Washington State Freight Rail Plan Advisory Committee Meeting
Commission Board Room, WSDOT Headquarters
310 Maple Park Lane, Olympia, WA 98504
1:00 PM to 3:30 PM, June 11, 2009

Meeting Minutes

Agenda
Facilitator: Andrew Wood

Introduction	Andrew Wood
Washington State Freight Rail Plan: Purposes	Scott Witt
Review of the WSDOT Freight Rail Program	Andrew Wood
Freight Rail Planning: Socioeconomic Context	Brian Calkins
Freight Rail Planning: Requirements and Guidelines	Lynn Scroggins
Washington State Freight Rail Plan: Key Components	George Xu
Washington State Freight Rail Plan: How do we do it?	
• Key Processes, Synthesis of Studies and Data Development	George Xu
• Port-to-Rail Access/Abandonment Evaluation Surveys and Analysis	Brian Calkins
• Capital Investment – Freight Rail Projects and 20-Year Capital Project List	Lynn Scroggins
Stakeholder Involvement	Scott Witt

Questions/Discussion

Gary Nelson (Port of Grays Harbor): What is the timeline for the 2010 completion of this plan? How does it fit with the federal windows of opportunity?

George Xu (WSDOT): We plan to complete it by December 2009.

Dale King (Port of Tacoma). I volunteer to help with the plan.

James Forgette (Ballard Terminal Railroad): Thanks for opening the Freight Rail Assistance Program to small private operators. Regarding the biennium, what is the timing and funding amounts? Which program had only one application?

Andrew Wood (WSDOT): The 2009-11 Biennium packages have already been decided. The 2011-2013 call for projects will be out mid-2010. There is funding of $2.75 million for the Freight Rail Assistance Program (grant program) and $5 million for the Rail Bank (loan program). There was only one Rail Bank application.

John Howell (EWG Railroad): How frequent will plan updates occur? Due to the stressful economic conditions, will there be an emphasis on maintenance projects?

Scott Witt (WSDOT): Previously, most states updated their state rail plan every ten years. Now with the economy more dynamic, it has been suggested that updates occur every two years, providing a more frequent opportunity to focus on maintenance projects/needs. More emphasis on maintenance infrastructure improvement projects is something that you can recommend, at your suggestion and guidance to the group. New projects receive more attention, so that's an opportunity to bring maintenance needs to a sharper point.

Lloyd Flem (All Aboard Washington): AAW is primarily a passenger rail advocacy group, but we have *always* been supportive of freight rail. With the twenty-year prognosis for growth and changes in the Global Gateway sector, resulting in a decrease in the comparative advantage over China and other Asian countries, will there be a decrease of the increase in the percentage of consumer goods from the orient?

Brian Calkins (WSDOT): Forecasts are made at a point in time. A good document should reflect these dynamics and provide a range of growth rates with mid-line growth factors.

George Xu: "100 economists have 99 opinions." In my opinion, globalization of the economy will continue, China and other East Asian growth and consumption will increase tremendously, and they will lose their competitive advantage. Therefore, we will have some greater advantage and that will likely result in increased exports.

Rosemary Siipola (CWCOG/SWRTPO): We want a rail network that allows our region to support 21st Century manufacturing, continuing to grow family wage jobs, transition from a natural resources economic base, and send more goods to China. We really need to be dynamic. We need to move forward, planning for the long run as well as participating in project development for ARRA funding.

Thomas Noyes (WSDOT UPO): 1) Our office sent an issue paper that raised open questions about rail development in relation to market sector development. The 2006 Statewide Rail Capacity and System Needs Study that feeds into this plan defined key market sectors. What are their relative merits and how do they help define our needs for rail capacity in the future? 2) The plan has a long-term planning horizon of twenty years. How will this plan affect stakeholders, such as the private railroads, that may have shorter planning horizons? 3) How is *mobility* defined in this plan?

George Xu: In this plan *mobility* is an economic term that means carrying capacity of freight rail. It will be addressed and refined in the more frequent updates.

Scott Witt: The Class I [railroads] have long range plans, but economic changes affect their planning horizon at where they put capital. More frequent updates will better reflect these economic changes. It's all about frequency, because things change; this affects both private and public sector.

Terry Finn (BNSF): Great comments, there are both political and policy issues that affect decision-making. For example, A 2007 Class I railroad study found at current rates of private rail investment, by 2030 demand railroads will be $40 billion short in demand forecasted infrastructure investments. The average capital investment for a Class I railroad is 16 to 20 percent of investment, versus 3 to 4 percent for other industries; it's extremely capital intensive. Recent Positive Train Control legislation is an unfunded mandate. For BNSF this is an estimated $2 billion mandatory investment to meet a 2015 deadline. With rail receiving more attention for a variety of reasons, the private entities turn more and more to the public side for infusion of cash and investment for our facilities. We need to identify what industries and aspects of rail transportation are most important and benefit to the state. These are hard political questions. There is relatively inexpensive technology improvements to increase velocity and/or capacity in the system that can be done, but eventually new mainline and yard capacity is needed.

Thomas Noyes: Regarding abandonments, the PCC [shortline railroad] case study touches on the issue of abandonments and addresses the benefit to the state and community.

Steve Murray (Railcar Management, Inc): With PTC, technical assistance, and a broader brush (i.e. maintenance), how transparent and flexible are the evaluation and prioritization methodologies for a fair evaluation? How far does this go to address the true benefit of maintenance, PTC, or a Rail Car program, for example?

Scott Witt: WSDOT chose to capitalize up front. It is possible to look at other benefits and analyze projects outside of the original scope. The methodology has a lot of flexibility with weighting. There is a legislative overlay that addresses a more true benefit-cost analysis.

John Howell: In an era of very scarce funds, what are the arguments for separate freight rail and passenger rail plans versus a combined "one rail" plan? I volunteer to help with the plan.

Scott Witt: We have two pots of money that address freight rail and passenger rail separately. It's a systematic change to address them as "one rail".

Thomas Noyes: How will the Advisory Committee function? Will there be monthly follow-up meetings?

Lynn Scroggins (WSDOT): We're open to suggestions. We're planning progress meetings with potential for focus group and individual meetings.

Andrew Wood: We need help from volunteers to "try out the methodologies" with several people.

Scott Witt: Each person is a great resource. We hope to work with everyone based on their individual availability and needs.

Andrew Wood: This Advisory Committee would function similar to the one associated with the [Amtrak *Cascades* Mid-Range Plan].

Lloyd Flem: With the mid-range plan, the second meeting worked better than the first. A third meeting would have been even more beneficial.

Scott Witt: People tend to interact more as meetings progress…

Thomas Noyes: Conference calls, web communication options would be beneficial.

Scott Witt/Andrew Wood: Anything else? Any more input?

Karen Schmidt (FMSIB): We'll continue to work together. There is cross-over in future priorities to discuss.

Eric Hurlburt (WA Department of Agriculture): Will there be any effort to coordinate with economic development efforts throughout the state, to identify cross-over points and projects?

George Xu (WSDOT): Washington State Department of Community, Trade, and Economic Development (CTED) responded and will be involved in this project.

Scott Witt: Are there any other groups we should include for outreach? Shippers, carriers, the usual were on the invitation list.

Andrew Wood: Are there any final questions or comments? Thank you for coming to this meeting.