

Cascades Rail Corridor Management Workplan January 2013



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Cascades Rail Corridor Management Workplan Endorsement

The Washington State and Oregon Departments of Transportation have developed the Cascades Rail Corridor Management Workplan as required under the Memorandum of Understanding (MOU) executed by the two agencies in March 2012. The enclosed Cascades Rail Corridor Management Workplan is a short-term, interim document that provides a framework for how Washington and Oregon will jointly manage the Cascades Rail Corridor intercity passenger rail service.

To the best of our knowledge and belief, the Cascades Rail Corridor Management Workplan meets the requirements of the MOU and accurately establishes the first step towards achieving a coordinated, efficient and effective intercity passenger service in the Pacific Northwest Rail Corridor.

Washington State Department of Transportation

Signature on file

Paula Hammond, P.E.
WSDOT-Secretary of Transportation

January 31, 2013

Date

Oregon Department of Transportation

Signature on file

Matthew Garrett
ODOT-Director of Transportation

January 31, 2013

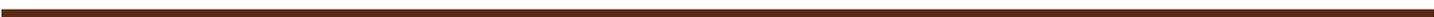
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EXECUTIVE SUMMARY

The Cascades Rail Corridor is one of 10 corridors designated by the U.S. Department of Transportation for high-speed intercity passenger rail service. The service has been an increasingly strong component of the Pacific Northwest's intermodal transportation system since the Amtrak Cascades' inaugural run in 1994. In its 18 years of operation, the service has increased the number of daily round trips to 11; extended its geographic reach from Eugene, Oregon to Vancouver, British Columbia; and grown the annual ridership from 180,209 in 1994 to nearly 850,000 in 2011.

With substantial operational and capital investments from Washington and Oregon and major federal infrastructure investments, the rail corridor promises to become an increasingly important transportation option in the years to come. However, considerable financial challenges make it difficult for the states to fulfill this promise. These challenges include increasing operating costs and the maintenance and preservation costs of capital improvements. Operating costs are impacted by the changes in federal law effective in 2013 as required in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). PRIIA requires states to pay for all intercity passenger rail service. That means that starting October 1, 2013, Washington and Oregon will be required to increase their combined share from the current 80 percent to 100 percent of operating costs.

Washington, Oregon, and British Columbia are the governmental entities most responsible for intercity passenger rail service and have a long history of collaboration contributing to the success of the service. The entities recognize that partnership is the only way to overcome the significant financial hurdles in order to continue the success of the Cascades Rail Corridor program. Their shared vision is to continue cooperative relationships to develop a model to change from operating as separate segments

to operating the service as one integrated corridor with shared resources and work towards achieving common goals. In the long term, it is anticipated that this change will help deliver customer expectations, increase ridership, and develop intercity passenger rail service as a competitive transportation choice.

As a first step, Washington State Department of Transportation (WSDOT) and Oregon Department of Transportation (ODOT) signed a memorandum of understanding (MOU) on March 7, 2012. This MOU committed the two agencies to the concept of joint operation of the service as a single corridor. The near-term focus is to prepare for the significant changes from PRIIA. An initial step is to adopt corridor principles so ODOT and WSDOT can pool resources for increased efficiencies and reduced costs in order to manage the most immediate challenges. This step will provide the two states with the time and experience needed to develop a single, fully-integrated corridor operation.

This Corridor Management Workplan provides a framework for the initial steps ODOT and WSDOT will follow in developing a single Cascades Rail Corridor. This workplan defines how the two agencies will work together and establishes milestones for formalizing their joint relationship before PRIIA implementation in October 2013.



Train station in Kelso, WA

This workplan:

- Establishes an initial vision statement, goals and objectives to guide corridor operations.
- Defines the Corridor Director's roles and responsibilities.
- Establishes an organizational framework and work program for an integrated ODOT/WSDOT staff to perform day-to-day operations and oversight.
- Identifies significant issues to be addressed in an ODOT/WSDOT interagency agreement; a tri-party agreement among ODOT/WSDOT/Amtrak; and a tri-party agreement among ODOT/WSDOT/Original Equipment Manufacturer (Talgo).

- Provides direction for future development of the fully-integrated corridor operation.
- Establishes an interim Dispute Resolution Process.

While the challenges facing the Cascades Rail Corridor are considerable, there is significant opportunity to increase efficiency and improve delivery of intercity passenger rail service in the Pacific Northwest through partnerships between Washington, Oregon, and British Columbia. The Corridor Management Workplan outlines a process that not only will help Washington and Oregon to manage the changes that will result from PRIIA implementation in October 2013, but will also help the states (and in the future, British Columbia) further develop their relationships into a truly integrated service delivery team.

5-year work program for Cascades Rail Corridor

	Activities	Deliverables	Level of effort
2013	Prepare for PRIIA implementation: initiate cooperative operation of the service; negotiate agreements	WSDOT/ODOT interagency agreement WSDOT/ODOT/Amtrak tri-party agreement WSDOT/ODOT/Talgo tri-party agreement	Staff driven, within existing resources, and adding of additional project staff when needed.
2014	PRIIA implementation: refine roles and responsibilities; identify near-term program priorities	Updated WSDOT/ODOT interagency agreement Updated corridor workplan Preliminary corridor business plan	Staff driven, within existing resources, and adding of additional project staff when needed.
2015	Address institutional structure: explore options for governance and partner engagement	Recommended governance structure Recommended funding/revenue strategies	Consultant effort/Staff Estimated cost: \$500,000 - \$750,000 UNFUNDED
2016	Develop corridor strategy: vision, goals and objectives; needs and opportunities; improvement strategies	Corridor long-range plan	Consultant effort/Staff Estimated cost \$350,000 - \$600,000 UNFUNDED
2017	Corridor business planning: near- and mid-term program priorities	Corridor capital and Business plan aligning with the State Rail Plan	Consultant effort/Staff UNFUNDED

SECTION ONE: INTRODUCTION

In October 1992, the U.S. Department of Transportation designated the Pacific Northwest Rail Corridor (PNWRC) as a high-speed rail corridor and allowed state-supported Amtrak intercity passenger rail service on the corridor. In 1994, Washington, Oregon, and the federal government began supporting the Amtrak Cascades service between Eugene, Oregon and Vancouver, British Columbia.

ODOT and WSDOT are responsible for train operations management and reporting; budgeting; performance tracking; construction project management and reporting; local, regional, state, and national program coordination; and public outreach and marketing activities.

Currently, the service is managed separately by ODOT and WSDOT. It is funded by Washington and Oregon with the support of federal funding through Amtrak (federal funds support one of 11 daily trips). However, the federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA) requires

states to pay the fully allocated cost of intercity passenger rail service. In effect, this means there will be no federal funding contribution beginning October 1, 2013. Washington and Oregon will absorb subsidies currently provided through Amtrak for the service and pay 100 percent of operating costs, at significant additional annual subsidy.

Washington, Oregon, and British Columbia, the government entities most responsible for intercity passenger rail, have a long history of collaboration that has contributed to the past success of the rail program. The states and province recognize that partnership is the only way to overcome the significant financial hurdles facing intercity passenger rail and continue the success of the Cascades Rail Corridor program. Their vision is to build upon existing cooperative relationships and develop an operational model that operates the service as one integrated corridor with shared resources and towards common goals. In the long term, it is anticipated that this change will help deliver on customer expectations, grow ridership and develop intercity passenger rail as a competitive transportation option.

As a first step, ODOT and WSDOT signed a Memorandum of Understanding (MOU) on March 7, 2012, that committed the two agencies to the concept of operating the service as a single corridor. The near-term focus is on preparation for the significant changes that will occur as a result of PRIIA. Adoption of some corridor principles will help the agencies pool resources for increased efficiencies and reduce costs in order to manage the most immediate challenges. This initial step will also provide the states with the time and experience that will be needed to develop a single, fully integrated corridor operation.



L to R: John Sibold, Paula Hammond of WSDOT; Matthew Garrett, Hal Gard of ODOT.

While the challenges facing the Cascades Rail Corridor are considerable, there is significant opportunity to increase efficiency and improve delivery of intercity passenger rail service in the Pacific Northwest through partnerships between Washington, Oregon, and British Columbia. The Corridor Management Workplan outlines a process that not only will help Washington and Oregon to manage the changes that will result from PRIIA implementation in October 2013, but will also help the states (and in the future, British Columbia) further develop their relationship into a truly integrated service delivery team.

Purpose of the Workplan

This is the Corridor Management Plan referred to in the March 7, 2012 MOU between WSDOT and ODOT, which hereinafter will be called a workplan. In the MOU, ODOT and WSDOT agreed to the concept of operating the intercity passenger rail service as a single corridor, rather than as two separate ones. Managing as a single corridor should result in many benefits, including reducing operating costs.

The Corridor Management Workplan provides a framework for the initial steps in developing a single Cascades Rail Corridor. The workplan defines how ODOT and WSDOT will work together and establishes milestones for formalizing the joint relationship prior to PRIIA implementation in October 2013. The workplan:

- Establishes an initial vision statement, goals and objectives to guide corridor operations.
- Defines roles and responsibilities for the Corridor Director.
- Establishes an organizational framework and work program for an integrated ODOT/WSDOT staff to carry out day-to-day operation and oversight.

- Identifies significant issues to be addressed in an inter-agency agreement between ODOT and WSDOT, as well as tri-party agreements between the two states and Amtrak, as well as the two states and the Original Equipment Manufacturer (Talgo).
- The workplan also provides direction for future development of the fully integrated corridor operation.

What you will find in this report

This Corridor Management Workplan includes the following elements:

- **Existing conditions:** This section describes how ODOT and WSDOT operate the service today, provides current service statistics, and describes service relationships.
- **Interim corridor approach:** This section provides an initial vision statement and goals and objectives to guide corridor development, and outlines a preliminary structure for cooperative operation of the service.
- **Future corridor approach implementation:** This section describes a longer-term vision for development of an integrated corridor and outlines a 5-year work program for the ODOT/WSDOT Cascades Rail Corridor team.



SECTION TWO: EXISTING CONDITIONS

This section describes characteristics of the existing service; highlights funded improvements and associated performance commitments; summarizes each state's policy guidance; and describes partnerships that are integral to providing the service. This information highlights the challenges prompting Washington and Oregon to develop a corridor approach, identify obstacles, and suggest opportunities for implementing cooperative service delivery.

2011 Service Statistics

Since the service was inaugurated in 1994, Amtrak Cascades has become an increasingly strong component of the Pacific Northwest's intermodal transportation system. There are 467 miles in the corridor: 300 in Washington, 134 in Oregon, and 33 in British Columbia. In its 18 years of operation, Amtrak Cascades has increased to a total of 11 daily trips; extended its geographic reach south to Eugene, Oregon and north to Vancouver, British Columbia; and grown from 180,000 annual passengers in 1994 to nearly 850,000 in 2011. With substantial investments from the states of Washington and Oregon to support operations and capital costs, and major infrastructure investments from the federal government, the rail corridor promises to become an even more important transportation option in the years to come.



Service Costs and Funding

ODOT and WSDOT pay Amtrak via separate contracts for running the service. Amtrak pays the railroads for track maintenance and performance incentives, then bills the states for their shares. WSDOT pays Talgo and Amtrak to maintain the equipment via separate agreements. ODOT recently purchased two trainsets, but does not have agreements with Talgo at this time.

Service Costs

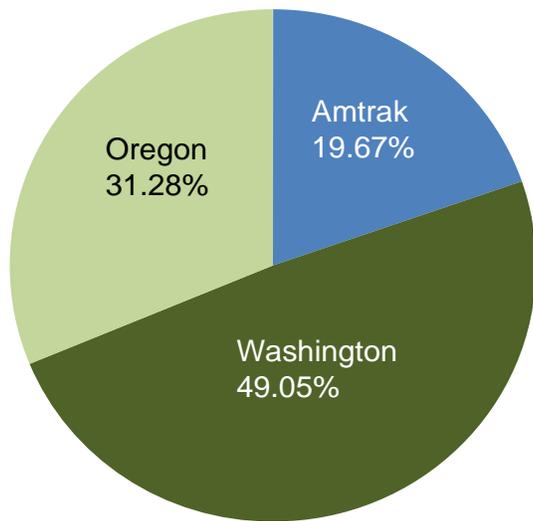
- Washington paid \$8.7 million and Oregon paid \$6.7 million for passenger rail service through their contract with Amtrak.
- Currently, WSDOT pays for maintenance of Talgo equipment at a cost of \$4 million per year. When Oregon's new trainsets enter revenue service in 2013, ODOT will begin to incur equipment maintenance expenses.
- WSDOT is working on delivery of a nearly \$800 million capital improvement program for Amtrak Cascades. The state will be responsible for the cost of maintaining those improvements. Starting in 2017, WSDOT will pay track infrastructure maintenance costs of approximately \$3 million for 20 years.

Funding

Amtrak Cascades ticket revenues currently support approximately 66 percent of operating costs. The remaining costs are provided through public subsidy. Those subsidies are provided by Washington and Oregon with the support of federal funding through Amtrak. Washington sponsors six daily trips, Oregon sponsors two, and Amtrak federal funding supports one trip per day. Together, Washington and Oregon currently provide approximately 80 percent of subsidies needed to support operating costs.

Cost-share for 2011-2013 biennium

Based on Subsidy



ODOT and WSDOT face ongoing funding challenges. The states' revenue forecasts are often lower than anticipated. Rail programs compete with other transportation needs for scarce funding. In addition, there is no opportunity to introduce new service to generate new revenue until additional trips between Seattle and Portland begin in 2017.

Changes in Funding and Program Administration Responsibilities - PRIIA

In 2008, Congress passed the Passenger Rail Investment and Improvement Act (PRIIA). The law makes significant changes to intercity passenger rail service and the role of states in providing that service. PRIIA makes states fully responsible for providing the service by the end of federal fiscal year 2013. That means there will be no contribution of federal funds, and states will pay the fully allocated cost. In the Pacific Northwest, that means that the state share of subsidies for Amtrak Cascades service, currently 80 percent, will increase to 100 percent starting

October 1, 2013. There will be additional costs for equipment and facilities.

Implementation of PRIIA means a greater financial burden on the states, but it also allows the states more responsibility and flexibility in providing the service. ODOT and WSDOT will continue to contract with Amtrak, but the states will have more control over operational decisions, business practices, costs, and revenues. Washington and Oregon have and will continue to work closely with Amtrak and other high-speed rail corridor states to explore the implications of these changes and develop approaches to manage them.

Committed Improvements

Washington and Oregon both have separate but complementary capital improvements underway to support Amtrak Cascades.

Washington

Washington was successful in securing nearly \$800 million in federal funds for strategic state investments. The grant award supports an overall program goal of more frequent and reliable service. The program provides funding for 20 projects building additional rail line capacity and upgrading tracks, utilities, roadway signals, passenger stations, new train equipment, and advanced warning systems. The funding comes with commitments to achieve the following performance improvements, starting in 2017:

- Two additional round trips between Seattle and Portland, for a total of six.
- Improve on-time performance to 88%.
- 10-minute time savings between Portland and Seattle.

Oregon

Through Oregon's ConnectOregon program, the state uses lottery funds to leverage capital improvements.

Oregon was awarded \$9.3 million to:

- Replace the roof on Portland's historic Union Station, built in 1896.
- Conduct preliminary engineering for two rail projects to improve mobility and reduce congestion in north Portland, one at Willbridge and the other at North Portland Jct.

On October 28, 2010, ODOT received another \$8.9 million in federal grants to continue planning efforts aimed at improving passenger rail service between Eugene and Portland. The grants will fund three projects:

- A statewide freight and passenger rail plan.
- Corridor Investment Plan consisting of a NEPA Tier I Environmental Impact Statement, which will include the preferred alternative for future improvements and a System Development Plan to describe in detail how the preferred alternative will be implemented. The effort is guided by the Oregon Passenger Rail Leadership Council. Governor Kitzhaber created the council of mostly elected officials from the Willamette Valley to advise the Governor and the Oregon Transportation Commission on a preferred alignment for these improvements. The recommendations will become a foundation for the future to make Oregon more competitive in finding funding for future freight and passenger rail service projects in Oregon.

- Preliminary engineering to renovate Portland's historic Union Station.

On May 9, 2011, the Oregon Department of Transportation received \$1.5 million of the American Recovery and Reinvestment Act (ARRA) funds rejected by Florida. The grant will fund the preliminary engineering to construct overnight parking trackage at the Eugene station.

British Columbia

The British Columbia Ministry of Transportation and Infrastructure (BCMoTI) will invest approximately \$67 million in the South Fraser Perimeter Road project, including the elimination of two at-grade rail crossings. The project is on target to be open for public use in December 2013.



Cascades train at the Salem, OR station

Existing Goals, Objectives and Policies

Although ODOT and WSDOT are currently working on updates to their state rail plans, both states have previous plans, as well as other policies and procedures that guide their implementation of the service. The following is a sample of current policies:

- Provide faster, more frequent service.
- Improve schedule reliability.
- Provide service and infrastructure to a standard determined necessary to serve the state's interest and financial and operational commitments.
- Invest limited resources in high priority improvements consistent with those needs.
- Make sure Washington state transportation investments support economic vitality, preservation, safety, mobility, the environment, and system stewardship (RCW 47.04.280, transportation system policy goals).

- Achieve service outcome commitments associated with federal grants.
- Oregon's DRAFT service improvement goals (2010) include reducing one-way travel time between Eugene and Portland to less than two hours, increasing round trips to six per day and increasing on-time performance to 95%.
- The regional rail service should offer frequent departures, through trains, extensive feeder bus service with convenient connections, and an aggressive marketing and passenger amenities program to stimulate changes in transportation preferences and a per capita reduction in highway travel.
- Be consistent with statewide, regional and local transportation plans.

Partnerships

Operating trains requires functional partnerships from public and private entities including Washington, Oregon, British Columbia, Amtrak, two railroads, international customs and border



control agencies, and a train manufacturer. These partnerships are managed through constant collaboration, service contracts and agreements.

Washington State Department of Transportation (WSDOT)

WSDOT is a cabinet agency led by the secretary of transportation appointed by the governor. WSDOT's budget is in a biennial transportation budget that is separate from the state's general operating and capital budgets. WSDOT not only manages the state highway system, but also owns assets including ferry boats and terminals, public-use airports, freight cars, short-line rail lines, trainsets, and a train depot.

The State Rail and Marine Division is responsible for the following:

- Administering the operation of Amtrak Cascades service.
- Developing plans and programs for passenger rail service.
- Managing three WSDOT-owned trainsets.
- Managing station assets and/or leases.
- Completing projects from federal high-speed rail funds.

Oregon Department of Transportation (ODOT)

ODOT is led by a governor-appointed director. Oregon has one biennial budget for all state government agencies. ODOT manages the state highway system and also owns rail assets, system roads, bridges, railways, public transportation services, transportation safety programs, DMV and motor carrier regulations.

The Rail Division is responsible for the following:

- Administering the operation of Amtrak Cascades service.

- Freight and passenger rail planning and operations, including contracting for train and motor coach services and supervising rail improvement projects between Eugene and Portland.
- Safety of the state's rail system and certified by FRA to inspect track, railroad equipment and cars, hazardous materials, and operating practices.
- Managing 155 miles of right-of-way (150 miles with tracks).
- Managing ODOT-owned passenger rail assets including: two trainsets, three cab cars, and one station.
- Completing projects from federal high-speed rail funds.
- Developing a state rail plan.
- Corridor Investment Plan Environmental Impact Statement project.
- Crossing safety authority over all public highway railroad crossings.

Amtrak

Amtrak (National Railroad Passenger Corporation) was created in 1970 by the federal Rail Passenger Act to assume the common carrier obligations of the private railroads. In exchange, Amtrak has the right to priority access of Class I tracks for incremental cost. Amtrak is a private for-profit corporation with the federal government as majority stockholder.

ODOT and WSDOT have separate agreements with Amtrak to operate Amtrak Cascades Intercity Passenger Rail Service in their respective states. These agreements address service objectives including schedules (frequency, travel times, and station stops), equipment, and onboard passenger amenities.

Amtrak has agreements with BNSF Railway Company (BNSF) and Union Pacific Railroad (UPRR) that address track usage, train dispatching, maintenance of track and structures, on-time performance, locomotive fuel, and supply of spare locomotives. BNSF agreements are for the segments on 1) VIA Rail Canada/ Canadian National from Vancouver, British Columbia to Fraser River Junction, British Columbia; and 2) Fraser River Junction, British Columbia, to Portland. UPRR agreements are for the segment from Portland to Eugene.

British Columbia Ministry of Transportation and Infrastructure (BCMOTI)

BCMOTI does not currently contribute operating funds for Amtrak Cascades, but supports the program through coordination with WSDOT. For example, BCMOTI staff participate in the on-time performance task force and the advisory committee for the state rail plan. The state and province work on cross-boarder passenger rail issues through the Joint Transportation Executive Council, and have a history of success working on preclearance. BCMOTI has made infrastructure investments in the Colebrook siding project in Delta, British Columbia, and continues planning efforts.

Federal Railroad Administration (FRA)

The FRA is the U.S. Department of Transportation's agency responsible for the oversight of the nation's freight and passenger rail service. FRA's passenger rail activities include:

- Administering federal grants to Amtrak.
- Supporting the U.S. Secretary of Transportation membership on Amtrak's board of directors.

- Providing guidance and analysis of intercity passenger rail services and high-speed rail (HSR).
- Administering federal grants to states for intercity passenger rail capital improvement projects and HSR development—including those along the Pacific Northwest Rail Corridor (PNWRC).
- Responsibility for the safety and security of freight and passenger train service.

Union Pacific Railroad (UPRR)

UPRR is a private railroad company that owns the rail lines Amtrak Cascades uses between Eugene and Portland, Oregon. UPRR is required by federal law to provide access for incremental cost to Amtrak in exchange for being relieved of common carrier obligations to carry passengers.

BNSF Railway Company (BNSF)

BNSF is a private railroad company that owns rail lines Amtrak Cascades uses between Portland, Oregon and Vancouver, British Columbia. BNSF is required by federal law to provide for incremental cost to Amtrak in exchange for being relieved of its common carrier obligations to carry passengers.

Talgo

Talgo is the Original Equipment Manufacturer (OEM) of trains used in Amtrak Cascades service and has separate maintenance contracts with equipment owners WSDOT (three trainsets) and Amtrak (two trainsets). The maintenance contracts are for 20 years and expire in 2019. In 2013, additional Talgo-manufactured trainsets owned by ODOT will begin operating on the corridor.

Agreements

Legal agreements between the public and private entities involved in providing Cascades Rail Corridor service provide a framework for those partnerships and clearly define roles and responsibilities. The current agreements in place for the service include:

- ODOT and Amtrak for operating two daily round trips between Portland and Eugene.
- ODOT and Talgo for maintaining equipment (pending).
- WSDOT and Amtrak for providing four daily round trips between Seattle and Portland and two daily round trips between Seattle and Vancouver, British Columbia.
- WSDOT and Talgo for maintaining and upgrading equipment.
- Amtrak and Talgo for maintaining and upgrading equipment.
- Amtrak and BNSF for use of tracks north of Union Station in Portland, throughout Washington and into Vancouver, British Columbia.
- Amtrak and UPRR for use of tracks south of Union Station in Portland to Eugene.
- BNSF and Sound Transit for use of the tracks.
- WSDOT and BNSF for the design, right-of-way and construction of the American Recovery and Reinvestment Act of 2009 (ARRA) program investments.
- WSDOT and BNSF for the 20-year maintenance of the corridor from Vancouver, Washington to the Canadian Border as required under the ARRA program.
- ODOT and UPRR for design.
- ODOT and BNSF for design.
- ODOT and Portland Development Commission (PDC) for Portland Union Station to construct the ARRA program investments.





SECTION THREE: THE CORRIDOR APPROACH

This section outlines how the Oregon Department of Transportation (ODOT) and the Washington State Department of Transportation (WSDOT) will work together to manage the service as one corridor. It includes the preliminary vision, goals and objectives, as well as the highlights of the day-to-day operations of the corridor. Detailed descriptions for the reports and tasks required of corridor operations are included in Appendix E.

This corridor management workplan does not set any new policy. Corridor work will be developed in the context of each of the state's rail plans.

Why a Corridor Approach?

Washington, Oregon, and British Columbia recognize that partnering is the only way to overcome the significant financial hurdles associated with continuing the success of the intercity passenger rail service. Their vision is to develop an operational model based on existing cooperative relationships to operate the service as one integrated corridor with shared resources and common goals. They plan to strategically integrate program and funding sources to promote multimodal and sustainable transportation solutions.

In the long term, it is anticipated that this change will help deliver customer expectations, grow ridership, and develop intercity passenger rail as a competitive transportation choice. In the short term, preparing for the Passenger Rail Investment and Improvement Act (PRIIA) implementation is a top priority.

The benefits of the corridor approach are clear. By working together, the states and province can leverage resources to achieve the best results

for the least cost. A closer partnership will strengthen the team's position in negotiating with contractors and coordinating with federal agencies. Integrated service delivery will reduce duplication of effort and maximize staff effectiveness. Ultimately, this approach will improve service and reduce taxpayer subsidies. This coordination and joint support should make Cascades Rail Corridor proposals more competitive for scarce grant funding, and may attract additional funding opportunities.

No partnership is easy, however, and there are many challenges:

- When entities enter a partnership on unequal footing (funding, experience, etc.) it takes time to establish a strong functioning team.
- It is difficult for one state to cede unilateral control over decision-making. Legal requirements are one of many types of barriers.
- Each state's stakeholders are numerous and diverse. It is difficult to establish a process that provides meaningful participation opportunities for all who wish to be involved.
- While the states come into the partnership because of a common goal, they will inevitably have differences in policy direction that cause conflict.

The team's incremental approach to implementing the corridor provides a way to begin gaining benefits as soon as possible while providing ample time to address the challenges. The workplan illustrates how the corridor approach will begin as a focused effort to manage PRIIA implementation. Over time, the corridor director will take on more responsibility, the staff will work as a more integrated team, and the states and province will come together to pursue a single strategy for moving forward.

Cascades Corridor Vision, Goals and Objectives

Washington and Oregon each have visions, goals and objectives for their transportation systems. The following is a first step towards developing a shared statement of values based on common goals and interests. The vision, goals and objectives for the corridor will be refined when the states, together with British Columbia, develop a joint strategic plan.

Cascades Corridor Vision

Amtrak Cascades Service plays a vital role in the Pacific Northwest's multimodal transportation system and provides a viable transportation option. The intercity passenger rail service between Vancouver, British Columbia and Eugene, Oregon will be managed as one corridor to provide service that is safe, efficient, and reliable.

Goals

- **Economic sustainability:** This includes measures to increase the percentage of operating revenues from passenger fares.
- **Schedule reliability:** Passengers cannot plan their trips and trip connections without knowing when the train will arrive and depart.
- **Responsiveness:** Responding to customer needs is critical to attracting and retaining passengers.
- **Intermodal connectivity:** Connecting the service to other modes of transportation helps achieve all the other goals. If a passenger can safely arrive at a reliable time they can use the service with greater frequency, thus contributing to sustainability.
- **Environmental sustainability:** This can include offering options to single occupancy vehicles, reducing emissions, and reducing and recycling food service items.

- **Safety and security:** Crew, passengers, and general public safety and security is critical for this service to remain a viable transportation option. If the service is not safe, passengers and crew will not use the service.

Objectives

- Deliver consistently on customer expectations for fast, reliable, safe, and affordable high-speed rail.
- Build revenue to cover the cost of operations.
- Grow ridership to and from economic centers.
- Provide a competitive transportation option.
- Pool resources for increased efficiencies.
- Reduce costs.
- Ensure partners share in revenues and costs.

Joint Operation of the Service

In order to achieve the vision, goals and objectives, ODOT and WSDOT will operate the service jointly as a single corridor. The following sections describe scope of effort, roles and responsibilities and other features of the partnership. This will serve as a framework for the interim corridor approach, which will guide the team during the year 2013 as it focuses on preparations for PRIIA implementation.

Scope of the interim corridor effort

As shown on the next page, ODOT and WSDOT will explore the possibilities of jointly performing the following types of activities:

- Entering into and managing contracts and leases.
- Changing schedules.
- Increasing fares.
- Managing equipment.

- Measuring and reporting performance.
- Paying bills.
- Answering requests for public information.
- Providing promotional materials to customers.
- Issuing press releases.
- Monitoring regulations, policies and funding opportunities that impact the service.
- Reviewing proposed plans and offering comments on proposed plans and actions.
- Testifying on legislative proposals.

It is anticipated that in the future the corridor effort will extend to corridor planning, project programming, submitting grant proposals, and proposing funding.

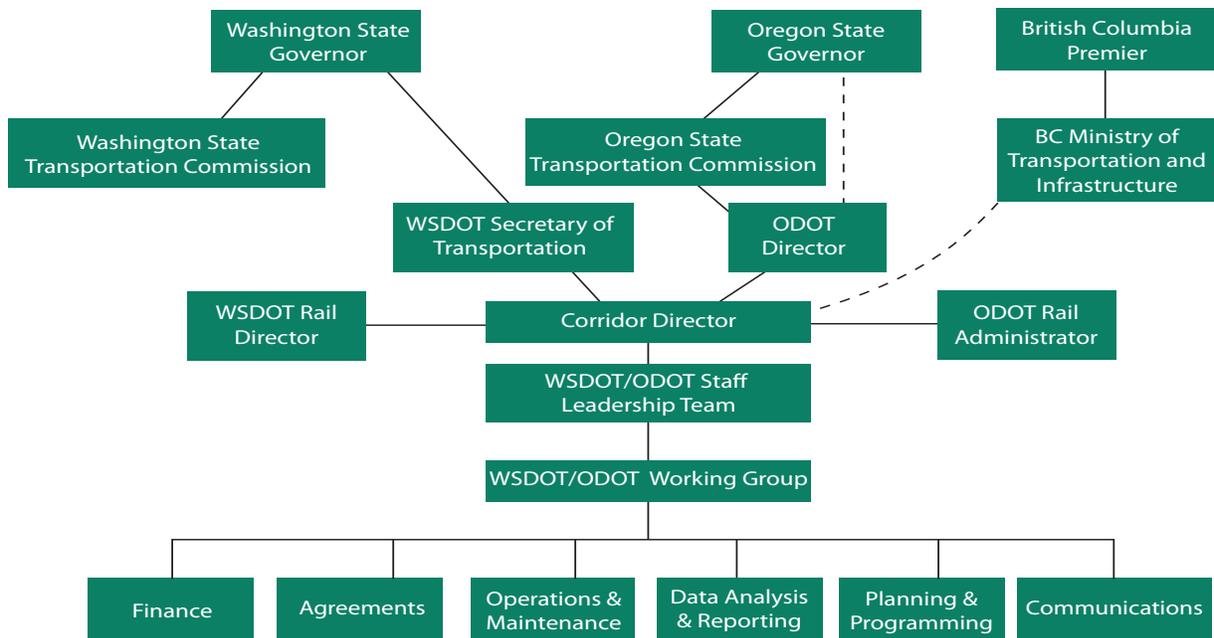
ODOT and WSDOT will continue to cooperate, but manage separately, the following types of activities: develop and update state rail plans, submit budgets to their respective legislatures, and deliver capital projects and other duties specific to the state agency.

The corridor approach in action: how does it work?

ODOT and WSDOT have identified an organizational structure that will guide their work. The Corridor Director will report to WSDOT and ODOT executive management, and provide direction for the joint Cascades Rail Corridor staff. The Leadership Team will provide staff oversight and management, and support the Director. The staff will be responsible for carrying out the corridor work program. This will be a collaborative effort, with a single staff member identified as the lead for various “functional groups” that refer to like groups of tasks. Staff will take assignments from the Director and Leadership Team members within their purview, without regard to sponsor agency.

The team will test this structure during the first part of 2013, and formalize a more permanent organizational chart as part of an interagency agreement. Individual components are described in more detail below.

Cascades Rail Corridor team



Corridor Director

WSDOT's State Rail and Marine Director will serve as the Corridor Director. He will lead the interagency team in managing the service. The Corridor Director duties include:

- Taking direction from ODOT and WSDOT executive management.
- Guiding corridor communications by:
 - Communicating funding needs.
 - Advocating for federal funding and policy changes.
 - Sending regular reports to executives.
 - Commenting on corridor-specific plans and policies (including national efforts).
- Directing Cascades Rail Corridor staff by:
 - Developing a team and allocating resources.
 - Heading periodic leadership team meetings.
 - Assigning tasks to Leadership Team based on direction from executive management.
 - Elevating leadership team issues to executive management.
- Facilitating the management of the service through appropriate team members by.
 - Approving content of contracts, agreements, amendments, and corridor plans.
 - Administering contracts.
 - Approving schedules, fare structures, onboard services, and station services.
 - Achieving performance measures.
 - Recommending capital improvements.
 - Negotiating tri-party agreements.
 - Pursuing intermodal connectivity.

WSDOT/ODOT Staff Leadership Team

The Leadership Team reports to the Corridor Director and assigns tasks to the Corridor

Working Group. The interagency team consists of managers from ODOT's Rail Division and WSDOT's Rail Office.

WSDOT/ODOT Working Group

The Leadership Team developed this workplan and identified several subject areas called "functional groups" necessary to deliver Cascades Corridor service.

The functional groups represent a wide range of work activities and products associated with daily operations. Highlights from each of the functional groups are provided below. See Appendix E for more detail.

Functional Groups

The six functional groups consist of staff from ODOT and WSDOT are expected to perform routine duties and take direction from the Leadership Team. The groups are:

Finance

The finance group oversees the day-to-day financial operations of the Cascades Corridor service. The finance group is responsible for analyzing and reporting the corridor's financial activities and compiling reports including: (1) monthly financial status report; (2) monthly trend report on farebox recovery changes; (3) quarterly projection report and analysis; and (4) annual report to the legislature depicting the financial status of the corridor and identifying potential financial needs.

Agreements

The agreements group is responsible for development, review, negotiation and execution of agreements for the Cascades Corridor operations team. The types of agreements are as follows:

- Operating (w/ Class I railroads, Amtrak)
- Maintenance Agreements (w/Talgo)
- Station Lease Agreements
- Interagency Agreements

Operations & Maintenance

The operations & maintenance group oversees the day-to-day operation of Cascades Corridor service between Eugene, and Vancouver, British Columbia. The activities performed by this group produce deliverables that ultimately result in a public transportation service that consistently meets or exceeds customer expectations, delivers the highest practical level of safety and security, increases ridership, increases revenues, and decreases taxpayer subsidies required to operate the service.

Data Analysis and Reporting

The data analysis and reporting group is responsible for collecting, archiving and analyzing information about the Cascades Corridor service relating to:

- What type of service was provided (train equipment, cancellations, buses)
- Who was served (total ridership, ons/offers by station, ridership by city pair)
- How the service was provided (on-time performance, customer satisfaction surveys)
- The amount of revenue collected (ticket revenue, business class versus coach, food and beverage sales)
- Percentage of capacity utilized.

Planning and Programming

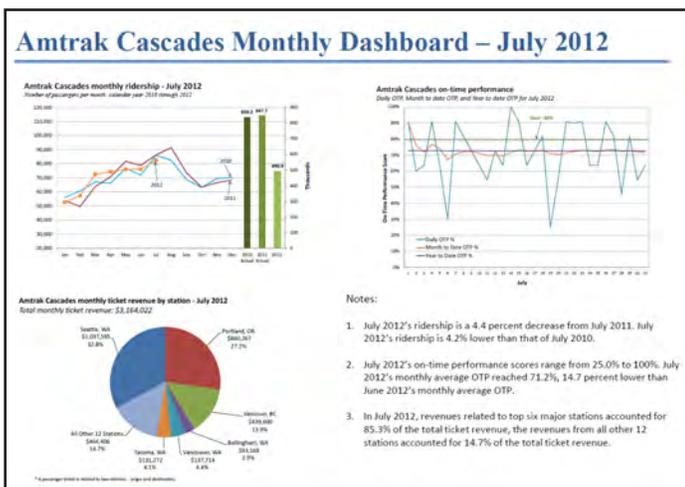
The planning and programming group takes the lead on anticipating future needs and developing recommended improvement priorities. This group also coordinates to ensure applicable planning processes are used, and supports policy development for the corridor.

- What are the future needs?
- What funding is anticipated? What additional funding options should we pursue?
- What are the improvement priorities, based on the vision/goals/objectives of the corridor?
- What are the applicable planning requirements?

Communications

The communications group performs marketing and communications functions as needed and at the request and direction of the Operations Program Manager and the Corridor Director relating to:

- Maximizing revenue through acquiring and retaining Amtrak Cascades ridership.
- Pricing and revenue management to maximize revenue on Amtrak Cascades.
- Managing Amtrak Cascades marketing and promotions.
- Planning and executing public information programs.



Screenshot of WSDOT's online "Dashboard" for Amtrak Cascades

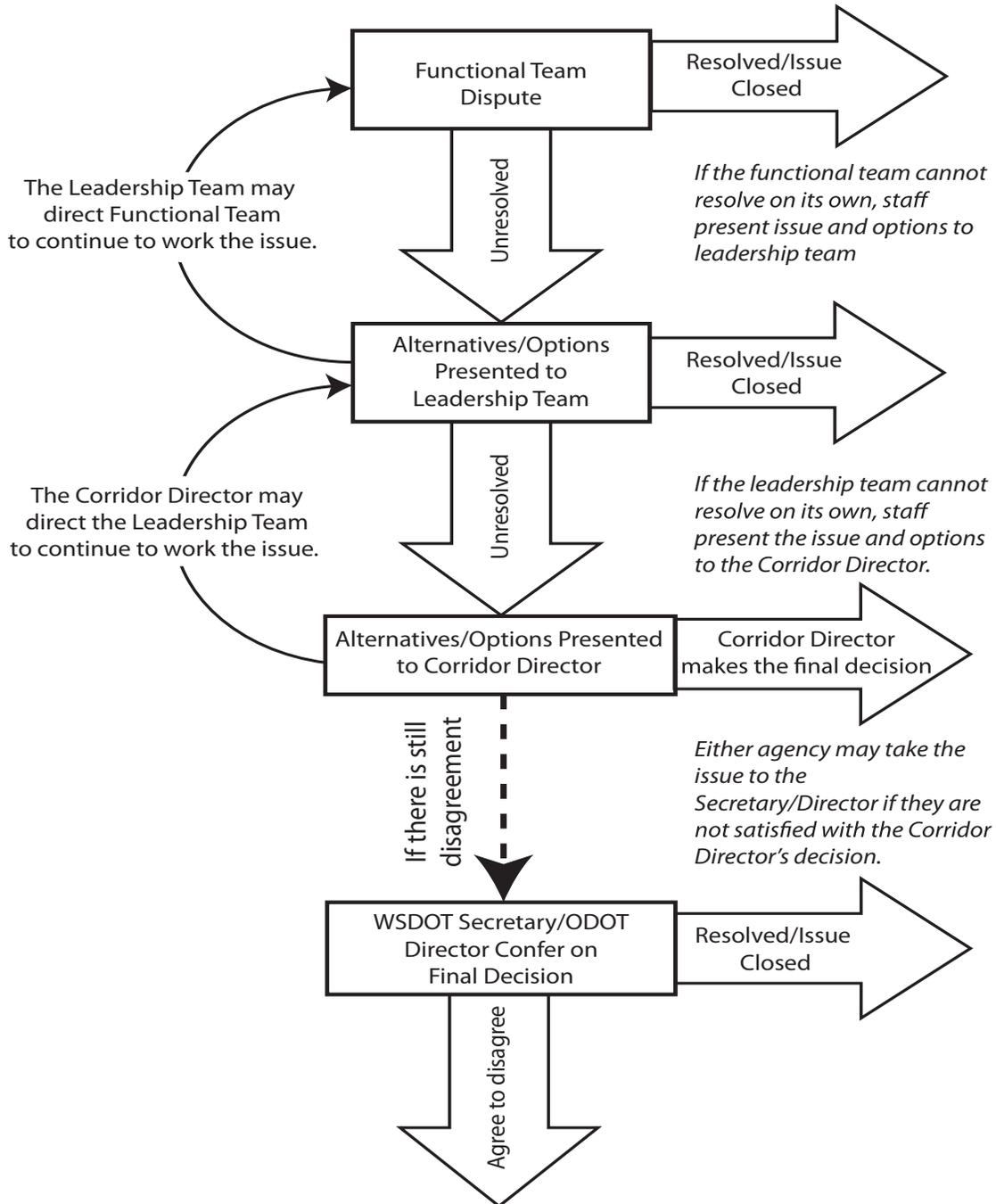


Cascades Train with King Tut promotional graphic

Dispute Resolution

The ODOT and WSDOT teams are committed to the success of the joint approach, and will always work collaboratively to solve problems. In the event of a disagreement, the team's approach will be to work through issues at the lowest level possible. The Corridor Director has the authority to make the final decision, although either team can request consideration by the WSDOT Secretary and ODOT Director if necessary. The dispute resolution process is described below.

Cascades Rail Corridor Dispute Resolution Process



Revise the partnership as needed.

SECTION FOUR: NEXT STEPS

Section Three described the interim structure and scope of the Cascades Corridor team and provides a framework to guide the team during the first part of 2013. The initial focus of the team will be negotiating formal agreements that form the foundation of Passenger Rail Investment and Improvement Act (PRIIA) implementation. A detailed workplan highlighting some of the work needed to develop those agreements is provided in Appendix D.

This interim approach is relatively straightforward and facilitates a smooth transition to PRIIA. It allows the team an opportunity to test the framework and make modifications as needed. Once a more permanent structure is formalized in an interagency agreement between ODOT and WSDOT, the team can turn its attention to longer-term goals related to developing and improving

the Cascades Corridor service. The issues to be address in this future phase include:

- How do we move towards a service that is financially self-sustaining?
- Is it the goal for Amtrak Cascades to be financially self-sustaining? What is the target level for public subsidy?
- What is the role of regions and local communities in funding the service?
- What is our strategy for moving towards high-speed rail?
- What is the role of the corridor in promoting intermodal connectivity?
- What governance structure would be most effective in guiding development and operation of the corridor?
- How can stakeholders and potential champions be included in the process of developing a vision for the Cascades Corridor?
- What are viable options for long-term funding of the Cascades Corridor?

5-year work program for Cascades Rail Corridor

	Activities	Deliverables	Level of effort
2013	Prepare for PRIIA implementation: initiate cooperative operation of the service; negotiate agreements	WSDOT/ODOT interagency agreement WSDOT/ODOT/Amtrak tri-party agreement WSDOT/ODOT/Talgo tri-party agreement	Staff driven, within existing resources, and adding of additional project staff when needed.
2014	PRIIA implementation: refine roles and responsibilities; identify near-term program priorities	Updated WSDOT/ODOT interagency agreement Updated corridor workplan Preliminary corridor business plan	Staff driven, within existing resources, and adding of additional project staff when needed.
2015	Address institutional structure: explore options for governance and partner engagement	Recommended governance structure Recommended funding/revenue strategies	Consultant effort/Staff Estimated cost: \$500,000 - \$750,000 UNFUNDED
2016	Develop corridor strategy: vision, goals and objectives; needs and opportunities; improvement strategies	Corridor long-range plan	Consultant effort/Staff Estimated cost \$350,000 - \$600,000 UNFUNDED
2017	Corridor business planning: near- and mid-term program priorities	Corridor capital and Business plan aligning with the State Rail Plan	Consultant effort/Staff UNFUNDED

