

HOUSE BILL REPORT

HB 1586

As Reported by House Committee On:
Transportation

Title: An act relating to the Royal Slope railroad.

Brief Description: Transferring a railroad right-of-way to the Port of Royal Slope.

Sponsors: Representatives Manweller, Dent, Orcutt and Wylie.

Brief History:

Committee Activity:

Transportation: 2/4/15, 2/9/15, 2/24/15 [DPS].

Brief Summary of Substitute Bill

- Directs the Washington State Department of Transportation to transfer certain railroad right-of-way to the Port of Royal Slope.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Bergquist, Harmsworth, Hayes, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Pike, Riccelli, Rodne, Sells, Shea, Takko, Tarleton, Wilson, Young and Zeiger.

Staff: Andrew Russell (786-7143).

Background:

The Royal Slope Railroad is a 26-mile rail line running from Royal City to Othello. The rail line was originally operated by the Chicago, Milwaukee, St. Paul and Pacific Railroad company until 1980, when the company abandoned its operations in the Pacific Northwest. Currently, much of the abandoned rail line is owned by the state and managed by the Parks and Recreation Commission, the Department of Natural Resources, and the Department of Transportation (WSDOT).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Substitute Bill:

The WSDOT must transfer the Royal Slope railroad right-of-way, and any supplies purchased as part of a recent rehabilitation project, to the Port of Royal Slope (Port). This transfer must be made at no cost to the Port. The Port must maintain the right-of-way and contract with an operator; however, if there is no operator on the line for any continuous five-year period, the right-of-way and any materials, equipment, and remaining supplies must revert to the WSDOT. Additionally, if the property is to revert to the WSDOT, it must be in at least substantially the same condition as when the right-of-way was initially transferred. Finally, any operator agreement for the rail line must not limit the state's ability to enter into a franchise agreement on the line, and any such franchise agreement must allow any operator on the line to continue to operate.

Substitute Bill Compared to Original Bill:

The original bill did not require materials, equipment, and remaining supplies to be transferred back to the WSDOT if ownership of the property reverted to the WSDOT. Additionally, the original bill did not require the property, if ownership reverts to the WSDOT, to be in substantially the same condition as when it was initially transferred to the Port. The original bill also did not include provisions guiding state-signed franchise agreements and Port-signed operator agreements on the rail line. Finally, the substitute bill clarifies that the transfer envisioned by this act must be done at no cost to the Port.

Appropriation: None.**Fiscal Note:** Available.**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.**Staff Summary of Public Testimony:**

(In support) The Port has been working on rehabilitating this rail line for a number of years. Now, the Port would like to be able to operate the rail line. This concerns the rail line from Othello to Royal City and how best to restore it to active service. As diesel costs have risen, rail transportation is more competitive. The Port and Grant County restored the track to usable condition in July 2013, and has been waiting for the WSDOT to find an operator. It was only after the WSDOT turned the rehabilitation project over to the Port that anything got done. In this bill, we are asking for the ability to operate the rail line without being micromanaged by the WSDOT. This rail line is key to future business in Royal City.

Getting rail service to Royal City has been a focus for a number of years. Higher fuel prices made it difficult for local businesses to continue to operate without rail service. The Port received \$750,000 to rehabilitate the line, which was about half of the engineer's estimate,

and a number of volunteers contributed to completing this rehabilitation. We feel confident that having the title to the property will allow the Port to contract with an operator on the line.

(Neutral) The WSDOT supports efforts allowing the rail line to provide freight rail service. The WSDOT wants to ensure that the condition of the rail line, if it reverts to the WSDOT, is the same as when it was initially transferred. The WSDOT also wants to avoid any conflicts between operator and franchise agreements.

(Opposed) None.

Persons Testifying: (In support) Representative Manweller, prime sponsor; and Jim Potts, Alan Schrom, and Cathy Potter, Port of Royal Slope.

(Neutral) Barbara Ivanov, Washington State Department of Transportation.

Persons Signed In To Testify But Not Testifying: None.