

FINANCE DOCKET No. 5579
CONSTRUCTION OF JERSEY CITY BRANCH BY MORRIS
& ESSEX R. R. CO.

Submitted September 29, 1926. Decided October 9, 1926

Certificate issued authorizing the Morris & Essex Railroad Company and/or the Delaware, Lackawanna & Western Railroad Company to construct and operate a branch line of railroad in Hudson County, N. J.

W. J. Larrabee for applicants.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS MEYER, EASTMAN, AND WOODLOCK

BY DIVISION 4:

The Morris & Essex Railroad Company, a corporation organized for the purpose of engaging in interstate commerce by railroad, and the Delaware, Lackawanna & Western Railroad Company, a carrier by railroad subject to the interstate commerce act, hereinafter respectively referred to as the Essex and the Lackawanna, on June 2, 1926, filed a joint application under paragraph (18) of section 1 of the act for a certificate that the present and future public convenience and necessity require the construction and operation of a branch line, approximately 0.676 mile in length, in Jersey City, Hudson County, N. J. The purpose of the proposed branch is to connect existing main-line tracks and freight yards via (and through) a new depot proposed to be constructed at Jersey City. The proposal of the applicants has been considered by the Port of New York Authority. A hearing has been had, and no objection to the granting of the application has been presented to us.

Jersey City and Hoboken, N. J., are adjoining cities on the west shore of the Hudson River, opposite the Borough of Manhattan, New York City. Passenger and freight equipment of the Lackawanna reach the New York port district at these points by means of railroad facilities owned by the Essex and used by the Lackawanna under lease. See *Construction of Line by D., L. & W. R. R.*, 94 I. C. C. 541. Terminal facilities of the Essex at Hoboken and Jersey City include a passenger station, ferry slips, a freight depot, extensive freight yards, and car floats, lighters, and other marine equipment. Ferries are operated by the Lackawanna, under lease, in 117 I. C. C.

transporting passengers and vehicular traffic between the passenger terminal at Hoboken and Twenty-third Street, Christopher Street, and Barclay Street, New York City, and between Fourteenth Street, Hoboken, and Twenty-third Street, New York City.

Traffic of the Lackawanna originating at or destined to New England points avoids the applicants' Hoboken and Jersey City terminal facilities, hereinafter referred to as the Hoboken terminal. Freight handled at that terminal originates at or is destined to points in the port district or vicinity, or is included in export, import, or coastwise movement. The volume of freight, in net tons, handled through the terminal during the past five years was as follows:

	1921	1922	1923	1924	1925	Total
Eastbound:						
Local (Jersey City and Hoboken).....	320,083	539,595	460,265	338,104	507,496	2,165,543
New York City and beyond--						
Coal.....	2,475,246	1,508,137	2,538,376	2,661,678	2,418,473	11,601,910
Other freight.....	3,000,509	3,114,912	3,656,711	3,552,103	3,654,250	16,978,486
Total.....	5,795,838	5,162,644	6,655,352	6,551,885	6,580,219	30,745,938
Westbound:						
Local (Jersey City and Hoboken).....	109,297	90,283	105,808	101,398	136,439	543,225
New York City and beyond.....	756,658	1,035,870	1,036,548	829,632	898,535	4,557,243
Total.....	865,955	1,126,153	1,142,356	931,030	1,034,974	5,100,468
Grand total.....	6,661,793	6,288,797	7,797,708	7,482,915	7,615,193	35,846,406

The Lackawanna line-haul rates include lighterage and car-float service within the lighterage limits of the harbor. Terminal handling of coal included transfers by car float to Sixtieth Street, New York City, and to railroad terminals on Long Island and Staten Island. Other commodities moved by car float to and from Hoboken from and to the points mentioned and points on Manhattan Island, or by lighter from and to vessels docked or anchored in the harbor. Statistics in the record of tonnage handled by marine equipment during the five-year period 1921-1925 are summarized below, together with the resultant expense to the Lackawanna:

Period	Net tons, eastbound	Net tons, westbound	Total tonnage	Expense
Year 1921.....	2,562,204	504,988	3,067,192	\$4,102,410
Year 1922.....	2,506,791	500,394	3,007,185	3,639,964
Year 1923.....	2,949,013	545,080	3,494,093	4,135,490
Year 1924.....	3,117,326	601,589	3,718,915	4,308,245
Year 1925.....	2,968,857	620,879	3,589,736	3,939,427
Total.....	14,104,191	2,772,930	16,877,121	20,125,536

In addition to this movement by water, some of the coal received inbound from points on the Lackawanna system was dumped into

117 I. C. C.

vessels at the piers at the Hoboken terminal. It appears that freight to and from New York City was handled, to some extent at least, by motor trucks using the ferries, under an arrangement between the Lackawanna and the trucking company.

The States of New York and New Jersey are building the Hudson, or Holland, vehicular tunnel under the Hudson River from Manhattan Island to the Jersey shore. This project includes two tubes, plans for the operation of which contemplate one-way traffic in each direction. The entrance of the westbound tube and the exit of the eastbound tube will be at Broome Street, near Hudson, and at Varick and Vestry Streets, New York City, respectively, with corresponding terminals in Jersey City at Fourteenth and Provost Streets and at Twelfth and Provost Streets respectively. Each tube will have an overhead clearance of 13.5 feet and sufficient lateral width to accommodate two lines of traffic moving at different rates of speed. The maximum capacity of the tubes is estimated at 46,000 vehicles daily, or 15,000,000 per year. It is expected that the tunnel will be ready for operation in March, 1927.

The applicants state that the Hoboken terminal is now worked to capacity. The matter of providing additional facilities has been under consideration for a number of years, it being realized that normal increases in the Lackawanna's traffic at New York Harbor would require extension of the freight depot. With the completion of the Holland tunnel it is expected that a large amount of freight now floated between the terminal and various points will be transported from and to the terminal by truck. The applicants have accordingly determined to supplement existing facilities by constructing a new freight depot having team tracks, loading and unloading platforms, storage space, and other freight-handling appurtenances.

The site of the proposed depot comprises an area equivalent to approximately nine city blocks. It lies a short distance west of the present freight depot and south of the main-line tracks leading thereto, and adjoins the applicants' freight yards in Jersey City. It is also conveniently located with respect to the Jersey City portals of the vehicular tunnel.

Present plans for the new depot contemplate space at the street level for "tail-board" delivery and storage, covered practically throughout by "what is known as the flat-slab method." The tracks of the proposed branch will traverse the higher level formed by the flat-slab construction. This level will be provided with facilities for team-track delivery and will be reached by a ramp approximately two blocks in length. The lower level will be served by elevators. Future needs for expansion will be anticipated by pro-

117 I. C. C.

vision of foundations sufficient to support several stories of warehouse space above portions of the track level.

The proposed branch is to extend from a connection with the main tracks of the applicants at or near the Hoboken tunnels, thence over fills approximately 20 feet high, and the flat-slab construction of the new depot, to the freight yards. The line will pass over lines of the New Jersey Junction Railroad Company and the Erie Railroad Company, a proposed junction between lines of the Erie and the Lackawanna, and certain open streets in Jersey City, necessitating the construction of a number of steel bridges. The branch line is to have four tracks. The center tracks will be used for the movement of inbound freight to the yards for classification and of freight outbound after classification. The outer tracks are intended for switching purposes.

Construction of the freight depot is to proceed in stages, as the need for additional facilities develops. Work on the first stage, comprising about 50 per cent of the project, will begin about January 1, 1927, and be completed about December 31, 1928. Construction of the branch line will commence about January 1, 1927, and require about one year for completion. Approximately two-thirds of the land required for the depot is already owned by or held for the applicants. It appears that improvements on the remaining third are such as not to add materially to the cost of acquiring such lands. The estimated cost of the entire project is \$12,938,000.

The cost of the branch alone is estimated at \$2,120,000. It is pointed out that the route traverses valuable city property and that the line will be located on steel bridges and flat-slab construction for 61 per cent of its entire length, a proportion of the cost of the latter being allocated to the cost of the branch. The items of cost for land and supporting structures amount to 86 per cent of the total estimated cost of the line.

Construction of the line and depot will be financed with funds available in the treasury of the Lackawanna. It is contemplated that at some future date the Essex will issue securities to the Lackawanna in reimbursement of sums so advanced, but the kind and amount of such securities has not yet been determined. Nothing herein is to be construed as relieving the applicants from compliance with applicable provisions of section 20a of the act, or as committing or prejudicing action by us in the future upon any proposal by the applicants, or either of them, to issue securities in respect of expenditures made for the purposes above mentioned.

It was testified that construction of the proposed depot and branch line will facilitate and expedite the handling of traffic at the applicants' Hoboken terminal, and will reduce operating expenses through

117 I. C. C.

the elimination of lightering and car-float service. Marine equipment will continue to be used for transfers to distant points, however, and remain available for operation in emergencies.

Upon the facts presented we find that the present and future public convenience and necessity require the construction and operation by the applicants, or either of them, of the line of railroad in Hudson County, N. J., described in the application.

An appropriate certificate will be issued.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Issued October 9, 1926

A hearing and investigation of the matters and things involved in this proceeding having been had, and said division having, on the date hereof, made and filed a report containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part hereof:

It is hereby certified, That the present and future public convenience and necessity require the construction and operation by the Morris & Essex Railroad Company, and/or the Delaware, Lackawanna & Western Railroad Company, of the branch line of railroad in Hudson County, N. J., described in the application and in the aforesaid report: *Provided, however*, and this certificate is issued upon the express condition, that the construction of said branch line of railroad shall be commenced on or before July 1, 1927, and be completed on or before December 31, 1928.

It is ordered, That the applicants herein, or either of them, shall report to this commission, in writing, the commencement and the completion of such construction, within 15 days after such commencement and completion, respectively.

117 I. C. C.