

In reference to Schedule “B”, page 61 of 82:

Q. Please provide specifics as to the purchases of the passenger/off-road vehicles and the heavy fleet vehicles. Please advise if these vehicles have already been ordered or negotiated. Please advise as to the tendering process that is in place for the purchase of these vehicles. Please advise what screening and evaluation process is undertaken for each and every vehicle before a determination for replacement. Please provide evidence of the maintenance history and the mileage of each and every vehicle to be replaced.

A. To date, no vehicles have been ordered and no formal negotiations with suppliers have taken place.

Vehicle requirements will be communicated to suppliers who are identified as having the capability to supply those requirements, with a view to obtaining bids pursuant to a formal tender call or proposals pursuant to a request for proposals process. If competing suppliers cannot be identified, the required vehicles and equipment will be negotiated with sole source suppliers to ensure they are obtained at the lowest available price.

All units being replaced are evaluated based on factors such as overall condition, maintenance history and immediate repair requirements. As an overall guideline, passenger vehicles are generally replaced when they have reached five years of age or 150,000 kilometres. For heavy vehicles, the guideline is 10 years of age or 250,000 kilometres.

Attachment A is the list of the Passenger and Heavy Fleet vehicles scheduled for replacement in 2003, including each unit’s odometer reading as of October 2, 2002 and Life Maintenance Costs. For the Off-Road category of vehicles, odometer readings are not normally applicable or available and the Company does not maintain records of historical maintenance costs.

Maintenance History and Mileage						
Vehicles to be replaced in 2003						
Old Unit #	Dept Code	Area	Year	Odometer	Odom Date	Maint. Cost to Oct 25-02
Passenger Vehicles						
266C	360	Head Office	1997	158,000	Oct-02	\$10,339
704B	360	Head Office	1996	174,000	Oct-02	\$13,842
025D	410	Head Office	1997	130,611	Oct-02	\$26,345
007D	410	Head Office	1997	161,000	Oct-02	\$26,288
260D	410	Head Office	1997	180,000	Oct-02	\$13,789
317C	410	Head Office	1996	58,000	Oct-02	\$9,642
267D	450	Head Office	1996	177,000	Oct-02	\$12,247
320D	431	St. John's	1998	197,000	Oct-02	\$9,276
051C	431	St. John's	1997	180,000	Oct-02	\$15,391
111C	431	St. John's	1997	159,000	Oct-02	\$11,531
364D	431	St. John's	1996	149,060	Oct-02	\$13,574
039B	431	St. John's	1994	212,390	Oct-02	\$12,842
208D	432	Carbonear	1997	210,000	Oct-02	\$22,360
195D	432	Carbonear	1997	158,410	Oct-02	\$11,526
219C	432	Carbonear	1997	164,000	Oct-02	\$9,576
257C	432	Carbonear	1997	192,000	Oct-02	\$9,423
702B	432	Carbonear	1996	183,500	Oct-02	\$9,096
097D	494	Clareville	1997	187,500	Oct-02	\$12,462
395B	495	Gander	1997	165,000	Oct-02	\$10,604
275D	495	Gander	1997	156,000	Oct-02	\$7,037
259C	495	Gander	1993	248,945	Oct-02	\$56,148
362C	496	Grand Falls	1999	152,500	Oct-02	\$5,355
703B	497	Corner Brook	1997	133,088	Oct-02	\$6,211
240C	497	Corner Brook	1996	151,000	Oct-02	\$11,344
216B	497	Corner Brook	1993	100,000	Oct-02	\$45,527
201D	498	Stephenville	1996	169,000	Oct-02	\$10,437
342D	540	Customer Service	1997	125,000	Oct-02	\$7,404
369D	540	Customer Service	1996	140,000	Oct-02	\$7,209
315C	540	Customer Service	1995	117,000	Oct-02	\$16,231
Heavy Fleet						
389A	431	St. John's	1990	157,000	Oct-02	\$203,818
132D	432	Carbonear	1995	490,000	Oct-02	\$162,966
712A	432	Carbonear	1991	256,000	Oct-02	\$250,746
106C	494	Clareville	1995	382,000	Oct-02	\$130,104
314B	496	Grand Falls	1991	300,000	Oct-02	\$196,288
390C	496	Grand Falls	1995	270,000	Oct-02	\$77,108
339B	497	Corner Brook	1991	176,000	Oct-02	\$224,894