



April 5, 2021

Joint Transportation Committee

RE: HB 2165-A

Co-Chairs and Members of the Committee:

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 has some concerns with the impact of HB 2165-A on the Connect Oregon Program.

This bill removes the current sunset on funding for electric vehicle (EV) rebate programs, allowing the continued deposit of \$12 million from the new vehicle privilege tax collection to fund existing EV rebate programs in Oregon. That money was expected to flow into Connect Oregon, which therefore will not be receiving it under passage of HB 2165-A.

The last Connect Oregon competitive program was in 2015. While we have no quarrel with electric vehicles themselves, there is a lot of pent-up need for rail funding. Due to the legislature's addition of dedicated projects and even without HB 2165-A, ODOT does not anticipate that there will be funding available until towards the end of the 2021-23 biennium for a competitive Connect Oregon program. If HB 2165-A passes, then it will change how often a competitive program will happen in the future, from about every biennium to about every other biennium.

ORULE suggests that as an interim measure, the legislature refund the Industrial Rail Spur Fund. In 2003 the legislature gave General Fund moneys to fund this program - \$8,5298,798 was spent. An industrial rail spur is a segment of trackage used for the rail transportation of raw materials and finished products between manufacturing facilities and main line rails or that serves a transloading, reloading and teaming facility. This program delivered a lot of "bang for the buck" for railroad needs in Oregon.

ORULE has put together a list of suggested rail projects that could use this funding, which we will be presenting to this committee on April 13. The projects on this list are illustrative of the types of projects that could be funded; funding decisions should be based on competitive discretionary processes for Connect Oregon and the Industrial Rail Spur Fund.

Thank you for your consideration.

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