



**HB 2978: Opposition to subsidies for Short Line Railroads**

**Statement in support of Testimony to House Revenue on 3.18.2019 – Robert Sisk**

As the committee begins a work session on this bill, on behalf of Tax Fairness Oregon, I once again implore the committee to kill this bill, as it is not in the best interest of Oregon. Approving these subsidies will steal funding from programs and services that are priorities for Oregonians.

A proponent of the bill lamented in testimony that the owners of the railroads had to spend some of their profits maintaining and upgrading the infrastructure of their lines. Returning some profits into the infrastructure of the business is a standard business practice across all industries and a sound one if a business is to remain successful and profitable: essentially an investment in the business's future. As with most other businesses – and this should be an example in the private sector – the costs should be funded and recouped from what is charged the customers, not a burden placed on the taxpayers.

I noted during my testimony that a major owner of short lines is Genesee and Wyoming (G&W), the parent of Willamette and Pacific and an international firm with assets in the U.S., Australia, the Middle East and Europe. With \$8 billion in assets and equity of \$3.9 billion, G&W enjoyed net income of \$557 million in 2017. Taxpayers shouldering the burden for the cost of what should be obligatory operations – and in the best interest of the company – is an example of the egregiousness of this bill.

Again, please do not let this bill pass out of committee.