

April 21, 2021

Joint Ways & Means Committee

[SB 5555](#) STATE BUDGET - CONGRESSIONAL DISTRICT 3

Co-Chairs Johnson, Steiner Hayward and Rayfield, and Members of the Committee:

This testimony is from Mr. Donald Leap and Dr. Randall Smith. We would like to see expanded state investment in infrastructure, such as the example below.

Reinstall Portland Union Station Track 6

\$12 million

Reinstall Portland Union Station track 6 to improve freight and passenger train fluidity at Portland Union Station. An FRA grant is funding P/E and NEPA work to 30% design for seismic upgrades and repurposing depot's interior as well as drainage, utility, and other improvements.

This project could use some help from the state because infrastructure, although at first costly, it offers has long term benefits for the state's economy.

The Oregon Rail Users' League (ORULE) has put together a list of suggested infrastructure projects – see the list and map at (see [Transportation Joint 2021 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](#)).

ORULE is asking that full funding be restored to the Oregon Industrial Rail Spur Fund this session. This already established program is found in OAR 741-020 – 0010 (see [Transportation Joint 2021 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](#) for more information). The program was established in 2003 and was funded with \$8.5 million. It is targeted for shippers to connect to railroads and funded 18 projects across all five regions of the state. Of those eighteen projects, eight were direct to shippers, six to port or government organizations and four to railroads, to help shippers with connectivity. The program is administered by ODOT personnel and the ODOT's Rail Advisory Committee who are very familiar with rail needs; it has a simple application process and good oversight. This bill is already law but just needs funding.

ConnectOregon was a outstanding program when it was first started, with \$100M in funding during the initial phases. It was competitive. It allowed funding for both small and large projects. And it provided a minimum distribution in each of ODOT'S five regions across the entire state. But things have changed, not necessarily for the better. The last open competitive program was in 2015. ODOT doesn't expect another until 2022.

If Governor's bill passes (HB 2165), then *ConnectOregon* will not receive \$12M that we were anticipating. That makes the wait for an open competitive program even longer. After the 2022 program, the wait will probably be for about every other biennium, rather than every biennium.

We would like to see *ConnectOregon* properly funded, and competitive programs return. In the meantime, we would like to see the Oregon Industrial Rail Spur Fund be refunded this session.

Sincerely,

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