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MEASURE: HB 3401  
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HOUSE TRANS & ECON DEVEL  
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SUBMITTED BY: Peggy Harris

April 1, 2015

Mr. Ron Pate  
Cascades Corridor Director  
WSDOT Rail Division  
PO Box 47407  
Olympia, WA 98504-7407

Mr. H.A. Gard  
Administrator  
ODOT Rail and Public Transit  
555 13<sup>th</sup> Street, NE, Suite 3  
Salem, OR 97301-4179

RE: Performance of the Cascades Service hosted by UP between Portland and Eugene

Dear Mr. Pate and Mr. Gard:

To supplement the ongoing discussions between Oregon Department of Transportation ("ODOT"), Washington State Department of Transportation ("WSDOT"), Amtrak, and Union Pacific ("UP") this letter is intended to provide a framework for what we see as critical factors affecting the Cascades Service on-time performance ("OTP"). We would be glad to discuss any of these points at greater length, or to meet in person as has been suggested, in order to progress our shared goal of improving on-time performance reliability for the Cascades Service trains hosted by UP between Portland and Eugene.

As you have outlined in previous correspondence, UP worked with ODOT and Amtrak not only to implement a new set of Cascades schedules in January 2014, but also to facilitate introduction of ODOT's Talgo Series 8 equipment. The new schedules changed the time of day that the trains ran, and they also introduced meets between passenger trains which had not existed before. These new meets necessarily cause delays. In a good faith effort to support ODOT's initiative to increase ridership on the trains and in recognition of the fact that the new schedules created a window between passenger trains to allow UP to perform track work, UP agreed to implement the new schedules without requiring additional run time to:

- Accommodate the new passenger meets.
- Accommodate new freight meets caused by introducing a morning southbound passenger train into UP's primarily northbound morning freight flow and an evening northbound passenger train to UP's primarily southbound evening freight flow.

In the six months prior to the implementation of the new schedules, UP's contractual on time performance for the Cascades trains averaged 94.5%. For all of 2014, UP's contractual on time



performance averaged 86.0%. We believe this reduction was driven in large part by the failure to add time to the schedules to account for the unavoidable new meets. This deficiency in the new schedules has cost UP an average of \$20,000 per month in incentive payments since the schedules were implemented.

In April 2014, Amtrak confirmed to UP that the amount of Pure Run Time (“PRT”) in the Cascades schedules between Portland and Oregon City was understated and had been for many years. UP has been compensating for that omission since at least 2007 by dipping into recovery time in the schedules. Recovery time is typically included in schedules to account for train meets, track and signal issues, passenger issues, equipment failure, and third party delays, which are not reflected in PRT. Recovery minutes should have been available for UP to use for the new passenger and freight train meets, but they had already been consumed due to the flawed PRT. Amtrak has subsequently recommended adding add four minutes of PRT to the schedules although that change has not yet been implemented.

While UP can only address infrastructure issues and delay that occur on portions of the Cascades route that UP controls, there can be no doubt that UP is committed to providing quality service and being a cooperative partner as demonstrated by the following:

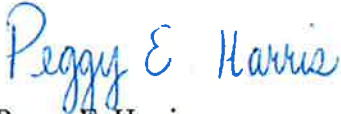
- In September 2014, UP increased passenger speeds on several miles of its Brooklyn Subdivision located between Albany, OR and Harrisburg, OR. The increased speeds are a direct result of a significant bridge replacement that was partially funded by the ConnectOregon program and a tie renewal project funded by UP. The Cascades trains are taking advantage of the higher speeds with no additional compensation to UP for ongoing maintenance of the improved infrastructure.
- In October 2014, UP sent two Passenger Operations managers to Portland for a week to participate in a check ride study with Amtrak and ODOT. We are currently reviewing a summary of the study data provided by Amtrak and will provide comments to both Amtrak and ODOT along with proposals for modifications to the schedules.
- UP Passenger Operations and Train Management personnel participate on a biweekly call among ODOT, WSDOT, Amtrak, BNSF, and UP to review OTP, host railroad responsible delays to trains, equipment failures, and third party incidents.
- In response to a surge in traffic and a shortage of resources in the Portland area in fall 2014, UP implemented several strategies to reduce overall congestion including the directional operation of freight trains exceeding average siding length and the use of select sidings on the Brooklyn Subdivision to stage cars and trains that Portland was unable to accept. When these practices began to cause excessive delays to passenger trains, UP agreed to restrict their use which has added uncompensated cost and inefficiency to UP’s freight operations.
- UP engaged in extensive discussions, negotiations, and updates with Amtrak regarding a tie renewal project on the Brooklyn Subdivision scheduled for January and February 2015, ultimately incurring substantial additional expense to lengthen the duration of the work in order to accommodate Amtrak’s unwillingness to modify some train schedules at the beginning of the project. Since the completion of the tie project in late February, contractual OTP for the Cascades trains hosted by UP has improved.

Cascades Service Performance  
April 1, 2015

Based on the items listed above, UP believes that it has demonstrated our commitment to reducing delay in order to improve passenger service along this corridor. Going forward, we are committed to operating this corridor safely and efficiently, and in a manner that maximizes the Cascades OTP and freight fluidity given the network constraints we must operate under. Our team is prepared to meet with ODOT to explore infrastructure or process improvements that will elevate freight and passenger service levels, but we also ask that ODOT and WSDOT cooperate with UP to address remaining irregularities in the construction of the trains' schedules, including the failure to incorporate sufficient time for passenger train meets.

Again, we welcome the opportunity to discuss these matters with you further; please contact me with any questions or concerns you have.

Sincerely,



Peggy E. Harris  
General Manager Passenger Operations

cc: Stacy Snider - ODOT  
Jason Biggs - WSDOT  
Ken Hunt - UPRR  
Shane Keller - UPRR  
Brock Nelson - UPRR

