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ENGROSSED SUBSTITUTE HOUSE BILL 2615

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State of Washington

55th Legislature

1998 Regular Session

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)

Read first time 02/09/98. Referred to Committee on .

1 AN ACT Relating to creating partnerships for strategic freight  
2 investments; amending RCW 47.05.051; adding a new section to chapter  
3 47.06 RCW; adding a new chapter to Title 47 RCW; and making an  
4 appropriation.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that:

7 (1) Washington state is uniquely positioned as a gateway to the  
8 global economy. As the most trade-dependent state in the nation, per  
9 capita, Washington's economy is highly dependent on an efficient  
10 multimodal transportation network in order to remain competitive.

11 (2) The vitality of the state's economy is placed at risk by  
12 growing traffic congestion that impedes the safe and efficient  
13 movement of goods. The absence of a comprehensive and coordinated  
14 state policy that facilitates freight movements to local, national, and  
15 international markets limits trade opportunities.

16 (3) Freight corridors that serve international and domestic  
17 interstate and intrastate trade, and those freight corridors that  
18 enhance the state's competitive position through regional and global  
19 gateways are strategically important. In many instances, movement of

1 freight on these corridors is diminished by: Barriers that block or  
2 delay access to intermodal facilities where freight is transferred from  
3 one mode of transport to another; conflicts between rail and road  
4 traffic; constraints on rail capacity; highway capacity constraints,  
5 congestion, and condition; waterway system depths that affect capacity;  
6 and institutional, regulatory, and operational barriers.

7 (4) Rapidly escalating population growth is placing an added burden  
8 on streets, roads, and highways that serve as freight corridors.  
9 Community benefits from economic activity associated with freight  
10 movement often conflict with community concerns over safety, mobility,  
11 environmental quality. Efforts to minimize community impacts in areas  
12 of high freight movements that encourage the active participation of  
13 communities in the early stages of proposed public and private  
14 infrastructure investments will facilitate needed freight mobility  
15 improvements.

16 (5) Ownership of the freight mobility network is fragmented and  
17 spread across various public jurisdictions, private companies, and  
18 state and national borders. Transportation projects have grown in  
19 complexity and size, requiring more resources and longer implementation  
20 time frames. Currently, there is no comprehensive and integrated  
21 framework for planning the freight mobility needs of public and private  
22 stakeholders in the freight transportation system. A coordinated  
23 planning process should identify new infrastructure investments that  
24 are integrated by public and private planning bodies into a multimodal  
25 and multijurisdictional network in all areas of the state, urban and  
26 rural, east and west. The state should integrate freight mobility  
27 goals with state policy on related issues such as economic development,  
28 growth management, and environmental management.

29 (6) State investment in projects that enhance or mitigate freight  
30 movements, should pay special attention to solutions that utilize a  
31 corridor solution to address freight mobility issues with important  
32 transportation and economic impacts beyond any local area. The  
33 corridor approach builds partnerships and fosters coordinated planning  
34 among jurisdictions and the public and private sectors.

35 (7) It is the policy of the state of Washington that limited public  
36 transportation funding and competition between freight and general  
37 mobility improvements for the same fund sources require strategic,  
38 prioritized freight investments that reduce barriers to freight  
39 movement, maximize cost-effectiveness, yield a return on the state's

1 investment, require complementary investments by public and private  
2 interests, and solve regional freight mobility problems. State  
3 financial assistance for freight mobility projects must leverage other  
4 funds from all potential partners and sources, including federal,  
5 county, city, port district, and private capital.

6 NEW SECTION. **Sec. 2.** Unless the context clearly requires  
7 otherwise, the definitions in this section apply throughout this  
8 chapter.

9 (1) "Board" means the freight mobility strategic investment board  
10 created in section 4 of this act.

11 (2) "Department" means the department of transportation.

12 (3) "Freight mobility" means the safe, reliable, and efficient  
13 movement of goods within and through the state to ensure the state's  
14 economic vitality.

15 (4) "Local governments" means cities, towns, counties, special  
16 purpose districts, port districts, and any other municipal corporations  
17 or quasi-municipal corporations in the state excluding school  
18 districts.

19 (5) "Public entity" means a state agency, city, town, county, port  
20 district, or municipal or regional planning organization.

21 (6) "Strategic freight corridor" means a transportation corridor of  
22 great economic importance within an integrated freight system that:

23 (a) Serves international and domestic interstate and intrastate  
24 trade;

25 (b) Enhances the state's competitive position through regional and  
26 global gateways;

27 (c) Carries freight tonnages of at least:

28 (i) Four million gross tons annually on state highways, city  
29 streets, and county roads;

30 (ii) Five million gross tons annually on railroads; or

31 (iii) Two and one-half million net tons on waterways; and

32 (d) Has been designated a strategic corridor by the board under  
33 section 3(3) of this act. However, new alignments to, realignments of,  
34 and new links to strategic corridors that enhance freight movement may  
35 qualify, even though no tonnage data exists for facilities to be built  
36 in the future.

37 NEW SECTION. **Sec. 3.** (1) The board shall:

1 (a) Adopt rules and procedures necessary to implement the freight  
2 mobility strategic investment program;

3 (b) Solicit from public entities proposed projects that meet  
4 eligibility criteria established in accordance with subsection (4) of  
5 this section; and

6 (c) Review and evaluate project applications based on criteria  
7 established under this section, and prioritize and select projects  
8 comprising a portfolio to be funded in part with grants from state  
9 funds appropriated for the freight mobility strategic investment  
10 program. In determining the appropriate level of state funding for a  
11 project, the board shall ensure that state funds are allocated to  
12 leverage the greatest amount of partnership funding possible. After  
13 selecting projects comprising the portfolio, the board shall submit  
14 them as its budget request to the office of financial management and  
15 the legislature. The board shall ensure that projects submitted as  
16 part of the portfolio are not more appropriately funded with other  
17 federal, state, or local government funding mechanisms or programs.  
18 The board shall reject those projects that appear to improve overall  
19 general mobility with limited enhancement for freight mobility.

20 The board shall provide periodic progress reports to the governor  
21 and the legislative transportation committee.

22 (2) The board may:

23 (a) Accept from any state or federal agency, loans or grants for  
24 the financing of any transportation project and enter into agreements  
25 with any such agency concerning the loans or grants;

26 (b) Provide technical assistance to project applicants;

27 (c) Accept any gifts, grants, or loans of funds, property, or  
28 financial, or other aid in any form from any other source on any terms  
29 and conditions which are not in conflict with this chapter;

30 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out  
31 the purposes of this chapter; and

32 (e) Do all things necessary or convenient to carry out the powers  
33 expressly granted or implied under this chapter.

34 (3) The board shall designate strategic freight corridors within  
35 the state. The board shall update the list of designated strategic  
36 corridors not less than every two years, and shall establish a method  
37 of collecting and verifying data, including information on city and  
38 county-owned roadways.

1 (4) From the effective date of this act through the biennium ending  
2 June 30, 2001, the board shall utilize threshold project eligibility  
3 criteria that, at a minimum, includes the following:

4 (a) The project must be on a strategic freight corridor;

5 (b) The project must meet one of the following conditions:

6 (i) It is primarily aimed at reducing identified barriers to  
7 freight movement with only incidental benefits to general or personal  
8 mobility; or

9 (ii) It is primarily aimed at increasing capacity for the movement  
10 of freight with only incidental benefits to general or personal  
11 mobility; or

12 (iii) It is primarily aimed at mitigating the impact on communities  
13 of increasing freight movement, including roadway/railway conflicts;  
14 and

15 (c) The project must have a total public benefit/total public cost  
16 ratio of equal to or greater than one.

17 (5) From the effective date of this act through the biennium ending  
18 June 30, 2001, the board shall use the multicriteria analysis and  
19 scoring framework for evaluating and ranking eligible freight mobility  
20 and freight mitigation projects developed by the freight mobility  
21 project prioritization committee and contained in the January 16, 1998,  
22 report entitled "Project Eligibility, Priority and Selection Process  
23 for a Strategic Freight Investment Program." The prioritization  
24 process shall measure the degree to which projects address important  
25 program objectives and shall generate a project score that reflects a  
26 project's priority compared to other projects. The board shall assign  
27 scoring points to each criterion that indicate the relative importance  
28 of the criterion in the overall determination of project priority.  
29 After June 30, 2001, the board may supplement and refine the initial  
30 project priority criteria and scoring framework developed by the  
31 freight mobility project prioritization committee as expertise and  
32 experience is gained in administering the freight mobility program.

33 (6) It is the intent of the legislature that each freight mobility  
34 project contained in the project portfolio submitted by the board  
35 utilize the greatest amount of nonstate funding possible. The board  
36 shall adopt rules that give preference to projects that contain the  
37 greatest levels of financial participation from nonprogram fund  
38 sources. The board shall consider twenty percent as the minimum  
39 partnership contribution, but shall also ensure that there are

1 provisions allowing exceptions for projects that are located in areas  
2 where minimal local funding capacity exists or where the magnitude of  
3 the project makes the adopted partnership contribution financially  
4 unfeasible.

5 (7) The board shall develop and recommend policies that address  
6 operational improvements that primarily benefit and enhance freight  
7 movement, including, but not limited to, policies that reduce  
8 congestion in truck lanes at border crossings and weigh stations and  
9 provide for access to ports during nonpeak hours.

10 NEW SECTION. **Sec. 4.** (1) The freight mobility strategic  
11 investment board is created. The board shall convene by July 1, 1998.

12 (2) The board is composed of twelve members. The following members  
13 are appointed by the governor for terms of four years, except that five  
14 members initially are appointed for terms of two years: (a) Two  
15 members, one of whom is from a city located within or along a strategic  
16 freight corridor, appointed from a list of at least four persons  
17 nominated by the association of Washington cities or its successor; (b)  
18 two members, one of whom is from a county having a strategic freight  
19 corridor within its boundaries, appointed from a list of at least four  
20 persons nominated by the Washington state association of counties or  
21 its successor; (c) two members, one of whom is from a port district  
22 located within or along a strategic freight corridor, appointed from a  
23 list of at least four persons nominated by the Washington public ports  
24 association or its successor; (d) one member representing the office of  
25 financial management; (e) one member appointed as a representative of  
26 the trucking industry; (f) one member appointed as a representative of  
27 the railroads; (g) the secretary of the department of transportation;  
28 (h) one member representing the steamship industry; and (i) one member  
29 of the general public. In appointing the general public member, the  
30 governor shall endeavor to appoint a member with special expertise in  
31 relevant fields such as public finance, freight transportation, or  
32 public works construction. The governor shall appoint the general  
33 public member as chair of the board. In making appointments to the  
34 board, the governor shall ensure that each geographic region of the  
35 state is represented.

36 (3) Members of the board may not receive compensation.  
37 Reimbursement for travel and other expenses shall be provided by each  
38 respective organization that a member represents on the board.

1 (4) If a vacancy on the board occurs by death, resignation, or  
2 otherwise, the governor shall fill the vacant position for the  
3 unexpired term. Each vacancy in a position appointed from lists  
4 provided by the associations and departments under subsection (2) of  
5 this section must be filled from a list of at least four persons  
6 nominated by the relevant association or associations.

7 (5) The appointments made in subsection (2) of this section are not  
8 subject to confirmation.

9 NEW SECTION. **Sec. 5.** The board shall appoint an executive  
10 director, who shall serve at its pleasure and whose salary shall be set  
11 by the board. Staff support to the board shall initially be provided  
12 by the department of transportation, the transportation improvement  
13 board, and the county road administration board or their successor  
14 agencies. The board shall develop a plan that provides for  
15 administration and staffing of the program and present this plan to the  
16 office of financial management and the legislative transportation  
17 committee by December 31, 1998.

18 NEW SECTION. **Sec. 6.** (1) For the purpose of allocating funds for  
19 the freight mobility strategic investment program, the board shall  
20 allocate the first fifty-five percent of funds to the highest priority  
21 projects, without regard to location.

22 (2) The remaining funds shall be allocated equally among three  
23 regions of the state, defined as follows:

24 (a) The Puget Sound region includes King, Pierce, and Snohomish  
25 counties;

26 (b) The western Washington region includes Clallum, Jefferson,  
27 Island, Kitsap, San Juan, Skagit, Whatcom, Clark, Cowlitz, Grays  
28 Harbor, Lewis, Mason, Pacific, Skamania, Thurston, and Wahkiakum  
29 counties; and

30 (c) The eastern Washington region includes Adams, Chelan, Douglas,  
31 Ferry, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens,  
32 Whitman, Asotin, Benton, Columbia, Franklin, Garfield, Kittitas,  
33 Klickitat, Walla Walla, and Yakima counties.

34 (3) If a region does not have enough qualifying projects to utilize  
35 its allocation of funds, the funds will be made available to the next  
36 highest priority project, without regard to location.

1 (4) In the event that a proposal contains projects in more than one  
2 region, for purposes of assuring that equitable geographic  
3 distributions are made under subsection (2) of this section, the board  
4 shall evaluate the proposal and proportionally assign the benefits that  
5 are attributable to each region.

6 (5) If the board identifies a project for funding, but later  
7 determines that the project is not ready to proceed at the time the  
8 legislature's funding decision is pending, the board shall recommend  
9 removing the project from consideration and the next highest priority  
10 project shall be substituted in the project portfolio. Any project  
11 removed from funding consideration because it is not ready to proceed  
12 shall retain its position on the priority project list and is eligible  
13 to be recommended for funding in the next project portfolio submitted  
14 by the board.

15 NEW SECTION. **Sec. 7.** In order to aid the financing of eligible  
16 freight mobility projects, the board may:

17 (1) Make grants or loans from funds appropriated for the freight  
18 mobility strategic investment program for the purpose of financing  
19 freight mobility projects. The board may require terms and conditions  
20 as it deems necessary or convenient to carry out the purposes of this  
21 chapter.

22 (2) The state shall not bear the financial burden for project costs  
23 unrelated to the movement of freight. Project amenities unrelated to  
24 the movement of freight may not be submitted to the board as part of a  
25 project proposal under the freight mobility strategic investment  
26 program.

27 (3) All freight mobility projects aided in whole or in part under  
28 this chapter must have a public entity designated as the lead project  
29 proponent.

30 NEW SECTION. **Sec. 8.** The board shall keep proper records and  
31 shall be subject to audit by the state auditor.

32 NEW SECTION. **Sec. 9.** Port districts in the state shall submit  
33 their development plans to the relevant regional transportation  
34 planning organization or metropolitan planning organization, the  
35 department, and affected cities and counties to better coordinate the  
36 development and funding of freight mobility projects.



1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 47.06 RCW  
2 to read as follows:

3        The state-interest component of the state-wide multimodal  
4 transportation plan shall include a freight mobility plan which shall  
5 assess the transportation needs to ensure the safe, reliable, and  
6 efficient movement of goods within and through the state and to ensure  
7 the state's economic vitality.

8        NEW SECTION.    **Sec. 11.**    In order to encourage joint transportation  
9 planning activities proximate to international borders, the department  
10 shall make incentive grants to metropolitan and regional transportation  
11 planning organizations that share a common border with Canada. As a  
12 condition of receiving a grant under this section, the planning  
13 organization shall assure the department that it commits to be engaged  
14 in joint planning with its counterpart agency in Canada. Such grants  
15 shall be used to develop project plans and implement coordinated and  
16 comprehensive projects to improve the safe movement of people and goods  
17 at or across the boarder. Grants shall be made on the basis of:

18        (1) Expected reduction in commercial and other travel time through  
19 a major international gateway as a result of the project;

20        (2) Leveraging of federal funds provided, including use of  
21 innovative financing, in combination with other sources of federal,  
22 state, local, and private funding;

23        (3) Improvements in vehicle and highway safety and cargo security  
24 in and through the gateway;

25        (4) Degree of binational involvement in the project, and  
26 demonstrated coordination with other federal agencies responsible for  
27 inspection of vehicles, cargo, and persons crossing international  
28 borders, and their counterpart agencies in Canada;

29        (5) Demonstrated local commitment to implement and sustain  
30 continuing comprehensive border planning processes; and

31        (6) Improved use of existing and underutilized border crossing  
32 facilities and approaches.

33        **Sec. 12.**    RCW 47.05.051 and 1993 c 490 s 5 are each amended to read  
34 as follows:

35        The comprehensive six-year investment program shall be based upon  
36 the needs identified in the state-owned highway component of the state-

1 wide multimodal transportation plan as defined in RCW 47.01.071(3) and  
2 priority selection systems that incorporate the following criteria:

3 (1) Priority programming for the preservation program shall take  
4 into account the following, not necessarily in order of importance:

5 (a) Extending the service life of the existing highway system;

6 (b) Ensuring the structural ability to carry loads imposed upon  
7 highways and bridges; and

8 (c) Minimizing life cycle costs. The transportation commission in  
9 carrying out the provisions of this section may delegate to the  
10 department of transportation the authority to select preservation  
11 projects to be included in the six-year program.

12 (2) Priority programming for the improvement program shall take  
13 into account the following:

14 (a) Support for the state's economy, including job creation and job  
15 preservation;

16 (b) The cost-effective movement of people and goods;

17 (c) Accident and accident risk reduction;

18 (d) Protection of the state's natural environment;

19 (e) Continuity and systematic development of the highway  
20 transportation network;

21 (f) Consistency with local comprehensive plans developed under  
22 chapter 36.70A RCW;

23 (g) Consistency with regional transportation plans developed under  
24 chapter 47.80 RCW;

25 (h) Public views concerning proposed improvements;

26 (i) The conservation of energy resources;

27 (j) Feasibility of financing the full proposed improvement;

28 (k) Commitments established in previous legislative sessions;

29 (l) Relative costs and benefits of candidate programs;

30 (m) Major projects addressing capacity deficiencies which  
31 prioritize allowing for preliminary engineering shall be reprioritized  
32 during the succeeding biennium, based upon updated project data.  
33 Reprioritized projects may be delayed or canceled by the transportation  
34 commission if higher priority projects are awaiting funding; and

35 (n) Major project approvals which significantly increase a  
36 project's scope or cost from original prioritization estimates shall  
37 include a review of the project's estimated revised priority rank and  
38 the level of funding provided. Projects may be delayed or canceled by

1 the transportation commission if higher priority projects are awaiting  
2 funding.

3 (3) The commission may depart from the priority programming  
4 established under subsections (1) and (2) of this section: (a) To the  
5 extent that otherwise funds cannot be utilized feasibly within the  
6 program; (b) as may be required by a court judgment, legally binding  
7 agreement, or state and federal laws and regulations; (c) as may be  
8 required to coordinate with federal, local, or other state agency  
9 construction projects; (d) to take advantage of some substantial  
10 financial benefit that may be available; (e) for continuity of route  
11 development; or (f) because of changed financial or physical conditions  
12 of an unforeseen or emergent nature. The commission or secretary of  
13 transportation shall maintain in its files information sufficient to  
14 show the extent to which the commission has departed from the  
15 established priority.

16 (4) The commission shall identify those projects that yield freight  
17 mobility benefits or that alleviate the impacts of freight mobility  
18 upon affected communities.

19 NEW SECTION. Sec. 13. The governor shall take the steps necessary  
20 to ensure that this act is implemented on its effective date and that  
21 the freight mobility strategic investment board convenes by July 1,  
22 1998.

23 NEW SECTION. Sec. 14. In order to facilitate freight mobility,  
24 the sum of twenty-five million dollars is appropriated for the biennium  
25 ending June 30, 1999, from the motor vehicle fund--state to the  
26 department of transportation improvement program for highway  
27 construction projects as determined by the transportation commission.  
28 If section 43 of Engrossed House Bill No. 2894 is not enacted by June  
29 30, 1998, this section is null and void.

30 NEW SECTION. Sec. 15. If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 16.**    Sections 1 through 9, 11, and 13 of this  
2    act constitute a new chapter in Title 47 RCW.

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