New York City Transit Authority

ANNUAL REPORT

1963 · 1964

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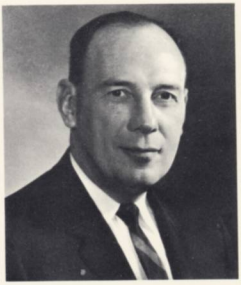
Chairman

JOHN J. GILHOOLEY
Member



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New York City Transit Authority

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Submitted to

THE HON. NELSON A. ROCKEFELLER
Governor

THE HON. ARTHUR LEVITT
Comptroller

THE HON. ELISHA T. BARRETT
Chairman, Senate Finance Committee

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

OF THE STATE OF NEW YORK

THE HON. ROBERT F. WAGNER
Mayor

THE HON. ABRAHAM D. BEAME
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President of the Council

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President of the Borough of Queens

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

OF THE CITY OF NEW YORK

In accordance with Sections 1213 and 2500 of the Public Authorities Law

The Task

Service for the 6,180,204 passengers carried on an average day by New York City Transit Authority subways and buses is an urban life force that nourishes and strengthens the city. The service was once described by Sir John Elliot, former chairman of the London Transport Board, as the "daily miracle."

This movement of millions has the elements of drama, providing at once an index of the city's vitality, job opportunity for the wage-earner and prosperity for the businessman.

To some, transit is simply a problem . . . municipal "growing pains" and a burden the city must bear for being a world business, financial, manufacturing, cultural and entertainment center.

Opportunity or burden? Prosperity or problem? Transit offers New York a promise and a challenge. The promise: community progress; the challenge: to assure progress through superior transit service.

The Transit Authority thrives on the challenge. Daily, the skills and talents of its 35,400 employees are directed toward achieving the city's bright promise. By working with precision, foresight, imagination and ingenuity, the Transit Authority is providing new and improved transit service.

Strongly supporting the Authority is the City of New York, which owns the transit facilities operated by the Authority and provides funds for capital improvements. During the year $64,988,500 was appropriated by the Office of the Mayor for capital-improvement projects begun by the Authority.

The Authority's 1963-1964 record in improving service to passengers through better operational techniques and, despite rising costs, maintaining the 15 cent fare through scientific management methods is detailed in this report. In the year ahead the Transit Authority will press forward with its modernization and expansion to strengthen the city's service at a 15-cent fare at least through fiscal 1964-1965.

The Performance

The 6,180,204 daily passengers who used Transit Authority facilities – 4,647,688 on subways and 1,532,516 on buses – in 1963-64 saw for themselves many of the service improvements achieved throughout the year by the Transit Authority.

Wage-earners bound for work rode new subway cars and buses. Students on their way to school enjoyed fluorescent lighting in cars, buses and stations. Housewives traveling to shopping districts saw stations that had been modernized and painted. Colorful new fibreglass benches at some stations were used by people waiting for a train. Other passengers bound for countless destinations found the added convenience of new elevators and escalators at stations serving large numbers of passengers.

Unseen was the dramatic progress toward more exciting and significant transit benefits of the near future:

Some 65 feet beneath Downtown Manhattan's Sixth Avenue, construction crews were carving out a new subway tunnel, part of a $100,000,000 expansion of the city's rail transit system. Others were fitting out another tunnel in the vicinity of Lower Manhattan's Chrystie Street; a station was completed nearby at Grand Street, and work was started on building another station at 57th Street in mid-Manhattan. Pushing forward as rapidly as possible on a second significant expansion project, the Transit Authority was seeking the best practicable route for a new East River tunnel linking Queens and Manhattan.

Rail service improvements introduced throughout the year included addition of four 10-car trains – two Es and two Fs – to morning rush-hour service for Queens IND riders. Queens passengers using BMT RR (Forest Hills) trains noticed that late model cars were placed in service on the line, and two additional cars were added to rush-hour RR trains, which now have eight cars instead of six. When these late-model RR trains replaced older equipment, the Transit Authority was able also to provide faster service on GG trains, which use the same tracks and had been slowed by the older, less efficient RR trains.

BMT Brighton line Saturday passengers also received eight-car service instead of six. The trains run every eight minutes instead of every 10. IRT service improvements included an increase in the number of trains terminating at Flatbush Avenue and the addition of an extra car to Lexington Avenue locals to form 10-car trains.

Rail transit not only was increased but also was made more attractive and convenient. This was largely because of the 424 additional new cars in service. The

The transit system binds together the great city. Here passengers catch a glimpse of the skyline through wide picture windows as a train of World's Fair Bluebirds speeds along the Flushing line.

During the year the Authority ordered 600 new stainless steel cars at a cost of $69,000,000 to replace old ones in its fleet of 6,500. Here (from left to right) Chairman Joseph E. O'Grady, John J. Gilhooley and Daniel T. Scannell inspect one of the new Brightliners with officials of the Budd Company, the manufacturers.

Transit Authority's car-replacement program for the IRT Division was completed this year. Now all IRT cars are new models except for 67 pre-1948 light-weight cars in service on the Third Avenue elevated line, which was not built to carry today's heavier cars. The IRT fleet of 2,925 cars consists of 2,508 cars less than 10 years old, 350 from 14 to 16 years old, and the 67 pre-1948 cars.

Since 1953, the Transit Authority has received or ordered 3,860 new subway cars at a total cost of some $430,000,000. Cars on order are the 600 stainless steel BMT-IND cars, the first of which is scheduled for delivery around September, 1964.

It was not only the new cars that were more attractive. Interiors of 150 older model cars were completely repainted. So were 45 elevated stations and 4½ miles of elevated structure. Other "housekeeping" chores included washing 300 miles of subway walls and ceilings and cleaning track areas around stations with the three-car, vacuum-cleaner train designed by the Transit Authority and placed in operation during the year.

Badly worn wooden platforms at 20 elevated stations were replaced throughout the year with pre-cast concrete platforms. They were:

- BMT ASTORIA LINE: 39th Avenue, 36th Avenue, Broadway, 30th Avenue, Astoria Boulevard, and Ditmars Boulevard;
- BMT WEST END LINE: 79th Street, 18th Avenue, 20th Avenue, Bay Parkway, 25th Avenue, Bay 50th Street;
- IRT FLUSHING LINE: 52nd Street, 61st Street, 69th Street, 74th Street, 82nd Street, 90th Street, Junction Boulevard, and 103rd Street.

Replacement of wooden platforms with pre-cast concrete ones was begun at six stations of the IRT Pelham Line: Whitlock Avenue, Elder Avenue, Sound View Avenue, St. Lawrence Avenue, East 177th Street, and Castle Hill Avenue.

Bright and attractive fluorescent lighting strips have been installed above platform edges at three stations, bringing the total of such installations to 191. Fluorescent strips are being installed at other stations. The Transit Authority program calls for installations at 89 stations next year.

More than half of the daily 4.6 million riders travel during the rush hours. This makes such stations as Grand Central (right) very busy at these times.

Added convenience and comfort also were provided by new fibreglass benches, each with six body-contoured seats, that were placed during the year at 43 stations, bringing the total of such new benches installed to 149. Convenience also was emphasized in vertical as well as horizontal travel. Five high speed, four-foot-wide modern escalators began serving passengers. Two put into service at the IND Lexington Avenue station were the final pair in a $1,100,000 installation of four new escalators to serve the 60,000 daily passengers of the E and F lines. Three other new escalators went into service at the IRT Times Square station to carry passengers between the IRT Flushing line platform and the station's mezzanine. The Transit Authority started another passenger-convenience project in March, 1964 at the IRT Grand Central station. Two sets of high speed, four-foot-wide escalators there will provide three times the passenger-carrying capacity of the elevators they replace – 18,600 an hour as compared with the old elevators' combined total of 5,600 an hour.

Work moved forward on further replacement of obsolete elevators at two Broadway-Seventh Avenue line stations: 168th Street and 181st Street. A new elevator was placed in service at each of these stations last year. A second new elevator will begin serving 181st Street passengers in about six weeks; the second new one at 168th Street is scheduled to go into service shortly after that.

Behind the scenes were hundreds of routine-but-essential operations to maintain or improve service.

A partial list of major subway car units overhauled during the year included 16,840 seats and backs, 2,980 traction motors, 2,130 compressors, 560 motor generator sets.

Sixty-three thousand five hundred ties were replaced; 77 miles of rail were renewed; 28 miles of track were mechanically tamped; 177 miles of rail were ground to remove surface imperfections, thereby reducing the necessity for renewing rail.

Twelve miles of new contact (third) rail were installed; 8½ miles of power distribution cable were installed; 8½ miles of subway track were completely renewed as were rails, ties, footwalks and fastenings on 9½ miles of elevated structure.

New buses were assigned to an express service to carry Brooklyn and Queens passengers to the World's Fair.

Modernization of signals was completed on a section of the IRT Lexington Avenue line from north of Wall Street station to Astor Place station. Signal modernization moved forward on the same line from Atlantic Avenue station, Brooklyn to Wall Street, and on the IRT Broadway-Seventh Avenue line from 96th Street station to 242nd Street station. One hundred fifty-five signals, 142 power-operated switches, a miniature lever control panel and two push-button control panels were placed in service during the year. This new equipment helps to increase the reliability of train service.

New power conversion equipment was installed in two substations and is now in operation. This equipment changes alternating current to direct current, which is required for operating trains. A stand-by converter in a third substation also went into service to meet increased power demands of the IRT Lexington line. Work progressed throughout the year on other projects both for strengthening existing power supply and providing for the increased needs that will accompany the expansion of rail transit service.

. . . And on the Surface

The 1,532,516 passengers who rode Transit Authority buses on an average weekday throughout the year may have noted that there were more new buses in service. Three hundred and fifty were delivered during the year, bringing the total number of new buses delivered since 1956 to 1,798.

Besides its continuing efforts to improve bus service, the Authority was looking to the future. A comprehensive survey of the Authority's 121 bus routes was begun to determine if patterns of bus passenger travel have altered. Analysis of results of this survey will enable the Authority to determine whether passengers could be served better by changes in scheduling.

A more immediate result of the Authority's preparedness planning will come from the study conducted throughout the past year to select the best route for bus service from Staten Island over the Verrazano Bridge to Brooklyn subways when the bridge opens in the latter part of November.

Toward Better Understanding

To foster understanding, the Transit Authority does many things to inform the public of its activities. These include:

- Providing passengers with ready-reference information about service.
- Installing on-the-spot transit information and directions in subway cars, on stations, and at strategic points along bus routes.
- Educating the public to the economy and convenience of Transit Authority subway and bus travel.

A major step was taken during the year toward providing more information for passengers, improving transit operating efficiency and increasing passenger protection. The Authority awarded a $400,000 contract for the installation of an experimental two-way radio system on the IRT Lexington Avenue line between Bowling Green and 125th Street.

This will enable the operators of moving trains to keep in constant contact with dispatchers and with other personnel, such as transit police, at stations and other points along the tracks. If help is needed it may be summoned instantly. When delays occur information can be radioed to train crews who then may pass it along to passengers through the train public address system.

The Authority budgeted $750,000 for this experimental project to test the effectiveness of radio for improving rapid transit service, policing the system and keeping passengers informed. Because of the value of the test to transit systems throughout the country, the Federal Housing and Home Finance Agency approved a demonstration grant of $500,537 for the project.

New public-information techniques and revisions of existing ones were introduced throughout the year. The subway map – basic to passenger understanding of the Authority's rail transit system – was revised to include a World's Fair map and simplified subway-travel information for Fair visitors. Two million copies of the special World's Fair edition were printed for distribution to passengers.

To provide supplementary on-the-spot passenger information, 1,000 plastic subway maps were installed at stations as were some 8,000 information and direction signs for Fair-bound passengers. The scope of the Authority's educating efforts was expanded to include a campaign to convince New Yorkers and out-of-towners that the most convenient and economical way to go to the Fair was by Transit Authority subway or bus.

Always conscious of the need to keep passengers informed, the Authority began during the year to post route maps on all bus lines. This one is for the 50th Street crosstown service in Manhattan.

Besides meeting the specific needs of Fair visitors, the Transit Authority continued its search for ways of improving the subway map for all passengers and developing an easily understood bus map. To enlist map makers in the search, the Transit Authority in April, 1964 announced a competition for the best revision of the subway map and development of a bus map.

Two on-the-spot information improvements for bus passengers were introduced. At Manhattan bus stops, metal diagrammatic maps were installed, showing the streets traveled by buses serving the particular bus stop. When more than one served the same bus stop, each was shown in a different color. A yellow "you are here" arrow oriented the passenger.

Supplementing the route and destination sign on the front of buses, route number signs were installed on the side and rear. Passengers thus were able to identify a bus's route from three sides instead of one.

While improving passenger-information techniques for normal operations, the Authority continued to seek ways of alerting passengers if circumstances beyond its control should interfere with transit operations. Through a public address system

installed in August, 1963 at the Staten Island Ferry's St. George terminal, the Transit Authority can assist passengers should snow-clogged streets or other traffic conditions disrupt bus schedules.

For its role in furthering the United States international exchange program for labor-and-management study teams, the Authority was commended by the State Department and the U. S. Department of Labor. Throughout the year, 92 labor, management and engineering representatives from nine countries toured Transit Authority facilities and were briefed on Authority operations and procedures.

Passenger Safety and Protection

A fleet of 430 bright new cars went on the Flushing line for superservice to the World's Fair and regular Queens riders. Some were named for states in cooperation with the Fair.

Progress in providing improved, attractive service that is easy to use has been accompanied by advances in passenger safety and police protection. The Authority maintained its high safety record during the year. For more than 35 years there has not been a single passenger fatality due to operations anywhere in the rapid transit system.

Safety features built into subway cars, buses, and transit equipment and facilities are checked regularly. A basic aim of Authority training and operating programs is to assure passenger safety. A measure of the scope and success of these programs is the fact that Transit Authority bus drivers earned 3,119 safe driver awards this year under the National Safety Council's Safe Driver Incentive Award Program.

To assure passenger safety through police protection, the Authority this year adopted a plan that will increase the transit police force by about 20 per cent. The plan called for adding 141 patrolmen, five sergeants and 16 civilians to the force, redeploying the force to achieve the maximum possible police service for passengers, and testing the effectiveness of a radio communications system for summoning police assistance instantly when needed.

Adding the 141 patrolmen and five sergeants will raise the numerical strength of the force from its present 972 to 1,118. However, the practical effect of the plan will be to provide 180 additional policemen for patrolling the system. This is because men now assigned to non-patrol duties will be released for this service by the force's redeployment and the 16 additional civilians.

One hundred and three of the 141 patrolmen to be added will begin training early in July, 1964. To provide an immediate 20 per cent increase in police protection for passengers, the Authority on June 4, 1963 put transit policemen on a 48-hour week.

. . . And Service to the World's Fair

From World's Fair Opening Day, April 22, through June 30, more than 9,423,000 passengers were carried to or from the Fair on Transit Authority routes, 8,323,000 by subway, and 1,100,000 by bus.

Regular riders on the subway line between Times Square and Main Street, Flush-

ing, benefitted from the increased World's Fair service through Queens. Introduction of 11-car trains during the year helped to relieve congestion.

The IRT Flushing line became an integral part of the Fair in appearance as well as in function. The Transit Authority placed sparkling new subway cars of "World's Fair" blue and light gray in service and car-washing equipment in the Corona yard so that the entire Flushing line fleet could be washed twice a week. To further identify the line as the World's Fair route, its 17 elevated stations were painted a distinctive blue and light gray.

"Super express" service was instituted, bringing the Fair to within 20 minutes of Times Square. These trains left Times Square and made a stop at Fifth Avenue and Grand Central and then went directly to Willets Point, the World's Fair station, where a pedestrian ramp provided direct access to the Fairgrounds. Throughout most of the day, 11-car trains left Times Square for the Fair every three minutes. Every other train was a "super express." The service will be repeated during the second year of the Fair in 1965.

To serve persons living in areas where they might find it more convenient to go to the Fair by bus, the Transit Authority offered World's Fair bus service on five routes. Two were special "World's Fair Express" routes from Brooklyn; three were regular Queens routes, one of which also served the West Farms section of The Bronx.

Progress Toward a New Era in Transit

Service increases throughout the year were accompanied by advances under the Authority's program for expanding and strengthening the city's transit facilities. The goals of the program include:

- Increasing the passenger-carrying capacity of subway lines by lengthening station platforms so longer trains may be put in service.
- Modernizing signals so trains may be operated more efficiently.

The work of improving the rapid transit system goes on constantly. Here wooden station platforms are being replaced by concrete on the BMT Astoria line in Queens.

Many special machines are necessary to insure a safe, smooth ride on the rapid transit lines. This one makes certain that the steel rails are properly aligned.

• Integrating the BMT and IND so that additional trains can be added to some lines and more versatile service offered to all passengers.

• Building a Queens-to-Manhattan tunnel under the East River to increase rail transit for Queens, the city's fastest-growing Borough.

During the year platform extensions were completed at 63 IRT stations, and work continued on extending platforms at 14 other IRT and 17 BMT stations. In August, 1964 the Transit Authority expects to start the final phase of its IRT station-lengthening project when it awards contracts for lengthening platforms at 12 stations on the Broadway – Seventh Avenue line: the Rector Street Station, the Pennsylvania Station and all 10 stations in between.

The lengthening of IRT and BMT stations will permit the Transit Authority to operate 10-car trains throughout the system. (Eleven-car trains are being run on the IRT Flushing line.) IND stations need not be lengthened since they were built to accommodate ten-car trains.

Signal modernization work throughout the year resulted in the IRT Lexington line being fully modernized from north of Wall Street to Astor Place and 90 per cent complete from Atlantic Avenue to Wall Street. On the IRT Broadway line from 96th Street to 242nd Street (including the 240th Street yard) signal modernization reached the 70 per cent mark. Along the same section of the line construction of enclosures for signal equipment and maintainers at various points was 90 per cent finished.

Integrating the BMT and IND

To unify the subway system further, the Transit Authority is pressing forward with a multi-phased project that, by linking the BMT and IND, will achieve far-reaching service increases and improvements, particularly for Brooklyn and Queens residents working in Manhattan. Known as the DeKalb Avenue – Chrystie Street – Sixth Avenue project, this $100,000,000 transit improvement includes:

• Realigning the six tracks near DeKalb Avenue, Brooklyn to eliminate train-delaying grade crossings and installing new signals to expedite trains using these tracks. This phase was completed in May, 1962.

• Constructing a two-track tunnel along Manhattan's Chrystie Street to connect BMT tracks on the Manhattan and Williamsburgh Bridges with those of the IND Sixth Avenue line in the vicinity of Houston Street. This will make possible additional service from Brooklyn and Queens to mid-Manhattan.

• Constructing another two-track, lower level tunnel under Sixth Avenue from 9th Street to 31st Street. This will supplement the two tracks now in service along this section and will handle the additional trains that will operate over the IND.

• Extending Sixth Avenue tracks from 52nd to 58th Street and building a new terminal at 57th Street where trains will be switched and turned to make return trips.

Progress throughout the year on the Chrystie Street phase of the project included the finishing touches on a station at Grand Street.

The Transit Authority holds a regular meeting at least twice a month. The heads of each department (right) are on hand to provide the detailed information that enables the three Authority members to act on the many matters essential to the efficient operation of the vast rapid transit and surface systems.

Installations in the tunnel connection reached these stages of completion:

Tracks and contact (third) rails, 75 per cent; power equipment, 98 per cent; direct current connections and track bonding, 25 per cent; ventilation and drainage equipment, 75 per cent; stations and tunnel lighting, 85 per cent. Work started during the year on installation of block signals and interlocking equipment for the connecting tunnel and for the BMT Center Street Loop.

The two-track tunnel under Sixth Avenue is being built in two sections. Work on one section, from 9th Street to 19th Street, was hampered in the past by a water main break, labor problems and legal restraints. Progress throughout the year brought this section to 40 per cent of completion. The other section, from 19th Street to 31st Street, is 95 per cent finished.

Work began this year on extending the Sixth Avenue tracks from 52nd Street to 58th Street and on building the new station at 57th Street.

Besides moving forward with the DeKalb – Chrystie Street – Sixth Avenue project, the Transit Authority this year made preparations for building a tunnel from 41st Avenue and Vernon Boulevard in Queens under 41st Avenue, the East River and Welfare Island to York Avenue and 64th Street in Manhattan. The tunnel, which will be able to handle 60 trains an hour, 30 in each direction, is the essential first step in a long-range plan to increase transit service for Queens residents. Tests were conducted to determine if tunnel construction will affect the delicate instruments used in the Rockefeller Institute, located near the Manhattan end of the proposed tunnel.

The Authority also began a study to determine how the new tunnel can be connected with Queens and Manhattan routes so as to assure maximum transit benefits for passengers.

Those Who Do The Work

Transit service and progress throughout the year was as much the product of men as it was of machines.

All employees are chosen through civil service examinations. To qualify to take such examinations, applicants must first prove that they have the required education or experience. Then they must pass a civil service test, written or practical depending

on the position, and be pronounced physically fit for the job after a medical examination.

The Authority is always mindful that its most valuable resource is the 35,400 transit-trained men and women who help provide more than 6.1 million pasengers with safe, efficient, economical service. To maintain this skilled work force at peak-efficiency, the Authority must continually recruit and train employees who have the aptitude and qualifications for transit service. To induce trained employees to remain in service, the Authority must do everything practicable to develop working conditions that foster pride in the tasks performed and offer job opportunity and satisfaction. The Authority's recruiting, training, employee relations and labor relations are designed to achieve these goals.

Recruiting throughout the year resulted in 2,650 qualified persons being employed by the Authority and 1,418 others being promoted. A campaign conducted during the year to recruit road car inspectors illustrates the specialized type of recruiting problems with which the Authority must cope. Road car inspectors are essential to the smooth operation of the subway system. Should a train develop mechanical trouble while in service, it is a road car inspector who must determine what the trouble is and make on-the-spot corrections to assure continued service.

Because of difficulty in maintaining a sufficient force of these trained specialists, the Authority sought road car inspectors in cities in New York State, Pennsylvania, Massachusetts, and Ohio that have a high percentage of railroad employees. In these cities, the Authority advertised in newspapers, sent bulletins describing the advantages of Transit Authority employment to railroad employee organizations and, in some instances, sent Authority recruiters to speak to potential applicants. The cost of sending recruiters and placing advertisements was $2,549. When the road car inspector test was given, 39 out-of-towners proved qualified to take it. Of these 13 passed the test and were placed on the eligible list. To date, six out-of-towners have been appointed by the Authority. The cost of this experimental campaign to recruit out-of-towners proved so high that it is doubtful that the Authority will continue it.

The problem of obtaining certain trained specialists is modified by a low turnover rate among operating personnel. The Authority's turnover rate is so low that at a seminar conducted by the Commerce and Industry Association of New York on the use of the exit interview (questioning employees who resign about their reasons for leaving) the opinion among personnel experts was that use of such a procedure by the Authority was unnecessary.

After qualified employees have been recruited, they must be trained, either on-the-job or at one of the Authority's three training centers. During the year some 22,000 employees received a total of 398,000 instruction hours. These included veteran employees who received refresher courses and instructions in the use of new equipment. Of 90 courses sponsored by the Authority, 19 were coordinated with the New York City Board of Education as part of the Authority's continuing effort to utilize every means of better instruction.

The Authority encourages suggestions from employees. Here George Lincoln Johnson (center), a senior clerk with 50 years of service, receives an award for a suggestion he made from Authority Member Daniel T. Scannell (right). George Cassidy, chief of the Revenue Department, looks on.

Designed to keep a corps of skilled maintenance personnel at full strength, the courses were limited to Authority employees and were taught by Authority supervisory personnel licensed as instructors by the Board.

Maintenance instruction offered in these 19 courses covered railroad signals, telephones, turnstiles, ventilation and drainage, as well as carpentry, plumbing, masonry, sheet metal work, arc welding, and car equipment electricity.

Besides courses given at Authority centers, instructors also train employees on-the-job while checking field operations and maintenance. Both classroom and on-the-job instruction is conducted in accordance with the Authority's policy of continually evaluating existing methods and seeking to identify employee performance that might be improved through instruction.

Employees themselves contribute to improving operations. The Authority solicits these contributions through its Employee Suggestion Program, which this year resulted in 44 employee suggestions being accepted. These efficiency-promoting suggestions will save the Authority an estimated total of $72,847 annually, and the employees who offered them received a total of $2,560 in bonuses. Since 1958, a total of 380 suggestions have been accepted, resulting in an estimated total of $624,105 in savings to the Authority and a total of $26,195 in bonuses to employees.

Improvements in the relationship between the Authority and its employees have been achieved during labor negotiations. Recent successful negotiations have been aided by the responsible attitudes of union negotiators, who, without compromising the legitimate aspirations of their members, have recognized the practical limitations of aggressive bargaining.

This was true again during the Authority's 1963 negotiations with the Transport Workers Union, Local 100 and the Amalgamated Transit Union, Locals 726 and 1056. The unions, representing hourly paid employees, and the Authority, negotiating for a contract that would be fair to its employees and still serve the best interests of the general public, agreed on a two-year contract that would cost an estimated total of $33,600,000 over the two years.

To make available the additional funds that would enable the Authority to meet the increased costs without raising the fare for at least one year and possibly two, the City of New York adopted a three-part plan:

1. The City agreed to pay the Authority up to $20,000,000 as needed to meet operating expenses. This was the remainder of 10 annual payments of $5,000,000 each for increased power costs resulting from the sale of transit power plants to the Consolidated Edison Company.

2. The City agreed to convey to the Authority materials and supplies valued at $16,000,000, formerly leased to the Authority and replenished by it from operating funds.

3. The City agreed to pay interest and amortization for the duration of the labor contract on bonds issued by the Authority to buy new subway cars.

In addition, plans were announced by Governor Rockefeller and Mayor Wagner for the formation of a committee to study ways of finding long-range solutions to transit financial problems.

The contract negotiated by the Authority provides for the following wage increases:

Effective January 1, 1964, a 3.884 per cent increase over the rates of December 31, 1964; effective January 1, 1965, a 3.002 per cent increase over the December 31, 1963 rates.

In addition to wage increases, the contract called for a night differential rate of three cents an hour, liberalization of vacations, one additional holiday, changes in working conditions, paid hospitalization for retired employees, and discontinuance of the limitation on rates of pay for physically disabled employees.

By reinforcing employee relations practices that have proved successful and probing to determine if these policies can be made more responsive to the needs of employees and the public, the Authority will continue to recruit the most qualified employees available, utilize the most effective means of training them, and make every feasible effort to offer them job satisfaction and opportunity. The Authority believes that these policies promise not only good employee relations but also the best possible transit service for New York City.

The Results

The results of operations for the fiscal year ended June 30, 1964 indicate an excess of expenses over revenue of $23,300,000. This compares with an excess of expenses for the fiscal year ended June 30, 1963 of $13,200,000. The Rapid Transit operation resulted in a loss of $25,300,000, whereas the Surface Lines indicated a profit of $2,000,000.*

REVENUES

The total revenue for the fiscal year ended June 30, 1964 of $297,000,000 exceeds the comparable 1963 revenues by $9,500,000 comprising an increase in passenger revenue of $9,600,000 and a decrease in other income of $100,000. The passenger

* Detailed tables of operating statistics will be found in the Appendix to this report.

Bus lines feed the subway system. A convenient interchange station serves passengers at Rockaway Parkway and Glenwood Road on the 14th Street Canarsie line. It was specially built at a cost of $50,000.

revenue increase can be attributed to an increase in additional school fare reimbursement from the City of over $7,100,000, World's Fair revenue of $1,500,000 and various other factors of $1,000,000. An increase of 25,000,000 passengers was indicated. It should be noted, however, that there was no actual increase in normal riding. Nearly 10,000,000 of 1964 passengers in the six months to June 30 are attributable to the World's Fair which opened April 22. The balance of the increase resulted from a change in the method of calculating the number of school children and other less significant factors.

EXPENSES

Salaries, retirement provision, health insurance, and Social Security amounting to $269,000,000 for the fiscal year 1964, account for more than 90 percent of expenses. Compared with the fiscal year ended June 30, 1964, there was an increase of $18,400,000 of which $11,000,000 represented increased cost for salaries and wages paid to employees. The contributions to the New York City Employees Retirement System increased $6,000,000 primarily because of the extension of the provision for increased take home pay. The balance represented other costs related to personnel costs.

Materials, supplies and power comprise the cost of replacement of parts and ordinary supplies, fuel for buses and electricity. The increase of $1,700,000 can be classified in two categories; a decrease in the cost of fuel for buses and power purchased amounting to $100,000 and an increase in materials and supplies of $1,800,000. Of this amount $900,000 does not represent an increase in usage of material but is a provision for additional estimated obsolescence of materials and supplies on hand. The balance is due to accelerated maintenance of equipment, and a decrease in the sale of scrap material.

Other expenses indicated an increase over 1963 of $300,000. The various expenses making up this category actually showed a decrease of $150,000 compared with the preceding year. However, a June 1964 charge of $450,000 for estimated requirements for a reserve for unreimbursed capital expenditures more than offset the decrease in expenses of the other items comprising this group.

The increase in the amount of reimbursement from the City for police costs is

reflected as a decrease in the over-all expenses which had been charged when the expense was incurred.

SURPLUS

The expenses for fiscal year ended June 30, 1964 exceeded the income by $23,300,000. This loss, partially offset by adjustments for pension accrual for prior years, not only eliminated the accumulated surplus balance but resulted in an accumulated excess of expenses over revenue of $2,700,000. A detailed statement of assets and liabilities will be found in the Appendix to this report.

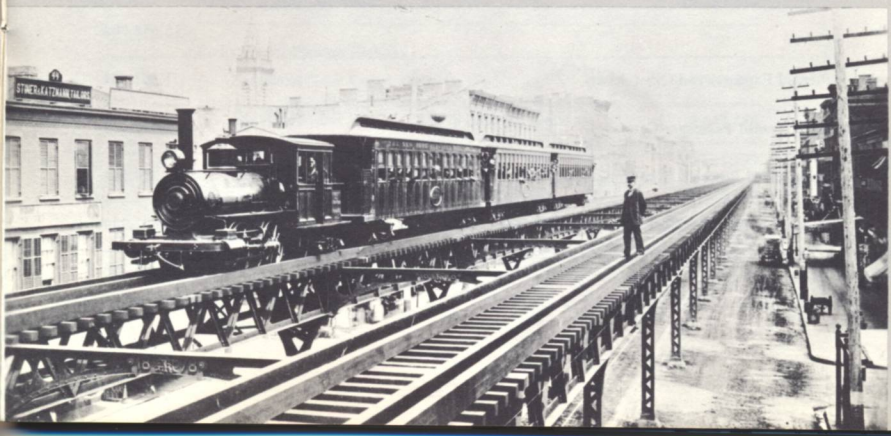
The World's Fair, which opened April 22, 1964 affected riding on all rapid transit and surface lines operated by the Authority. But the effect could only be measured by a count of passengers at the Willets Point and 111th Street stations of the IRT Flushing line and on these bus routes: A special to the World's Fair from Flatbush and Nostrand Avenues, Brooklyn; a special from East New York, Brooklyn; the B 58, a regular route between Wyckoff and Putnam Avenues, Brooklyn, and Main Street and 41st Avenue, Queens, passing the World's Fair.

The effect of the World's Fair on passenger statistics for 1963-1964 is based on data derived from the foregoing. No weight could be given to the additional riding involved in getting to these lines.

Passenger riding during 1963-1964 showed practically no trend of change from the preceding year. While there was an apparent increase of 25,000,000 passengers from the preceding year, there was no increase in normal riding during that period. As mentioned above, one of the factors that increased the number of passengers was the World's Fair operation for the period from April 22 to June 30, 1964, covered by this report. During that period, almost 5,000,000 visitors to the World's Fair used the facilities of the Transit Authority. On the basis of a single ride in each direction, it was estimated that the rapid transit system profited by 8.3 million rides and the surface system by 1.1 million rides up to June 30, 1964. The balance of the increase was accounted for by a change in the method of calculating the number of school children, which would account for practically all of the balance of the increase. The other factors were a gain due to leap year and similar calendar incidentals offset by other minor factors. Normal riding did not increase during 1963-1964 as compared with 1962-1963.

We've come a long w
since the steam-power
elevated on Third Avenu

Appendix



NEW YORK CITY TRANSIT AUTHORITY

Statement of Assets and Liabilities as of June 30, 1964

Assets		
Cash, Including $24,832,214 Time Deposits		$42,403,176
Accounts Receivable and Accrued Charges:–		
Accounts Receivable:		
City of New York	$11,075,461	
Others	1,111,182	
Unreimbursed Capital Expenditures and Other Charges	1,497,713	
	13,684,356	
Less: Reserve for Unreimbursed Capital Expenditures and Other Receivables	500,000	
		13,184,356
Accrued Interest Receivable		997,027
Materials and Supplies, at Average Cost	18,156,708	
Less: Provision for Inventory Adjustments	1,500,000	
		16,656,708
Prepaid Expenses and Other Assets		1,361,854
Rapid Transit Passenger Cars		41,985,439
Unexpended Proceeds from Long Term Debt		47,214,561
Deposits from Contractors, Concessionaires and Others		2,601,349
		$166,404,470

Liabilities		
Accounts Payable		$ 9,430,066
Accrued Payrolls		6,895,681
Payroll Taxes Withheld and Accrued		6,237,128
Accrued Pension Expense Payable to the New York City Retirement System		16,902,258
Liability for Prepaid Transportation		3,593,253
RESERVES:		
Public Liability	$12,000,000	
Workmen's Compensation	6,000,000	
		18,000,000
Long Term Debt		89,200,000
Liability for Deposits from Contractors, Concessionaires and Others		2,601,349
Working Capital Provided by City of New York		16,222,663
Excess of Revenues Over Expenses:		
Balance at June 30, 1963	13,447,256	
Reduction of Pension Liability		
For Fiscal Year Ended June 30, 1963	2,501,457	
For Period from June 15, 1953 to June 30, 1962	4,642,486	
Adjusted June 30, 1963 Balance	20,591,199	
Net Excess of Expenses Over Revenues for the Year	*23,269,127*	
Balance at June 30, 1964		*2,677,928*
		$166,404,470

NEW YORK CITY TRANSIT AUTHORITY

Bond Proceeds Accounts at June 30, 1964

	1962 SERIES A BONDS	1963 SERIES A BONDS	TOTAL
Funds			
Bond Proceeds Account:			
Cash and securities on deposit for future payments on rapid transit passenger cars and other miscellaneous bond expenses	$5,766,636.00	$35,890,127.00	$41,656,763.00
Debt Service Reserve Fund:			
Cash and securities on deposit as guarantee against payment of principal and interest on the Bonds	3,147,925.00	2,409,873.00	5,557,798.00
Unexpended proceeds from long term debt	$8,914,561.00	$38,300,000.00	$47,214,561.00
Rapid Transit Passenger Cars:			
Proceeds expended for cars received to date	41,985,439.00	—	41,985,439.00
Bonds outstanding at June 30, 1964	$50,900,000.00	$38,300,000.00	$89,200,000.00

NEW YORK CITY TRANSIT AUTHORITY

Statement Showing Results of Operation for Fiscal Year Ended June 30, 1964

	TOTAL	RAPID TRANSIT	SURFACE
Revenues:			
Passenger Revenue	$264,649,946	$201,696,040	$62,953,906
School Fare Program Revenue from City	19,812,242	8,695,530	11,116,712
Total Passenger Revenue	$284,462,188	$210,391,570	$74,070,618
Advertising and Other Privileges	5,933,493	5,499,264	434,229
Interest Income	941,643	696,953	244,690
Credit from City for Power Costs	5,000,000	5,000,000	–
Other	675,695	623,063	52,632
Total Revenues	$297,013,019	$222,210,850	$74,802,169
Expenses:			
Salaries and Wages	$232,583,529	$277,087,330	$55,496,199
Contributions to City Retirement System	23,377,712	17,845,951	5,531,761
Social Security-Employer's Contributions	5,703,378	4,354,974	1,348,404
Health Insurance	7,381,930	5,685,231	1,696,699
Power Purchased	28,719,492	28,312,567	406,925
Fuel for Buses	1,518,383	–	1,518,383
Materials and Supplies	16,158,480	13,074,607	3,083,873
Rentals of Tires, Trucks and Other Equipment	2,258,878	1,514,155	744,723
Provision for Public Liability	5,000,000	2,900,000	2,100,000
Provision for Workmen's Compensation	1,000,000	763,387	236,613
Maintenance by Outside Parties	3,398,030	3,123,254	274,776
Miscellaneous	2,859,490	2,318,614	540,876
Credit from City for Transit Police Services	(9,760,449)	(9,530,425)	(230,024)
Total Expenses	$320,198,853	$247,449,645	$72,749,208
Excess of Revenues (Excess of Expenses)	$(23,185,834)	$(25,238,795)	2,052,961
Net Interest Expense on Bond Issues	83,293	83,293	–
Total Excess of Revenues (Excess of Expenses)	$(23,269,127)	$(25,322,088)	2,052,961
Revenue Car and Bus Miles	374,310,267	309,275,142	65,035,125
Revenue per Car and Bus Mile	79.35¢	71.85¢	115.02¢
Expenses per Car and Bus Mile	85.54¢	80.01¢	111.86¢
Revenue Passengers	1,844,428,627	1,374,506,950	469,921,677
Average Rate of Fare	15.09¢	15.11¢	15.03¢
Revenues per Revenue Passenger	16.10¢	16.17¢	15.92¢
Expenses per Revenue Passenger	17.36¢	18.00¢	15.48¢
Number of Employees:	34,334		
Anually Rated 5,775			
Hourly Rated 28,559			

Revenue Passengers (in thousands)
Ten Years from July 1, 1954 to June 30, 1964

Fiscal Year Ended June 30	Rapid Transit	Surface	System Total
1955	1,378,150	419,461	**1,797,611**
1956	1,363,134	413,308	**1,776,442**
1957	1,355,384	414,903	**1,770,287**
1958	1,319,457	413,050	**1,732,507**
1959	1,324,054	416,601	**1,740,655**
1960	1,344,953	431,014	**1,775,967**
1961	1,362,736	432,371	**1,795,107**
1962	1,369,507	445,812	**1,815,319**
1963	1,362,252	457,285	**1,819,537**
1964	1,366,184	468,821	**1,835,005**
World's Fair (Excluded Above)	8,323	1,100	**9,423**

Average Number of Saturday, Sunday & Holiday Passengers as a Percentage of Average Weekday Passengers

Fiscal Year Ended June 30	Rapid Transit Lines	Surface Lines	System Total
1955	38.86%	53.72%	**42.20%**
1956	38.64	51.85	**41.60**
1957	39.03	50.96	**41.73**
1958	37.22	48.66	**39.86**
1959	38.19	48.75	**40.64**
1960	37.29	48.95	**40.03**
1961	37.70	49.88	**40.65**
1962	37.71	49.19	**40.44**
1963	37.61	48.14	**40.18**
1964	37.82	47.46	**40.21**

• In the year ended June 30, 1964, the average number of passengers per weekday was 4,647,688 on the rapid transit lines and 1,532,516 on the surface lines.

Peak Hour Rapid Transit Passengers as a Percentage of the 24-Hour Total on a Typical Weekday

	Two Morning Peak Hours 7 - 9 A.M.	Peak Hours 4 - 7 P.M. Three Evening
1955	26.58%	31.14%
1956	27.11	31.75
1957	26.83	31.61
1958	25.91	30.84
1959	26.09	30.92
1960	25.77	30.83
1961	25.40	29.69
1962	25.57	30.54
1963	25.51	30.12
1964	24.90	30.40

Number of Revenue Passengers on Surface Divisions (in Thousands)

Fiscal Year Ended June 30	Brooklyn	Staten Island	Queens	Manhattan	Total
1955	291,760	26,671	67,195	33,835	**419,461**
1956	286,231	25,598	68,232	33,247	**413,308**
1957	286,054	25,204	69,914	33,731	**414,903**
1958	282,871	25,126	71,257	33,796	**413,050**
1959	283,059	25,392	73,806	34,344	**416,601**
1960	292,427	25,770	77,068	35,749	**431,014**
1961	290,132	26,296	79,578	36,365	**432,371**
1962	298,955	26,406	80,330	40,121	**445,812**
1963	304,461	27,344	84,337	41,143	**457,285**
1964	307,444	28,433	90,188	43,857	**469,922**