

Transportation Proceedings
PNWER Annual Summit – Big Sky, Montana
July 13, 2015

Co-chair Senator Chuck Winder, Montana State Legislature
Co-chair Bruce Agnew, Policy Director, Cascadia Center

Speakers:

Dean Wise, Vice President for Network Strategy, BNSF
David Miller, Assistant Vice-President for Government Affairs, CN
Thomas Walsh, President, Montana Rail Link
Laureen Kinney, Assistant Deputy Minister for Safety and Security, Transport Canada
Kenneth Holgard, Region 8 Hazardous Materials Specialist, Federal Railroad Administration
Jack Isselmann, Senior Vice President of External Affairs & Programs, The Greenbrier Companies
Dr. Philip Romero, Professor of Business Administration, The University of Oregon
Congressman Bill Owens, Senior Strategic Advisor and Independent Consultant, McKenna Long & Aldridge LLP
Representative Luis Moscoso, Washington State Legislature
Senator Bert Brackett, Idaho State Legislature
Sentar Dee Brown, Montana State Legislature

Discussion Topics

Idaho Trucking Initiative – Sen. Chuck Winder

Sen. Winder urged the importance of highway transportation because all barge and rail loads must be hauled by trucks at some point. Maximum GVW on Idaho interstates should be increased to 129,000 pounds to meet transportation demands. In order to do so, congressional action is needed. A-Train RATC configuration is currently the most efficient combination for U.S./Canada border crossings in the Northwest. From here, we will be working through PNWER and each of our legislatures to coordinate trucking and rail issues.

Status of Industry Initiatives for Rail Capacity Issues, Policies, and Availability - Dean Wise, David Miller, Thomas Walsh

Dean Wise began by covering the 2014 Annual Review that has been released by BNSF. Close work is done between BNSF and CN/CP. Approximately half of BNSF's business has to do with consumer products. Generally speaking, the community opposition to rail expansion is difficult to overcome. Moving away from the private sector, it is important to facilitate more cooperation with the public sector. Safety continues to be a high priority for BNSF, especially with the introduction of new safety programs.

David Miller discussed the important role that CN and CP play in regards to Canadian rail. Over the last 20 years CN has undergone several changes and has seen considerably more profit. 34% of business continues to be cross border. Currently, CN does not have a border crossing in any of PNWER states and provinces. There continues to be a misperception of what capacity is and what falls under it. Human resources, supply chain efficiency, co-production, and structural factors all fall under railroad capacity.

Tom Walsh evaluated the influence of short-line railroads. Of the numerous short-line railroads in the country, MRL ranks among the best. MRL continues to work closely with BNSF and other railroads in its jurisdiction. MRL deals closely with petroleum products, forest/lumber products, and mineral/building products. In regards to safety, MRL has introduced new programs such as the STOP program, where a crew member may stop work progress if they find work conditions unsafe.

Oil Tank Car Regulatory Status and Future Capacity Shortfalls - Laureen Kinney, Kenneth Holgard, Jack Isselmann

Laureen Kinney began by discussing the emergency response measures that TC has implemented in recent years, particularly after the Lac-Mégantic incident. Several measures have been taken under the pillars of prevention, effective response, and accountability in response to the accident. Grade Crossings Regulations, Railway Operating Certificate Regulations, Railway Safety Administrative Monetary Penalties Regulations, Transportation Information Regulations, and Railway Safety Management System Regulations have all been accelerated for development.

Ken Holgard discussed the tradeoff of reduced operating speeds. A balance between transportation speed and safety needs to be established. In addition, a more accurate classification on unrefined petroleum-based products needs to be developed. This can be done through document sampling and testing program for all unrefined petroleum-based products such as crude oil and certifying that programs are in place, document the testing and sampling program outcomes, and make information available to DOT personnel upon request.

Jack Isselmann discussed the role which Greenbrier has played in promoting rail and oil tank car safety. Greenbrier has played an important role in putting on conferences devoted to this purpose. In addition, work has been facilitated with the public sector and key policy decisions have been made as a result. Current, Greenbrier has shops across the country ready for retrofit.

Economic Impact of Railways - Philip Romero

Due to its geographic location, Washington has become a powerhouse in regards to transportation and economic development. After the 2008 economic crisis, Washington recovered much more quickly than other states. Generally, four out of ten jobs in Washington depend on trade and transportation. Trade has allowed Washington to see a vast increase and living standards. Freight rail is critical to Washington's prosperity in the future.

Legislative Response Panel - Congressman Bill Owens, Representative Luis Moscoso, Senator Bert Brackett, Senator Dee Brown

Rep. Moscoso urged the importance of finding actual solutions to local problems, not just awareness being brought to them. He believed that through continued meetings throughout the state and PNWER jurisdictions, this will be made possible.

Bill Owens felt that we do not have enough practice in place for unconventional incidents, such as chemical spills. A greater focus needs to be put on this in the future.

Senator Brown felt that a better job needs to be done at education. A focus is often put on negative aspects for transportation but the real job is to educate our constituents. The more informed they are, the more accepting they will be.

Action Items

1	<p>Idaho Transportation Department will take the lead in working with Federal Highway Administration to request grant funding to allow the Idaho Transportation Department to convene a public private stakeholder group to recommend harmonization of truck size, weight and oversize permit processes. The focus will be harmonization among Northwest states and across the US Canadian border in partnership with Transport Canada and the New West Partnership of BC, Alberta and Saskatchewan. Based on presentations and Montana legislative comments from the Agriculture and Border sessions, cross border trucking regulations are hurting businesses both local and regional.</p>
2	<p>Based on presentations by FRA, Transport Canada and Greenbrier Co (oil tank car manufacturer) with input from BNSF and CN we propose to develop an easy-to-understand primer on developments with regard to oil tank car regulations and expedited deployment. We would use Primer at two upcoming sessions:</p> <ul style="list-style-type: none"> • WA/Or/ID Rail Caucus meeting proposed for mid-October in Hood River, OR (Note: at request of Montana Representative Kathleen Williams, Montana representatives would be included in the session with first responders to share best practices). • Oil Train Safety Symposium in Tacoma WA (Jan/Feb 2016)
3	<p>The Transportation and Tourism Working Groups are collaborating to expand the “Two Nation Vacation Rail” experience by passenger and excursion rail, particularly by Asian tour groups. We endorse:</p> <ul style="list-style-type: none"> • Improvements in the Great Northern Rail Corridor to improve reliability of the Amtrak Empire Builder • Expedited rail pre-clearance in Vancouver, BC to improve operational reliability and the customer experience • Continued operation of the Rocky Mountaineer on the BNSF Seattle-to-Vancouver BC line

- Public/private partnerships between railroad owners, rail tour operators and local tourism and cultural leaders to expand the reach of international rail tours. Specifically from the coast to the interior and Rocky Mountain region of Montana, Idaho and Oregon in partnership with successful ventures in Alaska, BC and Alberta

To continue the effort to encourage collaboration between the US and Canada, the P3 working group and Transportation working group will collaborate to explore developing a regional P3 strategy and share best practices. Identify a lead in each jurisdiction to
4 serve on a task force to identify and share best practices.