

**Rail Advisory Committee  
February 8, 2008  
Meeting Minutes**

Meeting location:

ODOT Region 1 Building, 123 NW Flanders Street, Portland

Members in attendance:

Bruce Carswell, Portland & Western Railroad	Terry Finn, BNSF Railway
Delmer Hansen, United Transportation Union	Jonathan Hutchison, Amtrak
Bob Krebs, retired	Paul Langner, Teevin Bros.
Craig Levie, Tangent Services	Chuck McLaran, Chair
Annette Price, Port of Portland	Dave Root, Willamette Valley Railway
Jerry Wilmoth, Union Pacific Railroad	

Members absent:

Ray Barbee, Roseburg Forest Products	Bob Lowry, retired
Mike Hayward, Wallowa County Commissioner	

ODOT Rail Division staff in attendance:

Kelly Taylor	Cary Goodman
Betsy Imholt	Bob Melbo

Chair McLaran called the meeting to order at 9:07 a.m. Rail Advisory Committee (RAC) members made self-introductions. For RAC members who missed yesterday's meeting, Kelly outlined the content of the members' CO II binders, the applicants' presentation/Q&A process, and the requirement for members to declare any conflict of interest they have for particular projects at the beginning of each meeting at which the RAC will be discussing the projects to determine ranking or prioritization. A member with a conflict of interest can fully participate in any discussion on the project in question, but the member must abstain from voting on the project.

**Applicant Presentations/Questions & Answers**

Willamette Valley Railway (WVRR), R20057, Upgrade Railroad – Phase 2 - Dave Root presenting. Project is a continuation of CO I – which has been delayed due to getting the lease amendment signed by Union Pacific (UP) – and has only put in ties from MP 0.0 to about MP 15. Price for and availability of rail has worsened; carloads have decreased. WVRR still has about 0.5 miles of 62 lb rail. This project would make the entire line 286K compliant. A Weyerhaeuser plant is at the end of this branch. About 15 miles of 90 lb rail would still be in place, mostly in curves.

- Carload counts? Carloads have dropped from 2,100 carloads (2 yrs ago) to 1,400.
- What is Weyerhaeuser's longevity for that plant? It's their only commercial I-beam plant (up to 85' long), so it should continue.
- Why the difficulty in getting lease amendment signed by UP? Don't really know; John Gray had said UP would have no problem signing it, but it took a very long time to get it. Current RAC member representing the UP (Jerry Wilmoth) said that UP is sensitive to what commitments its predecessor (SP) or UP employees have made.

Vigor Industrial, R10039, Construct 600' of rail siding to the Swan Island Lead Track - Alan Sprott presenting. Aerial photo handouts were provided. Vigor Industrial is the holding company that owns several companies, including Cascade General, Specialty Finishes, and half

owner of U.S. Barge. If the lease agreement that Vigor is pursuing falls through, Vigor will withdraw its grant application.

- Is the current level of traffic adequate to receive service from UP? Any assurance from UP that they'll continue service for Vigor? Yes.
- Vigor switches for the other industries, but how does it base its switching charge? Just to cover Vigor's costs.
- Does the heavy line on the aerial handout indicate current track and does the dashed line indicate what Vigor wants to build? Yes.
- Carloads? Currently, there are 100-150 carloads/year. If US Steel had better rail service, they could bring in an additional 300 carloads.
- Isn't congestion in UP's Albina yard going to be problematic? Vigor said they had had some discussions with UP. Vigor is hoping that Portland & Western Railroad will get access to Albina and provide service so that these Swan Island shippers would have access to BNSF's rail network.
- One member noted that improvements have been made to the Swan Island Lead.
- What is the commercial access – a reciprocal switch? Originally yes, but that changed.

Union Pacific Railroad (UP), R10072, St. Johns Lead Improvements - Jerry Wilmoth presenting. UP thinks that this project will succeed in reducing congestion in the Portland corridor.

- Will this project improve UP's ability to switch the Toyota facility? Yes, the project will allow UP's trains to do more there and less in Barnes Yard.
- A RAC member noted that this project will improve circular flow, and add flexibility & capacity to Terminal 4 and Barnes Yard.
- Was this project identified in the 2003 I-5 Rail Capacity study? It is an evolution, an improvement, to one of that study's projects.
- A RAC member observed that this project definitely improves fluidity.
- Will this project reduce crossing blockages south of Toyota? Not sure.
- Which of these two project portions is higher priority? The portion nearer T-4.

Union Pacific Railroad, R40069, Install CTC in Klamath Falls- Jerry Wilmoth presenting. Gave general overview of the project.

- Any calculated improvements to Coast Starlight delays? No calculations, but it should help.
- Tunnels in the Cascades were lowered in a previous project; why wasn't this CTC work done at that time? Budgetary reason - finite amount of money.
- Will this project improve rates and service for southern Oregon shippers to market? Don't know about rates, but it should improve velocity.
- RAC member observed that \$7M seemed like a lot of money; the member was not sure this project would result in much benefit to shippers. Staff provided a point of information: Klamath Falls, Eugene, Albany, & Salem are the four remaining blocks of non-CTC between Sacramento and Portland.
- Will this project include Amtrak's station in Klamath Falls? Yes.

Union Pacific Railroad, R50070, Construct Hinkle Yard Connections- Jerry Wilmoth presenting. Project includes the installation of a 3,000' section of tail track and some cross-overs that will improve efficiencies, allow for more switching and classification to be conducted outside of the congested Portland area.

- Is this the same project as CO I? Not really, UP thinks this is an improved project.

- A member noted that he is familiar with this project, and that he thinks it will add a lot of flexibility for service to the various Ports in that vicinity, and that it also adds capacity for the Gorge route.
- Staff noted that UP has not yet provided the requested drawing that shows the project within the overall Hinkle Yard. Presenter agreed that reviewers need to see the larger picture and indicated that UP will provide the drawing shortly. Members also asked UP to provide drawings on the other UP CO II projects – a diagram map of Klamath Falls and a vicinity map of St. Johns project.
- Any plans to improve the departure yard? UP's original plan was to ask for that too, but the price was too high.
- One member expressed concerned about an OECD "economic benefit" reviewer comment about UP's lack of responsiveness on other issues and projects. Jerry noted that UP respects that opinion and this program; UP needs to address that issue.

Union Pacific Railroad, R20071, Install Eugene Yard Crossover - Jerry Wilmoth presenting.

- What does dark line on the drawing signify? Not sure; presenter will have to find out.
- Staff noted that Line 311 was the Tank Farm Runaround, and that one never could get to the main line from it. Staff also noted the project will help both north and south bound trains.
- Isn't there a less expensive fix? Uncertain - UP would have to look at that.
- Is this a step towards allowing passenger train layover there in Eugene? Jerry stated he would have to look at the CO I application and see if this CO II application addresses that issue.
- How would UP prioritize its four projects? From an operations perspective, Jerry stated he thought UP would rank them: St. Johns, Hinkle, K Falls, then Eugene, but he will need to confirm that.

Portland & Western Railroad (PNWR), R10026, Columbia River Rail Corridor Improvement - Bruce Carswell and David Anzur presenting. The plan has been discussed for years – upgrade the Astoria Line from Linnton to Port Westward (about 37 miles) for 286K cars. Currently, much of it is 90 lb jointed rail, ties are in fair shape, and trains operate at 10 mph. PNWR wants to upgrade the line to Class 2, 25 mph. Their policy is to maintain their rail system trackage at Class 3 but operate it at Class 2. Late last year PNWR upgraded 10 miles of this track (critical areas near the Columbia and in curves) to 286K. This project would leave just 4 miles of undersized rail. Project also calls for installing a powered switch at the junction of the Cornelius Pass line with Astoria line. They'd have gone for CO I funding to address these needs sooner, but the ethanol plant wasn't a sure thing. It was announced just a few months after the application deadline. Unit trains are supposed to start in April for the ethanol plant. PNWR estimates a total of \$25M in improvements will be needed on this line to maximize efficiency.

- How much 10 mph rail will get replaced? 23 miles.
- Terry Finn stated that BNSF supports this project; he also noted that the Port of St. Helens views this PNRW project as more important than the CO II project they have submitted.
- Doesn't Columbia County need jobs and economic development? Yes. When Trojan closed, it greatly impacted Clatskanie & Rainier. A lot of economic development is possible on this line.
- Carloads? The Astoria line handled 10,000 carloads last year.

Portland & Western Railroad (PNWR), R20025, Albany Rail Corridor Improvement - Bruce Carswell and David Anzur presenting. Hand-outs provided. Union Pacific's (UP) Albany Yard is

very constrained, very inefficient; Queen Ave is across the throat of the Yard. This project would allow PNWR to move its switching activities to the BNSF's Millersburg (OE) Yard.

- The Chair noted that this project would greatly reduce the incidence of crossing blockages, and improve safety – emergency services fluidity.
- What are the plans for the Albany Yard? One PNWR train/day would still have to be built & depart out of the Albany Yard. However, most of the Queen Ave. blockages result from switching activity, not through train movements.
- What is your access to the BNSF track? Verbal commitment from BNSF that it will waive its franchise fee if all PNWR does is switching at the OE Yard.
- RAC member Terry Finn noted that his company, BNSF, supports this project.
- Who controls the Albany Yard? PNWR.

City of Lebanon, R20062, Santiam Spur Upgrade/Bridge Replacement - James Ruef presenting. Originally the City bought the spur (a bridge and the track running down Olive Street) for \$1. Recently, the bridge, a wooden trestle that spans a water canal, was severely damaged by arson. The Albany and Eastern Railroad Company (AERC) has made some temporary repairs to the trestle. Poor storm drainage along the track in Olive Street is an issue that must be addressed. Rail activity has increased, but income is not enough to maintain infrastructure. Proposed match would include AERC/Rick Franklin labor.

- How long has the water canal been there? Since 1864.
- Did City of Lebanon ever own the property now owned by AERC? No, the City was offered the mill site, but they declined.
- Staff noted that \$1.2M of the project elements are road improvements eligible for highway funding, therefore that portion of the project is not eligible for CO II funding. Given that, the City must decide if wants to pursue funding for the project as proposed with the understanding that the City would need to pay for the road improvements, or if the project would be scaled down to address only the bridge which is eligible for CO II funds. Mr. Ruef stated they would look at this and send information to the CO II staff. (Supplemental information submitted as requested and on ftp file.)

City of Prineville (COP) Railroad, R40005, Prineville Freight Depot - Dan Lovelady & Dale Keller presenting. Looking for Phase 2 funding for their project to complete the original project proposed in CO I. During CO I process, the review committees recommended they "phase" their project and Phase 1 was funded.

- How many carloads? Only 84 in 2004; 1,400 carloads are projected for 2007-08.
- Describe the system. COP consists of 19 miles between Redmond & Prineville; 110 lb rail and good ties; can handle 286K loads; operates 5 days a week.
- An estimate for carload increase if this is built? 800-1,000 carloads/year are estimated within 3-4 years after it's built.
- Any issues with COP's connection with BNSF? Yes, but it has gotten better in the last year or so.
- How does COP interchange with the Class 1s? Exchanges with both BNSF and UP (via BNSF to Klamath Falls).
- City bought the property, but City is not an applicant? City owns the COP.
- Is this project phase-able? Yes, the City has prioritized the remaining work – bulk facility; building with track through it; renovation of existing buildings.
- One member noted that this is a good concept that could/should be implemented elsewhere.
- RAC member Terry Finn noted that his company, BNSF, supports this project, and notes that COP understands Class 1's need for large group of cars for exchanges.

As requested by the committee, Bob Melbo presented information on the three projects under the committee's consideration for which the applicants were unable to attend the RAC meetings to make the presentations:

City of Baker City, R50015, Elkhorn View Industrial Park Rail Spur II - Bob Melbo presenting at requested of committee. Phase 1 (CO I project) has yet to break ground. If CO II funding is provided, the plan is to build both phases at the same time and benefit from some economy of scale.

- One member noted that the applicant originally wanted to come off the UP's main line. Now they plan to come off a house track.
- A concern was raised about whether phase II needed to just to "do the Phase I project right." Mr. Melbo stated he thought the Phase I budget was adequate to do the CO I scope of work. Ms. Taylor asked Mr. Melbo to check the CO I application & agreement to see if there appears to be scope or cost creep between the Phase 1 and Phase 2 projects, and report his findings at the next meeting.
- Are customers committed to using this extended spur? Mr. Melbo said he knew nothing further than what is in the application.
- A member observed that it appears that the slough will prevent much of the industrial park from getting rail service.
- Has UP expressed its commitment to this project in a letter? Jerry Wilmoth will research to see if UP is OK with the proposed extension.

Klamath County, R40037, Chemult Train Station Welcome Center (Phase 2) - Bob Melbo presenting at request of committee. This project is Phase 2 of the Welcome Center and will build parking facilities for the new passenger Welcome Center being constructed with federal grant and CO I grants funds.

- What is the annual passenger count? About 8,000/year. For the state supported shuttle buses, there were 309 shuttle bus customers in January 2008. This is an increase from last year, and Jan 2008 was cut short due to the slide near Oakridge that placed the line out-of-service.

Klamath Northern Railway, R40032, KNOR 286 Upgrade- Bob Melbo presenting at request of committee. Gave a general overview of the project.

- It was noted that perhaps Klamath Northern should have asked for more money and proposed a more significant upgrade. Mr. Melbo speculated that they may have opted not to because of difficulty in meeting any greater amount of match.
- One member observed that some of their yard track is 60 lb rail.

Upon conclusion of the presentations, the Chair noted that there were no members of the public waiting to provide public comments to the RAC.

Chair McLaran commended the committee for their active participation. He reviewed the next meeting date, starting time and location: February 14, 2008, 9am, at the Port of Portland Building.

The meeting adjourned at 2:08 p.m.