

Testimony of Dan L. McFarling
President, **AORTA** (Association of Oregon Rail and Trans.
Portland Union Station, 800 NW 6th Avenue, Suite 253, Portland, Oregon

Before the House Transportation and Economic Development Committee

HB 2338

Thank you for this opportunity!

AORTA, the Association of Oregon Rail and Transit Advocates, has been on record as supporting extension of WES to the south, as well as operating longer hours and with greater frequency. We took that position when WES was first proposed, and after the passenger line was in service. **AORTA** supports improvements that ensure both **freight rail and passenger rail** are enhanced.

[Why do we say freight rail must be enhanced? (1) Improved freight rail service is also very important to our state's economy and our citizenry, and (2) Passenger trains will be allowed to operate on privately owned rail lines only if there is benefit to the owners of the freight railway.]

During the past several years, many task forces have been created to study our need for rail improvements. Today there is more than one task force looking at how rail can strengthen our state's economy. The Oregon Rail Funding Task Force, now dissolved, was created two years ago by the Legislature at the Governor's request. Its mission was to identify a source of funding for passenger train development and operations. The task force met several times through 2012. **AORTA**, although not on the task force, was well-represented at every meeting, and pushed for consideration of a carbon tax, a potentially strong and appropriate funding base.

But a carbon tax was never seriously discussed. After meeting for a year, the task force failed to identify any viable and appropriate means to support rail. What it came up with was pretty much DOA.

Five years ago, British Columbia implemented a carbon tax. The province's carbon tax is used to reduce other taxes in the province, and is very popular with the electorate. And it helps reduce carbon footprint.

But British Columbia has some concerns. When the tax was implemented, lawmakers expected, or hoped, Oregon and Washington would follow their lead. Now, some BC businesses are at a disadvantage because we have not taken action. While some BC voters are pushing for an increase in the carbon tax, some BC businesses are talking about repeal because of our failure to move forward. Should we move forward, or backward?

Do we need to look at someday extending and improving WES service? Yes. But we should not establish another task force without also making real progress toward an adequate, dependable, funding source for an **integrated rail and transit system** that will meet the needs of Oregonians and strengthen our position to compete.

Dan L. McFarling
20585 SW Cheshire Ct
Aloha, Oregon 97007

The *Oregon Rail Funding Task Force* recommended the following:

1. **Special District** - Multnomah, Clackamas, Washington, Marion Linn and Lane counties - 1.38% property tax - \$45 million annually.
2. **Lottery Proceeds** - \$20 million annually
3. **Railroad Property Tax Allocation** - \$10 million to \$15 million annually
4. **Telephone access fee** - \$0.17 to \$0.26 - \$0 annually (use to backfill #3 above)
5. **Rail Tax Credit** - \$0 annually (funded by General Fund)