



# Oregon

Tina Kotek, Governor

Department of Transportation

Public Transportation Division

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May 28, 2024

The Honorable Pete Buttigieg, Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590

Dear Secretary Buttigieg:

The Oregon Department of Transportation supports Lake County Railroad and its pending Lake County Rail Replacement Project application for CRISI program funding. ODOT believes this project is vitally important to the citizens and the economy in that region of our state.

Thirty-nine years ago, the Interstate Commerce Commission (ICC) approved Southern Pacific railroad's petition to abandon this 55-mile line serving Lakeview, but community leaders realized preservation of rail service was fundamental for existing industries and essential for attracting new businesses to locate in Lake County. With state funding the county purchased the line in January of 1986.

The railroad built to Lakeview in 1912 was narrow gauge. Conversion to standard gauge in 1928 entailed using second-hand 75- and 90-pound rail from three different manufacturers. This lighter rail is considered inadequate today but remains in use. Almost all of it was produced more than 100 years ago.

The legacy of smaller rail is the line's inability to safely carry today's standard railcars which can have a gross weight of 286,000 pounds when fully loaded. Recognizing this limitation, the Lakeview line restricts cars to a total weight of 263,000 pounds although this handicaps customers who can't fully load newer cars that have greater capacity. Withholding commodity results in inefficient use of high-capacity rolling stock which affects their utilization across the entire rail system, not just on the 55-mile Lakeview line.

For the last half century, Lake County's railroad has suffered volume anemia. From 3,500 carloads in 1974, traffic declined to 1,535 carloads in 1983, which is what led Southern Pacific to seek abandonment in 1985. To put this into perspective, a branch generating 64 carloads per mile per year in 1974 only produced 35 carloads per mile during 1983, a 45% decline.

After public acquisition of the line in 1986, Oregon's economy continued to shift away from forest products as a driving force in rural regions. In Lake County, rail traffic volumes continued to decline and became somewhat erratic. Over the past 31 years, annual carloads per mile have ranged from as low as five to as high as 46, and during the past three years they have stabilized at around 16 per mile yearly. These statistics compare unfavorably with the former ICC's historic barometer that 50 to 100 carloads annually per mile are necessary to predict viability for a short line owned by a government entity. But things are about to change.

In 1985, community foresight anticipated availability of rail transportation would be valuable for recruiting new industries to locate in Lakeview. Now, two new rail-served businesses are doing just that. As described in the CRISI project narrative, a plant to produce biofuel has located just south of town, while a company that will process locally mined minerals for green cement is constructing a facility and several thousand feet of new spur track just northwest of Lakeview. Both industries are expected to significantly increase carloads.

ODOT acknowledges the grant requested here is not enough to rehabilitate the entire line, but it will allow a substantial portion of the line to be upgraded as one phase of an overarching plan to methodically rehabilitate the entire 55 miles. Because this is important publicly owned infrastructure, ODOT believes this project is an excellent candidate for federal investment and will pay dividends for many decades into the future.

Sincerely,

*Jennifer Sellers*

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ccFile, MJ