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City of Coos Bay
Surface Transportation Board

Impact of Rail Abandonment to the City of Coos Bay:

1. Local Economy:

- a. **Loss of Family Wage Jobs.** Just one local mill 130 direct Family Wage jobs in the Bunker Hill area of the City. Payroll in excess of \$6 mil. Company has been absorbing increased shipping cost but for how long?
- b. Additional impact to community service organizations already taxed with
 - i. 7.2% unemployment rate
 - ii. 17% poverty rate in Coos County
- c. Job retention, creation will be much harder due to increased shipping costs..
- d. Indirect rail jobs result from employees spending their paychecks in our community and suppliers that serve the industries who utilize the rail.
- e. Needed revenues.
 - i. These jobs spend their money in our community
 - ii. Their employees coach our children
 - iii. These employees volunteer in our service clubs
 - iv. These employees serve on our City Councils, Planning Commissions and Boards
 - v. These jobs are critical for the economic health of our community, local governments, school districts, fire districts, port district, airport district

2. Infrastructure:

- a. Additional truck trips estimated in the report to be 37,656 on county, state and local streets. One, Hwy 101, is a main street of my City in the heart of our downtown. Very narrow and congested.
- b. Increased load on bridges.
- c. Not cost effective. Rail infrastructure in place. Why walk away from it?

3. Public Safety:

- a. Increased truck trips result in increased chances of collisions with driving public and pedestrians.
- b. 2 lane highways connect the coast to valley which are narrow with many curves.

4. Economic Development:

- a. How do we build a future without rail? Need capacity to grow family wage jobs.
- b. Without rail our future will be limited. Largest deep water port between San Francisco and Portland.
- c. Our 3 legged transportation stool will be incomplete to build our economy. Roads, Air (lost northbound) and rail
- d. Passenger trains won't be possible linking our communities.
- e. Cost of doing business greater without rail. Can't compete without rail due to increased transportation cost per ton.

5. Environmental Issues:

- a. Water quality will need to be protected if CORP salvages the rail line.

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- b. Additional truck traffic impacts the quality of life in our area. Impairs the environment with noise and air pollution.
- c. Environmental mitigation for stream banks, erosion control, and protection of critical habitat on streams, lakes and the Coos Bay estuary will need to be required, monitored and enforced for rail abandonment and bridge removal.
- d. Rail is more fuel efficient than trucks. Fewer trucks equate to fewer pounds of exhaust constituents in our air, water and land.
- e. The environment is better protected with leaving the line and bridges in place vs. removal due to disturbance of soils and sediments which are contained in place.

Feeder Line Application:

1. STB should force sale of the line to the Port
 - a. Port controlled by the Citizens of Coos County; not some hedge fund.
 - b. STB should disallow any short term financial entity such as hedge funds from owning and or controlling Americas rails.
 - c. Port will look at the long term not quarterly profit targets.
 - d. The public will demand that their asset is protected and maintained to a high standard.
2. Entire line should be sold to the Port
 - a. It would not be cost effective to sell to the port only the embargoed line and have CORP control connecting intersections to the main lines.
 - b. Volume of rail traffic was increasing prior to the embargo. The business can be grown on the long term. Fortress/Rail America/CORP is only concerned on the short term profits not long term investment.
3. Sale Price should be reasonable
 - a. Current metal market is an aberration. Price should be based on 5 year average.
 - b. The Port, State, Cities and shippers do not have unlimited funds.
4. CORP should be required to repair the tunnels and other deferred maintenance
 - a. CORP violated their common carrier obligation as a railroad when they ignored maintenance needs of the tunnels.
 - b. Fortress/Rail America/CORP should be required to clean up their mess. They should make the line usable and not leave a for profit entity mess at the feet of the tax payers.