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Date: March 16, 2023  
To: Senator Mike Petersen, Chairman, Senate Committee on Transportation  
From: Shahira Stafford, Kansas Cooperative Council  
RE: **Proponent, Oral Testimony on House Bill 2335**

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (Co-op Council), thank you for the opportunity to provide comments on House Bill 2335. The Co-op Council is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial, and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, and profits are returned to its member-patrons.

Our agricultural cooperatives have robust grain and agronomy operations that rely heavily on rail to transport product to market. Most of these co-ops are in rural communities that use short line railroads (Class II and Class III) to access the national freight network (Class I), ultimately exporting wheat, corn, sorghum, and other commodities both domestically and overseas.

In fact, many of our members purchase or lease the land at their facilities, which means that they must maintain many feet of short line siding themselves. In 2021, one of our cooperatives spent over \$60,000 to upgrade the siding at three of their locations. This \$60,000 investment upgraded a total one-eighth of a mile of short line siding.

House Bill 2335 combines two existing short line rail improvement programs into one within the Kansas Department of Transportation, without asking for any additional state general fund dollars. The program encourages private and public partnerships that invest in short line “qualified track maintenance.” This is defined in the bill as reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and sidetrack, and related track structures.

Several of our co-ops have participated in the 70/30 cost share Rail Service Improvement Program over the past three years and been able to make severely needed upgrades to their rail siding that may have otherwise been cost prohibitive.

We believe that continuing this program will further ensure rail service to our small towns and spur additional short line infrastructure investment. Being able to move more commodities in less time, will greatly benefit our local co-ops and the entire agriculture production chain.

Thank you for allowing the Kansas Cooperative Council to comment on House Bill 2335, and we respectfully ask for your support of this important bill.