

Give Freight & Trade Their Due

Catching Up to New Challenges

Ten years ago Discovery Institute sponsored an “International Seattle” conference that posed the question to business, political and community leaders — *how can we remain globally competitive?* Even then transportation was a critical issue.

Since that time, the WTO riots, the departure of the Boeing Company headquarters to Chicago, and the telecom bust have left our region struggling to find its footing. As the Governor’s Competitiveness Council and the Seattle Business Climate Coalition stated earlier this year, state and regional regulatory and political obstacles continue to haunt us in retaining and attracting businesses. Transportation is the region’s true Achilles’ heel.

And while industry sectors such as high tech manufacturing, logistics and research and development define our region’s success, the lack of attention to transportation simultaneously threatens it. To compound the challenge, there are public safety risks of a collapsing viaduct or floating bridge in the event of a natural catastrophe.

Globalization of trade complicates the transportation challenge. Inadequate transportation con-



Courtesy of Washington State Trucking Association

nections are contributing to a more negative outlook for trade. Labor disputes on West Coast docks (now tentatively resolved) are another worrisome factor. They reflect more than a struggle over who should control new technology for national security and the tracking of containers. The dispute reveals the cold fact that ports in Asia and Europe are far ahead of West Coast ports in using technology to become more productive.

As manufacturing has shifted from northern Asian economies to Indonesia and southern China, the larger container ships are increasingly

going through the Suez Canal to East Coast markets. Dockworkers on the East Coast (ILA) have more competitive labor rates and a different bargaining unit than the West Coast (ILWU). Los Angeles and Long Beach, with their huge consumer markets, will always see huge growing container traffic. But that is not so for the Puget Sound ports, where 75 percent of the traffic is discretionary.

Puget Sound ports are losing business to Vancouver, B.C. due to land-side congestion, delays in technology deployment and a container tax for dredging, called the “Harbor Maintenance Tax”, that disadvantages U.S. deep water ports. All west coast ports lag behind Singapore and Rotterdam in use of state-of-the-art technology. The Puget Sound ports’ struggle to upgrade their competitive position is compounded further by a lack of political support in Congress, where it is noted that the state’s delegation was split on the issue of trade promotion authority for the President to negotiate trade treaties.

Puget Sound ports were too confident in recent years that their strategic geographic position halfway between Asia and Europe and their one-day sailing advantage over southern California ports would carry forward into the 21st century. Today, that one-day advantage is gone. California and the federal government decongested waterfronts to the south while we were just getting started.

Meanwhile, shippers and shipping lines, caught between customers’ demands for speedy, just-in-time deliveries and new costly marine container security initiatives, are exploring the devel-

opment of lower cost ports in Mexico to expedite the trans-shipment of cargo from Asia to the Mid West and East Coast of the United States. Transportation is just one concern in this darkening picture, but it is a significant one that cannot be ignored by anyone who desires a prosperous future for the region.

Freight Impacts in the Metro Area

In our concept of Central Puget Sound’s transportation destiny, international trade — and the freight projects and industrial land base needed to support trade — are a high priority. Freight projects, however, need to fit into the fabric of the community as a full partner in the redesign of Central Puget Sound’s transportation landscape if they are to receive public support for funding. Our plan anticipates a long-term expansion of waterfront access.

Urban waterfronts (excepting Tacoma) no longer have room to increase storage for transshipments of containers. A major multi-national company, Transystems, is under contract to the federal government and is working with the Port of Tacoma to explore the feasibility of something called agile ports. Under this concept, inland intermodal yards constructed away from the waterfront ports will connect freight containers, highway and rail networks. The related benefits are improved productivity, terminal efficiency, reduced acreage requirements, and less required trucking (see graphic below). Military staging also would be moved to a central and secure location inland of the port itself.

This agile ports approach would free up current waterfront container storage areas in the



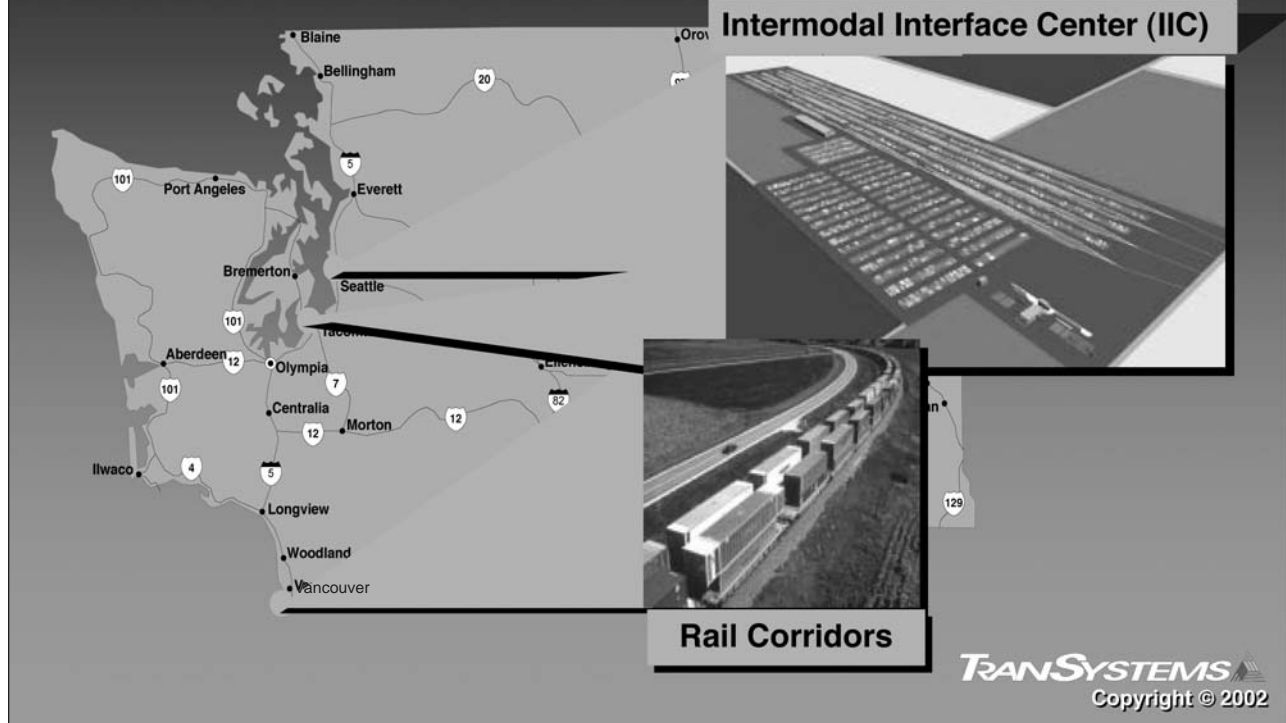
Courtesy of Port of Seattle

APP Association of Pacific Ports

Kelso, Washington

The Search For An Inland Intermodal Interface Center in the Pacific Northwest

Moving containers off the waterfront — “agile ports”



Seattle-Tacoma corridor and allow the direct loading of containers to rail shuttles at the intermodal yard. The intermodal yard, possibly near Fort Lewis, could be combined with the secured defense deployment yard for military preparedness.

An often-repeated lament in the port and shipping sector is that “Freight doesn’t vote.”

All of these proposals are aimed also at relieving congestion on both Interstate 5 and the adjacent Northwest Rail corridor, and doing so in harmony with environmental and safety concerns.

It all starts with gaining a proper respect for freight’s role in our economy. Freight mobility

makes trade work. Yet an often-repeated lament in the port and shipping sector is that “freight doesn’t vote.” The inability of the general public and elected officials to understand the importance of freight grates on people who spend their lives serving consumers, creating jobs and providing tax revenue.

The “freight doesn’t vote” sentiment is more than just a reaction to motorist complaints over the volume of truck traffic on I-5 or I-90, or the latest rail accident along Puget Sound beaches. It speaks to a larger failure within the community to grasp the importance of free trade in keeping the regional economy afloat, especially in troubled times. It used to be said that military installations were the closest thing to a guaranteed recession-proof economy. But that was before the end of the Cold War and a series of military base closings. While not as immune to economic highs and lows as military infrastructure, trade is the closest to a

sure economic bet as you will find in the international economy.

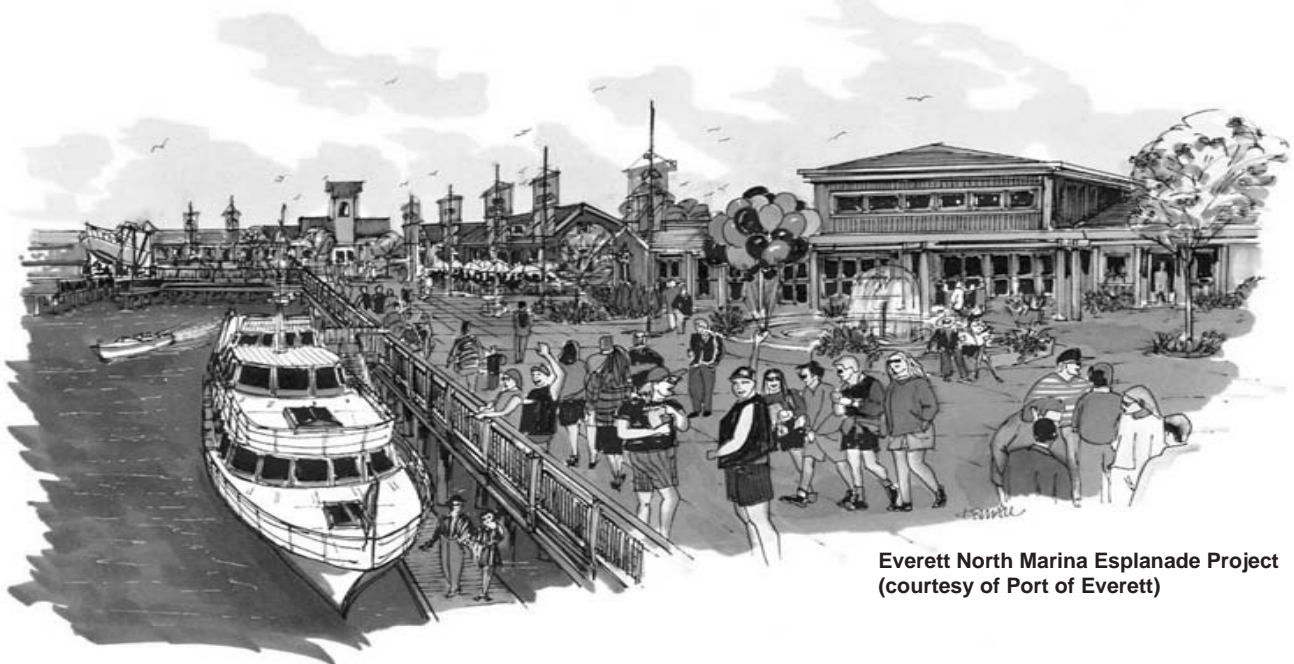
Depending on which West Coast marine cargo forecast you subscribe to, container traffic from Asia will either double or triple in the next twenty years. Canada and the U.S. form the largest trading partnership in the world. NAFTA trade is expected to double by 2020. When rail and truck traffic becomes a nuisance to sports fans trying to get into stadiums, and when industrial businesses move further away from port areas because of land use conflicts or labor rates that they consider to be too high, freight loses ground in the battle for public support and for resources from transportation tax measures.

Trade will grow as Asian economies recover and the falling American dollar stimulates export markets for Boeing planes, Microsoft software, timber and agriculture. Washington State agriculture benefits most because of the port container “backhaul” phenomena. Containers move high value imports from Asia through our ports to Midwest and East Coast markets. On their return, empty containers pick up such Washington State agricultural goods as wheat, apples, cherries and forest products to ship to Asia and beyond. It’s an efficient exchange.

Successful Partnerships

Washington State’s record on public/private partnerships, dating back to the failed state DOT’s 1995 initiative, has been spotty, but freight has been an exceptional success story. The Seattle/Tacoma/ Everett region is held up by national transportation officials as an example of normally competing transportation modes and community purposes that work together on common challenges. The state’s Freight Mobility Strategic Investment Board partnership of public agencies and private stakeholders preceded similar partnerships in Oregon and California and has a strong record of shared funding for statewide strategic projects. Regional examples of successful freight and mixed use partnerships include:

- The popular FAST Corridor (Freight Action Strategy for Seattle/Tacoma) projects, a series of highway/rail over/underpasses and truck lane projects between the ports of Tacoma, Seattle and Everett, seeks to disentangle freight and people traffic near our ports and to better move east-west traffic in the crowded Kent/Auburn Valley. (See next page.)



Everett North Marina Esplanade Project
(courtesy of Port of Everett)



Tacoma's Museum of Glass Bridge
(courtesy of Sonja Hall-Media Center, Tacoma)

- Tacoma's waterfront with graceful new bridges, overpasses, a 1.6 mile Sound Transit light rail line, stations and museums and the branch campus of the University of Washington, has been transformed from an ugly duckling to something like a graceful swan. "The City of Destiny" has a cohesive band of political leaders and business leaders who have formed a 125-member grass roots group called RAMP (Regional Access and Mobility Program) to support regional and statewide transportation investment strategies. Pierce County is making its mark with the shine of Chihuly glass.
- Thanks to aggressive investment by the port, city and Navy, Everett's waterfront, home to six pulp and paper mills in the 1960s, is taking advantage of a two-mile long jetty to create a mosaic of industries, military installations, marinas, hotels, shops and condominiums. Around the Snohomish River to the east, restored wetlands, housing and a new multi-modal transit center prevail over yesterday's smokestacks. Snohomish County leaders have also worked through

community-based partnerships such as Snohomish County Tomorrow to invest in infrastructure and to support highway and transit initiatives.

- In Seattle, a sparkling cruise ship terminal and joggers along Myrtle Edwards Park have replaced dilapidated warehouses along the waterfront. The Port of Seattle wisely consolidated terminal and warehouse space (and invested \$800 million) along the southern part of the port area to leave the north-central port area open for Bell Harbor and the World Trade Center Conference Centers, a prospective new aquarium, housing and an anticipated new Olympic Sculpture park. The tunneling of the Alaskan Way Viaduct remains the major opportunity for the port and city to peacefully collaborate. Meanwhile, Mayor Greg Nickels is advocating the connection of Pioneer Square to the waterfront with mixed use development between piers 37 and 48 and development of a university-based research center at Interbay.

Truck Routes West and East of the Cascades

The FAST corridor project is also exploring truck access to ports and alternative routes to help relieve pressure on I-5. Two projects under discussion, the extension of the Highway 99 and SR-509 corridor from Burien to Federal Way/I-5 and the upgrading of south Seattle's West Marginal Way for more truck traffic, could provide immediate relief to the I-5 corridor.

Much more needs to be done, however. The Reason Foundation, based in Los Angeles, has made a sensible proposal for "truck tollways" along the nation's interstate highways to expand capacity for trade while minimizing truck conflicts with motorists. Simply stated, new toll lanes would be constructed parallel to existing highways for the

exclusive use of trucks. The tolls that the trucking firms paid could partially be offset by credits on fuel taxes and license fees, harmonizing current differences in state-by-state taxation.

Toll truckways could have several applications in Washington State: the widening of I-5 in Lewis County, where the freeway narrows from three lanes to two lanes and is subject to flooding; I-90 on Snoqualmie Pass, where existing snowsheds over the highway are aging and expansion is needed to carry more traffic; and the I-5 bridge on the Columbia River. Short, truck-only sections, could be tolled to provide separated lanes from general vehicle traffic.

A new commercial vehicle-only corridor could help relieve congestion more generally on I-5 along the West Coast, the third busiest truck corridor in the U.S. The Washington Legislature has been supportive of exploring the feasibility of a new tolled transportation corridor east of I-5 and roughly parallel to it, from the Canadian border to Lewis County (Chehalis). This corridor has been referred to as the I-605 project. Two camps historically have opposed it. Growth management advocates fear the disruption of the hard fought urban growth boundaries along the Sammamish Plateau by a sprawl-inducing outer beltway. And, business interests along the I-405 corridor worry that an I-605 project could divert important resources and political capital away from their most important priority, enlargement of the I-405/SR-167 corridor.

There is a solution. First, build a new tolled highway trade corridor east of the Cascade Mountains, where north-south trade between central and eastern B.C., Alberta and California is increasing anyway. The new north-south highway ideally would be built on a totally new route from central British Columbia, through the sparsely populated desert and farmland of eastern/central Washington, Idaho and Oregon, then into California. It would be a major undertaking that could qualify for future federal interstate highway support, or it could operate as a tollway. There is little constituency for this

idea now, but it may well make the most sense in years to come.

In the meantime, there are two other possibilities for a north-south inland corridor in eastern Washington. The two, in fact, are not mutually exclusive, especially since one favors a central Washington (Columbia River) route and the other a Spokane-Inland Empire path.

1. Upgrade the current Highway 97 corridor from Canada's Okanagan Country (with connections to Alaska) through the Moses Lake and Tri-Cities area and on to the Oregon/California Klamath Falls bi-state region (where Highway 97 rejoins I-5). The advantage here is that the route could tie into the potential development of the extensive Moses Lake Airport/I-90 interchange that some observers see as a major air transshipment port gateway and future population hub.
2. Expand Highway 395/95's corridor in the Spokane area from the Washington-B.C.-Idaho border (which feeds traffic from Alberta); then link up with Highway 97 south of the Tri-Cities, continuing into Oregon along an upgraded 97 corridor through Bend and Klamath Falls. The advantage here is that 395 and 95 are currently designated by USDOT as high priority trade corridors eligible for special federal funding. Highway 97, in contrast, is not eligible at present for federal funds as a "trade corridor."

Either alternative will bring jobs to central and eastern Washington and bridge the "Cascade Curtain" political divide. Each would win Eastern Washington allies for a statewide transportation package directly linked to economic development and each would ease pressure on I-5.

A “Green” U.S./Canada Trade Corridor in the Cascade Foothills?

“Aging pipelines and pipeline safety,” says Second District Congressman Rick Larsen, “constitute another critical issue along the I-5 corridor. We need to look at alternative ways to move product across the Canada/U.S. border in an environmentally friendly way.” He’s right.

Since the September 11 attacks it has become increasingly important to develop more redundancy in our transportation and energy systems. With a federal transportation grant secured by Senator Patty Murray and Representative Larsen, the Whatcom Council of Governments and the Cascadia Project are collaborating with Washington State and British Columbia provincial leaders on a Cascade multi-modal corridor study. The study will begin with an energy and utility market analysis that is the first step in exploring the feasibility of an alternative trade corridor between Canada and the United States on the west side of the mountains. Utilities under consideration would include telecommunications, natural gas and liquid petroleum pipelines, and electrical grids.

The 1999 petroleum pipeline explosion in Bellingham that resulted in a tragic loss of lives raised long term questions about the future of aging infrastructure in Western Washington. New pipelines are perhaps only part of the solution. A more advanced, technologically monitored *utility corridor* with larger capacity to tap into Alaskan and Canadian markets could divert the pipeline from populated areas altogether. This “Multi-Modal Corridor” also could benefit the economy by providing a reliable energy supply to help stabilize prices for fuel and natural gas.

For historical reference, the Whatcom COG/Discovery study will examine the U.S./Canada Ross Dam Treaty model that applies utility fees from Ross Dam to finance the Skagit Endowment Fund. In like fashion, a Multi-Modal Corridor endowment fund could use utility fees for agricul-

tural and timber buffers, expansion of recreational trails and wetland mitigation. With an environmental endowment fund and new taxes for local school and fire districts, the new utility corridor would be a “green” plus for the region, as well as an asset for economic growth in rural areas.

Moving Freight Traffic Away from the Waterfront

Phase Two of the Foothills Corridor Project would explore the feasibility of an alternative *freight rail corridor*, as originally proposed by the Washington Association of Rail Passengers. It would use existing rights-of-way to efficiently distribute north-south freight along U.S. and Canadian trans-continental lines. One possibility is to upgrade the Burlington Northern Santa Fe Sumasto-Burlington short line that largely parallels the north-south Highway 9 route. Freight rail could use the existing mainline from Everett to Burlington, and then bypass the current Chuckanut Mountain bottleneck that prevents double-stacked trains from traveling through Bellingham.

After right-of-way is secured for an inland utility corridor, opportunities to move some of the intermodal freight off the waterfront to the Cascade Foothill Corridor route should be explored. In fact, along the entire main line, increased freight rail traffic (a result of increased Asia Pacific trade) and higher speed Amtrak Cascades and commuter rail service will put a major strain on the main lines of Burlington Northern Santa Fe and Union Pacific. A foothills route would relieve that strain.

Historically, north-south freight rail lines followed the waterfront because they linked the various paper and pulp mills to Puget Sound ports. They represented a more level grade than inland routes, which tended to link the saw mills and coal mines. Today, however, it makes little sense to route 8,000-foot container trains from Seattle to Everett through crowded Puget Sound shorelines at Shilshole, Edmonds and Mukilteo on their way to Chicago.

The present circuitous route adds hours to time-sensitive cargo traffic. And it brings unnecessary safety conflicts between trains and people along Puget Sound shorelines. These problems persist despite the best efforts of freight rail companies and their innovative “Operation Lifesaver,” a rolling public education campaign about the dangers of trespassing on railroad tracks.

Nationally, freight railroads are faced with growing community opposition to longer, double-stacked trains that block intersections. Therefore, they are considering opportunities to construct “bypasses” around crowded metro areas. This



Short-Line Rail (courtesy of Columbia-Cowlitz Railway Co.)

policy is inspired by highway “beltways” that segregate inter-city traffic from local traffic. The freight rail industry is anxious to increase speeds and limit its liability from accidents. But while it embraces the bypass concept it lacks the capital to develop alternate routes, preferring to invest in upgrading its existing tracks.

At the national level, there is a growing possibility that the federal transportation program (TEA-21) that traditionally funds highways may be opened up to passenger and freight rail investments — a “rail trust fund.” In the short term, this significant change in federal transportation policy

could precipitate major infrastructure improvements along rail mainlines. Such a change in policy clearly would improve long-term prospects for a freight rail bypass around Puget Sound and for a multi-modal Foothills Corridor of the kind we have described.

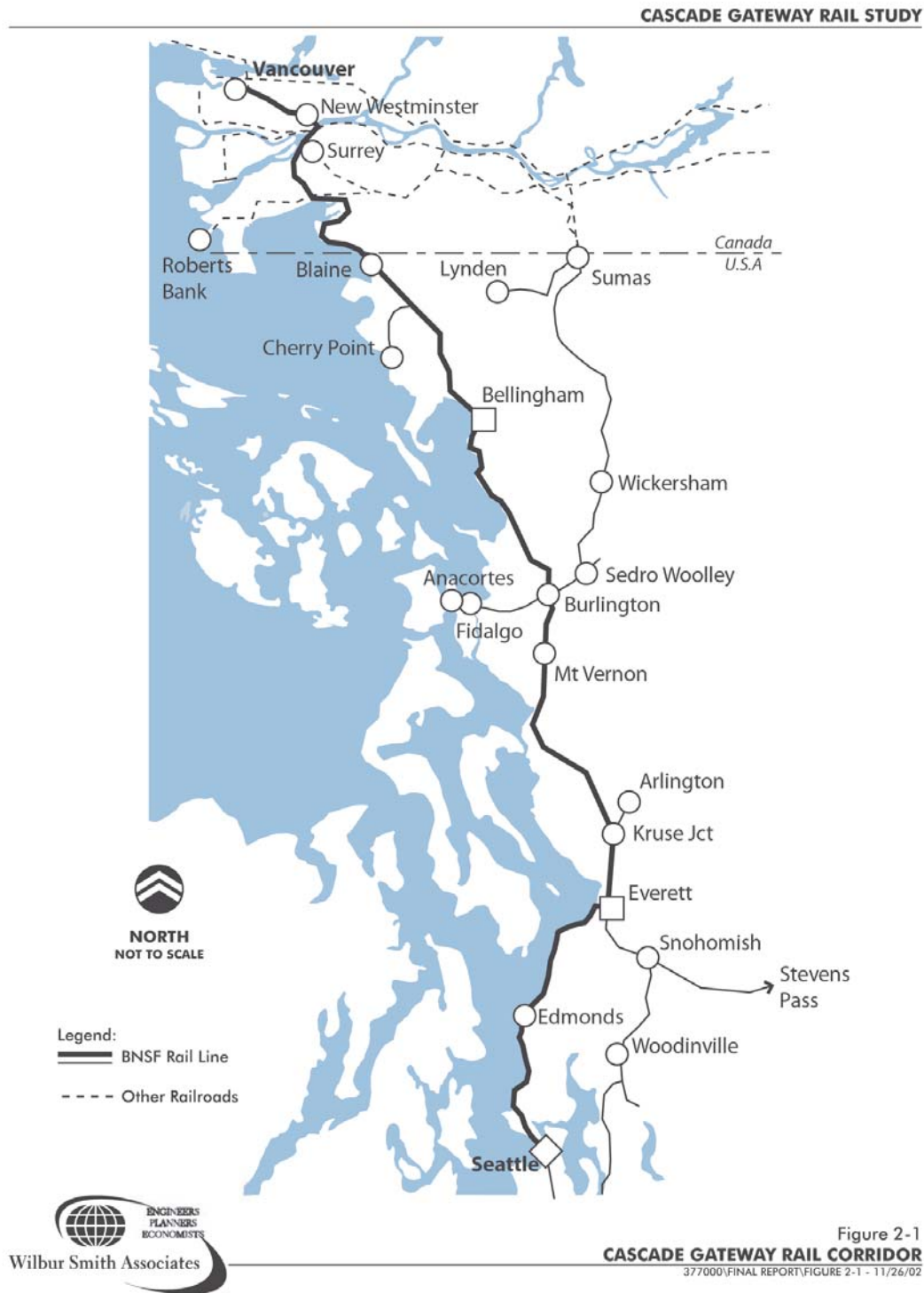
What would be involved in an alternative rail line along the foothills of the Cascades? Specifically, we propose to:

- Upgrade the Sumas-to-Burlington route to provide a shortcut to east-west Canadian rail lines for Puget Sound container traffic. Significantly, the Canadian lines can skip the huge bottleneck in Chicago and provide more direct access to East Coast markets. This change all by itself, would restore the one-day trade advantage for Puget Sound ports lost when the Alameda Corridor was built in southern California. And it would provide a great boost to the trade future of the Puget Sound region.
- Divert half of the Seattle–Everett–Monroe freight rail traffic from the waterfront mainline to the existing, underutilized Renton–Kingsgate–Monroe line. This will require significant environmental community mitigation, track upgrading, tunneling and grade separation. But it will relieve pressure on the Puget Sound shoreline and support commuter rail service on the line that now serves the Spirit of Washington dinner train.
- Implement the FAR (Freight Access by Rail) corridor plan (Tacoma—Olympia—Centralia). For several years, the Washington State DOT and the Thurston Regional Planning Council have been exploring the development of the FAR Corridor. The concept was to determine whether improved use of the South Sound rail corridors could:

Cascadia's Inland Corridors



Current Regional Rail Lines Showing Opportunities for a New Bypass Line



Cascade Gateway Rail Map (courtesy of Wilbur Smith, Inc. and Whatcom Council of Governments)

- Relieve congestion on I-5
- Improve freight movement
- Extend planned commuter rail to Olympia.

Results of the study indicated that, while feasible, upgrades to the rail lines would be expensive. Here again, a change in federal policy to directly fund passenger and freight projects would allow this project to seek a higher priority within the state's transportation system.

Technology Freight and Security

Much has been written about the futuristic marvels of just-in-time delivery systems, global logistics systems, moving warehouses of inventory, Internet economies, etc. It is all intriguing and probably valid. Yet two issues trouble the increasingly efficient trade logistics sector and they have particular implications for Puget Sound marine traffic. They will apply even if the "agile ports" approach is adopted.

The first logistic problem is lack of reliability and predictability in coordinating the intermodal movement of freight in and around the ports and through U.S. Customs and Coast Guard inspections. When ships call into ports, warehouses and longshore resources need to be coordinated and trucks and rail cars have to meet at terminals. Every day in the Kent/Auburn Valley and at entrances to ports, goods are transferred from one transportation mode to another. These transfers are from ships to trains or trucks, trucks to trains, trains to trucks and from truck to truck. Much can be done through technology to make these transfers more predictable and prompt. In an excellent study by the Kent Chamber of Commerce, freight stakeholders outlined technology and scheduling solutions that would not require the laying of concrete or asphalt to improve freight mobility.

Some inefficiencies can be traced to outmoded union manning rules, limited port hours

and lack of integrated technologies. As previously noted, ports such as Rotterdam and Singapore have used bar code reader technology, optical scanners and global positioning units to increase their efficiency by several factors over Puget Sound ports.

Technology could help the Puget Sound region improve freight transfers through the tracking of containers and trucks along I-5 and across the U.S./Canada border. Ports, trucking, rail lines, federal inspection agencies and shipping lines are working with the Federal Highway Administration,

At the national level, there is a growing possibility that the federal transportation program (TEA-21) that traditionally funds highways may be opened up to passenger and freight rail investments.

Washington and Oregon state departments of transportation, the B.C. Ministry of Transportation and Highways Transport Canada to install technology readers and electronic seals to track cargo and speed up clearance times at marine ports and land borders. This program, called CVISN (Commercial Vehicle Inspection Safety Network), is a good start.

However, as John Ficker of the Weyerhaeuser Company noted at a recent Freight Mobility Roundtable session, "The industry is concerned over the impact of new security rules on commerce...U.S. Customs wants a 24-hour notice prior to steamship loading in foreign ports and is considering container fees for security."

Thus, the second problem for timely freight movement is the added pressure and delays that national security initiatives are adding to the shipment of cargo. Marine ports in the U.S. are now more vulnerable to terrorists than are airports. Currently, only two percent of container traffic is inspected as it reaches U.S. ports. Through innovative programs such as Operation Safe Commerce Pacific, using sophisticated technology, some cargo is being inspected offshore at Asian ports of entry before it leaves the docks. This may offer a precedent for creating a continental North American security net, which Discovery Institute has long recommended, to clear cargo before it reaches West Coast ports.

In the pell-mell rush to develop new technologies in all these cases, there needs to be an effort also to assure that extant technology systems developed for NAFTA-related I-5 truck and rail traffic are compatible with the more sophisticated emerging security systems now being designed for Asia Pacific trade.



Model for technology deployment - the Port of Hong Kong

such a fee is not also levied on cargo at the competing ports of Vancouver, B.C. and Ensanada in Baja California, Puget Sound could well be left at a competitive disadvantage. A preferred alternative funding approach would entail separation of the customs tariffs from the general fund in order to support the transportation fund.

If a fee is going to be levied, it should be levied uniformly as a “North American container fee” in the U.S., Mexico and Canada alike. And it should be dedicated to freight-only projects and not to the increasing costs of security; the latter should be born by general federal tax revenues.

Additionally, Congress should repeal the Harbor Maintenance Tax that funds dredging projects around the country and implicitly penalizes deep draft ports such as Seattle and Tacoma in their competition with the Port of Vancouver, B.C.

Now, remembering the policy preferences we have enunciated in this report, let us look at the major projects we have in mind. This is not an agenda for immediate action on all fronts, of course, but a proposed long-term agenda against which short-term steps can be measured.

Marine ports in the U.S. are now more vulnerable to terrorists than are airports. Currently, only two percent of container traffic is inspected as it reaches U.S. ports.

Improved freight mobility will cost money, of course. The U. S. Department of Transportation is considering a “container fee” per cargo shipment that would be used as a permanent revenue source to fund a dedicated freight mobility program. The ports of Seattle and Tacoma are concerned that if

Case Study Five

Planes, Trains and Buses – Joining Puget Sound and America

When the nation’s airlines were grounded in the wake of the September 11 terrorist attacks, thousands of Americans found themselves stranded around the country groping for a way home. That dilemma was aggravated by the public perception that in most parts of America, Amtrak was a grim alternative – slow, unreliable and teetering toward bankruptcy. Except in the Northwest.

Largely unnoticed in the local debates over highway v. transit, gas taxes and tolls, the Amtrak Cascades service has emerged as a national model for how Amtrak should work. The partnership of Amtrak, Washington and Oregon DOT’s, Talgo (the Spanish train manufacturer), Burlington Northern Santa Fe, and Union Pacific railroads has developed an excellent corridor service along the 466 mile corridor from Vancouver, B.C. to Eugene, Oregon that consistently ranks at the top of customer service for all of Amtrak’s 42 routes.

Ridership has climbed 166% since 1994 when the states took a more active role in purchasing sleek new equipment, linking up with travel partners like Alaska Airlines, Victoria Clipper (and a host of intercity bus lines) and insisting that the notoriously late Amtrak keep a reliable schedule. The Amtrak Cascades part-

ners have jointly funded track improvements that are moving passenger and freight trains efficiently and safely.

And despite painfully slow implementation of Seattle - Tacoma Sounder service (three trains a day) and no service (yet) from Seattle to Everett, commuter rail also has a great future along the Cascadia corridor. In fact, the Cascadia Project of Discovery Institute has long advocated extending commuter or regional rail service to Bellingham and Olympia.

This year, a grant from the David and Lucille Packard Foundation will enable the Cascadia Project to expand the community-based



Amtrak Cascades Talgo Train — national success story (courtesy of WSDOT Rail Division)

rail support network to California where intercity passenger and commuter rail is growing even more dramatically. The grant will enable research for a “Pacific Coast Rail Compact” of state transportation departments, Amtrak, Province of British Columbia, freight railroads and commuter rail agencies. The goal is to shift more freight on the West Coast from trucks on I-5 to rail while allowing for more frequent commuter and intercity rail service. Competition for the rights to operate various types of rail

service — including eventual privatization — with a shorter term goal of eliminating to eliminate operating subsidies and improving service.

Projecting out ten years, at a cost of \$1.5 billion, the Cascades service could dramatically increase service and decrease travel times from Canada to Oregon. Imagine 13 trains a day between Seattle and Portland instead of four and travel times of two and a half hours versus the current three hours and 25 minutes. Watching a movie or working on a computer always beats trying to pass a truck on I-5 on a rainy windy November night.

While some critics complain about the relatively high cost per rider of commuter and intercity rail, unlike new highway construction, the rail infrastructure is already there; it simply needs upgrading. Investments in track expansion, stations and over/underpasses benefit freight railroads (and our trade dependent economy) by allowing them to move more freight faster and safer through our crowded corridors. And local cities and towns like the fact that with grade separated highways, long trains will not hold up emergency service vehicles or endanger pedestrian safety.

Reforming Amtrak

While the Amtrak partnership in the region has been a big hit, the future of Amtrak nationally has been another story. Formed in 1971, to take over passenger operations from bankrupt freight railroad bankruptcies, Amtrak has lurched from crisis to crisis with a bloated management bureaucracy, antiquated work rules and not quite enough money from Congress to keep the trains clean and on time.

In 1997, the Discovery Institute became directly involved in the national debate when Bruce Chapman was appointed to serve on the Amtrak Reform Council that was charged by Congress and the President to examine Amtrak's financial and business structure. The Council's

comprehensive report (released in 2001) recommended competitive franchising of Amtrak's routes, increased federal investment in rail infrastructure, and the spin off of Amtrak's Northeast Corridor from Boston to Washington. The Council's goal was to expand the nation's passenger rail network through capital investments and elimination of an obsolete, centralized management structure.

In subsequent congressional oversight hearings, Senators Patty Murray and Ron Wyden denounced the lack of regional equity for Western states in Amtrak's budget allocations. While Northwest states have contributed approximately \$135 million in track improvements and train purchases in the last nine years (as well as Sound Transit's nearly \$1 billion investment), Northeast corridor states have benefited greatly from new high speed rail service without any state contribution.

This year represents a concentration of crises in federal transportation policy. The moment could be open to change. Congress and the Bush Administration could create the framework for a new national transportation system based on security and redundancy -- when the funding legislation for air, rail, highways and mass transit all come due at the same time.

Europe has confronted the terrorist threat for years. There, the traditional airline system is being replaced with an air-rail hub-and-spoke system, where people use airplanes for longer flights and transfer inside the airport to high-speed trains to complete their trips.

With increased congestion on the roads and security delays at the airports, trains are often the fastest way to travel distances of up to 500 miles. And if the train serves the airport directly, changing from plane to train can be as convenient as changing flights. In the long run, an interconnected air-rail-bus system would provide higher-quality service to more locations at a lower cost to the environment and with far greater security than the current system.

The Airport Shuffle

Here in the Puget Sound region, making the rail connection to Sea-Tac today is problematic. While Portland's Metro has partnered with a private consortium (Bechtel) to extend its MAX light rail system directly to the airport, Link Light rail as currently proposed would use a bus for the last connection to Sea-Tac from the S. 154th station.

For less cost and a direct, non-transfer connection, why not run the monorail along I-5 from downtown Seattle to the airport? As Sea-Tac grows, more regional, short hop flights could be shifted from Sea-Tac to King County Airport (the region's fourth runway effectively) – with an intermediate monorail stop. Longer distance travelers riding Sounder and Amtrak could use a short monorail connection between the Tukwila Sounder station and the airport. While Tacoma is successfully developing a light rail connection between downtown and the multi-modal station near I-5, monorail can climb the type of grades characteristic of the Southcenter hill more effectively.

To accomplish these common sense goals, the region, state and federal governments need to work with private transportation providers. The state must continue to invest in passenger rail, the region must fund the missing "airport connections" and Congress and the Administration must merge the air, highway, transit and highway programs into a common strategy and then step up as a true financial partner.

Building a national transportation system for this century is far better than the next most

"What's needed is a transportation bill that does three things: maps a new, interconnected system for air, rail and bus; provides money to turn airports into 'travelports,' with rail and bus terminals inside the airport; and funds upgrading of rail tracks to accommodate higher speed levels in key intercity corridors."

Hank Dittmar
Director, Reconnecting America

likely action by Congress: providing the major airlines and Amtrak with yet another short-term bailout. Such a move would merely allow the rail and air industries to continue with the failed business models of the last century.

Passenger rail will not play a huge role in a regional or national transportation future but it should play some role. Right now, it is an embarrassing side issue. But so, too, alas, is an overall integrated transportation strategy.