State Freight System Solutions for Consideration

Washington State shippers' and truck carriers' top priorities for investment in the state's freight system:

- Preserve the I-5 Corridor in Central Puget Sound and actively manage it to gain operational efficiencies.
- Complete the missing link between Highway 509 and I-5 to create a third major truck route into the Seattle metro region.
- Construct the link between Highway 167 and I-5/Port of Tacoma and continue to improve the I-405/Highway 167 Corridor.
- Maintain freight capacity on the Alaskan Way Viaduct corridor so trucks aren't shifted to I-5.

In order to connect both sides of the state and ship agricultural products to market year round, freight stakeholders' priorities are:

- Improve I-90 over Snoqualmie Pass to prevent severe weather closures.
- Develop and fund a statewide core all-weather county road system.

Develop a strategic plan for the state's investment in the rail system and negotiate with stakeholders to implement the plan.

At the regional level, the state may partner with stakeholders to:

- Provide intermodal connections,
- Support regional economic development, and
- Build grade separations.

Key Freight System Contacts for Spokane Region

American Forest Resource Council – (503) 222-9505

American Short Line and Regional Railroad Association – (202) 585-3442

Association of American Railroads – (202) 639-2100

Association of Washington Business – (360) 943-1600

Association of Washington Cities – (360) 753-4137

City of Spokane Street Department - (509) 232-8800

County Road Administration Board – (360) 753-5989

Greater Spokane Incorporated (Spokane Area Economic Development Council and Spokane Regional Chamber of Commerce) – (509) 624-1393

Northwest Food Processors Association – (503) 327-2200

Northwest Grocery Association – (505) 685-6293

Spokane Area Economic Development Council – (509) 624-9285

Spokane Regional Transportation Council – (509) 343-6370

Spokane Valley Chamber of Commerce – (509) 924-4994

U.S. Department of Transportation, Federal Highway Administration (Washington Division) - (360) 753-9480

State of Washington Freight Mobility Strategic Investment Board (FMSIB) – (360) 586-9695

Washington Apple Commission – (509) 663-9600

Washington Food Industry – (360) 753-5177

Washington Manufacturing Services – (425) 438-1146

Washington Public Ports Association – (360) 943-0760

Washington Retail Association – (360) 943-9198

Washington State Department of Agriculture - (360) 902-1800

Washington State Department of Community, Trade and Economic Development - (360) 725-4011

Washington State Department of Natural Resources – (360) 902-1004

Washington State Department of Transportation:
Freight Systems Division – (360) 705-7932
Eastern Region - (509) 324-6000
Tribal Liaison – (360) 705-7025

Washington State Fruit Commission – (509) 453-4837

Washington State Potato Commission – (509) 765-8845

Washington State University Strategic Freight Transportation Analysis – (509) 335-1608

Washington Wheat Commission – (509) 456-2481

Washington Wine Commission – (206) 667-9463

West Plains Chamber of Commerce - (509) 235-8480

More Information:

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Washington State Department of Transportation

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Freight and the Economy of Spokane Region

The three components of Spokane Region's freight system:

I. Global Gateways – International and National Trade Flows Through Spokane Region
II. Made in Spokane Region – Regional Economies Rely on the Freight System
III. Delivering Goods to You – The Retail and Wholesale Distribution System in Spokane Region

underpin national, state, and regional economies; support national defense; directly sustain hundreds of thousands of jobs; and distribute the necessities of life to every resident of the region everyday.

I. 'Global Gateways' – International and National Trade Flows Through Spokane Region

- Washington State is an important and growing gateway for trade access to the Pacific Rim, Canada and U.S.
- Spokane Region's global gateways freight system serves the national economy and national defense.
- It also provides competitive advantage for logistics and trade, manufacturing, agribusiness and timber/wood products sectors.

Washington's mainline rail corridors meet in Spokane, and carry large volumes of imported manufactured goods that are shipped in containers from Asia. The annual volume of containers coming through the Central Puget Sound ports is expected to more than double from 2002 to 2025. About 70 percent of these containers are transferred to rail for delivery to the Midwest and/ or the East Coast via

the mainline railroads' east-west corridors.

Spokane is also home to important facilities that support national defense. More than 6,000 military and civilian employees were employed in Spokane County, with a payroll of $293 million in 2003. Fairchild Air Force Base is the largest employer in Spokane County. The military's ability to efficiently move freight is dependent on the Interstate 90 and Interstate 5 corridors, and the BNSF Railway Company and UP Railroad system.

Challenges Facing Spokane Region's 'Global Gateways' Freight System

- The mainline rail companies, BNSF Railway Company and UP Railroad, are reaching their capacity limits in Washington State and across the U.S.
- Smaller shippers are having trouble adapting to BNSF and UP Railroads' new business model, which requires that railroad cars are aggregated into 100 to 150 unit trains.
- More and more BNSF and UP trains are crossing the state, so there are more trains blocking local traffic.
- There are deficiencies on the core freight system grid in Central Puget Sound.

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II. 'Made in Spokane Region ' – Regional Economies Rely on the Freight System

Spokane Region 's own farmers, manufacturers, and resource-based industries rely on the freight system to ship regionally-made products to local customers, to the big U.S. markets in California and on the east coast, and worldwide. Over 96,900 jobs in the region are directly dependent on the freight system. It is the state's eastside center of manufacturing, commerce, and health care.

96,919 Jobs Rely on Freight in Spokane Region

	Jobs	Average Wage
Agriculture	447	$17,607
Manufacturing	17,194	$41,526
Construction	11,104	$34,313
Wholesale and Retail Trade	34,927	$32,093
Transportation and Warehousing	4,889	$33,696
Healthcare	28,358	$32,720
Military	6,262	$46,790

* Office of Financial Management (OFM), 2006. Spokane County. (Military, 2003)

Spokane's regional health care center receives vital supplies from Central Puget Sound via the I-90 corridor, but winter weather closures make this corridor unpredictable and cause companies to hold extra inventory. Providence Health Care System, for example, maintains an additional five percent inventory of medicines to ensure needed supplies.

Spokane Region: Eastside Center of Manufacturing, Commerce and Health Care

Spokane's manufacturing sector makes windows and cabinets for new homes, rugged laptops for military and telecom workers in the field, colorful dinnerware, plastic and metal parts for complex machinery and equipment, advanced medical devices, salsa, sausage and soups and other processed foods for homes and restaurants, and much more. According to a 2007 WSDOT survey, 91 percent of Spokane manufacturers and 64 percent of Spokane trucking companies are very satisfied with current freight system performance. They use truck to deliver directly to customers or transfer facility almost 100 percent of the time.

Spokane manufacturers, wholesalers, trucking and wood companies support their customers and gain repeat business by delivering goods on time. On-time delivery is the single most important supply chain requirement for the majority of these companies. They say that meeting customer needs will require I-90 Snoqualmie Pass improvements to avoid winter weather closures. Many of their customers are in Central Puget Sound, so improving the core freight system grid is also a high priority. About 24 percent of truck trips originating in Spokane County were destined for Central Puget Sound in 2002, averaging more than 1,800 trips per day.

Spokane International Airport is the third largest air cargo airport in the state (handling 16 percent of total air cargo tonnage in 2005), and there are a number of high-tech air cargo- dependent firms in Spokane. They source from Asia and value speed of transit.

Companies struggle when local roads are closed or weight restricted during the spring thaw, preventing access to markets. They also recommend repaving I-90 from Spokane east and improving the US 395 - North Spokane corridor.

Challenges Facing the 'Made in Spokane Region' Freight System

- Companies have no practical alternative to Washington's most heavily used north-south freight routes and Interstate 90.
- Smaller shippers are having trouble adapting to BNSF and UP Railroads' new business model, which requires that railroad cars are aggregated into 100 to 150 unit trains.
- Local roads are closed or weight restricted to heavy trucks for up to two months a year during spring thaw.
- There are deficiencies on the core freight system grid in Central Puget Sound.
- There is congestion and constraints on the US 395 – North Spokane corridor.

III. 'Delivering Goods to You' – The Retail and Wholesale Distribution System in Spokane Region

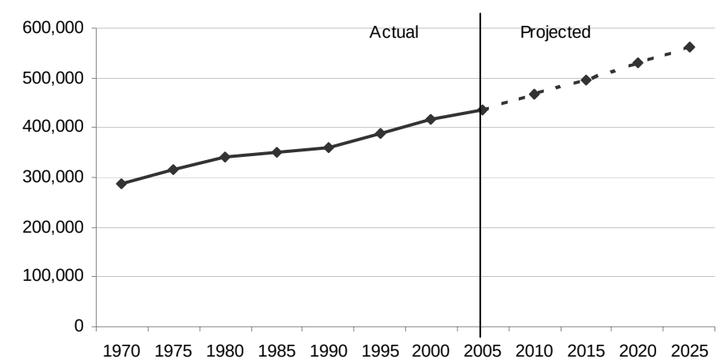
The greatest volume of trucks on roads and highways serve the daily needs of consumers through the wholesale and retail distribution system. Up to 80 percent of all truck trips in urban areas serve the retail, wholesale and business services sectors. An enormous variety of goods are handled on this system; food and groceries, fuel, pharmaceuticals and medical supplies, retail stock, office supplies and documents, trash and garbage, construction materials and equipment.

Every resident in the Spokane Region depends on the freight distribution system for daily necessities, from fuel at the gas station to garbage and refuse pick-up. Shopping malls, grocery stores, restaurants, gas stations and retail stores receive thousands of deliveries – all by truck – to provide goods for consumers everyday. A typical large grocery store receives two big semi-tractor-trailer deliveries and ten to twenty other specialized deliveries per day.

Spokane's modern service economy depends on speed of delivery through the freight system. Distribution companies must provide fast and ubiquitous service that is reliable under all conditions. Most are coming from the state's major distribution hubs in Central Puget Sound. They rely on Interstate 90 and the core freight system grid to reach population centers.

Spokane is also growing as a distribution hub for the eastside of the state. In 2005 there were over 1,800 retail and wholesale firms, providing almost 35,000 jobs, in Spokane Region. An additional 6,200 jobs were provided by trucking and warehousing firms. The majority of Spokane wholesalers surveyed by WSDOT indicate that on-time delivery is their single most important freight system requirement (57 percent), followed by cost per move (24 percent). They use truck to deliver consumer goods directly to their customers 80 percent of the time.

Population Growth in Spokane Region



* Office of Financial Management (OFM), 2006. Spokane County.

Tremendous population and employment growth in the region will increase the need for distribution services. Spokane Region's 2006 population of 443,000 will grow to an estimated 561,000 by 2025. Growing communities and urban areas need daily deliveries of consumer goods; most coming across I-90 from the Central Puget Sound warehousing district.

Challenges Facing Spokane Region's 'Delivering Goods to You' Freight System

- High-value, time-critical deliveries must move quickly through the freight distribution system.
- In order to support population and economic growth projections, especially in growing urban areas, companies must be able to provide goods and services to population centers from major distribution and warehousing hubs.