



INTRODUCTION

New England Central Railroad, Inc. (NECR) is committed to providing safe, efficient and customer-oriented rail freight services along its route through Vermont, connecting the state to Canada, New Hampshire, Massachusetts, Connecticut and the North American rail freight network.

In addition to providing superior rail freight services to the communities and customers along its line in Vermont, NECR is also committed to provide safe and consistent host railroad services for Amtrak "Vermont" intercity passenger train service.

Any type of third party (non-Amtrak) new rail passenger service over NECR lines will require a series of very important topics to be fully addressed by the third party. These topics need to be understood and accepted by NECR management before any consideration of new passenger services can begin. These topics are outlined below:

SAFETY

Any new passenger service proposed for NECR routes must be structured in such a way to completely ensure safety. This includes numerous factors, including proving safety capability of the proposed owner and operator, complete safety of proposed passenger equipment and of all interfaces with traveling passenger (such as station arrangements), meeting all federal and railroad safety requirements (including, but not limited to the federal Positive Train Control mandate), and oversight of safety training and compliance of all passenger operations personnel.

CAPACITIES

Any new third party passenger service cannot compromise the performance of either current or projected future NECR freight and Amtrak passenger services. Providing fully adequate track, terminal and scheduling capacities will require new infrastructure and supporting investments. This could be associated with increased track capacity (sidings, main lines, terminals) and supporting equipment and supervision (maintenance of way, dispatching, management). All of these costs must be the responsibility of the party proposing the new passenger service.

LIABILITIES AND INDEMNIFICATION

Any unsolicited new third party passenger service will be required to provide a substantial level of full liability and property insurance for NECR, and complete "but for" indemnification against any claims associated with the third party passenger service.

COMPENSATION

NECR is a private, for-profit corporation that will require a profitable reimbursement for all direct use and indirect support of its railroad infrastructure. This will include use of the rail line itself, for use of non-rail properties along the line controlled by the railroad, for direct non-infrastructure expenses, and for NECR overhead expenses. Also, the owner and operator of the service must demonstrate financial capacity to undertake their proposed service.

Before any serious discussions can begin on possible use of NECR property for a third party passenger service, a complete and thorough business plan needs to be developed by the party proposing such new service. The business plan must address the points outlined above, and other possible concerns by NECR management.