

Please come forward and be seated at the witness table. We are very glad to have you here this morning. We want you to feel at home.

If you desire, Mr. Morris, to complete your statement in full, we may then ask you some questions after you terminate your statement. You may start.

**STATEMENT OF JOHN D. MORRIS, ASSISTANT VICE PRESIDENT,
SPECIAL SERVICES, PENNSYLVANIA RAILROAD CO.**

Mr. MORRIS. I do feel very much at home since we are from Philadelphia, and I also maintain a residence in New Jersey.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before your committee to express our views on H.R. 12946. We believe this legislation will go a long way in carrying out the intent of the bill to provide incentives to the communities of our Nation.

The section of this legislation with which we are particularly concerned and upon which I am best qualified to speak is Title III—Urban Mass Transportation. This calls for an additional 1-year authorization for the urban mass transportation program by specifically amending section 301(a) and section 4(b) of the Urban Mass Transportation Act of 1964. It provides that grants may be authorized up to \$95 million for fiscal 1968. It also amends the present act by increasing the research demonstration grants from \$30 million for July 1, 1966, to \$40 million for July 1, 1967.

The Pennsylvania Railroad has one of the largest suburban railroad operations in the United States. We have 150 suburban trains per day operating in the New York metropolitan area of northern New Jersey and 400 suburban trains operating in the Philadelphia metropolitan area of southeastern Pennsylvania, which also includes the State of Delaware. We also have suburban services in the Chicago, Baltimore, and Washington areas.

While the ridership on these trains amounts to about 115,000 daily passengers, or 30 millions passengers per year, the operation of these services is a losing proposition for the railroad. Even after receiving certain limited local contract payments, our losses in 1965 on a full-cost basis amounted to \$13.6 million. While this was a slight reduction from previous years, due principally to the fact that the city of Philadelphia has purchased for our use 38 of the most modern, high-performance, air-conditioned, suburban rail cars in the world which will be paid for by the railroad through lease rentals, it was still a very substantial sum that railroad freight shippers should not be expected to subsidize.

The cost of this public service could be further reduced if additional capital expenditures could be made to provide more new equipment, parking lots, modern maintenance shops, and so forth. More important, however, for the economy and welfare of our urban communities, these capital improvements in addition to improving service for the public would eliminate the very definite possibility of abandonment of many of these important services. Such abandonments have already occurred in many parts of the country. Less than 2 years ago, in the absence of local financial assistance, we were forced