



February 19, 2013

Senate Business and Transportation Committee

RE: Support for Senate Bill 260 (ConnectOregon V)

Mr. Chair and members of the Committee

I am Robert Ragon, coordinating member for the Coos Siskiyou Shippers Coalition. The Coalition has over 60 members representing Chambers of Commerce, County Commissions and business leaders in Coos, Lane, Douglas, Jackson and Josephine Counties as well as Siskiyou County California. We were formed at the request of Allyn Ford, Chairman and CEO of Roseburg Forest Products upon the closure of the Coos Subdivision of the Central Oregon and Pacific Railroad(CORP) in September of 2007. Since then we have lobbied and supported the reopening of that line by the Port of Coos Bay and more recently for tunnel upgrades on the Siskiyou Subdivision near Glendale as well as securing a Tiger Grant to reopen that line from Ashland to Weed California which has been closed since the spring of 2008.

Our geographic area is dominated by the forest products industry who ships lumber and plywood to various markets in the western United States, most significantly California, Arizona, Nevada, New Mexico and the Rocky Mtn. States. We depend heavily on truck traffic to deliver our products to markets within a 500 mile radius of our mills. Distances further than that can only be accessed efficiently by rail which accounts for over 70% of our shipments. Oregon is still the number one producer of lumber and plywood in the US so most our products are exported long distances from Oregon boundaries. Washington State is the second largest producer of wood products and their shipments and ours are mainly delivered by rail.

We have been blessed by a number of grants awarded to improve rail service in our area. A brief enumeration of those projects may be helpful to the Committee.

Winchester Switching Yard. A \$7 million grant in 2006 allowed CORP to relocate their main switching yard in downtown Roseburg to a location just south of Sutherlin to allow the railroad to form their trains without disrupting traffic in the city. In 2005 over 55,000 railcars were shipped from the Rogue Basin to Eugene and this new yard can easily handle this volume of traffic. The yard has been in service now for a couple of years and performs as intended to alleviate congestion in Roseburg.

Coos Bay Subdivision The Port of Coos Bay has successfully purchased the line from CORP and is as we meet today is completing the very last upgrades to provide rail service to shippers from Coquille to Eugene. Grants provided by the ConnectOregon program as well as the Federal Tiger Grant program have provided the bedrock funding to allow this reopening to occur. In addition to the purchase price of \$14 million another \$29 million has been expended on upgrades to tunnels, bridges and the roadbed. Nearly 1000 manufacturing jobs in Coos and Douglas counties have been saved by the reopening.

Siskiyou Subdivision Tunnel Upgrade In 2012 CORP was successful in receiving a \$4.6 million from the ConnectOregon IV program to raise the clearance in 5 tunnels in the Glendale area to allow passage of the newer high capacity cars which will haul 20% more freight with a corresponding decrease in transportation costs. Without this upgrade the Glendale and Rogue River Basin would have eventually lost rail service because the older box cars are being phased out. The project will be completed this coming fall.

Siskiyou Summit In 2012 we supported the Oregon Department of Transportation's application for a Federal Tiger Grant in the amount of \$10 million to upgrade tunnels, bridges and the roadbed from Ashland to Weed California. The Federal Grant was necessary to complete one project in two states. While not part of the ConnectOregon Grant Program it fills the necessary funding bridge to restore rail service for a second route to California and access to the national railroad system. This project will be completed in the fall of 2014.

In closing let me say that we have been very fortunate to be the recipient of these essential grant funds which will insure that our forest products manufacturing jobs will be competitive in the national housing market for many years to come. Please support renewal of this essential funding program for infrastructure improvements in our State.

Robert Ragon, Coos Siskiyou Shippers Coalition