ANSWER OF BNSF RAILWAY COMPANY TO PETITION TO MODIFY WARNING DEVICES AT A HIGHWAY-RAILROAD GRADE CROSSING - 1 Docket No. TR-220540

FOSTER GARVEY PC 1111 THIRD AVENUE, SUITE 3000 SEATTLE, WASHINGTON 98101-3292 PHONE (206) 447-4400 FAX (206) 447-9700

in Section 4, including the current average annual daily traffic (AADT), how many school buses travel over the crossing each day, the impact of recent construction on AADT over the next ten years, and current sight distances, pending discovery and testimony to be provided in this action.

- 5. In response to Section 5 ("Railroad Information") of the Petition, BNSF admits that it is the railroad company in this action, admits that the type of railroad at the crossing are common carrier and passenger, that the type of tracks at the crossing are main line, and that there are two tracks. BNSF denies that the City's representations of the average daily freight train traffic and freight train speeds are currently accurate. BNSF admits that the average daily passenger train traffic is two, but denies that the City's representation of the passenger train speeds is currently accurate.
- 6. In response to Section 6 ("Current Warning Devices") of the Petition, BNSF admits that this is the City's "complete description" upon which the City bases its Petition.
- 7. In response to Section 7 ("Description of Proposed Changes") of the Petition, BNSF admits that this is the City's description of the proposed changes upon which the City bases its Petition. With respect the last sentence of Section 7, BNSF construes this sentence as what the City is proposing and not necessarily what is legally required.
- 8. In response to Section 8 ("Illustration of Crossing") of the Petition, BNSF admits that the diagrams, drawing and maps provided in Section 8 are the City's illustration of crossing upon which the City bases its Petition.
- 9. In response to Section 9 ("Description of Public Safety Need") of the Petition, BNSF admits that this is the City's description of the public safety need for the City's proposed changes. As discovery and testimony in this case will show, however, BNSF does not agree that the description in Section 9 justifies all the proposed changes in the City's Petition, does not agree that all the proposed changes are required by applicable law, and does not agree with the City's proposed layout. *See, e.g.*, BNSF's Stephen Semenick's August 8, 2022 email to the UTC and the City regarding the City's Petition.
- 10. In response to Section 10 ("Approximate Cost of Installation And Related Work") of the Petition, BNSF admits that this is the City's representation of the approximate cost of installation and related work upon which the City bases its Petition. BNSF does not agree that this

- 11. In response to Section 11 ("Approximate Cost of Annual Maintenance") of the Petition, BNSF admits that this is City's representation of certain costs of annual maintenance, admits that BNSF previously provided a cost estimate for inspection/maintenance fees, but denies that the Section 11 estimate of \$45,600 reflects a current cost estimate. BNSF further denies the City's last sentence of Section 11 ("Per RCW 81.53.295, all annual maintenance costs will be paid for by BNSF Railway Company.") and any legal conclusions contained therein. BNSF further states that the City's proposed changes would not provide an ascertainable benefit to BNSF and BNSF cannot be compelled to provide costs. As the City and UTC know, BNSF does not agree that RCW 81.53.295 constitutionally requires BNSF to pay all annual maintenance costs. See BNSF Railway Company v. City of Wenatchee, United States District Court for the Eastern District of Washington, Case No. 2:22-cv-00263.
- 12. In response to Section 12 ("Cost Apportionment") of the Petition, BNSF states this Section appears to be form language and that no specific information is provided by the City in this Section. With respect to the first paragraph of Section 12, BNSF admits this is what the City's Petition appears to be requesting, but as noted above, BNSF does not agree that the Commission can constitutionally require BNSF to pay all annual maintenance costs. *See BNSF Railway Company v. City of Wenatchee*, United States District Court for the Eastern District of Washington, Case No. 2:22-cv-00263. With respect the second paragraph of Section 12, BNSF states that the parties have not reached an agreement related to the apportionment of costs.
- 13. In response to Section 13 ("Waiver of Hearing of Respondent") of the Petition, BNSF states it does not waive its right to a hearing.
- 14. Except as expressly admitted in this answer, BNSF denies the allegations, contentions, legal conclusions, and requests for relief contained in the City's Petition and Attachments.

II. AFFIRMATIVE AND OTHER DEFENSES

In further response to the City's Petition, BNSF asserts the following defenses and affirmative defenses, the assertion of which in no way alters or modifies City's burdens of proof or persuasion:

1. <u>Failure to State a Claim</u>. The City's Petition, in whole or in part, fail to state a claim upon which relief can be granted.

- 2. <u>Lack of Subject Matter Jurisdiction</u>. The City's Petition is barred in whole or in part because the WUTC lacks jurisdiction over the subject matter.
- 3. <u>Supremacy Clause</u>. The City's Petition is barred in whole or in part because the RCW 81.53.295 provision upon which the City relies is unconstitutional under the supremacy clause, Article VI, §2 of the United States Constitution. One reason that the RCW 81.53.295 provision upon which the City relies is unconstitutional under the supremacy clause is that federal law (e.g., the Interstate Commerce Commission Termination Act ("ICCTA") and federal CFR regulations) occupy the field with respect to the maintenance costs that an interstate railway must bear. A second, independent reason that the RCW 81.53.295 provision upon which the City relies is unconstitutional under the supremacy clause is that the 100% maintenance cost allocation to interstate railways mandated by this State statute conflicts with federal law governing the allocation of costs to an interstate railway (e.g., ICCTA and federal regulations including, but not limited to, 23 C.F.R. §646.210(a) & (b)(1)).
- 4. <u>Due Process Clause</u>. The City's Petition is barred in whole or in part because the RCW 81.53.295 provision upon which the City relies is unconstitutional under the due process clause, Section 1 of the 14th Amendment to the United States Constitution. One reason that the RCW 81.53.295 provision upon which the City relies is unconstitutional under the due process clause is that the 100% maintenance cost allocation to interstate railways mandated by this State statute deprives the respondent interstate railway of its property without due process. That is because it blindly imposes a 100% allocation on the respondent interstate railway without any consideration or regard for the specific facts and circumstances relating to the maintenance costs it requires BNSF to pay. In other words, it arbitrarily and capriciously takes BNSF's property.
- 5. <u>Interstate Commerce Clause</u>. The City's Petition is barred in whole or in part because the RCW 81.53.295 provision upon which the City relies is unconstitutional under the interstate commerce clause, Article I, §8, clause 3 of the United States Constitution. One reason that the RCW 81.53.295 provision upon which the City relies is unconstitutional under the interstate commerce clause is that this statute's blindly imposing a 100% allocation on interstate railroads connecting this State to other States, without any consideration or regard for the specific facts and

circumstances relating to the maintenance costs it 100% allocates, is an unreasonable and undue burden on interstate commerce.

6. BNSF reserves the right to supplement and/or amend this list of defenses and affirmative defenses.

III. REQUESTED RELIEF

In response to the Petition, BNSF respectfully requests the following relief:

- A. This proceeding be stayed in whole or in part pending resolution of the federal court action, *BNSF Railway Company v. City of Wenatchee*, United States District Court for the Eastern District of Washington, Case No. 2:22-cv-00263.
- B. Denial of the Petition because the City fails to establish a public safety justification for all of the City's proposed modifications.
- C. Dismissal of City's Petition with prejudice;
- D. Leave to amend this answer if necessary;
- E. For such further relief that the Court deems just and proper.

DATED this 15th day of November, 2022.

FOSTER GARVEY PC

/s/ Christopher G. Emch

Christopher G. Emch, WSBA #26457 Thomas F. Ahearne, WSBA #14844 Adrian U. Winder, WSBA #38071 FOSTER GARVEY PC 1111 Third Ave, Suite 3000 Seattle, WA 98101-3292 chris.emch@foster.com ahearne@foster.com adrian.winder@foster.com Telephone: (206) 447-4400

Attorneys for Respondent BNSF Railway Company

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3	CERTIFICATE OF SERVICE	
4	I hereby declare under penalty of perjury under the laws of the State of Washington that l	
5	caused a true and correct copy of the foregoing to be served via the methods below on this 15th	
6	day of November, 2022 on the following representatives for the parties of record:	
7 8	Counsel for City of Wenatchee Steve D. Smith	□ via hand delivery⋈ via email
9	Davis, Arneil Law Firm, LLP 617 Washington Street	□ via electronic filing⋈ via U.S. Mail
10	Wenatchee, WA 98801 steve@dadkp.com	Via C.S. Maii
11	toni@dadkp.com	
12	Representative for Staff of the Utilities	☐ via hand delivery
13	and Transportation Commission Jeff Roberson	☑ via email☑ via electronic filing
14	Assistant Attorney General Office of the Attorney General	⊠ via U.S. Mail
15	Utilities and Transportation Division P.O. Box 40128	
16	Olympia, WA 98504-0128 jeff.roberson@utc.wa.gov	
17	betsy.demarco@utc.wa.gov	
18	For Washington Utilities	via hand delivery
19	and Transportation Commission Amanda Maxwell	□ via email⋈ via electronic filing
20	Executive Director and Secretary Washington Utilities and Transportation	☐ via U.S. Mail
21	Commission P.O. Box 47250	
22	Olympia, WA 98504-7250	
23	Executed at Seattle, Washington, on November 15, 2022. /s/ Gabriela DeGregorio Gabriela DeGregorio, Legal Practice Assistant	
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