NEW YORK CITY TRANSIT AUTHORITY

Annual Report

FOR THE YEAR JULY 1, 1961 TO JUNE 30, 1962

Submitted in Accordance with Sections 1213 and 2500 of the Public Authorities Law to:

THE HON. NELSON A. ROCKEFELLER
Governor

THE HON. ROBERT F. WAGNER
Mayor

THE HON. ARTHUR LEVITT
Comptroller

THE HON. ABRAHAM D. BEAME
Comptroller

THE HON. AUSTIN W. ERWIN
Chairman, Senate Finance Committee

THE HON. PAUL R. SCREVANE
President of the Council

THE HON. FRED W. PRELLER
Chairman, Assembly Ways and Means Committee

THE HON. EDWARD R. DUDLEY
President of the Borough of Manhattan

OF THE STATE OF NEW YORK

THE HON. JOSEPH F. PERICONI
President of the Borough of The Bronx

THE HON. ABE STARK
President of the Borough of Brooklyn

THE HON. JOHN T. CLANCY
President of the Borough of Queens

THE HON. ALBERT V. MANISCALCO
President of the Borough of Richmond

OF THE CITY OF NEW YORK

CHARLES L. PATTERSON
Chairman

JOHN J. GILHOOLEY
Member

JOSEPH E. O'GRADY
Member
Introduction

For the fourth successive year, the number of passengers carried on the New York City Transit System has increased. Riding increased on both Rapid Transit and Surface Lines and totaled twenty million passengers more than in 1960-61.

As stated in the annual report last year, "There are many reasons for this increase. The most important one is undoubtedly the maintenance of the fifteen-cent fare." Other causes for the increase are maintenance of good service in new and clean vehicles and, probably, the traffic congestion on the city's streets, highways, bridges and tunnels that must have a discouraging effect on the users of private cars.

When this Authority took over the operation of the Transit System in 1955, it was faced with many problems, both in operation and in long term planning. It set operating goals of better service to the public at the lowest possible cost and reduced expenses through efficient management.

Its long-term planning was dependent on capital funds provided by the City. The City met its obligations in this respect to the full extent of its financial ability. In planning for the utilization of the capital funds allocated by the City, the Authority gave first priority to the rehabilitation and modernization of the existing system. This included the replacement of over-age cars and buses; modernization of the signal system; replacement of inadequate track and third rail; installation of new elevators and escalators; improvement of station lighting, and, in general, the provision of all the physical means of attaining high operating standards.

The Authority gave second priority to improving and enlarging existing facilities to maximize the passenger carrying capacity of the rapid transit lines. This is being done mainly by the extension of station platforms to accommodate longer trains. The same objective motivated the construction of the DeKalb—Chrystie Street—6th Avenue complex. This project was designed to eliminate an operating bottleneck in Brooklyn and, by connecting BMT and IND lines with the new Chrystie Street Subway to make possible greater use of existing facilities in Brooklyn and Manhattan.

Much has been accomplished under these priorities, and more is under way. The balance of the programs is included in capital budget projects that
have been approved by the city agencies involved.

In order to improve service further, to relieve excessive congestion and to serve additional areas of the City, the Authority has also been planning additional lines. It has proposed third tracking the BMT Jamaica Line to give faster service on this line, to attract passengers from the over crowded IND Queens Boulevard Line. To date, funds for this improvement have not been made available. In its Capital Budget proposals for the eighteen month period from January 1, 1963 to June 30, 1964, the Authority requested funds for the construction of a high speed non-stop subway connection between the IRT Pelham Bay Park and IND Concourse Lines in the southern area of the Bronx to the IND 6th Avenue and BMT Broadway Lines at 59th Street, Manhattan. Plans are also being prepared for a new trunk line subway in Queens to connect with this proposed Manhattan line, for possible inclusion in the next capital budget.

During the year covered by this report, the Legislature of the State of New York, at the request of the Transit Authority and the City of New York, passed an act enabling the Authority to purchase 724 new rapid transit cars at a cost not to exceed $92,000,000 and to pay for these cars by issuing its own bonds.

A first issue for $50,900,000 was sold on October 17, 1962 and a contract awarded for 424 IRT type cars on November 26, 1962. 300 BMT type cars will be purchased with the balance of the authorized bond issue, concurrently with an additional 300 to be purchased with funds expected to be provided by the City. These new cars will replace over-age equipment, provide cars for additional service, and permit a schedule of cyclical replacements as cars reach 35 years of age.

The Authority's operations for fiscal '62 ended in a $4,000,000 deficit. Adjustments made during the year brought the accumulated surplus to $29,138,000 as of June 30, 1962. Estimates of the next year’s operations indicate another deficit, due primarily to contractual wage increases. It is, nevertheless, expected that the existing surplus is sufficient to permit continuance of the fifteen-cent fare at least until January 1964, barring now unforeseen developments.
Results of Operations

For the year ended June 30, 1962 operating expenses exceeded revenues by $4,049,000. This compares to an operating surplus of $4,588,000 for the preceding year. (See Table I)

The deficit consisted of a loss of $6,608,000 in rapid transit operations and a profit of $2,559,000 on the surface lines.

REVENUES

Increased riding — 6,771,000 passengers on rapid transit and 13,441,000 on surface lines — accounted for additional passenger revenues of $2,988,000. (See Table II) A part of this increase is traceable to the diversion of passengers from the private bus lines which did not operate in Manhattan, and the Bronx for four days in January and three weeks in March 1962, but most of it represents a continuance of prevailing passenger riding.

The uptrend also continued in the number of school children using the transit facilities at reduced rates of fare. Based on tickets sold and eligibility cards issued, it is estimated that there were an additional 22,000 school children riding in fiscal 1962. (See Table III)

Table I

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers</td>
<td>$273.7</td>
<td>$270.7</td>
<td>$+ 3.0</td>
</tr>
<tr>
<td>Other Sources</td>
<td>12.3</td>
<td>11.6</td>
<td>+ 0.7</td>
</tr>
<tr>
<td></td>
<td>286.0</td>
<td>282.3</td>
<td>+ 3.7</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages and Associated Personnel Costs</td>
<td>238.5</td>
<td>226.5</td>
<td>+12.0</td>
</tr>
<tr>
<td>Materials, Supplies, Power</td>
<td>45.0</td>
<td>44.1</td>
<td>+ 0.9</td>
</tr>
<tr>
<td>Reserves</td>
<td>5.9</td>
<td>6.0</td>
<td>- 0.1</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>8.5</td>
<td>8.3</td>
<td>+ 0.2</td>
</tr>
<tr>
<td>Credit from City for Transit Police Costs</td>
<td>(7.9)</td>
<td>(7.2)</td>
<td>+(0.7)</td>
</tr>
<tr>
<td></td>
<td>290.0</td>
<td>277.7</td>
<td>+12.3</td>
</tr>
<tr>
<td>EXCESS OF EXPENSES OVER REVENUES</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXCESS OF REVENUES OVER EXPENSES</td>
<td></td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>CHANGE FROM 1961</td>
<td></td>
<td>- 8.6</td>
<td></td>
</tr>
</tbody>
</table>

* From the 1961 Annual Report adjusted according to audit report of Price, Waterhouse and Co.
Revenues from other than passenger fares rose by $700,000 through higher advertising, concessions and interest income.

**EXPENSES**

Salaries, retirement provisions, health insurance, social security and workmen's compensation consumed 84% of the revenue dollar, for a total of $238,589,000. This was $11,095,000 greater than fiscal 1961, due mainly to higher hourly wage rates made effective on January 1, 1962 and to mandatory increments for those employees under the City's Career and Salary Plan.

Material, supplies, power and fuel costs were up by $900,000 reflecting general price trends.

Other expenses were up by a net of $100,000 but the rentals of trucks, tires and other equipment, which are included in this classification, were reduced by $275,000 through the Authority's review of its rental policies.

**SURPLUS**

Expenses exceeded revenues by $4,049,000 in contrast to the operating surplus of $4,588,000 in the 1961-62 period. While this would normally reduce the Authority's accumulated surplus account, an audit of the accounting records by Price, Waterhouse and Company provided certain adjustments which caused the Authority's accumulated surplus balance to be restated at $29,138,389 as of June 30, 1962. (See Balance Sheet on pages 22 and 23.)

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**Table II**

Number of Passengers

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Number of Passengers (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid Transit</td>
<td>Surface</td>
</tr>
<tr>
<td>1956</td>
<td>1,363,134</td>
</tr>
<tr>
<td>1957</td>
<td>1,355,384</td>
</tr>
<tr>
<td>1958</td>
<td>1,319,457</td>
</tr>
<tr>
<td>1959</td>
<td>1,324,054</td>
</tr>
<tr>
<td>1960</td>
<td>1,344,953</td>
</tr>
<tr>
<td>1961</td>
<td>1,362,736</td>
</tr>
<tr>
<td>1962</td>
<td>1,369,507</td>
</tr>
</tbody>
</table>

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**Table III**

Number of Tickets and Eligibility Cards Issued to School Children for Reduced Fare Riding

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Average Monthly Tickets Sold</th>
<th>High School Eligibility Cards Issued</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>42,707</td>
<td>178,281</td>
<td>220,988</td>
</tr>
<tr>
<td>1957</td>
<td>48,441</td>
<td>197,139</td>
<td>245,580</td>
</tr>
<tr>
<td>1958</td>
<td>50,069</td>
<td>201,433</td>
<td>251,502</td>
</tr>
<tr>
<td>1959</td>
<td>61,412</td>
<td>241,182</td>
<td>302,594</td>
</tr>
<tr>
<td>1960</td>
<td>64,474</td>
<td>240,872</td>
<td>305,346</td>
</tr>
<tr>
<td>1961</td>
<td>64,795</td>
<td>244,266</td>
<td>309,061</td>
</tr>
<tr>
<td>1962</td>
<td>69,298</td>
<td>262,197</td>
<td>331,495</td>
</tr>
</tbody>
</table>
RIDING TRENDS

The reports of the American Transit Association show a continuing downward trend in the number of transit passengers in most American cities. On the New York City Transit System riding has been increasing each year since 1958. (See Table II). The down trend was halted in 1956-57 on the Surface Lines and in 1958-59 on the subway and elevated lines. The total increase since fiscal 1958 has been 82,800,000 rides or about 5%.

Increases on the rapid transit lines have been most notable on the IRT Division, Broadway-Seventh Avenue, Lexington-Fourth Avenue, and Lenox Avenue Lines where this Authority has installed modern signalling; lengthened station platforms; replaced elevators and escalators at certain stations; added high speed local service, and is replacing the old type cars with its newest rolling stock. The total passenger increase on these three lines has been 23,000,000 since July 1, 1958 when the first important steps in these improvements were completed.

All divisions of the Surface Lines show riding gains. Brooklyn is up 5% over 1959. Staten Island 4%. Queens, aided by its population growth, is up 24% since 1955, which was its poorest year under the 15¢ fare. Manhattan has increased 21% since 1956, due partly to substantial passenger gains while certain private lines were inoperative early in 1962. Other causes for increased riding in all boroughs were the introduction of new buses; the extension of existing lines and the addition of new ones to meet the public need. New housing developments on the city’s periphery, where residents ride by bus to the subway and elevated lines, have also added to surface riding.

The figures in Table IV indicate little change in peak hour traffic loads in recent years.

The small decline in percentages in Table V, when applied to the up trend in total passengers, reveals practically no change in the pattern of Saturday, Sunday and holiday riding.

### Table IV

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Heaviest Morning Hour 8-9 A.M.</th>
<th>Heaviest Evening Hour 5-6 P.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>14.48%</td>
<td>15.59%</td>
</tr>
<tr>
<td>1957</td>
<td>14.30</td>
<td>15.41</td>
</tr>
<tr>
<td>1958</td>
<td>13.47</td>
<td>14.80</td>
</tr>
<tr>
<td>1959</td>
<td>13.81</td>
<td>14.62</td>
</tr>
<tr>
<td>1960</td>
<td>13.47</td>
<td>14.97</td>
</tr>
<tr>
<td>1961</td>
<td>13.49</td>
<td>14.18</td>
</tr>
<tr>
<td>1962</td>
<td>13.72</td>
<td>14.81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Two Morning Peak Hours 7-9 A.M.</th>
<th>Three Evening Peak Hours 4-7 P.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956 27.11%</td>
<td>31.75%</td>
</tr>
<tr>
<td>1957 26.83%</td>
<td>31.61%</td>
</tr>
<tr>
<td>1958 25.91%</td>
<td>30.84%</td>
</tr>
<tr>
<td>1959 26.09%</td>
<td>30.92%</td>
</tr>
<tr>
<td>1960 25.77%</td>
<td>30.83%</td>
</tr>
<tr>
<td>1961 25.40%</td>
<td>29.69%</td>
</tr>
<tr>
<td>1962 25.57%</td>
<td>30.54%</td>
</tr>
</tbody>
</table>

### Table V

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Rapid Transit Lines %</th>
<th>Surface Lines %</th>
<th>System Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>38.64%</td>
<td>51.85%</td>
<td>41.60%</td>
</tr>
<tr>
<td>1957</td>
<td>39.03%</td>
<td>50.96%</td>
<td>41.73%</td>
</tr>
<tr>
<td>1958</td>
<td>37.22%</td>
<td>48.66%</td>
<td>39.86%</td>
</tr>
<tr>
<td>1959</td>
<td>38.19%</td>
<td>48.75%</td>
<td>40.64%</td>
</tr>
<tr>
<td>1960</td>
<td>37.29%</td>
<td>48.95%</td>
<td>40.03%</td>
</tr>
<tr>
<td>1961</td>
<td>37.70%</td>
<td>49.88%</td>
<td>40.65%</td>
</tr>
<tr>
<td>1962</td>
<td>37.71%</td>
<td>49.19%</td>
<td>40.44%</td>
</tr>
</tbody>
</table>
Capital Improvements

Between July 1, 1961 and June 30, 1962 contracts appropriations were made by the Board of Estimate, and work was started on capital improvements costing $126,574,000; allocated most importantly as follows:

- Purchase of 776 IRT Type Cars: $86,100,000
- Modernization of Signals: 13,386,800
- Chrystie Street Connection and 6th Avenue Additional Tracks: 10,109,800
- Purchase of 175 Diesel Buses: 4,700,000
- Alteration of Stations and Realignment of Tracks at and between Nevins Street Station and Atlantic Avenue Station: 3,090,400
- Station Improvements (Elevators, Escalators, etc.): 2,462,020
- Expansion of Transit Facilities for 1964-1965 World's Fair: 1,903,800
- Fluorescent Lighting over Station Platforms: 1,218,500

In addition, contracts were completed in the amount of $49,644,000. Sixty-seven contracts with an aggregate value of $236,400,000 were in progress on June 30, 1962.

CHRYSTIE STREET CONNECTION

This connection between the BMT Broadway Line operating over the Williamsburg Bridge, the BMT Lines operating over the Manhattan Bridge, and the IND Division at Houston Street, will permit the routing of additional BMT trains to Mid-Manhattan via the IND Sixth Avenue Lines. Two of three structural contracts are done and the third is about two-thirds complete. Ventilation and drainage systems are being installed. Contract preparation for track and third rails is under way. A new station is being constructed at Grand Street on the Chrystie Street connection. Additional track-age on Sixth Avenue will be needed to exploit the full operating potentials of this connection.

SIXTH AVENUE LOWER LEVEL TRACKS

Additional trackage along Sixth Avenue will be in a deep tunnel running below the present Sixth Avenue Line. It will connect with existing tracks at the West 4th Street and 34th Street Stations. No stations will be constructed at the new level, but design provisions make possible their future addition at 14th Street and at 23rd Street.

The construction contract for the tunnel section from West 9th Street to West 19th is about 12% complete. The one from West 19th Street to West 31st Street is over 9% complete.

A new subway section extending the Sixth Avenue Line from 52nd Street north to 57th Street will provide terminal facilities and an eventual outlet for additional trains from upper Manhattan, the Bronx, and Queens. A new station at 57th Street will serve a rapidly growing area.

PLATFORM EXTENSIONS

The lengthening of station platforms has been the quickest and most efficient way of increasing the capacity of the rapid transit system. It generally consists of extending IRT platforms to 525 feet to accommodate the new type 10-car IRT trains, and BMT platforms to 615 feet to accommodate 9-car BMT or 10-car IND type trains.

During fiscal 1962 work was completed on seven stations of the IRT Brooklyn Line. Work continues on stations of the IRT Division Lexington-4th Avenue, Jerome Avenue, White Plains Road, Pelham and Dyre Avenue Lines. Platforms are being lengthened at the Nevins Street and Atlantic

* Substantial completion of platform extensions and delivery of new cars permitted lengthening from 8 to 9 cars of IRT Lexington Avenue Line local trains on September 4, 1962.
Avenue stations in Brooklyn in conjunction with a track realignment project between these stations.

New contracts are being prepared for the Lenox Avenue, Brooklyn and Broadway-7th Avenue Lines. On the BMT, contracts are being readied for the Brighton Beach Line in Brooklyn.

The total cost of the platform extension program will reach $90,000,000.

**FLUORESCENT LIGHTING ON STATIONS**

Fluorescent lighting strips above the platform edges were completed at the following stations (2 IRT, 18 BMT, and 8 IND):

**IRT DIVISION**
Lexington Avenue Line: Spring Street, Astor Place.

**BMT DIVISION**
Brighton Line: Prospect Park, Parkside Avenue, Church

**SIGNAL MODERNIZATION**

**SOLID LINE: COMPLETED OR UNDER CONSTRUCTION**
**BROKEN LINE: FUTURE PROGRAM**
Avenue, Beverly Road, Cortelyou Road, Newkirk Avenue, Brooklyn: Lexington Avenue, 5th Avenue, Manhattan.

Sea Beach Line: 8th Avenue, Fort Hamilton Parkway, New Utrecht Avenue, 18th Avenue, 20th Avenue, 22nd Avenue, Kings Highway, Avenue U, 86th Street.

West End Line: 9th Avenue.

IND DIVISION
6th Avenue Line: York Street, East Broadway, Delancey Street, 2nd Avenue, 50th Street, 7th Avenue.
8th Avenue Line: High Street, Broadway-Nassau.

As of June 30, 1962 similar installations were in progress at the following stations (4 IRT and 2 IND):

IRT DIVISION
Lexington Avenue Line: Brooklyn Bridge, Canal Street, Bleecker Street, 59th Street.

IND DIVISION
6th Avenue Line: 42nd Street.
Queens Line: Lexington Avenue.

ESCALATORS AND ELEVATORS

During the year, two new four-foot wide escalators were placed in operation at the passenger interchange between the 161st Street stations of the IND Concourse and the IRT Jerome Avenue Lines. During this same period, new elevators were installed: one at Court Street station, BMT Broadway-4th Avenue Line, one at Clark Street station, IRT Broadway-7th Avenue Line, and two at 191st Street station, IRT Broadway-7th Avenue Line.

At the close of the year, construction work was under way on four new four-foot wide escalators at the new 59th Street express station of the Lexington Avenue IRT Line; and four new four-foot wide two speed escalators to replace four existing two-foot wide escalators at the Lexington Avenue station of the Queens IND Line.

Additional installation was under way of one elevator at the Court Street Station, BMT Broadway-4th Avenue Line; one elevator at the Clark Street station, IRT Broadway-7th Avenue Line; and two elevators each at the 168th Street and 181st Street stations of the IRT Broadway-7th Avenue Line.

All of these new elevators replace obsolete installations.

MODERNIZATION OF SIGNALS

A program of signal modernization for quicker, safer service has been integrated generally with station platform extensions, track realignment and other structural alterations.

Work was completed during the year on the modernization of signals on one section of the IRT Lexington Avenue Line from Astor Place to north of 42nd Street.

Work continued on the modernization of signals on the Lexington Avenue Line from Atlantic Avenue, Brooklyn, to Astor Place, Manhattan, and from north of 42nd Street to 86th Street. Work started on the IRT Broadway-7th Avenue Line from 96th Street to 242nd Street (including 240th Street Yard); in December, 1961. Modernization of signals is 98% completed on the BMT Broadway Line from Whitehall Street to Lexington Avenue in Manhattan.

EXPRESS STATION AT 59th STREET AND LEXINGTON AVENUE

Work continued throughout the fiscal year on the construction of a lower level express station at 59th Street on the Lexington Avenue Line.* This project provides new side platforms adjacent to the express tracks which at this location are in the lower level tunnels of a two level subway. These new express platforms, 14 feet wide and 525 feet long, will be connected to present IRT local platforms and to the BMT Lexington Avenue (60th Street Station) by means of stairways, passageways, and escalators.

REPLACEMENT OF WOODEN STATION PLATFORMS WITH PRE-CAST CONCRETE SLABS

This is a continuing program to replace badly worn and deteriorated wooden platforms on the elevated stations of the IRT and BMT Divisions with pre-cast concrete slabs. The life expectancy of the latter is estimated to be four times that of wooden platforms and the annual maintenance cost

* The lower level station was opened on November 15, 1962.
is much less, consisting only of occasional resurfacing at the more heavily travelled areas.

During the fiscal year, the replacement work was completed at the following stations on the Jerome Avenue Line, IRT Division:
161st Street, 176th Street, Fordham Road, Moshulu Parkway and Woodlawn.

Work is currently under way at the following locations:

CULVER LINE, IND DIVISION
Ditmas Avenue, Avenue I, 22nd Avenue, Avenue N, Avenue P, Kings Highway, Avenue U, Avenue X and Van Sicklen Avenue Stations.

FLUSHING LINE, IRT DIVISION
52nd Street, 61st Street, 69th Street, 74th Street, 82nd Street, 90th Street, Junction Boulevard and 103rd Street Stations.

Contracts are to be let for the replacement of wooden platforms with the pre-cast concrete slabs at six stations on the BMT Astoria Line and at six stations on the BMT West End Line.

EXPANSION OF TRANSIT FACILITIES FOR THE 1964-65 WORLD'S FAIR
Corona Yard, which is adjacent to the site of the 1964-65 World's Fair, is being enlarged to provide storage space for 130 cars in a new area. 80 additional cars will be put into service on the Flushing Line for the anticipated increase in traffic.* General construction, electrical and track work is in progress.

SUBWAY CARS
Following the best practices of companies operating transit lines and the recommendations of consulting engineers who studied the operations of the New York City Transit System, the Authority has established the policy of seeking to replace subway cars as they become 35 years of age. It is believed that once cars have passed this age, increased maintenance costs and the effects of obsolescence make such replacements necessary. To carry out this policy and to provide cars for the additional services which will be made possible by the completion of the platform extension program and the Chrystie Street-6th Avenue connections, the Authority had determined that it would need 600 new BMT cars and 1200 new IRT cars. During the last year capital funds for the purchase of 776 IRT cars were made available, and contracts for these cars were let. Delivery of these cars started on March 28, 1962 and is expected to be completed by August 1963. After the letting of these contracts there still remained a need for 600 new BMT cars and 424 new IRT cars for replacements and additional services.

The New York State Legislature recognized that the continued use of obsolete and overage cars on the New York City Transit System jeopardized its efficient operation, increased the frequency of breakdowns, and increased maintenance costs, all of which is contrary to the interests of the people of the City. It further found that the City's capital funds were insufficient to finance the entire cost of an immediate car replacement program as well as to provide the additional cars needed for the improvement of the rapid transit system.

The New York State Legislature in its 1962 legislative session therefore empowered the Authority (Chapter 655, Laws of 1962) to issue bonds and notes in an amount not to exceed $92,000,000 for the purchase of not more than 724 subway cars. These bonds would be payable from the gross revenues of the Transit Authority and would not be the liability of the City, nor would they be backed by City credit. The bill, however, did provide that the City, if it so desired, could purchase enough cars from the Authority in any one year at a price to be negotiated between the City and the Authority, to pay the debt service of the outstanding Authority bonds during that year. The Authority has proceeded with plans to purchase 424 IRT and 300 BMT cars with funds to be made available through the sale of its own bonds.* It also expects that the City will make funds available in the Capi-

* Delivery of new cars made possible the placing of 40 of these cars in service on November 1, 1962 to increase train length from 9 to 10 cars.

* The first bond issue was sold on October 17, 1962 and a contract for 424 IRT cars was signed on November 26, 1962.
tal Budget for the period beginning January 1, 1963, sufficient to buy the remaining 300 BMT cars needed for this car program. The Authority will then order the 600 BMT cars at one time, with 300 to be paid for by Authority funds and 300 by City funds. In this way, the maximum benefits of large scale purchases will be available to both the Authority and the City.

**BUSES**

In July of 1961 the first of 130 new buses were delivered to the Authority’s Fifth Avenue Garage. The buses feature a wrap around windshield, a lower entrance step, non-skid flooring, improved lighting, sliding picture windows and power ventilation. A contract was let in February, 1962 for an additional 175 buses, which began arriving at the Jamaica Garage before the end of the fiscal year.

**POWER**

On the Rockaway Line, the old Hammels substation building is now being rehabilitated. Upon completion of this work, a 3,000 KW silicon rectifier unit, the first of its kind to be used by the Transit Authority, will be installed. This solid-state type rectifier converts alternating to direct current and is expected to be more efficient, simpler in operation and lower in cost than a mercury-arc rectifier. If its operation proves successful, this will undoubtedly serve as a model for future substation installations throughout the System.

The new cars purchased for operation on the BMT and IRT trains provide for higher rates of acceleration than do the old cars that they replace. This, together with the increased number of cars that will be operated when the platform extensions are completed, has increased power requirements. These cars have higher starting currents and consequently impose greater loads on the substation conversion and circuit-breaker equipment. In order to provide for this increased power supply, it is planned to construct additional sub-stations on the Brighton Line and additional feeder cables on the IND-6th Avenue Line. These specific projects are in addition to the proposed general modernization program for all the old sub-stations on the BMT and IRT Divisions which are from 30 to over 60 years old.

![New silicon rectifier being installed at the Hammels Substation will convert alternating to direct current more efficiently.](image-url)
Operations

RAPID TRANSIT TRANSPORTATION

Rapid transit operations were complicated by the capital improvement work on stations, signals and structures as previously described. Nevertheless a high “on-time” record was maintained. New cars were assigned to the BMT Brighton, 4th Avenue and West End Lines. Running times were cut on some lines, notably the IRT Broadway local. Increased riding resulting from new cars and better service required additional cars on the BMT 4th Avenue and West End lines and an augmented service on the IND Washington Heights-8th Avenue Express. Passenger handling was improved at the Roosevelt Avenue Station of the IND Queens Boulevard Line. Public address systems were installed at various stations to provide information and directions to passengers.

CAR MAINTENANCE

A total of 322 new cars were accepted under current contracts and placed in operation. The rehabilitation program for old type cars not scheduled for early replacement was completed.

A unique three-car vacuum cleaning train was designed and is being constructed under contract. Its purpose is the cleaning of subway trackways while traveling at 10 to 15 miles per hour.

Sealed beam headlights were installed on an
additional 600 cars for the safety of operation and personnel working on the subway tracks.

On January 4, 1962 an automated train was placed in shuttle service between the Times Square and Grand Central Stations. It has won public acceptance and has proven technically feasible. Further studies and tests are being made to establish costs and operating comparisons.

MAINTENANCE OF WAY

Scheduled cyclical preventive maintenance procedures governed more of the Authority’s activities. Mechanized track and roadbed maintenance was expanded and new policies such as complete replacements of lamps in place of spot replacements were adopted.

Thirty-seven and a half miles of new running rail and four miles of guard rail were installed. The new rail grinder smoothed 89 miles of single track. Track ties equivalent to a stretch of track 18.64 miles long were placed. Forty-two thousand feet of old cable was pulled and replaced. Electric services were modernized on 26 elevated stations. Other maintenance statistics were equally impressive including the installation or renewal of 7000 linear feet of chain link fencing along rights-of-way and other areas; the alteration of 60 station fare controls, and the overhaul of 500 sections of street ventilator gratings.

During the year a new sign shop was set up, as was a shop for the repair of electronic signal and communications equipment.
SURFACE OPERATIONS & MAINTENANCE

For the fourth consecutive year, surface operations produced a surplus through increased revenues and strict control of costs. The upward riding trend is again attributed to the modern bus fleet maintained at high standards, and the Authority's policy of providing reliable service and new bus lines and extensions.

Annual bus miles operated increased by 538,560 to a total of 63,983,000. Two new lines were installed and three extended in Queens. Two were inaugurated in Brooklyn and one extended.

A new teletype system connected 10 depots and the main shop with the East New York headquarters of the surface system. It provides direct communication between these points and is particularly useful in the dissemination of instructions during storms and other emergencies when telephones and other media are overburdened.

The safety program resulted in 2,575 safety awards to Surface Line Operators.

Emergency assistance in transporting police and firemen and others was given in numerous instances including an air line crash on March 1, 1962 at the International Airport; the evacuation on March 7, 1962 of a Staten Island nursing home threatened by high tides; control of brush fires in Staten Island during the spring of the year.
Administration

There was one change in the membership of the Authority during the fiscal year. Commissioner Joseph F. Periconi assumed his elective office as Borough President of The Bronx on January 1, 1962. Governor Nelson A. Rockefeller filled this vacancy by the appointment of John J. Gilhooley on February 3, 1962.

Charles L. Patterson, the chairman of this Authority since its inception in 1955, who had continued his activities in spite of a serious illness dying on October 13, 1962. Under his leadership the Transit Authority improved its methods of operation and maintenance, its public services and facilities. He accelerated car and bus replacements and the modernization of its physical plant. He introduced modern concepts of management and organization. He applied automation and electronic data processing to many of its administrative and fiscal functions. The Authority will miss his determination and drive in getting a difficult job done and his courage and resourcefulness in facing and overcoming obstacles to progress.

LABOR RELATIONS & EMPLOYEE SERVICES

On December 21, 1961 new labor contracts were signed with three unions representing the majority of the Authority's hourly rated operating employees. The contracts are in effect for the two years from January 1, 1962 to December 31, 1963. On January 1, 1962 the hourly rates of pay were increased by 4½%. On January 1, 1963 an additional increase of 3½% over the 1962 rates will go into effect.

New contracts were negotiated with specialized groups associated with the American Newspaper Guild, the International Union of Operating Engi-
neers, and the International Brotherhood of Firemen, Oilers and Maintenance Mechanics. In all, 14 employee organizations have working agreements with the Authority.

The Authority's far flung training program is directed from its reconstructed school rooms in the 14th Street subway concourse. Over 11,000 employees attended sessions there during the year that ended June 30, 1962. Additional thousands received on-the-job training at shops, garages and other locales. Over 400,000 man hours of training—an increase of 43% over the prior year—was logged. The training was not restricted to operating personnel. Clerical, supervisory and executive employees attended courses oriented to their special requirements—in speed reading, management, decision making and the like. Courses in the latter subjects were given under the New York University Executive Training Program.

The medical services of the Authority's three clinics were broadened to include the periodic examinations of Conductors and Towermen. Respiratory tests were given to 3,000 Motormen and Surface Line Operators in cooperation with the New York City Department of Health and the National Institute of Health for a continuing study of respiratory ailments.

During the year, Clinic No. 3 at the 207th Street Yard was reconstructed.

Recruitment was carried to the City's vocational schools to fill operating vacancies. With New York City's Cooperative Student Education Program, 24 high school students were given practical training on a half-time basis in key punching, typing, stenography or clerical assignments.

Organizational studies established equitable relationships between levels of responsibility in the Purchase and Stores, Data Processing, Budget, Surface and Car Maintenance Departments.

The Authority constantly teaches and practices safety in all of its activities. The industrial accident frequency rate which is expressed in the number of employee lost-time accidents per million man hours worked was reduced from 9.4 in fiscal 1961 to 9.3 in fiscal '62. Similar indices based on the number of accidents per 1,000,000 passengers showed a new low of 4.7 on the surface and 8.2 on the rapid transit lines.

Sixteen safety awards were earned in the Greater New York Safety Council's Interplant Industrial Accident Reduction Contest. The American Transit Association awarded one gold, six silver and eleven bronze safety certificates to various Authority units.

**CONTROLLER**

The Authority established the office of Controller on November 15, 1960. The Authority's purpose was the coordination of its fiscal activities and certain other related services.

The first full year of this organizational realignment saw an intensified concentration on data processing, internal audits, investments and methods studies.

Cash in excess of immediate needs was judiciously invested so that, although reserves actually shrank during the year, the interest return on time deposits increased by approximately $120,000.

Two bureaus—Special Audits, and Methods and Procedures—were placed under the Controller's direct supervision. Special Audits, with an enlarged force, worked especially on the installation of better payroll and timekeeping controls. It also broadened the scope of its internal audits. Methods and Procedures developed new mileage procedures, utilizing electronic computer feed-back of operating and maintenance data to management. It also assisted in the installation of a number of new data processing applications, the preparation of standard operating procedures, and studies involving operating departments.

The conversion of payrolls from the old type 120 Electronic Computer to the Univac Solid State '90' was virtually completed during the year.

The new machines made possible the faster production of payrolls, the inclusion of more pertinent payroll data and an improved system of reporting employee contributions to the New York City Employees' Retirement System.
As of June 30, 1962 the data processing workload of 90 different jobs included five new projects and a number of new reports added during the year. Data processing personnel was reduced from 121 to 112.

The public accounting firm of Price, Waterhouse and Co. was engaged to audit and review the Authority’s accounting records and fiscal policies for the two years ending June 30, 1962. Under the Public Authorities Law the Authority is also subject to audit by the State Comptroller. A five year audit by his office was also in progress at the end of the fiscal year.

**TRANSIT POLICE**

The Authority’s police staff of 984 members is as large as that of many medium sized American cities. Its purpose is to minimize the incidence of crime; apprehend those who commit crimes; protect Authority property; and control passengers, especially in emergencies.

The City of New York reimburses the Authority for the cost of its Transit Police Department.

The effectiveness of the Authority’s police operation is shown in Tables VI and VII.

During the year a fourth member of the Authority’s police staff graduated from the FBI National Academy in Washington, D. C.

### Table VI

<table>
<thead>
<tr>
<th>Crimes Reported</th>
<th>Year Ended June 30</th>
<th>Change Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1962</td>
<td>1961</td>
<td>+</td>
</tr>
<tr>
<td>Felonies</td>
<td>968</td>
<td>941</td>
<td>+27</td>
</tr>
<tr>
<td>Misdemeanors</td>
<td>1,986</td>
<td>2,043</td>
<td>-57</td>
</tr>
<tr>
<td>Offenses</td>
<td>6,673</td>
<td>5,954</td>
<td>+719</td>
</tr>
<tr>
<td></td>
<td>9,627</td>
<td>8,938</td>
<td>+689</td>
</tr>
</tbody>
</table>

### Table VII

<table>
<thead>
<tr>
<th>Crimes Cleared By Immediate Arrest</th>
<th>Year Ended June 30</th>
<th>Change Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1962</td>
<td>1961</td>
<td>+</td>
</tr>
<tr>
<td>Felonies</td>
<td>263</td>
<td>283</td>
<td>-20</td>
</tr>
<tr>
<td>Misdemeanors</td>
<td>698</td>
<td>722</td>
<td>-24</td>
</tr>
<tr>
<td>Offenses</td>
<td>6,446</td>
<td>5,742</td>
<td>+704</td>
</tr>
<tr>
<td></td>
<td>7,407</td>
<td>6,747</td>
<td>+660</td>
</tr>
</tbody>
</table>
PUBLIC & PASSENGER RELATIONS

A program of effective communication with the public was carried on during the year. One of the most effective means of such communication is the bi-weekly press conference held by the Authority. This takes place after the Authority's meeting, and the members submit to questions by the reporters about all subjects of interest to them.

To reward the courtesy shown by Transit Authority employees a program was instituted which resulted in riders naming some 1,000 employees for awards. The Commerce and Industry Association selected five winners. Courtesy was also stressed in a series of posters placed in subways and buses.

Programs were also devised to discourage damage, defacement and vandalism, by emphasizing the public ownership of the Authority's facilities.

The Authority's motion picture, "Daily Miracle," which sees the rapid transit and surface systems through the eyes of its passengers, was shown in 250 theatres, at 100 meetings of civic, religious and social organizations and over local television networks where it was seen by an estimated 2,500,000 viewers.

A special 50-photo exhibit was prepared showing the "Past, Present and Future" of rapid transit in New York City. Shown for the first time before the convention of the American Transit Association, the display was also seen by thousands at the annual "open house" of the Surface division; in the 370 Jay Street lobby of the TA; at the Museum of the City of New York; and by tens of thousands more at the "open house" of the Car Maintenance division in Coney Island.

The press was kept informed of newsworthy items developing within the transit system through an average of a news release a day.

The Secretary's office distributed 1,000,000 copies of the official New York Subway Map containing a guide to many points of interest in the city.

The Secretary's office also acted as the Authority's official host to 66 foreign visitors. These tech-
nicians, teachers, executives and labor representa-
tives were guided through the New York City
Transit System, and their specific spheres of inter-
est were discussed with the Authority's specialists
in these fields.

More than 45,000 articles were found and
turned over to the Lost Property Department dur-
ing the year. Of these, about 13,000 were returned
to owners and passenger finders. The unclaimed
items were disposed of, as required by law, at two
auction sales held during the year.

PURCHASE AND STORES

The Authority's purchases of fuel oils, lubri-
cants, materials and supplies totalled $23,951,000
for the year. More than 12,000 purchase orders
were processed covering 49,000 items.

To optimize material availability, Storeroom 24
at East 147th Street, Manhattan was closed and
materials moved to Storeroom No. 1 at the 207th
Street Yard. In the fall of 1961, Storeroom No. 65
at DeKalb Avenue in Queens was closed and all
surplus and obsolete material sold or scrapped.

A new storeroom in the 38th Street Yard, Brook-
lyn is being planned for the further consolidation
of stores.

CONCESSIONS

Concessions of various types provide a source
of substantial income to the Authority. Fiscal '62
saw the addition of a camera shop, a hosiery shop
and a processed food store in the 42nd Street-
8th Avenue Subway Concourse. A "transit phar-
macy" reported to be the first discount drug store
in any rapid transit system in the United States is
under construction at this location.

Banking facilities installed on the transit system
have proven so successful that additional branch
locations are being negotiated. During the year
The New York Savings Bank opened an office in
the 47th-50th Street (Rockefeller Center) Station
of the IND Sixth Ave Line.

Retail chains continued to seek additional out-

Chairman Charles L. Patterson
and school riders inspecting a
1962 addition to the bus fleet.
lets on transit properties, with one bakery opening its tenth store during 1962.

Passengers spent an estimated $20,000,000 in the year in some 400 stores and booths and 1,800 vending machines. More than 700,000 newspapers were sold daily at subway stands.

EMPLOYEE ACTIVITIES

An estimated 16,500 persons are enrolled in 35 different employee sponsored activities, groups and organizations. Interests range from religious to cultural pursuits, to the arts, sports and the purely social.

The Transit Rod and Gun Club was formed during the year, and is associated with the National Rifle Association.

More than 1,000 toys and games were collected by Transit employees and distributed to local hospitals and orphanages during the Christmas holidays.

In January 1962, nearly 7,000 employees voluntarily joined a payroll check off system for charity contributions. Administered by employee representatives, the General Charity Fund contributed $54,000 to recognized charities in its first year of existence.

MABSTOA

On March 1, 1962, when disputes between labor and management halted the bus operations of the Fifth Avenue Coach Company and the Surface Transportation Company, the City of New York moved to insure the restoration and continuation of these services. On March 14, 1962 the State Legislature amended the public authorities law to create a subsidiary corporation of the New York City Transit Authority for the temporary operation of these lines for the public convenience. The statute provided that the chairman and members of the New York City Transit Authority would act as directors of the new organization identified as the Manhattan and Bronx Surface Transit Operating Authority (MABSTOA).

On March 20, 1962, other officials, namely, the General Manager, the General Counsel and the Secretary were designated to act in the same capacities temporarily and without compensation, for the subsidiary corporation. An agreement of lease with the City for the lines was approved on the same date.

Subsequently this Authority authorized the General Manager to utilize its personnel, equipment, materials and supplies to render services to the subsidiary corporation.

All lines were back in service by the Spring of 1962 and MABSTOA is now operating as a separate entity but under the direction and guidance of the New York City Transit Authority, its officials and certain designated personnel.
Financial Statements
## ASSETS

### CURRENT ASSETS:

- **Cash, including $32,601,360 time deposits**: $51,700,218
- **Accounts receivable and accrued charges:**
  - City of New York: $8,058,616
  - Others: 1,696,134
- **Less – Reserve for doubtful accounts and allowances**: 300,000
- **Materials and supplies, at average cost**: 21,793,779
- **Less – Provision for inventory adjustments**: 1,500,000
- **Unreimbursed expenditures for work in progress**: 2,606,847
- **Prepaid expenses**: 1,188,825
- **Other assets**: 33,507

**Total current assets**: 85,277,926

**CASH AND SECURITIES ON DEPOSIT FROM CONCESSION-AIRES, LESSEES AND OTHERS**: 1,186,048

**Total assets**: $86,463,974
LIABILITIES

CURRENT LIABILITIES:

Accounts payable ........................................ $ 8,187,576
Accrued payrolls ........................................... 4,455,177
Payroll taxes withheld and accrued ................. 6,703,934
Loan payable to City of New York (paid July 2, 1962) .. 1,111,111
Total current liabilities ................................ 20,457,798

LIABILITY FOR PREPAID TRANSPORTATION .............. 2,883,030

LIABILITY FOR DEPOSITS FROM CONCESSIONAIRES,
LESSEES AND OTHERS ................................ 1,186,048

RESERVES:
Public liability ........................................... $11,056,309
Workmen's compensation ................................. 5,519,737

16,576,046

WORKING CAPITAL PROVIDED BY THE CITY OF NEW YORK .... 16,222,663

EXCESS OF REVENUES OVER EXPENSES ................ 29,138,389

$86,463,974
NEW YORK CITY TRANSIT AUTHORITY
Statement Showing Results of Operation
For 12 Months Ended June 30, 1962

REVENUES:

<table>
<thead>
<tr>
<th>Description</th>
<th>TOTAL</th>
<th>RAPID TRANSIT</th>
<th>SURFACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Revenue</td>
<td>$273,677,320</td>
<td>$206,745,523</td>
<td>$66,931,797</td>
</tr>
<tr>
<td>Advertising and Other Privileges</td>
<td>5,214,032</td>
<td>4,973,246</td>
<td>240,786</td>
</tr>
<tr>
<td>Interest Income</td>
<td>1,073,625</td>
<td>811,144</td>
<td>262,481</td>
</tr>
<tr>
<td>Credit from City for Power Costs</td>
<td>5,000,000</td>
<td>4,999,744</td>
<td>256</td>
</tr>
<tr>
<td>Other</td>
<td>1,046,257</td>
<td>878,435</td>
<td>167,822</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$286,011,234</td>
<td>$218,408,092</td>
<td>$67,603,142</td>
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</table>

EXPENSES:

<table>
<thead>
<tr>
<th>Description</th>
<th>TOTAL</th>
<th>RAPID TRANSIT</th>
<th>SURFACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$212,209,385</td>
<td>$161,737,511</td>
<td>$50,471,874</td>
</tr>
<tr>
<td>Contributions to City Retirement System</td>
<td>15,294,660</td>
<td>11,692,166</td>
<td>3,602,494</td>
</tr>
<tr>
<td>Social Security—Employer’s Contributions</td>
<td>5,040,888</td>
<td>3,856,540</td>
<td>1,184,348</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>6,044,726</td>
<td>4,693,152</td>
<td>1,351,574</td>
</tr>
<tr>
<td>Power Purchased</td>
<td>28,780,042</td>
<td>28,395,179</td>
<td>384,863</td>
</tr>
<tr>
<td>Fuel for Buses</td>
<td>1,748,246</td>
<td>—</td>
<td>1,748,246</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>14,474,951</td>
<td>11,788,168</td>
<td>2,686,783</td>
</tr>
<tr>
<td>Rentals of Tires, Trucks and Other Equipment</td>
<td>2,175,647</td>
<td>1,431,311</td>
<td>744,336</td>
</tr>
<tr>
<td>Provision for Public Liability</td>
<td>5,000,000</td>
<td>2,900,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>Provision for Workmen’s Compensation</td>
<td>908,231</td>
<td>687,883</td>
<td>220,348</td>
</tr>
<tr>
<td>Contract Maintenance</td>
<td>3,307,775</td>
<td>3,156,250</td>
<td>151,525</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,953,893</td>
<td>2,367,442</td>
<td>586,451</td>
</tr>
<tr>
<td>Credit from City for Transit Police Services</td>
<td>(7,878,168)</td>
<td>(7,689,556)</td>
<td>(188,612)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$290,060,276</td>
<td>$225,016,046</td>
<td>$65,044,230</td>
</tr>
</tbody>
</table>

EXCESS OF REVENUES (EXCESS OF EXPENSES)

<table>
<thead>
<tr>
<th>Description</th>
<th>TOTAL</th>
<th>RAPID TRANSIT</th>
<th>SURFACE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a)</strong> Passenger Revenue includes $10,884,711 for additional revenue receivable from the City of New York under the school program.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue Car and Bus Miles                | 365,532,643 | 301,550,052 | 63,982,591 |
Revenues per Car and Bus Miles           | 78.25¢      | 72.43¢       | 105.66¢    |
Expenses per Car and Bus Miles           | 79.35¢      | 74.62¢       | 101.66¢    |
Revenue Passengers                       | 1,815,319,209 | 1,369,507,594 | 445,811,615 |
Average Rate of Fare                     | 15.08¢      | 15.10¢       | 15.01¢     |
Revenues per Revenue Passenger           | 15.76¢      | 15.95¢       | 15.16¢     |
Expenses per Revenue Passenger           | 15.98¢      | 16.43¢       | 14.59¢     |
Number of Employees                      | 34,178      |               |            |
An annually Rated Employee               | 5,761       |               |            |
Hourly Rated Employee                    | 28,417      |               |            |