

# Rail Advisory Committee (RAC)

## Tuesday, September 17, 2024

### 9:00 a.m. – 11:30 a.m.

### Meeting Minutes

#### Attending RAC Members

Bruce Carswell, Chair, Jaguar Transport Holdings

Johan Hellman, Co-Chair, BNSF Railway

Carmen Melo, Port of Portland

Bob Krebs, AORTA

Chase Kitchen, Amtrak

Aaron Hunt, Union Pacific

Jake Boon, City of Garibaldi

Glenn Carey, SMART Union

#### Welcome, Introductions, and Committee Business

- Quorum Confirmed
- March 19 Minutes Approved
- June 18 Minutes Approved

#### Connect Oregon and Policy Plan Update: Erik Havig

- The final review committee for Connect Oregon met in August and developed a list of projects for Oregon Transportation Commission (OTC) approval. Meeting will take place on October 10 in Bend. Rail projects did fairly well in this round of funding. Mt. Hood Railroad Track Update for Freight Expansion was ranked as the number one project by the final review committee.
- ODOT Regions 1, 2, and 4 had the most projects with the highest funds awarded. Region 5 had the least number of projects funded.
- Due to the switch from lottery funds to privilege tax, Connect Oregon funds are not a fixed number and funding depends on automobile sales. Before this cycle of Connect Oregon began, the final review committee established protocols to guide the project selection process where the top 2/3 of the projects that are agreed upon across multiple advisory committees would be selected and the bottom 2/3 of projects would be selected. The OTC would then focus on the middle 1/3 of these projects that fall into both categories.
- The final review committee reduced the number of individuals representing committees. This makes the selection process more efficient. The final review committee prioritized utilizing the guidance of advisory committees more than in previous cycles and had a more cohesive and balanced selection process. Johan Hellman was the rail representative for the final review committee.
- RAC Member, Carmen Merlo, stated bumpers on the funding asks are needed, as a few projects take up a large portion of the funding.
  - The Port of Portland requests parameters limiting the number of applications an entity can submit per funding opportunity and setting a ceiling on grant requests.

- Projects with a large budget need to demonstrate the cost benefit for the state as a whole.
- ODOT, along with RAC committee support, is developing a subset program of oConnect Oregon that will provide matching funds for upcoming federal grant programs. ODOT aims to have the program running by the end of the year. Now is the time to start thinking about projects for the next cycle.

## Policy Plan

- ODOT is in the beginning stages of updating the Oregon Highway Plan and Oregon Transportation Safety Plan. Consultants have been selected and negotiations are ongoing regarding the scope of work.
- The Oregon Transportation Plan will include multiple topics of interest to RAC committee members such as highway rail safety issues. Updates will start after January 1, 2025.
- The Oregon Freight Plan must be updated by March 2027 according to federal rules. The goal is for a contract to be ready and initial work to start by summer of 2025. Updating the Oregon Freight Plan will be complicated due to the interrelationship between many different stakeholders and extensive outreach will be required.
- External planning will influence the updates made to the Oregon State Rail Plan.

## Oregon State Rail Plan (OSRP): Kathy Holmes and Andrew Mortensen, DEA

- The team is considering whether Connect Oregon projects should be added into Rail Needs Inventory (RNI). Chair Carswell commented that they should be included. In the past, unfunded Connect Oregon projects have been included in the RNI. The RNI should be reviewed periodically to remove non-viable projects per the agreed-upon methodology.
- RNI projects are ranked based on six factors with 23 sub-criteria. The ranking system does not facilitate the removal of these projects, only deciding on the prioritization of projects that should be funded. The ranking mechanism can be fine-tuned to be sensitive to the type of notice of funding opportunities available. For example, if a notice of funding opportunity focuses on grade crossings, then the ranking system will prioritize grade crossing projects.
- Chair Carswell proposed updating the RNI every two years in conjunction with Connect Oregon. Kathy Holmes recommended alternating years and will draft proposal for discussion detailing how the committee will review the RNI.
- The Oregon State Rail Plan Project Management Team has representatives from the ODOT Public Transportation Division Multimodal and Rail Services Unit and the ODOT Policy, Data, Analysis Division.
- ODOT is finalizing the list of interested parties for the Oregon State Rail Plan update. ODOT will survey the interested parties to gain a greater understanding of key issues that need to be addressed. A summary of the survey is expected by late October. ODOT will update the website and create a contact list to inform Oregonians the Oregon State Rail Plan update is taking place.
- ODOT will evaluate and analyze at-grade crossing safety conditions and priorities as a part of the Oregon Highway Rail Grade Crossing Safety Action Plan update. Projects that are normally evaluated in the update process are those that have had one or more crashes within the last 5 years.
- ODOT is analyzing waybills and rail freight travel flows as well as recent trends in passenger rail ridership in Oregon and Washington, which has seen a significant resurgence.

- ODOT is updating the 2014 Oregon High Speed Rail Concept Vision Report.

### ODOT Funding Needs Presentation – Suzanne Carlson

- Structural revenue challenges threaten the state’s ability to deliver core critical services and investments for Oregonians.
- Looking ahead to a 2025 funding package, ODOT prioritizes delivery of core critical services, enhancing safety, and building structural revenue stability and resiliency.
- Safety is a priority in every program and service delivered by ODOT.
- The needs across the state are significant; this presentation focuses on the key components of the structural challenge, essential maintenance, operations, and safety needs on the state’s system, and possible solutions to address the structural revenue challenge to create a stable, resilient transportation funding model.
- Local needs and the agency’s Transit, Rail, Marine, Aviation, Off-system bike/ped, and capital improvements are not included in the scope, as those are largely non-State Highway Fund (SHF) supported efforts.
- The ODOT divisions primarily affected are Delivery and Operations and Maintenance.
- The Capital Investments representing roughly 52percent of total funds, includes our bridge, preservation, operations, modernization, and special and local programs. These are largely federal funds and are delivered through contracted work not ODOT crews.
- The Non-Road Modes representing roughly 12percent of total funds includes our public transportation division, most of the policy data and analysis division, rail, and safety programs. Similar to the capital investments, these are mostly federal funds and non-SHF.
- Collection Costs representing 6percent are the costs of collecting fuels tax, weight mile tax and heavy carrier fees, and DMV.
- The Maintenance & Operations functions representing 9percent are state highway funded and include the staff, materials, fuel, and other needs to keep the roads and bridges open and safe. Plowing snow, patching potholes, fixing guardrail, cleaning litter and graffiti, replacing signs, responding to incidents and emergencies – largely by ODOT crews. The gas tax makes up significant funding of maintenance and operations but due to high gas prices and the rise of e-vehicles this number is decreasing.
- Agency Operations representing 11percent are all the other agency needs. Maintenance of facilities, administrative services like budget, accounting, HR, IT, contracting, communications, a small part of the policy data and analysis division, and other costs and staffing that can’t be attributed to a single project.
- With sufficient and reliable funding, Oregonians can depend on ODOT for core critical services and a safer, cleaner, more dependable transportation system.
- ODOT has asked the legislature for \$2,842,000,000 with \$12 million dollars for On Road Freight Investment. The gap between the available funds and requested funds is \$1,778,000,000.
- Currently the Joint Committee on Transportation is doing a transportation road trip in different cities throughout the State. Some AORTA representatives have been attending these events and believe that additional revenue to fund intercity passenger rail projects is needed.

### Quarterly Updates

**Public Transportation Division:** Multiple vacancies have been filled.

**Membership Update:**

- Five vacant positions need to be filled with the help of the ODOT Office of Equity and Civil Rights.
- Bob Melbo is working with the freight rail provider to help fill a vacant position.
- An update to the RAC Charter is in progress.

**Passenger Rail:**

- Amtrak Cascades ridership has seen record high numbers in Oregon with over 16,000 passenger rail trips in August. August 2024 had the highest ridership since the beginning of the service in 1994. Chase Kitchen estimates that total ridership on the Amtrak network is up 42 percent, and between Eugene, Oregon and Vancouver B.C. will fall just under 1,000,000 total riders. The last time ridership was close to this high was from 2012 through 2014. A change in Amtrak Cascades departure time from Eugene has been popular and has increased ridership.
- The Amtrak Cascades system is selling around 51 percent of available seats.
- On-time performance for the Amtrak Cascades is struggling compared to recent years dropping below 50 percent in recent months due to mechanical issues and high temperature slow orders.

**Oregon Passenger Rail Corridor Investment Plan and Service Development Plan:**

- ODOT has been working with Amtrak, the FRA and Union Pacific (UP) to develop an operations model to identify necessary future capital improvements. Two main objectives of this analysis are to maintain and improve UP's present-day fluidity and determine what additional capacity investments might be necessary to facilitate up to four new roundtrip passenger trains between Portland and Eugene. Thus far, modeling has yielded results similar to 2021 Oregon Service Development Plan but with more detail and a highly comprehensive data set. The goal is for modeling to be completed by the end of September or October. ODOT staff, the FRA, and UP participated in a corridor field trip in early August, taking an Amtrak Cascades roundtrip from Portland to Eugene. The trip provided participants a first-hand look at the 124-mile corridor and a close inspection of the proposed site for a new Cascades layover siding at Eugene.
- ODOT is working with FRA and WSDOT to progress the Amtrak Cascades corridor through the FRA Corridor identification and Development Program.
- ODOT is working with the host railroads and interested parties to progress capital infrastructure projects to 30 percent design to apply for federal funding.

**FRA Long-Distance Study:**

- FRA has identified and preliminarily ranked 15 preferred routes for potential addition to the Amtrak long-distance network. The final congressional report has been pushed back to spring 2025. The North Coast Hiawatha route achieved Corridor Identification and Development program status. This has caused the FRA to remove this corridor from the preferred routes list meaning there are 14 preferred routes left within the study.
- The Pioneer route, which the study identifies as Seattle Denver, is one of the preferred routes. The Pioneer route scored second lowest of the 14 identified preferred routes in terms of complexity and was estimated to require more initial funding than many of the other preferred routes. Restoring the Pioneer would require significant investment for new equipment, as well

as for stations and maintenance facilities. It is a reminder of how costly it is to restore service after terminating it.

#### **Cascadia Highspeed Rail:**

- WSDOT is working with FRA to advance the Cascadia High-speed Rail project through the CID Program.

#### **Freight –Rail:**

- Freight carloads are up 3.2 percent from 2023.
- The share of the national freight market for rail is declining while the trucking share is growing. Innovation and investment are seen as key solutions to reverse this decline. Union Pacific (UP) is investing \$3.4 billion dollars this year and sees growth opportunities moving forward. UP is facing a culture shift with a younger generation coming in and utilizing technology more. As an example, a current effort is underway to integrate a carload transportation management system that monitors car flows primarily for short lines. Currently Oregon’s freight industry has not seen major signs of a recession and volumes moved by the freight industry are increasing in the third and fourth quarters of 2024.
- Two challenges include the decline of shipping coal and an aging inventory of box cars that were built in the late 1970s and early 1980s. Carload equipment is almost 50 years old.
- Tariffs play a role in the decline of rail’s share in the national transportation market and will have an ongoing impact in the way commodities are moving to and from and within the U.S.
- Oil trains are declining, which is a contributor to the decrease in freight traffic. For example, Klamath Falls used to have around 12,000 oil holding freight cars a year pass through which has largely ceased.
- Uncertainty in the supply chain may contribute to the decline of the freight industry.

#### **Public Comments**

- No public comments were made.

#### **Agenda Build**

- A suggestion was made to conduct an RNI review at the next RAC meeting.
- ODOT will review the RNI to determine if projects could be recommended for removal. There are approximately 130 projects on this list.

#### **Closing Comments and Adjourn**

Meeting was adjourned at 11:18 AM.