

HOUSE BILL REPORT

HB 2976

As Reported By House Committee On: Transportation Policy & Budget

Title: An act relating to requiring regional transit authority train sets and rolling stock to be from manufacturers based in Washington and primarily made in Washington.

Brief Description: Requiring regional transit authority trains to be from Washington manufacturers and made in Washington.

Sponsors: Representatives Conway, Robertson, Scott, Radcliff, Cooper, Cairnes, Fisher, K. Schmidt, Veloria, Cody, Kastama, Wood, Keiser, Constantine, Lantz, Zellinsky, B. Thomas, McDonald and O'Brien.

Brief History:

Committee Activity:

Transportation Policy & Budget: 2/5/98, 2/9/98 [DPS].

HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Cooper, Assistant Ranking Minority Member; Backlund; Buck; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; McCune; O'Brien; Ogden; Radcliff; Robertson; Romero; Scott; Skinner; Sterk and Zellinsky.

Minority Report: Without recommendation. Signed by 1 member: Representative Murray.

Staff: Gene Baxstrom (786-7303).

Background: The Central Puget Sound Regional Transit Authority (RTA) is proceeding with a 10-year, high capacity transit plan approved by voters in portions of King, Pierce and Snohomish counties in November 1996. That plan calls for improvements in regional express bus service, direct access facilities to the high occupancy vehicle lane system, a commuter rail element, and a light rail transit system.

The RTA-planned system is estimated to cost \$3.9 billion in 1995 dollars. This expenditure plan assumes \$727 million in federal funds. This total expenditure includes

\$1.8 billion for light rail and \$670 million for commuter rail. Train sets and other rolling stock for these rail services total \$160-\$200 million for light rail and \$120 million for commuter rail.

Federal Transit Administration regulations preclude geographic preferences for grantees' purchases except where federal statutes expressly mandate or encourage those preferences. At present, such preferences could jeopardize federal participation in the RTA project.

Currently, two Talgo train sets are being constructed in Seattle for the state of Washington. These train sets were funded with state funds; and a condition of any contract let for such acquisition by the state was that "the manufacturer of the trains has the obligation of establishing a corporate office in Washington State. The manufacturer is also obligated to spend a minimum of 25 percent of the total purchase price of the train sets on the assembly and manufacture of parts of the train sets in Washington State."

Summary of Substitute Bill: The RTA is required to consult with the Department of Community, Trade and Economic Development to explore the potential for developing contracting methods that encourage development of a manufacturing base in Washington for commuter and light rail train sets and components. The RTA must report its findings to the Legislative Transportation Committee by January 1, 1999.

Substitute Bill Compared to Original Bill: The RTA is to conduct a study of developing an in-state industry to build commuter and light rail train sets rather than being mandated to acquire train sets which are 60 percent "built in Washington."

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This would keep tax moneys and jobs in the Washington economy.

Testimony Against: This could increase the costs of the rail components and could jeopardize over \$700 million in federal funds.

Testified: Representative Steve Conway, prime sponsor (pro); Representative Eric Robertson, secondary sponsor (pro); Roy Moore, Washington Machinists Council (pro); Bob Dilger, Washington State Building & Construction Trades Council (pro); and Paul Matsuoka, RTA - Sound Transit (con).