

Thanks again for providing an opportunity on Wednesday, June 11, to testify in person in support of HB2025.

Here is additional information about my request for an eventual increase to the employee payroll tax for the STIF fund, particularly for the benefit of intercity bus transit:

Over many decades in the US, private enterprises have exited from serving the passenger rail, local transit, and most recently, intercity bus markets. This has largely been due to government infrastructure supporting competing automobile and air travel, along with many other factors. For many people with difficulty accessing automobile and air travel for physical or economic reasons, alternate modes are necessary, and deserve public support.

As a former operator of a private scheduled intercity bus service in Oregon, I can explain some of the needs for intercity bus service, and how passenger rail is an important part of intercity travel, and should be integrated with intercity bus service.

For many years, a robust network of intercity bus service operated across the US under state and federal regulation. While Greyhound was the major operator, numerous other bus companies operated in both a competitive and cooperative manner. An organization called the National Bus Traffic Association allowed sale of interline tickets and division of revenue among companies. Tariffs were published to allow tickets to be sold nationwide, with separate coupons for each segment.

My company participated in that system and had our schedules listed in the nationwide bus schedule book available to ticket agents everywhere called Russell's Guide. Bus companies also carried package express, and there was a similar system for computing freight charges and transferring parcels from one bus company to another. For many bus companies, ranging from Greyhound to small carriers, package express provided a significant amount of revenue. In our case, we got between 30 and 40 percent of our income from packages, much of which originated or arrived on other bus company routes.

In 1982, intercity bus service was deregulated by the federal government, which meant that Greyhound could discontinue some of their money-losing routes. Much of that service was replaced by local operators, such as my company, and continued under the previous service and revenue model, with ticket agents, depots, telephone information, and published schedules. Fares were predictable, capacity was often added at peak times, and trips operated even on days with few passengers.

That model is gone, and is not coming back. With deregulation, change was inevitable. Due to the Internet, Amazon, UPS, FedEx, etc. there are few routes that are potentially profitable now that package express revenue is gone, even when expenses are cut to the bone by eliminating agents, depots, live telephone information, etc.

Local transit districts have stepped up, and ODOT fills in a bit, but we need coordination of ticketing, schedules and service to provide reliability and information about service and fares along with infrastructure to improve service quality such as safe waiting areas or depots. Current intercity service is much less coordinated and information is not available at one site. Unlike with air travel, one often can't buy a complete trip from the originating bus service when making longer trips requiring transfers between providers.

ODOT does offer a limited amount of state organized intercity bus service called the POINT system. The main function is supplementing the Amtrak Cascades passenger train service between Portland and Eugene but offers three other routes: Portland-Astoria, Klamath Falls-Medford-Brookings, and Bend-Ontario. POINT service hasn't been increased in years and doesn't cover the full State. It's a start, but Oregon needs a better system that could relieve some of the burden on transit agencies like Tillamook County Transportation District with Portland-Tillamook service, or Cherriots and Wilsonville providing Salem-Wilsonville service.

The coordination between POINT and Amtrak Cascades is an example to expand from. For years, private bus companies fought Amtrak service as unfair competition. With state-operated service, these services are complementary. With adequate infrastructure, trains can carry large numbers of people economically and reliably, providing a service that is far more comfortable and family-friendly, with decent restrooms, food service, and ability to move about. Trains can be much more reliable and faster than buses caught in freeway traffic when operating agreements with the host freight railroads provide adequate infrastructure, schedule enforcement, and compensation. At times of lower ridership, bus service can economically fill in.

The increased rail funding in HB2025 through the dealer privilege tax will be a wonderful boost for intercity travel through increasing the Cascade passenger rail service in the Willamette Valley between Portland and Eugene. This funding will cover investments that will enable the passenger service and the freight railroads to cooperate better on the same tracks without interference between passenger and freight trains.

But we also have other opportunities, particularly the I-84 Corridor. Right now, there's no intercity bus service connection between Portland and Boise. ODOT is attempting to provide a subsidy to persuade a for-profit operator to resume service in that corridor, but if that service were operated in coordination with, or as an actual part of the POINT bus system, it could be a precursor to restoring Amtrak rail passenger service in that corridor, which for a number of years provided service between Portland, Boise, Salt Lake City, Denver, and all the way to Chicago. Coaches bound for Chicago were merged in Utah with a train from California, for efficient operation. Much of the value of this train was in providing service to many intermediate points such as Pendleton, Baker City etc. to points both east and west.

The first step toward improving intercity bus service should be continuing the ramp up of the employee payroll tax by an additional 0.2% in subsequent years. This would not only allow local transit agencies to expand service but would enable a life-changing improvement to the intercity bus network, and restore agencies and terminals where passengers can wait for connecting services, and receive reliable information from people and have restroom and meal facilities, that are co-located.

In Portland, the former Greyhound Depot is now serving as a homeless shelter, but it's right next to Portland Union Station and really should be restored for its original purpose as a hub where transportation services from all around Portland could connect with intercity bus service to the Coast, to the north, to the east, and to the south.

Sincerely,

Doug Allen