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# Palouse River and Coulee City (PCC) Rail System Rehabilitation Plan



WSDOT is developing an ongoing rehabilitation plan for the PCC. WSDOT performed an independent review of the lines, reviewed track repair documentation, and solicited the opinions of the operators. The information was used to select the most urgent and beneficial projects, and prioritize them based on available funding.

**October 2009**

# PCC Rehabilitation Plan

## Original plan for purchase and rehabilitation

The 2003 Legislature appropriated funds to purchase the PCC Rail System and to rehabilitate one of its branches. During 2003, WSDOT studied rehabilitation needs for all of the branches. Based on that study, the 2004 Legislature appropriated \$7.028 million to purchase the lines, and \$21.089 million for rehabilitation. Bridge repairs were not included in the rehabilitation plan.

## Plan execution and initial changes

Two of the three branches of the PCC Rail System were purchased in late 2004. Insufficient funds were available to finalize the purchase of the third branch until the beginning of the 2005-07 biennium. Steel prices increased unexpectedly in the interim, causing the salvage value of the third branch to rise substantially. As a result, the previously determined price for the third branch had to be renegotiated. In order to facilitate the negotiations, the 2006 Legislature combined the purchase and rehabilitation line items into one project. Some of the funds previously allocated for rehabilitation had to be used for the new purchase price, which was agreed upon in February 2007.

## Changes resulting from final purchase price

As a result of the change in the purchase price, the 2007 Legislature reallocated the rehabilitation funding as follows:

- \$3.6 million was appropriated for WSDOT to identify and perform rehabilitation required to preserve the lines and to perform an initial study on replacing the trestle that burned near Colfax in 2006, among other work items.
- \$7 million was appropriated to rehabilitate the PCC lines, after formation of a local intergovernmental agency to oversee business and economic development aspects of the operating leases. The



Rehabilitation is required to prevent derailments.

PCC Rail Authority was formed by Grant, Lincoln, Spokane, and Whitman Counties in May 2008 to comply with this requirement.

Note: WSDOT requested the legislature to transfer \$1.6 million from the appropriation limited to purchasing the PCC Rail System to rehabilitation. Those funds were saved during the process of verifying certain aspects of the purchase and sale agreement.

## Rehabilitation project identification process

The following steps were taken to identify rehabilitation items for the 2008 construction season:

- Basic criteria were established as follows:
  1. Work items needed to prevent service disruption within two years.
  2. Work items needed to prevent service disruption within five years.
  3. Work items needed to avoid further deterioration for five years without further substantial capital investment.
- WSDOT asked the three railroads that operate the PCC Rail System to submit possible work items based on those concepts.
- Documentation from each rail line was reviewed to determine justifications for imposing speed limits of less than 25 mph. The review provided an initial identification of potential areas for rehabilitation activities.
- Each rail line was inspected with the respective operators to verify the information from the document review and to collect first-hand, current line condition information.

Since the state purchased the entire Palouse River and Coulee City Railroad system that consisted of three branches, a company named the Palouse River and Coulee City Railroad continues to operate one of those branches. In order to avoid confusion, the entire system will be called the PCC Rail System and the operating company will be called the PCC Railroad.

- After collecting the information, each operator was provided the assessment for its line, and meetings were held to discuss the findings and the most important rehabilitation needs.
  - A bridge evaluation report, prepared in 2005 by a professional engineering firm for Watco Companies Inc., was reviewed for further rehabilitation opportunities.
  - A final list of categories and rehabilitation work items was prepared and provided to the operators for comment.
  - A final list of work items was then prepared.
  - WSDOT performed a benefit analysis for each rail line to determine how to set priorities to perform all suggested repairs.
- \$3.1 million was spent in this process and in constructing selected work items.

## Other critical items

- \$35,000 was set aside to work with the city of Palouse on a street renovation project that would also rehabilitate 600 feet of worn out rail. The city is rehabilitating the rail and WSDOT is providing engineering and construction management support to ensure proper rail work.
- \$300,000 was set aside to repair road/rail crossings that have regulatory defects that require rail rehabilitation rather than just surface repair. The railroads are providing labor in a collaborative effort. Some of the funds must be used to replace active warning systems that require updating.
- Funds were used to perform the rail trestle replacement cost analysis and the conceptual analysis of rebuilding another alignment as an alternative. A business case study was also performed for the alternatives. Additional funds are needed to take the next steps, such as determining rail right of way ownership and performing more detailed environmental analyses for rebuilding the alternative alignment.



## PCC Rail Authority rehabilitation work

As mentioned above, \$8.6 million was made available for further rehabilitation work through the PCC Rail Authority. WSDOT reviewed the work completed in 2008 and the remaining work items from the initial analysis, in conjunction with a physical inspection of the lines to develop projects for the 2009 construction season. \$6 million will be spent by the time these projects are completed. Plans for using the final \$2.6 million will be developed using a similar process as was used for the 2009 projects and the work will be performed in the 2010 construction season.

Note: Additional rehabilitation for the same areas will likely be needed unless a planned, cyclical maintenance program is implemented within the next several years.

## PCC Rail Authority Tiger Grant request

The PCC Rail Authority prepared a request for \$42 million in federal stimulus funds for submittal in September 2009. The request focused only on tie replacement, some rail replacement, and surface, line and dressing work. Projects resulting from an award of these funds would rehabilitate the PCC Rail System (other than bridges) to the point where Class track operation would be sustainable on the first 50 miles of the CW Branch, the first 52 miles of the PV Hooper Branch, and the first 37 miles of the P & L Branch indefinitely with an ongoing planned maintenance program. The rest of the system would be made operable at the Class level indefinitely with an ongoing planned maintenance program.