

77th Oregon Legislative Assembly – 2013 Regular Session
House Transportation and Economic Development Committee
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Testimony in support of House Bill (HB) 2310;
authorizing issuance of lottery bonds for the Multimodal Transportation Fund

David R. Koch, Executive Officer, Oregon International Port of Coos Bay

Chair Read, Vice-Chairs Bentz and Gorsek, members of the Committee, my name is David Koch. I am Chief Executive Officer of the Oregon International Port of Coos Bay. The Port owns the Coos Bay rail line in southwestern Oregon and is a member of the Oregon Rail Users League – ORULE. Additionally the Port is extensively involved in a variety of marine terminal development projects in the Coos Bay harbor, with the goal of revitalizing maritime commerce in the region and creating sustainable jobs in our communities. I appreciate the opportunity to testify in support of HB 2310.

The Oregon International Port of Coos Bay has long been an advocate of the Multimodal Transportation Fund and the *ConnectOregon* program. *ConnectOregon* has consistently provided the funds needed to enhance and expand Oregon's multimodal transportation system, which 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. That facility is in service now and is expected to be used to move a variety of manufactured forest products and wood fiber in the west coast market.

During *ConnectOregon* III, the Port effectively demonstrated the need for a significant grant of \$7.8 million 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 currently 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 11 shippers in the region, resulting in 8,700 fewer truck

trips on Oregon highways with an overall reduction in diesel exhaust emissions. The goal for 2013 is more than 5,000 revenue rail cars on the line, and the addition of more shippers.

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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