

Rail Advisory Committee (RAC)
Tuesday, September 16th, 2025
9:00 A.M. - 12:00 P.M.
Meeting Minutes

Attending RAC Members

Bruce Carswell, Chair, Western Group/Jaguar Transport

Ross Lane, Genesee & Wyoming Railroad Service

Aaron Hunt, Union Pacific

Bob Krebs, AORTA

Doug Allen (Alternate), AORTA

Welcome, Introductions, and Committee Business

- Quorum has not been met.
- Approval of the previous RAC meetings minutes will be pushed to next meeting in December.
- Jacob Snodgrass from the Albany and Eastern Railroad Company is in attendance and submitted a membership application.

Connect Oregon and Policy Plan Update – Erik Havig

- Current estimate for Connect Oregon funding is +/- \$46 million to award in the next cycle. A public announcement about the next Connect Oregon cycle will take place soon. The current version of the Oregon Transportation Bill does not add new criteria or direction to the Connect Oregon Program.
- Applications will be due by early 2026 and the review committee will finalize the project list in summer 2026. The final review committee will likely meet in person to discuss applications as they found that to be beneficial last year.
- ODOT staff will lead efforts to update the Oregon Freight Plan. Efforts to update the Oregon Freight Plan will focus on updating several policy areas and refreshing the plan to reflect the current vision and priorities for the freight rail system in Oregon.
- Efforts are under way to update the Oregon Highway-Railway Crossing Action Plan.
- ODOT is beginning a comprehensive update to the Oregon Highway Plan (OHP) and will discuss goals and objectives with the Oregon Transportation Commission (OTC) in November.

- Erik Havig recognized the importance of the ODOT Capital Investment Plan in ensuring the correct projects are selected and in increasing transparency around on-time delivery and project performance.
- The current layoffs scheduled at ODOT have created significant impacts on ODOT functions such as delays and loss of key staff members.

Oregon State Rail Plan (OSRP) – Stacey Goldstein

- The following work has begun: Rail forecasting, rail needs, service plan, and investment plan. Once this work is in draft form, Stacey Goldstein will bring highlights to the RAC for their consideration.
- A change in the OTC meeting agenda in November has caused the previously scheduled ODOT education session to be delayed until January 2026. Suzanne Carlson and Amanda Pietz will lead this engagement effort and ODOT staff will assist when needed.
- The RAC OSRP subcommittee met on July 20th and was largely focused on the online survey about the state of rail transportation in Oregon and its outcomes. The survey had just under 1,500 respondents. Four key themes from the online survey:
 - The importance of safety.
 - The need for mobility and accessibility.
 - The value of stewardship and responsible use of public funds.
 - The need for resilience in rail systems, including economic benefits.
- Survey Results:
 - 75 percent of respondents strongly supported, and 19 percent supported expanding the Amtrak Cascades Service.
 - 63 percent of respondents strongly supported, and 26 percent somewhat supported implementing high-speed rail between Portland and Eugene.
 - 67 percent of respondents strongly supported and 23 percent somewhat supported reinstating the Pioneer route.
 - 47 percent of respondents felt that freight rail was very important to them, and 41 percent thought freight rail was somewhat important to them.
 - 30 percent of respondents were strongly concerned about rail delays at crossings, 31 percent were somewhat concerned about the delays, and 37 percent of respondents were somewhat unconcerned or very unconcerned about the delays.
- ODOT conducted interested-party interviews. Interested parties include but are not limited to ports, rail operators, and local jurisdictions.
- Interview Results:

- Strong interest in clean technology, developing markets, funding, federal and state support, and prioritizing of safety investments at crossings.
- Railroad operators expressed their challenges with labor shortages and service disruptions.
- Ports expressed they needed first and last connections, key infrastructure, and to overcome price and service challenges.
- Interested parties also recognized that ODOT does not have sufficient resources to handle rail safety and hazmat planning.
- Round Table Comments from the subcommittee meeting:
 - There are concerns about the cost of implementing high-speed rail between Portland and Eugene.
 - There is a need to consider having passenger rail serve Corvallis.
 - Bus connections to passenger rail are needed.
 - Trespass and property crimes are getting worse.
 - The importance of discussing private-public partnerships within the plan.
 - Some comments were made in the subcommittee meeting discussing how the plan should define a state-level of success and recognize that ODOT is at the behest of the federal government.
 - Concerns about how ODOT will retain accurate historical rail knowledge were raised by members of the subcommittee.
- The next RAC subcommittee meeting will focus on a draft technical memo produced by consultants regarding the top 100 at-grade rail crossing concerns in the state.
- FRA uses the following criteria and should be included in the criteria in the OSRP:
 - Crossings that have had an incident in the last five years.
 - Crossings that have had an incident in the last three years.
 - Crossings that have local concern. Local conditions include traffic flow, past accident history, average daily traffic at crossings, the number of trains, and the angle of the at-grade crossings.
- Consultant Jeff Schultz explained that a similar criterion to the FRA grade crossing action plan was used.
 - There are 908 public active at-grade crossings and 1,446 public passive at-grade crossings.
 - There are 2,354 total at-grade crossings in the state.
 - The technical memo evaluates 4.25 percent of the total at-grade crossing in Oregon.
- ODOT is hosting an Open House about the update to the Oregon State Rail Plan in November. This meeting will mostly be informative and will focus on sharing ODOT's efforts to update the state rail plan so far and will discuss why rail is important to

individuals. Individuals can show up at any time on the day of the Open House. The webinar will not be staffed by ODOT.

- Stacey Goldstein will provide a link to the Open House for RAC members.
- Kathy Holmes will work to schedule the next RAC subcommittee meeting.
- The Chair reiterated that updating the state rail plan must not be a “check the box activity” and will be useful to policy planners over the next five years.

Shortline RR Rehabilitation Tax Credit Update – Cary Goodman

- This program was established in 2019 Legislature. The 2023 and 2024 Legislature amended the program.
- One significant change is now ALL short line railroads are eligible for a tax credit of up to \$3,500 per track mile. Formerly, the 3 largest railroads were limited to a tax credit of just \$1,000 per track mile.
- The other big change is that we must calculate the tax credit with the assumption that the applicant will first use up all of their Federal (or 45G) tax credit.
- For the first time, we may have to implement steps to avoid exceeding the \$4M/biennium cap.
- In response to the above, ODOT is working to slightly amend the administrative rules by setting a deadline of May 1 for submittal of final certification applications.
- Also, ODOT proposes an amendment to the rules, providing clarification regarding eligible costs.
- We were asked if general maintenance of way costs could count towards the Oregon tax credit. After conferring with our DOJ, we determined that the answer was no. To be eligible, rehabilitation costs must be related to one or more specific projects that are described in the preliminary and final certification applications.
- In 2023-2025 Biennium ODOT issued \$2,941,467 in shortline tax credits.
- These numbers only reflect the first 18 months of the biennium since ODOT won't see the final certification of applications until next year.
- Shortline tax credits were issued to five railroads. The railroads are Mt. Hood Railroad, Colorado and Wyoming Railroad Company, Central Oregon and Pacific Railroad, Portland and Western Railroad, and Willamette and Pacific Railroad.
- Ross Lane requested clarification over whether applying for the 45g monetarization which would increase a railroads federal shortline tax credit would affect the amount of the Oregon shortline tax credit a railroad could receive. Cary Goodman confirmed that an increase in the federal shortline tax credit would result in a deduction of the Oregon shortline tax credit.

Oregon Special Session Legislative and Federal Updates – Round Table

- The FRA is trying to streamline regulatory processes; however, this has not translated into proposed rulemakings.
- The Surface Transportation Reauthorization Bill will occur in 2026. Relevant congressional committees are currently working to develop their portions of the legislation.
- A vote by the Oregon Senate on the Oregon Transportation Package has been delayed again due to a senator's health issues. ODOT layoffs have been postponed to the 15th of October pending the outcome of the vote. Due to seniority, layoffs have impacted multiple individuals in the Public Transportation Division even though the division is not funded by state highway funds. If the transportation package passes, then the statewide transportation improvement fund will be doubled for two years.
- The Transportation Funding package would not affect the Connect Oregon Program.

Quarterly Updates – ODOT Staff

RAC Charter Update - Kathy Holmes

- There have been some additional changes to the RAC charter that may push back the date the charter can be voted on by the RAC.

Recruitments - Kathy Holmes

- ODOT has received two applications from rail unions. Bob Melbo is reviewing the applications and will provide a recommendation to Suzanne Carlson. One of the changes to the recruitment process allows Suzanne Carlson to approve appointments rather than the ODOT director.
- Bob will also review an application from Jacob Snodgrass who would like to represent Shortlines on the RAC.

Public Transportation Division Updates – Suzanne Carlson

- Currently ODOT is in a hiring freeze; however, upon successful passage of the package the Public Transportation Division will be able to recruit for new transit staff.
- The Multimodal and Rail Services Unit does not have vacant positions.

- ODOT is currently waiting for the FRA to decide on a couple of federal grant applications.

Passenger Rail Updates – Kathy Holmes

- Since the Horizon Railcars were pulled from service, ridership for the Amtrak Cascades has been below 2024 levels.
 - Data from summer ridership shows a 9 percent decrease in ridership compared to last summer.
 - It is estimated that the cause of lower ridership levels in August was due to equipment issues and heat restrictions, as well as the air conditioning for one trainset failing for two days.
 - Amtrak Cascades has seen an increase in ridership going to the Portland area.
 - Bob Krebs asked whether the decrease in ridership was due to small consists. The smaller capacity trains affect ridership if someone in Washington wanted to buy a ticket and the train was full, then the Amtrak Cascades loses that ride.
 - Kathy Holmes confirmed that small consists are not the cause of a decrease in ridership since the train cars in Oregon are usually not full anyway. The decrease in ridership could be because individuals are unhappy with the smaller cars and there are bathroom issues such as not having enough water to drain the bathroom facilities.
- On-time performance (OTP) decreased in August due to the same issues that impacted ridership.
- The Amfleet cars retention tanks for the toilets are only 19 gallons for each toilet which is significantly smaller than the Horizon Cars. The reduction in train size mixed with the increase in the volume of passengers in each coach resulted in an increase in restroom use for each coach toilet, overwhelming the 19-gallon retention capacity. There have been many instances a through train from Vancouver British Columbia to Portland has had to stop in Seattle so service can be completed on the retention tanks before the train can move onto Portland.
- Bruce Carswell questioned why there are so many problems with the Amfleet equipment given that it was previously used for the corridor, as well as other corridors.
- Horizon Cars will not be coming back and estimated that the new Airo equipment will arrive by Fall 2026. The first Airo trainset is currently in Pueblo undergoing testing. After testing in Pueblo is complete, the equipment will be going to the Northeast Corridor for additional testing.
- The question arises if Amtrak would rent equipment from a transit agency such as Sounder Transit. Kathy Holmes confirmed that Amtrak and WSDOT were looking into

renting equipment from Sounder Transit, but ODOT has not heard anything more on the subject. Jennifer Sellers stated that she didn't think Amtrak and WSDOT found renting equipment from Sounder Transit as a viable solution.

Cascadia High Speed Rail – Theresa Brand

- The Cascadia High Speed Rail Project is continuing to progress through step 2 of the FRA's Corridor Identification and Development Program (CID). Step 2 will take place over four to five years, and step 2 will be completed in two phases.
- WSDOT continues to serve as the project lead as they received approval and funding from the FRA to move the project forward into step 2. ODOT continues to serve on the planning team along with the B.C. Ministry of Transportation and ODOT meets monthly with this group.
- The project leadership team is continuing to work through the different activities as a part of the step 2 process. The major focus of these activities is to develop a corridor wide service development plan which is expected to be completed by 2029.
- Current efforts are focused on preparing for outreach and engagement efforts which will take place in early 2026. Engagement efforts will focus on introducing the project to agency partners which include tribal business, rail, government partners, communities of concern, and the general public. ODOT is recommending a robust outreach and engagement process be made in Oregon.
- The executive committee continues to meet quarterly to understand what is happening with the project and to provide guidance. ODOT Director Kris Strickler serves as ODOT's executive committee representative and Suzanne Carlson serves as his backup. The executive committee will meet in October to review the outreach and engagement planning documents and the preliminary project purpose and need statement. ODOT is working on drafts of these documents. Once the drafts are complete, they must be submitted to the FRA by November 3rd. After a 7-week review process, if the FRA approves the documents, then all the activities will begin in January 2026.
- A letter introducing the project will be sent to the RAC sometime this fall.
- Aaron Hunt asked whether the introductory letter would include the intended right of way for the high-speed rail corridor. Theresa Brand stated that specific routing has not been outlined so the letter will not include the intended right of way.

Modeling – Jeff Schultz, David Evans & Associates

- Consultants David Evans & Associates (DEA) had a very productive meeting with Union Pacific and the FRA regarding their over-the-shoulder review of the modeling work for

the Service Development Plan for the Amtrak Cascades between Portland and Eugene. The FRA is very appreciative of DEA and ODOT's progress on the Amtrak Cascades Program.

- The next step is to have a follow up working group meeting that includes Amtrak to go over the over-the-shoulder review process that has been completed with the FRA, as well as gaining their consensus about the list of improvements needed to move forward in the Corridor Identification and Development Program (Corridor ID or CID).
- The Service Development Plan will slowly increase the number of round trips per day from two to three to four to eventually six round trips between 4:00 AM and 8:00 PM. The improvements will take place in three stages, where each stage increases the number of round trips.
- WSDOT published a Preliminary Service Development Plan for the Amtrak Cascades Service between Portland and Eugene. The next step for WSDOT is to develop a complete Service Development Plan after the FRA approves WSDOT's scope of work.
- WSDOT developed their Preliminary Service Development Plan using a slot schedule. ODOT and David Evans and Associates developed the preliminary schedule using this slot schedule, so the schedules between the two plans align. We are looking ahead to a fully integrated corridor.

Freight Rail Industry

- According to the Association of American Railroads and Business 2025, the freight rail industry has seen a 3.3 percent increase in business year-over-year. There is a lot of uncertainty over the future due to inflation, unemployment reports, and tariffs.
- The carloads and revenue for shortline railroads have steadily decreased over the last 25 years and in 2024 have decreased to the lowest amount in the past 25 years except for 2009. The shortline carloads in 2024 are about half of what they were in the peak of this 25-year period, which was 2005. One of the main reasons for this decline is the changing economy of the State of Oregon and the changing industries that rely or don't rely on rail.
- Members are directed to an interview with CSX CEO Joe Heinrichs who identified the significant decrease in the carload portion of the class one business model as a reason for the lack of growth in the rail industry. The amount of traffic in the US is growing, it's just not growing on rail. The decrease in shortline carloads should be considered when developing the state rail plan.
- Union Pacific is feeling uncertain about the future given the impacts of tariffs on the global trade debate. Weekly carload numbers have generally been trending upward. Union Pacific is optimistic that if the merger between Norfolk Southern and Union

Pacific is approved by the federal government, it will foster growth for Union Pacific and their shortline partners. Yet the uncertainty over tariffs and global trade is growing rather than going away. The UP budget to engage with a variety of business chambers and complete other activities has been dramatically cut due to the present uncertainty over tariffs and global trade. Union Pacific is encouraged that some members of Portland's City Council understand the value of industrial jobs.

- Members are directed to a Willamette Week article where a former economist with ECON Northwest explained that Oregon's economic growth is trending towards a downward slide. As traditional industries served by the freight rail industry such as lumber continue to decline, then shortline volumes will also decline. Also, the overall business climate in Portland and other cities around the state have made it difficult to see expansion.
- Conflicts between local governments and businesses served by the rail industry are a challenge. For example, one local government is trying to zone out rail-served businesses. Ross Lane recognized this is not a great solution for keeping shortline railroads healthy.
- Programs like the Shortline Tax Credit and Connect Oregon is keeping the shortline business healthy enough to continue investments.
- Does the negative business environment for industrial business created by Portland and other cities around the state have affected shortline volumes and revenue?
 - There is a statewide shortage of industrial zoned lands that are adjacent to rail lines and there has been a steady erosion of these parcels over the last 20 years. For example, marine businesses need to be next to water to illustrate to local governments why they need to zone rail businesses adjacent to rail lines. Unfortunately, when local governments implement residential zoning adjacent to rail lines, then residents will complain about noise and vibrations.
- There are some existing opportunities for shortline expansion including a wood product plant being built in Millersburg.
- Discussions need to take place during the next legislative session and there needs to be an approach to convince more progressive members of the legislature about the value of industrial jobs.
- Legislators often mimic their constituents, and the state rail plan survey highlighted that constituents do not see the value of the rail industry.
- Albany and Eastern revenues have decreased by 30 percent over the last decade.
- Jacon Snodgrass recognized the challenges that shortline railroads are facing to attract new business.

Public Comments

- PNWER is hosting the Pacific Northwest Rail Summit on October 15th through October 17th in Portland.
- Zoning and other challenges shortline railroads are facing will be topics at the summit.
- Surface Transportation Board member Karen Hedlund and Portland Mayor Keith Wilson will be speaking at the end of the summit.
- PNWER will send invites to Portland City Councilors as well.

Agenda Build

- The next RAC meeting will take place on December 16th, and it will be held virtually.
- Amanda Pietz from the planning division will have 30 minutes to talk about the ODOT Capital Investment Plan.

Meeting Adjourned 10:52AM