



May 20, 2019

To: Joint Transportation Committee

From: John Burns, Chief Executive Officer of the Oregon International Port of Coos Bay

RE: SB 59 Authorizing Issuance of Lottery Bonds for *ConnectOregon*

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The *ConnectOregon* program has provided a critical resource for Oregon's transportation systems from its inception, investing valuable dollars into the State's air, rail, maritime, and transit infrastructure. Preserving and maintaining these networks ensures that our transportation systems are strong, diverse, and efficient. With infrastructure aging nationwide, it is essential that Oregonians continue to invest in promoting the movement of goods. These systems are a fundamental necessity for Oregon industries to stay competitive in the international marketplace.

The Oregon International Port of Coos Bay (Port) is the non-federal sponsor of the Coos Bay federal navigation channel, one of the largest deep-draft coastal ports between San Francisco and the Puget Sound. The harbor supports approximately 1.6 million short tons of import and export cargo annually, including forest products and aggregate, with approximately 60 deep draft vessel calls each year. The Port estimates that each vessel call results in \$600,000 in direct economic activity for the region.

The Port also owns and operates the Coos Bay Rail Line, a 134-mile short line railroad that serves industrial customers in Southwestern Oregon. The companies that rely on access to freight transportation to move their products employ nearly 1,000 people in rural Coos, Douglas, and Lane Counties. The line is over 100-years old and as such requires constant investment in both routine maintenance and capital improvement.

The Port has been fortunate to receive three awards through the *ConnectOregon* program, supporting our rural region by preserving access to the national railway network for our customers. Previous *ConnectOregon* awards include:

**CO I:** The Coos Bay Railroad Bridge Long-Term Rehabilitation Phase II Project – The Port was awarded \$4 million as a match to federal funds for phase II rehabilitation of the Coos Bay swing span bridge. However, following the 2007 service embargo by the railroad's previous owner, the Oregon Transportation Commission approved use of the funds for acquisition of the Coos Bay Rail Line.

**CO III:** Bridge/Trestle and Culvert Rehabilitation – The Coos Bay Rail Line was awarded \$7.8 million to complete rehabilitation work to bridges, trestles, and culverts along the line.

**COV:** Tunnel Structural Rehabilitation – The Port received \$2 million in funding as part of a \$19.5 million funding package to complete structural renovation and improvements to all nine of the tunnels along the rail line.



Funding through *ConnectOregon* has been instrumental in reopening and maintaining the Coos Bay Rail Line. As stewards of both the Navigation Channel and the railroad, the Port understands that these two transportation systems have a symbiotic relationship and are critical in promoting the health of current and future business activity in southwestern Oregon.

As we move into the future, the Port anticipates the continued need for *ConnectOregon* funding to support the development of the region. The Port is working diligently to attract business entities that would serve to diversify the local economy and cargo mix. As with many timber reliant coastal communities in Oregon, the decline of the timber industry decades ago left the south coast in a state of recession from which it is still working to recover. We see the opportunity to move more Oregon products and commodities through the Port of Coos Bay, and funding through *ConnectOregon* will serve as a vital resource to develop and enhance infrastructure and build capacity.

I thank you for your support of Oregon's transportation network and the efforts of the Oregon International Port of Coos Bay, and respectfully request continued investment into the *ConnectOregon* program through the issuance of Lottery Bonds.

Sincerely,

John Burns, CEO

Oregon International Port of Coos Bay