

Freight Rail, Washington Economy, and State Roles

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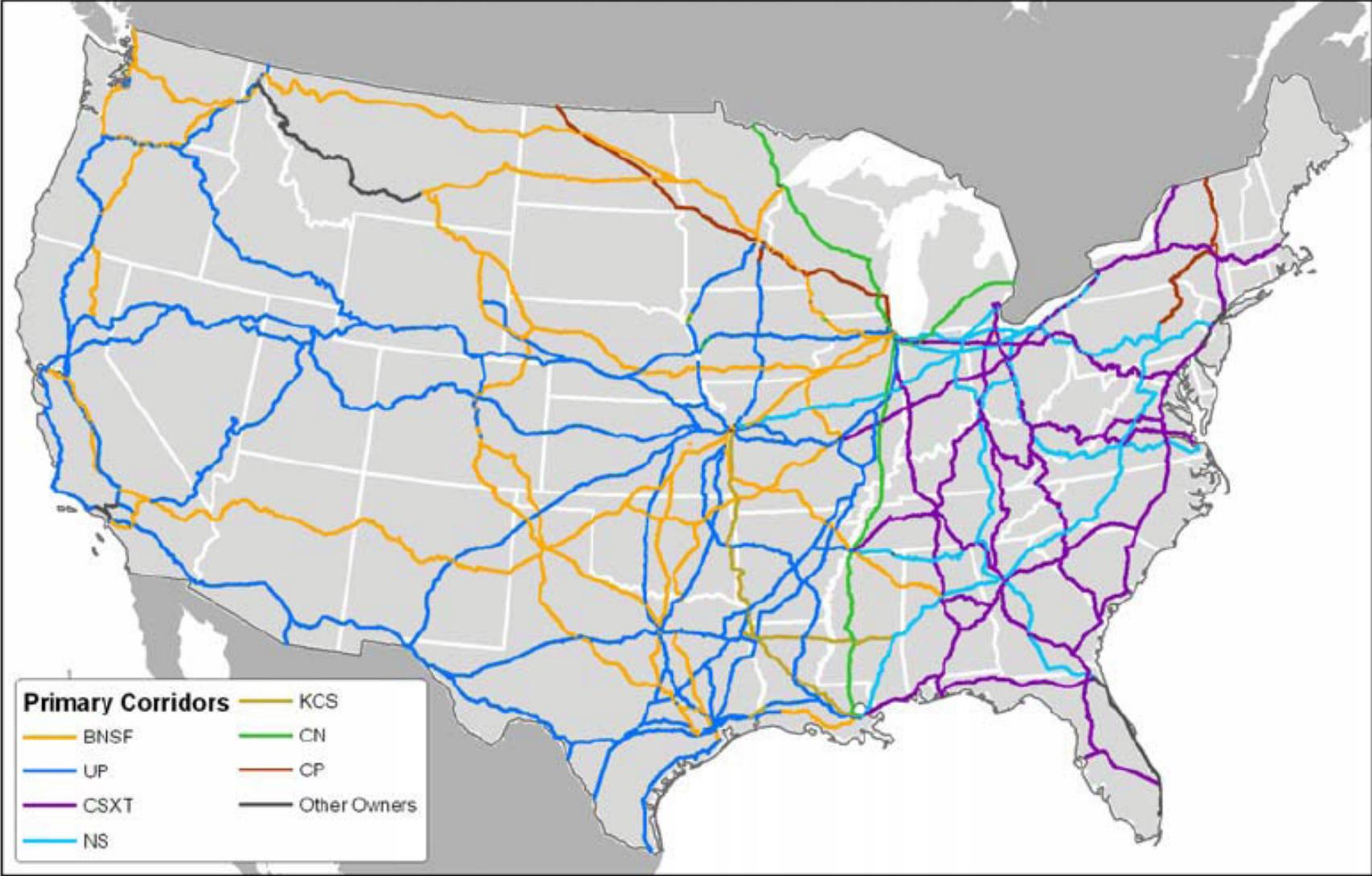


Freight Rail and Washington Economy

George Xu, Ph.D.

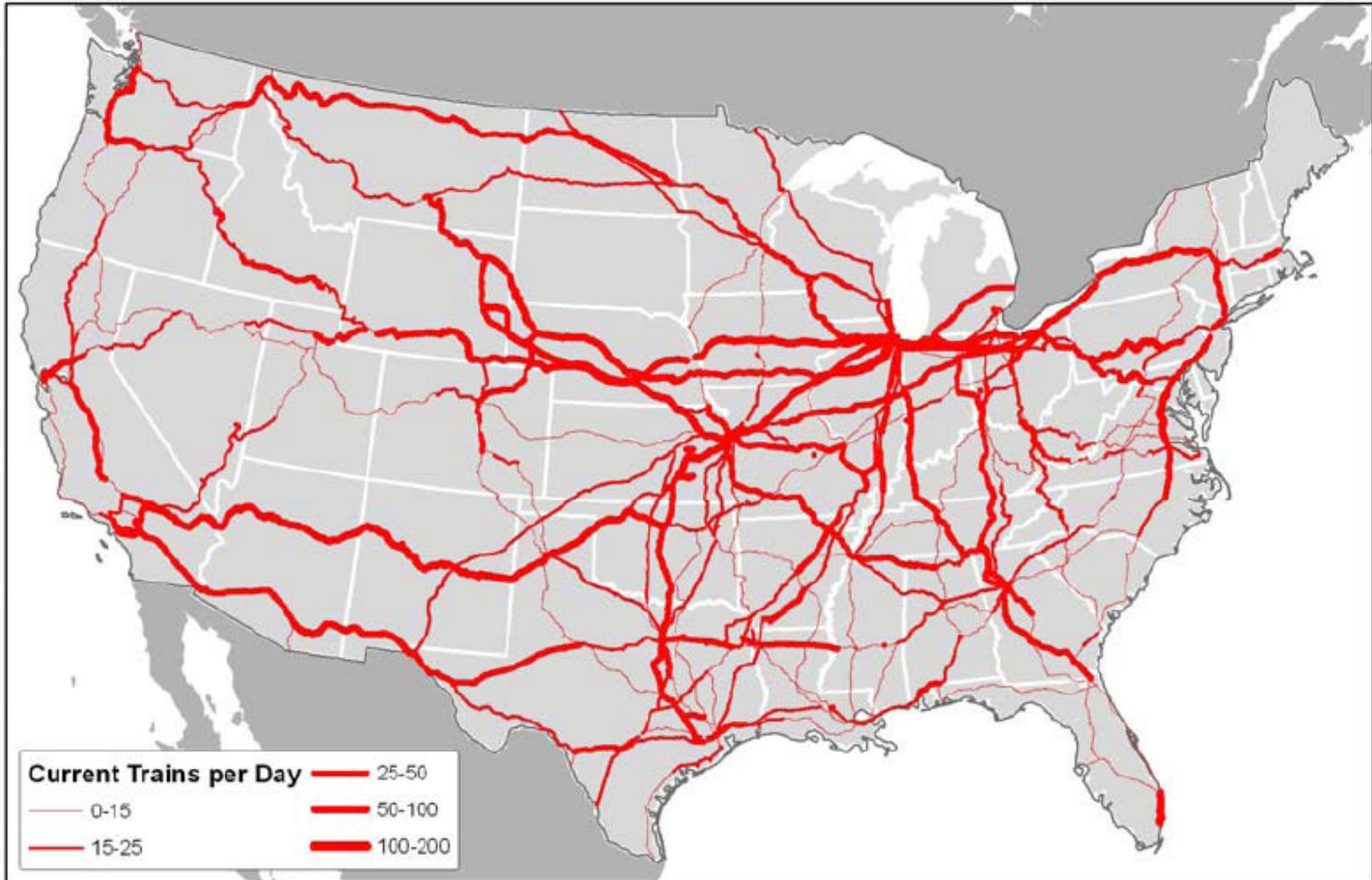
Executive Manager, Strategic Planning and Research
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Primary Rail Freight Corridors



Source: Cambridge Systematics, Inc.

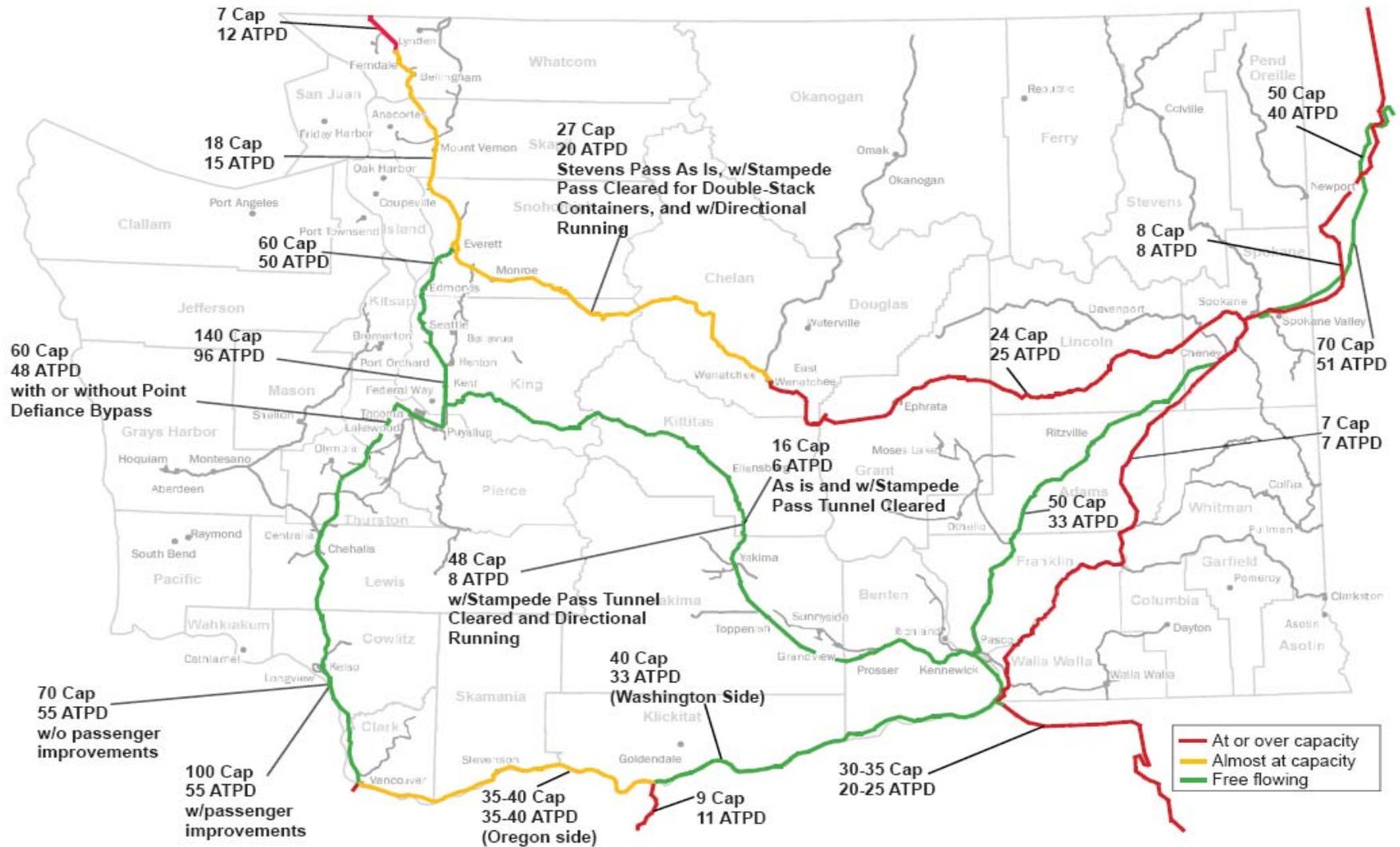
Freight Volumes by Primary Rail Freight Corridor



Source: Cambridge Systematics, Inc.
Note: Volumes are for the 85th percentile day.



2008 Rail Line Capacity (Cap) and Average Trains Per Day (ATPD)



Source: WSDOT State Rail and Marine Office

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Functions of Washington State's Freight Systems

I. Global Gateways

International and national trade flows through Washington.



II. Made in Washington

Regional economies rely on the freight system.



III. Delivering Goods To You

Washington's retail and wholesale distribution system.



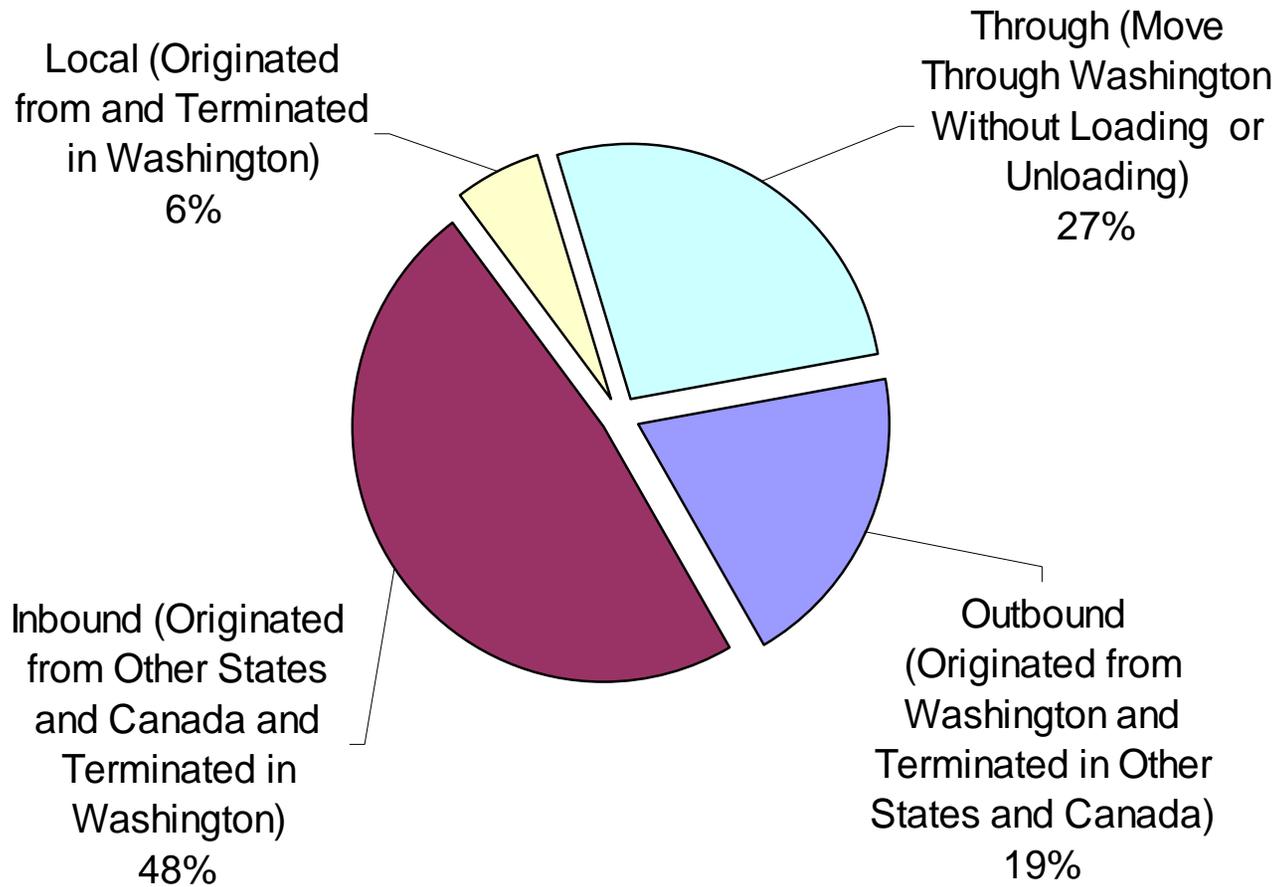
I. Global Gateways

International and National trade flows through Washington

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

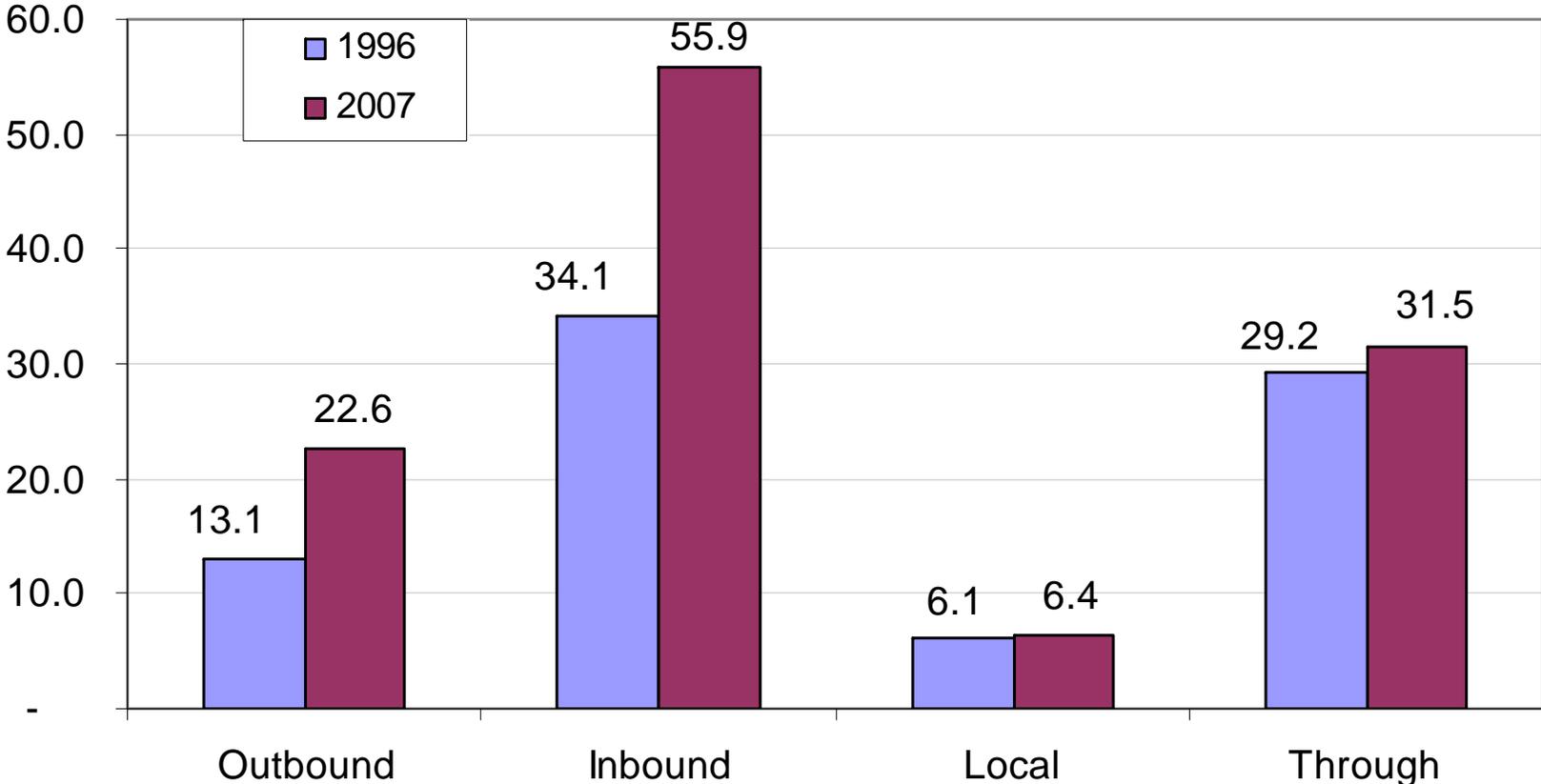


Rail Freight Flows: Washington State - 2007



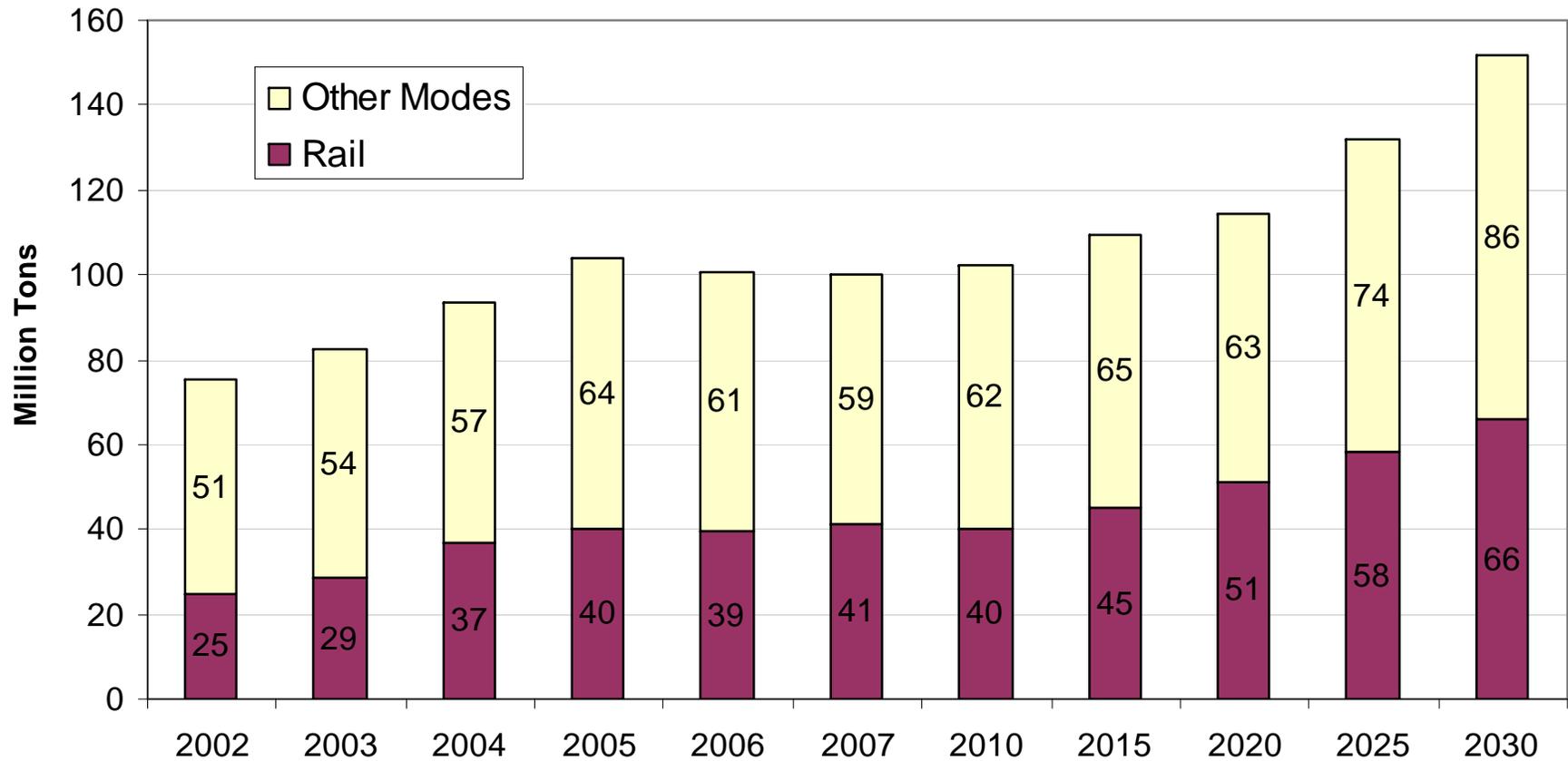
Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

Washington State Rail Freight (Million Tons)



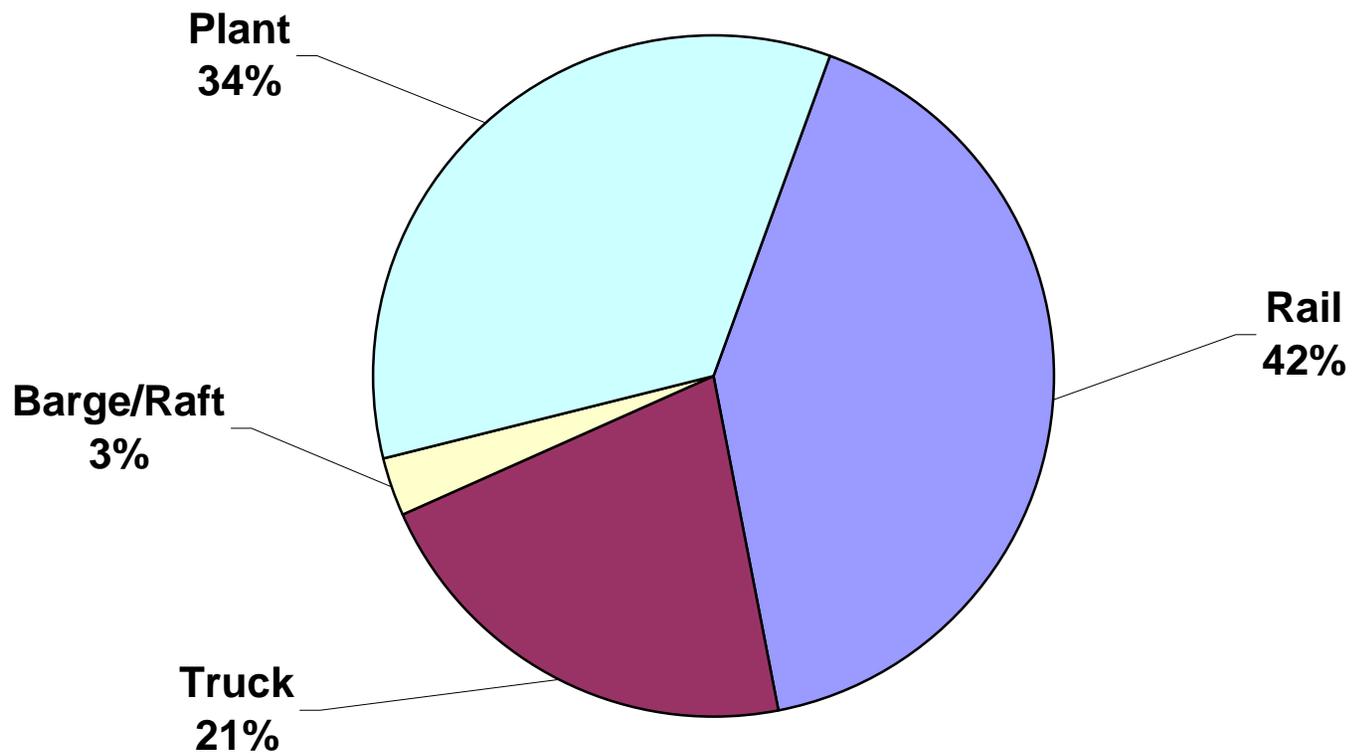
Source: WSDOT State Rail and Marine Office - Waybill Data Analysis

Marine Cargo - Rail vs. Other Modes: 2002 to 2030



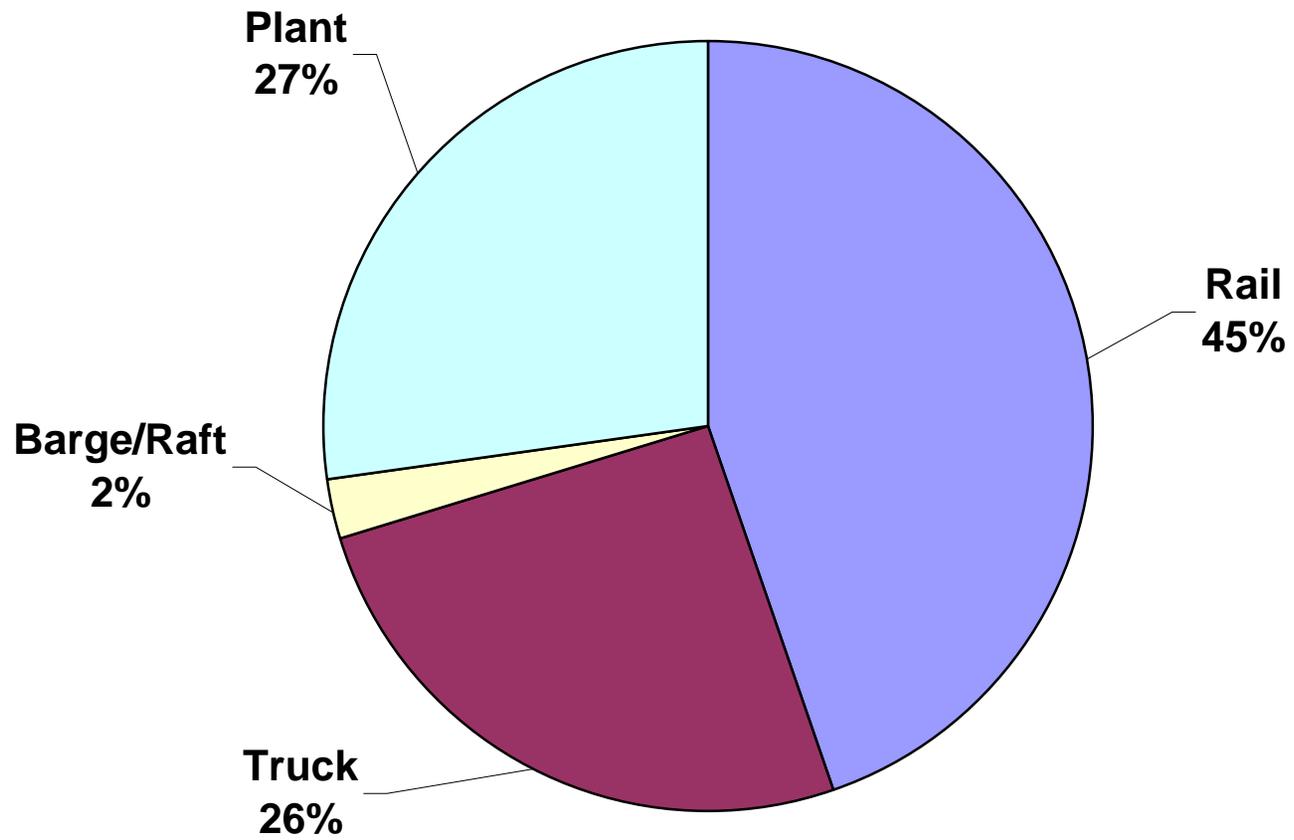
Source: WPPA/WSDOT Marine Cargo Forecast 2009

2007 Marine Cargo Modal Shares



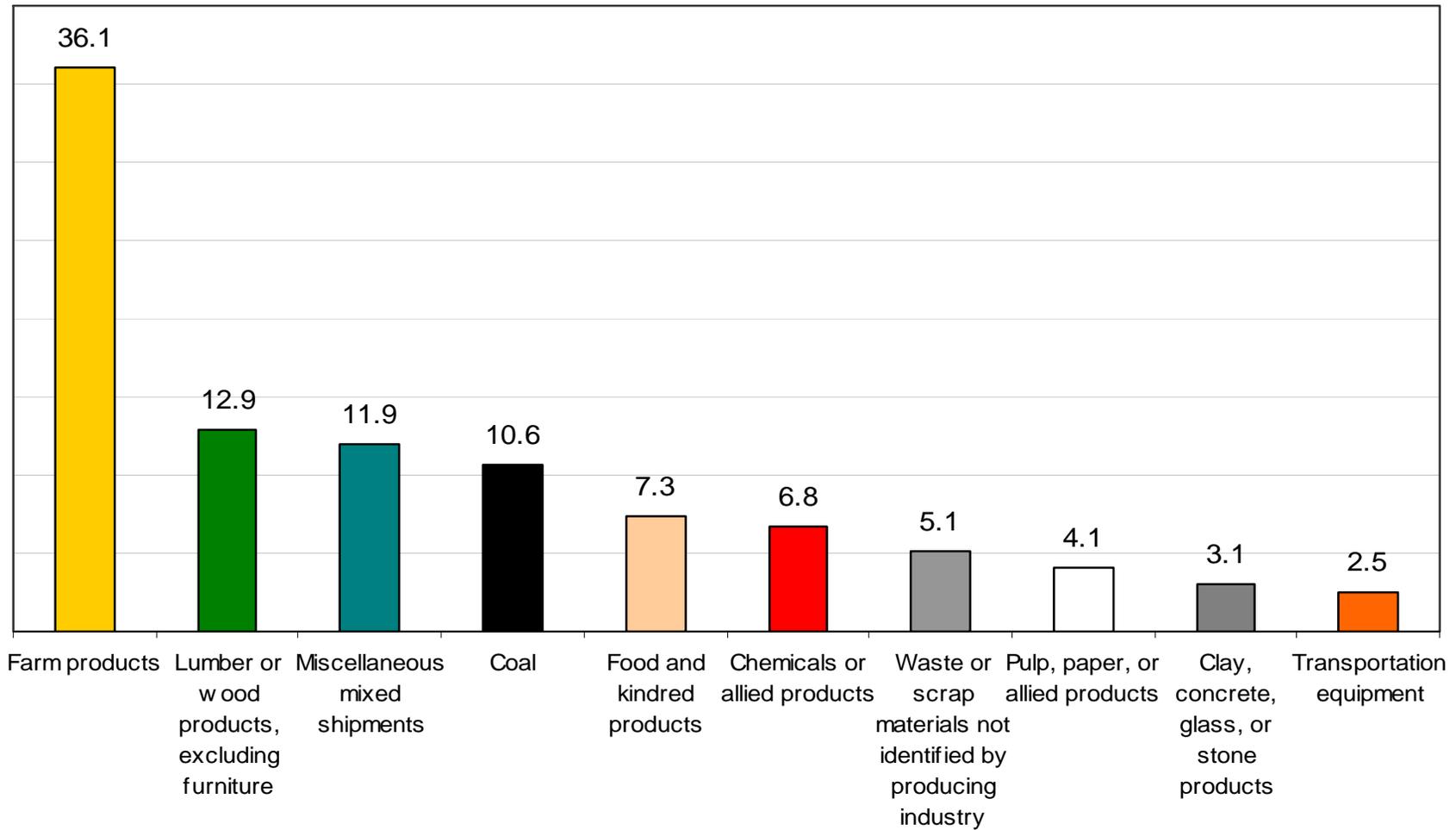
Source: WPPA/WSDOT Marine Cargo Forecast 2009

2020 Marine Cargo Modal Shares



Source: WPPA/WSDOT Marine Cargo Forecast 2009

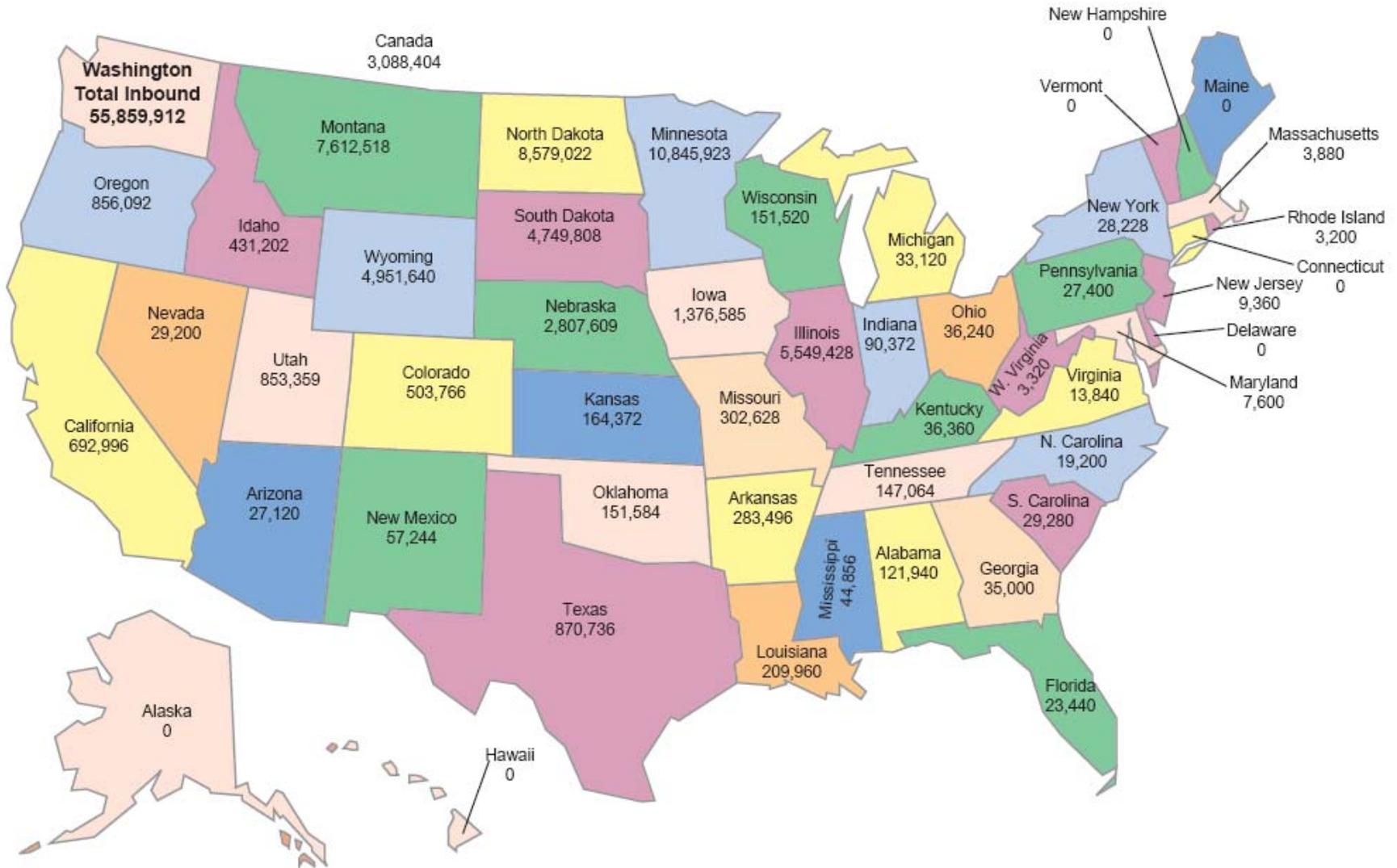
Top 10 Commodities Shipped by Rail Washington State - 2007 (Million Tons)



Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

Inbound Rail Freight Flow

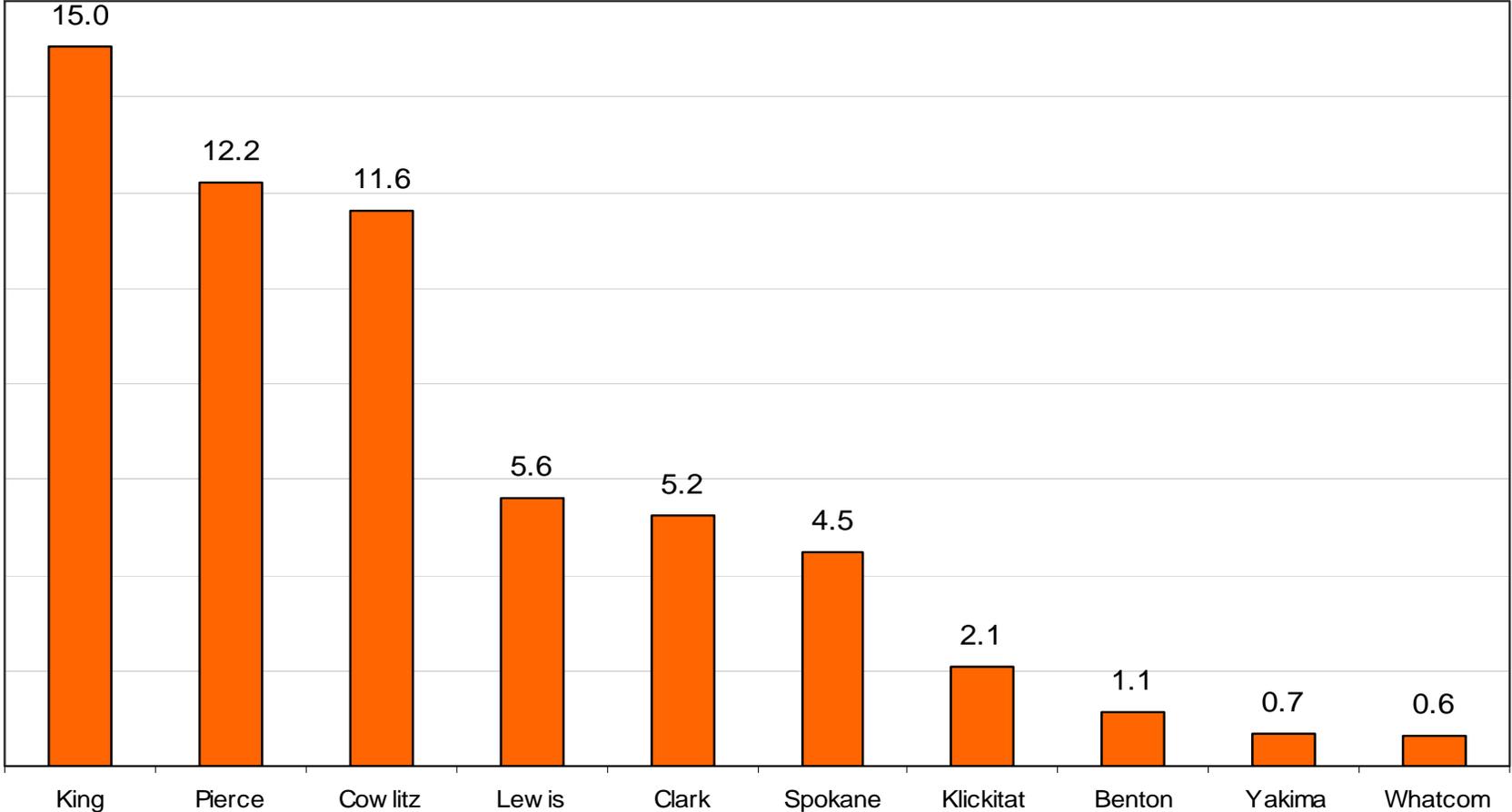
Freight Tonnage Originating from Other States and Canada Terminating in Washington State



Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

Rail Freight Terminated in Washington State by County (Top 10)

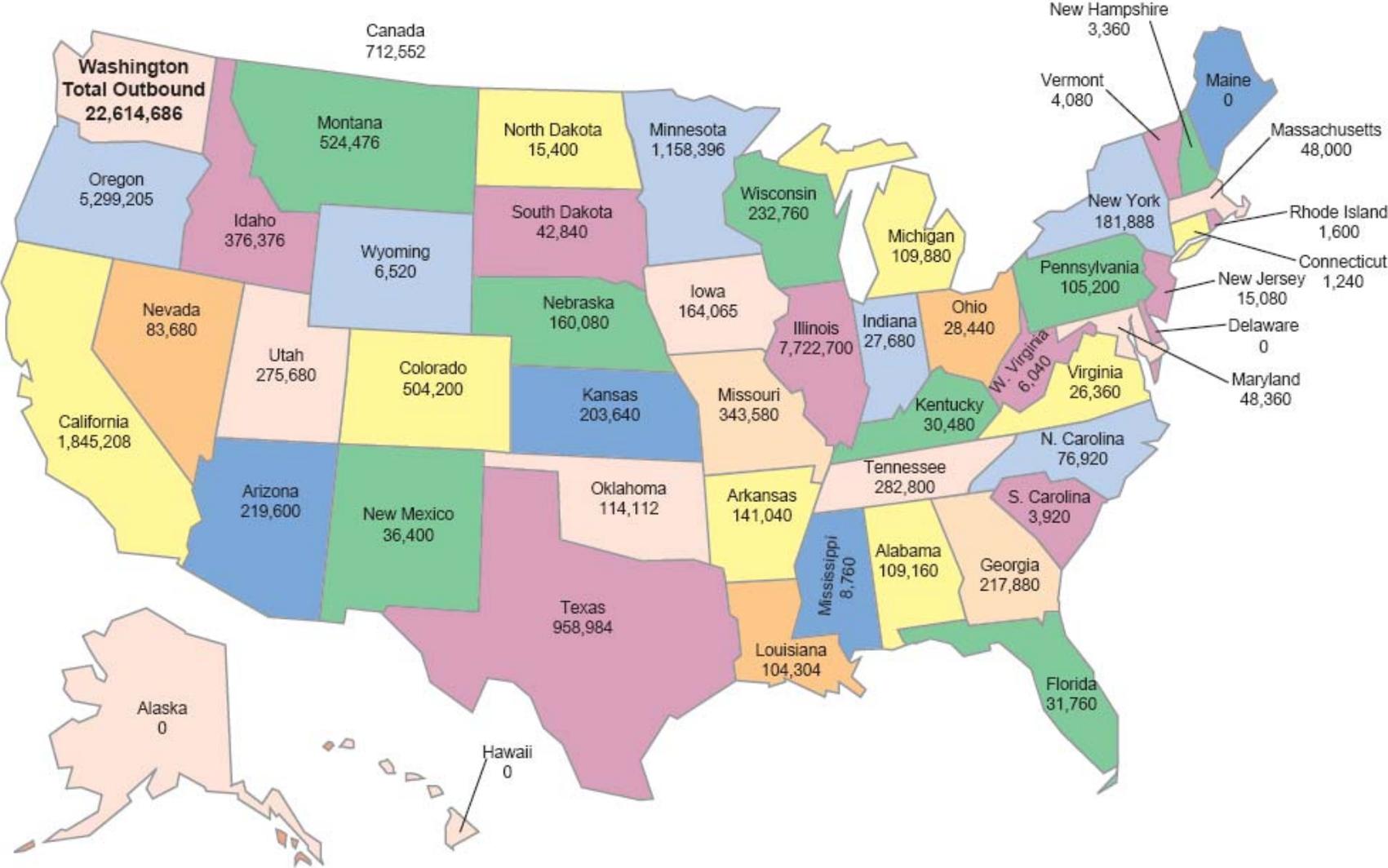
Washington State - 2007 (Million Tons)



Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

Outbound Rail Freight Flow

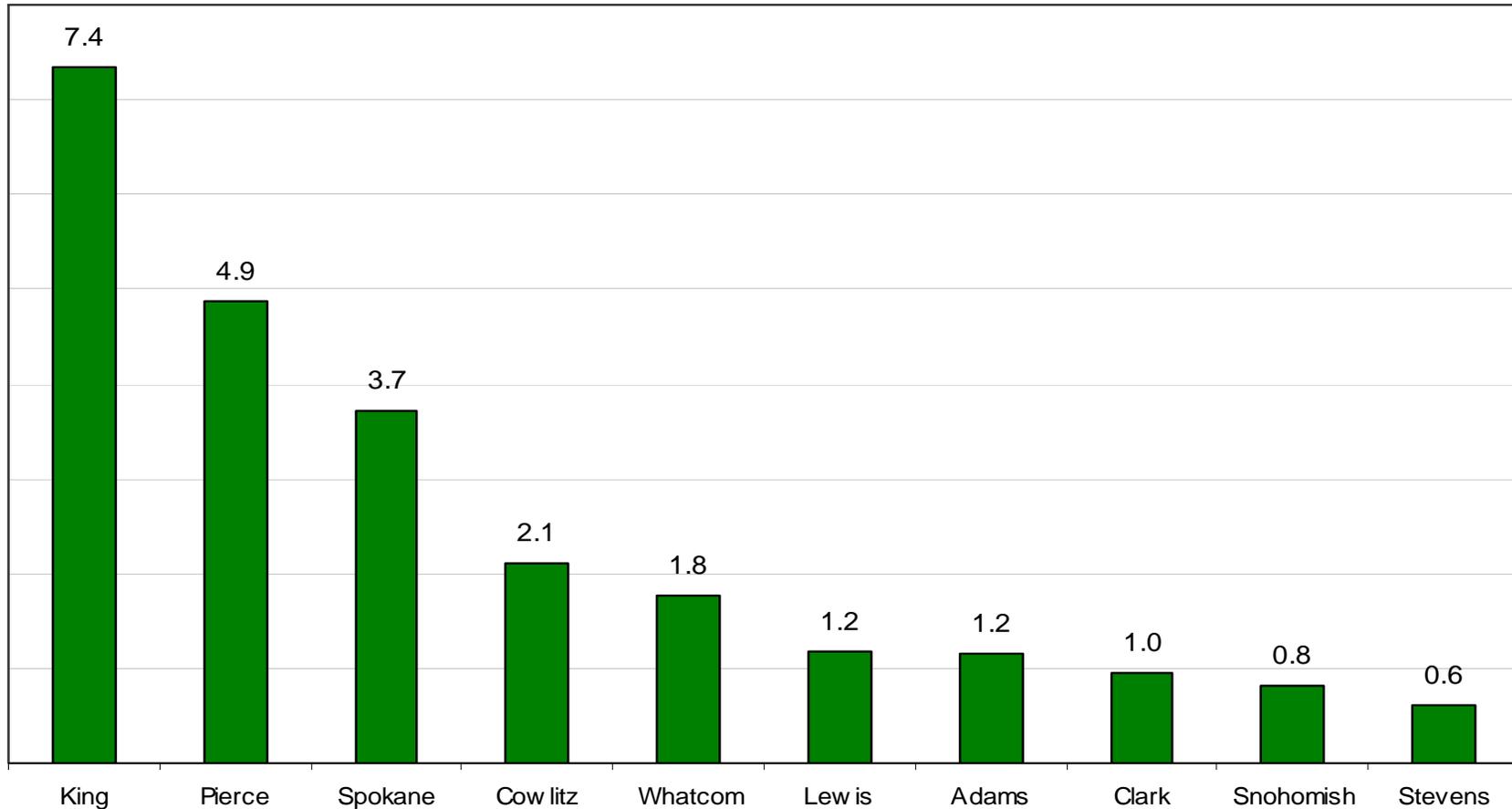
Freight Tonnage Originating from Washington State Terminating in Other States and Canada



Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

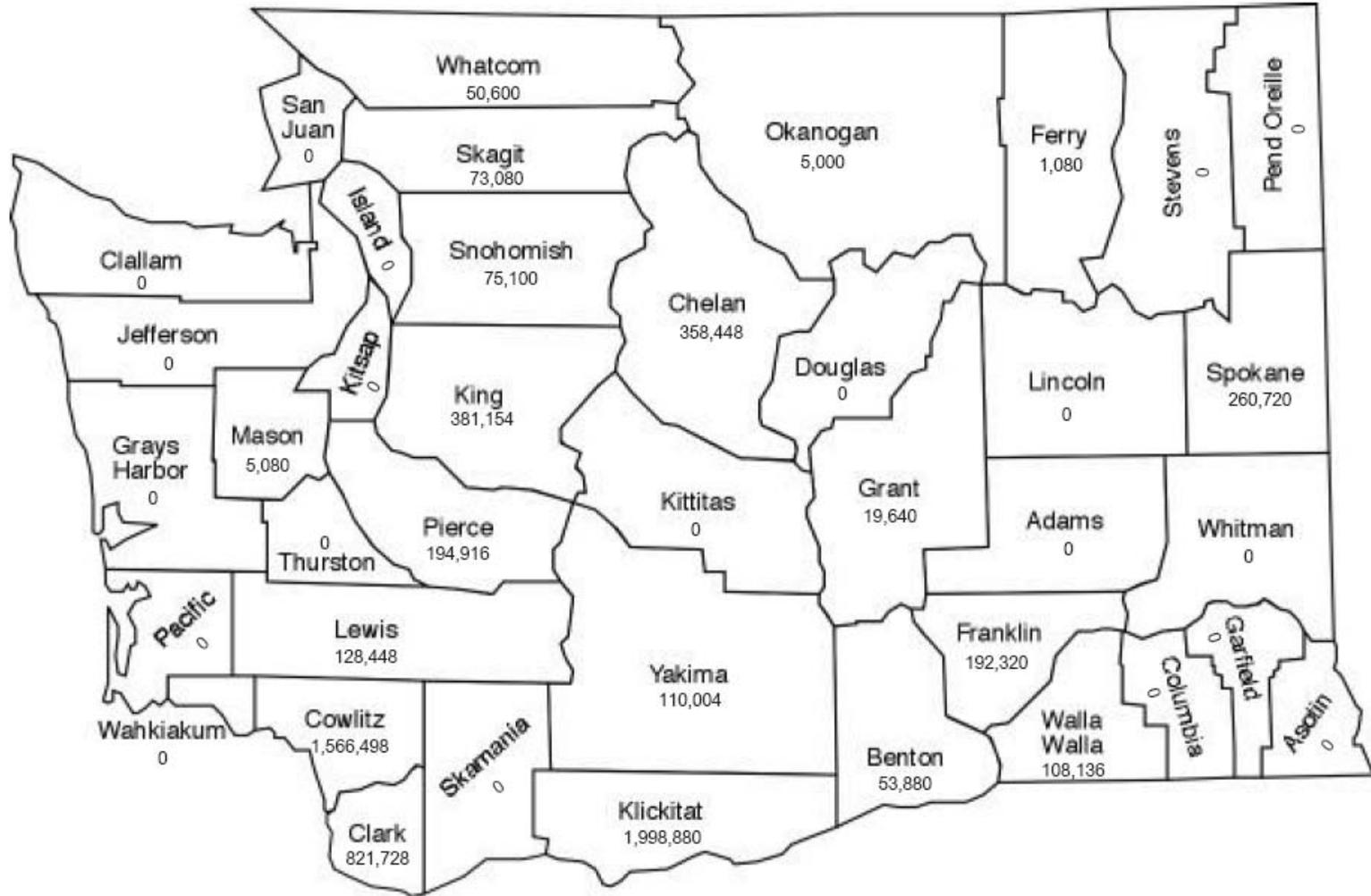
Rail Freight Originated from Washington State by County (Top 10)

Washington State - 2007 (Million Tons)



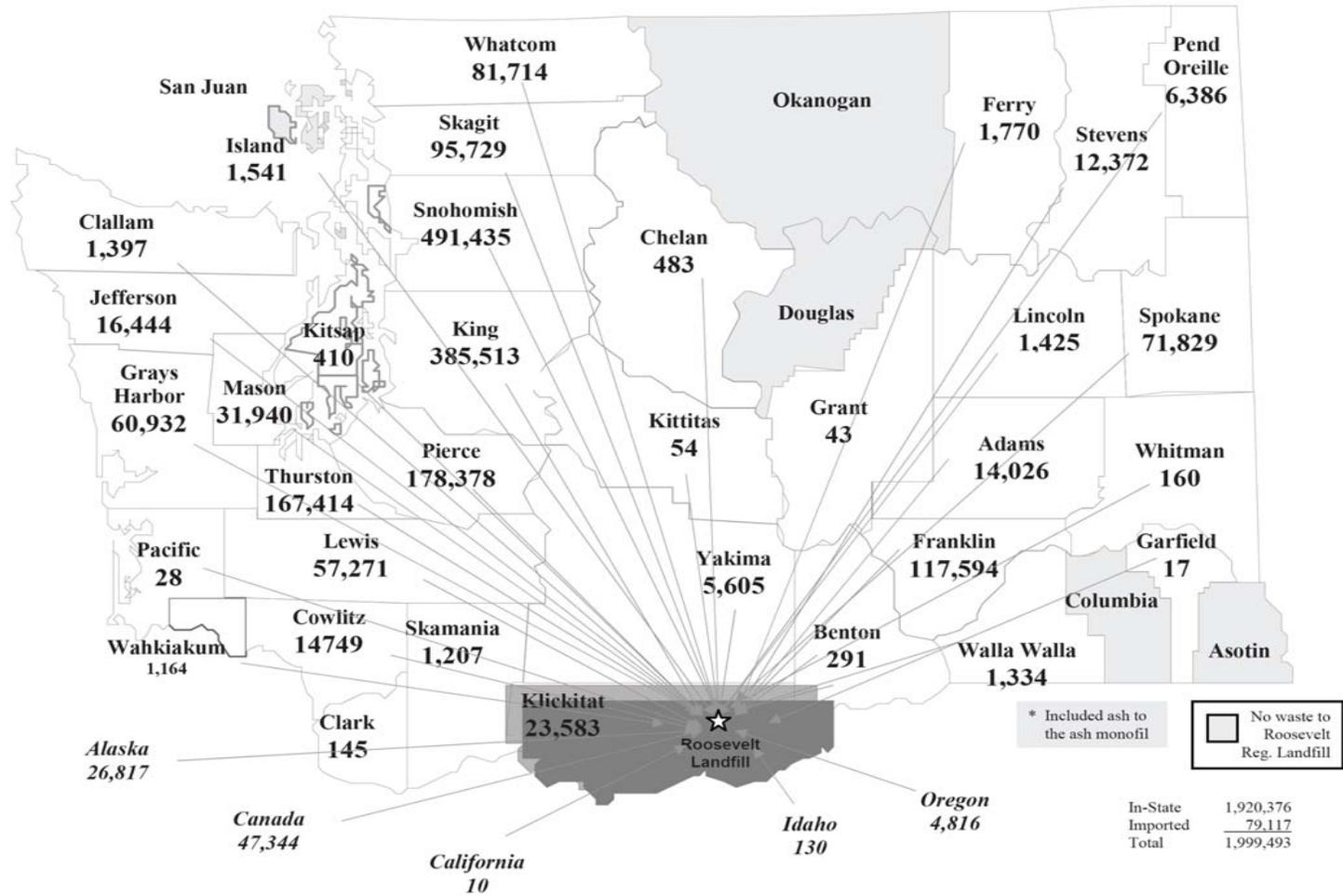
Source: WSDOT State Rail and Marine Office - 2007 Waybill Data Analysis

Rail Freight Flow Moving Within Washington State by County of Destination

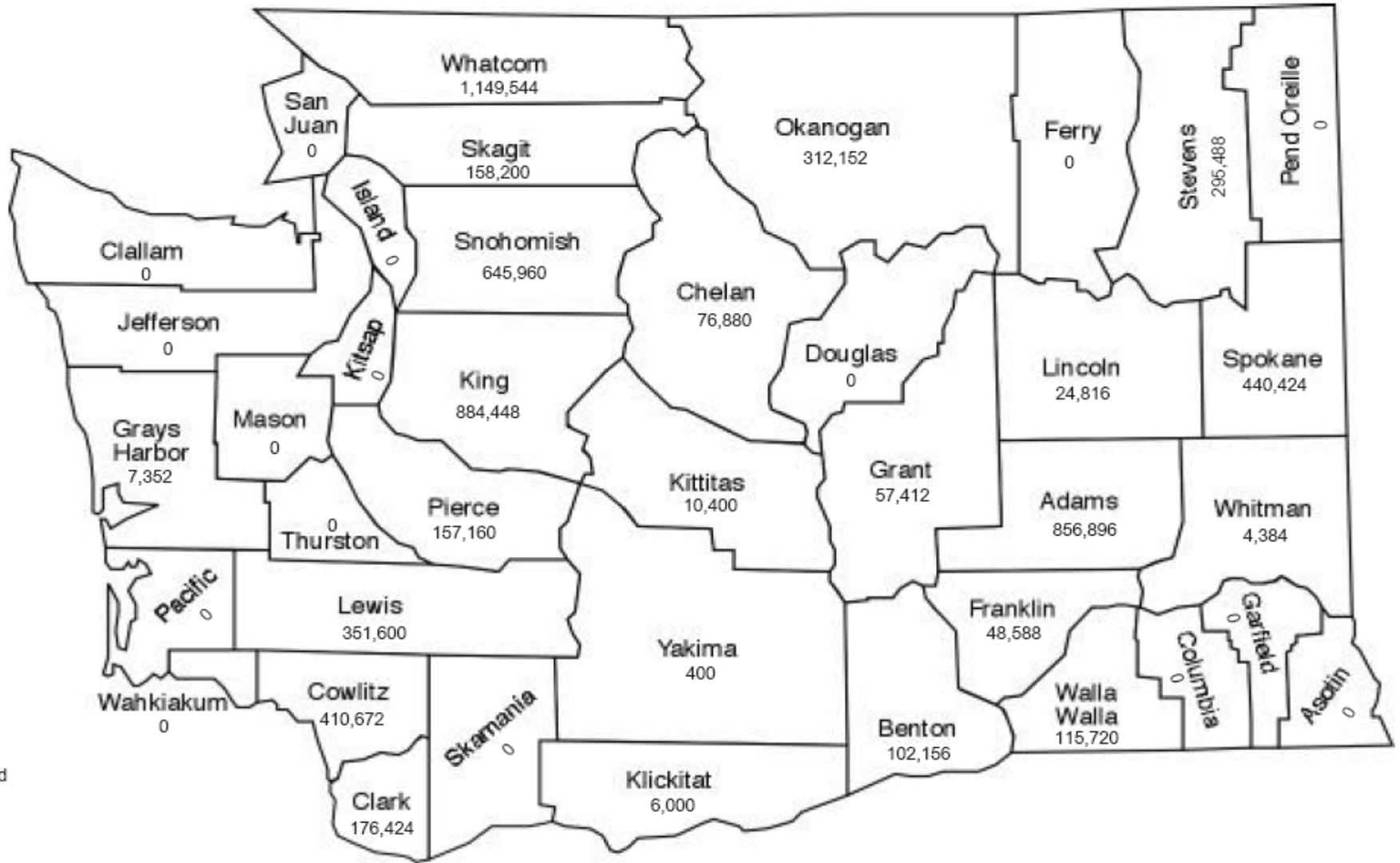


Unidentified
7,960

Municipal Waste to Roosevelt Regional Landfill in 2003



Rail Freight Flow Moving Within Washington State by County of Origin



Unidentified
119,596

Economic Impacts of Freight Rail in Washington State

Impact Category	Direct*	Indirect**	Supporting***
Employment (Jobs)	5,414	7,794	1,025,984
Business Revenue (\$ Million)	\$1,538	\$1,179	\$433,914
Labor Income	\$533	\$383	

* Directly related to freight transportation industry - railroads

** Jobs that support freight rail transportation but not hired by freight rail transportation industry

*** Employment of freight dependent industries such as agribusiness, construction, manufacturing, retail, whole sale, warehousing and distribution centers, etc.

Sources: WSDOT State Rail and Marine Office and AAR.

State Roles in Freight Rail

Scott Witt

Director of State Rail and Marine

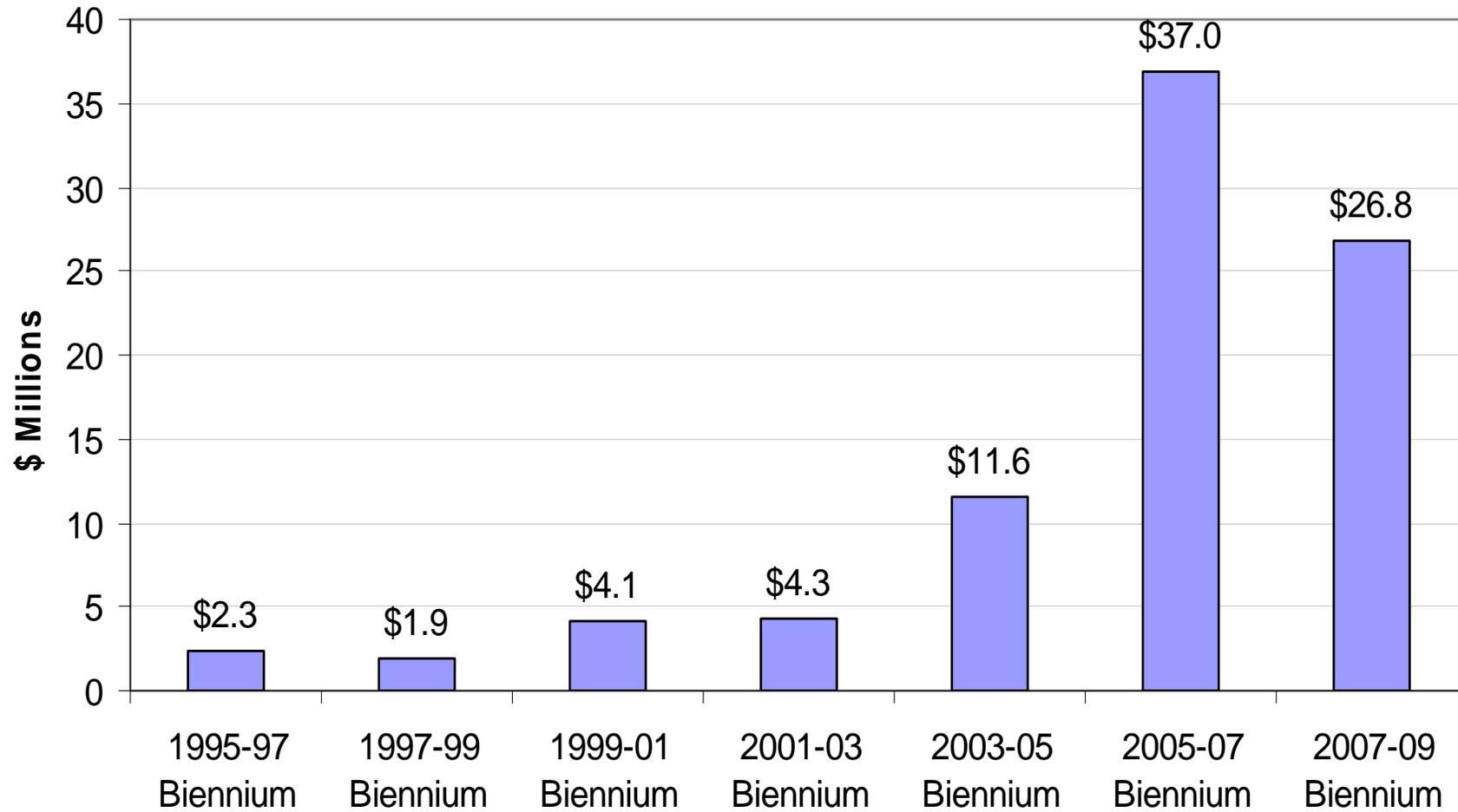
State Roles in Freight Rail Transportation: Current Status

- Provide strategic leadership for freight rail investment, coordinate the development of freight strategies, and conduct research and analyses for freight policies and legislations.
- Administer State Freight Rail Program to improve freight rail capacity, promote public safety, maintain economic viability, enhance environmental sustainability.
- Develop and provide statewide freight rail system and utilization data and information that are essential for regional and local freight planning and operation
- Identify and assess the issues and potentials of freight rail as strategic multimodal transportation solutions.

1. Provide Strategic Leadership for Freight Rail Investment

- Develop policies and propose legislations that guide strategic investment in freight rail transportation.
- Conduct the legislature directed policy and legislation analyses and strategic investment assessments.
- Develop and use benefit cost tool that reflects legislative priorities and stakeholder interests to prioritize freight projects and evaluate funding requests.
- Coordinate freight rail partners from both public and private sectors toward the state strategic goals of freight transportation.
- Develop strategic freight rail plan.

Washington State Freight Rail Capital Investment



Source: WSDOT State Rail and Marine Office

2. Administer State Freight Rail Program

- Improve public safety by reducing at-grade crossings with high accident potential (WSDOT/FMSIB freight rail projects).
- Provide assistance to improve freight rail capacity and meet the needs of overall state economy (Rail Bank and Assistance Programs, Freight Projects).
- Support industry segments (Produce Rail Car Program, Palouse River & Coulee City Rail Line).

Manage Freight Rail Capital Program

WSDOT Freight Rail Capital Projects are to promote public safety, enhance freight capacity, and maintain economic vitality in Washington State by managing and directing development of freight projects that serve the statewide public good.

- WSDOT: \$23 Million
- 21 freight rail projects
- Plus 11 passenger rail projects, eight of which have freight benefits.

Administer State Grants and Loans

Freight Rail Assistance Program: Grants for large projects where it is difficult to gain a contribution *and* where the rail location or the project is strategically important to state and local communities.

Funding Available 2007-2011: **\$6.0 million**

Rail Bank Program: Loans for smaller capital rail projects that promote economic development through the advancement of freight rail activities *and* help improve freight movement by rail throughout the state. \$250,000 max, 20% match.

Funding Available 2007-2011: **\$7.5 million**

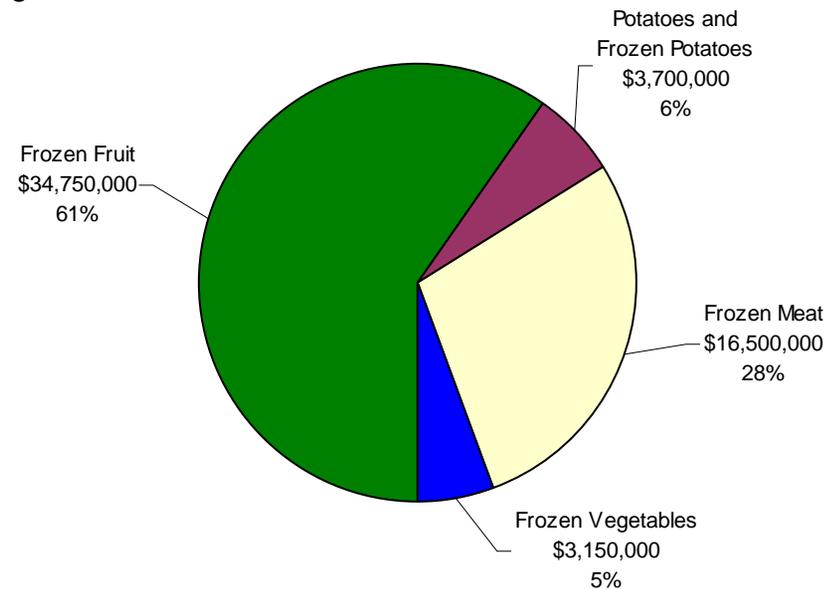
Leverage Federal Funding Sources

Produce Car Program, using federal grants, is to assist the Washington agricultural community by providing refrigerated rail cars that carry produce to east coast states, eliminating hundreds of heavy truckloads per year from state highways, reducing congestion and maintenance, and improving safety.

Federal grant program—administered by WSDOT and operated by Rail Logistics.

- 29 cars owned by WSDOT.
- Current utilization: 73%.
- Funding: \$2 million (federal), \$200,000 (state).

Produce Rail Car Shipment Value by Product
Year Aug 2006 to Dec 2008



Source: Compiled by WSDOT Rail and Marine Office From Data Reports of Rail Logistics

Enhance Economic Viability

Grain Train Program is to address a shortage of grain cars and collect wheat and barley from grain elevators in eight cities in eastern Washington for transport to export facilities in Kalama, Tacoma, Seattle, Vancouver (WA), and Portland, OR.

Self-supporting Program

- Three fleets and 71 cars owned by WSDOT and 18 owned by Port of Walla Walla.
- 2008 Revenue: \$161,580.
- 2008 Carloads: 1,332.
- End of 2008 Reserve: \$1.28 Million.



3. Develop and Provide Statewide Freight Rail System and Utilization Data and Information

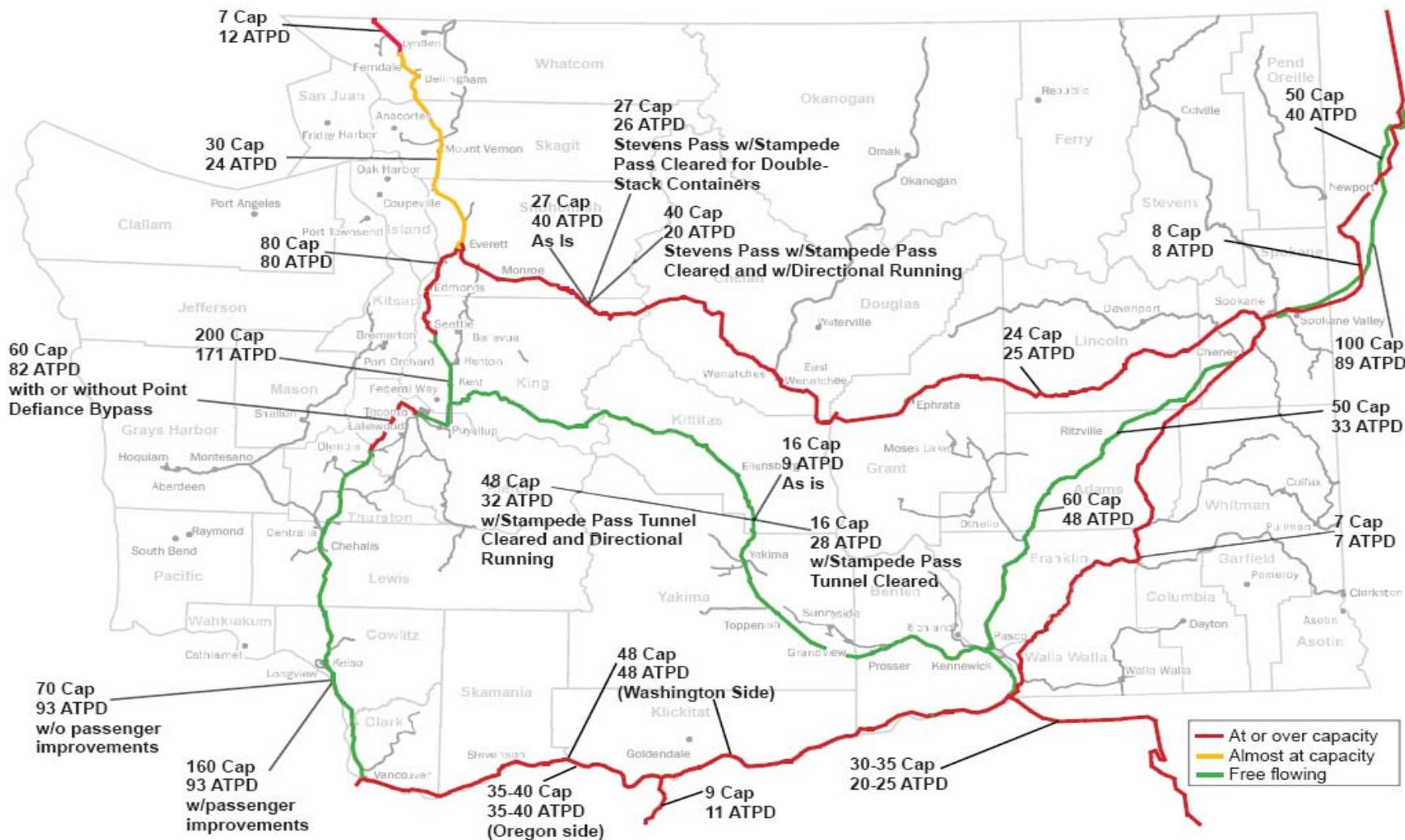
- Develop databases about freight rail information on systems, facilities, and utilizations.
- Analyze freight data and produce information products such as statewide and local freight commodity flows data, GIS maps, etc.
- Develop freight models to forecast future capacity and needs and assist local planning and projects.



Source: WSDOT State Rail and Marine Office

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2028 Rail Line Capacity (Cap) and Average Trains Per Day (ATPD)



State Roles: Vision and Goals

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