MEMORANDUM

TO: Tay Yoshitani, Chief Executive Officer, Port of Seattle

Tim Farrell, Executive Director, Port of Tacoma

FROM: Kurt Beckett, Clare Gallagher, Port of Seattle

Stephanie Bowman, Sean Eagan, Port of Tacoma

SUBJECT: Transportation Planning and Funding Policy Update

BACKGROUND

Both federal and state budgets have seen a decline in gas tax revenues, since the high cost per gallon and increasing fuel efficiency of autos has reduced the volume of sales over the past few years. As the federal government takes up the reauthorization of the Surface Transportation Act, policy initiatives include alternative funding methods and reviewing the priorities of the nation's transportation network. At the state level, funding levels are very constrained after the 2015 biennium and work is underway to evaluate options to increase transportation investment.

Date: October 12, 2009

TODAY'S BRIEFING:

Below is an overview of current federal, state and regional activities related to transportation planning and transportation funding.

FEDERAL

Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Reauthorization:

SAFETEA-LU provides the funding and policy framework for the nation's surface transportation programs. The law expired at the end of September but, along with all federal agencies, was just granted a one-month extension through Congressional action. The Highway Trust Fund, which accounts for the majority of the Federal investment in infrastructure projects across the country, is projected to become insolvent later this fall. The issue of how to address the nation's aging infrastructure while finding new and sustainable revenue sources for the Highway Trust Fund has been the subject of considerable debate in Congress and between it and the Administration. Going into the final months of the first session of the 111th Congress, key policymakers do not appear any closer to reaching resolution than they did earlier this summer, increasing the likelihood that Congress will pass a short term extension of the current law this fall and kick the larger reauthorization debate to next year, at a minimum.

There continues to be an ongoing discussion regarding the value of a lengthy, 18-month extension of the current program to provide sufficient time to substantially revise the Act, versus

the feeling of some members that a faster timeline will compel members to reach agreement on new program elements and policy direction.

The chairman of the House Transportation and Infrastructure Committee has proposed a bill (described below) that would likely require a gas tax increase to help pay for its various elements. Concern about a potential tax increase, in part, drives legislative concerns with rapid reauthorization. No bill has been introduced in the Senate. Members are evaluating new methods of revenue collection, including taxes based on vehicle-miles-traveled, to address the declining revenues from gas tax receipts but these significant changes in methodology and collection have not garnered sufficient support among a broad base of legislators.

As indicated by the proposed changes to SAFETEA-LU listed below, Congress is finally beginning to recognize the need to make strategic investments in freight infrastructure and expand the focus of certain federal programs to include improving goods movement. The ports of Seattle and Tacoma, along with other freight stakeholders, have been instrumental in educating policymakers in both Congress and the Administration why federal investment and policy in this area is so critical. The ports will need to continue to engage stakeholders directly and through relevant coalitions or third parties, particularly as the Administration and various committees in the Senate begin developing their own reauthorization proposals.

Regardless of the slim prospects of passing a comprehensive bill this year, in June House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) released a detailed summary of his six-year, \$500 billion proposal to reauthorize SAFETEA-LU and develop a high-speed rail network. A few highlights of the House proposal follow:

- (1) \$25 billion to establish a new Freight Improvement Program to support interstate commerce and goods movement. This dedicated Federal funding stream would be allocated to the states for freight projects. In turn, states would be required to consider freight transportation in a "strategic, statewide context." In addition, states would be required to create new performance measures to focus and track state efforts on improving the speed and reliability of freight movement on both primary and secondary freight routes.
- (2) The creation of a new Under Secretary for Intermodalism at U.S. DOT responsible for overseeing a rejuvenated Office of Intermodalism and Council of Intermodalism, and spearheading efforts to create a national transportation strategic plan. An Under Secretary would be a significant change at DOT and underscores the desire by lawmakers for the Federal government to be a stronger partner in improving freight mobility.
- (3) \$25 billion for a new "Projects of National Significance Program" intended to provide Federal funding to those multi-modal projects including highway, transit, freight rail, and intermodal that serve a broad national purpose. This new program replaces the Projects of National and Regional Significance, National Corridor Infrastructure Improvement, and Coordinated Border Infrastructure programs that were created in SAFETEA-LU. This would be a competitive program administered by the new Under Secretary for Intermodalism.
- (4) \$50 billion for a new Metropolitan Mobility and Access program to provide direct Federal assistance to major metropolitan areas. Funding would be distributed based on population

- and travel time delay through multi-year financing agreements to implement metropolitan mobility plans. These plans would need to include strategies for relieving congestion.
- (5) Reform of Metropolitan Planning Organizations (MPOs), including increasing the population threshold to 100,000 (but grandfathers in already established MPOs) and requires proportional voting. Also includes new planning requirements for MPOs serving more than one million people and expands the scope of the planning process to include projects that reduce greenhouse gas emissions and improve connectivity and livability.
- (6) Creation of a National Infrastructure Bank designed to attract private capital investment in surface transportation projects. The bank would provide credit assistance, including secured loans, loan guarantees, and standby lines of credit as well as full-faith-and-credit guarantees by the Federal government to institutional investors.

This fall, our advocacy of reauthorization will likely focus on the Senate, with the same goal of seeing a dedicated, multimodal freight program included in the Senate's draft language.

As potential policy elements and funding proposals are worked at the federal level, the State Legislature is engaged in its own study of transportation funding and meeting the state's future needs in infrastructure investment. Port staff continues to monitor activity at the state and federal level to assess opportunities for coordination and possible conflicts in policy development for freight mobility.

National Infrastructure Investments provision in the Senate FY2010 Transportation, Housing and Urban Development (THUD) Appropriations bill.

The US Senate recently voted on the 2010 THUD Appropriations bill. Included in that bill is language creating the National Infrastructure Investment (NII) program. The language creates a \$1.1 billion discretionary grant program provided to the Secretary, to fund surface transportation infrastructure. Like TIGER, project eligibility is broadened beyond Title 23, and the language actually calls for investment in 'a variety of modes'.

This new program will offer an important source of monies for goods movement infrastructure and will build upon the investments made through the Transportation Investment Generating Economic Recovery (TIGER) program included in the American Recovery and Reinvestment Act of 2009.

The discretionary nature of the proposed program is especially attractive. Programs which distribute funds on a formula basis are not well suited to allocating monies to freight infrastructure projects, which often involve multiple modes, cross various jurisdictional borders and are frequently constructed in phases.

At this time, the House is holding the THUD Appropriations bill for possible use as a vehicle for the 2010 Omnibus bill. As such, the fate of the NII program is on hold for now. Members of the goods movement caucus and other freight mobility interests are lobbying in support of the Senate language during the ongoing conference committee work on the appropriation bill. The ports are sending letters of support for this program.

STATE

Several initiatives relevant to freight mobility and overall transportation investment are underway.

<u>State Transportation Budget:</u> As the Legislature prepares to enter the 2010 legislative session, it will face a transportation budget that is flat or somewhat down for the biennium. Tax revenue dedicated for the transportation budget is down about \$76 million, or 1.8 percent for the biennium. Transportation budget writers, however, believe that much of that shortfall will be made up by recent project costs coming under bid. There is no talk of a new transportation revenue package for the 2010 session, before the election. Rather, budget writer are looking forward to 2011 at which time the Joint Transportation Committee will have completed its *Implementing Alternative Transportation Funding Methods* study.

<u>Legislative Joint Transportation Committee (JTC)</u>: <u>Implementing Alternative Transportation Funding Methods</u>. This interim study began early this year to conduct a comprehensive analysis of mid-term and long-term transportation funding mechanisms and methods, including the feasibility and practicality of implementing new methodologies. The goal is to develop a package of funding tools that the legislature could consider to meet transportation funding objectives, including a sufficient revenue stream; public benefits that reflect the use of the system; equitable funding, both geographically and in allocating costs to those who benefit; and allowing viable local transportation funding options.

This study uses the 2007 study, which had initially proposed a container tax as one of many options, as a starting point. JTC members, however, recently decided to remove this funding mechanism from the list of options that it will consider. Costs to freight users are captured in other proposed methodologies.

To date, the study work has produced a lengthy matrix of possible funding methods the state might implement as a slate of changes. The work has been thorough and clearly researched, and at this time it seems likely that the committee members will entertain serious consideration of one or more proposed methods.

Methods carried forward for further analysis include taxes related to **fuel** (barrel tax increase, motor vehicle fuel tax, alternative fuel tax; **use** (highway facility tolls, highway congestion pricing, highway system-wide pricing by vehicle miles traveled, and by truck weight); **vehicles** (rental vehicle sales tax, registration weight and title fees, combined license fee, motor vehicle excise tax, tire tax); **driver**; **transportation business** (dealer/manufacturer business license, state impact fee); **electric generation from highways**.

As these are being evaluated, the goal is to measure the implications of the funding scenarios on total revenues and individual taxpayers. The breakdown being used is by looking at representative vehicle types at different levels of vehicle use. There are two types of freight vehicles: medium, with a weight between 22,000-24,000 lbs, and heavy, with a weight between 40,000 and 42,000 lbs. The cost of collection, funding constraints (subject to 18th amendment or

legislative restrictions) and the ability to implement (Department of Licensing infrastructure) are also components in evaluating feasibility.

Eric Johnson, executive director of the Washington Public Ports Association (WPPA), is on the stakeholder committee for the study. The draft report is due by the end of the year and further product will be reviewed at meetings in November and early December. It is important to note that report will only examine how the various funding mechanisms perform in meeting transportation funding objectives. A funding package recommendation will not be produced until 2010.

Washington Transportation Commission: Washington Transportation Plan. The Washington Transportation Plan (WTP) establishes a 20-year vision for the development of the statewide transportation system, encompassing state highways and ferries to sidewalks and bike paths, county roads, city streets, public transit, air and rail. The plan is intended to identify the total unfunded statewide need over 20 years, identifies significant statewide transportation issues, and recommends statewide transportation policies and strategies to the legislature and Governor.

By law, the WTP is required to be consistent with state's growth management goals, reflect the priorities of government, and address regional needs, including multimodal transportation planning. In addition, the WTP will be based on transportation policy goals established by the Legislature: preservation, safety, mobility, environment and stewardship.

The study work began this year and includes an advisory group of transportation users and planners from public and private sector stakeholders. WPPA has asked Scott Keller, the executive director of the Port of Benton County, to serve on the advisory group and Karen Schmidt, executive director of the Freight Mobility Strategic Investment Board also serves on the advisory group.

Some of the current work highlights that a transportation system for 2030 has to accommodate almost 1.7 million more people in the state; an older population, 20% over 65 years old; a regulatory requirement to reduce greenhouse gas emissions by 25% below 1990 levels; the fact of declining gas tax revenues to the state and federal governments; and the need to find innovative ways to move people and goods. It has also noted that 'affordable and predictable movement of freight and goods is critical to our state's economy,' with a goal to coordinate transportation investments with economic development, land use and environmental stewardship priorities.

After three advisory group meetings this summer focusing on the planning process and vision, the Commission intends to hold outreach sessions the fourth quarter of this year on the work to date. Continued outreach and work on draft policy recommendations will be the focus of next year's work. A draft report is scheduled to be reviewed by the Transportation Commission June of next year, with the final 2011-2020 Washington Transportation Plan adopted in November 2010.

WSDOT State Rail and Marine Office: Washington State Freight Rail Plan. The Washington State Department of Transportation (WSDOT) State Rail and Marine Office is updating the

State Freight Rail Plan to meet both federal requirements (Public Law 110-432, Division B) and the state requirements of RCW 47.76.220, so that the state is qualified for new federal grants authorized through the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). The plan is scheduled to be completed by the end of 2009.

Many ports, as well as most other rail-connected entities, are participating in an advisory committee, with the first meeting held in May. WSDOT is counting on members of the advisory committee to assist the planning effort in a number of areas: everything from developing the vision and goals of the plan, to updating information on the rail system, capacity and needs, port access and rail abandonment issues, clarifying the beneficial aspects of rail infrastructure investments and understanding concerns of local communities and organizations. Two surveys have been distributed, on projects and on rail line abandonment.

At the same time the work for this plan continues, the state and many entities are actively engaged in preparing applications for federal stimulus money available for rail projects, both passenger rail grants and discretionary projects under the TIGER program.

With such a broad study goal, the timeline is tight to have a final report by the end of the year and incorporate information relevant to freight mobility needs, especially from the container port perspective. Staff from both Seattle and Tacoma are closely monitoring the work and have met with WSDOT representatives and made substantial comments to much of the draft work presented. We have also responded to the surveys and will continue to work closely with WSDOT. The next meeting is an open house in October to review the material to date.

REGIONAL

<u>PSRC Transportation 2040 Update:</u> The PSRC is updating the region's transportation plan which will support the recently updated Vision 2040 Land Use Plan. Transportation 2040 is a multimodal plan which will look at a combination of increased transit, improved efficiencies of the existing system and new capacity to provide a balanced list of projects and programs to increase mobility in the Puget Sound Region.

The update, which is currently in the process of selecting a preferred alternative, will be completed in the Spring of 2010. The plan has included a freight study to help advise the preferred alternative.

The Plan Update will propose new funding options, including tolling, for near- and long-term transportation revenues. The plan includes projects within three categories of funding: Current Law, Constrained, and Unprogrammed. Projects, such as the SR99 Bored Tunnel, Lincoln and Spokane Streets, are included in Current Law funding. The preferred alternative's Constrained funding plan includes both the SR509 extension and SR167 projects. It is currently about \$70B higher than current law revenue projections. The Unprogrammed list includes an additional \$30B in projects.

COMMISSIONERS' PREVIOUS DIRECTION:

April 1, 2008: Commissioners from the Ports of Seattle and Tacoma participated in a joint study session focusing on current and future cooperative efforts, including infrastructure. The commissioners called for creation of an "Infrastructure Issues Study Group."

October 8, 2008: Infrastructure Issues Group presented the Transportation White Paper, plus information on federal, state and regional policy initiatives, federal and state legislation and Funding Principles to the commissioners.

The commissioners requested a refined project list with a limited number of 'top priority projects' for consideration in the coming year.

April 30, 2009: At the April 30, 2009 meeting, the Infrastructure Issues Group presented an update on the funding status of High Priority Infrastructure road and rail Projects. The Joint Commission directed staff to continue to look for ways to identify the most critical infrastructure projects that would increase cargo movement productivity to be prepared when the Panama Canal improvements are implemented in 2014. The Commission noted great progress in critical roadway infrastructure thanks to ARRA grants and additional Port funding, but wanted to better understand the I-5 Rail Projects and recommended a tour of the projects.

The Commission also discussed meetings with the Valley Cities and a desire to assist them in getting preservation and maintenance funding for key freight routes in these cities.

TO: Tay Yoshitani, Chief Executive Officer, Port of Seattle

Tim Farrell, Executive Director, Port of Tacoma

FROM: Kurt Beckett, Dan Burke, Clare Gallagher, Geri Poor, Port of Seattle

Stephanie Bowman, Sean Eagan, Mike Reilly, Port of Tacoma

SUBJECT: Joint Ports Transportation Status Update –High Priority Infrastructure Projects

BACKGROUND

Since Fall 2008, the Port Commissions of Seattle and Tacoma identified high priority rail and roadway improvements that are critical for freight mobility in the Pacific Northwest and for maintaining competiveness with other international gateways in the United States, Canada and Mexico. Staff from both the ports of Tacoma and Seattle have worked with the commissions for the past year to identify a list of needed projects, and from that list, determine which ones are the most important to meet short and mid-range needs to keep pace with competing ports. Along with near-term investments by competitor ports, the opening of the widened Panama Canal in year 2014 will create new opportunities for southeast US ports.

Fortunately, we have identified funding to close the gap for many of the roadway High Priority Projects, given the influx of ARRA stimulus funds and Port funding, and we're now positioned to provide opportunities to begin construction on these some of the projects. In partnership with the State Freight Rail Office, the rail projects' progress is the application for ARRA High Speed Passenger Rail funding which will be awarded as reviews are completed in February, 2010. Obligation for Track 1 funds is September 30, 2010 and obligation for Track 2 funds is September 30, 2011.

We continue to seek funding for road and rail projects at all levels to help fund the needed projects. In addition to the original list of High Priority Projects, other high cost, "megaprojects" need funding, including the SR 99 Bored Tunnel corridor (Viaduct Replacement), SR 509 extension in King County, SR 167 extension in Pierce County, and I-90 projects at Snoqualmie Pass and across Lake Washington. These will require billions of dollars to construct. In our experience, freight projects -- and specifically those with port benefits -- risk falling through the cracks in the federal funding competitions for reasons of project type and funds distribution protocol. Since the projects have a high cost, are complex and located in less visible sites (industrial areas), and may cross jurisdictional boundaries, they are less competitive in the funding process. In addition, broad allocation of federal funds (both by mode and geography) means smaller quantities of funding are available. Renewed attention at the federal and state levels for potential new funding sources may break this logjam. The ports are devoting energy to identifying the benefits of freight investments to raise their visibility on the funding competition.

While many funding options are being considered, tolling has been authorized for the SR 520 Bridge project and the SR 167 HOT lanes pilot project. The legislature has also called for tolling studies for the SR99 Bored Tunnel (Alaskan Way Viaduct), SR 509 and SR 167 extensions. Another funding source could be a Vehicle Miles Traveled (VMT) tax which would replace the existing diminishing gas tax revenues.

STATUS OF HIGH PRIORITY PROJECTS, AS OF OCTOBER 2009:

Below is a matrix including the POT/POS High Priority Rail and Road projects, and additional projects that will be needed to meet future freight mobility needs.

Status of High Priority Recommended Projects	Funding Gap	New Funding	Status	Why It's Important
Ellensburg-Lind Sunset Clause	\$0		Passed 2009 Legislature; Signed by the Governor May 5, 2009.	Extension of Sunset Clause will preserve the corridor for future rail for next 10 years
Port/Railroad Coordination	\$0		West Coast Port Directors met in DC with T&I Committee Staff on May 8; Met again in Oakland on June 3; Met with UP and BNSF in separate meetings in Oakland on August 28. Port of Seattle and Port of Tacoma Commission and staff conducted a two-day SW Rail Tour on July 8-9. Washington State Rail Office conducts State Rail Update (expected completion 12/09)	West Coast Ports speaking with one voice on specific policy decisions will increase our visibility and help to direct funding to critical investments. POS/POT viewed rail projects first hand and coordinated with other port staffs Rail stakeholders update State Rail Plan and set strategies and priorities for future
Rail	Funding Gap	New Funding	Status	

Point Defiance	\$95M	\$0	Coordinate with State	Building a passenger rail
Bypass	422212	Applied	Rail office on High	bypass track allows
J F ······		for	Speed Passenger Rail	increased speed for both
		\$91.2M	grant	passenger trains on the
		High		bypass and freight trains
		Speed Rail		on the existing route.
Kelso Martin Bluff		\$0	Coordinating with	Project phases primarily
(Total of \$222M			State Rail Office on	build sidings or mainline
in six phases)		Applied	ARRA High speed	track to help separate
		for:	Passenger Rail grants;	freight and passenger rail
Ph 1:Sidings	\$35.6M	\$35.6M	applied for \$50.5M	to benefit speed and
Ph. 2:Sidings	\$ 2.7M	\$ 2.7M	for 4 different phases	reliability for both
Ph 3:Mainline	\$ 7.7M	\$ 7.7M		
Ph 4:Mainline	\$ 4.5M	\$ 4.5M		
Vancouver Bypass	\$68M	\$0	Project provides new	This project provides a
		Applied	middle lead and by-	siding track for freight
		for	pass tracks	trains and a by-pass track
		\$39.3M		to help separate freight
		High		and passenger rail traffic
		Speed Rail		for the benefit of both.
				Speeds will be improved
D ATT	ф лъ г	Φ2.53.5	G	and reliability increased.
Port West	\$7M	\$2.5M	Construction of loop	Total project is \$130M.
Vancouver Freight		stimulus	within Port to	This phase provides great
Access Project		(state)	eliminate delays of	mainline capacity
		\$700k	unit train crossing mainline. FMSIB	benefits for through traffic and eliminates
		Legislature	\$16M left \$7M gap in	crossing of freight trains
			this phase; Legislature	crossing mainline.
			provided \$700k of	crossing mainine.
			gap in 2009.	
Blakeslee Junction	\$32M	\$0	Freight Rail project	Phases 1A and 1B will
Diaresiee Julicuoli	ψ <i>J</i> Δ IVI	ΨΟ	with 5-phases,	help reduce rail and
			ineligible for High	roadway traffic
			Speed Passenger Rail	congestion. Supports a
			funds, has \$12.8M for	connection for Tacoma
			phases 1A & 1B	Rail at Blakeslee Junction
			r	and improves rail speeds
				through Centralia.
Roadway	Funding	New	Status	
ľ	Gap	Funding		
Lincoln Ave.	\$27.2M	\$15.4M	Port of Tacoma funds	This project will help
Grade Separation		stimulus	remaining, ground	improve rail and road
		\$11.6M	breaking September	efficiencies, speeding
		POT	18, 2009	freight and providing air
				quality benefits.

Spokane Street Viaduct East Marginal Way Grade Separation	\$50M \$17.3	\$15.4M stimulus \$35.6M Seattle \$3.4M ARRA \$13.9M POS	State Transportation budget funds final \$10 m, Bid openings in Sept, 2009 Received \$3.4M ARRA grant, Port of Seattle has funded remaining, bids opened; award expected in October.	This project will reduce traffic congestion and improve safety for the "trips first and last mile". This project will improve speed and safety for container trucks between the marine terminals and rail yards
11 th Street Viaduct	\$5M	\$0	No action	Project is currently not a high priority
Other Priority Road Projects	Funding Gap	New Funding		
SR 509 (King Co) (Total cost:\$1.4B)	\$1.25B		The project is ready to go but is waiting on funding. WSDOT is looking at ways to phase the project. Needs significant funding	The SR 509 Project has a strong freight component and would: • Reduce I-5 Congestion • Improve airport access • Allow local development • Improve link to Seaport/Warehou se areas
SR 99 Bored Tunnel (Viaduct) (Total Replacement cost \$4.2B)	\$300	\$0 Port of Seattle is looking at funding towards gap.	State, City and King County have identified funding sources for funding \$3.9B for project	The Bored Tunnel provides the capacity needed to keep traffic congestion off the critical freight route arterials near the marine terminals; allows viaduct to remain during construction, reducing traffic impacts.
SR 167 (Pierce Co)	\$2.1B	\$63.4M for property in 2009 State budget	SR 167 Extension Ph 1 and 2	The four-lane limited access freeway will improve safety and capacity and improve freight movement to and from the Port of Tacoma
SR 18 (Total cost:\$500M)	\$500M	\$3.1B	Three phases from I-5 to I-90	SR 18 provides a freight route from Eastern Washington to the Green River Valley. The implementation of

LRT South: Airport East: Translake (Total Cost: \$3.1B and is funded in SoundTransit 2)	\$0 \$0	funded in Sound Transit 2 Package	Airport to Star Lake (2 phases) Funded Ph 2 Seattle to Redmond/Overlake	the light rail system both near the Sea-Tac Airport and across I-90 to the eastside will reduce SOV traffic providing additional capacity for freight
Sound Transit Sounder (Total Cost is \$658 and is funded in Sound Transit 2)	\$0	\$658M	Adds four two-way Sounder Trips between Lakewood and Seattle (brings total to 13) while providing track and station improvements	The Implementation of four additional Sounder Trains in the South End has two distinct benefits for freight: First, it reduces SOV traffic, secondly, it provides funding for rail and track improvements to mitigate additional passenger trains on shared freight rail tracks
Green River Valley Grade Separations Strander Blvd. Willis St. M. Street 70 th Avenue E POT Rd/SB I-5 Exit Ramp	\$15M \$15M \$10.6 \$7.4M \$2.0M	TIGER Request: \$15M \$15M \$10.6 \$7.4M \$2.0M	Combined Tiger Grant request of \$50.6M would complete all five projects.	Provides critical grade separation and access projects that improve safety and efficiency of both freight and auto traffic.
I-90/Snoqualmie Pass (Total Cost: \$595M Ph1; Ph 2 unknown)	\$0	\$0	Phase 1 improves five miles of I-90, including snowshed improvements, from Hyak to Keechelus Dam. Phase 2, I-90 from Keechelus Dam to Easton, is currently unfunded.	Project improves critical freight corridor on I-90 between eastern and western Washington which currently carries 35-million tons of agricultural and industrial freight.
Mercer Corridor (Total Project Cost: \$290M) Mercer East Mercer West	\$50M \$100M	Applied for TIGER Grant: \$50M for Mercer East	The City of Seattle applied for a \$50M Tiger Grant for Mercer East and has established a strategy to fully fund Mercer West.	The Mercer Corridor provides a needed freight corridor between the North Portal of the SR 99 Bored Tunnel, Interstate 5 (I-5) and the industrial areas between the north

	Seattle waterfront and	
	Ballard. This is especial	lly
	critical during	-
	reconstruction of the	
	viaduct on the Seattle	
	waterfront.	

COMMISSIONERS' PREVIOUS DIRECTION:

April 1, 2008: Commissioners from the Ports of Seattle and Tacoma participated in a joint study session focusing on current and future cooperative efforts, including infrastructure. The Commissioners called for creation of an "Infrastructure Issues Study Group."

October 8, 2008: Infrastructure Issues Group presented Transportation White Paper, plus information on Federal, State and Regional Policy Initiatives, Federal and State Legislation and Funding Principles to the POS and POT Commissioners.

The Commissioners requested a refined project list with a limited number of "top priority projects" for consideration in the coming year.

April 30, 2009: The Infrastructure Issues Group presented an update on the funding status of High Priority Infrastructure road and rail Projects. The Joint Commission directed staff to continue to look for ways to identify the most critical infrastructure projects that would increase cargo movement productivity to be prepared when the Panama Canal improvements are implemented in 2014. The Commission noted great progress in critical roadway infrastructure thanks to ARRA grants and additional Port funding, but wanted to better understand the I-5 Rail Projects and recommended a tour of the projects.

The Commission also discussed meetings with the Valley Cities and a desire to assist them in getting preservation and maintenance funding for key freight routes in these cities.