

# TACOMA RAIL

TACOMA PUBLIC UTILITIES

## Tacoma Rail: Government Railroading 101



Government Performance  
and Finance Committee  
June 15, 2021



1

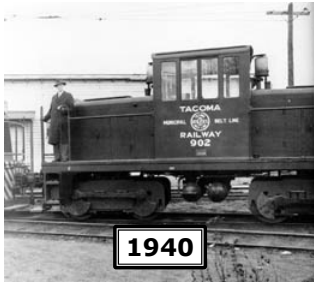
## How We Started - 1914 Tacoma Municipal Street Railway<sup>2</sup>



2

## 1925 - Tacoma Municipal Belt Line

3



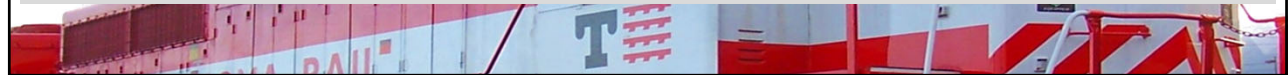
1940



1945



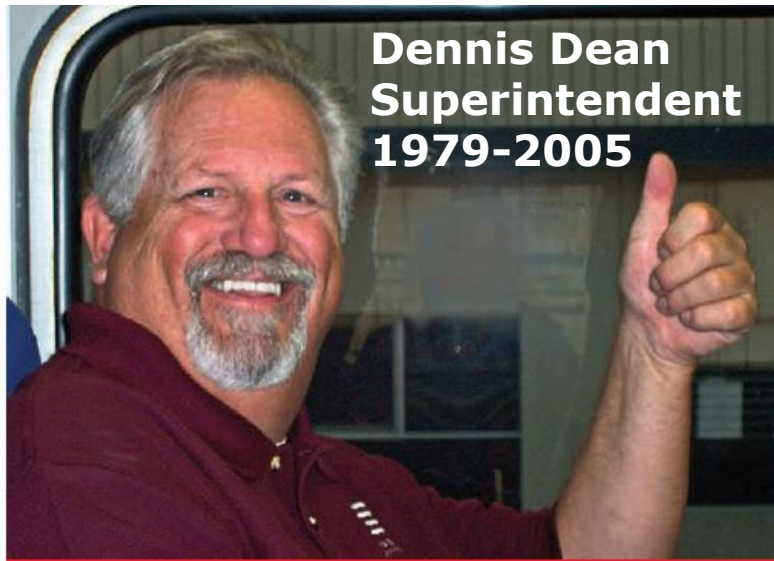
1977



3

## 1998 – The Man Who Made Tacoma Rail

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**Dennis Dean**  
**Superintendent**  
**1979-2005**

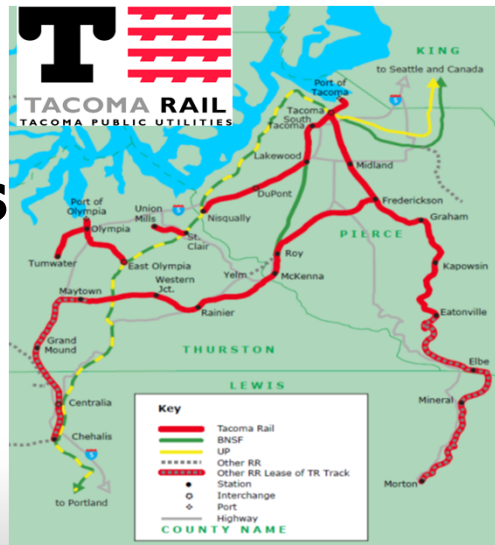


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## The Railroad Dennis Built

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**Tacoma Rail's  
204 Miles  
In 2005**



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## Tacoma Rail - Who We Are Today

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**Our  
140-Mile  
Service Area  
In 2021**



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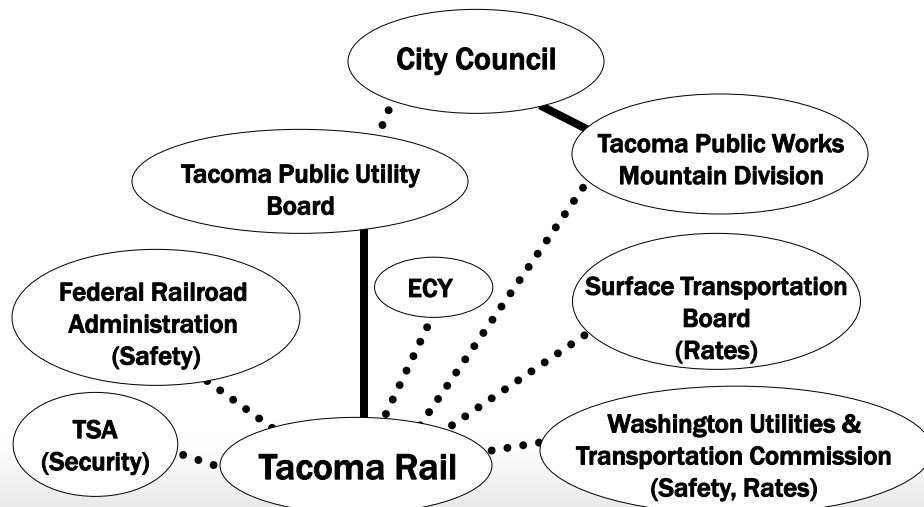
## ...and Service is Our Strength

- 58 active customers
- 175,000 carloads per year
- \$30 million in annual revenue
- \$5 million in City taxes & assessments paid
- 114 excellent employees
- Scheduled operations
- 100% on-time performance in 2020
- State-of-the-art information technology



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## Our Hierarchy

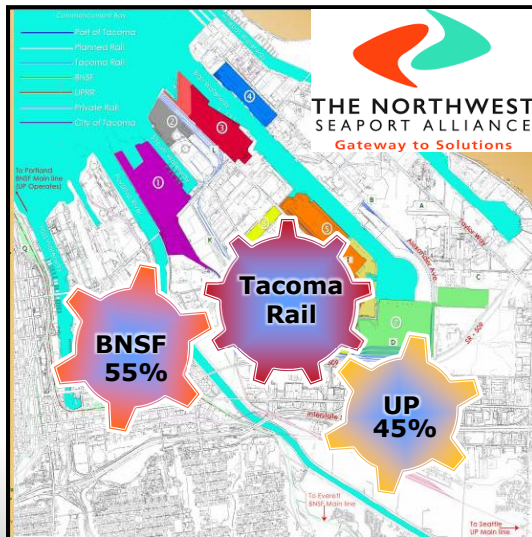


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## The Vital Rail Connection

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- 95% of our business originates/terminates on the first 5 miles of our railroad network
- Business split 2005  
75% Intermodal  
25% Commercial
- Business split 2020  
44% Intermodal  
56% Commercial

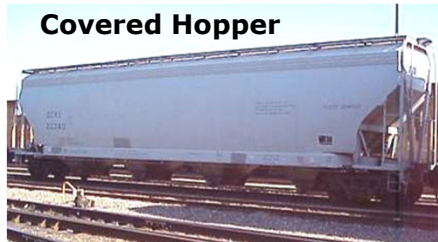
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## Commercial Traffic

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- Commercial Traffic
  - 22 kinds of railcars that carry various commodities
  - Tacoma Rail serves 55 commercial customers

**Covered Hopper**



**Flat Car**



**Tank Car**



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# Intermodal Traffic

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- Intermodal Traffic
  - 23 kinds of railcars that can be loaded with containers
  - Tacoma Rail serves 3 on-dock intermodal terminals



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## The Intermodal Process

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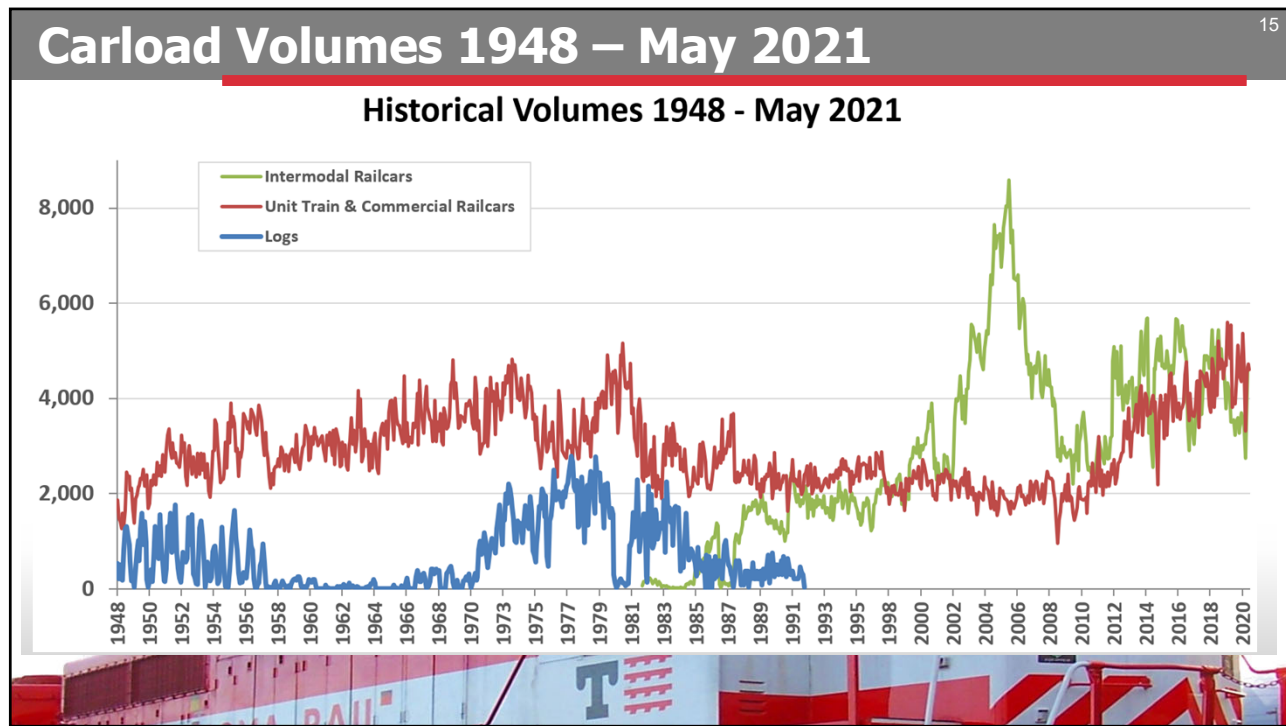


OR

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## ...But a Tenuous Future

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- Concentrated traffic base
- Competition on all sides
- Limited opportunities for physical plant expansion
- Unfunded mandates



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## The Stupid Tax

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## Freight Trains and Passenger Trains...

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## Do Something Criminal...

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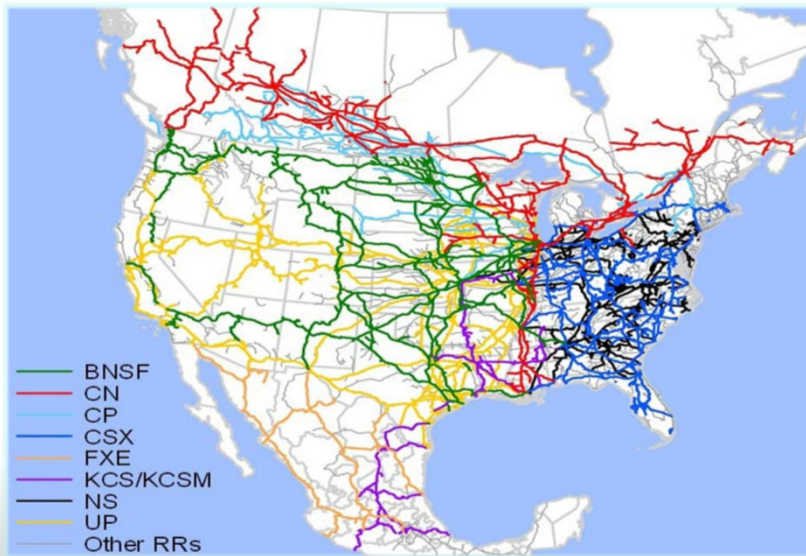


20



## The Class 1 Railroad Network Today

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**8 Railroads  
with annual  
revenue of  
more than  
**\$900,000,000**  
per the  
Surface  
Transportation  
Board**

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## Tacoma Rail's Current Role

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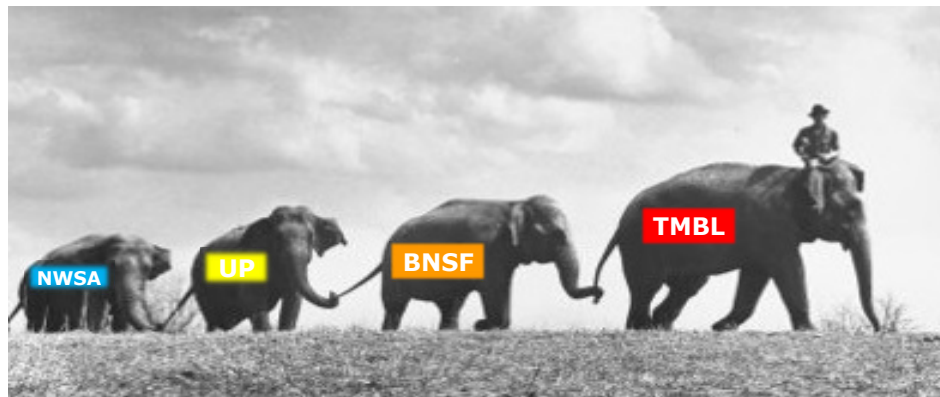
**Cleaning  
Up After the  
Class 1  
Railroads**

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## Where We Would Like to Go

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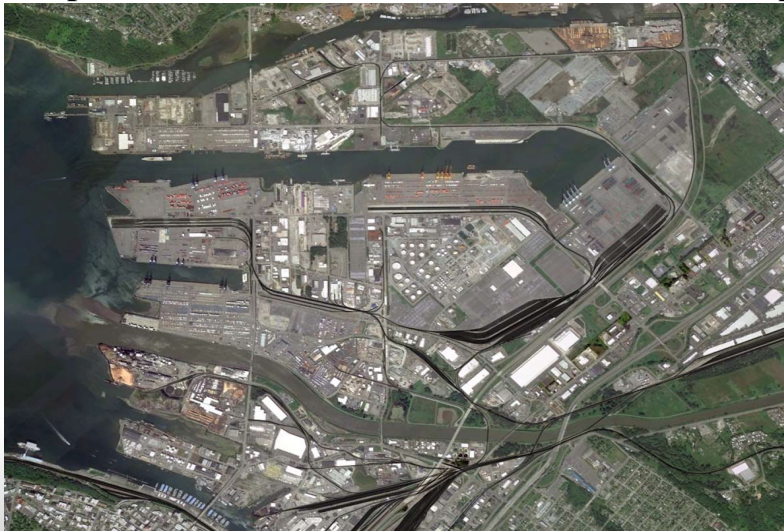
**Sustained Growth Through  
Alignment, Control and Efficiency**

23

## Utilizing a Systems Approach

24

**Operate as the Greater Tacoma Terminal Complex**



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## The Long-Term Solution: Traffic Diversification

25

### Unit Trains: Intermodal, Autos, Bulk Products



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## And Providing Value-Added Services

26

### Locomotive Servicing



26



## Just How Bad Can It Get?

27



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## Crude Oil Saves 20 Family-Wage Jobs

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## Crude Oil Preserves 22 Family-Wage Jobs

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**Changes in International Shipping Alliances  
Causes a 40% Drop in Business Between  
April and August 2017**



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## Alternative Fuels Are In Our Future

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**Ethanol Unit Trains Are Here  
Now and Will Double in  
Volume in 2021**

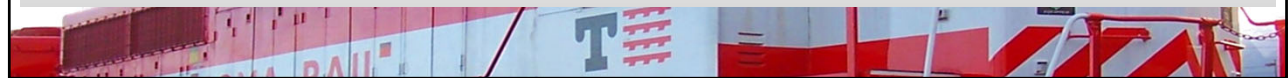


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## **Protecting the Environment/Franchise**

31

- **Expanded Safety Programs**
- **Speed Limit = 10 MPH**
- **Three-Person Crews**
- **Annual Ultrasonic Rail Inspection**
- **Oil Spill Contingency Plan**
- **Multi-Jurisdictional Spill Drills**



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## **Our Guiding Principles**

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- **Live Safety**
- **Take Care of the Customer**
- **Work Hard**
- **Have Fun**
- **Earn One Another's Respect**



32

## Follow These Principles...

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...and someday you may grow up to be Superintendent.



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