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CTC APPROVES FINAL PAYMENT

February 14, 2008 –Ukiah - North Coast Railroad Authority (NCRA) Chairman, Allan Hemphill announced that the California Transportation Commission (CTC) has approved the final installment of funding to repair the Northwestern Pacific (NWP) rail line between Lombard (South of Napa) and Windsor.

At its meeting in Burlingame yesterday, the CTC approved the final \$3.4 million necessary to complete repairs on the 62 mile stretch of railroad that runs from the national railroad interchange South of Napa, west to Highway 37, and north along Highway 101 to Windsor. Since November 2006, the CTC has advanced \$35.9 million to the NCRA to repair signal crossings, bridges, trackway, levees, and mitigate flood damage along the rail line.

Hemphill said that the crossing signal work is about 60% complete and that contractors were anxious to begin the levee repairs, bridge and trackwork. He said that railroad contractors were awaiting a decision from Marin Superior Court on March 11 before starting the bridge and trackway repairs.

The City of Novato has sued to stop the bridge and flood control work arguing that the NCRA needs to complete a lengthy Environmental Impact Report (EIR) before performing emergency maintenance and track rehabilitation repairs within the railroad right-of-way.

In a related matter, Hemphill said that the federal Surface Transportation Board (STB) has rejected an effort by the Friends of the Eel River to deny operating rights to NCRA's contract operator, the Northwestern Pacific Company (NWP Co.)

The environmental organization argued that NWP Co. should not be granted the right to operate trains on the line between Willits and Lombard until an EIR evaluating the impact of freight train operations is completed.

Hemphill said that the NCRA is developing a \$2-3 million EIR which addresses the impacts of freight train operations between Willits and Lombard. He said that the draft report (DEIR) will be issued in Spring with final certification in July 2008.

"The CTC's final payment and the STB decision are great news. Both developments keep us on our schedule to have trains running between Windsor and the interchange (Lombard) by late summer 2008," he said.

The North Coast Railroad Authority (NCRA) was formed in 1989 by the California Legislature under the North Coast Railroad Authority Act, Government Code Section 93000, et seq. The mission of the North Coast Railroad Authority is to

provide a unified & revitalized rail infrastructure meeting the freight and passenger needs of the region; a first class service working in partnership with others to build and sustain the economy of the region.