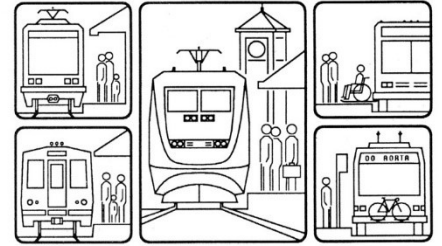


Association of Oregon Rail and Transit Advocates

AORTA

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April 8, 2025



TO: Oregon Joint Committee on Transportation

FROM: AORTA - Association of Oregon Rail and Transit Advocates

SUBJECT: Analysis and Support for SB 1202

We offer a few answers to two questions:

1) What is the problem that SB 1202 addresses?

2) How does creating a new department help solve that problem?

One underlying problem must be mentioned first:

Our over-reliance on automobiles to move people, and over-reliance on trucks to move freight, has a big cost. Many people can't drive a car, or don't have a car. Cars are expensive, costing families thousands of dollars per year for fuel, maintenance, insurance, and depreciation. Cars cause congestion and are slowed by congestion. Cars damage our planet with greenhouse gases and tire particle emissions. Cars require expensive roadway capacity.

Trucks are also expensive to operate, and require expensive pavement structures to support their weight, and cause expensive roadway deterioration. They likewise damage our planet with greenhouse gases and tire emissions. Many lives are damaged or lost due to cars and trucks.

Reducing car and truck costs and damage would inject a significant amount of money into our economy and produce a better future for the next generation.

A reasonable approach to solving the underlying problem is to address some of the interrelated specific problems that are at fault. These are listed separately by transportation service: Freight rail service, Passenger rail service, Intercity bus service, and Local transit.

1) Rail freight problems:

Railroads have had a relatively static mode share for the last two decades, around 28% of ton-miles nationally. They haul freight using less energy and emit less greenhouse gases, often at much less cost than trucks. Why is the rail mode share not growing when there is a clear need for that to happen?

Trucks are expensive. They require a driver for each truck, they are subject to delays from congestion, they cause congestion, they require roadway maintenance, and depend on state-supplied infrastructure. According to the Oregon Trucking Association, general-purpose long-haul electric tractor-trailer trucks (class 8) are not available, and won't be for some time, if ever. Trucks will remain a significant source of greenhouse gas emissions for some time.

Although railroads are capable of hauling freight long distances at low cost and with much lower emissions than trucks, this efficiency is not fully utilized in our economy. The economic structure of privately owned railroads, which, like utilities, have natural monopolies, produces great inefficiencies. It is commonly asserted that for trips under 500 miles, it is cheaper to haul freight by truck than by a Class 1 railroad.

The short-line railroads are often marginally profitable, and highly dependent on captive industries such as sawmills and chemicals that are themselves subject to economic vagaries. Their labor costs may be less, and they often provide more responsive customer service than the Class 1 railroads, but with a limited customer base, and often outdated and under-maintained facilities cast off by the larger railroads, they have to scramble to make a profit, and their longevity is not assured. Short-lines and Class 1 railroads can be both complementary and competitive with each other.

A lot of container freight arrives in Oregon via Class 1 rail, but completes the trip by truck even when there are rail tracks much closer to the destination. Many of you are familiar with the state-funded rail transfer facility in Millersburg, which sits under-used while trucks are transporting containers from the Brooklyn rail yard in Portland to Willamette Valley destinations. Private industry is making rational economic choices, but is this the best result for taxpayers and road users?

Grade crossings, where roads and tracks cross each other, have two big problems: Safety and delay. Safety can be improved by better technology and education, but with longer freight trains, and hopefully increased passenger service, delays are growing. Eliminating grade crossings is expensive, and requires a continuing dedicated effort to find appropriate solutions for each situation and continuing effort to arrange financing.

Railroads across the world have been electrified, allowing use of renewable energy with reduced emissions. That has not happened in the US. Can Oregon assist in this conversion?

2) Passenger rail problems:

Between Portland and Eugene, we have had the Amtrak Cascade service at two round trips per day, for the past 25 years. The only improvement has been to adjust train departure times from Eugene to be more convenient. Despite this lack of additional service, ridership is now at an all-time high. It is time we increased service!

The Cascades service runs between Eugene and Vancouver BC, with the most frequent service between Portland and Seattle. The entire service has an equipment problem, because the Washington State Department of Transportation unilaterally disposed of their entire fleet of passenger train coaches following a deadly derailment in 2017, which was not caused in any way by the coaches. Amtrak sent out obsolete, inferior replacement equipment from the Midwest, to replace all but the two train sets owned by Oregon.

Those obsolete coaches were recently taken out of service due to suspicion of age-related defects, so we lost most passenger train service for a few days. Amtrak has now brought us even older cars, because new ones on order won't be ready until 2026. Even that new equipment will only replace existing trains. We will not have equipment to expand service unless we order additional equipment.

Another problem is that the Amtrak Cascades and freight railroads run on the same tracks, which is an efficient use of resources, but they interfere with each other, delaying both. This causes longer trip time and unreliable arrival times. There are solutions involving additional passing sidings, double main track, and track upgrades to allow higher speeds. This would greatly improve the situation but that requires money. So, in the meantime, we're stuck with passenger trains that suffer significant delays.

3) Intercity bus problems:

We have lost Intercity bus service across the state. In the beginning of this year, we lost service between Portland and Boise. There are other places where intermediate stops have been dropped. Some of our local transit districts have stepped up over the years and provide connecting service where the private sector used to run buses. There are a few areas where that service is somewhat coordinated, like the Northwest Connector service, which has a nice web site. But overall, there's just not an easy way for somebody to conveniently plan travel from one place in Oregon to another by intercity bus.

There are no longer any convenient places to transfer from one intercity bus line to another. The Portland Greyhound Depot is closed, so there's no place where you can wait inside with food service, restrooms, and warmth out of the rain. Instead, you wait for a bus out on the street. And there's no available information other than what you can find in an app on your phone, or when the bus shows up.

As our population ages, particularly in rural areas, there is a great need for transportation for older people and people with medical problems. Serving the growing need increases costs, which are compounded by inflation. Most transit agencies don't have a payroll tax like TriMet does, so the current funding system is all they have, and that's just not adequate.

Buses are an important part of our Intercity transportation system, but for people who use Mobility devices, most intercity buses just aren't very satisfactory. Where it is available, passenger rail is far superior, yet our long distance trains only operate once per day. Between Portland and California via Klamath Falls, we have only one train a day. The same is true east through Spokane, Minneapolis, and Milwaukee to Chicago.

There used to be Amtrak service from Seattle to Portland and then east through Boise to Salt Lake City, Denver, and Chicago. That train, after operating for 20 years, was discontinued close to three decades ago. Most people in rural areas that have lost their bus service don't have any train service. They're in a difficult situation. There is an effort in Boise to implement passenger rail service between Boise and Salt Lake City, just a portion of the previous Amtrak route, but we need a full Portland to Denver service, at the very least.

Union Station is in disrepair, and serves as a de facto bus station, while the old Greyhound Depot next door serves as a homeless encampment and drug market.

When the private sector ran intercity bus service at a profit, buses carried packages as well as luggage, providing reliable scheduled delivery. That service contributed greatly to their profitability. That market is gone, because the package freight carriers now provide door-to-door service. The loss of bus parcel service means that restoring mobility to much of Oregon's scattered population requires state subsidy and state coordination.

Local transit problems:

We can't really do justice here to the challenges that our local transit providers face. Most need additional funding to stave off possible service cuts. Most small agencies don't have their own additional funding like TriMet does. Some agencies run intercity service on their own dime. Transit supports compact urban development, but transit isn't meeting mode share or climate goals for Oregon. To avoid service cuts, and provide better service, the employee payroll tax should be increased from 0.1% to 0.5%.

How can a dedicated Oregon Rail and Transit Department address these problems better than ODOT as currently structured?

Without adequate funding, the improvement would be marginal. However, with funding, and a legislative mandate to increase the mode share of freight carried by rail, and increase passenger rail and transit ridership, Oregon could address mobility needs of many Oregonians, reduce stress on our highways, and produce economic dividends in reduced shipping costs and lower family expenditures on automobile travel.

A dedicated department with expertise and vision would, we hope, move us more quickly toward solutions to the problems mentioned above. Bigger is not necessarily more efficient. There is something to be said for nimbleness. Coordination between agencies and government units will always be necessary.

Sometimes shortening the chain of command can make coordination more efficient, because employees are more empowered to implement agency goals on their own, or communicate horizontally between departments in separate agencies. Expertise can be shared both within and outside a department when sharing expertise is part of the culture.

Other states have a variety of organizational structures for their transportation-related services. In some cases, they have developed regional operating authorities, such as Sound Transit in Washington State. Virginia has a strong and effective rail and transit division that has great independence within the Department of Transportation. Colorado is an example of a state that did very little regarding rail and transit for many years, yet has recently expanded their statewide bus service.

In Oregon, in 1969, the DMV, State Highway Department, State Parks, Board of Aeronautics, Ports Commission and the Mass Transit Division were combined into the Oregon Department of Transportation. In subsequent years, Motor Carrier taxation and regulation were moved from the PUC into ODOT. Ports were moved to the Department of Economic Development in 1975, State Parks to Oregon Parks and Recreation Department in 1990, and Aeronautics to the Department of Aviation in 2000.

These separations have their unique histories, but all demonstrate that agglomeration of disparate functions in the name of coordination and efficiency has its limits. In the private sector, we have seen the rise and fall of business conglomerates. Big businesses “spin off” subsidiaries all the time, sometimes to jettison a marginal operation, and sometimes to unlock innovation.

There is such a great need for expanded emphasis on rail and transit, and ODOT has so many of its core functions needing attention, that simplifying the Department through the independence of the Public Transportation Division has great potential, if implemented with good faith and sufficient resources.

None of this should be taken as criticism of the current ODOT Public Transportation Division, but we believe that with more authority, funding, and legislative backing they can become a much more effective force for implementing solutions to the problems that we have identified.

Sincerely,

Douglas R. Allen

Doug Allen
AORTA Portland Area Vice President