



2023 Report on Passenger Rail Agreements, Service Performance and Finance

December, 2022

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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, and operational and financial performance of the Amtrak Cascades intercity passenger rail service to the Legislative Assembly before January 1 of each odd-numbered year.

ODOT partners through agreements with the Washington State Department of Transportation (WSDOT) and Amtrak to operate the Amtrak Cascades service. Since WSDOT and Amtrak retired the Talgo Series 6 trainsets, the fleet has consisted of the ODOT-owned Talgo Series 8 trainsets and Non-Powered Control Units (NPCUs) and Amtrak-owned equipment leased to the states. Amtrak is procuring new Intercity Trainsets (ICTs) which are anticipated to start in revenue service in 2026 or 2027. Amtrak coordinates with ODOT and WSDOT to determine fleet plans for the Amtrak Cascades service until the new ICTs are operational.

Recovering from the COVID-19 pandemic, Amtrak Cascades ridership grew throughout 2022. In 2020, Oregon's ridership dropped 70 percent from pre-pandemic levels and remained down 43 percent in 2021. From January to August 2022, Amtrak and ODOT enacted an educational campaign and enhanced safety measures to promote passenger rail services. During the campaign period, ridership increased 176 percent despite reduced service levels.

The Federal Railroad Administration (FRA) established new federal standards for measuring and calculating on-time performance (OTP). These standards went into effect nationwide in July 2021. ODOT worked with Amtrak to obtain the data needed to provide OTP reports using the new metrics and all future OTP reporting will be based on the new rules. Under these rules, customer OTP is based on the total number of passengers that arrive at their detraining station no later than 15 minutes after the scheduled train arrival time, divided by the total number of passengers on that train.

In 2019, the Oregon Legislature passed HB 2603 directing ODOT to better understand why passenger train delays occur and recommend steps to improve OTP. One action recommended by the September 2020 HB 2603 Train Delay Study and Report was computer modeling of train operations for identifying the type and location of capacity improvements most likely to benefit passenger train OTP. ODOT is implementing that recommendation through an agreement with Union Pacific Railroad (UP) to assess and prioritize needed infrastructure improvements.

A stable source of funding is needed to support the operation of Oregon's Amtrak Cascades service and make possible capital improvements to improve reliability, frequency and reduce travel times within Oregon. Current funding is sufficient to continue the two round-trips that have been running between Portland and Eugene for the past 22 years. Per ODOT's long-range plan to improve passenger rail in Oregon (the [Oregon Corridor Investment Plan](#)) to increase service frequency and improve OTP, additional state funding will be necessary. Of particular importance is creation of a state funding mechanism to provide match for leveraging federal capital improvement grants.

Introduction

ORS 824.420 authorizes the Oregon Department of Transportation (ODOT) to enter into agreements with the Washington 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 Pacific Northwest Rail Corridor (Corridor) between Eugene, Oregon and Vancouver, British Columbia (B.C.). 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 Corridor. Oregon and Washington have planned, studied, and operated 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.

Since WSDOT and Amtrak retired the Talgo Series 6 trainsets, the fleet has consisted of the ODOT-owned Talgo Series 8 trainsets and Non-Powered Control Units (NPCUs) and Amtrak-owned equipment leased to the states.

Amtrak is procuring new Intercity Trainsets (ICTs), which are anticipated to start in revenue service in 2026 or 2027. ODOT and WSDOT preliminarily agree with Amtrak to provide eight trainsets while equipment, parts and maintenance costs are still being negotiated. ODOT continues to work on the future disposition of the state-owned Talgo Series 8 trainsets as new ICTs are introduced to service. As new ICTs progress into Amtrak Cascades' revenue service, ODOT's equipment fleet will be phased out of service to have a more cost-effective and efficiently operated integrated fleet.

ODOT and WSDOT have co-negotiated their respective 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 ODOT-Amtrak Operating Agreement, all agreements have included a dispute resolution process.

The pandemic caused significant unanticipated revenue, cost, operational and service impacts to both states. It also added new uncertainty to equipment costs and availability, and highlighted new risks and gaps in the existing agreement all states have with Amtrak, known as the Passenger Rail Improvement and Investment Act (PRIIA) Section 209 policy. The State-Amtrak Intercity Passenger Rail Committee (SAIRPC) is a multi-agency body whose members include 20 agencies in 17 states, Amtrak, and the Federal Railroad Administration (FRA). ODOT is an active member of this group and is working with SAIRPC to agree upon changes to existing PRIIA 209 policy and Amtrak operating agreements to reflect a common approach across the states to help reduce and control rising and unpredictable costs. The modifications to the operating agreements are anticipated to be in place by 2024.

Service Performance

Ridership

From April 2020 through February 2021, Amtrak Cascades ridership remained low due to the continued spread of the COVID-19 virus. As safety protocols allowed for safer business and leisure travel and the vaccine became widely available to the public, ridership continued to grow throughout 2022. Increased service levels and passenger demand resulted in a sharp increase in ridership starting in May 2022

The 2019 ridership numbers are the benchmark for measuring ridership recovery. Oregon's ridership dropped 70 percent in 2020 and was still down 43 percent in 2021. When comparing January through October of 2022 with the same timeframe in 2019 ridership is down only 10 percent (see Figure 1).

ODOT evaluates ridership on every Amtrak Cascades train to determine which trains attract the most passengers. ODOT and WSDOT coordinate on the use of these data to adjust train schedules to achieve maximum ridership.

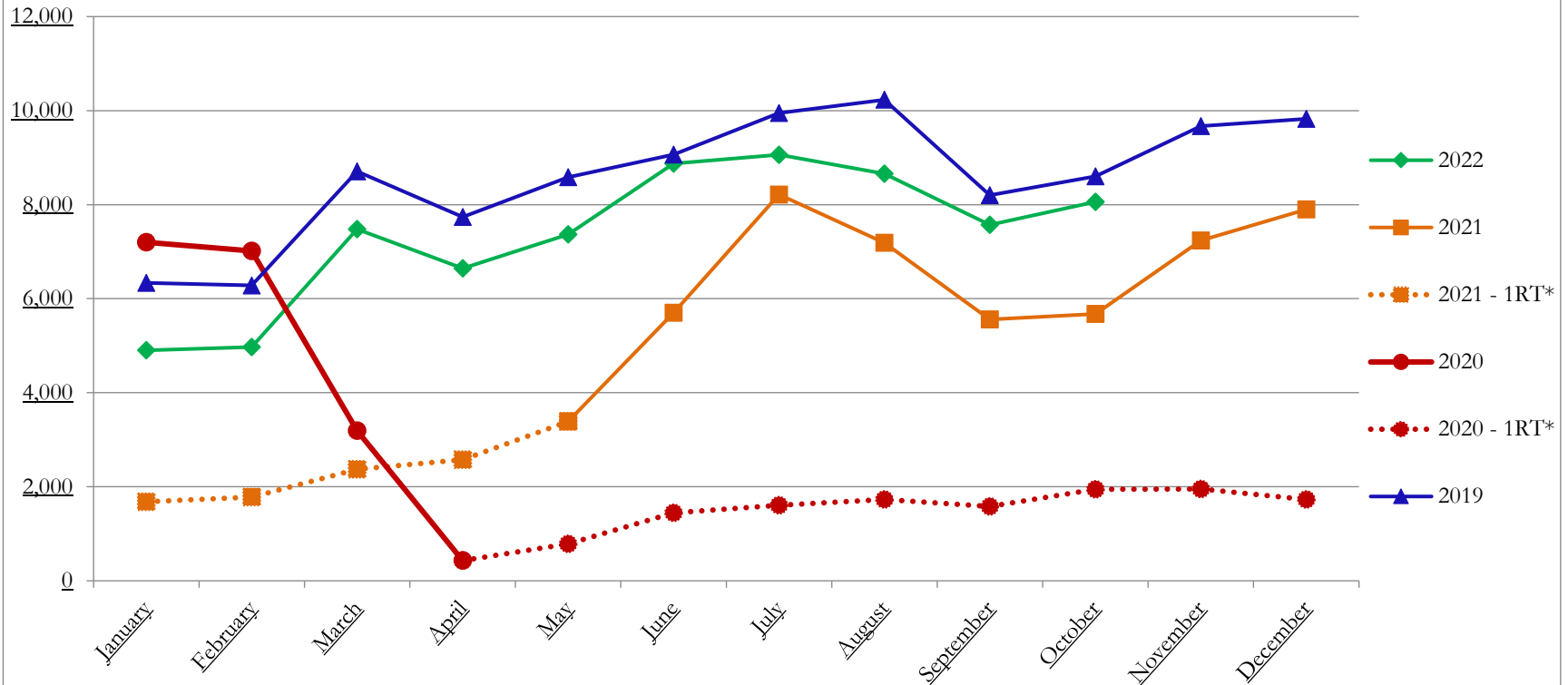
The COVID-19 pandemic and the resulting decreases in demand led to the decision to reduce service to one round trip per day between Seattle and Eugene in April of 2020. In May 2021, Oregon returned to the 2019 service frequency, but comparable service between Portland and Seattle has not resumed as of December 2022, and only one of the two round trips to Vancouver, B.C. have resumed thereby limiting options for long distance travel from Oregon to Seattle and Canada.

Since service in Oregon has resumed, Amtrak and ODOT have initiated an educational campaign to increase awareness of the services and the enhanced safety measures. As part of these efforts ODOT has developed the [Amtrak Oregon website](#) to focus on travel within Oregon.

ODOT is working with Amtrak and the host railroad, Union Pacific (UP), to determine which of the potential infrastructure investments (e.g., adding or extending sidings to reduce freight and passenger train interference) will best improve on-time performance (OTP). Improvement of OTP is key to improving ridership.

ODOT plans to leverage state and federal funds to apply for grants through the Bipartisan Infrastructure Law (BIL). This will help to fund infrastructure projects to improve on-time performance and support increased service frequency, improving the passenger's travel experience.

**Figure 1. Amtrak Cascades Ridership in the Eugene – Portland Corridor
Trains Operated Under Contract for the Oregon Department of Transportation**



The COVID-19 pandemic and the resulting decreases in demand led to the decision to reduce service to one round trip per day between Seattle and Eugene. Service was resumed to two daily round trips on May 24, 2021. The dotted lines above depict the timeframe when the service was reduced to one roundtrip daily.

*RT = Roundtrip PDX-EUG

Communications and Outreach

The pandemic decimated the travel industry as a whole beginning in March 2020. For Amtrak Cascades in Oregon, ridership declined 95 percent. As vaccines became widely accessible and it became safer to travel, a phased marketing approach was taken to mitigate the decline in ridership; first emphasizing safety protocols and cautious travel from May to July, 2021. In October of 2021, the marketing strategy pivoted to promote close-to-home, accessible destinations as pandemic restrictions were lifted. Finally, in January of 2022, a full-scale activation campaign was launched, employing a destination-marketing approach. The current promotions are to highlight the adventure, culture, “hidden gems,” and fun that Oregon has to offer, framing the train ride as part of the Oregon destination experience rather than just a conveyance.

During the activation campaign period, to date (January – August 2022) ridership increased 176 percent despite reduced service levels.

On-time Performance

In 2019, the Oregon Legislature passed House Bill (HB) 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. In both 2021 and 2022, the most significant causes for delay were weather-related (ranging from high temperatures to snow, rain, and high wind), freight train interference, increased train striking trespasser incidents (of which investigations can sometimes exceed three hours, require crew changes, and result in significant damage to equipment), and reliability issues regarding the aging Steel Bridge infrastructure crossing the Willamette River in Portland.

ODOT is implementing the recommendations of the report by working with UP to initiate a modeling agreement. This agreement will assess and prioritize needed infrastructure improvements to increase OTP and capacity as federal funding becomes available. The ODOT team works with Amtrak and UP to ensure the accuracy of OTP reporting and better reporting on delay details as outlined in the HB 2603 study.

ODOT’s service agreement with Amtrak calls for a minimum OTP of 80 percent for Amtrak Cascades service in Oregon. From the inception of service in 1995 through 2022, ODOT has reported OTP for each train based on two events: the time of departure from either Portland or Eugene and the time of arrival at either Eugene or Portland. This has been referred to in previous reports as the “event pairs” method. The Federal Railroad Administration (FRA) finalized new federal standards for measuring and calculating OTP, which went into effect nationwide in July 2021. ODOT worked with Amtrak to obtain the data needed to provide OTP reports using these new metrics and all future OTP reporting will be based on the new rules.

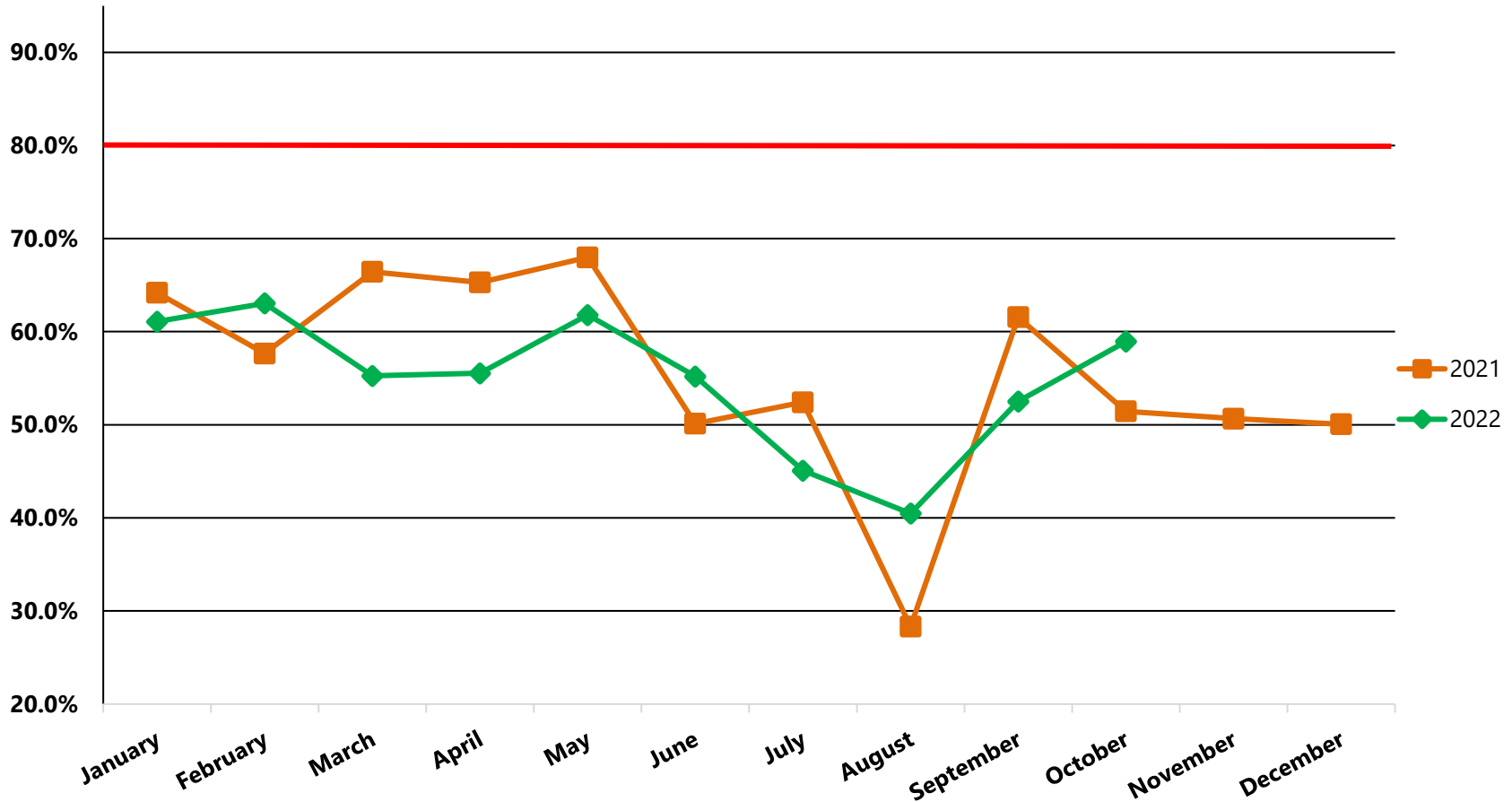
Under the new rules, OTP is based on the total number of passengers that arrive at their detraining point no later than 15 minutes after the scheduled arrival time, divided by the total number of passengers on that train. This new standard reflects what passengers experience at every station served by a train and statistics are compiled by calendar quarter for each individual train.

Also established is a host railroad running time metric to show the actual performance of a host railroad compared to 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.

Using the new customer OTP metrics, if the OTP of a train averages less than 80 percent for any two consecutive calendar quarters, the federal Surface Transportation Board (STB) may initiate an investigation. An investigation may also be initiated by Amtrak, a host freight railroad, or an entity for which Amtrak operates intercity passenger rail service. The investigation will 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 underperforming services. To carry out its new responsibilities the STB internally created the Office of Passenger Rail on October 1, 2022 and on December 8, 2022 announced the appointment of its acting director. As this office becomes fully staffed and organized in 2023, guidance to request investigation of substandard service is expected.

Figure 2 displays the monthly Customer OTP for all Amtrak Cascades trains operating in the Oregon portion of the route from January 2021 through October 2022. These numbers represent the percentage of passengers that reached their detraining point no later than 15 minutes after their published scheduled arrival time.

**Figure 2. Amtrak Cascades Customer On-Time Performance
Eugene-Portland Corridor**



Trains operated by Amtrak under contract for ODOT over the UP line between Portland and Eugene.
 The data presented is based on the new federal standards for OTP. This new standard measures the timeliness of each individual passenger rather than the train and represents the percentage of customers that reached their stations in Oregon no later than 15 minutes after their published scheduled arrival time.

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. UP owns the line and ODOT is the applicant for federal grants and manages the projects with UP’s input and support. Table 1 provides information on current projects and the expected benefits.

Table 1. Investments in Passenger Rail in Oregon

Project Name	Project Description	Project Cost	Funding Source	Benefit
North Portland Junction	Upgrade UP 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 mainline.	\$8,286,624 \$3,551,410	Connect Oregon UP	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.
Peninsula Junction	Upgrade two UP junction switches and realign a curve to permit 25 mph through Peninsula Junction in support of similar investments to increase speed through North Portland Junction.	\$100,000 \$390,632 \$427,148	State Amtrak Federal	
Oregon City Siding ¹	Restore and modernize former siding at Oregon City for meeting and passing trains to improve OTP.	\$2,650,000 \$750,000 \$5,000,000	Connect Oregon Amtrak Federal	

¹ Project withdrawn due to project scope change. ODOT plans to resubmit the project with updated design.

Oregon State Rail Plan Implementation Plan	Develop ODOT's first implementation plan for the 2020 State Rail Plan.	\$149,807	State	Establish a transparent process to implement state policies and efficiently prioritize public investments in transportation projects ensuring a safe, efficient and reliable rail network for Oregon residents and businesses.
Oregon Passenger Rail Service Development Plan - Implementation Plan (SDP-IP)	Develop a phased implementation plan for the Oregon Amtrak Cascades Service Development Plan	\$490,632 \$427,148	Connect Oregon Federal	Complete a SDP-IP for the Eugene to Portland portion of the Amtrak Cascades Corridor. Work will include modeling to determine the type and location of capacity investments for improving reliability and increasing frequency. This work is coordinated with the WSDOT SDP.

Financial Status

Congress provided important emergency funding to Amtrak and state partners to help minimize the financial impacts of COVID-19 and offset the impact to the passenger rail budget.

Capital and operating investments will be needed both to maintain current service levels and to improve reliability, frequency, and travel times within Oregon. This funding is needed to provide match for federal grants to fund capital improvements and to fund the staffing needed for oversight and operations.

UP modeling is essential to identify infrastructure investments necessary to facilitate more service frequencies that ODOT plans to add without degrading movement of freight. This preparation will position Oregon for federal funding with a prioritized project list that can be worked through systematically. As the modeling and planning are completed they also will inform funding prioritization conversations with the Legislature.

Investments and improvements in infrastructure are required for expansion of passenger rail in Oregon. Current funding in Oregon for passenger rail is from state sources. State funding sources include the Transportation Operating Fund (TOF) and custom license plate revenue. TOF revenues are derived from gas taxes collected on fuel sold for non-road use, such as lawnmowers, for which purchasers do not request a refund. TOF serves as a flexible funding source that can be used for projects or directives that are ineligible for highway or federal funds.

Passenger rail in Oregon is limited by current funding levels and limitations. A dedicated source of funding is needed to ensure state contributions are available to meet the match requirement for federal grant opportunities.

Looking Ahead

The following are the top priorities for passenger rail in Oregon for the 2023-25 biennium and beyond. These priorities are in alignment with current legislative direction and the ODOT Strategic Action Plan.

Oregon Passenger Rail Corridor Investment Plan - Service Development Plan Implementation Plan

The Oregon Passenger Rail Corridor Investment Plan (CIP) received a Record of Decision from the FRA in April 2021 with a purpose to improve the frequency, convenience, speed, and reliability of passenger rail service along the Corridor 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,²
- Support the ongoing implementation of regional high-speed intercity passenger rail in the Corridor between the Eugene-Springfield metropolitan area and Vancouver, British Columbia,
- Be compatible with the Washington state portion of the Corridor,
- Promote economic development,
- Avoid or minimize community and environmental impacts, and
- Integrate with existing and planned multimodal transportation networks.

This work 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

With a project benefit-cost ratio of 1.2 to 1, implementing the CIP will yield economic benefits to Oregon. Implementing the CIP is expected to create 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.

The Service Development Plan (SDP) is a component of the CIP (along with the Tier 1 Final Environmental Impact Statement [FEIS]) and it lays out the overall scope and approach for expansion of intercity passenger rail service between Eugene and Portland over the next 20 years. The SDP builds off the Oregon State Rail Plan (2020) and FEIS to improve OTP and 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 in the 2035 timeframe.

ODOT is working with the FRA on a SDP Implementation Plan (SDP-IP). The SDP-IP will be an implementation plan for expanding and improving Amtrak Cascades service on the UP rail line between Eugene and Portland. The SDP-IP will analyze rail capacity of the line, determine potential capacity improvements, update a phasing plan for improvement projects, inform cost sharing and benefits framework, and analyze project need, readiness, and stakeholder support.

² Cargo load that can be transported by freight rail.

Oregon State Rail Plan and Implementation Plan

On August 13, 2020, the Oregon Transportation Commission adopted a revision to the Oregon State Rail Plan (OSRP). The OSRP documents the needed freight and passenger rail improvements to maintain and expand rail infrastructure. To put the OSRP into action, ODOT has developed the Oregon State Rail Plan – Implementation Plan (OSRP-IP) as the process to enact state policies and efficiently prioritize and fund rail transportation projects. The OSRP-IP is a living, changing process that engages with ODOT policies, plans and goals; stakeholders in the rail space; and the Rail Needs Inventory (RNI), which aims to be a comprehensive list of rail projects needed in the state. The RNI was originally developed as an appendix in the OSRP. The OSRP-IP develops a decision framework for refining and prioritizing RNI projects; this decision framework is referred to in this document as the “RNI Evaluation Tool.”

The OSRP-IP will help ODOT and the Oregon rail system stakeholders achieve the OSRP vision outlining how ODOT’s actions, plans, and activities align with and implement the OSRP goals and strategies and prioritize the limited resources on the most important actions. The OSRP-IP RNI Evaluation Tool is intentionally designed to allow users to rank and filter projects by adjusting the weighting of various criteria. This enables ODOT to determine which projects best compete for available sources of state and federal funding, such as the expanded funding opportunities under the 2021 Bipartisan Infrastructure Law (BIL), which changed the federal funding paradigm for rail projects. The passage of the BIL signals a substantial increase in USDOT funding for rail projects around the country. To appreciate the sheer scale of this change, dedicated rail transportation funding from the federal government for fiscal year 2022 represents a 486 percent increase over what was available in fiscal year 2021. Most of those funds are due to advance appropriations provided by the BIL. These funds can be used for a variety of passenger rail projects, grade crossing elimination projects, and state of good repair projects, among other types of rail improvements.

ODOT is approaching readiness to compete for the BIL funds in both the short long term. In the shorter term, a few projects are nearing readiness to compete for the BIL funds. In the longer term, ODOT is working with UP and FRA to create a model that will identify the needed capital infrastructure improvements to improve the service and implement the SDP. The results of this work will position ODOT to be competitive for the BIL funds.

Corridor Identification and Development Program and Ultra-High-Speed Ground Transportation Study

The BIL requires the establishment of the Corridor Identification and Development Program (Corridor ID Program), a formal framework to guide the future development of intercity passenger rail throughout the country. In August of 2022, ODOT and WSDOT submitted a joint Expression of Interest (EOI) for the Cascadia Corridor that includes the Amtrak Cascades and the Ultra-High-Speed Ground Transportation Study (UHSGT) in response to the Corridor ID Program.

ODOT is coordinating with WSDOT and B.C. to develop and submit a proposal for the Cascadia Corridor when the Notice of Funding Opportunity is released for the Corridor ID Program. The proposed corridor will strengthen connections between the metropolitan area of

Vancouver, B.C., and the metropolitan areas of Seattle, Portland, and Eugene. The EOI outlines that the Cascadia Corridor includes a new UHSGT system combined with substantial improvements and continued support for the Amtrak Cascades service. These systems will work in tandem to connect economies, communities, and transportation systems across our Cascadia Corridor, building on past investments, reflecting current priorities, and meeting the needs of our future.

Oregon has been working with Washington, B.C., and the Cascadia Coalition on an UHSGT study for true, high-speed rail between Vancouver, B.C., Seattle and Portland. A feasibility study was conducted first (2017-2018), followed by a business case analysis (2019), and a framework report (2020). To date, the project has been led by WSDOT with an informal partnership with Oregon and B.C. that has advanced the project through initial project studies.

The current phase and immediate next steps as outlined in the Memorandum of Understanding between Governors Inslee and Brown and Premier Horgan focus on building support from decision-makers for a Coordinating Entity; developing and refining a project identity and vision; initiating equitable local engagement, ongoing consultation with Tribes and Indigenous Communities, and building a broader coalition of support; and preparing to submit for federal funding to advance the project.

UHSGT is not intended to replace the Amtrak Cascades intercity passenger rail system funded by WSDOT and ODOT. It would be an additional travel option and would serve to promote ridership through connections to other travel modes. Oregon's involvement has been as a supporting partner and discussions and decisions are needed around the southern terminus of the route: Portland, or Eugene, and how the current passenger rail service will interact/support the UHSGT service. The Washington State Legislature has made substantial financial investments in UHSGT, including \$4 million for staff and consultant resources and \$50 million for state match for federal funds.