Testimony Before the

Joint Ways & Means SubCommittee

on Transportation and Economic Development

HB 5550 March 28, 2017

In **1975**, in response to the energy crisis, Oregon's Legislature approves the first **Willamette Valley Rail Study**. Oregon leads the way in the Pacific Northwest.

In **1982** the Federal Railroad Administration designates Eugene to Vancouver B.C. one of ten **federally designated corridors for high speed rail**. In terms of population density, the length and population are similar to France's TGV Paris-Lyon high speed rail corridor. Paris-Lyon now requires double deck trainsets to meet passenger demand.

In **1984** ***AORTA*** (Association of Oregon Rail and Transit Advocates) joined with other rail groups to restore the defunct clock and clock tower atop Union Station. In **1990** ***AORTA*** and other rail groups sue in Federal District Court to stop the Portland Development Commission from eliminating all but two tracks at Union Station. Today the clock tower is a familiar Portland landmark on television and in print. The five tracks are often at capacity and the sixth track is being restored on the land we saved from development in 1984.

In **1991** the Department of Energy published Oregon's Fourth Biennial **Energy Plan**. It states "Transportation alternatives … should be judged on a par with all other transportation options including highway expansion. The full costs of [each option] should be measured to include environmental and energy costs."

The report explains that adequate sources do not exist for alternatives to highway construction. "The state cannot hope to obtain a least-cost transportation system" as long as the **Constitutional restriction on gasoline taxes and vehicle registration fees** remains.

In **1994** Amtrak Cascades began Portland-Eugene service with **one daily roundtrip**.

In **2000** a **second roundtrip** was added between Portland and Eugene.

In **2001** the **State Rail Plan** called for increasing Cascades service from two to five roundtrips.

In **2010** Oregon purchased two of the four newest 125 mph trainsets in America in order to help ensure continued service in Oregon. These trainsets were delivered in 2012. Our corridor receives over $500M for improvements, primarily in Washington because foresight and planning included shovel-ready projects to improve the corridor.

In **2014** our schedule is changed and ridership drops dramatically. More than twelve months later, when weekend schedules are corrected, weekend ridership rebounds.

Over the past decade Oregon has wisely invested in private-public partnerships through **Connect Oregon** to improve our passenger rail corridor. In 2014 the Harrisburg Bridge was upgraded to allow passenger trains to travel 79 mph over previously slow track. Improvements were also made in Albany. Today, in part with Connect Oregon funds, Union Pacific is

improving track in the North Portland Junction to increase speeds through that congested corridor and improve on-time performance of passenger trains.

In **December 2016** the first of several new low-emission, **125 mph Siemens SC-44 Charger diesel electric locomotives** arrived in the Pacific Northwest for testing. Although this particular locomotive will eventually see service in Illinois, our corridor was recognized as an appropriate location for testing after initial evaluation in Pueblo, Colorado. Family wage jobs.

A few weeks ago a Siemens Charger SC-44, the first of eight purchased by the State of Washington, was delivered to Pueblo for evaluation. It will soon arrive in the Pacific Northwest.

Later this year for the first time we will have locomotives and passenger cars **capable of 125 mph** service.

In the Tacoma area, Amtrak Cascades will begin using a more direct, much faster, passenger train only rail bypass, reducing travel time between Portland and Seattle.

In September Washington will add two roundtrips between Portland and Seattle. These new frequencies are expected to result in improved scheduling south of Portland, Increasing convenience and ridership.

Because nearly 40% of the passengers arriving via train in Portland travel through Portland to destinations south and north of Portland, ridership between Portland and Seattle has a very significant impact on ridership between Portland and Eugene. Improvements in Washington increases ridership n Oregon. What we do in Oregon affects ridership in Washington.

Shifting traffic, both passenger and freight, from road to rail helps minimize the high costs of road construction and maintenance, helps address roadway congestion, prepares us for expected population growth, and helps Oregon meet declared carbon reduction goals. It improves our state's economic outlook.

Our corridor is an investment in mobility and economic prosperity. Washington is ahead of us. California is light years ahead. Oregon needs an adequate, predictable, stable source of funding to maintain and improve both rail public transit, both within and beyond the Willamette Valley.

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Subject: Finding the Missing Pony - Joint Ways & Means Subcommittee on Transportation & Eco Development
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Senator Johnson, Co-Chair -

If we use a shovel to find your missing pony it will take much effort. Please let me try to lower the pile.

Different modes of transport are treated differently. Your helicopter (and fixed wing craft) come ready to fly because federal dollars helped research, design and test the product and its components -- it was subsidized when you take it off the lot and it continues to receive subsidies as it operates.

Generally speaking, rail is the **only** mode of transport expected to rely on **private investment** to:

1. acquire,
2. develop,
3. maintain,
4. police and
5. signalize the right-of-way (ROW).

Furthermore, **railroads pay taxes on their ROW *and* on the improvements** (bridges, tunnels, signal systems, ...). Because railroads generally "pay their own way," railroad companies are conservative when expanding or improving infrastructure. These factors have a significant historical and current impact on **both** Amtrak and freight rail.

Road transport, **aviation** and **waterway transport** rely in part or in whole on taxpayer dollars and public bonding to acquire, build, maintain, police and signalize all of their ROW. Furthermore, **no taxes** are levied on the ***ROW or the improvements***. Air traffic control, for example, is paid for with general funds.

Taxes railroads pay are used, in part, to **help subsidize other modes of transport** (roads, aviation, ports).

In order to have an efficient transportation system we need to utilize each mode. **Aviation, roads, waterways and railways are essential components of an efficient transportation system**.

Dissimilar treatment has created an environment in which we ask, roads in particular, to perform tasks for which they are poorly suited: carrying freight and people along congested, relatively level land corridors. When we use a chisel to perform the work of a screwdriver, it might work. But the chisel will **fail** to do either its designed task, or the task of the screwdriver, efficiently.

Focusing on the Cascades "seat subsidy" for a fledgling rail system will serve no purpose without also assessing and untangling the costs, direct and indirect, of highway transport. Significant return on investment will be realized when **schedules** are improved and frequencies increased. There ***will be*** significant improvement in September 2017.

One thing is clear. Railway transport offers more capacity to transport large numbers of people (and freight) safely and efficiently over most relatively level ground corridors with far less energy, terrestrial space, pollution and environmental degradation. And that demand is growing.

Thank you!

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For many years after WW II, railroad passengers and shippers had to pay a surcharge to help fund the war. During WW II, other modes were ***also*** *subject to this tax, but the tax was* ***discontinued*** *for all modes* ***except*** *railroads shortly after the war ended.*

Highway and aviation are the beneficiaries of much ***indirect*** *subsidy. One of many examples: The American Lung Association once stated that if you levied a tax on gasoline to recover the health care costs for respiratory diseases attributable to tailpipe emissions alone, it would amount to* ***40-45 cents per gallon****. While tailpipe emissions have dramatically improved since that claim was made, the costs of health care have risen dramatically, and the indirect subsidy road traffic gets from respiratory disease, trauma, heart disease, etc, continues to be substantial.*

The small number of railway companies that received land grants were required to provide transportation services to the federal government that far exceeded the value of the land they received.