

FINAL BILL REPORT

SB 5655

PARTIAL VETO

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Synopsis as Enacted

Brief Description: Revising state freight rail service programs.

Sponsors: Senators Rasmussen and Sellar.

Senate Committee on Transportation

House Committee on Transportation

Background: Current Freight Rail Program. The state's freight rail program is responsible for preparing federally-mandated rail planning, providing technical assistance to port and rail districts, shortline operators and other entities, and distributing federal and state funds in the form of loans and grants.

To date, the program has had two primary areas of emphasis: rail banking and rail assistance.

Rail banking occurs where a rail line is proposed to be abandoned by its owner. If the line is found to be essential to the state's rail system, and if a benefit/cost analysis shows that the state will receive benefits in excess of the cost of acquiring the line, the state may assist local organizations (such as port districts, county public works departments, rail districts, etc.) in acquiring the line, or it may acquire the line on its own. If acquired under this abandonment procedure, the new owner must use the rail right-of-way for a transportation purpose. Most commonly, these railroad rights-of-way are converted to interim use as a recreational trail.

The purpose of rail banking is to keep the right-of-way intact for future restoration and use as an operating railroad line. A recent example is Burlington-Northern's Stampede Pass rail line, which has been out of service since the 1980's. A portion of this line was rail banked to keep the corridor intact. Recently, Burlington-Northern has announced that it may reopen its Stampede Pass line, providing a third rail passage over the Cascade Mountains.

The rail banking program is supported by state and federal moneys from the Essential Rail Banking Account. Local financial participation is required to the extent that it is available.

Freight rail assistance is available from the state to entities wishing to restore rail operations on a line, or to keep existing operations economically viable, thus avoiding the possibility of rail abandonment.

This program is directed at assisting freight operations on light density lines. Moneys from the state Freight Rail Assistance Account can be used to acquire, rebuild, or rehabilitate the rail lines, equipment, and transloading facilities. Projects with a demonstrated level of financial commitment, from either the private sector or the public sector, are given preference for state loans and/or grants.

Changes in Industry Affecting Freight Rail Program. Since 1970, the state has lost about 40 percent of its rail lines to abandonment. Many of the abandoned lines were not economically viable due to the decrease in freight rail traffic.

It now appears that the freight rail industry is emerging from a long period of non-investment in its infrastructure to a period of renewed interest in upgrading its rail lines and facilities. This is in response to an enormous upturn in the demand for moving goods via freight rail.

As freight rail traffic continues to increase, there are serious rail capacity constraints on the two large mainlines in Washington (Burlington-Northern and Union Pacific). Mainline congestion is exacerbated by at least two factors: (1) the lack of rail capacity at port terminals, and (2) the congestion at the two routes over the Cascade mountains (along Columbia River to Pasco, and at the Cascade Tunnel over Stevens Pass).

Freight Rail Policy Advisory Committee Study. This past interim, a Freight Rail Policy Advisory Committee was convened by the Washington State Department of Transportation as part of its multimodal state transportation planning process.

The committee recommended a number of changes, including changes to the state freight rail program. The primary recommendations were aimed at responding to the new market conditions and rail system constraints by modifying the state's freight rail program to allow for rail assistance at port facilities and at select portions of the railroad mainline.

Summary: The state's freight rail program is modified to allow rail assistance projects at port-to-rail facilities and on select portions of the mainline.

The Department of Transportation evaluates and monitors rail commodity flows and traffic types to ensure that the program is responsive to the changing freight rail environment.

The Department of Transportation must consult with the Washington State Freight Rail Policy Advisory Committee, established under statute, in evaluating rail corridors and projects.

The department is directed to develop criteria for prioritizing freight rail projects.

The Essential Rail Banking and Essential Rail Assistance Accounts are merged into one account. The department must first seek federal STP funds for rail corridor preservation projects. State funds can be used to construct or rehabilitate loading facilities, but no state funds may be provided to private railroad companies or private property owners in the form of outright grants.

Votes on Final Passage:

Senate	46	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House			(House refused to recede)
Senate			(Senate refused to concur)
House	91	0	(House amended)
Senate	44	1	(Senate concurred)

Effective: July 23, 1995

Partial Veto Summary: Section 9, creating a new Freight Rail Policy Advisory Committee, is vetoed.