

April 7, 2006

To: The Honorable Mary Margaret Haugen  
The Honorable Ed Murray  
House and Senate Members in Affected Districts  
Washington Transportation Commission Chair Dan O'Neal  
Washington Dept. of Agriculture Director Valoria Loveland  
UTC Policy Director Chris Rose  
PCC Stakeholders

From: Barbara Ivanov, Director of Freight Strategy and Policy  
Washington State Department of Transportation

**RE: PCC Railroad Negotiations Timeline**

Many of you have asked for a timeline for next steps with the PCC Railroad.

The WSDOT Freight Office was given authority today to begin negotiations with Watco Co. to purchase the CW line and the operating rights on the three branch lines: CW, P&L and PV Hooper. We will also work with OFM to negotiate new operational agreements for all three lines.

The initial focus of discussions will be on restarting rail service for the 2006 harvest on the CW and P&L lines, without surcharges. The WSDOT Freight Office will be in touch with shippers soon, to define their operating needs for the 2006 season.

The plan includes the following milestones.

Action	Responsible Party	Deadline	Status
Watco Co. provide substantiated Net Liquidation Value of CW line to WSDOT	Watco Co.	April 1, 2006	Overdue
Negotiate to restart service for 2006 harvest	WSDOT on behalf of OFM	June 30	
Negotiate with Watco to purchase CW line and operating rights for three branch lines	WSDOT on behalf of OFM	July 31	
Legal review of purchase agreements	Attorney General's Office	August 31	
Signed agreement with Watco for purchase of CW line, operating rights on CW, P&L and PV Hooper lines	OFM	September 30	

Please feel free to email me directly with any questions.

Best regards,  
Barbara Ivanov  
Director of Freight Strategy and Policy  
Washington State Department of Transportation  
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April 10, 2006

To: The Honorable Mary Margaret Haugen  
The Honorable Ed Murray  
House and Senate Members in Affected Districts  
Washington Transportation Commission Chair Dan O'Neal  
Washington Dept. of Agriculture Director Valoria Loveland  
UTC Policy Director Chris Rose  
PCC Stakeholders

From: Barbara Ivanov, Director of Freight Strategy and Policy  
Washington State Department of Transportation (WSDOT)

**RE: WSDOT Received Watco Companies' NLV for CW Rail Line**

WSDOT received Watco Companies' documentation for their appraisal of the Net Liquidation Value (NLV) of the CW branch line, today, and our rail engineering group is reviewing the information.

The appraiser working with Watco Companies valued the CW line NLV at \$5,945,893.

Best regards,  
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