

**SURFACE TRANSPORTATION BOARD ORDERS SALE OF 111-MILE CENTRAL
OREGON & PACIFIC RAIL LINE TO PORT OF COOS BAY, GRANTS RAIL-LINE
ABANDONMENT WITH CONDITIONS**

The Surface Transportation Board announced today that it has ordered the Central Oregon & Pacific Railroad Inc. (CORP) to sell a 111-mile railroad line running from Danebo, OR to Cordes, OR ("the Line") to The Oregon International Port of Coos Bay (the Port). In a separate decision, the Board granted CORP authority to abandon a 94-mile segment of the Line in the event that a sale of the Line is not completed.

In reaching its decision in *Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Central Oregon & Pacific Railroad, Inc.*, STB Finance Docket No. 35160, the Board found that the Line meets the five "public convenience and necessity" criteria for a forced sale under the "feeder line" provision of the agency's statute enabling shippers and communities to acquire rail lines where inadequate service is alleged. The Board also found that the Port is financially responsible as a governmental entity and thus eligible to purchase the Line.

The Board ordered CORP to sell the Line to the Port at a price to be determined by the agency after it reviews further filings from the Port and CORP regarding the value of the Line's steel. Those filings are due by November 7, 2008, and the Board expects to issue a decision promptly thereafter. When a selling price is stipulated by the agency, the Port must decide whether to accept the terms of sale established by the Board's decision. Additionally, the Port, or its chosen operator, will be required to offer employment on a priority basis to qualified CORP employees who previously worked on the Line.

The western 94 miles of the Line are the subject of a CORP application for authority to abandon and discontinue service over that portion of the Line. The Board granted this authority in a separate decision issued today in *Central Oregon & Pacific Railroad, Inc.—Abandonment and Discontinuance of Service—in Coos, Douglas, and Lane Counties, OR*, STB Docket No. AB-515 (Sub-No. 2). The Board approved the application based on a finding that CORP's financial loss operating the western segment warranted approval, but ordered that CORP must not abandon the western segment unless and until the feeder line proceeding in STB Finance Docket No. 35160 ends without a sale. The Board also conditioned its grant of authority by directing CORP to comply with employee-protective and various environmental conditions and to ensure that the abandonment will not create stranded segments of rail line. CORP may, however, discontinue service over the segment, effective November 30, 2008.

The Board issued its decisions in [STB Finance Docket No. 35160](#) and in [STB Docket No. AB-515 \(Sub-No. 2\)](#) today, October 31, 2008. Those decisions are available for viewing and downloading via the Board's Web site at <http://www.stb.dot.gov>, under "E-Library," then under "Decisions & Notices," beneath the date "10/31/08."

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