

The ARG transition

This past year has brought many changes in the ARG family.

We are now a year into the transition without our senior mentors, while the next generation leaders continue to grow, adapt, and find creative ways to overcome the new challenges they are faced with.

We appreciate your support, patience, and understanding as you have all faced challenges communicating with a new or different team member. You have put up with different ideas and operational plans.

On the SPSR and CBR, you have worked with your new team members and created new opportunities.

We lost a team member recently with the departure of Greg Bess, and with his replacement, Rich Lopez, some of you will have yet another person to get to learn and grow with.

You have stuck with us through a beast of a winter and an ever changing market.

We appreciate your continued alliance and individual commitments to move your products by rail.

Duke Rodley
Chief operating officer

Rich Lopez is CBR's new operations manager

Rich Lopez joined Coos Bay Rail Link August 21 as operations manager, succeeding Greg Bess.

Rich began his railroad career with the Union Pacific and was promoted to locomotive engineer in 1995. He advanced to manager operating practices at West Colton, Calif. and manager road operations at Lordsburg, New Mexico in 2015.

Most recently, he was trainmaster for the Columbia & Cowlitz Railway, Longview, Wash.



Duke Rodley



PHOTO BY DOUG BRATTON

Summer lumber loadings stem downward trend

Timber-related shipments, which account for 99 percent of Coos Bay Rail Link's volume, rebounded in May and June when carloadings rose to 727 and 721, respectively, the highest levels since April 2014.

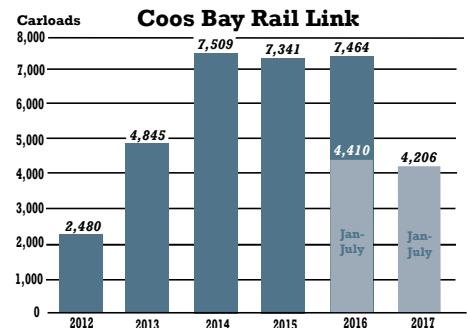
Total carloadings for the first seven months in 2017 were 4,206, a 4.6 percent decline from 4,410 a year ago.

Five-day interchange with UP

Interchange with Union Pacific at Eugene increased from triweekly to Monday through Friday, effective June 1. Round trips to Coquille increased from two to three days a week. "It's good," says Richard Archunde, CBR general manager. "Service is more consistent and it's better for the UP and us. We're using less fuel hauling smaller trains."

Concrete bridges have been inspected and rated and similar work on timber bridges should be done in the next few months, says Richard.

The Port of Coos Bay is proceeding with plans to renovate nine CBR tunnels. In addition, the Port plans to replace the Vaughn viaduct near Noti.



ARG Mechanical Services named 'Home Shop' for GACX, Greenbrier

ARG Mechanical Services marked its first year, April 1, growing from General Manager Doug Bratton Sr. to seven full-time car and locomotive employees, including Doug.

In July, Greenbrier and GACX, two leading railcar leasing companies, selected ARG Mechanical Services as a "Home Shop," where freight cars can be sent to ARGM's Gardiner, Oregon facility for major repairs.



"This is a recognition of the quality and professionalism of our work," says Doug. "We're becoming a preferred car repair facility in the region—not just Coos Bay Rail Link."

In June, ARG Mechanical prepared 23 log cars for local service.

"We're hoping to repair the types of cars that can catch a load, as soon as we're finished," says Doug.

In addition, ARGM is overhauling CBR locomotive No. 3802. Work includes complete rewiring, a remanufactured diesel engine, main and auxiliary generators and new traction motors. It will be a GP38-3, when completed later this year.

NEW BOOM TRUCK—ARG Mechanical Services' newly acquired boom truck features a 10,000-lb. capacity crane—able to deftly maneuver wheel sets and other heavy railroad components while on and off the rails.

SPSR carloads up 3.5%

January through July carloadings on San Pedro & Southwestern Railroad rose 3.5 percent to 1,314 from the 1,270 cars handled in 2016.

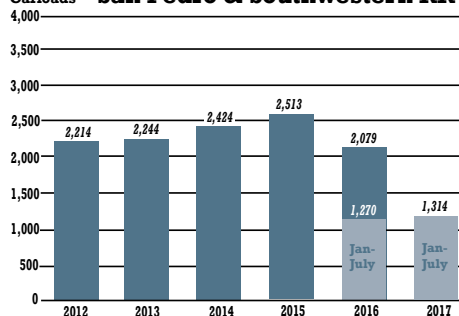
“SPSR’s volume was much stronger February through April of this year,” reports Aaron Lovelady, general manager. “However, May through July slipped to below normal levels—mostly due to lower copper prices and the absence of mining chemicals.”

Inbound shipments to Willcox—particularly feed for Coronado Dairy—remained steady.

Expansion and improvement continues at Superior Bulk Logistics’ new transload facility at Curtiss, seven miles south of Benson. Work includes additional parking and office space.

Earlier this year, SPSR terminated its agreement to serve the Casa

Carloads San Pedro & Southwestern RR



Grande Industrial Park—largely as a result of Sheffield Lubricant’s postponement of rail shipping at its refinery to recycle and renew motor vehicle and other used oil.

ARG adds trackwork affiliate

Eugene, Oregon-based ARG Transportation Services launched a new subsidiary—ARG Track and Structures—June 1.

Parent company President and CEO Scott Parkinson explains, “ARG Track and Structures offers a needed, regionally based, quality contractor that can manage and maintain railroad roadways at competitive prices.”

The new firm’s focus will be track and bridge repair as well as management and administration.

Scott adds, “In addition to experience, our advantages include efficiencies in mobilization and quality work.”

Why is Coos Bay Rail Link important?

In preparing its application for an \$11 million 2016 FAST Lane grant to rehabilitate nine tunnels on Coos Bay Rail Link, the Oregon International Port of Coos Bay presented these economic and environmental highlights...

- On-line customers who ship via the Coos Bay Rail Link save an average of \$2.2 million per year in transportation costs;
- The rail line supports two positions at the Port of Coos Bay, and 15 positions at Coos Bay Rail Link;
- The railroad serves 12 shippers along the line, employing 750 people;
- These shippers generate more than \$100 million in annual economic activity;
- On average, rail is three times more fuel efficient than truck;
- Transporting goods by rail reduces road congestion, extends highway life;
- Rail shipping lessens highway injuries and fatalities.

PHOTO BY AARON LOVELADY



ROOM TO GROW—Five acres have been added to accommodate a new office and trailer parking at Superior Bulk Logistics’ transload site at Curtiss.



132 E. Broadway
Suite 201
Eugene OR 97401
541-344-4314
info@argtrans.com
www.argtrans.com