

Washington State Shortline Rail Inventory and Needs Assessment Study

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What is the Purpose of the Shortline Rail Inventory and Needs Assessment Study?

- The Legislature, under ESSB 6001, Sec. 222 (4) , directed WSDOT to conduct a study of the condition and needs of the state's short line rail infrastructure to support a data-driven approach to identifying system needs.
- The proviso directs the department to provide:
 - A preliminary report of key findings and recommendations to the transportation committees of the Legislature and OFM by March 1, 2015.
 - A final report by June 30, 2015.
- WSDOT is working with the Washington State University (WSU) Freight Policy Transportation Institute (FPTI) to develop the study.

What are the Study's Key Deliverables?

1. A high-level inventory of the condition of the existing infrastructure of the short line railroads in Washington State, in a GIS-enabled data layer.
2. Three case studies illustrating how short line rail systems in good repair support regional economic development goals.
3. An analysis of the economic rationale to locate new and/or expand current short line rail load centers in Washington state.
4. An analysis of other states' freight rail programs and funding sources, to inform policy recommendations in Washington State.

Short Line Inventory

To develop the inventory, WSU and WSDOT are surveying all 27 shortline owners and operators in Washington State in this fall.

Preliminary survey results:

- There are diverse short line railroad ownership structures and operations in Washington State, and therefore diverse missions. Structures vary from public utility districts, to privately-held operations, to publicly-traded holding companies.
- Short line railroads are closely tied to specific industry sectors located in the region where they operate. Rural short lines may serve single commodities such as lumber or wheat. Urban short lines serving large ports carry a higher volume and diversity of products.
- There are almost 200 bridges and more than 700 at-grade crossings on the 500 miles of operated track reported to date.
- Owners and operators believe that a key public benefit is their ability to provide an alternative to truck delivery, thereby reducing the impact of trucks on roads.

What Issues Have Been Raised in the Short Line Inventory Survey?

- There is a sharp difference between current short line rail system conditions and infrastructure needs.
- Track conditions that force them to operate at slow speeds is a prevalent concern, as is their inability to run modern, heavier 286,000 pound railcars.
- Many said that the greatest system weakness in the state lies in the amount of capital upgrades needed without sufficient revenue streams to make improvements.
- Some said that if their rail line closed, the industries they serve would fail as the cost of trucking is too high to maintain viability.
- Car availability was mentioned as a significant issue for several respondents.

What are Other States Doing to Support Shortline Railroads?

The study researchers are evaluating short line rail programs from states with similar characteristics to Washington. They are looking for common themes and innovative solutions that will be included in the final report's recommendations.

Tennessee is one successful example:

- The Tennessee Shortline Equity Fund was established in the 1980s and provides grants for track and bridge rehabilitation for certain short line railroad authorities.
- Funding is generated by a sales tax on fuel paid by aeronautics, railroads and towboats.
- Funds are granted annually and recipients may use the funds immediately or choose to defer use of funds up to three years in order to complete a larger project.

How Do Other States Fund Freight Rail Projects?

Funding/Support Mechanism	Disbursement Strategy	Sample of States Using Mechanism
Tax Incentives	Credits	KY
	Exempt (e.g. Property Taxes)	NJ, CT, MA
Bonds	Lottery-Backed; Competitive	OR
	Competitive Grants; Obligated Allocations	NY, CA, NM, UT, VA, WI
Tax Collection (e.g. Real Property Transfer, Fuel, Sales, Rail Car Earnings, Car Rental)	Appropriated/Allocation Based on Prioritized and Assessed Need	TN, OH, OK, VA
	Local Authority Decisions (Competitive or Allocative Basis)	CA, FL,
Revolving Loan Programs	Competitive	KA, OH, WI, IA, NH
General Funds	Annual Appropriation/Subsidy	NY, OK
Grants	Competitive	OR, OH, WI, NJ

What is the Short Line Study Timeline?

Deliverables	Nov/Dec 2014	Jan/Feb 2015	Mar/Apr 2015	May/June 2015
Inventory				
Survey				
Improvement Strategies				
GIS-enabled database				
Economic Benefits of Short Line Railroads				
Load Center Review				
State Benchmarking Review				
Draft Report				
Final Report				

We are very interested in your feedback.

Questions?

For more information, please contact:

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