

FINANCE DOCKET No. 6473
PROPOSED ABANDONMENT OF BRANCH LINE BY DELA-
WARE & HUDSON COMPANY

Submitted June 30, 1928. Decided July 30, 1928

Public convenience and necessity not shown to permit the abandonment by the Delaware & Hudson Company of its Honesdale branch in Lackawanna and Wayne Counties, Pa. Application denied. •

W. D. Waldron, H. T. Newcomb, R. E. Quirk, and G. F. Graham for applicant.

S. M. R. O'Hara, deputy attorney general, for Commonwealth of Pennsylvania.

A. G. Rutherford, James O. Mumford, and E. J. Layton for Honesdale Chamber of Commerce and others; *M. J. Martin* and *Paul G. Collins* for Lake Ladore Improvement Company, Elk Hill Coal & Iron Company, and Scranton Coal Company; *H. R. Van Deusen* for Racket Brook Coal Company and Suffolk Anthracite Collieries; *John R. Wilson* for Temple Coal Company and Mine Run Coal Company; and *Clarence Balantine* for borough of Waymart, protestants.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS MEYER, EASTMAN, AND PORTER

BY DIVISION 4:

Exceptions were filed to the report proposed by the examiner and the case was argued orally.

The Delaware & Hudson Company, a carrier by railroad subject to the interstate commerce act, on August 5, 1927, filed an application under paragraph (18) of section 1 of the act for a certificate that the present and future public convenience and necessity permit the abandonment by it of a branch line of railroad 27.72 miles long in the counties of Lackawanna and Wayne in the State of Pennsylvania, extending from Carbondale, Lackawanna County, to Honesdale, Wayne County, and hereinafter called the Honesdale branch, or the branch. A similar application was made by the applicant to the Public Service Commission of Pennsylvania, which held a hearing on both applications at Scranton, Pa., on November 3 and 4, 1927. Objections to the granting of the application were made by the following interveners: Prompton Borough Council, Honesdale

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Chamber of Commerce, Lake Ladore Improvement Company, Commonwealth of Pennsylvania, Racket Brook Coal Company, Scranton Coal Company, Suffolk Anthracite Collieries, Elk Hill Coal & Iron Company, Temple Coal Company, and Mine Run Coal Company. During the hearing the above-named coal companies withdrew their opposition to the application. No recommendation was made by the Pennsylvania commission.

The application was chartered under the laws of New York on April 23, 1823, as the "President, Managers and Company of the Delaware & Hudson Canal Company," for the general purpose of supplying the markets of New York City and vicinity with anthracite. Its name was changed to Delaware & Hudson Company by act of the legislature of the same State on April 28, 1899. It built a canal from Honesdale, Pa., to Rondout-on-the-Hudson, N. Y., which was completed and opened for traffic in 1828. To transport coal from the mines at Carbondale over the Moosic Mountain to Honesdale, a narrow-gauge gravity railroad, for which the necessary power on the upgrades was furnished by stationary steam engines, was completed in 1829. By this road freight, principally anthracite, was carried from Carbondale to the canal at Honesdale from 1829 to 1898. Coincident with railway development generally canal transportation gradually became in large degree obsolete. In 1869 a line of the Erie Railroad was extended to Honesdale. From that time much of the anthracite carried on the branch was forwarded from Honesdale by the Erie. Passenger service on the branch was inaugurated in 1877. With the development of the applicant's railroad system into New York State new markets for anthracite were found and the tonnage moved by the canal decreased to such an extent that in 1898 the canal was abandoned. The branch was, however, continued in operation to take care of the local traffic which had developed and the through traffic with the Erie Railroad. In order to lessen the cost of operation and utilize more modern methods, in 1898 and 1899 the gravity railroad was relocated and rebuilt of standard gauge as a locomotive line, extending from Lookout Junction, on the main line of applicant, about 0.5 mile south of its passenger station at Carbondale, to a connection with the Honesdale-Hawley branch of the Erie Railroad at Honesdale. This is the line or branch of which the abandonment is now sought. While it is nearly 28 miles long, the straight-line distance between its ends is not more than 14 miles and the highway between Carbondale and Honesdale is only about 16 miles long. The greater distance by railroad is due to the circuitous route necessary in crossing Moosic Mountain, the elevation at Lookout Junction being 1,041 feet above sea level while at the highest point of the branch the elevation is 1,900 feet. .

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From Lookout Junction the branch runs southwestward about 1.5 miles to Bushwick, then turns sharply to the east and runs about 5.5 miles northeastward to Panther Bluffs, where there is a switch-back to make the necessary ascent, thence southward and eastward about 5 miles to Farview, the summit of the mountain. Descending on the easterly side the branch makes a long detour of 6 miles to the south to gain about 1.5 miles to the east at Waymart; thence it runs southeastward through Keene, Prompton, and Seeleyville about 9.5 miles to Honesdale. At Honesdale the line extends about 1 mile southerly from the station to Honesdale Junction, where it connects with the Scranton-Honesdale branch of the Erie Railroad. West of Farview the maximum grade of the branch is 2.37 per cent while from Farview down on the east side the maximum grade is 2.2 per cent. The agency stations on the branch between Carbondale and Honesdale are Farview, Waymart, and Prompton, the latter being about 6 miles westerly from Honesdale. There are nonagency stations at Whites, Canaan, Munson, Lake Ladore, Keene, and Seeleyville. Whites is about 6 miles from Carbondale by the railroad. Canaan, Munson, and Lake Ladore are on the detour line between Farview and Waymart, Keene is between Waymart and Prompton, and Seeleyville is about 1 mile west of Carbondale.

Carbondale is a city of some 20,000 people. Honesdale, as recently extended, is a borough of about 8,000 inhabitants. The population of Waymart is around 900, of Prompton about 240, and of Seeleyville about 260. The other places on the branch are smaller, except Farview, where a State hospital for the criminal insane is located. The applicant estimates the population served by the branch, outside of Carbondale and Honesdale, and exclusive of the State hospital, at about 1,700, but in this estimate are included only those living within 1 mile of the branch. The patrons of the branch are evidently drawn from a wider territory. In fact the evidence shows that large lumber and chemical works near Tanners Falls, 7 miles north of Honesdale, receive and ship by the branch relatively large tonnages.

The principal industries on the branch are the following: Between Lookout Junction and Panther Bluffs are several coal-mining operations, some active and some inactive. There are also some large culm banks not operated at present. This section of the branch is all within about 1 mile of the applicant's main line. At Farview, as above noted, is the State hospital, located on a tract of 600 acres donated to the State by the applicant. Between Farview and Waymart and between Waymart and Keene there is some farming and dairying. At Waymart there are several dealers in grain products, lumber, building supplies, and automobiles, and retail coal dealers. At Keene the Lake Ladore Improvement Company has ice houses and an amusement park. At Prompton are an

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excelsior enterprise, a dairyman's league cooperative association, and retail dealers in mining material, feed, and coal. At Seeleyville there is a culm bank, composed of anthracite screenings accumulated while the canal was in operation, and a woolen mill established over 50 years. At Honesdale there is considerable business activity, including 13 manufacturing concerns, of which the largest is the Gurney Elevator Company. A few miles north of Honesdale, near Tanners Falls, the large lumber and chemical concern above mentioned is located on a tract of 8,000 acres.

The construction of the buildings for the State hospital at Farview was begun in 1908 and the institution was opened in 1912. There are now over 600 inmates and more than 100 officers and attendants. It is planned to enlarge the institution to about twice its present capacity and building materials for such enlargement have been received. Brick has been manufactured to some extent on the hospital grounds from clay on the property. The fuel supply for the hospital for several years was obtained on the property from fills of the old gravity railroad, but this source is exhausted and coal for the hospital is now transported by the railroad, as are some of its other heavy supplies, although it receives fruit, vegetables, and lighter supplies largely by truck. The hospital uses some 9,000 tons of coal a year and has storage accommodation for 10,000 tons. It receives by rail about 170 carloads of coal a year. Between January 1, 1925, and September 30, 1927, it paid \$31,174 freight on carload shipments of all commodities and \$835.32 on less-than-carload shipments.

There are several extensive shippers and receivers of freight at Waymart. One of them, a builder, received over 100 carloads of lumber and building materials between March 15, 1926, and October 26, 1927. Another, a retailer of building materials, received 86 carloads of freight between June 1, 1925, and June 1, 1927. A dealer in feed, etc., received 114 carloads between October 1, 1926, and October 1, 1927, on which he paid over \$12,000 in freight. Another patron paid \$20,271.51 in freight the past year; another pays about \$7,000 a year; and still another paid over \$2,000 last year, mostly on carload shipments. The testimony further shows that there are in the borough of Waymart some 40 other persons who ship or receive freight in carload lots. Of course, the applicant did not receive all the freight payments above mentioned. Much of the tonnage on which charges were so paid came from connecting lines. The payments, however, indicate the considerable volume of traffic handled on the branch.

The Lake Ladore Improvement Company has an investment of some \$200,000 in three small lakes, an amusement park, and ice houses. The latter have a capacity of about 44,000 tons. Ice is har-

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vested on Keene Point and is shipped throughout the year. In the busy season the company ships 12 to 15 cars of ice a day. Its shipments by rail were 25,192 tons in 1922; 26,742 tons in 1923; 27,800 tons in 1924; 33,872 tons in 1925; and 30,230 tons in 1926. The amusement park is patronized by picnic parties. Before 1917 excursions were run on the branch to the park, but they were discontinued during the war and have not been resumed, as so much of the travel is now by automobile.

In 1925 and 1926, owing to the strike in the anthracite mines, large quantities of culm were shipped from the culm bank at Seeleyville, but when the mines are operating normally little culm is used. Only about 15,000 tons are now left in the Seeleyville culm bank.

The Gurney Elevator Company at Honesdale has a million dollar plant and employs about 225 persons, of whom about 180 own their homes in Honesdale. The lumber and chemical works near Tanners Falls manufacture lumber, charcoal, acetate of lime, and methanol. They ship about three carloads of charcoal per week and considerable quantities of their other products. These products are hauled by truck to and from Honesdale, where shipments are made and freight received.

The Honesdale industries above mentioned are located on, or easily accessible to, the line of the branch. Railroad service is essential to their operation and if the branch were abandoned without other railroad facilities being supplied these industries would have to close down or greatly curtail their operations. The Erie has the use of the applicant's station and the mile of track between the end of the Erie's line and that station. The applicant assumes that the Erie would continue its operation over this mile of track and its use of that station. The record shows no expression regarding the intentions of the management of that carrier in this connection, but, as the withdrawal of the applicant would leave more traffic for the Erie to handle, the presumption that it would take care of the traffic seems to be justified. If the Erie should continue to use the applicant's station and the line and spurs of the branch serving the Honesdale industries above mentioned, those industries probably would not suffer greatly from the abandonment of the rest of the branch. The record shows that the Erie now handles nearly as much of the Honesdale freight traffic as the applicant and over twice as much of its passenger traffic. It also shows that in 1926 less than 10 per cent of the applicant's tonnage to and from Honesdale was local to the branch, including business to and from Carbondale, and that not over 1 per cent of the total tonnage handled at Honesdale is to or from points between there and Carbondale. Honesdale is not much farther from Scranton, the business center

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of that part of the State, by the Erie than it is by the applicant's branch and it is nearer to Scranton by highway than by either railroad, the distance by highway being 28 to 32 miles while by the Erie it is 48 miles and by the branch and the applicant's main line 43.2 miles.

There are good highways throughout the territory tributary to the branch. The road from Carbondale to Honesdale is a macadam, water-bound road which is being converted into a concrete highway 18 feet wide. It is roughly parallel with and close to the branch except for the switchback of the branch at Panther Bluffs and its long detour between Farview and Waymart. The highway avoids these circuitous routes and is much more direct. At present its maximum grade is about 10.4 per cent, but when rebuilt as planned it will have no grade greater than 8 per cent. By this highway the hospital at Farview is only about 5 miles from Carbondale, while the distance by rail is 12 miles. Waymart is only about 6.5 miles from Carbondale by highway, while it is 18 miles by rail. There is a good highway from Honesdale to Hawley, 9 miles south, and from Honesdale to Scranton, about 28 miles to the west. The latter is roughly parallel for some 20 miles to the Scranton-Honesdale branch of the Erie. On this latter branch are several stations which are from 6 to 8 miles distant by good highways from Prompton and Waymart on the Honesdale branch.

Honesdale and the other communities served by the branch are growing in population and wealth. Between 1922 and 1927 the resources of the banks of Honesdale increased from \$8,000,000 to \$11,000,000. In 1927 a new bank was organized at Waymart, with resources of over \$300,000.

For some time after the rebuilding of the railroad the branch handled considerable traffic. In 1899 it hauled 80 to 100 cars of coal a day and there was a local freight making two round trips daily except Sunday, and some through traffic was interchanged with the Erie until 1910. The freight traffic has, however, gradually fallen off and only one round trip a day is now made by a local freight train. Additional service is furnished as required for the anthracite operations between Lookout Junction and Panther Bluffs and for increased demands of traffic at other points from time to time. From 1899 to 1907 there were on week days four passenger trains in each direction between Carbondale and Honesdale and two or three trains on Sundays. In 1907 the service was reduced to two trains in each direction on week days and one round trip on Sundays. In 1926 the passenger service was further reduced to one round trip each week day, as it stands at present. As this train leaves Carbondale at 7.30 a. m., arrives at Honesdale at 8.40 and leaves on the return trip at 9, arriving at Carbondale at 10.10 a. m.,

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the schedule hardly seems calculated to attract the maximum amount of traffic.

The branch is in good condition, so far as the record shows. The applicant alleges, however, that it is a very expensive line to operate on account of its heavy grades, which are claimed to be prohibitive for heavy traffic. A locomotive can handle on the branch only about one-fourth of the load which it can handle on the applicant's main line south of Carbondale. Testimony for the applicant indicates that efforts have been made to develop local traffic on the branch, that the milk business was built up to a carload a day and that there was for some time an important traffic in mine props from Waymart and Prompton to Carbondale. Dairy products and mine props, however, have recently been moving mostly by truck, by which they are delivered to the exact locations desired without the necessity of a delivery service following rail transportation.

The traffic of the Honesdale branch for the five years 1922-1926 is stated as follows:

	1922	1923	1924	1925	1926
Anthracite (tons).....	59,269	47,470	42,938	¹ 143,979	¹ 180,615
Bituminous coal and coke.....	3,344	5,035	6,199	6,938	9,713
Clay, gravel, sand, and stone.....	3,245	5,345	11,682	7,213	7,551
Ice.....	23,268	24,408	26,606	31,284	28,515
Forest products.....	8,574	12,594	15,528	8,878	11,007
Grain.....	3,514	3,642	3,461	2,959	2,751
Hay, straw, and alfalfa.....	112	61	57	108	280
Other agricultural products.....	458	199	738	292	364
Animals and animal products.....	672	690	575	362	485
Mill products, including flour and meal.....	4,041	4,653	4,784	4,600	5,491
Fertilizers.....	645	453	334	435	448
Cement, brick, artificial stone, lime, and plaster.....	3,091	3,719	3,197	4,697	2,896
Metals, castings, machinery, boilers, and rails.....	2,580	2,309	6,101	4,099	5,080
Vehicles and agricultural implements.....	392	376	682	549	541
Refined petroleum and its products.....	1,683	3,160	3,065	5,373	3,946
Chemicals and explosives.....	163	387	338	167	436
Other carload freight.....	6,502	7,360	7,376	7,575	8,179
Less-than-carload freight.....	6,097	6,017	6,347	6,102	5,058
Total.....	127,650	127,878	140,008	235,428	273,356
Total, except anthracite coal.....	68,381	80,408	97,070	91,631	92,741
Total, excluding coal and coke.....	65,037	75,373	90,871	84,693	83,028

¹ The anthracite shipments in 1925 and 1926 include 108,344 and 130,480 tons of culm hauled from the culm bank at Seeleyville in those years, respectively, during the time of the anthracite strike.

The number of passengers carried by the branch was 48,175 in 1922, 46,511 in 1923, 37,703 in 1924, 28,041 in 1925, 18,712 in 1926, and 3,799 in the first half of 1927.

For several years the applicant has been losing traffic from the branch to automobiles and to autobus and autotruck lines. The improvement of the highways has had the same effect here as in other localities. Much freight of the lighter varieties, including most of the dairy products in this section, is carried by trucks. Running between Carbondale and Honesdale there is an autobus line, whose vehicles, making four trips a day, in 1926 carried about 21,000

passengers. The fare between the two places is \$1 by bus and 99 cents by rail. The record shows that on October 24, 25, and 26, 1927, there passed a given point on the highway between Carbondale and Waymart each day from 834 to 1,177 automobiles, 162 to 251 motor trucks, and 10 autobusses. On the first day mentioned the train to Honesdale carried 20 passengers, of whom 6 were nonrevenue and on the return trip 6 passengers, 3 of whom were nonrevenue. On the next day 13 paying and 6 nonrevenue passengers were on the train going to Honesdale and 7 paying and 2 nonrevenue passengers on the return trip.

As an additional reason for this proceeding the applicant calls attention to a recent order of the Public Service Commissioner of Pennsylvania requiring it to contribute \$40,000 towards the elimination of certain grade crossings on the branch near Carbondale, and to a pending proceeding regarding another highway crossing in which it probably will be charged with an additional expense of over \$6,000.

There are no accurate data of the cost of the branch but the applicant estimates the investment cost at \$1,717,465.41. Its salvage value is estimated at about \$107,000. The revenues derived from the operation of the branch for the year ended June 30, 1927, are stated as follows:

Table A

	Amounts
Revenues:	
From freight.....	\$89,334.29
From passengers and mail.....	10,571.96
From express.....	7,736.35
Total.....	107,642.60

The annual revenues for the entire haul over the applicant's line from Honesdale branch traffic and the annual expenses are stated as follows:

Table B

	Factors	Amounts
Revenues:		
From freight.....	\$181,361.45	\$210,076.14
From passengers and mail.....	12,759.74	
From express (estimated).....	16,044.95	
Rentals.....		2,163.07
Total.....		212,239.21
Expenses:		
Operating expense.....	197,181.75	376,380.09
Taxes.....	12,938.24	
Interest on investment.....	103,047.92	
Proportion Carbondale terminal expense.....	29,829.94	
Miscellaneous expenses.....	33,382.24	
Deficit.....		164,050.88

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The principal items of the operating expense of \$197,181.75 are the following:

Passenger-train operation.....	\$23,502.20
Station and freight-house operation and maintenance.....	24,548.53
Freight and work train operation.....	77,323.86
Freight car per diem.....	19,852.00
Maintenance of way and structures.....	48,431.18

Excluding interest on the investment and the Carbondale terminal and miscellaneous expenses, the revenues, expenses, and deficit are otherwise stated as follows:

Table O

	Factors	Amounts
Total operating expense.....	\$197,181.75	\$210,119.99
Taxes.....	12,938.24	
Branch revenue, as above stated.....	107,642.60	109,805.67
Rentals.....	2,163.07	
Deficit.....		100,314.32

In oral argument the applicant's general counsel stated that the \$103,047.92 shown in table B for interest on investment was of no importance and need not be considered. If the branch were abandoned all the applicant would have left from the investment would be the salvage value, estimated at \$107,000, on which 6 per cent interest would be \$6,420. Two other items included in Table B are \$29,829.94 for proportionate Carbondale terminal expense and \$33,382.24 for miscellaneous expenses. Both these items appear to be excessive, the former because it does not seem probable that the expenses of the Carbondale terminal would be greatly decreased by the abandonment of the Honesdale branch and the latter because it constitutes 17 per cent of the total expenses, which is a large percentage for the minor items usually classed as miscellaneous. In the applicant's final restatement of expenses both those items are decreased one-half. Changing the interest item in Table B to \$6,420, the Carbondale terminal item to \$14,914, and the miscellaneous expense item to \$16,691.12, the deficit shown in the table is reduced to \$35,816.87. This amount would be further reduced by a proper decrease in the item of \$48,431.18 for maintenance of way and structures, which is a part of the operating expense shown in Table B.

Maintenance of way and structures is particularly high on the section between Lookout Junction and Panther Bluffs, as there is constant danger from mine caves on a part of this section, which is built over mine workings from which the pillars have been "robbed."

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Watchmen are continually employed to give warning of the settling of the ground over these workings, and the extra annual expense of maintenance of the section on account of this condition is stated to be over \$10,000. It would therefore appear that 40 per cent or more of the \$48,431.18 expense for maintenance of way and structures is due to this section. In applicant's brief it is stated that it is not its intention that the mine workings on this section be cut off if the application is granted, that they all lie on the lower westerly slope of the mountain and could be accommodated by new industrial spurs or by leaving in place the branch track through this section. It is further stated that the action of the several coal companies in withdrawing their opposition to the application was undoubtedly due to their understanding, encouraged by the applicant, that their interests would be protected in the manner suggested. The applicant states this use of the branch track in serving the mines mentioned would involve much less maintenance expense than its use for regular trains. It is evident, however, that in view of the danger from mine caves the expense of maintenance of this section of the branch would still be relatively large even if regular freight and passenger trains were eliminated.

In its final restatement of expense and revenue figures the applicant states its annual deficit in the operation of the branch at \$109,025.05. This sum is reached by including in the expenses \$79,898.52 for expense of handling branch traffic on other portions of its system, which is omitted from the statement in Table B. This off-branch expense is arrived at by applying the applicant's operating ratio, about 78 per cent, to the difference between \$210,076.14, the total revenue, and \$107,642.60, the branch revenue. While this may be a fair method of computing operating expenses for some purposes it is improbable that the handling of the branch traffic on other portions of the applicant's system actually increased its operating expenses by more than a minor fraction of \$79,898.52. From the record as a whole we conclude that the applicant's actual yearly loss from the operation of the branch is much less than \$100,000 a year.

The applicant is a prosperous carrier. Its balance sheet as of April 30, 1927, shows investment in road and equipment of \$88,600,078.85. Its income accounts show an average net annual operating income for the five and one-half years ending June 30, 1927, of \$6,243,631 and it has been paying dividends of 9 per cent a year for several years. It is not contended that its loss of revenue from the operation of the branch prevents its earning a fair return on its investment, but rather that the loss is disproportionate to the service rendered, and therefore an unreasonable burden on its system earnings and on interstate commerce.

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Protestants allege that the State hospital and the industries along the line of the branch were located in reliance on the continued operation of the branch, and that the railroad can not be abandoned without great damage to those concerns. The hospital authorities claim that it is impracticable to obtain their coal and heavy supplies by truck; that it would cost about \$2 a ton to haul their coal by truck while they pay the railroad only \$1.13 a ton. They also say that truck transportation is uncertain in winter, as the roads are often slippery or blocked with snow and ice, particularly on the hills and on some narrow streets. Representatives of truck companies, however, testify that their vehicles move on schedule time throughout the year, with very little interruption on account of snow and ice. Officers of the Lake Ladore Improvement Company allege that their ice business would be ruined by abandonment of the branch, and that it is impracticable to transport so bulky and cheap a product as ice in the necessary quantities by truck. Business people of Waymart testified that it would be practically impossible to transact their business in its present volume without the service of the branch, while the manufacturers and merchants of Honesdale thought they could not carry on their present operations if the branch were abandoned.

The ice business and some of the industries at Waymart would doubtless be badly crippled by the abandonment of the branch and heavy losses on their part would seem to be inevitable. The State hospital would also be inconvenienced and injured to some extent. As to the Honesdale enterprises, the Erie, as above indicated, would perhaps be able to serve them in a fairly satisfactory manner.

It is apparent from the record, as above set forth, that there is little need for the passenger service afforded by the Honesdale branch. The bus service between Carbondale and Honesdale is quicker and apparently meets the demand for passenger transportation between those points. It would therefore seem that the applicant might discontinue its passenger-train service on the branch with little inconvenience to the public and at a substantial saving in expense.

As to the freight service, however, it is not thought that the applicant has shown that present or future public convenience and necessity permit its abandonment. It is also to be borne in mind, as above noted, that the applicant plans to continue to serve the coal mines on the westerly part of the branch, either by that portion of the branch or by other trackage, so that it would have the expense of such operation even if the rest of the branch were abandoned. Again, it seems clear that the public service requires that the station and that part of the branch in Honesdale be retained in use either by the applicant or by the Erie. Apparently therefore only the central portion of the branch, extending from Panther Bluffs, or thereabouts,

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to the westerly limits of Honesdale, about 20 miles, would be abandoned if we should grant the application. It is not clear from the record that the expense of operation over this portion of the branch is such a burden upon the applicant's resources as would justify its abandonment, in view of the needs of the communities and interests along the line for railway service. While it is true that the branch has lost not only the larger part of its passenger traffic but much of its lighter and more profitable freight traffic to the bus and truck lines, there still remains a substantial volume of heavy traffic, as above set forth. As the communities served are growing in population and wealth this heavy traffic seems likely to increase. A large portion thereof originates at or is destined to Farview, Waymart, Keene, Prompton, and other points on the branch which could not be adequately served by the Erie. These points need the service of the branch.

On the record presented we are unable to find that present and future public convenience and necessity permit the abandonment by the applicant of its branch line of railroad between Carbondale and Honesdale described in the application and in this report and herein designated as the Honesdale branch.

An appropriate order will be entered.

ORDER

Entered July 30, 1928

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 said report is hereby referred to and made a part hereof:

It is ordered, That the application be, and it is hereby, denied.

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