

April 17, 2021

Joint Ways & Means Committee

SB 5555 STATE BUDGET - CONGRESSIONAL DISTRICT 2

Co-Chairs Johnson, Steiner Hayward and Rayfield, and Members of the Committee:

My name is David Anzur of Anzur Logistics. I would like to see some public dollars spent on infrastructure, such as the two examples below.

Rogue Valley Terminal Railroad

\$1 million

Track modernization upgrade to the Rogue Valley Terminal Railroad at White City will allow safe and adequate handling of high-capacity 286k rail cars. Project includes replacement of 100-year-old rail with modern 115-pound rail; replacement of deteriorated wood ties and installation of additional new ballast.

Goose Lake Railway/Lake County Track Improvements

\$4 million

Upgrade track infrastructure to increase weight carrying capacity and meet FRA Class 2 track safety standards. Customers on this line include Red Rock Biofuels (which moves 500 to 1,000 carloads of jet grade biofuel) in addition to lumber shipper Collins Pine and horticultural perlite shipper Cornerstone Minerals.

These projects could use some help from the state because infrastructure is so expensive.

The Oregon Rail Users' League (ORULE) has put together a list of suggested infrastructure projects – see the list and map at (see [Transportation Joint 2021 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](https://www.oregonlegislature.gov/transportation-joint-2021-regular-session)).

ORULE is asking that the Oregon Industrial Rail Spur Fund be refunded this session. This already established program is found in OAR 741-020 – 0010 (see [Transportation Joint 2021 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](https://www.oregonlegislature.gov/transportation-joint-2021-regular-session) for more information). The program was established in 2003 and was funded with \$8.5 million. It is targeted for shippers to connect to railroads and funded 18 projects across all 5 regions of the state. Of those 18 projects, 8 were direct to shippers, 6 to port or government organizations and 4 to railroads, to help shippers with connectivity. The program is administered by ODOT personnel who are very familiar with rail needs; it has a simple application process and good oversight. This bill is already law but just needs funding.

Connect Oregon was a great program when it was first started, with \$100M in funding during the initial phases. It was competitive. It allowed funding for both small and large projects. And it was spread across the entire state. But things have changed, not necessarily for the better. The last open competitive program was in 2015. ODOT doesn't expect another until 2022.

If Governor's bill passes (HB 2165), then Connect Oregon will not receive \$12M that we were anticipating. That makes the wait for an open competitive program even longer. After the 2022 program, the wait will probably be for about every other biennium, rather than every biennium.

I would like to see Connect Oregon properly funded, and competitive programs return. In the meantime, I would like to see the Oregon Industrial Rail Spur Fund be refunded this session.

Sincerely,

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