



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

October 23, 2014

To the Chair and Members of the Public Utility Board  
And  
To the Mayor and Members of the City Council

RE: Resolution U-

**RECOMMENDATION:** Tacoma Rail recommends approval of a one-year extension for a set of agreements with the Burlington Northern Santa Fe Railroad (BNSF) to continue as the shortline operator of freight rail service between South Tacoma and Nisqually, St. Clair and Quadlok, and Olympia and Belmore, Washington.

**BACKGROUND:** In 2004 Tacoma Rail responded to a Request for Proposals by the BNSF for an operator to assume shortline freight rail service between South Tacoma and Nisqually (the Lakewood Sub), St. Clair and Quadlok and Olympia and Belmore, Washington. BNSF sold the line between South Tacoma and Nisqually to Sound Transit, and deeded the freight rail franchise to Tacoma Rail with a reservation to BNSF for the freight service and trackage rights to Joint Base Lewis McCord (JBLM) and the rail line extending to Roy, Washington.

The service between St. Clair and Quadlok and Olympia and Belmore were conveyed to Tacoma Rail by means of a ten year lease. The agreements and territory expansion by Tacoma Rail were authorized by Public Utility Board Resolution U-9915 and City Council Resolution 36301.

Tacoma Rail is seeking a one-year extension to allow additional time to consider the risks and benefits associated with another long term lease of these segments from the Burlington Northern Santa Fe Railroad.

APPROVED:

William A. Gaines  
Director of Utilities, CEO

