Washington State Transportation Commission

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2006 Annual Report

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Foreword

The Washington State Transportation Commission has undergone significant changes in its 55-year lifespan. Predecessor agencies include the Washington State Toll Bridge Authority, which dates to 1937, and the five-member Highway Commission created in 1951 when Representative Julia Butler Hansen championed legislation creating a Governor-appointed citizen commission with authority to appoint the Director and oversee the performance of the Highway Department. In 1977, the Legislature merged the Toll Bridge Authority and the Highway Commission to create the Transportation Commission, along with the renamed and reorganized Department of Transportation.

Today's Transportation Commission is an independent, Governor-appointed public forum for researching and developing transportation policy statewide. Its tasks include adopting a balanced and comprehensive 20-year plan to address local, regional and statewide transportation needs, proposing to the Legislature and Governor a comprehensive ten-year investment program, setting fares and tolls for ferries, bridges, and highways, and overseeing development of the Transportation Innovative Partnership Program. The Commission is uniquely situated to review and evaluate how the entire transportation system works across the state and recommend changes and improvements.

This Annual Report is a snapshot of the state's transportation system as Washington enters 2007. Looking at the entire system – public and private, state and local – this Report describes the work of the Commission in 2006, suggests policy issues to focus on the coming year, and highlights a few examples of what is working and where multimodal transportation improvements are needed.

We hope that this Annual Report will be a useful tool for all transportation policy makers and providers in our state, both public and private.

– Richard Ford, Chairman
Washington State Transportation Commission
2006

PART 1
Overview of 2006 Activities

During 2006, the Washington Transportation Commission adopted the Washington Transportation Plan for 2007-2026 and completed two studies assigned to it by the 2005 Legislature: the Comprehensive Tolling Study and the Rail Capacity and System Needs Analysis. The Washington Transportation Plan (WTP) looks at the statewide transportation system as a whole and sets priorities for future transportation spending and improvement. The Tolling Study and the Rail Analysis offer innovative solutions and, in the case of rail, show how state policy and investment can help meet today's freight and passenger needs.

The Washington Transportation Plan

The Washington Transportation Plan (WTP) is a twenty-year plan to guide transportation policy and investment decisions at all levels of government in the state – including county roads, city streets, transit, barges, trains, and bikes as means and modes of travel. It also fulfills federal and state planning requirements.

The WTP identifies a combined need of over $67 billion over the next 20 years, $38 billion of which is currently unfunded. Concluding that we can't build our way out of congestion, the WTP moves away from the historic practice of considering gas tax increases to finance more roads and highways. Instead, recognizing there are limits to how much revenue can be raised through the gas tax, the Commission recommends the state focus on how to best move people and goods, investing more in innovative solutions, such as demand management and system management strategies.

Key findings developed with data and input from Regional Transportation Planning Organizations (RTPOs), local and state transportation agencies, and the public, emphasize:

Mobility – Mobility of people and goods is fundamental to the functioning of society.
Priorities – Spending priorities must be set given it is unlikely there will be enough money to meet all the state's unfunded transportation needs; and
Innovation – Innovative technological, operational, and planning solutions are essential to lower costs, target revenue generation, and impact strategic planning for the future. These key findings support five prioritized investment guidelines:

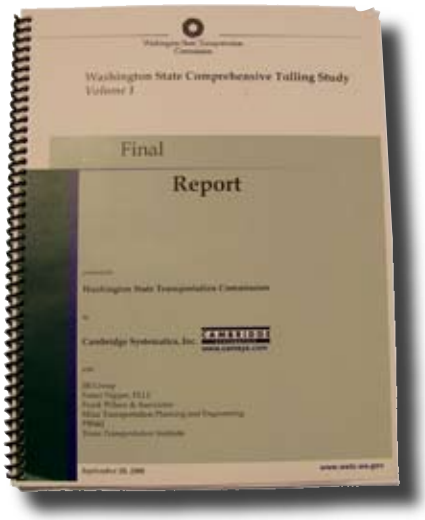
1 Preservation – Preserve and extend prior investments in existing transportation facilities and the services they provide to people and commerce.
2 Safety – Target construction projects, enforcement, and education to save lives, reduce injuries, and protect property.
3 Economic Vitality – Improve freight movement and support economic sectors that rely on the transportation system, such as agriculture, tourism, and manufacturing.
4 Mobility – Facilitate movement of people and goods to contribute to a strong economy and a better quality of life for citizens.
5 Environmental Quality and Health – Bring benefits to the environment and our citizens' health by improving the existing transportation infrastructure.

For the complete Washington Transportation Plan, go to www.wstc.wa.gov/wtp.

Comprehensive Tolling Study

Throughout our state's history we have used tolling as a tool to fund the construction of large and expensive transportation projects, with the tolls eventually removed when the debt is paid off. Today, facing increased demand, increasing congestion, aging transportation infrastructure, and a significant shortfall in funding for major new transportation projects, tolling will encourage more efficient use of the transportation system and also can provide supplementary funding.

By analyzing historic and current tolling approaches in Washington and around the country, using public opinion research, and a survey of the latest technology, the Tolling Study provides a set of eight recommended policies to guide development of toll facilities in our state:



1 Overall Direction. Washington should use tolling to encourage effective use of the transportation system and provide a supplementary source of transportation funding. That policy should evolve over time:

Short Term (within 10 years)

> Accelerate implementation of high-cost/high-need projects such as SR 520, Columbia River Crossing at Vancouver, and Snoqualmie Pass.

> Use price differentials as appropriate to make most effective use of the system.

> Convert high-occupancy vehicle (HOV) lanes to HOV/Tolled Express lanes to optimize performance and maintain free-flowing service for transit, vanpools and carpools.

Medium Term (within 20 years)

> Consider potential for building additional capacity as tolled express lanes through more extensive study of long-term costs and benefits.

> Consider broader use of tolling to optimize system performance.

Long Term (beyond 20 years)

> Consider more extensive use of tolls as the ability to build more capacity is constrained, traditional revenue sources decline, and technology advances.

2 When to use Tolling. Tolling should be used when it can be demonstrated to:

> Contribute to a significant portion of the cost of a project that cannot be funded solely with existing sources; and/or

> Optimize system performance, such as with a HOV/Tolled Express lane.

Such tolling should in all cases:

> Be fairly and equitably applied in the context of the statewide transportation system; and

> Not have significant adverse impacts through diversion of traffic to other routes.

3 Use of Toll Revenue. Toll revenue should be used only to improve, preserve or operate the transportation system.

4 Setting Toll Rates. Toll rates, which may include variable pricing, should be set to optimize system performance, recognizing necessary tradeoffs to generate revenue.

5 Duration of Toll Collection. Since transportation infrastructure projects have costs and benefits that extend well beyond those paid for by initial construction funding, tolls should remain in place to fund additional capacity, capital rehabilitation, maintenance, operations, and to optimize system performance.

6 State Authority to Set Toll Policy. Following broad statutory direction, the Washington State Transportation Commission, as the currently designated State Tolling Authority, should develop policies and criteria for selecting the parts of the transportation system to be tolled; propose the study of potential toll facilities; recommend toll deployments to the Governor and Legislature; and set toll rates. The Authority should engage in robust and continuous coordination with state-authorized regional or multistate entities that may propose toll facilities to the Authority.

7 WSDOT to Implement Policy. The Washington State Department of Transportation should be responsible for planning, development, operations and administration of toll projects and toll operations within the State.

8 Toll Collection Systems. Toll collection systems in the State of Washington should be simple, unified, and interoperable and avoid attended tollbooths, wherever possible.

For the complete Tolling Report, go to:
www.wstc.wa.gov/Tolling.

Rail Capacity and System Needs Analysis

There is increasing demand for service from Washington's rail system. International trade has grown dramatically, increasing volume at Washington ports – a critical part of our state's economy. Businesses and public transit agencies within the state also require more rail capacity.

Overall, the railroad industry is not keeping pace with demand. And, as the national freight railroads[1] change their business model to a "hook and haul" system that transports a fully-loaded train from one destination to another, less rail service is available to low volume carload shippers and some short line railroads face obstacles to transporting their products. Although short line railroads touch a large percentage of rail freight and continue to play an important role serving carload traffic in Washington State, some are facing financial difficulties that affect service quality and availability, especially in the agricultural sector.

Addressing capacity issues alone may not ensure that the rail system meets the needs of traditional carload shippers and receivers within Washington State. Shippers that generate small cargo volumes already are finding that the shift to hook and haul trains by BNSF and Union Pacific often results in service that is harder to obtain, more costly, and of lower quality – unless transfer and loading facilities are readily available. Without system changes and improvements, passenger rail also will continue to be disadvantaged in competing for access to capacity on a strained rail network.

The Rail Study concludes that the State should participate in the rail system in partnership with the private sector when the projects or actions can deliver public benefits to the citizens and businesses of the State and when it is unlikely these benefits would accrue absent public involvement.

The study recommends six major policies, including an asset management plan governing investment and management decisions for state-owned rail assets:

1 Washington State should continue to participate in the preservation and improvement of both the freight and passenger rail transportation system where there are public benefits to Washington State, its businesses, and its communities.

2 The State should base its decisions to participate in projects, programs, and other rail initiatives on a systematic assessment and comparison of benefits and costs across users and across modes.

3 Where the State determines there are sufficient public benefits to justify public participation in the preservation and improvement of the rail transportation system, its actions should be governed by the following general principles:

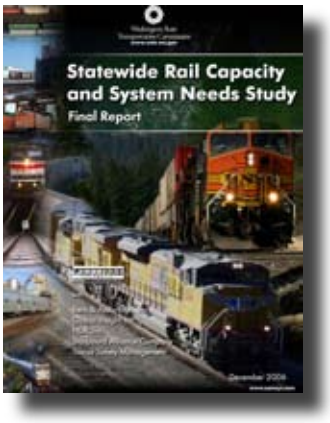
> Emphasize operations and non-financial participation in projects before capital investment;
> Preserve and encourage competition;
> Target actions to encourage private investment that advances Washington State economic development goals;
> Leverage state participation by allocating cost responsibility among beneficiaries; and
> Require projects to have viable business plans.

4 The State should designate a single entity to coordinate and direct the State's participation in the preservation and improvement of the rail transportation system. This entity should have the authority to negotiate directly with the railroads.

5 The State should take an active role in influencing and shaping the development of national rail policies and programs. The State should also develop a multistate coalition to address rail system needs across the Pacific Northwest.

6 The State should implement the asset management plan developed as part of this study to govern investment and management decisions for state-owned rail assets.

For the complete Rail Study, go to: www.wstc.wa.gov/Rail.



1. The two national railroads operating in Washington are BNSF Railway (Burlington Northern Santa Fe) and the Union Pacific Railroad.

Outreach

The Commission takes seriously its obligation to "provide a public forum" for the development of transportation policy in the state[2]. Commissioners actively engage in public forums dealing with transportation issues in their respective regions, whether participating in meetings of the Regional Transportation Planning Organizations (RTPOs), meeting with groups such as the Washington State Association of County Engineers, or attending the Washington State Transit Association Conference.

In 2006, major outreach efforts accompanied development of the Washington Transportation Plan and two studies completed by the Commission. During April and May, the Commission convened five Regional Listening Sessions around the state to inform the Rail Capacity and System Needs Study, hearing perspectives from the nearly 300 stakeholders who attended[3]. A significant public outreach program for the Comprehensive Tolling Study reached over 5,000 citizens at 10 public outreach and stakeholder discussions in June. Structured to give the public information about the Study and draft policy recommendations and to get feedback through personal interaction with stakeholders and citizens, the Tolling outreach included written and web-based feedback surveys, and meetings with newspaper editorial boards and reporters around the state[4]. To get public comment on the draft Washington Transportation Plan, the Commission and WSDOT held 12 Outreach Sessions at 10 locations around the state to inform people about the WTP and solicit feedback. Over 500 people and organizations from tribal planners to county road engineers participated in the sessions or commented in writing or on line.

As another way to gather public input, the Transportation Commission met in Richland, Ellensburg, and Poulsbo to hear from local citizens and see firsthand some of the successes and challenges facing the transportation system[5]. Among other topics, county and city officials in all three locations expressed concerns regarding local project funding.

Richland. The Commission learned that many small cities – such as College Place in Walla Walla County, which lost approximately $900,000 when the Legislature eliminated tax equalization through the Motor Vehicle Excise Tax (MVET) – now look to grant programs such as the Transportation Improvement Board (TIB) as an important fund source. Other communities emphasized the importance of partnerships between state and local governments, both formal and informal, for transportation success. Some elected officials, including the Mayor of Benton City, told the Commission that his city has few transportation issues thanks to state, regional and community support.

Ellensburg. Local communities, WSDOT and area citizens all talked about the importance of the I-90 transportation corridor. A safer, more efficient six-lane freeway that is being planned on I-90 from Hyak to Easton will rely on tunnels, stabilized slopes and a realigned roadway to minimize hazards and reduce closures from avalanche and rockfall. Environmental groups also support the project because new bridges and culverts will allow wildlife to cross I-90 safely.

Poulsbo. Presenters emphasized that the regional transportation issues on the Olympic Peninsula are rural transit and the maintenance and improvement of US 101, the Hood Canal Bridge and SR 3 to SR 16 – the three ways on and off the Peninsula. In the Kitsap area, ferry service, including the upcoming Kitsap Transit ballot for passenger-only ferries, dominated discussion. While visiting Poulsbo, the Commission also had the opportunity to view a Mag-Lev-like technology being considered for a monorail from Poulsbo to the Bainbridge Island ferry terminal.

The Commission plans another aggressive outreach effort in 2007, as it nears completion of a Strategic Outreach Plan designed to reach a broad base of stakeholders and constituencies. Commissioners also have done and will continue to do individual speaking engagements before various types of audiences. The Commission also plans to continue its close working relationship with RTPOs, meeting jointly with them in spring 2007 to kick off development of the next WTP update, aiming at a 2008 adoption in time for the 2009 legislative session.

2 RCW 47.01.075 (1).
3 Sessions were held in Pasco, Quincy, Seattle, Spokane and Vancouver.
4 Public open houses took place in Bellingham, Mercer Island, Spokane Valley, Vancouver and Yakima.
5 A planned fourth meeting in Longview was rescheduled to March 2007 due to snow and ice.

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PART 2
Priority Issues in Transportation Policy

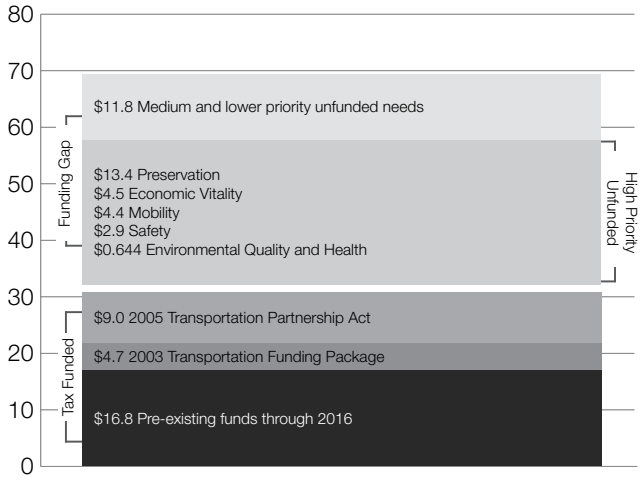
Section I. Fiscal Needs & Challenges

Significant cost increases and revenue uncertainty challenge state and local transportation agencies. Fluctuating oil prices have impacted both construction and operations; high demand for steel, concrete, and oil worldwide is driving cost escalation for streets, roads, highways, and ferries. Highway construction costs using WSDOT's construction cost index increased 31% in the first two quarters of 2006 over the annual average for 2005. Although this inflation rate will likely ease, it appears that existing funding streams are inadequate to build all the projects identified in the "Nickel" and Transportation Partnership Acts.

Long-term revenue also is a concern. Although gas tax receipts are stable at this time, factors likely to reduce revenue over the long-term include lower gasoline and oil consumption and our state's implementation of California vehicle emission standards. Regardless whether oil prices remain high, fossil fuel consumption may decline slowly as people shift to hybrids and other fuel-efficient models in response to growing awareness and concern about global warming.

Assessing revenue stability and predictability also must factor in the on-going likelihood of citizen initiatives and referenda. Although the 2005 initiative to roll back the gas tax was unsuccessful, the threat of future citizen action coupled with on-going efforts to maintain $30 license fees will constrain the State's ability to develop alternative transportation financing approaches.

Washington State Long Range Transportation Needs (2007-2026) (in billions)



Finally, Washington State Ferries faces unique capital and operating expense challenges. The cost of inflation, steel, and fuel has increased both construction and operating costs for state ferries calling into question the role fare revenue should play in addressing WSF's budgetary challenges.

The following subsections highlight some possible approaches to address the fiscal needs and challenges posed above.

Tolling and Congestion Pricing can Improve System Utilization

Advances in technology allow tolling to simultaneously address traffic demand and the need for additional funding for major projects. The Commission's 2006 Tolling Study found that tolling is not only an acceptable method to raise funds for high cost projects but also is very effective at moderating traffic congestion. In some cases, tolling even may create cost savings – delaying the need for capacity expansion projects on major limited-access highways – and free up funds to be used elsewhere.

Other states and countries around the world are turning to tolling in various applications:

> HOT (High-Occupancy Toll) Lanes allow single drivers to pay a toll to use an under-utilized carpool lane. Prices are adjusted based on traffic volume to ensure that the lane flows freely.

> Cordon Tolling charges all vehicles entering a congested downtown area during peak times to reduce traffic and improve circulation for buses. Singapore, London and Stockholm have successfully implemented cordon tolling in their congested central business districts.

> Mileage-based Demand Pricing requires vehicles to pay a per-mile fee which varies according to time of day, amount of traffic on the road being used, and the specific facility. This approach was tested as a pilot project by the Puget Sound Regional Council and analysis of the results will be available soon.

The Commission's Tolling Study identified the following state facilities as viable tolling candidates: Alaskan Way Viaduct, the SR 520 floating bridge, the Columbia River Crossing connecting Vancouver and Portland, and Snoqualmie Pass.

Big Projects Require New Approaches

Many mega-projects we are facing are going to require an approach that is not "business as usual" because the State

Bridging the Tacoma Narrows
The second Tacoma Narrows Bridge (TNB) is the state's largest current construction project and the first project in over 20 years to be financed mostly with expected toll revenue. Initially scheduled to open in April 2007, construction on the $849 million project is now over 81% complete and its opening is scheduled for July 2007. At that time, the existing bridge will partially close for 11 months of renovation. Electronic toll collection (ETC) will allow payment without slowing down for a tollbooth by using a transponder attached to a vehicle's windshield. The Transportation Commission is responsible for setting tolls and ensuring that they are adequate to pay for operations, maintenance and debt service. Hoping to encourage ETC users, the 2006 Supplemental budget appropriated funds to provide a Good to Go! transponder discount but those funds will lapse before the expected opening date.

The Commission is now working with WSDOT and a TNB Citizen Advisory Committee to determine necessary toll rates, not knowing whether the 2007 Legislature will continue funding a Good to Go! discount, or for how long. Because WSDOT wants to begin marketing transponders in spring, it has asked the Commission to set the toll schedule in March. Because of a variety of funding uncertainties, the timing of Commission action is uncertain. Actual revenue collection and traffic levels will be closely monitored over the next couple of years. As we learn more, it is likely that toll rates will be revisited annually the first couple of years as adjustments are needed.

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01 The towers under construction; **02** The caisson or foundation of the new towers; **03** The anchorage system that supports the suspension cables; **04** Delivery of the decks; **05** Cable spindles for creating the massive bundles that support the whole structure.

can no longer afford to rely on new taxes to pay for 100% of the project costs – they are simply just too expensive with price tags in the billions. Projects like the SR 520 Bridge, the Alaskan Way Viaduct, and the Columbia River Crossing Bridge in Vancouver are all of the size and magnitude that go beyond the state's ability to build solely on state revenues. This reality requires that we must invest strategically and innovatively, increasing the need to rely on key financial partnerships with various governmental entities and the private sector in bringing mega-projects to fruition.

One approach several states have recently pursued is entering into concession agreements with the private sector. Those agreements often entail the private sector doing one or more of the following: operating, financing, building and/or maintaining toll highways. Examples of this are the Dulles Greenway (Virginia) and SR 91 Express lanes (California), both privately developed toll roads. Some states have chosen to sell or lease existing infrastructure in order to finance new transportation investment.

Public-private partnership might work well to bridge the gap between the funding needed and the funding that is available for a major project such as rebuilding the SR 520 floating bridge. However, for these types of partnerships to work, some aspects of a public-private partnership program as currently envisaged will need to be modified. The Commission is concerned that the existing law may prove to be an insufficient model if the State is to seek serious private investors. In its Report on the Transportation Innovative Partnerships Program, the Commission elaborates on its concerns with the current law. The Commission believes it is possible to streamline the current process and allow limited private financing opportunities while maintaining the Legislature's ability to review and participate in the process of balancing public and private interests.

Lower Costs through Innovation

Technology and creativity can lower costs through new ways of doing business. Innovations developed through the WSDOT Research Program and the Washington State Transportation Center include timing of on-ramp metering lights along I-5 north of Seattle in a way that has reduced accidents by an estimated 39% and helped manage traffic flow despite the increase in vehicles on the road. Retrofitting pavement with steel reinforcing bars to hold concrete panels in place extends freeway life and saves the state $90,000 per lane mile compared to other rehabilitation techniques.

This focus on innovation, along with improved project management, has helped WSDOT achieve an 89% success rate in completing projects on time or within budget under the Nickel package and the Transportation Partnership Act – and a 78% success rate for projects that are both on time and within budget during the 2005-07 budget cycle. We commend the Department's performance, particularly in light of the past year's explosive cost increases for steel, concrete and asphalt.

Small cities have benefited from creative work by the Transportation Improvement Board (TIB). Rural cities suffer significant price disadvantages in acquiring asphalt, principally due to small quantities and long haul distances. Because WSDOT typically receives the best unit prices, TIB saw an opportunity to lower asphalt prices for street resurfacing in small cities by including those cities' asphalt needs in WSDOT paving contracts for nearby state highways.

Subsequently, TIB and WSDOT negotiated a master agreement to allow small city streets to be included in state contracts through a simple task order. TIB pays WSDOT the contract cost of the small city work and the engineering and administration fees. Through this paving partnership, the City of Chelan paid a unit cost for asphalt approximately 30 percent below the typical market price.

Six additional TIB recommendations to implement and further these savings include incorporating small city street maintenance needs into state route preservation plans from inception and developing a program to make WSDOT stockpiles and materials available to local governments.[6]

6 The remaining four TIB recommendations would establish a local government buying office within General Administration, simplify intergovernmental purchasing agreements, develop internet tools for local government purchasing, and increase formal bid limits from the current $20,000 to $50,000.

Section II. Coordinating Transportation, Land Use and Economic Development

Transportation patterns and needs are driven by land use. Although the Growth Management Act (GMA) was intended to coordinate land use planning and transportation decisions, local efforts to do so often fall far short of what is needed. Looking at all the parties from our system-wide perspective and taking into account the higher costs and lower revenues facing the transportation system, it is critical that counties, cities and the state better coordinate and integrate not only land use and transportation but also economic development.

Encourage Partnerships

As emphasized in the Washington Transportation Plan, the state, counties, cities, tribes, ports, and transit agencies should coordinate and work together as partners to innovatively and strategically invest in improvements to make the transportation system more efficient and more effective. Partnering has been the key to successful projects completed with funding from TIB, the County Road Administration Board (CRAB) and the Freight Mobility Strategic Investment Board (FMSIB). Transportation partnerships in air transport have been common for a long time – many airport operations are run privately and several small airfields in Washington are privately owned.

Over the last year, the Transportation Commission has learned first-hand about several other successful transportation partnerships and coalitions. *TransCo* in the Grant County area, *Trans-Action* in Yakima County and Walla Walla's *US Highway 12 Coalition* bring together traditional transportation agencies with other various entities including the business community. Together, they formulate regional priorities and strategies to achieve them. Other regionally based entities, such as the Kitsap Regional Coordinating Council, actively seek transportation solutions but also take a broader look at their communities' needs, addressing not only the land use and transportation issues of an RTPO but also parks, health care and other services from a regional perspective. This approach creates a system view that takes all factors into consideration when planning for the future needs of a region.

Examine the Relationship between GMA and Transportation Priorities

The objective of the GMA's concurrency goal[7] and requirements is to encourage land use patterns that allow appropriate infrastructure to be provided in an efficient and environmentally acceptable manner at the time of new development – and to prevent new development from degrading local service standards for existing residents. Many cities and counties set extremely low service levels to meet the concurrency requirement, thereby exacerbating congestion. Because of this practice, the intent that transportation improvements be coordinated with development has yet to be realized. As a result, when an area grows, its transportation network fails to meet society's needs for mobility, economic development, and environmental protection.

A Columbia County bridge before and after improvements funded by the County Road Administration Board and other partners.

7 RCW 36.70A.020 (12). Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing service levels below locally established minimum standards.

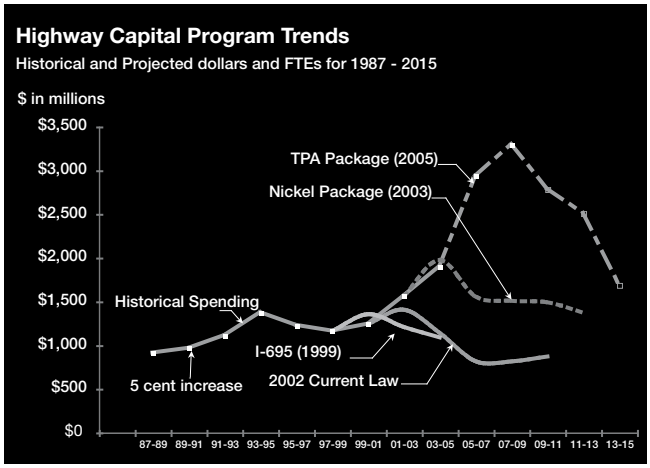
Because Washington's land use system favors local control over regional and state planning, despite regional planning efforts to keep growth and infrastructure in synch, local permitting actions can create adverse regional effects. Acceptable congestion on a street in one city can easily spill over into the next – and accumulated trips from many cities add up to congested highways. An example of this kind of disconnect is the situation on SR 2 where rapid growth with inadequate infrastructure, a failure to control state highway access, and cumulative impacts of these actions by the cities, towns and Snohomish County in the Highway 2 corridor near Monroe, have led to severe congestion and unacceptably high accident rates. It is but one example of many illustrating the problems and costs created by failing to address concurrency at the local level.

In response to problems such as this one, the Legislature funded two studies in the 2006 session that look at changes to improve coordination of transportation and land use[8]. The Commission supports changes to ensure a workable and sensible achievement of transportation concurrency and to clarify the state and local responsibility for addressing highway congestion caused by local permitting decisions. Also, counties, cities and the state must go beyond coordinating land use and transportation and integrate economic development strategies with those efforts. As our society begins to realize that travel is not a free commodity, siting new commercial and residential development should take into account transportation costs, modes, and connections.

Reduce the Impact of Weather on Our Economy

Trade contributes significantly to our state's economic well being. Long noted for agricultural exports, our state has enjoyed tremendous trade growth in the recent past due in part to its location between Asian and North American trading partners. As the national railroads change their business practices to accommodate this growth, rail access has decreased and cost has increased for much of the agricultural sector that depends on a cost-effective way to move Washington State goods from farm to market.

Many freight roads in rural areas of the state are impacted by weight restrictions and/or closures, especially during springtime freeze and thaw conditions in Eastern Washington, or excessive moisture conditions in rural Western Washington. Foreseeable but unpredictable road closures prevent reliable delivery to customers and hurt the state's competitive advantage. Without rail service that is available and affordable, an investment strategy to increase the miles of all-weather roads not only will help farmers and agricultural processors remain competitive, but also improve the overall quality of life in rural Washington while supporting the state's economy.



8 A multimodal transportation concurrency study directs WSDOT and the Puget Sound Regional Council to deliver a study that examines multimodal transportation improvements and strategies to comply with the concurrency requirements of the GMA. A state-owned transportation facilities study directs WSDOT to conduct an analysis of expanding the statewide transportation concurrency requirements, including development impacts on Level of Service standards applicable to state-owned transportation facilities, such as state highways and state ferry routes.

Section III. Connectivity

In receiving comments on the Washington Transportation Plan, and in subsequent Commission meetings and discussions, improved connectivity as a way to better move people and goods has emerged as a key concern of citizens and businesses. Simply put, connectivity is about making connections – getting people (and goods) where they need to be in a timely fashion. It often requires coordination between transportation modes and agencies, but it also may involve providing a new service, improving inadequate service, or eliminating an existing chokepoint or bottleneck.

Promote Partnerships to Enhance Connectivity

The Washington Transportation Plan stresses the importance of the state, counties, cities, tribes, ports, and transit agencies coordinating their efforts and working together as partners to innovatively and strategically improve the efficiency and effectiveness of the transportation system. Partnering can be especially useful in making the transportation system seamless from one mode to another.

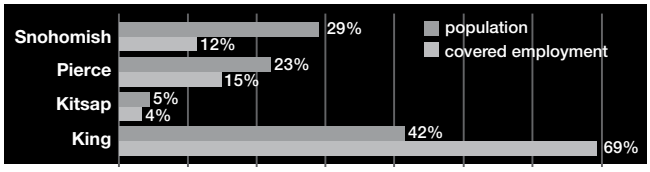
One example of a successful partnership that has improved intermodal connectivity in our state is the public, private, and nonprofit agencies in the North Puget Sound region that meet together as a group four times a year near La Conner to discuss and solve multi-jurisdictional transportation issues. Taking its name from the Inn where they first met, "The Farmhouse Gang" has improved bus connections between Camano Island and Skagit and Snohomish County destinations, and linking Bellingham with Skagit and Island Counties, championed Amtrak service for the North Sound area, and conducted several studies promoting intermodal and commuter connections.

Improve Public Transit to Build Connectivity

Both ferry commuters and citizens in smaller communities confront major public transit gaps. Commissioners have heard recurring comments around the state about the lack of options for those traveling from one region to another without a car. Communities that have long been without passenger train service now must get by without bus service previously provided by Greyhound or Trailways. As these carriers have reduced service, connectivity between communities has been significantly reduced.

Significant population increases on the western side of Puget Sound have created calls for increased ferry service, including passenger-only ferries. Although the state is no longer operating passenger-only ferries, ferry-dependent communities have significant numbers of commuters holding jobs in cities across the water. As urban areas experience increased congestion and gridlock on local streets, the need to move people in other ways besides personal vehicles becomes very important if the congestion is to be alleviated. To achieve this, we must improve our transportation system so that the different modes are coordinated and connected. Other states and cities are realizing this and are beginning to tie multi-modal funding together to ensure a cooperative success. In the San Francisco Bay Area, where passenger-only ferry service is undergoing major expansion, about 25% of the Water Transit Authority operating costs support dependable landside connections to rail and bus. While this region's population density is significantly below that in the Bay Area, future growth may eventually justify the need for additions of passenger-only ferry services to those commute options currently available.

Population and Employment Growth Shares, 1995-2003



Section IV. Energy, Environmental, and Workforce Challenges

Without elaborating on possible solutions as we have in the previous three sections, the Commission recognizes that energy, environmental, and workforce issues also will challenge transportation policymakers in the coming biennium. Although the Legislature did much to address energy and environmental impacts in the last biennium by adopting California vehicle emission standards, other air quality concerns, especially diesel emissions, will require action.

Transportation, like many other areas, also faces challenges from baby-boomer retirement and decreased interest in public employment. Workforce challenges range from labor shortages, to lack of construction management expertise and difficulty in retaining experienced engineers.

Yakima Transit

PART 3
How Are We Doing Today?
A Look at Multi-Modal Progress

The Legislature has given the Commission the task of preparing a statewide multimodal transportation progress report and proposing transportation priorities for the coming biennium[9]. This portion of the Annual Report, developed in consultation with many individuals and agencies involved in transportation, and taking into account the citizen input gathered by the Commission during the year, concludes that the state is making progress in some areas and not others. In this Report we will highlight some of our observations of apparent success and areas that may need improvement.

Section I. What's Working?

Bus: Transit Levies

Washington voters have been very supportive of local transit levies at the ballot box since reduction of the Motor Vehicle Excise Tax (MVET) substantially cut public transit funds provided by the state in 1999[10]. Recent history is no exception. In 2005, voters supported a 0.2 percent sales tax for C-TRAN in Clark County and a 0.4 percent sales tax for Columbia County Public Transit.

In the November 2006 election, King County voters agreed to add an additional one-tenth cent sales tax to support Metro operations, starting in June 2007. The new revenue will support a 20 percent increase in transit service, including five bus rapid transit routes. Both King County Metro and Community Transit in Snohomish County now assess the maximum 0.9 percent authorized by law.

Air: Sea-Tac Airport Access

The Port of Seattle and Sound Transit are making significant efforts to improve access to Seattle-Tacoma International Airport. Light rail service connecting Downtown Seattle with the airport – which is a major employment center for the Puget Sound region – will commence operations in December 2009, with more than 45,000 riders a day expected by 2020.

While construction is underway, drivers who used to circle and pick up arriving passengers instead may wait in an expanded Cell Phone Lot the Port finished last year just north of the terminal. Drivers can wait for free in the lot until arriving passengers have collected luggage and called to be picked up outside of Baggage Claim. Passenger pick-up also is easier because privately operated buses no longer stop on the crowded airport drive. Scheduled bus and shuttle services are now located directly outside the south end of the baggage claim area. Only buses operated by King County Metro and Sound Transit remain on the airport drives.

Rail: RailEx Produce Distribution

Perishable produce from Washington farms usually is transported via long-haul truck. However, the increasing cost and the lack of truck availability has posed a problem for farmers and shippers. Although rail is less expensive, it has been too slow, too unpredictable and too risky for shipping certain produce.

RailEx, a private company, is attempting to provide a solution, at some financial risk. It has negotiated an agreement between the Union Pacific Railroad, CSX Transportation (an eastern railroad) and ADS Management guaranteeing a minimum number of railcars and specified transit time for perishable produce. The first shipments from Walla Walla showed that a facility that can load and assemble railcars on the West Coast can ship to the east coast in record time. The Commission will monitor progress to determine whether the RailEx model is sustainable and applicable to other situations.

Vehicles: Highest seat belt usage in United States

Washington citizens, along with encouragement from the Washington State Patrol, Traffic Safety Commission, and local law enforcement agencies have made clicking in to seat belts as second nature as stopping at a red light. Results from a September 2006 survey of seat belt use in Washington show a 96.3% compliance rate. This is likely to be the highest seat belt use in the world.

When the primary seat belt law went into effect in June 2002, approximately 82% of drivers wore seat belts. Since then, with the help of the "Click it or Ticket" project, seat belt use has climbed steadily. The vehicle occupant death number dropped from 517 in 2002 to 421 in 2004, before increasing in 2005, despite a higher rate in seat belt use. Studies show that seat belts reduce serious injuries by 69% and deaths by 45%.

9 RCW 47.01.075.
10 There still is no revenue replacement for the MVET funding lost by the ferry system. It remains to be seen whether proposed local transit levies to fund continued passenger-only ferry service will be supported by voters in Kitsap – and possibly King – County.

Section II. Room for Improvement: Maintaining and rebuilding the Interstate system

Much of the Interstate system is 50 years old and wearing out. Originally built with 90 percent federal funding, there are few if any federal dollars available today to maintain, rebuild or improve the current system to meet current transportation demands and today's environmental and safety standards.

Although the Washington Transportation Plan identifies preservation as the top priority for future spending, much of the money raised through the existing gas tax and transportation packages is already committed to various preservation, safety, and mobility improvement projects. Additional resources must be found to preserve significant stretches of highway, such as the estimated $2 billion needed for maintenance alone on I-5 from Tukwila to Snohomish County.

Passenger Rail Operations

High-quality intercity passenger rail service offers an alternative to car and air travel that can help reduce congestion, energy use, and environmental impacts of highways. Although Washington State is making a major investment in passenger rail[11], the Commission is concerned that our expenditures are not providing benefits in proportion to the cost. For instance, even though ridership on Amtrak intercity trains in Washington meets or exceeds projections, data from 2006 shows an average of only 55% of the seats filled in the busiest month and monthly on-time performance varying from 20% to 60%.

Because the rail system is privately owned, passenger rail operations and its expansion – whether commuter rail or intercity rail service – are constrained by the priorities of the national railroads. Operations in Western Washington also are significantly affected by landslides and other weather-induced delays. Improving intercity rail passenger service requires significant public investment in capital improvements and operations. Although the ideal passenger rail system would have separate right-of-way and track for freight and passenger service, that solution is extremely expensive to the point of likely being cost-prohibitive.

By making incremental capital improvements in the rail system so that passenger trains move more efficiently and with less delay, the state is gradually implementing a long-term plan to allow high-speed trains that travel at up to 110 mph between Tacoma and Vancouver and could potentially carry 2.5 to 3 million passengers a year. The limited availability of transportation dollars will challenge the state's capacity to maintain its current strategic investment pace, as the demand for funding of other transportation continues to grow.

Related to the funding challenges outlined above, the proposal to abandon the BNSF freight line between Renton and Snohomish and convert it into a bicycle trail illustrates the need for a system-level approach. While commuter rail use is not currently planned for the Renton-Snohomish rail corridor, it could very well be part of the eventual commuter or intercity network that evolves. The Commission believes it is good public policy to at least acquire or otherwise retain rail right of way when facing abandonment so that future generations always have the option of utilizing that valuable right of way for possible future rail use. Rail rights of way are virtually impossible to replicate once lost.

State-Local Coordination

Land use decisions drive transportation patterns, needs and costs. Unless tied to plans and zoning that comprehensively take local, regional and state needs into account, decisions to permit new businesses or housing can create congestion and safety hazards and even thwart needed transportation improvements. Efficient use of our limited resources – both fiscal and physical – requires counties, cities and the state to partner so as to better coordinate and integrate their land use and transportation plans and decisions. Although the SR 2 corridor near Monroe and the SR 519 Freight Corridor Project may appear unrelated, each demonstrates how the state and local communities too often fail to take the different goals and responsibilities of each other into account.

Monroe's population grew by more than 350 percent, from just over 4,000 to more than 15,000 between 1990 and 2004 with similar growth farther up the Snohomish Valley along SR 2. The

11 Through 2006, the state has spent over $120 million on capital improvements and over $160 million on operations. Sound Transit also has invested significant funds in establishing successful commuter rail operations serving Everett, Seattle and Tacoma.

state highway – a major east-west corridor in the state – cannot expand within the city due to businesses on both sides. The resulting congestion and safety issues have local leaders urging the state to build a bypass around Monroe and widen SR 2 east and west of the city. The city engineer estimates that the first two phases of a three part plan for bypass construction will cost between $130 and $150 million – not currently budgeted by the city or the state.

The Commission also has followed with great interest and concern the SR 519 project the Legislature funded to improve access to and egress from the Seattle waterfront, including better freight access to and from Port of Seattle facilities. Phase I, which is completed, was an on ramp to I-5 over Atlantic Street just south of the baseball stadium. Phase II was to be an off ramp from I-5 over Royal Brougham just north of the ballpark. While all parties concerned had good intentions at the beginning, signing a Memorandum of Understanding, it has been delayed for several years due to changed priorities at the local level with little to no associated planning adjustments made with the state to address the resulting implications.

In 2006, the various parties involved in the SR 519 project began to pick up the pace of negotiation and have now reached a new agreement on a project design that will meet most everyone's interests. Unfortunately, the new design coupled with cost increases due to extensive delay, has increased the cost of this key freight project from $38 million to $75 million for the state. Cooperation and coordination between the state, local government, and interested parties on land use, transportation and economic development is the best remedy to eliminate the citizen frustration and wasteful delays these stories illustrate.

Improving the Productivity of the Transportation System

Accountability merits both kudos and concern. Although state transportation departments across the country recognize WSDOT as a leader in designing and implementing performance management programs,[12] many remain skeptical that transportation tax dollars are used wisely. Although there are many independent accountability efforts underway, including WSDOT's Gray Notebook, performance audits by the State Auditor, performance reviews completed in spring 2006 by the Transportation Performance Audit Board (TPAB), and on-going reviews under the Governor's Management and Accountability Program, attention must focus on system performance as well as assessing the individual components.

Fundamental to improving the productivity of the transportation system is the ability to develop and measure the performance of all components of the transportation system, consistent with the vision articulated in the Washington Transportation Plan. This fits with TPAB recommendations[13] that existing accountability statutes be replaced by new legislation that identifies overarching goals for the state transportation system, and that WSDOT performance goals align with the Washington Transportation Plan. We support those recommendations and have worked with the Joint Transportation Committee to coordinate accountability measures and streamline reporting processes to ensure increased alignment and effectiveness of accountability efforts underway.

12 WSDOT is participating with FHWA and state transportation departments from California, Minnesota, New York, New Mexico, and Virginia in developing a guidebook that reflects current practices in effective performance management frameworks and related tools with a focus on integrating performance management programs into decision making.

13 The TPAB recommended:
- Amend 47.01.012 to substitute the proposed three overarching goals with system measures for the current benchmarks, ensuring alignment between the measures and the overarching transportation goals.
- Amend 47.01.012 to have WSDOT submit an annual report on the attainment of transportation goals, objectives and measures.
- Amend 47.05.030 and 47.05.051 to require the ten-year investment program to relate to the three overarching goals with a link to the annual report on attainment.
- Adopt proviso language that will require a report back to the Legislature from the Governor, Office of Financial Management and Department of Transportation by December 31, 2006.
- Adopt proviso language to require TPAB or its successor to recommend objectives that would implement the state transportation goals for all authorized and funded state transportation agencies.

It will be difficult to achieve but effective measurement of multi-modal success will be able to tell the public how quickly, safely, and economically one can get from the doorstep to school or work; or, what level of confidence a farmer can have that their produce will get from farm to market at the expected cost and time. We must be able to tell this story simply and clearly if we are to ensure the accomplishment of transparency and accountability in government.

Looking Ahead: A Statewide Transportation System

Our mission, as a Transportation Commission, is to bring a citizens' perspective to the areas of transportation policy development, long-term planning, financing, and transportation system and service delivery. As we do this, we consider the entire transportation system as a whole – whether it be travel by foot, by personal vehicle, by public transportation, by air, or by bike. We will continue engaging the public on transportation issues in 2007 by sharing information and obtaining public perspectives that will better inform both the public and its government.

We will work with the Legislature, the Executive Branch, counties, cities, ports, business and environmental groups, tribal governments, and transit agencies to implement and improve the Washington Transportation Plan. Although the newly adopted 2007-2026 plan makes great progress toward an integrated and coordinated statewide transportation system, much more needs to be done to understand and tie together the work of transit agencies, counties and cities – with each other and with the private sector and the state.

The Commission will continue working toward an integrated statewide system of tolls and fares that helps the transportation system work more efficiently, along with generating new revenue for transportation improvements. Just as it does in adopting the Washington Transportation Plan, the Commission has a unique capacity to work with all transportation players – state and local, public and private – in the public interest, to look at transportation finance issues from a statewide perspective and set reasonable and rational tolls and fares balancing short-term needs with long-term objectives.

Finally, in 2007, as part of our mandate to provide performance oversight of transportation agencies and engage with the public, we will develop a mobility report card that will assess how well we are doing at attaining the goals and objectives we have set out for ourselves as a state, and as individual transportation agencies.

20-Year Transportation Vision: Washington's transportation system should serve our citizens' safety and mobility, the state's economic productivity, our communities' livability, and our ecosystem's viability.

Washington State Transportation Commission

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