



2021 Report on Passenger Rail Agreements, Service Performance and Finance

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Executive Summary

ORS 824.400-824.430 requires the Oregon Department of Transportation (ODOT) to report on the status of intergovernmental agreements, operational and financial performance of the Amtrak Cascades passenger rail service to the Legislative Assembly before January 1 of each odd-numbered year.

ODOT and the Washington State Department of Transportation (WSDOT) formalized the partnership to coordinate operations of the Amtrak Cascades service in 2012. The states were negotiating a subsequent agreement when the tragic Train 501 derailment occurred. ODOT recently initiated resumption of negotiations; however, the current COVID-19 pandemic has temporarily shifted the states' focus to address safety, service reductions, and cost saving measures.

Prior to the pandemic, the Amtrak Cascades ridership showed steady growth throughout the corridor from Vancouver, British Columbia to Eugene until March 2020, when COVID-19 reached Oregon. COVID-19 has had a significant negative impact on ridership and revenues not only here in Oregon, but throughout the nation. After the initial drop at the start of the pandemic, Oregon's ridership steadily increased through November.

In response to the reduced demand in March, ODOT and WSDOT reduced service on the Cascades Corridor. The net effect of this shifted ODOT's share of the fixed maintenance and operations costs from 20 percent to 40 percent with both states receiving minimal revenue, while Amtrak's operational costs have not decreased proportionately due, in part, to the allocation of fixed costs. On a positive note, the CARES Act funding, passed by Congress in April 2020, helped to offset the full impact of the increase in ODOT's share of costs, and new legislation, passed by Congress in December 2020, will provide additional relief.

Train on-time performance (OTP) has two "event pairs," the scheduled departure and arrival time, for each train that operates. For January through November 2020, Oregon's OTP northbound trains averaged 88 percent and the southbound trains 66 percent. The late southbound train out of Seattle continues to drag overall OTP down below the 80 percent threshold. This poor performance in Oregon is caused by delays in Washington that result in arriving late in Portland.

Earlier this year ODOT completed the Train Delay Study and Report as required by HB 2603 (2019). The study found freight train interference (FTI) with passenger trains is a significant cause of delay, but the data that documents the root causes of FTI are lacking because the federal reporting requirements are inadequate and contested by host railroads. More recently, the Federal Railroad Administration (FRA) published new "Metrics and Minimum Standards for Intercity Passenger Rail Service" for measuring the performance and service quality of intercity passenger train operation. The final rule calls for measuring the intercity passenger train's OTP, shifting the focus to the customers' experience. These new metrics are expected to improve the OTP of Amtrak passenger trains throughout the U.S.

Introduction

ORS 824.420 authorizes the Oregon Department of Transportation (ODOT) to enter into agreements with the Washington State Department of Transportation (WSDOT) and the British Columbia Ministry of Transportation and Infrastructure (BCMOTI) to manage the development and operation of passenger rail services within the Cascades Rail Corridor (Corridor) between Eugene, Oregon and Vancouver, British Columbia. Pursuant to this law, the agreements may be to:

- Develop a plan to document the shared vision, goals, and objectives for passenger rail service within the Corridor;
- Develop a plan to achieve performance goals, manage fleet assets, share costs, prioritize investments, and resolve interagency disputes;
- Propose funding options to the respective legislative bodies to support the operation of passenger trains within the Corridor;
- Develop a stakeholder outreach program;
- Oversee operations and marketing of daily passenger rail service in the Corridor; and
- Coordinate state rail plans.

ORS 824.430 requires ODOT provide a status report to the Legislative Assembly before January 1 of each odd-numbered year on the following:

1. The status of agreements with WSDOT and BCMOTI regarding the Corridor;
2. The performance of passenger rail service within the Corridor; and
3. The financial status of the Corridor and financial needs for passenger rail service within the Corridor.

Agreement Status

Oregon and Washington have a long history of collaboration, contributing to the success of passenger rail service on the Pacific Northwest Rail Corridor (PNWRC). Oregon and Washington plan, study, and operate a coordinated, state-sponsored passenger rail service since 1994. The shared vision is to continue operating the service as a fully integrated passenger rail system. Oregon and Washington will work to increase ridership and revenue and to develop intercity passenger rail service as a competitive transportation choice.

ODOT and WSDOT signed a Memorandum of Understanding (MOU) in 2012 and the Cascades Rail Corridor Management Workplan in January 2013, committing the agencies to joint operation of the service as a single corridor, and subsequently formalized the partnership with an interstate agreement. The states were in the process of negotiating another interstate agreement when the Train 501 derailment occurred on December 18, 2017. Since then the teams have been working on service recovery and addressing the equipment shortage resulting from the derailment. The recent Amtrak Cascades service fleet was a combination of five Series 6 (S6) Talgo trainsets

owned by WSDOT and Amtrak and two Series 8 (S8) trainsets owned by ODOT. The states planned to retire the five S6 trainsets in 2025. The Train 501 derailment led to an earlier retirement of the S6s in June 2020. Since the S6 retirement, the fleet has consisted of the ODOT S8s and Amtrak-owned equipment leased to the states. ODOT and WSDOT continue to work with Amtrak to determine the best fleet plan that is supportable by each respective state budget until the Next Generation Equipment is available (expected 2025-2026).

ODOT and WSDOT have co-negotiated their respective Passenger Rail Operating Agreements with Amtrak since 2014. While the agencies have legally distinct agreements, the agreements have nearly identical terms and conditions. This co-negotiation approach has allowed for a more consistent management of the service, has strengthened the state’s negotiating power with Amtrak, and enables the states to co-rely on in-house expertise. Since the 2015-2016 Operating Agreement, all agreements have included a dispute resolution process.

COVID-19 created significant unanticipated revenue, cost, operational and service impacts to both states. It has also added new uncertainty to equipment costs and availability, and highlighted new risks and gaps in the existing agreement and work plan that must be addressed. Oregon proposed negotiation of a new interstate agreement with WSDOT to ensure revenues, costs, and risks are equitably considered. The current focus is on ensuring safe travel, reducing costs, assessing equipment and service plan options, and planning for service recovery when the pandemic allows it. ODOT will actively pursue re-initiating agreement negotiations in 2021.

Service Performance

Ridership

During 2018, 2019, and through the first two months of 2020, Amtrak Cascades ridership showed steady growth throughout the corridor. During the first two months of 2020, Oregon ridership grew by 13 percent compared to the same period in 2019. Ridership began to fall in March as the COVID-19 virus became widely spread and official bans on travel and stay-at-home orders were issued. ODOT and WSDOT acted quickly to reduce service levels. By April, the Amtrak Cascades service was reduced to one daily train in each direction between Seattle and Eugene. This service level will remain until conditions allow for increased frequency.

Amtrak Cascades Oregon Ridership											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
2020	7200	7015	3194	431	788	1448	1608	1732	1581	1948	26945
2019	6336	6283	8706	7735	8586	9066	9947	10230	8203	8600	83692
	14%	12%	-63%	-94%	-91%	-84%	-84%	-83%	-81%	-77%	-68%

The unprecedented sharp decline in Cascades ridership is not unique. Amtrak, like all transportation providers, was hit especially hard. Amtrak’s ridership dropped by 97 percent within a few weeks and Amtrak took immediate action to protect the health and safety of passengers and employees and reduce capacity.

To safeguard travelers, Amtrak implemented protocols to prevent transmission of the virus. All travel requires advance reservations and Amtrak capped ticket sales for each train at 50 percent of seating capacity to ensure physical distancing. All Amtrak personnel and passengers are required to wear face coverings while on trains and in Amtrak facilities. Procedures for cleaning and sanitizing trains and stations were modified to meet the Centers for Disease Control (CDC) requirements. Amtrak entered into a research partnership with a leading university to study airflow, ventilation, and air filtration systems in passenger railcars to determine if additional measures would further reduce the possibility of airborne spread of infectious particles.

As public confidence in widespread safety protocols grew, Amtrak Cascades ridership began to recover through the summer of 2020. From April's low of 431, Oregon's ridership rose to 1,948 in October. This nascent recovery in rail travel was noticeable across Amtrak's national system as well. From a low of 121,100 passengers carried in April, Amtrak's total ridership consistently grew each month to 685,400 for October. Oregon's ridership continued to improve into November until a new stay-at-home order was enacted and a two-week freeze on other activities was implemented to combat exponential increases in new COVID cases.

Communications and Outreach

ODOT completed a user and public opinion research project in 2019 aimed at improving the customer experience and increasing ridership. ODOT learned more about why people do or do not ride the Amtrak Cascades train, how to increase ridership, and how best to communicate with potential riders. ODOT gathered information about the needs and perceptions of under-served people, including those living in rural communities, people with limited mobility, and people without access to cars. The results found:

- People enjoy the train experience and onboard staff and will choose the train over buses or airlines because of amenities like the baggage and pet policy.
- The primary reasons people ride the train are because it is less stressful than driving, allows them to avoid traffic, and is easier and less expensive than flying.
- Lack of on-time performance and a convenient schedule are still the primary deterrents to passengers
- Cost, accessibility at the stations and on the trains, a confusing seating process, the lack of train status updates and information, additional transit options, and difficulty in finding discounts are also deterrents.

As a result of this work and a new survey that will be conducted with passengers to obtain post-COVID customer input, ODOT is working with Amtrak and a marketing firm to attract and retain riders and inspire them to book a trip in Oregon via Amtrak Cascades. This team will create valuable messaging and outreach materials to provide riders with information they need, such as ridership safety, efforts by Amtrak Cascades to protect riders during the pandemic, and seasonal promotions with the goal of improving customer confidence in train travel.

On-time Performance

ODOT's service agreement with Amtrak calls for a minimum on-time performance (OTP) of 80 percent for Amtrak Cascades service in Oregon. Amtrak calculates OTP based upon each train's departure from and arrival at the Oregon end-points of Portland and Eugene. Prior to 2014, with

a few exceptions, Oregon’s trains attained the 80 percent goal. Since then, when viewed annually as a whole, Oregon’s service has registered below the goal.

In January and February 2020, the northbound trains’ OTP was above 80 percent and the southbound trains were below 80 percent due to the consistently late Seattle train, which was 43.5 percent on time in January and 54.4 percent on time in February. However, beginning with March and continuing through June, OTP was 80 percent or above each month. This four-month period included the pandemic-induced suspension of one of Oregon’s daily round-trips and corresponded with a general slowdown of the national economy that reduced the volume of freight trains using the same routes as Amtrak. Beginning in July, as a nationwide economic recovery got under way, Oregon’s monthly OTP is again below 80 percent.

**Amtrak Cascades
Oregon On-Time Performance**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Northbound Trains	82.8%	83.3%	90.0%	90.0%	88.7%	86.7%	94.8%	94.8%	76.7%	88.9%	88.9%
Southbound Trains	64.8%	66.1%	81.4%	90.0%	80.6%	73.3%	44.3%	53.4%	38.6%	50.0%	50.0%
All	73.8%	74.7%	85.6%	90.0%	84.7%	80.0%	68.9%	74.1%	58.1%	69.4%	69.4%

In 2019, the Oregon Legislature passed House Bill 2603 directing ODOT to study and identify root causes for passenger train delays in Oregon due to interference by freight and other passenger trains. The purpose of the study was to better understand why passenger train delays occur and recommend steps to improve reporting and minimize delay incidents. The HB 2603 Train Delay Study and Report, dated September 15, 2020, found that data documenting freight train interference (FTI) events is limited. Some FTI incidents were not reported, and those that were reported often lacked the detail necessary to fully understand the underlying circumstances. Of the recommended actions, ODOT is working with UP to have “shovel ready” capacity improvement projects as federal funding becomes available. ODOT is also working with UP to initiate a modeling agreement to assess and prioritize additional needed infrastructure improvements to improve OTP.

New Federal Standards

In December 2020, the FRA finalized new federal standards for OTP. Under these new rules, OTP is based on the total number of customers on an intercity passenger train that arrive at their detraining point no later than 15 minutes after their published scheduled arrival time, divided by the total number of customers on that train. During the first half of 2021, Amtrak and its host railroads are to review and align schedules with the customer OTP metric and jointly certify meeting this requirement.

Also established is a host running time metric to show the performance of a host railroad against the time allowed in the schedule, which provides more insight into a host railroad’s operating impact on OTP. This metric is an indication of which host railroads may be responsible for performance that is chronically below standard.

If OTP of any train averages less than 80 percent for any two consecutive calendar quarters, the federal Surface Transportation Board may initiate an investigation to identify reasonable measures and make recommendations to improve the OTP of the train and to award damages and

prescribe other relief. The FRA designed the new metrics and standards to cooperatively reinvent the relationship between Amtrak and its host railroads for improving performance of intercity passenger trains while providing a mechanism for addressing under-performing services.

Capital Investments

ODOT has been instrumental in facilitating a strategy resulting in capital investments in railroad infrastructure that will benefit movement of passengers and freight in Oregon. The following table provides information on current projects and the expected benefits.

Project Name	Project Description	Project Cost	Funding Source	Benefit
North Portland & Peninsula Junction (This project has involved multiple phases over the past 13 years as funding was available.)	Planning/Preliminary Engineering. Upgrade Union Pacific junction switch and realign UP mainline approach to North Portland Junction to eliminate 10 mph speed restriction and permit 25 mph operation entering and leaving BNSF railway. Realign trackage and upgrade switches at Peninsula Junction. BNSF Crossovers installed three #20 crossovers linking Mains 1 and 2 to allow trains to switch tracks at 40 mph instead of 10 mph beforehand	\$23,970,039	State (CO) \$8,294,124 State \$7,000,000 UP \$5,420,000 Amtrak \$650,000 Federal \$2,605,915	The North Portland and Peninsula Junction projects together will provide a safe, consistent and more fluid movement through both junctions as trains merge onto and off the BNSF mainline. When complete, these projects will facilitate movement of trains and provide significant improvements in speed and reducing delay and congestion in the corridor.
Oregon City Siding	Final design and upgrades to retired siding and implementation of positive train control.	\$7,383,800	State \$2,941,900 Amtrak \$750,000 Federal \$3,691,900	Provides a critical opportunity for trains to meet and pass each other safely - alleviating the current chokepoint.
Portland Union Station Tracks and Building: Preliminary Engineering and Environmental Review	Planning project to guide future renovation of Portland Union Station and the train yard trackage and supporting infrastructure with 30% preliminary engineering and design.	\$4,959,051	Prosper Portland \$991,808 Federal \$3,967,243	Recommended upgrades and renovations will allow the facility to accommodate more trains and passengers.

Financial Status

Oregon and Washington have been working together to improve the passenger rail service since the Train 501 derailment, and despite setbacks with an equipment shortage and uncertainty, ridership was starting to improve prior to COVID-19.

Once the COVID-19 pandemic started spreading across the United States, Amtrak, like all transportation providers, was hit especially hard. Within a few weeks, ridership dropped 97 percent and Amtrak took immediate actions to protect the health and safety of customers and employees and reduce capacity.

As Amtrak service began to see ridership and revenue declines due to COVID-19, Amtrak has provided regular briefings to Congress on the impacts and their projections for the remainder of the calendar year and into 2021, as well as how the decrease in revenue and ridership could potentially affect passenger rail service and Amtrak's workforce. Amtrak's projections also included impacts to the states and recognized that states may have a difficult time securing additional state funding to make payments to Amtrak without emergency federal funding.

The CARES Act, passed by Congress in April 2020, provided important emergency funding to Amtrak and the state partners to help minimize the financial impacts of COVID-19 and to offset the costs owed to Amtrak for operation of these services through the 2020 calendar year. The pandemic's effect is expected to extend into FY2021, but ODOT remains committed to providing service safely and reliably, while preparing for service recovery. New federal legislation, passed by Congress in December 2020, will provide additional Amtrak funding relief.

As Amtrak and other states learn first-hand the implications of suspended or significantly reducing service, recovery appears to be exponentially challenging. Effective passenger rail service requires service to be safe, reliable, and available when people want to travel. The federal PRIIA-209 cost allocation model results in reductions in service not being proportionate to reductions in costs. Amtrak has fixed costs that they continue to allocate to states making it extremely difficult for states to determine how to effectively plan, manage, and reduce costs.

In response to the reduced demand, ODOT and WSDOT agreed to reduce service on the Cascades Corridor. The net effect of this shifted ODOT's share of the fixed maintenance and operations costs from 20 percent to 40 percent with both states receiving minimal revenue. The CARES Act funding has offset the full impact of the increase; however, this funding is anticipated to run out in January 2020. An additional confounding factor is that Amtrak's operational costs have not decreased proportionately with the service reduction.

ODOT and WSDOT are working with Amtrak on a recovery plan to ensure that the service will become viable again and to do so safely. There have been challenges, especially with the closure of the U.S. – Canadian border; however, ODOT and WSDOT will reinstate service when conditions allow and the border reopens.

Looking Ahead

Ultra-High-Speed Ground Transportation Study

Washington, in partnership with Oregon and British Columbia (B.C.) are studying ultra-high-speed ground transportation (UHSGT) to connect Vancouver, B.C., Seattle, and Portland with frequent trains running at speeds as high as 250 mph that could reduce travel time between the major cities to less than an hour.

In December 2020, WSDOT released the 2020 Framework for the Future Report, which sets forth a roadmap for action on governance, strategic outreach, and funding and financing. The 2020 report focuses on three areas crucial to future decision making. It offers direction on creating a coordinating entity to advance the project beyond the initial concept phase and outlines a more formal governing model for the future. It also emphasizes the importance of robust engagement with communities, elected officials, state and national officials, business leaders, and advocacy organizations. Finally, it sets forth several funding and financing scenarios that include possible federal, state, local, and private investments.

Oregon Passenger Rail Corridor Investment Plan Tier 1 Environmental Impact Statement (EIS)

The purpose of the Oregon Passenger Rail Corridor Investment Plan Tier 1 EIS and Service Development Plan (OPR Project) is to improve the frequency, convenience, speed and reliability of passenger rail service along the Oregon segment of the federally designated Pacific Northwest Rail Corridor (PNWRC) in a manner that will:

- Provide riders with an efficient, safe, equitable and affordable alternative to highway, bus and air travel,
- Be a cost-effective investment,
- Protect freight-rail carrying capability,¹
- Support the ongoing implementation of regional high-speed intercity passenger rail in the PNWRC between the Eugene-Springfield metropolitan area and Vancouver, British Columbia,
- Be compatible with the Washington state portion of the PNWRC,
- Promote economic development,
- Avoid or minimize community and environmental impacts, and
- Integrate with existing and planned multimodal transportation networks.

The OPR Project is needed to address:

- Increasing intercity and regional travel demands,
- Limited rail-system capacity and competing service needs,
- Declining state and local roadway funding,
- Increasing economic vitality of the corridor,
- Promoting transportation system safety and security, and
- Changing transportation demand resulting from demographic changes

¹ Cargo load that can be transported by freight rail.

With a project benefit-cost ratio of 1.2 to 1, the OPR Project will yield economic benefits to Oregon. In addition, the OPR Project will have substantial environmental, livability, sustainability, and accessibility benefits to the state.

The Service Development Plan (SDP) lays out the overall scope and approach for expansion of intercity passenger rail service between Eugene and Portland over the next 20 years. This SDP builds off the ODOT State Rail Plan (2020) and Oregon Passenger Rail Tier 1 Draft Environmental Impact Statement (Tier 1 DEIS) to significantly increase passenger rail service in the region, with up to six daily round-trip trains connecting communities within the Willamette Valley and to cities in Washington state and Vancouver, British Columbia.

ODOT will need to reach agreement with the rail owner—Union Pacific Railroad (UP)—to make operational and infrastructure improvements within the Oregon section of the PNWRC to support increased frequency and maintain acceptable levels of freight operations.

The capital cost of implementing expanded passenger rail service within the PNWRC will require further federal, state and local investment. Oregon and Washington will need to compete for the federal funds in an era of increasingly tight public resources. Oregon lacks sufficient and dedicated passenger rail funding to provide the required state match for federal passenger rail funding.

The OPR Project creates broad-based public benefits such as reductions in vehicle emissions and greenhouse gases, highway congestion and highway maintenance costs; improvements in highway safety; and user benefits such as improved access to transportation, improved reliability of transportation and lower transportation costs.

Oregon State Rail Plan

In summer 2020, the Oregon Transportation Commission adopted an update to the Oregon State Rail Plan (SRP). The SRP documents the needed freight and passenger rail improvements to maintain and expand rail infrastructure. ODOT staff is working with the Rail Advisory Committee (RAC) to develop a strategic implementation plan for the SRP. As part of the implementation plan, the RAC will develop a characteristic ranking methodology to allow project ranking according to funding requirements.