



Joint Committee on Transportation Reinvestment  
900 Court Street NE  
Salem, OR 97301

June 26, 2025

**Re: HB 2025 -A28**

Co-Chairs Pham and McLain, Vice Chairs Starr and Boshart Davis, Members of the Joint Committee on Transportation Reinvestment:

The Oregon Rail Users' League (ORULE) serves both public and private organizations that operate, use and support railroads in Oregon. ORULE advocates for the rights and needs of railroads and their customers and encourages economic growth for the state.

ORULE writes to express our concern regarding the projected reduction in Connect Oregon funding in the -A28 amendment. The Legislative Revenue Office projects a reduction of \$6.2 million per year in Connect Oregon funding, due to the new allocation formula in the -A28 amendment, which will significantly impact improvements that can be made to Oregon's rail network and stymie economic development opportunities.

Created in 2005, Connect Oregon is the first major state funding initiative targeted at multimodal and non-highway transportation in Oregon. Since its inception, Connect Oregon has helped to make critical connections with non-highway modes of transportation, leveraging significant investments in rail, port and aviation networks. The Oregon Transportation Commission (OTC) oversees investments, and the OTC works closely with public and private transportation interests to select and fund projects. A primary goal is to foster public-private partnerships and maximize contributions from all sources.

Approximately 19.7 million tons of freight were terminated by rail in Oregon in 2023. Freight railroads take approximately 3.5 million truckloads off Oregon roads annually, and on average, railroads reduce greenhouse gas emissions by 75 percent. To meet the rapid increase in demand for rail service, investments must be made in order to:

- Upgrade Oregon's valuable short line railroads,
- Ensure that key investments are made on the long-haul rail system, and
- Balance the demand for freight and passenger traffic.

ORULE is concerned that the new funding formula will reduce investments in rail, air, and marine infrastructure and hinder efforts to attract new businesses in Oregon.



Transportation infrastructure is a key component in the long-term survival and success of local businesses and rural communities, and the Oregon Rail Plan shows the need for railroad track infrastructure. The Connect Oregon program has done great things, including allowing smaller entities in economically depressed areas the opportunity to move forward. It has allowed our members to preserve infrastructure and maintain valuable infrastructure.

ORULE appreciates the opportunity to share our concerns with the funding formula laid out in the -A28 amendment, and specifically, the projected reduction of Connect Oregon funds.

Sincerely,

Jenny Dresler  
ORULE Executive Director