Chicago Transit Authority 1970 annual report

Chairman's letter

The late George L. DeMent, Chairman of Chicago Transit Board, looked with pride upon the accomplishments which CTA made during the year 1970 under his direction and I know he would have highlighted them in his letter accompanying this, the 26th annual report of Chicago Transit Authority.

Chicago's third rapid transit extension completed within a year, a five-mile extension of the West-Northwest route by subway and Kennedy Expressway median, began operation on February 1. Simultaneously, bus service began operating from the new Jefferson Park terminal direct to O'Hare International Airport.

CTA's efforts to coordinate transit services in metropolitan Chicago were furthered with the completion in late June of the Northwest Passage, a rail-to-rail link between the Lake-Dan Ryan rapid transit route and the North Western Railway's downtown terminal.

Operating employees brought great credit upon themselves and the Authority by making 1970 the safest year in CTA history. Such an accomplishment, made in spite of increased traffic congestion, shows the effect of intensive training as well as the concern which CTA personnel have for the safety of our riders.

Although costs continued to soar out of proportion and revenue deficiencies increased in 1970, the Authority received considerable encouragement in its drive to effect transportation improvements with the enactment of legislation providing financial assistance. Mr. DeMent himself witnessed President Nixon's signing of the Urban Mass Transportation Assistance Act of 1970. The Act provides federal matching funds for the capital improvement of transit systems throughout the United States.

It was not until 1971, however, that legislation was passed to assist the Authority in meeting its obligations. The bill approved by Governor Ogilvie on July 2 provides $19,000,000 from the State of Illinois to be matched by City of Chicago and Cook County funds totalling $9,500,000.

For making all of these accomplishments possible, we of the Board express our deep appreciation to City, County, State and Federal officials for their invaluable assistance, to our passengers for their continued loyalty, and to our employees for the skill and dedication with which they perform their duties.

James R Quinn

James R. Quinn
Vice Chairman

Chicago Transit Board

GEORGE L. DeMENT, Chairman (M)	Term Expires August 31, 1973*
JAMES R. QUINN, Vice Chairman (M)	Term Expires August 31, 1971
WILLIAM W. McKENNA, Secretary (M)	Term Expires August 31, 1967**
ERNIE BANKS (G)	Term Expires August 31, 1976
WALLACE D. JOHNSON (G)	Term Expires August 31, 1975***
CLAIR M. RODDEWIG (M)	Term Expires August 31, 1972****
MRS. BERNICE T. VAN DER VRIES (G)	Term Expires August 31, 1970**

M—Appointed by the Mayor of the City of Chicago.
G—Appointed by the Governor of the State of Illinois.
*—Deceased-March 13, 1971.
**—Continues to serve until a successor has been appointed and has qualified.
***—Appointed June 4, 1970.
****—Appointed September 3, 1970.

THOMAS B. O'CONNOR, General Manager   JAMES G. O'DONOHUE, General Attorney

A Resolution in Memory of George L. DeMent

WHEREAS, the Members of Chicago Transit Board were profoundly shocked by the death of George L. DeMent who served as a Member of the Board and Chairman thereof from 1963 up to the time of his sudden passing; and

WHEREAS, the people of the Metropolitan area of Chicago and the entire nation have lost an able, conscientious, dedicated and good and faithful servant of the transit industry and all public activities connected therewith; and

WHEREAS, the dedication and devotion of Mr. DeMent through his public service to the City of Chicago and this Metropolitan area has been recognized with praise by our Local and State Government - Members of the Cabinet of the President of the United States and all Legislative Bodies, who sought his advice continuously on matters of mass transportation; and

WHEREAS, in our deep sorrow we note with sincere gratitude his capable leadership and foresight in the management of Chicago Transit Authority; now, therefore,

BE IT RESOLVED, that the Members of Chicago Transit Board in a Special Meeting assembled this 15th day of March, 1971, extend our condolences to his beloved family, that this resolution be spread upon the minutes of this meeting; and

BE IT FURTHER RESOLVED, that a suitable copy of this resolution be presented to his family as an expression of our sympathy.

March 15, 1971

George L. DeMent
February 8, 1904—March 13, 1971

Chairman, Chicago Transit Board
July 3, 1963—March 13, 1971

Chicago Transit Authority twenty-sixth annual report
for the fiscal year ended December 26, 1970

the year in brief

FINANCIAL SUMMARY	1970	1969
Operating revenue	$184,800,000	$180,000,000
Operating expense	179,100,000	161,100,000
Deficit in meeting depreciation requirement—		
Current year	(13,400,000)	(3,000,000)
Accumulated deficit at beginning of year	(18,100,000)	(15,100,000)
Total	$ (31,500,000)	$ (18,100,000)

( ) Denotes red figures

STATISTICS	1970	1969
Originating revenue passengers	402,300,000	423,200,000
Revenue car and bus miles	149,800,000	147,800,000
Population of Chicago	3,366,900	3,397,000
Number of active employes	12,684	12,367

contents

operations review

riding trends

A fare increase effective July 8, 1970, had an adverse effect on the overall riding pattern, particularly on the surface system. Estimates of annual surface system riding are 296,748,900 passengers in 1970 compared to 320,088,500 passengers in 1969, a decrease of 23,339,600 (7.29%).

The rapid transit system recorded 105,598,382 passengers in 1970 compared to 103,071,290 passengers in 1969, an increase of 2,527,092 (2.45%). Most of the increase in rapid transit riding can be attributed to the extension of the West-Northwest route on February 1, 1970, and the opening of the Dan Ryan route on September 28, 1969.

kennedy rapid transit

The five-mile extension of CTA's West-Northwest rapid transit route (Congress-Milwaukee and Douglas-Milwaukee services) via subway and the Kennedy Expressway median between Logan Square and Jefferson Park was opened February 1. The extension was built by the City of Chicago with two-thirds of the $55,800,000 cost met by federal grants from the U.S. Department of Transportation (DOT), Urban Mass Transportation Administration.

Chicago's share came from general obligation bond funds approved by residents of Chicago under the 1966 Capital Improvements Bond Referendum. Included in the cost of the project were the new stainless steel, air-conditioned rapid transit cars in use on the line. Upon completion the line was turned over to CTA for operation.

o'harexpress bus route

Realizing the need for bus transportation to O'Hare International airport, CTA inaugurated the O'Harexpress bus service between Jefferson Park transit center and the airport on February 1. The service began as a demonstration grant project of DOT obtained by the Chicago Mayor's Committee for Cultural and Economic Development. The grant was for underwriting up to two years' operation of a bus route to test the effectiveness of low-cost public transportation to O'Hare airport. CTA was reimbursed for the difference between the costs of operation and the receipts collected on buses up to a limit of $127,720--90% of which was provided by DOT to match 10% from about 30 airlines or other employers at O'Hare.

Although the use of O'Harexpress buses built up from 367 riders on the first weekday of service to an average of about 1,000 riders per day, the service was not self-sustaining and the funds were exhausted in early December. Rather than reduce or discontinue service on the line, Chicago Transit Board decided in the public interest to continue its operation as a permanent part of the CTA system with a 5 cent increase in fares effective December 21, 1970, which reduces the operating loss to a minimal amount.

northwest passage

Northwest Passage, the new rail-to-rail link between the North Western Railway's downtown terminal and CTA's Lake-Clinton "L" station was opened June 29.

A weather-protected passageway, complete with escalator, carpeting, and closed-circuit television to ensure security, from the North Western terminal connects with CTA's mezzanine "L" station at Lake-Clinton. The CTA station has been refurbished with new fare collection facilities and escalators leading to the train platforms. Infra-red, passenger-controlled heaters have been installed on the platforms for rider comfort.

Both the demonstration project on C&NW's property and the capital grant project on CTA's property were financed with two-thirds federal funds. C&NW provided the matching funds for its improvement, while the City of Chicago provided the matching funds for the CTA portion.

exact fare plan

To stop holdups of bus operators and speed up fare collection, CTA began an Exact Fare Plan for buses in late 1969 and by January 25, 1970, all buses were equipped with locked fare boxes. In conjunction with the plan, facilities at 12 bus garages were constructed for collecting money from the locked boxes. A central counting room was established for processing money collected from several outlying locations. The plan was well ac-

Commuters benefit from the use of Northwest Passage, a convenient rail-to-rail link between the Clinton station on the Lake-Dan Ryan rapid transit route and the downtown terminal of the Chicago and North Western Railway. The project, constructed with the aid of federal funds, was completed on June 29, 1970.

cepted by the public and robberies of bus operators have practically been eliminated.

monitor-CTA

A demonstration project for automatically monitoring 500 buses from a central location began test operation on March 25, 1970. This is the first such system to be used in the world.

With the bus monitoring system, basic information of identification, location, and alarm status of each bus is automatically provided on a continuous basis at CTA's Operations Control Center. This information provides schedule adherence data, operational status, and alarm conditions. The system also has direct two-way voice communication between the bus operator and the dispatcher.

An integral feature of the system is the emergency alarm. In the event of an emergency on a bus, the bus operator can unobtrusively press an alarm switch. Instantly, the equipment transmits the identification and location of the bus to the dispatcher from where help can be summoned in seconds.

DOT provided $1,549,000 for the development and testing of the system and CTA provided $451,000 in labor and services.

dan ryan rapid transit

Riding on the Dan Ryan extension in the median of the Dan Ryan Expressway, which opened September 28, 1969, kept increasing throughout the year and reached an average daily ridership of 100,000 by the year's end. On September 13, 1970, additional CTA bus routes were revised to serve stations along the route.

fare increase

The Authority was compelled to increase its rates of fare in early July when the special session of the Illinois General Assembly failed to enact legislation that would provide a subsidy for the CTA and other transit systems in Illinois. The basic fare was increased 5 cents to become 45 cents and the transfer charge was increased from 5 to 10 cents.

new revenue vehicles

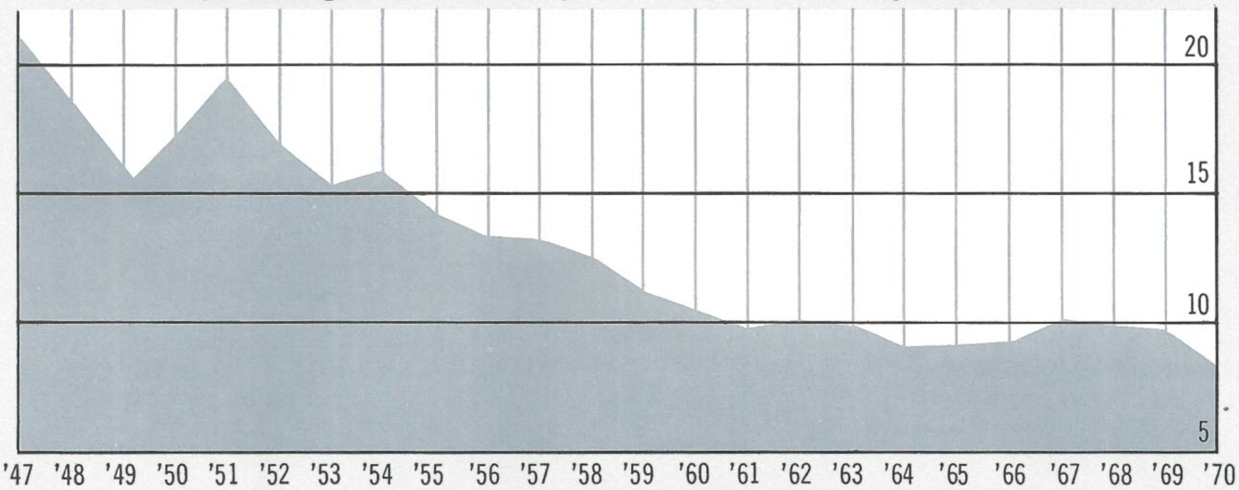
During 1970 the Authority took delivery of 99 new stainless steel air-conditioned rapid transit cars. This completed the order for 150 cars, 51 of which were delivered in 1969. Built by the Budd Company, the cars were purchased by the City of Chicago and the U.S. Department of Transportation for use on the Dan Ryan and Kennedy rapid transit extensions.

As of December 26, 1970, the Authority owned 4,379 vehicles: 3,074 buses and 1,305 rapid transit cars.

vehicle miles

Combined vehicle miles operated in 1970 totaled 149,802,827, an increase of 1,988,081 (1.3%) over 1969. Surface system miles operated were 98,313,833, a decrease of 3,878,531 (3%) under 1969. This decrease was the combined result of realigned bus services to act as rapid transit feeders and reductions in service made on

traffic and passenger accidents per 100,000 miles operated



account of reduced riding volumes. Rapid transit system car miles operated were 51,488,994, an increase of 5,866,612 (13%) over 1969. This sharp increase in mileage was a direct result of the opening of the Kennedy rapid transit extension on February 1, 1970, combined with a full year's operation of the Dan Ryan route which opened during the last quarter of 1969.

On each weekday during 1970, an average of 2,512 buses operated 296,624 miles and an average of 1,007 rapid transit cars operated approximately 170,357 miles.

Average scheduled speed of buses in 1970 was 12.06 mph as compared to 12.01 mph in 1969, while the rapid transit system average scheduled speed in 1970 was 24.25 mph as compared to 23.72 mph in 1969.

chicago transit board

On June 4, 1970, Wallace D. Johnson became a member of the Board, following his appointment by the Honorable Richard B. Ogilvie, Governor of Illinois, which was approved by the Honorable Richard J. Daley, Mayor of Chicago. Mr. Johnson succeeded Raymond J. Peacock who resigned from the Board on June 1, 1970.

On September 3, 1970, Clair M. Roddewig became a member of the Board following his appointment by the Honorable Richard J. Daley which was approved by the Honorable Richard B. Ogilvie. Mr. Roddewig succeeded Joseph D. Murphy who died on December 11, 1969.

public safety

In 1970, the Authority's operating employees established the safest year for public accidents in its 23-year history. Compared with 1964, CTA's previous safest year, there was a 9.5% decrease in the number of traffic and passenger accidents. The 1970 traffic and passenger accident rate of 8.2 accidents per 100,000 miles operated was also the best in CTA history, a reduction of 8% compared with the 1964 rate of 8.9.

Contributing greatly to the new record was the fact that the surface system had its safest year in 1970 with 1,327 fewer traffic and passenger accidents than in 1964, its previous safest year. The new surface system traffic and passenger accident rate of 11.6 accidents per 100,000 miles operated set in 1970 compares favorably with the 11.9 rate in 1964. A breakdown of the comparative figures shows a 32% decrease in passenger accidents and a 4% increase in traffic accidents which can be attributed to ever-increasing traffic congestion on city streets.

In comparison with 1969, the safest year on the rapid transit system, 1970 was the second safest year with 118 more accidents. The 1970 rate of 1.62 accidents per 100,000 miles operated is, by comparison, a close second to the 1.55 set in

public accident experience

	1970	1969	1954	1970 Increase (Decrease) From 1969	1970 Increase (Decrease) From 1954
Traffic accidents	7,846	8,939	16,300	(12.23%)	(51.87%)
Passenger accidents	4,172	4,869	9,678	(14.32%)	(56.89%)
Total accidents	12,018	13,808	25,978	(12.96%)	(53.74%)
Schedule miles on routes (in thousands)	147,162	145,898	164,222	0.87%	(10.39%)
Frequency rate—Accidents per 100,000 miles—					
Traffic accidents	5.33	6.13	9.93	(13.05%)	(46.32%)
Passenger accidents	2.83	3.33	5.89	(15.02%)	(51.95%)
Total accidents (rounded)	8.2	9.5	15.8	(13.68%)	(48.10%)

1969. The slight increase can be attributed to the number of new passengers who were not accustomed to riding rapid transit service, as well as to the new routes and unfamiliar equipment to which trainmen had to adjust.

Most important is a comparison of the 1970 accident rate of 8.2 accidents per 100,000 miles operated with accident rates of 18.5 in 1948, CTA's first full year of operation, and 15.8 in 1954 when intensive safety training activities began, 56% and 48% reductions, respectively.

A comparison of the Authority's public accident experience which includes all accidents regardless of liability or severity is shown above.

employment

At the outset of 1970, the unemployment rate in the Chicago area remained a low 2.6% compared with the substantially higher nationwide rate. The Chicago area rate began to climb, however, and by June reached a peak of 4.2%.

As the unemployment rate increased, applicant response and hiring activity for bus operators increased. At the same time, there was a lower turnover rate due to the tighter labor market and during the final months of the year there was a full work force of bus operators and a backlog of applicants readily available to fill vacancies.

During the year, 1,579 new full-time employees were hired, of which 832 were for the position of bus operator. To fill temporary summer jobs, 1,188 persons were hired, including 808 bus operators. A total of 13,989 new applicants visited the Employment Department and 2,498 employees applied for job transfer, upgrading, or reassignment.

personnel

Total employees in service at the close of the fiscal year ended December 26, 1970, numbered 12,861, an increase of 317 from the 12,544 in service at December 27, 1969.

During the fiscal year 1970, 285 employees retired on pension and 404 pensioners died. There were 5,246 retired employees on pension at the end of 1970.

The following changes were made in executive and supervisory positions in 1970:

Michael J. McDermott was appointed Superintendent of Investigations and Claims effective September 1, 1970, succeeding E. F. Weingartner, deceased.

William J. Parrillo was appointed Budget Accountant effective June 1, 1970, succeeding Robert E. Baxter, retired.

H. G. Doering was appointed Superintendent of Rapid Transit Shops and Terminals effective October 1, 1970, succeeding E. R. Hendrickson, retired.

William B. Folta was appointed General Accountant November 30, 1970, succeeding A. J. Fitzsimons, retired.

financial results

A slight increase in operating revenue, amounting to 2.68% over 1969, can be attributed mainly to new riding generated by the Dan Ryan and Kennedy rapid transit extensions and a fare increase, effective July 8, 1970. Contributing to an 11.21% increase in operating expenses for the year were the increased costs of wages and employee fringe benefits as well as salaries of the additional employees required for operation of the new extensions.

Revenues failed to cover operating expenses by $94,755 for 1970. In addition, revenues were short by $3,585,548 to make the total deposits required to the debt service funds in order to comply with the requirements of the Trust Agreement securing the Authority's revenue bonds. Revenues also failed to meet the deposits required to be made to meet the depreciation provision requirements, resulting in a total revenue deficiency of $17,111,856 for the year 1970, which together with an accumulated deficit of $18,077,731 at the end of 1969, resulted in an accumulated revenue deficiency of $35,189,587 at the end of 1970.

A transfer of $94,755 was made from the Operating Expense Reserve Fund to cover the failure of revenues to meet operating expenses. The deficiency in meeting debt service requirements was met by transfers of $128,300 from the Operating Expense Reserve Fund (exhausting that fund), $3,044,432 from the Depreciation Reserve Fund, and by reducing the Authority's working capital by $412,816.

Comparative results of operations for the fiscal years 1970 and 1969 are shown below:

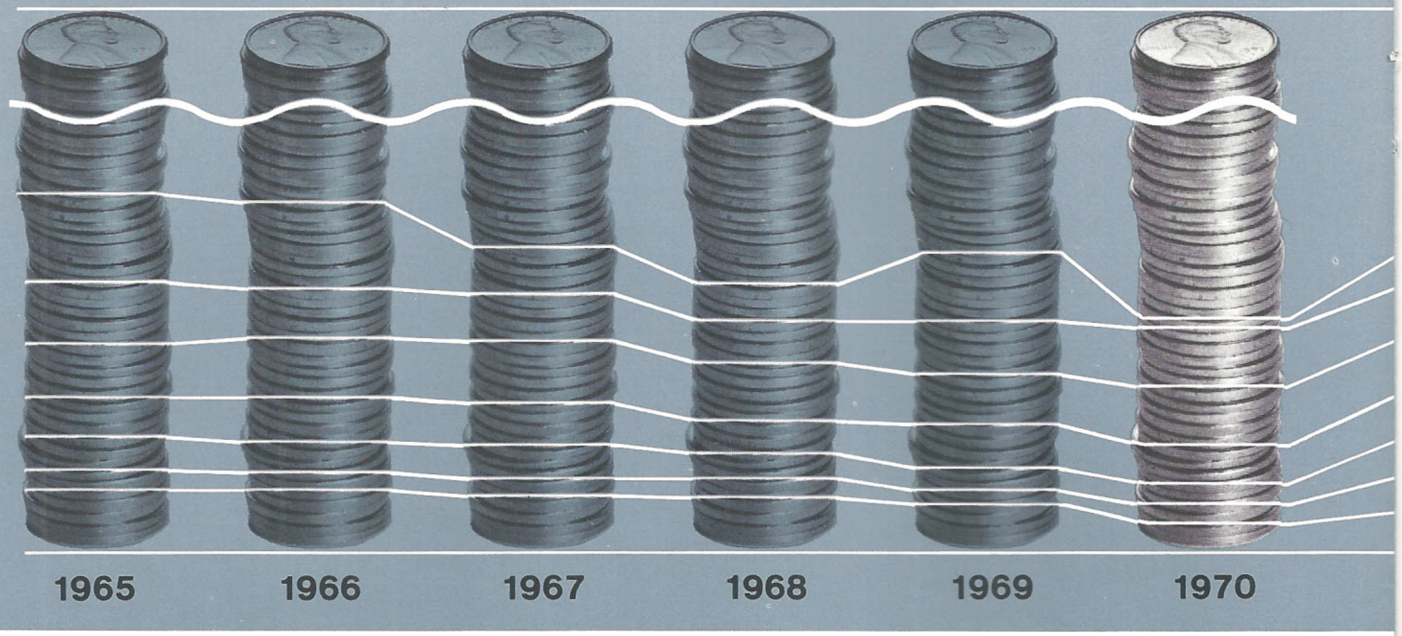
	1970	1969
Operating revenue	$184,777,373	$179,957,525
Operating expenses	179,124,043	161,065,322
Revenue available for debt service	5,653,330	18,892,203
Debt service requirements	7,982,996	8,015,130
Revenue available (deficiency) before depreciation	(2,329,666)	10,877,073
Depreciation requirement-current period	(14,782,190)	(14,396,603)
Deficiency in revenues	$ (17,111,856)	$ (3,519,530)

(Denotes red figures)

Note: For further detail see statements of application of revenue on page 13.

With wide, column-free platforms under arched roofs and high, flat-coffered ceilings extending over mezzanines, the new Belmont and Logan Square subway stations completed February 1 as part of the Kennedy rapid transit project are of a design completely unlike those in Chicago's other subways.

distribution of CTA's revenue dollar



As shown in the table below, passenger revenue for 1970 increased 2.51% over 1969. Rapid transit revenue shows a sharp increase due to a full year of operation on the Dan Ryan extension and 11 months of operation of the new Kennedy extension. A fare increase on July 8, 1970, also had an effect on revenue. Charter Service revenue was down 23.41% due mainly to the loss of some school charters to a private carrier for part of the year. Other revenues rose 24.02%. An increase in advertising revenue and additional income from securities held in special funds accounted for most of the gain.

The comparison of operating expenses on page 9 indicates an 11.21% increase for 1970, attributed to spiraling costs arising in all categories of expense.

Operating labor hours for the fiscal year 1970 totaled 24,798,182 compared to 24,416,743 for 1969, an increase of 381,439 hours. While there

sources of revenue

	1970	1969	Increase (Decrease) Amount	Increase (Decrease) Per Cent
Passenger revenues—				
Surface system	$132,947,243	$132,598,495	$ 348,748	.26
Rapid transit system	48,003,768	43,927,751	4,076,017	9.28
	180,951,011	176,526,246	4,424,765	2.51
Charter service	692,881	904,625	(211,744)	(23.41)
	181,643,892	177,430,871	4,213,021	2.37
Other revenues—				
Station and car privileges	1,002,740	729,037	273,703	37.54
Rent of buildings and other property	543,611	502,977	40,634	8.08
Miscellaneous	1,587,130	1,294,640	292,490	22.59
	3,133,481	2,526,654	606,827	24.02
Total operating revenue	$184,777,373	$179,957,525	$4,819,848	2.68

79.65¢ TOTAL OPERATING LABOR COSTS
(excludes 1.99¢ charged to Operating Materials and Supplies and Injuries and Damages)

.73¢ DEPRECIATION

5.00¢ INJURIES AND DAMAGES

4.72¢ OPERATING MATERIALS AND SUPPLIES

3.87¢ MISCELLANEOUS SERVICES AND SUPPLIES

2.13¢ POWER

1.52¢ MOTOR BUS FUEL

2.38¢ DEBT SERVICE

was a slight decrease in hours on the surface system, additional pay hours were required on the rapid transit system to accommodate increased riding on the Dan Ryan rapid transit and to cover operations of the West-Northwest rapid transit route which were extended February 1, 1970.

An increase of 10.87% in wages and salaries for 1970 resulted from the application of higher hourly wage rates and cost-of-living allowances as provided in the contract negotiated December 1, 1968, with the Amalgamated Transit Union. These changes, applied to the basic bus operator wage rate, are as follows:

	Basic Hourly Rate	Cost-of-Living Allowance	Total
December 27, 1969	$4.10	$0.230	$4.33
1970 changes—			
Effective March 1	—	+0.075	0.075
June 1	+0.10	+0.045	0.145
September 1	—	+0.075	0.075
December 1	+0.07	+0.085	0.155
Net change-1970	.17	0.280	0.450
December 26, 1970	$4.27	$0.510	$4.780

The Authority's pension contribution cost for the Year 1970 increased due to higher employee earnings.

Federal Insurance Contribution costs (Social Security and Medicare) for 1970 also increased due to the employment of additional personnel.

Employees group insurance costs increased significantly due to additional benefits provided by wage contracts.

Operating materials and supplies costs increased in 1970 as a result of greater material usage and higher material prices.

operating expenses

	1970	1969	Increase Amount	Increase Per Cent
Wages and salaries	$124,992,345	$112,738,397	$12,253,948	10.87
Pension contributions	12,926,003	11,751,796	1,174,207	1.00
Federal insurance contributions	4,870,517	4,648,530	221,987	4.78
Employes' insurance	4,485,795	2,900,631	1,585,164	54.65
Total labor costs	$147,274,660	$132,039,354	$15,235,306	11.54
Electric power purchased	3,932,680	3,836,973	95,707	2.49
Motor bus fuel consumed	2,816,491	2,606,512	209,979	8.06
Operating material and supplies	8,712,085	7,964,599	747,486	9.39
Provision for injuries and damages	9,238,869	8,164,832	1,074,037	13.15
Misc. services, supplies, etc.	7,149,259	6,453,052	696,207	10.79
Total operating expenses	$179,124,044	$161,065,322	$18,058,722	11.21

Provision for injuries and damages was accrued at 5% in 1970 up from the 4½% accrual rate at November 30, 1969.

Average cost per claim settled, excluding expenses, was $295 in 1970 compared with $251 in 1969. Suit costs, excluding expenses, averaged $1,589 in 1970 compared with $1,832 in 1969. The number of incidents during the year totaled 15,642 compared with 22,331 in 1969.

A comparison of claim and suit settlements and applicable expenses for the years 1970 and 1969 follows:

	1970	1969	Increase (Decrease)
Claim settlements—			
Number	14,341	15,473	(1,132)
Settlement costs	$2,687,352	$2,747,141	$(59,789)
Expenses	1,272,475	1,183,286	89,189
Total cost of claims	$3,959,827	$3,930,427	$ 29,400
Suit settlements—			
Number	3,088	2,816	272
Settlement costs	$3,819,517	$3,871,476	$(51,959)
Expenses	1,524,794	1,463,756	61,038
Total cost of suits	$5,344,311	$5,335,332	$ 8,979
Total costs	$9,304,138	$9,265,659	$ 38,479

Debt Service Requirements for 1970 decreased $32,134. Deposits to sinking funds increased $202,710; deposits to series of 1947 Serial Bond Maturity Fund remained the same as in 1969; and interest payments decreased $234,844 as a result of the retirement of bonds in 1969.

Series of 1947 serial bond maturity retirements of $2,000,000 were at par. Current year sinking fund retirements of principal, the discount or premium involved, and future interest savings on these retirements are detailed below:

	Total Revenue Bonds Retired (Serial Maturities and Sinking Funds)		Sinking Fund Retirements			
Series	1970	Since Issue	Par Value	Cost	Discount (Premium)	Interest Savings to Maturity
1947	$5,280,000	$69,261,000	$3,280,000	$2,343,935	$ 936,065	$ 982,794
1952	827,000	7,145,000	827,000	572,038	254,962	446,038
1953	247,000	2,025,000	247,000	171,894	75,106	133,199
Total	$6,354,000	$78,431,000	$4,354,000	$3,087,867	$1,266,133	$1,562,031

Net principal savings to date by early retirement of term revenue bonds at discounts amounted to $3,554,744.

The annual interest reduction on $4,354,000 retired in advance of maturity during 1970 amounts to $171,330.

Provision for depreciation (8% of gross revenues) increased $385,588.

financial position

Statements setting forth the financial position of the Authority at December 26, 1970, together with the report of Arthur Andersen & Co., independent public accountants, and other statements showing various phases of operations for the fiscal year ended that date are presented on pages 12 through 21 of this report.

outlook for 1971

financial budget

An operating budget for the fiscal year 1971, approved by Chicago Transit Board during December, 1970, indicated that revenues of $196,755,000 would not be adequate to cover operating expenses of $197,928,800. This leaves a shortage for operating expenses of $1,173,800, with no revenues available for the debt service requirements of $8,144,800 and the provision for depreciation (8% of gross revenues) of $15,740,400. This makes a total deficiency in revenues of $25,059,000 for the year 1971.

The above projection does not include any possible increase that may result from the negotiations with the craft unions, whose contracts expired November 30, 1970. In addition, provision has not been made for possible increases that may result from renegotiation of the contract covering the Retirement Plan for CTA Employees which expires December 31, 1970.

Passenger revenues are estimated to be $193,450,000, or $12,436,600 over 1970. The increase in revenues is due primarily to the fare change of July 8, 1970, which consisted of a 5 cent increase (from 40 cents to 45 cents) in the basic adult fare and a 5 cent increase (from 5 cents to 10 cents) in the transfer charge. An increase of $49,000 in charter revenue and a decrease of $410,600 in miscellaneous revenues over 1970 are anticipated.

Departmental operations and maintenance expenses are estimated to be $179,676,700, or $17,254,900 more than 1970. Labor cost increases account for $16,603,300 of the above, while a decrease of $262,400 in material costs and an increase of $914,000 in miscellaneous services are anticipated. Labor costs budgeted are based on wage rates in effect at the close of the 1970 fiscal year, including a basic hourly wage increase of 8 cents per hour beginning June 1, 1971, and the cost-of-living allowance as of December 31, 1970, of 51 cents per hour, plus anticipated increases of 7 cents on March 1, 8 cents on June 1, and 7½ cents on September 1, making an estimated total of 73½ cents per hour at year end.

budget for capital projects

Contingent upon monies that may become available in the depreciation reserve fund, capital outlays for the fiscal year 1971 are estimated to be $16,600,000. Included in this amount is $5,544,000, which represents the Authority's 1/3 share, for the purchase of 500 buses to replace vehicles that are up to 20 years old, with the remaining amount anticipated through a capital grant. A majority of the remaining capital budget is committed for other projects urgently needed, some of which are already under way.

Major capital items budgeted are as follows:

Equipment trust certificate costs	$ 1,697,000
Purchase of passenger equipment	5,544,000
Purchase of fare boxes	358,000
Substation conversion	1,320,000
Rapid transit system track and structures	3,281,000
Surface system buildings and construction	1,385,000
Rapid transit system buildings and construction	581,000
Surface system electrical construction	151,000
Rapid transit system electrical construction	908,000
Purchase of shop tools and equipment and scrapping passenger equipment	50,000
Material handling equipment - Stores Department	40,000
Purchase office machines and office equipment	25,000
Automotive and other equipment - Transportation Department	397,000
General and administrative costs capitalized	514,000
Purchase and sale of real estate	189,000
Contingencies	160,000
	$16,600,000

important event occurring after december 27, 1970

On June 28, 1971, House Bill 2300 was passed by the 77th Session of the Illinois General Assembly (approved July 2, 1971) providing, among other things applicable to other transit companies, that $19,000,000 be made available to Chicago Transit Authority for the payment of principal of and interest on bonds, certificates, equipment trust certificates and other evidences of indebtedness; $7,000,000 to be made available as soon as 50% matching funds have been received from the County of Cook, the City of Chicago, or any other unit of local government, or combination thereof served by Chicago Transit Authority, and the remaining $12,000,000 to be made available when proceeds of bonds to be sold under authority of the Transportation Bond Act (House Bill 1277) and 50% matching local funds have been received.

balance sheets

assets

	Dec. 26, 1970	Dec. 27, 1969
Transportation Property, at cost, excluding $145,000,000 of property and equipment owned and/or financed by others and operated by the Authority	$251,917,004	$250,442,043
Less—Reserve for depreciation	148,782,584	137,570,463
	$103,134,420	$112,871,580
Special Funds, cash and U.S. Government securities, at cost (see accompanying Statement of Funds):		
Held by revenue bond Trustee—		
Depreciation reserve (Notes 1, 2 and 4)	$ 1,845,869	$ 5,283,385
Operating expense reserve	—	223,055
	$ 1,845,869	$ 5,506,440
Damage reserve (Note 5)	3,204,948	3,270,218
	$ 5,050,817	$ 8,776,658
Current Assets:		
Cash and U.S. Government securities, at cost—		
Working cash account	$ 17,864,977	$ 21,818,636
Deposits for payment of interest	1,143,260	1,263,745
Accounts receivable, less reserve	4,736,600	3,466,683
Materials and supplies, at average cost	6,299,832	6,079,828
Other	1,147,403	1,187,939
	$ 31,192,072	$ 33,816,831
	$139,377,309	$155,465,069

liabilities

	Dec. 26, 1970	Dec. 27, 1969
Long-Term Debt (see accompanying statement) (Note 4):		
Revenue bonds, after deducting amounts held by Trustee for payment of principal (Note 3)	$ 47,465,226	$ 54,266,343
Equipment trust certificates, after deducting amounts held by Trustee for payment of principal	8,916,665	10,245,830
	$ 56,381,891	$ 64,512,173
Long-Term Construction Contracts	$ 1,600,000	$ —
Appropriated Net Earnings (see accompanying statement):		
Applied for retirement of revenue bonds	$ 87,534,774	$ 80,733,656
Deficiency in meeting depreciation requirement	(31,509,284)	(18,077,731)
Other (net)	(8,040,949)	(4,428,567)
	$ 47,984,541	$ 58,227,358
Current Liabilities, excluding $7,177,825 debt service requirements, $813,000 long-term construction contracts, and portion of damage reserve due within the next fifty-two week period:		
Accounts payable	$ 7,242,460	$ 6,782,226
Accrued wages and vacation pay	10,731,110	10,744,387
Accrued interest	1,143,260	1,263,745
Deferred revenue (Note 8)	3,803,096	3,775,886
Unredeemed tokens	1,527,123	1,130,196
	$ 24,447,049	$ 23,696,440
Damage Reserve	$ 8,963,828	$ 9,029,098
	$139,377,309	$155,465,069

(Denotes red figures)

The accompanying notes to financial statements are an integral part of these statements.

statements of application of revenue

For the fifty-two week periods ended December 26, 1970, and December 27, 1969

	1970	1969
Operating Revenue:		
Passenger transportation	$181,643,892	$177,430,871
Other	3,133,481	2,526,654
	$184,777,373	$179,957,525
Operating Expenses:		
Operations and maintenance—		
Scheduled transit operations	$ 93,764,832	$ 85,131,756
Maintenance and servicing	37,877,880	32,927,673
Other	6,837,118	6,273,017
Superintendence and general office	23,838,901	21,308,643
Provision for injuries and damages	9,238,869	8,164,832
Electric power for revenue equipment	3,932,680	3,836,973
Fuel for revenue equipment	2,816,491	2,606,512
Operating rentals	817,272	815,916
	$179,124,043	$161,065,322
Revenue Available for Debt Service	$ 5,653,330	$ 18,892,203
Debt Service Requirements:		
Interest	$ 2,393,925	$ 2,628,769
Serial bond maturity fund	1,994,624	1,994,624
Sinking funds	3,594,447	3,391,737
	$ 7,982,996	$ 8,015,130
Revenue Available (Deficiency) Before Depreciation (Note 1)	$ (2,329,666)	$ 10,877,073
Depreciation Requirement—Current Period (Note 4)	(14,782,190)	(14,396,603)
Deficiency in Revenue (Note 1)	$ (17,111,856)	$ (3,519,530)
Transfers From Reserve Funds due to deficiency in revenue available for (Note 1):		
Operating expenses from operating expense reserve fund	$ (94,755)	$ —
Debt service requirements from—		
Operating expense reserve fund	(128,300)	(528,506)
Depreciation reserve fund	(3,044,432)	—
	$ (3,267,487)	$ (528,506)
Reduction in Working Capital due to deficiency in revenue available to provide for period thirteen debt service requirements (Note 1):		
Series of 1947 serial bond maturity fund	$ (134,395)	$ —
Series of 1947, 1952 and 1953 sinking funds	(278,421)	—
	$ (412,816)	$ —
	$ (3,680,303)	$ (528,506)
Deficiency in Meeting Depreciation Requirement, representing revenues not available for deposit in depreciation reserve fund (Note 1)	(13,431,553)	(2,991,024)
Deficiency in Revenue, as above	$ (17,111,856)	$ (3,519,530)

(Denotes red figures)

The accompanying notes to financial statements are an integral part of these statements.

statements of long-term debt

	Dec. 26, 1970	Dec. 27, 1969
Revenue Bonds (Notes 3 and 4):		
Series of 1947, $3\frac{5}{8}\%$ to $3\frac{3}{4}\%$, due through 1978	$36,077,000	$41,019,000
Series of 1952, $4\frac{1}{2}\%$, due 1982	15,944,000	16,682,000
Series of 1953, $4\frac{1}{2}\%$, due 1982	5,002,000	5,222,000
	$57,023,000	$62,923,000
Less—Funds held by Trustee for payment of principal (see accompanying statement of funds)	9,557,774	8,656,657
	$47,465,226	$54,266,343
Equipment Trust Certificates (Note 4):		
Series 10, 3.20% to 3.25%, due through 1973	$ 1,875,000	$ 2,625,000
Series 11, 3.75% to 3.90%, due through 1976	7,155,000	7,730,000
	$ 9,030,000	$10,355,000
Less—Funds held by Trustee for payment of principal (see accompanying statement of funds)	113,335	109,170
	$ 8,916,665	$10,245,830
	$56,381,891	$64,512,173

Debt service requirements for fiscal 1971 for the payment of principal on revenue bonds and equipment trust certificates consist of the following:

	Total	Revenue Bonds	Equipment Trust Certificates
Serial bond maturity	$1,510,753	$1,510,753	$ —
Sinking funds	4,292,905	4,292,905	—
Principal payment funds	1,374,167	—	1,374,167
	$7,177,825	$5,803,658	$1,374,167

The accompanying notes to financial statements are an integral part of this statement.

notes to financial statements

As of December 26, 1970

(1) Revenue of each month, after deducting operation and maintenance expenses, is, in the opinion of the Authority, to be deposited in the following funds, in the order shown, to the extent that moneys are available therefor:

A. Revenue bond interest funds, serial bond maturity fund, sinking funds and revenue bond reserve funds—deposits equal to debt service requirements as provided in the revenue bond trust agreement.

B. Depreciation reserve fund—deposits equal to the monthly depreciation provision and deficiencies in prior years' deposits.

C. Revenue bond amortization fund—deposits, cumulative within the year, equal to $300,000 quarterly for the Series of 1947 and 1952 revenue bonds and $16,714 quarterly for the Series of 1953 revenue bonds.

D. Operating expense reserve fund—deposit to be not less than $900,000 each year, until the balance in the fund is equal to at least $4,000,000.

E. Municipal compensation fund—deposit to be computed in accordance with the franchise ordinance.

F. Modernization fund—deposits to be equal to the moneys remaining after making required deposits to the above funds.

As set forth in the Statement of Application of Revenue, the deficiency in revenue for the fifty-two week period ended December 26, 1970, was $17,111,856, reflecting a deficiency of $2,329,666 before the current period depreciation requirement of $14,782,190. However, the Authority applied revenues on the basis of four-week period results. During periods one through eight, revenues were insufficient to provide for operating expenses and debt service requirements and, as indicated, transfers of $94,755 for operating expenses and $128,300 for debt service requirements were provided for from the operating expense reserve fund, and transfers of $3,044,432 for debt service requirements were provided for from the depreciation reserve fund to meet these requirements. During periods nine through twelve, revenues

statement of changes in appropriated net earnings

For the fifty-two week period ended December 26, 1970

	Total	Applied for Retirement of Revenue Bonds	Deficiency in Meeting Depreciation Requirement	Other (Net)
Balance December 27, 1969	$ 58,227,358	$80,733,656	$(18,077,731)	$(4,428,567)
Deficiency in revenue (per accompanying statement)	$(17,111,856)	$ —	$(13,431,553)	$(3,680,303)
For retirement of revenue bonds—				
Gain on retirement of revenue bonds	1,129,239	1,129,239	—	—
Interest earned on investments held for—				
Sinking funds	17,689	17,689	—	—
Revenue bond reserve funds	65,119	65,119	—	—
Annual requirement—				
Serial bond maturity fund	1,994,624	1,994,624	—	—
Sinking funds	3,594,447	3,594,447	—	—
Interest earned on investments held for depreciation reserve fund	437,114	—	—	437,114
Interest expense on equipment trust certificates	(369,193)	—	—	(369,193)
Net change	$(10,242,817)	$ 6,801,118	$(13,431,553)	$(3,612,382)
Balance December 26, 1970	$ 47,984,541	$87,534,774	$(31,509,284)	$(8,040,949)

(Denotes red figures)

The accompanying notes to financial statements are an integral part of this statement.

were sufficient to provide for operating expenses, debt service requirements and $1,350,637 of deposits to the depreciation reserve fund. In period thirteen, revenue was not sufficient to provide for debt service requirements of $412,816 and, as indicated, such deficiency is reflected as a reduction of working capital. Thus, as set forth, the deficiency in meeting the depreciation requirement amounted to $13,431,553 (the current period's requirement of $14,782,190 less the $1,350,637 referred to above).

Revenue bond reserve requirements were met in prior years. Amounts deposited in revenue bond reserve funds can be used only for (a) payment of principal or interest on revenue bonds whenever on any principal or interest payment date there would be insufficient moneys held by the Trustee in applicable principal, interest and other funds, or (b) retirement of remaining bonds outstanding whenever the aggregate amount in the revenue bond reserve fund, revenue bond amortization fund and sinking fund for any series is equal to the amount of applicable series bonds then outstanding.

(2) As indicated in Note 1, revenues for periods one through eight of 1970, were not sufficient to provide for operating expenses and debt service requirements, and in period thirteen of 1970, were not sufficient to provide for debt service requirements. Transfers of $223,055 and $3,044,432 were provided for from the operating expense reserve fund and depreciation reserve fund, respectively, for the deficiencies arising in periods one through eight, and the period thirteen deficiency is reflected as a reduction of working capital. Deposits equal to debt service requirements are made at the beginning of each month from moneys on deposit in the transit revenue fund before provisions have been made for such month's operating expenses. Under the conditions prevailing in December, 1970, a question of the proper legal interpretation of the trust agreement exists as to whether such deposits for debt service should be made from the transit revenue fund or whether, instead, transfers should be made from reserve funds to provide for debt service requirements.

(3) The Chicago Transit Board, in its annual budget, has estimated that 1971 revenues will be insuffi-

statement of funds

For the fifty-two week period ended December 26, 1970

FUND	Balance Dec. 27, 1969, Before Transfers	COLLECTED		Net Transfers Between Funds Made in 1970	Disbursements
		Revenue and Other Receipts	Interest Income		
Held By Revenue Bond Trustee:					
Transit Revenue	$15,436,981	$161,765,961	$ 506,917	$(160,349,772)	$ —
Interest Funds	1,258,796	—	50,407	2,347,689	(2,510,614)
Serial Bond Maturity	1,000,000	—	80,878	1,919,122	(2,000,000)
Sinking Funds	1,382	—	17,689	3,729,184	(2,770,759)
Revenue Bond Reserve Funds	7,714,240	—	379,969	(437,449)	—
Depreciation Reserve	11,455,381	—	437,114	(3,492,752)	(6,705,922)
Operating Expense Reserve .	751,561	—	41,364	(792,925)	—
Modernization	—	130,540	—	—	(130,540)
Held By Equipment Trustee:					
For payment of interest . . .	32,020	—	7,143	369,193	(380,133)
For payment of principal . . .	109,170	—	25,546	1,329,165	(1,350,546)
Other:					
Working Cash Account	61,844	29,209,568	2,256	146,341,006	(174,585,874)
Damage Reserve	1,803,491	—	87,337	9,110,467	(9,275,932)
Excess Damage Reserve . . .	1,000,000	—	72,928	(72,928)	—
Total	$40,624,866	$191,106,069	$1,709,548	$ —	$(199,710,320)

(Denotes red figures)

cient to provide for operating expenses by approximately $1,174,000 and principal and interest payments on the revenue bonds by $8,145,000. Since December 26, 1970, wage and pension contracts have been renegotiated which are estimated to increase the estimated labor cost for the year 1971 by approximately $4,000,000 above the costs shown in the budget. Unaudited results reported for the first three periods of 1971 show that revenue was not sufficient to provide for operating expenses by $1,494,376 and debt service requirements of $1,866,293 on the revenue bonds.

(4) The trust agreement securing the revenue bonds requires the Authority to set aside monthly in the depreciation reserve fund an amount not less than 8% of revenue to pay for replacement of the transportation system, principal and interest on equipment trust certificates and, whenever revenues are insufficient, principal and interest on the revenue bonds. As explained in Note 1, revenues were not sufficient to meet this requirement by $13,431,553 in the fifty-two week period ended December 26, 1970.

Under the equipment trust agreement, the Authority covenants that it will maintain a minimum balance ($2,268,000 at December 26, 1970) in the depreciation reserve fund as long as any certificates remain outstanding. The equipment trust agreement Trustee (subject to certain requirements which pertain to length of time a deficiency exists, proper notice, etc.) may, in the event the Authority fails to comply with the terms and covenants of the agreement, declare the unpaid principal amount of the equipment trust certificates to be due and payable and may repossess all or any part of the 573 motor buses and 493 elevated-subway cars pledged as collateral. At December 26, 1970, the balance of the depreciation reserve fund was $1,845,869.

Property costs aggregating $2,962,552 at December 26, 1970, properly chargeable to the depreciation reserve fund have not been charged thereto, but have reduced working capital. Certain additional property costs approximating $1,600,000 have been incurred (but have not been paid) which will obligate the depreciation reserve fund to the extent moneys are available when such obligations are due.

At December 26, 1970, the remaining balance to be

Balance, December 26, 1970, Before Reflection of Transfers Yet to be Made Between Funds				Balance, December 26, 1970, After Giving Effect to Transfers to be Made Between Funds		
HELD AS				CLASSIFIED AS		
Cash	U.S. Government Securities	Total	Net Transfers Between Funds to be Made After Dec. 26, 1970	Special Funds	Current Assets	Reduction of Long-Term Debt
$ 8,229,448	$ 9,130,639	$17,360,087	$(17,360,087)	$ —	$ —	$ —
6,768	1,139,510	1,146,278	(31,241)	—	1,115,037	—
2,301	997,699	1,000,000	(26,882)	—	—	973,118
12,339	965,157	977,496	(49,600)	—	—	927,896
13,058	7,643,702	7,656,760	—	—	—	7,656,760
882,973	810,848	1,693,821	152,048	1,845,869	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
3,823	24,400	28,223	—	—	28,223	—
4,021	109,314	113,335	—	—	—	113,335
1,010,061	18,739	1,028,800	16,836,177	—	17,864,977	—
830,311	895,052	1,725,363	479,585	2,204,948	—	—
912	999,088	1,000,000	—	1,000,000	—	—
$10,996,015	$22,734,148	$33,730,163	$ —	$5,050,817	$19,008,237	$9,671,109

The accompanying notes to financial statements are an integral part of this statement.

paid from the depreciation reserve fund on the equipment trust certificates was $8,916,665, and of this amount, $1,374,167 is due in 1971 as well as interest of $323,021.

(5) The trust agreement securing the revenue bonds provides that sufficient amounts shall be set aside monthly in a damage reserve fund for the defense of all claims and the payment of all judgments for injuries and damages. As of December 26, 1970, it is estimated that approximately 9,600 claims and suits for injuries and damages remain to be settled; the balance in the damage reserve fund is $3,204,948.

While the cost of settling such claims and suits is at best a difficult estimate, if such an estimate is based on current costs or on the experience of the previous five years, the estimated cost of future settlements will approximate $10,600,000. The cost of such future settlements in excess of $3,204,948 will have to be provided from future revenues or other assets, if available.

(6) The revenue bond trust agreement and the Metropolitan Transit Authority Act provide that the Board shall fix rates and charges for transportation that shall at all times be sufficient in the aggregate to provide for the payment of all operating expenses, debt service requirements and the creation and maintenance of an adequate depreciation reserve fund. If and whenever there shall be a failure on the part of the Authority to observe any covenant of the revenue bond trust agreement, the Trustee may institute any appropriate legal, equitable or other proceedings for the purpose of specifically enforcing such covenant, provided, however, no such proceedings shall result in a lien or a foreclosure of any physical property of the Authority.

(7) The trust agreement securing the revenue bonds provides that amounts shall be set aside monthly for pensions and retirements as Chicago Transit Board shall deem necessary. Under its pension agreement, the Authority has agreed to contribute a fixed percentage of payroll costs to a contributory retirement plan maintained for the benefit of its employes.

The Authority's contribution to the plan for the fifty-two week period ended December 26, 1970, approximated $12,900,000 which covered normal cost and interest on and amortization of unfunded past-service cost. The actuarially computed value of vested benefits of the plan as of January 1, 1970, the date of the latest actuarial valuation, exceeded the total of the assets of the plan and accruals for pensions by approximately $80,100,000.

In April, 1971, a new pension agreement was negotiated providing for increased benefits and for increased contributions by both the Authority and its employes.

(8) Funds received from the State of Illinois for reimbursement of the costs of transporting students are being recorded in revenue based on the number of school days in each four-week period. Accordingly, $6,072,790 and $4,580,309 were recorded in revenue for the fifty-two week periods ended December 26, 1970, and December 27, 1969, respectively. The balance deferred at December 26, 1970, of $3,803,096 will be recorded in revenue during 1971.

event subsequent to date of auditors' report

On June 28, 1971, House Bill 2300 was passed by the 77th Session of the Illinois General Assembly (approved July 2, 1971) providing, among other things applicable to other transit companies, that $19,000,000 be made available to Chicago Transit Authority for the payment of principal of and interest on bonds, certificates, equipment trust certificates and other evidences of indebtedness; $7,000,000 to be made available as soon as 50% matching funds have been received from the County of Cook, the City of Chicago, or any other unit of local government, or combination thereof served by Chicago Transit Authority, and the remaining $12,000,000 to be made available when proceeds of bonds to be sold under authority of the Transportation Bond Act (House Bill 1277) and 50% matching local funds have been received.

auditors' report

To Chicago Transit Board of Chicago Transit Authority:

We have examined the balance sheets and statements of long-term debt of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 26, 1970, and December 27, 1969, and the related statements of application of revenue for the fifty-two week periods then ended and the statements of changes in appropriated net earnings and of funds for the fifty-two week period ended December 26, 1970. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that we were unable to confirm accounts receivable of $2,100,000 at December 26,1970.

As indicated in the accompanying financial statements and in Notes 1 through 6, the Chicago Transit Authority has significant financial problems at December 26, 1970. The recovery of the cost of its transportation property, materials and supplies and other assets, and therefore its ability to meet its obligations, particularly its long-term debt and liabilities for damages, primarily depends upon the adequacy of its revenues, which were not adequate for the fifty-two week period ended December 26, 1970, nor are they budgeted to be for 1971. Likewise its ability to meet the terms of the revenue bond and equipment trust agreements primarily depends upon the adequacy of its revenues.

Because of the significance of the matters referred to in the preceding paragraph, we are unable to express an opinion on the accompanying financial statements taken as a whole. In our opinion, however, the amounts shown in the accompanying balance sheets for cash and U.S. Government securities held in the various funds and accounts, the items listed under current liabilities, and the amounts shown in the accompanying statements of application of revenue for operating revenue and operating expenses are presented fairly in conformity with generally accepted accounting principles and/or as specifically provided in the revenue bond trust agreement consistently applied during the periods.

ARTHUR ANDERSEN & CO.

Chicago, Illinois
April 9, 1971

statement of transportation property and organization expense

Showing balance at December 27, 1969, plus additions and less retirements during 1970 and balance at December 26, 1970

	Balance Dec. 27, 1969	Gross Additions	Retirements	Balance Dec. 26, 1970
Land	$ 14,522,100	$ (20,000)	$ 41,221	$ 14,460,879
Track and Paving	13,855,193	189,548	3,127	14,041,614
Machinery and Tools	5,691,816	722,420	84,784	6,329,452
Electric Line Equipment	9,218,570	61,565	84,490	9,195,645
Buildings	37,597,327	313,275	291,487	37,619,115
Cars	62,713,691	145,850	—	62,859,541
Buses, Fare Boxes, etc.	73,528,014	500,852	2,776,856	71,252,010
Work Cars, Autos and Service Equipment	2,292,796	227,290	66,482	2,453,604
Furniture	1,651,376	135,193	3,080	1,783,489
Signals and Interlocking	3,314,438	(151,289)	3,480	3,159,669
Crossings, Fences and Signs	1,430,924	—	—	1,430,924
Elevated Structures	9,527,467	270,073	10,064	9,787,476
Substation Equipment	6,503,380	488,992	129,303	6,863,069
Substation Under Long Term Construction Contracts	—	1,600,000	—	1,600,000
Telephone and Communications	1,017,486	33,643	19,611	1,031,518
Engineering	46,623	—	—	46,623
General and Miscellaneous	7,445,526	522,368	50,834	7,917,060
Total Transportation Property	$250,356,727	$5,039,780	$3,564,819	$251,831,688
Organization Expense	85,316	—	—	85,316
Totals	$250,442,043	$5,039,780	$3,564,819	$251,917,004

(Denotes red figures)

revenue equipment

December 26, 1970

	On Hand Dec. 27, 1969	Dec. 27, 1969, to Dec. 26, 1970 Acquired	Retired	On Hand Dec. 26, 1970
Buses:				
Trolley Buses	342	—	28	314
Diesel—Air-Conditioned	10	—	—	10
Diesel	1,352	—	46	1,306
Propane	1,520	—	76	1,444
Total Buses	3,224	—	150	3,074
Rapid Transit Cars:				
Steel—Conventional Type	206	—	—	206
Metal—Articulated P.C.C.	4	—	—	4
Metal—P.C.C.	765	—	—	765
Metal—Air-Conditioned High-Speed	180	—	—	180
Metal—Air-Conditioned High-Speed (1)	51	99	—	150
Total Rapid Transit Cars	1,206	99	—	1,305
Total Passenger Equipment	4,430	99	150	4,379

NOTE: (1) Delivery was completed in 1970 of 150 new air-conditioned, stainless steel rapid transit cars purchased by joint City of Chicago-U.S. Department of Transportation funds for operation on the Dan Ryan and Kennedy Extensions.

mileage owned, leased, and operated

December 26, 1970

	Surface System	Rapid Transit System	Combined
Track:			
Owned	1.86	170.60	172.46
Leased—			
State Street Subway	—	9.50	
Dearborn Street Subway	—	8.80	
Eisenhower Expressway (Halsted to Laramie)	—	12.83	
Lake Route (Laramie to Harlem)	—	7.15	
	—	38.28	38.28
Contributed (City and Federal)—			
Englewood Route (Loomis to Ashland)	—	1.33	
Dan Ryan Expressway (17th to 95th)	—	21.76	
Kennedy Expressway (Gale to Cornelia) and Kimball-Milwaukee Subway	—	11.33	
	—	34.42	34.42
Total	1.86	243.30	245.16
Revenue:			
Track	—	191.60	191.60
Trolley Bus Routes	149.00	—	149.00
Motor Bus Routes	1,698.00	—	1,698.00
	1,847.00	191.60	2,038.60
Non-Revenue:			
Track	(1)1.86	(2)51.70	53.56
Trolley Bus Wire	26.10	—	26.10
	27.96	51.70	79.66
Total	1,874.96	243.30	2,118.26

NOTES:

(1) Freight track at South Shops plant and railroad connection to 84th and Wentworth.

(2) Includes main line storage track, crossovers, track in yards and shops, and 3.66 miles of freight gauntlet and yard track on North-South and Evanston routes.

operating statistics

For fiscal year ended December 26, 1970

	Surface System	Rapid Transit System	Combined
Revenues	$135,788,020	$48,989,353	$184,777,373
Revenue Vehicle Miles—			
Cars—Rapid	—	51,488,994	51,488,994
Trolley Buses	8,987,751	—	8,987,751
Motor Buses	89,326,082	—	89,326,082
Total Revenue Vehicle Miles	98,313,833	51,488,994	149,802,827
Revenue per Vehicle Mile	$1.38	$ .95	$1.23
Earning Revenue Vehicle Hours—			
Cars—Rapid	—	(1)	—
Trolley Buses	965,443	—	965,443
Motor Buses	8,505,583	—	8,505,583
	9,471,026	—	9,471,026
Power Statistics:			
Direct Current Kilowatt Hours	35,303,420	240,546,810	275,850,230
Average Cost per Kilowatt Hour	—	—	1.7741¢
Motor Bus Fuel Statistics:			
Diesel Fuel—Gallons	12,485,000		
Average Miles per Gallon	3.95		
Average Cost per Mile	2.9¢		
Propane Fuel—Gallons	20,971,000		
Average Miles per Gallon	1.91		
Average Cost per Mile	3.5¢		

(1) Not Available

Chicago Transit Authority
post office box 3555
Chicago, Illinois 60654

WEST-NORTHWEST RAPID TRANSIT ROUTE
IN MEDIAN OF KENNEDY EXPRESSWAY