



*from the desk of...*

*4/25/80*

PAUL E. Mc BRIDE  
Assistant Secretary

*Sid Weinberg:*

*Here is a copy of  
our Operative Subsidy  
Contract with Conrail.*

79-80

CONSOLIDATED RAIL CORPORATION  
OPERATING AGREEMENT  
FOR  
RAIL SERVICE CONTINUATION  
WITH  
THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF  
TRANSPORTATION AND CONSTRUCTION

OPERATING AGREEMENT  
FOR  
RAIL SERVICE CONTINUATION

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OPERATING AGREEMENT  
FOR  
RAIL SERVICE CONTINUATION

THIS AGREEMENT made and entered into this 1st day of April 1979, by and between CONSOLIDATED RAIL CORPORATION ("Conrail"), a Pennsylvania corporation organized pursuant to the Regional Rail Reorganization Act of 1973, with principal offices at Six Penn Center Plaza, Philadelphia, Pennsylvania 19104, and the COMMONWEALTH OF MASSACHUSETTS, Executive Office of Transportation and Construction ("State") with principal offices at One Ashburton Place, Boston, Massachusetts 02108.

WHEREAS, State has offered a payment to Conrail to conduct a rail freight service operation on certain rail facilities identified herein in order to prevent discontinuance of service previously provided; and

WHEREAS, Conrail is willing to provide this service for the State on the basis of compensation defined herein; and

WHEREAS, the owners of the rail facilities have or will have leased or otherwise made such facilities available to the State for operations hereunder;

NOW, THEREFORE, the parties do hereby mutually agree that Conrail shall perform rail freight services and shall be compensated by the State therefore as follows:

ARTICLE ONE - DEFINITIONS

Section 101. Definitions. The following words and phrases shall have the following meanings ascribed to them unless the context clearly determines otherwise:

"accelerated maintenance" means such replacement of ties, rails and appurtenances as is necessary to restore rail facilities to FRA Class I standards and to permit the continued maintenance of such facilities in that condition for two years.

"costs of providing service" means and shall include all costs of providing service as defined and included in the RSPO Standards as reimbursable to the operator.

"crew" means the individual train and engine personnel employed to perform the rail freight service described in Attachment I hereto.

"designated operator" means an operator as defined in Section 304(d) of the Regional Rail Reorganization Act of 1973 and in the Interstate Commerce Commission notice of March 8, 1976 entitled: "Continuation of Rail Service Under Subsidy by Designated Carrier".

"excess payments" means the balance of rail continuation payments remaining after accounting adjustments are made at the end of the service year.

"extra revenues" in the case of a given segment means and shall include such revenues as are in excess of the costs to Conrail of providing service, including the following if approved by the FRA, unless otherwise reimbursed (a) any emergency maintenance, (b) program maintenance, (c) accelerated maintenance, or (d) rehabilitation.

"I&R maintenance" means and shall include inspection and light repairs, such as replacement of angle bars, tightening of bolts, plugging and spiking, replacement of tie plates, incidental tie replacement, cleaning, tightening and lubricating turnouts, and cleaning flangeways.

"program maintenance" means and shall include without limitation such maintenance items as weed control, brush control, drainage control, tie replacement, rail replacement, surfacing, reballasting, and communications and signal repair.

"RRRA" means the Regional Rail Reorganization Act of 1973, Public Law 93236 (87 Stat. 985), as amended.

"RRRRA" means the Railroad Revitalization and Regulatory Reform Act of 1976, Public Law 94-210 (90 Stat. 31), as amended.

"RSPO Standards" means the standards promulgated by the Rail Services Planning Office of the Interstate Commerce Commission, entitled "Standards for Determining Rail Service Continuation Subsidies" (49 CFR 1125). The language of those standards which is in effect during any portion of the service year shall be determinative for all purposes arising under this agreement during that portion of the service year."

"rail facility and rail facilities" collectively means the track, bridges, signals, switches, structures and related



railroad transportation property located on the one or more segments over which rail freight service is to be provided pursuant to this Agreement, as outlined in Attachments 1 and 2 and more fully described in the State's lease agreement.

"rail freight service" means that service to be provided by Conrail pursuant to this Agreement, as more fully described in the "Local Freight Service Characteristics" in Attachment 1 hereto.

"rehabilitation" or "modernization" means capital improvement work to improve or upgrade the condition of a rail facility at a level above Class I Track Safety Standards.

"segment" means a section of a railroad line that is not designated to Conrail in the Final System Plan and that is the subject of a notice in writing of intent to discontinue service under Section 304(a) of the RRRRA and/or notice of intent to abandon rail properties under Section 304(b) of the RRRRA, as to which State has or will have acquired the rights of use for the service hereunder, all as more fully described in the lease agreement referred to in Section 202. All segments so identified are herein from time to time collectively referred to as "rail facilities".

"service year" means the twelve month period beginning with the effective date hereof as defined in Section 1601 below.

"total liability costs" means and shall include only the freight portion of the following former Interstate Commerce Commission accounts: 274 (Injuries - Maintenance of

Way), 275 (Insurance - Maintenance of Way), 332 (Injuries - Maintenance of Equipment), 333 (Insurance - Maintenance of Equipment), 357 (Insurance - Traffic), 414 (Insurance - Transportation), 415 (Clearing Wrecks), 416 (Damage to Property), 417 (Damage to Livestock), 418 (Loss and Damage - Freight), 420 (Injuries Transportation), and 455 (Insurance - General).

#### ARTICLE TWO - OPERATING PLAN

Section 201. Provision of Service. Conrail agrees to provide a rail freight service as a Designated Operator on each segment of the rail facilities identified in Attachment 1 and 2 hereto which service is more fully described as to operations, equipment and frequency in Attachment 1 hereto entitled "Expected Local Freight Service Characteristics". The provision of the service described in Attachment 1 is subject to collective bargaining agreements. Conrail, on reasonable notice to State, may in the interest of greater efficiency from time to time change the base of operations, service frequency or other aspects of the service and appropriately adjust the costs of providing the rail freight service. The State may reject changes in the base of operations which would result in an increase in the subsidy for the segment, or any change in service frequency. The State may propose and Conrail shall adopt a reasonable number of changes in service frequency per segment during the service year. Such proposals shall be implemented by Conrail no later than 120 days after the day they are proposed by the State.

Section 202. Operational Rights. The State has, or will have, acquired by lease or otherwise the rail facilities identified on Attachment 1 and hereby assigns to Conrail all necessary rights and licenses to enter upon and operate the rail freight service on the effective date of this Agreement. Conrail disclaims any and all obligations not explicitly undertaken in this Agreement, expressly required of a Designated Operator or required by a lawful order of the Interstate Commerce Commission.

Section 203. Force Majeure; Excuse.

(a) The parties hereto will be excused from performance of any of their respective obligations hereunder where such performance is prevented by an event beyond their respective control, which shall include, without limitation, any actions of any federal, state or local agency or instrumentality; acts of God; strikes or other labor troubles; and explosions, fires, vandalism, or unforeseeable extreme climatic conditions. Where one party's obligations are so excused the other party's obligations shall be correspondingly reduced or adjusted.

(b) Conrail will not be responsible for any failure to provide rail freight service if such failure is the result of any condition of any of the rail facilities, including, without limitation, any condition attributable to maintenance which existed on the Effective Date, until such time as the adverse condition has been corrected by the completion of any I&R maintenance, program maintenance, accelerated maintenance or rehabilitation which has been contracted for ;

provided, however, that Conrail will not be excused from any failure to provide rail freight service if such failure is the result of a condition attributable to any default by Conrail in respect to maintenance which Conrail agreed to perform or arrange to have performed prior to or during the period of this agreement.

ARTICLE THREE - MANAGEMENT AND CONTROL.

Section 301. Control. Conrail shall have exclusive control in the management and operation of the rail freight service, including the dispatching and control of trains (except as noted in Attachment 1), assignment of available cars in good order, assignment of crews and other employees and assignment and utilization of power. Conrail will endeavor to provide such service in an efficient manner.

Section 302. Operating Rules and Regulations. Conrail shall have exclusive authority to promulgate and adopt rules and regulations for the operation of the rail freight service.

Section 303. Crew Size. Conrail shall determine the size of each crew not inconsistent with nor more than that required by applicable collective bargaining agreements and state law. Conrail shall notify the State at least 72 hours in advance of local labor negotiations which may result in a change in train crew size. Negotiation of labor agreements is the responsibility of Conrail; however, the State shall not be precluded from carrying on discussions with the labor unions.

Section 304. Joint Use of Facilities. In the event joint use of any segment is contemplated by the parties, the term of any such joint use shall have the prior approval of Conrail. Conrail shall approve or disapprove any proposal for joint use within sixty (60) days of receipt of notice. Such approval shall not be unreasonably withheld.

#### ARTICLE FOUR - MAINTENANCE

##### Section 401. Responsibility.

(a) Conrail shall perform all I&R maintenance on the rail facilities, subject to the rules and regulations of federal and state railroad safety agencies. The cost of such I&R maintenance shall be a cost of providing service for the purpose of Section 701 of this agreement. The estimated cost of such I&R maintenance is shown in Attachment 2.

(b) Following an emergency, and subject to the dollar limit specified below, Conrail shall perform such maintenance as is necessary to return the segment to its original condition, said maintenance to include, without limitation, snow removal, washout repair, repair of derailment damage, and work necessary for compliance with railroad safety citations.

Conrail shall obtain State approval prior to incurring such emergency maintenance costs in excess of either \$5,000 per incident or in excess of the amount remaining in the segment's emergency maintenance budget, whichever amount is the lesser.

The initial amount in the segment's emergency maintenance budget is shown on Attachment 3 and is subject to reduction

as emergency maintenance funds are expended for that segment.

The costs of emergency maintenance performed in accordance with the above conditions shall be reimbursed by the State following the submission of invoices by Conrail.

Section 402. Safety Inspections. Conrail shall conduct the inspections of the rail facilities as required by the Federal Railroad Administration track safety standards. Conrail shall inform the State, upon written request to Conrail, of the time and place of any such inspection, and shall permit qualified representatives of the State to accompany its inspectors as vehicular space permits. The State shall receive copies of correspondence between Conrail and federal and state railroad safety agencies about the results of such inspections and records of such inspections shall be made available to the State according to the provisions of Section 1103 below.

Section 403. Program Maintenance.

(a) The State shall have the responsibility for and the control of and bear the cost of Program Maintenance. Conrail shall furnish the State with a suggested work program and schedule of Program Maintenance on each segment not later than forty-five (45) days after the execution of this agreement. If the State desires Conrail to perform or arrange for the performance of such work it shall advise, in writing, within thirty (30) days after receipt of the Program Maintenance estimates, of their approval or of any revisions necessary in the work program submitted by Conrail. The

State may perform or request Conrail to perform such work. Performance of such work by Conrail may be accomplished by the use of its own forces, by approved independent contractor(s), or by a combination of such methods.

Conrail shall notify the State, in writing, within thirty (30) days after receiving the State's advice concerning Program Maintenance whether it is able to arrange for the performance by its own force of such Program Maintenance and/or to arrange for the performance of such work by independent contractor(s). If the State has advertised for and awarded a contract, Conrail will provide for a foreman, when requested by EOTC or when required by US-DOT Track Safety Standards, for the duration of the contract to arrange for track time and to ensure that track conditions will provide for safe operation of trains. Conrail shall be compensated by the State for the expense of providing such inspection.

(b) If Conrail or an independent contractor procured by Conrail as aforesaid performs the Program Maintenance, the cost of such work shall be reimbursed by the State following the submission of invoices and acceptance of the work by the State.

Conrail shall not exceed by more than fifteen percent (15%) Program Maintenance estimates approved by the State pursuant to Paragraph (a) without prior consent and approval of the State.

(c) Upon notice by Conrail that additional units of work or costs are indicated in excess of the aforesaid limits the State shall notify Conrail within ten (10) days after receipt of such notice that it will or will not approve such work and will make reimbursement therefore.

#### ARTICLE FIVE - REHABILITATION AND CAPITAL IMPROVEMENTS

##### Section 501. Rehabilitation Program

(a) Upon written request by the State, Conrail shall assist in arranging for the performance of rehabilitation, including its performance by independent contractor. If Conrail cannot successfully assist the State in making such arrangements, it shall within 30 days after receipt of such request so notify the State, which may perform the rehabilitation or modernization necessary on the segment, subject to Conrail's prior approval of the scheduling of work to avoid interference with the rail freight service, which approval shall not be unreasonably withheld. Any rehabilitation or modernization to be arranged for by Conrail shall be the subject of a separate agreement. If the State has advertised for and awarded a contract, Conrail will provide a foreman, when requested by EOTC, or when required by US-DOT Track Safety Standards, for the duration of the contract to arrange for track time and to insure track conditions will provide for safe operation of trains. Conrail shall be compensated by the State for the expense of providing such inspection.



(b) The State shall give Conrail written notice not later than thirty (30) days prior to completion of work not performed or arranged for by Conrail and, within fifteen (15) days of completion of such work, Conrail shall inspect the work and either accept it as complete or reject it with a specification of the reason for rejection. . Conrail and the State shall both have the right to have an inspector present upon reasonable notice to the other party.

Section 502. Sidetrack Turnouts. Whenever an industry located along the rail facilities requests the establishment of an industrial sidetrack connection, Conrail shall notify the State and request the State's approval, or if the construction of the switch connection is directed by order of the Interstate Commerce Commission, Conrail will, upon receipt of the required funds from the State or a responsible third party, enter into a modified form of sidetrack agreement with the industry to be served and construct the sidetrack connection between the existing track and the right-of-way line. Ownership of such connection shall be a matter to be resolved between the State and the owner of the rail facility. The modified form shall hold the State and the owner of the rail facility harmless for all that from which Conrail is held harmless in its standard agreement.

Section 503. Accelerated Maintenance. The State may perform any Accelerated Maintenance necessary on the segment pursuant to the terms and conditions set forth in Section 501, above, regarding interference with the rail freight service, inspection, acceptance, and rejection of work. Performance of such work by Conrail may be accomplished by the use of its own forces, by approved independent contractor(s), or by a combination of such methods. Any accelerated maintenance performed by Conrail as aforesaid shall be the subject of a separate agreement.

#### ARTICLE SIX - LIABILITY

Section 601. Conrail's Liability. When any loss, damage, destruction, injury or death occurs as a result of the management, control, use or operation by Conrail of rail freight service described in this Agreement and the rail facilities appertaining thereto, or as a result of the State's and the owners' provision of the rail facilities for use by Conrail pursuant to this Agreement, Conrail hereby agrees to indemnify and hold harmless the State and the owners of the rail facilities from any such loss or liability,

including all related costs and counsel fees, unless such loss, damage, destruction, injury or death occurs as a result of program maintenance, accelerated maintenance or rehabilitation performed after the Effective Date which was neither undertaken by Conrail nor approved on completion by Conrail.

Section 602. Liability Costs.

(a) In consideration of Conrail's assumption of all liabilities arising from its operations, as provided in Section 601 above, the State agrees to pay its share of Conrail's costs of assuming those liabilities, as follows:

(1) to pay its proportionate share of the premium cost of insurance purchased to cover all lines operated under Section 304(d) of the RRRRA, said proportionate share being in the ratio which the train miles operated under this Agreement bear to the train miles operated by Conrail on all lines operated under Section 304(d);

(2) to pay its proportionate share of the premium cost of insurance purchased to cover all lines operated by Conrail, said proportionate share being in the ratio which the train miles operated under this Agreement bear to all the train miles operated by Conrail;

(3) to pay its proportionate share of Conrail's total liability costs below the deductible limits of the insurance described in (1) above, said proportionate share being in the same ratio described in (2) above; and

(4) to pay an amount equal to seven (7) percent of the sum of the amounts due under (1), (2) and (3), above.

(b) The State's share of Conrail's costs deriving from its assumption of liabilities pursuant to Section 601, above, shall be recomputed at the end of the service year and the results shall be applied to the Annual Report.

Section 603. State's Liabilities. In the event the State elects to perform program maintenance, accelerated maintenance or rehabilitation through its own employees or those of a government agency or department, or elects to engage a third-party independent contractor for such purpose, the State shall be responsible for any claim, loss or liability incurred by Conrail by reason of the work so performed or omitted, and the State shall indemnify and hold harmless Conrail from any such claim, loss or liability asserted against it by any third party; provided, however, that if Conrail approves program maintenance, accelerated maintenance or rehabilitation conducted by or through the State upon its completion, such claim, loss, or liability accruing thereafter shall be assumed by Conrail pursuant to Section 601, above.

#### ARTICLE SEVEN - PAYMENTS

Section 701. Compensation. As to each segment over which the rail freight service is operated, Conrail shall receive a rail continuation payment equal to the costs of providing service, less Conrail revenues, which are each attributable to the segment, all as more fully defined in the RSPO standards.

Section 702. Payments.

(a) Payments due Conrail hereunder shall be made on or before the fifteenth day of the first and each succeeding month at the rate of one-twelfth the estimated annual contract payments <sup>Budget,</sup> shown on Attachment 2, or as that rate is adjusted pursuant to the provisions of subparagraph (b).

(b) In the event that the State and Conrail amend this Agreement to change the scope of rail freight operations by the discontinuance of service or in the event that adjustments in the level or pattern of service or patronage should result in a substantial change in the Estimated Revenues and/or Estimated Operating Costs indicated in Attachment 2, the monthly payment shall be adjusted as mutually agreed to by State and Conrail within thirty (30) days to reflect such a change.

(c) On or before September 1 following the close of the contract year, Conrail shall file an Annual Report showing costs and revenues based on the latest available reliable information. Thereafter, no later than October 15 following the close of the contract year, Conrail shall submit a Statement of Account for all lines showing (i) the aforesaid information together with (ii) amounts expended during the contract year for emergency and program maintenance reduced by (iii) monies received and credits applied by Conrail in payment thereof, and further reduced by (iv) the amount of extra revenue (which shall be handled in accordance with Section 703 of this agreement), and concluding with (v) a statement, covering all contract lines in the aggregate, of

the net amount due Conrail or the excess payment due to the State, whichever is applicable. In the event an amount is owing to Conrail, such amount shall be paid by State to Conrail on or before December 1 following the close of the contract year. If, however, the statement shows an excess payment, Conrail shall either (i) establish an interest bearing account, the funds from which shall be applied as a credit toward monthly payments due under any future operating agreement hereafter concluded between the parties hereto, or (ii) if Conrail is no longer providing rail freight service on a given segment, it shall submit to the State by December 1 a check in the amount of the excess payment for said segment. This agreement shall be construed in a manner that will give maximum effect to the intent of Section 701, and nothing herein shall be construed as precluding subsequent amendment in a reasonable and timely manner by January 31, 1981, of the Annual Report or Statement of Account and appropriate adjustments of the payments by either party to the other based, but not limited to audits, on data or information not available at the time of said report or Statement of Account.

(d) In the case of any segment Conrail, for the purpose of receiving payment of any sums to which it is entitled to reimbursement from State under Articles IV and V hereof, Conrail may employ funds which are in Conrail's possession and which, but for this Paragraph (d), Conrail would be

obligated to return to the State under the provisions of the Operating Agreements for the years 1976-77, 1977-78 and/or 1978-79.

Section 703. Extra Revenues. Following the audit of the annual report extra revenues not employed pursuant to Paragraph (e)(i) or (ii) of this section shall be placed by Conrail in one of three interest-bearing escrow accounts, as follows:

(a) Extra Revenues shall be placed in an "accelerated maintenance and rehabilitation account" and used on the segment for either accelerated maintenance or rehabilitation, or both.

(b) Extra Revenues may be transferred at the request of the State from the "accelerated maintenance and rehabilitation account" of one segment to the same account of another segment, provided that such other segment is operated by Conrail.

(c) With the State's concurrence Conrail may transfer extra revenues from the "accelerated maintenance and rehabilitation account" to an "acquisition account", which may be used by the State, or with the concurrence of the State, by Conrail, to acquire by purchase or lease a segment covered by this agreement provided that such acquisition is consistent with the State's Rail Plan and is approved by the Federal Railroad Administration (FRA).

(d) Extra Revenues may be transferred at the request of the State, subject to Federal Railroad Administration approval, from any "accelerated maintenance and rehabilitation account" or from any "acquisition account" to a "special project account". "Special project accounts" may be created by the State to pay the costs of any project which is an approved part of the State's Rail Plan and approved by the FRA.

(e) All lease, return on value and other payments to which the owners of the rail facilities are entitled as well as real estate taxes on the rail facilities shall be the sole and direct responsibility of the State, which shall indemnify and hold Conrail harmless from any claim for rent by the owners of rail facilities arising under the terms of related lease agreements.

(i) In the event, however, that the estimated revenues attributable to the segment exceed the estimated Conrail costs of providing service for that segment by an amount equal to or greater than the annual lease payment for the segment, Conrail shall, upon written request of the State, reimburse the State monthly for one-twelfth at the annual lease payment or act on behalf of the State and make monthly lease payments directly to the owner of the segment. In either case, the amount paid by Conrail in connection with lease payments shall be considered an addition to the



avoidable costs of providing service for purposes of Section 701 of this agreement and reported as such for purposes of Section 1102 of this agreement.

(ii) In the event that a segment does not qualify under the above paragraph (i) for Conrail's reimbursing or paying lease payments during the service year, but it is determined after audit of the Annual Report that the segment has extra revenues to place in an escrow account, Conrail shall, upon written request by the State within sixty (60) days after audit of the Annual Report, reimburse the State for lease payments and/or payments for program maintenance, accelerated maintenance, emergency maintenance, and rehabilitation for the segment made by the State for the service year up to the amount of the segment's extra revenues.

#### ARTICLE EIGHT - ESTIMATED REVENUES AND OPERATING COSTS.

Section 801. Estimated Revenues. The estimated operating revenue, required by Section 702 above, is the "Total Attributable Revenues" set forth in Attachment 2 of this agreement.

#### Section 802. Estimated Operating Costs.

The estimated costs required by Section 702 above are set forth in Attachment 2 hereto as "Total Estimated Conrail Costs." If the RSPO standards are substantively amended during the service year, within 30 days after the effective date of the change, Conrail shall submit to the state an amended Attachment 2 showing the estimated costs adjusted accordingly.

ARTICLE NINE - MANAGEMENT AND ADMINISTRATION FEES

Section 901. Management Fee. The State agrees to pay Conrail a Management Fee on each segment in an amount equal to 4.5% of attributable revenue, as defined in the RSPO standards.

Section 902. Administration Fee.

The State agrees to pay Conrail an Administration Fee reflecting Conrail's costs of administering the program described in this Agreement. The Administration Fee shall be that recommended by the Director of the Rail Services Planning Office (RSPO) subsequent to its study of Conrail's costs of administering the program; said recommended fee being equal to 4.2% of attributable revenues. Administration costs include, without limitation:

(i) reasonable salaries, office and travel expenses of accounting personnel and other costs of accounting including the costs of assembling, processing and preparing monthly and annual reports required under this Agreement;

(ii) reasonable salaries, office and travel expenses of Conrail personnel, attorneys and other consultants engaged in negotiations, planning and other services in connection with this Agreement.

## ARTICLE TEN - FREIGHT CHARGES AND ADJUSTMENTS

Section 1001. Freight Charges. Conrail will on the effective date hereof either adopt or continue applicable tariffs and divisions for traffic on each segment listed in Attachment 1.

Section 1002. Changes. Conrail may from time to time seek changes in tariffs, rates and divisions. Any proposed changes will be submitted to the appropriate regulatory authorities. The State shall have the right to propose new tariffs to Conrail applicable to the rail facilities, and Conrail shall use its best efforts to implement the proposed tariffs unless Conrail demonstrates to the satisfaction of the State that such proposals are inconsistent with the economic objectives of the railroad.

## ARTICLE ELEVEN - ACCOUNTING REPORTS

### Section 1101. Record Keeping

Conrail will keep accounting records in accordance with RSPO Standards. Until such time as the new USOA accounting classification, which became effective January 1, 1978, has been implemented by Conrail at field level, calculation of on-branch costs will be acceptable if made and documented as required by the RSPO Standards under the former ICC classification structure. State recognizes and accepts Conrail's Management Center accounting field procedure as supporting documentation for accounting and accumulation of on-branch charges for labor, materials, accounts payable and travel and business expenses, subject to the audit provision of Section 1103.

Section 1102. Report Schedule.

A monthly report based upon an accrual method to determine revenues and costs (adjusted in a manner agreed to by the parties to reflect the estimated effects of inflation) of providing service will be issued to the State within fifty (50) days after the end of that month, except that for the first three (3) monthly reports, they will be issued to the State within eighty (80) days after the end of that month.

An Annual Report will be issued to the State as soon as possible following the last monthly report, but not later than one hundred fifty (150) days following the end of the service year.

Section 1103. Audit and Inspection. During regular business hours Conrail shall make available to the auditors of the State or of any governmental agency having jurisdiction over Conrail the records of Conrail's revenues and costs related to the rail continuation payments. All such records will be kept for a period of at least four years after the issuance of the Annual Report for the related year, and any such records that are the subject of an auditing dispute shall be kept for the term of that dispute. Conrail shall allow inspection of the above described records, the rail facilities and the equipment used thereon by the authorized agents of the State upon reasonable notice.

ARTICLE TWELVE - CONTRACT TERM, RENEWAL AND RENEGOTIATION

Section 1201. Term. This Agreement shall be in effect for twelve (12) months from the effective date hereof as determined by Section 1601 below, subject to the termination provisions of Article Thirteen hereof.

Section 1202. Renewal of Agreement. The State shall notify Conrail by certified mail forty-five (45) days in advance of the termination of this Agreement if the State wishes to continue the service for one additional year. The State's notification shall be accompanied by a certification made by a responsible official in a fashion satisfactory to Conrail that (i) the necessary legal authority to renew this Agreement has been obtained before the effective date thereof, and (ii) an appropriation of funds or other financial arrangement has been made, or there is a reasonable likelihood it will be made, to provide the State's share of the costs of rail service continuation under the RRRRA. In such event-(a) Conrail and the State shall endeavor to negotiate and conclude an agreement to be effective April 1, 1980 covering such additional year's service, and, meanwhile, (b) on an interim basis, service shall continue under the terms of this agreement for a period not to exceed one additional year, provided, however, that during such continued period the following conditions shall prevail: (i) Section 1202 of this agreement shall be considered to be deleted in its entirety, (ii) any changes in the RSPO standards shall be immediately effectively

(in line with the definition appearing in Section 101 of the agreement), and (iii) upon execution of a subsequent agreement the terms of that agreement shall supercede the terms of this agreement for the entire service year commencing April 1, 1980.

#### ARTICLE THIRTEEN - TERMINATION

Section 1301. Termination for Money Default. In the event of any failure on the part of either party to perform its obligations regarding payments of cost of providing service, including but not limited to transmittal of scheduled contractual payments under this Agreement, and the continuance by such party in such default for a period of ten (10) days, the other party shall have the right, at its option, after first giving twenty (20) days' written notice thereof by certified mail to the party in default and notwithstanding any waiver by the party giving notice of any prior breach thereof, to terminate this Agreement and the exercise of such right shall not impair any other rights of the party giving notice under this Agreement or any rights of action against the defaulting party for the recovery of damages.

#### Section 1302. Termination for Non-Money Default.

(a) In the event of any substantial failure on the part of either party to perform its obligations under this Agreement, other than payments for costs of providing service, and the continuance by such party in such default for a period of sixty (60) days, the other party shall have the

right at its option, after first giving thirty (30) days' written notice thereof by certified mail to the party in default and notwithstanding any waiver by the party giving notice of any prior breach thereof, to terminate this Agreement and the exercise of such right shall not impair any other rights of the party giving notice under this Agreement or any rights of action against the defaulting party for the recovery of damages.

(b) Any default by the State under the terms of an application to, agreement with, or grant from the Federal Railroad Administration pertaining to the rail service continuation program under the RRRRA shall constitute a default under this Agreement and shall be subject to the termination provisions of subparagraph (a), above.

Section 1303. State's Termination. The State may terminate this Agreement, in whole or with respect to a segment or any portion of a segment, on thirty (30) days notice.

Section 1304. Expenses of Termination. Expenses of termination shall be a cost of providing service. Conrail shall mitigate the expenses of termination to the extent possible.

Section 1305. Contractual Obligations.

Except as otherwise provided in Section 1202 Conrail's obligations to provide rail freight service under this Agreement shall cease on the effective date of the termination hereof, but all other obligations of the parties described

in this Agreement shall remain in full force and effect. Both parties shall make reasonable efforts to satisfy their surviving obligations promptly after termination.

ARTICLE FOURTEEN - REPRESENTATIONS AND WARRANTIES

Section 1401. Conrail. Conrail represents and warrants the following:

(a) Conrail is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and is duly qualified to do business in the state in which the rail facilities are located;

(b) Conrail has the full power and authority to enter into this Agreement and to carry out the functions which it has undertaken in this Agreement; and

(c) The execution of this Agreement and the operation of the rail freight service will not violate any statute, rule, regulation, order, writ, injunction or decree of any court, administrative agency or governmental body.

(d) Conrail agrees to cooperate with the State in all respects necessary to meet the obligations of the State under Sections 114, 115, 116, 118, 119 and 120 of Appendix "A" to the 1977 Grant Agreement between the State and the FRA.

Section 1402. The State. The State represents and warrants the following:

(a) The State is duly organized, validly existing and



in good standing under the laws of its domicile;

(b) The State has the power and authority to enter into this Agreement and to carry out its obligations under this Agreement;

(c) The entering into and performance of this Agreement on the part of the State does not violate any statute, rule, regulation, order, writ, injunction or decree of any court, administrative agency or governmental body;

(d) The State has duly and validly acquired or will acquire the right to use the rail facilities on the segments and has made or will have made those rights available to Conrail without charge prior to the commencement of the rail freight service specified herein. Copies of any agreements between owners of the segments comprising the rail facilities and the State regarding these rights will be furnished;

(e) Funds for the payments required by the Agreement will be obtained or have been authorized and appropriated to the State. The State shall notify Conrail of all action on the part of the State to appropriate funds in support of this agreement, and Conrail shall not be required to perform service under this agreement beyond the period for which State has appropriated funds.

(f) Unless the State intends to acquire a segment or portion of a segment involved in the program described in

this Agreement, and if the provisions of M.G.L. c.161C, Section 7 have been complied with by the owner, the State shall not impede attempts by Conrail to acquire such a segment or portion of a segment, or to obtain a certificate as a common carrier to operate thereon. To the extent it may do so the State shall cooperate with and assist Conrail in such acquisitions and applications for certification as a common carrier; and

(g) The State shall cooperate with Conrail in producing an inventory of the rail facilities within a reasonable time after the Effective Date.

#### ARTICLE FIFTEEN - GENERAL PROVISIONS

Section 1501. Captions. The captions used in this Agreement are used for convenience and identification purposes only and do not form a part of the Agreement.

Section 1502. Entire Agreement. This Agreement and the Attachments annexed hereto and integrated herewith contain the entire agreement of the parties and supersede any and all prior agreements or oral understandings between the parties.

Section 1503. Amendment. No term or provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought; provided, however, that

when an emergency situation arises, such as the need for a change in service frequency or emergency maintenance, changes in this contract may be made orally by authorized representatives of both parties by mutual agreement subject to immediate confirmation by telegram or other delivered writing.

Section 1504. Notices. Any notice required under this Agreement may be sent to the parties at the addresses set forth at the beginning hereof, unless such parties shall have informed the other party in writing of any change in that address. Notices to Conrail should be addressed to the attention of the Assistant Manager, Strategic Planning - LDL. Notice to the State should be addressed to Secretary Barry M. Locke, Attention: Rail Director.

Except as provided in Section 1503 above, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed by certified mail, postage prepaid, or by telegram to the addresses herein designated or at such other address as may be designated in writing by notice similarly given.

Section 1505. Governmental Approval. (a) Whenever an action of one of the parties is required by the Agreement which action is subject to the approval or consent of a governmental agency, the requirement of this Agreement shall be deemed satisfied, except as otherwise expressly herein provided, if the party has applied for the approval and uses and continues to use its best efforts to obtain such approval or consent without delay. This Section 1505(a)

does not constitute a waiver by any agency of the State of the requirement that Conrail obtain necessary approvals or consents.

(b) In the event of termination of this Agreement whether by reason of the default of the State; or expiration of its term, Conrail shall not be required by this agreement to obtain the consent of any regulatory authority to abandon or discontinue all or any portion of the rail freight service.

Section 1506. Severability. If any term, covenant, condition or provision (or part thereof) of this Agreement or the application thereof to any party or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision (or remainder thereof) to parties or circumstances other than those as to which it is held invalid, or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. In the event that the obligation of either party are reduced by application of the foregoing sentence, the obligations of the other party shall be equitably adjusted to avoid injustice..

Section 1507. Anti-Discrimination Clause.

A. FRA Requirements (1) As a condition to receiving Federal financial assistance under the Railroad Revitalization and Regulatory Reform Act of 1976 ("Act"), or the provisions of the Regional Rail Reorganization Act of 1973, as amended (45 U.S.C. 701 et seq.), or the Rail Passenger Service Act of 1970, as amended (45 U.S.C. 501 et seq.) amended by the Act (collectively called, together with the Act, the "Rail Acts"), Conrail hereby agrees to observe and comply with the following:

(i) No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, or denied the benefits of, or be subject to discrimination under, any project, program, or activity funded in whole or in part through such assistance.

(2) The following specific discriminatory actions are prohibited:

(i) Conrail shall not, directly or through contractual or other arrangements, on the ground of race, color, national origin, or sex:

(A) Deny a person any service, financial aid, or other benefit provided under such project, program or activity;

(B) Provide any service, financial aid or other benefit to a person which is different, or is provided in a different manner, from that provided to others under such project, program or activity;

(C) Subject a person to segregation or separate treatment in any matter related to his or her receipt of any service, financial aid or other benefit under such project, program or activity;

(D) Restrict a person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid or other benefit under such project, program or activity; or

(E) Deny a person an opportunity to participate in such project, program or activity through the provision of services or otherwise, or afford him or her an opportunity to do so which is different from that afforded others under such project, program or activity.

(ii) Conrail, in determining the types of services, financial aid, or other benefits, or facilities which will be provided under any such project, program or activity or the class of persons to whom or the situations in which such services, financial aid, other benefits, or facilities will be provided under any such project, program or activity, or the class of persons to be afforded an opportunity to participate in any such project, program or activity shall not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, national origin, or sex, or have the effect of defeating or substantially impairing accomplishment of the objectives of the project, program or activity, with

respect to individuals of a particular race, color, national origin or sex.

(iii) In determining the site or location of facilities, Conrail shall not make selections with the purpose or effect of excluding persons from, denying them the benefits of, or subjecting them to discrimination under any project, program or activity to which these clauses apply on the grounds of race, color, national origin or sex, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of these clauses.

(iv) Conrail shall not discriminate against any employee or applicant for employment because of race, color, national origin or sex. Except as otherwise required by the regulations or orders of the Administrator, Conrail shall take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, national origin or sex. Such action shall include, but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Conrail agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Railroad Administration setting forth the provisions of these nondiscrimination clauses. Conrail understands and agrees that it shall not be an excuse for its failure to

provide affirmative action that the labor organizations with which Conrail has a collective bargaining agreement failed or refused to admit or qualify minorities for admission to the union, or that the provisions of such agreements otherwise prevent Conrail from implementing its affirmative action program.

(v) Conrail shall not discriminate against any business organization in the award of any contract because of race, color, national origin or sex of its employees, managers or owners. Except as otherwise required by the regulations or orders of the Administrator, Conrail shall take affirmative action to insure that business organizations are permitted to compete and are considered for awards of contracts without regard to race, color, national origin or sex.

(3) As used in these clauses, the services, financial aid, or other benefits provided under a project, program, or activity receiving financial assistance under the Rail Acts include any service, financial aid, or other benefit provided in or through a facility funded through financial assistance provided under the Rail Acts.

(4) The enumeration of specific forms of prohibited discrimination does not limit the generality of the prohibition in subparagraph (1)(i) of this section.

(5) These clauses do not prohibit the consideration of race, color, national origin or sex if the purpose and effect are to remove or overcome the consequences of practices



or impediments which have restricted the availability of, or participation in, Conrail operations or activities on the grounds of race, color, national origin or sex. Where prior discriminatory or other practice or usage tends, on the grounds of race, color, national origin or sex, to exclude individuals or businesses from participation in, to deny them the benefits of, or to subject them to discrimination under any project, program or activity to which these clauses apply, Conrail must take affirmative action to remove or overcome the effects of the prior discriminatory practice or usage. Even in the absence of prior discriminatory practice or usage to which this part applies, Conrail is expected to take affirmative action to insure that no person is excluded from participation in or denied the benefits of the project, program or activity on the grounds of race, color, national origin or sex, and that minorities and minority businesses are afforded a reasonable opportunity to participate in employment and procurement opportunities that will result from financial assistance provided under the Rail Act.

(6) Conrail agrees to take such actions as are necessary to monitor its activities and those of its subcontractors who will be paid in whole or in part with funds provided by the Rail Acts, or from obligations guaranteed by the Administrator pursuant to the Rail Acts, except obligations guaranteed under Section 602 of the Rail Passenger Service Act, in order to carry out affirmatively the purposes of paragraph (1) above, and to implement the affirmative action program developed and implemented pursuant to 49 CFR 265.

(7) Conrail shall, in all advertisements for employees, or solicitations for services or materials from business organizations placed by or on behalf of the recipient, in connection with any project, program or activity funded in whole or in part with financial assistance under the Rail Acts, state that all applicants for employment will receive consideration for employment, and all business organizations will receive consideration for an award of a contract, without regard to race, color, national origin or sex.

(8) Conrail shall send to each labor organization or representative of works with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the Federal Railroad Administration, advising the labor organization or workers' representative of Conrail's commitments under Section 905 of the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(9) Conrail shall comply with all provisions of Section 905 of the Act, the Civil Rights Act of 1964, any other Federal civil rights act, and with the rules, regulations, and orders issued under such acts.

(10) Conrail shall furnish all information and reports required by the rules, regulations, and orders of the Administrator, and will permit access to its books, records, and accounts by the Administrator for purposes of investigation to ascertain compliance with rules, regulations, and

orders referred to in paragraph (9) hereof.

(11) Conrail shall furnish such relevant procurement information, not included in its affirmative action program, as may be requested by the Minority Business Resource Center. Upon the request of Conrail, the Center shall keep such information confidential to the extent necessary to protect commercial or financial information or trade secrets to the extent permitted by law.

(12) In the event of Conrail's noncompliance with the nondiscrimination clauses of this agreement, or with the provisions of Section 905 of the Act, the Civil Rights Act of 1964, or with any other Federal civil rights act, or with any rules, regulations, or orders issued under such acts, this Agreement will, after notice of such noncompliance, be disapproved in whole or in part and Conrail may be declared ineligible for further Federal financial assistance in accordance with procedures authorized in Section 905 of the Act, or as otherwise provided by law.

(13) Conrail shall not enter into any subcontract or subcontract modification, whether for the furnishing of supplies or services, or for the use of real or personal property, including lease arrangements, or for construction, in connection with a project, program or activity which receives financial assistance under the Rail Acts with a contractor debarred from or who has not demonstrated eligibility for Federal or federally assisted contracts, and will carry out such sanctions and penalties for violation of

this part as may be imposed upon contractors and subcontractors by the Administrator or any other authorized Federal official. Conrail shall insure that the clauses required by 41 CFR Section 60-1.46 implementing executive Order No. 11246 will be placed in each non-exempt federally assisted construction contract.

(14) Conrail agrees to comply with and implement the written affirmative action program as approved by the Administrator pursuant to Section 265.17 of Title 49 CFR.

(15) Conrail agrees to notify the Administrator promptly of any law suit or complaint filed against it alleging discrimination on the basis of race, color, national origin or sex.

B. U.S. DOT Requirements. Conrail agrees to comply with the DOT requirements attached hereto as Appendix A, which is incorporated herein, if such compliance is determined to be necessary.

Section 1508. Prohibited Interests. No member, officer, or employee of the State during his tenure or one year thereafter, may have any interest, direct or indirect, in this Agreement or proceeds thereof; provided, however, that Conrail or a past or present member, officer, or employee of the State may, for good cause, request and receive a waiver of the application of this provision from the FRA.

Section 1509. Environmental Protection. Conrail agrees to perform rail freight service work pursuant to this Agreement in compliance with all the requirements of Section

114 of the Clean Air Act (42 U.S.C. Section 18570-9), Section 308 of the Federal Water Pollution Control Act (33 U.S.C. Section 1318), and all regulations issued thereunder.

Conrail will notify the State of the receipt of any communication from the Environmental Protection Agency which indicates that a rail facility is under consideration for inclusion on the Environmental Protection Agency's List of Violating Facilities.

Section 1510. Choice of Law. All questions arising under this Agreement shall be governed by federal law, including statutes and regulations. In the absence of applicable federal law, the laws of the State of Massachusetts shall be employed.

#### ARTICLE SIXTEEN - EFFECTIVE DATE

Section 1601. Effective Date. This Agreement shall become effective on April 1, 1979 which shall be termed the "Effective Date".

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized representatives on the date and year first above written.

ATTEST:

Benjamin Haskins

ATTEST:

Mary Ann Nelson

Date: March 3, 1980

Approved as to form

Edward F. Vane  
Assistant Attorney General

CONSOLIDATED RAIL CORPORATION

BY: William J. Powers  
Assistant Manager LDL Subsidy Program

THE COMMONWEALTH OF MASSACHUSETTS  
acting by and through THE  
EXECUTIVE OFFICE OF TRANSPORTATION  
AND CONSTRUCTION

BY: Barry M. Locke  
Secretary of Transportation  
and Construction

APPENDIX A

In connection with the performance of rail freight services under this Agreement, Conrail agrees as follows:

- (A) Conrail shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation. (hereinafter "DOT") Title 49, Code of federal regulations, part 21, as they may be amended from time to time, (hereinafter referred to as "Regulations"), which are herein incorporated by reference and made a part of this Agreement.
- (B) Conrail, with regard to the work performed by it under this Agreement, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Conrail shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the regulations, including employment practices when the contract covers a program set forth in Appendix B of the regulations.
- (C) In all solicitations either by competitive bidding or negotiation made by Conrail for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by

Conrail of its obligations under this contract and the regulations relative to nondiscrimination on the grounds of race, color, or national origin.

(D) Conrail shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the subsidizer or the Federal Railroad Administration to be pertinent to ascertain compliance with such regulations, orders and instructions. Where any information requires of Conrail is in the exclusive possession of another who fails or refuses to furnish this information Conrail shall so certify to the subsidizer or to the Federal Railroad Administration whichever is appropriate, and shall set forth what efforts it has made to obtain the information.

(E) In the event of Conrail's noncompliance with the nondiscrimination provisions of this contract, the subsidizer shall impose such contract sanctions as it or the Federal Railroad Administration may determine to be appropriate, including, but not limited to:

- (1) Withholding of payments to Conrail under this Agreement until it complies; and/or
- (2) Cancellation, termination or suspension of this Agreement in whole or in part.



(F) Conrail shall include the provisions of paragraphs (A) through (E) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the regulations, or directives issued pursuant thereto. Conrail shall take such action with respect to any subcontract or procurement as the subsidizer or the Federal Railroad Administration may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Conrail becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, may request the subsidizer to enter into such litigation to protect the interests of the subsidizer, and, in addition, Conrail may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX B

Pursuant to 46 U.S.C. 1241(b), Conrail agrees --

(a) If any equipment, materials, or commodities obtained by the contractor or subcontractor is transported by ocean vessel, the contractor or subcontractor agrees to adopt and comply with the contract clauses contained in section 11.04(a) and (b) of the Grant Agreement between FRA and the Grantee.

(b) This language is approved only for the interim period until U.S. Department of Transportation cargo preference regulations are finalized. At that time amendments may be required.

## APPENDIX C

Conrail warrants, represents and agrees that during the time this Agreement is in effect, neither it nor any affiliated company, as hereafter defined, will participate in or cooperate with an international boycott, as defined in Section 999(b) (3) and (4) of the Internal Revenue Code of 1954, as amended, or engages in conduct declared to be unlawful by Section 2 of Chapter 151 E, Massachusetts General Laws. If there is a breach in the warranty, representation and agreement contained in this section, then without limiting such other rights as it may have the State shall be entitled to rescind this contract. As used herein, an affiliated company shall be any business entity of which at least 51% of the ownership interests are directly or indirectly owned by Conrail or by a person or persons or business entity or entities directly owning at least 51% of the ownership interests of Conrail or which directly or indirectly owns at least 51% of the ownership interests of Conrail.



ATTACHMENT NO. 1

EXPECTED LOCAL FREIGHT SERVICE CHARACTERISTICS  
 April, 1979 - March, 1980

Conrail Identification Number: 13  
 Name of the Line: Lowell Secondary  
 Termini: South Sudbury (4.8) - Chelmsford (24.4)

Normal Train Symbol ----- L 131/2

Type of service ----- Local

Crew assignment:  
 1. Home terminal ----- Framingham

2. Turning point on the line ----- Chelmsford or Acton

3. Frequency ----- as required

Seasonal Frequency ----- 1.2\* wk

4. Number of annual round trips ----- 104

5. Expected time serving the line per round trip (On-Branch Time) ----- 5 hours

6. Expected Overhead running time to reach this line (if applicable) ----- Framingham Center and South Sudbury

7. Additional assignments for this crew on days serving this line ----- 4

8. Number of Employees normally assigned to train ----- Framingham

Serving yard ----- Boston

Fact terminal ----- 1

Number of units normally required -----

Miscellaneous Branch Line Expenses

- Layover                       On Line Clerks                       Special Labor Agreement Costs
- Taxing                               On Line Agents                       Special Equipment

Deadheading from Boston may apply only if no additional assignments.

\* Second trip per week as and when specified by DOTC.

ATTACHMENT NO. 1

EXPECTED LOCAL FREIGHT SERVICE CHARACTERISTICS  
 April, 1979 - March, 1980

Conrail Identification Number: 17  
 Name of the Line: West Hanover Secondary  
 Termini: North Abington (0.0) - West Hanover (3.6)

Normal Train Symbol ----- L171/2

Type of service ----- Yard

Crew assignment:  
 1. Home terminal ----- South Braintree

2. Turning point on the line ----- West Hanover

3. Frequency ----- 2/wk

Seasonal Frequency -----

4. Number of annual round trips ----- 104

5. Expected time serving the line per round trip (On-Branch Time) ----- 4.5 hours

6. Expected Overhead running time to reach this line (if applicable) -----

7. Additional assignments for this crew on days serving this line ----- Switching Plymouth Line and Randolph Secondary

8. Number of Employees normally assigned to train ----- 4 (5) as required

Serving yard ----- South Braintree

Fact terminal ----- Boston

Number of units normally required ----- 1

Miscellaneous Branch Line Expenses

- |                                      |   |  |
|--------------------------------------|---|--|
| <input type="checkbox"/> Layover     | <input type="checkbox"/> On Line Clerks | <input type="checkbox"/> Special Labor Agreement Costs |
| <input type="checkbox"/> Taxiing     | <input type="checkbox"/> On Line Agents | <input type="checkbox"/> Special Equipment             |
| <input type="checkbox"/> Deadheading |   |  |

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 -----  
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ATTACHMENT NO. 1

EXPECTED LOCAL FREIGHT SERVICE CHARACTERISTICS  
 April, 1979 - March, 1980

Conrail Identification Number: 21/22  
 Name of the Line: Hyannis Secondary  
 Termini: East Sandwich (7.5) - Hyannis (24.3) &  
Yarmouth (0.0) - South Dennis (5.6)

Normal Train Symbol ----- L211/2  
 Type of service ----- Local  
 Crew assignment:

1. Home terminal ----- Middleboro
2. Turning point on the line ----- Hyannis/So. Dennis
3. Frequency ----- 2/wk plus one additional  
trip/wk added as and  
when specified by EOTC
- Seasonal Frequency -----
4. Number of annual round trips ----- 104 + 10 as required
5. Expected time serving the line per round  
 trip (On-Branch Time) ----- 6.0 hours
6. Expected Overhead running time to reach  
 this line (if applicable) -----
7. Additional assignments for this crew on  
 days serving this line ----- Middleboro to East  
Sandwich\*
8. Number of Employees normally assigned to  
 train ----- 4 (5) as required

Serving yard ----- Middleboro  
 Fact terminal ----- Boston  
 Number of units normally required ----- 1

Miscellaneous Branch Line Expenses

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Layover   | <input type="checkbox"/> On Line Clerks | <input type="checkbox"/> Special Labor Agreement Costs |
| <input type="checkbox"/> Taxing  | <input type="checkbox"/> On Line Agents | <input type="checkbox"/> Special Equipment             |
| <input checked="" type="checkbox"/> Deadheading May be incurred only on Spare Crews. |   |  |

\* After rehabilitation of lines 21/22 and 23/24 additional assignments may include 23/24.

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS  
April, 1979 - March, 1980

Conrail Identification Number: 23/24  
 Name of Segment: Falmouth Secondary  
 Termini: Buzzards Bay (0.3) - Falmouth (13.8)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
Total Attributable Revenues	\$	\$ 259,961
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation		27,837
Maintenance of Equipment		12,064
Superintendence (if applicable)		
Maintenance		8,275
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee		10,343
Miscellaneous Branchline Expenses		6,326
Total On-Branch Costs	\$	\$ 64,845
<u>ESTIMATED OFF-BRANCH COSTS</u>		
	\$	\$ 174,096
<u>OTHER COSTS</u>		
	\$	\$
Administrative Fee		10,918
Management Fee		11,698
Total Estimated Conrail Costs	\$	\$ 261,557
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	\$	\$ 1,596
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	\$ 133
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$



## ATTACHMENT NO. 1

EXPECTED LOCAL FREIGHT SERVICE CHARACTERISTICS  
April, 1979 - March, 1980

Conrail Identification Number: 33  
 Name of the Line: Needham Branch  
 Termini: Needham Junction (10.1) - West Roxbury (7.2)

Normal Train Symbol ----- L 33 1/2 \*\*  
 Type of service ----- Local

Crew assignment:

1. Home terminal ----- Framingham  
 2. Turning point on the line ----- West Roxbury  
 3. Frequency ----- 1/wk  
 Seasonal Frequency ----- 2/wk during April thru July  
 4. Number of annual round trips ----- 52 + 18 + 20\*  
 5. Expected time serving the line per round  
 trip (On-Branch Time) ----- 1 hour  
 6. Expected Overhead running time to reach  
 this line (if applicable) -----  
 7. Additional assignments for this crew on  
 days serving this line ----- Mills - Clicquot  
 Newton Upper Falls  
 8. Number of Employees normally assigned to  
 train ----- 4

Serving yard ----- Framingham  
 Fact terminal ----- Boston  
 Number of units normally required ----- 1

## Miscellaneous Branch Line Expenses

Layover                       On Line Clerks                       Special Labor Agreement Costs  
 Taxing                         On Line Agents                       Special Equipment  
 Deadheading

\* Additional trips upon request of Massachusetts Executive

Office of Transportation & Construction EOTC.

\*\* Freight service to be coordinated so as not to interfere  
 with Massachusetts Bay Transportation Authority passenger service.

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS  
April, 1979 - March, 1980

Conrail Identification Number: 8/8a/9  
Name of Segment: Ware River Secondary  
Termini: Palmer 1.6) - South Barre (25.0)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
<b>Total Attributable Revenues</b>	<b>\$ 160,240</b>	<b>\$ 171,457</b>
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation	36,372	40,009
Maintenance of Equipment	11,398	12,538
Superintendence (if applicable)		
Maintenance	10,718	11,790
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee	5,905	6,496
Miscellaneous Branchline Expenses	8,997	9,897
<b>Total On-Branch Costs</b>	<b>\$ 73,390</b>	<b>\$ 80,730</b>
<u>ESTIMATED OFF-BRANCH COSTS</u>	<b>\$ 148,131</b>	<b>\$ 162,944</b>
<u>OTHER COSTS</u>	\$	\$
Administrative Fee		7,201
Management Fee	12,810	7,716
<b>Total Estimated Conrail Costs</b>	<b>\$ 234,331</b>	<b>\$ 258,591</b>
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	<b>\$ 74,091</b>	<b>\$ 87,134</b>
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	<b>\$ 7,261</b>
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS  
April, 1979 - March, 1980

Conrail Identification Number: 13  
 Name of Segment: Lowell Secondary  
 Termini: South Sudbury (4.8) - Chelmsford (24.4)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
<b>Total Attributable Revenues</b>	<b>\$ 258,066</b>	<b>\$ 276,131</b>
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation	31,460	34,606
Maintenance of Equipment	11,132	12,245
Superintendence (if applicable)		
Maintenance	25,150	27,665
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee	7,914	8,705
Miscellaneous Branchline Expenses	9,236	10,160
<b>Total On-Branch Costs</b>	<b>\$ 84,892</b>	<b>\$ 93,381</b>
<u>ESTIMATED OFF-BRANCH COSTS</u>		
	<b>\$ 246,819</b>	<b>\$ 271,501</b>
<u>OTHER COSTS</u>		
	\$	\$
Administrative Fee		11,597
Management Fee	20,685	12,426
<b>Total Estimated Conrail Costs</b>	<b>\$ 352,396</b>	<b>\$ 388,905</b>
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	<b>\$ 94,330</b>	<b>\$ 112,774</b>
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	<b>\$ 9,398</b>
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

## ATTACHMENT NO. 2

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS  
 April, 1979 - March, 1980

Conrail Identification Number: 17  
 Name of Segment: West Hanover Secondary  
 Termini: North Abington (0.0)--West Hanover (3.6)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
Total Attributable Revenues	\$	\$ 439,476
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation		38,447
Maintenance of Equipment		16,309
Superintendence (if applicable)		
Maintenance		1,804
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee		2,371
Miscellaneous Branchline Expenses		7,096
Total On-Branch Costs	\$	\$ 66,027
<u>ESTIMATED OFF-BRANCH COSTS</u>		
	\$	\$ 424,848
<u>OTHER COSTS</u>		
Administrative Fee		18,458
Management Fee		19,776
Total Estimated Conrail Costs	\$	\$ 529,109
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	\$	\$ 89,633
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	\$ 7,469
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS

April, 1979 - March, 1980

Conrail Identification Number: 21/22Name of Segment: Hyannis SecondaryTermini: East Sandwich (7.5) - Hyannis (24.3) and  
Yarmouth (0.0) - South Dennis (5.6)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
Total Attributable Revenues	\$	\$734,415
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation		60,079
Maintenance of Equipment		34,924
Superintendence (if applicable)		
Maintenance		15,282
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee		18,245
Miscellaneous Branchline Expenses		16,039
Total On-Branch Costs	\$	\$144,569
<u>ESTIMATED OFF-BRANCH COSTS</u>	\$	\$606,100
<u>OTHER COSTS</u>	\$	\$
Administrative Fee		30,854
Management Fee		33,049
Total Estimated Conrail Costs	\$	\$814,572
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	\$	\$ 80,157
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	\$ 6,680
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS

April, 1979 - March, 1980

Conrail Identification Number: 23/24Name of Segment: Falmouth SecondaryTerminal: Buzzards Bay (0.3) - Falmouth (13.8)

	<u>BASE PERIOD</u>	<u>BUDGET</u>
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
Total Attributable Revenues	\$	\$ 259,961
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation		27,837
Maintenance of Equipment		12,064
Superintendence (if applicable)		
Maintenance		8,275
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		10,343
Insurance Fee		6,326
Miscellaneous Branchline Expenses		
Total On-Branch Costs	\$	\$ 64,845
<u>ESTIMATED OFF-BRANCH COSTS</u>		
	\$	\$ 174,096
<u>OTHER COSTS</u>		
Administrative Fee		10,918
Management Fee		11,698
Total Estimated Conrail Costs	\$	\$ 261,557
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	\$	\$ 1,596
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	\$ 133
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

## ATTACHMENT NO. 2

ESTIMATED CONRAIL RAIL FREIGHT SERVICE REVENUES AND COSTS

April, 1979 - March, 1980

Conrail Identification Number: 33Name of Segment: Needham BranchTerminals: Neeham Junction (10.1) - West Roxbury (7.2)

	BASE PERIOD	BUDGET
<u>ESTIMATED REVENUES</u>		
Local Traffic		
Bridge Traffic Revenues or Trackage Rights Fees		
Other Revenues		
<b>Total Attributable Revenues</b>	<b>\$ 69,552</b>	<b>\$ 74,421</b>
<u>ESTIMATED ON-BRANCH COSTS</u>		
Transportation	1,848	2,033
Maintenance of Equipment		
Superintendence (if applicable)		
Maintenance	1,885	2,074
Trackage Fees (if applicable)		
Rental Payments (if applicable)		
Taxes (if applicable)		
Insurance Fee	1,075	1,183
Miscellaneous Branchline Expenses		
<b>Total On-Branch Costs</b>	<b>\$ 2,923</b>	<b>\$ 5,290</b>
<u>ESTIMATED OFF-BRANCH COSTS</u>		
	\$ 66,360	\$ 72,996
<u>OTHER COSTS</u>		
	\$	\$
Administrative Fee	2,921	3,126
Management Fee	3,130	3,349
<b>Total Estimated Conrail Costs</b>	<b>\$ 75,334</b>	<b>\$ 84,761</b>
<u>ESTIMATED ANNUAL CONTRACT PAYMENT</u>	\$ 5,782	\$ 10,340
<u>ESTIMATED MONTHLY CONTRACT PAYMENT</u>	\$	\$ 862
<u>ESTIMATED ANNUAL ESCROW PAYMENT</u>	\$	\$
<u>ESTIMATED MONTHLY ESCROW PAYMENT</u>	\$	\$

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

USRA Line No. 8 - Ware River Secondary  
Palmer, MA (MP 1.6) to South Barre, MA (MP 25.0) - 23.4 Miles

<u>CONTRACT ITEMS:</u>	<u>ESTIMATED COST</u>
Rebuild Private Crossings 150 T.F. @ 115. (Without Bituminous Surface) (Without Renewing Rail) (Including Guard Timbers) (Including Ties & Tie Plates) (Including Raise & Surface)	\$17,250.00
+ 10% Contingencies	1,725.00
+ 5% Inspection	862.00
Contract Items Total	\$19,837.00



ATTACHMENT #3Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

## Conrail and Commonwealth of Massachusetts

USRA Line No. 8 - Ware River Secondary - New England Division  
Palmer, MA (MP 1.6) to South Barre, MA (MP 25.0) - 23.4 Miles

			<u>ESTIMATED COST</u>
<u>CRC FORCES:</u>			
<u>*LABOR</u>			
1 Foreman	18 days @ 96	1,728.00	
1 Truck Driver	18 days @ 85	1,530.00	
2 Trackmen	2x18 days @ 81	<u>2,916.00</u>	
			6,174.00
 <u>*MATERIAL</u>			
Rail & OTM	11.7 Mi. @ 100	1,170.00	
Crossing Signs	4 Ea. @ 180	<u>720.00</u>	
			1,890.00
 <u>MISCELLANEOUS</u>			
Retire 6 Turnouts @ 1,500.00 Ea.		9,000.00	
Vehicle Rental	18 days @ 25	450.00	
Weed Spray (CONTRACT) 47 Acres @ 50		<u>2,350.00</u>	
			11,800.00
	Program Mtc. Total		19,864.00
Field Engineering		2,340.00	
Emergency Maintenance		<u>3,000.00</u>	
	Total		\$25,204.00

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

USRA Line No. 13 - Lowell Secondary - New England Division  
South Sudbury, MA (MP 4.8) to Chelmsford, MA (MP 24.4) - 19.6 Miles

			<u>ESTIMATED COST</u>
<u>CRC FORCES:</u>			
<u>*LABOR</u>			
Foreman	1x10 days @ 96.	960.00	
Truck Driver	1x10 days @ 85	850.00	
Trackmen	2x10 days @ 81	<u>1,620.00</u>	
			3,430.00
<u>*MATERIAL</u>			
Ties, 6"	30 Ea. @ 15	450.00	
Rail & OTM	19.6 Mi. @ 100	<u>1,960.00</u>	
			2,410.00
<u>MISCELLANEOUS</u>			
Retire 6 Turnouts	@ 1,500.00 Ea.	9,000.00	
Vehicle Rental	10 days @ 25	250.00	
Weed Spray (CONTRACT)	39 Acres @ 50	<u>1,950.00</u>	
			<u>11,200.00</u>
	CRC FORCES - Total		17,040.00
			800.00
Field Engineering			<u>10,000.00</u>
Emergency Maintenance			
	Total		\$27,840.00

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

USRA Line No. 17 - West Hanover Secondary - New England Division  
Abington, MA (MP 0.0) to West Hanover, MA (MP 3.6) - 3.6 Miles

			<u>ESTIMATED COST</u>
<u>*LABOR</u>			
1 Foreman	20 days @ 96	1,920.00	
1 Truck Driver	20 days @ 85	1,700.00	
3 Trackmen	3x20 days @ 81	4,860.00	
1 Machine Operator	10 days @ 87	<u>870.00</u>	
			9,350.00
 <u>*MATERIAL</u>			
Ties, 6"	130 Ea. @ 15	1,950.00	
Rail & OTM	3.6 Mi. @ 100	360.00	
Crossing Signs	4 Ea. @ 180	<u>720.00</u>	
			3,030.00
 <u>MISCELLANEOUS</u>			
Retire 2 Turnouts	@ 1,500.00 Ea.	3,000.00	
Vehicle Rental	10 days @ 25	250.00	
Weed Spray (CONTRACT)	8 Acres @ 50	<u>400.00</u>	
			3,650.00
	Program Mtc. Total		<u>16,030.00</u>
			360.00
Field Engineering			<u>2,000.00</u>
Emergency Maintenance			<u>2,000.00</u>
	Total		\$18,390.00

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

USRA Line No. 21/22 - Hyannis Secondary - South Dennis Secondary  
E. Sanwich, MA (MP 7.5) to Hyannis, MA (MP 24.3)  
Yarmouth, MA (MP 0.0) to S. Dennis, MA (MP 5.6) - 22.4 Miles

		<u>ESTIMATED COST</u>
<u>*LABOR</u>		
1 Foreman	20 days @ 96	1,920.00
1 Truck Driver	20 days @ 85	1,700.00
2 Trackmen	2x20 days @ 81	<u>3,240.00</u>
		6,860.00
 <u>*MATERIAL</u>		
Ties, 6"	50 Ea. @ 15	750.00
Crossing Signs	4 Ea. @ 180	<u>720.00</u>
		1,470.00
 <u>MISCELLANEOUS</u>		
Vehicle Rental	20 days @ 25	500.00
Weed Spray (CONTRACT)	46 Acres @ 50	<u>2,300.00</u>
	Program Mtc. Total	11,130.00
Field Engineering		2,240.00
Emergency Maintenance		<u>3,000.00</u>
	Total	\$16,370.00

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

USRA Line No. 23/24 - Falmouth Secondary - New England Division  
Buzzards Bay, MA (MP 0.3) to Falmouth, MA (MP 13.8) - 13.5 Miles

ESTIMATED  
COST

\*LABOR

1 Foreman	10 days @ 96	960.00	
1 Truck Driver	10 days @ 85	850.00	
2 Trackmen	2x10 days @ 81	<u>1,620.00</u>	
			3,430.00

\*MATERIAL

Ties, 6"	20 Ea. @ 15	300.00	
Rail & OTM	13.5 Mi. @ 50	0	
Crossing Signs	2 Ea. @ 180	360.00	
Blacktop (Xing Repair)	5 Tons @ 18.5	<u>0</u>	
			660.00

MISCELLANEOUS

Vehicle Rental	10 days @ 25	250.00	
Weed Spray (CONTRACT)	27 Acres @ 50	<u>1,350.00</u>	
	Program Mtc. Total		5,690.00
Field Engineering		1,350.00	
Emergency Maintenance		<u>2,000.00</u>	
	Total		\$9,040.00

ATTACHMENT #3

Budget Estimate for Emergency and Program Maintenance  
 April, 1979 - March, 1980

Conrail and Commonwealth of Massachusetts

<u>Line</u>	<u>Emergency Maintenance</u>	<u>Program Maintenance</u>	<u>Field Engineering</u>	<u>Total</u>
8	\$	\$19,837.00	\$	\$ 19,837.00
8	3,000.00	19,864.00	2,340.00	25,204.00
13	10,000.00	17,040.00	800.00	27,840.00
17	2,000.00	16,030.00	360.00	18,390.00
21/22	3,000.00	11,130.00	2,240.00	16,370.00
22/23	2,000.00	5,690.00	1,350.00	9,040.00
33	2,000.00	-0-	-0-	-0-
	<u>\$20,000.00</u>	<u>\$89,591.00</u>	<u>\$7,090.00</u>	<u>\$116,681.00</u>
				<u>2,000.00</u>
				<u>\$118,681.00</u>

CONSOLIDATED RAIL CORPORATION

BOARD OF DIRECTORS, TUESDAY, MARCH 8, 1977

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RESOLVED, that the Chief Executive Officer, or his delegate, is authorized to enter into contracts to provide subsidy service on light density lines on terms which are consistent with standards promulgated by the Rail Service Planning Office and are at least as favorable as the terms of existing subsidy contracts, or to take such action as may be necessary to discontinue such service pursuant to the Regional Rail Reorganization Act of 1973, as amended or the terms of the existing or new contracts.

-----

I, DONALD R. POWELL, Assistant Secretary of CONSOLIDATED RAIL CORPORATION, HEREBY CERTIFY the foregoing to be a true and correct copy of a resolution duly adopted by the Board of Directors of said Corporation, on Tuesday, the 8th day of March, 1977, and that said resolution has not been amended or rescinded and still remains in full force and effect.

WITNESS my hand and the corporate seal of said CONSOLIDATED RAIL CORPORATION, at Philadelphia, Pa., this 11<sup>th</sup> day of March, 1980.

*Donald R. Powell*

CONSOLIDATED RAIL CORPORATION

TUESDAY, AUGUST 10, 1976

August 10, 1976

To: \*\*\*\*\*  
Senior Vice President-Strategic Planning  
\*\*\*\*\*

Subject: Delegation of Authority

\*\*\*\*\*

Pursuant to the authority delegated to me and subject to the limitations outlined below, I hereby redelegate all of my authority to each of you with authority to redelegate to your subordinates.

\*\*\*\*\*

I, D. R. POWELL, Assistant Secretary of CONSOLIDATED RAIL CORPORATION, HEREBY CERTIFY the foregoing to be a true and correct copy of an excerpt from a memorandum dated August 10, 1976, from the Chairman of the Board of CONSOLIDATED RAIL CORPORATION to the Senior Vice President-Strategic Planning, and that the said excerpt has not been amended or rescinded and still remains in full force and effect.

WITNESS my hand and the corporate seal of said CONSOLIDATED RAIL CORPORATION, at Philadelphia, Pa., this 11<sup>th</sup> day of March, 1980.

*D. R. Powell*



DELEGATION OF AUTHORITY

Pursuant to the authority conferred upon me by the Board of Directors in its resolution dated March 8, 1977, a copy of which is attached hereto, I hereby delegate, effective this date, to Leo F. Mullin, Senior Vice President-Strategic Planning, the authority to execute on behalf of Consolidated Rail Corporation contracts and agreements to provide subsidy service on light density lines on terms which are consistent with standards promulgated by the Rail Services Planning Office and are at least as favorable as the terms of existing subsidy contracts, and any amendments or modifications thereto.

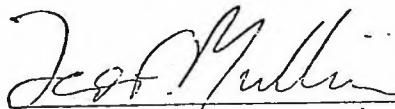


Edward G. Jordan  
Chairman and Chief Executive  
Officer

Date: March 15, 1977

DELEGATION OF AUTHORITY

Pursuant to the authority delegated to me by Edward G. Jordan on March 15, 1977, a copy of which delegation is attached hereto, I hereby delegate, effective this date, to Ralph R. Mueller, Assistant Vice President-Subsidized Services and Public Policy, or William J. Powers, Assistant Manager-Light Density Lines, the authority to execute on behalf of Consolidated Rail Corporation contracts and agreements to provide subsidy service on light density lines on terms which are consistent with standards promulgated by the Rail Services Planning Office and are at least as favorable as the terms of existing subsidy contracts, and any amendments or modifications thereto.



Leo F. Mullin  
Senior Vice President  
Planning, Control and Information  
Systems

Date: April 12, 1979

cc: E. G. Jordan