

SENATE BILL REPORT

SB 5519

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 27, 1991

Brief Description: Preserving the Stampede Pass rail line.

SPONSORS: Senators Newhouse, Matson, Hansen, Jesernig and Barr.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5519 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Patterson, Chairman; Nelson, Vice Chairman; Barr, Erwin, Hansen, McMullen, Sellar, and Thorsness.

Staff: Gene Baxstrom (786-7303)

Hearing Dates: February 19, 1991; February 26, 1991; February 27, 1991

BACKGROUND:

The Stampede Pass rail line is one of three rail lines which connect eastern and western Washington. The others are both owned by Burlington Northern, one is via Stevens Pass and the other through the Columbia River gorge. The 78-mile Stampede Pass rail line connects Ravensdale and Cle Elum, Washington.

The Stampede Pass rail line was formerly owned by the Northern Pacific Railroad, but became a Burlington Northern line with Burlington Northern acquisition of that corporation. Burlington Northern has designated that line as category 1, qualifying it for abandonment proceedings. With abandonment of the line, track and ties will be removed for salvage value and much of the right-of-way will go to reversionary owners including the City of Tacoma watershed.

Federal law currently provides three alternatives for public agencies to acquire rail lines which are proposed for abandonment to the Interstate Commerce Commission (ICC). An offer of financial assistance allows a public agency to negotiate a purchase of the rails and right-of-way and the railroad must sell to the public agency. The second process is a public use condition whereby an agency can acquire the right-of-way but the railroad is not obligated to leave the rails. This process may result in reversion of rights-of-way to property owners in which case the public agency must compensate for and/or condemn to retain or acquire the property. The third alternative is filing a petition of interim trail use under the national Trails System Improvement Act, commonly called Rails to Trails. This process also allows a public agency to purchase a corridor, the railroad

does not have to leave the rails, and the right-of-way does not revert. The intent of this act is to preserve the corridor for rail purposes and allow for interim trail usage.

The Department of Transportation is authorized to assist rail lines in order to keep those rail lines operating or to acquire rail lines which are abandoned. The Legislature appropriated for the 1989-91 biennium \$2.3 million to assist with rail line operations and \$1.1 million to acquire abandoned rail lines. The Stampede Pass rail line has been identified by the department, in its rail planning process, to be the highest priority for retention as a rail corridor.

A recent study by the Department of Transportation, in conjunction with several other public and private sponsors, indicates that potential rail traffic volumes at today's level could make the line financially viable. If rail service is established and the required service levels can be consistently proven, total volumes should grow from increased shares of traffic and growth in the study area, namely the Yakima Valley. The study indicates a benefit to cost ratio of about 3:1 for acquiring and rehabilitating the line. An additional study by the Department of Transportation has been undertaken to estimate the value of the rail line as well as the potential salvage value of the components of the rail line. The study is not complete and will not be released by the department because the estimated values would play a role in negotiations for acquisition of the rail line.

SUMMARY:

The Department of Transportation is to enter into negotiations with the Burlington Northern Railroad for the purchase of the Stampede Pass rail line if the railroad files for abandonment of the line.

The department is authorized to re-establish rail service over any line that it acquires under the state rail preservation statutes. By competitive bidding, the department may enter into agreements with rail service providers or first class cities, county rail districts, or port districts to restore service. The department is to ensure that the rail service provider reimburses the state for track and rehabilitation costs amortized over a 15-year period, maintenance costs and liability insurance, and interest on the state's investment to be determined by the State Treasurer.

Any entity that acquires a rail right-of-way using funds from the essential rail banking account and uses the right-of-way for purposes other than rail service is to pay an annual fee to the Department of Transportation. The department is directed to pursue all sources of funding to assist with the costs associated with the Stampede Pass rail line.

EFFECT OF PROPOSED SUBSTITUTE:

The city of Tacoma, in conjunction with the Department of Transportation, is to enter into negotiations to acquire the Stampede Pass rail line. The importance of the Tacoma watershed is recognized and restrictions on hazardous materials on the line are authorized.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

This line is one of only three corridors connecting eastern and western Washington. It can be retained at a relatively low price compared to reestablishing another corridor. Future growth in transportation needs and growth in the Yakima Valley warrant line preservation.

TESTIMONY AGAINST:

If the line were viable, Burlington Northern would not want to abandon it. It will cost much more to rehabilitate the line for future rail service. Line use may result in loss of union jobs elsewhere on the rail system.

TESTIFIED: Jim Toomey, Tri-City Industrial Development Council (pro); Brian Ziegler, WSDOT (pro); Lloyd Flem, WA Association of Railroad Passengers (pro); Bill Jones (con); Tom Retterath, United Transportation Union (con); Andy Sanderson, United Transportation Union (con); Scott Taylor, Assistant Director, WA Public Ports Association (pro); Dale Greenwood, Burlington Northern (con); Dave McFadden, Yakima County Development Association (pro); Brian Kilbury, TCU (con); Dale Jeremiah, Brotherhood of Locomotive Engineers (con); Hal Cooper (pro); Ken Merry, Tacoma Public Utilities (pro)