September 2008 Addendum to the *Washington State Freight Rail Plan 1998 Update*

Introduction

This document represents an addendum to the *Washington State Freight Rail Plan 1998 Update.* It contains the results of the analysis of a project that met the benefit-cost criteria to qualify it for assistance funds derived from the Washington State Freight Rail Assistance Account and Federal Railroad Administration Local Rail Freight Assistance Account. Project location is shown with the project.

Reference should be made to the 1998 Update for the background on composition and use of the Washington rail system as well as the methodology used in analyzing the project candidates. The methodology is a present-value benefit-cost methodology, which uses a 15-year planning horizon and real discount rate. A rate of 4.0 percent was used in this analysis.

Port of Longview Wye Track

The proposed project is a continuation of the Industrial Rail Corridor, which is a three phase project providing access to a 104 acre industrial parcel of land adjacent to the Columbia River and deep draft marine berths. The Port of Longview is proposing to construct connecting rail spurs to the Industrial Rail Corridor. In order to move unit trains from the BNSF Railway main line into and out of the Port's west and east industrial parks, new spurs will need to connect to a through track and siding.

Service Area Transportation

The Port of Longview is located approximately 48 miles north of Portland, OR in an industrial area of Cowlitz County. The area is served by I-5, SR 432, and the off ramp of the Lewis and Clark Bridge (SR 433). Rail service from the mail line is provided by the BNSF Railway and Union Pacific, with the Longview Switching Company providing the placement and removal of rail cars from the rail yard to Port facilities. The project location is shown on page 4.

Line Status

The original rail line was constructed on the former Long-Bell and International Paper Company's 300 acre mill site in the 1930's. The Port's initial improvements rehabilitated or replaced several miles of track to meet heavy tonnage industrial standards. Today this rail line currently services businesses that import and export commodities. Without the rail construction, several companies indicated they would not locate at the Port. In 2005 bulk rail car usage increased 11.2 percent when compared with 2004.

Assistance Requested

The request for assistance is to fund construction of industrial rail spurs, consisting of 8,300 lineal feet of new track and six #9 turnouts (switches). Funding this project is an import factor in additional businesses locating within Port facilities.

Benefit-Cost Analysis

The benefit-cost analysis assumed benefits will accrue over a 15-year planning horizon. The stream of costs and benefits are discounted back to present values using a discount rate of 4.0 percent.

Project Alternative

The project alternative is new construction.

Null Alternative

The null alternative is continued operation.

Project Cost

The estimated cost to construct the 8,300 lineal foot of new track and six #9 turnouts is $2,328,948.

Project Benefits

This project improves rail operations at the port by allowing trains to loop through port facilities in a single direction, provides direct marine terminal access to port tenants located off of the waterfront, and support economic development through more efficient and accessible rail transportation.

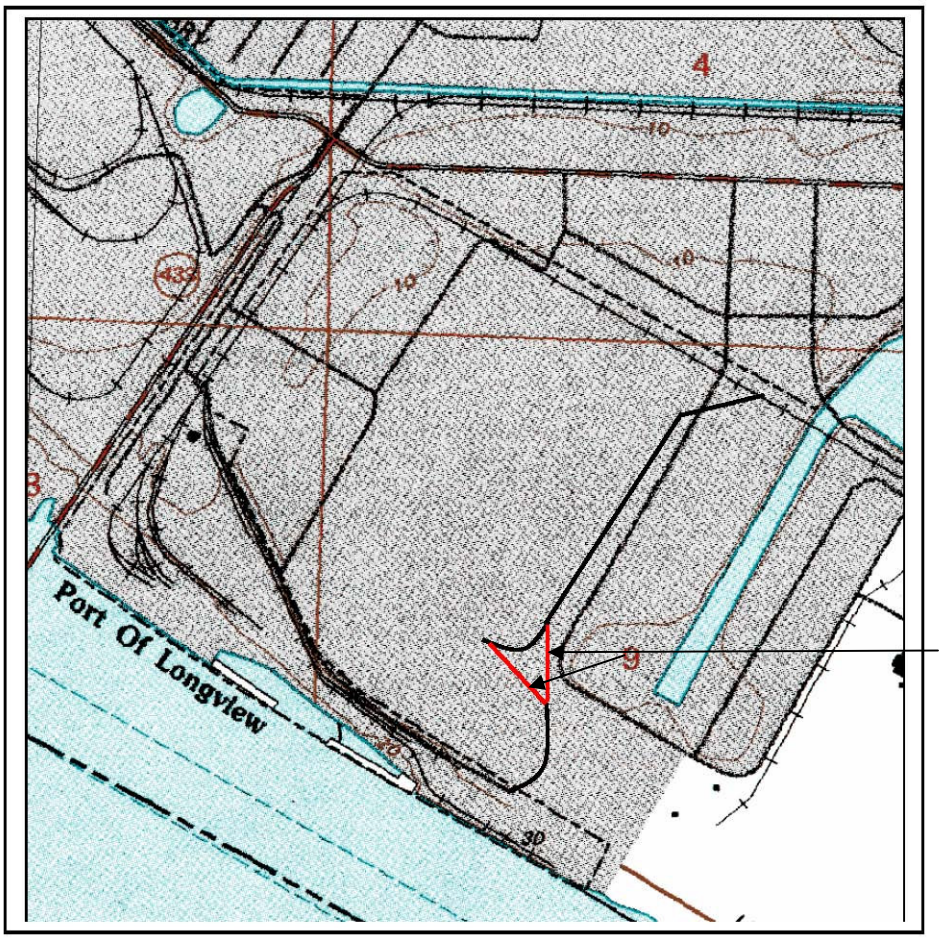
Benefits-Cost Ratio

Computation of the present values of the cost and benefits for the analysis period, results in a benefit-cost ratio of 1.14. The calculations are shown on page 5.

Project Location

Township: 7N **Range:** 2W **Section:** 9

Address: Port of Longview **City:** Longview **County:** Cowlitz



WSDOT Project F01001L: Port of Longview Rail Loop Construction

Year Index	Year	Cost Categories			Benefit Categories				Cumulative B/C Ratio
		Construction Cost	Total Cost	Present Value of Total Costs	Shipper Savings	Pavement Wear Savings	Total Benefits	Present Value of Total Benefits	
	2008	$2,422,106	$2,422,106	$2,328,948	$0	$0	$0	$0	0.0000
1	2009	$0	$0	$0	$202,189	$9,758	$211,946	$195,956	0.0809
2	2010	$0	$0	$0	$208,254	$10,050	$218,305	$194,072	0.1610
3	2011	$0	$0	$0	$214,502	$10,352	$224,854	$192,206	0.2404
4	2012	$0	$0	$0	$220,937	$10,662	$231,600	$190,358	0.3190
5	2013	$0	$0	$0	$227,565	$10,982	$238,547	$188,528	0.3968
6	2014	$0	$0	$0	$234,392	$11,312	$245,704	$186,715	0.4739
7	2015	$0	$0	$0	$241,424	$11,651	$253,075	$184,919	0.5502
8	2016	$0	$0	$0	$248,667	$12,001	$260,667	$183,141	0.6259
9	2017	$0	$0	$0	$256,127	$12,361	$268,487	$181,380	0.7007
10	2018	$0	$0	$0	$263,810	$12,732	$276,542	$179,636	0.7749
11	2019	$0	$0	$0	$271,725	$13,113	$284,838	$177,909	0.8484
12	2020	$0	$0	$0	$279,876	$13,507	$293,383	$176,198	0.9211
13	2021	$0	$0	$0	$288,273	$13,912	$302,185	$174,504	0.9932
14	2022	$0	$0	$0	$296,921	$14,329	$311,250	$172,826	1.0645
15	2023	$0	$0	$0	$305,829	$14,759	$320,588	$171,164	1.1352
	Total	**$2,422,106**	**$2,422,106**	**$2,328,948**	**$3,454,662**	**$166,722**	**$3,621,384**	**$2,578,350**	
	Net Present Value		**$249,403**						
	Real Discount Rate		4.00%						
	Overall Benefit-Cost Ratio		1.14						

[1]

[1] Benefit-Cost Analysis of Multiple Washington State Rail Enhancement Projects, August 20, 2007