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On behalf of Kyle Railroad Company

HB 2335 PROPONENT TESTIMONY

House Committee on Transportation: 02/14/2023

To: House Committee on Transportation

From: Ross Lane, Assistant Vice President, Government Affairs, Genesee & Wyoming Railroad Services Inc.

Re: Proponent Testimony on House Bill 2335, authorizing loans or grants for qualified track maintenance in the rail service improvement program and increasing the transfer from the state highway fund to the rail service improvement fund.

Chairman Francis and members of the committee, thank you for allowing me the opportunity to provide testimony in support of House Bill 2335. This testimony is submitted on behalf of the Kyle Railroad Company (Kyle). The Kyle is a Short Line railroad that operates 471 miles in the state of Kansas and an additional 84 miles in Colorado. The Kyle provides connections to both BNSF Railway and Union Pacific. Though the railroad transports a variety of commodities, agricultural products make up the majority of the volume moved by the railroad. The Kyle employs hardworking and dedicated railroaders whose mission is safely moving the freight Kansans depend on every day.

The economics and operations of Short Line railroads are fundamentally different than the larger Class I railroads. Short line railroads play a key role in moving goods the first and last mile and provide critical connections to Class I railroads who enjoy a broader national and international reach. These connections make certain a small manufacturer or a large grain elevator in Kansas are both able maintain their ties to the national supply chain. Without Short Line rail service, many Kansas businesses would be forced to find alternative transportation options, and subsequently absorb or pass along their higher transportation costs to their customers.

Like other Short Line railroads in Kansas, the Kyle is investing millions in private capital to overcome generations of deferred maintenance with the goal of recreating a 25 mph, 286,000 lb. rated railroad. With the help of both the Rail Service Improvement Fund and the Short Line Rail Improvement Fund, the Kyle and many of its customers have together made millions of dollars in strategic investments to the ultimate benefit of Kansans. In fact, the program has proved so popular that applications greatly exceed the available funding each year. The types of projects that the Rail Service Improvement Fund, and Short Line Rail Improvement Fund have supported includes rail siding restoration, capacity improvements, and the installation of new or rehabilitated rail.

HB 2335 ultimately combines two successful programs and would help agribusiness, grain elevators, and Short Line railroads make critical investments in their infrastructure and allow them to support economic development, expand capacity, and make safety improvements. This critical tool would also help reduce greenhouse gas emissions associated with freight transportation by modernizing aging railroad infrastructure. KDOT officials have called state investments in Short Line rail infrastructure one of the best highway preservation tools they have.



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In its most pure form, HB 2335 facilitates a public, private partnership. With the help of this committee, grain elevators, agribusinesses, and small freight railroads can accelerate investment in their infrastructure. In turn, businesses can continue to support jobs across Kansas, reduce roadway congestion, and provide customers large and small a safe, reliable, and environmentally sustainable mode of transportation.

In closing, HB 2335 helps keep trucks off Kansas public roadways, ensures Kansas' largest economic sector remains competitive, and allows customers big and small access to a safe, efficient, and cost-effective transportation option. I want to thank this committee for allowing me to provide testimony and I'd be happy to answer any questions the committee may have. I urge this committee to pass HB 2335 out of committee favorably. Thank you.