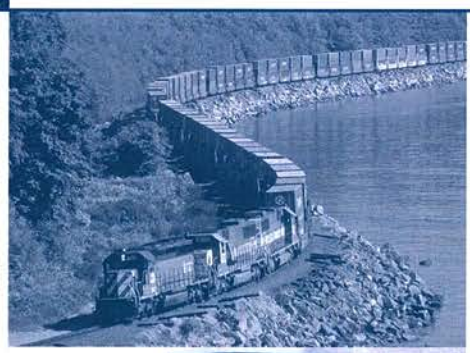
State of Washington

Freight Mobility Strategic Investment Board

2004 Activities and Recommendations REPORT



State of Washington

Freight Mobility Strategic Investment Board

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State of Washington

Freight Mobility Strategic Investment Board

2004 Activities and Recommendations Report

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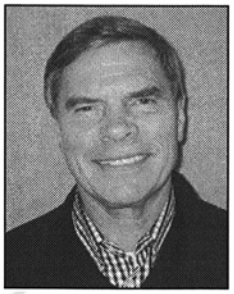
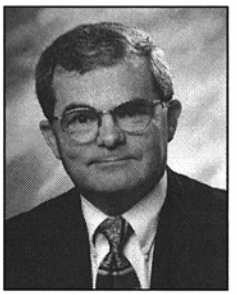


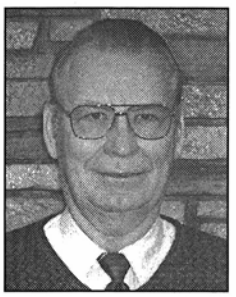
Dan O'Neal
Greenbrier Companies, Inc
Former ICC Chairman

Pati Otley
Director, Govt. Affairs BNSF Railway
Railroad Representative

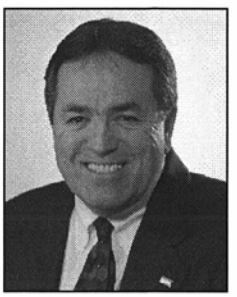


Jim Toomey
Executive Director, Port of Pasco
Port Representative

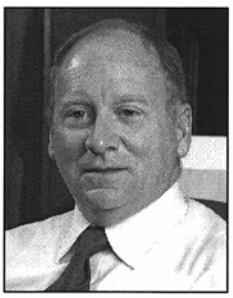
Eric Johnson
County Commissioner, Lewis County
County Representative



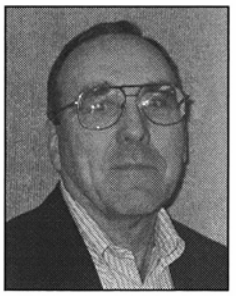
Don Lemmons
President, Interstate Wood Products
Trucking Representative



Dick Marzano
Port Commissioner, Port of Tacoma
Port Representative

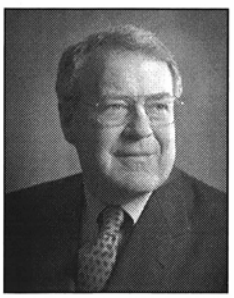


Mark Asmundson
Mayor, City of Bellingham
City Representative

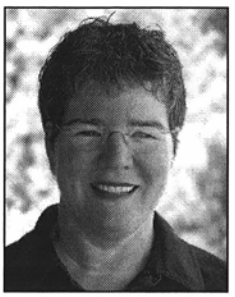


Cliff Benson
Past President, Puget Sound Steamship Operators
Shipping Representative

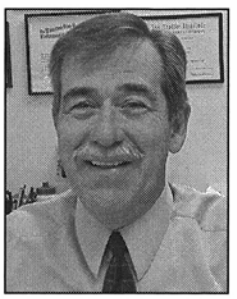
Andrew Johnsen
Transportation Policy Advisor
Governor Locke



Doug MacDonald
Secretary WSDOT
Washington State Dept. of Transportation



Rebecca Francik
Mayor Pro-Tem, City of Pasco
City Representative



Ross Kelley
Spokane County Engineer
County Representative

Staff:

Karen Schmidt
Executive Director

Sandy Lockhart
Confidential Secretary

Executive Summary

Mission Statement

The mission of the Freight Mobility Strategic Investment Board is to create a comprehensive and coordinated state program to facilitate freight movement between and among local, national and international markets, which enhances trade opportunities. The Board also is charged with finding solutions that lessen the impact of the movement of freight on local communities.

Washington's economy is very dependent upon trade and reliant on our ability to compete in a global economy. To remain competitive we need to move our products and goods efficiently. The State's economic competitiveness depends on the efficiency of the multimodal transportation system for the movement of freight.

The Board will propose policies, projects, corridors and funding to the Legislature to promote strategic investments in a statewide freight mobility transportation system. The Board will also propose projects that soften the impact of freight movement on local communities.

Agency Goals

- Optimize freight mobility by reducing barriers on Washington's strategic freight corridors.
- Take leadership role informing the public regarding freight mobility transportation needs and issues.
- Cooperate and coordinate with the public and private transportation partners so that we work together cost effectively.

2004 saw some dramatic changes in freight mobility along the West Coast that impacted Washington State. Congestion in Los Angeles/Long Beach coupled with additional new fees drove more cargo south to Manzanillo Mexico, the Panama Canal and north to Washington and Canada. Two of the three ocean carriers calling on Portland announced they would cease handling intermodal freight out of Portland forcing a shift in cargo movement to the Puget Sound area. Ports are preparing for larger ships and more ship volume, which has already started. Trucking and major distribution centers are looking for new operating locations outside the metropolitan King County area because congestion is making on-time deliveries more and more difficult. One railroad is searching for a Northwest location for a logistics center, which will change freight movement patterns in the Puget Sound area.

The Freight Board has been working to analyze the changes and to determine how the changes will impact freight movement in the future. The information developed will be used to assist policymakers in making investments in current and evolving freight corridors assuring policies that enhance Washington's ability to compete globally.

History of FMSIB

In 1996 the Legislative Transportation Committee (LTC) designated the Freight Mobility Advisory Committee (FMAC) to analyze the state's freight mobility needs, identify high-priority freight transportation projects, and recommend policy to the Legislature. The FMAC recommended that the state take the lead in implementing a freight mobility transportation program that would form funding partnerships among all the interested parties for improvements statewide along strategic freight corridors.

In 1997 the Washington State Department of Transportation (WSDOT) convened the Freight Mobility Project Prioritization Committee (FMPPC) to recommend specific criteria for use in ranking freight mobility projects and established a statewide freight mobility project list.

Freight Mobility History:

- 1996 – FMAC Designated
- 1997 – FMPPC Established
- 1998 – FMSIB Created
- 1999 – FMSIB Office Opened
- 2000 – FMSIB Project Scoring Criteria Revised
- 2001 – First Three FMSIB Projects Completed
- 2002 – Development of Benchmark Standard Initiated
- 2003 – FHWA selects FMSIB Project as Potential National Model
- 2004 – Funding secured for nine additional projects

In 1998 the Legislature created Chapter 47.06A RCW Freight Mobility, which established a state freight mobility policy and also the Freight Mobility Strategic Investment Board (FMSIB) for the purpose of reviewing, prioritizing, and recommending freight mobility transportation projects that are of strategic importance to the State of Washington.

The 12-member Board includes representatives from cities, counties, ports, railroads, steamship operators, the trucking industry, the Governor's office, the Secretary of the Department of Transportation, and a public member. The Board is required to provide periodic progress reports on its activities to the Office of Financial Management and the Legislative Transportation Committee.

The Board opened an independent office in 1999 to represent freight needs without regard to jurisdiction. It hired an Executive Director and Secretary to work directly with project partners, plan and execute board meetings, retreats and coordinate with the Legislature, Governor's office, and others interested in freight mobility.

The Board was directed to solicit proposed freight mobility projects from public entities that meet the eligibility criteria summarized as follows:

- The project must be on a strategic freight corridor;
- The project must meet one of the following conditions:
  1. It is primarily aimed at reducing identified barriers to freight movement with only incidental benefits to general or personal mobility;
  2. It is primarily aimed at increasing capacity of the movement of freight with only incidental benefits to general or personal mobility; or
  3. It is primarily aimed at mitigating the impacts on communities of increasing freight movement, including roadway/railway conflicts; and
- The project must have a total public benefit/total public cost ratio of equal to or greater than one.

History of FMSIB

> Because transportation services are such important determinants of the development pattern within a country, they directly influence the structure and functioning of social, economic and political systems.
>
> University of Washington

Chapter 47.06A RCW charged the Board to evaluate and rank eligible freight mobility and freight mitigation projects by using the multi-criteria analysis and scoring framework developed by the FMPPC.

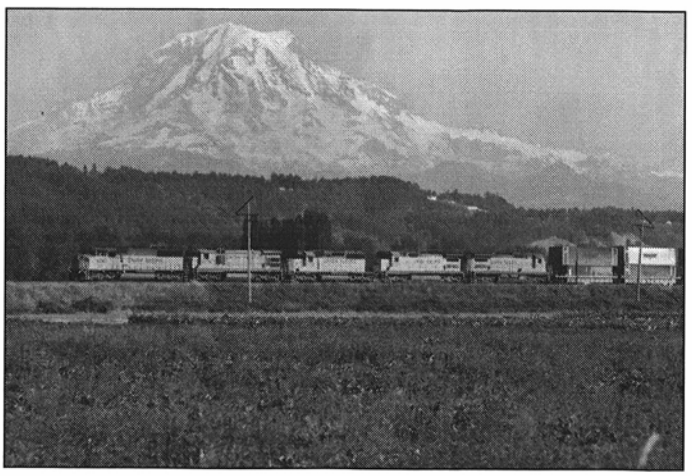
In addition, the Board was directed to leverage the most partnership funding possible and give priority ranking to projects with the highest level of non-program funding. Furthermore, the legislation allows the Board to supplement and refine the priority criteria when they have gained expertise and experience in administering the freight mobility program. The Board refined the orginal criteria in 2000.

By applying these conditions to the projects submitted, in 1998, FMSIB recommended to the Legislature a list of prioritized freight mobility projects with a total value of $1.23 billion. This recommendation leveraged a state investment of approximately $472 million, with almost $760 million in partnership funding.

Passage of Initiative 695 in 1999 eliminated all dedicated funding for the freight projects previously approved by the Legislature. Funding for 13 of the 33 projects was reinstated by the 2000 Legislature. The Board issued its first "call for projects" and selected 19 additional projects out of 52 applications.

In 2002 the Board developed benchmark standards and created a multiagency steering committee to assure that the applications would provide meaningful data to a broad range of other agencies as well as FMSIB.

In 2003 the Federal Highway Administration selected the agency's freight data gathering and analysis project as one of five projects to be studied in the U.S. for possible national application.



Freight Trends and Events

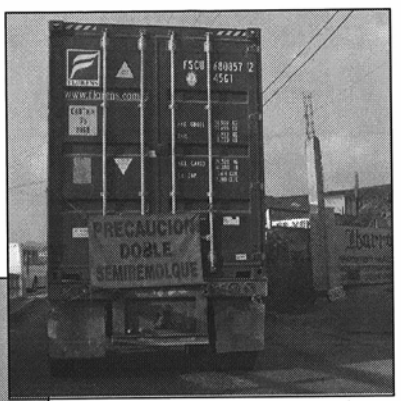
Many ships previously destined for California ports have been diverted to the Northwest due to extreme surface congestion at the ports of Los Angeles and Long Beach, a newly imposed fee to try and force more containers onto the Alameda Corridor and costly delays for ships trying to dock at terminals unprepared for the growing volumes coming from Asia. Ship calls at Seattle and Tacoma have increased dramatically, but there are concerns that while the ports have invested millions of dollars to handle increasing volumes of cargo, delays on Washington's freight corridors may drive the new business away costing us hundreds of high paying jobs.

Many of the chokepoints have been addressed in recent years, but many more must be addressed in order to create a fast moving freight corridor. Two examples are critical to operations at the ports of Seattle and Tacoma. Just off of port property, the Marginal Way project will realign the road to eliminate the current at-grade crossing of vehicles and trains moving between Terminals 5 and 18 to the Union Pacific ARGO intermodal rail yard and to the Burlington Northern Santa Fe Railway SIG intermodal yard. The improved alignment will also remove a serious safety hazard for trucks trying to merge onto Marginal Way and immediately crossing three lanes of fast moving traffic coming off the viaduct. At the Port of Tacoma, Lincoln Road bisects four rail lines and trucks and trains interfere with each other and the efficient movement of freight entering and leaving the south end of the port. Building a grade separation will provide smooth flowing cargo deliveries to and from ships as well as obvious safety benefits. With increased traffic already building, it is critical that these two projects be constructed as soon as possible. The Freight Board has been working closely with project sponsors to be sure these projects are ready for construction during the 2005-07 biennium.

California began imposing new container fees this year in an attempt to get more containers delivered during off hours. However, the fees coupled with an overburdened port facility have reportedly instead chased many ships carrying discretionary cargo away to ports north and as far south as Manzanillo, Mexico. Some cargo has even gone on an all water route through the Panama Canal to Gulf and East Coast ports bypassing the West Coast completely.

During the peak shipping period ships waited days in California just to get cargo loaded or off-loaded. The shift in greater volumes to Washington is increasing the port traffic faster than the Marine Cargo Forecast.

Canadian ports in conjunction with government owned railroads offer free return trip travel for empty containers assuring that steamships continue to call at Delta Port. The empties provide another incentive



Scenes from the fast growing Port of Manzanillo

for ships to call at a port outside of the US where they can avoid Harbor Maintenance taxes and additional security requirements.

In Mid 2004, K Line and Hyundai announced that they will no longer make calls at Portland for intermodal cargo. The cargo will now be picked up in Puget Sound, which will alter the freight traffic flows of Eastern Washington intermodal commerce from NW Oregon to Western Washington. The Port of Pasco reports that it is now moving an additional 1,000 containers per month to the Port of Tacoma due to this shift. To respond to this sudden increase in freight, the port will need to add rail capacity on their property. The preliminary estimate of cost is projected to be $4 million.

In addition to transportation needs, shipping also faces challenges in safety, security and environmental requirements including air emissions from intermodal activity. The fundamental question is whether Washington State will prepare and compete for more cargo or whether it will be overwhelmed like California by congestion and air emissions.

Cost and certainty of service are key drivers impacting cargo movement. Mike Moore from the Pacific Merchant Steamship Association notes that cargo owners like Wal-Mart, Target, Nike, and agricultural exporters, make the key decisions about how to ship their goods. They have multiple options for discretionary cargo movement. Carriers can and have changed their port of call at the last minute due to costs of delay and uncertainty. The vessel owners secure cargo-carrying contracts with cargo owners, and the ports secure contracts with the carriers.

"Every import is an export opportunity."
Michael Moore
Pacific Merchant Shipping Association

The Freight Board has been working with the WSU Strategic Freight Transportation Analysis (SFTA) team to determine what impacts will occur due to these sudden shifts and what corridors will be impacted with the rapid increase in freight movement.

Ships are becoming larger creating some new challenges for commercial ports. Post-Panamax sized ships (ships that are too large to fit through the Panama Canal) are now being designed to carry over 9,000 TEUs, nearly a third larger than the largest ships currently calling on Puget Sound ports. That equates to over 22 one mile long double stack trains per ship. That amount of containers being unloaded at one time will strain existing facilities. To meet this demand, terminals are expanding capability through efficiency improvements – but intermodal infrastructure must be addressed as well both on and off of port property.

Every container coming into Washington creates an export opportunity. However, repositioning empty containers back to Asia is sometimes more important than waiting to fill it with low value exports; exporters must find a way to leverage these opportunities.

Evergreen Steamship Line's new cranes arriving at the Port of Tacoma

Trends and Events

In 2003, Evergreen Line, located at the Port of Tacoma, invested in new larger cranes that were constructed to load and unload ships that are up to 23 containers wide (200 feet across). These ships have the ability to carry 10,000 TEUs (standard container measurement), 25 percent more than the largest ships currently on Puget Sound ports.

The Puget Sound Port of Tacoma has recently invested an additional $210 million in the new Pierce County Terminal and is attracting business based on their ability to move intermodal commerce expeditiously. Delays off of port property jeopardize their current and future ability to attract new business and increase current customer volumes.

SeaTac Airport is the 18th busiest cargo airport in the nation handling 351,418 metric tons of air cargo in 2003. The airport is operated by the Port of Seattle and has three million square feet of air cargo space. In the first six months of 2004, the overall air cargo growth was 28 percent over 2003 levels with exports to Asia up 37 percent and imports up 18 percent. Traffic problems getting to and from the airport are becoming a concern. Late deliveries may force cargo to miss critical departure schedules. The port planners are identifying chokepoints and are committing resources to help construct solutions in a partnership with others including the state.

The Port of Seattle spent $270 million to expand and modernize their T-18 container terminal which has doubled the terminal's intermodal container rail capacity allowing them to move cargo directly onto UP and BNSF railcars. American President Line is employing the latest generation computerized terminal operations system to keep cargo moving to its destination as quickly as possible. The Hanjin Terminal (T-46) had three new cranes arrive this summer that are capable of loading and unloading the next generation of container ships that are on the drawing board to keep up with the volumes and changes in the shipping industry.

The busy Columbia River ports handle a variety of products across their docks. Forty percent of all U.S. wheat exports are shipped via lower Columbia River ports and ocean going vessels transport an average $14 billion worth of cargo each year. The Port of Vancouver has break-bulk cargo as well as containers, automobiles, forest products, steel and aluminum products, liquid bulks, and a number of dry bulk commodities such as bauxite, mineral ores, concentrates, fertilizers, sands, clays, grains and other bulk agricultural commodities. *

The Port of Longview is strategically located on the lower Columbia River just 66 miles from the Pacific Ocean and has mainline rail and interstate highway connections. The Port recently opened its completed rail corridor, which FMSIB assisted in as a financial partner.

More than 40,000 local jobs with an average annual wage of $46,000 are dependent on Columbia River maritime commerce and 59,000 more Northwest jobs are influenced by such activity. Approximately $1.8 billion per year in personal income is generated by maritime activity and over $208 million in state and local taxes are generated each year by Columbia River maritime shipping. *

The Port of Kalama is consistently ranked as one of the top five West Coast Ports for total volume of bulk commodity exported annually. A strong marine terminal, the port prides itself on being extremely efficient and is currently working on a loop rail project that was funded in part by the 2004 legislature as part of the FMSIB list of projects to further add to their efficiency. The port handles forest products as well as agricultural products and United Harvest is one of their largest customers. In addition, there are over 20 industries located at the Port of Kalama, employing nearly 1,000 people. *

The Port of Pasco is located on the upper Columbia River and current export commodities include hay

*Data compiled from individual port websites

cubes, onions, peas, beans, soil fumigants, and other, mostly agricultural, products. The Port provides facilities for barge shipments of grain from the region down the Columbia River to the seacoast terminals. Big Pasco Industrial area has approximately 16 square blocks of industrial space and the tenants presently employ almost 450 workers at this location. (In addition there are approximately 700 people employed by firms located at the airport facility.) A major selling point for the Port is their direct access to freeway and rail connections. There are over 50 trains a day that converge near the main route into the port disrupting truck access into and out of the port. The 2004 legislature appropriated FMSIB funding to partner in the construction of a grade separation of the main route into the port.

and be able to move cargo faster if they could operate triple trailers on the interstate as they now can in Idaho and Oregon.

Many improvements identified by the truckers are relatively inexpensive fixes that would improve safety and freight movement as well as relieve some general traffic congestion by avoiding problems that back traffic on off ramps up onto the freeway itself. Some improvements would involve an additional off ramp lane, eliminating a right turn traffic signal at the end of the ramp allowing free right turns onto local streets or improving the turning radius for some off ramps. The Freight Board will continue to work with the trucking community to identify impediments and work with local and state transportation offices to eliminate these problems by making the small necessary investments.

"Dependency on foreign agriculture is as bad as dependency on foreign oil."

Charles Pomianek
Wenatchee Valley Traffic Association

All of these improvements and others are geared to keep Washington competitive in the port link of the supply chain. They depend on the state and others to make strategic investments that address problems off of port property.

Many major Washington trucking companies like Oak Harbor Trucking are altering their operations to open new satellite locations outside the central Puget Sound area because they cannot serve clients from one central location due to congestion and the checkerboard of local zoning limitations. One major operator, Haney Trucking has found that it can serve the East King County area more efficiently from Yakima than from a western Washington location. Another company, United Parcel Service reports that it now must fly shipments to Boeing field from Olympia, Bremerton and Everett to get packages to their destinations on time. To improve on-time truck deliveries during extreme traffic conditions UPS also often places a second person in the truck allowing the vehicle to travel in the HOV lanes. A number of the trucking firms have said they would save millions of dollars annually

The recently completed Marine Cargo Forecast and Rail Capacity Analysis clearly depicts the challenges faced Washington if the state wants to remain competitive. The rail capacity issue will involve encouraging the two major railroads serving Washington – the Burlington Northern Santa Fe and Union Pacific, to invest in major infrastructure improvements here rather than elsewhere in their system. Washington's partnership investments in the freight delivery system by funding Freight Mobility Board selected projects has been cited by both railroads as an incentive to continue to invest here.

Fruit

Transportation is critical for Washington growers to be able to compete in Global markets. Washington's fruit industry estimates indicate that to move their annual production of apples, pears, cherries and other soft fruits requires over 100,000 truck trips plus an additional 25,000 truck trips are needed to deliver packing house supplies (boxes etc). On average, 25 - 30 percent of all tree fruit is exported with over 10,000 truckloads going to Canada and

Trends and Events

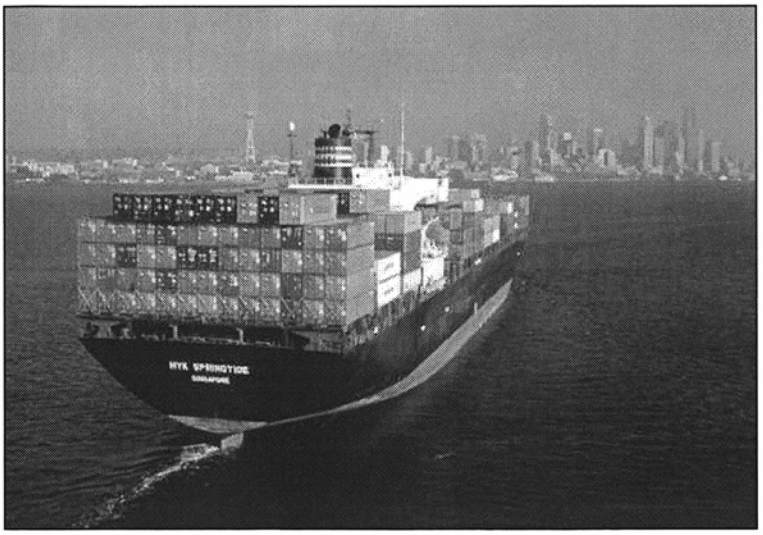


Photo courtesy of Don Wilson - Port of Seattle.

Mexico, and about 12,000 truckloads go to our ports to be exported to Asia, New Zealand, the Middle East, Africa, Caribbean Countries, Central and South America. (A small amount goes to Europe) The remainder of the fruit travels to our domestic markets. **

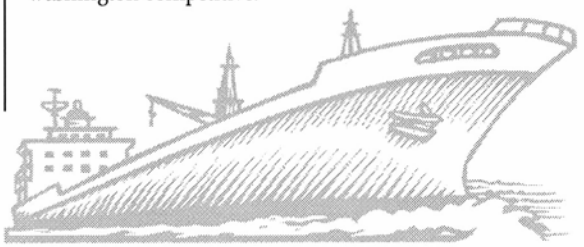
Washington Communities

The transportation of freight is an integral factor in the viability of communities and the economy. It is about more than the immediate needs of a producer or distributor.

A well-positioned transportation system requires infrastructure in place, which allows businesses to make decisions that are predicated upon optimizing the efficiency and effectiveness of meeting their operational needs. A dysfunctional transportation system will cause business investment decisions, location decisions, and deployment of personnel to occur in an environment which accommodates the deficiencies in the transportation network.

Inevitably, this accommodating approach introduces inefficiencies to the operation of the business and as these inefficiencies inevitably multiply over time, viable, sustainable business operations ultimately become problematic. When this happens, communities react to the changes in traffic in a manner that is not welcoming; long term land use planning and transportation system objectives can be stymied and the adequacy of the transportation system is further degraded, along with the reduction in quality of life in affected areas.

The Freight Board works closely with local communities to identify infrastructure needs and develop partnerships to correct problems before they are further compounded. All freight begins and ends in local communities and for many communities they are simply in the path of commerce but expected to pay for improvements that will benefit the entire freight corridor. The state, by providing match funding through the Freight Board's rigorous project selection process assists local communities in building the necessary infrastructure to keep Washington competitive.



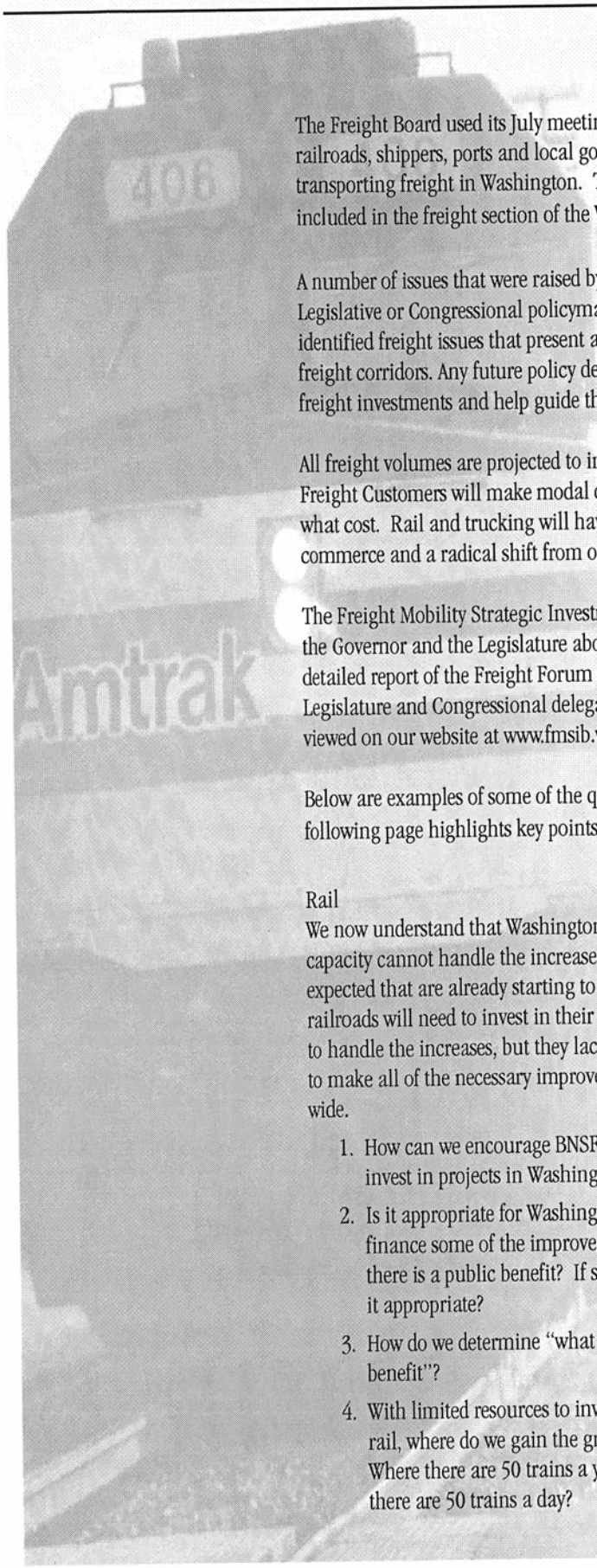
** Wenatchee Valley Traffic Association

Foreign Waterborne Trade Through Washington State Ports: 2003 (ranked by total dollar value)						
Port	Import Metric Tons	Export Metric Tons	Total Metric Tons	Import Value in Millions of US $	Export Value in Millions of US $	Total Value n Millions of US $
Tacoma	4,909,772	8,761,505	13,671,277	$21,129.4	$5,202.5	$26,331.8
Seattle	6,292,577	6,315,627	12,608,204	$17,389.9	$5,686.0	$23,075.9
Vancouver	658,656	3,214,553	3,873,209	$761.8	$542.2	$1,304.0
Kalama	263,619	5,922,748	6,186,367	$60.7	$1,131.9	$1,192.5
Bellingham	2,905,689	927,659	3,833,348	$619.9	$265.7	$885.6
Longview	572,446	3,411,855	3,984,301	$41.2	$677.4	$718.6
Anacortes	1,473,468	747,782	2,221,250	$230.2	$144.3	$374.6
Port Townsend	121,856	14,183	136,039	$7.2	$150.1	$157.3
Port Angeles	564,854	57,454	622,308	$106.3	$32.0	$138.3
Olympia	97,055	98,718	195,773	$84.6	$21.5	$106.2
Aberdeen	302,952	320,196	623,148	$42.5	$51.6	$94.2
Everett	69,250	82,404	151,654	$9.2	$24.0	$33.2
Friday Harbor	4,651	0	4,651	$8.3	$0.0	$8.3
Grand Total	18,236,845	29,874,684	48,111,529	$40,491.3	$13,929.2	$54,420.5

In a developed economy, the volume of goods and people transported from one place to another is enormous (approximately 20% of the U.S. Gross National Product is directly or indirectly attributed to transportation and approximately 12% of total U.S. civilian employment is in transportation or transportation-related industries).

University of Washington

Freight Forum



The Freight Board used its July meeting as an opportunity to convene a Freight Forum where truckers, railroads, shippers, ports and local governments could identify the transportation deficiencies they face in transporting freight in Washington. The event was a cooperative effort with DOT to focus on what should be included in the freight section of the Washington Transportation Plan.

A number of issues that were raised by the private sector participants might be brought by them before Legislative or Congressional policymakers in the future. Local and State government representatives also identified freight issues that present a challenge to their jurisdictions if Washington is to develop seamless freight corridors. Any future policy decisions made by elected officials will steer the course for Washington's freight investments and help guide the work of the Freight Mobility Strategic Investment Board.

All freight volumes are projected to increase which places additional pressure on already congested corridors. Freight Customers will make modal decisions based on when they need to get their products to market and at what cost. Rail and trucking will have to increase capacity just to continue to carry the same percentage of the commerce and a radical shift from one mode to another is not likely.

The Freight Mobility Strategic Investment Board is charged, in part, with identifying freight needs and advising the Governor and the Legislature about challenges to freight movement in the state. The Board will print a full detailed report of the Freight Forum with the concerns of each group identified and distribute it to the Governor, Legislature and Congressional delegation. Additional copies will be available by contacting our office or may be viewed on our website at www.fmsib.wa.gov

Below are examples of some of the questions raised by the presentations of rail and trucking interests. The following page highlights key points made by various participants.

Rail

We now understand that Washington's current rail capacity cannot handle the increased volumes expected that are already starting to build. The railroads will need to invest in their infrastructure to handle the increases, but they lack the resources to make all of the necessary improvements system wide.

1. How can we encourage BNSF and UP to invest in projects in Washington State?
2. Is it appropriate for Washington to help finance some of the improvements when there is a public benefit? If so, when is it appropriate?
3. How do we determine "what is a public benefit"?
4. With limited resources to invest in freight rail, where do we gain the greatest return? Where there are 50 trains a year or where there are 50 trains a day?

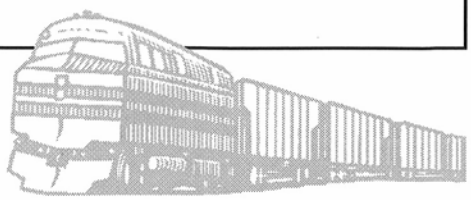
Truck

Approximately 70 percent of all freight is carried by truck and will continue to be the major mover of freight. Trucking is suffering from inconsistent operating regulations from jurisdiction to jurisdiction that reduce the ability to operate off hours. Local laws have created this checkerboard of "hours-of-operation" making efficient freight delivery impossible. There is a nationwide shortage of truck drivers now that will only get worse as volumes build.

1. Encourage more trucks (if drivers can be found) to deliver the increasing volume of goods that people want?
2. Allow longer or heavier trucks to operate on our roads by asking Congress to lift their size and weight limit leaving these decisions at the state level?
3. Authorize triple trailers to save money and maximize driver trips as is done in Idaho and Oregon?

Points Made by Participants

- Predictable dedicated funding for Freight Mobility Board projects was cited by nearly all of the participants.
- Freight rarely completes its journey on one jurisdiction's road or rail system and much freight moves intermodally. For these reasons, many freight mobility solutions need to involve multiple jurisdictions and, where appropriate, the private sector. Innovative funding partnerships expand the opportunity to improve our freight system.
- Government needs to be able to address freight infrastructure needs more rapidly and more predictably in order to match the timeframe in which the private sector makes decisions.
- Rapid changes occur and the movers of freight must be nimble enough to respond quickly and in a cost effective manner. Recent problems in Southern California ports are chasing discretionary cargo to other ports from Canada to Mexico placing new demands on already clogged corridors faster than what was estimated in the Marine Cargo Forecast.
- The spokesman for the Ship Operators made the point that cargo owners/shippers like Wal-Mart, Target, Nike and agricultural shippers make the key decisions about how to ship their goods. They will change carriers and routes as necessary to serve their customers. This is true for water carriers, railroads and truckers.
- The decision by two steamship companies to cease intermodal freight operations in Portland has diverted over 1,000 additional containers a week to Puget Sound ports across corridors that had not been anticipating the rapid increase in volume.
- Trucking companies, having the wherewithal, have to locate satellite distribution facilities in multiple locations because they can no longer service customers from a more cost effective central location. Some are forced to add more trucks to combat congestion interference with schedules – UPS noted it alone is using 20 percent more equipment to tackle congestion. Some have found the need to employ HOV passengers in their trucks to improve their travel time.
- Additional demand for goods requiring truck delivery will mean more trucks on the highways. To improve efficiency some truckers advocated larger heavier trucks or allowing triples on our highways – a policy yet to be determined.
- We were also reminded that trucking is not a monolithic industry and there are several distinct segments of the industry each having its own unique operating characteristics.
- The Port Marine Cargo Forecast raises serious questions about whether rail capacity is or will be adequate. That raises questions about funding additional capacity on a privately owned system. Policies on public-private investments in mainline rail infrastructure, where there is a public benefit, need to be developed and appropriate funding determined.
- Environmental and security policies must be addressed without damaging Washington's ability to compete.
- Fully building out the CVISN network will help improve travel times for responsible trucking companies.
- More efforts are needed to address the unique needs of freight in highway on-off ramp design taking into account grades, turning radius and unobstructed right turns onto local roads eliminating start-stop problems that back traffic up onto freeways and are inefficient for drivers.
- Improved ITS changeable message signs and real-time communication with dispatchers diverting trucks around accidents and other barriers when trying to get to and from ports and large manufacturing and distribution locations would be helpful.
- Intermodal connectivity needs to be improved to increase productivity between trucks and rail yards. This again poses policy questions of public-private funding.
- Several comments suggested the importance of further developing public education communications programs describing the state's reliance on freight flow.



Agency and Freight Activities

Audit

The Freight Board received its first audit since becoming an independent state agency in 1998. We were proud to have been given a 100 percent clean audit with no findings from the State Auditors Office.

New projects

To maintain a six-year list of active projects nearing construction, the Project Selection Committee issued a "call for projects". The committee reviewed each application and met personally with finalists to discuss the proposed freight project. After the rigorous review, (less than) a quarter of the applications were selected and added to the existing list. Some of the projects have been in the engineering and partnership development process for a number of years and are now approaching a point where State dollars are the final piece of the funding and preliminary project readiness process.

Project Funding

The Legislature demonstrated their commitment to keeping Washington competitive by funding nine additional Freight Mobility Board projects on the local freight system in spite of tight financial constraints. Project sponsors were elated to be able to advance their projects to construction and safeguard their partnership funding. In appreciation, every project but one sent at least one representative to the bill signing to personally say thank you. (One project couldn't attend due to a scheduling conflict but sent a letter)

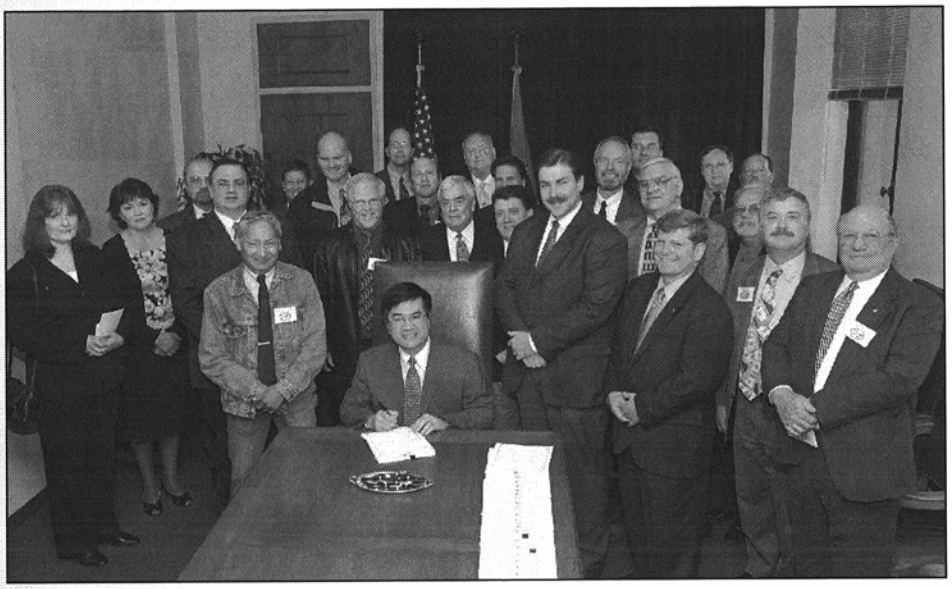
Groundbreaking

On June 30th the first of the 2004 funded projects to break ground was phase 1 of the S. 228th St. project in Kent. As dignitaries officially broke ground, bulldozers were already actively working in the background bringing the project to life.

Meetings

The board continued its practice of meeting around the state to provide an opportunity for locals to share the specific freight challenges in their area with the members and staff.

The Olympia meeting focused on legislative issues and created an opportunity for the Board to discuss priorities with House Transportation Committee



All of the sponsors of the FMSIB freight projects funded by the 2004 Legislature came to Olympia to witness the bill signing and thank the Governor and Legislators for their support. Also pictured are Representatives Tom Campbell, Geoff Simpson and Mike Cooper.

Agency and Freight Activities

Participating in the ground breaking for Kent's S. 228th St. Project were U.S. Senator Patty Murray (Center), (L to R) State Representative Jack Cairnes, King County Councilwoman Julia Patterson, FMSIB Chairman Dan O'Neal, State Senator Jim Horn, State Senator Stephen Johnson and State Representative Dave Upthegrove.

Chairman Ed Murray and Senate Highways and Transportation Committee Chairman Jim Horn. In Tacoma the Board learned first-hand about the exciting developments taking place at the Port of Tacoma and the critical need to construct the D Street project (nickel fund 05-07) and the Lincoln Street grade separation which will improve the southern access into and around the Port for trucks and allow rail movement to continue without disruption.

The Yakima meeting provided the Board with an opportunity to review the improved movement of freight south of Yakima due to the construction of the recently completed grade separation at Union Gap. Yakima city officials also discussed the construction readiness (2005-07) of the dual grade separations in the downtown business district on Lincoln and B Streets and the strong financial support committed to this project by local and Federal partners.

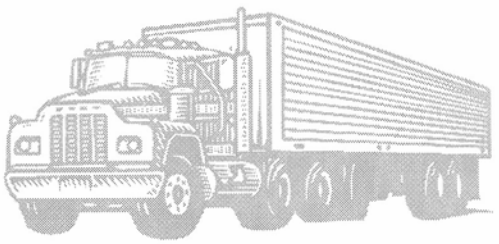
The Freight Mobility Board convened a Freight Forum at their summer meeting to provide additional freight data and input into the DOT's Washington Transportation Plan and to document the perspectives into an unconstrained reflection of the freight communities concerns. The event took place in the beautiful new Concourse A addition to SeaTac Airport. The location reminded us also of the importance of airfreight movement into and out of SeaTac and our other commercial airports.

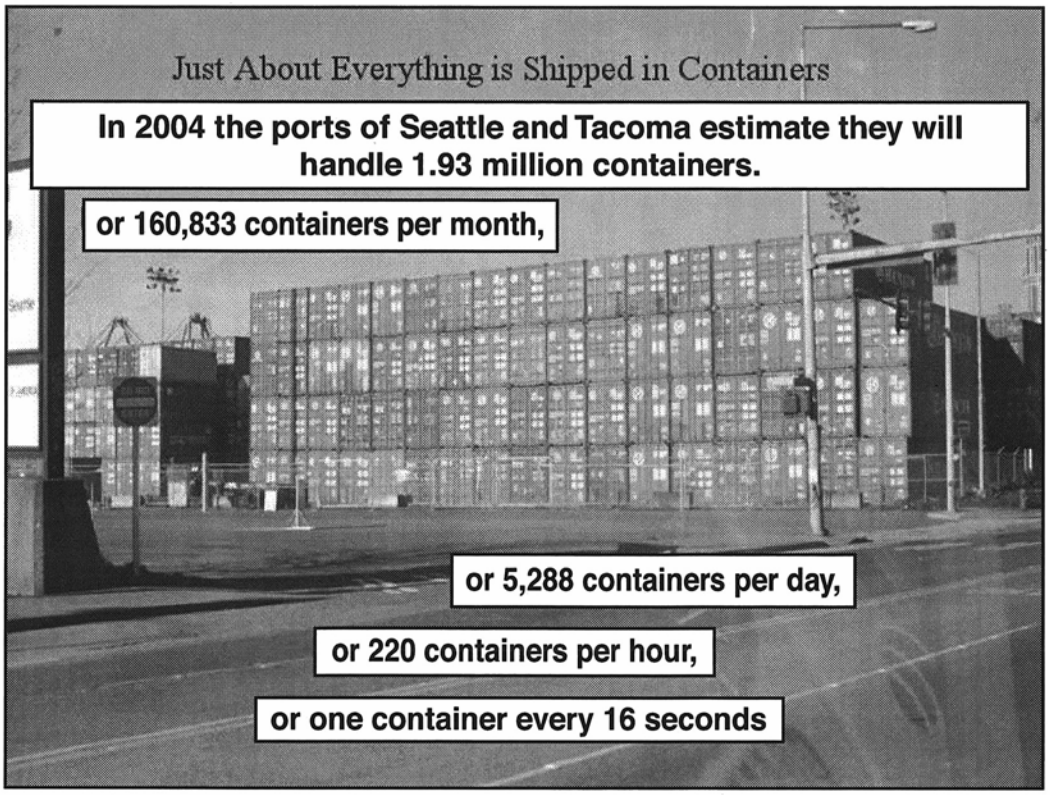
Walla Walla was the site of our fall meeting and focused on agricultural freight movement as well as the commerce that must flow down the Columbia/Snake River System. Representatives of Walla Walla City and County as well as the City of College Place highlighted the importance of diverting freight traffic out of the busy downtown area by constructing the Myra Rd. project.

Kelso was the site of our final meeting in 2004 providing the Board with an opportunity to learn about the emerging freight opportunities taking place in SW Washington, the success of completed FMSIB projects and the choke points that continue to pose a challenge to the region.

New Board members

The Board said goodbye to Carol Moser (Mayor Pro-Tem, Richland) who represented cities for the last six years on the Board. Governor Locke appointed Rebecca Francik, (Mayor Pro-Tem, Pasco) to fill the city representative position and Eric Johnson, (Commissioner, Lewis County) to fill the county representative position on the Board.





The largest of the post-Panamax ships coming into Puget Sound carries more than 6,600 containers. A standard "unit train" transports about 220 containers, so one ship would comprise 30 trains with each train measuring about one and three quarter miles long.

Accountability

Freight Mobility Board projects involve multiple funding partnerships and FMSIB investments in projects historically leverage $3 or more for every $1 invested by FMSIB. Once a project is selected through the Board's rigorous process, a dollar amount and percentage amount is assigned to the project reflecting what the Board believes the freight share of project cost is. The state share can't increase by statute above the fixed dollar amount or the percentage whichever is lower. In this way the state is protected from increases if the project cost goes up and receives part of the savings if a project is completed under budget. The Board enjoys a 100 percent success rate of delivering on commitments to the legislature and the projects shown on page 19 will continue that record if funding is authorized. The Board believes this is a real test of accountability.

Project Status

Project Status

The legislature added funding for nine FMSIB projects during the 2004 session. Below is a chart showing the status of all FMSIB funded projects and where appropriate the year they were completed.

Funded FMSIB Project Status

Rank	Agency	Reg	Project Name	2000	2001	2002	2003	2004
1	WSDOT	PS-F	SR 519 Intermodal Access Project Phase 1	Completed				
8	Kelso	WW	Allen Street Bridge Replacement	Completed				
9	Port of Everett	PS-F	California St. Overcrossing/ Port of Everett	Completed				
11	Everett	PS-F	41st St. Railway Overcrossing Phase 1	Completed				
12	Union Gap	EW	Valley Mall Blvd. Extension	Completed				
13	Seattle	PS-F	South Spokane St. Viaduct - surface St.	Completed				*
14	Auburn	PS-F	South 277th St. (BNSF & UPSP)	Completed				
16	Prosser	EW	Wine Country Rd. Phase 1 Roadway	Completed				
16	Prosser	EW	Wine Country Rd Phase 2 Yakima River Bridge	In progress				**
16	Prosser	EW	Wine Country Rd Phase 3 Railroad undercrossing	In progress				**
17	Port of Pasco	EW	SR 397 Ainsworth Ave. Grade Crossing	In progress				***
19	Auburn	PS-F	3rd St. SW/BNSF	Completed				
21	Kennewick	EW	Columbia Center Blvd. Railroad Crossing	In progress				
22	Pierce County	PS-F	8th St. East / BNSF Mainline Grade Separation	Completed				
23	Tukwila	PS-F	S. 180th St. Grade Separation	Completed				
24	Colville	EW	Colville Alternate Truck Route	In progress				****
28	Port of Kalama	WW	Port of Kalama Industrial Park Bridge	Completed				
30	WSDOT	PS	SR 18 Weyerhaeuser Way to SR 167 Truck Lane	Completed				
31	Benton County	EW	Port of Kennewick Road (Exten. of Piert Rd.)	In progress				
35	Kent	PS-F	S 228th Street Extension phase 1	Completed				
37	Seattle	PS	Duwamish Intelligent Transportation Systems (ITS)	In progress				
41	Port of Kalama	WW	Grain Terminal Track Improvements	In progress				
42	DOT-Pasco	EW	US 395 Hillsboro Street Interchange	Completed				
B	Bremerton	PS	SR 3/304 Transportation Improvement Project	Completed				
H	Longview	WW	SR 432 Short Term Improvement/3rd Ave Off Ramp	Completed				
48	Spokane Co	EW	Bigelow Gulch Road - Urban Boundary to Argonne Rd	In progress				*****
54	Snohomish Co	PS	Granite Falls Alternate Route ROW	In progress				
56	Fife	PS	Pacific Hwy E / Port of Tacoma Rd to Alexander Ave	In progress				

* No FMSIB funds used for this phase
** Completion scheduled for summer 2005
*** Completion scheduled for summer 2006
**** Completion scheduled for fall 2005
***** Completion scheduled for 2009

Recommended Projects

Recommendation

Creation of a Freight Mobility Board Capital Project Account with $25 million of ongoing predictable funding for Freight Mobility Strategic Investment Board projects.

The legislature created the Freight Mobility Strategic Investment Board in 1998 to focus solely on the requirements of improving the state's freight corridors and providing match fund assistance to capital projects. With passage of R-49, funding was provided for the FMSIB project list. Those funds were lost in 1999 with passage of I-695. The lost funds totaled about $100 million a biennium. In 2002, the legislature created a Freight Mobility Strategic Investment Board Account with dedicated funding from an increase in the gross weight truck fees as part of the bill that became R-51. The bill was defeated at the polls and the account and funding were never realized.

The Freight Board needs a reestablished dedicated account to hold public dollars and private funds entrusted to it for the capital projects selected through the Board's vigorous selection process. Dedicated, ongoing funds will communicate the commitment of the state to improve freight movement within Washington's borders as well as provide a more cost efficient way to advance capital projects. A predictable level of support will remove uncertainty in project development and will deliver projects in a timelier manner. WSDOT, CRAB and TIB all have ongoing dedicated funding to carry out their mission. FMSIB needs the same funding certainty as the other transportation agencies to operate more efficiently.

To fund the full six-year list of locally sponsored projects would require a $25 million commitment annually.

FMSIB funds would be used in partnership with other local, port and private sector funds. If fully funded, the state six-year contribution would leverage at least another $490 million from private and local government sources for a total program delivery of more than $630 million in freight barrier removals. These projects would also provide capacity and/or safety improvements for passenger vehicles and communities.

To also fund the freight projects on the State DOT system would require additional revenue above the $25 million per year in ongoing funding.

The Freight Mobility Strategic Investment Board has received letters of support for the reestablishment of a dedicated fund for FMSIB projects from a broad spectrum of local governments and private freight businesses including:

Burlington Northern Santa Fe	City of Bellingham	Union Pacific Railroad
Puget Sound Regional Council	Port of Tacoma	Pierce County
City of Auburn	City of Kent	City of Yakima
Wa. Public Ports Association	Port of Seattle	City of Pasco
Association of Washington Business	City of Everett	Port of Everett
Washington Trucking Associations	Snohomish County	FAST Corridor
Associated General Contractors	City of Puyallup	Port of Longview
Pacific Merchant Shipping Assn.	Port of Vancouver	Walla Walla County and others

Recommended Projects

Recommended 2005-07 Projects

There are 14 projects that the Freight Mobility Strategic Investment Board has identified as ready to proceed to construction in the next biennium if funding is approved in the 2005-07 transportation budget.

FMSIB 2005-07 NICKEL ACCOUNT

Rank	Agency	Region	Project Name	Current Cost ($ millions)	FMSIB Share ($ millions)
CONSTRUCTION					
18	Tacoma	PS-F	D St. Grade Separation	28.27	6.00

FMSIB 2005-07 PROJECT LIST RECOMMENDATIONS

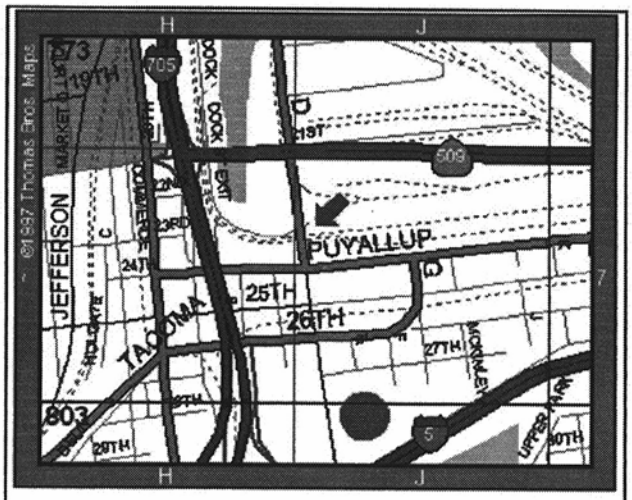
Rank	Agency	Region	Project Name	Current Cost ($ millions)	FMSIB Share ($ millions)
CONSTRUCTION					
3	Port of Seattle	PS-F	East Marginal Way Ramps	33.34	6.92
10	Port of Tacoma	PS	Lincoln Ave. Grade Separation	40.00	4.20
13	Seattle	PS-F	South Spokane St. Viaduct (Phase 1)	77.53	8.50
15	Puyallup	PS-F	Shaw Rd. Extension	16.00	6.00
20	Pierce County	WW	North Canyon Rd. Exten./BNSF Overcrossing	13.60	2.00
25	Walla Walla	EW	SR 125/SR 12 Interconnect (Myra Rd. Exten.) Phase 1	xxx	xxx
29	Everett	PS-F	E. Marine View Drive Widening	13.00	0.60
35	Kent	PS	S 228th Street Grade Separation (Phase 2)	72.00	6.50
36	Yakima	EW	City of Yakima Grade Separated Rail Crossing	25.00	7.00
44	Spokane	EW	Havana St/BNSF Separation Project	13.00	4.00
51	Seattle	PS	Duwamish Truck Mobility Improvement (Phase 1)	7.18	1.40
52	Fife	PS	70th and Valley Ave Widening	18.86	2.00
53	Pierce County	PS	Canyon Road Northerly Extension	45.00	3.00
58	Port of Seattle	PS	East Marginal Way Truck Crossover	0.45	0.23
			Total	378.46	58.25
				($ millions)	($ millions)

* Projects in Central Puget Sound

D Street
Tacoma, WA

Project Description *The project will provide a grade separated crossing of the BNSF tracks at D Street in Tacoma. This project is critical to enable track straightening of the BNSF mainline, which currently has a curve-imposed speed limit of ten miles per hour. This bottleneck results in slowdowns up and down the rail line, and has strong negative implications for timely passenger rail service. Additional benefits accrue to the general public through reduced delays and improved safety in crossing the mainline tracks.*

These improvements are strongly supported throughout the community. This has been identified as a priority improvement within the FAST Corridor.



Project Location – D Street

Project Status *Environmental work is complete. Design is almost complete. Construction to begin this year if funding becomes available.*

TASK	2003	2004	2005	2006	2007	2008
Pre Eng. & Env	(complete)					
ROW	▬					
Design	▬					
Construction		▬	▬			

Summary of Benefits

- *Improves rail speeds throughout region by enabling removal of a major bottleneck*
- *Improves pedestrian safety by providing grade-separated route across tracks.*
- *Improves general purpose and freight movements in area through provision of grade-separated crossing.*
- *Allows regional rail and port ITS improvements to be more effective.*

Funding Status *Funding has been identified from the following sources: Port of Tacoma, Washington State Freight Mobility Strategic Investment Board; BNSF (from FAST Corridor-wide contribution commitment). TEA 21 section 1118 funding (as part of the FAST Corridor). Failure of Referendum 51 resulted in the loss of state funds that would have provided $8 million and a subsequent award of a $4 million Economic Development Administration (EDA) grant, which is contingent upon the $8 million. Funds are being sought to complete funding package.*

Funding Source	Contribution *($ millions)*
TEA 21 (Sec 1118 grant share of FAST request)	6.0
TEA 21 (STP)	1.0
Port of Tacoma	2.85
Transportation Improvement Board	5.18
BNSF Railroads	1.13
Unidentified	8.0
EDA	4.0
Total Funding	***28.16***

Project Lead: City of Tacoma

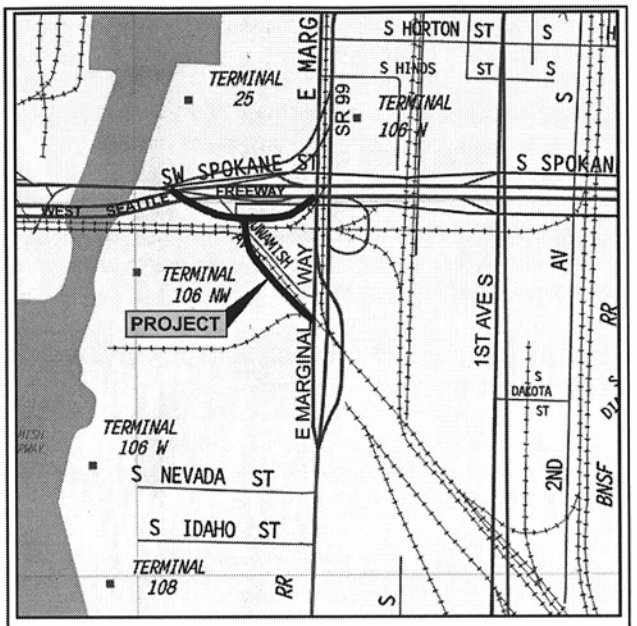
January 2003 update

ΠΟΣ

FAST Corridor

SR 99/East Marginal Way
Seattle, WA

Project Description *This project will consist of a north and southbound grade separation on Duwamish Avenue South. The project will relocate East Marginal Way through this corridor to improve access among Port terminals, UPSP & BNSF rail yards, and local manufacturers' & distribution warehouses. The lead track that will be grade separated connects to the new on-dock rail lines on Harbor Island and West Seattle, allowing containers to be loaded directly onto trains instead of shuttled to a rail yard by truck. Multiple other grade crossings could be relocated to within this single area of separation, including the leads to Harbor Island & Terminal 5 from the SIG Yard and from Whatcom Yard.*



SR 99/East Marginal Way

Project Status

TASK	2003	2004	2005	2006
Pre. Eng. & Env.				
Design				
ROW				
Construction				

Preliminary engineering is underway with environmental and design anticipated in 2003-4. With some right of way acquisition required, construction is anticipated to begin in 2005 and be completed in 2006.

Summary of Benefits

- *Reduce major rail/highway conflicts through grade separation and possible at-grade closures.*
- *Facilitate greater efficiencies in area of great intermodal and multimodal activity.*
- *Reduce projected vehicle delay at UP track.*
- *Reduce general purpose traffic congestion.*
- *Complement ITS activity at the Port and City.*

Funding Status *Funding has been identified and committed from the following sources: Port of Seattle; various Tea 21 accounts; BNSF & UPSP Railroads (from FAST Corridor-wide contribution commitment), the State Transportation Improvement Board, and the City of Seattle. The Freight Mobility Strategic Investment Board has ranked this as their third project, but funding is needed.*

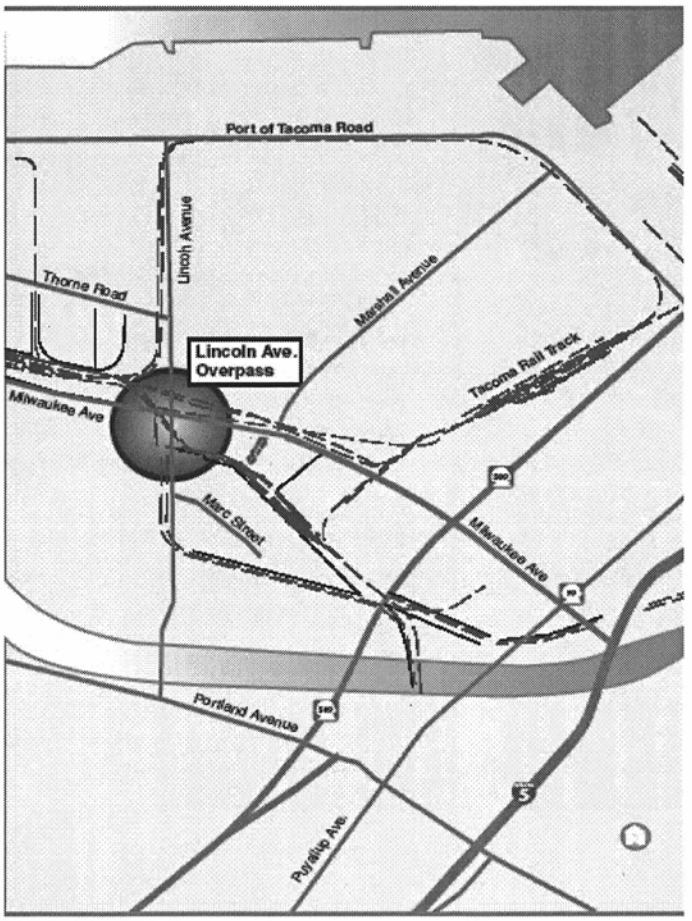
Funding Source	Contribution *($ millions)*
Port of Seattle (as lead agency)	1.60
State Freight Mobility Strategic Investment Board	**6.92**
State Transportation Improvement Board	7.30
BNSF & UPSP Railroads	1.40
City of Seattle	1.60
TEA 21 grants	14.50
Total Funding	***33.32***

Project Lead: Port of Seattle

FAST Corridor

Lincoln Avenue Grade Separation
Tacoma (Pierce County), WA

- The Lincoln Avenue Overpass will raise Lincoln Avenue, a major arterial in the Tacoma Industrial Tideflats, over a number of key railroad tracks used for intermodal rail operations within the port area.
- This major arterial serves a high number of trucks as a primary connector between Interstate 5 and the Port of Tacoma.
- Arriving and departing trains averaging 7,000 feet in length and rail switching operations cause considerable vehicular delay on Lincoln Avenue. Trains block Lincoln Avenue an average of 25 to 30 minutes every two hours.
- Rail and road efficiency will be significantly improved once Lincoln Avenue overpass is completed.
- The Lincoln Avenue overpass project is a high ranking project of the Freight Mobility Strategic Investment board (FMSIB) and is a FAST II high priority project.
- The project is anticipated to get underway in 2005 at a preliminary design estimate of $40 million.



Summary of Benefits

The goal of the Lincoln Avenue Overpass project is to separate train and motor vehicle traffic by constructing an overpass that will raise the roadway over the railroad tracks, similar to the Port of Tacoma Road Overpass project.

In keeping with FAST Corridor's philosophy of partnership, the funding for the Lincoln Avenue Overpass project comes from a combination of sources including federal and local governments, private companies and the Port of Tacoma. The final infusion of funds is being requested through the Washington State Legislature to support the Freight Mobility Strategic Investment Board (FMSIB) ranked projects. This project has been identified as a priority improvement in the FAST Corridor.

Project Schedule

TASK	2004	2005	2006	2007
Pre. Eng. & Env.				
Design				
ROW				
Construction				

Funding Status: Funding has been identified from: Washington State Freight Mobility Strategic Investment Board; TEA 21- STP funding, Transportation Improvement Board, Port of Tacoma and FAST Federal funds (section 1118 Borders & Corridors)

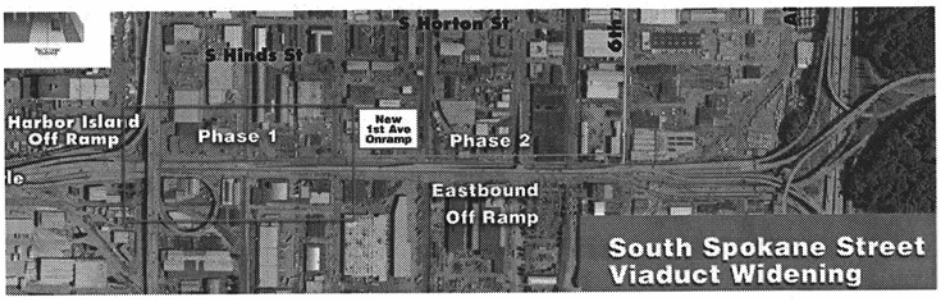
Project Lead: City of Tacoma/Port of Tacoma.

Funding Source	Contribution *($ millions)*
FMSIB –	4.20
TEA 21 – STP ($2.5 planned) ($2.5 secured)	5.00
TIB (planned)	4.00
Port of Tacoma (Secured)	6.70
FAST ($6.2) ($1.250 secured)	6.20
Other	13.90

FMSIB #10 12/21/04

South Spokane Street Viaduct Widening Phase 1
Seattle

Project Description



The Spokane St Viaduct is a critical link between Interstate 5 and the West Seattle freeway; it carries 45% of the Port of Seattle's truck traffic. This project focuses on minimizing the conflicts among freight movement, freight and passenger rail traffic, commuter traffic, and ferry access. It improves connections to the industrial areas, Port of Seattle, the Waterfront and West Seattle. The Viaduct Widening Project has been divided into two phases- Phase 1, a west segment and Phase 2, an east segment. Phase 1 extends from just east of 1st Ave S to the Harbor Island off-ramp. The westbound on- and off-ramps will be relocated from 4th Avenue South to 1st Avenue South, to improve access to the businesses west of the BNSF mainline tracks. Lanes will be widened to 12 feet, and shoulders will be added to reduce sideswipe and rear-end accidents. Phase 2 will complete the widening to I 5 and add a new eastbound 4th Ave off-ramp when additional funding is secured. Phase 2 will add new access to the industrial area east of the BNSF mainline.

Project Status

Three phases of this four-phase project have been completed – seismic retrofit (1999), installation of median barrier (1999), and utility relocation and surface improvements (2003). The next phase of this project, S Spokane Street west segment widening and ramps, will be ready to advertise in September 2005 with construction to begin in December 2005.

TASK	2004	2005	2006	2007	2008	2009
Design						
ROW						
Prior Construction Safety/Utility	Complete					
Construction Widening Phase 1						
Construction Widening Phase 2						

Summary of Benefits

- Reduces truck and general-purpose delay caused by current substandard roadway conditions.
- Improves volume to capacity ratio for truck movement by 11%.
- Greatly improves access to the State's largest manufacturing and industrial center.
- Completes seismic reinforcement of this 60 year-old structure.
- Improves safety on a route that has had one of the highest accident-per-mile ratios in the City of Seattle.

Funding Status

More than $27 million has been invested in this project thus far, and substantial funds have been committed towards construction completion. An additional $19.7 million of non-local funds (FMSIB, FAST, TIB) is needed to fund the Phase 1 Project. Additional FAST partnership funds of $2.3 million are being sought for construction along with $14.4 million from the State Legislature as part of the $25.0 million recommended by the FMSIB, and $3.0 million from the TIB. Phase 2 will cost $57.9 million, for a total project cost of $135.4 million.

Funding Source	Contribution *($ millions)*
City of Seattle	16.94
Freight Mobility Strategic Investment Board	14.40
Port of Seattle	2.50
BNSF Railroad	1.13
TIB	3.11
State	1.21
ISTEA	12.49
TEA 21	15.86
TEA 21 Reg STP 2004	7.00
TEA 21 (share of FAST)	2.90
Total Funding Through Phase 1	**77.53**

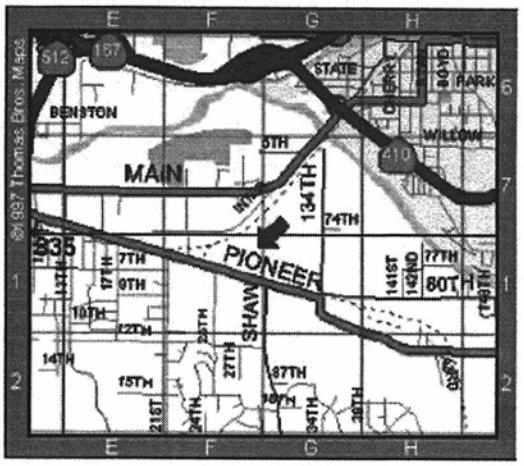
Project Lead

City of Seattle

FAST Corridor

Shaw Road Extension
Puyallup, WA

Project Description *This project involves creating a link between Shaw Road at its current terminus at Pioneer Way, northwest across the BNSF Railroad tracks, and thence connecting with East Main Street. This would be accomplished via an elevated grade separation of the BNSF tracks. This project will address longstanding deficiencies in cross-track movements in the area. The project will complement other area projects, including rail upgrades in anticipation of safety and movement improvements planned to facilitate anticipated Sound Transit passenger rail service. This has been identified as a priority improvement within the FAST Corridor.*



Project Status *Environmental work and preliminary studies are nearly complete. A preferred alignment has been selected .*

TASK	2002	2003	2004	2005	2006	2007
Pre. Eng. & Env.						
ROW						
Design						
Construction						

Summary of Benefits

- *Provides a critical, grade-separated link between the parts of Puyallup lying north and south of the BNSF rail lines.*
- *Eliminates at-grade conflict at site. Also allows for consideration for closure of additional at-grade crossings in vicinity.*
- *Allows for increased rail speeds, and contributes to the efficiency of a proposed PTS (ITS) system for the BNSF lines.*
- *Assists in implementing Sound Transit plans for passenger rail service through the area.*

Funding Status *Funding has been identified from the following sources: City of Puyallup, Port of Seattle &/or Tacoma, Washington State Freight Mobility Strategic Investment Board; Tea 21 High Priority project award,, BNSF /UPSP Railroads (from FAST Corridor-wide contribution commitment), private industry, Transportation Improvement Board. TEA 21 section 1118 funding (as part of the FAST Corridor) is being sought to complete the financing package.*

Funding Source	Contribution ($ millions)
City of Puyallup	1.50
Freight Mobility Strategic Investment Board	6.00
Port of Seattle/Tacoma	1.50
BNSF & UPSP Railroads	0.75
TEA 21 High Priority	1.50
TEA 21 Sec. 1118 grant (share of FAST request)	3.75
Total Funding	***15.00***

Project Lead: City of Puyallup

March 2003 update

FAST Corridor

Canyon Road Northerly Extension / BNSF Mainline Overcrossing
Pierce County, WA

Project Description

This project will construct a new overcrossing of the BNSF mainline from Pioneer Way to 62nd Avenue E. This will accommodate a planned arterial roadway extension of Canyon Road northerly from Pioneer Way, across the Puyallup River connecting with 70th Avenue East in Fife, and ultimately with the planned extension of SR-167. This new overcrossing will increase capacity for roadway freight and goods movement and provide a more direct route to the Port of Tacoma from the manufacturing and industrial businesses in the Frederickson and Sunrise/Thun Field employment centers (including Boeing) in mid-Pierce County.

These improvements are a key portion of the overall Canyon Road Northerly Extension project.

This project has been identified as a priority improvement within the FAST Corridor.

Project Location – BNSF Overcrossing

Project Status *A final Supplemental EIS was issued in 1997. The preliminary engineering and right-of-way phases are fully funded. The construction phase requires additional revenues. Design work & right-of-way acquisition are slated for completion in 2006. Assuming funding is received, the construction phase should start in 2006 and be completed in 2008.*

TASK	2003-04	2005	2006	2007	2008
Pre. Eng. & Env.	▬				
Design	▬	▬	▬		
ROW		▬	▬		
Construction			▬	▬	▬

Summary of Benefits

- *Accommodates freight and general purpose highway growth.*
- *Mitigates existing freight and general purpose highway congestion.*
- *Allows for closure of an existing at-grade crossing; thereby improving safety and traffic flow, both for highway and rail.*

Funding Status *Funding has been identified from the following sources: Pierce County; Washington State Freight Mobility Strategic Investment Board; TEA 21 Section 1118 funding (as part of the FAST Corridor); BNSF Railroad; and the Port of Tacoma. Transportation Improvement Board funding is being sought to complete the financing package.*

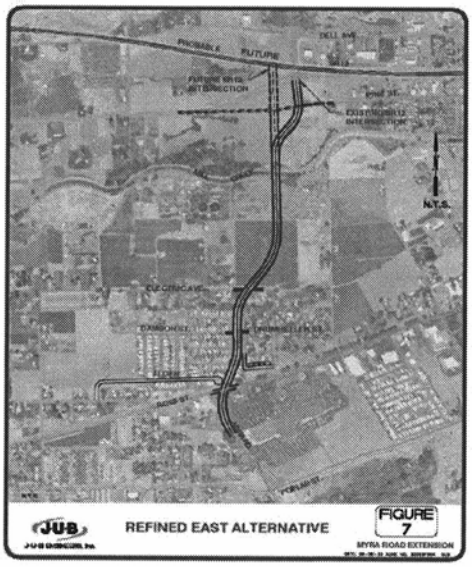
Project Lead: Pierce County
December 2004 update

Funding Source	Contribution *($ millions)*
Pierce County – Project Lead	8.10
Freight Mobility Strategic Investment Board	2.00
TEA 21 – Sec. 1118 (FAST)	2.50
TEA 21 - STP	.30
BNSF Railroad	.30
Port of Tacoma	.60
TIB (planned)	4.20
Unknown	7.60
Total Funding	***25.60***

12/14/04

Myra Road Extension
Walla Walla, WA

Project Description *This project will consist of extending 4,400 feet of new roadway from Myra and Rose to SR 12 which includes a new bridge across Mill Creek, and a signalized at grade rail crossing. The project will complete an gap and connect SR 125 and SR 12 by a direct route avoiding a strip commercial area.*



TASK	2004	2005	2006	2007
Pre. Eng. & Env.				
Design				
ROW				
Construction				

Project Status

A route and preliminary environmental study is complete. Preliminary engineering and design anticipated in 2004. With some right of way acquisition required, construction is anticipated to begin in spring *2006, and be completed in 2007.*

Summary of Benefits

- *Separate freight traffic from local traffic ..*
- *Facilitate greater efficiencies in area of intermodal and multimodal activity.*
- *Reduce projected vehicle delay through the commercial route.*
- *Reduce general purpose traffic congestion.*
- *Complement ITS activity at the Port and City.*

Funding Source	Contribution *($ millions)*
City of Walla Walla (as lead agency)	0.255
State Freight Mobility Strategic Investment Board	4.225
State Transportation Improvement Board	3.258
Walla Walla County	0.075
City of College Place	0.100
Port of Walla Walla	0.050
Valley Transit Authority	0.050
WSDOT (in-kind ROW contribution)	0.150
TEA 21	1.780
Total Funding	***9.393***

Funding Status *Funding has been identified and committed from the following sources: Cities of Walla Walla and College Place, Walla Walla County, Port of Walla Walla, and Valley Transit ; virtually all of the next allocation of regional STPU funds, the State Freight Mobility Strategic Investment and the Transportation Improvement Boards.*

Project Lead: City of Walla Walla

January 2003 update

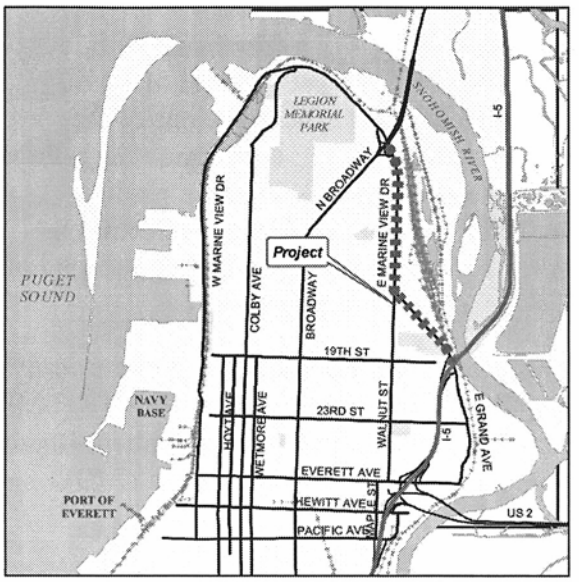
FAST Corridor

East Marine View Drive
Everett, WA

Project Description *This project involves widening and other improvements to East Marine View Drive between N Broadway (SR 529) and I-5. These improvements would complete a series of arterial improvements through the entire West/East Marine View Drive principal arterial corridor, serving the Port of Everett, Naval Station Everett, and significant waterfront industry and commerce.*

Completing this segment would allow the city to designate it as a dedicated truck route, alleviating the current burden which freight traffic now imposes on the central business district (CBD) arterials of Everett and Pacific Avenues. Everett has already invested $27 million for improvements in other segments of this Port / Navy Base access corridor.

This has been identified as a priority improvement within the FAST Corridor.



Project Status

TASK	2002	2003	2004	2005	2006
Pre Eng. & Env					
Design					
ROW					
Construction					

Summary of Benefits

- *Completes a coordinated freight arterial corridor through the city, enabling trucks to follow a seamless route to and from Interstate 5 and major freight traffic generators such as the Port and Navy Station Everett.*
- *Reduces current and projected freight and general vehicular delay*
- *Reduces freight impacts on the city's CBD.*
- *Facilitates anticipated growth at the Port and in waterfront industries.*

Funding Status *Funding has been identified from the following sources: City of Everett, Washington State Freight Mobility Strategic Investment Board; Tea 21 High Priority project award. The unfounded need is estimated to be $2.67 million.*

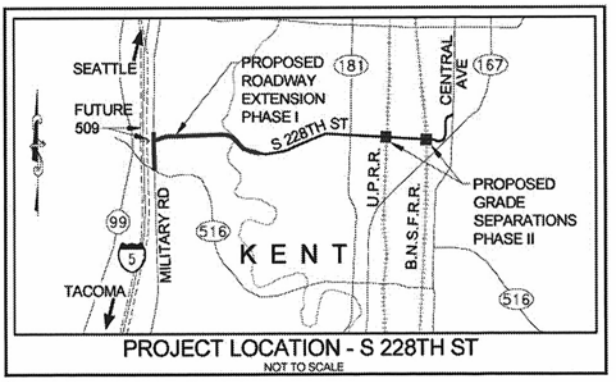
Funding Source	Contribution *($ millions)*
City of Everett	0.65
Freight Mobility Strategic Investment Board (anticipated)	0.60
TEA 21 High Priority	4.97
FAST Sec. 1118/1119	0.60
TOTAL	***6.82***

Project Lead: City of Everett

September, 2003 update

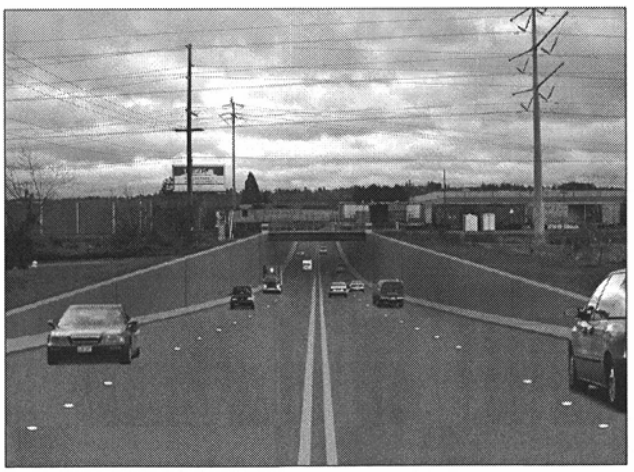
S. 228th Street Grade Separations - Phase II
Kent, WA

Project Description: The S. 228th Street Grade Separations are Phase II of a two-phase project that will create one of the region's major freight corridors. The railroad grade separations will increase roadway capacity, eliminate rail/auto accidents and allow for higher rail operating speeds on both the UP and BN mainline tracks.



This project has been identified as a priority investment with the FAST Corridor, is on the Freight Mobility Strategic Investment Board's (FMSIB) list of upcoming projects, has secured funding from the Transportation Improvement Board (TIB), and includes a large private sector investment via a Local Improvement District (LID).

Project Status:
Permitting, right of way acquisition and design for Phase II have already begun. The environmental classification summary (ECS) approval from FHWA is under review and is expected to be complete in 2004.



Rendering of UPRR undercrossing

Project Benefits:
- Provide a critical, grade-separated link through the warehouse/industrial center of Kent
- Links the valley warehouse/industrial center to I-5 and eventually SR-509
- Eliminates at-grade conflicts with both railroad mainlines
- Allows for increased rail speeds
- Assists Sound Transit with plans to increase passenger rail service through the area

Funding Status: The S. 228th Street Grade Separations are partially funded. Kent is aggressively pursuing funding from state and federal sources to complete the project.

Project Lead: City of Kent

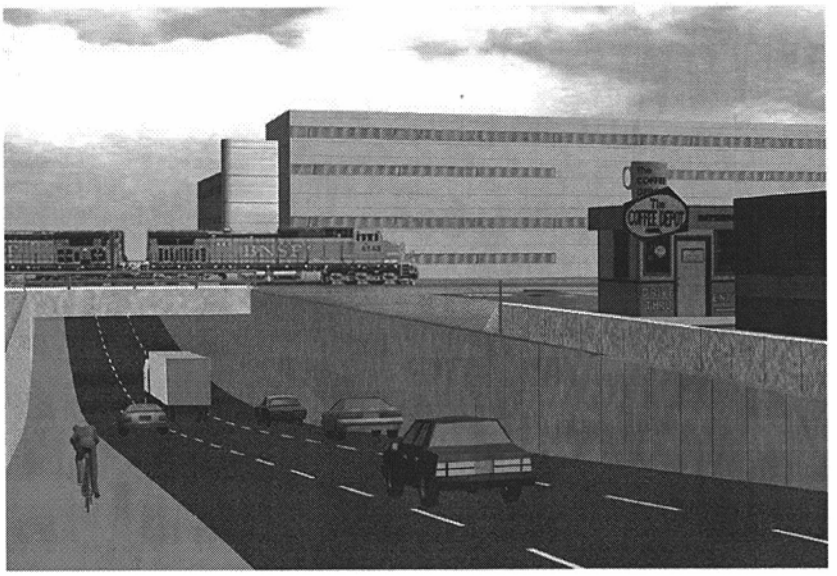
Funding Source	Contribution ($ thousands)
City of Kent - Lead Agency	4,900
Local Improvement District (Private)	100
Port of Seattle	1,700
Port of Tacoma	1,700
TEA 21	11,800
TIB	10,000
BNSF Railroad	2,800
UP Railroad	2,500
FMSIB	6,500
Total Projected Cost*	**42,000**

*Includes $4-million if shoe-flies are required

City of Yakima
B Street and Lincoln Avenue Railroad Grade Separations
2004 Year End Project Update

Project Description

The City of Yakima has seven at-grade railroad crossings and only two grade separated crossings. During 2001 and 2002, preliminary planning and engineering were conducted to determine the feasibility of grade separating the seven at-grade crossings and to determine which one(s) to grade separate first. The result of these studies was that grade separations were feasible at all seven locations and that grade separating B Street and Lincoln Avenue together was the most cost effective initial project. As part of this project, bridges will also be built for Front Street to cross the underpasses, maintaining Front Street as a through street.



Artist's Rendering of B Street grade separation

Summary of Benefits

- Reduce traffic delays within Central Business District
- Reduce trucking delays for adjacent fruit distribution warehouses
- Reduce traffic accidents related to the at-grade crossings
- Improve railroad safety
- Eliminate road blockage delays for emergency vehicles
- Decrease air pollution from idling vehicles

Project Status

TASK	2001	2002	2003	2004	2005	2006	2007	2008
Preliminary Engineering								
Environmental Documentation								
Final Design								
Permitting								
ROW Acquisition								
Bid and Award								
Construction								

Preliminary engineering and environmental studies have been completed. The Yakima City Council has approved funds to complete final design, environmental documentation, and ROW acqusition. If the project is fully funded, the two-year construction period could begin in 2006.

Funding Status

Funding has been identified and committed from the following sources: FMSIB, the City of Yakima, FHWA, TIB, and BNSF. The estimated total project cost of $24,963,339 still needs almost 3 million to be fully funded.

ESTIMATED TOTAL PROJECT COST	**$24,963,339**
Committed Funding	
State Freight Mobility Strategic Investment Board (FMSIB)	*$7,000,000
City of Yakima	$1,500,000
Federal Highway Administration (FHWA)	$11,750,000
State Transportation Improvement Board (TIB)	$500,000
BNSF Railroad	$1,500,000
TOTAL COMMITTED FUNDING	**$22,250,000**
ADDITIONAL FUNDING REQUIRED	**$2,713,339**

*Committed but unfunded

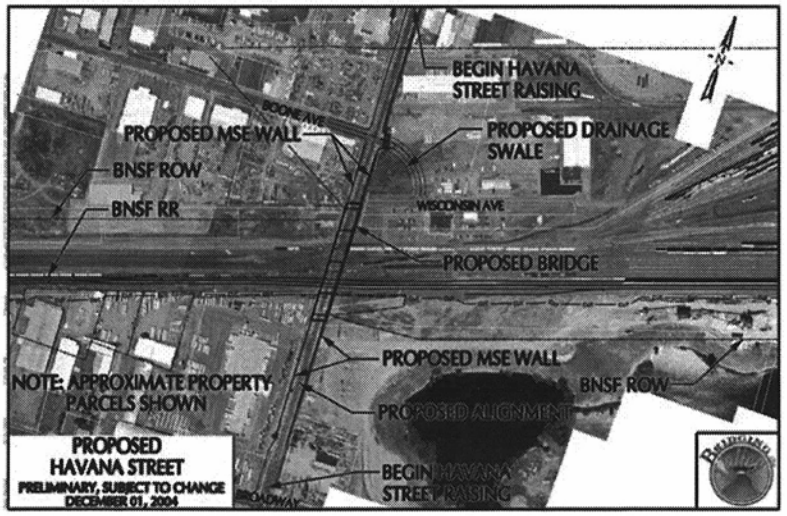
Havana Street / BNSF Grade Separation

Spokane, WA

Project Description

Havana Street is an under-utilized north-south principal arterial in the Spokane Valley. It crosses the Burlington Northern Santa Fe Railway (BNSF) mainline between Broadway and SR 290 (Trent Road). The BNSF line carries between 60 and 100 trains per day, is currently protected by standard railroad gates and signals, and is blocked 18 hours per day by BNSF operations creating between 11,000 and 22,000 vehicle hours of delay annually.

The project will reconstruct Havana over the BNSF tracks. Havana Street is in a highly industrialized area of Spokane with access to SR 290, the Spokane Fair & Expo Center, Avista Stadium and Spokane Community College.



Summary of Benefits

When completed, the Bridging the Valley project will separate vehicle traffic from train traffic in the 42-mile corridor between Spokane, Washington and Athol, Idaho. By removing all at-grade rail crossings, Bridging the Valley will:

- Improve public safety by reducing rail / vehicle collisions;
- Improve emergency access to residents and businesses along the corridor;
- Eliminate waiting time for vehicles at rail crossings;
- Reduce noise levels–no more train whistles near crossings;
- Improve traffic flow due to separated grade crossings; and
- Enhance development opportunities with a single rail corridor served by the region's largest railroads.

Project Status

TASK	2003	2004	2005	2006	2007
Preliminary Engineering					
Environmental Documentation					
Permitting					
Final Design					
ROW Acquisition					
Bid & Award					
Construction					

Preliminary Engineering and Environmental studies have been completed. Environmental approval is anticipated in March 2005. If the project is fully funded, the two-year construction could begin in 2006.

Funding Status

Funding has been identified and committed from the following sources: Spokane Regional Transportation Council, TIB, and BNSF. The estimated total project cost of $12,977,000 still needs almost 4.6 million to be fully funded.

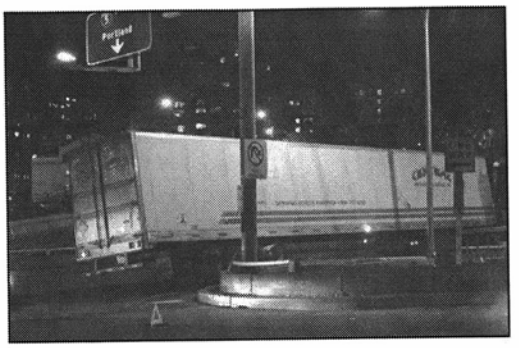
ESTIMATED TOTAL PROJECT COST	**$12,977,000**
Committed Funding	
Spokane Regional Transportation Council (SRTC)	$4,500,000
State Transportation Improvement Board (TIB)	$2,000,000
Match by Local Jurisdictions	$1,375,000
BNSF	$529,000
TOTAL PROJECT FUNDING COMMITTED	**$8,404,000**
ADDITIONAL FUNDING REQUIRED	**$4,573,000**

December 2004

Duwamish Truck Mobility Improvement Program
Seattle

Project Description

The Duwamish and Ballard industrial areas and the access routes to the Port of Seattle's facilities are challenged by older infrastructure and outdated street design. Truck traffic is a predominant in these areas. Seattle is implementing a freight mobility program called the Duwamish Truck Mobility Improvement Program to resolve truck mobility choke points. This project will improve the connections between the Port terminals, industrial businesses and the state highway system.



Improvements to be implemented as part of this project would include:

- Increased turning radii (curb set backs and utility pole relocation)
- New signal installations for trucks
- Upgraded or new left turn signals for trucks
- Left turn lanes for trucks
- Limited track crossing paving treatments
- Truck route guide and oversize vehicle signing

Project Status

The City has established an annual program in the Capital Improvement Program. Trucking interests have been surveyed on their problem perceptions.

TASK	2004	2005	2006	2007	2008	2009
Pre. Eng. & Env.						
ROW						
Design						
Construction						

Summary of Benefits

- Improves corner radii at specific problem intersections so trucks can make necessary turning movements. By improving access and making the existing system more efficient, the project would allow trucks to use routes that were previously difficult or inaccessible.
- Signalize intersections to assist truck movements that now typically require a long wait for an adequate traffic gap.
- Improves street pavement conditions at rail crossings that induce slow speeds, if not stopping, which slows down truck movements and the traffic behind these trucks.
- Provides information for truck drivers about truck routes and major truck destinations like the Port terminals, oversize vehicle routes and obstruction clearances.
- The proposed choke point relief projects have already received the support of the manufacturing and industrial community, the Boeing Company and the Port of Seattle.

Funding Status

The budget for this multi-year program is $7,180,000. The program would be implemented over a period of several years. Potential funding sources are local funds, FMSIB, the Seattle Irons and Metals and 8th Ave. Alliance ($500,000 in private funds) and other potential sources.

Funding Source	Contribution ($ millions)
City of Seattle – Project Lead	.72
Freight Mobility Strategic Investment Board	2.80
Private Industry	.50
Other Funds	3.16
Total Funding	**$ 7.18**

Project Lead

City of Seattle

FAST Corridor

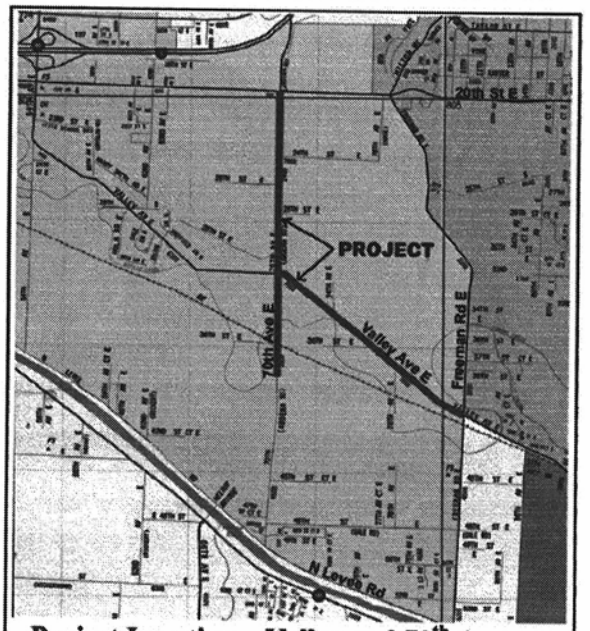
70th and Valley Avenue Widening / SR 167 Alternate
Fife, WA

Project Description *The project will consist of the widening of 70th and Valley Avenues East from the I-5 frontage road (20th St East) to the existing 4-lane arterial segment of Valley Ave. The project will include widening the mainline segments of 70th Ave from two to five lanes and of Valley Ave from two to four lanes and include additional turning lanes and signal operations improvements. The project will include reconstruction of the 70th Ave East grade crossing over the Union Pacific mainline and closing the 54th Ave East grade crossing.*

Valley and 70th Avenue is the nexus of other funded or partially funded FAST projects or existing FAST corridor routes. It is unique as it affects five of the strategic regionally significant freight mobility corridors identified in FAST.

This project has been identified in the "FAST Corridor Phase II Project List" included in the FAST Corridor 2002 MOU.

Project Status *The pre-design phase has been completed, the Preliminary Engineering phase is planned to start in 2003 and Construction is expected to begin in the latter part of 2005.*



Project Location – Valley and 70th Avenue

TASK	2002	2003	2004	2005	2006	2007
Pre. Eng. & Env.						
ROW						
Design						
Permitting						
Construction						

Summary of Benefits

- *Eliminates Vehicle/Train conflicts and delays.*
- *Improves freight mobility between existing industrial property and businesses in the Cities of Fife, Sumner, Puyallup,& Pierce County and major destinations such as Port of Tacoma facilities at Commencement Bay and Fredrickson.*
- *Provides the key link to complete the North-South Interregional Access, the regional I-5 Freight Bypass, the Cross-Cascades Access, the Green River Valley Access and the Cross valley access.*

Funding Status *"Potential" funding has been identified from the following sources: City of Fife, Pierce County, FAST, Washington State Freight Mobility Strategic Investment Board (FMSIB), TIB, Port of Tacoma, and Private Sector*

Project Lead: City of Fife

December 2002 update

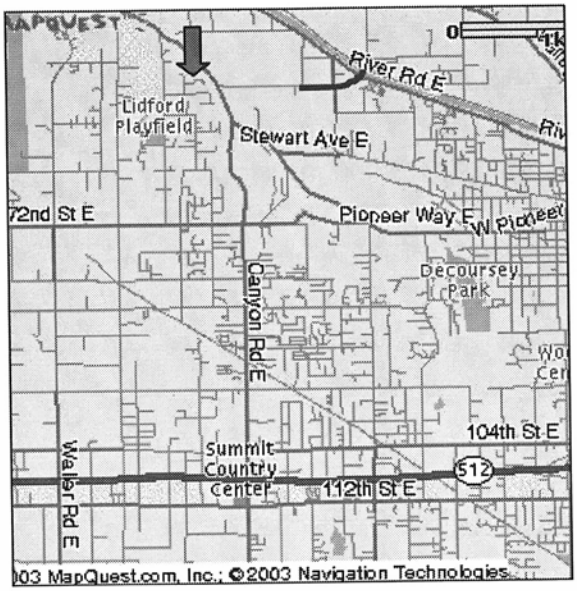
Funding Source	Contribution ($ millions)
City of Fife	4.69
Pierce County	1.12
FAST Phase II	4.72
Freight Mobility Strategic Investment Board (FMSIB)	2.00
Countywide STP	3.00
TIB	2.43
Port of Tacoma	0.25
Private Sector Match	0.65
Total Funding	**18.86**

Canyon Road Northerly Extension / 62nd Ave E to 70th Ave E
Pierce County, WA

Project Description *The Canyon Road Northerly Extension is a new 1.6-mile roadway from Pioneer Way to 70th Avenue East. This section of the extension project will connect 62nd Avenue East to 70th Avenue East in Fife. This project will facilitate access between the Frederickson and Thun Field employment centers to the Port of Tacoma and the Fife industrial area.*

The full extension project is a four to five lane road following the existing Canyon Rd East alignment from approximately 250 feet south of the existing Canyon Road intersection with Pioneer Way. From this intersection, the roadway will be built northeast over the BNSF tracks on an elevated structure. The alignment will turn east at 52nd St East and reach the start of this project at 62nd Ave East. The project continues east on 52nd Street East. Directly east of the 66th Avenue East intersection, the roadway will cross Clarks Creek and curve north to intersect SR 167 (River Rd E) with a new at-grade, signalized intersection. The project will cross the Puyallup River on a new bridge connecting to 70th Avenue E. in Fife. Eventually, the project is planned to connect to the future SR-167.

This project has been identified as a priority improvement in the FAST Corridor.



Project Location
Canyon Road Northerly Extension

Project Status *A final Supplemental EIS was issued in 1997. There are no known impediments to completing this project, assuming secured funding. The design report; and type, size, and location study were completed in June 2004. Right-of-way acquisition, detailed design, and construction are dependent on acquiring additional funding. The schedule below is based on successful finding applications.*

TASK	2003	2004	2005	2006	2007	2008	2009	2010
Pre. Eng. & Env.								
Design								
ROW								
Construction								

Summary of Benefits

- *Improves freight mobility between valley manufacturing, trucking and commercial business and SR-167 (Regional I-5 Freight Bypass) and major destinations such as the Ports of Tacoma and Seattle.*
- *Accommodates freight and general purpose highway growth.*
- *Mitigates existing freight and general purpose highway congestion on such roadways as I-5, SR-512, Pioneer Way E, 52nd St E, & 66th Ave E.*

Funding Status *Funding has been identified from the following sources: Pierce County; Washington State Freight Mobility Strategic Investment Board; TEA 21-STP funding; City of Fife; and Washington State Department of Transportation. TEA 21 – Bridge funding and Transportation Improvement Board funding are being sought to add to the financing package. $3 Million in FMSIB funding has been identified for the Canyon Road Northerly Extension.*

Project Lead: Pierce County - December 2004 update

Funding Source	Contribution *($ millions)*
Pierce County – Project Lead	9.20
FMSIB – Canyon Rd Northerly Extension	3.00
TEA 21 – STP	1.25
TEA 21 – BR (planned)	6.50
TIB (planned)	5.27
City of Fife	1.00
WSDOT	0.40
Unknown (planned)	6.00
Total Funding	***32.62***

12/1404

FMSIB ACTIVE PROJECT LIST

Rank	Agency	Region	Project Name	Current Cost	FMSIB Share
				($ millions)	($ millions)
1	WSDOT	PS-F	SR 519 Intermodal Access Project (Phase 2)	project being	redesigned
2	WSDOT	PS	SR 509 South Access Completion (Phase 1)	1,129.75	50.00
3	Port of Seattle	PS-F	East Marginal Way Ramps	33.47	6.92
5	WSDOT	PS-F	SR 167, I-5 to SR 509 to Port of Tacoma	217.16	12.20
7	WSDOT	GN	I-90 Snowshed	150.67	45.60
10	Port of Tacoma	PS	Lincoln Ave. Grade Separation	40.00	4.20
11	Everett	PS-F	41st St/ Riverfront Parkway (Phase 2)	5.98	4.30
13	Seattle	PS-F	South Spokane St. Viaduct (Phase 1)	77.53	14.40
13	Seattle	PS-F	South Spokane St. Viaduct (Phase 2)	57.89	10.60
15	Puyallup	PS-F	Shaw Rd. Extension	15.00	6.00
*18	Tacoma	PS-F	D St. Grade Separation	28.87	6.00
20	Pierce County	PS-F	North Canyon Rd.Exten./BNSF Overcrossing	13.60	2.00
25	Walla Walla	EW	SR 125/ SR 12 Interconnect (Myra Rd. Exten.)	9.94	4.23
26	Kennewick	EW	Edison St. Railroad Crossing	13.00	5.20
27	Kennewick	EW	Washington St. Railroad Crossing	12.00	4.80
29	Everett	PS-F	E. Marine View Drive Widening	9.91	0.60
32	WSDOT	EW	SR 28, SR 2 / 97 to 9th St.	93.17	17.26
35	Kent	PS	S 228th Street Grade Separations (phase 2)	42.00	6.50
36	Yakima	EW	City of Yakima Grade Separated Rail Crossing	25.00	7.00
39	Seattle	PS	Lander Street Overcrossing	42.50	8.40
43	WSDOT	GN	I-90, Hyak to Easton truck Improvements	248.42	30.70
A	Spokane Co	EW	Park Road BNSF Grade Separation Project	15.00	5.00
D	DOT-Spokane	EW	SR 27 - Pines Rd BNSF Grade Crossing Separation	11.72	3.36
E	Richland	EW	SR 240 & SR 224 Interchange & Railroad Overcrossing	9.30	4.50
F	DOT-Moses Lake	EW	SR 17 Pioneer Way to Stratford Rd Mobility Project	14.61	4.20
G	DOT-Spokane	EW	I-90 Sullivan Rd to Harvard Rd	53.15	9.60
I	Pierce Co	PS	8th Street East UP Railroad Undercrossing	14.70	5.60
44	Spokane	EW	Havana St / BNSF Separation Project	13.00	4.00
45	Pierce Co	PS	Cross Base Highway	180.00	5.00
46	WSDOT NWR	PS	SR 18, Maple Valley to I-90 (MP 16.1 - MP 27.91)	401.25	5.00
47	Renton	PS	Stranger Blvd / SW 27th St. Connection	47.00	4.00
49	Auburn	PS-F	M St. SE Grade Separation Project	23.88	6.00
50	WSDOT NWR	PS	SR 9 / SR 522 to SR 92 Widening (MP 0.00 to MP 17.50)	495.23	5.00
51	Seattle	PS	Duwamish Truck Mobility Improvement Project	7.18	2.80
52	Fife	PS	70th and Valley Ave Widening / SR-167 Alternate	18.86	2.00
53	Pierce Co	PS	Canyon Road Northerly Extension	31.40	3.00
54	Snohomish Co	PS	Granite Falls Alternate Route	18.36	5.00
55	Everett	PS	East Everett Ave Crossing	10.00	2.50
57	Woodinville	PS	SR 202 Corridor Improvement - SR 522 to 127th Pl NE	23.26	2.50
58	Port of Seattle	PS	East Marginal Way Truck Crossover, Near term solution	0.45	0.23
59	Kent	PS	S. 212th Street Grade Separation	50.00	10.00
60	Kent	PS-F	Willis Street Grade Separation	37.00	4.00
**61	Port of Seattle	PS	SR 518 at Airport Dr EB lane addition	**	**
**62	Port of Walla Walla	EW	U.S. 12/SR 124 Interchange	**	**
**63	Everett	PS	I-5/41st Street Overpass Improvements	**	**
			TOTALS	***3,741.19***	**340.20**

**Provisionally Added

Projects on the state system	***2,815.11***	**182.92**
Projects on the local system	***926.08***	**157.28**

State of Washington
Freight Mobility Strategic Investment Board
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Olympia, WA 98504-0965

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