

Appendix H

NATURE OF RAILROAD PASSENGER EXPENSES

The railroad passenger expenses are composed of two types, namely, expenses solely related to passenger service and the passenger portion of common expenses.

Solely related expenses are relatively easy to identify. They consist of those expenses which are generated by or incurred on behalf of the passenger service only and have no relationship to other services performed by the railroad. Examples of this type of expense are repairs to passenger train cars, fuel consumed by locomotives in passenger trains, wages of ticket agents and maintenance of passenger stations. Maintenance and depreciation of the roadway used exclusively by passenger trains including such items as replacement of rails, ties, ballast and other track material, repairs to bridges, trestles, culverts and other elevated structures, maintenance and depreciation of power transmission systems, the expenses of the entire passenger traffic department, wages of engine-men, trainmen, such as conductors and ticket takers and the wages of certain general office clerks are still further examples of solely related passenger expenses.