

May 31, 2016

TO: MPO/RTPO Directors

FROM: Ron Pate, Director, Washington State Department of Transportation (WSDOT) Rail, Freight, and Ports Division  
Ashley Probart, Executive Director, Washington State Freight Advisory Committee (WAFAC), a standing subcommittee of the Freight Mobility Strategic Investment Board (FMSIB)

SUBJECT: 2016 Call for Regional, Tribal, and Port Freight Projects

Dear MPO/RTPO Directors:

In 2014, local and regional partnerships were instrumental in developing the Washington State Freight Mobility Plan, which included a list of high priority local, regional, port, and state freight mobility capital investments, along with programmatic freight system preservation needs. In the plan, the Washington State Department of Transportation (WSDOT) committed to updating the list of freight projects every two years. WSDOT and the Washington State Freight Advisory Committee (WAFAC) are now issuing this statewide solicitation for local freight projects as part of this update. MPOs and RTPOs are encouraged to work with cities, counties, ports, and tribes to submit projects to WSDOT.

Much has changed since the Freight Mobility Plan was completed in 2014, with the passage of the state Connecting Washington transportation package, release of the draft National Freight Strategic Plan, and the passage of the federal Fixing America's Surface Transportation (FAST) Act. Some freight projects have been funded or completed, national freight policy and freight strategies have been proposed, and new freight funding opportunities have become available. Because of these changes, the project list must be updated to meet new requirements and remain accurate.

### **2016 Freight Project List Request**

There are two specific needs that require an update to the project list in the 2014 State Freight Mobility Plan. First, the Washington State Legislature has given WSDOT a requirement to provide a prioritized, fiscally-constrained freight project list. Second, The FAST Act<sup>1</sup> (section 70202) requires states to develop freight plans by December 2017 that include a fiscally-constrained freight investment plan.

As required by the Washington State Legislature, WSDOT with WAFAC and other freight partners must complete a list of prioritized freight projects by November 1, 2016,

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<sup>1</sup> <https://www.congress.gov/114/bills/hr22/BILLS-114hr22enr.pdf>

for consideration for funding in the 2017-2019 fiscal biennium.<sup>2</sup> Because of this need, WSDOT and WAFAC are collaborating with MPO, RTPO, and tribal partners to identify projects in cities, counties, ports, and tribal areas to create the 2016 freight project list. Cities, counties, and ports will need to coordinate with MPOs and RTPOs before submitting projects to the 2016 list. Tribes may submit projects directly to WSDOT, but are encouraged to work directly with their respective MPO/RTPO to achieve regional coordination.

It is important to recognize this list will build upon the freight project list included in the 2014 State Freight Mobility Plan:<sup>3</sup>

- Project submitters should review existing projects in the 2014 list, and provide updated information for projects that are still regional priorities in need of funding, and meet eligibility criteria described in the attachment.
- Updated project information must be submitted using the electronic project forms to ensure the projects meet the new eligibility requirements under the FAST Act.
- Projects from the 2014 list not meeting eligibility criteria will not be accepted for the 2016 list development. No updated information is required for those projects.
- New projects not included in the 2014 State Freight Mobility Plan but meeting eligibility criteria may also be submitted.

In September, WSDOT will evaluate all project submissions based on the eligibility criteria to develop the 2016 freight project list. WAFAC will advise WSDOT on prioritizing the list in October. This prioritized project list will be submitted to OFM and the transportation committees of the legislature by November 1, 2016, for funding consideration.

This project list will also be used to update the 2014 State Freight Mobility Plan in 2017. The FAST Act (section 70202) requires states to develop freight plans by December 2017 that include a fiscally-constrained freight investment plan covering five years and describes how National Highway Freight Program funding would be invested and matched. The 2017 Washington State Freight System Plan will include a prioritized list of projects eligible for National Highway Freight program (freight formula funding), and a list of projects eligible for Nationally Significant Freight and Highway Projects Program (FASTLANE grant funding).<sup>4</sup> Projects that are identified beyond FAST Act funding availability of FY2020, but still meeting the requirements of the act, will be listed separately due to their ineligibility for federal funding.

In May, WSDOT coordinated with WAFAC to finalize the freight project criteria and the submission forms. This was done to ensure local projects that are eligible for these programs can be added to the freight project lists. Projects in the list submitted to the

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<sup>2</sup> <http://leap.leg.wa.gov/leap/Budget/Detail/2016/CTBill0307.pdf>, p. 34.

<sup>3</sup> <http://www.wsdot.wa.gov/NR/rdonlyres/4AB1DCDE-5C29-4F08-B5E7-697F432C34D7/0/2014WashingtonStateFreightMobilityPlan.pdf>, p. 124

<sup>4</sup> 2016 NOFO for FASTLANE program requires that “to the extent possible, freight projects should be included in a State Freight Plan and supported by a State Freight Advisory Committee.” (<https://www.transportation.gov/sites/dot.gov/files/docs/FY16%20FASTLANE%20Amended%20NOFO.pdf>, page 27).

state legislature and in the freight plan update are not guaranteed funding from either of the two freight programs. Instructions and more detail are provided in the attachment to help you ensure your projects are eligible for these new funding sources.

### **Project Submittal and Correspondence**

It is important to note that submitted projects must meet all criteria and screening, as described in the project submittal forms. WSDOT, in collaboration with all MPOs, is currently finalizing the eligible highway network<sup>5</sup> by designating Critical Urban and Rural Freight Corridors, which will be added to the existing National Highway Freight Network in September 2016, pending FHWA certification. Projects located on the draft Critical Urban or Rural Freight Corridors may be submitted, but project eligibility is subject to FHWA corridor approval.

Because the freight formula program and FASTLANE program have distinct eligibility requirement and screening criteria, a separate project submission form is provided for each funding program to streamline the process and to reduce the request for unnecessary project information. Project submitters will be required to identify which federal program they are requesting consideration for and use the appropriate electronic forms. Projects may be submitted for eligibility for both the formula and grant programs. The project submittal forms can be found at <http://www.wsdot.wa.gov/freight/>. The deadline for project submittal is **August 31, 2016**. Please send completed electronic forms (.xls) to Matthew Pahs at [pahsm@wsdot.wa.gov](mailto:pahsm@wsdot.wa.gov).

WSDOT will review the project submittals in September, and propose a prioritized list to WAFAC in October. During this process, WSDOT will be available for questions on project eligibility and submission requirements. WSDOT intends to notify project proponents of the project list status before the list is delivered to WAFAC for their approval. The final, prioritized list of freight projects will be delivered to OFM and the transportation committees of the legislature by November 1 for funding consideration.

Projects seeking funding in the next four years are especially encouraged to be submitted in order to be eligible for federal funding availability. WSDOT intends to update the freight project list again in 2018 to ensure the project list remains current. If you have any questions, please contact Matthew Pahs at 360-705-7139 or Wenjuan Zhao at 360-705-6990. Thank you for your partnership.

cc: Association of Washington Cities  
Washington State Association of Counties  
Washington Public Ports Association  
WSDOT Region Planning Managers

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<sup>5</sup> Draft corridor map outside PSRC can be found at:  
<http://wsdot.maps.arcgis.com/home/item.html?id=0fe90fe7cd324ed9a9a9586866aa9b04>  
Contact Sean Ardussi at [sardussi@psrc.org](mailto:sardussi@psrc.org) regarding draft critical urban freight corridors within PSRC.

## ATTACHMENT

### **National Highway Freight Program Eligibility**

The FAST Act established the National Highway Freight Program, which provides to states formula funding that can be used for projects on the National Highway Freight Network. Washington State receives approximately \$20 million annually from 2016 to 2020. Funds apportioned to the State for the national highway freight program may be obligated to carry out one or more of the following:

- i. Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities.
- ii. Construction, reconstruction, rehabilitation, acquisition of real property (including land relating to the project and improvements to land), construction contingencies, acquisition of equipment, and operational improvements directly relating to improving system performance.
- iii. Intelligent transportation systems and other technology to improve the flow of freight, including intelligent freight transportation systems.
- iv. Efforts to reduce the environmental impacts of freight movement.
- v. Environmental and community mitigation for freight movement.
- vi. Railway-highway grade separation.
- vii. Geometric improvements to interchanges and ramps.
- viii. Truck-only lanes.
- ix. Climbing and runaway truck lanes.
- x. Adding or widening of shoulders.
- xi. Truck parking facilities eligible for funding under section 1401 of MAP-21 (23 U.S. Code §137).
- xii. Real-time traffic, truck parking, roadway condition, and multimodal transportation information systems.
- xiii. Electronic screening and credentialing systems for vehicles, including weigh-in-motion truck inspection technologies.
- xiv. Traffic signal optimization, including synchronized and adaptive signals.
- xv. Work zone management and information systems.
- xvi. Highway ramp metering.
- xvii. Electronic cargo and border security technologies that improve truck freight movement.
- xviii. Intelligent transportation systems that would increase truck freight efficiencies inside the boundaries of intermodal facilities.
- xix. Additional road capacity to address highway freight bottlenecks.
- xx. Physical separation of passenger vehicles from commercial motor freight.
- xxi. Enhancement of the resiliency of critical highway infrastructure, including highway infrastructure that supports national energy security, to improve the flow of freight.
- xxii. A highway or bridge project, other than a project described in clauses (i) through (xxi), to improve the flow of freight on the National Highway Freight Network.
- xxiii. Any other surface transportation project to improve the flow of freight into and out of a facility, including projects (i) within the boundaries of public or private freight rail or water facilities (including ports); and (ii) that provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of the facility.

## National Highway Freight Program Project Screening

Projects published on this list will need to meet the following screening:

**Network Screening:** Projects are required to be located on the National Highway Freight Network, which is currently in development (the Primary Highway Freight System and remainder of Interstate system have been established; Critical Urban and Rural Freight Corridors are to be designated by September). A state may obligate apportioned funds for projects on any component of the National Highway Freight Network. Projects that do not meet these requirements will not advance to the next screening for consideration.

**Regional Screening:** Projects are required to be supported by the regional transportation planning organization. If a project is not in a current regional plan, a letter from the metropolitan or regional planning organization must be submitted with the project. Tribal projects may be submitted directly to WSDOT; regional coordination is encouraged. Projects that do not meet these requirements will not advance to the next screening for consideration.

**Scheduling Screening:** Projects are required to identify the scheduled year that funding is expected to be used. The program is funded through FY2020 under the FAST Act, and projects must be scheduled no later than June 30, 2020, to become eligible for funding. For construction projects, this is the year for construction. If projects are not ready for construction, the scheduled year for development phase activities should be provided. Projects scheduled beyond June 30, 2020 will be considered long-range investments without identified federal funding.

**Funding Screening:** Projects are required to demonstrate fiscal constraint and quantify the gap in current funding. Fund sources and commitments must be identified and documented as part of the submission. Updated project costs should be provided in state FY2017 dollars. Projects that do not meet these requirements will not be considered.

## National Highway Freight Program Project Prioritization

Submitted projects will be prioritized based on readiness. WAFAC will categorize projects eligible to use formula funding, based on three tiers. A prioritized project list will be delivered to the legislature for funding consideration.

Tier 1 will be composed of screened projects that are scheduled July 2016 to June 2018.

Tier 2 will be composed of screened projects that are scheduled July 2018 to June 2020.

Tier 3 will be composed of screened projects that are scheduled July 2020 to June 2035.

## Nationally Significant Freight & Highway Projects Program Requirements

The FAST Act also established the Nationally Significant Freight & Highway Projects Program, administered as the FASTLANE grant program. Eligible project costs include:

- 1) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities; and
- 2) construction, reconstruction, rehabilitation, acquisition of real property (including land related to the project and improvements to the land), environmental mitigation,

construction contingencies, acquisition of equipment, and operational improvements directly related to improving system performance.

The US Secretary of Transportation may select a project for funding under this section only if the Secretary determines that:

- 1) the project will generate national or regional economic, mobility, or safety benefits;
- 2) the project will be cost effective;
- 3) the project will contribute to the accomplishment of one or more of the national goals described under section 150 of Title 23, United States Code;
- 4) the project is based on the results of preliminary engineering;
- 5) with respect to related non-Federal financial commitments:
  - A. one or more stable and dependable sources of funding and financing are available to construct, maintain, and operate the project; and
  - B. contingency amounts are available to cover unanticipated cost increases;
- 6) the project cannot be easily and efficiently completed without other Federal funding or financial assistance available to the project sponsor; and
- 7) the project is reasonably expected to begin construction not later than 18 months after the date of obligation of funds for the project.

### **Nationally Significant Freight & Highway Projects Program Screening**

Projects published on this freight grant list will need to meet the following criteria:

**Network Screening:** Eligible projects include the following only:

- Highway freight projects on the National Highway Freight Network;
- Highway or bridge projects carried on the National Highway System;
- Railway-highway grade crossing or grade separation projects; or
- Freight intermodal or rail projects.

**Regional Screening:** Projects are required to be supported by the regional transportation planning organization. If a project is not in a current regional plan, a letter from the metropolitan or regional planning organization must be submitted with the project. Tribal projects may be submitted directly to WSDOT; regional coordination is encouraged.

**Funding Screening:** Projects must be reasonably expected to begin construction not later than 18 months after the date of obligation of funding. The estimated end date of the final Notice of Funding Opportunity for the FASTLANE grant program has a projected latest date of spring 2020; the program is funded at approximately \$900 million per year. Minimum project costs for large projects is \$100 million; the funding gap is required to be at least \$25 million. For small projects less than \$100 million, the funding gap is required to be at least \$5 million. Projects are required to demonstrate availability of sufficient funds (Federal, state, local, and private), less the grant request, to cover at least 40 percent of total project costs (FASTLANE grants may be used for up to 60 percent of the future eligible project costs, and total federal assistance may be up to 80 percent of project costs). Fund sources and commitments must be identified and documented as part of the submission. Updated project costs should be provided in state FY2017 dollars.