

NORTH COAST RAILROAD AUTHORITY
419 Talmage Road Suite M
Ukiah, Ca 95482
707-463-3280 Phone
510-915-2656 Executive Director Cellular
707-463-3282 Fax

Mitch Stogner, Executive Director
Ncra.mstogner@sbcglobal.net

Allan Hemphill, NCRA Chairman
vinguru@comcast.net

NCRA APPROVES OPERATOR CONTRACT

Ukiah – September 14, 2006- North Coast Railroad Authority (NCRA) Chairman, Allan Hemphill, today announced that the NCRA has unanimously approved a 5 year contract with the Northwestern Pacific Railroad Company (NWP Co.) to operate trains on the 316 mile line extending from Eureka to Novato along US Highway 101.

Northwestern Pacific Railroad Company is comprised of Woodside Consulting Group of Palo Alto, Evergreen Natural Resources of Oroville, and Berg Holdings of Novato. NWP Co.'s President, John H. Williams has extensive railroad experience, according to Hemphill, including a central role in the establishment of the Caltrain rail service on the Peninsula and a successful stint as the General Manager of the NCRA when it operated freight trains on the Northwestern Pacific line in the mid – 1990's.

“If we can get the state funding to repair the line, this team can successfully operator the trains,” said Hemphill.

Paul Kelley, Chairman of the Sonoma County Board of Supervisors and NCRA Board Director said “the first order of business is to repair the line form the national rail interchange (near Napa) to Windsor, and then we continue to move North.”

Hemphill, NCRA's veteran Board Chairman said that “we now have a credible operator and the potential to ship three new commodities on this line: in-bound containers from Humboldt Bay, rock from the Island Mountain Quarry North of Willits, and solid waste (garbage) from Sonoma, Mendocino, and Humboldt Counties.”

Mendocino County Supervisor Hal Wagenet, who is also an NCRA Board Director, said the NWP Co. “is an exceptional team of veteran railroaders with the financial means and know-how to make this work.”

NCRA Board Director and Chairman of the Humboldt County Board of Supervisors, John Woolley, said the new operator will provide financial support to facilitate repair of the line in phases. “Our new operator wants to initiate repairs South of Willits first, and simultaneously begin preparation of the environmental clearances for repairs in the Canyon—this is a sensible approach” Woolley said.

“NWP Co. is pleased to formalize our partnership with the NCRA, finalizing our Lease Agreement. We continue to intend to achieve the successful reopening of the entire line from Lombard to Samoa as quickly as possible, and are expecting to reopen the portion of the line between Lombard and Windsor by late summer 2007. NWP is committed to investing in this venture, as we are confident the time is right to return the railroad to the profitability it enjoyed for many years. The rail line will be a strong economic factor along the entire North Coast,” said John Williams, President of NWP Co.

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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.