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PORT OF SIUSLAW

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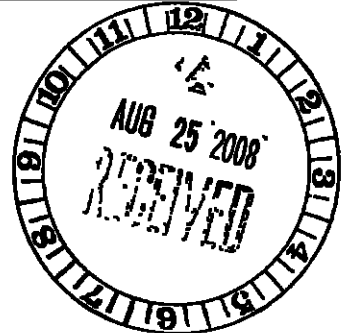
20 August 2008

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E St. SW
Washington, DC 20423-0001

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Office of Proceedings

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Re: Docket No. AB-515 (Sub-No. 2X), *Central Oregon & Pacific Railroad, Inc. - Abandonment and Discontinuance - in Coos, Douglas, and Lane Counties, OR (Coquille to Vaughn)*

Dear Ms. Quinlan,

This letter is in regard to CORP's application to abandon the rail line from Coquille to Eugene. The Port of Siuslaw is opposed to the STB's granting abandonment status for a number of reasons. These reasons include: significant economic damage to the coastal economy, loss of jobs in the short run and fewer economic possibilities in the long term, increased truck traffic in and around the Florence area, environmental impacts of rail line removal and lack of CORP accountability should any situation arise as a result of the abandonment process.

Again, the Port of Siuslaw never received the "Combined Environmental and Historic Report" of the Central Oregon & Pacific Railroad ("CORP") regarding CORP's planned abandonment of the rail line that passes through the Port of Siuslaw's district. CORP apparently did not see fit to include this Port in their correspondence and did not return phone calls. If these are indicators of their attitude and responsiveness, the Port suggests that the STB deny their abandonment application.

Additionally, the Port of Siuslaw supports the feeder line application made by the Oregon International Port of Coos Bay. This Port views job retention and job creation as key factors in the local, State and regional economies. The re-opening of the rail line under responsible and interested entities is in the public interest.

The Port of Siuslaw was established in 1909 and has a district of over 700 square miles that reaches as far inland as Lorane. Florence is a coastal city of about 9000 residents, a combined area population of around 20,000 and was originally built on the timber and fishing industries. Canary, Cushman, Mapleton, Swisshome (Richardson) and Deadwood all lie within the Port district and encompasses the area served by CORP up until their unilateral 21 September 2007 closure. Business runs in cycles and we expect new uses for this rail line to emerge.

Business also likes certainty and options. The abandonment of the CORP operated rail line creates uncertainty and would limit options for existing businesses and hamper recruitment efforts for new businesses. This is troubling for any economic situation and is magnified by the current economic slowdown.

From an environmental and economic standpoint, a single rail car can carry the freight of three trucks. This saves fuel, reduces costs for business and is more environmentally friendly. Abandonment of the rail line in the face of these circumstances might lead one to wonder how or why such an action was being contemplated in the first place.

While tourism and retirement related business draw large revenue streams to the area, industrial sites that can be served by rail are important future considerations. The Port of Siuslaw owns a 40 acre parcel within the City of Florence that is deemed "shovel ready" by the State of Oregon. Adjacent to this parcel, the City of Florence has a business park with similar parcels available for business customers. As fuel costs rise, proximity to rail service will become a key factor in attracting future business to the Oregon coast and to this comparatively disadvantaged part of Lane County. Upriver industrial sites formerly served by the CORP rail line can again be served by rail when circumstances change to allow for new uses.

CORP's report raises a number of issues that are worrisome to the Port of Siuslaw, and I would like to use this opportunity to share these concerns with the Section of Environmental Analysis of the Surface Transportation Board.

First, I am concerned about the increased truck traffic that will result from the abandonment of the rail line. The Report notes that a total of 37,656 truck trips per year (18,828 full and 18,828 empty) will be created by the abandonment, with many of these truck trips traveling through Florence on U.S. Route 101 to Newport or on State Highway 126 to Eugene and I-5.

U.S. 101 is mostly a two lane undivided highway. The magnitude of this truck traffic increase would negatively impact the quality of life in Florence because Route 101 is one of the main streets [or is "Main Street"] in Florence. We have already seen an increase in truck traffic since the rail line has been shut down. On page 9, the Report states that the increase only represents 5 trucks per hour, but such a calculation is based on a 24-hour work day, six days per week. When using a more conventional 9-hour work day and 5-day work week, the increase in truck traffic is over 16 trucks per hour. Additionally, the Report appears to disregard the traffic and other truck impacts by stating that the rail line is in a "rural area," but Route 101 travels directly through Florence. If CORP is allowed to abandon the rail line, I urge the Section of Environmental Analysis to look closely at the traffic, safety, noise, and air pollution impacts of this abandonment and impose conditions to mitigate this harm.

State Highway 126 is also a two lane undivided highway that connects Florence and Mapleton to Eugene. Eugene is the second largest metropolitan area in Oregon and is the site of a major rail switching yard. The degraded condition of this road would be exacerbated by the increased truck traffic. The negative effects are amplified by the fact the State of Oregon has few available funds to maintain this road even in this distressed condition.

Secondly, as described on page 13 of the Report, the planned deconstruction or “salvage” of the rail line and the rail bridge over the Siuslaw River raises a number of questions about the impact on the local environment. If CORP is permitted to abandon this rail line, the rail bridge over the Siuslaw River will have to be removed. However, the removal will have significant consequences that must be mitigated.

As I stated above, recreation and tourism has been growing as people take advantage of the nearby Oregon Dunes National Recreation Area, fishing on the Siuslaw River, and other outdoor activities. The Siuslaw is known as one of the best fishing rivers in the western United States, and passes through Florence (as well as Mapleton, Swisshome, Deadwood and Cushman) on its way from the Coast Range Mountains to the Pacific Ocean. Avid anglers come from across Oregon and out of state to try their hand at fly fishing in the Siuslaw and its tributaries. Boat or shore based fishing is a staple of our local economy. Local fishing guides, hotels, restaurants, and other businesses benefit from the popularity of fishing and outdoor activities in the greater Florence area.

Chinook Salmon, Coho Salmon and Steelhead Trout are just a few of the fish that can be found in the Siuslaw. Crucially, all three of these species are born in the river, and then spend their adulthood in the ocean before returning to spawn in the river. I am concerned that CORP has not properly addressed environmental concerns associated with the removal of the Siuslaw River rail bridge, as well as the removal of tracks in the vicinity of the river and its tributaries. Without proper environmental mitigation, this salvage activity will damage the water quality of the Siuslaw River by introducing sediment into the water and by increasing the possibility of future erosion from the riverbanks and streambanks in the area. Increased sedimentation will damage the water quality and may deter salmon and trout from reaching the ocean and/or returning to spawn.

I am also concerned CORP’s Report does not address the fact that the bridge removal process itself may result in contamination of the water from things such as bridge debris, paint, oils, or grease. As described on page 15 of the Report, I notice that CORP is planning no mitigation actions in connection with the planned abandonment. I urge the Section of Environmental Analysis to carefully consider the water quality impacts of CORP’s plan to de-construct and salvage the rail line and the Siuslaw River bridge and impose appropriate mitigation to ameliorate the harm it would otherwise cause.

The Cushman Bridge over the Siuslaw River incorporates a crossing of State Highway 126. In removal of this bridge during the proposed abandonment process, significant engineering and disruption may occur. During the demolition, rebuilding and/or reconfiguration phases, there may be negative impacts on the Port, the City of Florence, the State of Oregon and business far beyond surrounding communities such as Mapleton.

The Federal government considers the Siuslaw River navigable up to Mapleton. The bridge over the Siuslaw River at Cushman is usually kept in the closed position, but can be opened with 24 hours (or more) notice. This situation can hinder pleasure as well as commercial activities.

If CORP is granted their desired abandonment that includes their retention of the Vaughn to Danebo section, what is to prevent them from attempting to abandon this section of the line if there is "not enough" traffic on the line? Will we then revisit some form of this process? In the end, western Lane County as well as the Oregon Coast might be crippled by a lack of rail service in an era of rising fuel costs.

If CORP can be seen as unresponsive toward customer service issues and basic correspondence, how will they act (or be held to account) if the rail were to be abandoned and there arose subsequent economic or environmental consequences related to this proposed abandonment?

The following points are worth noting and summarizing in this process.

- 1 The entire abandonment application should be rejected as CORP proposes to retain a 20 mile section of rail from Vaughn to Danebo. If this part of the application were to be approved and the feeder line application approved, this would unfairly benefit CORP for subsequent improvements to the rest of the line and allow for potentially capricious control of a short line segment.
2. CORP neglected maintenance on this line for years, sought public support and now seeks to harm the public interest through this abandonment application. Abandonment would cause undue hardship for coastal businesses by increasing their costs and/or force some to relocate their operations. Future economic development in areas covered by this rail line would be crippled by a lack of rail service.
3. Abandonment of the rail line is the last thing to be considering when higher fuel prices are the norm, trucks put out more pollution and more strain on the road system, rail lines are more efficient than trucks in moving cargo.
4. The abandonment process, if approved, would have many environmental issues to resolve in removing rails and bridges.

In summary, the Port of Siuslaw urges the STB to deny CORP's abandonment application and to hold them accountable for their past, present and future actions that might be harmful to the public interest.

Once again, the Port of Siuslaw supports the Oregon International Port of Coos Bay's feeder line application to operate the entire line and to ensure responsible short and long term management of this rail line for all customers and for the present and future jobs that depend on this service.

Thank you for this opportunity to participate in the abandonment proceeding. Please do not hesitate to contact me if you have any questions.

Sincerely,


Mark Freeman
Port Manager

cc. Terence M. Hynes, attorney for CORP
Oregon International Port of Coos Bay