The Coos Bay Rail Line …

Preserving Rail as an Intermodal Link for Marine and Industrial Sites in Southwest Oregon

American Association of Port Authorities - AAPA
Communicating the Importance of Infrastructure Investment

June 21, 2011 – Savannah, Georgia

Martin Callery, Chief Commercial Officer
Oregon International Port of Coos Bay
Where is Coos Bay, Oregon?
The Coos Bay Harbor
Coo Bay Rail Line - Coos Bay Rail Link
**Timeline of Events** …

- Central Oregon & Pacific (CORP) Railroad (RailAmerica, Inc.) embargoed the Coos Bay rail line September 21, 2007; one day’s notice to customers, two days to a few elected officials.
- Port filed Feeder Line Application with the Surface Transportation Board (STB) July 11, 2008.
- CORP filed for Abandonment of Coos Bay line July 14, 2008.
- Port spent one year and nearly $2 million in attorney fees (50% came from partner state agencies) pursuing the Feeder Line Application and fighting CORP Abandonment filing.
- STB decision in late 2008 allowed Port to purchase the rail line.
- Port closed the purchase transaction on March 13, 2009.
  - Financing included approximately $12 million from grant funds and a little more than $4.6 million in Port debt.
The Port bought the Coos Bay rail line in order to maintain freight rail service for existing industrial operations and to support diversification of maritime commerce in Oregon’s south coast region.
Time flies when you’re having fun …

American Association of Port Authorities
2009 Public Relations Seminar

Case Study:
Oregon International Port of Coos Bay
Coos Bay Rail Line / Acquisition & Rehabilitation

June 25, 2009 / Detroit, Michigan

Martin Callery, Director of Communications & Freight Mobility
The Detroit Case Study …

2009 AAPA Seminar participants formed three case study work teams –

- Situation Analysis
- Identification and Review of Target Audiences
- Communication Plan(s)
  - Goals
  - Strategies
  - Implementation
- Late 2010 Review of Outcomes …

Overall, most efforts were successful!
The Detroit Case Study …

Critical Target Audiences –

- Federal and State Legislators/Staff
- Federal and State Agency Administrators/Staff
- Past and Potential Rail Line Shippers
- Regional and Local Elected Officials
- Local Business and Civic Leaders
- The Public and Special Interest Groups

Outreach efforts were mostly successful, but still working with the public and special interest groups on some issues.
The Port owns the Coos Bay rail line (134 miles) Eugene to Coquille, and the North Spit Rail Spur

Coos Bay rail line from Danebo Junction in west Eugene to Cordes on the North Spit (111 miles) was acquired in 2009; the Port previously acquired the Coos Bay swing-span rail bridge in 2001 to utilize state and federal funds for Phase 1 rehabilitation

The Port acquired 23 miles of the line (Cordes to Coquille) and rail yards in Coos Bay and North Bend from the Union Pacific (UP) Railroad in December 2010; UP previously leased to CORP

North Spit Rail Spur was designed and built 2005-2006 to provide access to industrial lands on Coos Bay’s North Spit
The Coos Bay Rail Line …
West Eugene to Cordes on the North Spit

111 miles of rail line, including two major swing-span bridges, nine tunnels and 150+/- water crossings
The Coos Bay Rail Line …

Cordes on the North Spit to Coquille

23 miles of rail line, Coos Bay swing bridge, rail yards in North Bend and Coos Bay and a variety of water crossings
The North Spit Rail Spur …
from mainline switch to Southport Forest Products

Approximately four (4) miles of heavy-weight rail line, accessing more than 700 acres of industrial property and several existing industrial rail spurs
Coos Bay Rail Line …

Tunnel Rehabilitation Phases I, II and II

- Phases I and II of Tunnel Rehabilitation:
  - Significant repairs in seven tunnels; intended to last 5-8 years or longer

- Phase III of Tunnel Rehabilitation:
  - Phased repairs planned and engineered to extend tunnel life 20+ years with ongoing maintenance
Coos Bay Rail Line  …

Phases I & II of Tunnel Rehabilitation
Completed in early October 2010

- Three tunnels – 13, 15, 18 – deemed unsafe by the Federal Railroad Administration (FRA)
- Eight tunnels needed a variety of repairs to support structure, linings and drainage
- Repair costs estimated at $6.6 million to $9.2 million + engineering and permitting
- Phase I and II repairs total $3.7 million
**Coos Bay Rail Line** …

*Phases I & II Tunnel Rehabilitation*

*Completed in early October 2010*

- American Recovery & Reinvestment Act (ARRA) of 2009: **$2.5 million**

- 2009 Oregon Legislature: HB5054, statewide infrastructure restoration package, provided $3.5 million; **$1.2 million** was used for Phase II tunnel work
Coos Bay Rail Line …
Tunnel Work; Dirty, Wet, Noisy, Dangerous
Coos Bay Rail Line …

Tunnel Work; Dirty, Wet, Noisy, Dangerous
Coos Bay Rail Line …

*Initial Phase III tunnel work is under way and will be complete by October 2011*

- Additional work is needed in tunnels 13, 15, 18, 19, 20 and 21, and will include timber set replacement with steel sets, rock bolting and shotcrete, and track structure undercutting.

- Funding for this component of the tunnel work will be from TIGER II and will total approximately $2,800,000.
Coos Bay Rail Line  …

Bridges, Trestles and Culverts
**Coos Bay Rail Line …**

*Bridges, Trestles and Culverts*

- The three swing-span bridges need some repairs
  - Siuslaw River and Umpqua River Bridges need structural repairs and maintenance
  - The Coos Bay Bridge needs a new electrical system, structural repairs and maintenance

- 10 other bridges/trestles and a number of culverts need various short-term repairs

- Estimated Cost: **$6.8 million**
Coos Bay Rail Line  …

Track Structure; Rail, Ties and Ballast
Coos Bay Rail Line …

Track Structure: Rail, Ties and Ballast

- Replace approximately 6 linear miles of rail and replace/repair various switches:
  - Estimated cost: $2.49 million
- Remove/replace 95,000 mainline ties, 1,600 yard/siding ties, 600 switch ties:
  - Estimated cost: $6.94 million
- Add 60,500 tons of ballast rock:
  - Estimated cost: $1.81 million

Estm Track Structure Repairs: $11.24 million
Coos Bay Rail Line  
Track Structure: Additional Work for Startup

- Rail flaw detection/surface and line:
  - Estimated cost: $1,410,000
- Vegetation control – two years:
  - Estimated cost: $375,000
- Miscellaneous; grade crossings, sand clearing:
  - Estimated cost: $550,000
- Estimated Additional Track Structure Repairs:
  $2.33 million
Coos Bay Rail Line …

Track Structure Rehabilitation

Track structure rehabilitation is funded through these sources:

- **TIGER II:** $13.5 million
- Multi-modal pilot program from **SAFETEA:LU:** $2.5 million
- **HB5054:** $1.29 million non-federal cost share; about $500,000 for contingency

Major rehab work started in May 2011
Coos Bay Rail Line …

Crossing Signal Upgrades and Additions

- Port has been working with the Oregon Department of Transportation Rail Division to access Federal Railroad Administration (FRA) funds for at-grade crossing signal upgrades.

- The Coos Bay rail line is benefiting from approximately $1.0 million in signal upgrades at 10 at-grade road crossings between Eugene and North Bend/Coos Bay.
Coos Bay Rail Line  …

Restoration of Freight Rail Service

- Tunnel rehabilitation, bridge/trestle repairs and ongoing track structure work will allow the line to reopen during 3rd quarter 2011 with interim service at Service Level 1, a mix of 10 mph and 25 mph track classifications.

- Port is working with shippers, Union Pacific and other connecting shortline railroads to identify car loadings and initiate interchange agreements.

- Regularly scheduled freight rail service should be in place by October 2011.

- Selected operator will provide all rail services.
Coos Bay Rail Line …

Restoration of Freight Rail Service

- 2012 goal is more efficient, cost-effective rail operations at Service Level 2; mix of 25/40 mph track classifications
- Port received grant funds from the following sources:
  - State: Oregon Business Development Department, ConnectOregon III and HB 5054 (2009 Oregon Legislature)
  - Federal: ARRA 2009, TIGER II, SAFETEA:LU and FRA
  - Total funds invested in rail rehabilitation: $27.3 million +/–
  - Replacement cost of rail line: $250 million +
- Most immediate goal when service is restored is get the line to be substantially self-sustaining
Coos Bay Rail Line …

Selection of Rail Line Operator

- Port published Request For Qualifications (RFQ) July 2010
  - Received 12 Notices of Intent in August
  - Received 10 RFQ responses by September 17, 2010
- Port staff, working with rail consultants and shippers, evaluated responses and invited five firms for interviews
  - Interview phase was concluded January 2011, with participation by ODOT Rail Division
- Port announced rail line operator April 2011
  - ARG TRANS – Benson, Arizona (established office in Coos Bay)
- Operator will provide all train service and maintenance through negotiated agreement with the Port
Coos Bay Rail Line will operate as the …

AAR Reporting Mark: CBR

www.CoosBayRailLink.com
What is driving change in the Coos Bay harbor?

Redevelopment of the upper bay waterfront, access to North Spit industrial property, and changes in international marine transportation.
Coos Bay Harbor and the Oregon Gateway

- Bulk Terminal
- Cargo Terminal
- Jordan Cove Energy Project
- D.B. Western, Inc.
- Southport Forest Products Barge Facility
- Roseburg Forest Products Chip Terminal
What’s the future for the Coos Bay Rail Line …

- Various intermodal and bulk commodity terminal developers have had discussions about rail throughput and rail improvements with Class 1 railroads and Port Coos Bay line will require velocity and capacity increases to handle daily inbound/outbound unit trains
- Coos Bay line rehabilitation will include tunnel and bridge upgrades, rail/tie/ballast replacement, passing tracks and communication/control system
- Projected *private-sector rail investment*: $250 million to $330 million
What’s the future for the Coos Bay Rail Line …

- Within the past two years there has been growing interest in the movement of bulk commodities both inbound and outbound
  - Mineral ores, processed minerals, aggregates
  - Energy commodities
  - Grains and other agricultural commodities

- Projected *private-sector terminal investment*: $250 million to $2.5 billion
How is Oregon investing in transportation infrastructure?

- **Oregon Freight Advisory Committee**

- **ConnectOregon I – II – III – IV**
  - 2005 Legislature & Governor: $100 Million
  - 2007 Legislature: $100 Million
  - 2009 Legislature & Governor’s Jobs & Transportation Act: $100 Million + additional planning funds
  - 2011 Legislature: $40 Million

- **Oregon Freight Plan / Multimodal**
  - Steering Committee convened in 2008
  - Adopted by Oregon Transportation Commission June 2011

- **Oregon Rail Plan** (currently under development)
Thank you!

Questions? Comments.

www.PortofCoosBay.com