



Palouse River and Coulee City (PCC) short-line rail system

The state-owned PCC is the longest short-line freight rail system in Washington, serving five eastern Washington counties: Grant, Lincoln, Spokane, Adams, and Whitman. This short line system provides farmers and growers with the ability to ship their agricultural products via rail from their more remote locations, thus allowing them to connect with the mainline Class I railroads, barges, and container ships for distribution throughout the world. Historically, about 20-25% of Washington's wheat ships on the PCC system



WSDOT contracts with private railroads to operate and maintain each of the three branches and oversees the facilities and regulatory portions of the operating leases. The PCC Rail Authority — an intergovernmental entity formed by the counties — oversees the business and economic development portions of the operating leases.

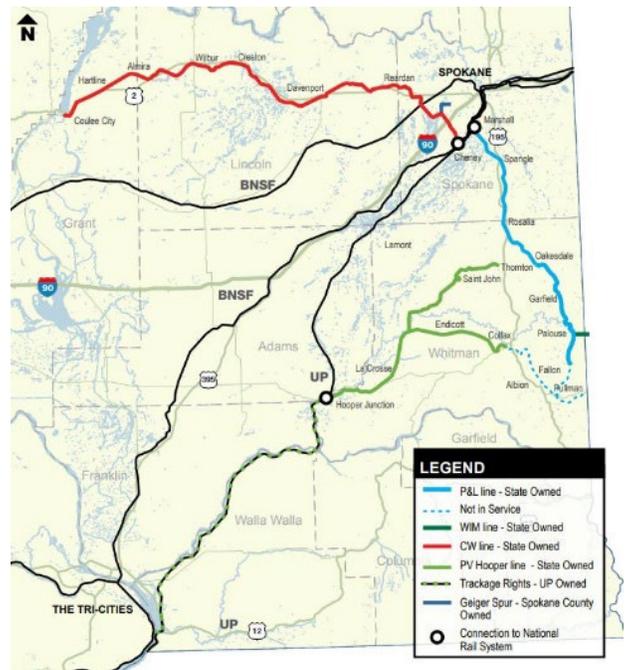
Investments in the rail system are needed to improve reliability, resiliency, increase speeds, reduce weight restrictions, and improve safety on the line. The improvements will help ensure rural Eastern Washington agricultural products remain competitive in the global marketplace.

History of the PCC

The current PCC rail system was once in private ownership; however, due to years of deferred maintenance the decision was made to abandon the lines in 2004. Faced with potentially losing a key component in transporting agricultural products in eastern Washington, the region's farmers asked the state to intervene to keep all the lines operational.

A 2004 WSDOT analysis showed the PCC track purchase and rehabilitation project was viable and met the state's requirements of providing economic and community benefits, with strong support from eastern Washington communities. WSDOT's analysis concluded that PCC ownership could generate almost twice as many public benefits as public costs, including shipper savings on transportation costs; jobs saved at rail-dependent industries; and reduced future costs to repair wear and tear on state and local highways due to reduced vehicle miles traveled by trucks.

WSDOT purchased the rights-of-way and rail in the P & L and PV Hooper branches of the PCC in November 2004. Purchase of the CW branch and the remaining rights in the other two branches were completed in May 2007.



State and federal investments

Rehabilitation of this neglected freight corridor is important to maintain the region's economic viability. State and federal investments are needed to improve reliability, increase speeds, and improve safety on the line. The improvements will help ensure rural eastern Washington agricultural products remain competitive in the global marketplace. By keeping rail shipments available and competitive, this project will reduce road maintenance, enhance economic development, improve the environment, and bring long-term jobs to rural communities.

The 2015 PCC Strategic Plan identified and prioritized \$58 million (2015 dollars) in infrastructure projects that focused on three areas for improvement:

1. Increasing the capability of handling 286,000-pound rail cars
2. Rehabilitating track located in moderate and sharp curves in order to allow for increased speeds beyond 10 mph
3. Identifying and replacing defective rail



Making capital improvements

Beginning in 2015, the State Legislature's Connecting Washington package allocated \$6.7 million every two years through 2031 for the PCC system. This allowed WSDOT to coordinate with all PCC stakeholders on project prioritization as they worked together to begin implementing the Strategic Plan.

The most critical projects on each of the three branches were identified and a federal BUILD application was submitted and awarded. The successful \$5.6 million federal grant was matched with \$5.6 million in Connecting Washington funds. This allowed WSDOT to replace or rehabilitate ten bridges, five miles of rail and 21 miles of track. Work was completed in 2021.

In addition, private industries made substantial investments in conjunction with the PCC system. Since 2012, private investments in the PCC have exceeded \$80 million.



Leveraging Move Ahead Washington funding

In 2022, the State Legislature allocated an additional \$150 million in the Move Ahead Washington package for improvements to the PCC system over the next 16 years. WSDOT leveraged the funding available in the first biennium to apply for a federal CRISI grant from the Federal Railroad Administration. WSDOT received notification from FRA in September 2023 of the success of that application. The request for \$72.8 million in federal funds will be matched by \$39.2 million in state, local and private funds. This provides a total project budget of \$112 million for capital improvements.

The proposed improvements include replacement of light weight worn rail; replacement of rotten railroad ties; rebuilding dilapidated roadway crossings; and surfacing of tracks. This grant work builds upon the prior BUILD grant-funded improvements and when coupled with other state capital contracts, it substantially rehabilitates the PCC Railway System, bringing a significant portion of it to a state of good repair.