

A Steady Partner in Turbulent Times

Freight Mobility Strategic Investment Board 2009 Annual Report





- Patricia Otley**
Chair
Citizen representative

Clifford Benson
Retired, Westwood Shipping Lines
Steamship representative

John Creighton
Commissioner, Port of Seattle
Port districts representative

Dave Edler
Mayor, City of Yakima
City representative

Terry Finn
Director of Government Affairs, BNSF Railway
Railroad representative

Rebecca Francik
Council member, City of Pasco
City representative

Dave Gossett
Council member, Snohomish County Council
County representative

Paula Hammond
Secretary of Transportation
Washington State Department of Transportation representative
- Steve Holtgeerts**
President, Hogland Transfer Company, Inc.
Trucking representative

Larry Paulson
Executive Director, Port of Vancouver
Port districts representative

Brian Ziegler
Director of Public Works and Utilities, Pierce County
County representative

Teresa Berntsen
Transportation Policy Adviser to the Governor
Governor's representative

Ex-Officio
Brock Nelson
Director of Public Affairs for Oregon and Washington
Union Pacific Corporation
- FMSIB Staff**
- Karen Schmidt**
Executive Director

Marsha Gehring and Donna Velej
Confidential Secretary (shared position)

Annual Report Writing and Design
Lund Consulting, Inc. and Jennergy, Inc.

Cover Photos: SR 519

Executive Summary:
A Steady Partner in Turbulent Times

It is hard to imagine a more difficult economic year than 2009. There has been an array of bad news with nary a bright spot on the horizon, and the horizon seems ever distant. Economists tell us that the freight sector will not be leading the anticipated economic recovery, and may be the last to recover.

So why is freight mobility necessary now, of all times? And why continue to invest in freight mobility projects? This, the 12th annual report of the Freight Mobility Strategic Investment Board, answers those questions.

The Freight Mobility Strategic Investment Board (FMSIB) Creates Economic Value
Economic value can be interpreted in many ways: cost savings, benefits to freight carriers and communities, and infrastructure investment, to name a few. But, in today's critical climate, economic value can be stated in one word—**jobs**. From the 228 direct (and 456 indirect) jobs created as a result of the Lincoln Avenue grade separation in Tacoma, to the 100 workers building the Shaw Road extension in Puyallup, FMSIB's dozens of investments are creating thousands of jobs all across Washington State. Not only are near-term jobs created but freight movement is essential to sustainable economic activity.

Partnerships Create Synergies
One of FMSIB's strengths is in its ability to form partnerships across jurisdictions, modes, and funding sources. Partnering has been crucial to getting many projects off the ground and to completion. One aspect of partnerships is FMSIB's ability to leverage investments at the rate of five dollars for every FMSIB dollar invested. This leveraging ability has enabled many projects to close funding gaps and get underway.

Another FMSIB strength is the depth and quality of expertise of the Board volunteers. Board members bring real world credibility to project selection and development. They are also able to facilitate decisions among stakeholders to ensure successful outcomes.

FMSIB also acts as a partner by providing technical assistance, and advocating on behalf of local communities to implement projects. FMSIB has earned a reputation statewide as an unbiased third party with an ability to negotiate agreements and achieve results.

Investments Assure Long-Term Economic Strength
Washington is a trade-dependent state. Advantageous ports and a smooth flowing freight mobility network are essential to maintaining our state's position in the world. Even as the economy turns sour, Washington's competitors, from Canada to Panama and California to Charleston are continuing their capital programs to upgrade and expand their facilities improving freight movement to key supply centers.

In order for Washington to maintain its advantage in the world economy, investments in freight mobility must continue. For over twelve years, FMSIB has been a partner with communities, organizations, modal carriers, and agencies of government to provide long-term investments for our state's trade-based economy.

Innovation and Flexibility Keep Freight Movement Sustainable
FMSIB partners in both the public and private sectors have incorporated green technology and sustainability into their growth strategies. One exciting example is the Port of Vancouver and the Union Pacific Railroad partnering in the carriage of wind tower components. Another example is the collaboration between the Port of Seattle and the Port of Tacoma to develop a strategy to reduce emissions without mandating costly solutions. This approach has resulted in initiatives such as the At-Berth Clean Fuels program, clean truck program, clean fuels and retrofit programs for cargo-handling equipment and shore power for vessels. Further, FMSIB projects improve air quality by removing chokepoints that cause traffic congestion. Construction processes include recycling, storm water management, and habitat restoration.



United States Senator Patty Murray, Royce Pollard, former Mayor of the City of Vancouver, Larry Paulson, Executive Director, Port of Vancouver, and Jay Manning, Chief of Staff for Governor Gregoire at the August 2009 dedication of Terminal 5, Port of Vancouver

For over twelve years, FMSIB has been providing funding and technical assistance for freight mobility projects in Washington state. As the only statewide agency dedicated to this mission, FMSIB has proved a steady partner to dozens of communities and agencies throughout the state, helping to support and strengthen the state's trade-dependent economy. The economy is always at the forefront in FMSIB's decision making process, and never more so than today. Over one-quarter of FMSIB's project evaluation criteria consider a project's economic value.

FMSIB has a proud record of over 80 projects, active and completed. Every project addresses physical obstacles to swift and smooth freight mobility resulting in time saved, efficiencies enhanced, and jobs created.

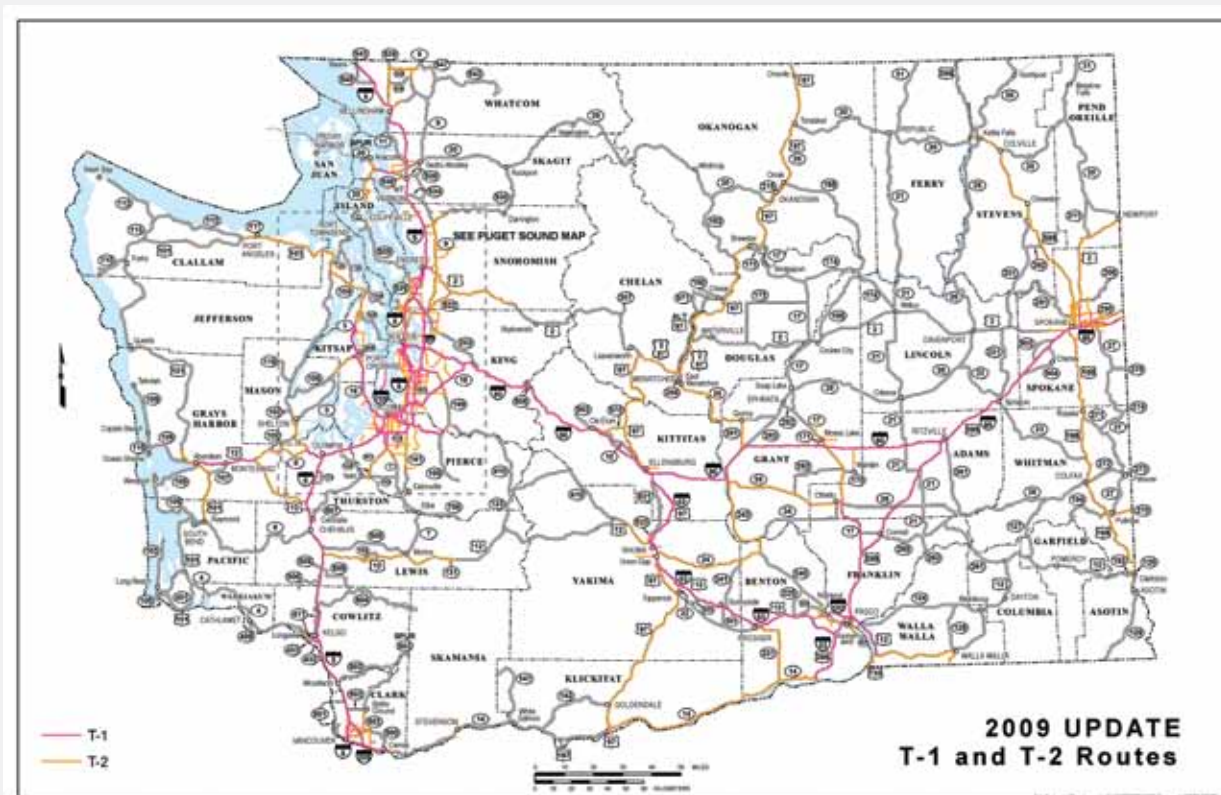
However, and particularly in this unprecedented economic time, it is important to remember the economic impact of FMSIB and its projects to

cities and towns across the state. Each FMSIB investment represents anywhere from several dozen to several hundred direct jobs. From Granite Falls to Vancouver, and from Puyallup to Yakima to Spokane, FMSIB's investments are not only supporting the state's economy through maintaining freight mobility, but they are supporting local economies by providing family wage jobs.

Given the condition of the economy, FMSIB has sought ways to maximize not only the financial leveraging of its investments, but has also sought other ways to strengthen its partnerships with communities and agencies statewide. FMSIB's volunteer board members have provided technical assistance free of charge to local project sponsors, assisting them in overcoming obstacles to funding or implementation, and negotiating on difficult legal or right-of-way issues.

“The Yakima area has the number-one farm value in the state and the 12th largest farm value in the nation. FMSIB is the only agency **primarily** focused on transportation issues that affect the business climate of the state such as moving freight from farm to market efficiently.”

— Dave McFadden, Yakima County Economic Development Director



FMSIB Strategic Freight Corridors

Over the past year, FMSIB has broadened its local outreach to include greater advocacy in project development and selection. For example:

FMSIB is developing a memorandum of understanding between partners for the Argo Truck Access Project. FMSIB was also instrumental in keeping the East Marginal Way grade separation project on course. With half a dozen participating entities, and tensions high, FMSIB was able to enter as an unbiased party, with the sole concern of bringing a freight mobility project to a successful completion. The right-of-way issues have been resolved, allowing construction to move forward, which it has as of November 2009.

FMSIB brought together public and private partners to facilitate the Tacoma Area Tideflats Study (TATS). FMSIB brought together Marine View Ventures, the economic development arm of the Puyallup Tribe, SSA Marine, the Port of Tacoma, WSDOT, City of Fife, City of Tacoma, and Pierce County to jointly fund this strategic system study for coordinated freight growth.

As a lean and efficiently run agency, operating with only two fulltime staff and a board of volunteer professionals, FMSIB is able to provide the strong leadership and partnering that are more necessary than ever in these economic times.



Argo Truck Access Facility

continued on next page



Local Investment Preserves Washington's Global Advantage

Headlines in 2009 tell a grim story for freight and trade. Trade has shrunk at a rate that is unprecedented in our lifetimes. Railroads, container lines, trucking, and ports have all been struck by the global economic crisis. No sector of the world's economy has been untouched by events that have unfolded since the autumn of 2008.

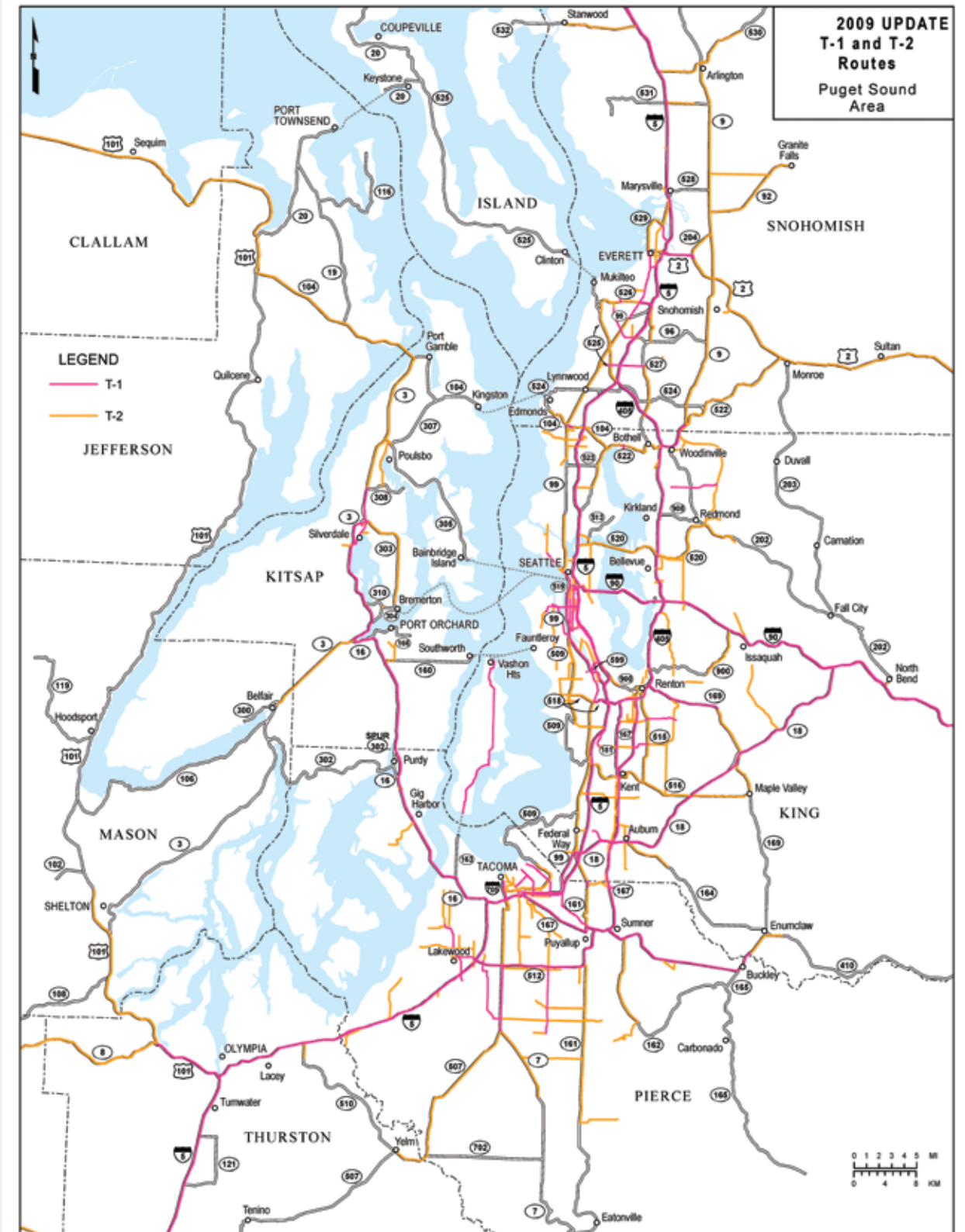
Yet, now is precisely the time to reinforce and strengthen Washington's position as a trade and freight center for the nation and the world. Canada and Mexico, with heavy government investment, continue to develop competitive ports for the Asian trade. Prince Rupert in Canada and Punta Colonet in Baja, Mexico, for example, will provide direct long-distance rail links to Chicago and Kansas City as part of their development and expansion. In Panama, the canal widening shows no sign of slowing during the recession. By 2014, the improved Panama Canal will open East Coast ports, such as Charleston and Savannah, to Asian routes, avoiding the West Coast entirely.

On the West Coast, the ports of Los Angeles and Long Beach have a built-in advantage—the enormous local market for international trade in the populous southern California basin—that will continue to give these ports a competitive edge over Washington state.

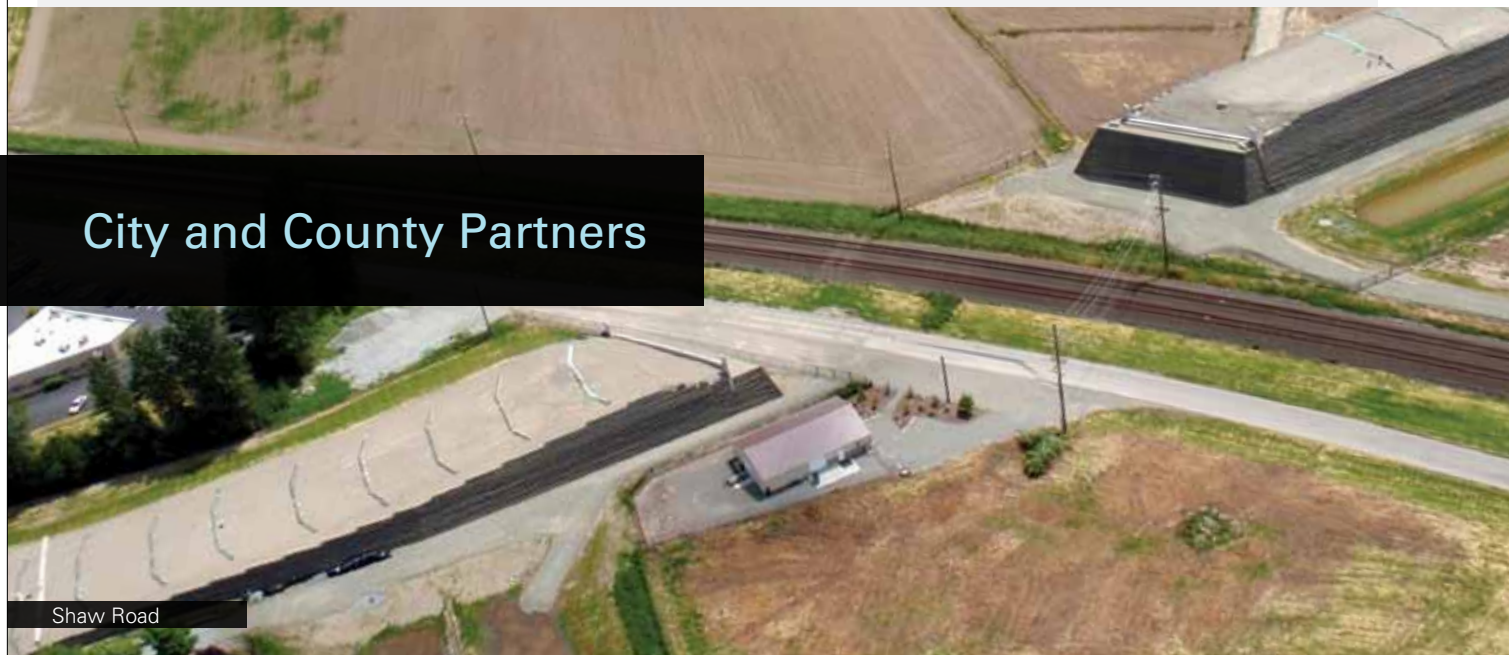
However, Washington's ports still have the advantage of a one-day savings in shipping time to Asia. Smoothly moving trains, trucks, and containers into, through, and out of our deepwater ports will ensure that this timesaving advantage is preserved. Investments in freight mobility will ensure that the entire state continues to benefit from trade. Trade has long been important to the state's economy, and continued investment in freight infrastructure is essential to keeping Washington ahead of the competition. Washington's reliance on trade has been a key strength. A continued investment in freight mobility will help Washington State to come through these challenging times stronger than ever.



Port Freight Movement



FMSIB Puget Sound Strategic Freight Corridors



Shaw Road

Every trip begins and ends on a county road or city street – from farm or warehouse – to rail yard or deepwater port. Over the past decade, the cities and counties of Washington state have been FMSIB's partners in improving freight mobility, serving on FMSIB's board, and using local funds to leverage FMSIB dollars.

Cities and counties work hand in hand with FMSIB to ensure that freight mobility projects remain on schedule and on budget. FMSIB at times uses its volunteer expertise to assist in difficult right-of-way negotiations, or creates phases for large-scale projects with multiple contracts, to ensure that the project continues to move forward.

The movement of freight through the communities of our state also comes with a responsibility by the freight carriers to complete their haul with as little disruption to the community as possible. That is part of FMSIB's mission, and we are pleased to be able to point to a mitigation benefit in nearly every FMSIB funded project that passes through a city or county.

“We have businesses that serve every country on the globe, and they're all dependent on a smoothly functioning freight mobility system. FMSIB is the glue for successful freight mobility projects.”

— Tim LaPorte, Public Works Director, City of Kent

For the communities, the benefits include an economic benefit that derives from freight mobility and there is the added benefit of improved safety and traffic flow. For example, in Kent, FMSIB is helping to fund the elimination of two of the worst-five at-grade crossings through that city, South 212th Street and South 228th Street. At-grade rail crossings add up to two hours of vehicular traffic delay each day in Kent, a significant cost in terms of manpower, fuel, and environmental degradation. The grade separations will speed up BNSF and UP, and speed travel time for traffic on local streets.

Another investment with community benefit is the Shaw Road extension project in Puyallup. It will not only improve freight and traffic flow through Puyallup, but it is also providing 90 to 100 construction jobs. Ultimately, according to the city manager, the project will contribute to an additional 5,000 new jobs in the region.



The trucking industry remains a resilient component of the nation's economy. Trucking is able to adjust operations and costs quickly. Trucking has the ability to pick up and deliver at any location. Despite a shrinking economy through most of 2008 and 2009, the industry continued to carry the bulk of the nation's freight, totaling 69 percent of all freight tonnage in the United States in 2008.

The trucking industry's research institute recently released a list of the critical issues facing the North American trucking industry. The nation's economic condition topped the list and government regulation came in as the second. Highway congestion also continues to be a concern. The trucking industry has been consistent in conveying their concerns to policy makers about the significant costs of traffic congestion and delay. Truck delays lead to higher shipping costs, affecting consumers too.

Industry recommendations include:

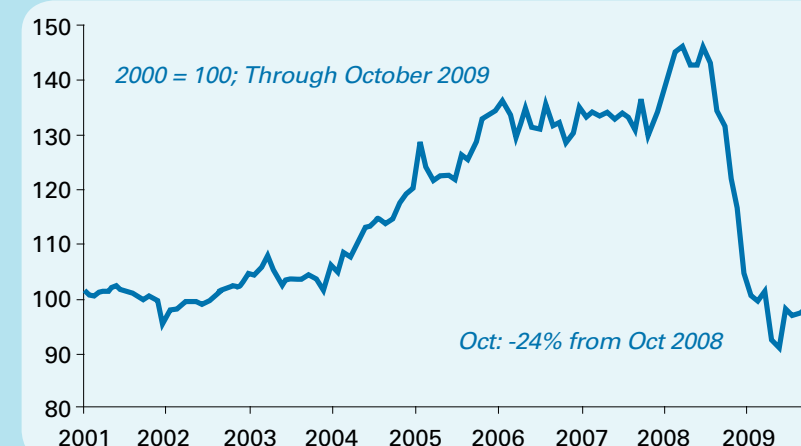
Focus funding on addressing the most critical highway freight bottlenecks. As transportation system funding becomes increasingly scarce, there is a need to target limited resources on those transportation bottlenecks that most hinder freight mobility.

Continue to educate and inform decision makers of the negative impacts of congestion. There is mounting evidence that traffic congestion and deteriorating infrastructure are creating larger secondary societal costs relating to safety, air quality and energy consumption.

Develop a national freight strategy and promote the economic, environmental and quality of life benefits of a more efficient freight transportation system.

ATA's For-Hire Truck Revenue Index

American Trucking Association data showing decline in for-hire truck revenue through October 2009.



Freight Rail Services



Credit: Don Wilson/Port of Seattle

Both transcontinental railroads connecting Washington state with points east have initiated operational improvements to enhance their services. Streamlining travel time and running longer trains are two of the efficiencies that both railroads have accomplished.

BNSF now runs 8,000-foot trains from the Puget Sound region, compared to 6,200 feet just three years ago. BNSF is offering an express international container service from Tacoma and Seattle to Chicago and Memphis, cutting transit times by six to twelve hours.

One of the biggest stories of 2009 was the proposal by Berkshire Hathaway to acquire 100 percent ownership of BNSF.

The transaction, which is subject to federal approval, is valued at approximately \$44 billion and demonstrates that even investors are focused on the importance of the freight infrastructure to the nation's economic future.

Berkshire Hathaway's chairman and CEO, Warren Buffett, described this as his companies' biggest deal ever.

In addition, BNSF has outfitted its largest yard in Seattle with all-electric, emission-free cranes and, in late 2009, was awarded \$500,000 in a grant from the federal Environmental Protection Agency (EPA) and the Puget Sound Clean Air Agency to retrofit switching locomotives with cleaner, more efficient engines to improve air quality.



“Our country's future prosperity depends on its having an efficient and well-maintained rail system. Most important of all, however, it's an all-in wager on the economic future of the United States. I love these bets.”

— Warren E. Buffett, Berkshire Hathaway chairman and chief executive officer.

Union Pacific Railroad (UP) made a strategic business decision in the past to pursue wind energy projects as a growth sector for rail transport. UP has more than doubled their wind energy business in a down market. A key factor in the choice of rail is the oversize characteristics of wind tower components.

Meanwhile, UP now operates trains up to 12,000 feet long. As a result of its efficiency improvements, Union Pacific has trimmed more than a day off its travel time to Chicago. UP has signed a lease to begin moving domestic intermodal cargo through the Port of Tacoma's south intermodal yard, adding to Tacoma's base of domestic container movements.

Since 2006, fresh Washington state produce has been shipping to New York state aboard UP's and CSX Transportation's dedicated produce unit train, Railex. A 55-car train consists of refrigerated boxcars that can carry as much as four truckloads of produce each. The refrigerated boxcars are a new generation of 64-foot railcars with enhanced insulation, energy efficient cooling systems and GPS monitoring to ensure proper temperature control. The high-speed travel time - 124 hours - is partly achieved by keeping the train intact from its loading point until arrival as a "unit" at its destination.

Railex was created to link the needs of growers, shippers, and manufacturers with retail, foodservice, and overall distribution to industry specific clients. The unit train is designed to carry products such as apples, pears, onions, potatoes, and beverages such as Washington state wines.



Wind Turbine Blade

Joe Fraser, Ste. Michelle's vice president of operations and supply chain, said the winery has been using Railex for more than a year to ship and store its wine.

Additionally, both railroads are continuing to invest in track and right-of-way maintenance. Although the recession has dealt a blow to all freight carriers, railroads remain focused on the future and continue to partner with FMSIB and local communities to remove the conflicts and bottlenecks that inhibit freight movement.

For example, the West Vancouver Freight Access Project will provide new access to the BNSF mainline and reduce congestion in its Vancouver yard. In Seattle, UP and BNSF will benefit from grade separation projects now underway at East Marginal Way.

The railroads' continued investment and partnership with FMSIB and Washington communities contributes to a healthy freight mobility network.



Zim Djibouti at Port of Seattle

Container Shipping

The economic downturn has affected all facets of the international supply chain, including the business of ocean carriers. Shipping has declined in the double digits over the past year. To remain competitive, some container shipping companies made a series of global decisions that had local consequences. Resource allocation assessments and new alliances among ocean carriers prompted shifts in ports of call. These shifts have been felt at Washington’s principal ports, with gains and losses at each.

On the bright side, the Asia-led economic recovery is boosting exports from the United States to Asia. Washington state is a significant exporter.



Container Ship

Specialized Carriers

Barges, tankers, deep-water vessels, and other specialized vessels are also part of Washington’s trade-dependent and freight-moving economy. Barges call at the grain terminals and container ports along the Columbia River. Specialized vessels carry forest products, machinery, and bulk cargo. Oil tankers move crude product, and carry refined petroleum products from the state’s northwest to markets throughout the multi-state northwest.

Efficiency and cost-effectiveness along well-maintained freight water networks are of crucial importance to the state’s maritime and cargo interests.



River Barge

The Port of Everett

The Port of Everett’s strategic and business diversification plan are helping the port weather the current economic storm. The port has worked to replace lost business with special project cargoes. Petroleum machinery, aerospace cargoes and renewable energy products have helped offset the downturn, and are fueling new business for the domestic and international markets.

FMSIB’s investment in the California Street Overcrossing reduced traffic delays and made rail, truck, and passenger movement more efficient and safer. Thus, despite the slowing economy, the port’s shipping business is able to generate significant economic benefit. More than 30,000 jobs are related to port activity. The aerospace business associated with the port accounts for nearly 27,000 jobs in the community. The port’s activities support \$2.7 billion in total wages, salaries, and local consumption expenditures. The port plans to keep investing in infrastructure and its comprehensive plan of capital improvement projects.

The Port of Seattle

The Port of Seattle has four projects on which it has partnered with FMSIB. Two projects were completed in 2009 and two are underway. These projects include capacity improvements at SR 518, intelligent transportation systems in the Duwamish industrial area, and grade separations at SR 519 and at East Marginal Way.

Travel time and safety improvements were completed over the summer on SR 518 near Sea-Tac Airport. In the Duwamish industrial area, the final phase of an intelligent transportation system project will manage traffic signals and ease freight traffic flow. Two grade separation projects are underway to remove rail-vehicle conflicts. East Marginal Way in the Duwamish industrial area is being relocated to run up and over the rail tracks near major freight distribution centers. At SR 519 in Seattle’s SoDo industrial district, car, freight,



SR 519 Project

pedestrian and rail traffic will all be separated to improve mobility, pedestrian safety, and to reduce the risk of collisions.

Air Emissions from Ships Decline at Port of Seattle

For several years, the port has been quantifying and reducing emissions from its operations. In a comparison study of the carbon footprint of various cargo routes between Asia and the US Midwest, Puget Sound emerged as the “Green Gateway” for Asian trade. Port studies also show that sending goods inland by rail is more sustainable than shipping via the all-water route through the Panama Canal. Together with the Port Metro Vancouver and the Port of Tacoma, the Port of Seattle adopted the Northwest Ports Clean Air Strategy in 2007.

continued on next page

The Ports *(continued)*

The ground-breaking agreement creates a regional framework for reducing port-related diesel emissions, creating short- and long-range target reductions for ocean-going vessels, port drayage trucks, and cargo-handling equipment. Though the reduction goals are shared, each port has created programs that best address their facilities and customer base.

The Port of Seattle has created the innovative “At-Berth Clean (ABC) Fuels” program that reduces sulfur dioxide by 80% and diesel particulate matter by 60%. About 35% of the vessels that make frequent calls at the port are participating in ABC Fuels. Sulfur dioxide emissions from those vessels have declined by more than 20 tons.

New Service and New Larger Ships Calling

Ocean carriers Maersk and CMA CGM introduced a new joint service to Seattle in 2009. In addition, three services upgraded the size of vessels calling at the Port of Seattle. One of these services includes the largest container ship ever to call at the Port of Seattle: the 10,000-TEU (twenty-foot equivalent unit) ZIM Djibouti. The Djibouti links Seattle to Singapore and Hong Kong. The Port of Seattle’s demonstrated capability to handle very big ships is good news for shippers that want to

take advantage of superior intermodal connections, as well as for Pacific Northwest exporters who want to reach customers in Asia.

Port of Tacoma

The Port of Tacoma has used this year of economic downturn to sharpen its focus on customer success, cost-effective operations, efficiency, and reliability. Preparation for redevelopment of new marine terminals is underway on the Blair-Hylebos Peninsula, positioning the port for growth as economic conditions improve. In 2009, the FMSIB funded Lincoln Avenue grade separation project got underway. The project raises the road over the nearby railroad tracks in order to eliminate the at-grade conflict between rail and heavy vehicular traffic. This project will be complete in 2011.

The FMSIB funded D Street grade separation and rail realignment, completed in 2008, has had positive benefits by allowing trains that formerly crept through the heart of Tacoma’s industrial tide flats to now cruise along at 30 miles per hour.

The Port of Tacoma continues to be an economic anchor in the Puget Sound region, with approximately 4,700 jobs directly dependent on the port’s activities.



Lincoln Avenue Ground Breaking



Port of Tacoma Lincoln Avenue

Port of Vancouver

The Port of Vancouver, situated at the terminus of the Columbia River’s deep draft channel, provides a gateway to the river-barge ports of Eastern Oregon/Washington and Northern Idaho. It is the transfer and switching center for four major railroad lines serving North America: BNSF, UP, Canadian National and Canadian Pacific Railroads. Terminal 5, the port’s new 218-acre property, is on a deep-water channel, and will have access to two rail lines.



Vancouver Freight Access

Because 70 percent of its cargo is transported by rail, the port’s success depends on continuing service from the major national rail lines. The number of rail cars transporting freight through the port increased 32 percent in 2007 to 57,500. That number is projected to grow to 160,000 rail cars annually by 2025.

Once completed, a new rail system will make it possible for unit trains up to 110 rail cars (over a mile in length) to enter the port intact. The port began construction in January 2009 of a FMSIB funded project: the West Vancouver Freight Access Project. The Freight Access Project creates a new rail access into the port that bypasses a chokepoint at the current entry for port trains. The project will also clear the way for development of Vancouver’s urban waterfront west of the Interstate 5 bridge.

The port’s wind energy imports continued to grow in 2009, with about 3,300 turbine components contributing to nearly 235 jobs. The port also completed construction of an intermodal rail yard to ship tower and blade components to the Midwest and Canada.

FMSIB Funding Process and Criteria

All projects funded by FMSIB are selected through a rigorous and transparent process. FMSIB staff issues a call for projects and provides funding guidelines. The criteria below are used to score projects for selection.

- Freight Mobility for the Project Area
 - Freight Mobility for the Region, State, & Nation
 - General Mobility
 - Safety, Freight & Economic Value
- Environment, Partnership
 - Consistency with Regional & State Plans
 - Cost
 - Special Issues

Lincoln Avenue, Port of Tacoma

Trains arriving and departing the Port of Tacoma average 8,000 feet in length. This project raises Lincoln Avenue over key railroad tracks in the Port area, removing the at-grade conflict between rail activities and heavy vehicular traffic. Lincoln Avenue is the primary connector between Interstate 5 and the port for a high volume of trucks. Rail switching operations and mainline trains cause vehicular delays of up to 30 minutes every two hours on Lincoln Avenue.



Lincoln Avenue Construction

Construction of the Lincoln Avenue grade separation began in September 2009. Completion is estimated for May 2011. Upon completion, the grade separation will significantly improve rail and road efficiency, as well as air quality.

This project benefited from seven different funding partners. FMSIB's \$10.2 million contribution leveraged an additional \$36.6 million from other sources.

Freya Street Bridge, City of Spokane

Freya Street is a T-1 designated truck route through Spokane carrying heavy volumes. It is the only north-south heavy freight corridor through the city. The deteriorating condition of the Freya Street Bridge had resulted in weight restrictions impeding freight movement. The Freya Street bridge project consists of constructing a new bridge across the BNSF's main lines and branch track. Two structurally and functionally obsolete bridges will be replaced by one new bridge with wider travel lanes. A more gradual grade will improve vertical alignment and minimize sight-distance issues.



Freya Street Bridge Replacement Project

Groundbreaking for this bridge took place in August 2009. Most of the demolition of the old bridge has taken place. Footings are in place, and piers are being formed. Girders are to be in place by December 2009. The completed bridge will be open to traffic in the summer of 2010.

The new project will yield travel-time savings for truck freight traffic, and improve safety for drivers. Pedestrians will also benefit from the construction of new, wider sidewalks on the bridge.

Granite Falls Alternate Route (SR 92 to Mountain Loop Highway)

For many years logging and quarry trucks have been traveling along State Route 92 to a narrow two-lane street through downtown Granite Falls. There have been as many as two trucks every three minutes traveling through town.

The 1.9-mile alternative route will divert truck traffic away from the town of Granite Falls and away from the Granite Falls Middle School, improving public safety. The alternative route will serve as a strategic freight corridor for the region, improving freight mobility, reducing congestion as well as improving public safety. The new road will head north from State Route 92 west of Granite Falls and curve eastward around the city and connect to the Mountain Loop Highway. The project will create as many as 50 jobs.

Groundbreaking took place in July 2009 and completion is scheduled for summer 2011.



On July 2, 2009, FMSIB Boardmember and Snohomish County Councilman Dave Gossett, U.S. Senator Patty Murray, U.S. Congressman Rick Larson, Snohomish County Executive Aaron Reardon, citizens, and other state and local officials gathered to celebrate the long-awaited groundbreaking of the alternative Granite Falls route.

continued on next page

“The Freight Mobility Strategic Investment Board (FMSIB) and its Executive Director Karen Schmidt have been great partners with the City of Spokane. We appreciate their assistance with two significant projects-- replacement of the Freya Street Bridge and the placement of our new Havana Street Bridge. These projects are creating jobs for Spokane citizens and ultimately will improve freight mobility and commerce in our community.”

— Mayor Mary Verner, City of Spokane

FMSIB Projects Breaking Ground in 2009 *(continued)*

West Vancouver Freight Access Project

The West Vancouver Freight Access Project will create a state-of-the-art unit train facility at the Port of Vancouver and increase capacity for rail freight flowing through the port and along the BNSF and UP mainlines.

The port has already constructed the first phases of the project, providing new access to the BNSF mainline, enabling the City of Vancouver's plans for a new mixed-use waterfront development to progress (a \$1.3 billion project) and providing new rail service to two industrial businesses.

In March 2009, the port completed the purchase of the Alcoa Aluminum and Evergreen Aluminum properties in order to build unit train access and create the new Terminal 5.

Construction of the Terminal 5 Loop Track began in late fall, 2009, enabling port access to full sized unit trains. The Terminal 5 track will be complete by June 2010.

The entire West Vancouver Freight Access Project will be completed in 2017. The end result of this project will be to provide infrastructure that BNSF and UP will use to separate and then assemble unit trains within port facilities, as well as reduce congestion in the close by BNSF yard. With the completion of the Freight Access Project, the port will more than double its miles of track to serve present and future customers.

This project will enable the Port's tenants and customers to obtain volume discounts for rail freight and thus reduce reliance upon highway transportation. It will also reduce environmental impacts from highway transportation, drainage into waterways, and reduce noise and airborne emissions created by rail congestion. Construction of this project will result in 1,900 direct construction jobs and once completed will preserve the economic competitiveness of the port and associated jobs.



U.S. Senator, Patty Murray, speaking at the "Breaking Ground on New Jobs" event held in August 2009 dedicating Terminal 5 and breaking ground for a new unit-train facility.

FMSIB Projects Ongoing During 2009

**Shaw Road extension, Puyallup
(City of Puyallup)**

The Shaw Road extension will provide a grade separation bridge over the BNSF railroad tracks through a new roadway alignment extending Shaw Road to a new terminus at East Main Street with direct access to SR 410. The extension of Shaw Road will be a five-lane section with new signal and intersection improvements at East Main Street and East Pioneer Street.



Shaw Road Extension

This project has three phases. Phase 1 is complete. It included demolition of two buildings, ground stabilization, bridge approach fills, and storm water facilities. Phase 2 is construction of the bridge over the BNSF tracks. The final bridge deck pour was completed in August 2009. The deck can now be used for construction staging across the BNSF tracks, aiding in the construction of Phase 3. Phase 3 will include intersection and signal improvements at East Main Street and East Pioneer Street, roadway, sidewalk, curb, gutter, streetlights,

guardrails and a new railroad crossing over the Meeker southern spur. The completed project is expected to be open in the summer of 2010.

Duwamish Intelligent Transportation System (ITS) (City of Seattle)



With this FMSIB project, the City of Seattle is implementing the third and final phase of ITS traffic technology in the Duwamish area. The City completed some portions of phase three in August. The project will be completed in early 2010. The ITS investments include additional message signs to notify drivers of bridge or construction-related traffic delays; additional traffic cameras to monitor train, truck and general traffic conditions; installation of message signs at the First Avenue South bridge approaches to announce delays, and traffic detection equipment to improve response to real-time traffic conditions.

continued on next page

“The Shaw Road extension project is a much-needed boost to the local economy. FMSIB provided advocacy support to secure federal funds and remained flexible and responsive throughout their work with the city.”

— Gary McLean, City Manager, City of Puyallup

Better driver information and faster travel times will ease freight traffic flow through the Duwamish industrial area.

East Marginal Way Grade Separation, Seattle (Port of Seattle)

The Port of Seattle is using FMSIB funding to help construct a grade separation on Duwamish Avenue, south of Spokane Street. The project will relocate East Marginal Way through this corridor and improve access to port terminals, UP and BNSF rail yards, and manufacturing and distribution centers. The new overpass will route traffic over existing train tracks that serve Harbor Island, West Seattle, and the south downtown industrial area. The track to be separated connects on-dock rail at the port's Terminal 5 to the rail mainline.

The project will eliminate traffic delays on East Marginal Way caused by trains crossing at grade level. Area-wide benefits include reduced congestion, more efficient intermodal transfers, and improved air quality.

Groundbreaking for this project took place in June 2007. Right-of-way acquisition was completed in September 2009, and tenants were vacated.



East Marginal Way Grade Separation

Construction on the final project phase began in November 2009, and will be completed in summer 2011.

Valley Avenue, Fife (City of Fife)

In the first phase of this FMSIB project, approximately one mile of Valley Avenue East will be widened from two lanes to four lanes, between 70th Avenue East and Freeman Road. In phase 2, 70th Avenue East will be widened from two lanes to five lanes between 20th Street East and the UP tracks. Additional project improvements include traffic signals, additional turn lanes at intersections, illumination, stormwater treatment and detention facilities, wetland mitigation, sidewalks, bike lanes and planting strips. A future phase 3 will include a grade-separated crossing for 70th Avenue East at the UP tracks.

Construction work on the 70th Avenue culvert replacement at Wapato Creek has been completed. Construction work on Valley Avenue is now underway. Project benefits include the elimination of vehicle and train conflicts, reduction in delays, and improvements to freight mobility between Fife, Sumner, Puyallup, and the Port of Tacoma.

Agency	Region	Project Name	Current Cost (\$ Millions)	FMSIB Share (\$ Millions)
Port of Seattle	PS-F	East Marginal Way Ramps	49.00	6.92
Port of Tacoma	PS-F	Lincoln Avenue Grade Separation (Phase1)	59.87	10.20
Seattle	PS-F	South Spokane Street Viaduct (ARRA funded)	0.00	0.00
Puyallup	PS-F	Shaw Road Extension	24.60	6.00
Pierce County	PS-F	North Canyon Road Extension / BNSF Overcrossing	25.00	2.00
Kent	PS-F	South 228th Street-Grade Separation (Phase 3)	26.00	2.25
Yakima	EW	City of Yakima Grade Separated Rail Crossing	42.77	7.00
Seattle	PS-F	Duwamish Intelligent Transportation Systems (ITS)	8.55	2.56
Seattle	PS-F	Lander Street Overcrossing	152.00	8.40
Spokane Co	EW	Park Road BNSF Grade Separation Project	16.52	5.00
Spokane	EW	Havana Street / BNSF Separation Project	26.70	4.00
Renton	PS	Strander Bld. / S.W. 27th Street Connection (Phase 1)	54.70	4.00
Spokane Co	EW	Bigelow Gulch Rd/Urban Boundary to Argonne Rd (Phase 2)	25.70	4.00
Auburn	PS	M Street Southeast Grade Separation Project	33.64	6.00
Seattle	PS	Duwamish Truck Mobility Improvement Project	7.18	2.80
Fife	PS-F	70th and Valley Avenue Widening	36.80	2.00
Pierce Co	PS	Canyon Road Northerly Extension	36.50	3.00
Snohomish Co	PS	Granite Falls Alternate Route	29.00	3.20
Woodinville	PS	SR 202 Corridor Improvement (Phase 2)	6.50	1.75
FMSIB	PS	East Marginal Way Truck Crossover (See project 3)	2.00	.99
Kent	PS	South 212th Street Grade Separation	83.00	10..
Kent	PS-F	Willis Street Grade Separation	81.00	4.00
Fife	PS	Port of Tacoma Road Truck Slip Ramp	9.00	3.00
Spokane	EW	Freya Ave Bridge	12.80	2.72
Port of Vancouver	WW	Port Rail Access	137.00	10.00
FMSIB	PS	Green River Valley BNSF/UP Industrial Track	30.00	8.00
Lacey	WW	Hogum Bay Road Slip Ramp & Road Improvements	12.00	8.00
Walla Walla	EW	Myra Road at Dalles Military Road Intersection	3.87	8.00
Tacoma	PS	SR 99/Puyallup River Bridge	30.00	5.00
Port of Seattle	PS	E. Marginal Way/Diagonal and Argo Electronic Gate Access	12.00	6.00
Tacoma	PS	SR 509/ D Street Ramps	19.00	6.00
Everett	PS	Port of Everett to Interstate 5 Freight Improvements	4.30	0.40
Totals			1,096.50	189.19

SR 518 - Sea-Tac Airport to Interstate 5 / Interstate 405 Interchange (Port of Seattle/WSDOT)

Eastbound mobility from Sea-Tac Airport to Interstate 5 and Interstate 405 was made safer and more efficient in early June 2009, when a new eastbound lane was completed on SR 518. Traffic growth on eastbound SR 518 had created difficult merge conditions for drivers attempting to merge onto Interstate 5 and Interstate 405. FMSIB helped fund this project that is improving traffic flow for air cargo trucks and other vehicles during airport and freeway rush hours thereby yielding travel-time savings. The new lane on SR 518 also improves safety by simplifying the merge from the North Airport expressway. This newly completed project will reduce airport congestion and delays.

S. 228th St. Grade Separation at BNSF Railway, phase 1 (City of Kent)

The project consists of constructing a roadway bridge on S. 228th St. over the BNSF railroad tracks. Approximately 50,000 cubic yards of embankment material were hauled from the west hill of Kent to construct the 30-foot high road embankment for the 132-foot-long bridge.

Utility relocation work on the project began in June 2008, followed by installation of additional utilities, drilling of shafts, and installation of stone columns for the bridge. Once all underground work was complete, the contractor began moving earth to the site and constructing the retaining walls for the road embankment, and the bridge itself. The project was completed and opened to traffic in November 2009 and dedicated in December 2009.

Other Significant Freight Projects Evaluated by FMSIB (Managed by WSDOT)

WSDOT manages projects that have been evaluated through the FMSIB process and have demonstrated a high value to freight movement. FMSIB fully supports the construction of these projects that will improve statewide freight movement.

Project Name

SR 519 Intermodal Access Project (Phase 2)
SR 509 South Access Completion (Phase 1)
SR 167, I - 5 to SR 509 to Port of Tacoma
I-90 Snowshed
SR 28, SR 2 / 97 to 9th St.
I-90 Hyak to Easton truck improvements
SR 17 Pioneer Way to Stratford Rd Mobility Project
I-90 Sullivan Rd to Harvard Rd
U.S. 12/SR 124 Interchange



I-90 Snowshed Project

FMSIB No.	Agency	Project Name
6	Port of Longview	Port of Longview alternate rail corridor
8	Kelso	Allen Street bridge replacement
9	Port & City of Everett	California St. overcrossing/Port of Everett
11	City of Everett	41st St. railway crossing closure
12	Union Gap	Valley Mall Boulevard extension
14	Auburn	South 277th St. (BNSF & UP)
16	Prosser	Wine County Road
17	Pasco	SR 397/Ainsworth grade sep.
18	Tacoma	D Street, grade separation
19	Auburn	3rd St. SW/BNSF
21	Kennewick	Columbia Center Blvd. railroad crossing
22	Pierce County	8 St E/BNSF mainline grade sep
23	Tukwila	Bigelow Gulch Rd/Urban Boundary to Argonne Rd (Phase 2)
24	Colville	S. 180th St. grade separation
25	Walla Walla	SR125/SR 2 Interconnect (Myra Rd Ext)
28	Port of Kalama	Port of Kalama industrial bridge
29	Everett	E. Marine View Dr. widening
35	Kent	S. 228th St BNSF grade separation.
37	Seattle	Duwamish ITS (phases 1,2)
40	DOT/Walla Walla	US 12/124 to SR 730
41	Port of Kalama	Grain terminal track improve.
42	DOT/Pasco	US 395 Hillsboro St Interchange
45	Pierce County	Cross-Base Highway (phase 1)
B	Bremerton	SR 304 transportation improvement
H	Longview	SR432/3rd Avenue off-ramp
54	Snohomish Co.	Granite Falls alternate route (ROW)
56	Fife	Pacific Highway E./POT Road
57	Woodinville	SR202 corridor improvement (phase 1)
63	Everett	I-5/41st St overpass
66	Port of Vancouver	Port rail access (phase 1)
70	Longview	SR 432/SR 433 turn lane

FMSIB Mission

The mission of the Freight Mobility Strategic Investment Board (Board) is to create a comprehensive and coordinated state program to facilitate freight movement between and among local, national and international markets that 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. Freight mobility depends, to a great extent, on the efficiency of the state's multimodal transportation network to maintain our competitive position.

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

Contact Information

Freight Mobility Strategic Investment Board

Post Office Box 40965
1063 Capitol Way • Room 201
Olympia, WA 98504-40965

360.586.9695

www.fmsib.wa.gov