Oregon
Kate Brown, Governor

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DATE: March 2, 2015

TO: House Committee on Transportation and Economic Development

FROM: Hal Gard, Administrator
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SUBJECT: Overview of Oregon's Freight Rail System

INTRODUCTION

Oregon's freight rail network is part of a nationwide, interconnected system of rail infrastructure and services that link the state and local regions to the rest of North America, and to the world through international marine gateways. Oregon's economy benefits from an interconnected transportation system that includes moving people and goods by rail.

DISCUSSION

Oregon's rail network is predominantly privately-owned. Private industry constructed the rail network during a 60-year period from 1870 to 1930 and route miles in operation peaked in the mid-1930s. Since 1934, more than a third of our rail system has been withdrawn from service. The fixed asset infrastructure supporting Oregon's 2,364 route-miles of railroad is substantial and includes various rail yards and intermodal facilities, 67 tunnels and hundreds of bridges that are necessary to traverse the state's rugged landscape.

The vast majority of rail freight traffic in Oregon moves over lines operated by Union Pacific Railroad (UP) and BNSF Railway, the two major rail systems serving the western two-thirds of the United States. Together, UP and BNSF operate 47% of the state's rail network while 21 shortlines operate the remaining 53%. The federal Surface Transportation Board (STB) classifies railroads as I, II or III based on annual gross revenue. Under this system, UP and BNSF are Class I railroads and all of Oregon's shortlines fall into Class III. Genessee & Wyoming, Inc., a Connecticut-based shortline and regional rail conglomerate, owns three Oregon shortlines (Portland & Western, Willamette & Pacific, and Central Oregon & Pacific) totaling nearly 700 miles.

By operating Oregon's secondary rail network, shortlines provide important collector/distributor functions for the larger railroads and are the face of rail transportation to many industries. Efficient and reliable railroad transportation is important to Oregon for several reasons. The rail system is a significant conduit for economic and job growth, especially for businesses that move large volumes of materials. The 2011 Oregon Freight Plan estimates that 31% of Oregon's economy is based on goods movement dependent industries, including those served by rail, such as timber, wood products, and paper; agriculture and food; manufacturing; construction; iron and steel production and recycling; and wholesale and retail trade.

The rail system provides mode choice and relieves congestion. The availability of rail freight provides options for users and helps hold down freight transportation costs by competing with other

modes, principally highway trucking. Likewise, removing freight vehicles from the road brings positive impacts including congestion mitigation and decreased wear and tear on other parts of the system. It takes three to four trucks to carry the same tonnage that one railcar can handle.

Relative to other transportation modes, rail is a more efficient mode in terms of fuel consumption compared to rubber-tire vehicles for moving both people and goods. In 2013, American railroads moved a ton of freight an average of 473 miles on one gallon of fuel[1]. Moving freight by rail instead of by motor truck reduces greenhouse gas emissions by 75%[2].

A well-coordinated rail system enhances community quality of life. Preservation of rail corridors ensures that communities can realize economic development opportunities in the future.

In Oregon as in most of the U.S., the freight-rail system also provides added public benefit by accommodating Amtrak intercity service. The primary north/south rail corridor in Oregon is fundamental for interstate passenger rail services provided by Amtrak, which depends upon high-quality infrastructure for efficient operation of passenger trains. East/west passenger rail service to Portland uses a BNSF line through the Columbia River gorge.

The state's *Connect*Oregon program has leveraged significant private investment in Oregon rail infrastructure by offering state grants requiring a minimum 20% match. Over the first four iterations of *Connect*Oregon, $146 million awarded for railroad projects has produced an additional $85 million in matching investments from the recipients.

Federal programs exist for railroad projects but most require matching funds that ODOT does not have available. As an example, ODOT can only apply for federal TIGER (Transportation Investments Generating Economic Recovery) grants if a railroad is willing to provide the match. Without the ability to pay match, other federal programs like those administered by the Federal Railroad Administration are inaccessible. This limits our ability to preserve rail service to at-risk communities, which, in turn, handicaps their ability to develop rail-served industries.

CONCLUSION

The rail system improves connections for goods and people. The freight rail network in Oregon facilitates connections for goods within the state, across the U.S. and to Canada, and to ports in Oregon which import and export commodities between international markets.

In order to realize the full spectrum of benefits an integrated freight rail transportation system provides, the State of Oregon takes an active role and partners with regional and local governments and private rail companies to proactively plan and explore investments to make the rail network in Oregon better through collaboration.

Attachment: Map of Oregon Railroads

[1] Association of American Railroads, Freight Railroads in Oregon, Rail Fast Facts For 2012
[2] Association of American Railroads, Freight Railroads in Oregon, Rail Fast Facts For 2012

State of Oregon
OREGON RAILROADS

Legend

- BNSF — BNSF Railway Co.
- UP — Union Pacific
- MAX — TriMet MAX Light Rail
- PSC — Portland Streetcar
- WST — Willamette Shore Trolley
- WES — Westside Express Service Commuter
- Oregon Short Lines

Oregon Short Lines

- AERC — Albany & Eastern
- CBR — Coos Bay Rail Link
- COA — City of Astoria
- COP — City of Prineville
- CORP — Central Oregon & Pacific
- HLSC — Hampton Railway
- INP — Idaho Northern & Pacific
- KNOR — Klamath Northern
- LPN — Longview Portland & Northern
- LRY — Lake Railway
- MH — Mount Hood
- OPR — Oregon Pacific
- OCSR — Oregon Coast Scenic Railroad
- PCC — Palouse River & Coulee City
- POTB — Port of Tillamook Bay
- PNWR — Portland & Western
- PT — Peninsula Terminal Co.
- PTRC — Portland Terminal Railroad
- PVRR — Portland Vancouver Junction
- RVT — Rogue Valley Terminal
- SUVX — Sumpter Valley
- WURR — Wallowa Union Railroad
- WVR — Willamette Valley Railway
- WYCO — Wyoming & Colorado (Oregon Eastern Division)

See Portland Enlargement Area

To Seattle

To Spokane

To Boise

To Black Butte

To Redding

To Alturas

To Bieber

To Alturas

WASHINGTON

IDAHO

CALIFORNIA

NEVADA

CLATSOP

COLUMBIA

TILLAMOOK

WASHINGTON

MULTNOMAH

HOOD RIVER

CLACKAMAS

YAMHILL

POLK

MARION

LINCOLN

BENTON

LINN

JEFFERSON

WHEELER

GRANT

DESCHUTES

CROOK

LANE

DOUGLAS

COOS

CURRY

JOSEPHINE

JACKSON

KLAMATH

LAKE

HARNEY

MALHEUR

BAKER

UNION

WALLOWA

UMATILLA

MORROW

GILLIAM

SHERMAN

WASCO

Astoria, Tillamook, Forest Grove, Hillsboro, Portland, Hood River, Parkdale, The Dalles, Moro, Pendleton, Pilot Rock, Milton-Freewater, Weston, Elgin, Enterprise, La Grande, Heppner, Condon, Fossil, Baker City, McMinnville, Dallas, SALEM, Oregon City, Newport, Albany, Corvallis, Eugene, Madras, Prineville, Bend, Canyon City, Vale, Burns, Coquille, Roseburg, Gardiner, Chemult, Klamath Falls, Lakeview, Gold Beach, Grants Pass, White City, Medford

0 15 30 60 90 Miles

Portland Enlargement Area

Banks, Forest Grove, Hillsboro, Beaverton, Portland, Gresham, Milwaukie, Oregon City, Washington, Multnomah, Yamhill

0 2.5 5 10 Miles

GIS N:\Railroad REVISED 7/23/2014