



Oregon

Kate Brown, Governor

Oregon Transportation Commission

Office of the Director, MS 11

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DATE: September 1, 2016

TO: Oregon Transportation Commission

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FROM: Matthew L. Garrett
Director

SUBJECT: **Agenda D**– Oregon Passenger Rail Funding

Requested Action:

Receive informational presentation about the Oregon Department of Transportation's (ODOT) Passenger Rail Program.

Background:

The Amtrak Cascades train is a state-sponsored intercity passenger rail service provided by Oregon and Washington. The service includes two daily roundtrips between Eugene and Portland, four daily roundtrips between Portland and Seattle, and two daily roundtrips between Seattle and Vancouver, British Columbia. Two daily roundtrips will be added between Portland and Seattle in 2017.

Providing another option for transportation, the Amtrak Cascades brings value to those traveling in Oregon and throughout the Pacific Northwest. Intercity passenger rail is the only fixed high-capacity transit option connecting major metropolitan areas and regional connections in the Willamette Valley. The service from Eugene to Portland serves a small population base and while continuing to develop, it continues to experience challenges in operations, ridership volume, and increasing costs.

Discussion:

ODOT's goal is to improve and promote an intercity passenger rail system that is easy to use, frequent, reliable, cost-effective, and affordable for passengers, has competitive travel times, and promotes access and transportation connectivity for all potential users, including the transportation disadvantaged.

ODOT works closely with its stakeholders to reduce delays, and this partnership has helped address on-time performance issues. On-time performance improved in 2015 and continues to improve in 2016. Amtrak Cascades trains are running an average of 86.4 percent on time through July 2016, with only one southbound train, originating in Seattle, averaging below 80 percent.

Until January 2014, ridership on the Amtrak Cascades had generally increased since the service began in 1994. A second train was added in 2000, providing more capacity and more options for riders—resulting in a significant increase in riders. Overall train ridership increased by 209 percent from 1995 to 2013. However, we saw a significant decrease in 2014 with many factors affecting ridership upon

which ODOT has no control (e.g., gas prices, Bolt bus competition). ODOT is working to improve what we can control.

ODOT worked with Amtrak, the Washington State Department of Transportation and the host railroads to make schedule changes to address the 2014 ridership drop. In addition to these schedule changes, ODOT implemented a marketing plan for the Oregon segment of the Amtrak Cascades service that provides a targeted strategy to boost ridership with an emphasis on inspiring tourism through passenger rail. As a result of these efforts ridership increased 5.8 percent for the calendar year as of July 2016.

ODOT and the Washington State Department of Transportation actively worked with Amtrak, Talgo (the trainset manufacturer), Union Pacific, Burlington Northern – Santa Fe Railroad and British Columbia to manage rising costs of the Amtrak Cascades service. Additionally, ODOT and the Washington State Department of Transportation engage in a partnership, co-managing the service to increase efficiencies and improve cost savings.

As with other forms of public transportation, passenger rail must be subsidized thereby requiring some level of government support. ODOT paid for the service through revenues from ticket sales, other non-highway fund revenues, revenues generated by custom license plate fees that the Oregon Legislature dedicated toward train service, one-time federal funding, and state general funds. The resources available to ODOT to pay for the service are no longer adequate to cover the full costs due to a number of factors that have combined to increase the gap between revenue and costs.

Passenger rail benefits the quality of life for Oregonians by providing transportation for those without access to a vehicle, by connecting universities and higher education facilities, and providing a safe, environmentally friendly manner of travel. Passenger rail has the potential to alleviate congestion on Interstate 5.

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