

Submitted By: Dave Henslee

On Behalf Of: Klamath Water Users Association

Written testimony in opposition to LC2.

Submitted to: Joint Interim Committee on Transportation Funding

Chairs Wager and Fahey, Vice-Chairs Bonham and Drazen and members of the committee,

Thank you for the opportunity to provide written testimony on behalf of the Klamath Water Users Association (KWUA), representing family farmers, ranchers, and irrigation districts who rely heavily on fuel for their livelihoods and the economic vitality of the Klamath Basin.

On behalf of our members, we strongly oppose LC 2. LC 2 places a disproportionate burden on rural agriculture by raising fuel taxes, registration and title fees, and truck-related costs. While urban commuters may absorb these increases with limited impact, agriculture cannot. Farmers and ranchers in the Klamath Basin operate trucks, tractors, and equipment that consume thousands of gallons of fuel annually. Every additional cent directly raises the cost of producing food and threatens the already fragile margins of family operations.

Agriculture is the backbone of the Klamath Basin. Each year, farms and ranches generate more than \$367 million in economic output. This includes over \$261 million in crops, \$106 million in livestock production, and supports thousands of local jobs. LC 2 will increase costs on production and shipping and threaten this essential economic driver.

Harm to Farms, Ranches and Rural Communities

Agricultural producers in the Basin must haul crops, cattle, and supplies across long distances, often more than 100 miles to the nearest major processor or rail line. Increased weight-mile charges and registration fees will drive up costs, reduce competitiveness, and jeopardize livelihoods in communities already strained by drought and ongoing water shortages. Unlike metro areas, rural Oregon has no transit systems or alternatives. Our families and businesses are left with no option but to shoulder the full financial impact.

LC 2 raises gas taxes and vehicle fees, which disproportionately harms rural residents who drive longer distances and depend on vehicles for daily life. The package fails to fund vital programs like rural transit and affordable active transportation, leaving rural communities with fewer low-cost travel options. Higher transportation costs from LC 2 may put additional financial strain on rural households without guaranteeing improvements to local roads and services.

Lack of Rural Benefit

Despite these steep costs, LC 2 provides little in return for rural counties. Transportation investments continue to favor urban corridors, while county and local roads in places like Klamath County fall further into disrepair. Meanwhile, the repeal of tolling authority benefits metro commuters, leaving rural Oregonians to pay higher statewide taxes and fees with little hope of proportional reinvestment.

A Better Path Forward

We support responsible, accountable funding for Oregon's transportation system. But LC 2 shifts the burden unfairly onto the backs of rural communities and the farmers and ranchers who feed this state. Undermining agriculture in Klamath County means jeopardizing nearly \$368 million in annual economic activity and the thousands of jobs it sustains.

We ask the Legislature to reject this proposal and instead pursue solutions that:

- Protect agriculture from disproportionate cost burdens;
- Guarantee fair investment in rural transportation infrastructure;
- Ensure transparency and accountability in how funds are spent.

LC 2 threatens the viability of agriculture and further divides rural and urban Oregon. On behalf of Klamath Basin farmers, ranchers, and families, we respectfully urge you to reject LC 2.

Respectfully,

Dave Henslee
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