

Before the
Surface Transportation Board

Ex parte No. 671

*Washington State's Rail Capacity and
Needs Study*

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Statewide Rail Capacity and Needs Analysis



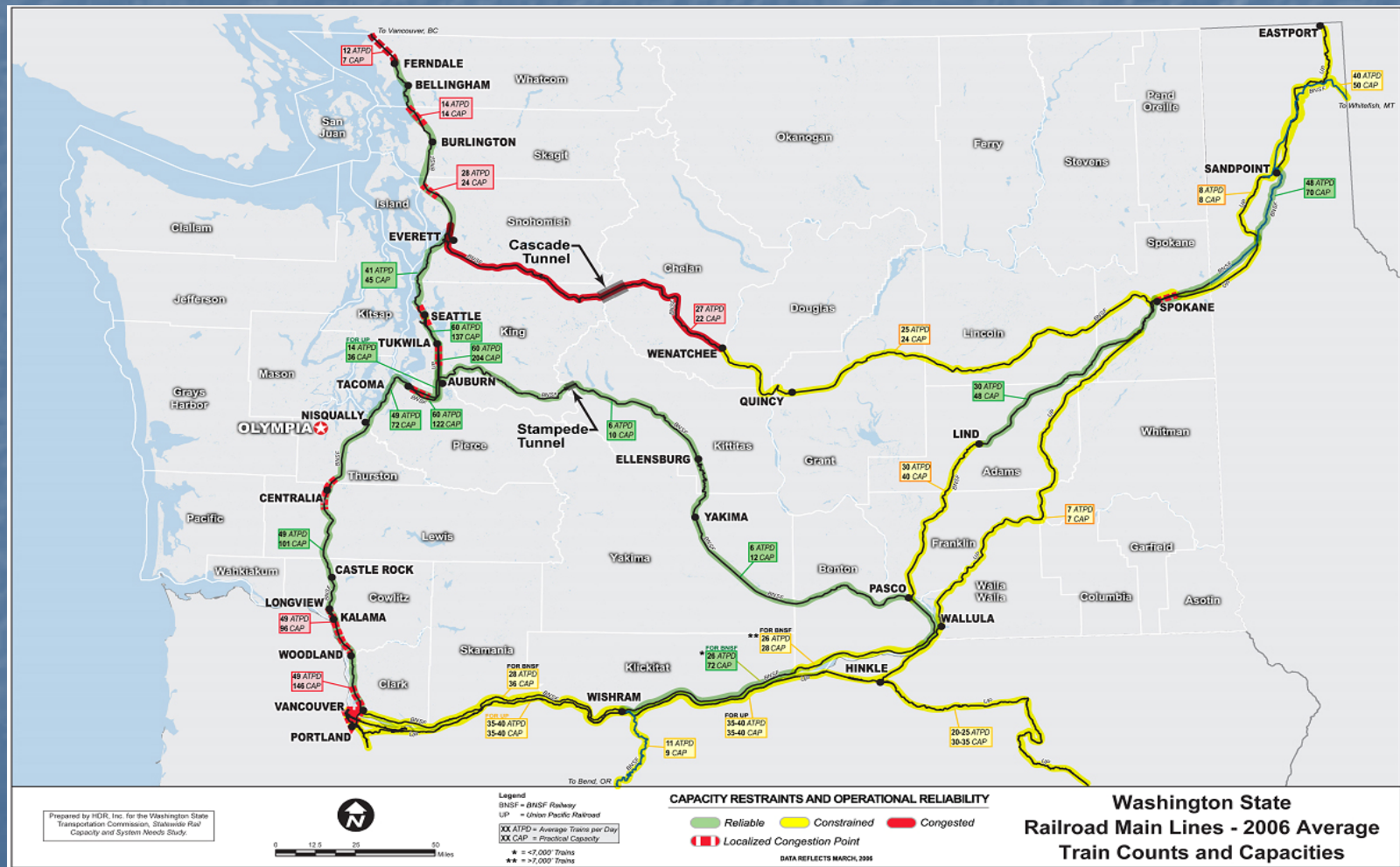
State is Financing

- ☐ *Some Short Lines*
- ☐ *Intercity passenger rail*
- ☐ *Some Freight Cars*
- ☐ *Other freight rail*

*The key questions the Legislature asked :
Should it continue such expenditures? If so, under what conditions?*

WSTC retained Cambridge Systematics

Washington State Rail Line Capacity



Findings

- Major eastbound container volume from Seattle and Tacoma
- Huge Grain westbound exports via rail
- Ports' rail service issues
- Car load shippers (e.g. lumber/ag) challenged
- Class I railroads moving to longer trains -- “hook and haul” system.
- The railroad industry is not keeping pace with demand.



Photo by Don Wilson

Findings

- Short line railroads touch a large percentage of rail carload freight.
- Many shortlines continue to have financial difficulties.
- Agricultural sector impacted most.

Findings

- The State's rail system is nearing capacity in key corridors.
- The economic vitality of Washington State requires a robust rail system.
- The rail industry privately financed capacity expansion has been limited.

Findings

Addressing rail capacity alone will not meet the needs of traditional carload shippers and receivers.

For small volume carload shippers, the shift to longer trains and “hook and haul” strategies results in:

- harder to obtain service
- more costly service
- and lower quality service

unless transload facilities are readily available.

Findings



Intercity passenger rail growth in Washington State is constrained by:

- poor reliability
- bottlenecks
- high freight volume
- low frequency

Findings



State Long-range
investments in rail
passenger system
Threatened by:

- High costs
- Service problems affecting ridership

Conclusions

- The State should continue to participate in the rail system in partnership with other public and private entities.
- Unique Financing mechanisms should be explored.

Conclusions

First step: Systematic assessment of public benefits, costs, and risks.



Policy Recommendations



Where net public benefits are found that justify public participation; State actions should be guided by a set of general principles.

Policy Recommendations -- Principles

- Encourage Operational and non-financial improvements before capital investment.
- Preserve and encourage competition.
- Target actions to encourage private investment .
- Leverage State participation by obtaining beneficiary investment.
- Require projects to have viable business plans.

Policy Recommendations

- Establish a single entity within the State to coordinate and direct State rail programs -- with authority to negotiate directly with the railroads.
- Support multi-state approaches to Pacific Northwest rail matters.
- Participate in the development of national rail policies and programs.

Past Successes



- Shipper-railroad collaboration
- State/other public entities provide supporting investment
- FAST Corridor successes
- Railex – produce trucked to consolidation center, UP moves in 55 car unit trains non stop to New York – fast, reliable, non-stop service – working well.

Since the Report ...

- Governor proposed a container ports initiative that includes new rail investment (e.g. Stampede Pass)
- Governor consolidated freight and passenger rail matters in one office in WSDOT
- Legislation is moving that
 - adopts the Report's general principles to guide state investment
 - implements a benefit/impact approach