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Senate Business and Transportation Committee
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Testimony in support of Senate Bill (SB) 260 for the *ConnectOregon V*
multimodal transportation system improvement funding program

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Chair Beyer, Vice-Chair Starr, members of the Committee, my name is Martin Callery. I am Chief Commercial Officer for the Oregon International Port of Coos Bay. I also serve as Vice-Chair of the Oregon Freight Advisory Committee, and am a member of the Oregon Rail Users League – ORULE. I appreciate the opportunity to testify in support of SB 260.

From its creation in 2005, the *ConnectOregon* program has consistently provided the funds needed to sustain and expand Oregon's multimodal transportation system, which help keeps Oregon businesses competitive in domestic and international markets and helps create well-paying private-sector jobs across the state.

The Port of Coos Bay and southwest Oregon have benefitted significantly from the *ConnectOregon* program. In the first round, the Port worked with a regional wood products manufacturer to rehabilitate an underutilized barge slip into a multimodal facility linking marine, rail and highway modes.

During *ConnectOregon III*, the Port effectively demonstrated the need for a significant grant for Coos Bay rail line rehabilitation to restore freight rail service to western Lane and Douglas Counties and to the Coos County and Coos Bay harbor area. Additionally, the Port was able to prove to U.S. Department of Transportation officials that Oregon was willing to invest in transportation infrastructure, resulting in *ConnectOregon* funds leveraging nearly \$17 million in a TIGER (Transportation Investment Generating Economic Recovery) II grant award and a SAFETEA:LU (Save, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) grant, which significantly increased the rehabilitation work now underway on the Coos Bay line.

It is important to note that for manufacturing firms and commodity distributors in the western Lane, western Douglas and Coos Counties region of southwest Oregon, the loss of rail as a competitive transportation mode in the fall of 2007 resulted in huge increases in transportation costs. One firm which received production materials from the U.S. Midwest saw their inbound costs double, while another firm which shipped finished products out by rail saw their transportation costs for only one mill increase by \$100,000 per month.

2012 saw the first full year of restored freight rail service on the Coos Bay line, and the operator – Coos Bay Rail Link – moved 2,480 revenue cars for shippers in the region, resulting in 8,700 fewer truck trips on Oregon highways with an overall reduction in diesel exhaust emissions in the region. The goal for 2013 is more than 5,000 revenue rail cars on the line.

It is critical to Oregon's traded-sector economy that all regions of the state have competitive transportation options in order to compete in both the North American and international markets, and the *ConnectOregon* multimodal funding program helps achieve that goal.

The *ConnectOregon* program is unique in its scope and in the rigorous vetting process required to receive a grant award. The Oregon Department of Transportation has listened well to the Oregon Legislature and has created a thorough process for insuring that projects funded through *ConnectOregon* truly serve the transportation needs of the State and that they support both the State's multimodal transportation system and the State's trade-driven economy.



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