



January 21, 2016

Multnomah County Board of Commissioners

Re: **Resolution R.3**

Dear Chair Kafoury and Honorable Board Members:

Thank you for the opportunity to provide comments about Multnomah County's proposed resolution R.3 addressing the movement of crude by rail. I am President of the Oregon Rail Users' League (ORULE) and live in Multnomah County.

As background, the Oregon Rail Users' League is a coalition of public and private entities that recognize the numerous benefits of safe, efficient rail infrastructure serving the state of Oregon. These benefits include opportunities for more abundant passenger rail service as well as economic development benefits to local communities large and small, urban and rural, throughout the state. Freight rail service is the safest and most efficient way of moving a vast diversity of cargo over land, and provides the following benefits to citizens of our state:

- Increased fuel efficiency: on average, freight rail service is four times more fuel efficient than trucks.
- Reduced pollution: moving freight by rail rather than on roads reduces greenhouse gas emissions an average of 75 percent.
- Reduced highway congestion: a freight train can carry the freight of several hundred trucks thereby reducing highway gridlock, eliminating taxpayer costs of maintaining highways, and easing the pressure to build expensive new highways.

Additionally, infrastructure maintenance and expansion by Class I and many short line railroads is paid for almost entirely by the railroads themselves. Between 2009 and 2013, freight railroads have invested a record \$115 billion to maintain and improve tracks, bridges, locomotives, freight cars and other infrastructure and equipment. In summary, moving cargo via freight railroads is four times more fuel efficient and 16 times safer than moving commodities overland by truck, and freight railroads provide these benefits without placing additional burden on taxpayers.

Since the Board's resolution addresses movement of hazardous materials, it is important to recognize that freight railroads have been delivering hazardous materials for several decades as a condition of their common carrier status with the federal government. In this time, railroads have developed considerable expertise in safely delivering the full range of hazardous materials they are required to move and maintain a remarkable 99.9977% safe delivery rate for hazardous materials. As a result of the railroads' aggressive, ongoing safety programs, accident rates on America's rail lines have decreased by 94 percent since 1980 and by 62 percent since 2000. Again, these statistics compare very favorably to transportation of the same commodities overland on roads and highways.

Finally, when we speak of hazardous materials, it is important to be absolutely clear about what these materials are and how they fit into the everyday lives of citizens around Oregon and across the United States. They include materials such as chlorine (used to purify municipal

Page Two
From: Oregon Rail Users' League
To: Multnomah County Board of Commissioners
January 21, 2016

drinking water), ammonia (commonly used as an agricultural fertilizer), and chemicals used in industrial and manufacturing processes including the production of tennis shoes and sportswear, airplanes, medicines, and numerous other products. Simply put, freight trains safely move the raw materials that make up household products which most people will find in their kitchens, medicine cabinets and garages. Consumer demand for these products is the single most significant reason for their use and movement, and history shows that railroads are the safest mode of overland transportation for their delivery.

From the perspective of rail users, our concern is that the resolution could have a chilling effect on rail infrastructure overall. It is virtually impossible to segregate railroad infrastructure based on any single commodity that moves on a railroad. Because railroads are required by the federal government to move the broad diversity of legal products and commodities – including hazardous materials – the same track that is used to move crude oil is also used to tennis shoes, windmill blades, airplane fuselages, forest products, grain, and automobiles. With recent controversies over certain energy products, some municipal governments have engaged in painful contortions to arbitrarily designate certain pieces of rail infrastructure as serving a fundamentally fossil fuel mission.

The truth is that railroads build infrastructure with an eye on the long-term in order to handle the vast diversity of commodities handled over several years or decades. Because railroads are inherently capital intensive, and because the infrastructure is most often privately funded, investment decisions are made strategically and purposefully. The potential for stranded costs is a significant disincentive for investment. So a region that begins erecting broad and arbitrary restrictions on railroad cargo creates an immediate disincentive to investment.

Furthermore, policy based on the politicizing of otherwise legal commodities adds further doubt as it creates a precedent that could extend to other commodities that may be perfectly legal although politically unpopular. For example, municipal governments have occasionally considered actions against products made in off-shore factories or restrictions against certain agricultural products. When a region begins segregating legal commodities, it sends conflicting messages to the trade sector. In many cases, these messages can have a chilling effect on infrastructure investment and trade overall.

Regarding this resolution and other materials, we find some factual inaccuracies about railroads and their movement of crude oil. For example:

- The briefing states that most oil is currently carried in outdated tank cars prone to puncture, spills, and fires in train accidents. In fact, the oil and rail industries are rapidly phasing out these cars for unit train movement of crude oil, and expect the cars to be phased out for this purpose by the end of 2016.
- The materials do not note a new law passed by the Oregon State Legislature passed last year regarding oil train safety and fire response funding.

In closing, we recognize the concerns expressed by the Board in this resolution. However, we are concerned that the resolution as drafted may trigger numerous unintended consequences. Furthermore, the measure would likely benefit from additional research and consideration as

Page Three
From: Oregon Rail Users' League
To: Multnomah County Board of Commissioners
January 21, 2016

many of the facts are incomplete or inaccurate. For these reasons, we urge the Board to table the current measure and consider meeting directly with the business community and railroads to address any specific concerns you might have with regard to transportation and industrial safety.

Thank you for your consideration.

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President
Oregon Rail Users' League

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