

# HOUSE BILL REPORT

## ESHB 2615

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### As Passed Legislature

**Title:** An act relating to creating partnerships for strategic freight investments.

**Brief Description:** Creating partnerships for strategic freight investments.

**Sponsors:** By House Committee on Transportation Policy & Budget (originally sponsored by Representatives K. Schmidt, Fisher, Robertson, Mitchell, Wensman, O'Brien, Wood, Ogden, Gardner, Thompson and Conway; by request of Governor Locke).

**Brief History:**

**Committee Activity:**

Transportation Policy & Budget: 2/4/98, 2/9/98 [DPS].

**Floor Activity:**

Passed House: 3/12/98, 97-0.

Passed Legislature.

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### HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Fisher, Ranking Minority Member; Cooper, Assistant Ranking Minority Member; Backlund; Buck; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; McCune; Murray; O'Brien; Ogden; Radcliff; Robertson; Romero; Scott; Skinner; Sterk; Wood and Zellinsky.

**Staff:** Jeff Doyle (786-7322).

**Background:** During the 1996 interim, the Legislative Transportation Committee (LTC) appointed the Freight Mobility Advisory Committee (FMAC) to analyze the state's freight mobility needs, identify high-priority freight transportation projects, and make policy recommendations to the Legislature.

One of the key recommendations from FMAC was that the state take the lead in establishing a freight transportation program that would forge funding partnerships between the state, counties, cities, ports and private industry for transportation improvements along strategic freight corridors.

This past interim, the Freight Mobility Project Prioritization Committee (FMPPC) was established to further develop state policies to enhance the freight transportation system. This committee consisted of representatives from cities, counties, ports, railroads, trucking and the state Department of Transportation (DOT). The FMPPC recommended specific criteria for use in ranking freight mobility projects. The committee also analyzed proposed freight projects and applied the priority criteria, which yielded the freight mobility project list.

**Summary of Bill:** A freight mobility strategic investment program is created for the purpose of reviewing, evaluating and recommending funding for freight transportation projects that are of strategic importance to the state.

The Freight Mobility Strategic Investment Board (FMSIB) oversees administration of this program. The board is comprised of representatives from the cities, counties, ports, railroads, steamship operators, trucking, the Governor and the DOT. The FMSIB is authorized to hire one professional administrator. Other staff support is provided by the Transportation Improvement Board (TIB), County Road Administration Board (CRAB), and DOT as needs arise. The board is required to develop a long-term staffing plan and submit that plan to the Office of Financial Management (OFM) and the Legislature for review and approval.

Minimum project eligibility criteria are specified in statute, and project priority criteria are incorporated from the recommendations of the FMPPC. After administering the program for a full biennium, the FMSIB may adjust the criteria as necessary to ensure that the program meets legislative intent.

After evaluating all proposed freight mobility projects, the FMSIB selects the top ranking projects and submits them as a "project portfolio" to OFM and the Legislature for funding consideration. The board is directed to leverage the most partnership funding possible. "Partnership funding" means non-state funding, except that TIB and CRAB funds may be considered as partnership funding. The FMSIB is also directed to weigh the partnership funding element more heavily in the project selection criteria. The board must ensure that no project is more appropriately funded by another fund source or program. The projects selected for the portfolio must primarily benefit the movement of freight.

In allocating funds for the program, the FMSIB must allocate the first 55 percent of funds to the highest ranking projects, regardless of location. The remaining funds shall be allocated evenly among three regions of the state: eastern region, Puget Sound region and western region. If a project in the portfolio is not ready to proceed at the time the Legislature is making its funding decisions, that project will be removed and the next highest rated project will take its place. The removed project retains its position in the priority ranking so as to be eligible for funding during the next funding cycle.

In addition to its other responsibilities, the FMSIB is directed to review and make recommendations concerning the operational inefficiencies affecting freight mobility, including policies that reduce congestion in truck lanes at border crossings and weigh stations.

The DOT is directed to make incentive grants to regional transportation planning agencies that share a border with Canada for the purpose of conducting joint transportation planning activities. The new federal surface transportation act reauthorization bill is expected to provide the funds for these grants. This would enable Washington State to take advantage of federal funding opportunities.

Port districts are required to submit their development plans to cities, counties and regional transportation planning organizations to enhance joint planning for freight transportation solutions.

The requirement that state funding for any freight mobility project not exceed 50 percent is removed and replaced with a requirement that the FMSIB give greater weight in the project selection criteria to those projects having the highest levels of funding partnerships, using 20 percent as a guideline for minimum financial participation by partners.

The FMSIB (rather than the Transportation Commission) is directed to administer the program.

**Appropriation:** \$25 million from the motor vehicle fund-state account is appropriated for highway construction purposes for the biennium ending June 30, 1999.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The state is in need of a statewide freight mobility program that can target state investments to leverage the best solution for the dollars spent.

**Testimony Against:** None.

**Testified:** Jennifer Joly, Governor's office; Pat Jones, Washington Public Ports Association; and Mayor Charles Booth, city of Auburn.