

PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

In accordance with <u>RCW 34.05.330</u>, the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at http://apps.leg.wa.gov/wac/default.aspx?cite=82-05.

CONTACT INFORMATION (please type or print)

Petitioner's Name	Eric Mencis				
Name of Organization _Western Forest Industires Museum					
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COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <u>http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm</u>.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule:

1. NEW RULE - I am requesting the agency to adopt a new rule.

The subject (or purpose) of this rule is:

The rule is needed because:

The new rule would affect the following people or groups:

\boxtimes 2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: RCW 66.24.395

\boxtimes I am requesting the following change:	For the law to include all passenger trains/common carrier railroads, that travel only inside the state of Washingtion and not over state lines.				
\boxtimes This change is needed because:	A passenger train offering excursion/scenic trips within the state of Washington do not quaifuly any other lincenses.				
$\overleftarrow{\times}$ The effect of this rule change will be:	Including trains operating witnin the state of Washingtion, will allow scenic railroads to bring in more tourism dollars to remote areas of the sate.				
The rule is not clearly or simply stated					
3. REPEAL RULE - I am requesting the	agency to eliminate an existing rule.				
List rule number (WAC), if known:					
(Check one or more boxes)					
It does not do what it was intended to do.					
It is no longer needed because:					
It imposes unreasonable costs:					
The agency has no authority to make this rule:					
It is applied differently to public and private parties:					
It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known:					
It duplicates another federal, state or local law or rule. List duplicate law or rule, if known:					
Other (please explain):					

Law As written:

Interstate common carrier's licenses—Class CCI—Fees—Scope.

(1)(a) There shall be a license that may be issued to corporations, associations, or persons operating as federally licensed commercial common passenger carriers engaged in interstate commerce, in or over territorial limits of the state of Washington on passenger trains, vessels, or airplanes. Such license shall permit the sale of spirituous liquor, wine, and beer at retail for passenger consumption within the state upon one such train passenger car, vessel, or airplane, while in or over the territorial limits of the state. Such license shall include the privilege of transporting into and storing within the state such liquor for subsequent retail sale to passengers in passenger train cars, vessels or airplanes. The fees for such master license shall be seven hundred fifty dollars per annum (class CCI-1): PROVIDED, That upon payment of an additional sum of five dollars per annum per car, or vessel, or airplane, the privileges authorized by such license classes shall extend to additional cars, or vessels, or airplanes operated by the same licensee within the state, and a duplicate license for each additional car, or vessel, or airplane shall be issued: PROVIDED, FURTHER, That such licensee may make such sales and/or service upon cars, or vessels, or airplanes in emergency for not more than five consecutive days without such license: AND PROVIDED, FURTHER, That such license shall be valid only while such cars, or vessels, or airplanes are actively operated as common carriers for hire in interstate commerce and not while they are out of such common carrier service.

(b) Alcoholic beverages sold and/or served for consumption by such interstate common carriers while within or over the territorial limits of this state shall be subject to such board markup and state liquor taxes in an amount to approximate the revenue that would have been realized from such markup and taxes had the alcoholic beverages been purchased in Washington: PROVIDED, That the board's markup shall be applied on spirituous liquor only. Such common carriers shall report such sales and/or service and pay such markup and taxes in accordance with procedures prescribed by the board.

(2) Alcoholic beverages sold and delivered in this state to interstate common carriers for use under the provisions of this section shall be considered exported from the state, subject to the conditions provided in subsection (1)(b) of this section. Interstate common carriers licensed under this section may purchase alcoholic beverages outside the territorial limits of the state of Washington and import such alcoholic beverages into the state of Washington for sales and service aboard passenger trains, vessels, or airplanes. The storage facilities for liquor within the state by common carriers licensed under this section shall be subject to written approval by the board.

(3) Interstate common carriers licensed under this section may provide complimentary alcoholic beverages to passengers aboard passenger trains, vessels, or airplanes.

Issue: While this law covers railroad operating over the Washington State Line, it forgets to include that the web that makes up the United States Railroad network combines different railroad companies. Not all railroad companies cross state lines. Regional and short-line railroads still fall under common carrier laws and partake in interstate commerce without ever crossing the state line in which they operate. Many short lines or regional railroads around the country offer passenger trains, as their lines are sometimes located in scenic parts of the country, and they want to provide the public in the areas they operate in a chance to experience the railroad as part of their public relations. The way Washington Law RCW 66.24.395 as written excludes those railroads from obtaining a license.

Scenic Railroads: Not all scenic railroads can offer dinner trains or food service in a way to qualify for restaurant licenses. Even onboard dinner trains, the menu is limited due to what safely can be cooked and stored in the dining cars onboard the train. Not all scenic railroads have access to dining/kitchen cars but have modified another car for food and drink service in a way to include premade meals and sandwiches, quick and easy meals cooked in the microwave, or meals cooked offsite and then loaded on the train ordered from a limited menu when purchasing the tickets.

Scenic Railroad is a billion-dollar industry nationwide, bringing millions of tourist dollars and economic impact to usually rural and remote parts of the country. The Durango & Silverton Narrow Gauge Railroad in Durango, Colorado, carries around 200,000 passengers a year and simultaneously operates several concession cars, parlor cars, and club cars. Since the D&SNG started in 1981, the funding and increase from growing the onboard sales has allowed the railroad to grow to employing over 400 employees, bringing in millions of dollars annually for Durango's restaurants, hotels, tourism industry, as well as supporting the mountain community of Silverton, Colorado a town of only 500 year-round residents but supports nearly 3000 seasonal residents.

The same can be said for the Skunk Train in Northern California, the Western Maryland Scenic Railroad in Maryland, The Oregon Coast Railroad & Mt Hood Railway of Oregon, The Grand Canyon Railway and Verdi Canyon Railroad of Arizona, the Royal Gorge Route Railroad in Colorado, the Reading & Northern Passenger Division in Pennsylvania, and many more across the country.

This came about as the Western Forest Industries Museum DBA, the Mt Rainier Scenic Railroad, applied to grow its operation here in Washington. As a non-profit, all the revenue the railroad generates is invested back into the railroad and surrounding area. The railroad saw law RCW 66.24.395 as it seemed to be written for passenger trains but, unfortunately, does not qualify

unless the railroad was to run an excursion outside the state. This is when the railroad is restoring the 15 miles of track down to Morton and the 15 miles up to Eatonville from the Elbe station. Your average railroad tie is around \$100, with 5000 ties per mile. Revenue created from the sale of liquor onboard would be a funding source for the track restoration. Once the track was restored, the railroad would be open for passenger trains and hauling lumber, other forest products, and freight between Eatonville and Morton. Taking trucking off the rural mountain roads, providing jobs for the local communities, and hauling passengers and goods in a more environmentally friendly manner.

The State of Washington has missed out on tourism and tax revenue dollars, as the law currently deters any growth in the tourist railroad industry within the state of Washington.

How other states have handled this:

The following links will lead to other states and similar laws allowing all railroads in the state to participate.

Oregon: <u>https://www.oregon.gov/olcc/lic/Docs/License-Privileges-Full-On-Premises-Public-Passenger-Carrier.pdf</u>

Illinois: https://ilcc.illinois.gov/content/dam/soi/en/web/ilcc/sitecollectiondocuments/specialtyliquor-license-application.pdf

Missouri https://revisor.mo.gov/main/OneSection.aspx?section=311.200

Ohio: <u>https://com.ohio.gov/divisions-and-programs/liquor-control/new-permit-info/applications-and-forms/E-alcohol-sales-on-railroad-cards-or-airlines</u>

Maryland: <u>https://law.justia.com/codes/maryland/2022/alcoholic-beverages/division-i/title-2/subtitle-4/section-2-405/</u>

Colorado: https://law.justia.com/codes/colorado/2017/title-12/general-continued/article-47/part-4/section-12-47-419/

California: <u>https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=BPC§ionNum=23397</u>.