

FACT SHEET: Complexities of rail projects in Oregon

Rail transportation plays a vital role in Oregon's economy, carrying goods and serving passengers. Although primarily privately owned and funded, some elements of the rail system (e.g. highway-rail crossing safety devices, passenger service, and some other investments) are mainly funded by public sources.

The principal challenge to funding rail projects in Oregon is a lack of dedicated funding sources. When funding is available, projects require extensive coordination for successful completion. To maximize public benefits and ensure safety, ODOT and local communities have developed successful public-private partnerships with railroads around Oregon.



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Funding

Public rail improvements are funded in Oregon through a combination of state, local and federal sources. Oregon lacks dedicated, sustainable funding for freight and passenger investments. The state can't use gas tax revenue for rail projects because that revenue is legally restricted to highway-related expenses.

Oregon's legislature provides funding for operation of Amtrak Cascades passenger trains between Portland and Eugene but there is no mechanism for generating other funding for investment in railroad improvements benefiting the public. That includes necessary funding to add more passenger trains between Portland and Eugene.

The investments needed are eligible for federal grants which the state can leverage by covering a portion of the cost with state matching funds. With the absence of increases in funding, Oregon does not have sufficient resources required for federal match to improve and expand passenger rail services. Federal grants are available through highly competitive grant programs, but without sufficient non-federal matching funds, Oregon can't apply for those grants.

Coordination

Railroad projects require extensive coordination between ODOT, railroads, the Federal Railroad Administration and the local jurisdiction in which the rail line is located. There is regulatory, operational, and administrative complexity that make rail projects challenging and time-consuming.

Rail projects can be subject to environmental litigation and legal challenges that can result in unpredictable project timelines. However, these public-private partnerships can provide benefits for the economy, sustainability, safety and mobility for people in Oregon.