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**SUBSTITUTE HOUSE BILL 2615**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Transportation Policy & Budget (originally sponsored by Representatives K. Schmidt, Fisher, Robertson, Mitchell, Wensman, O'Brien, Wood, Ogden, Gardner, Thompson and Conway; by request of Governor Locke)

Read first time 02/09/98. Referred to Committee on .

1 AN ACT Relating to creating partnerships for strategic freight  
2 investments; amending RCW 47.05.051; adding a new section to chapter  
3 47.06 RCW; and adding a new chapter to Title 47 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) Washington state is uniquely positioned as a gateway to the  
7 global economy. As the most trade-dependent state in the nation, per  
8 capita, Washington's economy is highly dependent on an efficient  
9 multimodal transportation network in order to remain competitive.

10 (2) The vitality of the state's economy is placed at risk by  
11 growing traffic congestion that impedes the safe and efficient  
12 movement of goods. The absence of a comprehensive and coordinated  
13 state policy that facilitates freight movements to local, national, and  
14 international markets limits trade opportunities.

15 (3) Freight corridors that serve international and domestic  
16 interstate and intrastate trade, and those freight corridors that  
17 enhance the state's competitive position through regional and global  
18 gateways are strategically important. In many instances, movement of  
19 freight on these corridors is diminished by: Barriers that block or

1 delay access to intermodal facilities where freight is transferred from  
2 one mode of transport to another; conflicts between rail and road  
3 traffic; constraints on rail capacity; highway capacity constraints,  
4 congestion, and condition; waterway system depths that affect capacity;  
5 and institutional, regulatory, and operational barriers.

6 (4) Rapidly escalating population growth is placing an added burden  
7 on streets, roads, and highways that serve as freight corridors.  
8 Community benefits from economic activity associated with freight  
9 movement often conflict with community concerns over safety, mobility,  
10 environmental quality. Efforts to minimize community impacts in areas  
11 of high freight movements that encourage the active participation of  
12 communities in the early stages of proposed public and private  
13 infrastructure investments will facilitate needed freight mobility  
14 improvements.

15 (5) Ownership of the freight mobility network is fragmented and  
16 spread across various public jurisdictions, private companies, and  
17 state and national borders. Transportation projects have grown in  
18 complexity and size, requiring more resources and longer implementation  
19 time frames. Currently, there is no comprehensive and integrated  
20 framework for planning the freight mobility needs of public and private  
21 stakeholders in the freight transportation system. A coordinated  
22 planning process should identify new infrastructure investments that  
23 are integrated by public and private planning bodies into a multimodal  
24 and multijurisdictional network in all areas of the state, urban and  
25 rural, east and west. The state should integrate freight mobility  
26 goals with state policy on related issues such as economic development,  
27 growth management, and environmental management.

28 (6) State investment in projects that enhance or mitigate freight  
29 movements, should pay special attention to solutions that utilize a  
30 corridor solution to address freight mobility issues with important  
31 transportation and economic impacts beyond any local area. The  
32 corridor approach builds partnerships and fosters coordinated planning  
33 among jurisdictions and the public and private sectors.

34 (7) It is the policy of the state of Washington that limited public  
35 transportation funding and competition between freight and general  
36 mobility improvements for the same fund sources require strategic,  
37 prioritized freight investments that reduce barriers to freight  
38 movement, maximize cost-effectiveness, yield a return on the state's  
39 investment, require complementary investments by public and private

1 interests, and solve regional freight mobility problems. State  
2 financial assistance for freight mobility projects must leverage other  
3 funds from all potential partners and sources, including federal,  
4 county, city, port district, and private capital.

5 NEW SECTION. **Sec. 2.** Unless the context clearly requires  
6 otherwise, the definitions in this section apply throughout this  
7 chapter.

8 (1) "Board" means the freight mobility strategic investment board  
9 created in section 4 of this act.

10 (2) "Department" means the department of transportation.

11 (3) "Freight mobility" means the safe, reliable, and efficient  
12 movement of goods within and through the state to ensure the state's  
13 economic vitality.

14 (4) "Local governments" means cities, towns, counties, special  
15 purpose districts, port districts, and any other municipal corporations  
16 or quasi-municipal corporations in the state excluding school  
17 districts.

18 (5) "Public entity" means a state agency, city, town, county, port  
19 district, or municipal or regional planning organization.

20 (6) "Strategic freight corridor" means a transportation corridor of  
21 great economic importance within an integrated freight system that:

22 (a) Serves international and domestic interstate and intrastate  
23 trade;

24 (b) Enhances the state's competitive position through regional and  
25 global gateways;

26 (c) Carries freight tonnages of at least:

27 (i) Four million gross tons annually on state highways, city  
28 streets, and county roads;

29 (ii) Five million gross tons annually on railroads; or

30 (iii) Two and one-half million net tons on waterways; and

31 (d) Has been designated a strategic corridor by the board under  
32 section 3(3) of this act. However, new alignments to, realignments of,  
33 and new links to strategic corridors that enhance freight movement may  
34 qualify, even though no tonnage data exists for facilities to be built  
35 in the future.

36 NEW SECTION. **Sec. 3.** (1) The board shall:

1 (a) Adopt rules and procedures necessary to implement the freight  
2 mobility strategic investment program;

3 (b) Solicit from public entities proposed projects that meet  
4 eligibility criteria established in accordance with subsection (4) of  
5 this section; and

6 (c) Review and evaluate project applications based on criteria  
7 established under this section, and prioritize and select projects  
8 comprising a portfolio to be funded in part with grants from state  
9 funds appropriated for the freight mobility strategic investment  
10 program. In determining the appropriate level of state funding for a  
11 project, the board shall ensure that state funds are allocated to  
12 leverage the greatest amount of partnership funding possible. After  
13 selecting projects comprising the portfolio, the board shall submit  
14 them as its budget request to the office of financial management and  
15 the legislature. The board shall ensure that projects submitted as  
16 part of the portfolio are not more appropriately funded with other  
17 federal, state, or local government funding mechanisms or programs.  
18 The board shall reject those projects that appear to improve overall  
19 general mobility with limited enhancement for freight mobility.

20 The board shall provide periodic progress reports to the governor  
21 and the legislative transportation committee.

22 (2) The board may:

23 (a) Accept from any state or federal agency, loans or grants for  
24 the financing of any transportation project and enter into agreements  
25 with any such agency concerning the loans or grants;

26 (b) Provide technical assistance to project applicants;

27 (c) Accept any gifts, grants, or loans of funds, property, or  
28 financial, or other aid in any form from any other source on any terms  
29 and conditions which are not in conflict with this chapter;

30 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out  
31 the purposes of this chapter; and

32 (e) Do all things necessary or convenient to carry out the powers  
33 expressly granted or implied under this chapter.

34 (3) The board shall designate strategic freight corridors within  
35 the state. The board shall update the list of designated strategic  
36 corridors not less than every two years, and shall establish a method  
37 of collecting and verifying data, including information on city and  
38 county-owned roadways.

1 (4) From the effective date of this act through the biennium ending  
2 June 30, 2001, the board shall utilize threshold project eligibility  
3 criteria that, at a minimum, includes the following:

4 (a) The project must be on a strategic freight corridor;

5 (b) The project must meet one of the following conditions:

6 (i) It is primarily aimed at reducing identified barriers to  
7 freight movement with only incidental benefits to general or personal  
8 mobility; or

9 (ii) It is primarily aimed at increasing capacity for the movement  
10 of freight with only incidental benefits to general or personal  
11 mobility; or

12 (iii) It is primarily aimed at mitigating the impact on communities  
13 of increasing freight movement, including roadway/railway conflicts;  
14 and

15 (c) The project must have a total public benefit/total public cost  
16 ratio of equal to or greater than one.

17 (5) From the effective date of this act through the biennium ending  
18 June 30, 2001, the board shall use the multicriteria analysis and  
19 scoring framework for evaluating and ranking eligible freight mobility  
20 and freight mitigation projects developed by the freight mobility  
21 project prioritization committee and contained in the January 16, 1998,  
22 report entitled "Project Eligibility, Priority and Selection Process  
23 for a Strategic Freight Investment Program." The prioritization  
24 process shall measure the degree to which projects address important  
25 program objectives and shall generate a project score that reflects a  
26 project's priority compared to other projects. The board shall assign  
27 scoring points to each criterion that indicate the relative importance  
28 of the criterion in the overall determination of project priority.  
29 After June 30, 2001, the board may supplement and refine the initial  
30 project priority criteria and scoring framework developed by the  
31 freight mobility project prioritization committee as expertise and  
32 experience is gained in administering the freight mobility program.

33 (6) It is the intent of the legislature that each freight mobility  
34 project contained in the project portfolio submitted by the board  
35 utilize the greatest amount of nonstate funding possible. In  
36 developing and applying the ranking criteria in subsection (5) of this  
37 section, the board shall give considerable weight to the level of  
38 financial participation from each nonstate funding partner.

1 (7) The board shall develop and recommend policies that address  
2 operational improvements that primarily benefit and enhance freight  
3 movement, including, but not limited to, policies that reduce  
4 congestion in truck lanes at border crossings and weigh stations and  
5 provide for access to ports during nonpeak hours.

6 NEW SECTION. **Sec. 4.** (1) The freight mobility strategic  
7 investment board is created. The board shall convene by July 1, 1998.

8 (2) The board is composed of twelve members. The following members  
9 are appointed by the governor for terms of four years, except that five  
10 members initially are appointed for terms of two years: (a) Two  
11 members, one of whom is from a city located within or along a strategic  
12 freight corridor, appointed from a list of at least four persons  
13 nominated by the association of Washington cities or its successor; (b)  
14 two members, one of whom is from a county having a strategic freight  
15 corridor within its boundaries, appointed from a list of at least four  
16 persons nominated by the Washington state association of counties or  
17 its successor; (c) two members, one of whom is from a port district  
18 located within or along a strategic freight corridor, appointed from a  
19 list of at least four persons nominated by the Washington public ports  
20 association or its successor; (d) one member representing the office of  
21 financial management; (e) one member appointed as a representative of  
22 the trucking industry; (f) one member appointed as a representative of  
23 the railroads; (g) the secretary of the department of transportation;  
24 (h) one member representing the steamship industry; and (i) one member  
25 of the general public. In appointing the general public member, the  
26 governor shall endeavor to appoint a member with special expertise in  
27 relevant fields such as public finance, freight transportation, or  
28 public works construction. The governor shall appoint the general  
29 public member as chair of the board. In making appointments to the  
30 board, the governor shall ensure that each geographic region of the  
31 state is represented.

32 (3) Members of the board may not receive compensation but may be  
33 reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

34 (4) If a vacancy on the board occurs by death, resignation, or  
35 otherwise, the governor shall fill the vacant position for the  
36 unexpired term. Each vacancy in a position appointed from lists  
37 provided by the associations and departments under subsection (2) of

1 this section must be filled from a list of at least four persons  
2 nominated by the relevant association or associations.

3 (5) The appointments made in subsection (2) of this section are not  
4 subject to confirmation.

5 NEW SECTION. **Sec. 5.** The board shall appoint an executive  
6 director, who shall serve at its pleasure and whose salary shall be set  
7 by the board. Staff support to the board shall initially be provided  
8 by the department of transportation, the transportation improvement  
9 board, and the county road administration board or their successor  
10 agencies. The board shall develop a plan that provides for  
11 administration and staffing of the program and present this plan to the  
12 office of financial management and the legislative transportation  
13 committee by December 31, 1998.

14 NEW SECTION. **Sec. 6.** (1) For the purpose of allocating funds for  
15 the freight mobility strategic investment program, the board shall  
16 allocate the first fifty-five percent of funds to the highest priority  
17 projects, without regard to location.

18 (2) The remaining funds shall be allocated equally among three  
19 regions of the state, defined as follows:

20 (a) The Puget Sound region includes King, Pierce, and Snohomish  
21 counties;

22 (b) The western Washington region includes Clallum, Jefferson,  
23 Island, Kitsap, San Juan, Skagit, Whatcom, Clark, Cowlitz, Grays  
24 Harbor, Lewis, Mason, Pacific, Skamania, Thurston, and Wahkiakum  
25 counties; and

26 (c) The eastern Washington region includes Adams, Chelan, Douglas,  
27 Ferry, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens,  
28 Whitman, Asotin, Benton, Columbia, Franklin, Garfield, Kittitas,  
29 Klickitat, Walla Walla, and Yakima counties.

30 (3) If a region does not have enough qualifying projects to utilize  
31 its allocation of funds, the funds will be made available to the next  
32 highest priority project, without regard to location.

33 (4) In the event that a proposal contains projects in more than one  
34 region, for purposes of assuring that equitable geographic  
35 distributions are made under subsection (2) of this section, the board  
36 shall evaluate the proposal and proportionally assign the benefits that  
37 are attributable to each region.

1 (5) If the board identifies a project for funding, but later  
2 determines that the project is not ready to proceed at the time the  
3 legislature's funding decision is pending, the board shall recommend  
4 removing the project from consideration and the next highest priority  
5 project shall be substituted in the project portfolio. Any project  
6 removed from funding consideration because it is not ready to proceed  
7 shall retain its position on the priority project list and is eligible  
8 to be recommended for funding in the next project portfolio submitted  
9 by the board.

10 NEW SECTION. **Sec. 7.** In order to aid the financing of eligible  
11 freight mobility projects, the board may:

12 (1) Make grants or loans from funds appropriated for the freight  
13 mobility strategic investment program for the purpose of financing  
14 freight mobility projects. The board may require terms and conditions  
15 as it deems necessary or convenient to carry out the purposes of this  
16 chapter.

17 (2) The state shall not bear the financial burden for project costs  
18 unrelated to the movement of freight. Project amenities unrelated to  
19 the movement of freight may not be submitted to the board as part of a  
20 project proposal under the freight mobility strategic investment  
21 program.

22 (3) All freight mobility projects aided in whole or in part under  
23 this chapter must have a public entity designated as the lead project  
24 proponent.

25 NEW SECTION. **Sec. 8.** The board shall keep proper records and  
26 shall be subject to audit by the state auditor.

27 NEW SECTION. **Sec. 9.** To the greatest extent practicable, port  
28 districts in the state shall submit their development plans to the  
29 relevant regional transportation planning organization or metropolitan  
30 planning organization, the department, and affected cities and counties  
31 to better coordinate the development and funding of freight mobility  
32 projects.

33 NEW SECTION. **Sec. 10.** A new section is added to chapter 47.06 RCW  
34 to read as follows:



1 The state-interest component of the state-wide multimodal  
2 transportation plan shall include a freight mobility plan which shall  
3 assess the transportation needs to ensure the safe, reliable, and  
4 efficient movement of goods within and through the state and to ensure  
5 the state's economic vitality.

6 NEW SECTION. **Sec. 11.** In order to encourage joint transportation  
7 planning activities proximate to international borders, the department  
8 shall make incentive grants to metropolitan and regional transportation  
9 planning organizations that share a common border with Canada. As a  
10 condition of receiving a grant under this section, the planning  
11 organization shall assure the department that it commits to be engaged  
12 in joint planning with its counterpart agency in Canada. Such grants  
13 shall be used to develop project plans and implement coordinated and  
14 comprehensive projects to improve the safe movement of people and goods  
15 at or across the boarder. Grants shall be made on the basis of:

16 (1) Expected reduction in commercial and other travel time through  
17 a major international gateway as a result of the project;

18 (2) Leveraging of federal funds provided, including use of  
19 innovative financing, in combination with other sources of federal,  
20 state, local, and private funding;

21 (3) Improvements in vehicle and highway safety and cargo security  
22 in and through the gateway;

23 (4) Degree of binational involvement in the project, and  
24 demonstrated coordination with other federal agencies responsible for  
25 inspection of vehicles, cargo, and persons crossing international  
26 borders, and their counterpart agencies in Canada;

27 (5) Demonstrated local commitment to implement and sustain  
28 continuing comprehensive border planning processes; and

29 (6) Improved use of existing and underutilized border crossing  
30 facilities and approaches.

31 **Sec. 12.** RCW 47.05.051 and 1993 c 490 s 5 are each amended to read  
32 as follows:

33 The comprehensive six-year investment program shall be based upon  
34 the needs identified in the state-owned highway component of the state-  
35 wide multimodal transportation plan as defined in RCW 47.01.071(3) and  
36 priority selection systems that incorporate the following criteria:

1 (1) Priority programming for the preservation program shall take  
2 into account the following, not necessarily in order of importance:  
3 (a) Extending the service life of the existing highway system;  
4 (b) Ensuring the structural ability to carry loads imposed upon  
5 highways and bridges; and  
6 (c) Minimizing life cycle costs. The transportation commission in  
7 carrying out the provisions of this section may delegate to the  
8 department of transportation the authority to select preservation  
9 projects to be included in the six-year program.

10 (2) Priority programming for the improvement program shall take  
11 into account the following:  
12 (a) Support for the state's economy, including job creation and job  
13 preservation;  
14 (b) The cost-effective movement of people and goods;  
15 (c) Accident and accident risk reduction;  
16 (d) Protection of the state's natural environment;  
17 (e) Continuity and systematic development of the highway  
18 transportation network;  
19 (f) Consistency with local comprehensive plans developed under  
20 chapter 36.70A RCW;  
21 (g) Consistency with regional transportation plans developed under  
22 chapter 47.80 RCW;  
23 (h) Public views concerning proposed improvements;  
24 (i) The conservation of energy resources;  
25 (j) Feasibility of financing the full proposed improvement;  
26 (k) Commitments established in previous legislative sessions;  
27 (l) Relative costs and benefits of candidate programs;  
28 (m) Major projects addressing capacity deficiencies which  
29 prioritize allowing for preliminary engineering shall be reprioritized  
30 during the succeeding biennium, based upon updated project data.  
31 Reprioritized projects may be delayed or canceled by the transportation  
32 commission if higher priority projects are awaiting funding; and  
33 (n) Major project approvals which significantly increase a  
34 project's scope or cost from original prioritization estimates shall  
35 include a review of the project's estimated revised priority rank and  
36 the level of funding provided. Projects may be delayed or canceled by  
37 the transportation commission if higher priority projects are awaiting  
38 funding.

1 (3) The commission may depart from the priority programming  
2 established under subsections (1) and (2) of this section: (a) To the  
3 extent that otherwise funds cannot be utilized feasibly within the  
4 program; (b) as may be required by a court judgment, legally binding  
5 agreement, or state and federal laws and regulations; (c) as may be  
6 required to coordinate with federal, local, or other state agency  
7 construction projects; (d) to take advantage of some substantial  
8 financial benefit that may be available; (e) for continuity of route  
9 development; or (f) because of changed financial or physical conditions  
10 of an unforeseen or emergent nature. The commission or secretary of  
11 transportation shall maintain in its files information sufficient to  
12 show the extent to which the commission has departed from the  
13 established priority.

14 (4) The commission shall identify those projects that yield freight  
15 mobility benefits or that alleviate the impacts of freight mobility  
16 upon affected communities.

17 NEW SECTION. Sec. 13. The governor shall take the steps necessary  
18 to ensure that this act is implemented on its effective date and that  
19 the freight mobility strategic investment board convenes by July 1,  
20 1998.

21 NEW SECTION. Sec. 14. If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

25 NEW SECTION. Sec. 15. Sections 1 through 9, 11, and 13 of this  
26 act constitute a new chapter in Title 47 RCW.

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