



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket No. AB-515 (Sub-No. 2

FD 35160

223413

223414

FIELD HEARING AUGUST 21, 2008

EUGENE, OREGON

COOS BAY SUBDIVISION

RAILAMERICA ABANDONMENT PETITION

AND

PORT OF COOS BAY FEEDERLINE APPLICATION

STATEMENT OF ALLYN FORD
ON BEHALF OF THE
COOS-SISKIYOU SHIPPERS COALITION

On behalf of the Coos-Siskiyou Shippers Coalition, and my own company Roseburg Forest Products, I wish to thank the Surface Transportation Board for coming to Oregon to hold this hearing.

I am the President of Roseburg Forest Products, with manufacturing facilities heavily concentrated in southern Oregon and northern California. We employ over 3,500 employees, with most of our facilities located in rural areas where we represent the principal employer.

Attached is a list of the Coalition which consists of 49 members, many of whom will be testifying here today. The Coalition includes the four active shippers on the Coos line, as well as a number of shippers on the Siskiyou line who have either lost service or who are concerned in general about the potential of further abandonments by Rail America. In addition, there are a number of other forest products companies who are members but who do not ship by rail. While they normally move their products to market by truck, they too have been impacted because of the increased demand for trucks to meet the loss of rail service. We are now facing an impending truck shortage in a very weak wood products market. When the housing market recovers and the demand for wood products escalates, we will not have the trucking capacity to meet our shipping needs.

Other entities that have joined the Coalition include five city councils representing smaller cities, five Chambers of Commerce representing the larger communities, and four County governments. They have all joined with the recognition that RailAmerica's actions to curtail rail service will ultimately result in economic stress to the general public in southwestern Oregon and northern California. They are also very aware of the chilling effect that these closures have on other business interests who have been considering relocating to these rural communities. .

We are here today with two very specific requests for the Board. The first being that you deny the abandonment petition filed by RailAmerica. In advance of the abandonment petition, the railroad filed a System Diagram Map on May 8, 2008 which showed that the line being abandoned stretched from Coquille on the south end to Noti on the north. However, Noti is not the northern terminus of the Coos line. That terminus is Eugene where CORP interchanges with the Union Pacific and Burlington Northern mainlines. This approach allows CORP to cherry pick a few volume shippers at minimum cost. The Board must reject the abandonment petition and reject RailAmerica's plan to maintain control of the line from Noti to Eugene.

The second request is that you accept the feederline application filed by the Port of Coos Bay to purchase, refurbish, and restore service to the line as quickly as possible. This application is made for the entire line from Coquille to Eugene and does not allow RailAmerica to retain the piece from Noti to Eugene. The Port

is a quasi public agency who has an experienced staff and a track record of managing difficult projects. The Port's Board of Directors consists of local dedicated businessmen and women who have a personal stake in the success of restoring rail service to Coos County.

The supporting arguments for restoring the line to service are many. In the case of the four main shippers on the line, access to inland markets is key to our survival. We export most of our finished products to major markets in the states west of the Mississippi River. Rail is the only economical way to access those long distance markets. All four shippers have now been reduced to trucking our materials to transload facilities for rail shipping, which has dramatically increased our manufacturing costs in this very difficult economic time.

Coos County is going through a period of rapid transition in moving forward to a much stronger future. All of the major shippers are committing millions of dollars into modernizing and expanding operations. With a strong workforce, increasing timber supply base, and access to a major deep water port, there is a significant potential for increased economic growth. With its close relationship to the southwestern Oregon area, Coos County is a major component in the economic future for the whole region. This potential is all based on a strong rail infrastructure.

Once again I would like to express our deep appreciation to you and members of your staff for traveling to Eugene to give our local affected parties their chance to provide input on this critical issue.



COOS/SISKIYOU SHIPPERS COALITION

ORGANIZATION

Roseburg Forest Products
American Bridge Manufacturing
American Laminators
Bay Area Chamber of Commerce
Boise Cascade

C&D Lumber
City of Grants Pass
City of Montague

City of Reedsport
City of Yreka
City of Weed
Coquille Tribe
Coos Bay Lumber Co.
Coos County Commissioners
Douglas County Commissioners
Douglas County Forest Products
Douglas County Ind. Devel. Bd.
DR Johnson Lumber Co.

Georgia Pacific

Grants Pass Chamber of Commerce
Green Diamond Sand
Herbert Lbr. Co.
Hoover Treated Wood Products
International Paper Co.
Jackson County Commissioners
Keller Lumber
Lone Rock Tbr. Co.
Medford/Jackson County Chamber
Menasha/Campbell
Nordic Veneer
Oregon Trans Museum
Port of Coos Bay

Plum Creek Timberlands

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REPRESENTATIVE

Allyn Ford, Chairman
Fred Jacquot
Pete Martini
Tim Slater
Bruce Cartmel
Ralph Saperstein
Brad Hatley
Steve Dahl
Phil Robustellini
John Hammond
Charles Freeman
Brian Meek
Earl Wilson
Ken Messerle
Pat Ball
John Griffith
Joe Laurance
John Blodgett
Tania Korpi
Valerie Johnson
Jeff Johnson
Robert Pugh
Jerry Keck
Jonathan Jordan
Barry Ziegler
Lynn Herbert
Tim Borris
Mike Salvino
C.W. Smith
Mike Keller
Toby Luther
Brad Hicks
Scott Starkey
Art Adams
Don Kirk
Jeff Bishop
Martin Callery
Joel Nelson



COOS/SISKIYOU SHIPPERS COALITION (Cont'd.)

ORGANIZATION

**Rosboro Lumber Co.
Rough and Ready Lumber Co.
Roseburg Area Chamber of Commerce
Sabroso Company
Scott Valley Bank
Sierra Pine LTD.
Siskiyou County Economic Development
Siskiyou County Supervisors**

**South Coast Lumber Co.
South Coast Development Council
Southport Forest Products
Swanson Group**

**Timber Products
Umpqua Econ. Dev. Partnership
Weyerhaeuser**

Yreka Chamber of Commerce

REPRESENTATIVE

**Dennis Williams
Linc Phillipi
Debbie Fromdahl
Doug Meyer
Dan Taylor
Jon Widman
Tonya Dowse
Jim Cook
Michael Kobseff
Ken Caylor
Ronald Opitz
Jason Smith
Jim Hunt
Cameron Kraus
Erik Vos
Helga Conrad
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Dale King
Pete LaFortune**