

Crocker, Janet FIN:EX

From: Mortimer, David JTT:EX
Sent: January 22, 2019 8:51 AM
To: Crocker, Janet FIN:EX
Subject: RE: High Speed Rail

Hi I think you were referring to this bullet?

- December 2016 – Governor Inslee proposed a study of ultra high-speed rail (250 mph or above) between Vancouver and Portland. \$300,000 funding for the study was approved through the Washington State's Department of Transportation (WSDOT) budget and supplemented by a \$50K contribution from Microsoft (no provincial funding was requested or provided).

Seems to refer to funding provided by Washington state. First involvement for JTT financial commitment was in 2018 .

From: Mortimer, David JTT:EX
Sent: January 21, 2019 4:47 PM
To: Crocker, Janet FIN:EX <Janet.Crocker@gov.bc.ca>
Cc: John, Rebecca FIN:EX <Rebecca.John@gov.bc.ca>; Ma, Tiffany J FIN:EX <Tiffany.Ma@gov.bc.ca>
Subject: RE: High Speed Rail

s.12,s.13,s.16,s.17

From: Crocker, Janet FIN:EX
Sent: January 21, 2019 3:26 PM
To: Mortimer, David JTT:EX <David.Mortimer@gov.bc.ca>
Cc: John, Rebecca FIN:EX <Rebecca.John@gov.bc.ca>
Subject: RE: High Speed Rail

Hello David,
s.12,s.13,s.16,s.17

Regards,

Janet Crocker, MPA, BAPC
Treasury Board Analyst
Treasury Board Staff
Ministry of Finance
Tel: 778-698-3396 | Mobile: 250-213-7234 | Fax: 250-356-7624
E-mail: Janet.Crocker@gov.bc.ca

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From: Mortimer, David JTT:EX
Sent: January 21, 2019 11:43 AM
To: Crocker, Janet FIN:EX <Janet.Crocker@gov.bc.ca>; John, Rebecca FIN:EX <Rebecca.John@gov.bc.ca>
Cc: Ma, Tiffany J FIN:EX <Tiffany.Ma@gov.bc.ca>
Subject: FW: High Speed Rail

Morning,

JTT has been advised that the PO will be making an announcement in early February on continued shared funding to Washington Stat for a feasibility study for High Speed Rail linking a centre in the lower mainland to a centre in Washington state and Portland.

The amount is 300,000, s.12,s.13,s.16,s.17
s.12,s.13,s.16,s.17 please advise what
additional info is required on your end to move this forward.

Thanks for your help.

MINISTRY OF JOBS, TRADE AND TECHNOLOGY

INFORMATION NOTE

Cliff #: 143925

Date: January 7, 2019

PREPARED FOR:

Fazil Mihlar, Deputy Minister, Ministry of Jobs, Trade and Technology

ISSUE: Vancouver-Seattle-Portland Ultra High-Speed Ground Transportation: update and next steps

BACKGROUND:

(NOTE: For Timeline, please see Appendix 1.)

The Washington State government is spearheading an examination of the concept of an ultra high-speed transportation corridor connecting Vancouver – Seattle – Portland. The proposed concept would cut transportation time between Seattle and Vancouver from approximately three hours to one hour.

In February 2018 Washington State's Department of Transportation (WSDOT) released results of two preliminary ultra high-speed analyses. These examined, at a high level, technology and route options, number/location of stations, ridership and revenue analysis, cost recovery and potential funding financing model/mechanisms, and an initial estimate of economic impacts.

One of the main findings was that, although the concept appears to have potential in the long-term, significant additional information and assessment is required in order to make an informed decision on the viability of such a service. Other findings included:

- capital cost is in the range of US\$24-42 billion
- ridership could be up to 1.8 million per year by 2035 (Vancouver-Seattle is 25% of the total)
- forecast of a reduction of 40,000 tonnes of greenhouse gas emissions by 2055
- reduction of up to 17% of freeway trips
- creation of up to 200,000 jobs

s.13,s.16,s.17

BC government representatives - from the Intergovernmental Relations Secretariat and the Ministries of Transportation and Infrastructure, and Jobs, Trade and Technology - participate on the Advisory Council and the Steering Committee. The Council has broad representation and convenes every two months to receive updates. Its next meeting is on February 8, 2019. The Steering Committee meets every two weeks.

The preliminary study identified three conceptual corridor routes for transportation modeling purposes, each with only one stop in BC:

1. Vancouver International Airport (YVR)-Bellingham-Everett-Seattle-Tacoma-Lacey-Portland;
2. Vancouver downtown-Seattle-Tacoma-Portland; and
3. Surrey-Tukwila-Portland.

s.13,s.16,s.17

(NOTE: In 2017, City of Surrey staff raised the BNSF rail relocation and WSDOT responded that ultra high-speed rail and rail-based freight operations could not operate in a shared right-of-way and therefore BNSF rail realignment would not be entertained in the ultra high-speed rail study.)

DISCUSSION:

Premier Horgan has met with Governor Inslee on numerous occasions. On October 10, 2018, the Premier and Governor held bi-lateral discussions and signed a BC-WA State MOU on Advancing the Innovation Economy, Environmental Protection and Transportation Connectivity. This new MOU details numerous areas of collaboration, including "exploring the possibility of a new multi-jurisdictional Ultra High-Speed Rail Corridor authority that could help lead the project in any agreed-upon subsequent phases".

As a next step, Governor Jay Inslee's proposed 2019 budget includes \$3.25 million for a multi jurisdictional partnership. s.13,s.16,s.17

s.13,s.16,s.17

s.13,s.16,s.17

Upcoming Next Steps:

With Premier Horgan's upcoming trip to Olympia in February 2019, and Governor Inslee's expressed enthusiasm for the transportation corridor, it is anticipated the topic of the transportation study will be raised.

1. s.13,s.16,s.17

2.

3. Meeting with WA Transportation Secretary Roger Millar – a meeting has been requested for Secretary Millar with his BC counterparts. This request has gone to Ministers Trevena and Ralston.

Prepared by: Jane Burnes
Telephone: 250-889-1054

Reviewed by		
Dir:	ED: Jane Burnes	Assoc.DM: Silas Brownsey

OTHER MINISTRIES IMPACTED/CONSULTED:

Intergovernmental Relations Secretariat – TBC January 7, 2019

Ministry of Transportation and Infrastructure - TBC January 7, 2019

Appendix 1

Timeline:

- Early 1990s – U.S. Federal Railroad Administration designated the Pacific Northwest as one of five high speed rail corridors in the U.S. This provided the region with access to federal funds to plan and implement freight and passenger rail improvements.
- 1992 – Study by Washington State
- 2009 – BC-WA Memorandum on Action on Regional Transportation Planning and Coordination. First commitment was to “further develop and advance a shared vision of high-speed rail service”. Focus was Amtrak passenger service.
- 2009/10 – U.S. Federal Government provided funding to Washington State to make improvements to the Vancouver-Portland corridor, but this was focused on improving the Amtrak service.
- 2010 – High level report by the Pacific Coast Collaborative outlining initial considerations for High Speed/Ultra High-Speed Rail along the west coast
- September 2016 – MOU on Advancing the Innovation Economy signed by WA Governor Jay Inslee and then BC Premier Christy Clark.
- December 2016 – Governor Inslee proposed a study of ultra high-speed rail (250 mph or above) between Vancouver and Portland. \$300,000 funding for the study was approved through the Washington State’s Department of Transportation (WSDOT) budget and supplemented by a \$50K contribution from Microsoft (no provincial funding was requested or provided).
- December 2017 –WSDOT releases results of its 5-month preliminary analysis. The Province provided staff time and expertise as support for the study.
- February 2018 – WDOT completes and releases additional economic benefits analysis, funded by Microsoft and trade unions in the state. Findings included:
 - capital cost is in the range of US\$24-42 billion
 - ridership could be as high as 1.8 million per year by 2035 (Vancouver-Seattle is 25% of total)
 - forecast of a reduction of 40,000 tonnes of greenhouse gas emissions by 2055
 - reduction of up to 17% of freeway trips
 - creation of up to 200,000 jobs
- March 2018 – Premier Horgan meets with Governor Inslee and announces BC will contribute \$300,000 towards a business case study.
- June 2018 – WSDOT announces funding partners for \$1.5million study (\$750,000 from WSDOT, \$300,000 Can from BC, \$200,000 from the Oregon Department of Transportation, and \$300,000 from Microsoft), and awards contract.
- October 2018 – MOU on Advancing the Innovation Economy, Environmental Protection and Transportation Connectivity signed by Premier Horgan and Governor Inslee.

s.13,s.16,s.17

**AGREEMENT BETWEEN
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
AND
PROVINCE OF BRITISH COLUMBIA, CANADA**

This AGREEMENT is made and entered into between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION ("STATE") and the PROVINCE OF BRITISH COLUMBIA, CANADA ("BC"), collectively referred to as "PARTIES" and individually as "PARTY".

WHEREAS, the STATE pursuant to Engrossed Senate Bill 5096, Section 222 was responsible for developing an Ultra High-Speed Ground Transportation Study (UHSGT) that must identify the costs and benefits of a north-south alignment of ultra high-speed ground transportation in Washington State, and

WHEREAS, the STATE pursuant to Engrossed Substitute Senate Bill 6106, Section 222 is responsible for building upon the 2018 UHSGT Study and Economic Impacts addendum, providing a consultant developed business case analysis of ultra high-speed ground transportation, and

WHEREAS, the STATE shall select a consulting firm (the "Consultant") to develop the business case analysis based on the results of the 2017 Washington State ultra high-speed ground transportation feasibility study, and

WHEREAS, BC is one (1) of ten Canadian provinces and is located on the westernmost province of Canada, and

WHEREAS, BC is willing to contribute additional funding for development of the business case analysis by the Consultant which will help the STATE meet its responsibilities under Engrossed Senate Bill 6106, Section 222.

NOW THEREFORE, in consideration of the terms, conditions and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

1. SCOPE OF WORK BETWEEN STATE AND CONSULTANT

The STATE shall enter into a new on-call agreement, requiring the consultant to perform the work stated below.

1.1 Business Case Analysis

Develop a business case analysis of an ultra high-speed ground transportation system in the Cascadia corridor, building on the results of the February 2018 UHSGT Study and Economic Impacts addendum.

Based on the recommendations found in Section 7 of the February 2018 UHSGT, the business case analysis of the ultra high-speed ground transportation shall focus on examining the following:

- A. A next phase corridor planning study, to include:
 - i. A conceptual corridor design analysis (technology neutral) that would identify any specific issues that arise when using one technology over another;
 - ii. Potential station locations and service scenarios relative to market demand;

- iii. Analysis of international high-speed rail projects and US/Canadian infrastructure projects including enterprise lessons learned and their application to this UHSGT corridor;
 - iv. Transportation system market trends and projects including land use and congestion;
 - v. Operational models that enhance multimodal integration and increase transportation system efficiency; and
 - vi. Analysis of the economic environment and structural changes to the relationship between Cascadia sub-regions to accurately examine potential demand.
- B. Enhanced ridership evaluation to inform and support the corridor planning study, to include:
- i. A better understanding of potential ridership origin and destination and trip preference, including demand elasticity, by conducting a robust, corridor-wide travel survey and stated preference survey;
 - ii. Advanced travel demand modeling between Vancouver, B.C., Seattle and Portland with more sophisticated capability than is available with CONNECT;
 - iii. Optimizing service offering by examining tradeoffs of maximizing revenue vs. maximizing ridership; and
 - iv. Market share analysis, including an estimate of latent demand and sensitivity to changes in congestion, fuel/energy and parking costs.

Within reason and in context to the timeline and budget, additional analysis shall examine the following:

- A. An expanded governance and economic framework, to include:
- i. Structural growth and shifts in the regional economy, which may be affected by changes in the US and Canadian economies;
 - ii. Benefit/Cost analysis with emphasis on transportation costs of all modes, travel time savings, reliability, including congestion, health, safety, and environmental cost;
 - iii. Public and private partnership scenarios;
 - v. Sensitivities to latest assumptions such as fuel/energy prices, and connected and autonomous vehicles; and
 - vi. Governance and regulatory structure conducive to moving regional priorities and the cross-border bi-national and bi-state program forward.
- B. Evaluation of funding and financing mechanisms, to include:
- i. Risk analysis to assess optimum risk transfer and highest value of money (VfM);
 - ii. Regulatory challenges and advancing investment opportunities such as infrastructure banks;
 - iii. Applicability of alternative transportation funding mechanisms such as carbon fees;
 - iv. Financial responsibilities and cost sharing model options; and
 - v. Revenue and farebox recovery.

The business case analysis must involve key stakeholders and include an advisory group, which shall include the following members:

- A. One member from each of the two largest caucuses of the Senate, to be appointed by the president of the Senate;

- B. One member from each of the two largest caucuses of the House of Representatives, to be appointed by the speaker of the House;
- C. The governor or his or her designee;
- D. The Secretary of Transportation or his or her designee;
- E. The Rail, Freight and Ports Director of the Department of Transportation or his or her designee; and
- F. Representatives from communities and stakeholders from public and private sectors Relevant to the analysis, including from the province of British Columbia and the state of Oregon.

1.2 Due Date

The STATE's consultant shall complete and deliver the Scope of Work and associated deliverables by June 30, 2019, to the STATE as is defined in Engrossed Substitute Senate Bill 6106.

2. PAYMENT

2.1 The STATE shall provide BC an invoice on or before September 30, 2018, to be paid within 30 days from said date.

2.2 BC is responsible for contributing \$300,000 (Three-Hundred Thousand Canadian Dollars) towards the delivery of the scope of work identified in Section 1 of this AGREEMENT.

2.3 BC's sole obligation with respect to this AGREEMENT is the payment of funds described in this Section 2. BC shall have no obligation or liability for the performance of any services by Consultant.

3. AMENDMENT

3.1 This AGREEMENT may be amended by mutual agreement of the PARTIES. Such amendments or modifications shall not be binding unless they are in writing and signed by persons authorized to bind each of the PARTIES.

4. TERMINATION

4.1 Except as otherwise provided in this AGREEMENT, either PARTY may terminate this AGREEMENT upon thirty (30) days' written notification. If this AGREEMENT is so terminated, the terminating Party shall be liable for performance in accordance with the terms of this AGREEMENT for performance rendered prior to the effective date of termination.

5. LEAD CONTRACT AGENCY and INDEPENDENT CAPACITY

5.1 The employees of the STATE or any of its contractors, subcontractors, consultants, and employees thereof, shall not in any matter be deemed to be employees of BC. BC and its employees or agents performing under this AGREEMENT are not employees of the STATE.

6. VENUE

6.1 In the event that a PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action or proceedings shall be brought in a court of competent jurisdiction in Thurston County, Washington.

7. TERM OF AGREEMENT

7.1 Unless otherwise provided herein, the term of this AGREEMENT shall commence as of the date this AGREEMENT is fully executed and terminate as of June 30, 2019, unless sooner terminated by the PARTIES, as provided herein.

8. AUTHORITY

8.1 BC affirms that it has legal authority to enter into this AGREEMENT under the terms noted above.

8.2 It is BC's intent that this AGREEMENT be in compliance with applicable laws and regulations with respect to gratuitous services. It is specifically understood that all funding provided under this AGREEMENT is for the sole benefit and use of STATE and is not provided to or for the benefit of any individual government employee, and that BC has no expectation of favoritism from State in any procurement action.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT as of the PARTY's date signed last hereto below.

PROVINCE OF BRITISH COLUMBIA

By: _____

J. Hammond
JAMES W. HAMMOND
ASSISTANT DEPUTY
MINISTER, BC GOVT

Date: 29 June 2018

APPROVED AS FORM BY LEGAL
COUNSEL

By: _____

Name: _____

Date: _____

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By: _____

Ron Pate
Ron Pate, PLS, Division Director
WSDOT Rail, Freight and Ports Division

Date: 7-23-2018

APPROVED AS FORM BY WA STATE
ASSISTANT ATTORNEY GENERAL

By: _____

L. Scott Lockwood
Name: L. Scott Lockwood

Date: 7/16/2018

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Withheld pursuant to/removed as

s.12;s.16;s.13

Page 12

Withheld pursuant to/removed as

s.12



January 31, 2019
378386

Confidential

Fazil Mihlar
Deputy Minister
Ministry of Jobs, Trade and Technology
PO Box 9846 Stn Prov Govt
Victoria, B.C. V8W 9T2

Dear Colleague:

Re: s.12

s.12

Sincerely,

Heather Wood
Secretary to Treasury Board

cc: Michael Lord
Assistant Deputy Minister and Executive Financial Officer
Ministry of Jobs, Trade and Technology

Ministry of
Finance

Treasury Board

Mailing Address
PO Box 9469 Stn Prov Govt
Victoria BC V8V 9V8

Location Address:
1st Floor – 617 Government St
Victoria BC

British Columbia News

B.C., Washington strengthen ties as B.C. backs next phase of high-speed corridor study

<https://news.gov.bc.ca/18952>

Thursday, February 7, 2019 1:30 PM

Seattle, Wash. - As part of ongoing work to improve connectivity and strengthen ties between British Columbia and Washington state, B.C. Premier John Horgan has joined Washington Gov. Jay Inslee to announce that B.C. will help fund the next proposed phase of a study of a potential ultra-high-speed corridor service linking British Columbia, Washington state and Oregon.

"Gov. Inslee and I recognize the enormous potential for growth in our region to deliver strong, sustainable economic development, create good jobs and a better future for people on both sides of the border," said Premier Horgan. "Improving transportation connectivity is a critically important part of the path forward, and we're going to keep working together to seize opportunities and strengthen the relationship between Washington state and B.C."

The two leaders have been working jointly to grow the region's innovation and tech economy, combat climate change, protect the environment, promote trade and improve transportation connectivity. Collaboration on the corridor study is another step toward realizing these shared goals.

"I want to thank Premier Horgan for his generous contributions to the ultra-high-speed corridor project," said Gov. Inslee. "Our Cascadia region has the critical mass of a growing population, the muscle mass of a strong economy and the traffic problems to justify ultra-high-speed connections, and this investment will help move the project to the next level."

In March 2018, B.C. contributed \$300,000 for a business case analysis to explore ridership levels, project delivery methods, cost and financing. The full results of this analysis are expected in summer 2019.

B.C. has announced the contribution of an additional \$300,000 for the proposed next phase of the project that will explore models for a multi-jurisdictional authority to lead a community engagement process and preliminary environmental review.

On Dec. 10, 2018, Gov. Inslee announced that he is including USD\$3.25 million in his budget for the development of a new ultra-high-speed corridor authority for Washington, British Columbia and Oregon. It is part of his broader clean energy strategy, which advances electric transportation and helps achieve Washington state's climate action goals.

Premier Horgan is in Washington state on Feb. 7-8, 2019. The two-day trip with Gov. Inslee includes speaking engagements and meetings with government and business leaders in Seattle and Olympia, including Microsoft and the Seattle Chamber of Commerce. Premier Horgan will give a formal address to the Washington state legislature on Friday, Feb. 8.

Quick Facts:

- On Oct. 10, 2018, Premier Horgan and Gov. Inslee signed a memorandum of understanding to act jointly to grow the region's innovation economy, protect the environment and combat climate change, promote trade and improve transportation connectivity.
- Funding partners have contributed a total of USD\$1.5 million toward the current study [Washington state (\$750,000), British Columbia (CDN \$300,000), Oregon (\$200,000) and Microsoft (\$300,000)].
- Washington state released an economic analysis in 2018 that estimated a high-speed corridor link could create up to 200,000 jobs for people in B.C. and the U.S. and generate billions of dollars in economic benefits for the Cascadia corridor between B.C., Washington and Oregon. The analysis also estimated

that within a few years of operation, ridership could reach 1.8 million annually.

- A high-speed transportation corridor could reduce the travel time between Vancouver, B.C. and Seattle to about one hour from three hours. High-speed trains travel up to 400 kilometres per hour.
- Total Canada-Washington goods trade is valued at approximately \$26.4 billion.

Learn More:

Cascadia Innovation Corridor:

<https://news.gov.bc.ca/releases/2018PREM0126-001970>

Washington state's December 2018 policy brief on clean transportation:

<https://www.governor.wa.gov/sites/default/files/clean-transportation-policy-brief.pdf>

Washington state's Dec. 10, 2018, announcement of its clean energy policy:

<https://medium.com/wagovernor/clean-electricity-clean-buildings-and-clean-transportation-inslee-plan-would-launch-19d789c99334>

Media Contacts

Jen Holmwood

Deputy Communications Director

Office of the Premier

250 818-4881

Tara Lee

Deputy Communications Director

Office of Governor Jay Inslee

tara.lee@gov.wa.gov

360 902-0632

360 688-3061 (cell)

Government Communications and Public Engagement

Ministry of Jobs, Trade and Technology

778 698-2892