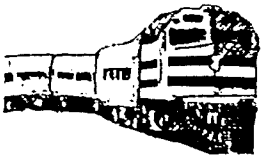


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NNEPRA

Northern New England Passenger Rail Authority

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NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY

REPORT
TO

MAINE STATE LEGISLATIVE COUNCIL
AND
JOINT STANDING COMMITTEE ON TRANSPORTATION

REPORTING PERIOD
FISCAL YEAR 1996

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NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY

DIRECTORY

AUTHORITY MEMBERS

JONATHAN L. CARTER, CHAIRMAN

BARBARA M. WHITTEN, MEMBER

SHARON S. WHITE, MEMBER & TREASURER

F. BRUCE SLEEPER, MEMBER

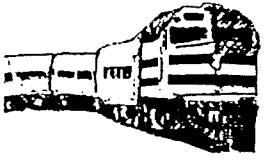
WILLIAM SHEA, MEMBER

EXECUTIVE DIRECTOR

MICHAEL J. MURRAY

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Authority's Financial Statement for Fiscal Year 1996	Appendix 1



NNEPRA

Northern New England Passenger Rail Authority

EXECUTIVE SUMMARY

February 1997

Dear Member of the Legislative Council:

or

Member of the Joint Standing Committee on Transportation:

This report has been prepared pursuant to 23 MRSA c. 621, subchapters I and II which, in addition to creating the Northern New England Passenger Rail Authority (NNEPRA), directed NNEPRA to take all necessary actions to reestablish passenger rail service for Maine citizens and for the millions of business and recreational travelers that visit our state annually.

Efforts expended by NNEPRA to restore intercity passenger rail service between Portland and Boston suffered a major setback this past year, when, after nearly four years of negotiations, Amtrak notified the Authority on March 22, 1996, that its draft operating agreement with Springfield Terminal Railway Company (STRR) contained several unacceptable conditions and/or defects that had to be reconciled prior to its execution of this agreement. These defects, Amtrak contended, would require it to provide a significantly different and potentially far better, financial arrangement for STRR than it now provides to any other freight railroad over which it operates. Essentially the defects noted in Amtrak's letter focused on: (i) liability protection and/or indemnification; (ii) agreement by STRR to maintain the rail line at the condition existing after the rehabilitation project and/or at a stated FRA track classification; and (iii) agreement by STRR to annual operating and/or line maintenance payment comparable to payments made by Amtrak to other freight railroads.

In the period between April and July 1996, several negotiation sessions took place between Amtrak and STRR to reconcile the above noted defects. These negotiation attempts were unsuccessful and, in August, Amtrak notified NNEPRA that an impasse had been reached and recommended that the terms and conditions for the proposed service should be decided by the federal Surface Transportation Board (STB). On October 8, 1996, the NNEPRA board of directors voted to endorse Amtrak's recommendation. Since being notified of this endorsement, approximately four months has been required to prepare the necessary documents and/or agreements to support Amtrak's STB filing. Following approval of these final documents by the NNEPRA board of directors on February 14, 1997, Amtrak will transmit them to STRR's for their review and approval and/or rejection. Should STRR reject these documents, Amtrak is prepared to file with the STB immediately. NNEPRA has been advised by Amtrak to allow

Executive Summary - Northern New England Passenger Rail Authority

Page 2 of 2

February 1997

90-180 days for the STB to render its decision concerning the terms and conditions for the proposed service. If this decision is found unacceptable to STRR, it can be appealed. While both Amtrak and NNEPRA will expend every effort to expedite both the STB decision process, as well as, the commencement and/or completion of the required track/signal and bridge rehabilitation project, it is becoming increasingly clear that a late 1997 service startup is unachievable and that a Spring-Summer 1998 commencement of service is more likely.

Although NNEPRA continues to receive inquiries from communities and business groups supporting the extension of passenger rail service beyond Portland, it will continue to focus its attention and limited resources on reestablishing intercity passenger rail service within the Portland-Boston rail corridor.

The NNEPRA board of directors would like to take this opportunity to express its appreciation for the dedication, long hours, and leadership which Roger L. Mallar provided the Authority during its first year. Mr. Mallar, who served as NNEPRA's first Chairman, resigned this past September. Sharon S. White, President, Maine Coast Railroad, whose term as director ended this past September, was reappointed by Governor King. New to the board of directors is William Shea, Vice President - Retail Sales, L.L. Bean.

The Northern New England Passenger Rail Authority looks forward to working with you during the coming session

Respectfully,

Michael J. Murray, P.E.
Executive Director

MJM/slf/25

PORTLAND-BOSTON INTERCITY PASSENGER RAIL SERVICE

PROJECT OVERVIEW

The proposed project entails the undertaking of rail related infrastructure (track, signal, and bridge) improvements which will permit the reestablishment of safe and reliable passenger rail service within the existing 114 mile rail corridor between Portland and Boston's North Station. Within Massachusetts the trackage (36 miles) is owned by the Massachusetts Bay Transportation Authority (MBTA); the remaining 78 miles of trackage within New Hampshire (35 miles) and Maine (43 miles) is owned by the Boston and Maine Corporation, a subsidiary of Guilford Rail Systems.

To remain competitive with the current modes of choice (air and private automobile), a Portland-Boston travel time constraint of approximately two and one half hours has been placed upon the proposed service. To satisfy this travel time constraint, scheduled intermediate station stops have been limited to five or less. Communities selected to host intermediate intermodal station facilities are: Saco and Wells in Maine, Dover and Exeter in New Hampshire, and Haverhill (Bradford) in Massachusetts. A summer seasonal stop at Old Orchard Beach and a weekend stop at the University of New Hampshire at Durham is also being proposed. Originating/terminating stations for the initial service will be Portland and Boston's North Station.

Consistent with the intent and purpose of Maine's Sensible Transportation Policy Act, as well as, the Intermodal Surface Transportation Efficiency Act of 1991, every effort is being taken to integrate operations of the proposed passenger rail service with existing intercity and intracity feeder bus services which currently operates within the Portland-Boston transportation corridor. It is hoped that the four daily round trips which will be made by the rail service would be integrated and/or supplemented with at least three additional round trips by intercity bus. Interchangeability of ticketing between the rail-bus alternatives is also under consideration.

APPROVAL DATE :

GRANTEE: NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY AUGUSTA, MAINE		-----APPROVED BUDGET-----		-----ACTIVITY CHANGES-----		-----REVISED BUDGET-----	
GRANT NO.:						BUDGET NO.;	
						2	
<u>SCOPE</u>		FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
131-00	RAIL - REVENUE ROLLING STOCK	\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
	<u>ACTIVITY</u>						
	13.13.26 RAIL CARS USED (3- CAB CARS)	\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
SUBTOTAL RAIL - REVENUE ROLLING STOCK		\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
<u>SCOPE</u>		FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
132-00	RAIL - TRANSITWAY LINES	\$28,172,273	\$35,215,341	\$2,365,600	\$2,957,000	\$30,537,873	\$38,172,341
	<u>ACTIVITY</u>						
	13.2103 ENGINEERING AND DESIGN	\$1,640,000	\$2,050,000	\$0	\$0	\$1,640,000	\$2,050,000
	13.21.03 ENGINEERING & DESIGN DURING CONSTRUCTION PHASE	\$1,080,000	\$1,350,000	\$0	\$0	\$1,080,000	\$1,350,000
	13.24.03 LINE EQUIPMENT/ STRUCTURES	\$23,845,873	\$29,807,341	\$2,365,600	\$2,957,000	\$26,211,473	\$32,764,341
	13.24.05 BRIDGE REHABILITATION	\$1,606,400	\$2,008,000	\$0	\$0	\$1,606,400	\$2,008,000
SUBTOTAL RAIL - TRANSITWAY LINES		\$28,172,273	\$35,215,341	\$2,365,600	\$2,957,000	\$30,537,873	\$38,172,341
<u>SCOPE</u>		FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
133-00	RAIL - STATION STOPS - TERMINALS	\$1,550,000	\$1,937,500	\$0	\$0	\$1,550,000	\$1,937,500
	<u>ACTIVITY</u>						
	13.33.03 CONSTRUCTION - PORTLAND	\$800,000	\$1,000,000	\$0	\$0	\$800,000	\$1,000,000
	13.33.03 CONSTRUCTION - OLD ORCHARD BEACH	\$150,000	\$187,500	\$0	\$0	\$150,000	\$187,500
	13.33.03 CONSTRUCTION - SACO	\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
	13.33.03 CONSTRUCTION - WELLS	\$200,000	\$250,000	\$0	\$0	\$200,000	\$250,000
SUBTOTAL RAIL - STATION STOPS - TERMINALS		\$1,550,000	\$1,937,500	\$0	\$0	\$1,550,000	\$1,937,500
<u>SCOPE</u>		FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
134-00	RAIL - SUPPORT & EQUIPMENT FACILITIES	\$700,000	\$875,000	\$0	\$0	\$700,000	\$875,000
	<u>ACTIVITY</u>						
	13.43.05 YARDS & SHOP CONSTRUCTION (PORTLAND)	\$700,000	\$875,000	\$0	\$0	\$700,000	\$875,000
SUBTOTAL RAIL - SUPPORT & EQUIPMENT FACILITIES		\$700,000	\$875,000	\$0	\$0	\$700,000	\$875,000

APPROVAL DATE :

GRANTEE: NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY
AUGUSTA, MAINE

GRANT NO.: -----APPROVED BUDGET----- -----ACTIVITY CHANGES----- -----REVISED BUDGET-----
BUDGET NO.: 2

SCOPE	RAIL - SIGNAL & COMMUNICATIONS	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
136-00	RAIL - SIGNAL & COMMUNICATIONS	\$1,320,000	\$1,650,000	(\$360,000)	(\$450,000)	\$960,000	\$1,200,000
	<u>ACTIVITY</u>						
	13.64.01 TRAIN CONTROL/SIGNAL SYSTEMS	\$1,320,000	\$1,650,000	(\$360,000)	(\$450,000)	\$960,000	\$1,200,000
SUBTOTAL RAIL - SIGNAL & COMMUNICATIONS		\$1,320,000	\$1,650,000	(\$360,000)	(\$450,000)	\$960,000	\$1,200,000

SCOPE	RAIL - OTHER CAPITAL PROGRAM ITEMS	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT	FEDERAL AMOUNT	TOTAL AMOUNT
137-00	RAIL - OTHER CAPITAL PROGRAM ITEMS	\$6,168,227	\$7,710,284	(\$2,005,600)	(\$2,507,000)	\$4,162,627	\$5,203,284
	<u>ACTIVITY</u>						
	13.79.00 NEW START STATE ADMINISTRATION	\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
	13.72.08 FORCE ACCOUNT - RIGHT OF WAY IMPROVEMENTS (MBTA)	\$800,000	\$1,000,000	\$0	\$0	\$800,000	\$1,000,000
	13.73.00 * CONTINGENCY	\$4,968,227	\$6,210,284	(\$2,005,600)	(\$2,507,000)	\$2,962,627	\$3,703,284
SUBTOTAL RAIL - OTHER CAPITAL PROGRAM ITEMS		\$6,168,227	\$7,710,284	(\$2,005,600)	(\$2,507,000)	\$4,162,627	\$5,203,284

TOTAL RAIL PROGRAM		\$38,310,500	\$47,888,125	\$0	\$0	\$38,310,500	\$47,888,125
	ESTIMATED NET PROJECT COST		\$47,888,125		\$0		\$47,888,125
	FEDERAL SHARE		\$38,310,500		\$0		\$38,310,500
	LOCAL SHARE		\$9,577,625		\$0		\$9,577,625

SOURCES OF FEDERAL FINANCIAL ASSISTANCE

FUNDING UZA:			FUNDING UZA NAME:						
ACCOUNTING CLASSIFICATION	FPC	DESCRIPTION	PREVIOUSLY APPROVED	AMENDED AMOUNT	TOTAL	AMENDED AMOUNT	TOTAL	AMENDED AMOUNT	TOTAL
		FY 1993, SECTION 3	\$25,308,750	\$0	\$25,308,750	\$0	\$25,308,750	\$0	\$25,308,750
		FY 1994, SECTION 3	\$9,428,750	\$0	\$9,428,750	\$0	\$9,428,750	\$0	\$9,428,750
		FY 1995, SECTION 3	\$3,573,000	\$0	\$3,573,000	\$0	\$3,573,000	\$0	\$3,573,000
TOTAL (SOURCES OF FEDERAL FUNDS)			\$38,310,500	\$0	\$38,310,500	\$0	\$38,310,500	\$0	\$38,310,500

PROJECT FUNDING SOURCES

Total Project Funding Required: (\$47,888,125)

1. Federal Funding (80% Project Costs)

Federal Appropriation FY'93	\$25,308,500	
Federal Appropriation FY'94	9,429,000	
Federal Appropriation FY'95	<u>3,573,000</u>	
Total	\$38,310,500	\$38,310,500

2. Local Funding (20% Project Costs)

92 State Bond Issue	\$ 3,000,000	
MDOT/MTA Transit Fund	500,000	
Cataract Bridge	2,400,000	
Rail Salvage Credit	2,927,625	
Station Development	500,000	
MBTA - Wildcat Crossover	<u>250,000</u>	
Total	\$ 9,577,625	<u>\$ 9,577,625</u>
Total (1 & 2)		\$47,888,125

FINANCIAL AID FOR INTERMODAL STATION DEVELOPMENT

1. Source: (Section 3 Grant - Maine Only)

	FEDERAL	LOCAL	TOTAL
PORTLAND	\$ 800,000	\$200,000	\$1,000,000
OLD ORCHARD BEACH	150,000	37,500 (DECD)	187,500
SACO	400,000	100,000	500,000
WELLS	<u>200,000</u>	<u>50,000</u> (MTA)	<u>250,000</u>
TOTALS	\$1,550,000	\$387,500	\$1,937,500

2. Source: (Congestion Mitigation Air Quality-CMAQ)

PORTLAND	\$ 500,000	125,000	\$ 625,000
SACO	410,673	102,668	513,341
WELLS	1,000,000	250,000 (MTA)	\$1,250,000
DOVER, NH	160,000	40,000	200,000
EXETER, NH	<u>283,200</u>	<u>71,000</u>	<u>354,200</u>
TOTALS	\$2,353,873	\$588,668	\$2,942,541
<hr/>			
TOTALS (1 AND 2)	\$3,903,873	\$976,168	\$4,880,041

**MAINE SERVICE
PROJECT BUDGET
FIRST FULL SERVICE YEAR**

		Appendix II Budget	Negotiated Agreement
1a	Ticket	3,308,000	3,300,000
1b	Food and beverage		
A	TOTAL REVENUE FROM OPERATIONS	3,308,000	3,300,000
2	STATE SUPPORT	1,950,619	2,000,000
B	TOTAL REVENUE	5,258,619	5,300,000
3	Train & Engine Crew	1,614,238	
4	Fuel	466,032	
5	On board service labor		
6	On board service supplies		
7	Equipment running maintenance	1,621,998	
8	Equipment heavy maintenance		
9	Transportation	77,000	
10a	Railroad, Guilford: other train costs	119,210	
10b	Railroad, Guilford: on time performance incentives	341,640	
10c	Railroad, Guilford: maintenance of way	159,887	
10d	Sub-Total Guilford	620,737	
10e	Railroad, MBTA: other train costs	201,830	
10f	Railroad, MBTA: on time performance incentives		
10g	Railroad, MBTA: maintenance of way		
10h	Sub-Total MBTA:	201,830	
10	Railroad Sub-Total	822,567	
11	Reservations & information		
12	Insurance	475,543	
13	Marketing/Sales support		
14	Commissary support		
15	Associated equipment capital		
B	TOTAL TRAIN RELATED EXPENSES	5,077,378	
16	Route Stations		
17	Shared stations	49,725	
18	Maintenance of way		
19	Dispatching operations		
20	Transportation overhead		
21	Maintenance of equipment overhead		
22	Maintenance of way overhead		
C	TOTAL ROUTE RELATED EXPENSES	49,725	
23	Procurement /purchasing	1,936	
24	Computer Systems	27,408	
25	Police & security	6,928	
26	Interest (other than rolling stock) and taxes	21,804	
27	General support	73,440	
28	Training		
D	TOTAL SYSTEM RELATED EXPENSES	131,516	
E	TOTAL EXPENSES	5,258,619	5,300,000*

* Negotiated Cost Cap

For First Service Year: \$5,300,000 (which included railroad cost estimate and shared stations costs)
 (822,567) (less railroad payments)
 (49,725) (less shared stations costs which are considered "MBTA other train costs")
 \$4,427,708

For Second Service Year: \$4,427,708 (\$5.5 million/\$5.3 million) = \$4,594,791

For Third Service Year: \$4,427,708 (\$5.7 million/\$5.3 million) = \$4,761,875

APPENDIX 1

NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY

FINANCIAL REPORT

JUNE 30, 1996

NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY

JUNE 30, 1996

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macdonaldpage

Certified Public Accountants • Limited Liability Company
30 Long Creek Drive, South Portland, Maine 04106 • (207) 774-5701
P.O. Box 2389, Augusta, Maine 04338 • (207) 621-0330

Independent Auditors' Report

November 13, 1996

Board of Directors
Northern New England
Passenger Rail Authority
Augusta, Maine

We have audited the accompanying financial statements of the Northern New England Passenger Rail Authority as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the Northern New England Passenger Rail Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Northern New England Passenger Rail Authority prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, cash and unencumbered cash balance of Northern New England Passenger Rail Authority as of June 30, 1996 and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 1996 on our consideration of the Northern New England Passenger Rail Authority's internal control structure and a report dated November 13, 1996 on its compliance with laws and regulations.


Certified Public Accountants

NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY
STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
JUNE 30, 1996

ASSETS	
Cash - Money Market - Key Trust	\$ 653,801
Investments - Key Trust	583,746
Investments - Key Bank of Maine	<u>1,031,861</u>
TOTAL ASSETS	<u>\$2,269,408</u>
FUND BALANCE	<u>\$2,269,408</u>

See accompanying independent auditors' report.
The accompanying notes are an integral part of these financial statements.

NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS -
FOR THE YEAR ENDED JUNE 30, 1996

REVENUE

U.S. Department of Transportation, Federal Transit Administration	
Capital improvement grant	\$ 922,184
1992 State bond issue	1,950,000
Dividend income	4,254
Interest income	<u>55,774</u>
	<u>\$2,932,212</u>

EXPENDITURES

Rail project expense	\$ 369,411
Insurance	128,862
Legal	124,795
Accounting	30,669
Authority - per diem	2,121
Authority - expense	1,930
Supplies	211
Miscellaneous	741
Bank fees	744
Trust fees	<u>3,320</u>
	<u>\$ 662,804</u>

NET REVENUE OVER EXPENDITURES \$2,269,408

FUND BALANCE, JUNE 30, 1995 -0-

FUND BALANCE, JUNE 30, 1996 \$2,269,408

See accompanying independent auditors' report.
The accompanying notes are an integral part of these financial statements.

NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Entity

The Northern New England Passenger Rail Authority was enacted on June 29, 1995 by the State of Maine Legislature to initiate, establish and maintain regularly scheduled passenger rail service between points within Maine to points within and outside of Maine.

Basis of Accounting

The Authority's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when cash is disbursed rather than when the obligation is incurred.

Basis of Presentation

The financial transactions of the Authority are recorded in the Special Revenue Fund which is accounted for by providing a set of self-balancing accounts that are comprised of assets, fund balance, revenue and expenditures.

NOTE 2 - CASH

The Authority's deposits consist of a checking account and a cash management sweep account at Key Bank of Maine and a money market account consisting of Federated Government obligations FD#5 held at Key Trust Company.

The Authority's deposits are categorized to give an indication of the level of risk assumed at June 30, 1996. The categories are described below:

Deposit Categories of Credit Risk

- (A) Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- (B) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- (C) Uninsured and uncollateralized.

Deposits	Category			Bank Balance	Carrying Amount
	A	B	C		
Checking, cash management, and money market		<u>\$653,801</u>		<u>\$653,801</u>	<u>\$653,801</u>

NORTHERN NEW ENGLAND PASSENGER RAIL AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 3 - INVESTMENTS - KEY TRUST OF MAINE

Investments are stated at the lower of cost or market value and held by Key Trust Company. Investments made by the Authority are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered or securities held by the Authority or its agent in the Authority's name.
- Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Authority's name.
- Category 3 - Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

	Carrying Amount	Market Value
U.S. Treasury bills, due 10/17/96, Category 2	\$ 583,746	\$ 590,526
Repurchase agreement, Category 2	<u>1,031,861</u>	<u>1,031,861</u>
	<u>\$1,615,607</u>	<u>\$1,622,387</u>

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Authority entered into engineering contracts in connection with the Restoration of Passenger Rail Service between Portland, Maine and Boston, Massachusetts. The total commitments outstanding on the contracts as of June 30, 1996 is \$659,772.

The Authority, along with National Railroad Passenger Corporation ("Amtrak"), has been negotiating with Boston and Maine Corporation, Portland Terminal Company, and Springfield Terminal Railway Company (collectively referred to as the "Railroad"), with respect to (a) the rehabilitation of the Railroad's rail line between Plaistow, New Hampshire and Portland, Maine, and (b) the terms and conditions under which Amtrak will operate passenger rail service over that rail line. In the absence of an agreement, it appears quite likely that Amtrak will commence a proceeding before the United States Surface Transportation Board to resolve those issues that are currently unresolved. In the event these issues are not resolved in a manner satisfactory to Amtrak and the Authority, it may become necessary for the Authority to pursue other options which may delay the effort to restore passenger rail services.