Passenger Rail

Report to the Rebuilding Our Transportation Vision Workgroup

October 2026

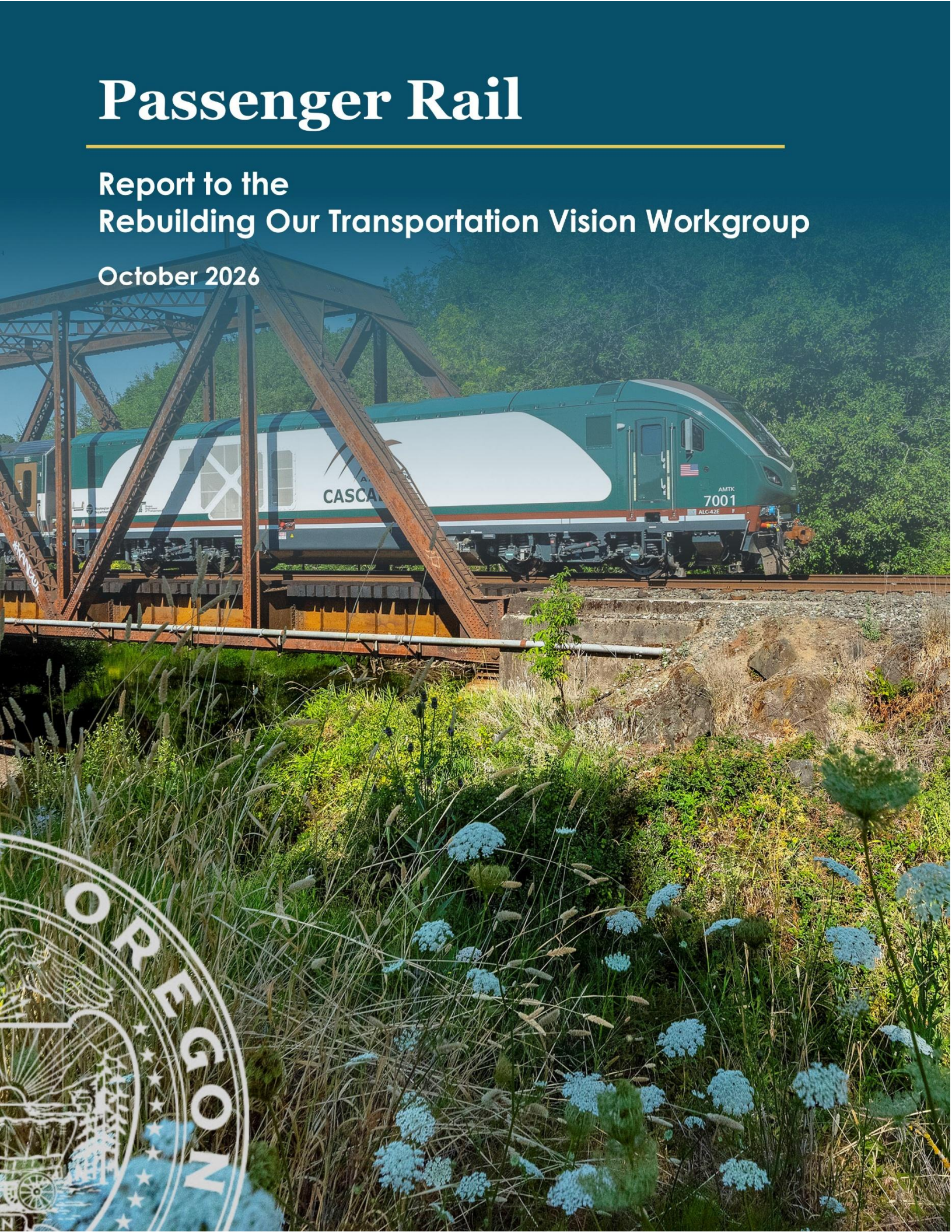


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The choice is stark. Without new funding, Oregon passenger rail operations will end within five years, even as intercity passenger rail ridership reaches an all-time high.

If train service ends, travelers could add more than 13 million single-occupant vehicle miles to the Interstate 5 corridor, worsening congestion on roads that already exceed capacity.[i] Increased traffic would slow people and freight and add wear to Oregon's deteriorating roads.

Ending service in Oregon would also disrupt neighboring states, especially Washington, because regional rail systems share operations.

Once service ends, it is unlikely to return. Oregon can use several funding strategies to sustain passenger rail and leverage federal investment.

Passenger Rail in Oregon Today

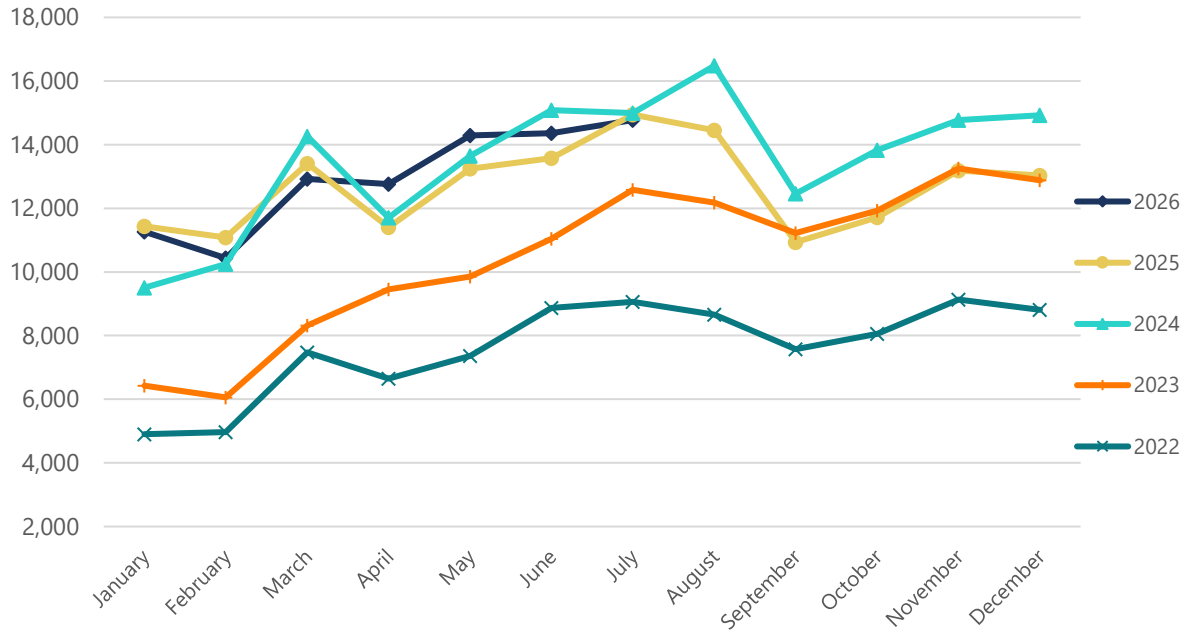
The Oregon Department of Transportation (ODOT) co-sponsors Amtrak Cascades with the Washington State Department of Transportation (WSDOT). ODOT does not own the rail lines used by passenger trains. The Amtrak Cascades operates on 135 miles of BNSF Railway and Union Pacific (UP) Railroad lines in Oregon, so operators must balance passenger and freight movements.

ODOT sponsors two daily round trips between Eugene and Portland that continue into Washington and Vancouver, British Columbia.

Problem Statement

Transit and passenger rail provide essential connections for people traveling to jobs, school, health care, and daily needs, while offering alternatives to driving that can reduce congestion, improve air quality, and improve safety. Nearly one in three Oregonians cannot drive because of age, disability, income, or other barriers, making reliable transit and passenger rail especially important for access to daily needs. However, many riders still face limited schedules, long waits between trips, and few evening, weekend, rural or intercity options. As costs rise, almost all transit providers across the state have already made cuts. Without stable funding, additional service reductions, fare increases, delayed vehicle replacement, and declining reliability could leave many Oregonians with fewer safe and affordable travel options

Figure 1 - Passenger Rail Ridership Between Portland and Eugene, 2022-2026



Passenger Rail Has Reached Record High Ridership, Showing Strong Demand for Continued Service

The service is projected to exceed 1 million annual passengers by the end of 2026. Ridership has outpaced the 3.6% average annual growth forecast in the 2006 Oregon Transportation Plan, despite the Great Recession and the COVID-19 pandemic.

From 2006 through 2025, Amtrak Cascades ridership also grew faster than Oregon's population, which increased about 1% annually. This suggests that intercity passenger rail is gaining market share over other travel modes. To meet growing demand, Amtrak placed the first Airo trainsets into service on Sept 30 with the remaining trainsets coming into service on a rolling basis through 2026 and into early 2027."



Figure 2 – The first new Airo trainset started service on Sept. 30. *Photo by Oregon Department of Transportation*

Benefits of a Robust Passenger Rail System

Passenger rail connects Oregon's major urban areas through the Willamette Valley and relieves

pressure on Interstate 5. It links Eugene, Albany/Corvallis, Salem, Oregon City, and Portland connecting with destinations in Washington and British Columbia. The service has met critical travel demand during major tourism events, including the 2017 Great American Eclipse, the 2022 World Athletics Championships in Eugene and the 2026 FIFA World Cup in Seattle. Riders also gain convenient access to communities along the corridor and connections to local transit.

Statewide benefits include:

- **Safety:** By replacing motor vehicle trips, Amtrak passengers avoid an estimated $6.3 million annually in costs from roadway deaths, injuries and property damage.[ii] Per mile traveled, passenger trains are 28 times safer than motor vehicles.[iii]
- **Efficiency:** Amtrak Cascades avoids about 5,200 metric tons of carbon emissions[iv] and saves Oregonians about $9.3 million in automobile operating costs each year.[v]
- **Economy:** Nationally, every $1 invested in public transportation and rail generates $5 in economic returns and supports up to 41,000 jobs per $1 billion invested.[vi]
- **Congestion Relief:** An estimated 75% of Amtrak Cascades riders would otherwise travel by car.[vii]
- **Resilience:** Amtrak Cascades provides an alternative when Interstate 5 closes, as it did during the southbound closure in September 2026.

Riders recognize these benefits; Amtrak Cascades has exceeded its own projected ridership by a decade (Figure 1).

Per mile traveled, passenger trains are **28 times safer** than motor vehicles.

Amtrak Cascades avoids about **5,200 metric tons of carbon emissions**.

An estimated **75% of Amtrak Cascades riders** would otherwise travel by motor vehicle.

Funding and Programs

Since 1994, Oregon has invested nearly $194 million in service improvements, including new trains and station maintenance. Federal law requires part of this investment for corridor trains traveling less than 750 miles. In 2013, Section 209 of the Passenger Rail Investment and Improvement Act[viii] shifted full financial responsibility to states and other service sponsors.

State funds support Oregon passenger rail, but only a small share comes from dedicated personalized license plate revenue. ODOT and the Oregon Transportation Commission allocate the additional funds needed for passenger rail from the Transportation Operating Fund (TOF). This fund is also distributed to other needs such as motor voter compliance, off-road biking and walking, and transportation electrification.

The TOF receives revenue from fuel used off public roads and can support activities that are not eligible for State Highway Fund dollars. In recent biennia, passenger rail received 24% to 30% of the TOF and is expected to rise to 47% of the TOF in the 2027-29 biennium. Growing demands on TOF make it an unsustainable source of dedicated revenue.

Personalized license plate fees provide about $8.5 million per biennium for passenger rail.

Current costs total about $30 million per biennium, so ODOT is already drawing down limited reserves and needs a new revenue source to sustain passenger rail.

About 70% of funding for Amtrak Cascades is used to cover operations and 20% to maintenance, with the remaining 10% on capital expenses. Operational expenses include labor, equipment and fuel. ODOT and WSDOT divide these costs based on the share of train miles traveled in each state; WSDOT pays about 85%, and ODOT pays about 15%. ODOT also pays station costs and fees to host railroads for track access and maintenance. ODOT pays most operating and maintenance costs for the state-owned Talgo Series 8 trainsets. These trainsets are being replaced with more cost-effective, Amtrak-owned equipment in late 2026 or early 2027.



Figure 3 - The new Airo trainsets provide more capacity, reliability, and amenities. *Photo by Oregon Department of Transportation*

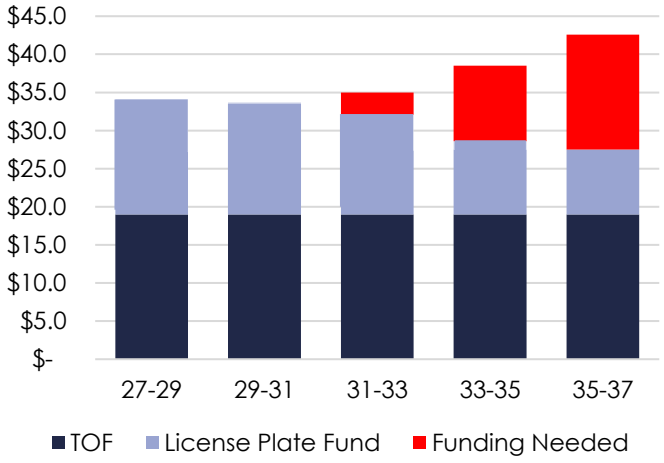
Passenger Rail in Oregon Tomorrow

Scenario 1: No Additional Funding

At current funding levels, expenses will exceed revenue in the 2031-33 biennium and force service reductions.

By 2031, Oregon would cut passenger rail service in half, to one daily round trip, and by 2032 all passenger rail service would end. Inaction would end service and make any future restart costly and uncertain. These factors could substantially delay or prevent a restart:

Figure 4 - Passenger Rail Funding Needs — No Additional Funding (Millions)



- Host railroads could repurpose track capacity and decline to restore service. For example, passenger rail service on the Gulf Coast took 20 years to return after Hurricane Katrina.
- If funding was secured later, a host railroad might require costly modeling and new negotiations for track access.
- Host railroads could reassess capital improvements, capacity, rates and performance standards, increasing costs, if service reduces to one daily round trip. Amtrak cannot guarantee that it can restart service after a suspension longer than 180 days.
- A suspension would eventually eliminate more than 20 Amtrak jobs associated with these trains. Per Amtrak, rehiring, training and qualifying employees would take at least 18 months.

Reducing service to one daily round trip would cut ridership by about half and deepen the funding shortfall as ticket revenue falls.

If all service ended, an average of 431 daily passengers would need another way to travel, and most would drive. Travelers rarely choose replacement buses when rail service is canceled. For example, during Union Pacific bridge work on a Saturday in September 2025, Amtrak buses carried 145 passengers; trains carried 440 and 289 passengers on the two previous Saturdays. Ending service would disrupt connections at the beginning and end of trips, including links to public transit, walking and biking, and would reduce statewide transportation access.

Additional Funding Needs

Oregon needs increased, dedicated funding for passenger rail.

Two scenarios outline the options:

- Scenario 2 would maintain today's service.
- Scenario 3 would add one daily round trip, increasing service to three round trips per day.

Scenario 2: Sustain Core Services

Scenario 2 would sustain existing service. Additional revenue would keep pace with costs and preserve passenger rail service in Oregon.

Objective

Sustain current service levels.

Outcome

- This scenario preserves passenger rail service.
- It maintains two daily round trips between Portland and Eugene but does not add or change service.

Additional Revenue Need

- Oregon would need an additional $32.2 million over the next 10 years to sustain service.
- Funding needs would begin in the 2032-33 state fiscal year at $6 million and increase to $15.2 million in the 2036-37 state fiscal year.

Scenario 3: Critical Investments

Scenario 3 would increase passenger rail service from two daily round trips to three through capital projects developed with UP Railroad and the Federal Railroad Administration. No additional equipment would be needed to add the third roundtrip. This additional round trip would complete Stage 1 of Oregon's Passenger Rail Service Development Plan. The full plan calls for six daily round trips over 20 years, triple today's service.[ix]



Figure 5 – Amtrak Cascades service is projected to exceed 1 million annual passengers by the end of 2026. *Photo by Oregon Department of Transportation*

Objective

Begin implementing the Service Development Plan by adding one daily round trip between Portland and Eugene for a total of three daily round trips.



Figure 6 - ODOT and WSDOT share operating costs for the Amtrak Cascade route. *Photo by Oregon Department of Transportation*

Outcome

- A third daily round trip is expected to add more than 100,000 riders and provide these benefits:
  - **Safety:** A third daily round trip would avoid an estimated $9.3 million in roadway crash costs each year.[x]
  - **Savings:** With three daily round trips, Amtrak Cascades would save Oregonians about $14 million in vehicle operating costs each year.[xi]
  - **Emissions:** With three daily round trips, Amtrak Cascades would avoid more than 8,000 metric tons of carbon dioxide emissions each year.[xii]

Additional Revenue Need

- Increasing service from two to three daily round trips would require about $171 million in additional revenue over the next 10 years.
- Federal grants would cover most capital improvements, while Oregon and other partners would provide the non-federal match and fund higher operating costs.
- The estimate includes the 20% non-federal match needed to leverage $500 million in federal infrastructure grants.

Meeting the Full Needs

Scenario 3 partially completes the vision for rail in Oregon and provides a foundational investment towards it. Oregon's Passenger Rail Service Development Plan (SDP) calls for six round trips per day, so Scenario 3 is only meeting 50% of the total need. The SDP is a 20- year plan. This means that six roundtrips should be operating in the mid 2040's. Scenario 3 would achieve 50% of the necessary infrastructure.

Operating expenses are also projected to decrease with the addition of a fourth roundtrip due to the efficiencies of scale combined with growing ridership and revenue. ODOT will spend less on match funding per passenger by expanding to four round trips a day in Stage 2, as the Stage 1 projects provide the foundation for the subsequent phases of work that have significantly lower cost estimates. Six round trips are needed to meet projected demand over time which would require an additional $67 million of match from 2039-44.

Overall Recommendations

Oregon faces a difficult choice. Without new funding, its successful passenger rail service will end.

At a minimum, the state should adopt Scenario 2. This option would sustain current service and provide modest project-development funding in the 2025-27 and 2027-29 biennia to prepare corridor upgrades for future expansion.

However, if Oregon does not pursue the corridor investments in Scenario 3, it could lose a rare opportunity created by years of planning with Union Pacific Railroad and the Federal Railroad Administration to improve service and meet travelers' needs.



Figure 7 - The service has met critical travel demand during major tourism events, including the 2017 Great American Eclipse, the 2022 World Athletics Championships in Eugene and the 2026 FIFA World Cup in Seattle. *Photo by Oregon Department of Transportation*

Subgroup Members

ODOT and the Governor's Office would like to thank the Public Transit and Passenger Rail Subgroup for dedicating their time and expertise to this memo.

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[i] ODOT Climate Office, 2026.

[ii] USDOT and FHWA 100 M mile crash statistics and Amtrak Cascades ridership data

[iii] From 2018 to 2023, Bureau of Transportation Statistics data shows that passenger rail experienced an average fatality rate of less than 0.5 deaths per billion passenger-miles, compared with more than 13.9 deaths per billion vehicle-miles for motor vehicles

[iv] Environmental Protection Agency and Rennert et al., DEA Transportation Analysis

[v] Bureau of Labor Statistics,2024 Income before Taxes Data, DEA Transportation Analysis

[vi] https://www.uvm.edu/d10-files/documents/2024-06/Passenger_Rail.pdf

[vii] 2020 Amtrak Cascades Service Development Plan Benefit Cost Assessment, Cambridge Systematics

[viii] Section 209 of the 2008 Passenger Rail Investment and Improvement Act (PRIIA)

[ix] Draft State Rail Plan, Section 3.3.3 https://wspengages.com/oregon-state-rail-plan

[x] USDOT and FHWA 100 M mile crash statistics, ODOT Cascades SDP BCA methodology, and Amtrak ridership data

[xi] Environmental Protection Agency and Rennert et al., DEA Transportation Analysis

[xii] Based on 400 grams per car mile, extrapolated via vehicle miles travelled reduced by Amtrak Cascades as tabulated by average trip length and vehicle occupancy. www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle