



February 23, 2023
Joint Committee on Transportation
Strong Support for -1 Amendment to SB 16

Co-Chairs Gorsek and McLain and Members of the Committee:

For the record, my name is Jenny Dresler. I am the Executive Director of the Oregon Rail Users' League (ORULE). ORULE is an association for all public and private interests that operate, utilize and support railroads in the State of Oregon. Our membership is quite diverse, including Class I railroads, short lines, passenger rail and related advocates, light rail, ports, shippers, engineering firms, rail manufacturers, etc.

ORULE appreciates your consideration of the -1 amendment to SB 16 and is fully in support of the bill. Some of our members will be testifying today.

While we continue to support *ConnectOregon* as a tool to support Oregon's multimodal transportation system, the predictability of *ConnectOregon* has declined significantly in recent years. ORULE members no longer see *ConnectOregon* as the primary means by which to support rail infrastructure needs.

In December 2022, ORULE members initiated a conversation regarding alternative methods to fund improvements to Oregon's rail network. Several priorities were identified, including rail capacity improvements, safety, and investments in carbon reduction technologies. In addition to these priorities, members shared a desire to better compete for federal infrastructure funds, which often require matching funds that can be provided by the state.

ORULE considered two existing statutes—the Industrial Rail Spur Fund and State Rail Rehabilitation Fund—and ultimately decided that the State Rail Rehabilitation Fund in ORS 824.016 was a better fit for the priorities identified by the industry.

The -1 amendment modernizes the State Rail Rehabilitation Fund to allow for future investments in rail projects that are consistent with the goals of the Oregon State Rail Plan. Eligible projects include: (1) capacity improvements, such as new or lengthened sidings and industrial spur rehabilitation or construction, and (2) capital investments that improve safety or reduce greenhouse gases.

The -1 amendment also updates ORS 824.016 to allow applicants to apply for state matching funds to better compete for federal discretionary grants for rail projects. There are over a dozen grant programs with rail funding availability offered through the U.S. Department of Transportation (USDOT). Of relevance to SB 16, \$3.6 billion will be granted through USDOT's Consolidated Rail Infrastructure and Safety Improvements (CRISI) program over the next four years. However, a local match is required to access those federal dollars, and this legislation would enable that matching opportunity. Having multiple sources of matching funds, such as through SB 16, increases the chances of being successful in pursuing competitive federal grant programs, such as CRISI.

The Oregon Rail Users' League appreciates your consideration of the -1 amendment to SB 16, and requests your support of the bill as amended.

Thank you for your attention.

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