

# SENATE BILL REPORT

## SB 6120

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As Reported By Senate Committee On:  
Transportation, March 1, 2007

**Title:** An act relating to rail and freight infrastructure.

**Brief Description:** Addressing rail and freight infrastructure.

**Sponsors:** Senators Marr, Swecker, Oemig, Haugen, Rockefeller, Kauffman, Berkey, Murray, Spanel, Eide, Kilmer, Poulsen, Delvin, Regala, Jacobsen, Fraser, Kohl-Welles and Rasmussen.

**Brief History:**

**Committee Activity:** Transportation: 2/27/07, 3/1/07 [DPS, DNP, w/oRec].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 6120 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Murray, Vice Chair; Berkey, Clements, Delvin, Eide, Jacobsen, Kauffman, Kilmer, Sheldon and Spanel.

**Minority Report:** Do not pass.

Signed by Senators Benton and Holmquist.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Swecker, Ranking Minority Member.

**Staff:** Dory Nicpon (786-7321)

**Background:** Responsibility for prioritizing freight and rail infrastructure improvement needs is allocated to several agencies, including the Department of Transportation (DOT) and the Freight Mobility Strategic Investment Board (FMSIB).

In the 2005-2007 Transportation Budget, the Legislature appropriated funds for the Washington State Transportation Commission (WSTC) to undertake a statewide rail capacity and needs study. The WSTC reported its findings to the Legislature in December 2006 in the "Statewide Rail Capacity and System Needs Study" (study). The study specified several policy recommendations, including the designation of a single entity to coordinate and direct the state's participation in the preservation and improvement of the rail transportation system.

**Summary of Bill:** The Legislature finds that a carefully planned program of state participation in the improvement of freight and rail infrastructure will allow Washington to

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*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.*

realize important public benefits, including increased safety and economic growth. To the extent that state funds are used to make rail infrastructure improvements, the cost of prospective improvement action or project must be examined in comparison to the public benefits to be gained by making the improvement. The state's priorities for rail improvement actions and projects are: (1) economic, safety, or environmental advantages of freight movement by rail as compared to alternative modes; (2) self-sustaining economic development that creates family-wage jobs; (3) preservation of transportation corridors that would be otherwise lost; (4) increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products; (5) better integration and cooperation within the regional, national, and international systems of freight distribution; and (6) mitigation of impacts of increased rail traffic on communities.

The FMSIB becomes a division within the DOT effective December 1, 2007. The DOT is responsible for developing, managing, and annually updating the state's plan of actions and projects for improving rail infrastructure, after carefully considering recommendations from the WSTC. In developing the state's rail infrastructure plan, the DOT must evaluate actions and projects according specified priorities using the methodology developed as part of the statewide rail capacity and needs study finalized in December 2006. The DOT must report its plan and analysis to the Transportation Commission and the transportation committees of the House of Representatives and Senate on October 1 each year. The DOT must report changed circumstances that affect the plan to the transportation committees of the House of Representatives and Senate by February 15 each year.

By November 15 each year, the WSTC must evaluate and report to the transportation committees of the House and Senate its concurrence or disagreement regarding the cost/benefit analysis of the actions and projects included in the DOT's rail infrastructure plan, together with the WSTC's analysis of any action or project recommended by WSTC but excluded from the DOT's plan.

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Transportation):** The DOT is directed to convene a work group comprised of rail and freight stakeholders to develop and implement cost/benefit methodology to be used to analyze prospective state participation in rail infrastructure improvements according to the public benefit priorities identified in the bill. The date by which the Washington State Transportation Commission must report its concurrence or disagreement with the DOT's cost/benefit analysis of actions or projects considered for prospective state participation in rail infrastructure improvements is changed from November 15 to December 15 each year. By August 1 each year the FMSIB must submit its portfolio of recommended projects to the DOT and the WSTC. The DOT and the WSTC must consider the portfolio submitted by FMSIB in developing and updating the plan for state participation in rail infrastructure improvements. The criteria used by FMSIB to evaluate actions or projects must be consistent with the cost/benefit analysis and legislative priorities identified in the bill. The RCW directing that FMSIB be staffed by the DOT, the Transportation Improvement Board (TIB), and the County Road Administration Board is repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Support for the implementation of the recommendations of the "Statewide Rail Capacity and System Needs Study" and the Governor's Container Ports Initiative were expressed. The bill provides a rational basis for investment in rail infrastructure, and a process to evaluate the advisability of prospective investments. The Freight Mobility Strategic Investment Board (FMSIB) has been a wonderful, resonant voice for freight, and its independence has been key to its success. Clarification was recommended regarding the contemplated roles of the Washington State Transportation Commission and the FMSIB, and the benefit/cost methodology to be used.

CON: The FMSIB does a great job of assessing stakeholder priorities, getting stakeholder buy-in, and communicating these priorities directly to the Legislature.

OTHER: Support was expressed for the investment priorities specified in the bill, particularly the preservation of transportation corridors that would otherwise be lost. Historically, assessments have completely underestimated the future strategic value of certain rail corridors. The FMSIB serves freight interests well as an efficient, small, nimble agency. The WSDOT may not have an adequate or proper freight perspective.

**Persons Testifying:** PRO: Reema Griffith, Washington State Transportation Commission (WSTC); Paula Hammond, Washington State Department of Transportation (WSDOT); Pat Jones, Washington Public Ports Association; Terry Finn, Port of Seattle.

CON: Scott Hazelgrove, Pacific Merchant Shipping Association.

OTHER: Lloyd Flem, All Aboard Washington; Brian Ziegler, Pierce County; Bill Stauffacher, Burlington Northern Santa Fe Railway.