



Ex Parte No. 658 

Testimony to the Surface Transportation Board

Submitted by the Port of Tacoma  
October 19, 2005

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**The 25<sup>th</sup> Anniversary of the Staggers Rail Act of 1980: A Review and Look Ahead**

As the Surface Transportation Board recognizes the 25th Anniversary of the “Staggers Rail Act of 1980”, the Port of Tacoma would like to offer its perspective on the importance of an efficient and economically robust national rail system. We are pleased to offer these comments for inclusion in the public hearing taking place on October 19, 2005.

The Port of Tacoma serves as a global gateway for the nation’s goods. In 2004, the Port of Tacoma handled 1.8 million TEU’s (twenty-foot equivalent containers). Over 70 percent of the cargo coming into Tacoma from Asia is loaded on rail for destinations in the Midwest and Eastern United States. The Port of Tacoma anticipates these container volumes will double before 2010 and have the potential to triple by 2020. As the Port of Tacoma continues to invest in larger terminals and supporting infrastructure to handle this growth in containerized cargo, we recognize that rail capacity is the most significant factor in the ability to move these goods in an efficient and timely manner.

It is essential that the railroads connecting the Pacific Northwest to the rest of the nation, specifically BNSF Railway Company and the Union Pacific Railroad, have the financial ability to maintain and grow their operations in order to serve these rapidly expanding container volumes. The cost of maintaining the existing rail network and adding new capacity is enormously expensive. The Staggers Act has played a key role in providing a business climate that makes investors more willing to supply capital to the rail industry because they are more confident that railroads will have the opportunity to earn competitive returns.

In looking ahead to future policy priorities, the Port of Tacoma encourages the STB to embrace policies that promote additional rail investment. We believe the market-oriented approach of the Staggers Act of 1980, which permitted a more customer-focused, market-based approach to railroading, will continue to be of significant importance to our railroad partners. Thank you for this opportunity to highlight the benefits of the Staggers Act of 1980 and its vital role in enabling future rail investments.