American Association of Port Authorities
2009 Public Relations Seminar

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

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Oregon’s Seaport...
Where is Coos Bay?
Port of Coos Bay, Oregon
Oregon International Port of Coos Bay

- Port District created in 1909/1912 under Oregon Statutes; District located in Coos County, southwest Oregon; small tax base
- Five member Board of Commissioners; appointed by Governor and confirmed by Oregon Senate; Board sets policy, hires CEO
- Executive Director; four management staff; 16 staff members; responsible for implementing Board policy and day-to-day management and operations
- Port District in a non-operating entity in the harbor’s maritime commerce industry
Oregon International Port of Coos Bay

- Port District owns industrial property in upper Coos Bay and on North Spit; currently acquiring additional industrial property on North Spit.
- Port District owns and operates the Charleston Marina, Charleston Marina RV Park and Charleston Shipyard.
- Port District owns Coos Bay Rail Bridge, North Spit Rail Spur and now the Coos Bay rail line.
- Port District operates Business Center at airport in Partnership with local Community College.
Port of Coos Bay Deep-draft Traffic

YEARLY VESSEL CALLS

TOTAL VESSEL CALLS

YEARS

YEARS


1986: 274
1987: 283
1988: 310
1989: 309
1990: 277
1991: 276
1992: 235
1993: 253
1994: 238
1995: 218
1996: 178
1997: 178
1998: 119
1999: 90
2000: 81
2001: 65
2002: 65
2003: 55
2004: 48
The Future of Maritime Commerce in the Coos Bay Harbor

Value Statements

Leveraging our resources with multiple and varied partners is the key to the long-term success of our community. To that end the Port will evaluate financial risk against return on investment, job creation and retention, quality of life and the distribution of resources.

CORE VALUE = LEVERAGE
Why did the Port of Coos Bay need or want to be in the railroad business?
The Oregon Gateway

LNG Receiving Terminal, Multi-Purpose General Cargo Terminal and Multimodal Container Terminal
Jordan Cove Schedule
LNG terminal

Construction 2010
Operational 2014
The Oregon Gateway at the Port of Coos Bay

Potential Value of Current Projects

• Jordan Cove LNG Terminal and Pacific Connector Natural Gas Pipeline
  $1.2 - $1.5 Billion USD

• Deep-draft Channel Dredging, Intermodal Container Terminal and Rail Infrastructure
  $800 Million - $1.1 Billion USD
Existing Industrial Operations and Marine Terminals

- Roseburg Forest Products (plywood)
- Georgia-Pacific – Coos Bay Sawmill
- Southport Forest Products
- American Bridge Manufacturing
- Roseburg North Spit Woodchip Export
- Ocean Terminals
- Coos Bay Docks
- Various commodity distribution facilities and rail transload/reload operations
Is Rail Capacity Sufficient to Meet Future Demand?

• Mergers have resulted in streamlined network
• Shortline Railroads are performing more business development and consolidation roles, yet fear being squeezed out as train density increases on core routes
• Freight and passenger conflicts are increasing
• Communities want rail access to spur economic development
• Environmental concerns and quality of life issues are potential dampening efforts to rail expansion
The Coos Bay Rail Line

- Oregon Central Railroad Company (1886/1889)
- Coos Bay, Roseburg and Eastern Railroad (1890)
- Southern Pacific (SP) Railroad (1906)
  - first operated as Willamette Pacific Railroad
  - then as the Coos Bay Branch Line of Southern Pacific
- RailTex Inc. (late 1994)
  - Central Oregon & Pacific (CORP) Railroad
- RailAmerica Inc. (2004)
- RA acquired by Fortress Investment Group in 2007
- Rail line acquired by Port in March 2009
What did we acquire?

- 120+ miles of deferred maintenance, plus three swing bridges, nine tunnels and more than 150 watercrossings
How did we test our business case and determine target audiences?

• Round table discussions with current and potential freight rail shippers
• Open forum meetings with local business leaders and elected officials
• Town hall meetings to discuss rail needs and future maritime commerce opportunities; briefings at all commission meetings
Oregon International
Port of Coos Bay

The Coos Bay rail line; soon to be the…
Oregon Rail Plan Builds on the State’s Transportation Plan

The State of Oregon will work with carriers, shippers and other groups to maintain and improve access to the national rail freight system, maintain a competitive environment for rail customers, strengthen the retention of local rail service, and assure a level playing field for all modes.

The State of Oregon will work with other state agencies, regional and local jurisdictions and the general public to integrate rail freight and passenger elements into land use and transportation planning processes. This will include working with private companies and public sector agencies to operate the rail system in a safe manner for the user of the system and the public in general.
Thank you.

Questions?