

FMSIB: Moving Freight for Economic Productivity

Freight Mobility Strategic Investment Board 2012 Annual Report



**Dan Gatchet, Chair**

Past President, Washington Trucking Associations
Trucking representative

Jim Albert

Transportation Budget Analyst, Office of Financial Management
Governor's representative

John Creighton

Commissioner, Port of Seattle
Port districts representative

Terry Finn

Director of Government Affairs, BNSF Railway
Railroad representative

Dave Gossett

Council member, Snohomish County Council
Counties representative

Paula Hammond

Secretary of Transportation
Washington State Department of Transportation representative

Steve Holtgeerts

President, Hogland Transfer Company, Inc.
Trucking industry representative

Pat Hulcey

Councilmember, City of Fife
Cities representative

Mark Knudsen

Vice President, SSA Marine
Marine industry representative

Larry Paulson

Former Executive Director, Port of Vancouver
Port districts representative

Tom Trulove

Mayor, City of Cheney
Cities representative

Brian Ziegler

Director of Public Works and Utilities, Pierce County
Counties representative

Ex-Officio**Brock Nelson**

Director of Public Affairs for Oregon and Washington Union Pacific Corporation
Ex-officio member

Dan Gatchet was appointed chair of FMSIB in 2012, after retiring from the trucking industry. Dan began his transportation career working for two United States flag oceancarriers: U.S. Lines and American President Lines. His trucking career started in Southern California as president of a large intermodal trucking company. After moving back to his hometown of Seattle, he started West Coast Trucking in 1993, which he sold to a national trucking company in 2007. During his transportation career, Dan has been actively involved in many of the industry's trade associations. He was a founding member of the American Trucking Associations' Intermodal Council and past chair of the California Trucking Association Intermodal Council. Dan is also a past president of the Washington Trucking Associations. He graduated from the University of Washington and earned a Master of Business Administration from the University of San Francisco.

Jim Albert has worked in Washington State government for almost 35 years. Governor Gregoire appointed him to FMSIB in 2012. He started state service working as a data center technician and computer programmer at Washington State University. He then moved to Olympia where he worked as an Information Technology Applications Manager for the Office of Financial Management (OFM). After 13 years at OFM, he became the Chief Information Officer for the Washington State Attorney General's Office. In 2005 he was appointed Deputy Director for the Washington State Department of Information Services. After six years at DIS, Jim had a brief flirtation with retirement and then decided to join the Governor's transportation team in the Budget Division at OFM. Jim has served on numerous not for profit boards and also currently serves on the Transportation Improvement Board. Jim graduated from Washington State University with a degree in Public Administration.

John Creighton has served on the Seattle Port Commission since 2006. He came to the Commission with broad experience as a lawyer who worked on complex international transactions in the port cities of Singapore, Helsinki, and Istanbul prior to returning home to Seattle. During his tenure, Commissioner Creighton has developed significant expertise in regional transportation and economic policy. He has previously served on the Puget Sound Regional Council Transportation Policy Board on behalf of the Port and chaired the SR 509 Executive Committee. He has served on the board of Enterprise Seattle, the King County economic development organization, and is an advisory board member of Seattle's Convention and Visitors Bureau. Creighton earned a B.A. and M.A. in International Relations from Johns Hopkins University and his J.D. from Columbia University. He also has a Certificate in Administration from the University of Washington Business School.

Terry Finn Executive Director of Government Affairs for BNSF Railway, has served on FMSIB since 2007. He possesses broad experience in government relations pertaining to transportation policy and legislation. He participated in the legislative drive to create the state's freight mobility program. His previous government affairs work as a representative of the Port of Seattle has helped to round out a portfolio heavy in knowledge about rail, marine and truck shipping, and its relationship to the economy of the state. Terry serves on freight and rail advisory boards in Washington and Oregon.

Freight Mobility Strategic Investment Board Members

Dave Gossett's background is in local government with a strong emphasis in transportation. Prior to his election to the Snohomish County Council in 2001, he spent 12 years on the Mountlake Terrace City Council including six years as Mayor. He has represented Snohomish County as a member of both the I-405 Executive Committee and the Regional Transportation Investment District Executive Board. He is currently Chair of Community Transit, providing transit service throughout Snohomish County. Dave's involvement in economic development issues includes being a member of the Puget Sound Regional Council's Economic Development District Board and an officer of the Greater Seattle Trade Development Alliance.

Paula Hammond has been Secretary of the Washington State Department of Transportation since 2007. Hammond manages an agency of 6,800 employees, with responsibility for 20,000 miles of highways, 3,500 bridges, general aviation airports, passenger and freight-rail programs, and the Washington State ferry system, the nation's largest. WSDOT is nearing completion of the state's largest capital program (\$15.5 billion) in the agency's 104-year history, begun in 2003. In her 32 years with WSDOT, Hammond has worked in all areas of the department's capital delivery, operations, and policy programs. She graduated from Oregon State University with a Bachelor of Science degree in civil engineering and is a professional engineer.

Steve Holtgeerts is President of Hogland Transfer Company, Inc. in Everett. He has worked in the trucking industry for over 40 years. Steve is a Past President of the Washington Trucking Associations (1997-1999) and currently serves as Treasurer of that organization. He also serves on the Board of Directors of the American Trucking Associations, and participates as a member of their Safety Policy, Homeland Security, and Small Carrier committees. He graduated from Pacific Lutheran University in 1979, with a degree in Business Administration, with an emphasis in Operations Management.

Pat Hulcey is a lifelong resident of Fife who is passionate about a number of community matters including: long range planning for economic, business and community growth; productive relationships among federal, state, county, city and tribal entities; and the development of parks, open space, transportation and infrastructure plans. He has served on the Fife City Council since 2010 and supports local businesses and entrepreneurship, the expansion of youth programs and the concept of a walkable community. He also values resident involvement in city planning, and a government that is proactive, accessible and transparent.

Mark Knudsen joined Carrix/SSA Marine in 2007 as Vice President of Project Management and Development. Prior to joining Carrix/SSA, he was Deputy Managing Director, Seaport, for the Port of Seattle. He holds a Bachelor of Science in Oceanography and a master's degree in Marine Transportation, both from the University of Washington. He has spent his entire career in the marine industry, including several years in commercial fishing operations. He was with the Port of Seattle for 20 years where he was lead on a number of major initiatives in new business development and project development. Since joining Carrix/SSA in early 2007 he has worked on various international and local projects to develop new terminal capacity for Carrix/SSA.

Larry Paulson was the Executive Director of the Port of Vancouver, USA, from January 1999 until April 2012. Previously, he was the Deputy Executive Director of the port for two years. Before that, he was a practicing attorney for 25 years, the last 17 years as a shareholder with the firm of Schwabe, Williamson & Wyatt. He also spent over 31 years in the Air Force, and Oregon Air National Guard, retiring with the rank of Brigadier General.

Tom Trulove is currently serving his fourth term as Mayor of the City of Cheney, having first been elected to that post in 1977 and reelected in 1981 and 1985. During that time he served on the Board of the Association of Washington Cities and as its President. In 1986 he was appointed as Washington representative to the Northwest Power Planning Council, serving until 1994, including two years as its Chair. In 1995 he resumed his duties as Professor of Economics at Eastern Washington University and has served as Department Chair since. He currently serves on numerous other state, local, and academic boards and commissions.

Brian Ziegler is the Pierce County Director of Public Works and Utilities. He brings 34 years of engineering and public infrastructure experience to the Board. Recently, the American Public Works Association named Brian as one of the Top Ten Public Works Directors in America. He is an instructor in the Northwest Public Works Institute, assisting in the training of local public works officials. He worked for the Washington State Department of Transportation for 26 years and was instrumental in large transportation projects, including the Tacoma Narrows Bridge and the I-705 Tacoma Spur freeway. Brian represents counties on FMSIB and has chaired the FMSIB's Project Selection Committee for three years.

Brock Nelson Union Pacific Director of Public Affairs for Washington and Oregon, has over 35 years of experience in the railroad industry. He is a 1976 graduate of Iowa State University with a Bachelor of Science in Civil Engineering. He began his railroad career with the Chicago and NorthWestern railroad in 1976 where he held numerous positions in the engineering department. Brock's railroad career also includes 16 years managing environmental compliance programs in various capacities. Brock is headquartered in Portland, Oregon.

During 2012, the Freight Mobility Strategic Investment Board welcomed four new members, each bringing a wealth of experience from the freight transportation, economic development, and the shipping fields. Major projects were completed in 2012 in both eastern and western Washington. In 2012, four projects valued at \$25.8 million opened to traffic and six new projects went to construction. This brings the total number of active projects in 2012 to 30. These projects are valued at over \$593 million with FMSIB funding \$106.34 million of the total project cost. To date, FMSIB has completed a total of 43 projects.

FMSIB continues to demonstrate its effectiveness at forging partnerships between the public and private sectors and between multiple jurisdictions.

“ Shippers have alternatives to moving their product through Washington. Delay in freight movement adds costs and reduces profitability. That’s one of the reasons why FMSIB’s role is so important. By keeping freight moving and softening the impacts on communities, shippers will continue to contribute to our state’s economy.”

— Dan Gatchet, FMSIB Chair Former President, Washington Trucking Associations



U.S. Senator Maria Cantwell, FMSIB Executive Director, Karen Schmidt, and U.S. Secretary of Transportation, Ray La Hood.

FMSIB’s successful track record and a consistent focus on its mission have brought national attention to the FMSIB program. In 2012, the United States Secretary of Transportation, Ray LaHood, announced the creation of a federal Freight Policy Council modeled after FMSIB. As the federal government was making its decisions about how to shape its recent federal transportation bill, Moving Ahead for Progress in the 21st Century, or MAP-21, U.S. Senator Maria Cantwell wrote to Secretary LaHood saying:

“ I strongly encourage you to look to the Pacific Northwest as one example of successful freight coordination, prioritization, and collaboration. In Washington state, our Freight Mobility Strategic Investment Board (FMSIB) has brought together representatives of the trucking, railroad, maritime, and port industries with state and local government stakeholders to forge an innovative and equal partnership to promote freight mobility – a partnership that recognizes the need to improve our freight network as a whole, and not just focus on any single mode. It is my hope that any administrative initiative to improve our freight network recognizes that our many modes of transportation must work together to speed goods to market in cooperation with the public, private, and non-profit sectors. Part of the reason that freight priorities have been successfully addressed in Washington state is the collaboration between FMSIB and the Washington State Department of Transportation in identifying the strategic highway, rail, and maritime freight corridors. Active engagement with stakeholders has helped this collaboration plan improvements to the network and identify bottlenecks needing attention and improvements to benefit the movement of goods.”

— U.S. Senator Maria Cantwell

Other transportation leaders in the country have also looked to Washington state’s FMSIB as they seek ways to keep their states and regions competitive in a global economy.

“ Your program is very impressive and a potential model here as well.”

— Randy Deshazo, Senior Policy Analyst Chicago Metropolitan Agency for Planning



Port of Seattle in south downtown Seattle near new and planned stadiums.

Some of the challenges facing the effectiveness of freight mobility plans in 2012 include the continuing gentrification of neighborhoods near multi-modal facilities. It is a paradox that with economic prosperity the population grows and there is more pressure on land for non-industrial uses and increased traffic congestion. The very population that benefits from freight bringing them food and consumer goods often does not appreciate freight’s importance to overall economic vitality. Gentrification is on the rise, putting pressure on port facilities, multi-modal yards, warehousing operations, truck terminals, and port access in many of the state’s most vibrant freight activity centers. FMSIB’s solutions to multi-modal access soften the impacts of freight on communities.

Another challenge is the continuing scarcity of public funding for transportation improvements as the state’s Nickel and Transportation Partnership Act (TPA) projects are nearing completion. The federal transportation highway trust fund is expected to be insolvent by 2015. While the private sector is increasing its investment in freight projects such as rail infrastructure, marine terminals, air quality improvements, and trucks, public funding is still necessary for a functioning transportation system.

A hallmark of FMSIB made evident at a recent FMSIB meeting is the cooperation among all of the industries, ports, and governments represented on FMSIB. While the partners may be competitors in business, they are collaborators in finding solutions to keep freight moving and to keep the State of Washington competitive in the global economy.

“ We at the Port credit the investment made by FMSIB and the Port in the initial expansion of rail as the turning point for our expanded grain terminal, ultimately leading to a major capital investment in the community. When completed, the terminal will roughly double in capacity. Those commodities are exported, benefiting the nation’s balance of trade and feeding people around the world. This is a great success for FMSIB and its partnership with the Port!”

— Mark Wilson, Deputy Director, Development Director, Port of Kalama

Since its inception, FMSIB has by design operated with a small staff. During most of 2012, there was one full-time Executive Director and a full-time confidential secretary position shared by three people. Late in 2012, FMSIB hired a Deputy Director. The staff facilitates action with private and public sector partners. They have a broad knowledge of the state’s transportation and freight mobility systems, and they creatively develop innovative solutions to improve the economic climate that affects all Washington state citizens.

Introduction to the Freight Mobility Strategic Investment Board (FMSIB)

The Washington State Freight Mobility Strategic Investment Board (FMSIB) creates a comprehensive and coordinated state program to facilitate freight movement among local, national, and international markets, with the goal of enhancing trade opportunities for Washington state. The Board is also charged with finding solutions that lessen the impact of freight movement on local communities. (RCW 47.06A).

Washington's economy is very dependent upon trade and must compete in a global economy. To remain competitive, the state's freight-related industries and producers must be able to move products and goods efficiently.



FMSIB Mission Statement

The Board proposes policies, projects, corridors and funding to the State of Washington legislature to promote strategic investments in a statewide freight mobility transportation system.

The Board also:

- Proposes projects that soften the impact of freight movement on local communities;
- Advocates for strategic freight transportation projects that bring economic development and a return on investment to the state;
- Focuses on timely construction and operation of projects that support jobs;
- Leverages funding from public and private stakeholders;
- Crosses modal and jurisdictional lines to create funding partnerships, and
- Serves as the de facto freight-project screening agency for state and federal policy makers.

The statute that created FMSIB lists the reasons why the state needs a freight mobility investment board:

- Washington is uniquely positioned as a gateway to the global economy. As the most trade-dependent state in the nation, per capita, Washington's economy is highly dependent on an efficient multimodal transportation network in order to remain competitive.
- The vitality of the state's economy is placed at risk by growing traffic congestion that impedes the safe and efficient movement of goods. Trade opportunities are limited by the absence of a comprehensive and coordinated state policy that facilitates freight movements to local, national, and international markets.
- Freight corridors that serve international and domestic interstate and intrastate trade, and those freight corridors that enhance the state's competitive position through regional and

global gateways, are strategically important. In many instances, movement of freight on these corridors is diminished by:

- Barriers that block or delay access to intermodal facilities where freight is transferred from one mode of transport to another;
 - Conflicts between rail and road traffic;
 - Constraints on rail capacity;
 - Highway capacity constraints, congestion, and conditions;
 - Waterway system depths that affect capacity, and
 - Institutional, regulatory, and other operational barriers.
- Rapidly escalating population growth is placing an added burden on streets, roads, and highways that serve as freight corridors. Community benefits from economic activity associated with freight movement often conflict with community concerns over safety, mobility, and environmental quality. In the early stages of proposed public and private infrastructure investments, efforts that encourage the active participation of communities in minimizing the community impact will facilitate needed freight mobility improvements.
 - Ownership of the freight mobility network is fragmented and spread across various public jurisdictions, private companies, and state and national borders. Transportation projects have grown in complexity and size, requiring more resources and longer implementation time frames. Currently, there is no comprehensive and integrated framework for planning the freight mobility needs of public and private stakeholders in the freight transportation system. A coordinated planning process will identify new infrastructure investments that are integrated by public and private planning bodies into a multimodal and multijurisdictional network in all areas of the state, urban and rural, east and west. The state should integrate freight mobility goals with state policy on related issues such as economic development, growth management, and environmental management.

- State investment in projects that enhance or mitigate freight movements should pay special attention to solutions that utilize a corridor solution to address freight mobility issues with important transportation and economic impacts beyond any local area. The corridor approach builds partnerships and fosters coordinated planning among jurisdictions and the public and private sectors.
- The policy of the State of Washington regarding limited public transportation funding and competition between freight and general mobility improvements for the same fund sources is to require strategic, prioritized freight investments that reduce barriers to freight movement, maximize cost-effectiveness, yield a return on the state's investment, require complementary investments by public and private interests, and solve regional freight mobility problems. State financial assistance for freight mobility projects must leverage funds from all potential partners and sources, including federal, county, city, port district, and private capital.

“One of FMSIB's strength's is how the program stays focused on its mission. By keeping its focus, FMSIB adds real economic value to the state.”

— Terry Finn, FMSIB member BNSF Railway



U.S. SENATOR MARIA CANTWELL
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Cantwell Urges USDOT to Launch Freight Initiative to Ready U.S. for Trade Growth

WA state freight expected to grow by up to 86 percent by 2040

WASHINGTON, D.C. – Today, U.S. Senator Maria Cantwell (D-WA) sent a letter to U.S. Department of Transportation Secretary Ray LaHood urging him to launch a comprehensive freight initiative at the U.S. Department of Transportation (USDOT). The initiative would raise the profile of freight mobility in order to coordinate and improve federal freight policy, planning and investment across all modes. The initiative would also help to eliminate duplication and focus attention on freight projects that have the maximum benefit to the nation’s transportation network, economy and the taxpayer.

The efficient movement of freight and goods is especially important to Washington state, which exported more per capita last year than any other state in the nation. In 2010, more than 533 million tons of freight were moved in Washington – a number expected to grow by up to 86 percent by 2040. But congestion threatens this growth – and the jobs and economic opportunities that come with it. Freight congestion and other bottlenecks already cost the nation approximately \$200 billion per year.

“I urge you to move forward on the development of a high-level and coordinated multimodal freight initiative at the U.S. Department of Transportation to improve the management of freight programs, investment, coordination, and planning,” Cantwell wrote in the letter.

“Americans need a smarter and more efficient approach to freight policy that is strategic about our position as a competitor in the worldwide marketplace and the need for an improved nationwide network that supports job growth long into the future.”

The freight initiative would improve coordination and freight planning across all USDOT operating administrations. It would help evaluate and prioritize proposed federal freight planning and investments based on their strategic importance to the nationwide freight network. It would also establish a collaborative advisory partnership with private, non-profit and public sector freight stakeholders to provide input and guidance on federal freight efforts.

“As the Congress and the Administration move towards reauthorization of surface transportation, we have to better recognize the importance of freight investments for national economic growth. USDOT should refocus how it approaches the freight community. The development of freight policy, funding proposals and project plans, and the oversight of freight

investments must all be done on a mode-neutral basis with careful attention to both public and private sector interests,” said Mortimer L. Downey, former Deputy Secretary of USDOT and Chairman of the Coalition for America’s Gateways and Trade Corridors. **“It’s time USDOT establish a permanent freight initiative that can interact with industry, draw on current expertise within DOT agencies, and add the skills and knowledge unique to meeting freight needs. I’m pleased to strongly support Senator Cantwell’s request to USDOT.”**

In her letter to Secretary LaHood, Cantwell also encouraged USDOT to consider the Washington State Freight Mobility Strategic Investment Board as an example of successful freight coordination, prioritization and collaboration among many modes and diverse interests. The board brings together representatives of the trucking, railroad, maritime, and port industries with state and local government stakeholders. The board evaluates and prioritizes proposed freight projects, improves the statewide freight network and, in close collaboration with Washington State Department of Transportation, identifies strategic highway, rail and maritime freight corridors.

“Despite their differences, the many modes and stakeholders on the Freight Mobility Strategic Investment Board work together in Washington to create a better multimodal system that addresses deficiencies in roadway, rail and port goods movement corridors,” said Karen Schmidt, Executive Director of the Washington State Freight Mobility Strategic Investment Board. **“This model works to prioritize strategic freight corridors and find solutions to move goods that are cost effective and, through our leveraging requirement, provides a good use of taxpayer money. Bringing this successful model to the federal level and further improving freight mobility at USDOT is a welcome step forward.”**

Statewide, the impacts from increasing competition and deteriorating infrastructure could be dire. For example, more than 27,000 jobs and \$3.3 billion in economic output at freight-dependent industries could be lost in Washington state if truck congestion within the state increases by just 20 percent, according to a soon-to-be-released study by the Washington State Department of Transportation. Nationwide, it is expected that the volume of freight in the United States will grow by 27 percent between 2010 and 2040.

In early January of this year, Cantwell visited three ports in Washington state – the [Port of Seattle](#), [Port of Pasco](#) and the [Port of Vancouver](#) – to highlight local freight mobility improvement projects that would create jobs and make the movement of goods more efficient in and around the ports. Along the way, Cantwell called for Senate action on the surface transportation bill. The bill, which passed the Senate on March 14th, included many of the freight provisions Cantwell championed.

FMSIB a Model for a National Freight Program

During 2012, United States Secretary of Transportation Ray LaHood announced the creation of a federal Freight Policy Council which will focus on improving the condition and performance of the national freight network. The goal is to better ensure the ability of the United States to compete in today's global economy. According to a press release from the United States Department of Transportation (USDOT), the council will develop a national intermodal plan for improving the efficiency of freight movement and will work with states to encourage development of a forward-looking freight strategy. The Council will propose corridor improvements for United States ports and a strategy to better move freight. **Secretary LaHood said the federal board is modeled on FMSIB and that the State of Washington performs better than most other states in coordinating trucks, trains, and ships.**

Leading up to this announcement, shipping industry executives from BNSF Railway and the Port of Seattle, among others, had expressed their concerns about the United States government's lack of a freight policy while Canada has been investing heavily in shipping terminals in British Columbia and inland railroad infrastructure.

The recent federal transportation bill, Moving Ahead for Progress in the 21st Century, or MAP-21, signed into law in 2012, established a national freight policy and called for the creation of a National Freight Strategic Plan. President Obama has identified a goal of doubling United States exports by 2015.



Washington State agricultural exports totaled \$2.9 billion in 2011.



Aircraft and aircraft parts are the state's highest value export at \$27 billion in 2011.



Washington wine production ranks 2nd in the U.S.

“With increasing competition abroad, Washington businesses require a 21st century approach to moving goods. This new Freight Policy Council provides the roadmap our nation needs to stay competitive and grow our trade economy. Smart freight planning is especially important to Washington state, where more than one million jobs are in freight-dependent industries.”

— U.S. Senator Maria Cantwell

“Our freight system is the lifeblood of the American economy, moving goods quickly and efficiently to benefit both businesses and consumers across the country. With the launch of the Freight Policy Council, we have an opportunity to make not only our freight system, but all modes of transportation, stronger and better connected.”

— Ray LaHood, United States Secretary of Transportation

The Importance of Freight to the Washington State Economy

The State of Washington is in the top five of states with the largest amount of exports, ranking fifth behind Texas, California, New York, and Florida. The state is the largest United States exporter on a per capita basis. With 8,000 Washington companies currently exporting, approximately four percent of Washington companies export, compared to a national average of one percent. Based on new research by the Washington Council on International Trade, nearly 40% of all jobs in Washington can be tied to trade-related activity.



Aerospace and agricultural products contributed to a record \$64.6 billion in exports for 2011, the most current data available.

- Biggest export by value: aircraft and aircraft parts (\$27 billion in 2011)
- Biggest import by value: industrial machinery
- Agricultural exports totaled \$2.9 billion in 2011
- Washington ranks second in production of wine in the U.S., with more than 600 wineries
 - Top export destinations for Washington wine in 2011 were: Canada, Japan, Germany, China, and Belgium
- Largest trading partner: Canada
- Largest export markets for goods leaving Washington state: China, Canada, and Japan

Washington state's agricultural industry is dependent on freight to move its products within the state, inter-state, and internationally.

- Nearly \$13 billion in food and agricultural products were exported through Washington ports in 2010, the third largest total in the United States
- The state's \$40 billion food and agriculture industry employs approximately 160,000 people and contributes 12 percent to the state's economy
- Washington ranks first in United States production of apples, sweet cherries, pears, red raspberries, and hops
- Washington leads the United States in potatoes grown for processing, and is a leader in the production of apple, grape, and berry juices

“Eastern Washington lives and dies on exports of fruit, wheat, apples, and cherries. FMSIB helps Washington state producers get their products to market by funding freight mobility projects and building successful partnerships that leverage state funds. FMSIB also brings along elected officials to understand the inter-relationships between the producers, shippers, carriers, ports, and governments – all players in the state's economy that rely upon efficient freight movement.”

— Tom Trulove, FMSIB member, Mayor, City of Cheney, Chair, Department of Economics, Eastern Washington University

Freight Rail

Every year America's freight railroads invest billions of their own capital, not taxpayer money, to build and maintain a system that is safe, reliable, efficient and affordable. Including the cost of maintenance, railroads in recent years have been spending roughly \$20 billion a year in private investment into the nation's rail freight infrastructure.

In 2010, freight railroads spent a record \$10.7 billion on capital expenditures. Major freight railroads projected capital expenditures of \$12 billion in 2011, and higher investment still in 2012.

In 2008, the most recent year for data, freight railroads moved roughly 235 million tons of U.S. goods and materials to ports and borders, worth more than \$190 billion. Roughly 60 percent of rail intermodal traffic — shipping containers and truck trailers on railroads — involves imports or exports, reflecting the vital role railroads play in international trade. Today, intermodal traffic accounts for around 21 percent of U.S. rail revenue. (American Railroad Association data)

Since 1980, railroads have invested \$480 billion — the equivalent of more than 40 cents out of every revenue dollar — back into the network on which America's economy rides. Nationwide, rail moved

The major rail corridors in the state are:

- The north-south corridor which parallels the Interstate-5 corridor from the Columbia River to Vancouver, BC;
- The Columbia River Gorge route from Vancouver, WA, to the east;
- Stevens Pass — running from Everett to Spokane and east, and
- Stampede Pass from Auburn to Pasco to Spokane and east.

13.3 percent of the nation's freight tonnage. By 2035, railroads are expected to carry 38 percent more cargo than they do today.

Railroad spending is divided into two categories: the cost to run the railroad and the cost to grow and modernize the rail network. Because railroads own their entire infrastructure, the amount of money required to maintain the network is significant.

Two mainline Class 1 railroads serve the State of Washington: the BNSF Railway (BNSF) and the Union Pacific Railroad (UP). These Class 1 railroads primarily serve the inland transportation component

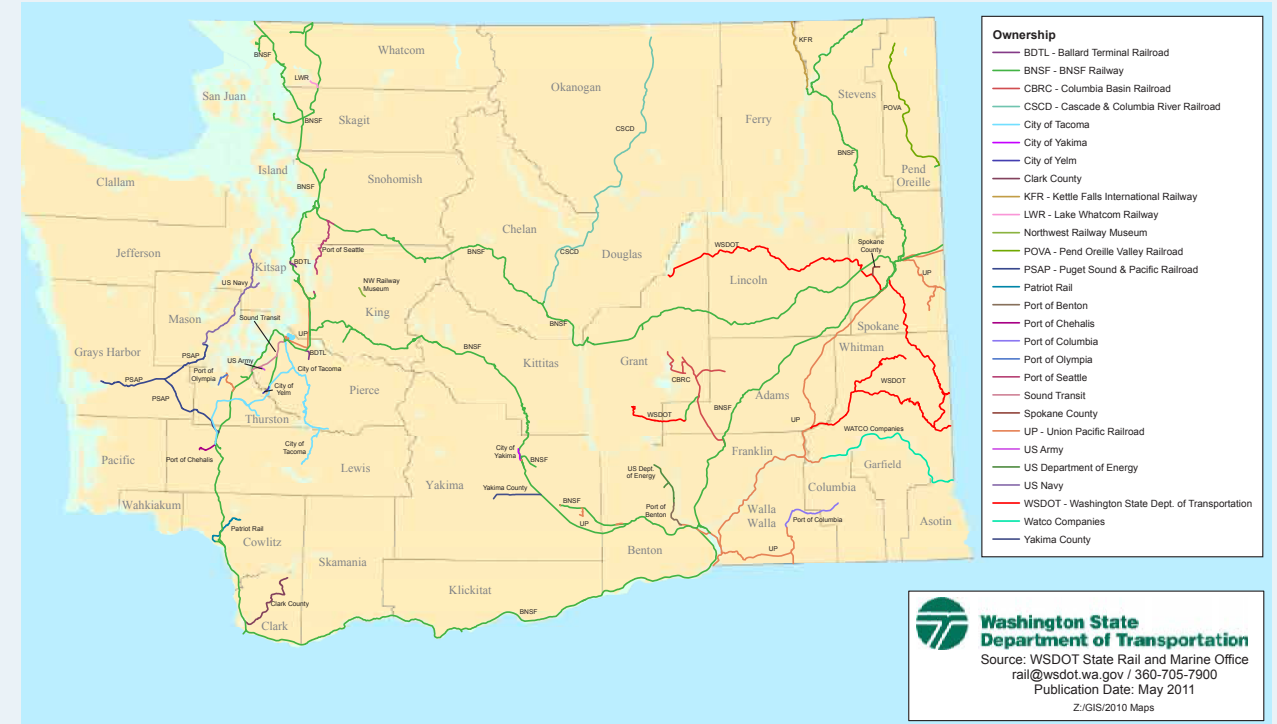


The Port of Kalama with FMSIB funding support upgraded a unit-train receiving-track for a grain terminal in 2004-2005. This funding cleared congestion from the mainline and added additional throughput capacity at the terminal.

The initial investment by the Port and FMSIB enabled Temco, the operator of the terminal, to see the potential of the grain terminal. Temco funded additional rail expansion a few years ago, and has now decided to further expand the terminal. This expansion is planned to begin in 2013 and is estimated to create about 100 local jobs. Temco plans to build eight to 12 new silos, new rail lines, and new conveyor belts to boost its grain-handling operation.

Temco is a joint venture owned by Minnesota-based cooperative CHS Inc. and Cargill.

Total FMSIB funding was \$1.25 million and the Port matched FMSIB's contribution.



Freight rail in Washington State.

of the supply chain for large volumes of import and export cargo moving through state ports.

Ports and railroads are interconnected. Port access must be efficient and reliable and connect to the rest of the system. The majority of the state's cargo is discretionary. That means it does not have to pass through Washington but can move through virtually any port on the west coast on its way to and from Chicago and other markets in the Midwest and East. It can easily shift to other gateways if they are judged to be less expensive and faster.

According to the State Freight Rail Plan, 42 percent of marine cargo is moved by rail on the landside and about 40 percent of the state's rail traffic is related to port activity. Nearly 70 percent of the cargo moving through the large Puget Sound ports travels by rail, even higher for some of the bulk commodity ports on the Columbia River.

Union Pacific Railroad (UP)

Union Pacific serves many of the ports across Washington, notably Seattle, Tacoma, Vancouver, Longview, and Kalama on the Columbia River, helping to bolster development and economic stimulation in communities throughout the state. Union Pacific operates two north-south main lines in Washington, with a connection to the Canadian rail system. Union Pacific owns the cars used and provides the transportation on the western

“ Union Pacific's projected \$3.6 billion 2012 capital spend is the largest in company history. These are private investments, not taxpayer dollars, to support America's transportation infrastructure needs. ”

— Brock Nelson, FMSIB member Union Pacific



side of the country for Railex trains that begin in Wallula, Washington, and terminate in Albany, New York, making the trip in 124 hours. Major commodities handled by Union Pacific in the state include lumber, fruits, automobiles and trucks, manufactured products, grain, chemicals and import-export consumer products. Union Pacific moves export soda ash and grain to Kalama and

continued on next page

handles consumer products on double-stack trains from Seattle and Tacoma. One of the more unique services provided by the railroad is the movement of municipal trash from Seattle to a landfill in eastern Oregon.

Examples of recent investments nationwide by UP:

- Install approximately 4.3 million railroad ties
- Replace approximately 1,000 miles of rail
- Acquired 200 locomotives
- Acquired 1,800 freight cars, primarily covered hoppers and gondolas

UP owns 532 miles of track and has 309 employees in the State of Washington. Their annual payroll in the state is \$24 million and they report \$110.6 million of in-state purchases. In 2011, within Washington they invested \$22.1 million in capital the most recent data available. Investment made in 2012 in the Pacific Northwest included siding extensions and terminal improvements.

A FMSIB project of particular interest to UP is the Argo rail yard truck-access at the Port of Seattle. The Port of Seattle is the lead agency in a coalition including the Freight Mobility Strategic Investment Board (FMSIB), UP, Prologis, Washington State Department of Transportation (WSDOT), and the City of Seattle. The project includes a dedicated one-way truck roadway providing a safer and faster truck freight route from the port marine terminals to the UP Argo Yard rail gate. In conjunction with the truck access project, FMSIB will fund a new gate. This project has stimulated additional UP investment by redesigning their gates and adding electronic access.

The truck roadway would be constructed from the east side of the SR 99/East Marginal Way trestle underpass to the existing Colorado Street cul-de-sac. The project also will include the improvement of Colorado Street and Diagonal Avenue from the southern end of the new truck roadway to SR 99/East Marginal Way.

BNSF Railway

BNSF Railway is one of North America's leading freight transportation companies, with a rail network of 32,000 route miles in 28 states and two Canadian provinces. BNSF is one of the top transporters of the products and materials that help feed, clothe, supply and power communities throughout America and the world. The railroad moves a large share of the nation's grain, sugar, coal, autos and containerized freight. BNSF serves 40 ports and operates 31 intermodal facilities.

In 2012, the company spent a record \$3.9 billion on capital improvements nationwide, including maintenance, acquisition of rolling stock and expansion of track and terminal infrastructure. About \$800 million is slated for new Tier 3 locomotives that will reduce nitrogen oxide (NOx) and particulate emissions between 60 and 70 percent compared to their predecessor power plants. NOx is regulated under the Clean Air Act. BNSF spends more than \$100 million a year on capital improvements in Washington.

“ Each time freight stops here in Washington state to change mode from rail to truck to ship, jobs are at stake. Jobs are created throughout the supply chain and in the handling of freight. Jobs from the production of airplanes or agricultural products; jobs hauling the freight; jobs transferring goods; jobs manufacturing trucks and ships, and jobs in the freight service sector. Freight transport is a business with true partnerships and interdependence between the public and private sectors. ”

— Terry Finn, FMSIB member BNSF Railway

Key projects in Washington include the Vancouver By-Pass, an additional main line at Kelso-Martin's Bluff, extensive tie replacement, siding extensions at Mount Vernon and Stanwood, and new track capacity and safety improvements for passenger and freight rail service.

Trucking

After a significant dip during the Great Recession, and a mild economic recovery, the United States freight economy, particularly for trucking, is projected to grow significantly in the years ahead, according to the American Trucking Associations' (ATA) United States Freight Transportation Forecast to 2023. Trucking companies and customers have closer and better relationships today. They see the value in jointly working together to best manage the supply chain for mutual benefit.

The forecast, a product of collaboration between ATA, IHS Global Insight and Martin Labbe Associates, lays out the current state of the freight economy. The ATA forecast focuses on trucking and projects a robust role for trucks in the future. Trucking dominates the freight transportation industry in terms of both tonnage and revenue, comprising 67 percent of tonnage and 81 percent of revenue in 2011, according to ATA Chief Economist Bob Costello. Overall, total freight tonnage is expected to grow by 21 percent by 2023, and revenue for the freight transportation industry is projected to rise 59 percent in that same timeframe. Trucking's share of the tonnage market will rise over two percentage points to 69.6 percent by 2023, while the industry's share of freight revenues will increase to 81.7 percent from 80.9 percent. Intermodal tonnage will rise 6.2 percent a year between 2012 and 2017, and then 5.4 percent annually through 2023.

“ FMSIB gives the freight industry a voice in transportation investments. FMSIB's freight industry representatives bring knowledge about the key issues of concern and working with FMSIB staff and government agencies they find creative and cost effective solutions. ”

— Steve Holtgrets, President Hogland Transfer Company, Inc.



Boeing fuselage on BNSF train at Broad Street in Seattle.

The impact of disruptions to trucking freight mobility

Nearly every good consumed in the United States is put on a truck at some point. The supply chain is finely tuned and disruptions have a big negative effect. A WSDOT case study quantitatively documents this impact:

WSDOT published a report about the economic impacts of closing I-5 and I-90 when severe weather overwhelmed the roadways and disrupted freight and passenger movements across the state and the West Coast. In all, the highways were closed for eight days, four days for I-5 and four days for I-90. When I-5 was closed in December 2007 because of flooding at Chehalis, WSDOT established a primary truck detour along I-84 in Oregon and over I-82 and I-90 in Washington. This route added 440 miles to a 200-mile trip from Portland to Seattle. The SR 7 and US 12 routes were made available for trucks carrying emergency supplies and perishable items.

The total loss from freight delay identified, due to the two corridor closures, was almost \$75 million. More than \$47 million of the total loss is attributable to the I-5 closure, with almost \$28 million attributable to the I-90 closure. Employment loss, defined as estimated job loss for one year following the economically disruptive event, was 460 jobs. Sales tax revenues lost are estimated at \$3.81 million, and reduction in personal income is estimated at \$23.15 million.

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Ports

Ports create a seamless network that sends our goods to a global market, and imports goods from other countries, bound for Washington stores. Washington has 11 deep-draft ports, a tremendous asset for the state's economy. Seven of these ports are on Puget Sound - the largest of them, the Ports of Seattle and Tacoma, together comprise the second largest load center in the nation, behind the complex at Los Angeles/Long Beach.

The Columbia/Snake River system stretches 365 miles inland from the Pacific Ocean. The three deep-draft ports along this system, Longview, Kalama, and Vancouver, are major shipping centers for the state. Upstream, the Ports of Klickitat, Pasco, Kennewick, and Benton are served by barge along the Columbia. The Ports of Whitman County, Walla Walla, and Clarkston are served by barge along the Snake River.

Seventy percent of Pacific Northwest international freight is discretionary and can be moved by other routes. Shippers now have more choices about the fastest and least expensive way of delivering their cargo. Shipping via an all-water route from Asia to the East Coast is taking less time. Economics are now favoring all-water routes to the east coast when there is not a strong shipper preference. While trade with Asia is increasing, the west and Pacific Northwest are losing market share to all-water routes and to Canada.

Port of Seattle

Data from 2011 show that the Port of Seattle was the sixth busiest United States seaport in TEU's and the ninth largest in terms of dollar value. It was the seventh largest in North America, and the 57th largest in the world in TEU's. It is served by 26 regular steamship lines, two major transcontinental railroads, and 100 trucking companies, with 1,520 vessel calls in 2011.

Cargo activity at the port generates 21,000 jobs. With \$2.5 billion in business revenue, the port's activities generate \$457.5 million in state and local taxes. The private sector employers at the container and cargo handling marine facilities generate another 135,100 related jobs in the State of Washington.



Port of Seattle

The Port of Seattle has partnered with FMSIB on several projects. Two projects were completed in 2009, one in 2010, one in 2011, and one in 2012. These projects include capacity improvements at SR 518 and a grade separation at SR 519 (completed in 2009); intelligent transportation systems in the Duwamish industrial area completed in 2010; a grade separation at East Marginal Way (completed in 2012); and access improvements to the UP Argo rail-yard (under way).

Port of Tacoma

The Port of Tacoma has two primary waterways (Blair and Sitcum), both offering a depth of 51 feet that do not require maintenance dredging. The Port of Tacoma handles a variety of cargos through terminals operated by the Port and by contractors and lessees. Containers are the fastest-growing cargo in the Port of Tacoma. Its container terminals cover almost 6,500 acres.



“Container cargo means jobs for the Puget Sound region. Last year, the Port of Seattle harbor handled more than two million TEUs (20-foot equivalent containers), contributing to over 100,000 family wage jobs for the local economy. Gentrification of neighborhoods surrounding maritime ports puts these jobs at risk. ”

— John Creighton, FMSIB member Port of Seattle



Genie Lifts

Focus on Port of Tacoma Customer Genie Lifts

Large export shipments of Genie® lifts highlight the Port of Tacoma's role in connecting Washington state products to global markets.

The Genie brand was founded in 1966 in Seattle, when Bud Bushnell bought the manufacturing rights to a material lift that operated on compressed air. Today, Genie is a brand of products manufactured by the Terex Aerial Work Platforms business segment of Terex Corporation.

The Genie lifts exported through the Port of Tacoma were built at the Terex Aerial Work Platforms plants located in Redmond and Moses Lake, Washington.

“This is a great example of how the Port of Tacoma's break-bulk facilities and transportation connections help shippers get products made in Washington to a variety of international markets,”

Larry St. Clair, Director Port of Tacoma break-bulk business.

Overall, the Port's break-bulk cargo includes Genie lifts and a wide range of industrial, agricultural and construction equipment.

The Port of Tacoma is home to a 12-track intermodal yard that accommodates 72 double-stack cars. It directly connects to two major transcontinental railroads, BNSF and UP, through a regional short-line service, Tacoma Rail.

According to a July 2012 report on the Port of Tacoma web site, container volumes through the Port of Tacoma jumped 20 percent compared to the same month last year, boosted by the addition of new shipping lines and services, as well as continued strong volumes from established customers.

The Grand Alliance began calling at Tacoma's Washington United Terminals in 2012. The consortium includes three of the world's largest shipping lines, Hapag-Lloyd (based in Germany), Orient Overseas Container Line (Hong Kong) and NYK Line (Japan), as well as associated carrier ZIM Integrated Shipping (Israel).

The Port handled 146,010 TEUs (20-foot equivalent units) year to date through July 2012, accounting for an overall four percent improvement. Imports and exports showed continued gains year to date, with full-containerized imports rising nearly 16 percent.



Port of Tacoma

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Port of Vancouver

The Port of Vancouver USA, 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, Union Pacific, Canadian National and Canadian Pacific Railroads. Terminal 5, the port's newest 218-acre marine terminal, 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, a three-fold increase.

A recent economic impact study conducted by Martin & Associates and published in 2011 reported that the port injected \$1.6 billion into the regional economy and generated 2,337 direct jobs in 2010. Total jobs associated with port activities, including indirect employment, reached 16,996, an increase of 1,416 from 2005. The 2,337 direct jobs produced by the port paid \$116.3 million in wages and salaries, up 17 percent. Port activities contributed \$80.8 million in state and local taxes. Strong marine cargo growth in exported wheat, scrap metal and mineral exports, combined with increased wind energy imports, contributed to the port's success.

The port handled 5.6 million metric tons of cargo in 2011, down slightly from 2010. Overall cargo trends held steady with wind energy, pulp, scrap metal and project cargo leading much of the growth, while other cargos, such as automobiles, wheat and bulk minerals, dipped due to the recession and global events.



A deeper Columbia River shipping channel and innovative marketing efforts resulted in 456 ocean-going ships and river barges calling on the port in 2011, up from 405 in 2010. Many of those vessels carried U.S. wheat, the port's number one export by volume, to such faraway places as Japan and the Philippines. Others brought wind turbine components from Korea and China to the port's docks, making 2011 the port's best year ever for wind energy cargo. *(Port of Vancouver USA website.)*

The Port of Vancouver has invested more than \$200 million in port infrastructure over the last 10 years. Nearly half of that has been spent on the West Vancouver Freight Access (WVFA) project. Once completed in 2017, the WVFA project will reduce congestion on the regional rail system by as much as 40 percent, increasing capacity for rail freight flowing through the port and along the BNSF Railway and Union Pacific mainlines that connect the Pacific Northwest to major rail hubs in Chicago and Houston and from Canada to Mexico. The project will also facilitate the development of the city of Vancouver's urban waterfront for mixed-use, which is projected to result in \$1.3 billion in investment west of the I-5 Bridge.

The port continues to make progress on the WVFA project and has completed two major phases. The first phase is related to providing new access to the BNSF mainline, enabling the City of Vancouver's plans for a new mixed-use waterfront development and providing new rail service to two industrial businesses. The second phase created a state-of-the-industry loop track at the western end of the port's rail infrastructure, resulting in the ability to bring full unit trains into port, and a 25 percent decrease in congestion on the regional system.



Port of Vancouver

The third major phase is currently underway to connect directly to the east-west Columbia River Gorge rail line.

When complete, the project will provide infrastructure that BNSF and UP will use to break down and build unit trains within port facilities, as well as reduce congestion in the nearby BNSF yard. With the completion of the freight access project, the port will nearly triple its miles of internal track and rail car capacity to serve current and future customers, while reducing congestion on the regional rail system by as much as 40 percent overall. The project also will create approximately 1,000 new, permanent jobs and approximately 4,000 construction jobs over the life of the project.

Public and private funding partners are participating in making this project a reality, including FMSIB. The United States Department of Transportation

awarded \$15 million in high-speed-rail funds to the port to construct a new rail access route within the port, which will include a new grade separation to alleviate congestion at an existing rail crossing that has long created a major choke point for rail traffic. The upgrade is expected to significantly reduce delays affecting freight trains and Amtrak's Cascades service. In addition to the \$15 million in federal funds, the Washington State Department of Transportation and the Port of Vancouver are contributing a combined \$22 million to the project, with construction beginning in July 2012.

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“ The Port of Vancouver's investment in infrastructure at the Port will facilitate the export of bulk products such as grain, fertilizer, and minerals, helping the state's economy. FMSIB's investments will help by greatly increasing capacity within the port while at the same time reducing congestion on both north-south and east-west rail lines by 40% improving overall freight and AMTRAK use. ”

— Larry Paulson, FMSIB member Ports representative

The Port of Everett

The Port of Everett shipping terminals consist of approximately 100 acres, and a portion of that acreage is leased to port customers. Some of the tenants that lease property from the port include Lehigh Northwest Cement Company and Dunlap Towing Company. The port also has agreements with The Boeing Company, three international shipping lines and Lehigh Northwest Cement Company to bring regular cargos through the Port of Everett.

Freight mobility is at the top of the Port of Everett's priority list. The efficient movement of goods throughout the region is a critical factor in maintaining and securing new business opportunities. The Port of Everett has partnered with other ports, counties, cities, freight carriers, the state, federal government and the Puget Sound Regional Council to work to improve the freight congestion in the Puget Sound region. This collaborative group is known as the [Freight Action Strategy \(FAST\) partnership](#). The partnership formed in 1998, and to date has worked to make more than \$568 million worth of improvements to freight mobility bottlenecks in the region.



Port of Everett – Boeing parts – 1,000 for 777

Port of Everett Customer: The Boeing Company

The Boeing Company and the Port of Everett celebrated at the Port's aerospace terminal when the partners loaded fuselage skin panels for the 1,000th 777 onto a rail car bound for the company's Everett factory. The fuselage, made by Mitsubishi Heavy Industries from Japan, will be part of a landmark airplane that was completed in early 2012 and sent to Emirates Airline, the 102nd 777 it has ordered. Larry Loftis, general manager for Boeing's 777 program, lauded the port in helping with just-in-time delivery of the parts shipped from Japan. The port receives the parts by ship at its marine terminals, then barges the containers to its Mount Baker Terminal near Mukilteo.

Around 90 percent of world trade is carried by the international shipping industry. Without shipping, the import and export of goods on the scale necessary for the modern world would not be possible. There are over 50,000 merchant ships trading internationally, transporting every kind of cargo. The world fleet is registered in over 150 nations, and manned by more than a million seafarers of virtually every nationality.



Trends in the regular shipping line sector and therefore in container transportation have returned to growth after the declines associated with the recent recession: the increase in the world fleet capacity, and also the size and speed of vessels between the mid-1990s and the middle of the current decade, reflect new advances that have made it possible to absorb the increasing volume of goods shipped from Asian ports. The increasing ship size and correspondingly larger volumes arriving with each ship require transportation infrastructure that can handle these surges of imports and exports efficiently. Washington ports, with their naturally deep water and investments by port districts and private companies, are well suited to handle the ships, but the shore-side transportation network needs to be continually upgrade to meet the freight demands from cargo imported and exported from our state.

“ Shipping freight is a highly competitive business. Shippers will shift their shipping anywhere for a few dollars a box. This means that the time to get to and from the gate is very important: delay may mean our state loses business. FMSIB plays a critical role in finding solutions to reduce freight delays. ”

— Mark Knudsen, FMSIB member SSA Marine, Carrix

“ While demand can sometimes not always be met, it is not transport itself that is responsible for this, but operational deficiencies in the transport chain in ports and inland. ”

— From the French shipping transportation consultancy, Copetrans



SSA Marine



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. Approximately 63 percent of the state's population lives in cities and 27 percent of all trips are on city streets. Counties have a complex system of transportation infrastructure with over 80,000 lane miles of roads and 3,243 bridges.

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. Working together, FMSIB and local jurisdictions find ways to keep large-scale projects moving by implementing them in phases to maximize efficient use of money and resources. 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.

The struggling economy is making it harder for local jurisdictions to contribute to freight projects. Many cities and counties are struggling with the preservation and maintenance of existing streets and roads, even turning some facilities back to gravel roads. The Great Recession has negatively affected both counties and cities with diminished tax revenue.

“ Overseas trade is of vital importance to the people of our state. Boeing, Starbucks, and Microsoft are the prominent, well-known firms who rely on global trade. There are thousands of other companies who also rely on keeping their products moving on the state's transportation network to get to market. Resolving conflicts at chokepoints is vital to efficient freight movement. FMSIB has a positive track-record of completing targeted investments with value for freight mobility and ultimately for the state's economy. ”

— Dave Gossett, FMSIB member Snohomish County

A study conducted on behalf of the Washington Cities Association found:

- More than three in five cities report that their street system is not optimal – one in five cities (21 percent) report generally inadequate conditions. Another two in five (42 percent) say the streets are only in fair condition.
- One quarter of cities have identified potentially unsafe street conditions that cannot be addressed with existing resources.
- Impacts of the economic recession are evident in declining city street fund allocations – 68 percent of cities report the biggest challenge to financing city streets is a lack of general fund resources.
- Grant fund opportunities are shrinking – 27 percent of cities report that lack of state/federal grants and loans is the biggest challenge to financing city streets.
- City officials report that the condition of local access streets is the worst (31 percent of cities indicate these streets are generally inadequate, 40 percent say residential streets are only fair).
- 71 percent of cities report having arterials that need significant repair or reconstruction (only eight percent say they have the resources to make these investments).

1. East Marginal Way Grade Separation and Realignment, Seattle



East Marginal Way ribbon cutting, John Creighton, FMSIB member.

This project consists of a north, east, and southbound grade separation on Duwamish Avenue South, which removes at-grade conflicts with existing rail tracks. The project is designed to improve access among port terminals, Union Pacific and Burlington Northern Railroad rail yards, local manufacturers, and distribution warehouses. 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 a positive impact on air quality.

The Port of Seattle partnered with FMSIB to construct a grade separation on Duwamish Avenue, south of Spokane Street. This critical east-west link between I-5 and the Port of Seattle container terminals in the south Duwamish area carries 45% of the port's regional truck traffic. The project relocated East Marginal Way through this corridor. The project gives trucks 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 routes traffic over existing train tracks serving 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 connects three existing streets: South Spokane Street, Duwamish Avenue South, and East Marginal Way. The project includes 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.

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 finished in late 2011 with the ribbon cutting on April 11, 2012.

2. Lincoln Avenue Grade Separation of the BNSF Stampede Pass Line, Yakima



Lincoln Avenue

The City of Yakima has seven at-grade railroad crossings and only two grade-separated crossings, which were built in 1964 and 1970. The reopening of Stampede Pass by the BNSF Railroad has increased rail traffic in excess of the capacity for two grade-separated crossings, and blocks western access for Yakima Fire Station 91. Martin Luther King Jr. Boulevard and Lincoln Avenue are the two main arterials for the Yakima central business district, and function as a one-way east/west couplet. Each street carries over 20,000 vehicles per day and serves as the primary route for emergency response vehicles for east and north Yakima. Located adjacent to the railroad tracks and one block from Lincoln Avenue, Fire Station 91 had over 1,500 calls in 2007 that required crossing the tracks for an emergency.

This project includes the construction of two underpasses: one located at Lincoln Avenue and the other at Martin Luther King Jr. Boulevard (formerly B street) from 1st Avenue to 1st Street. The Lincoln Avenue underpass was completed in 2012. The underpass reconstructed three lanes on each roadway under the BNSF mainline. The project is critical to the movement of truck freight, emergency vehicles, and downtown access.

Groundbreaking for this project took place in 2010. The Lincoln Avenue Underpass dedication took place on May 24, 2012

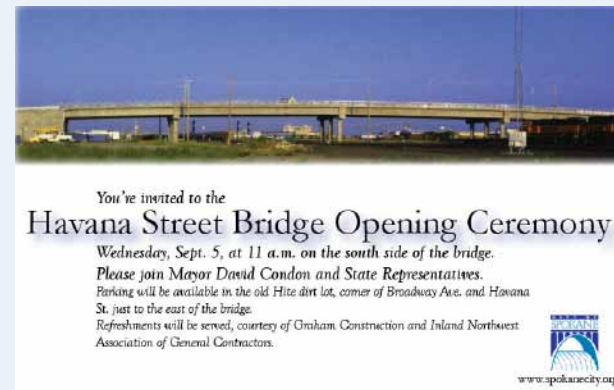
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3. Havana Grade Separation, Spokane

Havana Street is a principal north-south arterial in the Spokane Valley. It crosses the BNSF mainline between Broadway and SR 290 (Trent Road). The BNSF mainline carries between 60 and 100 trains per day at this location. Havana Street was blocked 18 hours per day by BNSF operations. The street is in a highly industrial area of Spokane with access to SR 290, the Interstate Fairgrounds, and the Spokane Indians baseball stadium.

The project separates the grades of the rail-line and Havana Street. This was accomplished by constructing a bridge over the BNSF tracks allowing a more efficient utilization of Havana Street and providing relief to both Freya and Fancher streets. Long term, this will accommodate the additional traffic that is expected to grow, in excess of 16 percent per year, as the existing commercial property is redeveloped for mixed use.

Groundbreaking took place in May 2010 and the project was completed in August 2012.



4. Lincoln Avenue Grade Separation, Tacoma

In early June 2011, the Lincoln Avenue overpass project was completed. Lincoln Avenue is one of the primary connectors between I-5 and the port for a high volume of trucks. Rail switching operations and mainline trains caused vehicular delays of up to 30 minutes every two hours on Lincoln Avenue.

This project raised Lincoln Avenue over key railroad tracks in the port area serving the port's two main rail yards, removing the at-grade conflict between rail activities and heavy vehicular traffic. The overpass allows long train assemblies without blocking arterial traffic. (Trains arriving and departing the Port of Tacoma average 8,000 feet in length.)

The 2,200-foot overpass adds three lanes of roadway over four sets of railroad tracks. The construction created 200 jobs during the construction peak. Economists estimate the entire corridor will contribute another 1,500 permanent jobs through efficiency and additional capacity. Construction began in 2009.

This project benefited from seven different funding partners. FMSIB's \$10.2 million contribution leveraged an additional \$36.6 million from other sources. \$15.4 million in federal American Recovery and Reinvestment Act funds were also used. The total project cost was \$50 million.



Paula Hammond, Secretary of Transportation, WSDOT and Brian Ziegler, FMSIB member.

“This year, the Lincoln Avenue Grade Separation was opened to traffic. This route is vital for vehicles serving the Port of Tacoma. The Port of Tacoma is the economic engine of Pierce County. FMSIB was an important partner in seeing this project from inception to completion.”

— Brian Ziegler, FMSIB member Pierce County

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 Road Grade Separation
6	Port of Longview	WW	Port of Longview Alternate Rail Corridor
8	Kelso	WW	Allen Street Bridge Replacement
9	Port of Everett	PS-F	California Street Overcrossing to Port of Everett
10	Port of Tacoma	WW	Lincoln Avenue Grade Separation
11	Everett	PS-F	41st Overcrossing/Riverfront Parkway (Phase 1)
12	Union Gap	EW	Valley Mall Boulevard Extension
14	Auburn	PS-F	S. 277th Street Grade Separations (BNSF Crossing)
14	Auburn	PS-F	S. 277th Street Grade Separations (UP Crossing)
15	Puyallup	PS-F	Shaw Road
16	Prosser	EW	Wine Country Road (3 phased projects)
17	Port of Pasco	EW	SR 397 Ainsworth Avenue Grade Crossing
18	Tacoma	PS-F	D Street Grade Separation
19	Auburn	PS-F	3rd Street SW BNSF Crossing
21	Kennewick	EW	Columbia Center Boulevard Railroad Crossing
22	Pierce County	PS-F	8th Street E./BNSF Grade Separation
23	Tukwila	PS-F	180th Street Grade Separation
24	Colville	EW	Colville Alternate Truck Route
25	Walla Walla	EW	SR 125/ SR 12 Interconnect (Myra Road Extension)
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 Weyerhaeuser Way to SR 167 Truck Lane (Phase)
35	Kent	PS	S 228th Street Extension Phase I
35	Kent	PS	S 228th Street BNSF Grade Separation
36	Seattle	PS	Duwamish Intelligent Transportation System (ITS) (Phases 1 & 2)
38	Walla Walla	WW	US 12/124 to SR 730
39	Port of Kalama	WW	Grain Terminal Track Improvements
40	Bremerton	WW	SR3/304 Transportation Improvement Project
41	Longview	WW	SR 432 Improvements/3rd Avenue Off Ramp Widening
42	DOT-Pasco	EW	US 395 Hillsboro Street Interchange
44	Spokane	EW	Havana Street/BNSF Separation
45	Pierce County	PS	Cross Base Highway (phase 1)
C	WSDOT- Sumas	WW	SR 9 – SR 546/Nooksack Road Vicinity to SR 547/Cherry S
54	Snohomish Co	PS	Granite Falls Alternate Route (Phase 1 ROW)
56	Fife	PS	Pacific Hwy E / Port of Tacoma Road to Alexander Avenue
57	Woodinville	PS	SR 202 Corridor Improvement - (Phase 1 - uneven pavement)
61	Port of Seattle	PS	SR 518 at Airport Drive EB Lane Addition
63	Everett	PS	I-5 / 41st Street (Phase 1 - ramp)
65	Spokane	EW	Freya Avenue Bridge
66	Port of Vancouver	WW	Port Rail Access (Phase 1)
66	Port of Vancouver	WW	Port Rail Access (Phase 2 - Loop Track)
70	Longview	WW	SR 432/SR 433 Turn Lane Improvements

43 Completed Projects Valued at more than \$593 Million
FMSIB share \$142 Million

1. Strander Boulevard, Renton



Groundbreaking took place in January 2012 on the Strander Boulevard/SW 27th Street Connection grade separation project in Renton. This project separates the BNSF from the roadway. Recent projects have included the relocation of fiber optic lines on both sides of the BNSF tracks, and the construction of the BNSF shoo-fly embankments. The complete project will construct a grade-separated five-lane roadway underneath the Union Pacific and BNSF railways, connecting the existing principal arterial roadway from West Valley Road in Tukwila to Oakesdale Avenue SW in Renton. Phase one, of the BNSF undercrossing project is scheduled for completion in late 2013.



Photo (from left to right): Issaquah Deputy Council President and Sound Transit Boardmember Fred Butler; Tukwila Mayor Jim Haggerton; Heidi Stamm, Boardmember, Transportation Improvement Board; WSDOT Director of Highways & Local Programs and Boardmember, Transportation Improvement Board Kathleen Davis; Renton Mayor Denis Law; Jeff Adelson, Project Manager, The Boeing Company; Renton City Councilmember Marcie Palmer; Renton City Councilmember Ed Prince; Renton City Councilmember Don Persson; Freight Mobility Strategic Investment Board Executive Director Karen Schmidt; Renton City Councilmember Greg Taylor; and Puget Sound Regional Council Executive Director Bob Drewel.

2. M Street, Auburn



Groundbreaking for phase one of this project took place in February 2012. This project is located in the City of Auburn on M Street SE between the intersections of 3rd and 8th Streets SE in the vicinity of the SR 18 overpass, and the BNSF Railway's Stampede Pass rail crossing.

The City of Auburn is trisected by two transcontinental rail lines: the BNSF and the UP. Every day approximately 50 to 60 trains pass through the City on the BNSF line alone, and have a significant impact on public safety, public health and traffic conditions. In 1996, when BNSF re-opened the Stampede Pass line, the City of Auburn

began looking for solutions to congestion at this location. The M Street SE Grade Separation Project will eliminate these issues by redirecting vehicle, pedestrian and bicycle traffic below the busy railroad tracks.

Phase one provides a grade-separated crossing of M St and the Stampede Pass-bound BNSF railroad tracks by taking M Street under the rail line. This will provide significant travel time savings for freight traffic both north and south bound.

The project construction is anticipated to last 15 to 18 months, depending on train traffic and weather. Completion is scheduled for summer 2013. Phase two of the project is the design and construction of the Bypass Road, an arterial connection between M Street and Auburn Black Diamond Road, paralleling the rail line to keep freight out of residential neighborhoods.

3. Martin Luther King Boulevard Underpass, Yakima



There are two underpass projects to separate vehicular and train traffic through downtown Yakima: Lincoln Avenue and Martin Luther King Jr. Boulevard (formerly B Street) from 1st Avenue to 1st Street. The underpasses will reconstruct three lanes on each roadway under the BNSF mainline. This project is critical to the movement of truck freight traffic, emergency vehicles, and the movement of vehicles into and out of the downtown area.

Groundbreaking for phase three of the project, the MLK underpass, occurred for November 2012. This is the parallel route to the recently completed Lincoln Avenue that will create two one-way underpasses when completed.

4. River Road, Yakima

This project will reconstruct River Road from a two-lane 21-foot-wide county roadway into a 40-foot wide, three-lane asphalt roadway with curb, gutter, sidewalk and street lighting. Full height curbing along the roadway defines ingress and egress for current and future industrial areas. This project is critical to the movement of truck freight traffic from agricultural fields to packing and production plants before sending loaded trucks out onto the nearby highway.

5. Green River Valley Rail Line, Renton

A shoo-fly is being constructed to allow continuous rail operations while the undercrossing for FMSIB Project #47: Strander Boulevard/SW 27th Street Connection is constructed. (A shoo-fly is a temporary rail route around a construction site.) When this project is completed, the million-dollar shoo-fly will be left in place to become part of the third track through the Kent Valley. Sound Transit will use the embankment and utility protection improvements for their Tukwila Commuter Rail Station and by BNSF for their third mainline extension.

6. Piert Road Extension, Benton County

The Piert Road Extension groundbreaking took place in July 2012. This project is the construction of the final 1.75 miles of new roadway, from SR 397 to Bowles Road in eastern Benton County. The extension includes two travel lanes, a two-way left-turn lane, and sidewalks. The new route improves access for Columbia Colstor, Agrium, Air Liquid, and Sandwick Metals.

The Piert Road Extension project provides direct access for the Port of Kennewick and the southeast industrial area of Finley to SR 397 and I-82. It will give semi-trucks a direct route from Finley to the intertie, reducing heavy truck traffic on residential streets.

The Finley Industrial Site owned by the Port of Kennewick is located eight miles southeast of Kennewick. Agricultural business that will benefit from this project includes vegetables, grains, fruit, and livestock.

Rank	Agency	Region	Project Name	Current Cost (\$ millions)	FMSIB Share (\$ millions)
31	Benton County	EW	Piert Road Extension	3.62	0.46
35	Kent	PS-F	South 228th Street-Grade Separation (Phase 3)	25.00	3.25
36	Yakima	EW	City of Yakima Grade Separated Rail Crossing	46.05	7.00
47	Renton	PS	Strander Boulevard/ SW 27th Street Connection Separation	17.9	3.55
49	Auburn	PS	M Street SE 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 Avenue Widening (Phase 2-70th Avenue)	14.98	0.50
58	Port of Seattle	PS	East Marginal Way Truck Crossover	2.99	0.99
59A	Kent	PS	South 212th Street Grade Separation (BNSF)	35.00	5.00
59B	Kent	PS	South 212th Street Grade Separation (UP)	30.00	5.00
64	Fife	PS	Port of Tacoma Truck Off-Ramp	7.50	3.00
66	Port of Vancouver	WW	Port Rail Access	38.34	6.3
67	Renton/Kent	PS	Green River Valley BNSF/UP Trackage	5.91	1.25
68	Lacey	WW	Hogum Bay Road Slip Ramp & Road Improvements	12.00	4.00
71	Walla Walla	EW	Myra Road at Dalles/Military Road Intersection	4.24	0.50
72	Tacoma	PS	SR 99/Puyallup River Bridge Crossing	32.50	5.00
73A	Port of Seattle	PS	East Marginal/Diagonal & Argo Electronic Gate Access - SR99 Tunnel Phase	3.75	2.70
73B	Port of Seattle	PS	East Marginal/Diagonal & Argo Electronic Gate Access	7.00	3.75
74	Tacoma	PS	SR 509/ D Street Ramps	19.00	6.00
75	Everett	PS	Port of Everett to I-5 Freight Improvements	4.20	0.40
76	Fife	WW	Port of Tacoma Road Phase III	27.50	8.20
77	Renton	WW	SW 27th/Strander Blvd Connection	17.79	3.55
78	King County	PS	South Park Bridge Replacement	137.00	5.00
79	Spokane Valley	EW	Sullivan Road W Bridge Replacement	19.75	2.00
80	Spokane Valley	EW	Barker Road/BNSF Grade Separation	42.00	10.00
81	Spokane County	EW	Bigelow Gulch/Forker Road Realignment (ITS) (Phases 1 & 2)	24.13	6.00
82	Yakima	EW	River Road Improvements - 6th Avenue to 16th Avenue	1.42	0.64
83	Marysville	WW	116th NE Interchange	42.00	1.00
84	SeaTac	WW	Connecting 28th/24th Avenue S	18.40	2.50
85	Port of Vancouver	WW	Bulk Facilities Track Relocation	14.89	3.45
				\$669.44	\$106.34

1. Request ability to finalize project lists within approved budget like the Transportation Improvement Board (TIB) and the County Road Administration Board (CRAB) do now so that funds can be authorized in a more timely fashion to speed project implementation.

(This is recommendation #9 of the Joint Transportation Commission Efficiencies Study)

2. Codify the 2005 and the 2012 FMSIB funding distributions to enable long term planning for project development.
3. Secure increased funding to construct grade separations and ease the impact of pass-through freight on communities due to increasing freight volumes.
4. Request an additional \$25 million per biennium for Capital Freight Projects in the next revenue package to connect freight routes, address chokepoints, and address impacts of increased freight movement.



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