

NATIONAL RAILROAD PASSENGER CORPORATION  
200 Street Station Philadelphia, PA 19104

December 21, 2010

Mr. David Wulfson  
President  
Vermont Railway  
One Railway Lane  
Burlington, VT 05401

Dear Mr. Wulfson:

This is to advise the Vermont Railway and Clarendon & Pittsford Railroad Co. (VTR) that it is again in serious default of its Level of Utility pursuant to the Agreement between VTR and National Railroad Passenger Corporation dated December 1, 1996.

You'll recall that Amtrak and Vermont AOT raised this issue with VTR in February 2008 and again in July of that year. Unfortunately, on-time performance of Amtrak trains has not improved and VTR delay minutes are well above PRIIA Section 207 Metrics and Standards.

For example, during fiscal year 2009 (FY 09) Slow Order (DSR) delay minutes for Amtrak trains on VTR were 16,390 minutes, which amounted to 86% of all delays reported on VTR. In fiscal year 2010 (FY 10), DSR minutes totaled 14,722, a reduction, but still 86% of all delays reported. The Section 207 Standard applicable for VTR's 23.9 miles of the route is 2.2 minutes per trip. The above DSR minutes equate to 26.7 minutes/trip in FY '09 and 23.9 minutes/trip in FY '10.

There is still a significant gap between actual performance and the Standards published under law. I'm sure you are aware that an investigation of substandard performance can be initiated with the Surface Transportation Board.

In order to establish an acceptable "Get Well Plan" for the restoration of the December 1, 1996 levels contract service levels, we request an immediate meeting with you and the appropriate VTR management team members. I will contact you immediately after the first of the year to schedule such a meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Blair", written over a circular stamp or seal.

Jim Blair  
Senior Director Host Railroads

Mr. David Watson  
December 21, 2010

Cc: Paul Vilter  
Jason Maga  
Caroline Mael  
Kevin Chittenden  
Bill Hollister  
Jad Roberts  
Jane Brophy