



**TO:** Mayor Woodards and Members of the City Council  
**FROM:** Jackie Flowers, Director/CEO, Tacoma Public Utilities  
Dale W. King, Superintendent/COO, Tacoma Rail  
**COPY:** Elizabeth Pauli, City Manager and City Clerk  
**SUBJECT:** Reissue Tacoma Rail Freight and Demurrage Tariffs – November 13, 2018  
**DATE:** October 11, 2018

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**SUMMARY:**

Tacoma Rail requests authorization to reissue the TMBL 8807 series freight switching tariff for an effective date of January 1, 2019.

**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 tariffs support the rail served customers.

**BACKGROUND:**

Tacoma Rail’s customers consist of local industries and other railroads. The switching tariffs define the line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail’s TMBL tariff rates associated with unit train and other Tacoma interchanged line haul traffic were last updated in 2018 and 2017.

Line haul rates are charged to the BNSF or Union Pacific railroads unless the industry served or shipper elects to pay the fees themselves. The switching tariff rate adjustments include the following:

- Intermodal increases from \$50 to \$51 per platform
- Unit train single spot increases from \$220 to \$224
- Unit train multiple spot increases from \$295 to \$300
- Commercial increases from \$300 and \$350 to \$306 and \$356

**ISSUE:**

The current tariffs don’t encapsulate cost of service rates and services associated with the anticipated expense for 2019.

**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 Tariff TMBL 8807-I with an effective date of January 1, 2019 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 \$1,200,000.