



Feb 11, 2022

SB 5701 Letter for Mt. Hood Railroad

First, I'm pleased to announce that Mount Hood Capital Investments has purchased the Mt. Hood Railroad. The purchase was led by local Hood River Valley resident and entrepreneur L. Scott Webster, owner of Webster Orchards, TheFruitCompany.com, and Terminal Ice & Storage Company Co. LLC. I will remain as General Manager, and I'm very excited about this new chapter of seeing Mt. Hood Railroad return to local ownership. As a bit of background, Mt. Hood Railroad was previously owned by short line railroad conglomerate -- Iowa Pacific Corporation based in Chicago, Illinois. Iowa Pacific Corporation ran into financial problems, so parts of the 22-mile track in Hood River were neglected. Funding is requested to perform essential track renovations which are necessary to service some new freight opportunities and popular tourist excursions.

Years ago, fruit was commonly shipped via railcars out of the Hood River Valley, and a new opportunity has emerged that seeks to restore freight train service for orchardists and packing houses. This efficient endeavor could convert semi-trucks to 160-480 railcars to ship fruit to regions that include the East Coast, Kentucky, and Midwest. In addition, Carson Oil is finalizing terms to ship 60 railcars of propane initially, ramping up to 200-270 railcars per year. And lastly, plans are underway to start shipping Juanita's raw materials via railcar this year. Altogether, these operations would reduce cost and GHG on a large magnitude by replacing an estimated 1,260 – 2,625 semi-trucks from highways.

Of course, all this extra freight service will require diligent maintenance, so funding will also allow the purchase of equipment to handle brush clearance, rehabilitate surface and lining, and improve ballast to improve a stable footing.

I believe Mt. Hood Railroad provides an important link to the Oregon transportation network and economy. Growth will promote tourism to the region and create good jobs, so I encourage the legislature to support this worthy project.

Respectfully,

Ron Kaufman

General Manager of Mt. Hood Railroad

ron@mthoodrr.com