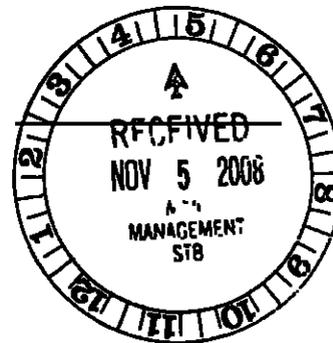


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November 5, 2008

223911

Via hand-delivery

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D C 20423-0001

ENTERED
Office of Proceedings

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Public Record

RE: STB Finance Docket No. 35160, Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Central Oregon & Pacific Railroad, Inc.

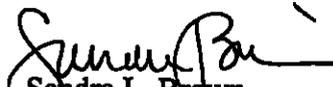
Dear Secretary Quinlan

Enclosed for filing in the above-captioned docket please find an original and 16 copies of the Public Version of the Third Valuation Update of the Oregon International Port of Coos Bay ("Port"). An additional paper copy is included for date-stamping and return to the undersigned. As the Public Version contains a small redaction of Confidential information on one page of the attached Verified Statement, the Port is also filing an original and 16 copies of a Confidential Version of the filing separately under seal. The Confidential Version will be served on counsel for Central Oregon & Pacific Railroad and any party that has signed the Confidential Undertaking. We are also providing the filing and related workpapers to the Board on two sets of three compact disks, one Public set and one Confidential set.

We have also included an original and 16 copies of the Port's Petition for Clarification for filing in this docket. An additional paper copy is included for date-stamping and return.

Please feel free to contact me if you have any questions.

Very truly yours,


Sandra L. Brown

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

223911

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
—FEEDER LINE APPLICATION—
COOS BAY LINE
OF THE CENTRAL OREGON & PACIFIC RAILROAD, INC.**

**THIRD VALUATION UPDATE OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

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November 5, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
—FEEDER LINE APPLICATION—
COOS BAY LINE
OF THE CENTRAL OREGON & PACIFIC RAILROAD, INC.**

**THIRD VALUATION UPDATE OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

I. INTRODUCTION

The Oregon International Port of Coos Bay ("Port") respectfully submits this Third Valuation Update regarding the Coos Bay rail line ("Line") of the Central Oregon & Pacific Railroad, Inc ("CORP") in response to the request of the Surface Transportation Board ("Board" or "STB") in its decision ("Decision") served October 31, 2008 in this docket. The Line is the subject of the Port's feeder line application which was approved by the Board ("Board" or "STB") in the Decision, in which the Board also requested that the Port provide an update of the valuation of the track assets of the Line as of October 31, 2008.

II. THIRD UPDATE

In the Decision, the Board adopted the track asset quantities asserted by the Port in its Reply evidence filed September 12, 2008. Decision at 12. In order to determine the net liquidated value ("NLV") of the Line, these quantities must be multiplied by the appropriate unit

valuations, with the removal and restoration costs subtracted. The Board also determined in its Decision that the track assets of the Line should be valued as of October 31, 2008. Decision at 10. Hence, the Board asked the Port to provide an updated track asset valuation as of October 31, 2008. The Port agrees with the Board's Decision to value the track assets as of October 31 and the Port is providing such an update herein.

The Board's Decision states in various places that the Board will determine the NSV of the Line as of October 31, 2008 and in other places in the Decision states that the Port should update the steel prices with American Metals Market ("AMM") prices as of October 31, 2008. As the Board is aware, the AMM index covers scrap components but does not cover relay rail which is also part of the track valuation. The market price of relay rail is not published but is obtained from relay suppliers, and both CORP and the Port provided relay prices at various times during this proceeding. The Port did not provide current relay prices with every update because the Port has had difficulty getting some relay suppliers to quote prices for the Port because of the contentious nature of these proceedings and presumably because of the large volume of business that CORP's owners do with these companies.¹ Nonetheless, the Port's expert was able to obtain a relay price from Menard's as of October 31, 2008, hence, all track assets can be valued as of the same date.

As shown in the attached Third Update Verified Statement of Gene A. Davis (Third U V S Davis), the NLV of the track assets is \$8,739, relying upon steel prices for relay items, reroller, scrap rail, and other track materials ("OTM") as of October 31, 2008. Mr. Davis based

¹ The Port has faced similar resistance within the rail industry to even the publishing of the Port's RFP for a rail operator. In addition, the Port has been told that some potential operators were concerned about their ongoing business if they responded to the RFP and the Port was even "threatened" that the industry could kill the technical correction needed for the \$8 million re-direction of the SAFETEA-LU funds.

unit prices for reroller, scrap rail, and OTM on the AMM index, and based relay unit prices on market unit prices from a relay supplier. The NLV of the track assets without the October 31st relay updated price is \$805,377. Both NLV figures for the track assets include the removal costs for the Siuslaw River and Umpqua River Bridges (\$7,758,400) and the tunnel closure costs (\$90,000). Without the removal costs for these two bridges and without the tunnel closure costs, the NLV for the track assets would be \$7,857,139 with the updated relay price and \$8,653,777 without the updated relay prices.

The Port is extremely disappointed that the Board has stated that it intends to not include the bridge removal and tunnel closure costs that would necessarily be incurred if the Line were liquidated. These costs were amply supported and quantified by the Port throughout this case and the related abandonment case. CORP provided its own evidence of these costs that would be incurred for liquidating this Line. The Port disagrees with the Board's justification for omitting these costs based upon 49 CFR § 1152.34(c)(1)(iii)(A)(2), a regulation applicable to a different statutory scheme.² On this issue, the Decision is contrary to both the feeder line statute and years of Board feeder line and other precedent. *See, e.g., Keokuk Junction Railway Company – Feeder Line Acquisition – Line of Toledo Peoria and Western Railway Corporation between La Harpe and Hollis, IL*, Docket 34335, slip op. at 16 (served Oct. 28, 2004), *Caddo Antoine and Little Missouri Railroad Company – Feeder Line Acquisition – Arkansas Midland Railroad Company Line Between Gurdon and Birds Mill, AR*, Docket 32479, 1995 ICC Lexis 78 at *26 and *33.

² This unsupported reasoning also results in an unlawful windfall to a railroad which the Board unfortunately only described as an “[in]appropriate model of corporate citizenship and responsibility” notwithstanding the voluminous evidence and testimony from nearly every elected official, shipper, and other impacted party of record from the south coast of Oregon on CORP's conduct that should be found unlawful or there is no meaning behind the common carrier obligation.

(served April 18, 1995) The Port plans to seek reconsideration regarding any removal costs that are not included in the NLV

III. CONCLUSION

The Port appreciates this opportunity to provide an update requested by the Board in its Decision. The Board should value all track assets as of October 31, 2008 as described above and in the attached Third Update Verified Statement of Gene A. Davis

Respectfully submitted,



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*Counsel for the Oregon International
Port of Coos Bay*

November 5, 2008

CERTIFICATE OF SERVICE

This is to certify that on this 5th day of November 2008, I caused the foregoing Third Valuation Update in STB Finance Docket No 35160 to be served upon all parties of record in this proceeding Parties who have signed the Confidential Undertaking pursuant to the Protective Order received the Confidential Version, all other parties received the Public Version



David E Benz

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P E**

WITH ALL TRACK ASSET VALUES UPDATED

Update

Page 1 Third Update

Attachments¹

**B Net Liquidation Value of Track Assets
C Gross Liquidation Value of Track Assets
H Track Material Unit Prices
P October 31, 2008 American Metal Market Prices
Q Facsimile from Menard's showing October 31, 2008 unit prices**

¹ These Attachments are updated based on newly available information. Other Attachments from my Supplemental Reply Verified Statement (September 30, 2008) remain unchanged.

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB FINANCE DOCKET NO 35160

OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR

Third Update

The Oregon International Port of Coos Bay (Port) previously asked R.L Banks & Associates, Inc (RLBA) to evaluate and determine the Net Liquidated Value (NLV) of the track assets owned by the Central Oregon & Pacific Railroad (CORP) on the Coos Bay rail line between Danebo (MP 652 11) and Cordes (MP 763 13) (hereinafter, the "Line") My qualifications are found at Attachment N of my Reply Verified Statement, filed on September 12, 2008 with the Port's Reply in Docket 35160

The Port recently asked me to provide an updated NLV figure for the Line based on current values for relay materials, received from Menard's Railroad Materials as well as roller, scrap rail and other track materials (OTM), as published in the index of the American Metals Market (AMM) In calculating the current NLV of the Line, I used the most recent AMM index prices available – these prices represent the closing prices on October 31, 2008 I am naming this update the "Third Update" because I previously authored an Update Verified Statement (which the Port filed on October 17, 2008) and I understand the Port notified the Board of a subsequent change in metal prices in a Second Update filing on October 30, 2008 As in my previous Verified Statements, I have expressed AMM prices (which are given in gross tons in the price sheet at Attachment P) as net tons to remain consistent with relay material units of measure. Converting a price per gross ton to a price per net ton is accomplished by multiplying the gross ton price by 0.8929 because a gross ton is 2,240 pounds and a net ton is 2,000 pounds

Virtually all other inputs to my current NLV calculation remain the same as those from my Supplemental Reply Verified Statement (SRVS, filed September 30, 2008 with the Port's Supplemental Reply) and my Update Verified Statement (UVS, filed October 17, 2008)

Hence, things such as the quantity of the track assets, the classification of the track assets and the salvage costs for this current NLV can be found in my SRVS. The one additional change that resulted from using current relay materials, reroller, scrap rail and OTM values was an appropriate updating of the administrative and marketing expenses because two of the four expenses in this category are a percentage of the factors that make up the Gross Liquidation Value (GLV). Hence, the administrative and marketing expenses necessarily changed as a result of using current unit prices.

As described in this Third Update Verified Statement, the NLV of the track assets of the Line is now \$8,739 as seen in Attachment B.

I have included four attachments with this Third Update Verified Statement. First is an updated Attachment B which provides the current NLV of the Line. Second, Attachment C provides a detailed explanation of the current GLV of the track assets before subtraction of salvage costs, restoration costs, transportation expense, costs associated with the removal of the Umpqua and Siuslaw River Bridges, and administrative and marketing expenses.² Next, Attachment H illustrates the unit market prices of all materials, reflecting the unchanged relay material prices and the reduced AMM reroller, scrap rail and OTM prices in net tons. Lastly, Attachment P is a price sheet from the AMM showing the reroller, scrap rail, and OTM steel prices as of the close of business on October 31, 2008. All other supporting data can be found in the attachments to my SRVS from September 30, 2008.

² I understand that the Board did not subtract the removal costs for the Umpqua and Siuslaw River Bridges (or the tunnel closure costs) in its October 31, 2008 decision. The Port has asked me to include these costs again because the Port plans to seek reconsideration on this issue.

VERIFICATION

I, Gene A Davis, P E , verify under penalty of perjury that the foregoing is true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this Third Update Verified Statement in Finance Docket No 35160



Gene A Davis, P.E

Dated, November 4, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB FINANCE DOCKET NO 35160

OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR

THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P E

ATTACHMENT B

Attachment B
Net Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31, 2008

	<u>Unit(s)</u>	<u>Unit Cost</u>	<u>Total</u>	<u>Grand Total</u>
Track Nominal Value				
Relay Railroad Materials			\$7,915,500	
Scrap and Reroll Materials (net of transportation)			4,852,700	
Ties and Non-steel Materials			<u>1,398,900</u>	
Gross Liquidation Value				\$14,167,100
Preparation Cost Adjustments				
Rail & OTM Removal - Fit (miles)	12 4	\$14,000	(173,000)	
Rail & OTM Removal - Scrap (miles)	104 3	12,000	(1,251,700)	
Turnout Removal - Fit (each)	27	500	(13,500)	
Turnout Removal - Scrap (each)	14	400	<u>(5,600)</u>	
Total Adjustments				(1,443,800)
Restoration Cost Adjustments				
Permanent Tunnel Closure Expense	9	10,000	(90,000)	
Highway Crossing - Public (each)	33	2,000	(66,000)	
Highway Crossing - Private (each)	43	350	<u>(15,100)</u>	
Total Adjustments				(171,100)
Preliminary Track Liquidation Value				<u>\$12,552,200</u>
Transportation Expense				
Relay Steel Materials - To Chicago, IL	169	5,745	(970,900)	
Scrap Steel Materials - To Chicago, IL	236	5,745	(1,355,800)	
Administrative and Marketing Expense				
Yard Costs				
Job Fee				
Cost of Money				
Profit				
Total Estimated Expense				(4,785,061)
<u>Net Liquidation Value before Bridge Removal Cost</u>				<u>\$7,767,139</u>
Bridge Removal Cost (Siuslaw and Umpqua Rivers)			(7,758,400)	
Net Liquidation Value				\$8,739

Source Attachment C, RLBA estimate

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A. DAVIS, P E**

ATTACHMENT C

Attachment C
Gross Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31, 2008

Miles	Fit	Scrap	Description	Condition	Quantity per mile	Unit	Total	Re-Useable		Scrap and Reroll			Grand Total (a+b)
								Percent	Unit Value	Value (a)	Percent	Unit	
1.57			RAIL										
0.35			136 RE CWR	Fit #2	239.4	Ton	376	97	\$895	\$326,300			\$326,300
			136 RE	Fit #2	239.4	Ton	84	97	895	72,700			72,700
		7.20	136 RE	Reroll	239.4	Ton	1,724					\$246	\$411,300
		0.48	136 RE	Scrap	239.4	Ton	115					90	10,000
1.34			132 RE CWR	Fit #2	232.3	Ton	311	97	795	239,700			239,700
1.33			132 RE	Fit #2	232.3	Ton	309	97	785	238,300			238,300
		10.01	132 RE	Reroll	232.3	Ton	2,324					246	554,600
		0.67	132 RE	Scrap	232.3	Ton	155					90	13,500
		0.20	131 RE	Reroll	230.6	Ton	46					246	11,000
		0.05	131 RE	Scrap	230.6	Ton	12					90	1,000
		0.16	130 RE	Reroll	228.8	Ton	37					246	8,700
		0.04	130 RE	Scrap	228.8	Ton	9					90	800
0.47			115 RE CWR	Fit #1	202.4	Ton	96	97	985	92,800			92,800
0.24			115 RE CWR	Fit #2	202.4	Ton	48	97	895	41,700			41,700
		0.14	115 RE	Reroll	202.4	Ton	29					246	6,900
		0.09	115 RE	Scrap	202.4	Ton	19					90	1,700
38.82			113 HF (J & CWR)	Reroll	198.9	Ton	7,722					246	1,842,600
		9.71	113 HF	Scrap	198.9	Ton	1,931					90	168,500
0.83			112 RE CWR	Fit #2	197.1	Ton	164	97	895	142,000			142,000
6.23			112 RE	Fit #2	197.1	Ton	1,228	97	895	1,066,000			1,066,000
		26.90	112 RE	Reroll	197.1	Ton	5,281					246	1,260,200
		1.85	112 RE	Scrap	197.1	Ton	364					90	31,700
		2.44	110 RE	Reroll	193.6	Ton	472					246	112,700
		0.61	110 RE	Scrap	193.6	Ton	118					90	10,300
		3.51	90 RA	Reroll	158.4	Ton	555					246	132,500
		0.88	90 RA	Scrap	158.4	Ton	139					90	12,100
		0.54	85 Assorted	Reroll	149.6	Ton	80					246	19,100
		0.13	85 Assorted	Scrap	149.6	Ton	20					90	1,700
12.36		104.31	TOTAL RAIL							\$2,219,500			\$4,610,900
													\$6,830,400

Attachment C
Gross Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31 2008

Miles	Fit		Description	Condition	Quantity per mile	Unit	Re-Usable			Scrap and Reroll			
	Fit	Scrap					Total	Percent	Unit	Value (a)	Percent	Unit	Value (b)
OTHER TRACK MATERIAL													
12 36	104 31		Ties	Relay	3,168	Each	369,618	17 %	\$11 00	\$683,400	53 %	\$7 00	\$683,400
12 36	104 31		Ties	Landscape	3,168	Each	369,618			1,378,700	30	(6 00)	1,378,700
12 36	104 31		Ties	Scrap	3,168	Each	369,618			(663,200)			(663,200)
4 59	18 60		Tie Plates 7 3/4 -14 DS	Relay	6,336	Each	146,932	97	9 50	1,354,000			1,354,000
7 77	29 08		Tie Plates 7 1/2 -13 DS	Relay	6,336	Each	233,482	97	8 50	1,925,100			1,925,100
0 00	48 53		Tie Plates 7 1/2 -12 DS	Relay	6,336	Each	307,486	97	7 50	2,237,000			2,237,000
0 00	3 05		Tie Plates 7 1/2 -11 SS	Scrap	71 1	Ton	217			21,700	97	103	21,700
0 00	4 38		Tie Plates 90# SS	Scrap	53 1	Ton	233			23,300	97	103	23,300
0 00	0 67		Tie Plates 85# SS	Scrap	53 1	Ton	36			3,600	97	103	3,600
1 13			Jt Bars 136#	Relay	271	Pair	307	97	36 00	10,700			10,700
2 00			Jt Bars 132#	Relay	271	Pair	541	97	36 00	18,900			18,900
0 36			Jt Bars 115#	Relay	271	Pair	96	97	36 00	3,400			3,400
6 65			Jt Bars 112#	Relay	271	Pair	1,799	97	36 00	62,800			62,800
	5 67		Jt Bars 136#	Scrap	10 5	Ton	60			5,800	95	103	5,800
	10 00		Jt Bars 132#	Scrap	10 5	Ton	105			10,300	95	103	10,300
	0 25		Jt Bars 131#	Scrap	10 5	Ton	3			300	95	103	300
	0 20		Jt Bars 130#	Scrap	9 5	Ton	2			200	95	103	200
	0 12		Jt Bars 115#	Scrap	9 5	Ton	1			100	95	103	100
	40 06		Jt Bars 113#	Scrap	9 5	Ton	382			37,300	95	103	37,300
	33 23		Jt Bars 112#	Scrap	9 5	Ton	316			31,000	95	103	31,000
	3 05		Jt Bars 110#	Scrap	9 5	Ton	29			2,800	95	103	2,800
	4 38		Jt Bars 90#	Scrap	8 9	Ton	39			3,800	95	103	3,800
	0 67		Jt Bars 85#	Scrap	6 9	Ton	5			500	95	103	500
12 36			Rail Anchors	Relay	2,978	Each	36,815	50	0 90	16,600			16,600
	104 31		Rail Anchors	Scrap	3 7	Ton	391			32,200	80	103	32,200
12 36	104 31		Spikes	Scrap	5 1	Ton	591			48,700	80	103	48,700
12 36	104 31		Bolts & Washers	Scrap	1 4	Ton	165			13,600	80	103	13,600
TOTAL OTHER TRACK MATERIAL													
							\$6,311,900						
TURNOUTS													
2Z			Fit Turnouts	Fit	1	Each	27	100 %	\$2,500	\$67,500	97 %	\$97	\$67,500
	14		Scrap Turnouts	Scrap	5	Ton	70			\$6,600			\$6,600
27	14		TOTAL TURNOUTS							\$67,500			\$74,100
GRAND TOTAL							\$5,598,900						
							\$8,568,200						
							\$14,167,100						

Notes Dollar amounts are rounded to the nearest hundred, tons to the nearest tenth, units to the nearest integer. Minor rounding errors due to significant digits (two versus three) 136, 132, 115, 113 AND 112 pound CWR is assumed to have fifty percent of the joint bars as regular jointed rail as most CWR is actually two 39 foot sticks welded together

Source Vendors, and RLBA estimates

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A. DAVIS, P E**

ATTACHMENT H

Attachment H
Track Material Unit Market Prices
Central Oregon & Pacific Railroad - Coos Bay Branch
Revised As of October 31, 2008

	Unit Prices Per		Comments
	Component	Net Tons	
Steel (Rail)			
Rail 136 pound per yard, Jointed, Fit #2	\$895	Menard's	10/31/2008
Rail 136 pound per yard, CWR, Fit #2	895	Menard's	10/31/2008
Rail 132 pound per yard, Jointed, Fit #2	795	Menard's	10/31/2008
Rail 132 pound per yard, CWR, Fit #2	795	Menard's	10/31/2008
Rail 115 pound per yard, CWR, Fit #1	995	Menard's	10/31/2008
Rail 115 pound per yard, CWR, Fit #2	895	Menard's	10/31/2008
Rail 112 pound per yard, Jointed, Fit #2	895	Menard's	10/31/2008
Rail 112 pound per yard, CWR, Fit #2	895	Menard's	10/31/2008
Rail Reroll*	246	AMM	10/31/2008
Rail Scrap*	90	AMM	10/31/2008
Steel (OTM)			
Scrap OTM*	103	AMM	10/31/2008
Tie Plates, D/S, 14" long, Fit	\$9 50	Menard's	10/31/2008
Tie Plates, D/S, 13" long, Fit	8 50	Menard's	10/31/2008
Tie Plates, D/S, 12" long, Fit	7 50	Menard's	10/31/2008
Joint Bars, 136/132/131 pound per yard, Fit	36 00	Menard's	10/31/2008
Joint Bars, 115/112 pound per yard, Fit	36 00	Menard's	10/31/2008
Anchors, Fit	0 90	Menard's	10/31/2008
Timber (Ties)			
Relay (ea)	11 00	Menard's	10/31/2008
Landscape (ea)	7 00	Menard's	10/31/2008
Scrap (ea)	(6 00)	Menard's	10/31/2008

Source American Metal Market, Menard's Railroad Materials

Notes 1) * = Converted from AMM gross ton delivered price to price per net ton for consistency
2) Relay and landscape ties include sorting and handling

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

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**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P.E.**

ATTACHMENT P

AMM SCRAP IRON AND STEEL PRICES

Prices effective Friday, October 31, 2008

CONSUMER BUYING PRICES

Estimated domestic consumer buying prices in US\$/gross ton; delivered mill price.

	Minneapolis	Carrollton	Chicago	Cleveland	Detroit	Houston area	N.Y.	Philly	Pittsburgh	Seattle/Portland	St. Louis	Youngstown	Hamilton, Ontario	Montreal
NO. 1 HEAVY MELT	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)
No. 2 heavy melt	90(a)	90(a)	90(a)	90	90	90(a)	90(a)	90	97(a)	97	95(a)	90(a)	—	100
No. 1 bundles	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)	130(a)
No. 2 bundles	70(a)	70	70(a)	70	70	70	70	70	70	70	70	70	70	NA
No. 4 Milling	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)
No. 1 heavy bundles	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shredded auto scrap	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)	120(a)
MACHINE SHOP TURNINGS	80(a)	80(a)	80(a)	70(a)	70(a)	80(a)	80(a)	78	80(a)	75	70(a)	NA	NA	75
Shoveling turnings	80(a)	80(a)	80(a)	70(a)	70(a)	80(a)	80(a)	80	80(a)	70	70(a)	NA	NA	75
Cold iron borings	70(a)	70(a)	70(a)	70(a)	70(a)	70(a)	70(a)	70	70	70	70(a)	70	70	70
Mixed borings, turnings	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100(a)	100	100	100	100	100	100	100
CUT STRUCTURAL PLATE 2" MAX.	NA	110(a)	220(a)	—	—	120(a)	300(a)	—	—	—	—	—	—	200
Cut structural plate 3" max.	220	105(a)	—	—	—	110(a)	200(a)	—	130(a)	—	120(a)	—	—	—
Cut structural plate 5" max.	110(a)	100(a)	110(a)	120(a)	110(a)	100(a)	110(a)	120	120(a)	120	110(a)	120(a)	131	170
Refractory cast 2" max.	300	300	300	300	300	300	300	300	300	300	300	300	300	300
CUPOLA CAST	320	180	320	280	330	415	110(a)	197	343	—	—	—	—	205
Clean auto cast	300	270	300	250	280	300	300	300	300	300	300	300	300	300
Unshredded motor blocks	200	270	319	225	225	430	300	275	—	—	—	—	—	—
Heavy breakable cast	200	270	315	175	180	300	300	300	300	300	300	300	300	300
Drop broken machinery cast	330	330	330	350	350	350	350	350	350	350	350	350	350	350
NO. 1 BR HEAVY MELT 2" max.	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)	110(a)
Rail crops, 2" max.	270	270	270	280	280	280	280	280	280	280	280	280	280	280
Random iron	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Steel cut shavings	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Other break material (OTM)	200	200	200	200	200	200	200	200	200	200	200	200	200	200
CLEAN USED DESSERTED CARS	110(a)	—	—	180	200	—	—	125	110(a)	—	—	—	—	—
(a) Appraisal price														
NA - Not available														
(1) Canadian currency; in not listed														

STAINLESS STEEL SCRAP

	Boston	Seattle	Chicago	Cleveland	Detroit	Houston	L.A.	N.Y.	Pittsburgh	S.F.	Montreal
DEALER'S BUYING PRICES (Lb.)											
316 solids, clip	49-50	49-50	50-51	50-51	50-51	50-51	49-50	50-51	50-51	54-55	44-45
304 solids, clip	13-14	13-14	14-15	14-15	14-15	14-15	13-14	14-15	14-15	14-15	13-14
304 turnings	9-10	9-10	10-11	10-11	10-11	10-11	8-10	10-11	10-11	10-11	8-9
304 saw clip	14-15	14-15	15-16	15-16	15-16	15-16	14-15	15-16	15-16	15-16	14-15
430 saw clip	7.5-8.5	—	7.5-8.0	7.5-8.0	7.5-8.0	—	—	7.5-8.0	7.5-8.0	—	—
BROKER/PROCESSOR BUYING PRICES (Metric ton)											
316 solids, clip	—	—	1,300-1,350	1,450-1,500	1,430-1,500	1,300-1,350	—	1,300-1,350	1,300-1,350	—	—
304 solids, clip	—	—	530-540	530-540	530-540	530-540	—	530-540	530-540	—	—
304 turnings	—	—	490-500	490-500	490-500	490-500	—	490-500	490-500	—	—
430 turnings, clips	—	—	270-280	270-280	270-280	270-280	—	270-280	270-280	—	—
430 turnings	—	—	220-230	220-230	220-230	220-230	—	220-230	220-230	—	—
408 turnings, clips	—	—	180-200	180-200	180-200	180-200	—	180-200	180-200	—	—
408 turnings	—	—	125-135	130-140	130-140	125-135	—	125-135	125-135	—	—
(1) Canadian currency											

EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for cars delivered to his yard, in US\$/gross ton.

	Boston	L.A.	N.Y.	Philly	S.F.
No. 1 heavy melt	100	100	100	100	100
No. 2 heavy melt	70	50	70	70	50
No. 1 bundles	100	100	100	100	100
No. 2 bundles	100	100	100	100	100
Machine shop turnings	100	100	100	100	100
Mixed cast	100	100	100	100	100
Unshredded motor blocks	100	100	100	100	100
Auto bodies	60	50	60	60	50
Cut structural plate 5" max.	100	100	100	100	100
STAINLESS STEEL SCRAP PRICES (Metric)					
304 solids, clip	540-550	540-550	540-550	540-550	540-550
304 turnings	490-500	490-500	490-500	490-500	490-500
430 turnings, clips	270-280	270-280	270-280	270-280	270-280
(a) Appraisal price					

BROKER BUYING PRICES

Estimated prices in US\$/gross ton, Lb. car*

	Atlanta	Boston	Seattle	Cleveland	Detroit
NO. 1 HEAVY MELT	100	100	100	100	100
No. 2 heavy melt	80	80	80	80	80
No. 1 bundles	110	110	110	110	110
No. 2 bundles	70	70	70	70	70
MS-1 Milling	110	110	110	110	110
Shredded auto scrap	110	110	110	110	110
MACHINE SHOP TURNINGS	70	70	70	70	70
Shoveling turnings	80	80	80	80	80
Cold iron borings	70	70	70	70	70
Mixed borings, turnings	100	100	100	100	100
CUPOLA CAST	250	250	250	250	250
Clean auto cast	250	250	250	250	250
Cut structural plate, 5" max.	100	100	100	100	100
Cut structural plate, 2" max.	200	200	200	200	200
Clean auto cast	250	250	250	250	250
Unshredded motor blocks	115	115	115	115	115
Heavy breakable cast	150	150	150	150	150
Drop broken machinery cast	300	300	300	300	300
Rail crops, 2" max.	300	300	300	300	300
Random iron	200	200	200	200	200

*F.b.h. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker (freight rate based on single-car shipments).

STAINLESS CONSUMER BUYING PRICES

	(Gross ton) Pittsburgh
316 solids, clip	1,500(a)
304 solids, clip	800(a)
304 turnings	1,000(a)
430 turnings, solids	400(a)
430 turnings, clips	100(a)
408 turnings, solids	250(a)
408 turnings, clips	200(a)

ADDITIONAL GRADES

Electric furnace, 5" max.	100(a)
Cut structural plate, 5" max.	100(a)
Slab plate	520
No. 1 industrial heavy melt	115(a)
Rail crops, 2" max.	300(a)
Refractory rail	242
Steel mill	125(a)
Heavy large bar crops	125(a)
Slab plate	410
Punching and plate, 12" max.	300(a)
No. 115 bundles	100(a)

Disclaimer. Prices and other information contained in this publication have been obtained by American Metal Market (AMM) from sources believed to be reliable. Pricing information is collected through regular contact with producers, traders and purchasers, and represents an approximate indication of current levels based upon listings of any industry have been disclosed to AMM prior to publication. Actual transaction prices will reflect quantities, grades and qualities, origin, terms and many other parameters. The prices are to no areas responsible for the quoted prices of commodities in which a listed source metal exists. Efforts are made to ensure that pricing information is representative, but because of the possibility of human or mechanical error by our sources, AMM or others, AMM does not guarantee the accuracy or completeness of any published information. AMM is not responsible for errors or omissions, or for the results obtained by the use of such information, and disclaims any liability in any form for any loss or damage caused by such errors or omissions, including those arising from the negligence of AMM or its employees or representatives.

Scrap Price Changes Today
 Ferrous scrap price changes were made for these cities:
 Atlanta, Birmingham, Boston, Buffalo, Carrollton, Chicago, Cleveland,
 Detroit, Houston, Pittsburgh, St. Louis, Youngstown

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A. DAVIS, P.E.**

ATTACHMENT Q

9dhu's @ 1bade.com

Track Material Unit Market Prices
 Revised As of October 31, 2008

	Estimated Volume	Unit Prices Per		Comments
		Component	Net Ton	
Steel (Rail)				
Rail 136 pound per yard, Jointed, Fit #2	84		\$895	
Rail 136 pound per yard, CWR, Fit #2	376		895	
Rail 132 pound per yard, Jointed, Fit #2	309		795	
Rail 132 pound per yard, CWR, Fit #2	311		795	
Rail 115 pound per yard, CWR, Fit #1	96		995	
Rail 115 pound per yard, CWR, Fit #2	48		895	
Rail 112 pound per yard, Jointed, Fit #2	1,228		895	
Rail 112 pound per yard, CWR, Fit #2	184		895	
Tie Plates, D/S, 14" long, Fit (6" base)	146,932	\$9.50		
Tie Plates, D/S, 13" long, Fit (5-1/2" base)	233,482	8.50		
Tie Plates, D/S, 12" long, Fit (5-1/2" base)	307,486	7.50		
Joint Bars, 136/132/131 pound per yard, Fit (pair)	848	36.00		
Joint Bars, 115/112 pound per yard, Fit (pair)	1,895	36.00		
Anchors, Fit	36,815	0.90		
Timber (Ties)				
Relay (ea)	62,835	11.00		
Landscape (ea)	195,897	7.00		
Scrap (ea)	110,880	(\$6.00)		

Ed Novak
 281-650-9919

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO 35160

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– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A. DAVIS, P.E.**

WITH UPDATED REROLLER, SCRAP RAIL, AND OTM

Update

Page 1 Third Update

Attachments¹

**B Net Liquidation Value of Track Assets
C Gross Liquidation Value of Track Assets
H Track Material Unit Prices
P October 31, 2008 American Metal Market Prices
Q Facsimile from Menard's showing October 31, 2008 unit prices**

¹ These Attachments are updated based on newly available information. Other Attachments from my Supplemental Reply Verified Statement (September 30, 2008) remain unchanged.

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB FINANCE DOCKET NO 35160

OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR

Third Update

The Oregon International Port of Coos Bay (Port) previously asked R.L. Banks & Associates, Inc (RLBA) to evaluate and determine the Net Liquidated Value (NLV) of the track assets owned by the Central Oregon & Pacific Railroad (CORP) on the Coos Bay rail line between Danebo (MP 652 11) and Cordes (MP 763 13) (hereinafter, the "Line") My qualifications are found at Attachment N of my Reply Verified Statement, filed on September 12, 2008 with the Port's Reply in Docket 35160.

The Port recently asked me to provide an updated NLV figure for the Line based on current values for reroller, scrap rail and other track materials (OTM), as published in the index of the American Metals Market (AMM) In calculating the current NLV of the Line, I used the most recent AMM index prices available – these prices represent the closing prices on October 31, 2008. I am naming this update the "Third Update" because I previously authored an Update Verified Statement (which the Port filed on October 17, 2008) and I understand the Port notified the Board of a subsequent change in metal prices in a Second Update filing on October 30, 2008 As in my previous Verified Statements, I have expressed AMM prices (which are given in gross tons in the price sheet at Attachment P) as net tons to remain consistent with relay material units of measure Converting a price per gross ton to a price per net ton is accomplished by multiplying the gross ton price by 0.8929 because a gross ton is 2,240 pounds and a net ton is 2,000 pounds

Virtually all other inputs to my current NLV calculation remain the same as those from my Supplemental Reply Verified Statement (SRVS, filed September 30, 2008 with the Port's Supplemental Reply) and my Update Verified Statement (UVS, filed October 17, 2008)

Hence, things such as the quantity of the track assets, the classification of the track assets, the salvage costs, and the relay steel values for this current NLV can be found in my SRVS. The one additional change that resulted from using current reroller, scrap rail and OTM values was an appropriate updating of the administrative and marketing expenses because two of the four expenses in this category are a percentage of the factors that make up the Gross Liquidation Value (GLV). Hence, the administrative and marketing expenses necessarily changed as a result of using current AMM values.

As described in this Third Update Verified Statement, the NLV of the track assets of the Line is now \$805,377 as seen in Attachment B.

I have included four attachments with this Third Update Verified Statement. First is an updated Attachment B which provides the current NLV of the Line. Second, Attachment C provides a detailed explanation of the current GLV of the track assets before subtraction of salvage costs, restoration costs, transportation expense, costs associated with the removal of the Umpqua and Siuslaw River Bridges, and administrative and marketing expenses.² Next, Attachment H illustrates the unit market prices of all materials, reflecting the unchanged relay material prices and the reduced AMM reroller, scrap rail and OTM prices in net tons. Lastly, Attachment P is a price sheet from the AMM showing the reroller, scrap rail, and OTM steel prices as of the close of business on October 31, 2008. All other supporting data can be found in the attachments to my SRVS from September 30, 2008.

² I understand that the Board did not subtract the removal costs for the Umpqua and Siuslaw River Bridges (or the tunnel closure costs) in its October 31, 2008 decision. The Port has asked me to include these costs again because the Port plans to seek reconsideration on this issue.

VERIFICATION

I, Gene A Davis, P E , verify under penalty of perjury that the foregoing is true and correct based on my knowledge, information, and belief Further, I certify that I am qualified and authorized to file this Third Update Verified Statement in Finance Docket No 35160



Gene A. Davis, P.E.

Gene A Davis, P E

Dated, November 4, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
-- FEEDER LINE APPLICATION --
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P.E**

ATTACHMENT B

Attachment B
Net Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31, 2008

	<u>Unit(s)</u>	<u>Unit Cost</u>	<u>Total</u>	<u>Grand Total</u>
Track Nominal Value				
Relay Railroad Materials			\$9,002,800	
Scrap and Reroll Materials (net of transportation)			4,852,700	
Ties and Non-steel Materials			<u>1,270,900</u>	
Gross Liquidation Value				\$15,126,400
Preparation Cost Adjustments				
Rail & OTM Removal - Fit (miles)	12 4	\$14,000	(173,000)	
Rail & OTM Removal - Scrap (miles)	104 3	12,000	(1,251,700)	
Turnout Removal - Fit (each)	27	500	(13,500)	
Turnout Removal - Scrap (each)	14	400	<u>(5,600)</u>	
Total Adjustments				(1,443,800)
Restoration Cost Adjustments				
Permanent Tunnel Closure Expense	9	10,000	(90,000)	
Highway Crossing - Public (each)	33	2,000	(66,000)	
Highway Crossing - Private (each)	43	350	<u>(15,100)</u>	
Total Adjustments				(171,100)
Preliminary Track Liquidation Value				\$13,511,500
Transportation Expense				
Relay Steel Materials - To Chicago, IL	169	5,745	(970,900)	
Scrap Steel Materials - To Chicago, IL	236	5,745	(1,355,800)	
Administrative and Marketing Expense				
Yard Costs				
Job Fee				
Cost of Money				
Profit				
Total Estimated Expense				(4,947,723)
Net Liquidation Value before Bridge Removal Cost				\$8,563,777
Bridge Removal Cost (Siuslaw and Umpqua Rivers)			(7,758,400)	
Net Liquidation Value				\$805,377

Source Attachment C, RLBA estimate

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P E**

ATTACHMENT C

Attachment C
Gross Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31, 2008

Fit	Miles Scrap	Description	Condition	Quantity per mile	Re-Useable				Scrap and Reroll											
					Unit	Total	Percent	Unit Value	Value (a)	Percent	Unit	Total Value (b)	Grand Total (a+b)							
1 57		RAIL																		
0 35		136 RE CWR	Fit #2	239 4	Ton	376	97 %	969	\$353,300											\$353,300
		136 RE	Fit #2	239 4	Ton	84	97	969	78,800											78,800
		136 RE	Reroll	239 4	Ton	1,724														411 300
		136 RE CWR	Scrap	239 4	Ton	115														10,000
1 34		132 RE CWR	Fit #2	232 3	Ton	311	97	969	292,100											292,100
1 33		132 RE	Fit #2	232 3	Ton	309	97	969	290,400											290,400
		132 RE	Reroll	232 3	Ton	2,324														554,600
		132 RE	Scrap	232 3	Ton	155														13,500
		131 RE	Reroll	230 6	Ton	46														11,000
		131 RE	Scrap	230 6	Ton	12														1,000
		130 RE	Reroll	228 8	Ton	37														8,700
		130 RE	Scrap	228 8	Ton	9														800
0 47		115 RE CWR	Fit #1	202 4	Ton	96	97	1125	104,900											104,900
0 24		115 RE CWR	Fit #2	202 4	Ton	48	97	1,028	47,900											47,900
		115 RE	Reroll	202 4	Ton	29														6,900
		115 RE	Scrap	202 4	Ton	19														1,700
		113 HF (J & CWR)	Reroll	198 9	Ton	7,722														1,842,600
		113 HF	Scrap	188 9	Ton	1,931														168,500
0 83		112 RE CWR	Fit #2	197 1	Ton	164	97	1,023	162,300											162,300
6 23		112 RE	Fit #2	197 1	Ton	1,228	97	1,023	1,218,500											1,218,500
		112 RE	Reroll	197 1	Ton	5,281														1,260,200
		112 RE	Scrap	197 1	Ton	364														31,700
		110 RE	Reroll	193 6	Ton	472														112,700
		110 RE	Scrap	193 6	Ton	118														10,300
		90 RA	Reroll	158 4	Ton	555														132,500
		90 RA	Scrap	158 4	Ton	139														12,100
		85 Assorted	Reroll	149 6	Ton	80														19,100
		85 Assorted	Scrap	149 6	Ton	20														1,700
12 36	104 31	TOTAL RAIL							\$2,548,200											\$4,610,900
																				\$7,159,100

Attachment C
Gross Liquidation Value of Track Assets
Of the Central Oregon & Pacific Railroad - Coos Bay Branch
Between Danebo and Cordes, Oregon
Revised As of October 31, 2008

Miles	Fit	Scrap	Description	Condition	Quantity per mile	Unit	Re-Useable			Scrap and Reroll			
							Total	Percent	Unit	Value	Value	Unit	Percent
							Total	Percent	Unit	Value	Unit	Percent	Total
							(a)	(b)	(c)	(d)	(e)	(f)	(g)
OTHER TRACK MATERIAL													
12 36	104 31		Ties	Relay	Each	3,168	\$807,700	17 %	103	\$13,000	53 %	\$807,700	
12 36	104 31		Ties	Landscape	Each	3,168					30	\$1,181,700	
12 36	104 31		Ties	Scrap	Each	3,168					(6 50)	(718,500)	
4 59	18 60		Tie Plates 7 3/4 -14 DS	Relay	Each	6,336	1,421,700	97	9 98	9 98		1,421,700	
7 77	29 08		Tie Plates 7 1/2 -13 DS	Relay	Each	6,336	2,151,500	97	9 50	9 50		2,151,500	
0 00	48 53		Tie Plates 7 1/2 -12 DS	Relay	Each	6,336	2,647,100	97	8 88	8 88		2,647,100	
0 00	3 05		Tie Plates 7 1/2 -11 SS	Scrap	Ton	71 1					103	21,700	
0 00	4 38		Tie Plates 90# SS	Scrap	Ton	53 1					103	23,300	
0 00	0 67		Tie Plates 85# SS	Scrap	Ton	53 1					103	3,600	
1 13			Jt Bars 136#	Relay	Pair	271	16,700	97		56 00		16,700	
2 00			Jt Bars 132#	Relay	Pair	271	29,400	97		56 00		29,400	
0 36			Jt Bars 115#	Relay	Pair	271	5,100	97		55 00		5,100	
6 65			Jt Bars 112#	Relay	Pair	271	96,000	97		55 00		96,000	
			Jt Bars 136#	Scrap	Ton	10 5					103	5,800	
			Jt Bars 132#	Scrap	Ton	10 5					103	10,300	
			Jt Bars 131#	Scrap	Ton	10 5					103	300	
			Jt Bars 130#	Scrap	Ton	9 5					103	200	
			Jt Bars 115#	Scrap	Ton	9 5					103	100	
			Jt Bars 113#	Scrap	Ton	9 5					103	37,300	
			Jt Bars 112#	Scrap	Ton	9 5					103	31,000	
			Jt Bars 110#	Scrap	Ton	9 5					103	2,800	
			Jt Bars 90#	Scrap	Ton	8 9					103	3,800	
			Jt Bars 85#	Scrap	Ton	6 9					103	500	
12 36			Rail Anchors	Relay	Each	2,978	19,600	50		1 07		19,600	
			Rail Anchors	Scrap	Ton	3 7					103	32,200	
			Spikes	Scrap	Ton	5 1					103	48,700	
			Bolts & Washers	Scrap	Ton	1 4					103	13,600	
			TOTAL OTHER TRACK MATERIAL										
							\$7,194,800					\$698,400	\$7,893,200
TURNOUTS													
2 2			Fit Turnouts	Fit	Each	1	\$67,500	100 %		\$2,500			\$67,500
	14		Scrap Turnouts	Scrap	Ton	5							6,600
2 7	14		TOTAL TURNOUTS										
							\$67,500					\$6,600	\$74,100
GRAND TOTAL											\$5,315,900	\$15,126,400	

Notes Dollar amounts are rounded to the nearest hundred, tons to the nearest tenth, units to the nearest integer. Minor rounding errors due to significant digits (two versus three) 136, 132, 115, 113 AND 112 pound CWR is assumed to have fifty percent of the joint bars as regular jointed rail as most CWR is actually two 39 foot sticks welded together

Source Vendors, and RLBA estimates

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
– FEEDER LINE APPLICATION –
LINE OF CENTRAL OREGON & PACIFIC RAILROAD
BETWEEN DANEBO AND CORDES, OR**

**THIRD UPDATE VERIFIED STATEMENT
OF
GENE A DAVIS, P E**

ATTACHMENT H

Attachment H
Track Material Unit Market Prices
Central Oregon & Pacific Railroad - Coos Bay Branch
Revised As of October 31, 2008

	Unit Prices Per		Comments
	Component	Net Tons	
Steel (Rail)			
Rail 136 pound per yard, Jointed, Fit #2	\$969		Average of Menard's and A&K Materials 9/25/2008
Rail 136 pound per yard, CWR, Fit #2	969		Average of Menard's and A&K Materials 9/25/2008
Rail 132 pound per yard, Jointed, Fit #2	969		Average of Menard's and A&K Materials 9/25/2008
Rail 132 pound per yard, CWR, Fit #2	969		Average of Menard's and A&K Materials 9/25/2008
Rail 115 pound per yard, CWR, Fit #1	1,125		Average of Menard's and A&K Materials 9/25/2008
Rail 115 pound per yard, CWR, Fit #2	1,028		Average of Menard's and A&K Materials 9/25/2008
Rail 112 pound per yard, Jointed, Fit #2	1,023		Average of Menard's and A&K Materials 9/25/2008
Rail 112 pound per yard, CWR, Fit #2	1,023		Average of Menard's and A&K Materials 9/25/2008
Rail Reroll*	246		AMM 10/31/2008
Rail Scrap*	90		AMM 10/31/2008
Steel (OTM)			
Scrap OTM*		103	AMM 10/31/2008
Tie Plates, D/S, 14" long, Fit	\$9 98		Average of Menard's and A&K Materials 9/25/2008
Tie Plates, D/S, 13" long, Fit	9 50		Average of Menard's and A&K Materials 9/25/2008
Tie Plates, D/S, 12" long, Fit	8 88		Average of Menard's and A&K Materials 9/25/2008
Joint Bars, 136/132/131 pound per yard, Fit	56 00		Average of Menard's and A&K Materials 9/25/2008
Joint Bars, 115/112 pound per yard, Fit	55 00		Average of Menard's and A&K Materials 9/25/2008
Anchors, Fit	1 07		Average of Menard's and A&K Materials 9/25/2008
Timber (Ties)			
Relay (ea)	13 00		Menard's 9/25/2008
Landscape (ea)	6 00		Menard's 9/25/2008
Scrap (ea)	(6 50)		Menard's 9/25/2008

Source American Metal Market, Menard's Railroad Materials and A&K Railroad Materials

Notes 1) * = Converted from AMM gross ton delivered price to price per net ton for consistency
2) Relay and landscape ties include sorting and handling

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ATTACHMENT P

AMM SCRAP IRON AND STEEL PRICES

Prices effective Friday, October 31, 2008

CONSUMER BUYING PRICES

Estimated domestic consumer buying prices in US\$/gross ton, delivered mill price.

	Birmingham	Carrollton	Chicago	Cleveland	Detroit	Houston	N.Y.	Philly	Pittsburgh	St. Louis	Youngstown	Hamilton, Ontario	Montreal
NO. 1 HEAVY MELT	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)
No. 2 heavy melt	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)	90(2)
NO. 1 scrap	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)
No. 2 bundles	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)
NO. 1 hotchelling	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)
No. 1 factory bundles	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shredded auto scrap	120(2)	110(2)	125(2)	130(2)	130(2)	120(2)	110(2)	110(2)	120(2)	120(2)	120(2)	100(2)	100(2)
MACHINE SHOP TURNINGS	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)	80(2)
Shredding turnings	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)
Cast iron borings	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)
Mixed borings	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)	70(2)
CUT STRUCTURAL PLATE, 2" MAX.	NA	110(2)	100(2)	120(2)	120(2)	120(2)	120(2)	120(2)	120(2)	120(2)	120(2)	120(2)	120(2)
Old structural plate, 3" max.	110(2)	100(2)	115(2)	120(2)	110(2)	100(2)	110(2)	120(2)	120(2)	120(2)	110(2)	120(2)	110(2)
Old structural plate, 2" max.	110(2)	100(2)	115(2)	120(2)	110(2)	100(2)	110(2)	120(2)	120(2)	120(2)	110(2)	120(2)	110(2)
Rolling mill scale, 2" max.	300	300	315	320	320	300	300	320	320	320	300	320	300
CUPOLA CAST	320	180	320	220	320	410	110(2)	197	340	320	320	320	300
Chain cast cast iron	300	270	315	250	300	300	300	300	300	300	300	300	300
Undrilled motor blocks	200	270	370	225	225	430	300	275	180	275	275	275	275
Heavy breakable cast iron	200	270	315	175	225	180	180	180	180	180	180	180	180
Drop broken machinery cast	300	420	350	350	350	350	350	350	350	350	350	350	350
NO. 1 RB HEAVY MELT	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)	100(2)
Roll crops, 2" max.	270	275(2)	280	280	280	280	280	280	280	280	280	280	280
Rundown rolls	300	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)	310(2)
Steel car wheels	300	300	300	300	300	300	300	300	300	300	300	300	300
Other heavy machinery (O/M)	275	300	315(2)	200	200	200	200	200	200	200	200	200	200
CLEAN USED OBSOLETE CARS	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)	110(2)
(A) Appraisal price	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA - Not available													
(1) Canadian currency in Cdn. tons													

STAINLESS STEEL SCRAP

	Boston	Detroit	Chicago	Cleveland	Detroit	Houston	L.A.	N.Y.	Pittsburgh	S.F.	Montreal
DEALER'S BUYING PRICES (M/T)											
316 solids, c/s	49-50	49-50	50-51	50-51	50-51	50-51	49-50	50-51	50-51	50-51	44-45
304 solids, c/s	12-14	12-14	14-16	14-16	14-16	14-16	12-14	14-16	14-16	14-16	12-14
304 turnings	9-10	9-10	10-11	10-11	10-11	10-11	9-10	10-11	10-11	10-11	8-9
430 new c/s	7.0-7.3	7.0-7.3	7.5-8.0	7.5-8.0	7.5-8.0	7.5-8.0	7.0-7.3	7.5-8.0	7.5-8.0	7.5-8.0	7.0-7.3
BROKER/PROCESSOR BUYING PRICES (M/T)											
316 solids, c/s	1,200-1,350	1,200-1,350	1,450-1,500	1,450-1,500	1,450-1,500	1,450-1,500	1,200-1,350	1,200-1,350	1,200-1,350	1,200-1,350	1,000-1,100
304 solids, c/s	530-640	530-640	530-640	530-640	530-640	530-640	530-640	530-640	530-640	530-640	450-500
304 turnings	490-500	490-500	490-500	490-500	490-500	490-500	490-500	490-500	490-500	490-500	400-450
430 turnings	270-280	270-280	270-280	270-280	270-280	270-280	270-280	270-280	270-280	270-280	220-230
408 turnings	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	190-200	150-200
408 turnings	125-135	125-135	125-135	125-135	125-135	125-135	125-135	125-135	125-135	125-135	100-150
(1) Canadian currency in Cdn. tons											

EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for scrap delivered to his yard, in US\$/gross ton.

	Boston	L.A.	N.Y.	Philly	S.F.
NO. 1 heavy melt	100	100	100	100	100
No. 2 heavy melt	70	70	70	70	70
NO. 2 bundles	70	70	70	70	70
No. 1 hotchelling	100	100	100	100	100
MACHINE SHOP TURNINGS	80	80	80	80	80
Shredding turnings	70	70	70	70	70
Cast iron borings	70	70	70	70	70
Mixed borings	70	70	70	70	70
CUPOLA CAST	320	320	320	320	320
Chain cast cast iron	300	300	300	300	300
Undrilled motor blocks	200	200	200	200	200
Heavy breakable cast iron	200	200	200	200	200
Drop broken machinery cast	300	300	300	300	300
Roll crops, 2" max.	270	270	270	270	270
Rundown rolls	300	300	300	300	300
Steel car wheels	300	300	300	300	300
Other heavy machinery (O/M)	275	275	275	275	275
CLEAN USED OBSOLETE CARS	110	110	110	110	110
(A) Appraisal price	NA	NA	NA	NA	NA

BROKER BUYING PRICES

Estimated prices in US\$/gross ton, L.A. car*

	Atlanta	Boston	Detroit	Cleveland	Detroit
NO. 1 HEAVY MELT	100	100	100	100	100
No. 2 heavy melt	80	80	80	80	80
NO. 2 bundles	80	80	80	80	80
No. 1 hotchelling	100	100	100	100	100
Shredded auto scrap	110	110	110	110	110
MACHINE SHOP TURNINGS	80	80	80	80	80
Shredding turnings	70	70	70	70	70
Cast iron borings	70	70	70	70	70
Mixed borings	70	70	70	70	70
CUPOLA CAST	320	320	320	320	320
Old structural plate, 5" max.	100	100	110	110	100
Old structural plate, 2" max.	100	100	110	110	100
Chain cast cast iron	300	300	300	300	300
Undrilled motor blocks	200	200	200	200	200
Heavy breakable cast iron	200	200	200	200	200
Drop broken machinery cast	300	300	300	300	300
Roll crops, 2" max.	270	270	270	270	270
Rundown rolls	300	300	300	300	300

*F.A.B. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker; freight rate based on single-car shipments.

STAINLESS CONSUMER BUYING PRICES

	(Gross ton) Pittsburgh
316 solids, c/s	1,200-1,350
304 solids, c/s	600(2)
304 turnings	400(2)
430 turnings	250(2)
408 turnings	150-200

ADDITIONAL GRADES

Electric furnace, 3" max.	100(2)
Old structural plate, 3" max.	100(2)
Slabs	50
No. 1 industrial heavy melt	115(2)
Roll crops, 1 1/2" max.	200(2)
Rundown rolls	242
Steel wheels	175(2)
Heavy large bar crops	125(2)
Crude iron	110
Perching and plate, 12" max.	300(2)
No. 1H bundles	100(2)

Disclaimer:
Prices and other information contained in this publication have been obtained by American Metal Market (AMM) from sources believed to be reliable. Pricing information is collected through regular contact with producers, traders and processors, and represents an approximate indication of current levels based upon current (if any) and may have been obtained by AMM prior to publication. Actual transaction prices will reflect quantities, grades and qualities, credit terms and many other parameters; the prices are to be used as a guide only and are not intended to be used as a basis for any transaction. AMM is not responsible for errors or omissions, or for the results obtained from the use of such information, and disclaims any liability to any person for any loss or damage caused by such errors or omissions, including those arising from the negligence of AMM, its employees or contractors.

Scrap Price Changes Today
 Ferrous scrap price changes were made for these cities:
 Atlanta, Birmingham, Boston, Buffalo, Carolina, Chicago, Cleveland,
 Detroit, Houston, Pittsburgh, St. Louis, Youngstown

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ATTACHMENT Q

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Track Material Unit Market Prices
 Revised As of October 31, 2008

	Estimated Volume	Unit Prices Per		Comments
		Component	Net Ton	
Steel (Rail)				
Rail 136 pound per yard, Jointed, Fit #2	84		\$895	
Rail 136 pound per yard, CWR, Fit #2	376		895	
Rail 132 pound per yard, Jointed, Fit #2	309		795	
Rail 132 pound per yard, CWR, Fit #2	311		795	
Rail 115 pound per yard, CWR, Fit #1	96		995	
Rail 115 pound per yard, CWR, Fit #2	48		895	
Rail 112 pound per yard, Jointed, Fit #2	1,228		895	
Rail 112 pound per yard, CWR, Fit #2	184		895	
The Plates, D/S, 14" long, Fit (6" base)	146,932	\$9.50		
The Plates, D/S, 13" long, Fit (5-1/2" base)	233,482	8.50		
The Plates, D/S, 12" long, Fit (5-1/2" base)	307,486	7.50		
Joint Bars, 136/132/131 pound per yard, Fit (pair)	848	36.00		
Joint Bars, 115/112 pound per yard, Fit (pair)	1,895	36.00		
Anchors, Fit	36,815	0.90		
Timber (Ties)				
Relay (ea)	62,835	11.00		
Landscape (ea)	195,897	7.00		
Scrap (ea)	110,880	(\$6.00)		

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