State of Washington
Freight Mobility
Strategic Investment Board

2006 Activities and Recommendations
REPORT
The largest of the post-Panamax ships coming into Puget Sound can arrive with more than 6,600 twenty foot containers. There are new ships coming out of the shipyards that will be capable of carrying more than 11,000 twenty foot containers. This increase in container volume will need to be moved off of the port property by truck and rail transport.

Nearly everything is shipped in 20' or 40' containers.

In 2006, the ports of Seattle and Tacoma estimate they will handle 2.2 million 40' containers.

- or 183,333 containers per month,
- or 6,027 containers per day,
- or 251 containers per hour,
- or one container every 15 seconds

The Port of Seattle estimates that 64% of the 40' containers are being moved by rail, 15% by truck, and 21% by barge.
State of Washington

Freight Mobility Strategic Investment Board

2006 Activities and Recommendations Report

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Staff:
Karen Schmidt
Executive Director

Sandy Lockhart
Confidential Secretary

Donna Veley
Confidential Secretary
2006 Freight Mobility Strategic Investment Board Members

**Patricia Otley**  
*Chair, Citizen Representative*  
Pati Otley retired in 2005 after 25 years with Burlington Northern Inc and Burlington Resources and BNSF Railway. She remains active in retirement serving on the Board of TVW, and other community organizations. Ms. Otley is a native of Washington with undergraduate and graduate degrees from the University of Washington.

**Jim Toomey**  
*Port Representative*  
Jim Toomey is the Executive Director of the Port of Pasco and represents river ports. The Port of Pasco operation includes an intermodal transportation facility, a regional airport, industrial property and facilities. Previously he was the Director of the Tri-City Industrial Development Council. Mr. Toomey received his degree in mechanical engineering from the Naval Academy.

**Cliff Benson**  
*Maritime Representative*  
Cliff Benson retired in 2001 from Westwood Shipping and the Weyerhauser Company. He remains active serving on the Puget Sound Regional Council, Transportation Advisory Board, and the Snohomish County Habitat for Humanity Board. Mr. Benson graduated from the University of Washington with a degree in chemical engineering.

**Jennifer Ziegler**  
*Governor’s Policy Advisor*  
Jennifer Ziegler is the Governor's Transportation Policy Advisor. Prior to working for the Governor she was the Government Relations Director at WSDOT and also served as legal counsel to the Senate Transportation Committee and the Legislative Transportation Committee. Jennifer received her undergraduate degree from Emporia State University in Emporia, KS and her law degree from Seattle University.

**Doug MacDonald**  
*WSDOT Representative*  
Secretary Doug MacDonald serves on the Board as the representative for WSDOT projects.

**Don Lemmons**  
*Trucking Representative*  
Don Lemmons is the President of Interstate Wood Products and brings 40 years of trucking company experience to the Board. He is the past President of the Washington Trucking Association and Chairman of the Cowlitz Economic Development Council. Don also holds the world truck speed record set on the Bonneville Salt Flats in 2006.
Andrew Johnsen
Railroad Representative
Andrew Johnsen is the Director of Government Affairs for BNSF Railway and is the rail representative on the Board. Prior to joining BNSF he was the transportation policy advisor to former Governor Gary Locke and was a policy analyst at USDOT’s Volpe National Transportation Systems Center. Andrew received his undergraduate degree from the University of Puget Sound and his Masters degree from Harvard University.

Rebecca Francik
City Representative
Rebecca Francik is a Councilwoman for the City of Pasco and represents cities on the Board. She also serves on the Public Works Trust Fund board and the Benton/Franklin County Good Roads Association Rebecca received her degree in Agronomy from Washington State University.

Dick Marzano
Port Representative
Dick Marzano is a Port Commissioner at the Port of Tacoma representing deep water ports. He is employed as a longshoreman providing the Board with a labor perspective in addition to representing our largest container ports.

Dave Gossett
County Representative
Dave Gossett is a Snohomish County Commissioner and represents counties on the Board. Previously he served as Councilman and Mayor on the Mountlake Terrace City Council. Dave received an undergraduate degree Magna Cum Laude and his Masters degree from the University of Washington.

Brian Ziegler
County Representative
Brian Ziegler is the Public Works and Utilities Director for Pierce County and represents counties on the Board. As a professional civil engineer he brings an engineering perspective to project selection and evaluation discussions. He was previously employed by WSDOT where he was involved in a number of high profile projects and is a former member of the Olympia Planning Commission. Brian is a valedictorian graduate of Saint Martins College.

John Gray
Union Pacific Railroad Representative, ex-officio member
John Gray is the Executive Director at Union Pacific Railroad. His diverse career has taken him from Alaska to the SW where he worked for the Southern Pacific Railroad. John received his undergraduate and graduate degrees from Tulane University.
Many positive developments for freight emerged from the 2006 legislative session. The funding sources for freight projects were clarified and both a freight multimodal and general freight mobility account were created to be the repository for the various state and private funds dedicated to the Freight Mobility Strategic Investment Board selected projects.

Additional funding was also secured for two projects requested by the Board.

The Legislature and Governor Gregoire took the bold step of recognizing that a private sector railroad had contributed to a project anticipating a rail improvement that did not come to fruition by setting aside a sum equal to the investment in state dollars. The funds would be used for the original anticipated benefit or another rail improvement within the state.

Outreach efforts continued throughout the year by both Board members and staff. The staff worked with all of the FMSIB Projects to determine timelines, projections and whether projects were actually proceeding. The Board developed a process for removing projects from the active list and removed three projects that were not progressing.

Some projects experienced obstacles during the year that threatened their ability to advance. The Board worked with the project sponsors to try and develop alternative solutions. In most cases we were able to find creative ways to keep the project moving forward. The freight projects experienced cost escalations during the year, as did all other transportation projects, and efforts to increase partnership commitments helped bridge the funding shortfall for some of the sponsors. FMSIB is working with the Green River Valley project sponsor and the railroads to develop an innovative solution for three of the grade separation projects. If we are successful it would not only assist in moving the projects forward, but may also provide much needed capacity improvements for both mainline railroads.

Working with the trucking industry, the University of Washington, Washington State University, and...
Executive Summary

Nextel, the Board is requesting match funding for a truck performance measure that will provide data for investments in the future as well as before and after data to measure the success of individual and corridor projects.

A call-for-projects resulted in three new projects being added to the active FMSIB list. Funding will now be sought for these important new projects.

The Board was pleased to learn that the Transportation Commission’s rail study identified the FMSIB project selection process as a “best practice” approach to evaluating projects and suggested using a similar approach to selecting rail projects in the future.

FMSIB also saw a number of changes within the composition of the Board during 2006. Retirements and new job assignments played a significant role in the turnover. The Governor named two new members to the Board representing counties.

International intermodal cargo volumes remained high and ports, railroads and trucking companies developed plans to improve the way they moved freight off the docks and onto inland destinations.

Ports, trains, trucks and shipping companies made significant operational changes leading to cleaner air. Each industry is making major investments to improve air emissions and they continue to look for additional opportunities to provide air emission mitigation benefits.

Senator Patty Murray, Representative Adam Smith, State Representative Dave Upthegrove and Board Chair Pati Otley join other dignitaries in celebrating the completion of the S. 228th Street road extension in Kent.
Mission Statement

The mission of the Freight Mobility Strategic Investment Board is to create a comprehensive and coordinated state program to facilitate freight movement between and among local, national and international markets, which enhances trade opportunities. The Board also is charged with finding solutions that lessen the impact of the movement of freight on local communities.

Washington’s economy is very dependent upon trade and reliant on our ability to compete in a global economy. To remain competitive we need to move our products and goods efficiently. The State’s economic competitiveness depends on the efficiency of the multimodal transportation system for the movement of freight.

The Board will propose policies, projects, corridors and funding to the Legislature to promote strategic investments in a statewide freight mobility transportation system. The Board will also propose projects that soften the impact of freight movement on local communities.

Agency Goals

- Optimize freight mobility by reducing barriers on Washington’s strategic freight corridors.
- Take a leadership role informing the public regarding freight mobility transportation needs and issues.
- Cooperate and coordinate with public and private transportation partners to find cost effective solutions.
In 1996, the Legislative Transportation Committee (LTC) designated the Freight Mobility Advisory Committee (FMAC) to analyze the state’s freight mobility needs, identify high-priority freight transportation projects, and recommend policy to the Legislature. The FMAC recommended that the state take the lead in implementing a freight mobility transportation program that would form funding partnerships among all the interested parties for improvements statewide along strategic freight corridors.

In 1997, the Washington State Department of Transportation (WSDOT) convened the Freight Mobility Project Prioritization Committee (FMPPC) to recommend specific criteria for use in ranking freight mobility projects and established a statewide freight mobility project list.

**Freight Mobility History:**

- 1996 – FMAC Designated
- 1997 – FMPPC Established
- 1998 – FMSIB Created
- 1999 – FMSIB Office Opened
- 2000 – FMSIB Project Scoring Criteria Revised
- 2001 – First Three FMSIB Projects Completed
- 2002 – Development of Benchmark Standard Initiated
- 2003 – FHWA selects FMSIB Project as Potential National Model
- 2004 – Funding secured for nine additional projects
- 2005 – Partial dedicated project funding established
- 2006 – Creation of project capital accounts

In 1998, the Legislature created Chapter 47.06A RCW Freight Mobility, which established a state freight mobility policy and also the Freight Mobility Strategic Investment Board (FMSIB) for the purpose of reviewing, prioritizing, and recommending freight mobility transportation projects that are of strategic importance to the State of Washington.

The 12-member Board includes representatives from cities, counties, ports, railroads, steamship operators, the trucking industry, the Governor’s office, the Secretary of the Department of Transportation, and a public member. The Board is required to provide periodic progress reports on its activities to the Office of Financial Management and the Legislative Transportation Committees.

The Board was directed to solicit proposed freight mobility projects from public entities that meet the eligibility criteria summarized as follows:

- The project must be on a strategic freight corridor;
- The project must meet one of the following conditions:
  1. It is primarily aimed at reducing identified barriers to freight movement with only incidental benefits to general or personal mobility;
  2. It is primarily aimed at increasing capacity of the movement of freight with only incidental benefits to general or personal mobility; or
  3. It is primarily aimed at mitigating the impacts on communities of increasing freight movement, including roadway/railway conflicts; and
- The project must have a total public benefit/total public cost ratio of equal to or greater than one.

The Board opened an independent office in 1999 to represent freight needs without regard to jurisdiction. It hired an Executive Director and Secretary to work directly with project partners, plan and execute board meetings, retreats and coordinate with the Legislature, Governor’s office, and others interested in freight mobility.
Chapter 47.06A RCW charged the Board to evaluate and rank eligible freight mobility and freight mitigation projects by using the multi-criteria analysis and scoring framework developed by the FMPPC.

In addition, the Board was directed to leverage the most partnership funding possible and give priority ranking to projects with the highest level of non-program funding. Furthermore, the legislation allows the Board to supplement and refine the priority criteria when they have gained expertise and experience in administering the freight mobility program. The Board refined the original criteria in 2000.

By applying these conditions to the projects submitted, in 1998 FMSIB recommended to the Legislature a list of prioritized freight mobility projects with a total value of $1.23 billion. This recommendation leveraged a state investment of approximately $472 million, with almost $760 million in partnership funding.

Passage of Initiative 695 in 1999 eliminated all dedicated funding for the freight projects previously approved by the Legislature. Funding for 15 of the 35 projects was reinstated by the 2000 Legislature. The Board issued its first “call for projects” and selected 19 additional projects out of 52 applications.

In 2002, the Board developed benchmark standards and created a multiagency steering committee to assure that the applications would provide meaningful data to a broad range of other agencies as well as FMSIB.

In 2003, the Federal Highway Administration selected the agency’s freight data gathering and analysis project as one of five projects to be studied in the U.S. for possible national application.

The Legislature provided a portion of the funding needed for FMSIB projects by dedicating part of the vehicle license fees and the vehicle weight fees.
**Maritime**

Ocean carriers and container terminal operators are investing heavily in larger, more efficient vessels and in terminal efficiencies. Global container ship capacity is set to grow by 50% by the end of 2008. These new generation vessels carry more containers per ship call and incorporate designs and equipment to improve efficiency, safety and environmental stewardship with lower emission engines, protective fuel tank locations and enhanced navigation systems. Terminals continue to expand and improve efficiencies as well through additional truck gates, increased terminal acreage and the use of new technology to speed the flow of cargo. Improvements in efficiencies also provide important air emissions mitigation benefits—an increasingly important issue. Emissions benefits should be considered when prioritizing freight mobility investments.

Cost and reliability are the factors that drive cargo movement. Carriers continue to work with the cargo owners to provide best service options to move their cargo to final destination. The explosion in imports from Asia has spurred significant investments as various gateways position for market share. Announcements this past year in Mexico, Canada and most recently in Panama underscore the magnitude of investments being made to compete for cargo. In California, the debate continues on how to grow goods movement volumes while making dramatic reductions in air emissions. In the midst of this debate, cargo volumes grew significantly in Los Angeles-Long Beach and in Vancouver, Canada while growth seen in recent years in Seattle and Tacoma leveled off. PNW stakeholders need to fully consider cost and reliability and work to ensure system capacity stays ahead of congestion to keep our ports and system an attractive choice. Timely investment in rail and landside freight corridors will continue to be a key to our future competitiveness.

“Cargo volumes continue to grow at a tremendous rate particularly with Asia. There is an intense focus on increasing capacity throughout the system in the United States. Larger, more efficient ships are coming on line at an unprecedented rate. Marine terminals are being built or expanded, the Panama Canal will be enlarged and there is significant investment in Mexico and Canadian ports. In the Pacific Northwest, many point to rail capacity improvements as a key to future growth.”

Mike Moore, Vice President, Pacific Merchant Shipping Association
Rail
Washington State is served by two mainline railroads – the Union Pacific Railroad and BNSF Railway. Recent demands on limited capacity have challenged the ability of the railroads to provide service to smaller customers in spite of their efforts to add additional equipment and track capacity.

BNSF Railway
BNSF Railway continues to experience record growth in all of its business units: intermodal, industrial products, agriculture, and coal. To meet this challenge, BNSF is adding capacity as it maintains existing track, rolling stock, and facilities.

BNSF Railway is modernizing its fleet of locomotives at an aggressive pace. Since 2004, BNSF has placed orders for nearly 1,200 new energy efficient and lower emission locomotives. These new locomotives represent approximately 20% of the total fleet and will be replacing some older models that joined the fleet well over three decades ago.

Likewise, BNSF is expanding and modernizing its fleet of railcars. In 2006 alone, BNSF is purchasing 6,526 new railcars, from center-beam flatcars for lumber, to coal gondolas, and grain hoppers. In addition, BNSF recently increased its refrigerated railcar fleet capacity by 19% with the addition of new “super reefers,” which monitor the railcar’s internal climate via satellite.

Track improvements continue to be a capital priority as well. In 2006, BNSF will plan, commence, or complete major velocity and maintenance projects throughout Washington State, totaling over $100 million. This includes completion of the new siding at Lyle, in the Columbia River Gorge. This new siding will generate enough new capacity for up to four additional trains per day through the Gorge. In Pasco, BNSF is making preliminary plans to construct a new locomotive maintenance facility. This will enhance the Railway’s velocity by accelerating maintenance and repair of locomotives. Another important capital project is expansion of the North Seattle International Gateway (SIG) Yard, next to the Port of Seattle. The North SIG expansion will provide for more efficient movement of cargo from Terminal 46, enabling intermodal trains to load and get underway faster. And, ongoing signal and track maintenance and modernization throughout the state ensure that existing facilities operate safely and efficiently.

In the past few years, BNSF has been growing its workforce. Just since 2005, it has grown from 38,000 to over 42,000 employees. And, hiring will continue as the Railway tries to keep pace with the demographics of an aging population.
Union Pacific
2006 continued a trend of growth for Union Pacific. Throughout the network, UP saw record demand and volume. Unlike past demand cycles which tended to cause rail traffic to rise and fall in concert with domestic industrial production, UP believes that the rail industry is facing basic structural change in the underlying nature of our business base. We point to two trends, in particular, as dramatically altering the way in which railroads need to look at their business. These trends—

- The internationalization of the American economy driving both increased commodity exports and consumer product imports, and,
- The increase in energy prices driving demand for domestic coal and agri-based fuel sources suggest that rail industry, and particularly the Western US railroads, are well placed to be major players in the economic future of the country. However, with these unprecedented opportunities there are also challenges to provide the resources necessary to meet customer requirements.

To meet these challenges Union Pacific is taking significant steps to increase network capacity and to make the existing resources more productive. During the two year period 2005 – 2006 UP has invested $5.6 Billion in capital improvements. These have included construction of new track and terminals, upgrading existing track, acquisition of new locomotives and freight cars and investment in new control systems. In 2006, UP also added over 3,100 new employees to our workforce.

2006 saw the realization of two significant programs in Washington, both in the Eastern portion of the state. The first was the culmination of several years of work and involved the investment of $90 million in improvements in the line from Hinkle, Oregon through Spokane, to the Canadian border at Eastport, Idaho. Transforming this line from a secondary main line into a heavily used international route has provided a new path for North Dakota grains and Canadian bulk products to reach the ports of the Pacific Northwest – particularly Vancouver, Kalam, Longview, Tacoma and Seattle. What had been a lightly used line seeing only 3 or 4 trains daily is now a major heavy haul route with up to 15 trains a day.

The second project was the construction and opening for operation of the new RailEx facility in Wallula on land provided by the Port of Walla Walla. This facility, capable of loading an entire 55 car train of perishable products in only twenty-four hours, is designed to support a new, fast rail service for Washington’s agricultural products going to markets in the Northeastern United States. The first trains operated in October 2006 and are already setting new standards of performance in this market. Union Pacific believes that this will be an exciting addition to their business portfolio that will point the way toward increased rail participation in this market while providing Washington producers with a new, cost effective entry into the nation’s largest food consumption market.
Freight Trends and Events - Ports

Port of Tacoma
The Port of Tacoma projected that they will move 2.2 million TEUs by year’s end, and expand by 10.4 % per year through 2010, more than doubling overall containerized volume since 2000.

Nearly 70 % of all international containerized cargo shipped through the Port of Tacoma passes through the region on rail – destined for markets in the Upper Midwest and East Coast. The remainder is trucked to distribution centers to serve the growing Pacific Northwest consumer market.

In addition to being a gateway to Asia, the Port of Tacoma is the gateway to Alaska. More than 70 % of all waterborne trade between the Lower 48 states and Alaska crosses Port of Tacoma docks.

In addition to containerized cargo, the Port handles non-containerized cargoes, including breakbulk, autos and bulk commodities. Collectively, these cargo types have grown more than 25 % since 2000.

The Port of Tacoma has also experienced significant growth in the size of its facilities over the past two years. Highlights of this expansion include the opening of three major container terminals: Pierce County Terminal (serving Evergreen Marine, Hatsu Marine and Italia Marittima), Husky Terminal (serving “K” Line) and Olympic Container Terminal (serving Yang Ming Line).

A recently completed Economic Impact Study emphasized the Port of Tacoma’s role as “the economic engine of Pierce County.” This report helps the Port measure the degree to which it is reaching its overall mission and goals. Among the findings are that more than 43,000 jobs in Pierce County and 113,000 jobs statewide are related to the Port of Tacoma. The study, based on 2004 cargo volumes, determined that Port-generated jobs earn an average wage of $48,530 per year - 41 % more than the Pierce County average. Furthermore, between 2000 and 2004 growth at the Port created 310 new direct, Port industry jobs per year in Pierce County.

Port activity generated $91 million in state and local taxes in 2004, a dramatic increase from the $77 million generated in 2000. Collectively, Pierce County and its municipalities received an estimated $13.9 million in tax revenue because of Port activities. These taxes are used for education, police, fire services and road improvement, enhancing the overall quality of life for the region.
Port of Seattle

The Port of Seattle and its partners embarked in 2006 on an ongoing series of capital improvements and operational changes designed to increase capacity to meet the demands of dramatic growth in international container trade. Container volumes, although flat in 2006 at about 2 million TEUs, took a respite from a growth spurt of almost 40 percent over the previous two years.

Forecasts by the state and the port industry project continued growth in container volume over the long term and potential steep increases in the next few years. The Port has sought to meet this expected demand with expansions of terminal space, new equipment to improve cargo capacity and strong cooperation with the railroad and trucking industry to improve port access and distribution capability.

The Port has moved to bring more container terminal space on line, reactivating terminals 25 and 30 on Elliott Bay’s East Waterway. The change would require the relocation of cruise ship operations from Terminal 30 to Pier 91 at the north end of the harbor. Providing more space on the East Waterway frees up acreage at Terminal 18 on Harbor Island to accommodate potential new service in 2007.

In April SSA Terminals, which leases and operates the Harbor Island facility, took delivery of four new container cranes that are among the world’s largest and added nine new top-pick container carriers and four gantry cranes to increase container throughput. The Port also spent $52 million to strengthen the pier to support the new super cranes at the newly expanded 196-acre facility. Total Terminals International, which leases and operates Seattle’s Terminal 46, home to Hanjin Shipping and calls by China Overseas Shipping Company, also took steps to densify its operation through the addition of two new gantry cranes.

Container growth stretched to railroad facilities, as well. Major modifications to BNSF Railway’s Seattle International Gateway (SIG) intermodal yard were underway in 2006. New trackage, additional storage space and new technology loading equipment will build the capacity of the SIG Yard from approximately 600,000 container “lifts” per year to more than 1 million. Gates at all the terminals were outfitted with new radiation monitoring equipment as part of national pilot programs to increase cargo handling security.

Port staff also partnered with FMSIB and a strong coalition of business, labor and industrial international cargo interests, to work with the city of Seattle and the Washington Department of Transportation to reinvigorate plans for the SR 519 corridor to improve east-west access between Seattle’s industrial waterfront and Interstate 5. Discussions with the city also advanced the East Marginal Way Ramps project, which is designed to lift truck and general passenger traffic over busy rail lines taking cargo from terminals on Harbor Island and West Seattle. The Port threw strong support behind the project to complete SR509, a major “back door” freight route between the Des Moines area and the Duwamish Industrial area. The route, which is 80 percent complete, would, once finished, remove a good percentage of the truck traffic between Southcenter and Seattle and enhance access to Sea-Tac Airport and Port of Seattle harbor facilities.

The Port made strong gains to enhance local air quality. It finished converting its vehicle fleet to use of biodiesel and other alternative fuels and continued work with cruise customers on electrifying ship berths to cut down on use of ship engines and generators while in port. Work is underway with the Puget Sound Clean Air Agency to establish retrofit programs for lowering emissions from public and private truck fleets.

Governor Gregoire, recognizing the dramatic growth in trade and its importance to the Washington economy, launched a Container Ports Initiative with a 20-year vision of increasing the state’s competitiveness in the global market through programs designed to increase investments in road and rail infrastructure and strengthen protections for industrial waterfront operations from “gentrification” and other incompatible uses.
**Trucking Industry**

The industry looks forward to continued growth in 2007. While freight volumes are not increasing at the levels of the last couple of years, there appears to be sustained growth in freight.

However, the industry continues to be plagued by a national driver shortage that will not improve in the foreseeable future.

On the bright side, fuel costs are finally on the decline. Projections are now that the average fuel price for the final quarter of this year will be $2.62 per gallon, which is 27 cents per gallon lower than September 2006's projections. Current predictions for diesel costs in 2007 are $2.66 per gallon. That is not only good for the trucking industry, but for the entire transportation sector.

On the issue of air quality, the new 2007 diesel engine systems are coming online. While they will add $6,000 - $10,000 to the cost of a new truck, they will provide only 1/8th of the diesel emissions of trucks manufactured fifteen years ago.

The new engines, coupled with onboard generators, shore power, and fixed site heating and air conditioning, will greatly reduce pollution by diesel engines. The trucking industry believes these advances will provide significant environmental benefits and should be acknowledged by all who are concerned about the environment.

ITS (Intelligent Transportation Systems) are becoming a major part of the way trucking does business. The industry is providing seamless information exchange to all parties involved with a shipment. This increase in technology usage has dramatically improved customer service and equipment utilization.

While these new platforms are expensive, they allow for development of increasingly robust and scalable software applications, increase bandwidth availability, and user acceptance of technological solutions. This is an area of operations that will see significant growth in the coming years.

"In many cases, private sector objectives conflict with government policies: in some cases, certain government policies conflict with other government policies, putting carriers in tenuous operating conditions. Examples of this might include fuel efficiency programs versus air quality initiatives or hours of service limitations with truck parking restrictions."

October 2006 ATRI Report
2006 was another dynamic year for freight growth worldwide as well as in Washington State. The public’s demand for more goods and more selection continues to drive the growth in transport for food products, clothing and other goods generally consumed without regard for where it originates or how it got to the local market.

The message at the federal level is that the U.S. economy won’t be able to “keep on trucking” unless America’s highway system is expanded to accommodate the boom in freight traffic, according to Kent Hoover, Washington, D.C. Bureau Chief of the Puget Sound Business Journal. In the report, Douglas Duncan, president and CEO of FedEx Freight Corp., predicts that gridlock would not only make life more miserable for commuters, it also would undermine the “just-in-time” inventory strategies that have saved American businesses billions of dollars in recent years.

Businesses can’t afford to carry big inventories; they’ve got to be able to get goods to retail shelves as efficiently as possible. Today however, unpredictable delivery times are forcing many businesses to increase their inventories according to Rosalyn Wilson, a transportation consultant who reported the trend to the Council of Supply Chain Management Professionals.

The privately owned freight rail system is also experiencing significant pressure to move more goods faster. Railroads are forced to be more selective when deciding what products and volumes they can haul. There is such demand from shippers with fully loaded “hook and haul” train loads that smaller shippers are not able to get the service that they have experienced in the past. Railroad stockholders expect management to use the available capacity for the highest revenue customers. To be successful in today’s railroad economic environment, the smaller shippers will need to bring their products to a central location where the individual shipments can be pooled together into a fully loaded train.

It is naïve to believe we can shift significant volumes of cargo from one mode to another—the reality is we need to increase capacity on all modes to make the system work. The biggest customer the railroads have are the truckers and the biggest customer the truckers have is the railroad. Goods are transported by multiple modes and the efficiency of the connection is an area we can work to improve.

It is projected that Congress will need to increase the federal gas tax by 2009 to keep the transportation trust fund solvent. Efforts are already underway to influence not only the level of increased funding needed but how the new funds will be distributed. Concern prompted Congress to create a commission to look at the nation’s surface transportation needs and how to fund them. The commission is scheduled to present its recommendations during the summer of 2007.

Investment in the nation’s freight delivery system is one area receiving strong consideration. Congress is currently considering a proposal to provide a tax credit to the railroads for infrastructure investment and the American Trucking Association is proposing an increase in the federal diesel tax that would be dedicated to freight highway bottlenecks.

International freight movement is an important industry in Washington but it is just part of the freight dynamic in Washington. Growing industries also require attention to their unique freight needs that may not be tied directly to international trade.

Washington’s wine industry exemplifies where surprising growth challenges the state’s ability to move products. The industry has exploded in the last 20 years, from less than 20 wineries in 1981 to more than 360 today requiring more specialized truck movements to keep pace with demand. Washington is home to more than 30,000 acres of wine grapes, and the industry is worth close to $3 billion to the state’s economy. Grapes are moved in bulk from the fields in van style trailers. Bulk wine is moved from Eastern Washington by tanker trucks to Western Washington wineries and bottled products are moved to retail locations across the state and to markets outside the state by van style trailers.
2006 was the 50th anniversary of the nearly 47,000 mile long interstate system and is credited with “transforming American life, making it possible for families to travel throughout their vast country, and dramatically boosting interstate goods shipping”.

Tony Bizjac — Sacramento Bee

The Freight Board
People not familiar with the activities of the Freight Mobility Strategic Investment Board sometimes ask us to explain what we do. We believe that Andrew Johnsen with BNSF Railway (who represents railroads on our board) explained it best when he said:

The Freight Board is the single voice for the freight community — to articulate priorities, emerging trends, and make recommendations to the state for those capital investments that will best ensure the flow of commerce, and sustain and strengthen the state’s trade competitiveness. Because Washington State’s economy is so inextricably tied to its international trade competitiveness (be it wheat or aircraft), the state must make every effort to understand the flow of freight. The Freight Board’s representation from the private sector (including trucking, rail, maritime, and port-industrial), combined with citizen and public sector representation, ensure that the perspectives of those who will use the infrastructure are combined with those communities and jurisdictions in which the projects are located.

Andrew Johnsen, BNSF Railway
The Legislature and the Governor approved the creation of a freight multi-modal account which will not only protect private funds being held for projects, but will assure that state multimodal and other future funds are not commingled with freight funds that are restricted by the 18th amendment to the state constitution. The account provides greater visibility of freight funds and allows the agency to assure partners that funds will be available when their projects are ready to proceed.

In the 2006 session, the Legislature and Governor acknowledged that the BNSF Railway had advanced money for a partnership project in Seattle (SR519) and never received the rail benefit that was promised. They took the extraordinary action of setting aside $4.6 million in state funds to match the earlier BNSF contribution. FMSIB will hold the funds until either the promised improvement is made and the funds will help pay for the project or, if the closure/grade separation is not made, the funds will be used for another project benefiting freight mobility and BNSF. By taking this action Washington made a strong statement to BNSF and all of our partners that the state will honor its promises.

Matt Rose, Chairman of BNSF, remarked that to the best of his knowledge this was the first time any state took such an action which demonstrates Washington’s strong policy of honoring commitments and supporting freight mobility.

**Board Changes and Duties**

Four Board members were reappointed for four year terms providing continuity in ongoing agency efforts. The Board members who were reappointed are Patricia Otley from Bellevue representing the public and serving as FMSIB Chair, Jim Toomey (Port of Pasco) from Pasco representing Washington ports with river commerce who will continue to chair the project selection committee, Andrew Johnsen (BNSF) from Lake Tapps representing railroads who will remain the chair of the administrative committee. The Governor also reappointed Mayor Mark Asmundson from Bellingham representing cities who chairs the outreach committee; however in November Mayor Asmundson resigned his elected office, accepted a position with the Northwest Clean Air Agency and left the Board. County Engineer Ross Kelley from Spokane did not seek reappointment due to his retirement from the county. Mr. Kelley provided the Board with an engineering perspective that was invaluable during project selection meetings as well as during board meetings. To fill the two vacant county positions on the Board, the Governor selected County Commissioner Dave Gossett from Snohomish County and Brian Ziegler an engineer from Pierce County.

The Board members have taken on more duties to respond to requests for information due to the increasing recognition of the importance of freight both by government
agencies and by citizens. Outreach presentations are made by both the Board and the director to continue to elevate the importance of freight planning and project execution.

The Board continues to look for ways to save money both on projects as well as in the agency administrative budget. Over the years the Board has been able to return a small savings to the state each biennium demonstrating its commitment to operating the agency as efficiently as possible.

Projects
Some of the Board’s projects are experiencing difficulty progressing first from the lack of certainty that the state’s Freight Mobility Board funding would be secure in light of recent initiative efforts that would have seriously impacted the agency’s capital program, and secondly from the global cost increase of building materials such as steel, concrete and petroleum based products. The Board continues to work with our project sponsors and partners to keep projects advancing.

When the sponsor of the D Street project in Tacoma found that construction bids came in substantially higher than the engineers estimate, the partners came together to find the additional funds to bridge the gap. Governor Gregoire directed TIB and FMSIB to work for a creative solution. The remaining funding was secured and the project advanced to construction.

Other projects were less successful. The lead agency responsibilities for the Stewart St. (formerly 8th St) undercrossing of the Union Pacific railroad in Pierce County was transferred from the county to the town of Pacific since the project is within the city limits. The $21 million grade separation lacks the partnership funds necessary to proceed during the 2007-09 biennium as planned. Construction of the grade separation would benefit rail movement and general traffic from the communities in the northeast Pierce County area traveling to/from SR 167, however there is limited benefit for the town of Pacific. It will be very difficult for a town the size of Pacific to undertake a project of this magnitude when their entire annual road fund is about $200,000.

Three projects in the Kent Valley were in jeopardy of failing due to environmental requirements, land limitations and increased rail traffic demands. After working with all of the principals, the Freight Board developed a solution that if implemented would be even more beneficial for all the entities than the original plans. While there will be a delay for two of the projects, a better design will help keep these projects moving forward.

The 70th and Valley Project in Fife was advancing to construction when they were notified by the Puyallup Tribe that they would oppose the project and were unwilling to sell any property for the needed right-of-way. The City redesigned a portion of the roadway to still provide the freight benefit without the embellishments that would have required additional right-of-way from the tribe.

The SR-519 project was not advancing with a freight friendly solution in May when interested parties were asked to respond to a proposed design that the City of Seattle and sports teams were advocating. The Board along with the Port of Seattle, the Washington Trucking Associations, the Pacific Maritime Steamship Association, the Longshore and Warehousemen Union local 19, the Martin Luther King Central Labor Council, the BNSF Railway, the Manufacturing Industrial Council, the Transportation Institute and other freight interests formed a freight coalition to work for a solution that would address the freight needs of the area and protect the jobs dependent upon access to the port and industrial area.

Numerous meetings took place to review designs and discuss what would work best at the least cost. These discussions also led to a more focused approach to monitoring the design of the southern portion of the Alaskan Way Viaduct to be sure that the unique needs of freight movement in the area would not be compromised.

Planning for the future
Throughout the year, the director and various Board members have participated in planning efforts at the Puget Sound Regional Council and the state Priorities of Government (POG) process to assure that freight priorities are addressed in future funding plans.

The Board also worked with the Joint Legislative and Audit Review Committee to develop a document that could explain the agency’s project and administrative budget to legislators and others. Since FMSIB has received and lost funding twice since 1999 it became difficult to demonstrate a relationship between administrative and capital project funding.

Freight project sponsors requesting funds in 2007 worked with the Freight Board to develop plans for a March 2007...
Agency and Freight Activities

Consultants for the rail study point to the FMSIB project selection process a "Best Practice" approach they suggest the state should use as a model for a future rail project selection model.

Dan O’Neal, Commissioner
Washington Transportation Commission

meeting with Washington’s Congressional delegation to request additional federal participation in freight projects nearing construction. The request will include new projects as well as projects that are projecting higher bids due to increased costs for steel and petroleum based products.

The Freight Board was invited by the Federal Highway Administration (FHWA) and the Maritime Administration (MARAD) to participate in a day long program discussing tools available for freight planning and funding. The Freight Board was asked to present a view of what freight mobility needs are in the future.

The Freight Board has monitored the Transportation Commission’s Rail Study, participated in meetings with BNSF officials in Fort Worth and facilitated discussions with the Commission and the Washington Trucking Association. Any proposal emanating from the study involving improvements to mainline rail operations would be consistent with the “strategic” focus of the Freight Mobility Strategic Investment Board and will provide some much needed freight data for rail policy considerations in the future.

The Office of Financial Management asked the Board to develop a freight data base proposal that could be used by decisionmakers interested in making targeted investments in freight mobility improvements and in preparation to take advantage of a possible future federal freight chokepoint removal program. The Board discussed the merits and various strategies for developing a freight data base at their workshop. It was agreed that the creation of
Agency and Freight Activities

an extensive data base could be an extremely time consuming and costly endeavor producing a level of detail that might be more than what would be needed by policymakers adopting a freight strategy in the future. A modified, less costly version was advanced that would combine the information developed by the Transportation Commission’s rail study, satellite data from a national truck data base and information from a Washington State truck performance measure that would employ satellite and cellular technology. A full description of the proposal can be found under “2007 Recommendations” on page 28.

Project Updates
In July, the Freight Board began to report quarterly project updates to the Office of Financial Management, and the Transportation Committees of the House and Senate. The one page updates are prepared by the project sponsor, reviewed by the agency and posted on the FMSIB website. When there are problems, the agency tries to assist the project sponsor in getting the project back on schedule.

The Board’s project selection committee actively analyzed the ability of projects to meet their construction expectations. A few of the Freight Board’s projects that have been on the list since 1997 have experienced funding difficulties which will adversely impact their plans to advance. In some cases projects were negatively impacted by the loss of Freight Board funding after passage of an initiative in 1999 and the failure of a referendum in 2003 which eliminated the state match portion of the project. Other projects like Canyon Road in Pierce County saw their partnership funds shifted to fill funding gaps in other ready-to-go regional projects like “D” Street. Finally, some projects experienced a shift of responsibilities between jurisdictions and the jurisdictions are not able to undertake an expensive project that provides little local benefit. An updated list of projects, estimated construction dates and revised biennial budget needs was submitted to the Governor, Legislature and the Office of Financial Management so a more accurate plan could be developed. A full explanation of the reasons for all of the adjustments was also submitted.

The Board adopted a policy and procedure for removing projects from the spending plan when they have not been able to advance due to funding shortfalls or other circumstances. The projects are monitored by the agency and when progress has not occurred a meeting to discuss the projects status is held. The report is reviewed by the Board and a decision to retain or remove a project is determined. The Legislature, Governor’s Office and the Office of Financial Management are notified of the proposed action, the reasons for the action and of the final board decision. A request to transfer funding to another freight project is also submitted.

"You may find it boring and perplexing to deal with transportation policy and planning issues but the reality is – You're either at the table or you're on the menu."

John Ficker, President
National Industrial Transportation League

Early construction of the Railex facility in Wallula.
Emerging Projects

2006 Call for Projects
The Freight Board reviewed a number of projects submitted for consideration during the “Call for Projects” process. While there were some excellent projects submitted, the Board determined that only three of the projects demonstrated a significant improvement for the movement of freight. During the evaluation the Board also determined what the appropriate state freight participation level should be for each project. The three successful project applications came from Vancouver, Fife and Spokane. While there are no current funds committed to these projects, the Board believes that each project should be considered for funding as soon as funds become available. The three projects, their freight benefit and the recommended state freight funding amounts are described below.

Port of Tacoma Road ramp and interchange improvement – City of Fife
The I-5 southbound off ramp at the Port of Tacoma Road is one of the busiest truck routes in the state providing access to the Port’s dock area. The ramp will be realigned by WSDOT to improve congestion at the intersection of the ramp and the Pacific Hwy interchange will accommodate passenger vehicles, however, is problematic for truck movement.

The FMSIB project will use part of the existing ramp that is not elevated and create a truck friendly off-ramp that will move trucks away from the crowded intersection diverting them to 34th Ave E., a new route that will also provide access to the north and central port areas. Additional improvements will be made to the Port of Tacoma Rd I-5 on-ramp for vehicles leaving the port and to 34th Ave E. in Fife.

Total Project Cost - $26 Million
FMSIB partnership share - $8 million

Freya Street Bridge – City of Spokane
The Freya Street is Spokane’s only North/South T-1 truck route and connects I-90 to SR-2 and SR 395 by way of Francis Avenue. The existing weight limited Freya Street Bridge over two mainline BNSF tracks and one branch track is structurally and functionally obsolete. The narrow lanes will be widened, the vertical alignment will be reduced and the new bridge will accommodate heavier trucks. There have been numerous accidents at the bridge due to poor sight distance, which will also be corrected. The new bridge will eliminate the numerous bridge piers and replace them with a wide enough opening over the tracks to allow for expansion of up to 5 more tracks.

Total Project Cost - $12.85 Million
FMSIB partnership share - $2.72 million
Emerging Projects

South Rail Alignment/on-dock track extension – Port of Vancouver

Currently north/south BNSF Railway and UP railroad trains must travel through a mainline chokepoint near the Port of Vancouver known as the Vancouver Wye. By improving the access through the Wye, trains will be able to move more efficiently through the area. The realignment will also complement the current Vancouver rail project which provides passenger rail benefits by moving the freight trains to a different alignment. Currently there are 59 trains a day on the mainline and the number of trains is expected to grow to 104 trains by 2025.

The second component of the project will increase trackage at the Port of Vancouver providing enough room for an entire unit train to be held on the port property rather than having part of the train on mainline tracks interfering with other rail movements. The efficiency of bringing an entire unit train onto the port property will also accommodate volume growth for existing Port tenants and will bring new customers to the port creating additional job opportunities.

Total Project Cost - $50 Million
FMSIB partnership share - $10 million

Current Port rail access crosses all north/south and east/west mainlines at the Vancouver Wye. New access will add rail capacity for Port and to BNSF mainline.
Projects and Facts

Freight Mobility, Air Quality and Diesel Emissions

The freight community has also been aggressively pursuing strategies to improve air emissions in a way that does not adversely impact freight movement. Ships, ports, trucks and railroads recognize the need to work in a healthy clean air environment and have all made changes that will continue to improve the air quality for everyone. The Freight Board also places a scoring emphasis on projects that can demonstrate environmental improvement as part of the project design selection criteria scoring.

Husky Terminal & Stevedoring, a major Port of Tacoma terminal operator, recently began using biodiesel fuel for all diesel-operated vehicles and container handling equipment on the docks. The Puget Sound Clean Air Agency has applauded the move.

The Union Pacific Railroad added 283 new locomotives in 2006 including the first large order for a new generation of environmentally effective local switching locomotives that will help become a better neighbor with the communities in which they operate. Likewise, the new main line locomotives placed in service all set new standards for fuel efficiency and environmental quality. In 2007, UP expects to continue these improvements at an even faster pace with a significantly greater spending program.

The Port of Seattle is also making meaningful changes at the airport where, along with their partner Clean Energy, they have opened Washington’s first large scale, public access natural gas station, and at the seaport where, in addition to cargo ship improvements, they have also made passenger ship handling improvements. Princess Cruise’s ships which represent a third of the cruise ships that dock in Seattle, now use electrical shore power rather than engine power, significantly reducing diesel emissions. The shoreside power facility enables Princess Cruise ships to turn off their engines and “plug in” while calling at Terminal 30 in Seattle eliminating 35 metric tons of turbine engine fuel per ship call and resulting in a total reduction of 1,400 metric tons of fuel during the 2005 cruise season. The estimated seasonal reductions from this project are 7.7 tons of particulate matter (PM) and 203.5 tons sulfur oxides (SOx) emission reductions.

The trucking industry has done much over the last several years to reduce key emissions from diesel vehicles, including fine particulates. These gains have not been without cost however. The federally mandated 2007 low emission diesel engine systems will add $6,000 to $10,000 to the cost of a new truck. Today’s diesel trucks provide 1/8th of the emissions of those manufactured just 15 years ago. By 2007, it will take 60 new trucks to equal particular emissions of just one 1988 truck.

In the last few years alone, BNSF Railway has modernized its fleet of locomotives by purchasing over a 1,000 low emission, energy efficient units at a cost of $2 million each.

Some examples of clean air efforts

Port of Tacoma

- The Port of Tacoma in 2005 purchased and installed EPA-verified diesel oxidation catalysts on 30 straddle carriers. The Port also began using ultra-low sulfur diesel (ULSD) in Port-operated equipment. In combination with the catalysts, total PM emissions were reduced up to 50 percent per vehicle.
- The Port initiated an automobile purchase policy to replace retiring Port-owned vehicles with new gasoline-electric hybrid vehicles. These hybrid vehicles travel approximately 50 miles per gallon of regular unleaded gasoline.
- The Port Maintenance Department staff is conducting a biodiesel pilot test project to determine operating efficiency on straddle carriers and other Port-operated equipment.
- The Evergreen Group, the leaseholder at Pierce County Terminal, was the first Port customer to mandate the use of ULSD. Today, four of the Port of Tacoma’s six container terminals use ULSD.
- Brownfield conversion projects have significantly reduced the air quality impact from industrial sources. The closure of the Kaiser Aluminum Smelter and subsequent purchase by the Port of Tacoma eliminated 149 tons of particulate matter emissions, 121 tons of sulfur oxide emissions and 21 tons of ammonia emissions per year.
Projects and Facts

- Totem Ocean Trailer Express (TOTE) commissioned new roll-on/roll-off vessels powered by diesel-electric motors that achieve 30% better fuel efficiency and significantly reduce emissions. They also implemented the "Paperless Gate" that uses radio-frequency identification (RFID) technology to reduce truck gate congestion.
- The Evergreen Group purchased lighter straddle carriers that use 30% less fuel and equipped the entire new cargo handling fleet with new Tier II, fuel-efficient engines.
- Of the Port of Tacoma’s 54 forklifts, 22 are powered by propane, a clean fuel.
- Low sulfur diesel is used in the locomotives for switching operations at the Port.
- The first of Evergreen’s “green” ships is now calling in Tacoma. In addition to numerous other environmentally friendly design features, the vessels produce less diesel emissions.

Port of Seattle

Instituted a Diesel Emissions Reduction Project to improve air quality by voluntarily reducing exhaust emissions from diesel fueled equipment used by the Port and its Seaport tenants. These vehicles include cargo handling equipment, on-road trucks and heavy-duty equipment.
- The use of advanced pollution control technologies, such as diesel oxidation catalysts, and of ultra low sulfur diesel fuel (ULSD) and biodiesel is increasing.
- Fleet selections are made in collaboration with the Puget Sound Clean Air Agency and the equipment owners and/or operators.
- Container vessel owners are transitioning to larger, more efficient vessels with lower-emission engines. These higher-capacity vessels help reduce the needed number of trips in addition to cutting emissions.
- Increased terminal efficiencies have been and are being made to improve cargo flow, reduce trucking time, and therefore reduce emissions.
- Educational programs for equipment owners/operators of Port staff on strategies for reducing emissions.
- Redeveloped Seaport cargo terminals to increase efficiency, including improving nearby road networks
- Coordinated draw bridge openings with truckers so they can route accordingly to minimize idling
- Piloted computer tracking systems at our cargo terminals to quickly locate containers and thus reduce truck wait times.
- Provided electric plug-ins instead of diesel units for refrigerated containers on the docks
- Purchased bigger cranes to load and unload more efficiently, so ships are at the dock for less time
- Converted all seaport cargo cranes from diesel to 100% electric.
- Partner in regional anti-idling effort
- Marine maintenance fleet has switched to ultra-low sulfur diesel fuel.
- Hybrid vehicle is used for mail runs (high vehicle miles traveled) between Port facilities.

Trucks

- In addition to investing in new diesel engines that will reduce emissions to 1/8th of the trucks manufactured 15 years ago, the industry is also investing in idle reduction technology, which reduces emissions dramatically.
- The new onboard generators, shore power, and fixed site heading and air conditioning plugged into a truck’s side windows are all relatively new to the trucking industry, with added costs ranging from $1,000 to $5,000.
- This not only helps lower diesel emissions, but also saved diesel fuel and maintenance costs.
Projects and Facts

Freight Projects completed in 2006

**Project #17**
SR 397/Ainsworth Grade Separation
Construction of a new Ainsworth/397 grade separation over the BNSF Railway mainline tracks in Pasco was dedicated in September. The BNSF Columbia River and Stampede Pass routes join near the project location and increasing rail traffic was cutting off access to the Port of Pasco. Ainsworth will now provide unimpeded access for trucks traveling to and from the Port and provide a safer route for local residents.

**Project #18**
D Street (Phase 1)
In September the first phase of the project was completed. This phase constructed a third main line track and flattened the sharp curve located at the south end of the Thea Foss Waterway in Tacoma. The realignment of the rail line will allow trains to travel through the area at 30 miles and hour instead of 10 miles an hour effectively increasing capacity on the rail line. The next phase of the project will construct a grade separation over the tracks providing a safer street route for local residents and truck freight movement. FMSIB state dollars were used for phase 1 and FMSIB Union Pacific dollars will be used for phase 2.

**Project #35**
S 228th St. (Phase 1)
The roadway from the Green River Valley up to the connection to I-5 was dedicated in October. Eventually this route is planned to connect to SR 509 providing a direct link between the west coast’s second largest industrial/warehouse area and the Port of Seattle. The next phase will extend the route over the Union Pacific and BNSF tracks creating a direct unimpeded corridor between the Valley businesses and I-5.
Projects and Facts

Project #21
Columbia Center Blvd.
The road/rail conflict on the busy Kennewick arterial Columbia Center Boulevard was eliminated with the construction of a grade separation over the BNSF Railway tracks.

Project #56
Pacific Hwy E/Port of Tacoma Rd to Alexander Ave
The project constructed double left turn pockets from Pacific Highway E to the Port of Tacoma southbound I-5 on-ramp in Fife. The new highway improvements will help move trucks quickly and safely through this heavily congested area.

Project #63
I-5/41st Street Overpass Improvements
The new access from northbound I-5 to Everett eliminates the former left lane off ramp to Broadway and provides a safer access for passenger vehicles as well as trucks. The project also accommodates WSDOT’s HOV lane extension through this heavily traveled area.

Project #37
Duwamish ITS Improvements - Seattle (Phase 1)
The project which is located in the Duwamish industrial area completed phase 1 of the technology improvement to the area upgrading traffic signal controllers and installing traffic signal interconnections, closed circuit TV cameras, variable message signs, upgraded communications for rail and bridge and message signs.
Projects and Facts

Completed FMSIB Projects

<table>
<thead>
<tr>
<th>Rank</th>
<th>Agency</th>
<th>Region</th>
<th>Project Name</th>
<th>Chokepoint</th>
<th>grade separation</th>
<th>completed</th>
<th>schedule</th>
<th>cost</th>
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<tr>
<td>1</td>
<td>WSDOT</td>
<td>PS-F</td>
<td>SR 519 Intermodal Access Project (phase 1)</td>
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<td>SR 509/Port of Tacoma Rd. Grade Separation</td>
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<td>WW</td>
<td>Port of Longview Alternate Rail Corridor</td>
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<td>WW</td>
<td>Allen Street Bridge Replacement</td>
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<td>9</td>
<td>Port of Everett</td>
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<td>California St. Overcrossing/ Port of Everett</td>
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<td>41st St. Railway Overcrossing/ Riverfront Parkway</td>
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<td>Union Gap</td>
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<td>Valley Mall Blvd. Extension</td>
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<td>South 277th St. (BNSF &amp; UPSP)</td>
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<td>1</td>
<td>X</td>
<td>early</td>
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</tbody>
</table>

Accountability

Freight Mobility Board projects involve multiple funding partnerships where both close cooperation and communication are essential. The Freight Mobility Board funding currently leverages about $4 from federal and local government sources as well as from private businesses for every $1 invested by FMSIB.

Once a project is selected through the Board’s rigorous process, a dollar amount and percentage amount is assigned to the project reflecting what the Board believes the freight share of the project cost is. The state share can’t increase by statute above the fixed dollar amount or the percentage — whichever is lower. In this way, the state is protected from increases if project costs go up and receives part of the savings if a project is completed under budget.

When the Legislature authorizes project funding, the Board requires the project to be in construction within twelve months of being notified. The Board enjoys a nearly 100% success rate of delivering on commitments to the Legislature. The Board is committed to continuing that record whenever funding is authorized. Projects are required to provide quarterly updates which appear on our website www.fmsib.wa.gov so interested citizens can monitor project progress. The Board believes this is a real demonstration of accountability.
2007 Recommendations

Truck Performance Measure Data Base

Currently there is no measurement for truck performance. Now with satellite technology and cellular phone technology we would be able to measure truck performance to determine where problems exist, the performance before and after projects are completed and create a truck data base for decision makers at both the state and federal level. The American Trucking Association is considering support for an increase in transportation taxes if the truck portion is dedicated to freight mobility improvements. Darrin Roth, director of the ATA has said that they will urge the USDOT to focus on critical freight corridors by creating a new program using federal truck user fees to improve trucking productivity. The proposal would direct 80% of the fees to projects that provide congestion relief at bottlenecks on corridors that have the most significant impact on trucking mobility and the U.S. economy. The Freight Corridor Improvement Program would target funds to the states based upon the number of bottlenecks in the state, the number of critical corridor lane miles in the state and the amount of truck traffic on those corridors. Washington would be in an excellent position to take advantage of this new federal funding program if we had the data to document where the bottlenecks are on our corridors and can propose solutions to correct the chokepoint problem.

This data base, coupled with the data from the Transportation Commission’s rail study will provide state policymakers with the information they need to make informed freight investment decisions and the scale of the benefits to be achieved.

The data base would be developed through the cooperation of the Freight Mobility Strategic Investment Board, the Washington Trucking Association, Nextel, TransNow, Strategic Freight Transportation Analysis, ATRI and others. TransNow has agreed to provide a partial match for the project and additional federal funds will be sought to match the state’s commitment.

FMSIB is requesting $320,000 in state funds to match TransNow and other Federal funds that the Board will seek for a total program cost of $640,000.

Projects Starting Construction in 2007-09

Project 29
East Marine View Drive Widening – Everett
Improvement to the route will enable freight to travel efficiently between the industrial and port areas in Everett and the I-5 freeway.

Project 44
Havana Street / BNSF Grade Separation – Spokane
Grade separation project over the mainline BNSF railway. The project is located in an existing commercial area and is connected to the improvements at Freya Street. If the bridge is built first it is expected to save the Freya Street project about $2M.

Project 52
70th and Valley Ave Widening – Fife
The widening of the route from two congested truck lanes to four lanes will provide better mobility and safety. Completed project is expected to relieve 33 hours of truck delay daily. When completed, an existing at-grade crossing of the UP railroad will be closed.
2007 Recommendations

New Projects Seeking Funding:

**Project 35, 59, 60 – Enhancement**

**Green River Valley Rail Sidings – Kent**

Geographic limitations threaten the construction of six grade crossings on the BNSF Railway and Union Pacific Railroad. Traditional construction of shooflies enables trains to bypass construction and are then removed when construction is complete. The shooflies average about $2M each. Instead of constructing shooflies this project would construct sidings on both the UP and BNSF Railway that would allow the construction to take place and afterward would provide a holding area for trains off the mainline tracks providing rail capacity for both railroads.

**Project 54**

**Granite Falls Alternate Truck Route (Phase 2)**

Project will construct an alternate route north of downtown Granite Falls to accommodate heavy gravel and logging truck traffic. The new route will shorten travel time; improve congestion and safety for residents of Granite Falls.

**Project 64**

**Port of Tacoma Road Interchange**

**Fife**

The project will construct an at-grade off-ramp for trucks to leave southbound I-5 and travel to the Port of Tacoma docks. Additional enhancements will improve the access road and add a second lane for traffic from the Port of Tacoma to access southbound I-5.

**Project 65**

**Freya Street Bridge**

**Spokane**

The existing bridge that connects SR-2 an I-90 is structurally and functionally obsolete and will be replaced with a new bridge that will also provide added clearance for train movement below.

**Project 66**

**Port rail access and Track Extension**

**Vancouver**

Full unit grain trains will be able to be accommodated on port property rather than taking up capacity on the mainline when the extension is completed. The Vancouver Wye improvements will remove a chokepoint for both the BNSF and UP railroads.

Projects Receiving Phased Funding:

The following projects received initial funding during 2005-07 and have begun construction. The second phase of funding to complete the project is scheduled for the 2007-09 biennium.

**Project 10**

**Lincoln Avenue Grade Separation**

**Tacoma**

**Project 15**

**Shaw Road Extension**

**Puyallup**

**Project 25**

**SR 125 to SR12 Interconnect (Myra Rd.)**

**Walla Walla**

**Project 36**

**City of Yakima Grade Separated Rail Crossings**

**Yakima**

**Project 47**

**Strander Blvd / SW 27th Street Connection**

**Renton**

**Project 57**

**SR 202 Corridor – SR 522 to 127th Pl. NE**

**Woodinville**
## 2007 Recommendations

### Freight Mobility Strategic Investment Board 07-09 Agency Request

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Total Cost</th>
<th>FMSIB Total</th>
<th>05-07</th>
<th>07-09</th>
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<td>6,000,000</td>
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<td>* see below</td>
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<tr>
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<td>2,000,000</td>
<td>4,000,000</td>
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<td>750,000</td>
<td>1,750,000</td>
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<td>18,950,000</td>
<td>35,680,000</td>
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</table>

### Emerging Projects requiring funding:

| Port of Tacoma Rd Interchange - track access                                | 38,000,000 | 8,000,000   | 0      | 8,000,000      |
| Freya St Bridge                                                             | 12,850,000 | 2,720,000   | 0      | 2,720,000      |
| Port of Vancouver on-dock rail exten. & Wye improvements                    | 56,200,000 | 10,000,000  | 0      | 10,000,000     |
| *Green River Valley BNSF & UP industrial lead track                        | 20,000,000 | 6,000,000   | 0      | 6,000,000      |
| Totals                                                                      | 127,150,000| 26,720,000  | 0      | 26,720,000     |

### Currently unfunded - timing must precede Alaska Way Viaduct CN

| Spokane Street Viaduct                                                      | 146,500,000| 25,000,000  | 0      | 25,000,000     |

**Lincoln Ave Grade Separation seeking additional funding for increased project cost**
## Projects and Facts

### Freight Mobility Strategic Investment Board Project List

<table>
<thead>
<tr>
<th>Rank</th>
<th>Agency</th>
<th>Region</th>
<th>Project Name</th>
<th>Current Cost ($ millions)</th>
<th>FMSIB Share ($ millions)</th>
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