

# Watco Transportation Services, Inc.

Transportation



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## **Boise Valley Railroad files with STB to operate Idaho line**

PITTSBURG, KANSAS – September 16, 2009 – Watco Transportation Services, Inc., (Watco) announced a definitive agreement has been reached with Rio Grande Pacific Corporation (Rio Grande) to obtain 36 miles of track from the Idaho Northern & Pacific Railroad. A notice will be filed shortly with the Surface Transportation Board (STB) to operate the track as the Boise Valley Railroad (BVRR), to be headquartered in Boise, Idaho.

The BVRR will operate two branches; the 11 mile Wilder Branch which runs from Wilder to Caldwell, Idaho and the 25-mile Boise Cut Off which runs from Nampa to just southeast of Boise, Idaho. The agreement also includes trackage rights from Nampa to Caldwell, Idaho. The BVRR has entered into a lease-purchase agreement with the Idaho Northern & Pacific Railroad (INPR), a Rio Grande Pacific Corporation subsidiary, who currently leases the segments from the Union Pacific Railroad Company.

There are 84 customers who will be served by the BVRR, several of which are currently customers of Watco's Eastern Idaho Railroad, Great Northwest Railroad and Yellowstone Valley Railroad. Commodities shipped on the branches include potatoes, lumber, fertilizer and fuels. The BVRR looks forward to interviewing existing INPR employees to operate the line which is looking at a mid-October start-up date.

“This fits in well with our existing infrastructure in Idaho,” said Ed McKechnie, Chief Commercial Officer for Watco Companies said. “We look forward to serving the Customers and expanding opportunities to help to grow their businesses.”

“This will be our fourth railroad in the State of Idaho. We love doing business in Idaho and believe this railroad can grow and continue to be a strong part of the Boise economy,” McKechnie said.

“The Idaho Northern & Pacific wishes to thank its employees and customers on these lines for many years of dedicated service and loyal shipping, and we trust that additional progress can be made under the future stewardship of the Watco organization. We look forward to assisting in making the transition as smooth and seamless as possible for all involved,” said Richard Bertel, Chairman and CEO of the Rio Grande Pacific.

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“On behalf of the Watco team, we want to welcome the Boise Valley into our growing company,” said Rick Webb, Watco’s CEO. “We have a great deal of respect for the Rio Grande team and look forward to building on their good work in Boise.”

Watco Companies, Inc. (WCI) is a Pittsburg, KS., based transportation company serving transportation, mechanical, and transload/intermodal needs of Customers throughout the nation. WCI is the owner of Watco Transportation Services, Inc. (WTS), the largest privately-held short line railroad company in the U.S. operating 21 short line railroads on more than 3,500 miles of track as well as 21 industrial contract switching locations. Watco’s Mechanical Services division operates 14 railcar repair shops, 4 locomotive shops and 19 mobile mechanical shops. The Transload/Intermodal Services division currently manages 12 transload facilities, 7 warehouses and 1 intermodal location. WCI also operates Greens Port Industrial Park located in the Houston, Texas, ship channel offering services such as warehousing, lay down storage, leasing of industrial property, access to deep water dock and barge, contract stevedoring, rail and truck transportation. More information about Watco and its subsidiaries can be found at [www.watcocompanies.com](http://www.watcocompanies.com).