

House Joint Memorial 1

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Urges Congress to pass Freight Rail Infrastructure Capacity Expansion Act of 2006.

JOINT MEMORIAL

To the President of the United States and the Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Seventy-fourth Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

Whereas in the 1970s about one-fourth of our nation's railroads went into bankruptcy; and

Whereas the Staggers Rail Act of 1980 released railroads from government regulation and helped attract billions of dollars in new private capital investment; and

Whereas, more than 26 years after passage of the Staggers Rail Act of 1980, railroads have reached current capacity; and

Whereas in 2006 the population of the United States surpassed 300 million people and is expected to reach 400 million people within 30 years; and

Whereas the American economy depends on the efficient movement of people and goods; and

Whereas the lack of rail freight capacity in some states results in additional truck traffic on the nation's interstate highways; and

Whereas railroads spend \$10 billion to \$12 billion each year to repair and maintain railroad infrastructure and equipment; and

Whereas in 2006 Class I railroads spent \$8.3 billion laying new track, buying new equipment and improving infrastructure; and

Whereas the United States Department of Transportation estimates that freight traffic will grow by 67 percent between 2000 and 2020; and

Whereas the Freight Rail Infrastructure Capacity Expansion Act of 2006 would provide a 25 percent tax credit for investment in new freight rail infrastructure, including new track, intermodal facilities and new locomotives; and

Whereas the Freight Rail Infrastructure Capacity Expansion Act of 2006 would permit rail infrastructure investments to be expensed, or completely deducted in the year the investment is made, instead of the current method of depreciating the investment over multiple years; and

Whereas the combination of a tax credit for some freight rail investments and expensing for the balance of freight rail investments will encourage the nation's freight rail industry, including Class I railroads, short line railroads and shippers, to increase its capacity to meet the growing demand for freight rail transportation; now, therefore,

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

2 (1) The Congress of the United States is respectfully urged to pass the Freight Rail
3 Infrastructure Capacity Expansion Act of 2006.

4 (2) A copy of this memorial shall be sent to the President of the United States, to the Senate
5 Majority Leader, to the Speaker of the House of Representatives and to each member of the Oregon
6 Congressional Delegation.

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