

PENN CENTRAL

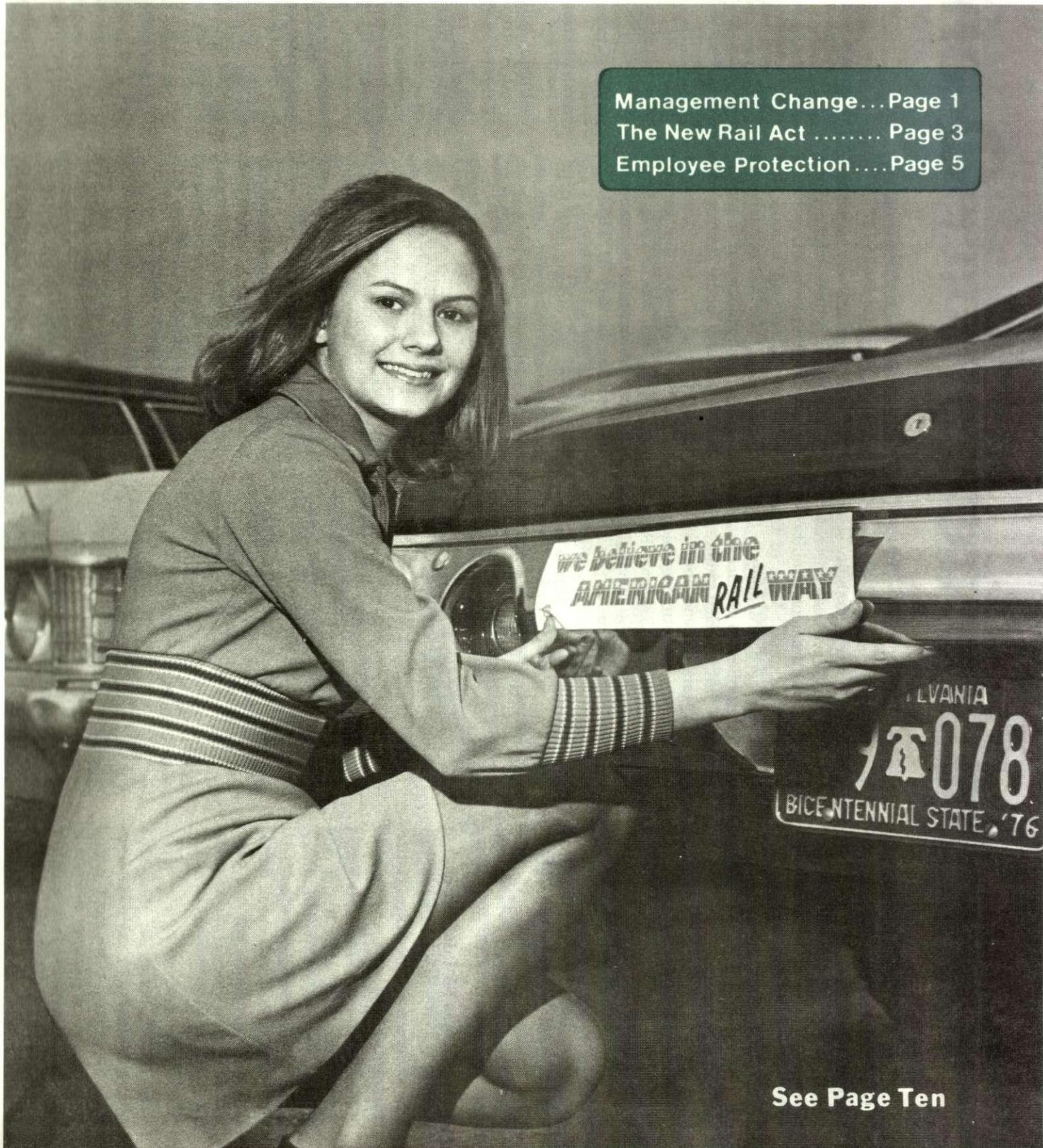


POST[®]

NEWS FOR AMERICA'S LEADING RAILROAD FAMILY

JANUARY-FEBRUARY 1974

Management Change... Page 1
The New Rail Act Page 3
Employee Protection.... Page 5



See Page Ten

TOP MANAGEMENT CHANGES

The Trustees of Penn Central Transportation Company made public three changes in organization which followed upon the signing by President Nixon of the Regional Rail Reorganization Act of 1973.

First was the announcement by William H. Moore that he has relinquished the post of president and chief executive officer of Penn Central Transportation Company because of the drastic changes in the problems faced by the railroad which have been brought about by the new legislation.

Second was the announcement by Trustees George P. Baker and Richard C. Bond that they have recommended to Judge John P. Fullam, who oversees the affairs of the bankrupt company, that, subject to ICC approval, Robert W. Blanchette be appointed a Trustee of the Penn Central Transportation Company. He would succeed Jervis Langdon, Jr., who is resigning as a Trustee as of the appointment of his successor.

Third, the Trustees will name Mr. Langdon president and chief executive officer of Penn Central Transportation Company the day his resignation as a Trustee becomes effective.

Mr. Baker and Mr. Bond made the following comment:

"Although Congress has certainly presented Penn Central with new problems in proposing its own plan for reorganizing the Northeastern railroads, Mr. Moore's achievements during the 40 months he has been president have been spectacular.

"Almost overnight he brought order out of near chaos, so that Penn Central again was able to provide speedy and efficient service to the public.



Jervis Langdon, Jr., will be appointed president and chief executive officer.

"Despite increases in costs amounting to many hundreds of millions of dollars, he managed to reduce each year the amount of Penn Central's losses through more efficient management of its limited resources."

Mr. Moore's services will still be available to the Trustees, and the Trustees expect to utilize them.

Mr. Blanchette has been counsel to the Trustees since bankruptcy, and would as a Trustee, it is hoped, continue to focus his attention on the legal and reorganization aspects of the bankruptcy proceedings. It is not planned to replace him as counsel.

Mr. Blanchette served as general counsel of the New Haven Railroad from 1963 to 1968 and as executive director of America's Sound Transportation Review Organization (ASTRO) in Washington, D. C., in 1969 and 1970.

Mr. Langdon has spent his life



Robert W. Blanchette has been appointed a Trustee, subject to approval of ICC.

in the railroad industry. He became general counsel of the Baltimore & Ohio Railroad in 1954 and president in 1960. He became chairman of the board and president of the Chicago, Rock Island & Pacific Railroad in 1965. He has been a Trustee of the Penn Central Transportation Company since July of 1970.

William H. Moore stated that effective on the date the new Regional Rail Reorganization Act was signed by President Nixon, and through agreement with the Trustees, he has relinquished the position of president and chief executive officer of Penn Central Transportation Company.

Mr. Moore said that although remarkable progress had been made over the past three years in accomplishing his objective of restoring Penn Central to a profit-oriented company within the free enterprise

system, the gap had not been closed, due largely to the constraints of our regulatory system.

He cited in particular the inability to abandon unprofitable tracks and services, requirements to operate commuter and intercity passenger trains at less than full-cost compensation, and the difficulties involved in obtaining rate adjustments to offset spiraling wage and material cost increases.

Mr. Moore pointed out that service improvements on Penn Central had placed the railroad on a par with, or better than, most railroads in the country.

Along with this, employment has been reduced from 95,000 to 78,000, productivity improved, and ordinary income loss reduced from \$326 million in 1970 to an estimated \$185 million in 1973.

Mr. Moore said the primary objective at this juncture, for Penn Central and the other railroads involved, was to assist in all possible ways in resolving the problems presented by the new legislation.



W. H. Moore has relinquished his post as president and chief executive officer.

Changes in Operating Department



J. Bruce Addington (above) vice president-operation, is retiring for reasons of physical disability.

A severe circulatory and heart condition necessitated his retirement decision on December 17, and



the officers of the Company were so informed on December 20, well before the top management change.

"All of us at Penn Central deeply regret losing Bruce Addington," the Trustees said in a joint statement.

"He figures prominently in the remarkable turn-around in the performance of the railroad during the past three years.

"We extend to him our sincere appreciation for his contribution to our efforts to reorganize the railroad."

Mr. Addington joined Penn Central on January 1, 1971. He had previously been assistant vice president-operations for the Southern Railway, where he started his career as a messenger in 1936.

To succeed Mr. Addington, the Trustees appointed Albert M. Schofield as senior vice president-operations (photo left).

Mr. Schofield has been serving as vice president-reorganizational planning.

He has had a widely varied railroading career. He began as a 45¢-an-hour lineman's helper on a PRR wire train, then worked as a trackman. After graduating from Drexel Institute of Technology in 1937,

he became an assistant on the PRR engineering corps.

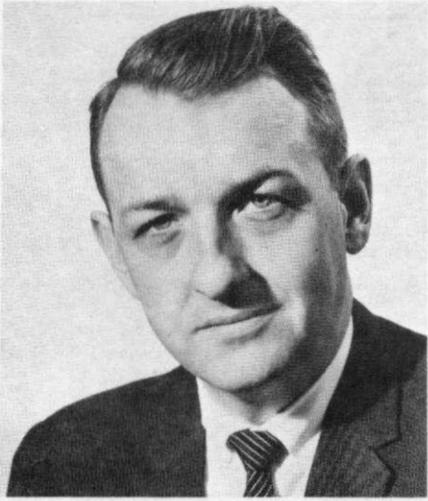
Subsequent positions included: Superintendent of piggyback service, superintendent of transportation, assistant regional manager at Chicago, regional manager at Cincinnati, and assistant general manager at Pittsburgh.

He later served as assistant to vice president-operation, general manager of the Eastern Region, assistant vice president-operations planning, and assistant vice president-passenger operation, before being appointed to his most recent post of vice president-reorganizational planning.

The Trustees also announced the appointment of Richard B. Hasselman as vice president-transportation.

A native of Jersey City, N. J., Mr. Hasselman has an engineering degree from Yale University and a master's degree from New York University.

Continued on Page Two



Richard B. Hasselman was appointed Penn Central's vice president-transportation.

Mr. Hasselman started as a student engineer on the New York Central in 1947. He worked as a brakeman, signalman, agent, transportation inspector and trainmaster.

He subsequently served as division superintendent, transportation superintendent, general superintendent of yards and terminals, and general manager of the Indiana Harbor Belt Railroad, a PC subsidiary. He held the position of general manager at Detroit, Indianapolis and Cleveland.

At the PRR-NYC merger in 1968, Mr. Hasselman became assistant vice president-transportation of the

Penn Central.

Mr. Schofield announced several staff changes.

Benjamin J. Gordon has become chief engineering officer with principal responsibility for maintenance of way, construction and signal systems. He succeeds Charles T. Pompa, who has been named an engineering assistant to Mr. Schofield.

Mr. Gordon was formerly chief engineer-maintenance of way. He began railroad work in 1948 as an inspector in the engineering department, and advanced to division engineer, regional engineer, engineer-maintenance of way at New York

and engineer-maintenance of way, system. He is a graduate of Illinois Institute of Technology and did graduate work at Michigan State College and University of Buffalo.

The positions of assistant vice president-operations-East and assistant vice president-operations-West, held by Edward L. Claypole and Edward P. Frasher, have been discontinued; and the general managers on PC's six operating regions will report directly to Mr. Schofield.

Mr. Claypole and Mr. Frasher have been reassigned as assistant vice presidents on the staff of Vice President Hasselman.

PC people make mobile homes . . . mobile

Is there a mobile home in your future?

If so, it could very well come to you by rail.

That's the finding of an experiment by Penn Central and the U.S. Department of Housing and Urban Development. The Railroad and the Federal agency teamed up to run the first unit trains of mobile homes.

The trains were a spectacular sight.

What they were carrying weren't measly campers or moderate-sized travel trailers. They were massive mobile homes — up to 64 feet long, 12 feet wide, 10 feet high.

These giants have always traveled by highway, each requiring a truck-tractor and a skilled driver.

Imagine, then, the problem of the Department of Housing and Urban Development (HUD). It has more than 10,000 mobile homes to move.

HUD bought these units in 1972 to provide temporary quarters for families made homeless by Tropical Storm Agnes in Pennsylvania and New York. Some of the families are now arranging to buy the mobile homes from the government, but most of the families are moving out to permanent homes.

The government has decided to take the thousands of vacated mobile homes to Army bases and store them for possible future disasters like Agnes. But HUD faced a transportation problem, with a shortage of drivers and tractors for highway movement.

The situation came to the attention of William E. Burroughs, PC division sales manager at Elmira, N.Y., in the heart of the Agnes flood territory.

He said: "Why not take the train?"

His suggestion was followed through in an intensive series of meetings by officials of HUD and Penn Central.

Roland Smith and Fred Richmond, of the PC Marketing Department, explored the requirements and problems involved in moving the homes in solid unit trains.

Glenn Graff, of PC's Bureau of Exceptional Shipments, mapped out the special routing required because of the extra-wide loads.

Jack Chester, of Service Planning, ascertained the service and crew requirements.

Bob Helmuth, Ken Willey and

Bob Drummond, of Equipment Planning, assembled the group of 75-foot flatcars that would be needed.

Eugene Anderson, of PC's Legal Department, drew up the papers for subleasing the flatcars to the government.

Frank Coates, of Costing, developed the costs for the proposed movements, and Hobie Hankins set up the rates.

Ken Neilsen, of Mechanical Engineering, and Harry Hall, of Freight Claims and Prevention, studied methods of securing the mobile homes against damage in transit.

This last element was crucial. The PC men and HUD representatives designed wooden cradles to support the mobile homes on the flatcars. Special brackets were welded on the mobile homes and the flatcars; and elastic nylon straps, connecting the brackets, created a "floating" load, cushioning any shocks.

The first unit train, carrying 25 mobile homes on 25 flatcars, moved out of Horseheads, N.Y., on August 20, bound for Granite City, Ill. Two HUD officials rode in a caboose. Trailing the train in his auto, PC Marketing Department's Fred Richmond kept an eye out for any problems.

The reports at journey's end were enthusiastic.

"An outstanding success," exclaimed Paul Funkhouser, PC's senior vice president-sales and marketing.

"The units were delivered in much better shape than those we saw that were previously transported by highway."

He also stressed the substantial fuel savings in rail transportation as compared with moving the mobile homes by truck.

On September 1, a second unit train carried 32 mobile homes from Mechanicsburg, Pa., to the Atlanta (Ga.) Army Depot. The shipment moved Penn Central to Cincinnati, then Southern Railway to destination.

On September 24, PC people moved a third unit train, carrying 50 mobile homes, from Horseheads, N.Y., to St. Louis, where the Missouri-Kansas-Texas Railway picked it up for delivery to the Army Depot at Bastrop, Texas.

Said Roland Smith, manager of market development-construction:

"This has significance for future emergencies. You can see the ad-



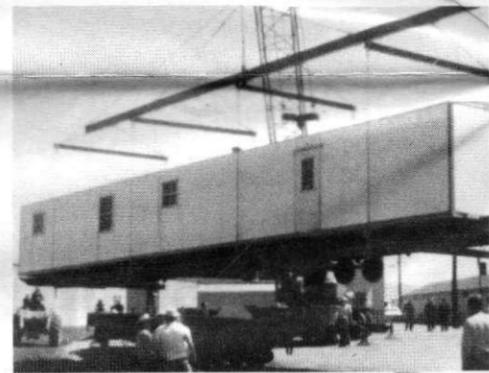
Unit train of mobile homes moves across PC. Photo below shows how homes are loaded.

vantage of being able to depend on a railroad to deliver mobile homes to a devastated area — quickly, in quantity, and free of the hazards of highway travel.

"There's also significance here for the normal operations of the mobile home industry.

"The development of centralized shipping and distribution locations would enable the manufacturers to use efficient and economical unit trains to serve their major markets.

"And just a few modifications during manufacture, costing an es-



timated \$50, would make every model of mobile home suitable for rail movement."

A shipper comments on PC service

F. W. WOOLWORTH CO.

NORTH CENTRAL REGIONAL OFFICES / 918 LEE STREET / DES PLAINES, ILLINOIS 60018 / TELEPHONE (312) 827 7731

J. Y. ARNOLD
REGIONAL VICE PRESIDENT

December 7, 1973

William H. Moore, President
Penn Central Transportation Company
Six Penn Center Plaza
Philadelphia, Pa. 19104

Dear Mr. Moore,

Thank you.

A portion of my responsibility has been greatly assisted by the excellent service provided into and out of Columbus, Ohio by your personnel in charge of piggyback service.

As an officer of the Central Ohio Shippers Association, I have had the problem of originating complaints through our manager regarding the service by boxcar from New York to Columbus.

You have been most fair and prompt in attempting to alleviate a difficult situation in that regard.

I have had difficulties in my primary job for this company, in providing service from Chicago to Columbus. Since the change to Penn Central Piggyback that problem has been eliminated. As of December 4, I have started a new service from Columbus to Chicago and obviously it is with the Penn Central. The first loads have already arrived and have been processed. EXCELLENT!

It appears we will run between 12 and 20 loads a week in this new operation. This of course in addition to the 10 to 15 loads to Columbus each week.

My special thanks to Mr. Lewis Fritsche, Mr. Lester Newell, and especially Mr. Fred Miller at Columbus for the concern and desire they have indicated to make this operation a success. They are to be commended.

Yours truly,
F. W. WOOLWORTH CO.

D. A. SMITH
Regional Traffic Manager

WOOLWORTH / WOOLCO DEPARTMENT STORES / WOOLWORTH INTERNATIONAL / KINNEY SHOE CORPORATION / THE RICHMAN BROTHERS CO.



THE NEW RAIL ACT

ON December 21, Congress passed the Regional Rail Reorganization Act of 1973.

It went into effect when President Nixon signed it on January 2, 1974.

This meant the start of a historic program for reshaping seven bankrupt railroads to create a new and healthy railroad system serving the entire Northeast and the industrial part of the Midwest.

Major portions of the Act provide for the following:

1. A new government corporation will be established—the United States Railway Association (USRA). It will take charge of designing the new rail system, and will assign the funds to get the new system going.

2. A new company, the Consolidated Rail Corporation (CRC), will operate the new system. CRC will not be a government agency. Its aim will be to operate at a profit.

3. Protection is provided for employees affected by the railroad consolidation.

Essential details are presented below.

The Act deals with a 17-State region

The Act declares that “the public convenience and necessity require adequate and efficient rail service in this region and throughout the nation to meet the needs of commerce, the national defense, the environment, and the service requirements of passengers, United States mail, shippers, States and their political subdivisions, and consumers.”

In using the term “region,” the Act refers to Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Indiana, Michigan, Illinois, the District of Columbia, and portions of adjacent States in which the northeastern railroads have some operations.

The bankrupt railroads in this region are Penn Central, Erie Lackawanna, Lehigh Valley, Reading, Central of New Jersey, Boston & Maine, and Ann Arbor.

U. S. Railway Association will design new system

The principal “architect” for restructuring the bankrupt railroads will be a new corporation called the United States Railway Association.

This will be a non-profit government

corporation with headquarters in Washington, D.C.

It will be governed by an 11-member Board of Directors.

The chairman will be appointed by the President of the United States, subject to approval by the U. S. Senate.

There will be three government members: Secretary of Transportation, Secretary of the Treasury, and chairman of the Interstate Commerce Commission, or their representatives.

The remaining seven, non-government members, will be selected from lists of nominees proposed by organizations, as follows:

The President will select one from a list submitted by the Association of American Railroads, one from the AFL-CIO, one from the National Governors Conference, one from the National League of Cities and Conference of Mayors, two from shipper organizations, and one representing financial institutions.

The Board, in turn, will appoint a president to manage USRA affairs.

First step: A report from Secretary of Transportation

Within 30 days after President Nixon signed the Act—that is, by February 1, 1974—the U. S. Secretary of Transportation is to prepare a comprehensive report detailing the railroad services needed between geographical zones within the region.

This report will be widely circulated among public agencies and other groups and persons with an interest in rail service.

To evaluate the Secretary’s report and the views and concerns of affected public and private groups, a new agency will be set up within the Interstate Commerce Commission—the Rail Services Planning Office.

This Office will solicit the comments of governors, mayors and other public officials; shippers, manufacturers, wholesalers, retailers, consumers of products shipped by rail, and the Department of Defense. Public hearings will be held.

After reviewing all the opinions and comments, the Office will prepare an evaluation of the Secretary’s report and submit it to the United States Railway Association (USRA) within 120 days from the signing of the Act—that is, by May 4, 1974.

Shaping and approving the Final System Plan

After receiving the report of the Rail Services Planning Office, the United States Railway Association has the task of producing a plan for creating a new modernized system out of the bankrupt railroads. It will be referred to as the Final System Plan.

This is the timetable:

Within 300 days after President Nixon signed the Regional Rail Reorganization Act, USRA is to present a preliminary system plan.

Copies will be sent to government departments, the courts, and other concerned parties, who will have 60 days in which to submit comments. Public hearings on the preliminary plan will be held by the Rail Services Planning Office.

USRA will consider all the comments and suggestions on the preliminary plan, and then will draw up the Final System Plan.

This is to be completed within 450 days after the signing of the Act—that is, by the beginning of April, 1975.

The Plan is to be sent to Congress. Within 30 days, the Interstate Commerce Commission is to send Congress its evaluation of the Plan.

The Plan will be considered approved and in effect at the end of 60 calendar days of continuous session of Congress—unless the Senate or House of Representatives passes a resolution of disapproval. In that case, USRA would revise the Plan and submit it again.

Assuming that Congress does not disapprove, the Final System Plan would go into effect within about 510 days after President Nixon signed the Act—that is, by about the beginning of June, 1975.

The actual transfer of railroad properties to the new Consolidated Rail Corporation would be completed about 3 to 6 months afterward.

Reorganization Courts have important role

While the United States Railway Association is developing the Final System Plan, the Federal Courts in charge of the seven bankrupt railroads have an important decision to make.

Each Court must decide whether the particular railroad can be reorganized in a traditional way as a financially self-sustaining company. It must decide whether the public interest would be better served by such a reorganization than by including the railroad in the Final System Plan.

Unless the Court makes this finding, the particular railroad will be included in the Final System Plan.

Any appeal from the Court’s decision will be referred to a Special Court.

This Court, consisting of three U. S. District Court Judges, will be established especially to deal with legal matters arising from the consolidation of the railroads.

How the rail lines will be assigned

Aside from any railroads that possibly might be excluded by order of a

Bankruptcy Court, the Final System Plan will designate what is to be done with portions of the bankrupt railroads.

Most lines will probably go into the new railroad system to be operated by the Consolidated Rail Corporation (CRC).

Some portions may be offered for sale to profitable railroads in the region (as, for example, the B&O/C&O).

Some portions may be sold or leased to Amtrak.

Some portions may be sold or leased to a State or a local or regional transportation authority for commuter or inter-city passenger service.

Some portions may be designated as suitable for other public purposes, such as highways, power transmission lines, conservation programs, or educational or recreational areas.

Where the necessary cash will come from

USRA will have authority to raise cash by issuing bonds and other securities up to a total of \$1½ billion. These securities will be guaranteed by the Federal Government.

USRA will use this cash to make loans to the Consolidated Rail Corporation for the rehabilitation and modernization of railroad properties. In special cases, loans may be made to other railroads and transportation authorities.

To help the bankrupt railroads provide essential services until the Final System Plan goes into effect, the Secretary of Transportation is authorized to make grants up to a total of \$85 million.

The Secretary will also have authority, with the approval of USRA, to make loans totaling up to \$150 million to bankrupt railroads for maintaining and improving track and equipment that will be included in the Final System Plan. This money will come from the sale of securities by USRA.

To cover the costs of employee protection, Congress authorized the appropriation of up to \$250 million.

To help States preserve local service that might otherwise be phased out, the Secretary of Transportation is authorized to grant up to \$180 million over a two-year period.

Organization of the Consolidated Rail Corp.

Within 300 days after the signing of the Act—that is, around the end of October, 1974—the Consolidated Rail Corporation is to be established to operate the new railroad system.

Its headquarters will be in Philadelphia.

CRC will not be a government agency. Its goal will be to operate at a profit. It will be considered a common carrier, subject to the rules of the Interstate Commerce Commission like other railroad companies.

The United States Railway Association will help CRC get incorporated.

CRC will have a 15-member Board of Directors, selected in accordance with its own bylaws. However, as long as 50 per cent or more of CRC's debts are in the form of government loans, eight of the 15 Directors must be government representatives. These eight will be the Secretary of Transportation, the chairman of the Interstate Commerce Commission, the president of the United States Railway Association, and five others appointed by the President of the United States.

How CRC will acquire the railroad lines

CRC will issue its own stock. It will use this stock as payment to the bankrupt railroad companies for rail lines and equipment to be included in the new railroad system. It may also give, as part payment, obligations of the United States Railway Association. CRC will not pay cash for the railroad properties.

The bankrupt railroad companies may distribute the stock and securities to their creditors, who thus would become stockholders in Consolidated Rail Corporation.

The three-judge Special Court, referred to earlier, will supervise the exchange of railroad properties and securities.

The Court will determine whether the exchange is fair to each bankrupt railroad company and to CRC. If necessary, the Court will require CRC to alter the division of securities given to the railroads.

An appeal from the Special Court will go directly to the U. S. Supreme Court on a tight time schedule.

U. S. will help States preserve local service

Rail lines that are not included in the Final System Plan may be abandoned, subject to certain conditions. However, to encourage preservation of branch lines, the Act provides for "service continuation subsidies."

If a State wishes to preserve a particular line, the Government will contribute 70 per cent, and the State 30 per cent, of the operating costs for a two year period, including, if necessary, the cost of improving and maintaining tracks and other facilities.

The Act authorizes the Secretary of Transportation to spend for this purpose up to \$90 million in each of two years following the completion of the Final System Plan.

If a State wishes to purchase a rail line, the United States Railway Association is authorized to lend the State 70 per cent of the purchase price and of the cost of restoring the line for safe and efficient operation.

In addition, the Act provides that no rail line may be abandoned if a shipper, a State or other responsible party offers to pay the difference between revenues and operating costs, plus

a reasonable return on the value of the rail property.

The Act spells out protection for employees

A "protected employee," according to the Act, means an employee of a bankrupt railroad who was under the age of 65 on the day the Act was signed—January 2, 1974. (However, the Act does not grant protection to a railroad president, vice president, treasurer, secretary, comptroller or any other person who performs comparable functions).

The protection will apply at the time the bankrupt railroad's property is actually conveyed to the Consolidated Rail Corporation. This would probably be completed within two years from now.

Beginning at that time, any protected employee who is deprived of employment or has to take a lower-paying job will be guaranteed continuation of his previous earnings, up to a maximum of \$2500 a month.

The duration of his income guarantee will depend on how much service the employee had as of January 2, 1974.

For employees who had 5 or more years of service, the income guarantee will continue until age 65.

Employees with less than 5 years will have this income guarantee for a period equal to their years of service.

In either case, the income guarantee period could be terminated sooner in event of death, retirement, resignation or dismissal for cause.

~~Employees whose jobs are eliminated~~ may be transferred to other parts of the new Consolidated system to fill jobs that could not be filled locally.

If the transfer necessitates a change of residence, moving expenses will be paid.

If the employee does not wish to accept a transfer, he may choose a voluntary furlough, or accept separation from service with a lump-sum separation allowance, as detailed below.

Employees who have 5 or more years of service and accept separation from service will receive lump-sum allowances varying according to age:

Up to 60 years old	360 days' pay.
61 years old	300 days' pay.
62 years old	240 days' pay.
63 years old	180 days' pay.
64 years old	120 days' pay.

For employees with 3 to 5 years' service, the separation allowance will be 270 days' pay.

The Consolidated Rail Corporation may terminate the employment of persons with less than 3 years' service. They will be entitled to lump-sum separation allowances as follows:

2 to 3 years' service	180 days' pay.
1 to 2 years' service	90 days' pay.
Less than 1 year	5 days' pay

for each month of service.
For employees interested in reading all the details of Employee Protection, the Penn Central Post presents that portion of the Regional Rail Reorganization Act on the following pages. This is reproduced from the official report to the United States Senate.

93D CONGRESS
1st Session

SENATE

REPORT
No. 93-664

REGIONAL RAIL REORGANIZATION ACT OF 1973

DECEMBER 26, 1973.—Ordered to be printed
Reported, under authority of the order of the Senate on December 21, 1973

TITLE V—EMPLOYEE PROTECTION

DEFINITIONS

SEC. 501. As used in this title unless the context otherwise requires—

(1) "acquiring railroad" means a railroad, except the Corporation, which seeks to acquire or has acquired, pursuant to the provisions of this Act, all or a part of the rail properties of one or more of the railroads in reorganization, the Corporation, or a profitable railroad;

(2) "employee of a railroad in reorganization" means a person who, on the effective date of a conveyance of rail properties of a railroad in reorganization to the Corporation or to an acquiring railroad, has an employment relationship with either said railroad in reorganization or any carrier (as defined in parts I and II of the Interstate Commerce Act) which is leased, controlled, or operated by the railroad in reorganization except a president, vice president, treasurer, secretary, comptroller, and any other person who performs functions corresponding to those performed by the foregoing officers;

(3) "protected employee" means any employee of an acquiring railroad adversely affected by a transaction and any employee of a railroad in reorganization who on the effective date of this Act have not reached age 65;

(4) "class or craft of employees" means a group of employees; recognized and treated as a unit for purposes of collective bargaining, which is represented by a labor organization that has been duly authorized or recognized pursuant to the Railway Labor Act as its representative for purposes of collective bargaining;

(5) "representative of a class or craft of employees" means a labor organization which has been duly authorized or recognized as the collective bargaining representative of a class or craft of employees pursuant to the Railway Labor Act;

(6) "deprived of employment" means the inability of a protected employee to obtain a position by the normal exercise of his seniority rights with the Corporation after properly electing to accept employment therewith or, the subsequent loss of a position and inability, by the normal exercise of his seniority rights under the applicable collective bargaining agreements, to obtain another position with the Corporation: Provided, however, That provisions in existing collective bargaining agreements of a railroad in reorganization, which do not require a protected employee, in the normal exercise of seniority rights, to make a change in residence, in order to maintain his protection, will be preserved and will also be extended and be applicable to all other protected employees of that same craft or class. It shall not, however, include any deprivation of employment by reason of death, retirement, resignation, dismissal or disciplinary suspension for cause, failure to work due to illness or disability, nor any severance of employment covered by subsections (d) and (e) of section 505 of this title;

(7) "employee adversely affected with respect to his compensation" means a protected employee who suffers a reduction in compensation;

(8) "transaction" means actions taken pursuant to the provisions of this Act or the results thereof; and

(9) "change in residence" means transfer to a work location which is located either (A) outside a radius of 30 miles of the employee's former work location and farther from his residence than was his former work location or (B) is located more than 30 normal highway route miles from his residence and also farther from his residence than was his former work location.

EMPLOYMENT OFFERS

SEC. 502. (a) APPLICABLE LAW.—The Corporation and, where applicable, the Association shall be subject to the provisions of the Railway Labor Act and shall be considered employers for purposes of the Railroad Retirement Act, Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. The Corporation, in addition, shall, except as otherwise specifically provided by this Act, be subject to all Federal and State laws and regulations applicable to carriers by railroad.

(b) MANDATORY OFFER.—The Corporation shall offer employment, to be effective as of the date of a conveyance or discontinuance of service under the provisions of this Act, to each employee of a railroad in reorganization who has not already accepted an offer of employment by the Association, where applicable, or an acquiring railroad. Such offers of employment to employees represented by labor organizations will be confined to their same craft or class. The Corporation shall apply to said employees the protective provisions of this title.

(c) ASSOCIATION.—After the transfer of rail properties pursuant to section 303, the Association, in employing any additional employees, shall give priority consideration to employees of a railroad in reorganization and the provisions of this title shall apply to any such employees employed by the Association as if they were employees of the Corporation.

ASSIGNMENT OF WORK

SEC. 503. The Corporation shall have the right to assign, allocate, reassign, reallocate, and consolidate work formerly performed on the rail properties acquired pursuant to the provisions of this Act from a railroad in reorganization to any location, facility, or position on its system provided it does not remove said work from coverage of a collective-bargaining agreement and does not infringe upon the existing classification of work rights of any craft or class of employees at the location or facility to which said work is assigned, allocated, reassigned, reallocated, or consolidated and shall have the right to transfer to an acquiring railroad the work incident to the rail properties or facilities acquired by said acquiring railroad pursuant to this Act, subject, however, to the provisions of section 508 of this title.

SEC. 504. (a) INTERIM APPLICATION.—Until completion of the agreements provided for under subsection (d) of this section, the Corporation shall, as though an original party thereto, assume and apply on the particular lines, properties, or facilities acquired all obligations under existing collective-bargaining agreements covering all crafts and classes employed thereon, except that the Agreement of May 1936, Washington, D.C. and provisions in other existing job stabilization agreements shall not be applicable to transactions effected pursuant to this Act with respect to which the provisions of section 505 of this title shall be superseding and controlling. During this period, employees of a railroad in reorganization who have seniority on the lines, properties, or facilities acquired by the Corporation pursuant to this Act shall have prior seniority roster rights on such acquired lines, properties, or facilities.

(b) SINGLE IMPLEMENTING AGREEMENT.—On or before the date of the adoption of the final system plan by the Board of Directors of the Association as provided in section 207(c) of this Act, the representatives of the various classes or crafts of the employees of a railroad in reorganization involved in a conveyance pursuant to this Act and representatives of the Corporation shall commence negotiation of a single implementing agreement for each class and craft of employees affected providing (1) the identification of the specific employees of the railroad in reorganization to whom the Corporation offers employment; (2) the procedure by which those employees of the railroad in reorganization may elect to accept employment with the Corporation; (3) the procedure for acceptance of such employees into the Corporation's employment and their assignment to positions on the Corporation's system; (4) the procedure for determining the seniority of such employees in their respective crafts or classes on the Corporation's system which shall, to the extent possible, preserve their prior seniority rights; and (5) the procedure for determining equitable adjustment in rates of comparable positions. If no agreement with respect to the matters referred to in this subsection is reached by the end of 30 days after the commencement of negotiations, the parties shall within an additional 10 days select a neutral referee and, in the event they are unable to agree upon the selection of such referee, then the National Mediation Board shall immediately appoint a referee. After a referee has been designated, a hearing on the dispute shall commence as soon as practicable. Not less than 10 days prior to the effective date of any conveyance pursuant to the provisions of this Act, the referee shall resolve and decide all matters in dispute with respect to the negotiation of said implementing agreement or agreements and shall render a decision which shall be final and binding and shall constitute the implementing agreement or agreements between the parties with respect to the transaction involved. The salary and expenses of the referee shall be paid pursuant to the provisions of the Railway Labor Act.

(c) RELATIONSHIP TO OTHER PROVISIONS.—Notwithstanding failure for any reason to complete implementing agreements provided for in subsection (b) of this section, the Corporation may proceed with a conveyance of properties, facilities, and equipment pursuant to the provisions of this Act and effectuate said transaction: Provided, That all protected employees shall be entitled to all of the provisions of such agreements, as finally determined, from the time they are adversely affected as a result of any such conveyance.

(d) NEW COLLECTIVE-BARGAINING AGREEMENTS.—Not later than 60 days after the effective date of any conveyance pursuant to the provisions of this Act, the representatives of the various classes or crafts of the employees of a railroad in reorganization involved in a conveyance and representatives of the Corporation shall commence negotiations of new collective-bargaining agreements for each class and craft of employees covering the rates of pay, rules, and working conditions of employees who are employees of the Corporation, which collective-bargaining agreements shall include appropriate provisions concerning rates of pay, rules, and working conditions but shall not include any provisions for job stabilization resulting from any transaction effected pursuant to this Act which may exceed or conflict with those established or prescribed herein.

EMPLOYEE PROTECTION

SEC. 505. (a) EQUIVALENT POSITION.—A protected employee whose employment is governed by a collective bargaining agreement will not, except as explicitly provided in this title, during the period in which he is entitled to protection, be placed in a worse position with respect to compensation, fringe benefits, rules, working conditions, and rights and privileges pertaining thereto.

(b) MONTHLY DISPLACEMENT ALLOWANCE.—A protected employee, who has been deprived of employment or adversely affected with respect to his compensation shall be entitled to a monthly displacement allowance computed as follows:

(1) Said allowance shall be determined by computing the total compensation received by the employee, including vacation allowances and monthly compensation guarantees, and his total time paid for during the last 12 months immediately prior to his being adversely affected in which he performed compensated service more than 50 per centum of each of such months, based upon his normal work schedule, and by dividing separately the total compensation and the total time paid for by 12, thereby producing the average monthly compensation and average monthly time paid for; and, if an employee's compensation in his current position is less in any month in which he performs work than the aforesaid average compensation, he shall be paid the difference, less any time lost on account of voluntary absences other than vacations, but said protected employee shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of his average monthly time, Provided, however, That—

(A) in determining compensation in his current employment the protected employee shall be treated as occupying the position, producing the highest rate of pay to which his qualifications and seniority entitle him under the applicable collective-bargaining agreement and which does not require a change in residence;

(B) the said monthly displacement allowance shall be reduced by the full amount of any unemployment compensation benefits received by the protected employee and shall be reduced by an amount equivalent to any earnings of said protected employee in any employment subject to the Railroad Retirement Act and 50 per centum of any earnings in any employment not subject to the Railroad Retirement Act;

(C) a protected employee's average monthly compensation shall be adjusted from time to time thereafter to reflect subsequent general wage increases;

(D) should a protected employee's service total less than 12 months in which he performs more than 50 per centum compensated service based upon his normal work schedule in each of said months, his average monthly compensation shall be determined by dividing separately the total compensation received by the employee and the total time for which he was paid by the number of months in which he performed more than 50 per centum compensated service based upon his normal work schedule; and

(E) the monthly displacement allowance provided by this section shall in no event exceed the sum of \$2,500 in any month except that such amount shall be adjusted to reflect subsequent general wage increases.

(2) A protected employee's average monthly compensation under this section shall be based upon the rate of pay applicable to his employment and shall include increases in rates of pay not in fact paid but which were provided for in national railroad labor agreements generally applicable during the period involved.

(3) If a protected employee who is entitled to a monthly displacement allowance served as an agent of a representative of a class of craft of employees on either a full- or part-time basis in the 12 months immediately preceding his being adversely affected, his monthly displacement allowance shall be computed by taking the average of the average monthly compensation and average monthly time paid for of the protected employees immediately above and below him on the same seniority roster or his own monthly displacement allowance, whichever is greater.

(4) An employee and his representative shall be furnished with a protected employee's average monthly compensation and average monthly time paid for, computed in accordance with the terms of this subsection, together with the data upon which such computations are based, within 30 days after the protected employee notifies the Corporation in writing that he has been deprived of employment or adversely affected with respect to his compensation.

(c) DURATION OF DISPLACEMENT ALLOWANCE.—The monthly displacement allowance provided for in subsection (b) of this section shall continue until the attainment of age 65 by a protected employee with 5 or more years of service on the effective date of this Act and, in the case of a protected employee who has less than 5 years service on such date, shall continue for a period equal to his total prior years of service: Provided, That such monthly displacement allowance shall terminate upon the protected employee's death, retirement, resignation, or dismissal for cause; and shall be suspended for the period of disciplinary suspension for cause, failure to work due to illness or disability, voluntary furlough, or failure to retain or obtain a position available to him by the exercise of his seniority rights in accordance with the provisions of this section.

(d) TRANSFER.—(1) A protected employee who has been deprived of employment may be required by the Corporation, in inverse seniority order and upon reasonable notice, to transfer to any bona fide vacancy for which he is qualified in his same class or craft of employee on any part of the Corporation's system and shall then be governed by the collective-bargaining agreement applicable to the seniority district to which transferred. If such transfer requires a change in residence, any such protected employee may choose (A) to voluntarily furlough himself at his home location and have his monthly displacement allowance suspended during the period of voluntary furlough, or (B) to be severed from employment upon payment to him of a separation allowance computed as provided in subsections (e) and (f) of this section, which separation allowance shall be in lieu of all other benefits provided by this title.

(2) Such protected employee shall not be required to transfer to a location requiring a change in residence unless there is a bona fide need for his services at such location. Such bona fide need for services contemplates that the transfer be to a position which has not and cannot be filled by employees who are not required to make a change in residence in the seniority district involved and which, in the absence of this section, would have required the employment of a new employee.

(3) Such protected employee who, at the request of the Corporation, has once accepted and made a transfer to a location requiring a change in residence shall not be required again to so transfer for a period of 3 years.

(4) Transfers to vacancies requiring a change in residence shall be subject to the following:

(A) The vacancy shall be first offered to the junior qualified protected employee deprived of employment in the seniority district where the vacancy exists, and each such employee shall have 20 days to elect one of the options set forth in paragraph (1) of this subsection. If that employee elects not to accept the transfer, it will then be offered in inverse seniority order to the remaining qualified protected employees deprived of employment on the seniority district, who will each have 20 days to elect one of the options set forth in paragraph (1) of this subsection.

(B) If the vacancy is not filled by the procedure in paragraph (4)(A) of this subsection, the vacancy will then be offered in the inverse order of seniority to the qualified protected employees deprived of employment on the system and each of such employees will be afforded 30 days to elect one of the options set forth in paragraph (1) of this subsection.

(C) The provisions of this paragraph shall not prevent the adoption of other procedures pursuant to an agreement made by the Corporation and representative of the class or craft of employees involved.

(e) SEPARATION ALLOWANCE.—A protected employee who is tendered and accepts an offer by the Corporation to resign and sever his employment relationship in consideration of payment to him of a separation allowance, and any protected employee whose employment relationship is severed in accordance with subsection (d) of this section, shall be entitled to receive a lump-sum separation allowance not to exceed \$20,000 in lieu of all other benefits provided by this title. Said lump-sum separation allowance, in the case of a protected employee who had not less than 3 nor more than 5 years of service as of the date of this Act, shall amount to 270 days' pay at the rate of the position last held and, in the case of a protected employee having had 5 or more years' service, shall amount to the number of days' pay indicated below at the rate of the position last held dependent upon the age of the protected employee at the time of such termination of employment:

60 or under	360 days' pay
61	300 days' pay
62	240 days' pay
63	180 days' pay
64	120 days' pay

(f) TERMINATION ALLOWANCE.—The Corporation may terminate the employment of an employee of a railroad in reorganization, who has less than 3 years' service as of the effective date of this Act: Provided, however, That in such event the terminated employee shall be entitled to receive a lump sum separation allowance in an amount determined as follows:

2 to 3 years' service	180 days' pay at the rate of the position last held.
1 to 2 years' service	90 days' pay at the rate of the position last held.
Less than 1 year's service	5 days' pay at the rate of the position last held for each month of service.

(g) MOVING EXPENSE BENEFITS.—Any protected employee who is required to make a change of residence as the result of a transaction shall be entitled to the following benefits—

(1) Reimbursement for all expenses of moving his household and other personal effects, for the traveling expense of himself and members of his family, including living expenses for himself and his family, and for his own actual wage loss, not to exceed 10 working days: Provided, That the Corporation or acquiring railroad shall, to the same extent provided above, assume said expenses for any employee furloughed within 3 years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provisions of this section unless such claim is presented to the Corporation or acquiring railroad within 90 days after the date on which the expenses were incurred.

(2)(A)(i) If the protected employee owns, or is under a contract to purchase, his own home in the locality from which he is required to move and elects to sell said home, he shall be reimbursed for any loss suffered in the sale of his home for less than its fair market value. In each case the fair market value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The Corporation or an acquiring railroad shall in each instance be afforded an opportunity to purchase the home at such fair market value before it is sold by the employee to any other person.

(ii) A protected employee may elect to waive the provisions of paragraph (2)(A)(i) of this subsection and to receive, in lieu thereof, an amount equal to his closing costs which are ordinarily paid for and assumed by a seller of real estate in the jurisdiction in which the residence is located. Such costs shall include a real estate commission paid to a licensed realtor (not to exceed \$3,000 or 6 per centum of sale price, whichever is less), and any prepayment penalty required by the institution holding the mortgage; such costs shall not include the payment of any "points" by the seller.

(B) If the protected employee holds an unexpired lease on a dwelling occupied by him as his home, he shall be protected from all loss and cost in securing the cancellation of said lease.

(C) No claim for costs or loss shall be paid under the provisions of this paragraph unless the claim is presented to the Corporation or an acquiring railroad within 90 days after such costs or loss are incurred.

(D) Should a controversy arise with respect to the value of the home, the costs or loss sustained in its sale, the costs or loss under a contract for purchase, loss or cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or his representative, and the Corporation or an acquiring railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner: One to be selected by the employee or his representative and one by the Corporation or acquiring railroad and these two, if unable to agree upon a valuation within 30 days, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days a third qualified real estate appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

(h) APPLICATION OF TITLE.—Should a railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving a protected employee of benefits to which he otherwise would have become entitled under this title, the provisions of this title will apply to such employee.

CONTRACTING OUT

SEC. 506. All work in connection with the operation or services provided by the Corporation on the rail lines, properties, equipment, or facilities acquired pursuant to the provisions of this Act and the maintenance, repair, rehabilitation, or modernization of such lines, properties, equipment, or facilities which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by said Corporation's employees, including employees on furlough. Should the Corporation lack a sufficient number of employees, including employees on furlough, and be unable to hire additional employees to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees, including those on furlough, except where agreement by the representatives of the employees of the classes or crafts involved is required by applicable collective-bargaining agreements. The term "unable to hire additional employees" as used in this section contemplates establishment and maintenance by the Corporation of an apprenticeship, training, or recruitment program to provide an adequate number of skilled employees to perform the work.

ARBITRATION

SEC. 507. Any dispute or controversy with respect to the interpretation, application, or enforcement of the provisions of this title, except section 504(d) and those disputes or controversies provided for in subsection (g)(2)(D) of section 505 and subsection (b) of section 504 which have not been resolved within 90 days, may be submitted by either party to an Adjustment Board for a final and binding decision thereon as provided in section 3 Second. of the Railway Labor Act, in which event the burden of proof on all issues so presented shall be upon the Corporation or, where applicable, the Association.

ACQUIRING RAILROADS

SEC. 508. An acquiring railroad shall offer such employment and afford such employment protection to employees of a railroad from which it acquires properties or facilities pursuant to this Act, and shall further protect its own employees who are adversely affected by such acquisition, as shall be agreed upon between the said acquiring railroad and the representatives of such employees prior to said acquisition: Provided, however, That the protection and benefits provided for protected employees in such agreements shall be the same as those specified in section 505 of this title: And provided further, however, That unless and until such agreements are reached, the acquiring railroad shall not enter into purchase agreements pursuant to section 303 of this Act.

PAYMENTS OF BENEFITS

SEC. 509. The Corporation, the Association (where applicable), and acquiring railroads, as the case may be, shall be responsible for the actual payment of all allowances, expenses, and costs provided protected employees pursuant to the provisions of this title. The Corporation, the Association (where applicable), and acquiring railroads shall then be reimbursed for such actual amounts paid protected employees, not to exceed the aggregate sum of \$250,000,000, pursuant to the provisions of this title by the Railroad Retirement Board upon certification to said Board by the Corporation, the Association (where applicable), and acquiring railroads of the amounts paid such employees. Such reimbursement shall be made from a separate account maintained in the Treasury of the United States to be known as the Regional Rail Transportation Protective Account. There is hereby authorized to be appropriated to such protective account annually such sums as may be required to meet the obligations payable hereunder, not to exceed in the aggregate, however, the sum of \$250,000,000. There is further authorized to be appropriated to the Railroad Retirement Board annually such sums as may be necessary to provide for additional administrative expenses to be incurred by the Board in the performance of its functions under this section.

Spirit and Action

These PC people think religion means being in church — but also being up and doing.

They're members of the Anchor Club — a national Catholic organization established by members of the Knights of Columbus. Each branch of the Anchor Club is made up of men who work in a single profession or industry.

There are three all-railroader branches of this "good works" organization on the Penn Central.

One of them, Branch 49, presented its annual pre-Christmas entertainment last month for the retired nuns of Mary the Queen Convent, Sisters of Charity, on the grounds of St. Joseph's Hospital in Yonkers, N. Y. Some of the elderly nuns are bedridden; several are more than 100 years old.

The PC men brought gifts and refreshments and put on a two-hour show in the hospital auditorium. The entertainers included:

Freight Conductor James J. Davison, Ticket Agent Anthony Morganti, Assistant Ticket Agent Thomas Cantwell, Lead Clerk Frank Berardino, Drawbridge Operator Ernest Miret, Passenger Conductors Owen Colleary, John Whyte, John Harvey, Pat Quinn and Wallace Burtnik; Brakeman Martin McDonough, and three retired em-

ployees, Passenger Conductors Jerry Checca and Mike Rylander and Ticket Agent Walter Hageney.

Brakeman John Melody was a convincingly hefty Santa Claus. The Anchor Club's chaplain, Rev. Stanley Koziol, joined the festivities.

The PC men expressed appreciation to non-railroaders who came to provide professional entertainment without charge:

There were four singers—Vic Page, of Tarrytown, N.Y.; Pat Russell, Port Chester, N.Y.; Mary Ann Scavera and Michael Scavera, Rye, N.Y. There were Jack Sharkey, MC, from Stamford, Conn.; Jo-Ann Scavera, flutist, Rye, N.Y.; and a Yonkers trio—Joanne Tyrell, piano; Nick Calbi, bass; and Ed Mayo, drums.

And there were two youthful Irish dance troupes, directed by Sharon McGovern, Stamford, Conn. and Anna O'Sullivan, New York.

Trainmaster Al W. Olsson, financial secretary of Branch 49, said the organization raises funds through dances, picnics and other activities, and uses the proceeds to provide scholarship aid for members' children, pay for training in the care of the retarded, and other programs.

The oldest Anchor Club on the Penn Central is Branch 64, founded 20 years ago with headquarters at New Haven, Conn.

One of the rewarding features of the organization is that the membership includes management and labor, said Thomas J. Foley, a passenger conductor and Branch 64's past president.

"The members have included superintendents, labor representatives, yard clerks, firemen, sales representatives, foremen, machinists, and many other classifications," Conductor Foley said.

"By banding together for Catholic Action, the management and labor



Santa (Melody) Claus brings gifts to the elderly and infirm of the Sisters of Charity. Photo below, Anchor Club men and members of their families serenade the nuns.



members become better acquainted and feel more kindly toward each other, and often can resolve differences better than those who sit at a bargaining table as strangers."

The current officers of Branch 64 are: President Daniel J. Hogan, general foreman-locomotives at Cedar Hill Enginehouse; Secretary Jerry Campana, M-of-W mechanic; Treasurer James D. Kelley, cost engineer, retired; Financial Secretary Thomas W. O'Dea, Amtrak sales representative; and Supreme Director Anthony F. Fusco, machinist, retired.

Mr. Hogan said charitable activities of Anchor Club Branch 64 have included:

Providing a day at the beach for 180 problem youngsters of varied religious backgrounds.

Sponsoring a spring dinner for residents of the Home for the Aged, operated by Little Sisters of the Poor.

Donating a player piano to the Veterans Hospital at West Haven, Conn.

Donating a \$3,000 kidney dialysis unit to the Hospital of St. Raphael at New Haven.

Similar activities are carried on by Anchor Club Branch 105, Railroaders of Boston. It is headed by John F. McKenna, Jr., of Providence, R.I.



In behalf of New Haven Anchor Club, Thomas J. Foley presents \$3,000 kidney machine to the Hospital of St. Raphael.

A Note about Credit Unions

A recent series of ads, like the one on the back cover of this issue, has caused many readers to write or phone the Penn Central Post for more information.

There are 38 credit unions on the Penn Central, providing employees with a convenient method of saving and borrowing money. Each credit union is an independent organization, serving only railroaders in its own area.

Each one was organized by employees, and is operated by its own members, entirely separate from the railroad company. However, the members may use railroad payroll deductions for making deposits or loan payments.

The 38 credit unions (abbreviated "C.U.") are listed below, with the name of each contact officer.

Albany, N.Y. 12207: PC Employees Albany District Federal C.U., 13 Plaza, G.J. Deveneau.

Altoona, Pa. 16601: Juniata Locomotive Shops Federal C.U., 1209 11th St., J.M. Gill.

Baltimore, Md. 21222: Chesapeake Federal C.U., 7317 Holabird Ave., Elizabeth S. Campbell.

Boston, Mass. 02210: Boston & Albany Employees C.U., 234 South Station, F.P.

Turnbull.

Boston, Mass. 02210: United Employees Credit Union, 266 Summer St., Mary Lynch.

Buffalo, N.Y. 14200: NYC System Employees C.U., 1104 Central Terminal, John Pax.

Charleston, W. Va. 25301: PC West Virginia Federal C.U., 601 Broad St., D.J. Pierce.

Chicago, Ill. 60606: PC Western Region C.U., 398 Union Station, 517 W. Adams St., J.B. Sablich.

Cincinnati, Ohio 45241: Cincinnati Big Four Railway C.U., Sharonville RR YMCA, 3235 Sharon Ave., Garland Deaton.

Cleveland, Ohio 44113: NYC Mercury C.U., Room 38, East Passage, Cleveland Union Terminal, T.F. Corrigan.

Cleveland, Ohio 44110: NYCOLL C.U., 15602 Waterloo Road, R.E. Bullock.

Columbus, Ohio 43215: PC Columbus Federal C.U., 380 N. High St., F.M. Gilbert.

Detroit, Mich. 48216: New York Central Detroit C.U., Penn Central Terminal, J.E. Wiggins.

East St. Louis, Ill. 62201: Rose Lake Federal Credit Union, 4016 Collinsville Road.

East St. Louis, Ill. 62201: Pecen Employees C.U., 4426 Cookson Road, Evelyn Knutt.

East Syracuse, N.Y. 13057: PC Syracuse Employees Federal C.U., Manlius Center Road, P.J. Hayes.

Erie, Pa. 16501: PC Erie Federal C.U., 110 W. 13th St., G.A. Ballman.

Fort Erie, Ont., Canada: Fort Erie Community C.U., Box 216, 46 Jarvis St., J.A. Foster.

Hammond, Ind. 46325: IHB RR Employees Federal C.U., P.O. Box 684, E.W. Planer.

Harrisburg, Ill. 62946: NYC Employees C.U., P.O. Box L, H.M. Jones.

Indianapolis, Ind. 46204: Big Four Employees C.U., Room 218, 31 E. Georgia, T.H. Hansell.

Jackson, Mich. 49201: NYC Michigan Employee's C.U., 501 E. Michigan Ave., Ernest Hilton.

Johnstown, Pa. 15905: PRR South Conemaugh Federal C.U., 406 Braddock St.

Kankakee, Ill. 60901: Kankakee Terminal Belt C.U., RR 4, Box 3A, A.H. Sturgess.

Long Island City, N.Y. 11101: PRR Sunnyside Employees Federal C.U., 29-46 North Blvd., Irving Mersky.

Mattoon, Ill. 61938: Mattoon Big Four Employees C.U., 114 S. 15th St., Box 369, E.W. Everman.

New York, N.Y. 10017: Grand Central Terminal Employees' Federal C.U., Room D, 15 Vanderbilt Ave., Louis Bonderefsky.

Niagara Falls, N.Y. 14305: Niagara Falls PC Employees' C.U., Hyde Park and Seneca, P.F. McCabe.

Niagara Falls, Ont., Canada: Niagara Falls Community C.U., 4937 Victoria

Ave., Jack Fuller.

Pittsburgh, Pa. 15219: Pittsburgh & Lake Erie C.U., P&LE Terminal Bldg., C.O. Washburn.

Riverdale, Ill. 60627: I.H.B. Employees C.U., 140th and Stewart Ave., J.H. Mooney.

St. Thomas, Ont., Canada: St. Thomas Railway Employees' C.U., 8 Southwick St., E.V. Cosan.

Toledo, Ohio 43609: Penn Central Toledo Federal C.U., Air Line Junction, A.L. Walter.

Toledo, Ohio 43605: Stanley and Lake Front C.U., 911 Oakdale Ave., H.M. Radaker.

Urbana, Ill. 61801: Urbana Credit Union, P&E Railroad Shops, J.H. Current.

Utica, N.Y. 13501: PC Employees Utica Federal C.U., 131 Union Station, E.H. Hellenbeck.

Westville, Ill. 61883: Lyons NYC C.U., RR 1, A.A. James.

Windsor, Ont., Canada: NYC RR Employees (Windsor) C.U., 975 Church St., Thomas Partington.

Employees in areas not listed may want to consider forming their own credit unions. For information on how to go about it, write to: Credit Union National Association, 1730 Rhode Island Ave., N. W., Washington, D. C. 20036; and the National Credit Union Administration, Washington, D. C. 20456.

HOW PC PEOPLE COPE WITH THE ENERGY SQUEEZE



At the PC Station Department office in Cleveland, Clerk Beth Ehrhardt comes to work in a bulky knit sweater (photo above).

"Got to," she says. "We've turned the thermostat down to 68."



Arriving with a freight train at Thurlow Yard, Chester, Pa., Conductor William P. Steward (above) turns the caboose heater down from the No. 6 position to a fuel-saving No. 2 position before he gets off.

At Indianapolis, when Signal Inspector B. L. Cassidy leaves his shop to do a repair job, he makes a point of turning out the lights and turning down the radiator.

At the System headquarters in Philadelphia, the corridor lights are dimmed or turned off.

"Who needs them?—nobody types in the corridor," said Dorothy Herick, Public Affairs secretary.



On the "Connecticut Yankee," carrying passengers between Springfield, Mass., and Philadelphia, Conductor Robert Franz turns out the

overhead lights as soon as his train leaves a station and moves out into sunlight.

At Buffalo, N.Y., much of the outdoor lighting at the station parking lot has been shut off. And this, says George F. Bergman, office manager for the division superintendent, is only one of a number of energy-saving measures, which include consolidation of offices on three floors of the terminal building, sealing off unused floors, reducing the number of station lights, and turning off unneeded radiators.

All over the System, thousands of PC people who are in a position to reduce the consumption of electric power and fuel are doing just that.

"They're making an important contribution toward helping our railroad cope with this serious situation," said John J. Maher, vice president-administration.

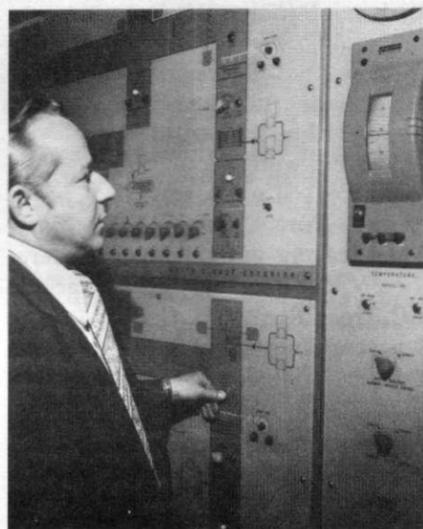
On December 10, Penn Central set up an Energy Conservation Unit within the railroad's Operating Department.

It will work with all departments of the railroad to reduce energy requirements in transportation, maintenance work and building use.

Thomas P. McGuinness has been appointed to head the unit with the title of director-energy conservation. He has a wide grounding in railroad operations, starting as a locomotive fireman 30 years ago and subsequently serving as locomotive engineer, road foreman of engines, trainmaster, transportation superintendent, supervisor of yard locomotive control, and special assistant to vice president-operation.

In his new position, Mr. McGuinness will be aided by two managers-energy conservation—Benjamin F. Long for the eastern part of the Penn Central, and John F. Strader for the western area.

The fuel shortage is an especially



At PC headquarters in Philadelphia, Helmut Milde adjusts thermostat down to 68.



James G. Gardner, Jr., M-of-W man, makes sure car doesn't exceed prescribed speed.



Secretary Madeline Hanlon navigates unlighted corridor in Public Affairs Dept.



R. W. Johnson turns off lights before he leaves shop for an M-of-W repair project.

personal headache for the PC Purchasing Department men who have the assignment of assuring a steady and adequate supply in the face of inflated costs.

Penn Central's diesel locomotives consume well over a million gallons a day (the actual current average is 1,269,000 gallons daily).

"Ordinarily, we have about 17 or 18 days' supply of fuel on hand," said J. Albert Smith, director-purchases, "but this average has been slipping in recent months to only 10 or 11 days' supply.

"That's disturbingly low. We've had to resort to juggling supplies between our fueling points to keep them all functioning."

The Government recognizes the essential role of rail transportation and its efficient use of fuel, Mr. Smith said.

"A train uses about one-fourth as much fuel as trucks hauling the same amount of freight," he pointed out.

"We hope that Government regulations, plus the cooperation of our fuel suppliers, will enable us to get the full amount of diesel fuel we must have in order to provide essential service for all our customers.

"We know, though, that the cost will be tremendous."

During 1972, Penn Central paid \$54 million for diesel fuel.

During 1973, with a substantial rise in per-gallon costs, the diesel fuel bill was about \$61 million.

For 1974, the estimate is a mammoth jump to more than \$125 million.

"With the problem we have of maintaining sufficient cash to meet our payrolls and other current expenses, this will be a staggering hurdle to surmount," said Ernest R. Varalli, director-budget planning.

"Oil, which has often been figuratively called 'liquid gold', is getting to look more and more like real gold.

"We can't afford to waste a single drop."

This is prominently on the minds of Penn Central enginehouse employees (such as Willie Montague, below) who fuel the railroad's 4,000 diesel units.



"At Penn Central diesel fueling locations, fueling hoses have the automatic shut-off type of nozzle, and locomotive tanks are equipped to activate it," said John M. McGuigan, Penn Central's chief mechanical officer.

(Continued on page 9)

"This effectively prevents spills and overflows. However, any mechanical device can get out of kilter, and we rely on the alertness of our people to detect any spilling or leaking and report it promptly for correction."

Mr. McGuigan noted that when a locomotive goes in for an oil change, the dirty lubricating oil isn't discarded. It's re-refined. Then it's used again as engine lubricating oil or as freight-car journal oil.

"This saves us about \$25,000 a year," Mr. McGuigan said. "Not a heck of a lot, compared with our total fuel bill—but we're not overlooking anything."

PC transportation officials are intensively reviewing train operations to conserve fuel wherever possible.

"In some cases, we have had to reduce frequency of service on light-traffic branch lines," said Richard B. Hasselman, vice president-transportation.

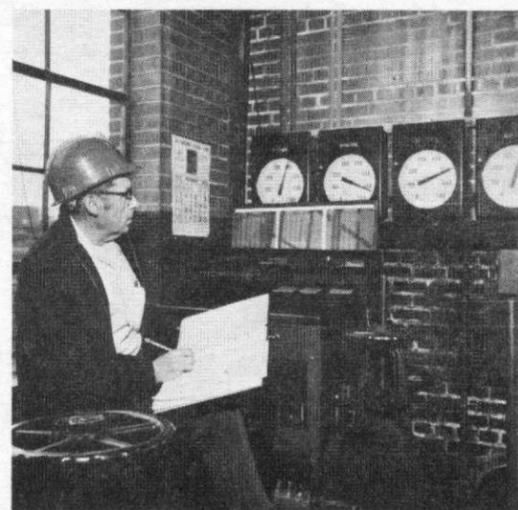
"We're making maximum use of electric locomotives on our electrified lines, to cut down on diesel fuel



J. M. Barner replaces filter on the fuel oil filter tank. If fuel isn't filtered clean, it lowers a locomotive's efficiency.



When a diesel comes in for an oil change, Harry M. Coburn pipes the dirty oil to a tank, to be reclaimed for other uses.



J. W. Hockenberry, Materials Management Dept., checks amounts of diesel fuel on hand in the storage tanks at Lucknow, Pa.

consumption.

"And we're counting on our locomotive engineers to help conserve fuel.

"For example, in charging up the air brake system of his train, the engineer should not raise the engine speed any more than necessary to

maintain main reservoir pressure—and should reduce throttle, as soon as possible, back to idle. This immediate action, multiplied over our System by all our engineers, can add up to a large fuel saving.

"Another example is when an engineer has to reduce speed on the

road. Using maximum throttle at the same time as a heavy brake application means a waste of fuel. The skilled engineer can reduce the throttle prior to reaching the restricted zone, and use a lighter brake application or none at all, thus slowing the train while saving fuel."

Fuel Savers on the job

Penn Central directives include the following:

Temperature in offices and shops must be set no higher than 68 degrees—and set substantially below that when employees leave.

Temperature in buildings that are unoccupied or rarely occupied should be kept only high enough to avoid freezing.

Lighting in all offices through the System must be reduced to the lowest acceptable level.

Lighting in hallways and other general areas should be kept to the

minimum required for safety.

Outside lights should be turned off except where necessary for security and safety—and in such cases, the lights should be turned on as late as possible in the evening and turned off at dawn.

The number of lights should be reduced wherever possible, and lower wattages should be used as bulbs are replaced.

When cabooses arrive at terminals, a member of the train crew should turn down the stove from the No. 6 to No. 2 position. This saves about one-third the fuel.

When passenger locomotives are standing at idle, they should be interconnected and only one steam generator should be operated to maintain steam temperature for all of them.

When revving up a locomotive to charge the air brake system, the engineer should use the minimum necessary engine speed and reduce back to idling speed promptly when the proper air pressure is reached.

When reducing locomotive speed on the road, the engineer should accomplish this more with the throttle than the brake, thus saving

diesel fuel.

When operating a multiple-unit diesel on a light train, the engineer should idle one or more units whenever circumstances permit.

On passenger trains during daylight hours, when conditions permit, the conductor or designated crew member should turn off all inside lights; however, they should be turned on while operating in a covered station or tunnel. On Metro-liners, the upper lights are to be left on but the lower lights are to be turned off except when operating in a covered station or tunnel.

Fuel Savers in the home

Here are a few easy fuel-saving and money-saving suggestions, with some illustrations by Yard Conductor Fred DeAndrea, his wife Mary Anne and 3-month-old Fred Joseph.



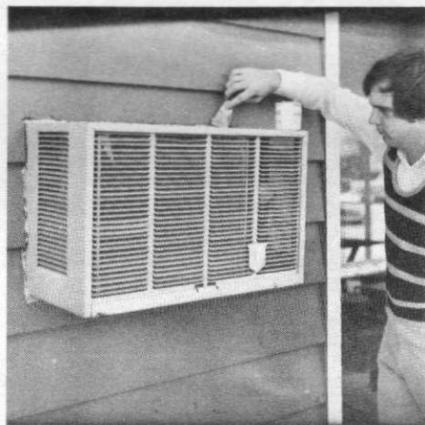
Dial down the thermostat to 68 degrees in the daytime, 60 at night. Going away for the weekend? Set it at 55. Why heat an empty house?

Keep shades and draperies closed on the cold side of the house. Keep them open on the sunny side—get light and heat absolutely free.

Close fireplace dampers when not in use.

Clean or replace air filters in the heater at least twice during the cold season—get a better flow of heat.

Don't block radiators with draperies or furniture—let that nice warmth come out.



Caulk or weatherstrip loose-fitting windows, doors and air conditioners—keep drafts outside where they belong.



Clean the radiators or baseboard units. Dust acts as an insulator, blocks heat.

If radiator is near a cold wall, an aluminum sheet between radiator and wall will reflect heat back into the room.

Drain some water from the bottom of the hot-water heater at least twice a year. Sediment cuts efficiency.



Replace leaky faucet washers—block that drip. A hot water faucet that loses 30 drops a minute wastes 100 gallons of hot water a month.

Help your refrigerator. Clean dust and lint off the condenser coils. Cover liquids—because uncovered liquids evaporate moisture, making the refrigerator work harder.



Help your dryer. Clean the lint filter after each use. That cuts drying time, cuts power costs.

Got a guest room with no guest? Keep it closed; turn off the heat register.

When using your stove, choose the utensil to fit the burner. A 6-inch pan on an 8-inch burner is an awful waste of power.

When using your oven, use your imagination. Plan to put a pie or cake in as you remove the roast, thus wasting no heat. Fill any unoccupied space in the oven—bake an additional casserole and freeze it.

Cook food in tightly covered containers with a minimum of water. Reduce the heat as soon as the steaming point is reached.

Recent Appointments

SYSTEM OFFICES

Finance & Accounting

Amorosso, A. F. Supervisor-Car Accounting
 Carlin, W. J. Supervisor-Car & Trailer Accounting
 Donahue, R. T. Customer Account Auditor
 Fallon, J. J. System Customer Account Auditor
 Herska, J. F. Manager-Revenue & Billing Audits
 McElroy, P. F. System Customer Account Auditor
 Moore, T. G. Supervisor-Joint Facility Audits
 Rozzo, J. J. Supervisor-Roadway Accounting
 Wright, G. B. Customer Account Auditor
 Zamorski, C. T. Property Accounting Coordinator

Sales & Marketing

Ahearn, R. M. Manager-Industrial Development, Indianapolis
 Clark, W. J. District Sales Manager, New Orleans, La.
 Craig, J. E. Asst. Manager-Pricing
 Gilliam, L. F. Division Sales Manager, Dayton, O.
 Lassahn, J. H. Supervisor-Service Planning & Research
 McPherson, R. R. Asst. Manager Service Planning
 Mosch, R. D. Manager-Automotive Services
 O'Gara, T. J. Asst. District Sales Manager, Indianapolis, Ind.
 Wise, D. G. Asst. Manager-Industrial Development

Labor Relations & Personnel

Bartoloni, J. J. Chief Examiner-Office Manager, New York
 King, J. W. Asst. Supervisor-Personnel, New York
 Varaitas, J. L. Supervisor-Personnel, New Haven, Ct.

Legal & Claims

Gallagher, P. F. Attorney
 Herbruck, J. H. Attorney, Pittsburgh, Pa.
 Joyce, G. F. Asst. District Claim Agent, Boston
 McCormick, D. A. Asst. Commerce Counsel

Public Affairs

Cunitz, U.W. Director-Public Relations & Advertising

Real Estate

Buonaventuro, F. J. Supervisor-Real Estate

Operations

Holloran, E. J. Special Asst.-System Operations
 Long, B.F. Manager-Energy Conservation-East
 McGuinness, T.P. Director-Energy Conservation
 Strader, J. F. Manager-Energy Conservation-West, Columbus, O.

Transportation

Hunt, E. M. Asst. Manager-Unit Train Control
 Polum, J.B. Manager-Unit Train Control
 Vertino, M. Asst. Supervising Agent, Buffalo

Yards & Terminals

Norlin, D. A. Supervisor-Flexi-Flo Terminal, Collinwood, O.

Engineering

Autenrieth, K.R. Asst. Structural Engineer
 Morrow, R. C. Structural Engineer

Equipment

Bradford, A. D. General Foreman, Wilmington, Del.
 Eelman, A. H. Asst. General Foreman, Wilmington, Del.
 Harshberger, W. C. Asst. General Foreman

Locomotive Repair, Altoona, Pa.
 Morabito, J. A. Supervisor-Passenger Car Maintenance Standards
 Russ, T. L. General Foreman-Locomotive Repair, Altoona, Pa.
 Weamer, C. J. Asst. General Foreman, Altoona, Pa.

Passenger

Hughes, N.L. Manager-Passenger Train Movement
 Maguire, P. P. Supervisor-Passenger Train Schedules

Philadelphia Commuter Area

Blumstein, B.S. Industrial Engineer
 Brandt, H.W. Suburban Planning Engineer

Operating Administration

Carey, W.L. Operations Planning Engineer
 Carloni, T.E. Sr. Industrial Engineer
 Cox, C.W. Manager-Operations Planning
 Collins, R.L. Sr. Operations Planning Engineer
 Funds, W.F. Manager-Damage Prevention Services
 Goldscharek, J. Industrial Engineer
 Love, M.E. Sr. Industrial Engineer
 McFeeley, T. R. Sr. Industrial Engineer
 McLaughlin, J.T. Sr. Operations Planning Engineer
 Miller, J.C. Manager-Operations Planning
 Tabone, P. Industrial Engineer, Detroit, Mich.
 Ward, L.E. Asst. Director-Operations Planning

Security

Cowling D. R. Captain-Police, Detroit
 Dowd, F.J. Captain of Police, New York
 Flynn, E.V. Inspector-Police, Boston
 Lewandowski, W.S. Inspector-Police, Detroit
 McNamara, R.F. Captain-Police, Boston

METROPOLITAN REGION

Campbell, Mark Asst. Supervisor-Track, Mott Haven, N. Y.
 D'Ambrosio, P. P. Administrative Assistant, New York
 Farrell, E.F. Rules Examiner, New York
 Fiorio, J. J. Supervisor-I&C+Project Billing, New York
 Unger, L. P. Asst. Supervisor-Track Stamford, Conn.
 Warbritton, J. W. Engineer Project Material, New York

NORTHEASTERN REGION

Dixon, J.T. Shop Manager, Selkirk, N. Y.
 Downing, M. K. General Foreman-Locomotive, Selkirk, N. Y.
 O'Donnell, W. J. General Foreman-Locomotive Quality Control, Selkirk, N.Y.
 Sederquest, E. L. General Foreman-Locomotive, New Haven, Ct.
 Wilson, F. W. Mechanical Supervisor-Locomotive, Selkirk, N. Y.

Buffalo Division

Anderson, L.H. Trainmaster, Batavia, N.Y.
 Danaher, J. M. Terminal Trainmaster, Niagara Falls, N. Y.
 Hemmerlein, R. F. General Foreman-Car (Night), Buffalo
 Stapelton, W.W. Supervisor-Crew Dispatchers, Buffalo
 Unger, W. H. Terminal Trainmaster, Buffalo (Kenmore Yd.)
 Wilson, D. Terminal Trainmaster, Buffalo
 Winter, R. N. Terminal Trainmaster, Rochester, N. Y.

Mohawk-Hudson Division

Bickford, T. Road Foreman, DeWitt, N. Y.
 Bloomer, E.R. Road Foreman, Oak Point, N. Y.
 Chrysler, R.E. Asst. Trainmaster, DeWitt, N.Y.
 Devine, W.T. Trainmaster, Fulton, N.Y.
 Engelman, R.E. Terminal General Foreman, New York

Keiser, W.S. Trainmaster, Oak Point, N.Y.
 Morro, P.J. Terminal Trainmaster, New York
 Ogden, D. B. Terminal Trainmaster, Selkirk, N. Y.
 Van Slyke, W. E. Asst. Trainmaster-General Foreman, Utica, N. Y.

New England Division

Evans, W.R. Road Foreman, New Haven
 Fox, J. P. Division Engineer, Boston
 Granato, J. A. Asst. Division Engineer, Boston
 Reid, H. T. Rules Examiner, Boston

EASTERN REGION

DeLitto, J.A. Superintendent-Equipment, Phila.
 Shutt, D. E. Asst. General Foreman-Locomotive, Enola, Pa.

Chesapeake Division

Burton, G.H. Master Mechanic, Baltimore

Harrisburg Division

Notorangelo, J. A. Asst. Supervisor-Track, Enola, Pa.
 Rossman, E.M. Asst. Master Mechanic, Phila.
 Yetter, W. B. Asst. Supervisor-Track, Northumberland, Pa.

New Jersey Division

Bryan, E. C. Asst. Master Mechanic, Meadows N. J.
 DeCataldo, G. Trainmaster, New York
 Hayes, D. J. Asst. Trainmaster, New York
 Horvath, J. G. Asst. Master Mechanic, Sunnyside, N. Y.
 Ippolito, J. A. Asst. General Foreman-Locomotive, Kearny, N. J.
 Manko, J.C. Road Foreman, New York
 McGowan, R.F. Master Mechanic, Newark, N.J.
 Meaney, F. E. Supervisor-Operating Rules, New York
 Morra, Paul Supervisor-Train Operation, New York
 Sobotka, L. J. Terminal Trainmaster, Waverly, N. J.
 Young, W. C. Supervisor-Train Operation-Freight, New York

CENTRAL REGION

Knotts, R. L. General Inspector-C&S, Pittsburgh

Allegheny Division

Dixon, D. A. Asst. Supervisor-Track Johnstown, Pa.

Pittsburgh Division

Bombiani, C. F. Asst. Supervisor-Track, Conway, Pa.
 Colpo, E. P. Asst. Supervisor-Train Operation, Pittsburgh
 Corcoran, G.N. Trainmaster, Mingo Jct., Ohio
 Gearhart, R.J. General Foreman-Car, Conway, Pa.
 McGee, W.W. Asst. Supervisor-Track, Latrobe, Pa.
 Myers, L.J. Supervisor-Track, Carnegie, Pa.
 Smithro, G. A. Asst. Supervisor-Track, Pitcairn, Pa.

Valley Division

Baird, D. D. Supervisor-Communications & Signals, Youngstown
 Bigelow, G.W. Supervisor-Track, Niles, O.
 Chuckalowchak, R. L. Supervisor-Track, Minerva, O.
 Colucci, Ernest Trainmaster, Ashtabula, O.
 Durkin, D.J. Road Foreman, Ashtabula, O.
 Kardell, A. H. Trainmaster, Alliance, O.
 Macaluse, C.C. Supervisor-Track, Mansfield, O.
 Randles, H. R. Asst. Supervisor-Track, Youngstown, O.
 Stroup, R. L. Terminal Superintendent, Ashtabula, O.
 Vanscovich, J. L. Asst. Division Engineer, Canton, O.

NORTHERN REGION

Canada Division

Burns, B. O. TrailVan Terminal Manager, Montrose, Ont.

Detroit Division

Dent, R. General Foreman-Locomotive
 Derouin, M.C. Asst. Supervisor-Train Operations
 Hays, C. F. Road Foreman
 Tutorow, L. J. Terminal Superintendent
 Umbleby, C.T. Terminal General Foreman-Car

WESTERN REGION

Passifume, C. Regional Mechanical Supervisor-Locomotive
 Pitts, J.P. Engineer Training Assistant, Cleveland
 Zakarian, M. Mechanical Supervisor (Night), Chicago

Chicago Division

Hess, R. M. Asst. General Foreman-Locomotive
 Hightshoe, J.L. General Foreman-Locomotive

Cleveland Division

Fletcher, T. General Foreman-Car, Collinwood, O.
 Gasiorowski, S. J. General Foreman-Car, Cleveland
 Huebner, J.A. General Foreman, Erie, Pa.

Ft. Wayne Division

Brazier, D.H. Asst. Trainmaster, Ft. Wayne, Ind.

Toledo Division

Freeman, J.T. Asst. General Foreman-Car, Toledo
 Laurello, H.A. Shop Superintendent, Toledo

SOUTHERN REGION

Cincinnati Division

Grahovac, M. M. Terminal Superintendent, Cincinnati

Southwest Division

Brown, E. E. Asst. Supervisor-Track, Terre Haute
 Carter, K.E. General Foreman-Car, Indianapolis
 Ingle, J.G. Asst. Supervisor-Track, Paris, Ill.
 Revis, J.C. Master Mechanic, Indianapolis
 Schaefer, J.M. Supervisor-Track, Hillsboro, Ill.



"It must be raining harder than I thought."



The latest bumper sticker

Get yours — it's free.

This new sticker, stressing the importance of railroads to the country, was conceived by American Steel Foundries. This company has been supplying railroads with carbuilding materials for the past 70 years.

Free stickers, through the courtesy of ASF, are being offered to readers of Penn Central Post. For yours, write to:

Harold J. Schneider, Public Affairs Department, Penn Central Transportation Company, Room 1040, Six Penn Center, Phila., Pa. 19104.

One of the first to get one is Candace Jackson, shown on The

Post's front cover.

A secretary in the billing section of PC's Accounting Department, Miss Jackson says:

"At a time when the whole country is concerned about the energy shortage, it's good to talk up the railroads — the greatest energy-saver of them all.

"For example, trains can haul freight with one-quarter as much fuel as trucks consume.

"So the more freight that's taken off the highways and put on the rails, the better for America.

"That's why we can all be proud of the message on this bumper sticker."

Railroad Retirement ... Q and A

Many of the questions currently being asked of the Railroad Retirement Board deal with Medicare, closing dates, earnings limitations and taxes. The following will answer some of these questions.

I am approaching age 65. How do I sign up for Medicare?

Enrollment in Medicare is automatic for 65-year-old retirees. No need to sign up. But employees who do not retire by age 65 must file an application at a field office of the Railroad Retirement Board. It should be done during the three months prior to the month of their 65th birthday. This will give them immediate coverage when they reach 65.

When I was 65 I did not choose to have the supplementary (doctor-bill) coverage of Medicare at that time. Will I have another chance to apply?

Yes. You can apply during any general enrollment period which runs from January 1 through March 31 of each year. If you enroll during that time, your coverage will begin the following July 1. Your premiums will be higher because of late enrollment.

In 1970 I applied for Medicare's supplementary (doctor-bill) coverage in a general enrollment period but was denied coverage because it was more than three years after the time I could have first enrolled. Can I apply again?

Yes — in the general enrollment period beginning January 1. The denial of coverage for late enrollment has been eliminated.

What about Medicare enrollment for disabled employees, disabled widows and disabled children be-

fore age 65?

To be eligible, a person must meet the Social Security disability standards and must have been covered by a Railroad Retirement annuity for at least 24 months. Most of these individuals need not apply — they become enrolled in Medicare automatically. But disabled children (at least 18 years old and disabled before age 22) of retired employees must apply at a Railroad Retirement Board office. So do employees who retired before 65 and subsequently became totally disabled; and widows 50 or older who are totally disabled but have not filed a disability claim because they are receiving survivor benefits for caring for minor or disabled children.

What is the new rule about early Medicare coverage in case of chronic kidney disease?

An employee (who has certain minimum service requirements) can apply for Medicare coverage at any age for himself or his wife or a dependent child if afflicted with kidney disease that requires hemodialysis treatment or a kidney transplant. Contact a Railroad Retirement Board office if you or someone in your family is so affected.

Will the charges a Medicare patient pays the hospital increase in 1974?

Yes. A Medicare patient will have to pay the first \$84 of the hospital bill, or \$12 more than formerly.

In addition, a patient's daily bill for hospital care between the 61st and 90th days will be raised to \$21, from \$18; and the daily charge for post-hospital care in a skilled nursing home between the 21st and 100th days will go up to \$10.50, from \$9.

What are the supplemental annuity closing dates for 1974?

Closing dates are very important. Employees or retirees who perform any railroad employment, including work for a railroad union, after their closing date will permanently lose their eligibility for a supplemental annuity under Railroad Retirement.

To be eligible for this annuity employees who reached age 65 in 1973 must discontinue railroad work on or before January 31, 1974. For those reaching age 65 in 1974 and later years, the closing date is the last day of the month after the month in which they become 65. It should be noted that an employee reaches a given age one day before his birthday.

The Board suggests that employees aged 62 or older contact the nearest Board field office for help in establishing proof of age. This will prevent the possibility of losing a supplemental annuity through any misunderstanding on their age.

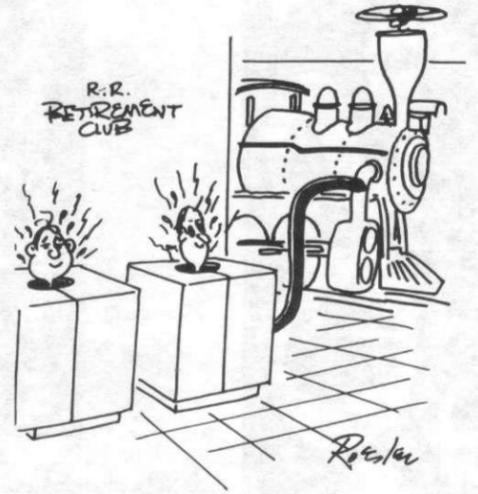
I am receiving an annuity for railroad widows (aged 60 and over), and have part-time employment. How much may I earn without losing any benefits from the Railroad Retirement Board?

You may earn up to \$2400 in 1974 without reduction in your benefits. But your benefits will be cut \$1 for every \$2 of earnings above that figure. However, benefit payments will not be reduced for any month in which earnings are \$200 or less.

The same rule applies to survivors other than widows.

How should I report earnings above the limit?

As soon as you know that your



earnings will exceed the \$2400 limit, notify the nearest Railroad Retirement field office. The Board can then make immediate reductions in benefit payments, sparing you from having to make a large repayment after the end of the year.

Are Railroad Retirement benefits subject to income taxes?

Regular Railroad Retirement and survivor benefits are not subject to Federal or State income taxes, and should not be listed on your tax forms. Unemployment and sickness benefits are also not taxable.

However, supplemental annuities are taxable, and must be included in your Federal income tax return. (In the opinion of the Board's legal counsel, supplemental annuities are exempt from State income taxes.)

Are Railroad Retirement taxes going up?

The tax rate for employees was reduced in October, 1973, to 5.85 percent, and this rate remains in effect in 1974. But the amount of earnings subject to this tax goes up from \$900 a month to \$1100 a month in January, 1974.

WHY DO ICE SKATERS NEED RAILROAD TRACKS?

Why? "Because all our scenery and equipment travel by rail, and have done so for many years," says Leo Loeb, publicity director of the Ice Capades.

"Our performers travel by rail,

too, except when distance or schedules necessitate other forms of transportation."

The Ice Capades troupe has its own baggage cars. Four are former dining cars purchased from the PRR 10 years ago. The cars were mod-

ified — the ends were opened up so that the four cars in a row form a continuous "tunnel."

Sixteen trailers, containing all the troupe's equipment, scenery, costumes and other gear, are driven up a ramp into the four cars. The cars then move either in a special train or coupled to a regular train to the next show city, where the trailers are promptly driven off to the ice arena.

Railroad dependability — unaffected by rain, snow or fog — has enabled the Ice Capades to establish an unusual record: Only one show cancellation during its 33-year career. And that one wasn't due to the railroad — just a show scheduling mixup.

For the 1974 season the Ice Capades is inviting railroaders aged 65 and over — active and retired — to obtain special low-price tickets.

Shows scheduled for Penn Central territory are:

Philadelphia: Half-price tickets for Senior Citizens at the 7:30 p.m. shows on February 19, 20 and 21, at the Spectrum.

Detroit: Contact Olympia Stadium for dates and times of per-



Trailer loaded with scenery is put into converted railroad car for PC movement.

formances at reduced prices for Senior Citizens during the period March 12-19.

St. Louis, Mo.: Contact St. Louis Arena for dates and times of reduced-price Senior Citizen performances during the period March 21-26.

Troy, N. Y.: Half-price tickets for Senior Citizens on Sunday, April 7, at 6 p.m., at the R.P.I. Field House.



Follow the Crowd...

join your

Penn Central Credit Union

When it comes to handling finances, everyone wants to do the right thing to get the most for their money. If you want to earn a good dividend on your savings, borrow money at a low rate and get friendly, personal financial service, then follow the crowd . . . and join your local Penn Central Credit Union. It's the right place to handle your financial affairs because it's member-owned and operated with your best interests in mind.

Sign up today and find out for yourself!