

SENATE BILL REPORT

SHB 2976

As Reported By Senate Committee On:
Transportation, February 26, 1998

Title: An act relating to requiring regional transit authority train sets and rolling stock to be from manufacturers based in Washington and primarily made in Washington.

Brief Description: Requiring regional transit authorities to encourage train sets to be made in Washington.

Sponsors: House Committee on Transportation Policy & Budget (originally sponsored by Representatives Conway, Robertson, Scott, Radcliff, Cooper, Cairnes, Fisher, K. Schmidt, Veloria, Cody, Kastama, Wood, Keiser, Constantine, Lantz, Zellinsky, B. Thomas, McDonald and O'Brien).

Brief History:

Committee Activity: Transportation: 2/26/98 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Haugen, Horn, Jacobsen, Morton, Oke, Patterson and Rasmussen.

Staff: Gene Baxstrom (786-7303)

Background: The Central Puget Sound Regional Transit Authority (RTA) is proceeding with a ten-year, high capacity transit plan approved by voters in portions of King, Pierce and Snohomish counties in November 1996. That plan calls for improvements in regional express bus service, direct access facilities to the high occupancy vehicle lane system, a commuter rail element, and a light rail transit system.

The RTA-planned system is estimated to cost \$3.9 billion in 1995 dollars. This expenditure plan assumes \$727 million in federal funds. This total expenditure includes \$1.8 billion for light rail and \$670 million for commuter rail. Train sets and other rolling stock for these rail services total \$160-\$200 million for light rail and \$120 million for commuter rail.

Federal Transit Administration regulations preclude geographic preferences for grantees' purchases except where federal statutes expressly mandate or encourage those preferences. At present, such preferences could jeopardize federal participation in the RTA project.

Currently, two Talgo train sets are being constructed in Seattle for the state of Washington. These train sets were funded with state funds; and a condition of any contract let for such acquisition by the state was that "the manufacturer of the trains has the obligation of establishing a corporate office in Washington State. The manufacturer is also obligated to

spend a minimum of 25 percent of the total purchase price of the train sets on the assembly and manufacture of parts of the train sets in Washington State."

Summary of Bill: RTA is required to consult with the Department of Community, Trade, and Economic Development to explore the potential for developing contracting methods that encourage development of a manufacturing base in Washington for commuter and light rail train sets and components. RTA must report its findings to the Legislative Transportation Committee by January 1, 1999.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This explores the potential for developing a rail car assembly industry in Washington State.

Testimony Against: None.

Testified: Rep. Conway, prime sponsor; Rep. Robertson (pro); Roy Moore, Washington Machinists Union (pro); Ron Main, Regional Transit Authority (pro).