

## 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 Central Puget Sound/ Seattle Metro

American Short Line and Regional Railroad Association - (202) 585-3442	Trade Development Alliance of Greater Seattle - (206) 389-7301
Association of American Railroads - (202) 639-2100	U.S. Department of Transportation, Federal Highway Administration (Washington Division) - (360) 753-9480
Association of Washington Business - (360) 943-1600	Washington Council on International Trade - (206) 443-3826
Association of Washington Cities - (360) 753-4137	Washington Economic Development Association - (425) 967-0736
Building Industry Association of Washington - (206) 622-8924	Washington Food Industry - (360) 753-5177
Chambers of Commerce:	Washington Manufacturing Services - (425) 438-1146
Bellevue Chamber of Commerce - (425) 213-1200	Washington Public Ports Association - (360) 943-0760
Greater Issaquah Chamber of Commerce - (425) 392-7024	Washington Restaurant Association - (800) 225-7166
Greater Redmond Chamber of Commerce - (425) 885-4014	Washington Retail Association - (360) 943-9198
Greater Seattle Chamber of Commerce - (206) 389-7200	Washington State Department of Community, Trade and Economic Development - (360) 725-4011
City of Seattle Office of Economic Development - (206) 684-8090	Washington State Department of Natural Resources - (360) 902-1004
County Road Administration Board - (360) 753-5989	Washington State Department of Transportation:
enterpriseSeattle/ King County Economic Development Council - (206) 389-8650	Freight Systems Division - (360) 705-7932
King County International Airport - (206) 296-7380	Northwest Region - (206) 440-4706
Manufacturing Industrial Council of Seattle and Duwamish Transportation Management Association - (206) 762-2470	Urban Planning Office - (206) 264-1286
Northwest Food Processors Association - (503) 327-2200	Washington State Ferries - (206) 515-3404
Port of Seattle (Seaport Division) - (206) 728-3000	Washington State Transportation Center (University of Washington) - (206) 543-8690
Puget Sound Regional Council (Freight Mobility and FAST Corridor) - (206) 464-7080	Washington State Transportation Improvement Board - (360) 586-1140
Seattle Department of Transportation (Freight Mobility) - (206) 762-8370	Washington Trucking Association - (253) 838-1650
State of Washington Freight Mobility Strategic Investment Board (FMSIB) - (360) 586-9695	

### More Information:

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# Freight and the Economy of Central Puget Sound/ Seattle Metro

The three components of Washington State's Central Puget Sound/ Seattle Metro' freight system:

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

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 Central Puget Sound/ Seattle Metro

- Washington State is an important and growing gateway for trade access to the Pacific Rim, Canada and U.S.
- Central Puget Sound/ Seattle Metro'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.

Downtown Seattle is home to the Port of Seattle - a global gateway for imported manufactured goods that are shipped in containers from Asia. In 2005, the Port of Seattle was the seventh busiest international container port in the nation, handling almost 2.1 million TEU's (twenty-foot equivalent units) and \$37 billion in foreign waterborne trade. The port's marine cargo facilities provided 9,600 direct jobs in 2003.

About 70 percent of imported containers are transferred to rail for delivery to the Midwest and/ or the East Coast via the mainline railroads' east-west corridors. Several of the mainline rail companies' primary routes are reaching capacity limits, constraining future growth. The Port of Seattle plans to handle four million TEU's by 2015.

Port of Seattle exporter and importer distribution facilities are concentrated in the Kent and Auburn Valley. They have no practical alternative to the state's most heavily used north-south freight routes. Delay costs everyone. Consumer goods cost more. Shippers turn fewer shipments to the ports. Worst of all, it takes more trucks to ship the same

## Central Puget Sound/ Seattle Metro Freight Atlas Serving Legislative Districts 1, 5, 11, 32, 34, 36, 37, 41, 43, 45, 46 & 48



volume, as each truck gets fewer trips per day.

According to a 2007 WSDOT survey, nearly 60 percent of national shippers who route freight from Asia through West Coast ports would be highly likely to shift business toward Seattle/ Tacoma ports with improved performance. Those who value consistent, predictable travel time were more likely to shift business towards these ports.

Interstate 90 is a primary route for Washington made products, such as apples, hay, and potatoes, headed to the Central Puget Sound ports for export. The region is also home to the King County International Airport – Boeing Field, which is the second largest air cargo airport in the state. It is the preferred site for several integrated cargo carriers and handled 125,864 metric tons of air cargo in 2004. Shippers and carriers across the state say that congestion on the Interstate 5 corridor is driving down performance in Washington's air cargo system.

### Challenges Facing Central Puget Sound/ Seattle Metro'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.
- 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.

### II. 'Made in Central Puget Sound/ Seattle Metro' – Regional Economies Rely on the Freight System

Central Puget Sound/ Seattle Metro's own manufacturers and 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 228,800 jobs in Central Puget Sound/ Seattle Metro relied on the freight system in 2005.

The region is nationally known for its maritime sectors, with annual output totaling \$2.1 billion in 2002. Seattle's maritime cluster supported 4,500 boat building, repair and waterborne transportation jobs. Seafood processing alone employs 4,300 in King County. The North Pacific fishing fleet is based in Ballard and about 230 fishing and processing vessels are berthed along the Lake Washington Ship Canal. Industry sources state that Washington based vessels bring in about 80 percent of the Alaska catch.

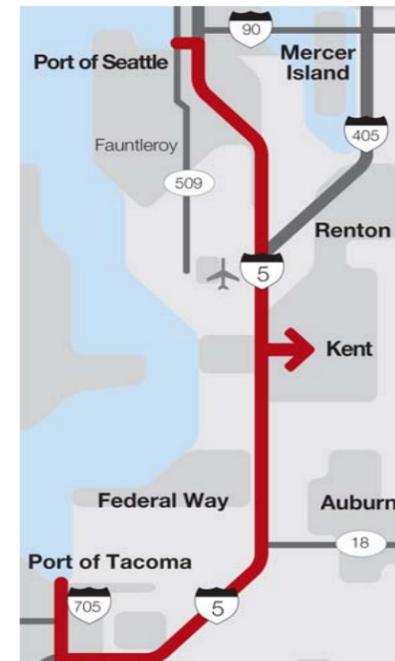
Eastern Central Puget Sound includes thousands of mid-size manufacturers that receive raw materials and ship finished goods to market. Aerospace subcontractors machine and bend high-tech metals, processed food companies package cookie and muffin mix, mints and vitamins, various manufacturers mix printers inks and coatings, and form energy-efficient windows and composite decking for homes. Eastside and Central Puget Sound manufacturers surveyed by WSDOT in 2007 say that the state freight system and infrastructure is highly important the success and growth of their companies (74 percent of those surveyed). Only 50 percent are highly satisfied with current performance. Their top requirement is on-time delivery (65 percent) and cost per move (20 percent).

Industry inventory reduction strategies are driving shorter on-time delivery windows, and companies who cannot meet these requirements cannot compete in a global market. Businesses need a solution to congestion and unpredictability, completion of major north-south freight corridors, and local truck route programs. Companies have attempted to adapt to congestion by sending additional trucks on the road and employing operational strategies to gain efficiency, but deteriorating service jeopardizes their sustainability.

### Challenges Facing the 'Made in Seventh District' Freight System

- Companies have no practical alternative to Washington's most heavily used north-south freight routes and Interstate 90.
- There are deficiencies and failing structures on the core freight system grid in Central Puget Sound.
- A local truck route program is needed to connect industry to the interstate and state highway system.

### Central Puget Sound Container Port to Regional Distribution Center



228,850 Jobs Rely on Freight in Central Puget Sound/ Seattle Metro		
	Jobs	Average Wage
Agriculture, Forestry and Fishing	2,541	\$60,002
Manufacturing	53,889	\$65,177
Construction	43,115	\$48,108
Wholesale and Retail Trade	109,383	\$42,453
Transportation/ Warehousing	19,921	\$47,512

\* Puget Sound Regional Council (PSRC) 2006. Partial King County by FAZ zone. Average wage for King County (OFM, 2006).

### III. 'Delivering Goods to You' – The Retail and Wholesale Distribution System in Central Puget Sound/ Seattle Metro

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 metropolitan 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 Central Puget Sound 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 the region. Wholesale and retail establishments employed over 109,000 in the region in 2005, and an additional 19,900 were employed in trucking and warehousing.

Central Puget Sound/ Seattle Metro'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 and warehousing hubs in the Green River Valley and further south along the I-5 corridor. They rely on the core freight system grid to reach population centers.

Bellevue Square has over 200 stores and draws 16 million visitors a year. Show time begins at 9:30 am everyday, and most freight deliveries must be completed before customers begin arriving. To maximize space and manage costs, retailers and restaurants need to devote the majority of space to sales, not inventory storage. These economics drive on-time delivery requirements and frequent shipments to keep the floors stocked with desired products.

Busy downtown areas host an array of high-rise buildings with offices, retail stores and restaurants. Restaurants receive daily shipments of fresh products to serve for visitors and residents. The modern office environment necessitates daily deliveries and fast overnight shipment of time-sensitive documents. UPS, FedEx, the U.S. Post Office, and other companies pick up and deliver documents, mail, office supplies and other necessities throughout the workday. Traffic congestion can affect the setting of the last pickup time at urban locations, causing earlier cutoff times as congestion and unpredictable conditions deteriorate service capabilities.

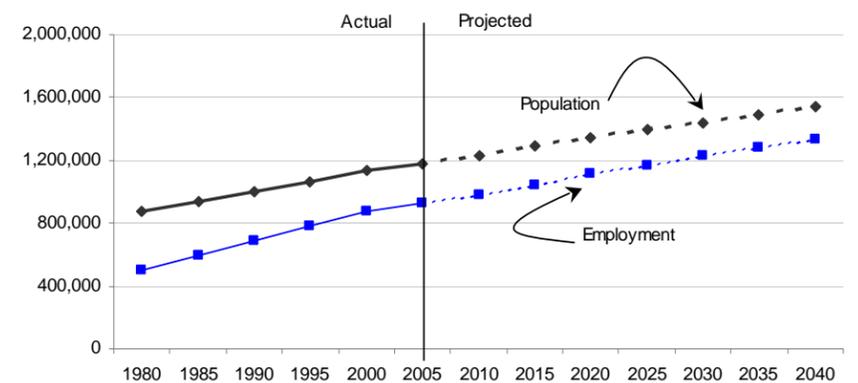
### Seattle's Downtown Core will Continue to Grow



\* Photo Courtesy, Port of Seattle

Tremendous population and employment growth in the region will increase the need for distribution services. The City of Seattle is the most densely populated area in Washington State, with a population of 6,839 per square mile in 2005. The new "Center City Seattle" strategy focuses on encouraging economic growth, transportation, new housing, and urban activity in Seattle's downtown core. Central Puget Sound/ Seattle Metro's 2000 population of 1.13 million will grow to an estimated 1.6 million by 2040. Employment will grow from over 876,000 in 2000 to 1.3 million by 2040.

### Population Growth in Central Puget Sound/ Seattle Metro



\* Puget Sound Regional Council (PSRC), 2006. Partial King County by FAZ zone.

### Challenges Facing Central Puget Sound/ Seattle Metro'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, especially in dense urban areas, companies must be able to provide goods and services to population centers from the state's major distribution and warehousing hubs along Interstate 5.
- A metro truck route program is needed to allow for deliveries in the urban centers.