



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference-International Brotherhood of Teamsters

OREGON STATE LEGISLATIVE BOARD

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SCOTT G. PALMER
Chairman

August 18, 2008

Docket Clerk
Surface Transportation Board
ATTN: STB Docket No. AB-515 (Sub No.2) & STB Finance Docket No. 35160
395 E Street SW
Washington, DC 20423-0001

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Re: Docket No. STB Docket No. STB-AB-515 (Sub-No. 2); STB
Finance Docket No. 35160

Dear Docket Clerk;

On July 14, 2008, the Central Oregon & Pacific Railroad (CORP) petitioned the Surface Transportation Board (STB) to abandon and discontinue service in Coos, Douglas, and Lane Counties, Oregon.

These comments are submitted by the Oregon State Legislative Board of the Brotherhood of Locomotive Engineers & Trainmen (BLET), a Division of the International Brotherhood of Teamsters Rail Division.

CORP's July 14, 2008 STB filing stems from deteriorated tunnel conditions on their line between Eugene and Coquille, Oregon. The tunnel conditions that eventually prompted the discontinuance of service were readily apparent when CORP leased the line from the Union Pacific. CORP's embargo beginning in September 21, 2007 was a direct result of CORP's deliberate deferred maintenance of those tunnels. BLET notes

that no unavoidable and unanticipated catastrophic event occurred that led to the closure of the tunnels.

CORP had commissioned a study as early as 1994 from Shannon & Wilson that concluded the health of the tunnels was poor and in a 2004 report, Milbor-Pita & Associates cautioned that a catastrophic collapse was a possibility. Despite being forewarned, CORP waited three more years before closing the line because, according to parent-company RailAmerica Vice President Paul Lundberg, "The embargo of the Coos Bay line was based solely on CORP's safety concern for CORP employees."

BLET can not help but wonder why CORP was not concerned about the safety of their employees in the interim between the 2004 assessment warning of a catastrophic tunnel collapse and the embargo of 2007.

Oregon's railroads perform a vital service to the state's economy. Aside from providing service to the many shippers along the routes, the rail carriers remove hundreds of thousands of tons of merchandise from Oregon's highways resulting in less road maintenance, traffic, and pollution. Increased economic development in Oregon is directly tied to the ability to transport large amounts of commodities quickly and efficiently. For this reason the people of Oregon have been willing to subsidize railroads with funds through programs like Connect Oregon.

If a Carrier is the beneficiary of public funds and fails to perform routine maintenance that is vital to keep the line in operation, that Carrier is in violation of the public trust.

CORP's pre-knowledge of the existing tunnel conditions and lack of response provides clear proof of their intent. BLET believes that CORP treated the Coquille branch infrastructure as a finite resource by denying the funds for tunnel repairs that are an inherent expense in railroad operations throughout the world. CORP, in effect, mined the Coquille Branch until it was no longer a viable resource.

This shortsighted practice resulted in the *de facto* and, we feel, unlawful abandonment of the line and ensuing economic harm to the shippers and employees whose livelihood depended on rail transportation of their goods.

The cost to repair the tunnels likely exceeds the resources of any one purchaser and public funds will likely once again be needed to restore service to the line.

If Corporations such as RailAmerica are allowed to abuse critical infrastructure to the falling point and simply walk away, there will come a point where damage to that infrastructure will exceed the financial incentive and public resolve to restore it. At that point, the infrastructure will be lost and economic impacts to the affected communities may be permanent and insurmountable.

BLET recommends that STB decline CORP's request for abandonment until such time

as CORP has restored the line to service.

Sincerely,

Orig signed

Scott Palmer
Chairman, Oregon State Legislative Board