



TO: Mayor Strickland and Members of the City Council
FROM: William A. Gaines, Director/CEO, Tacoma Public Utilities
Dale W. King, Superintendent/COO, Tacoma Rail
COPY: TC Broadnax, City Manager and City Clerk
SUBJECT: Reissue TMBL 8807 Series Freight Tariff – November 15, 2016
DATE: October 14, 2106

SUMMARY:

Tacoma Rail requests authorization to reissue the TMBL 8807 switching tariff.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Tacoma Rail’s TMBL 8807 series tariff support the rail served customers.

BACKGROUND:

Tacoma Rail’s customers consist of local industries and other railroads. The TMBL 8807 series tariff defines line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail’s rates associated with commercial and intermodal line haul traffic in the Freight Tariff TMBL 8807 series were last updated in 2012. The miscellaneous charges were last updated in 2007. Line haul rates are typically charged to the BNSF or Union Pacific unless the industry served or shipper elects to pay the fees themselves. The Freight Tariff TMBL 8807-G tariff includes a rate increase of \$5 for commercial line hauls, \$3 for intermodal line hauls and 3% on all miscellaneous charges.

ISSUE:

The current Tacoma Rail Freight Tariff TMBL 8807-F doesn’t encapsulate cost of service rates associated with the anticipated expense for 2017.

ALTERNATIVES:

One alternative is no change, which is not viewed as the most fiscally responsible approach for Tacoma Rail or its customers.

RECOMMENDATION:

Tacoma Rail recommends approval of the proposed Rate Tacoma Rail Freight Tariff TMBL 8807-G with an effective date of January 1, 2017 to ensure reliable rail services at cost of service rates.

FISCAL IMPACT:

Rates herein are anticipated to increase the revenues of Tacoma Rail over the next biennium by approximately \$1.8 million.