

Testimony of
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Subcommittee on Surface Transportation and Merchant Marine
Infrastructure, Safety, and Security

Hearing on the Passenger Rail Investment and Improvement Act of
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Chairman Lautenberg, Senator Smith, and members of the Subcommittee, my name is Kelly Taylor, and I serve as Administrator of the Oregon Department of Transportation (ODOT) Rail Division. In this capacity I have responsibility for overseeing the State of Oregon's passenger and freight rail initiatives, including the *Cascades* Amtrak service along the Northwest's high speed rail corridor. ODOT is very supportive of the Passenger Rail Investment and Improvement Act of 2007 (S 294), and I want to thank you for the opportunity to testify before you about the Northwest's successful model of providing passenger rail service and discuss how this legislation would benefit our efforts.

The Northwest Rail Corridor

The *Cascades* Amtrak service runs 466 miles along the federally-designated high speed rail corridor from Eugene, Oregon through Portland and Seattle-Tacoma to Vancouver, British Columbia. While Oregon and Washington pay for the *Cascades* service, it is operated by Amtrak. This arrangement has proven to be a very successful partnership between two states, Amtrak, freight railroads, and local communities, and it is often held up as a national model for passenger rail service. Oregon pays for Amtrak to operate two round trips daily between the state's two largest urban areas, Eugene and Portland (and through its third largest urban area, Salem), while Washington pays for three daily trains between Portland and Seattle and two round trips between Seattle and Bellingham, with one extension to Vancouver, B.C. Amtrak pays for one daily roundtrip train between Portland and Seattle.

Ridership on the Oregon segment between Portland and Eugene has nearly quadrupled since it was initiated in 1994, rising to over 130,000 passengers in 2006. Total ridership on the *Cascades* trains reached 627,664 passengers in 2006, making the Amtrak *Cascades* the seventh most heavily traveled corridor in the country.



Amtrak's *Coast Starlight* train also provides long-distance service along this corridor between Seattle and Los Angeles and serves an additional 330,000 passengers annually. Long-distance trains like the *Coast Starlight* provide an essential transportation service for many communities and to a significant percentage of the general public. Many long-distance trains serve small communities with limited or no significant air or bus service, especially in remote or isolated areas in the United States.

Oregon helps sponsor passenger rail service because we believe it is an important part of the regional transportation system, and we believe that further investments can increase the role passenger rail plays in this corridor. The *Cascades* Amtrak service runs along a rail line that parallels Interstate 5, the most important route for the movement of people and goods among the West Coast states and with our trading partners in Canada and Mexico. Interstate 5 is particularly important in the Northwest and helps bind together the closely-knit economies of Oregon and Washington, providing a safe and efficient route for the movement of freight and people.

Nearly 70% of the population of Oregon and Washington lives within a few miles of the Northwest high speed rail corridor and Interstate 5, and much of the new population moving into the Northwest is settling along this corridor as well. As a result, traffic on Interstate 5, both within metropolitan areas as well as between them, is growing rapidly, and congestion has become a significant problem on the Interstate 5 corridor. Between Salem and Portland, the number of cars on Interstate 5 jumped by nearly 25% in just a decade, and we expect this trend to continue as the Portland metropolitan region gains another million people in the next 25 years.

Unfortunately, Oregon has not been able to add lane miles to the Interstate fast enough to keep up with the growth in traffic. Federal and state highway funding have increased only modestly because neither Oregon nor the federal government has raised the gas tax since 1993, and an increasing share of highway funds is needed just to preserve aging infrastructure. As a result, Oregon has had to focus on a few strategic—and comparatively minor—expansions of capacity on Interstate 5 in recent years. While these investments do add capacity to the Interstate in key locations, they have not kept up with recent increases in traffic, much less addressed the rapidly growing demand we forecast for the future. The result has been, and will continue to be, increased congestion that slows the movement of people and freight.

Even with the construction of highway projects that expand capacity on the Interstate and other routes, investing in highways alone won't fully address these problems because no single

transportation mode can serve all the needs and handle all the demand. Addressing congestion and the costs it imposes on the economy and the quality of life for residents of the Northwest will require investing in transportation infrastructure across a variety of modes. We must look for alternative means of moving people and goods that take vehicles off our Interstate system. This helps ensure that when highway investments are made they function for many years. For example, we need to invest in expanding capacity on the freight rail system to reduce the growth rate of truck traffic on our highways, particularly given the explosive growth in freight predicted in the next few decades. And we should invest in passenger rail to move a portion of travel off the highway and onto trains.

Reaching the Corridor's Full Potential

We believe that passenger rail serves an important role in meeting some of the demand for travel on the Interstate 5 corridor and thus could play an increasingly important role in the regional transportation system and our efforts to reduce congestion. As fast as ridership on the Northwest corridor has grown, there is potential for much greater growth if we make the investments needed to improve service.

The elements that make passenger train service desirable to citizens are increased reliability, reduction in travel time and enhanced frequency. The largest barrier to higher ridership in the Northwest is that taking the train is often not convenient to passengers because of infrequent service and poor on-time performance. The current *Cascades* service in Oregon offers just two daily trains between Eugene and Portland and thus provides few options for travel.

What's more, calling this a high-speed rail corridor is something of a misnomer: the Amtrak trains frequently encounter conflicts with freight trains on the heavily-congested freight lines they use, which causes serious problems with on-time performance. For Fiscal Year 2007 to date, the *Cascades* on time performance is only 51.7 percent, compared to a target of 80 percent. These factors significantly limit the convenience of traveling by train: if there isn't a train to get you where you need to be at the time you need to be there, and you can't be sure it will get you there on schedule even if there is a train, you won't be very likely to ride. Despite these issues that reduce the convenience of train travel, ridership has continued to grow on the corridor.

Oregon and Washington would like to address the problem of infrequent service by significantly increasing the number of trains operating on the corridor. The two states have established 20-year plans for the *Cascades* service that will accommodate the growth expected in the region. Oregon's plans call for six roundtrips between Eugene and Portland. Washington State's plans call for 13 roundtrips between Portland and Seattle, and four roundtrips between Seattle and Vancouver, B.C. This would offer travelers enough options that they would be much more likely to find a train that fits their travel schedule.

Unfortunately, there are a number of significant barriers to be addressed before we could upgrade service to this level. Beyond the additional cost of operating the trains, Oregon would have to purchase additional trains to put into service because the current train sets that Oregon uses are owned by Washington and Amtrak and are at maximum capacity. This means that if either Washington or Oregon adds service, Oregon will need to acquire train equipment.

In addition, passenger rail service is constrained by the capacity of the freight rail lines on which the trains run. The track on which Amtrak operates is owned by Union Pacific Railroad, and it is highly congested. The State of Oregon has already invested over \$30 million to upgrade the freight rail infrastructure to accommodate the first two trains. Before Union Pacific would allow Oregon to run more trains, it would require significant investments in expanded capacity to ensure that passenger trains did not cause delays for its freight trains.

The Need for Federal Partnership

Because Oregon has no dedicated source of funding for rail infrastructure upgrades, making these improvements would be very difficult without a strong federal partnership. That's why ODOT is excited about the Passenger Rail Investment and Improvement Act. We believe this legislation is a very strong bill that will result in significant improvements to passenger rail service at the national level and help us make the investments the Northwest needs to reach our rail corridor's full potential.

Of particular interest to us is the intercity passenger rail federal capital matching grant program, which would provide states essential funding to invest in equipment, track, and facilities in order to improve intercity passenger rail service. Oregon is very supportive of the establishment of this program. ODOT and the Washington Department of Transportation could receive funds under this program to make the necessary rail infrastructure upgrades to facilitate more frequent passenger rail service with better on-time performance. We appreciate that the program is structured to reward states that have already made investments in passenger rail by providing a credit toward that matching share of the grants. Under this provision, Oregon would receive credit for millions of dollars we have invested in rail infrastructure, which would help us stretch our limited state resources further.

In addition to the grant program for states to improve passenger rail service, there are a number of other aspects of the bill that ODOT supports, such as a process for host railroads and Amtrak to address poor on-time performance, which is sorely needed. With stable capital and operating funding, Amtrak can have a more robust operating partnership, for example keeping equipment in good repair and partnering with states to acquire additional equipment.

While some have proposed dismantling Amtrak and having states pick up the responsibility for operating intercity passenger rail, ODOT believes that Amtrak should remain as a national passenger rail operating company. Oregon has neither the ability nor the desire to take up this responsibility. We have had a very successful partnership with Amtrak that builds on Amtrak's strengths, particularly its ability to successfully operate passenger rail service, as well as its statutory access to the freight railroad system, brand, reservation system, and other assets. If Amtrak were dismantled, creating a separate operating company for the Northwest corridor would be extremely problematic and difficult, and I doubt the region would have the appetite or resources to do this. Consequently, ODOT appreciates that this legislation does not undermine Amtrak's status as the primary national operator of passenger rail service while encouraging states to partner with Amtrak.

The legislation also follows the successful Northwest model by encouraging states to pay for Amtrak service. ODOT appreciates the cost-allocation methodology included in the legislation,

which is intended to develop and implement a standardized method for allocating the costs of providing service between states and Amtrak to ensure equal treatment. We believe it is important that the contributions expected from states be equitable to ensure that all are paying their fair share.

Conclusion

In conclusion, ODOT supports the Passenger Rail Investment and Improvement Act. We appreciate the legislation's recognition of the importance of passenger rail to the nation's transportation system, and we support the creation of a federal capital matching grant program that will make targeted investments in improving passenger rail service. As our nation's highways become increasingly congested, passenger rail holds the potential for meeting an increasing share of the demand for travel.