation

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The Rail Preservation Bond Act:
Proposition No. 1 on the 1974 Ballot*

Summary

Both freight and passenger railroads in New York State are in poor repair and need immediate aid. The Railroad Reorganization Act passed by the Federal government in 1973 will provide federal aid to freight lines, but it also may result in the abandonment of 1,875 miles of freight lines in New York unless the State acts to save them.

This bulletin lists all the money available from various sources for railroads in NY, tells the steps the State has taken so far to save the freight lines, explains how the money we have for railroads will be used - including expenditures on both freight and passenger lines, and gives as much information as is available about the uses of the money in the eight county Genesee-Finger Lakes Region. Bond Act money may be used for purchases of tracks, trains, stations, equipment, or rights of way of existing lines. It will not be used for new lines such as Charlotte-Henrietta, and it will not be used to subsidize fares. There are other sources of money for both of these. Finally, the bulletin lists arguments presented by those for and against Proposition 1.

The RCSI Board agrees that, on balance, the Bond Act deserves support. The State money will be greatly stretched by Federal funds. It is needed to save those freight lines that the U.S. will not help, although they are needed by New York State farmers and small industries. Over 250 of those miles are in our eight county region.

We urge the State Department of Transportation to publish a priority list of proposed expenditures before the money is spent, so that public opinion can be heard and to develop a long term policy for sharing the work of rail transport with private railroad lines.

Money for Rail Transportation

Rail transport uses less energy and produces less pollution per passenger mile or per unit of freight carried than highway or air transport. It is also in the worst financial trouble, partly as a result of discriminatory legislation. Until recently it was the only one of the three not subsidized somehow by the Federal government.

* This bulletin could not have been written without the cooperation of State Department of Transportation. They collected and organized a large amount of data in a short time so that it would be available before the election. Because of a shortage of time no attempt was made to find out how they estimated such figures as tons of pollutants saved.

Money for public transportation systems is becoming available from a number of different sources. Proposition No. 1 (The New York State Rail Preservation Bond Act) has to be viewed as a link in the total system of support for mass transit both passenger and freight. On the Federal level the Regional Rail Reorganization Act of 1973 includes 174 million dollars to help needy freight lines. In its implementation the U.S. Department of Transportation studied the freight lines in the Northeast, held extensive public hearings, and then published preliminary recommendations for consolidation and abandonment of poorly used lines. There were 1,875 miles of branch lines classified potentially excess in New York State, 254 of which are in our 8-county region (the Genesee-Finger Lakes Planning Region: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne and Yates Counties). This study is under Federal review. Amtrak (passenger service) has a special allocation from the Federal treasury. For other lines some funds are available from the Highway Trust Fund and some from the Urban Mass Transit Administration. Finally, the Federal Mass Transit Assistance Act, authorizing 11.6 billion dollars for the development and operation of mass transit systems over the next 6 years, has come out of joint committee, but further consideration has been postponed until after the November election. If it passes some of the money will be for railroads.

In 1974 the State legislature passed a law which aided mass transit in 3 ways:

- 1) 100 million dollars were allocated to subsidize mass transit and maintain fares. Monroe County had to provide 96% (almost matching) funds and it did.
- 2) 30 million dollars for an emergency rail appropriation from general funds.
- 3) 250 million dollars from bonds, issued under the Bond Act which will appear on the November ballot. The money will be used to match Federal funds where needed, to try to save some of the branch freight lines that were declared excess by the Federal government, to purchase locomotives and cars for passenger lines, to help refurbish stations and upgrade equipment, and for improvement of crossings.

In all, New York State would have 811.4 million dollars for a rail improvement program, and possibly a share in the as yet unpassed 11.6 billion Federal Mass Transit Act. (Table 1).

Below is a list of some of the businesses in the area that use the rail lines.

Penn Central R.R. (bankrupt) - 186 miles

Xerox
Comstock Food - Red Creek Plant
Agway Grain and Seed - Red Creek
Correnco Corp. - commercial fertilizer
Al Can
Hammermill paper
Sterling Cooperative - food processing
Pfeiffer's Food
Glidden Durkee
Speas Co.
Duffy-Mott
Allied Chemical
Chem-Trol Pollution Service Inc.
Victor Insulators
Canandaigua Wire

Baltimore and Ohio R.R. - 93.4 miles

7 businesses in City of Wyoming
Curtice Burns
Lapp Insulation

Lehigh Valley R.R. (bankrupt) - 18.7 miles

Matthews and Fields - lumber
Hi Point Mills
Simmons Bed Company
Gleason Works
Joslyn Mfg. - porcelain insulators
Swift Chemicals

This adds up to 298 miles of line because a few of the lines extend outside of the

8 county region. In addition to the above, coal is shipped in on these lines to the University of Rochester, and possibly to Rochester Gas and Electric. (New coal fired plants may be built at Sterling or Brookwood.) Most of these businesses are on lines declared potentially excess. A few might be forced to relocate or go out of business if they lose their rail lines (see Appendix).

Table 1. Monies available from all sources for railroads in New York State (2).

<u>Source</u>	<u>Intercity</u>	<u>Commuter</u>	<u>Freight</u>	<u>Rts.of Way</u>	<u>Safety</u>	
\$30 million-State	\$9.8 mil	\$7. mil	\$8.1 mil	\$ 4.mil	\$.8 mil	
RPBA (a)	87.5 mil	92.5 mil	45. mil	10.mil	15. mil	
AMTRAK	6.5 mil	---	---	---	---	
FHWA (b)	5.2 mil	4.5 mil	---	---	32.1 mil	
UMTA (c)	---	160. mil	---	---	---	
MICHIGAN	.4 mil	---	---	---	---	
RRRA (d)	9. mil	---	174. mil	---	---	
Railroads	---	---	3. mil	---	23.2 mil	
Other State \$.3 mil.	---	---	---	113.4 mil	
Totals	\$118.7 mil	\$264 mil	\$230.2 mil	\$14 mil	\$184.5 mil	
Grand Total	- - -	- - -	- - -	- - -	- - -	\$811.4 mil

(a) RPBA = Railroad Preservation Bond Act (State)

(b) FHWA = Federal Highway Act

(c) UMTA = Urban Mass Transit Administration (Federal)

(d) RRRA = Regional Rail Reorganization Act (Federal)

The Federal Government classified these lines as potentially excess either because there are other lines near by or because they do not carry enough cars to generate a reasonable income. The value of a carload of freight is determined by adding up the total sum earned by all the freight carried by the company (such as Penn Central) and dividing it by the number of cars.

New York State has disputed these findings. New York pointed out that each load of freight does not earn the same amount as the next. For example Penn Central's average revenue for all the cars in the country is \$263 per carload, but counting only the New York State lines it is \$414 (4), and on an individual branch line may be even higher. Thus some lines called potentially excess are actually profitable, and should be preserved, as shown in Table 2. The State's formula for computing cost and benefits counts the miles travelled on the main line to reach the branch line as revenue for the branch line because if the branch line were not there the car would not be travelling at all. The State has also considered amounts of energy saved - see below. As the State calculates 1,157 of the 1,875 miles of "potentially excess" track in the State are really profitable and should be saved. Thus, only 499 miles cannot be considered profitable at the moment - 123.7 of these miles are in the 8 county region. The State would like to find a way to save even these 123.7 miles.

Table 2. Benefits of Railroad Branch Lines in the Genesee - Finger Lakes Region*

Line	Net annual profit \$	Annual no. of carloads	Annual community loss \$ if abandoned	Net local property taxes, \$	Energy savings, gallons of fuel	Tons of pollutants saved
PC Roch-Charlotte	1,941,822	8334	23,235	9,043	55,489	19.07
PC Geneva-Victor	128,100	2100	106,504	41,448	45,385	14.11
PC Roch-Pittsford	215,586	1062	67,080	6,531	3,244	.91
EL Attica-Roch	163,440	2270	169,438	65,940	84,958	

Key: PC = Penn Central
EL = Erie Lackawanna

* Data derived from the Final System Plan for New York State Branch Lines (3). The area covered in this Table consists of the counties of Genesee, Livingston, Monroe, Ontario, Orleans, Seneca and Yates.

The New York State Department of Transportation (DOT) proposes to obtain Federal funds to save many branch lines. It will use Bond Act money to match Federal funds where required; and to save as many of the lines as possible with the remaining money.

The Rochester Committee for Scientific Information considers this goal to be beneficial to the environment and the economy of our region, and worthy of support by voters.

Local Uses of the Railroad Bond Money

The DOT divides the State into transportation regions that are different from the planning regions. Our transportation region consists of six counties: Genesee, Livingston, Monroe, Ontario, Orleans and Wyoming. The following projects in this region are expected to be paid for with the Railroad Bond money.

1. Rebuild the station in downtown Rochester - estimated cost \$100,000 to \$150,000.
2. Improve parking and better access to downtown station \$300,000
3. Improve tracks on Fairport to Rochester line and upgrade line: this line is now under slow traffic orders because the rails are not safe.
4. Acquire the right of way for the Silver Springs to Perry line in Wyoming County. This is a 4 mile stretch that services 2 trains per day and has a wide right of way. It is suggested that the right of way be used for a combination railroad and linear park. If bought, will use "negotiated agreement" for purchase in which the local community gives up its tax revenue as its share of the money for purchase.

In addition, the Region will benefit directly from improvement in the main lines, as shown in the Appendix.

Pros and Cons of Proposition 1

Those in favor of the Bond Act say:

1. We need mass transit and rail freight now, it is demanded by the energy crunch, air pollution control laws and common sense.
2. Railways cannot attract money on their own, their stock pays very little, and five lines in the State are bankrupt.
3. If we do not vote in the Bond Act this year it will be at least 2 years before the State tries again. In that time many lines may be abandoned, businesses that depend upon them lost, tracks lifted, and it will be too late to save them.
4. The Federal Rail Reorganization Act is forcing our hand. If the State does not help certain lines they may be abandoned soon.
5. If bond monies are used rather than yearly legislative appropriations, it is easier to maintain a logical schedule of improvement and many improvements will be made earlier.
6. Debt service will be high (6% = about \$232 million), but it will be higher still later on, and it is no higher than on other state bonds.
7. It is much cheaper to subsidize some railroads now than to nationalize them.
8. One of the most important things for the State is to keep our farms viable, and a number of the farmers depend on the railroads. In some cases it costs four times more to ship by truck and that may be too much for the farmer.
9. The program follows the State Master Plan for transportation.

Those opposed to the Bond Act say:

1. We don't need railroads particularly. There is not enough money allocated really to fix the system, so it is throwing good money after bad. Estimated need is \$1.4 billion just to upgrade.
2. Public monies should not be used to subsidize private business
3. The precise uses of the Bond Act monies are not listed.
4. Same as 2
5. There should be no further State borrowing. The State should use current revenues rather than a bond issue to finance this program.
6. Debt service on the bond issue is too high. We are paying \$482.5 million, to get the benefit of \$250 million.
7. Abandon them if they don't pay. Don't nationalize them.
8. The railroad tracks are not necessarily where they are needed. Population distribution has changed.
9. The State has no plan of purchase; it will give help where help is asked - buying tracks in some cases, cars in others, etc. At the end we will not have a manageable uniform package.

Conclusions and Recommendations

Rail transport has been deteriorating into breakdown and bankruptcy in the U.S. while highway transport and air transport have been expanding. This shift away from rail was wasteful of fuel, and led to the loss of an important option for mass transit. The New York State's Rail Preservation Bond Act begins to correct the imbalance between rail transport and highway transport. It will benefit agriculture and industry in our Region. This bulletin itemized the cost and benefits. On the balance, the RCSI finds that Proposition 1 is worth approving.

Railroads are a new concern for the DOT. The expenditures under the proposed Railroad Bond Act are clearly a first aid measure, to keep the State from losing useful rail lines. The RCSI suggests that N.Y. State citizens and the DOT begin to think about a long-term plan for rail transport in New York State. We probably will not want, in the long run, to spend State funds on scattered purchases, with the DOT holding a motley collection of rolling stock, isolated rights of way, and station buildings. It is necessary to decide what will be done by the State and what by the private railroad companies in operating rail lines in New York State. For example, it could be the policy of DOT to acquire and maintain the right of way and the rails, leaving the operation of rolling stock and yards to private business. In such a case, the rolling stock bought and repaired by the DOT could be traded back to the railroad companies in exchange for more rights-of-way. Other plans may be preferred, but whatever the choice, it should be made soon, and it should be made public.

Support for the Bond Act developed late. So far, the following organizations have endorsed it; this list of backers is unusual in its wide appeal.

The Environmental Planning Lobby
 NY State League of Women Voters
 Citizens Public Expenditure Survey
 Atlantic Chapter, Sierra Club (also local Club)
 EcoTrans
 Rochester Chamber of Commerce
 Genesee/Finger Lakes Regional Planning Board,
 Study Policy Committee
 NYS Chamber of Commerce & Industry
 Empire State Chamber of Commerce
 NY Farm Bureau
 NY Grange
 NYS Upstate Traffic Engineers
 Building Industry Employees of NYS
 NYS Conference of Mayors
 NYS Association of Industries
 NYS Commissioners' Council on Environmental Conservation

References

- (1) State of New York, *Rail Preservation Bond Act of 1974*. Assembly Bill #11526
- (2) Data from New York State League of Women Voters Board Report, October 1974
- (3) Summary Report, *Impact of Loss of Freight Service*. New York State DOT, April 1974. Prepared by Robert Colucci
- (4) Executive Summary, NYS DOT, *Technical Evidence Under the Regional Rail Reorganization Act*, April 1974, Prepared by Louis Rossi, pg. 5
- (5) Ibid. pp 11-13

Appendix 1. Railroad-Dependent Business in the Region.

County	Railroads in the county	Potentially excess U.S. calculation	Rail safety projects	Firms indicating would go out of business			
				No.	employed	Payroll	
Genesee	PC	46 miles	Crossing Protection:	1	20	\$200,000	
	LV	EL North Alexander	PC School Rd. in S.Byron				
	EL	to Liv.Cty. line	PC Donahue Rd.in Batavia				
	B&O	PC Stafford-LeRoy	PC Jericho Rd.in Bergen				
	G&W	BO LeRoy-Wyom.Cty.	EL Swan St. in Batavia LV LimeRock Rd.in LeRoy LV Snipery Rd. in Darien				
Livingston		8.7 miles	Crossing Protection:	2	260	\$1,885,000	
	D&MM	LV Lima-Mon.Cty.	G&W Fowlerville Rd, Fowlerville				
	EL	EL River Jct. to Allegheny Cty.	Crossing Surface Improvements:				
	G&W	EL Avon to Mon.Cty.	G&W St. Rte. 20, York				
Monroe	B&O	58 miles	Crossing Protection:	5	137	\$89,000,000	
	EL	BO Roch-Liv.Cty.	PC Dewey Ave.,Roch.	5*	9,155*		
	LV	EL Avon-Roch.	PC Town Line Rd.,Henrietta				
	PC	LV Roch.-Liv.Cty.	LV W.Rush Rd., Roch.				
		PC Wayne Cty.- Orleans Cty.	PC Ridge Rd.,Roch. PC Altridge Rd.,Riga PC River St., Roch. PC Long Pond Rd., Gates PC King Rd., Chili PC Trabold, Gates PC Glide St., Roch. PC Maple Ave., Roch.				
			Crossing Surface Improvements:				
			PC Scottsville Rd., Chili PC Smith St., Roch. PC Dewey Ave., Roch.				
			Grade Crossing Elimination:				
			PC E.Henrietta Rd. PC W.Henrietta Rd. PC Lincoln Rd., E.Rochester PC St. Rte. 250, Fairport Village PC State Hwy. 79, Roch.-Scottsville PC St. Rte. 259,Union St.				
	Ontario	LV	37.2 miles	Crossing Protection:	1	6	\$570,000
		PC	PC Canandaigua- Victor	LV Collett Rd.,Farmington	1*	70*	
			PC Seneca Castle- Yates Cty.	PC Severn Rd.,Geneva			
			LV Geneva-Rushville	Crossing Surface Improvements: LV Preemption Rd., Phelps			
	Orleans	PC	21.5 miles	Highway/RR Bridge Replacement:			
			PC Niagara Cty.- Monroe Cty.	PC Clarendon St., Albion			

* Would relocate possibly outside county

KEY to railroad names:

B & O = Baltimore and Ohio
D & MM = Dansville & Mt. Morris
EL = Erie Lackawanna

G & W = Genesee & Wyoming
LV = Lehigh Valley
PC = Penn Central

Appendix 2. General plan for use of the \$811.4 million that will be available to the New York Department of Transportation if the Bond Act passes. Reprinted by permission of the League of Women Voters from the October 1974 State Board Report. Italicized items (by author of this bulletin) are of local interest.

(A) Inter-City Service - Approximately \$118.8 million is allocated here for:

- 1) Additional Empire Service on NYC to Albany (\$.6 mil.); NYC to Buffalo (\$1.9 mil.) and Syracuse to Buffalo (\$.16 mil.)
- 2) Extended AMTRAK service on NYC to Montreal (\$1 mil.); Buffalo to Niagara Falls to Detroit (\$1.3 mil.); NYC to Pt. Jervis to Binghamton (\$.25 mil.); and Boston-Albany-Buffalo-Chicago (\$3.5 mil.)
- 3) Track and rights-of-way for *Empire Service Corridor* (\$2. mil.); Adirondack-Lake Champlain Corridor (\$.9 mil.); and Buffalo-Niagara Falls (\$.6 mil.)
- 4) Hudson Division (Penn Central) to Penn Station (\$40 mil.)
- 5) Station clean-up and improvements on all AMTRAK lines (\$.75 mil.)
- 6) Station rehabilitation and parking facilities (Poughkeepsie, Rhinecliff, Hudson, Rome, Saratoga Springs, Fort Edward, Fort Ticonderoga, Plattsburgh, and Rouses Point) (total of \$.85 mil.)
- 7) Station rebuilding (Niagara Falls, Schenectady, Utica, Rochester, Buffalo, Mechanicville, Whitehall, Westport, Binghamton) (\$4.2 mil.)
- 8) Pathfinder signs for all RR stations (\$.05 mil.)
- 9) Improved highway access to RR stations (\$5 mil.)
- 10) New locomotives and passenger cars, (\$16 mil.) and rehabilitation of some cars (\$2.1 mil.)
- 11) Inter-city high speed (NYC to Buffalo), *equipment, trackwork, signals and stations* (\$38 mil.)

(B) Commuter Service - Approximately \$264 million for:

- 1) Rehabilitation of tracks, bridges, underpasses, stations, equipment largely for Suffolk, Westchester and NYC (\$7 mil.)
- 2) New track and facilities: LIRR (\$46 mil.); Penn Central (\$174 mil.); Erie-Lackawanna (\$32.5 mil.)
- 3) Parking facilities at commuter stations (\$4.5 mil.)

(C) Preservation of Freight Service - Approximately \$230.2 million for:

- 1) Continuation of service on USDOT recommended "excess lines" (\$2.2 mil.)
- 2) Rehabilitate sub-standard branch lines, including Lehigh Valley between Owego, Moravia and East Ithaca; Penn Central between Niagara Falls and Barker; and the Lehigh Valley at Cortland (\$13.2 mil.)

3) Purchase, rehabilitation of abandoned Silver Lake branch of B & O between Silver Springs and Chase (will be self-sustaining) (\$.17 mil.)

4) Industrial expansion projects (e.g., rehabilitate bridge over Erie-Lackawanna in Wallkill) (\$3.5 mil.)

5) Hell Gate bridge route with connections to LI and others (\$5. mil.)

6) Erie Lackawanna between Binghamton - Point Jervis - Suffern (\$1 mil.)

7) Main line improvements NYC-Buffalo, plus Poughkeepsie Bridge (\$154.8 mil.)

8) Rehabilitate branch lines and embargoed lines (e.g. Catskill Mt. Branch) (\$.35 mil.)

9) Consolidation of underutilized S. Bronx yards on Hell Gate Line (\$8. mil.)

10) Track improvements at Bush Terminal and Brooklyn Bay Ridge Line (\$6. mil.)

11) Staten Island N. Shore freight facility and only rail link with N.J. (\$4. mil.)

12) Clearance improvements on Hell Gate and New Haven Lines for piggy-back service direct to Queens and LI (\$26. mil.)

13) Track improvements, Atlantic Ave. Terminal, Brooklyn (\$2. mil.)

14) Trackage on s. side of Hunts Point to serve city and Bronx (\$4. mil.)

(D) Preservation of Rail Rights-of-Way - Approximately \$14 million for:

1) Acquire 118 mile Remsen-Lake Placid line (\$30. mil.)

2) Acquire others if bankrupt or reorganization and disposal (\$11. mil.)

(E) Safety - Approximately \$184.5 million for:

1) Grade crossing protection (\$12.5 mil.)

2) Grade crossing surface improvements (\$4.5 mil.)

3) Grade crossing elimination program: LI (\$87.5 mil.); *upstate* (\$20. mil.)

4) Highway-railroad bridge replacement (\$30. mil.)

5) Security fencing in Bronx, Queens, Brooklyn (\$10. mil.)

6) Restore and preserve supporting structures over West Wide Highway for Penn Central (\$20. mil.)

