
Freight Modes

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Trucks

BACKGROUND

- In Washington State, about 67% of freight tonnage is moved by truck (FHWA, [Freight Analysis Framework](#), 2010).
- About 203,699 of the 1,442,462 trucks registered with the Washington State Department of Licensing in FY 2012 carry freight.

GOVERNANCE

- In 2011, there were an estimated 3,577 trucking firms in Washington State.
- The Washington State Patrol enforces overweight limits and safety requirements on trucks (RCW [43.43](#)).
- The Department of Licensing provides prorated (proportionate share of taxes and fees due in Washington and other jurisdictions from interstate carriers) and fuel tax services (RCW [46.87](#)).

FUNDING

- Several user fees are imposed for highway construction, maintenance, and safety:
 - Additional tonnage permits (RCW [46.44.095](#))
 - Combined licensing fees (RCW [46.16A](#), [46.68.035](#))
 - Trailer fees (RCW [46.16A](#))
 - Monthly tonnage permits (RCW [46.16A](#))
 - Safety Inspection Fee ([RCW 46.32.080](#))

OTHER RELEVANT STATUTES

- International Registration Plan (IRP) (RCW [46.85](#), [46.87](#))

Freight Rail

BACKGROUND

In Washington State, about 9% of freight tonnage is moved by rail (FHWA, [Freight Analysis Framework](#), 2010).

- The major rail network is privately owned. Several systems operate on these lines, including freight, national and regional passenger rail, and local commuter rail services.
- The Surface Transportation Board classifies railroad carriers based on operating revenue and function. Each class of railroad is subject to a different degree of federal safety and labor regulation.
 - **Class I Railroads.** Class 1 railroads are the largest rail carriers. There are two Class I railroads operating in Washington State: the BNSF Railway Company and the Union Pacific (UP) Railroad.
 - **Class II Railroads.** There is one Class II railroad (Montana Rail Link) that operates in Washington State, but it does not own any railroad track in this state.
 - **Class III Railroads (Short-lines).** There are 20 short-line railroads and switching railroads operating within the state. These railroads serve local shippers and communities with links to the large Class I railroads. The following rail companies operate short-line railroads in Washington:
 - *Eastern Washington* – Great Northwest, Palouse River and Coulee City, Kettle Falls International, Pend Oreille Valley, Eastern Washington Gateway, and Washington & Idaho;
 - *Central Washington* – Tri-City and Olympia, Columbia River and Cascade, Columbia Basin, and Central Washington;
 - *Western Washington* – Columbia and Cowlitz, Tacoma Rail, Puget Sound and Pacific, Portland Vancouver Junction, Meeker Southern, Ballard Terminal, and several switching railroads.

GOVERNANCE

- Railroads have traditionally been privately owned. Public ownership of short-line infrastructure has grown over the last several decades. The Palouse River and Coulee City, Eastern Washington Gateway, Washington & Idaho, Tri-City and Olympia, Central Washington, Pend Oreille Valley, and Tacoma Rail operate on rail infrastructure owned by the state, a county, or a Port Authority.
- The USDOT Surface Transportation Board, the successor agency to the Interstate Commerce Commission, has broad economic regulatory oversight over railroads, including rates, service, the construction, acquisition and abandonment of rail lines, carrier mergers and interchange of traffic among carriers.
- A limited amount of rail safety regulation is delegated to the Washington Utilities and Transportation Commission.
- The Washington State constitution generally prohibits the gifting of public funds and the lending of state credit (Article 8, section 5 and 7). Public investments in rail infrastructure are improvements to the private rail network. The constitutional test is multi-pronged and may be met if the public expenditure serves a fundamental purpose of government or if the public entity received adequate consideration (value) for its investment. In the case of investments in BNSF's rail network, the test may be met because the expenditure serves the fundamental governmental purpose of providing transportation infrastructure, for the movement of people and goods.

- WSDOT is responsible for developing and implementing Washington’s State Rail Plan and programs. <http://www.wsdot.wa.gov/Freight/Rail/>
- The 2010-2030 Freight Rail Plan can be found [here](#). In 2012, WSDOT began work on a new state rail plan which will incorporate both passenger and freight rail into one strategic plan. <http://www.wsdot.wa.gov/Rail/staterailplan.htm>

FUNDING

Funding was appropriated for the Freight Rail Capital Program in the 2012 Supplemental Budget at the following levels:

- \$5.2 million Multimodal Transportation Account —State; \$15.1 million Multimodal Transportation Account – Federal and Local; \$1.6 million Essential Rail Assistance Account--State; and \$5.6 million Transportation Infrastructure Account -- State.
- The Multimodal Transportation Account -- State revenue source comes from the Motor Vehicle Excise Tax, Retail Sales Taxes and Motor Vehicle Licenses.
- Federal funding comes from earmarks for specific freight rail projects through Federal Rail Administration.
- The Essential Rail Assistance Account is funded by repaid loans from past freight rail projects and is the account into which any 'excess' funds from the grain train are deposited to fund the PCC line.
- The Transportation Infrastructure Account comes from transfer of funds from the Multimodal Transportation Account (State). Four programs are funded:
 - Individual Capital Projects. Projects are added to the transportation budget as funds allow and are listed in the project list that accompanies the adopted transportation budget.
 - Freight Rail Assistance Program. This is a grant program available to both public and private sector rail applicants. Projects must pass certain evaluation criteria and be shown to maintain or improve the freight rail system in the state and benefit the state’s interests.
 - Freight Rail Investment Bank Program. This is a loan program available to the public sector only (the state may not lend to the private sector). This program is intended for small projects (no more than \$250,000) or as a small part of a larger project, where state funds would enable the project to be completed. A 20 percent local match is required and the project must pass a cost/benefit analysis.
 - Palouse River and Coulee City Railroad (PCC). In the past, some direct appropriations have been made from this account to finance improvements to the PCC line. Legislation passed in 2011 allows funds collected from leases or sales of property on the PCC line to be reinvested in the PCC line. In addition, the 2012 budget allows any funds collected through the grain train program, but deemed in excess of the needs of the grain train, to be invested in the PCC line.

OTHER FREIGHT RAIL PROGRAMS

Grain Train Revolving Fund

- This revolving fund is a financially self-sustaining transportation program that supports Washington's farmers, short-line railroads, and rural economic development. The Washington State Grain Train Program operates without taxpayer subsidy. Operations of the Grain Train began in 1994 and the program has grown to a fleet of 100 grain cars. The state owns these grain trains and charges a fee for use which allows for management, operation and sustaining of the program, including periodic replacement of the fleet.

Produce Rail Car Program

- This program, modeled on the successful Washington Grain Train program, provides refrigerated rail cars to help address the critical shortage of railcars for Washington farmers and agricultural shippers. Washington legislators passed a produce rail car law in 2003. Senator Murray secured \$2 million in federal funding from the 2004 and 2005 omnibus appropriation bills to make this project fully operational.

2011 Washington State Rail System



Freight Rail System by Volume - Washington State 2010



Commercial Shipping (Waterborne)

BACKGROUND

There are 11 deep-draft public ports in Washington with commercial marine terminals, and six shallow-draft public marine terminals. There are shallow-draft ports frequently used for fish landings at the Ports of Willapa Harbor, Peninsula, Ilwaco, and Chinook. In addition, there are many privately-owned marine terminal facilities throughout the state.

Washington has seven deep-draft ports in Puget Sound, one on the Pacific Coast and three deep-draft ports on the Columbia River. In addition, there are seven inland ports on the Columbia-Snake Rivers that are served by barge.

Crude petroleum was the largest volume waterborne commodity imported into Washington in 2010, and the majority originated from Alaska. Manufactured goods were the second largest commodities entering Washington State by water, most arriving in containers that originated from the Pacific Rim. For more information, see the [Washington State Freight Mobility Plan, Interim Data Report, June 2012](#).

International trade moving through the ports of Seattle and Tacoma totaled about \$78 billion in 2011. These two ports accounted for over 89 percent of the value of international imports entering through Washington, and almost 63 percent of waterborne international exports. For more information, see the [Port of Seattle's 2011 Foreign Waterborne Trade Report](#).

Puget Sound seaports move large volumes of containerized imports from Asia, and the Columbia River seaports move large volumes of U.S. agricultural exports.

Seventy percent of total inbound international container traffic is pass-through cargo destined for the Midwest or Eastern United States.

In 2010 Washington's two largest seaports, the Port of Seattle and the Port of Tacoma, ranked as the third largest container port complex behind Los Angeles/Long Beach and New York/New Jersey. The two ports combined handled more than 2.2 million twenty-foot equivalent units (TEUs), which is equal to 7.7 percent of all U.S. containerized exports and 8.3 percent of U.S. containerized imports. For more information, see the [US Army Corps of Engineers, Navigation Data Center](#).

Columbia River seaports, especially the Ports of Vancouver, Kalama, and Longview, play major roles in the movement of exported agricultural products. In 2011, these three ports had 861 vessel calls and shipped 20.2 million metric tons of commodities between them.

Major Ports Serving Waterborne Trade

<u>Columbia Deep-Draft Ports</u> Port of Kalama Port of Longview Port of Vancouver	<u>Pacific Coast Ports</u> Port of Grays Harbor
<u>Columbia/Snake River Ports</u> Port of Benton Port of Clarkston Port of Kennewick Port of Klickitat Port of Pasco Port of Walla Walla Port of Whitman County	<u>Puget Sound Ports</u> Port of Anacortes Port of Bellingham Port of Everett Port of Olympia Port of Port Angeles Port of Seattle Port of Tacoma

GOVERNANCE AND FUNDING

- Commercial shipping is primarily conducted by private interests.
- Washington State authorizes public ports dedicated to building and operating facilities to foster trade and economic development, including marine shipping. (See the *Local/Regional Jurisdictions* section on page 405 for more information on ports.)
- Ports are funded by user fees, property lease and rental fees, property tax levies, grants, and bond proceeds (Chapter 53.36 RCW).
- The United States Coast Guard regulates navigation and surface water transportation.
- The Washington Board of Pilotage Commissioners is responsible for maintaining pilotage services on the Puget Sound and the coastal estuaries.
- The Oregon Board of Pilotage governs pilotage services on the Columbia River.

OTHER RESOURCES:

[WSDOT Freight Division Marine information page](#)

[Washington State Freight Mobility Plan, Interim Data Report, June 2012](#)

