



May 7th, 2021

Joint Committee on Ways and Means Subcommittee on Capital Construction  
900 Court Street NE, Room H-178  
Salem, Oregon 97301

**RE: Written Testimony for Joint Committee on Ways and Means Subcommittee on Capital Construction Regarding the Fiscal Priorities of the Oregon International Port of Coos Bay for the 2021 Legislative Session**

The Oregon International Port of Coos Bay sees a tremendous amount of opportunity and potential within the Coos Bay Harbor. Coos Bay has faced significant social and economic challenges over recent decades as a rural community dependent on the timber industry. As Oregon continues to struggle in providing logistical opportunities for businesses throughout the State, we believe that Coos Bay provides a solution with the Port owned and operated Coos Bay Rail Line and largest deep-water coastal port between San Francisco and the Puget Sound.

To realize the opportunities that Coos Bay can provide for Oregon as a geographically advantageous Port with a full range of transportation resources, we have identified two main funding priorities to further future investment.

1. **Coos Bay Channel Modification Project (\$15 and \$40 million in allocations in lottery bonds already committed by statute):** The Port has been working to deepen and widen the channel from its current footprint of -37' MLLW and 300' nominal width to -45' MLLW and 450' nominal width. Work on this project began in 2006 and it remains a top priority to promote opportunities for Oregon's future in global trade and commerce. The State Legislature committed \$60 million in support of this project through statute in 2006 when A.P. Moller Maersk was looking to establish a container facility in the harbor. Since then, work has continued, and we are currently at approximately 90% engineering and design. The second installment of \$15 million for this funding was unavailable when initially needed in 2017 due to a misrepresentation of statutory language, but was later approved in 2019. Unfortunately, the impact of the COVID-19 pandemic on the state's availability of Lottery Bond dollars for the sale of bonds in 2021 has been threatened in part or in total, potentially jeopardizing the allotment of funding to support continued work on this project. These funds have not been accessed to date, not due to the Port's lack of desire or ability, but because the funding has not been available. With the fate of the Jordan Cove Energy Project seeming increasingly bleak, the Port still plans to move the Channel Modification Project forward. The Port is currently in an exclusive negotiation and non-disclosure agreements with a company looking to develop a multi-use rail served terminal on the North Spit. This company has expressed interest in contributing financially to the Channel Project. In addition, the Port has the ability to bond the project and set tariffs. It is of the utmost importance funding to support continued work on this project be included in the 2021 budget bill as it will dramatically increase the competitiveness of the Port of Coos Bay and the State of Oregon in the global marketplace.
2. **Acquisition of a Marine Terminal (\$5 million to support acquisition of a marine terminal):** As we strive to diversify Coos Bay's commodity mix and increase volumes flowing in and out of the Port, it is crucial the Port have access to a maritime terminal to facilitate these moves. Currently, the terminals located in the Coos Bay are privately held. Although our private business partners are open to mutually facilitating additional business in the harbor, the Port's ability to influence increased business activity is limited without access to its own terminal and wharf. We have completed preliminary work to determine costs associated

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with development, permitting, and environmental requirements to build a facility on Port owned property. We are also actively engaged in pursuing opportunities to acquire existing facilities with the intent to retrofit for this purpose. Acquisition of a Port owned and operated marine terminal is critical in the strategic development of the Coos Bay Harbor.

We appreciate your continued work and efforts to support and partner with the Oregon International Port of Coos Bay.

Sincerely,



John Burns, CEO  
Oregon International Port of Coos Bay