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February 6, 2009

Via E-filing

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

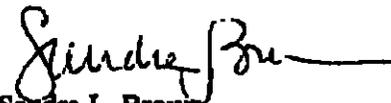
RE: STB Finance Docket No. 35160, Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Central Oregon & Pacific Railroad, Inc.

Dear Secretary Quinlan:

Enclosed for filing in the above-captioned docket please find the Petition for Extension of Closing Date of the Oregon International Port of Coos Bay ("Port").

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

Very truly yours,


Sandra L. Brown

Enclosures

cc: Terence Hynes, counsel for CORP
parties of record

**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.**

**PETITION FOR EXTENSION OF CLOSING DATE
OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

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OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

I. INTRODUCTION

The Oregon International Port of Coos Bay ("Port") respectfully submits this Petition for Extension of Closing Date ("Petition"), pursuant to 49 CFR § 1115.5(a),¹ regarding the October 31, 2008 and November 20, 2008 feeder line decisions of the Surface Transportation Board ("Board" or "STB").

II. SUMMARY OF ARGUMENT

In its decision served October 31, 2008 ("October Decision"), the Board approved the Port's feeder line application for the Coos Bay rail line ("Line") of the Central Oregon & Pacific Railroad ("CORP"), found the Port to be a financially responsible party, and resolved various

¹ To the extent the Board might find that this request for an extension of time necessitates a petition to reopen pursuant to 49 CFR § 1115.4 rather than a petition under 49 CFR § 1115.5, the Port has addressed the legal standard for a petition to reopen herein and has met that standard.

disputes between the Port and CORP regarding valuation of the Line. In the decision served November 20, 2008 ("November Decision"), the Board set a purchase price for the Line of \$16,605,987 and stated that closing of the transaction must occur on or before February 18, 2009. The Port filed a Petition for Technical Correction on November 25, 2008 and a Petition for Reconsideration on December 10, 2008. The Board has yet to issue a decision on either petition which could impact the purchase price that the Port is required to pay for the Line.

Due to the severe financial crisis which has gripped the nation and the unexpected difficulties encountered by the Port in securing the necessary financing to close the acquisition² and the fact that the closing documents between the Port and CORP are not completed, the Port now respectfully requests that the Board extend the date that closing must occur to on or before March 31, 2009 (an additional 41 days). As described below, the Port has now secured the necessary financing and will place the purchase price in escrow before February 18. However, the delays in obtaining these funds have complicated the Port's efforts to finalize all agreements related to acquisition of the Line. Additional time is needed to complete the closing documents and related work; as of this afternoon, the Port does not have a commitment from CORP to agree to an extension of time.

The Port must now file this Petition in order to avoid the Petition being ruled untimely by CORP or the Board if it is filed with less than 10 days prior to the closing date. The Port has the support of the majority of shippers on the Line for this extension request. As described below, the Port is now confident that it has the funds and the Port remains committed to purchasing this Line and restoring rail service to the south coast of Oregon. In addition, as discussed below the

² As shown in the Port's Petition for Reconsideration, the Port does not agree that the purchase price set by the Board is an accurate reflection of the true liquidation value of the Line. Nevertheless, the Port is committed to closing this transaction as soon as possible and restoring service on the Line.

Port will place the purchase price into escrow prior to the February 18, 2009 closing date set in the Board's November Decision. The Port respectfully submits that an extension of time to complete the closing of this transaction in the midst of the severe financial crisis is in the public interest and consistent with the Board's statute.

III. GOVERNING LAW

In its November Decision, the Board stated that if the Port "find[s] that it needs additional time to complete the transaction, the Port may file a motion to reopen." November Decision at 5. As the Board has the authority to extend the date for compliance with its decisions under 49 CFR § 1115.5(a), the Port believes that Section 1115.5 is the applicable provision under which the Port seeks its extension for time to comply with the Board's November Decision and complete this transaction. Under Section 1115.5, a party seeking relief must file the petition not less than 10 days prior to the date the term of the action takes effect. As the closing date in the November Decision is set to take effect no later than February 18, the Port is timely filing this petition as there are 12 days until the scheduled closing date.

While the Port believes that Section 1115.5 governs this request, the Port has also addressed and met the standards for a petition to reopen. Petitions to reopen are governed under 49 CFR § 1115.4, and require a showing that the proceeding involves material error, new evidence, or substantially changed circumstances. The petition must describe, in detail, the "nature of and reasons for the relief requested." 49 CFR § 1115.3(c). The Board may reopen a proceeding based on its own initiative or may act to reopen in response to a petition. *Burlington Northern Railroad Company – Abandonment Exemption – Between Klickitat and Goldendale, WA*, Docket AB-6 (Sub-No. 335X), slip op. at 3 (served June 8, 2005). In this case, the Port has shown that substantially changed circumstances and new evidence surrounding the national and

global financial markets had hampered and delayed the Port's ability to finalize the necessary funding. The funding has now been obtained and the Port will use it to fund an escrow account, but the documentation and environmental review needed for the acquisition has not been completed.

The granting of the Port's extension request is consistent with precedent of the Board, which has granted extensions of the closing date in feeder line cases as well as offer of financial assistance ("OFA") cases. *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 2 (served Jan. 24, 2005) ("*KJRY-TPW*") (extension of 30 days, later reduced to 16 days); *Railroad Ventures, Inc. – Abandonment Exemption – Between Youngstown, OH and Darlington, PA in Muhoning and Columbiana Counties, OH and Beaver County, PA*, Docket AB-556 (Sub-No. 2X), slip op. at 2 (served Jun. 17, 2001) ("*Railroad Ventures*") (noting that OFA closing date had been postponed over a year).³ None of these cases mention 49 CFR § 1115.4 or required the petitioner to meet the petition for reopening standards. Due to the Board's precedent in cases like these, the Port believes the Board has sufficient authority to extend the closing date without reference to the reopening standards of 49 CFR § 1115.4. Nevertheless, as shown in this Petition, the reopening standards have also been met by the Port.

³ The Board also frequently grants extensions of time in other cases, too. *See, e.g., New York Central Lines, LLC – Abandonment Exemption – In Montgomery and Schenectady Counties, NY*, Docket AB-565 (Sub-No. 14X), slip op. at 1-2 (served June 5, 2008) (consummation date for abandonment extended to allow for further trail use negotiations); *Wisconsin Power and Light Company v. Union Pacific Railroad Company*, Docket 42051, slip op. at 1-2 (served April 18, 2000) (Board extends date for compliance with subpoena duces tecum).

IV. AN EXTENSION OF THE CLOSING DATE IS WARRANTED

A. The Port Has Taken And Continues To Take All Necessary And Possible Steps To Move Forward With The Acquisition

The Port has been actively working toward saving the Line from the time CORP announced its embargo. When it became clear that CORP was not going to repair the Line, the Port began working on acquiring the Line through the feeder line process, and has been diligent in preparing for the closing of the transaction since filing its acceptance letter with the Board on December 1, 2008. As described in its Reply Evidence, the Port issued a Request for Proposals ("RFP") for a rail operator to manage rail operations on the Line on September 12, 2008. Reply at 63-64. Four proposals were received, and the Port has been in contact with each potential operator regarding future rail operations on the Line. The Port is ready to move forward with the final selection and implementation of a rail operator upon acquisition of the Line.

The Port has also been preparing for the important task of repairing the out-of-service tunnels on the Line, repairing and maintaining the many bridges on the Line, and maintaining the track itself. As one step toward accomplishing these goals, the Port issued a Request for Quotation ("RFQ") to the engineering industry in order to find a firm to provide engineering services, manage the rehabilitation of the tunnels and bridges, manage overall maintenance for all aspects of the Line, and provide project management. Seven firms, including some of the largest engineering firms in the country, responded with quotations. The Port evaluated the seven quotations, selected three finalists, and has interview the finalists. The selection of the winning firm will be done after the acquisition is completed.

The Port has also engaged in active negotiations with the Union Pacific Railroad ("UP") regarding an agreement to govern their interchange of traffic to provide the best possible service

to Line shippers. While an agreement has not yet been finalized, the Port is hopeful that the final terms of the agreement will be reached soon.

Discussions with CORP regarding an Asset Purchase Agreement to govern the transfer of the Line have also been ongoing but a final agreement on all the terms of the asset purchase agreement has not been reached. Counsel for the Port and CORP discussed the drafting of the agreement and related documents on December 2. CORP stated its intention to provide the draft documents by mid-December. The draft agreement, without the schedules and certain exhibits was provided on January 7. The Port's Executive Director (a CCIM and RPA⁴ and the key Port employee for the sale agreements; other Port staff managed issues related to the financing, operator, and rehabilitation aspects for the Line) had a personal medical issue that had him substantially unavailable for three weeks in January. During that time, Port's counsel reviewed the draft and requests were made for CORP to provide the accompanying documents referenced in the agreement.

On January 23, the Port first conferred with CORP regarding the need for an extension of time. CORP did not reject the idea, but instead offered a proposal that included conditions unpalatable to the Port. The Port continued its efforts to secure financing and finish the closing documents and other related work.

The Port returned a mark-up of the agreement to CORP on January 30 and the parties discussed the agreement at length yesterday. The Port received some of the schedules and certain exhibits for the agreement yesterday, but not all documents have been submitted by CORP to the Port. As of last night, the Port understood that at least a short extension of time to complete the documentation would be acceptable to CORP. In fact, the parties concurred last

⁴ Certified Commercial Investment Member of the National Association of Realtors and a Real Property Administrator of the Building Owners and Managers Association.

night that completing the documentation by February 18 would be extremely difficult since the Port had not yet been granted access to the property for a Phase I environmental assessment of the property.⁵ This issue is of particular concern to the Port since CORP's proposed language in the sale agreement would require the Port to waive any and all rights or remedies against CORP for environmental liability that arose during CORP's ownership even if the environmental liability was not disclosed or could not have been detected in the Phase I environmental assessment. Then, this morning the Port learned that CORP's parent company was not enthusiastic about extending the closing time, and was inclined to prohibit the sale if closing did not occur on February 18. The Port is optimistic that CORP will agree to this reasonable request but the Port could not risk not filing a timely Petition.

The Port has also been in regular contact with the shippers on the Line to keep them apprised of the efforts to re-start rail service on the Line. Conversations with shippers on both the embargoed section (Coquille to Vaughn) and the operational Danebo to Vaughn section have been fruitful. As shown in the Coos-Siskiyou Shippers Coalition ("CSSC") letter attached as Exhibit A, shippers continue to support the Port's efforts to acquire and operate the Line and they recognize the hurdles faced by the Port in raising the necessary financing to acquire and rehabilitate the Line. Due to the recent downturn in the timber industry, demand for rail service on the operational Danebo to Vaughn section is currently minimal.

The Port has also been in contact with the Association of American Railroads ("AAR") regarding registration and designation of what will be known as the Coos Bay Rail Link, with

⁵ CORP's counsel sent a Right of Entry and Indemnification Agreement to the Port's counsel while this Petition was being drafted. The Port's environmental consultant is ready to start the Phase I environmental assessment as soon as access is granted, and has stated that it will take three to four weeks for the field work and report to be completed for the 111-mile rail property.

identifier "CBRL." The AAR has informed the Port that actual registration of the name must wait until the Port has ownership of the Line.

In short, the Port has been "diligent" in moving forward with all steps necessary to complete the acquisition as soon as possible. *Cf. CSX Corporation and CSX Transportation, Inc. Norfolk Southern Corporation and Norfolk Southern Railway Company – Control and Operating Leases/Agreements – Conrail, Inc. and Consolidated Rail Corporation, Docket 33388, Decision No. 210, slip op. at 2 (served May 15, 2003) (Board grants 4-month extension, the fourth such extension, for compliance with environmental condition related to acquisition because Norfolk Southern had "worked diligently" to meet the prior deadline and because it had "taken longer than anticipated" to complete all necessary steps).*

B. The Unprecedented Financial Crisis Is A "Changed Circumstance" And Constitutes "New Evidence" That Has Complicated The Port's Financing And Warrants Granting The Petition

1. Background

Soon after the Port filed its Reply Evidence on September 12, 2008, the global financial system began teetering on the edge of collapse as a result of the sub-prime mortgage crisis, ill-advised lending practices over the previous several years, worthless assets on banks' balance sheets, and complicated investing products such as credit default swaps which had uncertain value and which, crucially, no one wanted to buy. Liquidity became severely compromised, major financial institutions either declared bankruptcy (e.g., Lehman Brothers) or required government investment to survive (e.g., AIG, Bank of America, Citigroup, etc.), and the economy contracted. These events led to "extraordinarily turbulent conditions in global financial markets" causing "liquidity to dry up." *Statement of Federal Reserve Chairman Ben Bernanke*

before the U.S. Senate Committee on Banking, Housing, and Urban Affairs (Sept. 23, 2008). As the Port and the U.S. economy have experienced first-hand, the financial crisis is still ongoing.

2. Financing for the Port's acquisition of the Line

The Port's letter of credit from Umpqua Bank expired on November 30, 2008. See Application at 74 (filed July 11, 2008), Attachment 1 to Exhibit 2. With the global financial crisis in full force by late November, Umpqua Bank refused to renew the letter of credit, and the Port began searching for replacement funding. The Port talked with numerous lending agencies over the ensuing two months, but all have been severely impacted by the current financial crisis and are very reluctant to engage in any lending. As the Port discovered, actions taken by the U.S. Treasury Department, the Federal Reserve, and the Bush Administration in late 2008 did not revive lending among financial institutions. Credit markets remained "quite strained" and "far from normal," with extremely tight lending standards. Statement of Federal Reserve Chairman Ben Bernanke before the U.S. House of Representatives Committee on Financial Services (Nov. 18, 2008). See generally Federal Reserve Board, *Senior Loan Officer Opinion Survey on Bank Lending Practices*, October 2008.

With lending at a standstill, the Port took a number of actions. First, the Port attempted to find an entity to guarantee a private sector loan. The Port spoke with the federal Department of Agriculture regarding a loan guarantee program, but this program would have only guaranteed 70% of the loan amount – an option that lending agencies found unacceptable.

The Port also prepared and filed an application for a Railroad Rehabilitation & Improvement Financing ("RRIF") loan with the Federal Railroad Administration ("FRA") in early November 2008 to assist in the purchase, rehabilitation and long-term operation of the Line. Since filing the application, the Port has been working on follow-up issues as requested by

the FRA. For example, at FRA's request the Port has consulted with the Oregon State Historical Preservation Office ("SHPO") in order to re-confirm that the SHPO has no concerns regarding rehabilitation of the Line as long as all activities stayed within the rail corridor and no structures or buildings were removed. The Port is now working on a noise analysis requested by the FRA and other requests that FRA has sought from the Port.

The Port also notified the United States Economic Development Administration ("USEDA") of the Department of Commerce of the Port's interest in being included in any funding received by USED A from the "stimulus package" currently being debated in Washington.

Throughout late 2008 and to date, the Port never stopped searching for additional financing. It has been an extremely difficult process, one complicated by financial conditions that some analysts have called the worst economic crisis since the Great Depression. Commercial entities of all types continue to encounter credit markets that "have not been functioning normally." Statement of John Bovenzi, Chief Operating Officer of Federal Deposit Insurance Corporation, before the U.S. House of Representatives Committee on Financial Services (Jan. 13, 2009). Potential borrowers have "continue[d] to find the terms and availability of credit tight." Statement of Douglas Elmendorf, Director of Congressional Budget Office, before the U.S. House of Representatives Committee on the Budget (Jan. 27, 2009). *See also* Binyamin Appelbaum, *Despite Federal Aid, Many Banks Fail to Revive Lending*, WASHINGTON POST, February 3, 2009, at A-01; and Federal Reserve Board, *Senior Loan Officer Opinion Survey on Bank Lending Practices*, January 2009.

At the very end of January, the Port's diligence in seeking funding resulted in a proposal from a private lender for a loan of approximately the same size as the lapsed Umpqua Bank

financing. However, this proposal was conditioned on a loan guarantee from the state of Oregon, which the Port had also been seeking.

Then on February 5, 2009 (yesterday), the State of Oregon acting by and through its Economic & Community Development Department ("OECD")⁶ unanimously approved \$12.6 million dollars in bridge loans for the Port to acquire the Line. OECD has committed significant resources to complete the loan documents and the Port's Commission is holding a special meeting on Monday, February 9 to approve and sign the loan documents. Thus, the Port will be in a position to fund escrow of the purchase price on or about February 10, 2009, eight days prior to the scheduled closing. The Port will fund the escrow to be held by Ticor Title Insurance Company in Coos Bay, Oregon. This will put the Port in substantial compliance with the Board's Decisions and re-confirm the Board's finding that the Port is financially responsible. However, additional time is needed to complete the transaction documents especially since this sale is not like other voluntary sales where the seller would provide certain representations and warranties on title, hazardous materials or other environmental liabilities that may exist on the property prior to closing. With these recent events, the Port now envisions that an additional 30-40 days would be needed to complete the documents and related work needed for the closing. In light of the above, this request is in the public interest and consistent with the Board's statute.

3. Re-designation of the \$8 million from SAFETEA-LU

The Port's efforts in the last three months to secure the large purchase price set by the Board for the Line have also been hampered by the ongoing financial crisis because lawmakers in Washington have been almost exclusively focused on things such as the Troubled Assets Relief Program, housing foreclosures, preventing financial institution failures, the stimulus

⁶ The State of Oregon, like most states, has also been hit hard by the current economic crisis.

package, and related efforts. Congress has not completed the re-designation the \$8 million in federal funds from the SAFETEA-LU legislation that were originally intended for the Coos Bay rail bridge repairs. The Port remains optimistic that these funds, which have already been appropriated and now sit in Oregon Department of Transportation's accounts in a sort of legal limbo, will be re-designated at some point in the next six months so that the Port can use them for purchase and general rehabilitation of the Line.

4. An extension of the closing date is warranted

As a result of the ongoing financial crisis, financing for the acquisition of the Line has taken longer than the Port expected. The financial crisis has been a "changed circumstance" that directly impacted the Port's efforts to have the purchase price in place by February 18th, and which caused an extraordinary effort focused on funding during the past three months. *Cf. Arizona Public Service Company & PacifiCorp v. The Burlington Northern and Santa Fe Railway Company*, Docket 41185 (served May 12, 2003) (Board grants reopening of case due to changed circumstances where origin mine for stand-alone railroad would be depleted of coal before end of 20-year stand-alone cost modeling period). Now, additional time is needed to complete the sale documentation and work required under the sale documents.

The financial crisis also constitutes "new evidence" that has complicated the Port's financing and warrants granting the Petition. Obviously, the evidence of the financial crisis is new and could not have been provided by the Port earlier because the crisis did not implode until after the record closed in this case. *Railroad Ventures*, Docket AB-556 (Sub-No. 2X), slip op. at 6 (served April 28, 2008); *KJRW-TPW*, Docket 34335, slip op. at 5 (served Feb. 7, 2005). Nonetheless, the Port has now secured the financing but additional time is needed because the

closing documents and related work, including a Phase I environmental assessment, have not been completed.

Moreover, the Board should recognize the "good faith efforts" made by the Port to secure the necessary financing to replace the Umpqua Bank letter of credit, and grant the Petition especially in light of the fact that the Port will fund the escrow prior to the scheduled closing date. *Cf. Sagamore National Corporation – Acquisition and Operation Exemption – Lines of Indiana Hi-Rail Corporation; Sagamore National Corporation d/b/a Wabash & Erie Railroad and Wabash & Ohio Railroad – Transaction within a Corporate Family Exemption – Lines of Indiana Hi-Rail Corporation*, Dockets 32523 and 32582, ICC Lexis 264 at *2 (served Dec. 16, 1994) (ICC notes that it granted prior extension of compliance date due to "good faith efforts" of party involved).

KJRY-TPW is not the only feeder line case in which an extension of the closing date has been granted. The Interstate Commerce Commission ("ICC") extended the closing date of a feeder line transaction by roughly a month and a half when the selling railroad asserted that it could not comply with the standard 90-day closing date due to required labor union negotiations. *Cheney Railroad Company – Feeder Line Acquisition – CSX Transportation, Inc. Line between Greens and Ivalee, AL*, Docket 31012, slip op. at 1-2 (served April 28, 1989) (granting CSX's request that closing date be extended); *Tyson Railroad, Inc. – Petition for Exemption from 49 U.S.C. Subtitle IV*, Docket 31012 (Sub-No. 2), 1989 ICC Lexis 202 at *5 (August 2, 1989) (noting that sale by CSX was consummated four-and-a-half months after feeder decision).

V. SHIPPERS SUPPORT THE PORT'S EXTENSION REQUEST

As described above, the Port has remained in regular contact with many shippers on the Line. These shippers continue to support the Port's efforts to acquire the Line. See Exhibit A.

Such support is not surprising – the Port’s feeder line application is the only chance for the great majority of the Line’s shippers (those on the embargoed portion) to restore rail service on this Line. These shippers are not receiving rail service now, and they would be permanently without service if the Petition is denied and the Port is not permitted to complete the acquisition. Those shippers located on the Danebo to Vaughn segment (most of them are members of CSSC) will continue to have CORP’s service available until the Port takes over ownership of the Line. In addition, the Port has continued to finalize the operator and rehabilitation efforts and the extension of the closing date would add little to no additional time to those efforts. Hence, the Petition is in the shippers’ interest.

VI. THE PUBLIC INTEREST FAVORS AN EXTENSION

An extension of the closing date is in the public interest because it would preserve future rail service in contrast to the previously announced plan of CORP to abandon the great majority of the Line. The Board has already found that the public convenience and necessity require or permit the forced sale of the entire Line to the Port. October Decision at 5-8. The Board found that adequate rail service was not being provided by CORP and that the Port would provide better rail service. As previously mentioned by the Port, the region served by the Line is not located on any four-lane highways and is separated from the national Interstate system of highways by the Coast Range of mountains. Port Show Cause Reply at 46-48 (filed June 3, 2008 in Docket 35130). The Line is the only rail transportation connection for this region to the rest of the country and the rest of the world; in an increasingly global marketplace, ease of transportation is a requirement for a healthy local economy.

The feeder line statute was created so that local communities, such as the south coast region of Oregon, can take control of rail lines, prevent rail abandonments, and maintain rail

service. *Hudson River Estates, Inc. – Acquisition of Boston and Maine Corporation Reversionary Offer – Hillsborough Branch*, Docket 31701 (Sub-No. 2), 8 ICC2d 807, 809 (1992) (Congressional intent with feeder line program is “to provide communities and shipper groups an opportunity to preserve rail lines before they are abandoned or downgraded by the owning railroad”). As described throughout the Port’s pleadings in this case, shippers and the Oregon south coast region will benefit from granting this Petition to assist in the Port’s closing of this transaction. The Board should grant the Petition to ensure that rail service can occur in the future, thereby meeting the statutory goal of continuation of rail service to meet the needs of the public. 49 USC § 10101(4).

VII. THE HARM TO CORP, IF ANY, IS NEGLIGIBLE

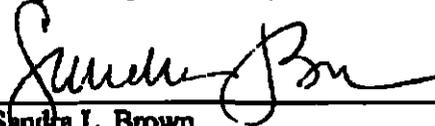
CORP would not be harmed by an extension of the closing date because no rail service or maintenance is currently being conducted on the embargoed section of the Line, so there will be no additional expenses incurred by CORP during the brief extension. *See* Port Reply, Volume II, Exhibit 11 at page 18 (CORP response to Interrogatory #21). CORP will have to continue serving the non-embargoed portion of the Line during the extension of the closing date, but there should be no harm to CORP for two primary reasons. First, CORP only applied for abandonment of the embargoed section of the Line, thereby voluntarily choosing to continue service on the Danebo to Vaughn segment and indicating that CORP does not lose money on this non-embargoed segment. Second, CORP indicated it is willing to continue operating the non-embargoed portion as part of CORP’s response to the Port’s initial request to delay the closing date. Furthermore, CORP will not be harmed by granting the Petition because it would only result in a temporary delay in the receipt of the purchase price by CORP which will be held in escrow while the transaction documentation and related work is completed. *Cf. KJRY-TPW*,

Docket 34335, slip op. at 4 (served Nov. 24, 2004) (stating that a dispute over money is not irreparable harm).

VIII. CONCLUSION

For all the reasons explained above, the Board should grant the Port's Petition for Extension of Closing Date, and order that the date that closing must be completed is extended to on or before March 31, 2009. As stated above, the Port will fund the transaction into escrow prior to the February 18th date stated in the Board's November Decision while the parties finalize the terms of the sale and related work; thus, the Port has substantially met the terms of the Board's Decisions.

Respectfully submitted,



Sandra L. Brown

David E. Benz

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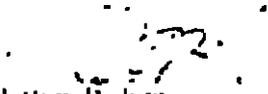
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*Counsel for the Oregon International
Port of Coos Bay*

February 6, 2009

VERIFICATION

I Jeffrey Bishop verify under penalty of perjury that the foregoing facts in the Port's Petition for Extension of Closing Date are true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this Verification



Jeffrey Bishop
Executive Director
Oregon International Port of Coos Bay

Dated: February 6, 2009

EXHIBIT A



January 30, 2009

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

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

Dear Secretary Quinlan:

The Coos-Siskiyou Shippers Coalition ("Shippers Coalition") represents many of the shippers located on the Coos Bay rail line of the Central Oregon and Pacific Railroad ("CORP") in Oregon. A list of the members is attached. We have been closely watching developments in the feeder line case through which the Oregon International Port of Coos Bay ("Port") is attempting to purchase the rail line. We have supported the efforts of the Port to acquire the line and to resume rail service.

Recently, the Port informed the Shippers Coalition that it was having trouble securing the necessary funds to meet the purchase price set by the Surface Transportation Board ("Board") last fall. The Port observed that it likely would not meet the February 18th closing date set by the Board, and that it would ask the Board for an extension of time to secure more funding.

We urge the Board to grant the Port's request for an extension of time in which to close this transaction. Given the recent and unexpected economic crisis which has inordinately affected the national banking system, it is not surprising or unusual that the Port has encountered some difficulty in securing funds for the purchase of the Coos Bay line. Furthermore, the Port has to acquire funding not only for purchasing the rail line, but also for repairing the out-of-service tunnels and remedy CORP's neglect of regular rail line maintenance over the past several years.

It is quite obvious to us that an extension of the closing date by several months is eminently better rail policy and preferable to CORP's plan to abandon the Coos Bay line. The Shippers Coalition therefore supports the Port's request to seek more time to close this transaction. We look forward to the day that the Port re-starts rail service on this critical transportation link for the region.

Sincerely,

Allyn Ford
Chairman

COOS/SISKIYOU SHIPPERS COALITION

ORGANIZATION

**Roseburg Forest Products
American Bridge Manufacturing
American Laminators
Bay Area Chamber of Commerce
Boise Cascade**

**C&D Lumber
City of Grants Pass
City of Montague**

**City of Reedsport
City of Yreka
City of Weed
Coquille Tribe
Coos Bay Lumber Co.
Coos County Commissioners
Douglas County Commissioners
Douglas County Forest Products
Douglas County Ind. Devel. Bd.
DR Johnson Lumber Co.**

Georgia Pacific

**Grants Pass Chamber of Commerce
Green Diamond Sand
Herbert Lbr. Co.
Hoover Treated Wood Products
International Paper Co.
Jackson County Commissioners
Keller Lumber
Lone Rock Tbr. Co.
Medford/Jackson County Chamber
Menasha/Campbell
Nordic Veneer
Oregon Trans Museum
Port of Coos Bay**

REPRESENTATIVE

**Allyn Ford, Chairman
Fred Jacquot
Pete Martini
Tim Slater
Bruce Cartmel
Ralph Saperstein
Brad Hatley
Steve Dahl
Phil Robustellini
John Hammond
Charles Freeman
Brian Meek
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Jonathan Jordan
Barry Ziegler
Lynn Herbert
Tim Borris
Mike Salvino
C.W. Smith
Mike Keller
Toby Luther
Brad Hicks
Scott Starkey
Art Adams
Don Kirk
Jeff Bishop
Martin Callery**

**Plum Creek Timberlands
Rosboro Lumber Co.
Rough and Ready Lumber Co.
Roseburg Area Chamber of Commerce
Sabroso Company
Scott Valley Bank
Sierra Pine LTD.
Siskiyou County Economic Development
Siskiyou County Supervisors**

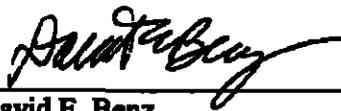
**South Coast Lumber Co.
South Coast Development Council
Southport Forest Products
Swanson Group**

**Swanson Bros. Lbr. Co.
Timber Products
Umpqua Econ. Dev. Partnership
Weyerhaeuser
Yreka Chamber of Commerce**

**Joel Nelson
Dennis Williams
Linc Phillipi
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Dan Taylor
Jon Widman
Tonya Dowse
Jim Cook
Michael Kobseff
Ken Caylor
Ronald Opitz
Jason Smith
Jim Hunt
Cameron Kraus
Larry Konnie
Erik Vos
Helga Conrad
Randy Seibert
Pete LaFortune**

CERTIFICATE OF SERVICE

This is to certify that on this 6th day of February 2009, I caused the foregoing Petition to Reopen and/or Petition for Extension of Closing Date of the Oregon International Port of Coos Bay in STB Finance Docket No. 35160 to be served upon all parties of record in this proceeding.



David E. Benz