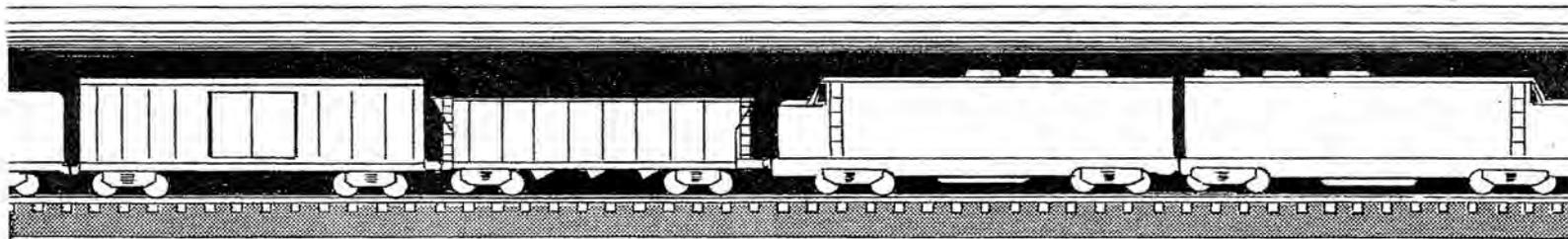


**NEW YORK STATE
RAIL PROGRAM REPORT
1985**

Prepared by the Rail Division

November 1985



NEW YORK STATE DEPARTMENT OF TRANSPORTATION
MARIO M. CUOMO, Governor FRANKLIN E. WHITE, Commissioner

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RAIL PROGRAM REPORT
1985**

Prepared in compliance with the rules and regulations for the:

**State Rail Plan, per Section 5 (j) of the Department of
Transportation Act; and**

**Annual Report to the State Legislature, per Chapter 257, Section 8,
of the Laws of 1975 and Chapter 369, Section 2 of the Laws of
1979.**

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INTRODUCTION

This is the first edition of the State of New York Rail Program Report. This document is presented as a combination of the former New York State Rail Preservation Program Annual Report and New York State Rail Plan Annual Update, both of which have been published at regular publication intervals during the past decade. The combined publication is in compliance with the administrative and legislative requirements which have been followed in both previous documents.

Under the Laws of 1975 and the Laws of 1979, the New York State Legislature directed the Commissioner of Transportation to prepare and submit to the Governor a report evaluating the State's intercity rail passenger service, rail service preservation and rail service energy conservation programs. The New York State Rail Preservation Program Annual Report has been presented regularly in compliance with the legislative mandate.

The New York State Rail Plan Annual Update has been regularly prepared in accordance with the Code of Federal Regulations and serves to update the New York State Rail Plan which was formally submitted to the Federal Railroad Administration in 1975. Updates have been prepared to document any significant changes in rail policy, regulations and/or legislation, and to document the State's rail planning process.

This combined document is aimed at providing a single authoritative and concise report serving both purposes. Although there is no particular target date for future editions of this report, the intent is to update it on an annual basis.

CHAPTER 1 - NEW YORK STATE'S RAIL PROGRAM

A. Program Elements

New York State's Rail Program consists of a number of separate but coordinated elements. The following is a concise explanation of each element including its proposed purpose, funding source, and current status.

- o The Rail Preservation Bond Act of 1974 established a rail program to preserve essential rail service and established eligibility for federal financial assistance. Approved by the statewide electorate in November, 1974, it authorized a State debt of \$250 million for preservation, restoration, and improvement of rail transportation capital facilities and equipment.
- o The Essential Rail Services Appropriation was part of the Rail Preservation Bond Act of 1974 in the form of a legislative appropriation which advanced \$30 million for the immediate needs of the most urgent aspects of the Rail Preservation Program. Included was the reinstatement of passenger services and the rehabilitation of track and equipment of high priority lines.
- o The Energy Conservation Through Improved Transportation Bond Act of 1979 was approved by the electorate in November, 1979, and authorized a State debt of \$500 million, \$400 million of which was appropriated for improving rapid transit, commuter, intercity rail passenger and rail freight capital facilities and equipment.
- o The Early Implementation Appropriation was part of the Energy Conservation Through Improved Transportation Bond Act of 1979 in the form of a legislative appropriation which advanced \$10 million for rail and rapid transit projects prior to the enactment of the parent Bond Act.
- o The Local Rail Service Assistance Program was developed from the following federal legislative acts:
 - (a) The Regional Rail Reorganization Act of 1973 (3R Act), which led to the establishment of Conrail, provided assistance to 17 states in the Northeast and Midwest on an eligible mileage ratio basis. Funds could be used to subsidize, rehabilitate, purchase or rail bank branchlines not included in the Conrail system or branchlines in which substantial public funds had been invested.

- (b) The Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) amended the earlier program in several ways, including the extension of the program to include all states.
 - (c) The Local Rail Service Assistance Act of 1978 (LRSAA) reoriented the program toward lines still owned and operated by private carriers by permitting interested parties to revitalize branchlines prior to abandonment or service discontinuance.
 - (d) The Northeast Rail Service Act of 1981 (NERSA) further modified the program in several ways, including the limiting of planning support funds for every state, regardless of size and/or entitlement and the elimination of operating assistance as a use for the funds.
- o The State funded Rail Preservation and Local Assistance Programs were instituted by the State Legislature to provide capital funding and operating assistance for branchlines and shortlines by supplementing declining federal program funds, and by supporting lines not eligible for federal subsidies. This program provides for payment of up to 50% of the non-federal share of rail projects.
 - o The "Rebuild New York Bond Program" contains funds for freight railroad improvements, grade crossing eliminations, grade crossing protection, railroad related bridges, and port railroads.

In addition to the specific capital programs listed above, legislative budget items were made available in 1979 for specific rail improvements. These included:

High Speed Rail Passenger Improvements - \$17,500,000
(Croton - Hoffmans)

Southern Tier Mainline Improvements - \$14,600,000

Except for the "Rebuild New York Bond Program" most of the funding made available through these sources has been obligated, and a major portion has been expended. Over \$7 million has been expended on "Rebuild New York" rail-related projects.

The State's Rail Program also extends into rail safety. The Rail safety aspects include the following four categories of highway-related programs:

- o The Grade Crossing Elimination Program provides for the elimination of specific highway-railroad at-grade crossings. This program is funded from annual legislative appropriations and is subject to regulatory action by NYSDOT, upon petition by jurisdictional municipalities.
- o Railroad Law Bridge Reconstruction funding is available for existing highway-railroad grade separation structures located on non-state highways.
- o The Rail-Highway Crossing Improvement Program, which is 90% funded by the Federal Highway Administration, provides funding to eliminate hazards at existing grade crossings either on or off the federal-aid highway system. At least 50% of apportioned funds must be used to install or improve warning devices.
- o The Safety Inspection Program, which is partially funded by the Federal Railroad Administration, provides for the inspection of track, locomotives, and rolling stock. The New York State Department of Transportation inspectors are certified by the FRA and are authorized to cite rail operators for violations of both FRA and New York State safety codes and standards. This program has contributed significantly to the increased safety of rail operations in New York State.

B. Achievements

The New York State Department of Transportation's Statewide Master Plan for Transportation, published in 1973, provided for the rail program that was to dramatically reverse two decades of decline in rail services in New York State. The State's Rail Program, through the funding initiatives noted above, has made significant progress toward that mandate. A summary of some of the major program elements undertaken during the past decade is provided below.

1. Intercity Rail Passenger Service projects have transformed the New York City to Schenectady portion of the "Empire Corridor" into one of only two high speed rail passenger corridors in North America--the other being the Federal Government's Northeast Corridor Project. Track and signal improvements to the 94 mile segment between Poughkeepsie and Hoffmans (10 miles west of Schenectady) began in late 1975 and were completed in 1979. This allowed for operating speeds of up to 110 mph for the first time. Similar improvements were scheduled for the 42 mile Croton-Harmon to Poughkeepsie segment with work beginning in 1979. Upon completion of the improvements in 1982, the running time between Albany-Rensselaer and New York City was reduced to an all-time low of 2 hours and 11 minutes. At the time the work began in 1975, the running time

between the Albany-Rensselaer to New York City was as high as three hours. The results of this program can be seen by the nearly doubling of ridership between the Capital District and New York City.

Elsewhere on the 462 mile "Empire Corridor", improvement projects involving the realignment of track and interlockings were undertaken during that same time period. These improvements allowed additional time reductions of 50 minutes between Albany and Buffalo.

The Intercity Rail Passenger Service program also funded equipment rehabilitation for the reinstated Montreal service, station and parking facility construction and reconstruction and additional trains on the "Empire Corridor". Additional station and parking improvements are in the programming stage.

2. New York City - Long Island Freight Service projects offer vital improvements to freight routes and facilities in the New York City metropolitan area.

Overhead clearance restrictions have long imposed limits on the size of the freight cars that could access Oak Point Yard in the Bronx via the Hudson and Harlem Lines. This automatically excluded the larger, modern, special commodity cars so vital to a coordinated rail freight system. To alleviate this problem and provide for contemporary rail services to NYC and Long Island, the most clearance restrictive bridges over the Hudson Line (Selkirk-Highbridge) have been raised through a variety of innovative procedures. Additional restrictions, however, do exist which prevent modern industrial service to such plants as General Motors in Tarrytown. An entirely new freight mainline is under construction in the Bronx, where crossing of commuter railroad tracks became intolerable and traditional methods of clearance improvements were impossible, linking Oak Point with the Hudson Line. Clearances have also been improved on the Bay Ridge Line in Brooklyn and at several locations on Long Island.

The Long Island Rail Road has received modern locomotives as replacement for older, service-work models to further improve freight service. The results of this and other program initiatives can be seen in the decline in operating assistance required for the LIRR freight operation. Required State subsidies have declined from nearly \$20 million annually to \$1.75 million this year, and should allow for a break-even operation in 1987-88.

3. Upstate Freight Service projects have included mainline track and roadbed rehabilitation, signal improvements, classification yard modernization, support yard

track reconstruction. Road service freight locomotives were rebuilt and box cars were modernized as part of this aspect of the Rail Program.

Branchlines have benefited through track improvement projects and the construction of team tracks and intermodal facilities. New track connections were constructed linking parallel branchlines to provide more efficient service to on-line shippers. Shortline railroads in New York State have also been provided funds for required rehabilitation work. Tracks have been upgraded to comply with the FRA Track Safety Standards. Locomotives have been modernized and new service facilities constructed. An estimated 144 industries (approximately 50% of the total number of New York industries located on branchlines) and 12,500 related jobs have been benefited through branchline and shortline initiatives.

Freight market studies have been undertaken, as have clearance improvement studies. Additional improvement projects are being developed at this time for mainline, branchline and shortline operations.

4. Rail Safety actions, which include both construction and inspection, have enjoyed noteworthy progress. The Grade Crossing Improvement Program has produced improvements to approximately 400 highway/railroad at-grade crossings statewide, with an additional 400 currently in progress.

The Department is also very active in "Operation Lifesaver" which is a program in which groups are working together to reduce the number of vehicle accidents at railroad crossings through education, enforcement and engineering programs.

The Rail Safety Inspection Program will monitor the inspection of approximately 8600 miles of track in the coming year, with emphasis on high speed trackage, high volume trackage, and trackage over which hazardous material is transported. Nearly 200 locomotives and 32,000 freight cars are also inspected annually.

CHAPTER 2 - NEW YORK STATE'S RAIL POLICY

A. Authority

The New York State Department of Transportation (NYSDOT) is mandated under Article 2 of the New York State Transportation Law to plan for, coordinate, and, if appropriate, to develop, maintain, assist or regulate transportation facilities and services for all modes, public or private.

Through the approval of the Rail Preservation Bond Act of 1974 in a statewide referendum, the people of the State of New York directly endorsed the State government's involvement in rail preservation. The bond act authorized the issuance of public certificates to fund rail improvements to be administered by the New York State Department of Transportation. The authority instituted at that time was further endorsed five years later when the voters of New York State approved the Energy Conservation Through Improved Transportation Bond Act of 1979. The Rebuild New York Bond Issue, also presented as a statewide referendum, and other rail-related programs as described in the previous chapter have reaffirmed the commitment to the program in recent years.

B. Policy

1. Philosophical Framework, Goals and Objectives

The basic framework of goals and objectives for rail transportation in New York was set forth in the Department's Statewide Master Plan for Transportation, published in 1973. Generally, the Plan's policy and action recommendations concerning railroad freight transportation were directed towards fostering and maintaining an efficient rail network to supply the State's agricultural, industrial, and consumer needs for movement of goods at economical rates.

This remains the fundamental objective of the rail program. The program has been carefully tailored to complement the other elements of the overall rail preservation strategy, a strategy designed to strengthen those rail lines that can attain a satisfactory level of economic self-sufficiency and thereby protect affected rail users.

2. Policy for State-Funded Capital Projects

As noted in the 1973 Statewide Master Plan for Transportation, and re-emphasized in the 1984 Draft Statewide Master Plan For Transportation the Department realized that public policy toward the railroad industry must include the preservation of the strongest possible system of mainline services that private enterprise can provide. By far, the largest rail system infrastructure investment is by the private carriers themselves. Typical rail industry earning levels and the enormous capital needs of railroads, however, have caused industry investment to concentrate on projects directly associated with the movement of high yield freight traffic.

Projects which would enhance the benefits the general public could accrue from the rail system, such as improved rail passenger service and increased access to intermodal transportation, but are not viewed by the industry as high priority investments, must be undertaken with investment from by the public sector.

3. Policy for Local Rail Service Assistance

The major device used by the Department to implement its branchline assistance policy is the "negotiated solution". A negotiated solution is an agreement or partnership between the State, shippers, railroads, local government agencies and other interested parties in which each party makes the necessary contributions, commitments or concessions required to bring rail lines to a self-sustaining level of financial viability or to mitigate the negative impacts of direct service discontinuance. The key goal is to maintain existing industry and provide an adequate infrastructure to allow expansion to take place.

The negotiated solution process can lead to a large number of potential "corrective" actions. As a practical matter, however, the Department has focused its attention to a few broad alternatives or combinations thereof. These practical alternatives are as follows:

(a) Installation of Alternative Operators

The Department has actively solicited and supported the installation of either Class III carriers (commonly known as shortlines), or other carriers which operate in the region, on lines which are subject to abandonment or service discontinuance by Class I operators. For those lines that exhibit any potential for financial viability, this is considered to be the most desirable long-term solution.

As more lines become the responsibility of counties or other local governments and agencies, the Department has determined that it would be in the best interest of the local governments to continue this alternative operator solicitation effort. The Department is willing to assist any interested party in the solicitation or development of alternative operators, given the assurance that these potential operators are knowledgeable and experienced in railroad operation and are deemed financially capable of meeting the guidelines established for the initiation of new rail services.

(b) Provision of Operating Subsidies

In anticipation of the elimination of subsidies as an eligible use of federal funds, the Department discontinued its federally sponsored Local Rail Service Assistance (LRSA) rail operating assistance program in mid-1981. The provision of interim, short-term (no longer than three years) subsidies is a component of the Department's State-funded Aid to Localities branchline assistance program and may be utilized if long-term operating feasibility and funding availability so justify.

(c) Capital Improvements

The Department continues to consider capital improvements on low density branchlines a vital component in its overall rail assistance program. All capital improvements to the low density lines originally eligible for assistance under the federal LRSA program have been completed or are in the process of being implemented.

With respect to currently eligible lines, the Department originally hoped to continue to implement capital improvements as part of a pre-abandonment corrective action program as federal funds became available. Due to declining federal funding levels, however, the Department has had to utilize State funds to progress a number of capital projects required for improvements on lines eligible under the federal LRSA program. As the federal LRSA program continues to be reduced, an increased demand will be placed upon the State's own fiscal resources. Nonetheless, the LRSA program is considered an important and effective alternative, and will be pursued to the extent financial limitations allow.

The Department, in cooperation with railusers and local and State legislative bodies, is currently preparing rules and regulations for application in the State funded rail assistance program. Criteria will be developed to distinguish potential projects which are required to preserve essential rail services or which improve the prospect of future economic development.

4. Policy for Lines Designated for Abandonment

ICC regulations require all railroads to annually publish a System Diagram Map which displays lines for which abandonment petitions will be submitted within three years (Category 1) and lines which are designated as potential candidates for abandonment (Category 2).

(a) Category 1 Lines

Generally, it is the Department's policy that it will not oppose abandonment of lines designated as Category 1 if the affected shippers are first provided with an opportunity to accept a reasonable compensatory rate basis, and/or a satisfactory alternate rail service or substitute service (e.g., the provision of team track facilities). The Department remains in close contact with the railroads relative to the status of Category 1 lines to ensure -- insofar as possible -- that these stipulations are met before any abandonment petition is filed.

(b) Category 2 Lines

The Department will support Category 2 designation when a railroad informs the Department that a line will be studied for the full range of possible remedial actions. The Department urges that railroad staff work with Department staff, rail service users and local interests to form a partnership in resolving problems on the lines. Constructive use of the Category 2 designation can be achieved by identifying and implementing appropriate pre-abandonment corrective actions, while maintaining the line's eligibility for funding under the federal LRSA program.

C. Planning Process

Guidelines for transportation planning in New York State were outlined in both the Statewide Master Plan for Transportation published in 1973 and the Environmental Action Plan for the New York State Department of Transportation published in 1974.

The initial objective of the Department's rail planning process was to establish a rail program to provide a balanced, energy efficient rail transportation system that would meet the State's immediate needs in both the freight and passenger markets, and would also be adaptable for future demands. The state government's role in the program was to finance capital improvements to track structure, equipment and/or facilities for the public benefit where private investment was unavailable or impossible.

The basic preservation projects of the rail program's first decade have been accomplished. Track structure, equipment, signaling, service patterns, etc., have been dramatically improved. The freight and passenger rail network statewide has been preserved and services have been improved considerably. As we move into the second half of the 1980's we see a generally stronger rail service industry, but one which is still rather unsettled in New York. Conrail has not yet been sold as mandated by Congress and the State's second largest Class I carrier, Guilford Transportation Industries, will be significantly affected by the sale process. The State's largest Class III railroads, the South Buffalo RR and Long Island RR, also remain in a state of transition. The Department will continue to actively seek the most desirable outcomes for New York and plan for strategic use of funds to secure these outcomes in the future.

The objectives of the rail program also emphasize safety and strategic economic stimulation. The latter includes projects that improve the economic climate of selected areas statewide in an effort to stimulate the investment of private capital in or near the rail transportation complex.

Another significant role of rail planning is the evaluation of mergers and other changes to the railroad structure. Efforts in this area involve measurement of impacts in areas such as rail system investment, service quality, competition, tax revenue and employment, among others. The objective is to maximize benefits to the State in both the short and long terms.

The Department's involvement in rail planning now relates to such issues as mergers, state and federal legislation, regulations, proposed abandonments and various special studies. The following are planning functions which are carried out in compliance with federal LRSAA regulations.

1. Planning Process for Eligible Branchlines

A major planning effort since 1978 has concentrated on working toward final solutions for the remaining eligible lines in the federal assistance program. This effort involves careful monitoring of newly formed shortlines,

as well as operations contracted to Class I carriers. The Department continues to provide technical assistance to local communities and others in their efforts to purchase or lease rail rights-of-way and to prepare for any opportunities or impacts regulatory reform legislation may provide in the future.

The Department has programmed a diminished level of new federally assisted branchline projects over the past several years due to the decrease in its program allocation. Additional allocations of federal funds received under this program, if any, will be used to complement state funds in advancing improvements on eligible branchlines.

In the early years of the program the Department conducted full scale public hearings and meetings specifically related to the LRSA program. The Department has implemented a more targeted public information process for this program in recent years whereby the Department's regional offices publicize the availability of the State Rail Plan Annual Update and offer individual or group meetings as desired. This process will also be utilized with the combined Rail Program Report.

2. Energy-Related Rail Planning

One of the State Rail Program's objectives is the more efficient use of energy resources consumed in the transportation sector. New York State's rail preservation program has allowed the State to gain an important headstart in revitalizing the rail mode and in increasing both the capacity and efficiency of the rail system. The branchline assistance program forms an essential part of this overall effort.

In addition, the Department has studied other ways in which the rail system can contribute to the State and national goals of energy conservation. For example, the Department has worked in cooperation with the New York State Department of Environmental Conservation and the New York State Energy Office in studying the potential cumulative impacts of planned oil-to-coal power plant conversions on the transportation system and its environs. This study was completed in 1982. Similarly, the Department, in conjunction with the State Department of Agriculture and Markets, the Connecticut Department of Transportation, and the Connecticut Department of Agriculture, has completed a cooperative Break-Bulk Receiving Facilities Study to determine efficiencies in the transportation of grain and fertilizer.

CHAPTER 3 - NEW YORK STATE'S RAIL SYSTEM

A. New York State's Rail Freight System

Railroading in New York State continues to fulfill a significant role in moving industrial equipment and materials, farm supplies, and consumer goods.

Conrail is the dominant rail freight carrier in New York State. The following table lists the six Class 1 (over \$50 million in annual operating revenue) railroads in order of 1984 freight carloadings. The figures indicated are carloadings originating and/or terminating in New York State.

New York State Carloadings (Class 1 Carriers) 1984

<u>Ranking</u>	<u>Originating/Terminating Carloadings</u>
1. Consolidated Rail Corp. (Conrail)	436,833
2. Delaware and Hudson Railway	59,636
3. Norfolk and Western Railway	36,656
4. Baltimore and Ohio Railroad	17,614
5. Chesapeake and Ohio Railway	3,753
6. Boston and Maine Corp.	<u>1,521</u>
	556,013

The above listing represents 80% of the total New York State originating/terminating carloadings. The remaining 20% originates/terminates on the numerous shortline railroads and terminal railroads which operate throughout the State. Those railroads are as follows:

- Arcade and Attica Railroad
- Bath and Hammondsport Railroad
- Batten Kill Railroad
- Buffalo Southern Railroad
- Central New York Railroad
- Clarendon and Pittsford Railroad

Cooperstown and Charlotte Valley Railway
Dansville and Mount Morris Railroad
Fonda, Johnstown and Gloversville Railroad
Genesee and Wyoming Railroad
Livonia, Avon and Lakeville Railroad
Long Island Rail Road
Lowville and Beaver River Railroad
Massena Terminal Railroad
Middletown and New Jersey Railway
New York Cross Harbor Railroad
New York & Lake Erie Railroad
New York, Susquehanna and Western Railway
Ontario Central Railroad
Ontario Midland Railroad
St. Lawrence Railroad
Somerset Railroad
South Brooklyn Railway
South Buffalo Railway
Staten Island Railroad
Tonawanda Island Railroad
Vermont Railway

It is interesting to note that the South Buffalo Rwy. originates or terminates over 60,000 carloads, more than all but one of the Class I carriers.

Freight carloadings have shown a trend of decline both in New York State and nationally in recent years. Carloadings in 1984, however, did increase with the general increase in the economy. Figure 1 shows both the carloading trends in New York from 1980-84 and the relative shares of each Class I carrier.

B. Intercity Rail Passenger Service

New York State's intercity rail passenger system is shown in Figure 2. The backbone of the system is the 462 mile "Empire Corridor", which extends from New York City to Niagara Falls. Service to Montreal is provided over the Champlain Valley Route which extends north from Schenectady. Through service to Chicago operates over the Lake Shore Route southwest from Buffalo. The route of the former Boston and Albany Rail Road extends service east to Boston from Albany-Rensselaer, while the Boston to Washington "Northeast Corridor" passes through New York City.

The Amtrak ridership in New York State has grown at a rate twice the national average since the Rail Program began in 1974. As shown in Figure 3, ridership in New York State has increased 75% over that period.

NYS CARLOADS BY RAILROADS

EXHIBIT III (1980-1984)

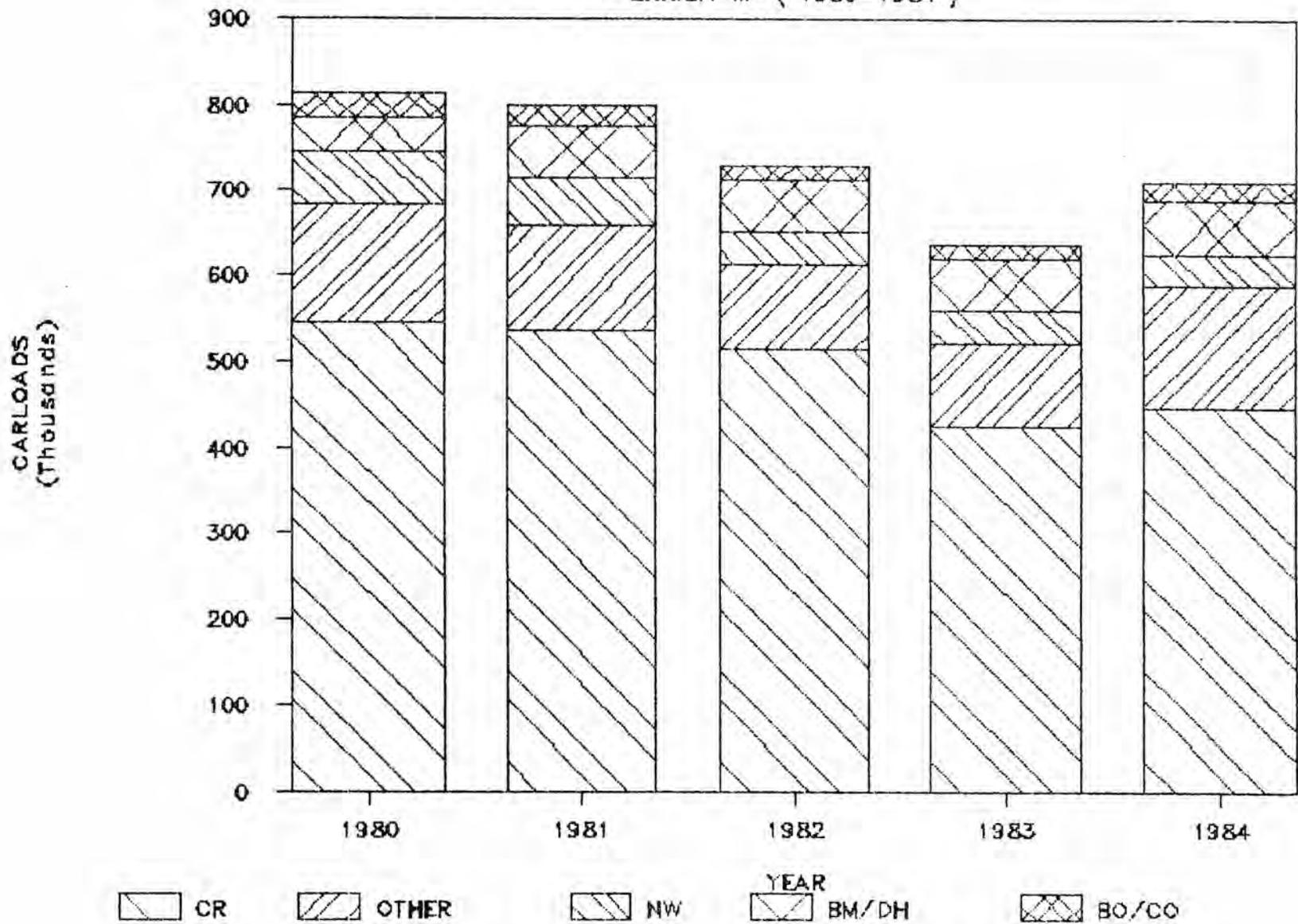


Fig. 1

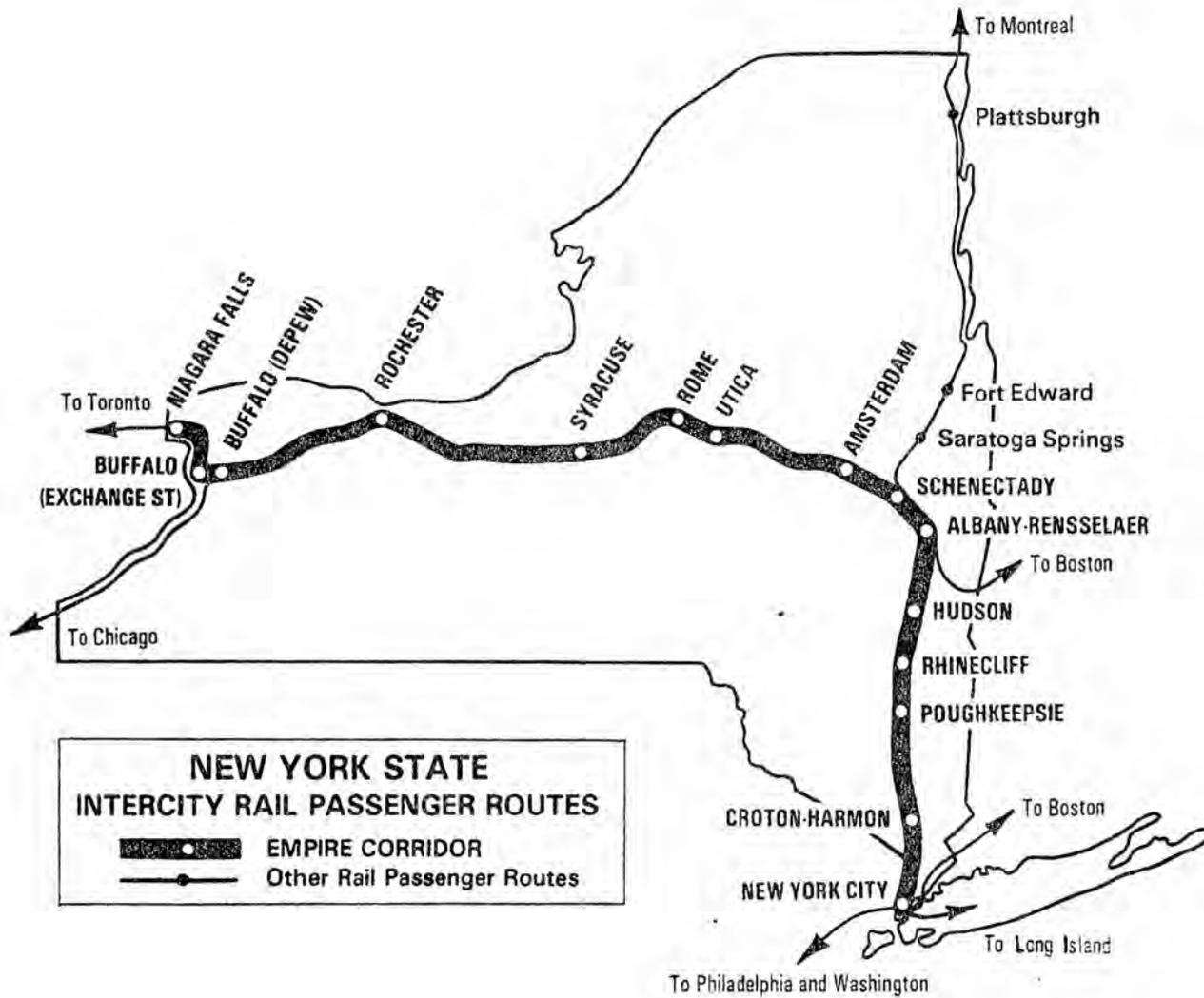
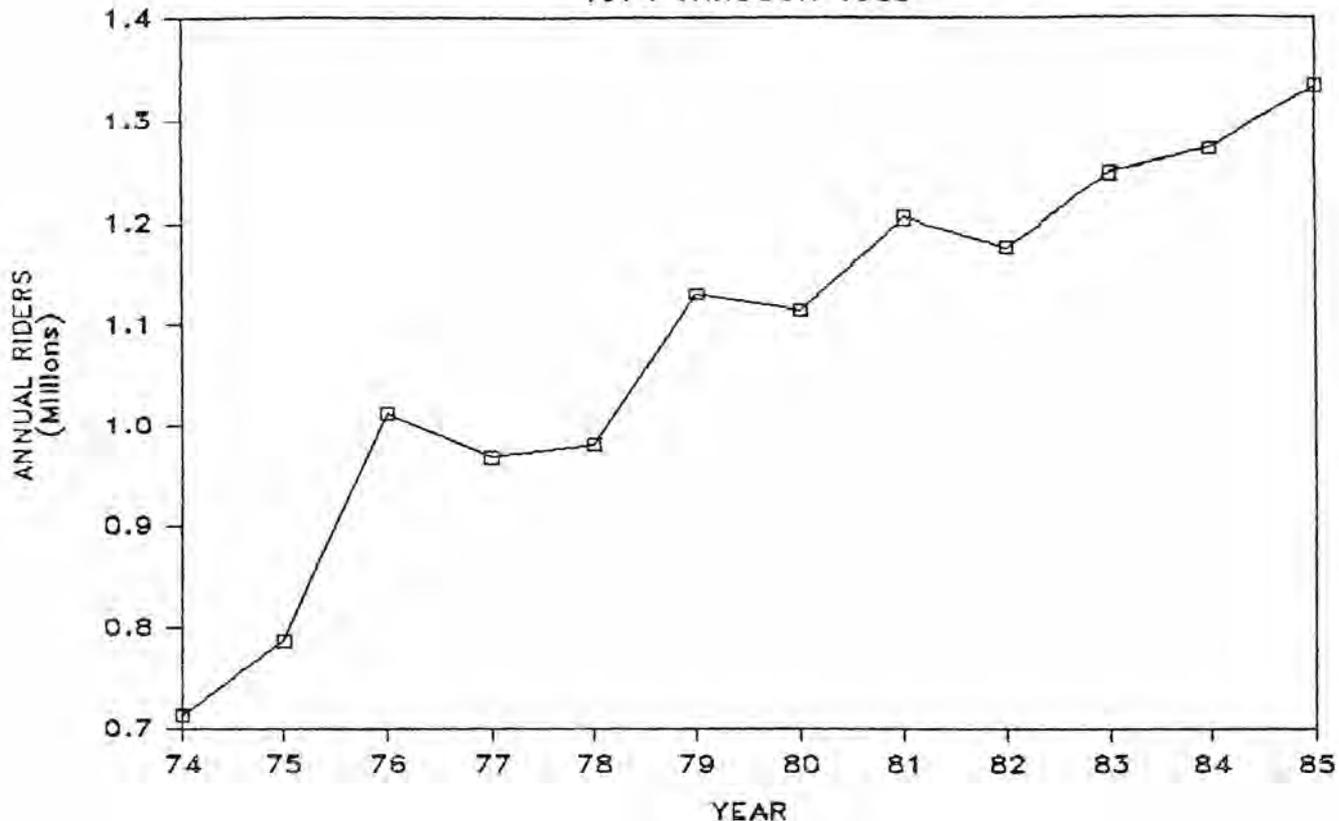


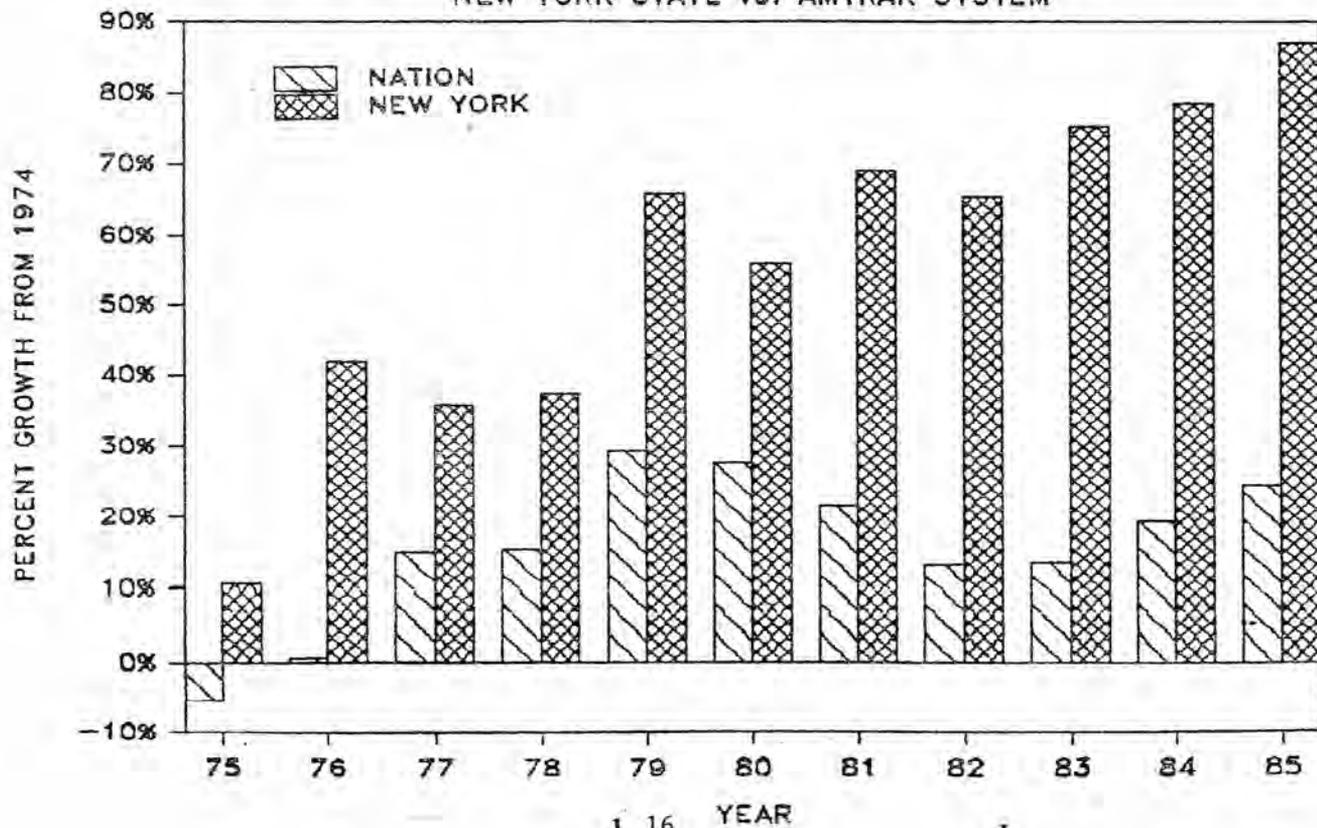
Fig. 2

Figure 3

AMTRAK RIDERSHIP IN NEW YORK STATE 1974 THROUGH 1985



RAIL RIDERSHIP GROWTH 1975-1985 NEW YORK STATE vs. AMTRAK SYSTEM



The first high speed service began in 1979. Subsequent reductions in New York City to Albany-Rensselaer running time, as a result of additional high speed improvements along the route, have produced corresponding increases in ridership.

CHAPTER 4 - RAIL ISSUES

To protect the public investments and secure the continued flow of public benefit thereby achieved, the Rail Division must continue to assess the issues at hand which will directly influence the balance of competition, the levels of service available to New Yorkers, and the level of safety practiced in all phases of operation. As one aspect of this effort, the Department is initiating an assessment to identify, measure and evaluate the public benefits derived from rail program investments. The study will consider past actions with respect to the changing circumstances in rail transportation and evaluate investment decisions. The study will also identify the likely public policy issues in railroading over the next 10 years and judge how effective further rail program investments might be in achieving the most favorable outcome for the State. The following are current issues which have the potential of significantly impacting the stability of the rail system in New York State.

A. Current Issues

(a) Sale of Conrail

The late 1960's and early 1970's were difficult times for the railroad industry, particularly so for Northeastern railroads. The Penn Central Railroad filed for bankruptcy in 1970 and several other major railroads soon followed suit. These railroads accounted for nearly all of the rail freight carried in one of the most heavily industrialized portions of the nation. To preserve freight service, in 1973 Congress established the United States Railway Association (USRA) through the Regional Rail Reorganization Act (3R Act). The USRA, with the input of interested parties, including New York, developed a system plan for salvaging rail service in the Northeast. The Final System Plan created a new government-owned corporation on April 1, 1976, the Consolidated Rail Corporation (Conrail). After several years of unprofitable operation by Conrail, Congress responded to Conrail's problems, and the basic competitive problems throughout the railroad industry, by passing the Staggers Rail Act of 1981, which essentially deregulated the industry.

In 1981, for the purpose of assisting Conrail to attain financial viability, Congress passed the Northeast Rail Services Act (NERSA) which granted Conrail exemption from certain state taxes, relief from its labor protection requirements, relief from commuter service operations, and expedited abandonment powers. Congress also expressed its determination to transfer the railroad to

the private sector by directing the Secretary of Transportation to hire an investment advisor and develop a plan to sell the government's ownership interest in the railroad.

After a long bidding and evaluation process, on February 8, 1985, the Secretary of Transportation recommended to Congress that the Norfolk Southern Corporation purchase the government's stock in Conrail. Following an extensive evaluation period and after soliciting and receiving input from affected rail users, local government officials and labor representatives, and after the State Legislature held a number of meetings and a public hearing on this matter, the Department signed an agreement with the Norfolk Southern Corporation which provides for improved rail services and facilities in New York State if the sale to Norfolk Southern is completed. The Department has thereby endorsed the sale of Conrail to Norfolk Southern and feels that Norfolk Southern's ownership can provide Conrail, and its users and employees, with the financial stability to survive economic downturns and create operating efficiencies and competitive opportunities which will benefit the State. In return, Norfolk Southern has pledged to assist the Department in its rail initiatives by agreeing to thirty-three points. The major points are Norfolk Southern's agreement to:

1. Work with the State to increase passenger train speeds to 90 mph between Albany and Buffalo.
2. Donate the West Side Line in Manhattan, which is required to link Empire Corridor passenger service directly to Penn Station.
3. Relieve the State of construction costs for the Harlem River Intermodal Facility - estimated at \$20 million - and set attractive introductory rates for intermodal (trailer and container on flat car) traffic.
4. Increase rail competition in the Buffalo area by reducing switching rates from the present \$346 per car charged by Conrail to no higher than \$296 per car, the industry average.
5. Continue mainline rail freight service to the Southern Tier until at least 1992 and improve track speeds and connections to other carriers.
6. Strengthen, through various operating rights, the Delaware & Hudson Railway Company and its competitive presence in Upstate New York and the Port of New York-New Jersey region.

7. Initiate rate incentives and programs for New York City - Long Island rail users to increase rail traffic to this area.

(b) Proposed Expansion of the Guilford Transportation Industries System

The U.S. Department of Justice, in reviewing Norfolk Southern Corporation's proposal to purchase Conrail, conditioned its approval to the sale upon an approved divestiture of Norfolk Southern and Conrail rail lines to other carriers for the purpose of restoring rail competition in areas where the two carriers had previously competed. This area was comprised of the area roughly bounded by Buffalo, Pittsburgh, St. Louis, and Chicago.

In response to this requirement, Norfolk Southern signed agreements with Guilford Transportation Industries (GTI) and the Pittsburgh and Lake Erie RR (P&LE) under which they would acquire or operate over lines for the purpose of providing the level of competition required. Under this agreement GTI would extend its system, primarily through the acquisition of trackage rights, to Chicago, St. Louis and Detroit.

The Department is evaluating this proposal carefully to determine that such an extension is financially viable, does not jeopardize State investments in the Delaware & Hudson Rwy. and provides the level of competition required in the Buffalo terminal area as mandated by the Department of Justice.

(c) Staggers Act - Deregulation Changes

Only a few years after the railroads were deregulated under the Staggers Act, various rail user factions are encouraging a return to tighter government controls. Utilities and coal producers have been joined by a wide range of manufacturers who feel that large railroads have used their Staggers Act freedoms to acquire monopoly-like power over shippers. Deregulation gave railroads the freedom to set higher rates. Further, before deregulation, shippers could select many alternative routes, often using more than one railroad, to ship their products. Since the Staggers Act was enacted, many railroads have cancelled joint rates and closed gateways, thus reducing competitive options for shippers.

An opposing view is put forward by the railroad industry. It states that these freedoms are necessary to maintain profitability and that this profitability has resulted in improved service. The railroads have allies among some

shippers who agree that overall transportation costs have declined as competition between railroads and trucks has improved.

As a consequence, the Interstate Commerce Commission created committees to look into controversies surrounding implementation of the Staggers Act. They are part of a large investigation started by the ICC to determine what effect changes in the law have had and to provide a forum for the discussion of problem areas arising out of legislation. A conference of interested parties is attempting to develop "a factual representation of the nature of actual experience with post - Staggers Act rail pricing" and includes five sub-conferences considering:

- (1) Competitive Access - including joint rates and routes, reciprocal switching, trackage rights, and all other measures consistent with competitive access;
- (2) Jurisdiction - addressing market dominance and exceptions;
- (3) Rate regulation - including revenue adequacy, maximum rate guidelines, rail cost adjustments, etc.;
- (4) Contracts; and
- (5) Abandonments.

The Department is participating in these proceedings. It will also monitor the concerns of the State's shippers on this matter as well as movement in Congress regarding proposed legislative changes to the Stagger Act.

(d) Delaware & Hudson Railway

In 1984, Guilford Transportation Industries expanded its New England based rail system by acquiring the Delaware and Hudson Railway. The Department has been monitoring Guilford's operations since the purchase of the D&H and will continue to do so.

Of concern is the loss of jobs within the State as a result of the D&H being acquired by GTI. Since GTI is New England based, the transfer or consolidation of administrative services and some operating functions have occurred. The Department has been negotiating with GTI and has been successful in returning several jobs to New York in recent months. Negotiations will continue regarding

GTI employment in New York State. In an effort to strengthen GTI's presence in New York, the Department has provided GTI with \$20.9 million for mainline improvements and \$8.8 million to rehabilitate the Belden Tunnel.

In a December, 1983 study performed by Merrill Lynch, recommendations were made as to what changes in the railroad were needed to increase the probability of the D&H becoming financially viable. The areas addressed were the infusion of cash to improve liquidity, and reductions in long-term and short-term debt. All of the recommendations have been acted upon and have done much to improve the financial outlook of the D&H. The railroad's business plan, revised in May, 1985, forecasts gradual improvement in net income through the end of the year.

Advancement of the State's capital program, plus the continued commitment of D&H resources elsewhere on the system is imperative to ensure long-term efficiency of operations.

(e) Modernization of Urban Areas' Infrastructures

Many urban areas are left today with abandoned and under-utilized rail facilities which inhibit other important redevelopment projects. Parallel trackage, which remains from the era of many individual carriers, is in need of consolidation if elaborate switching movements are to be avoided. Industrial sites must be improved and new ones developed. Bridges and crossings which are no longer required should be removed to ease vehicular traffic flows. Rail clearances must be increased to accommodate larger and special commodity freight cars which are vital to modern rail transportation.

In Buffalo, this venture is already underway. Future projects of this type are being considered for the Albany, Binghamton and Rochester areas.

(f) Full Freight Access Program

The Full Freight Access Program, primarily consisting of clearance improvements on the Hudson Line, construction of the Oak Point Link, development of a new intermodal facility at Harlem River Yard, and clearance improvements on the Bay Ridge Line and the Long Island Rail Road, was developed for the basic purpose of building a rail system that will directly provide the New York City/Long Island area with modern, efficient rail services at least equal to that available in all other major metropolitan areas of the country. It will permit service by the larger, modern railcars that simply do not fit the currently available clearances. It will also make possible direct, efficient intermodal (rail-truck) service. The overall

result is expected to eliminate the need for service subsidies and make the rail services in the New York City/Long Island area viable on a long-term basis.

Clearance improvement work is to be completed by 1987. The full effect of the clearance improvement work on existing lines will not be realized, however, until the new Oak Point Link is complete and provides a full clearance route through the Bronx. Portions of the Link are complete or under construction and the remainder is scheduled for completion in 1987. The major tasks over the next two years will be to complete the construction of the Link and implement service over it.

The Link also will provide direct access to a new major intermodal terminal planned at Harlem River Yard. The new terminal will provide the New York side of the harbor with direct intermodal Trailer-On-Flat-Car (TOFC) service for the first time. TOFC is the fastest growing form of freight shipping under the new deregulated environment, and the importance of direct access to it for New York City/Long Island shippers is growing.

Over the next two years, the emphasis will be to complete the current planning and development work, construct the new terminal and secure an operator so that service can begin as the Link is completed in 1987. This will be an enormously complex task considering the possible effect from the sale of Conrail, the restructuring of the other major railroads, the changes in federal regulation, and equipment innovation. Norfolk Southern Corporation's willingness to invest, assist in the design, and introduce attractive rates for traffic using this facility, however, greatly enhance the successful implementation of this project.

(g) Statewide Rail Clearance Standards

An effort is underway to develop statewide standards for vertical clearances over railroad lines. Past Department policy was to provide for vertical bridge clearance of 22 feet above rail lines, but this was not followed in every case. Because a large number of exceptions have been allowed over the years, the effective clearance of most routes is significantly less than 22 feet.

The Department's initial focus is on the mainline freight routes which carry high rail freight traffic volumes. The Rail Division has recommended a no-exception mainline standard of 22 feet in order to accommodate the rapidly growing trend toward double stacked containers and provide a small margin for anticipated future increases in railroad car and shipment heights. Of the 361 mainline overhead structures for which vertical clearance

data are available, 166 provide a clearance of less than 22 feet and would require corrective action to comply with a statewide mainline standard of 22 feet.

As soon as a mainline standard has been adopted, work can begin to develop standards for the branchlines and shortlines. Because it may be appropriate to adopt a lower standard for many of these lines, the opportunity may exist to reduce the cost of overhead bridge construction and replacement at these locations. A preliminary review indicates that there are over 800 highway bridges spanning branchlines and shortlines in the State.

(h) High Speed Passenger Service to Western New York

The high speed passenger service which now exists between Schenectady and New York City has been very successful. The extension of high speed service to the segment of the "Empire Corridor" west to Buffalo, which was authorized by the 1979 Energy Conservation Through Improved Transportation Bond Act, is being considered at this time. This western extension will require further track signalling and dispatching improvements to the 262 mile segment of the "Empire Corridor". The improvements involved would be beneficial to both freight and passenger operations. Implementation of these improvements have been delayed due to Conrail's sentiment that increased passenger speeds would lead to disruptions to its freight service. This issue has been raised with prospective purchasers of Conrail, and Norfolk Southern has agreed to cooperate with the implementation of high speed (90 mph) service upon their acquisition of Conrail.

(i) West Side Connector

The Federal Rail Safety and Service Improvement Act of 1982 authorized up to \$30 million for the West Side Connector in New York City. This project will link the "Empire Corridor" with Amtrak's "Northeast Corridor" at Penn Station. An agreement on the cost sharing formula on this project between the State and Amtrak has been formalized. A portion of the Energy Conservation Through Improved Transportation Bond Act funds have been appropriated to provide for the State's matching share of this project.

The West Side Connector project will require the rehabilitation of Conrail's West 30th Street Branch (often termed the "West Side Line") to a level which will permit high speed rail passenger operations. The project also involves the rebuilding of a drawbridge or construction of a new bridge over the Harlem River at Spuyten Duyvil. The tunnel necessary to link the Penn

Station complex with the West 30th Street Branch is being constructed as part of an MTA-sponsored storage yard construction project.

By permitting the "Empire Corridor" trains access to Penn Station rather than Grand Central Terminal (currently the "Empire Corridor" terminal in New York City), an increase in ridership of 20% on New York State routes is projected.

(j) Very High Speed Rail

In July, 1983, a Memorandum of Understanding was signed to conduct a study of the feasibility of implementing a very high speed train service between Montreal and New York City via Vermont. This New York City-Montreal Very High Speed Rail (VHSR) study was undertaken under the direction of an international Study Management Group (SMG) comprised of representatives from the State of New York, State of Vermont, City of Montreal and Province of Quebec. A consultant team headed by Peat, Marwick, Mitchell and Co. (PMM) was designated to study and evaluate the market demand of such a Very High Speed Rail service.

The study builds on and complements an earlier technical prefeasibility study funded by the Province of Quebec which concluded that speeds up to 185 mph are feasible along the corridor using TGV-type technology and that a NYC-Montreal schedule of slightly less than three hours is attainable.

In October, 1985, the SMG sponsored a Financial Roundtable in New York City to solicit input from financial institutions, equipment suppliers and other groups relative to private sector interest in the New York City-Montreal VHSR proposal. A number of constructive ideas were put forth including the suggestion to examine the potential for VHSR service on segments of the corridor that may offer greater potential for financial viability. These and other initiatives will be examined by the SMG so that a determination can be made relative to what direction the proposed project should take.

(k) Subsidies for Intercity Passenger Service

The National Rail Passenger Services Act of 1970 provides for intercity rail passenger services in addition to those which are part of the Amtrak basic system. The additional services are to be sponsored by a state (or municipality) assuming 65% of the total operating deficit.

New York State currently subsidizes rail passenger service between Albany and Montreal, and a portion of the service between Syracuse and Buffalo. Each year the continuation of this subsidy is addressed in the State budget process, and thus far subsidies have been continued on a year to year basis.

A multiyear commitment for the support of these additional rail passenger services would be highly desirable. If a regular source of funding could be established, some continuity of the additional services can be guaranteed. Long range planning based on certainties of service will be possible, and expansion of subsidized service can be readily provided as patronage of trains developed and deficits were thereby reduced.

(1) Rail Safety Program

The Rail Safety Program is a major undertaking which benefits all aspects of rail operations. There are three categories within the main program. The Rail Safety Inspection effort has been developed to encourage safe operating and mechanical practices within the rail industry and to enforce all State and Federal rules and regulations that promote employee, passenger, and general public safety. The basic inspection program has been in existence for approximately 95 years. Since 1976, inspectors have performed their duties in cooperation with the Federal Railroad Administration, enforcing both Federal and State laws and standards. Future FRA funding is questionable at this time, due to proposed Federal Budget cuts. Reductions in financial support would severely hamper the inspection program in the immediate future.

The Grade Crossing Improvement Program was established in 1973 under the Federal Highway Safety Act, and has been highly effective in reducing fatal accidents as well as total accidents. Funding for this program has been extended through 1986.

Continued funding for this vital program must be secured as 3,488 of the 4,373 highway-railroad at-grade crossings in New York State would benefit from some type of improvement or upgrading.

The Grade Crossing Elimination effort will continue to play a key role in the future of the Rail Safety Program. Additional crossings are in need of elimination at this time and many of the highway-railroad grade separation structures constructed earlier are in need of replacement or rebuilding.

In the immediate future, determinations will be necessary as to which crossings require elimination, which structures require replacement/rebuilding, and which structures can simply be removed because of drastically reduced rail traffic on the line. Industrial expansion is creating new industrial rail lines. The means by which a new line will be carried across a highway will be determined on an individual basis as a continuing dimension of the Rail Safety Program.

(m) Long Island Freight Restructuring

In 1981 the Department initiated the Long Island Rail Road (LIRR) Freight Study in an effort to develop a private enterprise solution for LIRR freight services. LIRR freight service deficits have required continued State financial operating assistance since 1970 totalling more than \$240 million through 1983. Through this study effort, the subsidy has been reduced annually since that time and is scheduled to be eliminated in 1987.

The initial effort was successful in identifying and correcting the more obvious problems, and has resulted in a restructured LIRR freight operation that is more efficient and less costly to operate. The next step, the actual achievement of a break-even operation will be difficult. The Department's position continues to be that LIRR freight service must be profitable to attain shipper confidence and realize its full potential. Over the next three years, work will continue with the LIRR to cut costs, and explore possibilities of improved revenue. Other options include the possibility of bidding-out for a shortline operator as has been done for upstate branchlines.

The effort to make the LIRR freight service viable will have to be closely coordinated with capital projects. Already, the restructuring has resulted in several projects now under development which will aid operational changes. This includes development of intermodal TOFC service on Long Island which will be made possible by the Full Freight Access Program.

(n) Industrial Development

In November, 1985, the Legislature's Subcommittee on Railroads, as a result of statewide hearings, published its annual report which reviews the Department's Local Branchline Assistance Program and discusses other issues relevant to branchline and shortline railroads. The report states that "the first phase of the program (retaining essential rail services) has been an enormous success." The report continues.. "With the stabilization of the rail industry, a new era for State involvement has arrived. Where in the past New York State was required

to retain industries located along branchlines and shortlines, now the State has the luxury to concentrate its resources on attracting new industries and encouraging expansion of existing business facilities."

The focus of the Branchline Assistance Program has already been directed to this industrial development objective to build upon the Full Freight Access and Modernization of Urban Area Infrastructure Programs which are directed toward industrial development on the State's mainline system.

CHAPTER 5 - PROGRAM OF PROJECTS

This chapter addresses the Department's program of railroad related capital projects. Projects which have been programmed for funding or are underway are listed under each of the appropriate programs. Projects which have been completed under each program are listed separately in the Appendix.

A. Project Selection Process

In preparing the Department's current rail program, priority is given to capital projects required as a contribution to a negotiated solution. Critical factors considered include:

- o Retention of existing industries or creation of favorable conditions which, as a result of a comprehensive analysis of economic feasibility, can be used to attract new industries or business and jobs, with recognition of the secondary employment impacts and social benefits made available by local industries;
- o Retention or expansion of adequate rail freight service to local industries and intercity rail passenger service for the general public;
- o Improvement to the rail freight transportation infrastructure to permit expansion of existing industry or commerce;
- o Preservation of the statewide or regional integrity of the rail system, particularly in conjunction with other rail related initiatives by the Department; and
- o Consistency with the Statewide Master Plan for Transportation.

Other important factors which are considered in preparing the program include:

- o The level of funding available;
- o The urgency of individual projects in terms of achieving, rail safety, program objectives, realizing immediate public benefits, avoiding negative impacts;
- o The level of commitment from shippers, railroads or other parties to accomplishing project objectives; and
- o The degree of readiness of the project for implementation.

B. Current Program of Rail Projects

1974 BOND ISSUE FUNDS

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>	<u>Status</u>
Staten Island Industrial Spurs	\$ 600,000	\$ 600,000	Under Development

1979 BOND ISSUE FUNDS

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>	<u>Status</u>
DH Track & Yard Improvements	\$20,000,000	\$24,000,000	Underway
Lockport Track Improvements	560,000	560,000	Under Development
Oak Point Link (including a portion of the Harlem River Yard)	7,000,000	70,000,000	Underway
NYC Port Terminals Rehabilitation	3,000,000	8,000,000	Under Development
LIRR Track Improvements	5,000,000	5,000,000	Underway
LIRR Yard Improvements	4,000,000	16,000,000	Under Development
Albany-Buffalo Passenger Improvements	19,000,000	29,000,000	Under Development
Rhinecliff Pass. Station Improvements	175,000	350,000	Under Development
Syracuse Pass. Station Improvements	--	577,000	Under Development
Hudson Pass. Station Improvements	500,000	1,000,000	Under Development

FEDERAL LOCAL RAIL SERVICE ASSISTANCE PROGRAM

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>	<u>Status</u>
Bay Ridge Rehabilitation	--	\$ 4,000,000	Underway
Dansville & Mt. Morris RR Track Rehabilitation	--	472,000	Design
Harlem River Yard (portion)	--	200,000	Underway

STATE RAIL ASSISTANCE PROGRAM

<u>Project</u>	<u>Total Cost</u>	<u>Status</u>
Battenkill RR Rehabilitation	\$ 190,000	Underway
B&O/CR Connection at Silver Springs	75,000	Underway
B&O/CR Connection at Maplewood	373,067	Underway
B&O Connections at Caledonia	300,767	Underway
Buffalo Southern RR Rehabilitation	330,000	Underway
EL Dock Line Rehabilitation	50,000	Underway
Bush Industries Spur	600,000	Underway
Middletown & NJ RR Enginehouse	409,445	Underway
Suffern Ind. Track Rehabilitation	200,000	Underway
Mechanicville Br. Connection at Tivoli St.	75,000	Underway
Thruway Industrial Park Siding, Buffalo	200,000	Underway
Ravenwood Park Improvements, Buffalo	580,000	Underway
Lancaster Spur Improvements	420,000	Underway
Tonawanda Isl. RR Crossing	97,729	Underway
Mod Pac Siding	375,000	Underway
Niagara Frontier Food Terminal Siding	350,000	Underway
Gioia Siding	350,000	Underway
Ontario Midland RR Runaround at Wolcott	143,998	Underway
Battenfeld Siding	4,000	Underway
Utica Transloading Facility	300,000	Under Development
Tonawanda Team Track Facility	200,000	Under Development
Polycolor, Inc. Spur	200,000	Under Development
Harrison Polycom Spur	500,000	Under Development
NY & LE RR Rehabilitation	200,000	Under Development
B&H RR Enginehouse	480,000	Under Development
Himrod Yard Relocation	350,000	Under Development
East 233rd St. Spur	300,000	Under Development
Breaker Isl. Lead Track	100,000	Under Development
LA & L RR Class. Yard	125,000	Under Development

GRADE CROSSING ELIMINATION PROGRAM

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>	<u>Status</u>
Robbins Lane Nassau Co.	\$ 6,500,000	\$ 6,500,000	Under Development
Tellers Rd., Rens. Co.	4,700,000	4,700,000	Under Development
Union St., Rt. 149, Monroe Co.	3,600,000	3,600,000	Under Development
Mineola, Nassau Co.	70,000,000	70,000,000	Under Development

RAILROAD BRIDGE RECONSTRUCTION PROGRAM

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>	<u>Status</u>
E. Main St. Rochester	\$ 1,600,000	\$ 8,000,000	Under Development
Rock Cut Rd., Onondaga			
Lester Ave., Johnson City	600,000	3,000,000	Under Development
Ludwig Ave., Cheektowaga	100,000	400,000	Under Development
Depot Rd., Sennett	100,000	600,000	Under Development
CR 114, Cohocton	600,000	2,000,000	Under Development
Wisner Rd., Warwick	100,000	300,000	Under Development
Smith & Seneca Sts., Buffalo	1,400,000	700,000	Under Development
E. Main St., Rochester	2,000,000	10,000,000	Under Development
Derby Rd., Wallkill	100,000	600,000	Under Development

In addition to the capital project program listed above, a total of 559 grade crossing improvement projects statewide are in various stages of design and implementation as well as 488 rail bridge projects.

C. Projects Under Review for Future Funding

<u>Project</u>	<u>Est. Cost (Millions)</u>
New York City - Long Island Freight Access	\$ 31.0
New York City - Long Island Intermodal Terminals	21.5
Long Island Freight Improvements	7.0
Hudson Division Clearance Improvements	75.0
Urban Restructuring: Capital District, Binghamton, Rochester	50.0
Mainline Consolidations	20.0
Branchline/Shortline Projects (listing below)	15.0
Rehabilitation of Rutland Branch	
Construction of Wye Track at Newark	
Construction of Runaround at W. Victor	
Rehabilitation of Evergreen Branch	
Construction of Enginehouse at Manchester	
Rehabilitation of Attica Branch	
Rehabilitation of East St. Spur	
Consolidation of Beach Track, Buffalo	
Rehabilitation of City Branch, Buffalo	
Rehabilitation of Mortimer Secondary Track	
Industrial Development, Rome Cable, Rome	
Rehabilitation of Oakfield Secondary Track	
Rehabilitation of Oneida Spur	
Rehabilitation of Southport Spur	
Rehabilitation of Piermont Dock Line	
Consolidation at Black Rock, Buffalo	
Rehabilitation of Cross Cut Branch, Buffalo	
Relocation of International Industrial Spur, Buffalo	
Rehabilitation of Niagara Falls Secondary	
Rehabilitation of Fayetteville Ind. Spur, Syracuse	
Relocation of First Ward Spur, Syracuse	
Industrial Development - Clinton Salt Land Spur	
Rehabilitation of Harlem Branch	
Consolidation of Rochester Term. Running Track	
Rehabilitation of Claverack Industrial Spur	
Construction of Geneva Ind. Park Spur	
Construction of Sidings at the Port of Oswego	
Construction of Connections and Sidings at Sodus Bay	
Construction of Enginehouse at Ogdensburg	
Consolidation at Watkins Glen	

Relocation of DeLeuverne Lead Siding, Harlem River Yard
Rehabilitation of Ithaca Branch
Industrial Relocation, Erie Scrap Processing, Buffalo
Construction of Enginehouse at N. Tonawanda
Construction of Siding at Waverly
Construction of Siding at Conklin
Industrial Park Development, Schenectady Co.
Industrial Park Development, Cortland Co.
Industrial Park Development, Norwich
Rehabilitation of Harrisburg M.L.
Rehabilitation of Suffern Ind. Track
Construction of Siding at GE Car Facility, Chautauqua Co.
Construction of Coal Terminal, Alsen
Relocation of Troy Secondary Track
Gateway Industrial Park Transloading Facility
Oneonta Car Shops
Long Island Intermodal Development

APPENDIX I

PROJECTS COMPLETED UNDER
NEW YORK STATE'S RAIL PROGRAM

A. 1974 Bond Issue

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Rehabilitation of D&H Main- line	\$13,105,000	\$32,213,000
Rehabilitation of D&H Loco- motives	3,410,000	4,015,000
D&H Market Study	144,000	144,000
Track Improvements on FJ&G	1,705,000	1,655,000
Rehabilitation of B&M Mech- anicville Yard	1,902,000	2,213,000
Rehabilitation of Albany Port RR.	2,180,000	2,600,000
Track Improvements on G&J	796,000	796,000
Track Improvements on Lyons Falls Branch	5,753,000	5,753,000
Track Improvements on CNY	766,000	766,000
Rehabilitation of Phoenix Branch	3,615,000	3,615,000
Rehabilitation of Auburn Branch	4,900,000	7,364,000
Rehabilitation of OBPA Loco- motive	91,000	101,000
Yard Construction at Lysander	2,700,000	2,700,000
Track Improvements on Niagara Jct. RR.	578,000	1,156,000
Track Improvements on Niagara Branch	6,058,000	6,058,000

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Construction of Industrial Park in Rochester	\$ 402,000	\$ 402,000
Track Connection at Penn Yan	700,000	700,000
Improvements on Southern Tier Mainline	26,900,000	70,700,000
Rehabilitation of Freeville Secondary	1,171,000	1,875,000
Rehabilitation of C&CV	578,000	578,000
Rehabilitation of Oneonta Yard	193,000	193,000
Track Improvements on D&H Adirondack Branch	630,000	870,000
Brooklyn Waterfront Rail Improvements	12,400,000	16,900,000
Removal of Clearance Restrictions	20,000,000	20,000,000
Replacement of LIRR Locomotives	8,600,000	8,600,000
Installation of Security Fencing	350,000	350,000
LIRR Yard and Communication Improvements	1,455,000	1,455,000
So. Bronx Team Track Facility	375,000	375,000
Track & Signal Improvements - Croton to Poughkeepsie	33,000,000	33,000,000
Track & Signal Improvements - Poughkeepsie to Sch'dy.	47,380,000	89,420,000
Rhinecliff-Barrytown Track Realignment	215,000	215,000
Parking Improvements at Rhinecliff	21,000	156,000
Track/Station/Equipment Rehabilitation-Albany to Rouses Point	5,450,000	5,450,000

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Track Rehabilitation Albany to Buffalo	\$ 5,400,000	\$12,680,000
Parking Improvements at Hudson	33,000	158,000
Construction of Station at Schenectady	240,000	890,000
Intercity Rail Passenger Service - Washington Irving	2,231,000	4,010,000
Niagara Branch Rail Re- alignment	2,253,000	2,253,000
Niagara Branch Track Improvements	1,058,000	1,058,000
Station Reconstruction at at Niagara Falls	330,000	345,000
Station Reconstruction at Buffalo	184,000	184,000
Construction of New Station at Rochester	575,000	1,950,000
Acquisition of ROW Remsen- Lake Placid	4,726,000	4,726,000

B. 1979 Bond Issue

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Improvements to Southern Tier Mainline	\$ 3,200,000	\$11,600,000
Improvements to Washington and Salem Branches	1,700,000	1,700,000
Improvements to D&H Adirondack Branch	7,800,000	7,800,000
Terminal Improvements in Buffalo-Niagara Falls	4,700,000	12,000,000
Improvements on Massena Branch	7,500,000	15,000,000

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Improvements on Phoenix Branch	\$ 2,000,000	\$ 7,000,000
"I Love NY" Boxcars	4,400,000	6,000,000
Clearance Improvement Study	275,000	550,000
Improvements to Arcade & Attica Railroad	745,400	745,400
Improve Livonia Avon & Lakeville Railroad	450,000	450,000
Interchange Improvements	225,000	225,000
Cady Hill Track Improvements	220,000	220,000
Amsterdam Spur	257,000	257,000
Ogdensburg Bridge and Port Authority	1,600,000	1,600,000
Lake Placid ROW	5,000,000	5,000,000
Utica Branch Improvements	3,000,000	3,000,000
Track Improvements to Bush Terminal	6,000,000	6,000,000
Soil Stabilization Program	6,000,000	6,000,000
Albany-Rensselaer Station Improvements	275,000	550,000

C. Federal Local Rail Service Assistance Program

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Track Connection at Batavia	-----	\$ 280,000
Rehabilitation of West Shore Secondary	-----	2,084,000
Construction of Boiler Facility in Buffalo		220,000

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Construction of Transloading Facility at Clarence	-----	\$ 23,000
Construction of Transloading Facility at Fair Oaks	-----	15,000
Track Improvements Ontario Secondary and Sodus Bay Branches	-----	1,785,000
Track Connection at Walling- ton	-----	351,000
Track Connection at Newark	-----	352,000
Track Connections at Victor and Shortsville	-----	694,000
Accelerated Maintenance Projects Statewide	-----	3,271,600
Construction of LIRR Car Repair Facility	-----	2,500,000
Track Improvements at Hunts Point Market	-----	1,540,000
Improvement to Hump in Holban Yard	-----	70,000
Construction of Howland Hook Spur	-----	2,050,000
Albany Port RR Rehabilita- tion	-----	420,000
Rehabilitation of Brooklyn Waterfront Yard	-----	4,524,500

D. State Rail Assistance Program

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Mechanicville Yard Improve- ments	\$ 646,000	\$ 646,000
Buffalo Creek RR Rehabilitation	10,000	11,399

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Quad Graphics Spur	\$ 300,000	\$ 379,526
Kellogg Branch Rehabilitation	200,000	240,682
Newark Track Rehabilitation	183,647	183,647
Groveland Branch Rehabilitation	927,124	944,596
D&H JX Yard	250,000	473,001
Tonawanda Island RR	711,184	711,284
Penn Yan Transloading Facility	700,000	884,263
BH Agchem Spur	150,000	150,000
Newton Falls Rehabilitation	1,964,000	1,964,167
Pony Farm Industrial Park Spur	300,000	108,140
Ontario Central	41,832	41,832
RRTC/Highbridge	39,696	70,392
Burrows Lot Rehabilitation	300,000	403,149

E. Railroad Bridge Reconstruction Program

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Abbott Road, City of Lackawanna	\$ 1,530,000	\$ 1,800,000
Log City Road, Yates Co.	200,000	200,000
North Frankfort Bridge, Herkimer County	560,000	2,840,000
Elderberry St. Town of Elbridge, Onon. Co.	300,000	1,500,000
New Baltimore Rd., Green County	140,000	830,000
Lake Avenue, City of Rochester	150,000	500,000
Princetown Road, Schenectady Co.	300,000	1,500,000

<u>Project</u>	<u>State Funding</u>	<u>Total Cost</u>
Perry Street, City of Buffalo	\$ 100,000	\$ 100,000
Bronson Hill Rd, Livingston City	100,000	100,000
Hopkins-Marilla, City of Buffalo	300,000	1,800,000
South Park Ave., City of Buffalo	1,520,000	8,950,000
Willow Street, Village of Johnson City	90,000	500,000
Arch Street, Village of Johnson City	300,000	1,800,000
Ballard Road, Town of Wallkill	340,000	1,990,000
Main St., Poughkeepsie	130,000	740,000
Ketchum Bridge Rd., Clinton Co.	20,000	140,000
County Road 82, Remsen	30,000	200,000
Amherst St., Buffalo	170,000	1,020,000
Old Oxford Rd., Chester	940,000	1,110,000
Chestnut Ridge Rd. Monroe Co.	150,000	870,000

APPENDIX II

RAIL ABANDONMENTS

A. Rail Lines Abandoned During 1983-84 With No Continuation of Service

<u>RR</u>	<u>LINE NAME</u>	<u>DATE</u>	<u>MILES</u>
1. BEDT	Brooklyn Eastern District Terminal	8/15/83	0.55
2. D&H	Troy Branch MP T-3.05 - t-3.11	12/7/83	0.06
3. CR	Niagara Falls Secondary MP 12.6-13.4	5/8/84	0.08
4. CR	Watkins Glen Secondary MP 3.57-13.97	5/8/84	10.4
5. CR	International Industrial Track MP 0.0-3.09	6/7/84	3.09
6. CR	East St. Spur MP 0.0-1.3	6/8/84	1.3
7. CR	Oneida Industrial Track MP 0.0-0.41	6/8/84	0.41
8. CR	Claverack Industrial Track MP 2.76-4.44	6/14/84	1.68
9. CR	Oakfield Secondary MP 391.0-414.0, 418.5-421.0	6/14/84	24.6
10. CR	Tivoli St. Spur MP 0.0-0.72	6/14/84	0.72
11. CR	Attica Branch MP 388.8-390.8	7/9/84	2.0
12. CR	Black Rock Branch MP 394.18-396.5	7/10/84	2.32
13. CR	First Ward Spur MP 0.0-1.04	7/19/84	1.04
14. CR	Fayetteville Industrial Track MP 0.21-0.7, 5.5-6.89	7/26/84	1.88
15. CR	Saltland Spur MP 0.28-2.81	7/26/84	2.53
16. CR	Bradford Branch MP 0.0-6.2	8/16/84	6.2
17. CR	Piermont Branch MP 3.18-4.54	8/16/84	1.36

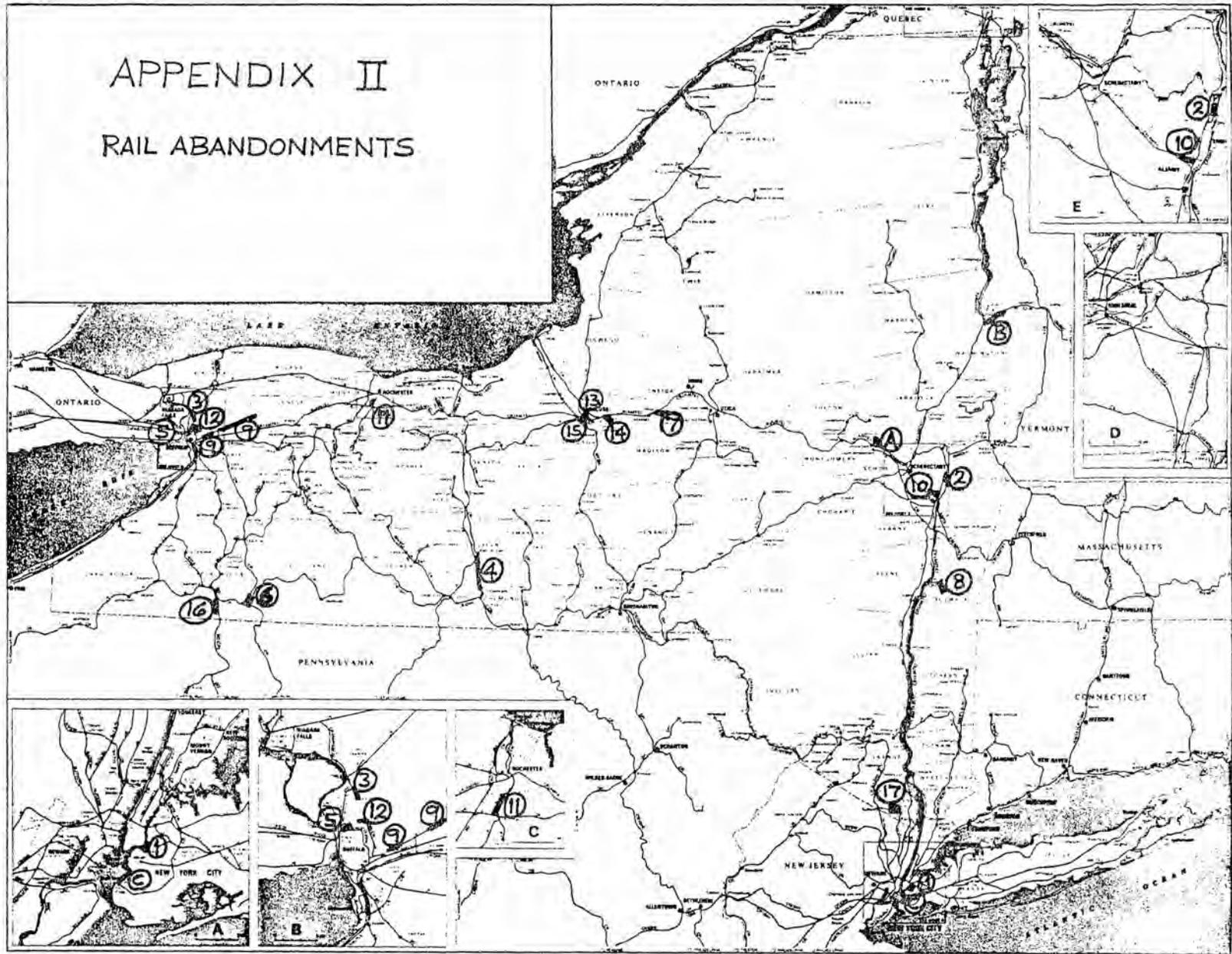
A2.1

B. Rail Lines Abandoned During 1983-85 and Acquired By Other Parties for Continued Service

<u>RR</u>	<u>LINE NAME</u>	<u>ACQUIRER</u>	<u>MILES</u>
A. CR	Kellogg Industrial Track	Amsterdam IDA	1.0
B. DH	Rutland Branch (NY portion)	Clarendon & Pittsford RR	6.63
C. NYD	Bush & Atlantic Terminals	NY Cross Harbor RR	11.0

APPENDIX II

RAIL ABANDONMENTS



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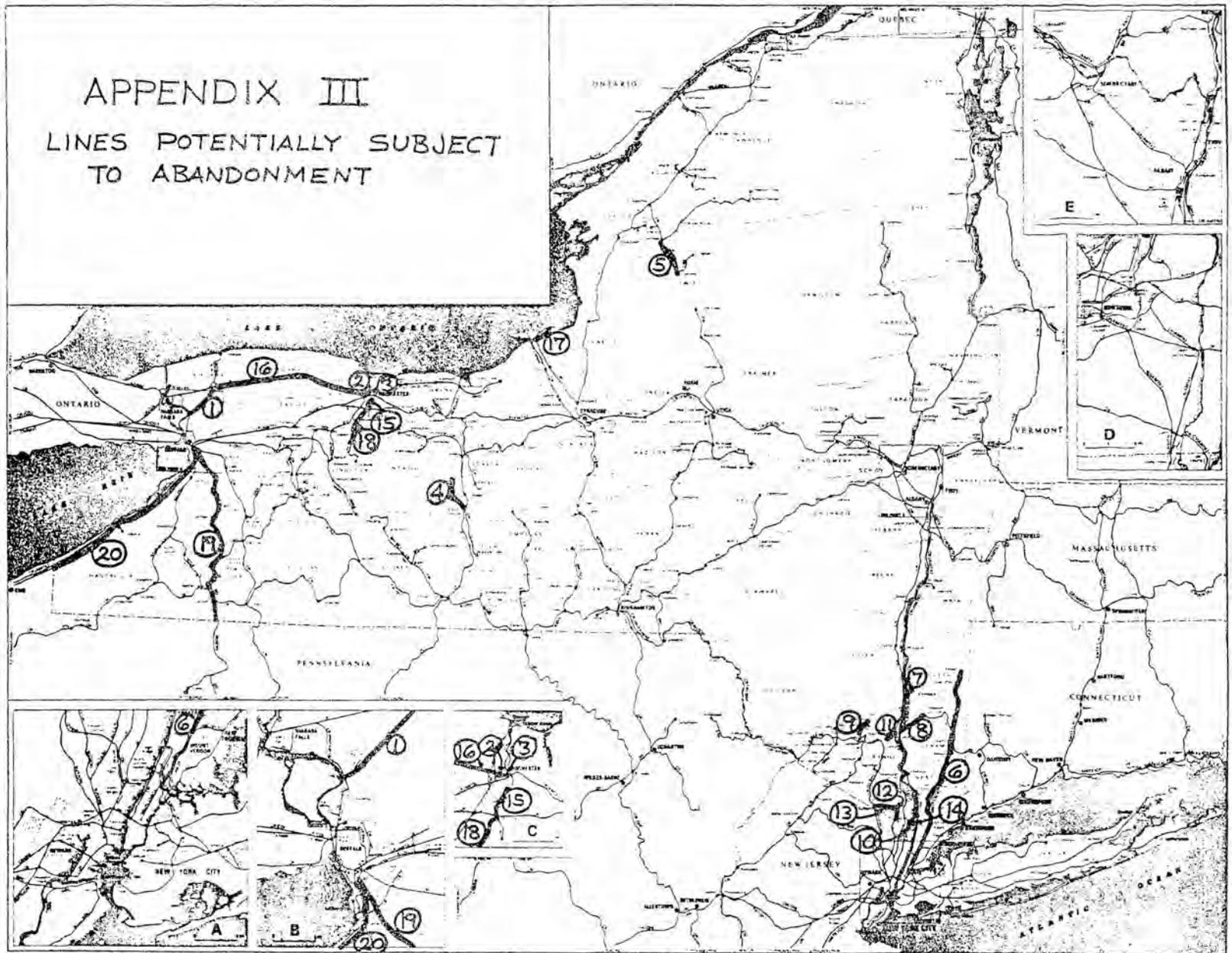
APPENDIX III

LINES POTENTIALLY SUBJECT TO ABANDONMENT

It should be noted that no lines in New York State are currently designated as Category 1 or Category 2 lines on ICC System Diagram Maps. As part of its planning process, however, the Department has determined that the following rail lines are under study for rationalization by the owner or termination of service if the operator does not own the line. Such rationalization may not necessarily include abandonment. For example, lines may be offered for sale to another carrier.

<u>RR</u>	<u>LINE NAME</u>	<u>MILES</u>
CR	Lockport Running Track (N. Tonawanda-Lockport)	13.3
CR	Old Line at Rochester	0.5
CR	Restored Line at Rochester	1.1
CR	Watkins Glen Sec. (Himrod Jct.-Bellona)	13.3
CR	Lowville Secondary (Carthage-Lowville)	16.2
CR	Harlem Division (MO-Brewster-Wassaic)	75.9
CR	Hospital Ind. Track/Poughkeepsie Secondary	5.5
CR	Beacon & Maybrook Sec. (Beacon-Hopewell Jct.)	42.2
CR	Wallkill Valley Branch (NMQ Jct.-Walden)	9.2
CR	Piermont & Northern Br. (Piermont-Sparks)	3.9
CR	Newburgh Ind. Track (Vails Gate-Newburgh)	4.9
CR	Pascack Valley Br. (NJ State Line-Spring Valley)	5.2
CR	Suffern Ind. Track (Suffern-Spring Valley)	9.6
CR	Dock Industrial Track (Piermont Docks-Sparks)	1.4
CR	Rochester Branch (Mortimer-Rochester)	4.0
CR	Falls Road Branch (Rochester-Lockport Jct.)	56.1
CR	Fulton Sec. Track at Oswego	1.6
CR	Avon Branch (Mortimer-Avon)	13.0
BO	B&O Mainline (PA State Line-Buffalo)	117.7
NW	N&W Mainline (PA State Line-Buffalo)	68.0
		<u>462.6</u>

APPENDIX III
LINES POTENTIALLY SUBJECT
TO ABANDONMENT



APPENDIX IV

Lines Eligible for Assistance Under the Federal LRSA Program

The following rail lines are eligible for assistance under the Federal Local Rail Service Assistance Program criteria of less than 3 million gross ton miles per mile of freight traffic annually.

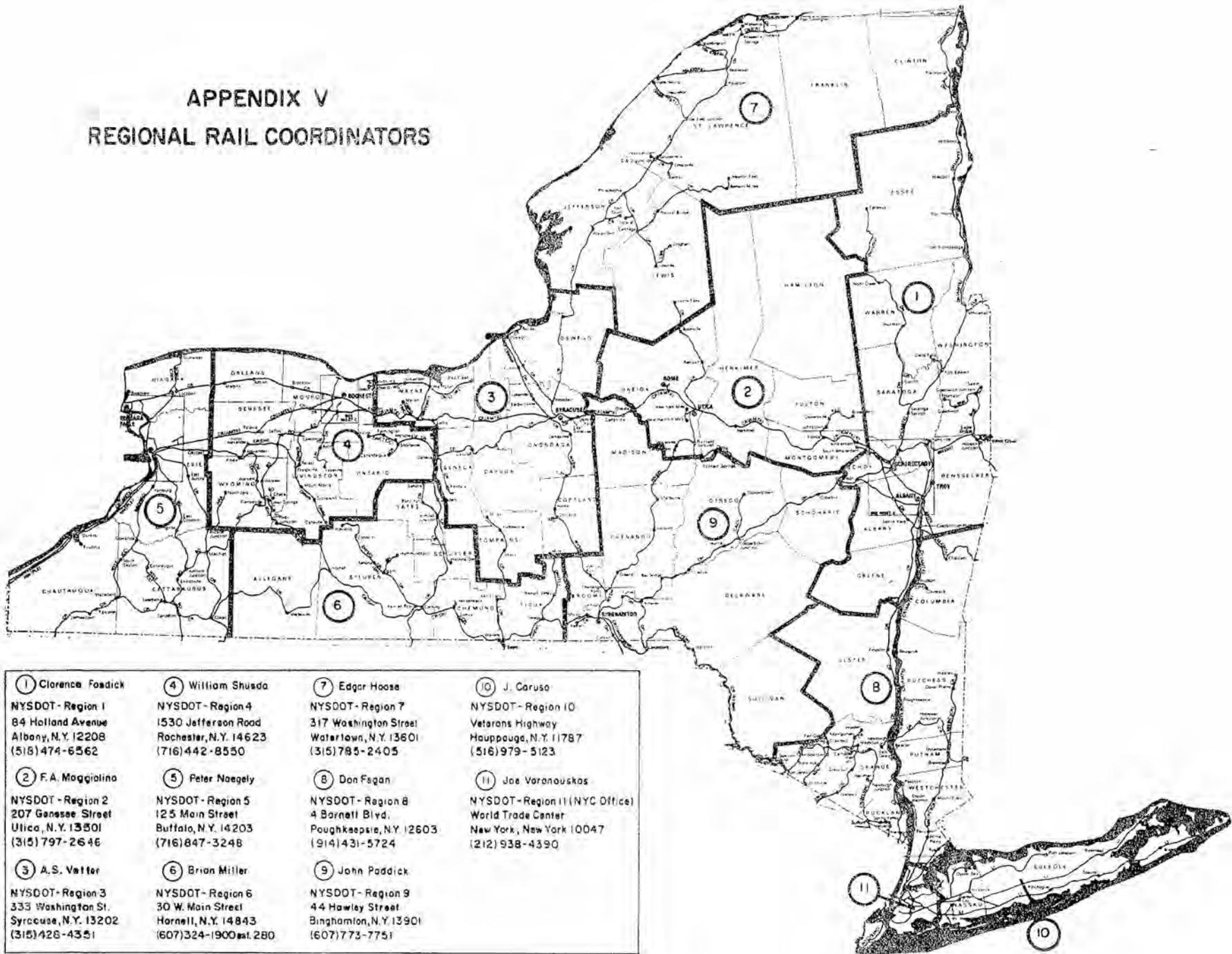
<u>RR</u>	<u>Line Name</u>	<u>Miles</u>
DH	Adirondack Branch	56.3
CR	Albany Secondary Track	7.1
ARA	Arcade & Attica RR	15.0
BO	Ashford-Rochester ML	93.6
NYCH	Atlantic Terminal	5.0
CR	Attica Branch (Attica-Alexander)	5.1
	(at Batavia)	2.0
	(Avon-Rochester)	17.3
CR	Auburn Branch (Syracuse-Canandaigua)	71.3
CR	Balmat Industrial Track	4.3
BH	Bath & Hammondsport RR (Bath-Hammondsport)	8.0
	(Wayland-Bath)	24.3
BKRR	Battenkill RR	35.0
LI	Bay Ridge Line (Bay Ridge-Fresh Pond)	11.3
CR	Beacon Secondary Track	12.8
BM	Bennington Branch (Hoosick Jct.-Vt. Line)	4.9
CR	Caledonia Secondary Track	5.6
CR	Carman Branch	9.0
CNY	Central New York RR	22.0
CR	Charlotte Secondary Track	9.7
CR	Claverack Industrial Track	4.2
CACV	Cooperstown & Charlotte Valley RR	16.0
CR	Crawford Branch (Middletown-Crawford)	3.5
DMM	Dansville & Mt. Morris RR	9.9
CR	Elmira Secondary Track (Southport Jct.-Southport)	1.5
FJG	Fonda, Johnstown & Gloversville RR	19.6
CR	Gardenville Branch	4.0
GNW	Genesee & Wyoming RR	13.0
DH	Glens Falls Branch	7.8
CR	G&O Secondary Track (G&O Jct.-Emeryville)	7.1
DH	Green Island Branch	1.5
GNW	Groveland Branch	13.9
CR	Gulf Line	3.8
CR	Harlem Branch (MO-Wassaic)	76.2
	(Ghent-Chatham)	1.2
CR	Hell Gate Line (Oak Point-Fresh Pond)	8.3
CR	Hunts Point Line	2.6
DH	Industries Railroad Line	29.4
CR	Ithaca Branch	35.2
CR	Lehigh & Hudson River Branch	23.8
CR	Lehigh Valley ML (PA Line-Van Etten)	13.4
	(Kendaia-Geneva)	15.1
	(Caledonia -P&L Jct.)	1.6

RR	Line Name	Miles
CR	Limerick Industrial Track (at Watertown)	1.1
LAL	Livonia, Avon & Lakeville RR	11.5
CR	Lockport Branch	13.4
LI	Long Island RR	338.4
LBR	Lowville & Beaver River RR	10.4
CR	Lowville Secondary Track	16.2
CR	Lyons Falls Branch	44.8
MSTR	Massena Terminal RR	2.2
CR	Maybrook Branch	7.5
MNJ	Middletown & New Jersey RR	13.0
CR	Montgomery Branch	5.5
CR	Newburgh Branch	4.9
CR	Newton Falls Branch	59.5
NYCH	New York Cross Harbor RR	13.0
CR	New York & New Jersey Branch	6.5
CR	New York, Oswego & Western Branch	1.4
NYSW	New York, Susquehanna & Western RR	157.3
CR	Niagara Junction Line	6.0
DH	Nineveh Line	12.9
CR	Oakfield Secondary Track	4.5
CR	Ontario Secondary Track (Oswego-Scriba)	4.4
	(Suspension Br-Riverview)	3.2
	(Charlotte-Windsor Beach)	2.6
CR	Piermont Branch (Sparkill-Orangeburg)	2.5
	(Piermont Dock-Sparkill)	1.4
	(Nanuet Jct - Suffern)	9.0
CR	Port Morris Branch	1.9
DH	Rensselaer-Mechanicville ML	20.7
CR	Rochester Branch (Rochester-Henrietta)	5.8
CR	Rochester Branch (Rochester-Scottsville Yard)	3.1
CR	Rochester Running Track	7.3
CR	Roosevelton Secondary Track	4.3
CLP	Rutland Branch	6.7
BO	Silver Lake Branch	2.3
SBK	South Brooklyn RR	5.0
DH	South Glens Falls Branch	4.8
CR	Southern Tier Mainline (Suffern-Waverly)	224.7
	(Newburgh Jct-Hopewell Jct)	21.8
	(Hornell-Niobe)	128.4
SLAW	St. Lawrence RR	43.2
SIRC	Staten Island RR	26.4
CR	Syracuse Branch (Jamesville-Fulton)	30.5
CR	Tonawanda Branch	1.8
TIRR	Tonawanda Island RR	1.5
CR	Troy Secondary Track	5.7
CR	Valley Secondary Track (Dunkirk-Fredonia)	4.9
CR	Vestal Spur	7.7
CR	Wallkill Valley Branch	4.2
CR	Watkins Glen Secondary Track	33.9
CR	Wayland Branch	20.6
CR	W. Seneca Branch	5.8
CR	West Shore Line (Ilion-Utica)	9.4
CR	West Shore Secondary (Rotterdam Jct-Amsterdam)	5.5
CR	Wurlitzer Running Track	3.5

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APPENDIX V REGIONAL RAIL COORDINATORS

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<p>① Clarence Foadick NYSDOT - Region 1 84 Holland Avenue Albany, N.Y. 12208 (518) 474-6562</p>	<p>④ William Shuda NYSDOT - Region 4 1530 Jefferson Road Rochester, N.Y. 14623 (716) 442-8550</p>	<p>⑦ Edgar Hoese NYSDOT - Region 7 317 Washington Street Watertown, N.Y. 13601 (315) 785-2405</p>	<p>⑩ J. Caruso NYSDOT - Region 10 Veterans Highway Hauppauge, N.Y. 11787 (516) 979-5123</p>
<p>② F.A. Maggialino NYSDOT - Region 2 207 Genesee Street Utica, N.Y. 13501 (315) 797-2646</p>	<p>⑤ Peter Naegely NYSDOT - Region 5 125 Main Street Buffalo, N.Y. 14203 (716) 847-3248</p>	<p>⑧ Don Feagan NYSDOT - Region 8 4 Barnell Blvd. Poughkeepsie, N.Y. 12603 (914) 431-5724</p>	<p>⑪ Joe Voranouskas NYSDOT - Region 11 (NYC Office) World Trade Center New York, New York 10047 (212) 938-4390</p>
<p>③ A.S. Vetter NYSDOT - Region 3 333 Washington St. Syracuse, N.Y. 13202 (315) 428-4351</p>	<p>⑥ Brian Miller NYSDOT - Region 6 30 W. Main Street Hornell, N.Y. 14843 (607) 324-1900 ext. 280</p>	<p>⑨ John Poddick NYSDOT - Region 9 44 Hawley Street Binghamton, N.Y. 13901 (607) 773-7751</p>	