

2017 Washington State
FREIGHT SYSTEM PLAN

APPENDIX D

FREIGHT SYSTEM PARTNERS AND
FUNDING SOURCES

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Many public and private sector organizations must both fulfill their roles and cooperate with each other to meet performance goals for the multimodal freight system. These organizations include federal agencies, state agencies, local governments, regional freight organizations, and freight industry participants.

Following is a description of some of the key freight system players, including their responsibilities and funding sources at both the federal and state level for freight transportation projects. This section also contains a short summary of the limitations on what state revenue can be collected and how it can be expended to maintain and improve freight systems.

Washington state law¹ recognizes that many stakeholders must work together in order to maintain and improve transportation systems and facilities of statewide significance. State law defines transportation facilities of statewide significance, which include a subset of the state-owned highway transportation system, the Interstate Highway System, freight railroad system, Columbia-Snake River System, marine port facilities, and services related to marine activities affecting international and national trade, including key freight transportation corridors serving these marine port facilities. By considering the needs of freight in planning activities, partners across the state can help to support the multimodal freight system and economic vitality. WSDOT is committed to helping partners integrate freight into the mainstream transportation discussion.

The Washington state transportation budget² pays for the operations and capital costs of maintaining, preserving, and improving the highway and ferry systems and enforcement on the state highway system. With budgets tightening, WSDOT is focusing its resources on the maintenance and preservation of existing transportation assets. Revenues available for transportation purposes include federal funds, state funds (including taxes and fees), bonds, and local funds. A portion of the budget goes to local governments. State agencies supported by the state transportation budget include WSDOT, the Freight Mobility Strategic

Investment Board (FMSIB), the Washington State Patrol (WSP), the County Road Administration Board (CRAB), the Washington State Transportation Commission (WSTC), the Transportation Improvement Board (TIB), and others.

1. Freight Industry and Associations

Shippers and receivers are businesses that require the pick-up and/or delivery of goods, most of which is done via truck. Therefore, shippers and receivers are responsible for the generation of truck trips on the roadway systems in Washington. Shippers and receivers may include manufacturers, agricultural producers, and retail stores, among others. Some shippers and receivers have loading docks developed to facilitate the delivery or pick-up of goods, while others, particularly those in urban areas, do not.

Many terminals in Washington are leased facilities on lands controlled by port districts and therefore are not privately owned. There are a few notable exceptions, like the proposed Millennium Bulk Terminal in Longview, petroleum refineries on the Salish Sea, and several of the grain exporting terminals located along the Columbia-Snake River System. These terminals are often responsible for making improvements to transportation infrastructure located directly onsite.

1.1 Trucking

Trucking companies are usually private businesses that specialize in moving freight cargo. Trucking companies are essential to managing the forwarding of freight and moving cargo between terminals and/or shippers and receivers. Trucking companies vary greatly in size and structure, but most own a fleet of trucks and employ truck drivers. Some will contract with independent owner-operators. Approximately 90 percent of the trucking industry in the United States consists of small business trucking companies that have six or fewer trucks; however, some companies, such as UPS, are much larger. While some trucking companies provide

¹ RCW 47.06.140: Transportation facilities and services of statewide significance. <http://apps.leg.wa.gov/Rcw/default.aspx?cite=47.06.140>

² WSDOT. Current budget. <https://www.wsdot.wa.gov/Finance/budget.htm>

long-haul services, others provide solely regional or drayage trips. Long-haul drivers carry freight across the country and even across national borders. Regional drivers travel within multi-state areas. Drayage drivers carry freight short distances between ports and terminals.

The American Trucking Association (ATA) advocates for policies that promote highway safety, security, environmental sustainability, and profitability for the trucking industry. The ATA works with the Washington Trucking Association to educate policymakers and the general public about the essential role trucking plays in the economy, promotes responsible policies to improve highway safety, and advances the trucking industry's environmental goals.

The Owner-Operator Independent Drivers Association (OOIDA) is the international trade association representing the interests of independent truck owner-operators and professional truck drivers. OOIDA advocates the views of professional truckers through interaction with local, state, and federal governments, other associations, and private businesses to advance highway safety, transportation policy, and an equitable environment for truck drivers.

The National Association of Truck Stop Owners (NATSO) represents travel plaza and truck stop owners and operators. NATSO lobbies the federal and local governments for laws favorable to their members. NATSO advances the industry's interests by influencing government action and public opinion on highway issues, such as rest area commercialization, tolling, and truck parking, while representing the industry on environmental and energy issues, primarily related to diesel fuel.

1.2 Railroads

The Association of American Railroads (AAR) advocates for the safety, security, and efficiency of the railroad industry. AAR advances public policies, and establishes safety, security, and operating standards. AAR also supports continued research and development projects, and prepares statistical reports that support the interests of the freight rail industry. There are over

3,000 miles of railroad lines in Washington. Two Class I railroads, BNSF Railway and Union Pacific Railroad, as well as 23 short-line railroads, operate through communities in Washington.

1.3 Marine

The marine freight waterways in Washington consists of the Pacific Ocean, the Salish Sea, and the Columbia-Snake River System. These waterways and their channels, combined with commercial ports, terminals, locks/dams, and vessels, comprise the marine system. The marine freight system also includes ports, the intermodal landside connections that allow the roadway and railway systems to move freight to and from the water. Marine freight supports international trade by providing safe, efficient, and cost effective transportation options for shippers.

The Pacific Ocean forms most of the western border of Washington. All commercially navigable waters in Washington lead to the Pacific Ocean, where freight can be transported globally from ports and terminals. Both ships and barges traverse the Pacific Ocean. Grays Harbor is the only deep-draft port capable of handling ocean going vessels located directly on the Pacific coast in Washington.

The Salish Sea is composed of three large bodies of water (the Strait of Juan de Fuca, the Strait of Georgia, and the Puget Sound), as well as several smaller bodies of water (e.g., Elliott Bay, Commencement Bay, Bellingham Bay, Hood Canal, Haro Strait, Rosario Strait) that are connecting channels and adjoining waters. There are seven deep-draft ports capable of handling ocean going vessels in the Salish Sea, located at Port Angeles, Bellingham, Anacortes, Everett, Seattle, Tacoma, and Olympia. There also private terminals in operation outside port districts.

The Columbia-Snake River System is composed of the two connected rivers that facilitate commercial navigation. There are three deep-draft ports in Washington currently handling ocean-going vessels on the Columbia River, at Vancouver, Kalama, and Longview. An additional nine shallow draft ports in Washington handle barges at Clarkston, Garfield-

Central Ferry, Whitman-Central Ferry, Whitman-Wilma, Whitman-Almota, Walla Walla, Benton, Pasco, and Klickitat. There are other ports not currently handling cargo that have the capability and infrastructure for handling marine freight, and private terminals in operation outside port districts. Shippers and receivers in Washington also use marine freight facilities and terminals on the Columbia-Snake River System outside the state, including Portland and Morrow in Oregon and Lewiston in Idaho.

The Washington Public Ports Association (WPPA)³ promotes the interests of the port community in Washington through government relations, education, and advocacy. WPPA also produces the Marine Cargo Forecast, which projects the volume of cargo moving through public and private facilities.

The Pacific Northwest Waterways Association (PNWA)⁴ is a collaboration of ports, businesses, public agencies and individuals who combine their economic and political strength in support of navigation, energy, trade, and economic development throughout the Pacific Northwest. PNWA works to ensure that our waterways are efficient, reliable, and environmentally sustainable. Membership includes public ports, tug and barge companies, steamship operators, grain elevator operators, agricultural producers, forest products manufacturers, electric utilities, irrigation districts, other businesses, public agencies, and individuals throughout Washington, Oregon, Idaho, and Northern California.

Pilot associations represent marine pilots who guide large ships through dangerous or congested waters, thus ensuring the safety of ships, crews, passengers, and cargoes. Ships on the Salish Sea and the Columbia River are required to use pilots. Columbia River Bar Pilots are responsible for ships at the mouth of the Columbia, while Columbia River Pilots take responsibility for ships upstream of Astoria, Oregon. Puget Sound Pilots guide ships through the Salish Sea. These groups are overseen by boards in Oregon and Washington established

by the Public Utility Commissions in each state. The commissions are composed of members appointed by the governor and approved by the senate, and represent the public, pilots, and industry. They establish rates, certification requirements and other conditions.

1.4 Air cargo

Air cargo consists of both air freight and air mail. There are 134 public-use airports in Washington, 24 of which report air cargo activity. Most airports are privately owned, but some are managed by the state. Of the 16 state managed airports in Washington, nine are state-owned, three are operated by special use permit, three are leased and one is operated through a right of entry.⁵ WSDOT's Airport Aid Grant Program provides financial assistance to public-use airports. Any city, county, airport authority, political subdivision, federally recognized tribe, public corporation, or person(s) that owns and operates a public-use airport included in the *Washington Aviation System Plan* (WASP) is considered an eligible airport sponsor and may apply for WSDOT Airport Aid grant funds. In 2016, WSDOT awarded \$1.8 million in state funds to 28 airports.⁶ This state funding was supplemented with \$55.4 million in federal investment and \$6.8 million in local investment to preserve and improve airport pavement as well as address safety and security concerns and fund maintenance, property acquisition, and planning initiatives.

1.5 Pipelines

The three major pipelines in Washington are privately owned and include the Olympic, Chevron, and Yellowstone. The Olympic pipeline runs north-south through western Washington from Portland, Oregon to Blaine. The Chevron pipeline runs from Salt Lake City, Utah to Pasco and connects to Spokane. The Yellowstone pipeline runs from Billings, Montana to Spokane and Moses Lake.⁷

³ Washington Public Ports Association. <http://washingtonports.org/>

⁴ Pacific Northwest Waterways Association. <http://www.pnwa.net/>

⁵ Washington Department of Transportation. WSDOT Managed Airports. <http://www.wsdot.wa.gov/aviation/Airports/>

⁶ Washington Department of Transportation. WSDOT Aviation Grant Recipients 2016. <http://www.wsdot.wa.gov/aviation/Grants/2016.htm>

⁷ Federal Highway Administration. Status of the Highway Trust Fund. <https://www.fhwa.dot.gov/policyinformation/statistics/2015/fe210.cfm>

Exhibit 1-1: Highway Trust Fund Revenue Sources

Highway Trust Fund Revenue Sources	Description	Revenue FFY 2015 ⁷
Federal Gasoline Tax	18.40 cents/gal	\$25 billion (\$21 billion Highway Account, \$3.9 billion Transit Account)
Federal Diesel Tax	24.40 cents/gal	\$9.6 billion (\$8.5 billion Highway Account, \$1.1 billion Transit Account)
Federal Vehicle Based Taxes	Includes a tax based on tire weight, a retail tax on trucks weighing more than 33,000 pounds, and a heavy vehicle use tax.	\$6.2 billion (Highway Account)
Miscellaneous	Includes fines and penalties, federal loans, interest income, etc.	\$26 million (\$25.5 million Highway Account, \$0.5 million Transit Account)
Total Revenue		\$40.8 billion

Source: Federal Highway Administration

2. Federal Agencies

There are many federal agencies with roles and responsibilities related to freight transportation. Federal agencies provide stewardship of freight assets, conduct research, assist state and local agencies, and allocate freight funds. These organizations are housed under the umbrella of the U.S. Department of Transportation and are discussed in further detail below.

At the federal level, the main source of funding for transportation is the Federal Gasoline Tax; other funding sources include the Federal Diesel Tax and the Federal Vehicle Taxes, among others. Exhibit 1-1 below is a summary of current revenue sources for Federal Fiscal Year 2015. Federal funds can be allocated to state or local projects. Washington state has been awarded federal funds to complete freight projects.

Federal tax rates are flat rates that are not indexed to inflation and remain constant unless action is taken by Congress. The current tax rates on fuel are too low to meet the long-term needs for service improvements and congestion relief on the Federal Aid Highway System. As vehicles become more fuel-efficient and drivers are able to go further using less fuel, less fuel tax revenues are collected from states, worsening the Highway Trust

Fund solvency problem. Taxes on tires, truck and trailer sales, and heavy vehicles are levied on oil companies, tire manufacturers, truck and trailer retailers, and the owners of heavy vehicles. Highway users, including operators of freight vehicles, generally pay these types of taxes indirectly, as they become part of the purchase price of the taxed items.

A portion of federal gasoline and diesel taxes is diverted away from the Highway Account to other purposes, primarily to the transit account. Freight needs are funded primarily through the Federal Highway Account. The Fixing America's Surface Transportation (FAST) Act transferred about \$71 billion, mostly from the general fund of the Treasury, to the Highway Trust Fund. Of those amounts, roughly \$52 billion were credited to the highway account for the 2016 to 2018 period. Under current law, the trust fund cannot incur negative balances, nor is it permitted to borrow to cover unmet obligations presented to the fund. The highway account ended in 2016 with a balance of approximately \$47 billion. However, the Congressional Budget Office (CBO) predicts that, by 2026, the cumulative shortfall will grow to \$80 billion.⁸

⁸ Congressional Budget Office. Status of the Highway Trust Fund Based on CBO's August 2016 Baseline. September 9, 2016. <https://www.cbo.gov/publication/52307>

2.1 United States Department of Transportation

The United States Department of Transportation (USDOT) was established by the U.S. Congress with the mission of ensuring a fast, safe, efficient, accessible and convenient transportation system that meets national interests and improves quality of life. Many agencies operate within the USDOT and contribute to the safety, mobility, and efficacy of the national freight system.

2.2 Federal Highway Administration

The Federal Highway Administration (FHWA) supports state and local governments in the design, construction, and maintenance of the nation's highway system, including bridges and tunnels, which supports the majority of freight movement within the United States.

FHWA administers several programs (listed below), which provide the opportunity for eligible projects and entities to receive freight funding. The recent passage of the FAST Act continued key funding sources and added new programs with freight applications. Washington state's apportionments of FAST Act funds for federal fiscal year 2017 total \$684.2 million; a breakdown is found in Exhibit 2-1.

The FAST Act established the National Highway Freight Program (NHFP)⁹ to improve the efficient movement of freight on the National Highway Freight Network. NHFP eligible projects must contribute to the movement of freight on the National Highway Freight Network and be identified in a freight investment plan included in the state's freight plan. The FAST Act directs FHWA to apportion funding as a lump sum for each state, then divide that total among apportioned programs. For the 2016 federal fiscal year, \$1.150 billion in total funding was authorized.

WSDOT published a prioritized freight project list in October 2016.¹⁰ WSDOT reviewed each submitted project for eligibility, and categorized projects into three tiers based on scheduled year of preliminary engineering, right of way, or construction activities. Tier 1 is composed of projects scheduled from July 2016 to June 2018 and includes 101 projects amounting to \$1.89 billion in funding requests. WSDOT validated this project list during the development of the *2017 Washington State Freight System Plan* and published the project list in the *2017 Freight Investment Plan*, found in Appendix A. For fiscal year 2017, FHWA apportioned \$18.3 million in NHFP funds to Washington.¹¹

The Surface Transportation Block Grant (STBG) program provides flexible funding that may be used by states and localities for projects to preserve and improve conditions and performance on any federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. The movement of freight benefits from improved roadway, bridge, and tunnel conditions and performance. The FAST Act directs FHWA to apportion STBG funding as a lump sum for each state, then divide that total among apportioned programs. For fiscal year 2017, FHWA apportioned approximately \$186 million in STBG funds to Washington.¹² WSDOT allocates funds from the STBG program to Metropolitan Planning Organizations (MPO) and county lead agencies for prioritizing and selecting projects that align with their regional priorities, which can include freight projects. WSDOT also sets delivery targets for each MPO and county lead agency. In fiscal year 2016, WSDOT allocated \$98.5 million in STBG funds to eligible agencies.¹³

⁹ National Highway Freight Program. 23 U.S.C. § 167 [http://uscode.house.gov/view.xhtml?req=\(title:23%20section:167%20edition:prelim](http://uscode.house.gov/view.xhtml?req=(title:23%20section:167%20edition:prelim)
¹⁰ WSDOT. Prioritized Freight Project List. <http://www.wsdot.wa.gov/publications/fulltext/LegReports/15-17/2016PrioritizedFreightProjectList.pdf>

¹¹ Office of Financial Management. June 2017 Transportation Economic and Revenue Forecasts Volume II: Detailed Forecast Tables <http://www.ofm.wa.gov/budget/info/June17transpovol2.pdf>

¹² Ibid

¹³ WSDOT. 2016 Surface Transportation Block Grant (STBG) Program – Final. April 26, 2016. <http://www.wsdot.wa.gov/NR/rdonlyres/1CF6C4A7-5860-4351-A9E8-CBF9BE4293B1/0/FinalIFFY2016STBG.pdf>

Exhibit 2-1: Washington State Funding Apportionments Under the FAST Act in 2017

Program	Apportionment
National Highway Freight Program	\$18.3 million
Surface Transportation Block Grant	\$186.0 million
Highway Safety Improvement Program + Railway-Highway Crossings Program	\$57.1 million
Congestion Mitigation & Air Quality Improvement	\$36.6 million
Metropolitan Planning	\$7.4 million
National Highway Performance Program	\$365.0 million
Statewide Planning & Research	\$13.7 million
Total	\$684.2 million

Source: Office of Financial Management, Transportation Revenue Forecast Council ¹⁴

Exhibit 2-2: Estimated NHFP Funding Apportionment for Washington

Year	Funding
2016	\$19.3 million
2017	\$18.3 million
2018	\$17.9 million
2019	\$20.3 million
2020	\$13.6 million

Source: Washington Office of Financial Management

The Highway Safety Improvement Program (HSIP), also part of the FAST Act, is a federal aid program with the purpose of achieving a significant reduction in traffic fatalities and serious injuries on all public roads, including non-state-owned roads and roads on tribal lands. Included in HSIP are funds for the Railway-Highway Crossings Program, which provides for the elimination of hazards and the installation of protective devices at railway-highway crossings. Washington received \$35.4 million in HSIP funds in 2016.

WSDOT Local Programs administers Washington's share of local HSIP funds for local jurisdictions, which includes three federal safety funding programs: the

county safety program, the city safety program, and the innovative safety program. In 2016, WSDOT awarded funding to 33 innovative safety program projects (20 projects in 16 cities and 13 projects in nine counties), totaling \$24.8 million.¹⁵ For fiscal year 2017, FHWA has apportioned \$53 million in HSIP funds to Washington, with half of those funds going to local jurisdictions, and an additional \$4.2 million for railway-highway crossings.¹⁶

The Congestion Mitigation and Air Quality Improvement (CMAQ) program¹⁷ provides funding to transportation-related environmental projects for states, metropolitan planning organizations, and other sponsors. The FAST Act provides \$2.3 to \$2.5 billion in CMAQ funding each year to areas in nonattainment or maintenance status for the National Ambient Air Quality Standards. FHWA has apportioned \$36.6 million in CMAQ funding to Washington for fiscal year 2017.¹⁸ WSDOT allocates CMAQ funds to the five MPOs representing maintenance areas in Washington.¹⁹ Exhibit 2-3 represents the estimated funding allocation for fiscal year 2017.

¹⁴ Office of Financial Management. June 2017 Transportation Economic and Revenue Forecasts Volume II: Detailed Forecast Tables <http://www.ofm.wa.gov/budget/info/June17transpovol2.pdf>

¹⁵ WSDOT. Federal Highway Safety Improvement Program Funding. <http://www.wsdot.wa.gov/LocalPrograms/Traffic/FedSafety.htm>

¹⁶ Office of Financial Management. June 2017 Transportation Economic and Revenue Forecasts Volume II: Detailed Forecast Tables <http://www.ofm.wa.gov/budget/info/June17transpovol2.pdf>

¹⁷ Federal Highway Administration. CMAQ Program. https://www.fhwa.dot.gov/environment/air_quality/cmaq/

¹⁸ Office of Financial Management. June 2017 Transportation Economic and Revenue Forecasts Volume II: Detailed Forecast Tables <http://www.ofm.wa.gov/budget/info/June17transpovol2.pdf>

¹⁹ WSDOT. Congestion Mitigation and Air Quality. <https://www.wsdot.wa.gov/LocalPrograms/ProgramMgmt/CMAQ.htm>

Exhibit 2-3: Estimated CMAQ funding in Washington (FY 2017)

Metropolitan Planning Organization	Total Funding	Percent of Funding
Puget Sound Regional Council	\$25,903,842	79%
Southwest Washington Regional Transportation Council	\$3,019,044	9%
Spokane Regional Transportation Council	\$3,333,999	10%
Thurston Regional Planning Council	\$364,325	1%
Yakima Valley Council of Governments	\$350,847	1%
Total	\$32,972,057*	100%

Source: Washington State Department of Transportation²⁰

Notes: *Total does not match the amount apportioned by FHWA in FY 2017 because the data in the table represents an estimate based on prior history. Funding will be allocated based on the final total CMAQ funding apportioned to the state.

The Metropolitan Planning program establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas. The program institutes metropolitan planning requirements that affect freight, including identifying funding strategies to meet transportation infrastructure needs, considering system resiliency, and identifying congestion management opportunities. In federal fiscal year 2017, FHWA apportioned \$7.4 million in metropolitan planning funds to Washington.²¹

The FAST Act continued the National Highway Performance Program (NHPP), which provides support for the condition and performance of the National

Highway System, which supports freight movement. NHPP funds can also be used for construction of new facilities on the National Highway System, and to ensure that progress continues toward achieving performance targets established by the state's asset management plan. FHWA apportioned \$365.0 million in NHPP funds to Washington for federal fiscal year 2017.²²

Established by the FAST Act, the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program²³ is competitive and nationwide, and specific to freight projects. It provides dedicated, discretionary funding for projects that address critical freight issues. Funding is authorized from 2016 to 2020, averaging \$900 million annually. In 2016, FHWA administered the program as Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE). The program is now being administered by the Build America Bureau as the Infrastructure for Rebuilding America (INFRA) program. INFRA advances the pre-existing grant program, by updating project criteria, leveraging capital and allowing innovation in project delivery. Projects in Washington that received funding to date from this program are shown in Exhibit 2-4.

The Transportation Investment Generating Economic Recovery (TIGER) grant program is a competitive and nationwide program, which leverages matching funding from private sector partners, states, local governments, metropolitan planning organizations and transit agencies. The 12 projects with freight benefits in Washington that received funding from this program are shown in Exhibit 2-5.

²⁰ WSDOT. 2017 Congestion Mitigation/Air Quality (CMAQ) – Estimate. February 2, 2017. <https://www.wsdot.wa.gov/NR/rdonlyres/AC24283B-9EDD-4B68-8443-53B32CC339FF/0/EstimatedFFY2017CMAQ.pdf>

²¹ Office of Financial Management. June 2017 Transportation Economic and Revenue Forecasts Volume II: Detailed Forecast Tables <http://www.ofm.wa.gov/budget/info/June17transpovol2.pdf>

²² Ibid

²³ United States Department of Transportation Build America Bureau. FASTLANE Grants. <https://www.transportation.gov/buildamerica/FASTLANEgrants>

Exhibit 2-4: FASTLANE Funding Awarded in Washington

Year	Project	Project Owner	FASTLANE Funding	Totals
2016	South Lander Street Grade Separation and Railroad Safety	City of Seattle	\$45 million	\$140 million
2016	Strander Boulevard Extension and Grade Separation Phase 3	City of Tukwila	\$5 million	\$38 million
2017	Northern Columbia Basin Railroad	Port of Moses Lake	\$9.9 million	\$32 million

Source: United States Department of Transportation Build America Bureau²⁴

Exhibit 2-5: TIGER Funding Awarded in Washington

Year	Project	Project Owner	TIGER Funding	Totals
2009	US-395 North Spokane Corridor	WSDOT	\$35 million	\$35 million
2009	Mercer Corridor Redevelopment	City of Seattle	\$30 million	\$221 million
2010	South Park Bridge Replacement	King County	\$34 million	\$131 million
2010	West Vancouver Freight Access	Port of Vancouver	\$10 million	\$93 million
2010	East Foster Wells Road Extension	Franklin County	\$1 million	\$3 million
2011	I-5 Lewis-McChord Area Congestion Management	WSDOT	\$15 million	\$34 million
2012	Mercer Corridor West Reconstruction	City of Seattle	\$14 million	\$98 million
2012	North Spokane Corridor Railroad Realignment	WSDOT	\$10 million	\$32 million
2013	Tacoma Trestle Replacement	Sound Transit	\$10 million	\$55 million
2014	Makah Tribe Oil Spill Response Access Dock Plan	Makah Tribe	\$1 million	\$1 million
2014	Port of Seattle Terminal 46 Rehabilitation	Port of Seattle	\$20 million	\$66 million
2015	Mukilteo Multimodal Ferry Terminal	WSDOT	\$10 million	\$101 million
2016	Port of Everett South Terminal Modernization	Port of Everett	\$10 million	\$56 million

Source: United States Department of Transportation²⁵

²⁴ United States Department of Transportation Build America Bureau. FASTLANE Grants Awarded. Updated September 7, 2016. <https://www.transportation.gov/buildamerica/fastlanegrants/fastlane-grants-awarded>

²⁵ United States Department of Transportation. TIGER Discretionary Grants. Updated January 20, 2017. <https://www.transportation.gov/tiger>

2.3 Federal Railroad Administration

The Federal Railroad Administration (FRA)²⁶ is concerned with the safe, efficient, and reliable transport of people and goods via rail, including freight rail transportation. FRA issues, implements and enforces safety regulations; selects investments in rail corridors nationwide; and conducts research and technology development.

FRA supports freight railroads through a variety of grant and loan programs to develop safety improvements, relieve congestion, and encourage expansion and upgrades of freight rail infrastructure and services. The following grant programs have opportunities for freight rail applications.

Administered jointly between FRA and the Federal Transit Administration (FTA), the Positive Train Control (PTC) grant program²⁷ funds the installation of PTC systems required under the Railroad Safety Improvement Act of 2008, and amended by the PTC Enforcement and Implementation Act of 2015. There is \$199 million available for eligible projects. Of the \$199 million authorized by the federal government, \$197 million was awarded to 17 projects in 13 states, of which Washington was not included. FRA reviewed and selected applications for funding, while the FTA administers and manages the grants.²⁸

The Railroad Safety Infrastructure Improvement grant program²⁹ makes \$25 million in discretionary funding available for safety improvements to railroad infrastructure. States, local governments, and passenger and freight railroad carriers are eligible applicants for funding. Eligible projects include those that make safety improvements to railroad infrastructure and include the acquisition, improvement, or rehabilitation of intermodal or rail equipment, or facilities.

2.4 Federal Motor Carrier Safety Administration

The Federal Motor Carrier Safety Administration (FMCSA)³⁰ aims to prevent commercial motor vehicle-related fatalities and injuries. FMCSA is responsible for regulating and providing safety oversight of commercial motor vehicles in order to reduce crashes, injuries, and fatalities. FMCSA partners with a variety of organizations to improve safety through regulation, education, enforcement, research, and technology. FMCSA also administers a variety of grant opportunities for applicants working on commercial motor vehicle safety activities.

2.5 Maritime Administration

The Maritime Administration (MARAD)³¹ is an agency within the U.S. Department of Transportation that promotes the use of waterborne transportation. MARAD coordinates with partners in many areas involving ships and shipping, shipbuilding, port operations, vessel operations, national security, environment, and safety. MARAD is charged with maintaining the health of the merchant marine sector, as it is vital for supporting national security and trade.

The America's Marine Highways grant program³² works to further incorporate marine corridors into the greater U.S. transportation system. Marine Highways are designated by the U.S. Secretary of Transportation. Benefits of this program include creating and sustaining jobs on U.S. vessels and in U.S. ports and shipyards; reducing maintenance costs on roads and bridges; and increasing economic competitiveness, environmental sustainability, public safety, system resiliency, and national security. The first round of Marine Highway Grants was awarded in 2010. MARAD periodically holds a call for projects that represent new or expanded

²⁶ Federal Railroad Administration. About FRA. <https://www.fra.dot.gov/Page/P0002>

²⁷ 81 FR 50047. Notice of Funding Opportunity for FY 2017 Positive Train Control Grant Funds, July 29, 2016. <https://www.federalregister.gov/documents/2016/07/29/2016-17943/notice-of-funding-opportunity-for-fy-2017-positive-train-control-grant-funds>

²⁸ Progressive Railroading. "FRA, FTC to award \$197 million in PTC grants." June 1, 2017. <http://www.progressiverailroading.com/ptc/news/FRA-FTC-to-award-197-million-in-PTC-grants--51756>

²⁹ Federal Railroad Administration. FY 2016 Railroad Safety Infrastructure Improvement Grant Program. <https://www.fra.dot.gov/Page/P0935>

³⁰ Federal Motor Carrier Safety Administration. Who We Are. Updated September 30, 2016. <https://www.fmcsa.dot.gov/mission/who>

³¹ Maritime Administration. About Us. <https://www.marad.dot.gov/about-us/>

³² Maritime Administration. America's Marine Highway Program. <https://www.marad.dot.gov/ships-and-shipping/dot-maritime-administration-americas-marine-highway-program/>

Marine Highway services. Designated Marine Highway Projects receive preferential treatment for any future federal funding assistance from the USDOT and MARAD. MARAD also administers funds for marine projects awarded through USDOT grant programs like the Transportation Investment Generating Economic Recovery (TIGER) program. The most recent is the Port of Everett South Terminal Modernization Project, awarded \$10 million through the TIGER program in 2016.

2.6 Federal Aviation Administration

The Federal Aviation Administration (FAA)³³ supports and regulates safe, efficient air transportation, including the transportation of air cargo. FAA also administers grant programs to aid in the maintenance and improvements of the air transportation system.

FAA administers the Airport Improvement Program (AIP),³⁴ which primarily provides grants to public agencies for the purpose of planning and development of public-use airports. To be eligible, an airport must be publicly owned, be designated by the FAA as a reliever airport, or have scheduled service and at least 2,500 enplanements. The airport must also be included in the National Plan of Integrated Airport Systems. In fiscal year 2017, four airports in Washington are eligible for cargo airport entitlements, making for a total of \$1.3 million in cargo airport entitlements. In fiscal year 2016, airports in Washington received \$66.4 million in AIP grants.

2.7 Pipeline and Hazardous Materials Safety Administration

The Pipeline and Hazardous Materials Safety Administration (PHMSA)³⁵ advances the safe transportation of energy and other hazardous materials through pipelines. The agency establishes national policy, sets and enforces standards, educates, and conducts research to prevent incidents.

PHMSA provides grant opportunities to improve damage prevention, develop new technologies, and improve pipeline safety. Pipeline Safety Base Grants support up to 80 percent of the cost of carrying out inspections and enforcement activities on interstate pipelines.³⁶ In 2014, Washington was awarded \$1.12 million in Pipeline Safety Base Grants. The PHMSA also administers the One Call Grant Program, which provides funding to state agencies in promoting damage prevention. In 2015, Washington was awarded nearly \$40,000 in One Call Grant funds. The State Damage Prevention Program awards states funding to form education and outreach programs to reinforce the importance of the “Call Before You Dig” message. Washington received approximately \$71,000 to put towards these efforts in 2016.

2.8 Surface Transportation Board

The Surface Transportation Board (STB) is an independent adjudicatory and economic-regulatory agency. The agency has jurisdiction over railroad rate and service issues and rail restructuring transactions (mergers, line sales, line construction, and line abandonments); certain trucking company, moving van and non-contiguous ocean shipping-company rate matters; and rates and services of certain pipelines not regulated by the Federal Energy Regulatory Commission. The agency has authority to investigate rail service matters of regional and national significance.³⁷

2.9 Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of electricity, natural gas and oil. FERC also reviews proposals to build liquefied natural gas terminals and interstate natural gas pipelines and licensing hydropower projects.³⁸

³³ Federal Aviation Administration. <https://www.faa.gov/>

³⁴ Federal Aviation Administration. Airport Improvement Program (AIP) Grant Data https://www.faa.gov/airports/aip/grantapportion_data/

³⁵ Pipeline and Hazardous Materials Safety Administration. <https://www.phmsa.dot.gov/>

³⁶ Pipeline and Hazardous Materials Safety Administration. Grants. <http://phmsa.dot.gov/pipeline/grants>

³⁷ Surface Transportation Board. Overview of the STB. <https://www.stb.gov/stb/about/overview.html>

³⁸ Federal Energy Regulatory Commission. About FERC. February 3, 2017. <https://www.ferc.gov/about/about.asp>

2.10 US Coast Guard

The United States Coast Guard (USCG)³⁹ is a military, multi-mission maritime force with military, law enforcement, humanitarian, regulatory and diplomatic capabilities. The USCG is responsible for an array of maritime duties, from ensuring safe and lawful commerce to performing rescue missions in severe conditions. Marine freight transportation is dependent on the USCG to provide port and waterway security by protecting marine resources and maritime commerce from internal and external threats through law enforcement. USCG protects these interests in U.S. ports and inland waterways, along the coasts and on international waters.

In addition, the USCG maintains maritime navigation aids and is responsible for ensuring the network of signs, symbols, buoys, markers, lighthouses, and regulations is up to date and functioning properly so recreational and commercial boaters can safely navigate the maritime environment.

2.11 U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers (USACE)⁴⁰ is responsible for dredging and maintaining federal navigation channels and maintaining the lock and dam system to support the movement of critical commodities. In addition, the USACE works diligently to strengthen the nation's security by building and maintaining America's infrastructure and providing military facilities where service members train, work, and live.

Administered by the USACE, the Inland Waterways Trust Fund (IWTF) funds new construction and major rehabilitation of priority navigation projects on the nation's inland waterways system. The IWTF has partially funded projects in Washington, including the construction of the Bonneville Lock and Dam on the Columbia River and a Plan of Study laying out the scope, schedule, and budget to complete technical studies and a decision-making process concerning breaching the lower four Snake River dams.⁴¹

2.12 U.S. Customs and Border Protection

U.S. Customs and Border Protection (CBP)⁴² has a complex mission at ports of entry with broad law enforcement authorities tied to screening all foreign visitors, American citizens returning home, and imported cargo that enters the U.S. at more than 300 land, air, and sea ports.

An important part of the CBP mission includes the facilitation of legitimate trade. In addition to its own regulations, CBP enforces over 400 laws on behalf of over 40 other U.S. government agencies. A large number of these import restrictions and requirements are designed to protect the American people from dangerous and illegal goods. CBP has undertaken a number of initiatives, such as the use of non-intrusive inspectional technology, to increase its ability to examine cargo effectively without slowing the flow of trade, which plays a significant part in the U.S. economy.⁴³

³⁹ United States Coast Guard. <https://www.gocoastguard.com/>

⁴⁰ US Army Corps of Engineers. About Us. <http://www.usace.army.mil/About/>

⁴¹ US Army Corps of Engineers. Trust Fund Projects. <http://www.iwr.usace.army.mil/Missions/Navigation/Inland-Waterways-Users-Board/Trust-Fund-Projects/>

⁴² US Customs and Border Protection. <https://www.cbp.gov/>

⁴³ US Customs and Border Protection. Cargo Examination. May 15, 2017. <https://www.cbp.gov/>

3. The State of Washington

State level agencies and organizations have roles in freight transportation. Exhibit 3-1 summarizes the main roles and responsibilities of freight-related institutions in Washington.

Exhibit 3-1: Summary of Freight Roles and Responsibilities by Agency

Agency	Infrastructure	Grant Programs	Policy/Regulatory	Enforcement
State Legislature		Yes	Yes	
Washington State Department of Transportation	Yes	Yes	Yes	
Freight Mobility and Strategic Investment Board		Yes	Yes	
Transportation Improvement Board		Yes		
Washington State Patrol			Yes	Yes
Washington State Transportation Commission			Yes	
Washington Utilities and Transportation Commission		Yes	Yes	Yes
County Road Administration Board		Yes		

Source: Washington State Department of Transportation

State funds help maintain, preserve, and enhance the freight transportation system in Washington. More than 80 percent of state transportation revenue is from the motor vehicle fuel tax and licenses, permits, fees and abstracts, all of which have set rates. While these revenue sources respond to changes in population, use of fuel, vehicle ownership, or other factors, they do not change with inflation. The state receives approximately 80 percent of the total transportation revenues collected; while the other 20 percent of the transportation tax revenues are distributed directly to cities, counties, and other agencies for roadway programs that are not part of the state highway system. The Washington State Legislature instituted two gasoline tax increases over the past decade: the 7-cent increase in 2015 and the 4.9-cent increase in 2016. The total gasoline tax rate has been 49.4 cents per gallon since July 1, 2016.

State transportation revenues are limited, committed, and do not keep up with inflation and growing demands on the system. Current funding levels are not adequate

to meet basic maintenance and operation needs in Washington. When adjusted for inflation, the purchasing power of state fuel tax revenues has decreased significantly over the past decade.

3.1 Washington State Legislature

The Washington State Legislature creates new laws, changes existing laws, and enacts budgets for the state. The Joint Transportation Committee of the House and Senate (JTC) conducts studies related to freight. The Legislature has adopted Washington Administrative Code (WAC) 489-14-380, which defines hours-of-service (HOS) requirements for intrastate drivers. The 2017-2019 transportation budget operational appropriation⁴⁴ for JTC is \$3.79 billion.

As a condition of funding in this bill, the JTC must study best practices for marine pilotage that includes recommendations for improvements. The JTC must also study air cargo movements in the state that examines capacity and congestion.

⁴⁴ Washington State Legislature. 2017-19 Enacted Transportation Budget. http://leap.leg.wa.gov/leap/budget/lbns/1719Transpo5096-S_SL.pdf

3.2 Washington State Department of Transportation

The Washington State Department of Transportation (WSDOT) is a cabinet-level state agency, and the Secretary of Transportation is appointed directly by the governor. WSDOT is charged with operating and improving the state’s transportation systems (RCW 47.01) and the agency’s core mission is to keep people and business moving. WSDOT’s newly adopted strategic plan goals include effectively managing strategic investments, optimizing modal integration, promoting environmental stewardship, strengthening community engagement, and improving smart technology. WSDOT is responsible for maintaining, preserving, and improving the statewide, multimodal freight transportation system, which includes key freight responsibilities listed in Exhibit 3-2.

Exhibit 3-2: Key WSDOT Freight Responsibilities

Highways and Bridges
<ul style="list-style-type: none"> Nearly 18,500 state highway lane miles and over 2,000 lane miles of ramps and special use lanes 244 lane miles of a planned 369-mile HOV freeway system Over 3,800 bridges and structures
Rail: Freight & Passenger Program
<ul style="list-style-type: none"> Freight Rail Grant & Loan Program Palouse River and Coulee City (PCC) railroad system in Eastern Washington Washington Grain Train Program Amtrak Cascades state passenger rail program
Ferries
<ul style="list-style-type: none"> 23 ferry vessels, 20 terminals, 450 daily departures
Aviation
<ul style="list-style-type: none"> 16 WSDOT-managed airports (nine state-owned, three operated by special use permit, three leased, one operated through a right of entry)

Source: Washington State Department of Transportation

Within WSDOT, the freight program of the Rail, Freight, and Ports Division is responsible for:

- Developing the *2017 Washington State Freight System Plan* to meet new federal and state requirements.
- Building regional participation and support for the plan and other freight efforts by strengthening relationships and coordination efforts within WSDOT and with external freight partners.
- Aligning strategic goals with those of WSDOT and the Governor’s Office and providing counsel to WSDOT executives, the Governor’s Office, and the Legislature on freight policies and programs.
- Promoting freight safety through research, public education, and outreach and freight projects.
- Identifying, pursuing, and administering freight funding sources.
- Supporting freight operations, priorities, and initiatives by pursuing implementation of recommendations in the *2017 Washington State Freight System Plan*.
- Developing cross-functional solutions to meet freight carriers’, shippers’, and goods receivers’ performance goals.

WSDOT receives state funds (including taxes and fees), bonds, federal funds, and local funds. WSDOT’s portion of the state transportation budget pays for operating expenses and capital costs, including maintaining, preserving, and improving the highway system, operating ferries, as well as debt service.

The 2017-2019 transportation budget operational appropriation for WSDOT is \$10.5 million. Freight-related conditions and limitations include the following:

- Update the state freight plan.
- Improve signage for low-height bridges as a high priority.
- Develop low-cost enhancement projects that improve safety or provide congestion relief.

The 2017-2019 transportation budget capital appropriation for WSDOT is \$3.79 billion. Funding is identified for specific transportation corridors and

bridges important for freight. Freight-related conditions and limitations include the following:

- Administer the freight rail funding rail programs
- Administer a rail crossing safety program
- Validate projects on the 2016 Freight Project List

The Connecting Washington⁴⁵ program is a multimodal transportation system investment funded primarily by the gas tax increases that occurred in 2015 and 2016 and totaled an 11.9- cent increase. In addition to fuel tax increases, the 2015 revenue package also increased certain licenses, permits and fees. The 2015 Connecting Washington funding package is a \$16 billion investment over the next 16 years. Freight projects in this investment package are included in the following: \$9.4 billion for state highways and local roads; \$1.4 billion for state highway maintenance, operations, and preservation; \$1.3 billion for non-highway projects such as bike paths, walkways, rail, and transit; and \$602 million for ferries and terminals. An additional \$300 million was provided for fish barrier improvements.

Connecting Washington is funding, and will fund, a variety of impactful projects, many with freight benefits. Exhibit 3-3 shows how funding is currently allocated to different project programs. There are multiple projects funded within each project program, which represent the interests of diverse transportation stakeholders across the state.⁴⁶

WSDOT administers two programs that support freight rail in the state⁴⁷: The Freight Rail Investment Bank (FRIB) and the Freight Rail Assistance Program (FRAP). Funding for these programs comes from the state Legislature. When funding becomes available, WSDOT solicits a call for projects and selects the freight projects that will be funded.

Exhibit 3-3: Connecting Washington Programs

Project Program	Total Funding
Highway Management & Facilities	\$52 million
Highway Improvements	\$9.2 billion
Highway Preservation	\$1.3 billion
Washington State Ferries Capital Program	\$319 million
Rail Program	\$174 million
Freight Rail - Track Improvements	\$107 million
Freight Rail - Track Preservation	\$300 thousand
Freight Rail - Grant Program	\$31 million
Passenger Rail - Track Improvements	\$35 million
Local Programs	\$689 million

Source: Washington State Department of Transportation

The FRIB program is a loan program available to the public sector, including cities, counties, and ports. This program is intended either for smaller projects or as a small part of a larger project, where state funds would enable the project to be completed. This loan program is open to organizations in the public sector only, as loans to the private sector are not allowed by the state constitution. The loan maximum is \$250,000, but could be higher depending on the amount of qualifying applications received and the caliber of proposed projects. Additionally, all applicants must provide a minimum 20 percent match. In the 2017-2019 biennium, Gov. Jay Inslee and the Washington State Legislature allocated \$5 million for the FRIB program. The call for projects received one application from the Port of Everett; that project was awarded \$5 million. Exhibit 3-4 shows the project that received this funding.

Exhibit 3-4: Freight Rail Investment Bank Projects in 2017-2019 Biennium

Recipient	Funding
Port of Everett	\$5,000,000

Source: Washington State Legislature

⁴⁵ WSDOT. Connecting Washington. <http://www.wsdot.wa.gov/Projects/Funding/CWA/>

⁴⁶ Washington State Legislature. Connecting Washington Projects. <http://leap.leg.wa.gov/leap/budget/leapdocs/2015LEAPTranspoDoc2015NL1.pdf>

⁴⁷ WSDOT. State Rail Grant and Loan Programs. <https://www.wsdot.wa.gov/Freight/Rail/GrantandLoanPrograms>

The FRAP is a grant program open to applicants in both the public and private sector. This program is directed toward larger projects where it is difficult to gain a contribution and where the rail location or the project is of strategic importance to the local community and the state. It is not restricted in the size of award. The Legislature determines how those funds will be spent based upon the applications submitted through WSDOT.

The Legislature may choose to increase or decrease the actual funding made available. This grant program is open to cities, county rail districts, counties, economic development councils, port districts, and privately or publicly owned railroads. Projects must be shown to maintain or improve the freight rail system in the state and benefit the state's interests. Gov. Jay Inslee and the Washington State Legislature allocated \$7.04 million for freight rail assistance projects during the 2017–2019 biennium. Exhibit 3-5 shows prior projects that were awarded FRAP grant funding during the 2015-2017 biennium budget.

Exhibit 3-5: Freight Rail Assistance Program Projects in 2017-2019 Biennium

Recipient	Funding
Clark County Chelatchie Prairie RR	\$400,000
Tidewater	\$1,611,657
Yakima Central Railway	\$405,000
Washington and Idaho Railway	\$698,800
Port of Pend Oreille	\$571,725
Columbia Basin Railroad	\$600,000
Central Washington Railroad	
– Gibbon to Sunnyside	\$700,000*
– Sunnyside to Granger	
Puget Sound and Pacific Railroad	\$338,628
Kennewick Terminal	\$304,740
Kettle Falls International Railway	\$1,000,000
Eastern Washington Gateway Railway	\$409,450

Source: Washington State Legislature

* Only part of the request was granted.

⁴⁸ Freight Mobility Strategic Investment Board. <http://www.fmsib.wa.gov/>

⁴⁹ House Bill Report HB 2599. <http://lawfilesext.leg.wa.gov/biennium/2015-16/Pdf/Bill%20Reports/House/2599%20HBR%20PL%2016.pdf>

3.3 Freight Mobility Strategic Investment Board

The Freight Mobility Strategic Investment Board (FMSIB)⁴⁸ was created by the Legislature in 1998 (RCW 47.06A.030) to implement the state's freight mobility strategic investment program. FMSIB was directed to solicit, review, evaluate, and prioritize freight projects from public entities. FMSIB is comprised of 12 members representing various aspects of the state and transportation system including cities, counties, ports, railroads, trucking, shipping, the general public, the Office of Financial Management, and WSDOT. FMSIB is the administering agency for two freight mobility accounts in the State Treasury: the Freight Mobility Investment Account and the Freight Mobility Multimodal Account. Both accounts receive a statutory transfer of \$6 million each biennium.

Gov. Jay Inslee and the Washington State Legislature supported an increase in funding for FMSIB as part of the recent transportation package. An estimated \$10 million will be available in 2017-2019 and \$18 million to \$23 million is anticipated in 2019-2021. After selection, FMSIB works with project sponsors to assist them with partnership development and agreements.⁴⁹

FMSIB is scheduled to receive an additional \$123 million through 2031 from the Connecting Washington transportation revenue package passed in 2015. FMSIB currently maintains an active project list of 20 projects worth \$378.4 million with the FMSIB contribution at \$70.9 million. FMSIB also has a deferred project list of 18 projects, some of which date back to the inception of FMSIB in 1998.

Funding for FMSIB is included in the state's transportation budget. The capital funding supports the Freight Mobility Strategic Investment Program, a competitive grant program. The 2017-2019 transportation budget operational appropriation for FMSIB is \$818,000. As a condition of funding in this bill, FMSIB must manage and update the road-rail conflicts database produced by a recent JTC study.

The 2017-2019 transportation budget capital appropriation for FMSIB is \$50.7 million. FMSIB issues a call for projects every two years to maintain a 6-year list of active projects. These freight corridor projects are cross-jurisdictional and often serve cities, counties, port districts, and freight carriers, including railroads and trucking companies. FMSIB's grant program can also help fund WSDOT projects.

3.4 Transportation Improvement Board

The Legislature created the Transportation Improvement Board (TIB)⁵⁰ in 1988 (RCW 47.26.121) to foster state investment in quality local transportation projects.

TIB provides both grant funding and technical assistance to local governments. TIB is a 21-member board composed of six city members, six county members (member from County Road Administration Board, or CRAB, is ex officio), two WSDOT officials, two transit representatives, a private sector representative, a member representing the ports, a governor's appointee, a member representing non-motorized transportation, and a member representing special needs transportation. Board members are appointed by the Secretary of Transportation, with the exception of the CRAB representative and the governor's appointee.

Funding for TIB is included in the state's transportation budget and comes from the revenue generated by three cents of the statewide gas tax, directed to cities and counties for transportation projects. The 2017-2019 transportation budget operational appropriation for TIB is \$4.08 million. The 2017-2019 transportation budget capital appropriation for TIB is \$93.4 million. TIB grants fund high priority transportation projects in communities throughout the state to enhance the movement of people and goods. Each grant program has its own set of criteria used to rate project applications.

3.5 Washington State Patrol

The Washington State Patrol (WSP)⁵¹ is a cabinet-level state agency whose core mission is public safety on the highway system. The WSP chief is appointed by the

governor. The WSP enforces state law on highways and investigates crashes. The Commercial Vehicle Division of the WSP is responsible for enforcement of truck safety regulations in the state. WSDOT works closely with the WSP on truck and passenger safety programs and policies. The WSP operates the system of weight and inspection stations in Washington.

The WSP is funded from the state transportation and general fund budgets. The 2017-2019 transportation budget operational appropriation is \$500 million. As a condition of funding, WSP and WSDOT are tasked with developing a prioritized list of weigh station projects.

3.6 Washington State Transportation Commission

The Washington State Transportation Commission (WSTC)⁵² consists of seven members appointed by the governor for 6-year terms. The Secretary of Transportation and a representative from the Governor's Office are ex-officio members. The Commission provides a public forum for transportation policy development, reviews and assesses how the transportation system is working, and develops the 20-year Washington State Transportation Plan. The Commission also acts as the state tolling authority, responsible for adopting all state highway and bridge tolls and setting fares for Washington State Ferries.

Funding for the Commission is included in the state's transportation budget. The 2017-2019 transportation budget operational appropriation for WSTC is \$2.53 million. The Commission does not fund transportation projects or programs.

3.7 Washington Utilities and Transportation Commission

The Washington Utilities and Transportation Commission (UTC)⁵³ is a 3-member commission appointed by the governor and confirmed by the state Senate. The mission of the UTC is to protect consumers by ensuring that utility and transportation services are fairly priced, available, reliable, and safe. The UTC's

⁵⁰ State of Washington Transportation Improvement Board. <http://www.tib.wa.gov/>

⁵¹ Washington State Patrol. <http://www.wsp.wa.gov/>

⁵² Washington State Transportation Commission. <http://wstc.wa.gov/>

⁵³ Washington State Utilities and Transportation Commission. <https://www.utc.wa.gov/Pages/Default.aspx>

freight-related responsibilities include regulation and safety issues related to railroads and pipelines.

The 2017-2019 transportation budget operational appropriation for UTC is \$1.6 million. These funds are directed to the Grade Crossing Protective Fund that provides grants to railroad companies, local governments, and other agencies that propose to make safety improvements at a railroad crossing or along a railroad right of way. The UTC is primarily funded through the state public service revolving account, along with the pipeline safety account and state general funds. The UTC also receives federal funding in the form of grants, such as through the State Damage Prevention Program.

3.8 County Road Administration Board

The County Road Administration Board (CRAB)⁵⁴ was created by the Legislature in 1965 to provide statutory oversight of the 39 county road departments in Washington (RCW 36.78.030). CRAB's oversight and distribution of motor fuel tax revenues ensures that these funds are used exclusively for highway purposes, per the state constitution's 18th Amendment. The 9-member board meets quarterly and is comprised of six county commissioners/council members and three county engineers all appointed by the Board of Directors of the Washington State Association of Counties. The board establishes and maintains "Standards of Good Practice" to guide and ensure consistency and professional management of county road departments.

Funding for CRAB is included in the state's transportation budget. The 2017-2019 transportation budget operational appropriation for CRAB is \$5.06 million. The 2017-2019 transportation budget capital appropriation for CRAB is \$94.3 million. CRAB administers the programs shown in Exhibit 3-6.

Exhibit 3-6: CRAB Grant Programs

Program	2017-2019 Funding
Rural Arterial Program ⁵⁴	\$64.7 million
County Arterial Preservation Program	\$35.4 million
County Ferry Capital Improvement Program (Pierce, Skagit, Wahkiakum, Whatcom)	Can be initiated every four years

Source: Washington State Legislature⁵⁵

4. Regional and Local Governments

At a regional and local level, many different governments and agencies have responsibilities related to freight movement. Exhibit 4-1 summarizes the roles of these local governments and agencies. These agencies may choose to allocate funding toward freight related activities, or apply for grants to fund freight projects.

4.1 Tribal Governments

There are 29 federally recognized tribes in Washington. Of the 5,700 miles of road within or providing access to Indian Reservations and communities, 1,729 miles are under the jurisdiction of a Tribe or the Bureau of Indian Affairs. Tribes are responsible for the planning, construction, maintenance, and management of their transportation and transit facilities. Tribes also coordinate project development and construction in partnership with state and local jurisdictions for roads within or providing access to reservation or tribal communities.

A total of 23 tribes have fuel tax agreements with the State of Washington. Through these agreements, the state refunds a portion of the fuel tax sold by tribally owned stations on the reservation or tribal trust lands. In accordance with their agreements, Tribes may only expend fuel tax proceeds on: planning, construction, and maintenance of roads, bridges, and boat ramps; transit services and facilities; transportation planning; public safety; or other highway-related purposes.

⁵⁴ County Road Administration Board. <https://www.crab.wa.gov/>

⁵⁵ County Road Administration Board. Rural Arterial Program. <http://www.crab.wa.gov/Funding/Grants/Projects/spSpendPlan.cfm>

Exhibit 4-1: Summary of Freight Roles and Responsibilities by Agency

Agency	Infrastructure	Grant Programs	Policy/Regulatory	Enforcement
Counties/Cities	Yes	Yes	Yes	Yes
Tribes	Yes	Yes	Yes	Yes
Ports	Yes	Yes	Yes	Yes
MPOs/RTPOs		Yes	Yes	

Source: Washington State Department of Transportation

4.2 Metropolitan Planning Organizations

Metropolitan Planning Organizations (MPOs) are federally mandated transportation planning organizations made up of representatives from local government and governmental transportation authorities in urbanized areas with populations of 50,000 or more. There are 12 MPOs in Washington: six in eastern Washington and six in western Washington. Three of the MPOs are bi-state: one with Idaho and two with Oregon.

Statewide and metropolitan transportation planning processes are governed by federal law (23 U.S.C. §§ 134–135). The metropolitan planning process includes development of a transportation plan, with at least a 20-year planning horizon, that includes both long- and short-range strategies leading to development of an integrated multimodal transportation system. MPOs are also required to develop regional Transportation Improvement Programs that must contain all projects utilizing federal transportation funds, as well as any regionally significant projects in the area covered by the MPO, regardless of funding source. State law (RCW 47.80.020) requires that Regional Transportation Planning Organizations (RTPOs) be the same organization as that designated as the MPO. As a result, MPOs and RTPOs serve the same basic transportation planning functions – develop a long-range plan, coordinate within a region, and prepare a transportation improvement program. The lead agency for a RTPO is also the lead agency for the MPO within the region.

USDOT provides funding to the MPOs for transportation planning purposes. The funding is

appropriated to states through FHWA (metropolitan planning funding) and Federal Transit Administration (5303 funding) and is allocated by the state to the MPOs by formula. MPOs with urbanized populations over 200,000 also receive federal Surface Transportation Program funding as well as federal Transportation Alternatives Program (TAP) funding, which are both allocated by WSDOT as required by federal statute. Federal CMAQ funds are also allocated by WSDOT as required by federal statute to five MPOs representing air quality nonattainment and maintenance areas for transportation projects and programs that help meet the requirements of the Clean Air Act. MPOs are responsible for selecting projects to receive these federal funds and ensuring that transportation projects in each region are meeting regional policies and federal and state requirements.

4.3 Regional Transportation Planning Organizations

There are 14 RTPOs in Washington, authorized by the Washington State Legislature as part of the 1990 Growth Management Act to ensure local and regional coordination of transportation plans.⁵⁶ They are formed through the voluntary association of local governments within a county or within geographically contiguous counties. RTPO duties include preparing and periodically updating a transportation strategy for the region addressing alternative transportation modes and transportation demand management measures in regional corridors. Each RTPO prepares a regional transportation plan and develops a regional transportation improvement program that proposes regionally significant transportation projects and

⁵⁶ WSDOT. Regional Transportation Planning. <https://www.wsdot.wa.gov/planning/Regional/Default.htm>

programs and transportation demand management measures.

RTPOs are partly funded through the state's transportation budget, with funding amounts allocated as follows:

- A base amount per county for each county within each RTPO, to be distributed by the lead planning agency;
- An amount to be distributed to each RTPO lead planning agency on a per capita basis; and
- An amount to be administered by WSDOT as a discretionary grant program for special regional planning projects, including grants to allow counties with significant interests in common to participate in another region's planning efforts.

RTPOs receive federal TAP funding allocated by WSDOT.

4.4 Counties

There are 39 counties in Washington responsible for managing 80,618 lane miles of roads and approximately 3,264 bridges in the unincorporated areas across the state. Counties may operate airports, ferries, rail districts and provide transit services. Counties may have other responsibilities that influence freight, such as law enforcement, land use planning, and zoning.

Counties receive their share of the state motor vehicle fuel tax through CRAB. A large share of county transportation funding comes from local revenues, primarily the county road levy, which is a property tax.

4.5 Cities

Cities and towns are responsible for almost 38,000 lane miles of streets and approximately 676 bridges in the 281 incorporated municipalities of the state. Cities with populations of less than 5,000 often have very limited local resources and rely on state assistance to preserve their system. Cities with populations over 25,000 are responsible for signalization, general maintenance, and capacity improvements to state highways serving as their main streets. Freight policy for most cities is incorporated into the transportation planning goals and

tied to level of service standards established by each city.

State gas tax revenues are distributed to cities on a per capita basis; the city share is 2.96 cents per gallon. Approximately 20 to 25 percent of city transportation funds come from state gas tax, state transportation grant funds, and federal grant funds. The remaining 75 to 80 percent of a city transportation budget comes from general purpose local revenue sources, such as property taxes, sales tax, and business and utility taxes. Transportation needs compete with other general fund priorities, such as fire and police, for limited local resources.

4.6 Ports

The 75 port districts in Washington are authorized by RCW 53.04, and each port is governed by three to five elected commissioners. Specific authorities granted by the Legislature make public ports the only public agencies whose primary purpose is economic development. Ports create jobs and economic growth by owning and operating or leasing shipping terminals, marinas and docks, airports, industrial sites, railroads, and parks and recreational facilities.

Ports in Washington have the authority to levy property taxes on land within the port districts as well as issue revenue bonds that can be used to provide funds for carrying out all port district powers. Funding is used to improve port operations, and can be used for a variety of activities including: acquisition, construction, reconstruction, maintenance, repair, additions and operation of port properties and facilities, engineering, inspection, accounting, fiscal, and legal expenses.

The port districts operate 11 deep draft ports, seven inland marine ports on the Columbia-Snake River System served by barge, and 32 airports. Three of the 32 airports (Seattle-Tacoma International Airport, King County International Airport/Boeing Field, and Spokane International Airport) handle over 99 percent of air freight cargo in the state.

5. Organizational Partnerships

WSDOT leads and actively participates in several regional organizations that are improving freight mobility. Some of these partnerships are listed below.

5.1 Washington State Freight Advisory Committee

In January 2013, FMSIB created the Washington State Freight Advisory Committee (WAFAC) as directed by Section 1117 in the Moving Ahead for Progress in the 21st Century Act (MAP-21). WAFAC is responsible for participating and advising WSDOT in the development of the state freight plan. WAFAC consists of representatives from a cross-section of public and private sector freight stakeholders, including ports, shippers, carriers, freight-related associations, the freight industry workforce, the state transportation department, and local governments. WAFAC also actively seeks input from retail, wholesale, service industry, manufacturing, agricultural, and environmental stakeholders to help inform and shape the committee's understanding of the issues and recommendations.

5.2 The Western Association of State Highway Transportation Officials

The Western Association of State Highway Transportation Officials (WASHTO) is made up of 18 member states located in the western United States. WASHTO contributes to national policies on transportation issues, advocating for legislation that supports efficient and effective transportation systems, economic competitiveness, and the environmental integrity of member states. It also provides a forum for exchanging ideas and exploring and adapting techniques, promoting quality and best practices for implementation.

5.3 The Great Northern Corridor Coalition

The Great Northern Corridor Coalition was awarded funding from FHWA through the Multistate Corridor Operations and Management program in 2012 and 2013. The goal of the coalition is to develop a seamless multistate freight corridor consisting of road and rail networks that promote economic growth

for neighboring communities and accommodate the demand for efficient and environmentally sound transportation services. The Montana Department of Transportation is the lead agency, and Coalition members in Washington include: The Washington State Department of Transportation, Washington Public Ports Association, Port of Seattle, Port of Tacoma, Port of Everett, Port of Quincy, Port of Pasco, Port of Grays Harbor, Port of Vancouver USA, and Port of Longview. The Coalition published a report in 2014 that outlined the strengths, weaknesses, opportunities, and threats of the Great Northern Corridor and is working on a planning level analysis of these results.

5.4 The North/West Passage Coalition

The North/West Passage Coalition is made up of state departments of transportation responsible for Interstates 90 and 94 between Wisconsin and Washington, which function as major corridors for commercial and recreational travel. Extreme winter weather conditions prevalent in the northern states, pose significant operational and travel-related challenges. The vision of the North/West Passage Corridor is to focus on developing effective methods for sharing, coordinating, and integrating traveler information and operational activities across state borders. The Coalition's initiatives include a freight task force and exploring options for truck platooning on the North/West Passage.

5.5 The International Mobility and Trade Corridor Program

The International Mobility and Trade Corridor Program (IMTC) identifies and promotes improvements to mobility and security for the border crossings that connect Whatcom County and the Lower Mainland of British Columbia. Since 1997, IMTC has provided regional coordination on border issues and has helped assemble over \$38 million (USD) from U.S. and Canadian partners to pursue shared goals. In February 2017, the IMTC published the *2015-2016 Border Freight Operations Study*, which assesses the state of commercial vehicle and goods movement through the Cascade Gateway.⁵⁷

⁵⁷ International Mobility & Trade Corridor Program. 2015-16 IMTC Border Freight Operations Study: Data Collection Report. February 2017. http://theimtc.com/wp-content/uploads/2015-16_Border_Freight_Operations_Study.pdf

5.6 The FAST Corridor Partnership

The FAST Corridor Partnership, administered by the Puget Sound Regional Council (PSRC), is a partnership intent on solving freight mobility problems with coordinated solutions. Membership consists of cities; counties; ports; federal, state, and regional transportation agencies; railroads; and trucking interests. Since 1998, the partners have leveraged more than \$333 million in federal funding, combined with approximately \$317 million in state, local, and private funds to complete 20 strategic infrastructure improvements valued at more than \$650 million. The partnership currently is working to complete the five remaining FAST Corridor projects.

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