

Testimony of Jeffrey Bishop, Executive Director
Oregon International Port of Coos Bay

Before the Surface Transportation Board, August 21, 2008, in Eugene, Oregon

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AB-515 Sub 2
FD 35160

Good _____ Gentlemen,

I would like to thank you for taking the time and effort to hold this hearing in Oregon. I would also like to thank you and your staff for the interest and professionalism extended to the Oregon International Port of Coos Bay and our strategic partners, to the shippers of Southwestern Oregon and to our elected officials who have also done so much to see that justice is obtained for our constituents many of whom are here today and we again thank them for their service and courage.

The viability of a port is in direct proportion to its position in the supply chain of economic interests. Certain factors contribute to the success of a port and many may argue which factor is the most important but no one will disagree that without efficient transportation assets you cannot have a viable commercial port. An over simplistic example of this would be the moon; to date no one has built a commercial port on the moon for obvious reasons. Though suffering through years of what seemed like endless economic challenges and even though Coos Bay is in a remote area, although not as remote as the moon, Coos Bay is a viable commercial port today because of its transportation assets.

Coos Bay made its place in the world based on its natural resources. Whether it has been from the abundance of its forests, its oceans or its earth foundation -- some local resource has traditionally been drawn upon to sustain the community. We have shipped coal to California, lumber and logs to the world, metal ore to the foundries and wood fiber to Japan for the manufacture of fine paper. With well over a hundred proud years of filling a need of the national and international economies -- Coos Bay is a venerable port community. Yet that proud history is threatened today by interests from Wall Street, who are quite frankly the very first interests we personally could without reservation describe as robber barons.

Appearing to be only interested in money and not the common carrier obligation to provide critical transportation services to the shippers who in all actuality paid for the line with the blood, sweat and tears of many working families, Wall Street now seeks forgiveness and asks the Board to let them have one last cash wind fall from a metal salvage market spike that may allow them to make a quick buck but at the expense of the Southwestern Oregon.

In our relationship with CORP the Port has focused on recruiting new customers for CORP and in finding investment partners for rail infrastructure, like the North Spit rail spur and money to rehabilitate the Coos Bay Rail Bridge. All told the Port with its partners raised over \$12 million for the Coos Bay line in recent times and had secured an additional \$12 million for future improvements – combined more money than CORP proposed for their so called public private partnership. CORP knew this and chose to give the Port less notice than they gave their customers rather than reaching out to the Port months before they abandoned us when they first suspected problems with their tunnels.

CORP entered into agreements with the Union Pacific Railroad and promised to give the UP 180 days notice of any cessation in service. CORP entered into agreements with the Oregon International Port of Coos Bay and promised to give 180 days' notice of cessation in service or in the event of abandonment. The Port has yet to receive appropriate notice on either account and we do not know if the UP has received notice as they have remained silent even though they will bear the \$12 million cost of removing the Coos Bay rail bridge. Imagine where we all would be today if CORP had honored that promise.

Ports have and always will have critics. As the day progresses you may hear from critics of the Port of Coos Bay who will tell you we may have ulterior motives to owning this rail line or possess some defect. You should also know we have asked CORP to own, rehabilitate and operate the railroad - they said absolutely not unless you reward us for our neglect, we asked the Union Pacific to own and operate this rail road - they considered it but said no, we asked other short line railroads to own and operate the line - most said they were afraid of Wall Street

while others have expressed interest in operating the line but the deferred maintenance has made it too expensive to own.

The Port wishes to survive -- plain and simple -- we wish to continue the proud history started over a hundred years ago. I have passed out to you a copy of a political cartoon from 1910 in which even then there was opposition to the Port. Projects come and go, we win some and we lose some and it will probably always be that way. But this Board holds in its hands the ability to do something no one has ever been able to do and that is to let Wall Street shut us down. You can do this by closing our railroad and we can go the way of many of our sister ports who have never been able to resurrect their lifelines, you can allow Wall Street to construct a toll booth between us and the world or you can reward Wall Street for its contempt of your primary responsibility and the needs of the environment. Or this Board can give our communities a fighting chance to remain relevant in the national and international economy.

Without our railroad we might as well be on the moon.

Again, I thank you for your service to our nation and express our most sincere appreciation for your obvious concern for our constituents and we would like to thank the hard working employees of CORP who bear no responsibility for the actions of Wall Street for their years of service to our community.

WHAT DO YOU WANT COOS BAY TO BE?



you want to prevent this condition, see that you mark your ballot as follows on the port questions on the bottom of the ballot next Tuesday.

Port of Coos Bay Measures Proposed by Initiative Petition. (Appearing in pamphlet of Port of Coos Bay as Number—Yes 800 No 801)	Port of Coos Bay Measures Referred by the Board of Commissioners of the Port of Coos Bay to the Voters of the Port of Coos Bay. (Appearing in pamphlet of Port of Coos Bay as Number—Yes 802 No 803)
For amendment to Charter of Port of Coos Bay prohibiting its Board of Commissioners from incurring any indebtedness in excess of Fifty Thousand Dollars and providing that any such excess shall be void unless the affirmative of the resolution of incurring such excess indebtedness shall have received a majority vote of the legal voters of said Port voting thereon as a legislative act and providing that the aggregate indebtedness of said Port shall never exceed ten per cent of the assessed valuation of property within said Port. Vote YES or NO	An ordinance of the Port of Coos Bay adopting a certain project of harbor improvement providing for the dredging and maintenance of a main ship channel for improvement of subsidiary waterways emptying into Coos Bay for purchase of property suitable for public wharves and docks and providing for issuance and sale of Port bonds in the sum of \$20,000.00 to carry out such project. Vote YES or NO
305 Yes 307 No	305 X Yes 307 No

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