

Safeguarding Our Economic Future

Freight Mobility Strategic Investment Board 2010 Annual Report



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Cover photos: from left to right, truck leaving Valley Avenue in Fife; BNSF Railway train carrying Boeing fuselage to mid-west; Port of Seattle container ship; Lincoln Avenue grade separation construction at Port of Tacoma

Executive Summary: Safeguarding Our Economic Future

It seems everyone is watching for economic indicators that will give us hope the great recession is behind us and the future is prosperous. Reporters like to ask business leaders, “If you could choose just one economic indicator, what would it be?”

Many answer that **freight traffic** by rail, truck, ship, and barge **is that indicator**.

This, the 2010 Annual Report for the State of Washington, Freight Mobility Strategic Investment Board (FMSIB), demonstrates the commitment being made here in Washington toward accomplishing transportation projects that will support the freight movement needed for our economic strength.

Why is freight movement a good indicator of economic activity?

Freight movement reflects the amount of raw materials, manufactured goods, mail-order goods, products and supplies moving around the country every week, and should accurately predict the future direction of the overall economy.

Washington’s economy is highly dependent upon trade and reliant on our ability to compete in a global economy. In turn, freight mobility depends on the state’s multimodal transportation network working efficiently.

This annual report for FMSIB presents encouraging data about freight activity in our state and presents information about the progress being made in fixing freight chokepoints.

FMSIB’s role is to:

- Advocate for strategic freight transportation projects that bring economic development and a financial return to the state
- Focus on timely construction and operation of projects that support jobs
- Leverage funding from public and private stakeholders
- Cross modal and jurisdictional lines to create funding partnerships
- Serve as the de facto freight project-screening agency for state and federal policy makers

FMSIB is a unique entity with a very specific purpose. The 12-member board of FMSIB is appointed by the Governor and includes representatives from the public and private sectors, representatives who have first hand experience in the fields of freight transport and capital construction.

As a lean and efficient agency, operating with only two fulltime staff and a board of volunteer professionals, FMSIB provides the strong leadership and creates the partnerships needed to improve freight movement on strategic state corridors, to grow jobs and the economy, and to bolster Washington as a leader in international trade.

The Freight Mobility Strategic Investment Board’s core mission stands the test of time



“ FMSIB has a unique role: our focus is on getting projects built to improve freight movement, regardless of jurisdictional boundaries. We involve the freight community in the selection process for projects and in the solution to project challenges. We also bring together public and private partners that collectively can fund projects that are too expensive for one partner to build. FMSIB’s freight projects benefit the state’s economy and provide our citizens with their consumer goods. ”

— Patricia Otley, Chair, FMSIB

4 FMSIB Projects Completed in 2010

FMSIB PROJECTS COMPLETED



FMSIB board members Terry Finn, John Creighton, and Clifford Benson at the Freya Bridge project dedication in Spokane

What projects were completed in 2010?

- Duwamish Intelligent Transportation System (ITS) - Seattle
- Freya Street Bridge - Spokane
- Granite Falls Alternate Route – Granite Falls
- Port of Vancouver Loop Phase - Vancouver
- Shaw Road Extension - Puyallup
- 70th and Valley Avenue (Valley Avenue Phase) - Fife

✔ Duwamish Intelligent Transportation System (ITS), City of Seattle, Seattle DOT Lead

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 2009. The project was 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.



Oblique photo of the Duwamish industrial area, photo courtesy of the Port of Seattle



“FMSIB’s endorsement of a project gives a freight project credibility with funders and the business community. FMSIB has stayed focused on its mission and operates with great efficiency. The state needs to find the resources to modernize more of our freight transportation system and to help Eastern Washington producers with more freight access funding: we are reliant on freight and we are still trying to survive the economic downturn. ”

— Dave Edler, Council Member City of Yakima and FMSIB board member

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

✓ Freya Street Bridge, City of Spokane

Freya Street carries heavy truck volumes through the City of Spokane and it is a T-1 designated truck route. 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 consisted of constructing a new bridge across the Burlington Northern Santa Fe Railway's (BNSF) main lines and branch track. Two structurally and functionally obsolete bridges were replaced by one new bridge with wider travel lanes. A more gradual grade will improve vertical alignment and minimize sight-distance issues.

Groundbreaking for this bridge took place in August 2009. The completed bridge opened to traffic in the summer of 2010, early, and under budget.

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.



The bridge was constructed wide enough to accommodate future additional BNSF Railway mainline tracks.

✓ Granite Falls Alternate Route, Granite Falls, Snohomish County

This FMSIB project was completed in November 2010. It is a 1.9 – mile alternative route diverting truck traffic away from the town of Granite Falls and away from the Granite Falls Middle School, improving public safety. The new road heads north from State Route 92 west of Granite Falls and

curves eastward around the city and connects to the 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.

This alternative route will serve as a strategic freight corridor for the region, improving freight mobility, reducing congestion as well as improving public safety.

✓ West Vancouver Freight Access Project, Loop Track Phase, Port of Vancouver

The Port of Vancouver has invested over \$200 million in port infrastructure over the last 10 years. Half of that has been spent on 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. Once completed, a new rail system will make it possible for unit trains of up to 174 rail cars (over one and one-half miles in length) to enter the port intact.

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

The port has now completed two major phases of the project. The first phase provides new access to the BNSF Railway mainline. This enables the City of Vancouver's plans for new mixed-use waterfront development to progress (a \$1.3 billion project) and also provides new rail service to two industrial businesses. The second phase created a loop track at the western end of the port's rail infrastructure resulting in the ability to bring full unit trains into the port.

The port is leveraging funds to achieve more than \$400 million in private sector investment toward this project. The port must show substantial completion by 2015 and total completion by 2017 to meet the terms of their agreement with BNSF Railway.

The end result of this project will be to provide infrastructure that BNSF Railway and UP Railroad will use to break down and build unit trains within port facilities, as well as to reduce congestion in the close-by BNSF Railway yard. With the completion of the freight access project, the port will more than double its miles of track to serve

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Port of Vancouver, West Vancouver Freight Access Project, Phase 2, loop track, completed in 2010

present and future customers. The completed project will also create 4,000 construction jobs and between 1,000 and 2,000 new permanent jobs in Southwest Washington.

BHP Billiton, the world's largest diversified natural resources company, selected the Port of Vancouver as the potential location of a potash export facility at the port's Terminal 5. The project would include handling, storage, dock and rail facilities for potash export from BHP Billiton's first mine to be developed in Canada's Saskatchewan Basin. Strategic investments by the port in Terminal 5 will provide BHP Billiton with land for the company's storage and dock facilities, and the port's commitment to rail improvement demonstrated by its ongoing West Vancouver Freight Access project makes the site particularly appealing to this type of private sector investment.

✓ **Shaw Road extension, Puyallup, City of Puyallup**

The Shaw Road extension provides a grade separation bridge over the BNSF Railway 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 is a five-lane section with a new signal and intersection improvements at East Main Street and East Pioneer Street. Travel times for freight are reduced as a result of using this inter-tie.

To keep this project on schedule FMSIB worked with the project sponsors to phase construction to enable progress as funding is secured. Because this project was ready for construction, it received American Recovery and Reinvestment Act (ARRA) funds.

The completed project opened in the summer of 2010.



Shaw Road grade separation and inter-tie, Puyallup

✓ Valley Avenue, Fife, City of Fife

Phase 1 work for this project consisted of widening from 54th Avenue East to 70th Avenue East. The project also widened segments of 70th Avenue East from north of the UP Railroad to approximately 1000 feet north of Valley Avenue East.

Phase 2 is slated for 2011. Phase 2 will widen 70th Avenue East from two lanes to five lanes between 20th Street East and the UP railroad tracks. Additional project improvements will include traffic signals, additional turn lanes at intersections, illumination, storm-water 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 Union Pacific tracks.

Summary of Benefits

- Eliminates vehicle/train conflicts and delays
- Improves freight mobility between existing industrial property and businesses in the Cities of Fife, Sumner, Puyallup, and Pierce County and major destinations such as Port of Tacoma facilities at Commencement Bay and Fredrickson
- Provides the key link to complete the North-South Inter-Regional Access, the regional I-5 Freight Bypass, the Cross-Cascades Access, the Green River Valley Access and the Cross Valley Access



*Kathleen Davis, WSDOT Highways and Local Programs
Glenn Hull, Fife City Council
Pat McCarthy, Pierce County Executive
Brian Ziegler, FMSIB
Jim Kastama, Senator Washington State Legislature*

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Rob Cerqui, Mayor Pro-Tem, Fife City Council
Don Alveshere, Fife City Council
Dawn Morrell, State Representative*



Port of Tacoma, Lincoln Avenue Grade Separation Project

What FMSIB Projects were active and underway in 2010?

- Lincoln Avenue Grade Separation (Phase 1)
- East Marginal Way Ramps

Lincoln Avenue Grade Separation

Rail plays an essential role in moving freight quickly and efficiently in and out of the Port of Tacoma, with trains averaging 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 a major arterial, serving as the primary connector between Interstate 5 and the Port for a high number of trucks. Rail switching operations and mainline trains cause vehicular delays of up to 30 minutes every two hours.

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. The final piece of the grade separation - the overpass itself - remained unfunded until the Port received \$15.4 million in March 2009 from the American Recovery and Reinvestment Act (ARRA) funds.

It will also enhance air quality. Trucks will have direct access to APM Terminals so they won't sit idling while trains pass.

East Marginal Way Ramps, Seattle, Port of Seattle

The Port of Seattle is partnering with FMSIB to construct a grade separation on Duwamish Avenue, south of Spokane Street. The project will relocate EMW through this corridor. Once completed, trucks will have better access to port terminals BNSF Railway and UP Railroad rail-yards, and manufacturing and distribution centers – moving the goods that create jobs. The new overpass. The new overpass will route traffic over existing train tracks that serve Harbor Island, West Seattle, and the south downtown industrial area. The rail track connects on-dock rail at the port's Terminals 5 and 18 to the rail mainline.

The elevated structure will connect three existing streets: South Spokane Street, Duwamish Avenue South, and East Marginal Way. The project will include minor improvements at existing street connections, realignment of a portion of South Spokane Street, and construction of a new at-grade roadway under and west of the new structure

The project will eliminate traffic delays on East Marginal Way caused by trains crossing at grade level. Benefits include reduced congestion, more efficient intermodal transfers, and improved air quality for the region.

Groundbreaking for this project took place in June 2007. Right-of-way acquisition was completed in September 2009, and businesses were relocated. Construction on the final project phase began in November 2009, and will be completed in summer 2011.



Construction activity on East Marginal Way, photo courtesy of Port of Seattle

Why is Freight Mobility Important to the Citizens of Washington State?

Washington is a trade-dependent state. An efficient freight mobility network is essential to leveraging the state's advantages of deep-water ports, and a thriving agricultural sector, and maintaining the state's position in the competitive landscape of global trade.

Available data at the time of writing this report are from 2009. These data show that Washington ranked fourth among the 50 states in terms of 2009 exports. Among the 50 states, Washington showed the second highest dollar growth in exports between 2005 and 2009, with exports growing \$18.7 billion.

The state's largest market that year was China, which received exports of \$9.1 billion. Other top markets included Canada (\$6.8 billion), Japan (\$5.6 billion), the United Arab Emirates (\$2.9 billion), and South Korea (\$2.0 billion).



The transportation equipment sector dominates the state's export profile and accounted for 52 percent (\$26.9 billion) of Washington's total merchandise exports in 2009. Other top manufactured exports that year were computers and electronic products (\$2.9 billion), processed foods (\$2.4 billion), and petroleum and coal products (\$1.8 billion).

What Is Happening With Washington's Competitors?

The importance of trade and the benefits of jobs, payrolls, and revenues that flow from it have not escaped the attention of our neighboring countries, particularly Canada, which has mounted an impressive and well coordinated local, provincial, and national effort to drag cargo away from the Pacific Northwest. Washington's capacity and reliability to deliver international goods from ocean vessels to Chicago and other Midwest and Eastern markets is under heavy challenge from the British Columbia ports of Vancouver and Prince Rupert.

FMSIB is deeply involved in attempts to help Washington remain competitive and strong in the international trade arena. Our project scoring criteria are weighted toward economic return for the state and its citizens and toward the strategic corridors through which this lucrative trade moves. As the terminus of a major trade corridor along the Northern Tier, Washington benefits from the handling of international trade with thousands of high paying jobs involved in cargo handling and transportation within Washington.

What economic sectors in our state are dependent on freight movement?



“Agricultural businesses drive Eastern Washington's economic engine. These businesses depend on reliable freight movement. FMSIB projects provide essential grade separation and congestion relief ensuring the movement of Washington grown products to both domestic and overseas markets. FMSIB's strategic investments are good for business, good for employees, and good for the State of Washington.”

— Rebecca Francik, Councilmember City of Pasco and FMSIB board member



Consumer packages ready for shipment.

How does FMSIB build economic value into its project selection process?

FMSIB has funded and provided expertise to 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 kept and created. 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.

Applicants must describe:

How a project reduces barriers, increases freight capacity or mitigates impacts on local communities

How truck travel times between shipping points are reduced

Readiness of a project for construction

Benefits of improved safety, noise and emissions reduction, elimination of grade crossings, and lowered vehicle delays

Improvements in volume to capacity ratios for truck, peak-hour movements

Any improved rail efficiencies or additional capacity resulting from the project

How the project helps the local, regional, and state economies

Improvements in port or international border access

How the project fits in with regional or national corridor systems

Benefits to key employment areas

How the project might lower emissions and bring other environmental benefits

All projects funded by FMSIB are selected through a rigorous and transparent process. FMSIB staff annually issues a call for projects and provides funding guidelines. Project applicants are presented with 27 questions, including some listed below, that reflect the policy direction of the state legislature to the FMSIB Board.

These FMSIB criteria and the questions posed to applicants, emphasize readiness, economic return and enhancement of the state’s competitiveness in trade and shipping. The board takes pride in its focus on building a freight system that produces jobs and state revenue while working to improve general mobility, and to mitigate environmental effects.

What is the state’s interest and FMSIB’s role in assisting communities with freight movement?

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 local communities 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 town.

“



We need to use this economic downturn as an opportunity to get ahead on fixing choke-points and bottlenecks. Future revenue packages from the federal and state governments need

to include funding for freight mobility projects and for FMSIB because of the significance of freight to the economy. Looking to the future, FMSIB will continue to address the industry clusters and jobs that rely on freight. FMSIB coordinates with other transportation agencies to share data and focuses on performance outcomes – all best practices in which FMSIB is a leader. ”

— David Gossett, Council Member, Snohomish County and FMSIB board member

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Why is Freight Mobility Important to the Citizens of Washington State? *(continued)*

For the communities, FMSIB project benefits include the economic return that derives from freight mobility; improvements in air quality from the reduction of traffic congestion; leveraging of scarce local transportation dollars, improved safety, and improved traffic flow.

What steps are being taken to keep freight movement sustainable through green technology and innovation?

FMSIB partners in both the public and private sectors have incorporated green technology and sustainability into their growth strategies. And, FMSIB projects improve air quality and reduce the impact of greenhouse gases by removing chokepoints that cause traffic congestion.

Some examples of how FMSIB partners are engaged with environmental issues include:

- The Port of Vancouver partners with the BNSF Railway and UP Railroad in the carriage of wind tower components.
- BNSF was the first U.S. railroad to install electric wide-span cranes. These cranes, located at BNSF's Seattle International Gateway, produce zero emissions on site while generating power each time they lower a load. Their wide stance also reduces truck moves, which reduces fuel use and emissions.
- The Ports of Seattle and Tacoma continue to reduce emissions through the Northwest Ports Clean Air Strategy, a partnership that includes the Port Metro Vancouver, British Columbia.
- The Port of Seattle has seen tremendous success in emissions reduction through initiatives such as the At-Berth Clean Fuels program, which offers incentives to shipping lines who use low-sulfur fuels while at berth; a collaborative clean truck program that works with truckers to scrap older trucks and purchase newer, cleaner models; clean fuels and retrofit programs for cargo-handling equipment; and shore power for cruise vessels.

New 2010 trucks produce one-tenth the fine particulate emissions and smog-forming NOx emissions as a similar truck manufactured just four years ago, according to the American Trucking Association (ATA). And, the ATA also reports that the fine particulate emissions from on-road diesel engines have been cut by more than half over the last decade.

The Port of Tacoma was added to *Inbound Logistics Magazine's* "Green 50 Supply Chain Partners," an annual list of supply chain partners committed to sustainability. Tacoma is one of five American ports to be honored. In 2008, port commissioners adopted environmental goals that focus on protecting land and water, restoring habitat, reducing diesel emissions, improving storm water quality, partnering with communities and going beyond compliance. To date, the port has invested millions of dollars in a wide range of cleanup and improvement projects in and around Commencement Bay.

Construction processes for freight mobility projects include recycling, storm water management, and habitat restoration. The Port of Tacoma, Lincoln Avenue project, for example, includes innovative storm water features.



Partnerships Create Synergies

One of FMSIB's strengths is its ability to form partnerships across jurisdictions, modes, and funding sources. 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. This leveraging ability has enabled many projects to close funding gaps, to get underway, and to achieve completion.

FMSIB's volunteer board members have real world experience in freight transportation. This expertise brings private and public sector perspectives to project selection and project development. Their engagement brings freight interest priorities to the selection process for projects and also brings up to date and accurate information to decision-makers. Their credibility helps 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 facilitate complicated third-party agreements, leverage funds, and achieve results.

Cities and Counties

Whether goods are being shipped from a farm, factory, or warehouse, product inputs and outputs reach their destinations via trucks, trains, ships, and barges. Each of these trips begins and ends on a local road, whether it is a road used for hauling hay, or a local street providing access to a 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. Local officials often seek FMSIB assistance with difficult right-of-way negotiations. Also, working together, FMSIB and local jurisdictions find ways to keep large-scale projects moving by creating phases and smaller contracts to make incremental progress.

Ports And Intermodal Shippers

According to the *Financial Times* news analysis, "You're seeing a swing-back to normality ". The container industry is on the upturn. Container volume at West Coast ports increased 15 percent in the first six months of 2010 compared to the same period in 2009, according to the Pacific Maritime Association. The tally reflects all loaded containers, both inbound and outbound. The Ports of Seattle and Tacoma have seen increases in containerized cargo in 2010. The Port of Seattle's 2010 container volumes are 40% higher than the volumes measured at the same time in 2009. Grain volumes are up dramatically as well.

The Port of Everett

It is estimated that 30,402 jobs in the Everett regional economy are influenced by cargo and vessel activity at the Port of Everett. Petroleum machinery, aerospace cargoes and renewable energy products have helped offset the downturn, and are fueling new business for the domestic and international markets.

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“ Local county roads are important conduits for freight movement with almost every freight trip beginning and ending on local roads. Because of FMSIB's role in facilitating project partnerships, many freight projects are “shovel ready” and able to take advantage of the lower bids we are currently seeing on construction projects. ”

— Brian Ziegler, Pierce County Public Works Director and FMSIB board member

Who are the State's Partners in Freight Transportation? (continued)

FMSIB's investment in the California Street Overcrossing serving the Port of Everett reduced traffic delays and made rail, truck, and passenger movement more efficient and safer.

Port of Seattle

The Port of Seattle is the eighth busiest port in the nation, and has weathered the recent economic downturn well. Cargo volumes at the seaport have increased dramatically in 2010, and air cargo volumes remain high as well. A strong economic engine, the Port of Seattle seaport generates 21,000 family-wage jobs for the region.

FMSIB and the Port of Seattle have partnered on several projects in recent years. Two of those projects – the grade separation at SR 519 and capacity improvements on SR 518 – were completed in 2009. 2010 brought the completion of the Duwamish Intelligent Transportation System, a project led by the City of Seattle that improves goods movement through a heavily-used industrial area. Currently, FMSIB and the Port of Seattle are partnering on the East Marginal Way Grade Separation.

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.

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.

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.



Doublestack trains moving from the Port of Tacoma

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.

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 Railway, UP Railroad, 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.

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 port is projecting it will serve 160,000 rail cars annually by 2025.



Aerial photo showing the Port of Vancouver's location on the Columbia River, photo courtesy of the Port of Vancouver

West coast ports collaboration

The ports of Los Angeles, Long Beach, Oakland, Portland, Seattle, and Tacoma, as well as BNSF Railway and the UP Railroad, joined together last year at the World Shipping Summit in Quindao, China to promote the West Coast of the United States as the premier region for trans-Pacific trade. The effort is highlighting the advantages of the West Coast for fast and frequent vessel service; six deepwater ports with excellent connections to key markets across North America; consistent and reliable inland rail service and capacity; a competitive cost-structure, and the lowest carbon foot-print for goods moving between Asia and markets in the United States.

Rail Transport

This year, 2010, has seen an improvement in freight railroad car loadings. During the worst of the economic downturn, both the BNSF Railway and the UP Railroad were faced with having

to store large quantities of rolling stock, which includes both locomotives and rail cars, and the need to furlough employees.

BNSF Railway reports that almost two-thirds of furloughed employees have been rehired and 30-40,000 cars are back in service. UP Railroad reports that half of their stored rail cars are now

“ The FMSIB prioritization process effectively identifies the highest priority freight projects without bias. FMSIB is a model for public and private partnerships: Partnerships will be more necessary than ever in the future. ”

— Brock Nelson, Director of Public Affairs for Oregon and Washington, Union Pacific Corporation, and FMSIB ex-officio board member

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“ A robustly funded freight system is critical to our economic future; and FMSIB is a pivotal link in identifying, vetting, and advocating for our state's priority freight projects. At the Port of Vancouver, we're in the midst of a major freight rail project that will increase capacity and create jobs. And although we continue to leverage significant private sector investment, it's vital that we find additional public funding to ensure we complete the project by 2017. ”

— Larry Paulsen, Executive Director, Port of Vancouver and FMSIB board member

Who are the State's Partners in Freight Transportation? (continued)

back in service. At the depth of the economic downturn 800 – 900 miles of BNSF Railway rail cars were parked in yards, sidings and short-line storage areas across the Western United States.

UP Railroad serves many of the ports in the State of Washington, including Kalama, Vancouver, Tacoma, and Seattle. UP Railroad provides rail service to RailEx in Wallula, Washington, which ships produce weekly from Wallula to Albany, New York, making the trip in 124 hours. Major commodities shipped by UP Railroad include lumber, fruits, automobiles, trucks, manufactured products, grain, chemicals, and import-export consumer products. UP Railroad transports intermodal-products on double-stacked trains from the Pacific Northwest to Los Angeles and to Chicago. UP Railroad also moves municipal trash from Seattle to a landfill in Oregon.

BNSF Railroad also serves many of the state's ports shipping consumer and industrial products. They transport both assembled motor vehicles and shipments of vehicle parts to numerous destinations throughout the Midwest, Southwest, West, and Pacific Northwest. Asian and European auto companies account for approximately 80 percent of automotive revenue. The industrial products' freight business for BNSF Railway includes: Airplane parts such as fuselage, construction products, building products, petroleum products, chemicals and plastic products, and food and beverages.

Agricultural products shipped by BNSF Railway include wheat, corn, bulk foods, soybeans, oil seeds and meals, feeds, barley, oats and rye, flour

and mill products, milo, oils, specialty grains, malt, ethanol and fertilizer.

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. BNSF Railway reports they have spent over \$30 billion on infrastructure and locomotives since 1997.



“ Freight rail transport business levels are a bell-weather for the overall economy. Carload volumes are up substantially from last year, but we’re still not back to our peak of late 2006, 2007. FMSIB plays an important role for freight rail, not only through direct participation in partnership projects, but also by working with local communities to increase awareness about the benefits of freight to them. ”

— Terry Finn, Director of Government Affairs, BNSF Railway and FMSIB board member



FMSIB projects are easing the safe and efficient movement of freight, including truck freight, through communities.

Trucking transport

Nearly every good consumed in the United States is put on a truck at some point, according to the American Trucking Associations, Inc. The trucking industry remains a resilient component of the nation's economy. Trucking represented 83% of the nation's freight bill and 68.8% of freight tonnage in 2008, the last date of available data. The trucking industry is comprised of truck companies, the majority of which are small businesses. Trucking is able to adjust operations and costs quickly.

Canada is the number one trading partner with the United States: trucks hauled nearly 54% of the goods (in terms of value) between the United States and Canada in 2008. Trucks also hauled 63% of the goods between the United States and Mexico, now the third largest trading partner with the United States.



“The trucking industry is all about small businesses. Most truck companies are small businesses and many of the goods shipped by trucks are produced by small business, whether they are farmers, machinists, or storekeepers. Freight transportation benefits the entire economy and we need to ensure that funding policies do not kill the golden goose. FMSIB is the best forum for addressing freight priorities in a way that brings the public and private sectors together to find solutions.”

— Steve Holtgeerts, President, Hogland Transfer Company, Inc. and FMSIB board member

These federal funds are intended to help preserve the transportation system while helping to create and retain jobs during the national recession.

Through June 30, 2010, Washington and its local governments have completed more than 120 highway and rail projects, with at least 90 more certified to use the remaining funds. Some freight mobility project examples include:

- WSDOT received a \$35 million grant to build the southbound lanes on the North Spokane Corridor between Farwell and Freya Roads. The project adds to the existing northbound lanes, which opened to traffic last year.
- The East Marginal Way Grade Separation received \$3.4 million in ARRA federal stimulus funds made possible due to the progress underway on this project created by FMSIB's partnership with the Port of Seattle, City of Seattle, Transportation Improvement Board, BNSF Railway, UP Railroad, Puget Sound Regional Council, and the FAST partnership.
- Other FMSIB projects receiving ARRA funds included the Lincoln Avenue grade separation project at the Port of Tacoma.

FMSIB's technical and financial assistance allowed approved Washington state freight projects to be shovel-ready and eligible to receive federal stimulus funds.



“Now is the time to invest in publicly funded infrastructure as our economy is climbing out of a recession. Because of FMSIB's leadership in working with the Port of Seattle and other partners, the East Marginal Way Grade Separation Project qualified for federal stimulus dollars and we were able to take advantage of a favorable bid climate.”

— John Creighton, Port of Seattle Commissioner and FMSIB board member

Rank	Agency	Region	Project Name	Current Cost (\$ Millions)	FMSIB Share (\$ Millions)
3	Port of Seattle	PS-F	East Marginal Way Ramps	49.00	6.92
10	Port of Tacoma	PS-F	Lincoln Avenue Grade Separation (Phase1)	53.20	10.20
20	Pierce County	PS-F	North Canyon Rd.Exten./BNSF Overcrossing	25.00	2.00
35	Kent	PS-F	S 228th Street-Grade Separation (Phase 3)	20.60	3.50
36	Yakima	EW	City of Yakima Grade Separated Rail Crossing	39.77	7.00
44	Spokane	EW	Havana Street / BNSF Separation Project	22.20	4.00
47	Renton	PS	Strander Blvd / SW 27th St. Connection	20.00	4.00
48	Spokane Co	EW	Bigelow Gulch Rd-Urban Boundary to Argonne Rd	25.20	2.00
49	Auburn	PS	M Street Southeast Grade Separation Project	22.40	6.00
51	Seattle	PS	Duwamish Truck Mobility Improvement Project	7.18	2.80
52	Fife	PS-F	70th and Valley Ave Widening (Phase 2 - 70th Ave)	12.58	0.50
53	Pierce Co	PS	Canyon Road Northerly Extension	36.50	3.00
58	Port of Seattle	PS	East Marginal Way Truck Crossover	2.01	0.99
59	Kent	PS	S. 212th Street Grade Separation	83.17	10.00
60	Kent	PS-F	Willis Street Grade Separation	81.70	25.00
64	Fife	PS	Port of Tacoma truck Off Ramp	7.50	3.00
66	Port of Vancouver	WW	Port Rail Access	44.65	6.80
67	Renton/Kent	PS	Green River Valley BNSF/UP trackage	30.00	8.00
68	Lacey	WW	Hogum Bay Rd Slip Ramp & Road improvements	12.00	4.00
71	Walla Walla	EW	Myra Rd at DallesMilitary Rd Intersection	3.96	0.50
72	Tacoma	PS	SR 99/Puyallup River Bridge	30.00	5.00
73	Port of Seattle	PS	E. Marginal/Diagonal & Argo electronic gate access	12.00	6.00
74	Tacoma	PS	SR 509/ "D" St Ramps	19.00	6.00
75	Everett	PS	Port of Everett to I-5 Freight Improvements	4.30	0.40
76	Fife	WW	Port of Tacoma Road Phase III	27.80	8.20
77	Renton	WW	SW 27th/Strander Blvd Connection	47.00	5.00
78	Spokane Valley	EW	Sullivan Road W Bridge Replacement	19.75	2.00
79	King County	PS	South Park Bridge Replacement	130.00	5.00
80	Spokane Valley	EW	Barker Rd/BNSF Grade Separation	49.10	10.00
81	Spokane County	EW	Bigelow Gulch/Forker Rd Realignment	24.13	6.00
Totals				961.70	189.90

Project	Agency	Region	Project Name
1	WSDOT	PS-F	SR 519 Intermodal Access Project (Phase 1)
4	WSDOT	PS-F	SR 509/Port of Tacoma Rd Grade Separation
6	Port of Longview	WW	Port of Longview Alternate Rail Corridor
8	Kelso	WW	Allen St Bridge Replacement
9	Port of Everett	PS-F	California Street Overcrossing to Port of Everett
11	Everett	PS-F	41st Overcrossing/Riverfront Parkway (Phase 1)
12	Union Gap	EW	Valley Mall Blvd Extension
14	Auburn	PS-F	S. 277th St Grade Separations (BNSF & UP)
15	Puyalup	PS	Shaw Road Extension
16	Prosser	EW	Wine Country Rd
17	Port of Pasco	EW	SR 397 Ainsworth Ave. Grade Crossing
18	Tacoma	PS-F	D St. Grade Separation
19	Auburn	PS-F	3rd St SW BNSF Crossing
21	Kennewick	EW	Columbia Center Blvd. Railroad Crossing
22	Pierce County	PS-F	8th St E./BNSF Grade Separation
23	Tukwila	PS-F	180th St Grade Separation
24	Colville	EW	Colville Alternate Truck Route
25	Walla Walla	EW	SR 125/ SR 12 Interconnect (Myra Rd. Exten.)
28	Port of Kalama	WW	Port of Kalama Industrial Park Bridge
29	Everett	PS-F	E. Marine View Drive Widening (phase)
30	WSDOT	PS	SR 18 Weyerhauser Way to SR 167 Truck Lane (Phase)
35	Kent	PS	S 228th Street Extension & Grade Separation
37	Seattle	PS	Duwamish Intelligent Transportation System (ITS) (Phases 1 & 2)
38	WSDOT	EW	US 12/124 to SR 730 Walla Walla
41	Port of Kalama	WW	Grain Terminal Track Improvements
40	Walla Walla	WW	US 12/124 to SR 730
42	DOT-Pasco	EW	US 395 Hillsboro Street Interchange
45	Pierce County	PS	Cross Base Highway (phase 1)
B	Bremerton	WW	SR3/304 Transportation Improvement Project
C	WSDOT- Sumas	WW	SR 9 – SR 546/Nooksack Road Vicinity to SR 547/Cherry S
H	Longview	WW	SR 432 Improvement/3rd Ave Off-Ramp Widening
52	Fife	PS	70th and Valley Avenue (Valley Ave Phase)
54	Snohomish Co	PS	Granite Falls Alternate Route (Phase 1 ROW)
56	Fife	PS	Pacific Hwy E / Port of Tacoma Rd to Alexander Ave
57	Woodinville	PS	SR 202 Corridor Improvement - SR 522 to 127th PI NE (Phase 1)
63	Everett	PS	I-5 / 41st St (Phase 1)
65	Spokane	EW	Freya Street Bridge
66	Port of Vancouver	WW	Port Rail Access (Phase 1)
70	Longview	WW	SR 432/SR 433 Turn Lane Improvements

39 Completed Project Valued at more than \$350 Million
FMSIB share \$112.7 Million

FMSIB is a National Leader on Freight Mobility Investments.



Washington State Senator Maria Cantwell announces the FREIGHT act of 2010

FMSIB has served as a national model demonstrating the value of leveraging state resources in solving freight mobility chokepoints. Senator Maria Cantwell held a press conference in September 2010, recognizing FMSIB as a model for the federal FREIGHT ACT of 2010. FMSIB Executive Director, Karen Schmidt, as well as port and railroad representatives addressed the importance of the freight bill at Senator Cantwell's request.

The FREIGHT Act of 2010 was introduced by Sen. Frank Lautenberg (D-NJ) on July 22, 2010 and was co-sponsored by State of Washington Senators Patty Murray and Maria Cantwell. The FREIGHT Act includes policy goals and objectives that are similar to FMSIB's authorization: it aims to improve the efficiency, operation, and security of the national transportation system to move freight by leveraging investments and promoting partnerships that advance interstate and foreign commerce.

The United States Department of Transportation (USDOT) Freight Office has called upon FMSIB Executive Director Schmidt, to participate in web-based seminars for the training of other jurisdictions trying to solve freight mobility problems. And, as recently as October 2010, the Transportation Research Board (TRB) recruited Ms. Schmidt to provide training about how to encourage freight investments. TRB is one of six major divisions of

the National Research Council—a private, nonprofit institution that is the principal operating agency of the National Academies in providing services to the government, the public, and the scientific and engineering communities. The National Research Council is jointly administered by the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine.

Other entities that have sought FMSIB's expertise include the Intermodal Association of North America, USDOT, The National Association of Regional Councils (NARC), and the Federal Highway Administration (FHWA).

FMSIB is written about in a book recently entered into the Library of Congress, "National Institutional Arrangements for Freight Transportation Systems Case Study" funded by the Research and Innovative Technology Administration.

FMSIB is particularly recognized by these entities for its skill at building capacity between public and private sector partners.



FMSIB Executive Director, Karen Schmidt, tracking progress on a FMSIB construction project

What other Services Does FMSIB Provide?

“ The economy in our home state of Washington relies heavily on exports. Success of this vital economic driver depends on products moving efficiently from farms and factories in Midwestern, Mountain and Western state over various transportation modes to our ports and to markets abroad. One job in three in Washington depends on trade. And in 2009, we exported over \$51 billion worth of goods — making us fourth in the nation for exports and first in the nation for exports per capita. In the long run, the FREIGHT Act will help strengthen our export economy by allowing us to create a more seamless policy and transportation network to move freight more efficiently by road, rail, sea and air. This bill helps put us on that road. ”

— United States Senators Patty Murray and Maria Cantwell

FMSIB adds value through financial leveraging of its investments, but has also sought other ways to strengthen its partnerships with communities and agencies statewide. For the past 13 years, 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.

FMSIB facilitates delicate agreements between project partners to ensure all partners stay at the table and also finds creative and value-added solutions.

FMSIB is facilitating 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.

FMSIB is currently facilitating arrangements with Tukwila, Renton, and BNSF to move a grade-separation project forward at Strander Way in South King County.

FMSIB brought together public and private partners to facilitate the Tacoma Area Tidelands 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 and mobility.



“ FMSIB Executive Director, Karen Schmidt, is highly regarded by the freight community and local jurisdictions for her ability to troubleshoot and facilitate partnerships so that freight projects are successfully completed. ”

— Cliff Benson, Retired, Westwood Shipping Lines and FMSIB board member

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