

We find that the present and future public convenience and necessity permit the abandonment by the Tionesta Valley Railway Company of that part of its line of railroad in Warren County, Pa., described in the application. An appropriate certificate will be issued, effective from and after 30 days from its date, in which suitable provision will be made for the cancelation of tariffs.

FINANCE DOCKET No. 10377

DELAWARE, LACKAWANNA & WESTERN RAILROAD
COMPANY EQUIPMENT-TRUST CERTIFICATES

Submitted February 15, 1936. Decided February 17, 1936

Supplemental order of May 23, 1934, modified so as to limit to not exceeding \$1,033,000 the amount of Delaware, Lackawanna & Western Railroad equipment-trust certificates of 1934, series B, in temporary and definitive form, in respect of which the Delaware, Lackawanna & Western Railroad Company is authorized to assume obligation and liability and so as to permit amendment of the certificates by applicant's waiving the right of redemption and adjusting dividends thereon. Previous reports, 199 I. C. C. 582 and 664, and 207 I. C. C. 505.

William S. Jenney for applicant.

THIRD SUPPLEMENTAL REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS MEYER, PORTER, AND MAHAFFIE

BY DIVISION 4:

Our order herein of May 2, 1934, 199 I. C. C. 582, as modified July 16, 1935, 207 I. C. C. 505, authorized The Delaware, Lackawanna and Western Railroad Company, the applicant herein, to assume obligation and liability in respect of not exceeding \$3,619,000 of Delaware, Lackawanna and Western Railroad equipment-trust certificates of 1934, series A, to be sold at par in connection with the procurement of equipment. Our supplemental order in this proceeding of May 23, 1934, 199 I. C. C. 664, authorized the applicant to assume obligation and liability in respect of not exceeding \$1,043,000 of such certificates, series B, to be sold at par to aid in financing the reconstruction of 20 road engines to be rebuilt into switch engines and 986 wooden-sheathed box cars, of which 886 were to be converted into steel-sheathed box cars and 100 into steel-sheathed automobile cars.

212 I. C. C.

By supplemental application filed on January 28, 1936, the applicant requests modification of the supplemental report and order of May 23, 1934, so as to authorize it to assume obligation and liability in respect of not exceeding \$1,033,000 of Delaware, Lackawanna and Western Railroad equipment-trust certificates of 1934, series B, in temporary and definitive form, without the right of redemption and with certain adjustments of dividends, and so as to indicate that 883 instead of 886 steel-sheathed box cars are to be included under the trust agreement and lease.

The series-B certificates and the agreement under which they were issued provide that they are subject to redemption at the option of the applicant, either as a whole or in part, in the inverse order of their maturity on any dividend date at par and accrued dividends.

There have been issued \$1,033,000 of temporary trust certificates, series B, which are owned by the Government and registered in the name of the Federal Emergency Administrator of Public Works, who has requested the applicant to waive the redemption privilege, and subject to our approval it has consented to do so. The modifications proposed will be provided for in a supplemental agreement, amendatory to the lease and the agreement dated June 1, 1934, constituting the equipment trust of 1934, series B, and will be entered into by the original parties to the trust agreement and the United States of America, represented by the Administrator of Public Works. The right of redemption will be waived by canceling the provisions therefor contained in article twelfth of the trust agreement and in the temporary trust certificates. The agreement and lease will be further amended by striking therefrom all other references to the redemption of the certificates. The holder of the temporary certificates will agree to exchange them for the definitive certificates hereinafter described. The supplemental agreement will limit the total amount of series-B certificates to \$1,033,000, and will provide that the number of wooden box cars to be reconstructed and included under the trust shall be changed from 986 to 983, and that the number of such cars to be reconstructed into steel-sheathed box cars shall be changed from 886 to 883. The definitive trust certificates will be dated December 1, 1935, and in respect of each \$1,000 interest in the trust will have attached a dividend warrant in the amount of \$9.45, payable on June 1, 1936, and representing an adjustment of dividends to May 31, 1936, on the temporary certificate for which exchanged. From June 1, 1936, dividends will be payable semiannually at the rate of 4 percent per annum. The installment of certificates maturing on December 1, 1944, will be reduced from \$67,000 to \$57,000.

212 I. C. C.

We find that the assumption of obligation and liability by The Delaware, Lackawanna and Western Railroad Company in respect of not exceeding \$1,033,000 of The Delaware, Lackawanna and Western Railroad equipment-trust certificates of 1934, series B, in temporary and definitive form, as modified as aforesaid, (*a*) is for a lawful object within its corporate purposes, and compatible with the public interest, which is necessary and appropriate for and consistent with the proper performance by it of service to the public as a common carrier, and which will not impair its ability to perform that service, and (*b*) is reasonably necessary and appropriate for such purpose.

An appropriate supplemental order will be entered.

212 I. C. C.