The objective of this bill is to ramp up our discussion and work on rail. We've been doing a nice job, but find ourselves way behind other states, and this doesn't bode well for ensuring a robust economic recovery for Oregon. We need to elevate the coordination and planning for improvements from an administrative department-driven effort to a major policy effort with legislative and public involvement to guide the process, and continue it into the future.

I believe the Commission and the Dept. Director recognize lack of stable funding for rail a top challenge. I don't disagree that's a big hurdle. But lack of a better effort can – and will – get in the way of productive discussions for increased funding. To make the case for Oregon dollars, we have to involve the public; interest right now is high, on two fronts – enthusiasm for better passenger rail, and a call to action for jobs and expanding state economic activity. We have to be ready to make the case for federal funding as it becomes available.

Why change the status quo?

At a meeting of about 30 stakeholders last summer there was an underlying sentiment of not enough effort around rail improvements, and not fast enough, and an uncoordinated community of interest working in different directions.¹

Several people have asked me, but why change the way we do things? Why change our current structure? "If it aint broke, don't fix it." While our structure is not exactly broken, we could do much better.

This bill does a couple of things. The idea would be to replace the current department advisory group with a higher-level Rail Advisory Council. That Council would be pro-active, planning for near- and longer term improvements to the freight and passenger rail system. An additional specific task would be around passenger rail. Rail topics are currently discussed by a 14-member advisory group, appointed by the Director of the Department of Transportation. They meet annually to prioritize ConnectOregon projects to be funded. This bill would morph that process into a higher-profile group – 14 members, same as now, if you like the amendment², – appointed by the Governor, and advisory to the Oregon Transportation Commission. This bill does not take away participation by interested parties, it merely elevates it!

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¹ Fragmented discussions and efforts in Oregon – stakeholders and organizations with rail-specific interests such as AORTA, Rail Users League, United Transportation Union, OSPIRG, Rail Now, Cascadia High Speed Rail Council,, and a couple of business and urban planning groups centered in Portland.

² The dash 2 amendments specify a 14 member council comprised of business, passenger, rail, local government, and other stakeholders.

Some background about why I think we need to get serious about rail.

In 1992 the Federal Rail Administration designed the 466-mile route between Eugene and Vancouver BC as a high-speed rail corridor³. Last Spring 25 states received grants through the American Recovery and Reinvestment Act. We weren't ready – and we received about \$8 Million - which is not even all spent on *rail* improvements - compared to Washington's \$590 Million. We received one tenth of one percent of the money awarded to states for projects.

We need higher profile public discussions about improving freight and passenger rail, and we need more pro-active planning – which will then position us for federal funding. We can't make all the improvements we need to by using only Oregon dollars; we also need our share of federal money. That money has been, is, and will be going elsewhere.

<u>On the passenger side</u>, enthusiasm is high⁴. As we look for opportunities to grow the economy by connecting knowledge-based industries with research universities, and add on to that the aging population that doesn't want to be driving so much, and there's a natural push toward using trains for inter-city travel.

You have received written testimony from a number of advocates. Some of it focuses on passenger rail – and of course, some of the major improvements that would benefit passenger rail will then benefit freight rail, too, by freeing up capacity and allowing faster travel time.

<u>On the freight side</u>, lack of facilities to transload rail cars in Portland metro area, constrained rail capacity, choke points, and inadequate infrastructure ought to worry us.

Oregon companies export to customers all over the U.S. and the world. Key products range from footwear, home furnishings, metal parts and solar cells to bulk grain, wine, lumber, and nursery stock. Business is concerned, however, about the weakness of Oregon's multimodal transportation system. Among problems companies cited that negatively affect their ability to move their products efficiently and cost effectively are: "rail congestion and lack of capacity on mainlines and shortlines." Several companies were able to estimate the cost of bottlenecks and transportation problems, both direct and indirect including changing production schedules and re-routing trucks – one noted

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³, named the Pacific Northwest Rail Corridor. Out here, we talk about the Cascadia Corridor

⁴: Nearly two-thirds of adults said they would definitely or probably use high-speed rail service for leisure or business travel if it were an option, according to a survey from American Public Transportation Association (APTA) in October 2010⁴.

HB 2860. Getting serious about rail (Rail Advisory Council) Testimony, House Committee on Transportation and Economic Development

"\$1,000 per railcar when a company had to shift from rail to truck when a rail line was shut down." 5

This is an issue of statewide importance, and we ought to have a high level council advising the Transportation Commission on how to move forward. I hope you will encourage that work by recommending this proposal.

⁵ AOI Business Viewpoint, Q2 2010