

SENATE BILL REPORT

SB 6709

As Reported By Senate Committee On:
Transportation, February 10, 1998

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: Senators Wood, Haugen, Winsley, Patterson and Heavey.

Brief History:

Committee Activity: Transportation: 2/9/98, 2/10/98 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6709 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Goings, Haugen, Heavey, Jacobsen, Morton, Oke, Patterson, Prentice and Rasmussen.

Staff: Gene Baxstrom (786-7303)

Background: The Central Puget Sound Regional Transit Authority (RTA) is proceeding with a ten-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 federal funds of \$727 million. 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 Regional Transit Authority 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 Regional Transit Authority must report its findings to the Legislative Transportation Committee by January 1, 1999.

Substitute Bill Compared to Original Bill: The Regional Transit Authority must conduct a study of developing an instate 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: Ninety days after adjournment of session in which bill is passed.

Testimony For (original bill): This would keep tax moneys and jobs in the Washington economy and could help develop a new industry in the state.

Testimony Against (original bill): This could increase the costs of the rail components and could jeopardize over \$700 million in federal funds because of federal transit administration prohibitions on instate preferences.

Testified: Senator Wood, prime sponsor; Roy Moore, Washington Machinists Council (pro); Paul Matsuoka, RTA (concerns).