

APPENDIX C

Penn Central Company

	1966	1967	1968	(First 8 months) 1969
Capital expenditures:				
Road	\$76,933,000.	\$83,428,000.	\$86,839,000.	\$51,000,000.
Equipment	184,243,000.	100,362,000.	104,361,000.	30,000,000.
Total capital expenditures ..	261,176,000.	183,790,000.	191,200,000.	81,000,000.
Maturities	73,800,000.	76,800,000.	113,900,000.	56,200,000.
Total capital expenditures and maturities	334,976,000.	260,590,000.	305,100,000.	137,200,000.
Financing:				
Equipment trusts	44,010,000.	21,675,000.	.....	.....
Conditional sale agreements ..	102,651,000.	58,837,000.	74,270,000.	31,000,000.
Stock options	2,237,000.	2,974,000.	1,418,000.	671,000.
Revolving credit agreement ..	.....	.....	100,000,000.	150,000,000.
Eurodollar loan .....	.....	.....	50,000,000.	.....
Commercial paper .....	.....	.....	100,000,000.	50,000,000.
Other	2,312,000.	1,956,000.	31,900,000.	2,962,000.
Total financing	151,212,000.	85,442,000.	357,588,000.	234,633,000.
Excess of expenditures over financing (cumulative)	183,764,000.	358,912,000.	306,424,000.	208,720,000.

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FINANCE DOCKET NO. 25718

NORTHERN PACIFIC RAILWAY COMPANY DISCONTINUANCE
OF TRAINS NOS. 1 AND 2 BETWEEN ST. PAUL, MINN., AND
SEATTLE-TACOMA, WASH.

Decided November 7, 1969

Upon investigation, found that the continuance of operation by the Northern Pacific Railway Company of service by its passenger trains Nos. 1 and 2 between St. Paul, Minn., and Seattle-Tacoma, Wash., is required by the public convenience and necessity and continued operation will not unduly burden interstate or foreign commerce. Operation ordered continued for a period of 1 year from the date hereof. Investigation discontinued.

Reginald Ames and *Frank S. Farrell* appearing for carrier.
Norton M. Hatlie appearing for Minnesota Public Service Commission.

Daniel E. Buchanan, *Ben J. Wolf*, and *John M. Agrey* appearing for North Dakota Public Service Commission, protestant.

William E. O'Leary, *John C. Sheehy*, and *George Tilton* appearing for Montana Board of Railroad Commissioners, protestant.

Patrick McEligot appearing for Washington Utilities and Transportation Commission, protestant.

Bernard Rane and *Mark Goldstein* appearing for city of Chicago, protestant.

Arvid M. Falk appearing for city of Minneapolis, protestant.

Daniel A. Klas appearing for city of St. Paul, protestant.

Richard P. Gallagher appearing for city of Mandan, and North Dakota Joint Legislative Board of Railroad Brotherhood, protestants.

Don Kennedy appearing for city of Staples, Minn., and Staples Chamber of Commerce, protestants.

Luther P. Nervig appearing for town of Wadena, Minn., and Wadena Chamber of Commerce, protestants.

John Kukowske, Jr., appearing for town of Perham, Minn., protestant.

Russell G. Nerison appearing for city of Jamestown, N. Dak., protestant.

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Prior to August 18, 1968

After August 18, 1968

TRAIN NO. 1 (WESTBOUND)

St. Paul	Lv. 8:40 a.m. (CST)	Lv. 7:45 a.m. (CST)
Minneapolis	Lv. 9:15 a.m. (CST)	Lv. 8:20 a.m. (CST)
Fargo	Lv. 2:35 p.m. (CST)	Lv. 1:05 p.m. (CST)
Bismarck	Lv. 6:20 p.m. (CST)	Lv. 4:19 p.m. (CST)
Missoula	Lv. 3:14 p.m. (MST)	Lv. 10:01 a.m. (MST)
Spokane	Lv. 8:21 p.m. (PST)	Lv. 2:19 p.m. (PST)
Pasco	Lv. 11:55 p.m. (PST)	Lv. 5:23 p.m. (PST)
East Auburn	Lv. 6:20 a.m. (PST)	Lv. 11:05 p.m. (PST)
Seattle	Ar. 7:00 a.m. (PST)	Ar. 11:45 p.m. (PST)

Prior to August 18, 1968

After August 18, 1968

TRAIN NO. 2 (EASTBOUND)

Seattle	Lv. 9:45 p.m. (PST)	Lv. 7:15 p.m. (PST)
East Auburn	Lv. 10:29 p.m. (PST)	Lv. 7:45 p.m. (PST)
Spokane	Lv. 8:30 a.m. (PST)	Lv. 4:35 a.m. (PST)
Missoula	Lv. 3:30 p.m. (MST)	Lv. 11:17 a.m. (MST)
Billings	Lv. 1:18 a.m. (MST)	Lv. 7:07 a.m. (MST)
Fargo	Lv. 4:25 p.m. (CST)	Lv. 9:13 a.m. (CST)
Minneapolis	Lv. 9:55 p.m. (CST)	Lv. 2:30 p.m. (CST)
St. Paul	Ar. 10:20 p.m. (CST)	Ar. 2:55 p.m. (CST)

Prior to the schedule change, train No. 2 arrived Pasco at 5 a.m., which enabled passengers on the Spokane, Portland, and Seattle Railway Company's train No. 4 to continue, after a delay, their journey via The Mainstreeter. After the schedule change train No. 2 departs Pasco at 1:15 a.m., which is too early to make connections or pick up passengers from train No. 4, which is scheduled to arrive Pasco at 1:55 a.m. Nor can train No. 1 westbound, which now arrives Pasco at 5:08 p.m., make connections with train No. 3 of Spokane, Portland, and Seattle Railway Company. The latter train arrives Pasco at 12:20 a.m. Prior to the schedule change train No. 1 arrived Pasco at 11:55 p.m., and passengers en route to Portland could catch the other train. Similarly, train No. 407 of the Northern Pacific from south of Seattle, i.e., Portland, Oreg., and Tacoma, Wash., is scheduled to arrive in Seattle at 8:45 p.m. The earlier departure of train No. 2 (Mainstreeter) under the new schedule effectively breaks this connection. Also train No. 360 of Great Northern Railway, en route to such Washington points as Everett, Mt. Vernon, 336 I.C.C.

Burlington, Bellingham and such Canadian points as Colebrook, New Westminster and Vancouver, all in British Columbia, which departs Seattle at 3:30 p.m., can no longer pick up passengers coming in the same day to Seattle from the east on train No. 1 of The Mainstreeter. Nor can passengers arriving on train No. 1 of The Mainstreeter and desiring to go to Portland now connect with train No. 460 of Great Northern Railway which is scheduled to leave Seattle at 8:05 a.m. Northern Pacific's train No. 408 which departs Seattle at 12:15 p.m. en route to Portland, Oreg., can no longer pick up passengers arriving Seattle on The Mainstreeter in the same day as it could under the previous schedule. Under the new schedule the Northern Pacific points out it does make a connection with a bus at Little Falls, Minn. It is noted the connection is made due to the bus having changed its schedule. And the eastbound Mainstreeter arrives in St. Paul at 2:55 p.m., which allows a connection with Burlington Lines train No. 10, the afternoon Zephyr, which is scheduled to depart St. Paul at 4:30 p.m. The Burlington Lines train No. 52, The Black Hawk, is scheduled to depart St. Paul at 10:45 p.m. Under the schedule prior to the August 18, 1968, change, The Mainstreeter eastbound arrived St. Paul at 10:20 p.m., which was in ample time to make this connection (the arrival time being some 25 minutes earlier than the departure of The Black Hawk).

Trains Nos. 1 and 2 carry cream from producers to Mandan, N. Dak. The schedule change of August 18, 1968, has reduced some of the area trading in Mandan. In 1968, the Mandan Creamery and Produce Company alone paid the Northern Pacific \$39,360.75 in baggage fees for carrying the cans which bring farm-separated cream to its Mandan plant. In 1968, total shipments involved about 60,000 cans on trains Nos. 1 and 2 which produced two million pounds of butter. Under the prior schedule train No. 2 arrived in Mandan at 12:30 p.m. and westbound train No. 1 arrived at 6:07 p.m. Under the changed schedule train No. 1 arrives at about 4:34 p.m. and the eastbound train No. 2 arrives Mandan at 4:25 a.m. (MST).

Use of passenger train service.—Attached hereto as appendix B is the "on and off" count of passengers entraining and detraining at each station served by trains Nos. 1 and 2 between St. Paul and Seattle. The figures depict use of The Mainstreeter for the years 1966, 1967, and 1968 (the latest full year available).

Appendix B shows that during 1966, 1967, and 1968, revenue passengers entrained and detrained on train No. 1 totaled 126,626, 338 I.C.C.

135,125, and 104,317, respectively, and on train No. 2 totaled 125,221, 135,069, and 94,698, respectively. The appendix also reflects service at each station on the line. On the basis of 365 trips a year for 1966, 363 trips a year for 1967, and 366 trips a year for 1968, train No. 1 had revenue passengers per trip averages of 346.92, 372.25, and 285.02, respectively. The utilization of the equipment is not reflected by the total number of passengers per trip, for most of the passengers traveled less than the full distance. This is illustrated by contrasting the distance between St. Paul and Seattle, 1,890 miles, with the average miles traveled per passenger on train No. 1, 388.8, 356.6, and 299.9, respectively, and on train No. 2, 390.8, 346.1, and 295.1, respectively, for the 3 years. The average shown for 1966 increased due to an airline strike when many passengers traveled greater distances.

Westbound, the average number of revenue passengers on board train No. 1 leaving the respective stations between St. Paul and Seattle ranged from highs in 1966, 1967, and 1968 of 109.33, 118.08, and 85.97, respectively, and from lows of 52.18, 50.21, and 26.89, respectively. Similarly, eastbound, on train No. 2, highs ranged from 117.34, 125.69, and 82.80, respectively, and lows from 53, 47.02, and 24.01, respectively. The overall average number of revenue passengers per train-mile between St. Paul and Seattle in 1965 was 53.5, in 1966 was 71.5, in 1967 was 69.1, and in 1968 was 42.8.

Figures presented for the first 5 months of 1969 recorded 151 trips each for trains Nos. 1 and 2 and showed train No. 1 with 30,342 revenue passengers entraining and detraining, and train No. 2 with 23,912.

In addition to the fare-paying revenue passengers shown above, the trains meet the needs of a substantial number of nonrevenue passengers. Based on a comparison for the summer months of 1967, 1968, and 1969 of the average number of passengers on trains Nos. 1 and 2 to the next station at selected Montana points, i.e., leaving Forsyth, Billings, Livingston and Missoula on train No. 1 and arriving Paradise and leaving Livingston and Billings on train No. 2, the number of nonrevenue passengers using these trains was approximately the same as the number of revenue passengers during 1967 and 1968 and somewhat greater in 1969. Except for children under 5 years old the latter nonrevenue passengers riding these trains are, for the most part, authorized

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to do so by a pass issued by the Northern Pacific. The Northern Pacific asserts there is no evidence in the record that anyone has a right to such a pass implying that it is issued for no "consideration." It asserts this authorization to ride free is a gratuity—a voluntary return for past services. However, if there is or has been consideration or value received by the Northern Pacific for which the pass is a repayment, such consideration must be recognized by the Commission, and, to the extent of its value, should be used to reduce the loss incurred in the operation of these trains. This is especially true since the cost of operation may be increased by this free transportation authorized by the Northern Pacific. While on this record it is difficult to determine the particular weight to be accorded the fact that a large number of nonrevenue passengers utilize the trains in issue, under the heading "Financial results of operation" we have given consideration to the fact that some of these nonrevenue passengers may, in fact, be carrier employees using trains Nos. 1 and 2 in order to get to and from work assignments.

Appendix C, attached hereto, compares the number of persons using the slumbercoaches in 1967, a peak year, and the number of persons using it in 1969, in the months of June, July, and August. This indicates that the number using the slumbercoach during the compared periods was approximately the same. This means that the Northern Pacific shunted to other forms of transportation persons who were willing to use the sleeping facilities on The Mainstreeter, and who came back to use it when it was restored.

Other service.—The majority of the stations served by The Mainstreeter have daily scheduled bus service in each direction. Three daily transcontinental bus schedules are provided by the Greyhound Bus Line at the stations served by The Mainstreeter. The Greyhound schedules, however, move through Butte. Connections from Helena and other points on the line of The Mainstreeter between Logan and Garrison would have to be made at Butte by the way of the Intermountain Transportation Company bus line, or at Garrison and Logan using the present bus schedule of the Northern Pacific Transport. Between Missoula and Spokane, Greyhound bus service is through Wallace, Idaho. However, Intermountain Transportation Company maintains two daily schedules in each direction from Missoula to Kalispell through Ravalli. Western Greyhound Line has two daily schedules from Spokane to Sandpoint through Athol. A number of daily bus schedules are

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While assertedly attempting to attract patrons to The Mainstreeter, the Northern Pacific reduced assistance and service by railroad employees at depots and on trains.

Reduced assistance and service by railroad employees at depots and on trains.—The record indicates that Northern Pacific is keeping some of its smaller stations open less than a total of 40 hours weekly, that most stations can be reached by telephone only during business hours, and as a matter of actual practice, it is sometimes extremely difficult to get someone to answer the phone even during business hours at some of the larger stations. Availability of information on train schedules and service has been restricted. Prospective passengers experience great inconvenience, for the most part, in securing reservations on the North Coast Limited. Too few passenger coaches are available at holiday periods when needed on The Mainstreeter for college students and holiday travelers, and groups of students have been left stranded in depots when there was no room for them on The Mainstreeter.

The following related instances are representative of this reduced service:

On July 13, 1969, a witness after riding The Mainstreeter from Missoula to Helena went to the baggage room to get her baggage. No one was there. She took a taxi home and called them later. The baggage was at the ticket office.

One of the directors of a funeral home in Helena testified that recently on The Mainstreeter which carries remains for him there have been no baggage attendants on duty in the baggage cars.

At Miles City the evidence indicates that the ticket agent is the baggageman and that after handling the baggage he will sell you a ticket if the train has not left.

Since the last hearing the night service has been discontinued at the Terry, Mont., depot, and it is now necessary to buy the ticket in advance and give advance notice the day before in order to stop the train. Prior to the previous hearing there was night-time service, the station was lighted and one could buy his ticket and get on the train the night of departure. Since the last hearing, the station is not lighted, there is a small light on the platform, and there is no waiting room whatsoever. One revenue passenger, a housewife from Bozeman, Mont., who has used The Mainstreeter for the last 36 years two or three times a year related that in March 1969, she traveled by The Mainstreeter from Bozeman to

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Terry. The train, scheduled to leave Bozeman at 4:16 p.m. and arrive Terry at 10:56 p.m., was late and left Bozeman at 9:45 p.m. This passenger's father, 87 years old, sat in his car outside of the station from 10:30 p.m. until 5 a.m. in the morning when the train arrived. The station was closed and absolutely dark in a very secluded area. She added her father was pretty cold.

The following testimony was presented at Miles City, Mont., concerning service by the Northern Pacific following Christmas vacation:

The witness: We are served in Forsyth by the Mainstreeter and the North Coast Limited. However, to get on this North Coast Limited it pretty near takes a presidential order. I have a son that was going to school in Helena, he couldn't get reservations, he tried a week ahead of time to get reservations on the North Coast Limited, it was College time, he was bounced back to the Mainstreeter, they were loaded in like a bunch of cattle—

Question: When did this occur?

Answer: This was last winter.

Question: What month, do you recall?

Answer: Christmas vacation, they were going back from Christmas vacation. They were loaded in like a bunch of cattle. The service was atrocious, and I can see why the N.P. Mainstreeter is losing business when they have customers that have to put up with this kind of stuff.

Question: What you just stated regarding your son, you observed and have personal knowledge of?

Answer: That's right, I bought the ticket. I tried to get him reservations on the fast train which he couldn't get, which couldn't go into Helena anyway, but did get him on the Mainstreeter, it was a bunch of cattle in there, jammed clear full, wouldn't put extra cars on.

Change of policy toward passenger trains.—Concerning the question of whether or not first-class passenger trains should have precedence over freight trains in right-of-way on the road, the head of the passenger department made the following answer:

From a business standpoint, I would like to defer my answer to the operating department, from a personal standpoint I will say something else, but from a company standpoint, I would say let the operating department determine whether we should go in a hole or on a siding or what have you for a freight train.

The evidence of record indicates that both trains Nos. 1 and 2 are on numerous occasions stopped for the passage of freight trains which are given precedence over The Mainstreeter.

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Schedule change and colleges at Fargo and Missoula.—In the Fargo-Moorhead area the three large colleges are North Dakota University in Fargo, Concordia, and Moorhead State College in Moorhead with enrollments of approximately 6,500, 2,500, and 4,500, respectively. Many of these students rode train No. 2 on Mainstreeter prior to the schedule change and a number of students still ride this train. However, there has been a deterioration in the scheduling insofar as the students are concerned because of the departure time from Fargo being changed from 4:25 p.m. in the afternoon to 9:23 a.m. in the morning. Objection to the early departure is based on the fact that the students must cut classes in order to catch the train that leaves earlier. It is noted also that in Missoula, where the University of Montana with approximately 7,600 students is located, the schedule for train No. 2 was changed from 3:30 p.m. (afternoon) to 11:17 a.m. (morning).

Remains.—The Mainstreeter has been fulfilling a very definite need in the transportation of remains, a need which has not been met by the North Coast Limited in the past.

Financial results of operation.—Appendix D, attached hereto sets forth the carrier's net out-of-pocket results from actual operations of trains Nos. 1 and 2 for the years 1967 and 1968 and the first 5 months of 1969. The carrier claims net out-of-pocket losses for these periods of \$1,516,407, \$2,594,424, and \$1,607,703, respectively.

Passenger revenues on appendix D were determined by applying system average revenue per passenger-mile to the actual number of revenue passenger-miles developed on these trains. Passenger-miles attributable to the subject trains were obtained from an analysis of actual tickets collected by the conductors, cash fares, and tickets honored but not collected.

Appendix D shows no sleeping car revenues for the years 1967 and 1968 because the sleeping cars during those years were operated by the Pullman Company which billed Northern Pacific for the net expense of the sleeping car operation. The net expense for the years 1967 and 1968 is reflected on line 29. Sleeping car revenues for the first 5 months of 1969 were determined from an analysis of tickets collected by conductors.

Mail and express revenues are the actual amounts received from the Post Office Department and REA. Milk and cream revenues attributable to the subject trains were derived by subtracting from Northern Pacific's total system passenger mill

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and cream revenues the actual revenues earned on passenger trains other than trains Nos. 1 and 2. Dining and buffet revenues are actual. Other revenues, which are derived from baggage and newspapers, are estimated based upon test counts.

Wages of enginemen and trainmen are the actual amounts paid, to which has been added an allowance for vacation. Train attendants' wages represent actual amounts paid. The wages of messenger-baggage men are the actual amounts paid on bills rendered by REA for Northern Pacific's portion of the expense for these employees. Expenses for St. Paul mail handlers are derived from actual payments to St. Paul Union Depot Company based on actual number of hours worked loading cars of trains Nos. 1 and 2. In regard to wages of station and general office employees, Northern Pacific submitted a schedule showing station employee and general office positions to be eliminated and the respective amounts to be saved as a result of discontinuance.

Payroll taxes and health and welfare benefits on appendix D are the applicable percentages applied to gross wages. Minnesota gross earnings tax was computed by applying the tax rate of 5 percent to the subject trains' revenues allocated to Minnesota. Washington excise tax which is a public utilities tax was obtained by multiplying the rate of 3.6 percent by revenues allocated to Washington. Injury claims are based on actual claims paid due to the operation of trains Nos. 1 and 2.

Diesel locomotive repairs, train fuel, lubricants, other locomotive supplies, and enginehouse expenses are based on a system average cost per diesel unit-mile applied to the diesel unit-miles operated by the subject trains. Passenger car repairs and train supplies and expenses were computed by applying system average cost per passenger car-mile to the car-miles operated by trains Nos. 1 and 2. Depreciation of equipment is based on annual depreciation rates and was computed only for the number of days units of equipment were operated on these trains. Rent for passenger train cars reflects actual payments made for use of other carriers' equipment.

As indicated above, expenses for operating sleeping cars for the years 1967 and 1968 were derived from the Pullman Company's billings of expenses less revenues. Expense for the first 5 months of 1969 represents expenses billed by the Pullman Company for maintaining the sleeper cars plus employees' wages and expenses paid by Northern Pacific. Dining and buffet service are actual expenses of such service on the subject trains.

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\$14,490,972, and \$873,512; other income \$24,489,618, \$26,920,560, and \$12,328,884; and net income after fixed charges and other deductions \$23,455,765, \$25,184,816, and \$5,571,191.

The financial statements show the Northern Pacific to be operating profitably and that it is a financially strong carrier notwithstanding its passenger train deficits in the operation of The Mainstreeter.

Northern Pacific income received from land holdings.—The evidence of record indicates that according to the records of the Bureau of Land Management, United States Department of Interior, the Northern Pacific was granted 14,739,697 acres of land in the State of Montana. Also, Public Aids to Transportation, Volume 2, Aids to Railroads and related subjects, published after expiration of the Emergency Railroad Transportation Act 1933, from the Secretary of Research, Federal Coordinator of Transportation, United States Government Printing Office, Washington, D. C., 1938, gave for the Northern Pacific system (not just including Montana) the figure of 39,414,272 acres as acreage patented and certified to June of 1933 as shown by Federal or State record. The Northern Pacific reported the number of such acres to December 31, 1927, as 40,647,968. The lands were intended to provide a base for commerce and traffic to sustain the rail enterprise, and the Northern Pacific undertook in return to construct a railroad and keep it "in working order." The charter of 1864 envisioned that the lands for the most part would be sold to settlers willing to farm or raise livestock, people who would open up the West and patronize the railway. The charter specified that the granted lands were to be agricultural, not mineral. The Northern Pacific chose not to sell all of its granted lands, and retained mineral rights on much of the land it sold. The Senators from Montana have pointed out in this proceeding that this land placed in the Northern Pacific's care is now producing considerable annual income each year as shown below:

NORTHERN PACIFIC NONRAILROAD INCOME
(In thousands of dollars)

	1967	1968
Oil and gas.....	\$8,430	\$8,390
Timber.....	5,009	6,296
Minerals.....	1,013	898
Real estate rentals.....	3,302	3,525
Dividends.....	248	111
Interest.....	3,414	3,434
Other.....	1,298	1,625
Total other income.....	22,712	24,279
Net other income.....	16,689	16,709

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It is their view that such income of this carrier is income which should be used toward keeping the railroad in working order, and that any burden placed on Northern Pacific's other traffic by the operation of The Mainstreeter should be offset by a very small portion of the income received from the huge land holdings which are producing oil, timber, mineral, grazing and other revenues.

Public interest.—Approximately 353 witnesses appeared at the hearing and testified in opposition to the proposed discontinuance of trains Nos. 1 and 2. Those who testified included members of the United States Congress from the States of Montana, Washington, North Dakota, and Minnesota, the Governor of the State of Montana, the Administrative Assistant in behalf of the Governor of the State of North Dakota, members of the State Legislature of the States of Montana, Minnesota, North Dakota and Washington, members of the State railroad regulatory commissions, county and city officials, representatives of hospitals, civic, religious, educational and social organizations, business and professional men, union officials and numerous other members of the public. An official of the city of Chicago as previously indicated also appeared and adduced evidence in opposition.

Many individuals testified with respect to their own personal needs and the needs of those in their care. Collectively, they expressed an emphatic need for the continuance of the service of The Mainstreeter to fulfill their individual and community needs. Many expressed concern with being left with only the North Coast Limited, a reservation train, on which they have experienced various difficulties securing reservations; many felt that, in combination, the two trains afford a more flexible schedule. Many were critical of the carrier's equipment, stations, service, and methods of operation, and suggested this has contributed to discouraging the public's use of the trains. It was their collective feelings that the railroad had abandoned the public, not the public the railroad. Charges were also made that the railroad has not been as competitive, and that it has not in recent months exerted as much effort in seeking new passenger traffic or in pleasing and keeping present passengers as it has in competing for and keeping its freight traffic. Some even charged the agents of the carrier have attempted to discourage patronage with reduced service and facilities.

Representatives of student bodies of several colleges presented evidence indicating the use and need of students for The Mainstreeter. Individual students, as well as staff members of the 336 I.C.C.

colleges, also appeared to show such need. Representations were made of the advantages and preferences of the elderly senior citizens as well as the handicapped in their use of the trains. Discontinuance would force many patrons to change their pattern of transportation. Many expressed a dislike for bus service and a fear of traveling by air. Some even expressed fear of travel by private car on the open highway in the mountainous areas. In general, many expressed a preference for train over other modes of transportation based on comfort, cost, convenience, and safety.

Community representatives and local businessmen were concerned with the adverse effect upon their current transportation needs and the effect upon the economy and the population of the community. Helena, the State capital of Montana, is concerned that it will be left without passenger train service. This not only affects local citizens but other members of the public and members of the legislature who must travel to and from the capital for committee meetings and during the 60-day period they are in legislative session every other year.

Certain labor interests, although pursuing a view that this Commission should not allow discontinuance, request that protective conditions should be imposed if the trains are not kept on. In view of our findings herein, we need not reach that question. However, we call the parties' attention to *Great Northern Ry. Co. Discontinuance of Service*, 307 I.C.C. 59, wherein it was found that while we may consider the interest of the carrier's employees in determining whether the public convenience and necessity requires the discontinuance of subject trains, this Commission is without authority to impose conditions for protection of railway employees who may be adversely affected as a result of discontinuance of passenger service under section 13a(1) of the act.

Motion of the Montana Board of Railroad Commissioners.—At Missoula, Mont., the Montana Commission made the following motion:

First, we move the Examiner and the Commission eventually to dismiss these proceedings and to refuse to discontinue the Mainstreeter for a period of one year based upon the decision in Finance Docket No. 24855, [*Northern Pac. Ry. Co. Discontinuance of Trains*, 333 I.C.C. 15], to the effect that the merger proceedings are still pending, have not been decided, and are now before the United States Supreme Court for final decision.

At the hearing the examiner stated that the motion would be given consideration and discussed in the report.

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While, obviously, the pending proceeding cannot be decided on the basis of the prior decision, *Northern Pac. Ry. Co. Discontinuance of Trains*, 333 I.C.C. 15, the discussion in the prior decision relative to the Northern Lines merger (*Great Northern Pac.—Merger—Great Northern*, 328 I.C.C. 460, 331 I.C.C. 228, and 331 I.C.C. 869), here quoted for emphasis, is particularly relevant in disposing of the Montana motion.

Evidence was presented that when the proceedings in Finance Docket No. 21478, *Great Northern Pac.—Merger—Great Northern*, 328 I.C.C. 460, 331 I.C.C. 228, and 331 I.C.C. 869, were first proposed, to enlist the public support for the merger and to eliminate fear that there would be a reduction of passenger service if the merger were accomplished, responsible representatives of the applicant on more than one occasion promised the Mainstreeter service would be maintained as long as the public used it. This representation was again reiterated by Robert S. McFarlane, then president of the Northern Pacific Railroad and now Chairman of its Board, under cross-examination in the *Merger* proceedings, in the following exchanges:

"Question: Is it then a fair statement that you will maintain the passenger service on the two trains on N. P. trackage so long as the present demand exists?"

"Answer: Until the public abandons them, if they ever do."

Also, in Missoula, Mont., on March 10, 1961, Robert S. McFarlane stated:

"Now while on the subject of service, I want to say a word about the Vista Dome North Coast Limited and our Mainstreeter—some people think that the trains—the passenger train service through Missoula on the Northern Pacific train is going to be changed. It is not going to be changed. I assure you that as long as the public will use our trains, the North Coast Limited and the Mainstreeter will operate just about as they are at present. Perhaps their schedules can be improved a little bit, but we are going to maintain that wonderful service until the end, if ever, the public abandons the train service."

Protestants submit that this promise was effective and that witnesses relying upon it paraded to the stand to support the merger, and protestants maintain that this Commission, in its deliberation, took this into account when it indicated in its summary in the *Merger*, 331 I.C.C. page 289, that many shippers, State and Federal agencies, communities and shipper groups had dropped their opposition and supported the merger as a means to achieve overriding benefits to the public through improved transportation.

Four days after the merger gained final Commission approval, this application was filed. The carriers had had ample hint of the impending approval, and sufficient time to prepare this application, for after the Commission had voted, on January 4, 1968, to reopen the *Merger* proceeding, it was a generally assumed and conspicuously published assumption in the transportation and financial communities that approval would be forthcoming.

* * * * *

"* * * We can find no indication in this record that circumstances have changed much in the intervening years, or are likely to change sufficiently in the foreseeable future."
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APPENDIX A

Schedule of trains between St. Paul, Minn., and Seattle-Tacoma, Wash., and the population of the communities served

Westbound--read down				Station	Population	Eastbound--read up			
Train No. 1	Train No. 25	Miles	Present			Previous	Train No. 2	Train No. 26	Present	Previous
				Lv--St. Paul, Minn-----Ar	313,411				
				--Minneapolis-----	482,872				
				--Elk River-----	1,763				
				--St. Cloud-----	33,815				
				--Little Falls-----	7,551				
				--Scaples-----	2,706				
				--Wadena-----	4,381				
				--Perham-----	2,019				
				--Detroit Lakes-----	5,633				
				--Newley-----	1,270				
				--Dilworth-----	2,102				
				--Hoorhead-----	22,934				
				--Fargo, N. Dak-----	46,662				
				--Cassalton-----	1,394				
				--Valley City-----	7,600				
				--Jamestown-----	15,163				
				--Steele-----	847				
				--Bismarck-----	27,670				
				--Mandan-----	5,443				
				--Judson-----	1,445				
				--New Salem-----	986				
				--North Aumont-----	-----				
				--Glen Ullin-----	1,210				
				--Hebron-----	1,340				
				--Richardton-----	792				

See note at end of table

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Schedules of trains between St. Paul, Minn., and Seattle-Tacoma, Wash., and the population of the communities served-Continued

Westbound--read down				Station	Population	Eastbound--read up			
Train No. 1	Train No. 25	Miles	Present			Previous	Train No. 2	Train No. 26	Present	Previous
				Lv--Taylor, N. Dak-----Ar	215				
				--Gladstone-----	185				
				--Dickinson-----	9,371				
				--South Heart-----	-----				
				--Belfield-----	1,064				
				--Fryburg-----	-----				
				--Medora-----	139				
				--Sentinel Butte-----	160				
				--Beach-----	1,460				
				--Wibaux, Mont-----	766				
				--Glendive-----	7,058				
				--Tallon-----	-----				
				--Terry-----	1,140				
				--Miles City-----	9,665				
				--Forsyth-----	2,037				
				--Hysham-----	494				
				--Custer-----	-----				
				--Billings-----	52,851				
				--Laurel-----	4,601				
				--Columbus-----	1,281				
				--Big Timber-----	1,660				
				--Livingston-----	8,229				
				--Rozeman-----	13,361				
				--Belgrade-----	1,057				
				--Manhattan-----	689				

See note at end of table

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Northern Pacific Railway Company total number of revenue passengers boarding and leaving trains Nos. 1 and 2 at each station between St. Paul, Minn., and Seattle, Wash., year 1928

Line No.	Station	Train No. 1 westbound (read down)					Train No. 2 eastbound (read up)				
		Passengers boarding train		Passengers leaving train		Average number of passengers leaving station	Passengers boarding train		Passengers leaving train		Average number of passengers leaving station
		Total	Average per trip	Total	Average per trip		Total	Average per trip	Total	Average per trip	
1	St. Paul, Minn.	33,497	37.42			37.42				11,765	37.24
2	Minneapolis	16,455	45.31	245	.40	82.13	172	.47	18,445	50.33	33.14
3	Elk River	187	51	32	.03	82.95	2	.01	222	.61	87.20
4	St. Cloud	2,603	7.11	1,497	4.09	85.97	2,441	6.87	2,133	5.83	87.80
5	Little Falls	376	2.65	2,492	7.90	88.72	2,285	6.24	881	2.41	81.95
6	Staples	1,134	3.10	1,521	4.15	79.67	2,841	5.38	1,032	2.32	78.13
7	Madena	895	2.44	1,453	4.43	72.68	3,431	4.37	842	2.30	75.37
8	Perham	544	1.49	1,737	4.80	69.37	1,345	4.22	610	1.67	68.30
9	Detroit Lakes	1,945	5.31	4,287	11.71	82.97	4,442	12.14	1,883	5.14	65.75
10	Maudy	322	.88	5,154	14.08	89.77	4,018	10.88	349	.93	68.75
11	Dilworth	367	1.06	47	.13	50.70	30	.10	210	.57	48.72
12	Moorhead	140	.38	1,943	5.31	45.77	2,012	5.50	219	.60	49.13
13	Fargo, B. Minn.	8,470	24.31	5,613	15.34	84.94	6,047	16.57	7,255	19.85	44.29
14	Sassarcton	16	.04	78	.21	54.77	78	.21	13	.04	47.49
15	Valley City	1,027	2.81	1,845	5.04	52.54	2,007	4.94	731	2.00	47.45
16	Jamestown	2,136	5.75	3,574	9.63	48.86	2,904	7.93	1,331	3.18	46.51
17	Steelmound	184	.53	820	2.15	48.06	95	.26	150	.41	40.76
18	Bismarck	3,134	9.11	6,446	17.61	24.54	4,784	13.07	2,337	6.39	40.21
19	Wandan	1,239	3.39	1,540	4.21	38.72	1,650	4.51	580	1.58	33.53
20	Judson			39	.11	38.61	78	.21	7	.02	30.60
21	New Salem	84	.23	400	1.09	37.75	303	.83	83	.24	30.54
22	North Almont					37.75	1	.00			24.95
23	Glen Ullin	349	.95	600	1.64	27.05	414	1.12	359	1.01	24.95
24	Hobart	154	.42	376	1.01	36.47	215	.59	177	.48	20.83
25	Richardton	135	.37	541	1.48	35.08	272	.74	136	.36	24.52
26	Taylor	3	.01	1	.00	35.37	8	.02	2	.01	22.24
27	Gladstone	1	.00	7	.02	25.35	20	.05	29	.08	23.33
28	Dickinson	1,302	3.56	3,893	10.54	28.27	7,470	6.54	765	2.09	28.36
29	South Heart			2	.01	28.26	9	.02	1	.00	24.61
30	Bellevue	105	.29	289	.79	27.76	225	.62	114	.31	24.74
31	Medora	5	.01	89	.24	27.53	14	.04	29	.08	24.48
32	Sanford	2	.01	27	.07	27.47	13	.04	8	.02	24.52
33	Beach	295	.81	442	1.21	27.07	377	1.03	197	.54	24.50
34	Wibaux, Mont.	74	.20	138	.38	26.89	92	.25	106	.29	24.01
35	Glenview	2,570	7.02	982	2.68	31.22	587	1.60	2,209	6.04	24.05
36	Terry	110	.30	24	.07	31.45	11	.03	127	.34	24.49
37	Mill City	1,200	3.50	627	1.71	33.24	345	.94	1,310	3.58	28.83
38	Forestburg	210	.57	115	.31	33.50	87	.24	283	.77	31.47
39	Hyndman	12	.03	22	.06	33.50	5	.01	33	.09	32.00
40	Custer	24	.07	10	.03	33.54	17	.05	30	.08	32.08
41	Billings	3,214	8.78	3,098	8.46	33.86	3,137	8.56	3,079	10.60	32.11
42	Laurel	322	.88	176	.46	34.28	252	.62	366	1.00	30.15
43	Columbus	87	.24	55	.15	34.37	43	.12	119	.33	24.34
44	Big Timber	127	.35	80	.22	34.50	64	.17	207	.57	30.75

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Northern Pacific Railway Company total number of revenue passengers boarding and leaving trains Nos. 1 and 2 at each station between St. Paul, Minn., and Seattle, Wash., year 1928-Continued

Line No.	Station	Train No. 1 westbound (read down)					Train No. 2 eastbound (read up)				
		Passengers boarding train		Passengers leaving train		Average number of passengers leaving station	Passengers boarding train		Passengers leaving train		Average number of passengers leaving station
		Total	Average per trip	Total	Average per trip		Total	Average per trip	Total	Average per trip	
45	Livingston, Mont.	765	2.08	674	1.84	34.75	805	2.20	656	2.34	35.15
46	Bismarck	1,343	3.67	1,770	4.83	33.59	2,169	5.92	2,145	5.86	35.29
47	Belgrade	18	.05	14	.04	32.60	7	.02	10	.03	35.23
48	Manhattan	36	.10	17	.05	33.85	2	.01	15	.04	35.29
49	Logan	152	.42	674	2.39	31.68	919	2.51	117	.32	35.28
50	Trident	1	.00	6	.02	31.66					35.09
51	Yorston	59	.16	23	.06	31.76	12	.03	26	.07	33.09
52	Townsend	169	.46	124	.34	31.88	83	.23	192	.52	33.13
53	Helena	2,397	6.59	2,047	5.59	32.84	2,664	7.29	2,795	7.64	32.42
54	Ellisburg	18	.05	41	.11	32.78	8	.02	37	.09	33.77
55	Avon	11	.03	18	.05	32.76	11	.03	16	.04	33.81
56	Carrison	1,737	4.75	134	.37	37.14	221	.60	2,514	6.97	33.82
57	Gold Creek	1	.00			37.14					40.58
58	Opheim	142	.39	87	.24	37.27	102	.28	113	.31	40.09
59	Missoula	3,445	10.70	4,742	12.98	38.09	6,652	18.17	3,232	8.83	45.12
60	Kavali	340	.93	208	.57	36.45	224	.61	309	.84	39.78
61	Perma	9	.02	49	.13	35.35	16	.04	18	.05	31.01
62	Paradise	518	1.42	403	1.10	35.67	523	1.43	591	1.64	31.02
63	Thompson Falls	605	1.71	576	1.57	35.81	619	1.69	584	1.60	31.04
64	Monop	227	.62	440	1.20	35.22	367	.99	219	.58	30.95
65	Wardburg, Idaho	1,068	2.98	538	1.47	36.63	925	2.43	866	2.34	30.54
66	Athol	1	.00	11	.03	36.58	57	.16	73	.20	31.45
67	Spokane, Wash.	6,528	18.30	5,225	14.28	45.60	3,904	10.67	5,706	15.59	31.49
68	Cheney	576	1.57	162	.44	46.73	661	1.81	491	1.36	36.41
69	Ritzville	67	.18	199	.54	46.41	251	.69	87	.24	35.94
70	Condon	77	.21	84	.23	46.41	70	.19	74	.20	34.22
71	Pasco	6,392	17.46	4,115	11.14	52.63	2,508	6.85	3,731	10.19	35.23
72	Kennebec	427	1.17	164	.45	53.35	43	.12	208	.57	38.57
73	Drossard	600	1.66	398	.90	54.11	255	.70	549	1.50	34.07
74	Toppenish	408	1.12	135	.37	54.85	102	.28	422	1.15	39.87
75	Yakima	5,076	13.87	2,878	7.80	62.22	1,375	3.76	4,069	11.12	40.24
76	Ellensburg	1,235	3.54	283	.78	65.88	159	.44	1,454	4.02	48.10
77	Cle Elum	138	.38	40	.11	65.23	37	.10	139	.38	51.91
78	Datton	8	.02	1	.00	65.23	3	.01	21	.06	52.19
79	Leater	268	.73	137	.37	65.66	72	.20	965	2.64	52.04
80	Raymond	1	.00			65.66			4	.01	54.60
81	Kanashat	11	.03	39	.11	65.58	57	.15	29	.08	54.69
82	DAK Auburn	30	.08	9,505	25.97	39.69	6,881	18.75	97	.27	54.67
83	Seattle			14,526	39.69		13,177	36.00			36.00
Total 366 trips		104,317	285.07	104,317	285.07		94,648	258.74	94,648	258.74	
Total passenger-miles				31,281,638				27,946,929			
Average miles per passenger				295.8				295.1			

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APPENDIX C

Analysis of use of Mainstreeter in June, July, and August of 1967, 1968, and 1969, at two Montana points, showing passengers on board to next station

	TRAIN NO. 1						
	June, July, and August	Leave Billings			Leave Livingston		
		Slumber coach	Coach	Children	Slumber-coach	Coach	Children
(a)							
1967 revenue	652	3,682		478	3,209		
All	1,167	5,615	339	818	4,928	334	
1968 revenue	0	3,638		0	3,878		
All	0	5,595	441	0	5,960	481	
1969 revenue	565	3,270		437	2,611		
All	1,417	4,896	444	1,067	3,823	358	
		Train No. 2					
1967 revenue	846	3,472		509	3,409		
All	1,229	5,351	345	1,017	5,201	368	
1968 revenue	0	3,525		0	3,726		
All	0	5,648	401	0	5,768	511	
1969 revenue	480	2,674		363	2,909		
All	1,266	4,302	322	1,063	4,524	369	

(a) August 1967 records not available.

APPENDIX D

Northern Pacific Railway Company statement showing revenues, out-of-pocket expenses and statistics in connection with the operation of trains Nos. 1 and 2 between St. Paul, Minn., and Seattle, Wash., years 1967, 1968, and 5 months of 1969

Item no.	1967	1968	5 months 1969
Revenues			
1 Passenger	\$2,016,663	\$1,459,165	\$376,250
2 Sleeping car			17,333
3 Mail	2,701,367	1,349,181	175,910
4 Express	890,792	229,446	5,555
5 Milk and cream	48,103	47,262	20,000
6 Dining and buffet	303,043	160,471	53,334
7 Other	28,698	21,846	8,041
8 Total revenues	5,988,668	3,267,361	656,523
Expenses			
9 Wages of engineers	706,303	718,581	329,240
10 Wages of trainmen	668,994	684,683	316,140
11 Wages of train attendants	23,960	14,316	47,000
12 Wages of messenger-baggage-men	156,315	41,487	

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Northern Pacific Railway Company statement showing revenues, out-of-pocket expenses and statistics in connection with the operation of trains Nos. 1 and 2 between St. Paul, Minn., and Seattle, Wash., years 1967, 1968, and 5 months of 1969—Continued

Item no.	1967	1968	5 months 1969
Expenses			
13 Mail handlers - St. Paul	\$44,369	\$28,143	\$1,998
14 Wages of station employees	369,519	160,741	62,814
15 Wages and expense - general office	87,357	39,396	16,416
16 Payroll taxes, health and welfare	457,529	395,005	185,283
17 Minnesota gross earnings tax	57,082	82,783	5,828
18 Washington excise tax	22,447	14,711	3,262
19 Injury claims	14,954	8,413	3,928
20 Repairs - diesel locomotives	544,478	416,211	181,858
21 Repairs - passenger cars	1,469,018	1,071,248	324,517
22 Depreciation of equipment	223,552	174,281	70,157
23 Rent for passenger-train cars	40,820	24,448	11,921
24 Train fuel	489,438	398,725	169,775
25 Lubricants for locomotives	59,968	66,949	28,220
26 Other supplies for locomotives	14,445	11,815	4,980
27 Enginehouse expenses	170,274	119,220	50,252
28 Train supplies and expenses	610,681	450,830	136,372
29 Operating sleeping cars	230,412	222,096	143,308
30 Dining and buffet service	523,234	318,930	129,648
31 Terminal expenses - St. Paul	309,745	269,347	30,087
32 Terminal expenses - Minneapolis	180,131	144,821	66,013
33 Terminal expenses - Billings	47,418	21,758	7,259
34 Terminal expenses - Seattle	36,089	29,063	12,259
35 Operation of joint lines	16,541	5,784	2,063
36 Total expenses	7,505,078	5,861,785	2,264,231
37 Net loss	1,516,407	2,594,424	1,607,708

Adjustments to 1968 results, as discussed in report:

(1) To correct Billings terminal expense	17,420
(2) To reflect net feeder value	10,383
(3) To eliminate labor costs attributable to repairs and servicing expenses	1,123,141
(4) To eliminate payroll taxes and health and welfare expense attributable to adjustment number 3	168,470
Total of adjustments 1-4	1,319,394
Net savable loss before income tax effect (overstated) 1-1968	1,275,030
Less income tax effect	336,608
Net savable loss (overstated) 1-1968	938,422

¹Net out-of-pocket loss for 1968 is overstated to an indeterminate degree due to deficiencies in basis computations as specifically discussed in the report.
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