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Surface Transportation Board
395 E Street, SW
Washington, DC 20423

309192

RE: Opposition to Union Pacific's Proposed Lease of Eugene Yard to CORP

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Office of Proceedings
February 5, 2025
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Public Record

Chairman Robert Primus and Esteemed Members of the Board,

I am writing to express serious concerns regarding Union Pacific Railroad's proposal to lease the Eugene yard facilities and approximately 27.58 miles of rail line on various subdivisions and industrial leads to Central Oregon & Pacific Railroad (CORP) as specified in Docket No. FD 36818. After careful consideration of operational capabilities and potential economic risks to both shippers and the communities in which CORP will now operate, I strongly urge the Board to deny this lease request.

First, I must point out an inconsistency in Union Pacific's position. CEO Jim Vena recently stated, "No other railroad is doing it better in North America than Union Pacific." This raises a crucial question: If Union Pacific believes they are operating at the highest level of excellence, why would they consider delegating operations to a railroad with less expertise and fewer resources? This contradiction suggests either a disconnect between his stated values and actions or a concerning prioritization of financial considerations over customer service, common carrier obligations and operational excellence.

It is disheartening to see the harm Jim Vena has caused the shippers in the Eugene, Oregon, area over the last few years. He has refused to service most of these industries more than twice a week, telling them that this will be an improvement while also telling them how good they're now doing moving freight. Sundance Lumber in Eugene is one prime example. They have now moved almost all of their freight to truck because it would take seven days for a car to be delivered for loading once they ordered it through the UPRR customer automated system. It would then take another 3 weeks to get the carload of lumber to destination in not too far away places like Las Vegas or Sacramento, a departure in service from the precedent set in years past.

By allowing this transaction to proceed, the UPRR is now side stepping their own obligations to service their customers and adding an additional railroad into the turmoil, which will only compound the situation. This means another interchange delay, and another interchange cost for the shippers. When all is said and done, the shippers will pay more and those working in this community will be paid much less with less benefits, with the result being a drastic negative economic impact to the citizens and infrastructure of Oregon.

Furthermore, there exists a significant disparity in safety training and operational expertise between the current Union Pacific workforce and CORP employees. Union Pacific's workforce consists of union employees who undergo rigorous training in federal, state, and general operating rules. This comprehensive training ensures consistent adherence to safety protocols and operational standards. In contrast, CORP's non-union workforce lacks equivalent training and experience, potentially compromising customer service and safety standards that have been established through years of industry practice.

Lastly, I have serious reservations about CORP's capacity to properly inspect rail cars, particularly those carrying hazardous materials such as propane, anhydrous ammonia, jet fuel, oil, and chlorine. These cars traverse hundreds of communities and thousands of miles of Oregon wilderness. A derailment involving such materials—due to inadequate inspection or maintenance—could have catastrophic consequences. The potential impact includes:

- Contamination of water sources and soil
- Destruction of wildlife habitats
- Evacuation of communities
- Long-term health effects on residents
- Devastating environmental damage to Oregon's pristine wilderness areas

A transaction such as this means that these types of commodities, and others like them, will now be subject to additional and unnecessary yard movements or switching operations to interchange the freight. As a result, instead of streamlining operations, the carriers will be exponentially increasing the amount of *handling* needed to move these hazardous materials, a decision not consistent with safety, national security, or service.

For these reasons, I strongly urge the Surface Transportation Board to deny Union Pacific's request to lease the Eugene yard to CORP. The potential risks to the local economy, public safety, environmental protection, and financial liability far outweigh any perceived benefits to this arrangement.

Thank you for your consideration of these concerns.

Sincerely,



Daniel Garrison
Oregon State Safety and Legislative Director
Smart Transportation Division

cc: Congresswoman Val Hoyle (OR-04)
Senator Ron Wyden
Senator Jeff Merkley
Governor Tina Kotek
State Representative Nancy Nathanson (Dist. 13)

State Representative Julie Fahey (Dist. 14)
State Representative John Lively (Dist. 07)
State Senator James Manning (Dist. 7)
Parties of Record