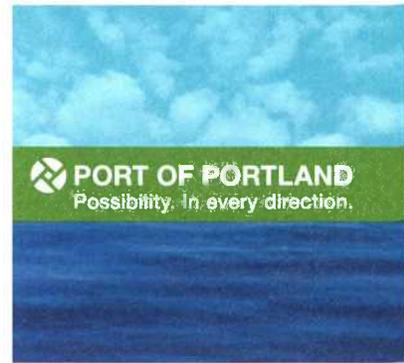


September 24, 2018



Tammy Baney, Chair
Oregon Transportation Commission
Oregon Department of Transportation
355 Capitol Street NE, MS 11
Salem, Oregon 97301-3871

Dear Chair Baney:

Access to global markets for Oregon importers and exporters is a priority of the Port of Portland (Port) whether by river, rail, runway or road. This is our mission. Consistent with this mission and our commitment to Oregon shippers, the Port has been working with an Industry Leader Committee to explore new options for moving Oregon cargo to national and global markets since the departure of trans-pacific container service out of Terminal 6. Rail service, barge service and container service were all identified as key areas of focus by the Industry Leader Committee.

As an outgrowth of this direction, Burlington Northern Santa Fe (BNSF) established intermodal rail service at Terminal 6 to Tacoma and Seattle ports in January 2018. Northwest Container Service has a similar rail service operating with Union Pacific (UP). Trucking offers a third option for transport to Puget Sound ports. These services provide Oregon shippers with other options to connect to ocean container lines traveling to key markets in Asia and throughout the Pacific Rim.

Return of the Columbia River upriver barge service was another key focus of the Terminal 6 Industry Leader Committee. The Port has been collaborating with the NW Seaport Alliance, shippers and transportation providers to explore a restart of the upriver barge from the Port of Lewiston, ID and Port of Morrow in Boardman, OR to Terminal 6 with rail transit north to Puget Sound ports. Not unlike the rail options, the upriver barge system has been operational for many years and offers the benefit of shifting cargo off highways reducing traffic and congestion and improving air quality with a shift to this cleaner, more efficient transportation mode. Barge service to move agricultural and other cargo from Eastern Oregon and other upriver ports is an important part of the larger transportation network and requires our collective attention.

The Mid-Willamette Valley Intermodal Facility provides an opportunity to build on this work to expand Oregon shipper market access options. Market feasibility is fundamentally critical to the success of any such facility. In our review of this project, the EcoNorthwest analysis shows that the facility can operate on a financially sustainable basis after a start-up period of roughly five years. While not directly in the control of the facility operation, a critical component to the overall success of this facility is to assure the availability of empty containers to the local market. We believe it will be important for shippers, railroads and ocean carriers to work together on a back-haul program that uses

Mission: To enhance the region's economy and quality of life
by providing efficient cargo and air passenger access
to national and global markets, and by promoting industrial development.

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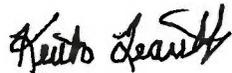
Tammy Baney, Chair
September 24, 2108
Page Two

local empty import containers to haul export products to marine terminals. This allows for a more efficient and cost-effective supply chain and helps mitigate the added cost of repositioning empty containers to the market.

The active participation and cooperation of both Class I railroads (UP and BNSF) is equally critical to the success of the Mid-Valley Intermodal Facility as both railroads control different segments of the mainline between the Valley and Seattle. The railroads will need to provide heavy-haul rail cars capable of handling the agricultural export loads that are generated out of the Valley from the facility. Railroad support will be needed to support mainline and facility switching required for a consistent, weekly, import-export program and shipper predictability.

In summary, the Port has reviewed the Mid-Willamette Valley Intermodal Facility proposal and believes the project merits further review and refinement and should proceed to the next stage of the process. We look forward to continuing to work with the Oregon Department of Transportation and our state's exporters and importers on options to expand access to national and global markets.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Leavitt". The signature is written in a cursive, slightly slanted style.

Keith Leavitt
Chief Commercial Officer