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***Transportation System Initiatives Impacting  
Washington's Agricultural Industry of the Future***

Prepared for  
**Washington State Department of Agriculture**

By

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July 2008

ISSUE / ACTIVITY	SOURCE	EXPLANATION	POTENTIAL IMPACT ON AGRICULTURE
<b>Federal Initiatives</b>			
1. Transportation Authorization Bill	U.S. Congress	Determines magnitude of financing available and policies for funding transportation system needs, determine new regional governance responsibilities in investing appropriated funding.	Ability for agricultural interests to affect transportation expenditures may be lessened. Level of funding for critical agricultural transportation segments of the overall system may change.
2. Revision of the Surface Transportation Board Authority	U.S. Congress	Increase the value of competition in evaluating performance of modes; increase or decrease amount of regulation and statutory control.	If competition and "captured shippers" are increased in importance in evaluating the performance of carriers, some shippers will gain. If Class I railroads react by changing investment strategies, some shippers may lose.
3. Security issues	U.S. Congress	Increase coverage of containers crossing the international borders and ports, broaden internal security coverage, potentially increase and change fees charged.	Costs of international trade for products and inputs may be increased. Length of time of delivery may increase for critical inputs and products as congestion increase in the ports and accesses.
4. Safety Emphasis	U.S. Congress	Shift emphasis from minimizing the magnitude of collision costs to imposing standards to avoid collisions.	Costs of trucking may increase. Other modes may be faced with increased costs as well. Decreased travel time may decrease net payment to drivers, thus further affecting the already existing driver and truck shortage.

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5. Federal weight and length regulations	U.S. Congress and state regulations	Increase weight and length regulations, increase height regulations, allow triples and multiple configurations, change Hours of Service regulations for all modes.	May decrease costs of operation. Increased damage to roads and safety considerations may make rural areas less efficient.
6. Environmental issues, such as the Culvert Case	U.S. Courts, Congress and policy decisions by the states	Require all ESA and other requirements to be met by a given date, look to energy efficiencies as part of global warming, and policies to improve energy efficiencies, decrease VMT in state.	Increased costs of providing service by the Departments of Transportation. Cleaner and Greener transportation projects may decrease the number of projects for the available state and federal budgets.
7. National Surface Transportation Policy and Review Study Commission	U.S. Congress, on initial Commission presentations	Recommend alternative funding sources and structures, e.g. index fuel taxes to inflation, fees on containers, tolling rates, congestion pricing, public/private ownership.	Rural roads in Washington don't lend themselves to tolling, due to alternative roads, or public/private partnerships due to lack of density of traffic, thus funds may go to other roads that can carry such mechanisms and will expect the revenue to be used for their local needs. All sources of funds will cause an increase at some level in the costs of operation of carriers serving the agricultural industry.
<b>State Initiatives</b>			
1. JTC Freight Finance Study	Washington State Legislature	As gas tax collections decrease and facilities deteriorate, new state sources of funds may be implemented, including private/public partnerships and tolling.	Rural roads in Washington don't lend themselves to tolling, due to alternative roads, or public/private partnerships due to lack of density of traffic, thus funds may go to other roads that can carry such mechanisms and expect the revenue to be used for their local needs. All sources of funds will cause an increase at some level in the costs of operation of carriers serving the agricultural industry.

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2. Washington State Transportation Plan	Washington Department of Transportation and Washington Legislature	Support global gateways, local production and local delivery efficiencies. Deliver programs on time, on budget and to reflect state priorities.	Increased trade, in both directions, is a fact of the future. Focus on the global gateways, if on imports, may not be immediately beneficial to the agricultural. Exports will gain by focusing on improving the efficiencies and decreasing the congestion on trade routes. Emphasis in the Plan on “Made in Washington” may improve the service from the transportation sector to support home products. One half of Washington’s exports are Washington produced.
3. Short line Railroad issues	Washington Department of transportation and Washington legislature	Issues of State ownership of trackage, rolling stock or power. Public/private partnerships with local entities to run and invest in railroad facilities, development of alternative routing, state negotiation with Class I railroads on behalf of shippers regarding rates and service levels.	Short lines provide critical linkage and access to markets for agricultural markets. They have been used in conjunction with trucks, barge and Class I railroads to achieve efficiencies, competition and complementary roles for shippers. The combination of public costs (road and bridge damage, etc.) with private costs of operation suggests sustained public interest (state ownership or investment) may be the force to continue this service. Since the Class I’s are eliminating much of this local service, shippers may have to find and support other sources of service, including short line or regional railroads.
4. Major Projects			
a. Snoqualmie Pass	Washington State Department of Transportation, Washington State Legislature	Shape tunnels and mountain road segments to avoid closures and accidents.	Increase reliability of access to markets and ports on the west side. Lower costs of product loss and delay.
b. Alaska Viaduct	Washington State Legislature, City of Seattle, Puget Sound economic development entities	Decide how to make passage safe for earthquake conditions, decide alternative routing and configuration in dense urban areas.	Decrease congestion on the I-5 corridor, increasing reliability and access to the ports and down town markets.

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c. SR 520	Washington State Department of Transportation, Washington State Legislature	Improve safety over the lake by rebuilding the bridge, considering tolls to fund the structure.	Increase access to ports and markets in the Puget Sound area.
d. North South Freeway in and out of Spokane	Washington State Department of Transportation, Washington State Legislature, Spokane entities	Build connection from I-90 North, improving urban flow, decreasing safety considerations, act as an economic development stimulus.	Provide economic activity in the region, increased access to international and regional markets.
5. Finance issues for all modes, especially roads	Washington State Legislature, Ports, Cities, Counties	New funding sources to supplement decreasing and deficit current gas tax collections, tolling, fuel taxes, indexing of taxes, cost allocations, fees for services, public/private partnerships.	The structure of the revenue generating effort will affect agriculture by affecting costs of transportation but also affecting the availability of transportation funds in agricultural areas. Eastern cities and counties could gain or lose depending on the magnitude of the funds raised or the structure of those revenue raising schemes.
6. Benefits/Impacts study and project selection process	Washington State Department of Transportation	Process to determine benefits by stakeholder, new project selection process that includes private benefits supplemented by public benefits.	Agriculture may gain or lose, depending on the benefits identified and the relative magnitude of those benefits for each stakeholder. Agricultural interests may be forced to work to identify the benefits, both private and public.
7. FMSIB emphasis on benefits by stakeholders	FMSIB, Washington State Department of Transportation, Washington State Legislature	Examine projects with specific attention being paid to beneficiaries and stakeholders of each project to help prioritize the investments.	Agriculture may gain or lose, depending on the benefits identified and the relative magnitude of those benefits for each stakeholder. Agricultural interests may be forced to work to identify the benefits, both private and public.

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<b>Partnerships</b>			
1. Intermodal and inland ports	Port Authorities in the state, Washington State Legislature, U S Congress		
a. Quincy	Port of Quincy, Washington State Legislature, US Congress	Develop inland port/intermodal facility.	If rates and service are received from the BN/SF shippers will have another alternative for shipping capacity to the West Coast. More containers may be available in the area.
b. RailEx	Railroad, ports, US congress, Washington State Legislature	Provide collection, long haul and distribution for produce and products in one system.	Increased service may arise as number of trains per given time period increase and new products are moved on these RailEx trains. Rates are also lower than alternatives.
c. Port of Benton Initiative	Port of Benton and shippers in area	Develop facility similar to RailEx in function and service.	Increased service may arise as number of trains per given time period increase and new products are moved on these RailEx trains. Rates are expect to also be lower than alternatives.
2. Washington State Produce Rail Car Program	Washington State Department of Transportation, Washington State Legislature	State provided refrigerated railcars, 26 now in operation, expand to 50 or more.	Agriculture will have more alternative capacity as and if this system grows. Shippers will have to step up to take advantage of the cars, thus providing a return on the state's investment that warrants further capacity being made available.
3. Columbia River Crossing Project	Washington and Oregon State Departments of Transportation, US Congress, Washington and Oregon State Legislatures.	Build alternative bridge across the Columbia River between Vancouver, Washington and Portland, Oregon.	Decreased congestion at the river will aid mobility along the I-5 corridor, making markets more available and truck capacity more evident.

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4. Inland Hub Corridor Study	United States Department of transportation, Spokane development agencies, Idaho Department of transportation, Washington Legislature and the WSDOT.	Provide facilities to encourage development of the area as a corridor of economic activity, connecting the Canadian and international markets and flows to southern customers, with service provided, and economic impact, in the Spokane area.	Increased local markets, improved support and business services for movements to the international markets and markets in southern and eastern United States. Lower cost inputs if economies of scale can be realized.
5. Sound Transit and passenger capacity	WSDOT, Washington State Legislature, Puget Sound Transit, US congress	Increase level of service for rail passengers in the region, combine passenger and freight usage of constrained rail capacity in the region.	If passenger trains take precedence over freight trains, freight mobility is negatively affected. Capacity is limited and competition may affect costs of delay and result in higher rates and less reliable service.
6. West Coast Corridor Study	States and Departments of Transportations in those states on the west region of the United States	Identify and implement projects that aid mobility, passenger and freight, in traveling the region, develop policies, regionally and nationally that encourage cooperation and coordination of investments.	Decrease congestion on the I-5 corridor, increasing reliability and access to the ports and down town markets. Products moving to California or Canada will find decreased rates and increased service levels.
7. FAST Corridor development	WSDOT, regional development entities	Develop improved mobility in the region by eliminating bottlenecks affecting passage.	Decrease congestion on the I-5 corridor, increasing reliability and access to the ports and down town markets. Products moving to California or Canada will find decreased rates and increased service levels. Better service in an east-west direction as well should occur.

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8. High "C" freight rail corridor initiative	Economic Development Agencies in the state	Significantly increase rail capacity and competition in the state by using existing right of ways to build alternative routing in the state, new Rail Development Authority.	Competition among the Class I's will be increased due to new capacity moving to the west side. Rates should be decreased and service levels increased if this line were to become available.
<b>Mode Specific Initiatives</b>			
1. Class I Railroad business plans	Class I railroads	"Hook and haul" emphasis, achieve economies of bulk unit movements and shuttle trains, balance container movements by sending empties to California, rationalize networks.	Agricultural shippers will be bearing more and more of the local costs of getting their products to or around the Class I trackage. Loss of container backhaul capacity and rates will result as the carriers balance their container flow by sending more empties to California markets and ports.
2. Railroad capacity development	State Departments of Agriculture and Transportation, US Congress	Increase rolling stock, Grain Trains, intermodal facilities, improve roadway and bridges.	Capacity will be enhanced, bringing with it better service levels, rates and costs of transportation. Delays will decrease and reliability increase.
3. Air capacity	Major airlines	Use capacity for value added products, improve service and increase rates.	Agriculture may find it in their best interest to do value added production and then use the limited air capacity to reach their markets.
4. Columbia River deepening	US Army Corps of Engineers, US Congress, state Departments of Transportation	Improve drafts in lower Columbia River segments, allowing larger ships and more volume per ship.	This may provide more shipper alternatives as steam ship lines return to the lower Columbia River area. Shipping rates may decrease for the many bulk and container shipments that have historically gone down the River.

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5. Loss of barge transportation on Snake	Environmental concerns/agencies, US Congress, US Army Corps of Engineers, Washington State Department of Transportation	Dam drawdown, dredging, age of facilities, silting, road access.	This may provide fewer shipper alternatives as alternatives reaching the lower Columbia River area. Shipping rates may increase for the many bulk and container shipments that have historically gone down the River. Competition and capacity in the region will decrease, both of which are expected to cause those increased rates. Shippers will have to use trucks to move their commodities to the locations where the multi-car loading facilities exist on the Class I's lines.
6. New facility at Port of Longview	Port of Longview and local exporting firms	Develop and rebuild outdated export capacity at the Port.	Enhance marketing alternatives and in country prices offered from these facilities, prices based on improved costs of operating the facilities and volume incentives.
7. Operational Capacity of rail at all ports	Ports, Washington State Department of Transportation, Class I railroads	Eliminate bottlenecks on railroads, decrease conflicts between railroad and road.	Increased service, lower operating costs for carriers resulting in better relative rates.
<b>Other Initiatives</b>			
1. Core all weather road system	Benton-Franklin Council of Governments, Washington State Department of Transportation, County Governments	Identify and implement a road system that provides year around service to most areas of the state.	Receive access to markets in order to respond to price shifts. Shippers can provide a higher level of service to their customers, where reliability and availability are so important.