

BOARD OF COMMISSIONERS

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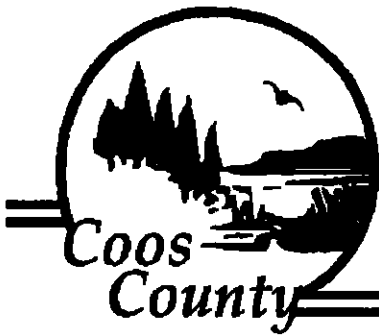
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JOHN GRIFFITH

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21 August 2008

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D C 20423-0001

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RE: Docket No. AB-515 (Sub-No. 2X), Central Oregon & Pacific Railroad, Inc. – Abandonment and Discontinuance – in Coos, Douglas, and Lane Counties, OR (Coquille to Vaughn) and STB Finance Docket No. 35160 Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Central Oregon & Pacific Railroad, Inc.

Dear Secretary Quinlan

I make these remarks today on behalf of the Coos County Board of Commissioners, the elected governing body of Coos County, Oregon, regarding the abandonment of the Coquille to Vaughn rail line, and Feeder Line Application by the Oregon International Port of Coos Bay of the Coos Bay Line of the Central Oregon & Pacific Railroad, Inc., and the necessity that the whole line be included, instead of COPR retaining a short segment of it near its northern end

Coos County is an economically troubled rural county. Our population chronically has a higher rate of poverty than most western Oregon counties. We have suffered high job losses primarily in the fishing, agriculture and forestry sectors.

Investing in a business in Coos County is risky due to its location on the coast instead of beside the Interstate highway or rail transportation hubs. However, we have an international seaport and, until late last year, we had rail service. All but a couple of large business investments that have considered locating in Coos County cited rail service as a very important positive consideration. Business expansions have relied on it's being available.

You will hear today from businesspersons who I know will speak to the particulars of trying to do business in Coos, Lane or Douglas counties without rail service. I leave to them that side of the discussion. I prefer to take only a bit of your time to speak more generally about the social and economic conditions of Coos County and how the loss of rail service exacerbates them.

On the north spit of Coos Bay, two Coos County residents made a large investment to build a state of art sawmill, the first one built in years in their county. Their business plan included shipping their product on rail. The Port of Coos Bay and other public partners also

made a multi-million dollar investment to make a rail spur that terminates at the new mill. The idea and hope is that other businesses will locate along the line. The area of the new rail spur on the north spit of Coos Bay has been zoned for heavy industry since Coos County's state-mandated comprehensive plan was adopted by the Oregon Land Conservation and Development Commission in 1985.

Coos Bay area wholesalers used the rail line. On the shore of Coos Bay, Georgia Pacific has a high production sawmill that also relies on rail service to be competitive. And in Coquille, the county seat, Roseburg Forest Products has operated a plywood mill for decades. Between them, these mills employ hundreds of our citizens in well-paying jobs. Those three mills are the last of the larger-scale production wood products mills in Coos County and are our remaining link to the industry that made Coos County.

Those mills now find themselves in a business emergency brought on by the cessation of rail service on that line. If they go under, those jobs will be gone. There isn't a job sector for those workers to move into, as there might be in an urban county.

The largest, and the only full-service hospital in Coos County is publically owned. A wholesale loss of hundreds of Coos County's better-paying jobs and employee benefits would be a serious blow to the financial stability of that hospital.

Coos County is already suffering from the loss of federal in-lieu of timber payments. Our county government saw half its general fund evaporate last year as a result. We laid off more than 80 employees from a previous work force of about 430, mostly in law enforcement services of sheriff office patrol, jail, juvenile and district attorney. We still are not at a sustainable budget. In this year and the coming two or three years we will be appropriating from reserves built up during the term of in-lieu of timber payments. So before the fiscal constriction is over we will have to lay off even more of our county services employees to reach longer-term sustainability.

My point in bringing up our county government's financial situation is to add that reality to what's happening in private-side employment and what's going to happen if those rail-dependant jobs are lost. We haven't been able to add new industrial jobs for a few reasons, mostly delays caused by regulatory and land use concerns, but they probably are not insurmountable, and we have not become disheartened in our trying to better our citizens' economic and social well-being.

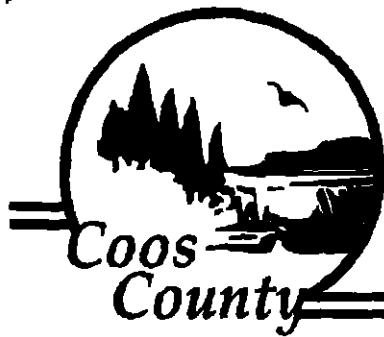
If, indeed, rail service cannot be restored, our county will be in an economic and socially ill situation from which I see no way of digging out.

In closing, I implore your agency to look favorably on the Oregon International Port of Coos Bay's application and to do whatever is possible to help the citizens of Coos County maintain at least what we had before the rail line shut down. With your help we can turn this gloomy situation around.

Thank you


John Griffith

Chairman, Coos County Board of Commissioners



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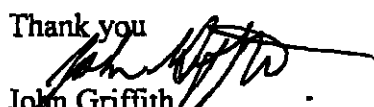
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