

**TCR Program – Application Approval Project # 32.6**

Regional	North Coast Railroad; Sub-paragraph (f) debt reduction.		
(\$ X 1,000)			
<i>Estimated Project Cost:</i>	\$10,000	<i>TCRP Funds covered by the application:</i>	<b>\$10,000</b>
<i>Total TCRP Funds Available:</i>	\$10,000	<i>Phases(s) covered in application:</i>	All
<i>Lead Agency:</i>	North Coast Railroad Authority (NCRA)	<i>Implementing Agency:</i>	NCRA
<i>TCRP allocations approved (as of March 1, 2002):</i>		<b>\$10,000</b>	<i>for Phase(s):</i> 4
<i>Advance approved:</i>	\$10,000		<i>for Phase(s):</i> 4

**Project Summary:** The overall project provides funds to NCRA for payment to creditors for principal and interest owed.

**Cost and Schedule** (\$ x 1,000)

<i>Phase</i>	<i>Scope</i>	<i>Start</i>	<i>End</i>	<i>Cost</i>
4	Pay Creditors			\$10,000
<b>Total:</b>				<b>\$10,000</b>

**Funding Plan** (\$ x 1,000)

<i>Source</i>	<i>Type</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>	<i>Phase 4</i>	<i>Total</i>
TCRP	State	Committed			\$10,000	\$10,000
		Proposed				
	<b>Totals:</b>	Committed			\$10,000	\$10,000
		Proposed				
		<b>Totals:</b>			\$10,000	\$10,000

**Prior TCRP Action:**

Original application was approved on September 28, 2000 (Resolution TA-00-01). An amendment to extend the completion date was approved on November 7, 2001 (Resolution TAA-01-08).

**Status of Conditions:**

The following conditions were set forth under Resolution TAA-01-08:

- The \$188,167.51 made available from the unclaimed debt and the negotiated debt amounts shall be used to pay the FCM Rail, Inc. judgment; and all remaining unpaid debt shall be paid by NCRA using funds generated from property revenues and future freight and passenger services.
- Starting in January 2002, NCRA shall update the Commission on a quarterly basis to identify the sources, amounts and growth rate of all outstanding debt and the projected point in time when NCRA will generate enough revenues to pay down the debt.
- NCRA shall retain an independent auditor to conduct a final accounting of all payments upon completion of all payments or liquidation of all TCRP funds; and that the audit report will include identifying payments made to each creditor and identifying remaining unpaid creditors, including principal and interest payment outstanding, and descriptions of work or services rendered by the creditor.

**Discussion/Issues:** The last amendment updated the overall project schedule and modifies the creditor list originally approved in September 2000, and subsequently modified in January 2001, to eliminate creditors that did not respond, adjust interest payments based on a negotiated method, and to include creditors that were not identified at the time of the original application.

A negotiated amount of \$188,167.51 (of a \$235,045.23 judgment) remains to be paid to a company (FCM Rail, Inc.) that was not included on the original list of creditors due to legal issues regarding jurisdiction of the judgment. The legal issues regarding the jurisdiction of the judgment has been resolved, and it has been determined that this judgment must be paid. The funds available for this judgment are from creditors on the original creditor list that did not respond to either of the three contact notices sent to the companies.