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Joint Committee on Transportation

**Re: Support for HB 2096-3**

Co-Chairs Frederick and McLain, Co-Vice Chairs Boquist and Boshart-Davis, and Members of the Joint Committee:

Knife River Corporation is Oregon's largest producer of construction aggregates. Last year, Knife River shipped over 700,000 tons of rock, sand, and gravel by rail from the Willamette Valley to serve the Portland metropolitan market and points beyond. That high-quality rock goes into the concrete and asphalt Oregon needs to build sidewalks, roads, highways, bridges, water treatment facilities, housing, and other essential infrastructure. Knife River depends on safe, efficient short line rail operations to move these materials economically and sustainably. In addition, given the tight trucking market, surging highway congestion, and the limitations of Class I rail service, ready access to short line rail facilities is a critical component of Knife River's multimodal business development strategy.

As a major short line rail customer and supplier of railroad ballast rock, Knife River supports expanding access to and utilization of the Short Line Rail Rehabilitation tax credit. Removing barriers to fully utilizing this credit will foster investments in short line rail infrastructure. HB 2096 with the -3 amendment removes these barriers with no revenue impact.

Short line rail is essential. It is a safe, efficient, and sustainable mode of moving materials and people throughout the state. Knife River recommends that the Joint Committee pass the -3 amendment to fully realize the commitment the Legislature made in HB 2164 (2019).

As always, thank you for the opportunity to testify in support of smart investments in Oregon's multimodal future.