

Testimony before the
Joint Committee on Ways and Means Subcommittee on Transportation
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Senator Johnson, Representative David Gomberg, Members of the Committee:

Most transit systems in the USA have a farebox recovery rate of under 50%. In FY 2013 Amtrak's farebox recovery rate was 89%. No transit system in the USA can match that rate.

Oregon's Cascades failed to come close to those standards.

But if we look at other rail corridors, we recognize improved frequency, reliability, connectivity and scheduling will enable our Cascades to dramatically improve.

Last year Oregon acquired the most modern, accessible trains in the nation. With some help from ConnectOR, UPRR rebuilt the Harrisburg Bridge, allowing passenger trains to travel 79 mph where they previously crept along. UPRR also did extensive trackwork.

With adequate frequency, reliability and connectivity we can more than meet operating costs out of the farebox.

I have heard concern expressed about subsidy. I wonder what the subsidy per driver is as they negotiate the expensive interchanges and overpasses on our heavily congested road system.

Rail is the most efficient mode in terms of energy, labor, land and the environment for most corridors.

Generally speaking, rail is the **only** mode expected to use private investment to

- (1) acquire,
- (2) develop,
- (3) maintain,
- (4) police and
- (5) signalize their right-of-way (ROW).

Furthermore, (6) railroads must pay taxes on that ROW and
(7) pay taxes on any improvements to the ROW.

All other modes rely in part or in whole on public funds for their **tax-free** right-of-way.

Unlike rail, the pavement, bridges, overpasses, tunnels, traffic control are not subject to taxation. Tell me, **who is subsidized?**

These **longstanding transportation policies** do not just impact freight railroads. They have long impacted passenger rail, and continue to impact Amtrak today.

There are many additional indirect costs of highway transport that are generally ignored when comparing relative costs of transport -- trauma, health care, congestion, pollution, soil erosion, and the social and development costs of urban sprawl.

All modes, except freight rail, are subsidized.

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