

## 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 Southeast Washington

American Short Line and Regional Railroad Association – (202) 585-3442	State of Washington Freight Mobility Strategic Investment Board (FMSIB) – (360) 586-9695
Association of American Railroads – (202) 639-2100	Washington Association of Wheat Growers – (800) 598-6890
Association of Washington Business – (360) 943-1600	Washington Food Industry – (360) 753-5177
Association of Washington Cities – (360) 753-4137	Washington Manufacturing Services – (425) 438-1146
Benton-Franklin Council of Governments and Benton-Franklin-Walla Walla Regional Transportation Planning Organization – (509) 943-9185	Washington Public Ports Association (including contact information for ports in Southeast Washington) – (360) 943-0760
Chambers of Commerce: Clarkston Chamber of Commerce - (509) 758-7712 Walla Walla Valley Chamber of Commerce - (509) 525-0850	Washington Retail Association – (360) 943-9198
County Road Administration Board – (360) 753-5989	Washington State Department of Agriculture - (360) 902-1800
Lewis Clark Valley Metropolitan Planning Organization – (208) 746-1318	Washington State Department of Community, Trade and Economic Development - (360) 725-4011
Northwest Food Processors Association – (503) 327-2200	Washington State Department of Natural Resources – (360) 902-1004
Northwest Grocery Association – (505) 685-6293	Washington State Department of Transportation: Eastern Region - (509) 324-6000 Freight Systems Division – (360) 705-7932 South Central Region – (509) 577-1600
Pacific Northwest Grain and Feed Association – (505) 685-6293	Washington State University Strategic Freight Transportation Analysis – (509) 335-1608
Pacific Northwest Waterways Association - (503) 234-8550	Washington Wheat Commission – (509) 456-2481
Palouse Regional Transportation Planning Organization and Palouse Economic Development Council – (509) 751-9144	Washington Wine Commission – (206) 667-9463
Quad-County Regional Transportation Planning Organization- (509) 725-7041	
U.S. Department of Transportation, Federal Highway Administration (Washington Division) - (360) 753-9480	

### More Information:

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**Washington State**  
**Department of Transportation**



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July 2007

# Freight and the Economy of Southeast Washington

The three components of Southeast Washington's freight system:

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

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.

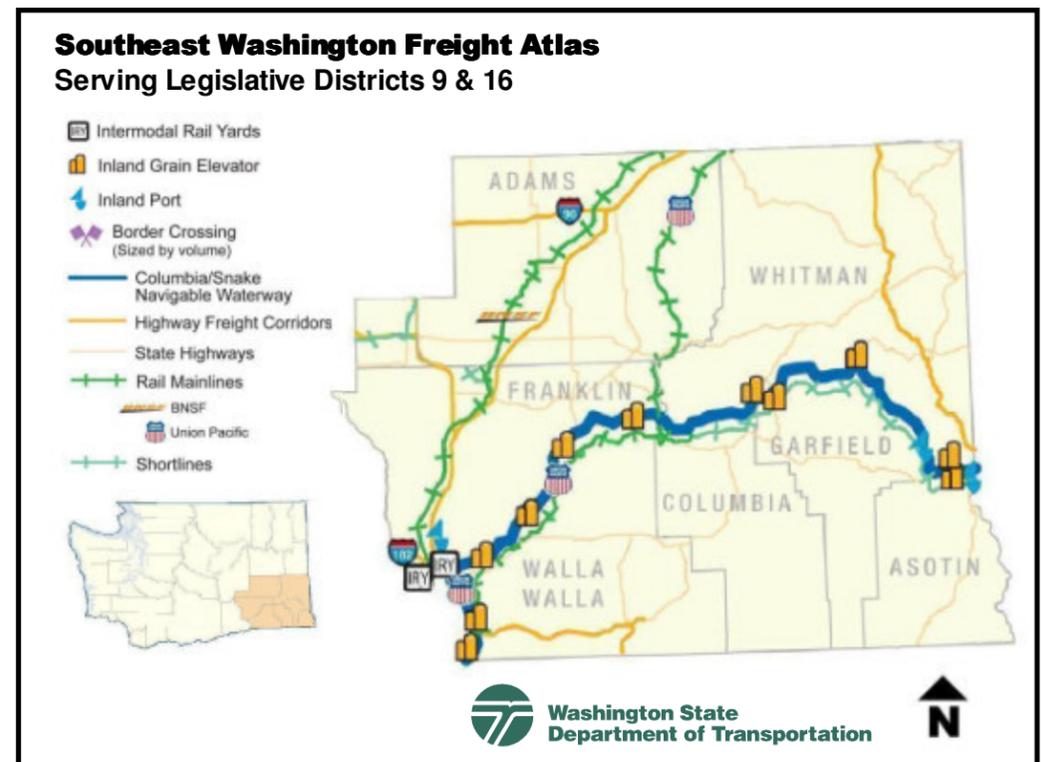
## I. 'Global Gateways' – International and National Trade Flows Through Southeast Washington

- Washington State is an important and growing gateway for trade access to the Pacific Rim, Canada and U.S.
- Southeast Washington'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.

The Columbia River ports in Southeast Washington play major roles in the movement of exported agricultural products. The Columbia-Snake River barge system is the world's second largest grain export system and the United State's largest wheat export system. It carries 40 percent of all U.S. wheat exports and over 60 percent of eastern Washington wheat.

The mainline rail system, including lines that run through Southeast Washington, are used to ship international containers from the Central Puget Sound ports to the big consumer markets in the Midwest and East Coast of the U.S. The system is reaching capacity limits and growth is projected to continue. The annual volume of containers coming through the Central Puget Sound ports is expected to more than double from 2002 to 2025.

Many of Washington's smaller companies don't



produce unit-train quantities, so they no longer get direct rail service. They'll have to adapt to BNSF Railway's and UP's new business model by using intermodal centers, buying their own equipment, or building storage tracks.

### Challenges Facing Southeast Washington'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.
- The Columbia – Snake River waterway needs a funded strategic maintenance plan.

## II. 'Made in Southeast Washington' – Regional Economies Rely on the Freight System

Southeast Washington'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 33,647 jobs in Southeast Washington relied on the freight system in 2005.

Transportation is especially important for Washington agriculture because the state produces about three times as much food – and for some commodities up to twenty times as much on a tonnage basis – as it consumes, and it is separated by long distances from the majority of the nation's consumers.

Southeast Washington is the growing center for Washington wheat. Washington ranks fourth in U.S. wheat production, with 139.3 million bushels grown on 2.2 million acres in 2005. Wheat production contributed \$1.18 billion dollars to the state's economy in 2002, mostly to eastern Washington. Whitman County produces more wheat and barley than any other county in the United States. They are also the number one county in the U.S. for dry peas and lentils.

About 85 percent of Washington wheat is sold to international markets, mostly Asia. Effective and efficient transportation from field to ship can impact whether or not eastern Washington wheat farmers compete internationally.

Wheat growers interviewed by WSDOT indicate they are very concerned with risks to the current multimodal system. The Columbia – Snake waterway lacks a funded strategic maintenance plan, local roads are closed or weight restricted during spring thaw, and smaller companies that don't produce unit-train quantities may no longer get direct rail service

Southeast Washington also produces numerous other foods crops and ships them by truck to retail chains such as Safeway, Albertsons, and Costco on the west side of the state. More than 34 percent of Southeast Washington truck trips were destined for the Central Puget Sound in 2002.

All of Southeast Washington agriculture companies surveyed by

33,647 Jobs Rely on Freight in Southeast Washington		
	Jobs	Average Wage
Agriculture	10,321	\$18,543
Manufacturing	7,971	\$36,301
Construction	3,210	\$32,254
Wholesale and Retail Trade	10,527	\$26,566
Transportation/ Warehousing	1,618	\$31,711

\*Office of Financial Management (OFM), 2006. Adams, Asotin, Columbia, Franklin, Garfield, Walla Walla, and Whitman County.

### Columbia – Snake River Transportation System

- 92% of SE Washington wheat is shipped to Columbia River ports.
- 51% by truck/barge; 19% by bulk rail, 30% truck to storage or non-bulk rail.



#### Modal choices are at risk:

- Barge due to environmental issues and federal policies,
- Truck due to weight restrictions on local roads during spring thaw, and
- Rail branch lines and short line rail that ship low volumes cannot recover capital costs and may be short lined or abandoned. respectively.

WSDOT in 2007 said the state's freight system and infrastructure is highly important to the success and growth of the company. About 67 percent are highly satisfied with current performance. On time delivery, capacity in refrigerated trucks, and cost per move are their most important requirements.

Eastern Washington manufacturers, agricultural growers and processors, and distributors use I-90 as the primary east-west freight route, and cite severe winter weather closures on I-90 at Snoqualmie Pass as their top freight issue as well as improvements to the core freight system grid in Central Puget Sound.

### Challenges Facing the 'Made in Fifth District' 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.
- A solution is needed for refrigerated truck and railcar shortages.
- The Columbia – Snake River waterway needs a funded strategic maintenance plan.

## III. 'Delivering Goods to You' – The Retail and Wholesale Distribution System in Southeast Washington

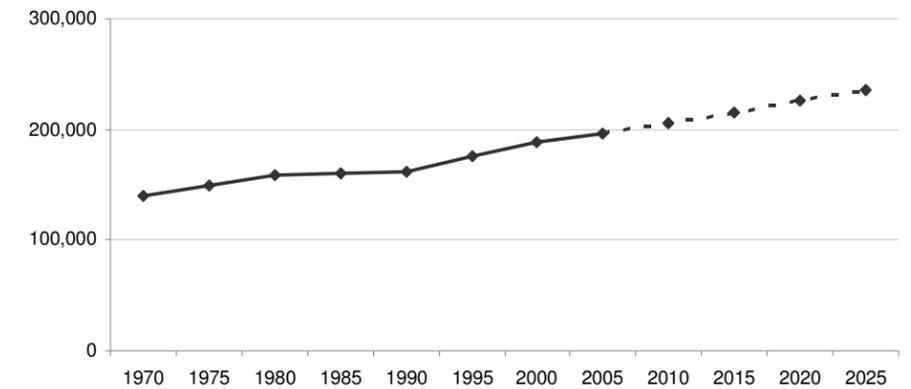
The greatest volume of trucks on roads and highways serve the daily needs of consumers through the wholesale and retail distribution system. Up to 80 percent of all truck trips in urban areas serve the retail, wholesale and business services sectors. An enormous variety of goods are handled on this system;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

Every resident in Southeast Washington depends on the freight distribution system for daily necessities, from fuel at the gas station to garbage and refuse pick-up. 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. These establishments also generate revenue and provide jobs in Southeast Washington. In 2005 retail and wholesale firms provided 10,500 jobs in the region.

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. These companies rely on Interstate 90 and the core freight system grid to reach population centers. The Spokane region is also growing as a distribution hub for Southeast Washington.

Population and employment growth in Southeast Washington will increase the need for distribution services. Southeast Washington's 2006 population of 210,000 will grow to an estimated 236,000 by 2025. In order to achieve population and employment growth, the freight system must be able to provide delivery of consumer goods to residents everyday.

Population Growth in Southeast Washington



\* Office of Financial Management (OFM), 2006. Adams, Asotin, Columbia, Franklin, Garfield, Walla Walla, and Whitman County.

### Challenges Facing Southeast Washington'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, companies must be able to provide goods and services to population centers from major distribution and warehousing hubs.