



Addressing Critical Needs: Preserving the Integrity of Washington's Transportation System

Presented to the Washington State Transportation
Commission

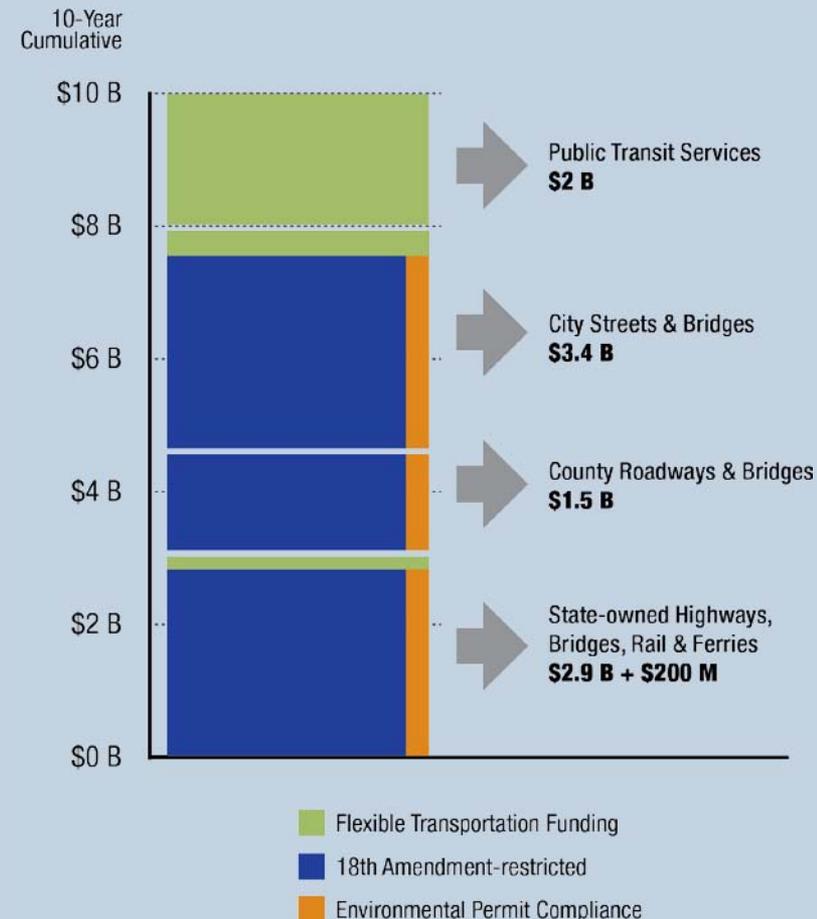
January 18, 2012

Estimated 10-Year Maintenance and Operations Transportation System Needs

Maintaining & Operating the Current System:

Amounts represent the unfunded 10-year maintenance and operations needs of Washington's transportation system. Funding is assumed to come from all sources: state, city, county and special-purpose district taxes and fees. Additional assumptions include:

- Maintain all state and county roads at a standard of 90% fair and good condition.
- Address the backlog for state and county federally classified bridges.
- Maintain all city arterials at a standard of 80% in fair and good condition and provide \$1.3 billion in bridge preservation.
- Complete remaining replacement vessels for the state ferry system, conduct terminal repairs and maintain current levels of service.
- Provide operating subsidy for existing passenger rail routes and provide continuation of existing service on state-owned freight rail facilities.
- Comply with current storm water environmental permit requirements, as well as county fish barrier requirements.
- Restore the 10-year operating and maintenance revenue shortfall for transit agencies to maintain and preserve 2008 levels of service.



Impacts of Revenue Shortfall on Ferries and Highways

- Revenue is \$2.9 billion short to support current service and performance levels for the state's ferry and highway systems over the next 10-years.
- Eliminating motor vehicle fund transfers to ferries would require elimination of service on five routes and reductions on two other routes.
- Sustaining ferries at current levels would require eliminating roadway preservation and significantly reducing bridge preservation work.

Connecting Washington Findings and Recommendations

- Since 2001, revenues that support maintenance and operations of the system have declined by 10 percent while construction costs have risen 77 percent.
- The task force recommended system preservation as one performance objective for transportation investments.
- The task force also recommended that the State begin planning now for a transition to more sustainable funding sources for transportation.

Governor's 10-Year Investment Proposal: \$3.68 billion for Maintaining and Operating Washington's Transportation System

- \$2.67 billion for state operations and maintenance to maintain 90% of state highway pavement in fair or good condition, operate ferry service and preserve bridges to avoid weight or traffic limitations.
- \$310 million for city and county grant programs to address critical pavement and bridge structure needs.
- \$150 million in transit grant funding to mitigate potential transit service cuts.
- \$250 million in stormwater retrofit projects to prevent polluted stormwater from reaching Puget Sound.
- \$200 million for the Washington State Patrol to prevent the elimination of up to 12% of the trooper workforce.
- \$100 million for passenger rail to operate service on Amtrak trains.
- 1% local option motor vehicle excise tax authority or additional vehicle license fee authority for transportation benefit districts, both for local road and transit needs

Governor's 10-Year Revenue Proposal

- \$1.50 barrel fee
- \$100 electric vehicle fee
- \$5 studded snow tire fee
- 15% increase in the combined license fee for commercial vehicles
- \$15 increase in the passenger vehicle weight fee
- Option of 1% Motor Vehicle Excise Tax for local governments dedicated to local road and transit needs
- Allow transportation benefit districts the option, through councilmatic approval, to adopt up to a \$40 license fee for local road and transit needs

Other Elements of the Proposal

- Invest in a pilot project to identify an equitable way to raise revenue from electric vehicle operators, such as a vehicle-miles-traveled fee.
- Direct OFM to coordinate with WSDOT, cities and counties to provide consistent annual reporting on bridge and pavement conditions.

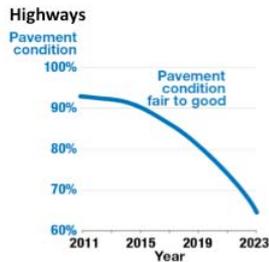
Consequences of Inaction

Revenue is approximately \$3 billion short to support current service and performance levels for the state's ferry and highway systems over the next 10 years. In addition, planned legislative ferry expenditures do not have an identified revenue source to support them. To maintain existing performance, new revenues are needed. To live within projected revenue sources, reductions would be required. Those reductions could either occur on the ferry system (about \$1.3B short), on the highway system (about \$1.6B short) or a combination. The following gives the bookends if ferries were to take the full reduction or if highways took the full reduction.

Shortfall of about \$3 billion over 10 years to maintain and operate ferries and highways

Scenario A: no new revenue; no Motor Vehicle Fund transfers to ferries

- Service eliminated on five routes, reductions on two other routes
- About one-third of WSF vessels in storage, six terminals closed, deferred maintenance, preservation on other vessels and terminals
- Funds for highways deficient; highway conditions decline



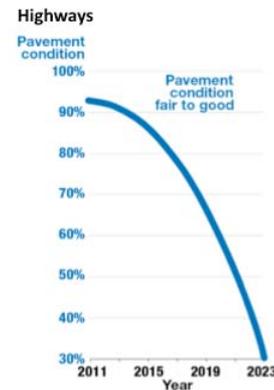
Source: WSDOT Ferries

Source: WSDOT Ferries 1

Shortfall of about \$3 billion over 10 years to maintain and operate ferries and highways

Scenario B: No new revenue; Motor Vehicle Fund transfer to sustain ferries at current service levels; 10-year shortfall: \$0 ferries, \$2.7B highways

- Roadway and other highway infrastructure preservation eliminated
- Bridge preservation work significantly reduced, compromising bridge safety and prompting freight-restricting weight limits
- Ferry service continues at current levels



Source: WSDOT Maintenance and Operations; Bridge and Structures

Source: WSDOT Maintenance and Operations; Bridge and Structures 2