Talking Points Regarding Intermodal Container Port in Coos Bay

Part 1: Issues with the Proposed Project Proposal

Infeasible because of economics

Dramatic changes in the shipping industry in the past year, and in the foreseeable future, have completely changed the economics and need for a container port in Coos Bay.

1) Two years ago, there were huge backlogs and delays at US ports but the congestion has cleared.
   a) Container imports at the 10 largest US ports declined about 18% year over year in January.
   b) Expansion of infrastructure at more than 10 ports including Savannah, GA; Charleston, SC; Long Beach, CA; Oakland, CA; Northwest Seaport Alliance, WA; New York and New Jersey; and Los Angeles, CA.
2) Competition among ports has intensified.
   a) East and Gulf ports have generally outperformed West Coast ports in terms of growth rates due to: expansion of the Panama Canal, population dynamics, and labor unrest.
   b) Existing west coast ports have large unused capacity.
   c) The intense competition has dropped spot prices to unprecedented lows. Rates for containers have fallen 80% from mid-2021 pandemic peak when supply chains were snarled.
3) The trend is now towards building ultra-large container vessels. These behemoths range from 13,000 to 24,000 TEUs. The table below summarizes the expected arrival of these larger ships that result from the ordering frenzy of 2020 & 2021. Note that the proposed 45 ft channel depth for Coos Bay limits the size of ships that could call to a maximum capacity of about 6,000 TEU's. Those smaller, older ships are aging out of the fleet.

Year	7,000 or more TEUs	13,000 to 15,000 TEUs	About 24,000 TEUs	Total New Ships
2023	9	49	31	89
2024	32	85	13	130
2025	24	64	8	96
TOTAL	65	198	52	315

Infeasible because of Coos Bay's geographic isolation from major markets

Coos Bay is far from large population centers able to absorb significant volumes of imported container goods or produce significant containerized products for export.

1) Shipping firms shop for ports providing quality service to large nearby and distant markets, and the most economical costs to transport container goods.
   a) Port of New York and New Jersey serve 46 million within 4 hrs. by truck.

b) Ports of LA and Long Beach serve 16-17 million in LA Basin by truck and many more at distant centers by train.
c) Even the smaller ports of Seattle and Tacoma (Northwest Seaport Alliance) serve more than 8 million local and regional customers by truck and train.

2) Due to limited highway access (two-lane road) and distance from major highway connections, the port has no viable options to provide access for truck transport should the single rail connection fail.

Infeasible because of physical limitations of the Coos Estuary

1) Widening and deepening the navigational channel to 45 ft depth will require extensive blasting to remove bedrock.
   a) While there is no current information on the quantity of rock needed to be removed to accomplish this deepening, the 1994 USACE EIS for a 35 ft to 40 ft channel deepening estimated that 750,000 cubic yds of rock would need to be removed.
   b) It still would not be deep enough for the upcoming fleet of ships.
   c) The Port's recent mega-grant application requested $258,227,000 for this action.

2) Additionally, channel widening will result in a reduction in the extent of eel grass beds, an essential fish habitat, and would adversely affect the hydrology, coastal erosion due to increased wave activity, and species diversity of the estuary.

Infeasible because of the physical limitations of the site and the rail line

1) It appears that the available land on the North Spit would be about 300 acres with nearly one mile of shoreline. This is significantly smaller than the terminal acreage at US terminals with similarly sized desired container throughput of more than 2 million TEU's annually (see examples below). The project size has to provide for on-site ship unloading and loading, container storage, on-dock rail transfer activities, a rail yard area on-site to unload or make up the numerous trains transiting to and from the terminal daily, etc.

Terminal Port	Acreage
Tacoma, WA	594
Seattle, WA	780
Oakland, CA	533
Houston, TX	550
Charleston, NC	732
Coos Bay, OR proposed	300

2) The land base on the windy tsunami-prone North Spit has insufficient area to expand on-dock rail service.
   a) This land is surrounded by the terminus of the largest sand dune formation in North America.
   b) The US Forest Service and DOI's BLM have significant holdings adjoining the properties and the conservation importance and recreational usage of the dunes is high.

Other issues with the rail line:

1) Coos Bay is over 120 rail miles from the Union Pacific Class 1 rail service in Eugene. It is a curving slow trip through rivers, lakes, forests, and mountains in the Coastal Range.
2) Every one of the top 10 U.S. container ports has two or more Class 1 rail services available on-dock or within 20 miles by rail.
3) Given our sandy terrain and coastal rainy storms, there are ongoing risks of tunnel collapse, weather related fallen trees, and landslides which would result in suspended rail service until cleared.
4) With all the river and lake crossings, the rail line has 121 bridges (mostly wooden), and the steel bridges often need structural repairs due to corrosion.
5) There are more than 240 crossings; 14 signalized through curving terrain which further slow the trains.
6) We estimate that servicing the TEU's would require running 6 trains, each with 200 cars, double-stacked with containers to Eugene daily, with 6 trains, each with 200 cars, returning to Coos Bay the same day. The existing tunnels don't currently allow for double stacking.
7) This plan needs to be well coordinated and accepted by the city of Eugene as they would need to expand their rail footprint to make the connection to the class 1 rail line feasible.

Part 2: Alternatives that would create jobs and support the strengths of this area.

Here on the Oregon coast, we have the largest hospital, the best two-year college, beautiful beaches, dunes, and gardens, fishing and timber industries, a diverse wealth of recreational and leisure activities, museums, tourism, an airport with limited passenger service, and they all provide opportunities for Federal investment. Our alternative ideas suggest opportunities for diverse job creation that support and enhance the natural resource base and economy of Coos Bay, increase climate resiliency, and capitalize on the unique attributes of our location on the Oregon coast. Many of these ideas could be facilitated by the Port but there are other federal, state and tribal entities in the area that could engage in job creation, restoration and synergistic efforts to secure a resilient future. These include:

- South Slough National Estuarine Research Reserve (SSNERR)
- University of Oregon's Institute of Marine Biology (OIMB)
- Southwest Oregon Community College (SWOCC)
- Coos Watershed Association (CWA)
- Oregon Sea Grant (OSG)
- US Forest Service (USFS)
- Bureau of Land Management (BLM), and US Fish and Wildlife Service (USFWS)
- Two Federally Recognized Tribes: Confederated Coos, Lower Umpqua and Siuslaw (CTCLUSI) and Coquille

Measures to combat climate change and make our area more resilient.

Coos Bay city downtown, built on a marsh, is extremely vulnerable to inundation by flooding, sea level rise, and even small tsunamis. The rail line and the northbound lane of HWY 101 are also vulnerable to inundation and may need to be raised. Coos Bay is also a prime site to implement natural climate solutions. The Coos Bay estuary is the largest estuary within

Oregon. Although wetlands cover only 1% of the Earth's surface, they store 20% of the global organic carbon and have carbon sequestration rates that greatly exceed those of oceanic and forest ecosystems. Restoration of salt marshes, seagrass meadows, native oysters and swamp forests in Coos Bay would reduce the need to dredge, reduce the risks of flooding/sea level rise, increase carbon sequestration, provide an increase in the food producing qualities of the system, aid in the restoration of the Indigenous cultural heritage, and provide recreational activities. We recommend investment in collaborations and studies by local organizations and agencies such as SSNERR, OIMB, CWA, SWOCC, Tribes, BLM, and USFS to determine and implement useful restoration techniques.

The Port authority needs funding to better support our four existing large vessel berths and the shipyard in Charleston.

Some ideas include:

- Provide shore power for visiting vessels to our four large berths. This would eliminate the need for vessels to idle and emit soot and smoke while in port.
- Assist fishing vessels and the seafood processers to decarbonize their activities.
- Make the Charleston Marine Complex a thriving enterprise with updated infrastructure. modern, safe docks, gantries, cranes, slips and more. If it was more useable, we could have a busy port for ship repairs, fishing, and tourism. A recent February Port special workshop provided details on funding needs for Charleston (see YouTube link in supporting documents on page 6).

Other related needs

1) Assist the fishing industry's efforts to increase domestic seafood usage and product development, capitalizing on Coos County Airport District's plans for the cargo and seafood transfer facility (thank-you Senator Merkley for your support of this).
2) Replace our aging diesel powered locomotives with locomotives that run on low or zero emission fuel.

Supporting Documents Regarding Intermodal Container Port in Coos Bay

Part 1: Issues with the Proposed Project Proposal

Infeasible because of economics

1) Container import declines, reduction of Asia – Pacific coast routes and impact on west coast ports.

- https://gcaptain.com/u-s-container-imports-see-biggest-drop-in-over-a-decade/
- https://gcaptain.com/west-coast-ports-bear-the-brunt-as-inbound-containers-drop-off/?subscriber=true&goal=0_f50174ef03-be8c9123cd-170419605&mc_cid=be8c9123cd&mc_eid=7f34d32a97
- https://gcaptain.com/container-dwell-times-at-los-angeles-and-long-beach-ports-return-to-normal/
- https://www.maritime-executive.com/article/port-of-savannah-set-new-container-freight-record-in-2022

2). Increase in competition, reduction in price for container shipments.

- https://gcaptain.com/wave-of-megaships-about-to-hit-the-water-as-container-shipping-demand-falters/?subscriber=true&goal=0_f50174ef03-0fb7b1fa3e-170419605&mc_cid=0fb7b1fa3e&mc_eid=7f34d32a97
- https://gcaptain.com/bad-news-for-ocean-carriers-as-contract-rates-trending-towards-spot/?subscriber=true&goal=0_f50174ef03-097de09913-170419605&mc_cid=097de09913&mc_eid=7f34d32a97
- https://gcaptain.com/ultra-competitive-freight-market-emerges-for-chinas-export/?subscriber=true&goal=0_f50174ef03-58fdd0eb90-170419605&mc_cid=58fdd0eb90&mc_eid=7f34d32a97

3).Size of new cargo ships, smaller, older ships are aging out of the fleet.

- https://gcaptain.com/amid-container-market-turmoil-shipping-alliances-prepare-to-deploy-new-megaships/
- https://marinenotes.blogspot.com/2012/06/container-ship-sizes.html
- https://www.aapa-ports.org/files/PDFs/CONTAINER%20SHIP%20SAMPLING.pdf

Infeasible because of the physical limitations of the Coos Estuary

1).1994 USACE EIS details of rock blasting for Coos Bay's navigation channel deepening

- https://usace.contentdm.oclc.org/digital/collection/p16021coll7/id/13096/rec/16

Part 2: Alternatives that would create jobs and support the strengths of this area.

February 2023 Coos Bay Port meeting on funding needs for Charleston's marina.
The most relevant discussion and information is provided starting at 50 min.
https://www.youtube.com/watch?v=XIIMxqKRCdM

Wetland restoration impacts

- Reduction in the need to dredge
  https://nerrssciencecollaborative.org/project/Sutherland16

- High carbon sequestration rates and the need for restoration of wetlands
  R. J. M. Temmink et al. "Recovering wetland biogeomorphic feedbacks to restore the world's biotic carbon hotspots." Science 376, eabn1479 (2022). DOI: 10.1126/science.abn1479
  https://pubmed.ncbi.nlm.nih.gov/35511964/

Potential facilitators of economic development in Coos Bay

- South Slough National Estuarine Research Reserve (SSNERR)
  - https://coast.noaa.gov/nerrs/reserves/south-slough.html
- University of Oregon's Institute of Marine Biology (OIMB)
  - https://oimb.uoregon.edu/
- Southwest Oregon Community College (SWOCC)
  - https://www.socc.edu/
- Coos Watershed Association (CWA)
  - https://cooswatershed.org/
- Oregon Sea Grant (OSG)
  - https://seagrant.oregonstate.edu/
- US Forest Service (USFS)
  - https://www.fs.usda.gov/siuslaw
- Bureau of Land Management (BLM)
  - https://www.blm.gov/office/coos-bay-district-office
- US Fish and Wildlife Service (USFWS)
  - https://www.fws.gov/about/region/pacific
- Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
  - https://ctclusi.org/
- Coquille Indian Tribe
  - https://www.coquilletribe.org/
- Port of Coos Bay
  - https://www.portofcoosbay.com/