TRANSPORTATION 101

Moving People and Goods

Washington State Transportation Commission

Fall 2013

What is the statewide transportation system?

- 18,046 miles of city streets
- 39,748 miles of county roads and four county ferries
- Over 7,000 miles of state highways and 22 ferries
- 465 miles of Columbia-Snake river barge transport
- Reservation roads and Forest Service roads
- 39 transit agencies
- 75 port districts in 33 of 39 counties
- Sidewalks and bike paths
- Over 5.5 million licensed passenger vehicles, trucks and motorcycles
- Amtrak, Sounder, Link light rail, streetcars
- Freight trains and trucking companies
- Airlines and maritime shipping lines
- Bicycles

The Past

Federal

- 90% of the Interstate System was built with federal gas tax money.
- Congress increased the federal gas tax to 18.4 cents per gallon in 1994.

Washington State

- Tacoma Narrows Bridge, the two Lake Washington floating bridges, the I-5 bridge between Vancouver and Portland, all were toll bridges.
- State gas tax increases in 2003 and 2005 were bonded to build capital projects.
- State gas tax as a percent of retail price of gas has steadily declined from about 25% in the 40s, 50s and 60s to 10% today.

Local

- Sales tax revenue is the primary fund source for city streets and transit systems.
- Property tax revenue is the primary fund source for county roads.

The Present: Federal Transportation Funding

- No federal gas tax increase since 1994.
- Since 2008, over $53 billion transferred from general fund to Highway Trust Fund and Mass Transit Fund.
- Highway Trust Fund projected in deficit by fall 2014.

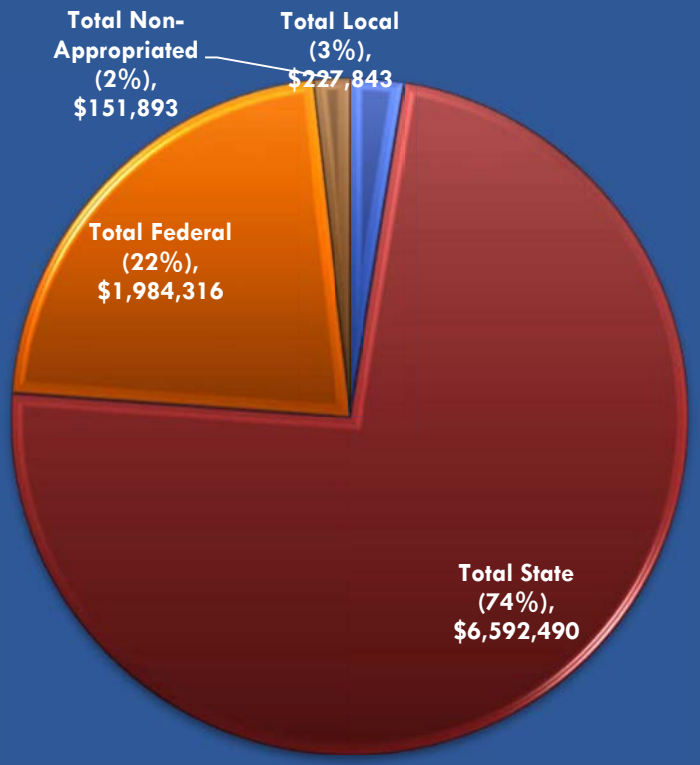
The Present:
State and Local Transportation Funding

How much is invested in transportation today?

- 2013-15 Washington State Transportation Budget: $8.956 billion for the biennium
- Annual county, city and transit investment statewide from local sources: over $3 billion

Where Does State Transportation Revenue Come From?

2013-2015 Enacted Transportation Budget = $8.956 billion



- Federal gas tax =18.4¢ per gallon.
- State gas tax = 37.5¢/gallon.
- State car and truck weight fees.
- Ferry fares generate $328 million and pay for 65% to 70% of operating costs.

Source: fiscal.wa.gov

WA State Gas Tax Rate Adjusted for Inflation

- Since the 1930s, the real gas tax rate has declined steeply from its high point of nearly $.90 cents per gallon.
- The largest real value contribution from tax payers was during the 1930s.

The Present:
Local Transportation Revenue

- 70% of cities' transportation funding comes from local revenue sources, primarily from sales tax.
- About 62% of counties' transportation funding is locally generated, primarily from the county road share of the property tax.

- 11% of cities' and counties' transportation revenue is federal funds.
- 19% of cities' transportation revenue and 27% of counties' comes from the state
  - 2.96¢ of state gas tax is distributed to cities
  - 4.92¢ of state gas tax is distributed to counties

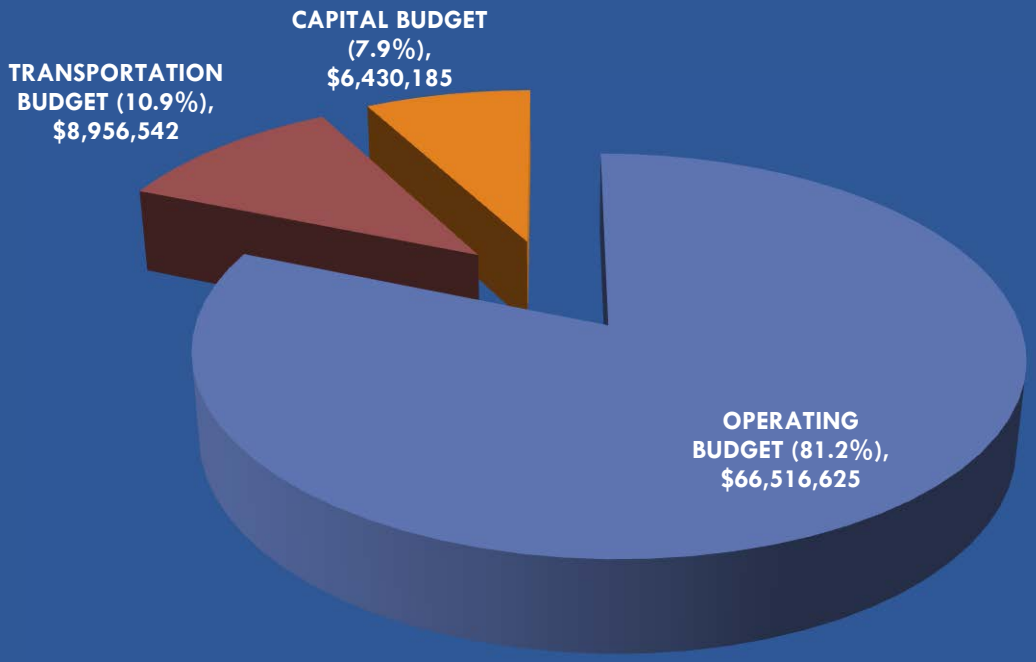
- **Most local transit service revenue comes from:**
  - Locally-approved sales tax
  - Fare box receipts
  - Federal grants

- Port revenue comes from user fees, leases, property tax and grants.

The Present:
Your transportation spending

- In 2009, Washington citizens and businesses spent over $11.1 billion on gasoline and other transportation fuel.
- In 2010, new car sales in the state totaled $9.4 billion.
- Washington citizens and businesses spend 3 times as much on transportation as state and local government does.
- The average Washington household spends $2,987 annually on vehicle fuel, compared to $607 for home heating.

Transportation Infrastructure is Less Than 11% of the 2013 -15 State Budget*



Source: fiscal.wa.gov

2013-15 State Budget -- $81.9 Billion

* Not all of the Transportation Budget builds infrastructure or moves people and goods. It also includes funding for the Washington State Patrol, the Department of Licensing and other transportation agencies.

Transportation fuel tax is limited and committed

37½¢ per-gallon state fuel tax

— [9½¢ 261 Transportation Partnership projects* ; 5¢ 160 Nickel projects] 421 projects ; 11¢ cities and counties local roads ; 4¢ pay off bonds that funded past projects

= **8¢**

Available for use on state highways, bridges and ferries:

- maintenance and operations
- preservation
- safety improvements

* Of the 9½ cents, 8½ cents is used by the state for highway projects, 1 cent goes to cities and counties for street and road improvements.

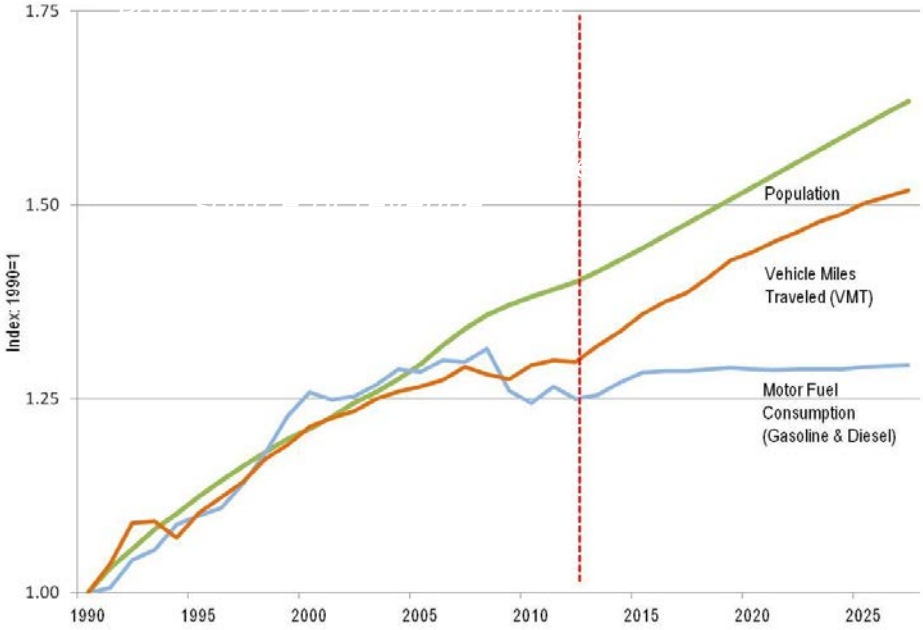
Gas Tax Revenue is not Keeping Pace

The gas tax is levied as a fixed amount per gallon, so it:

- Does not rise and fall with the price of fuel;
- Does not keep pace with inflation; and
- Declines on a per-mile basis as vehicles become more fuel-efficient.

Better fuel economy in light-duty vehicles will be the primary cause of lower fuel consumption over the next 15 years.

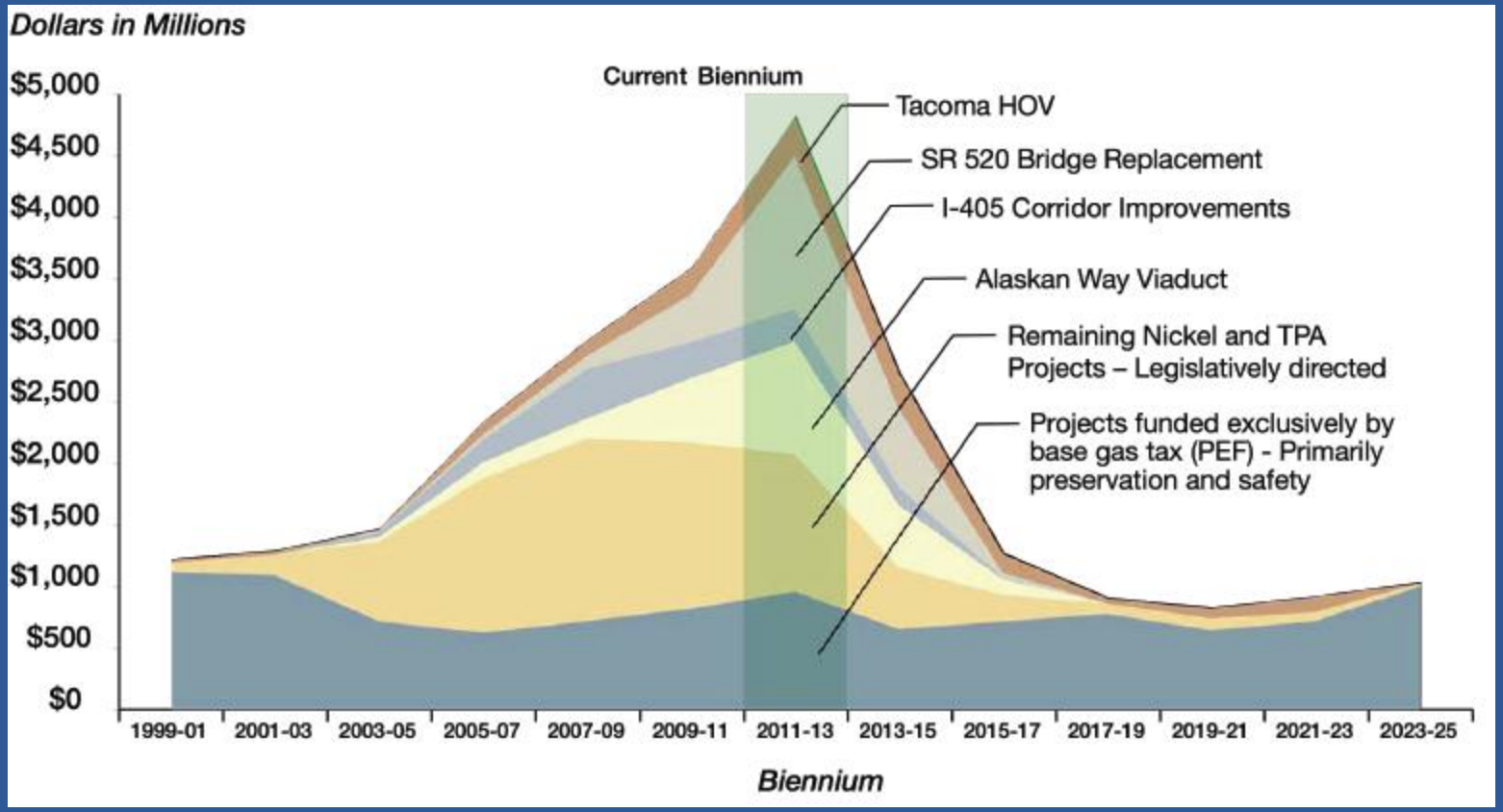
Population, Vehicle Miles, and Motor Fuel Consumption
Trends and Forecast (1990 – 2027)



Population and vehicle miles will continue to increase but will consume less fuel – this translates <u>into less revenue to fund transportation</u>.

What does the Future Bring?

State transportation spending peaked in the 2011-13 biennium.



What does the Future Bring?

Washington is at a transportation funding crossroads.

Challenges of preserving and maintaining the system:

- Transportation infrastructure is aging and $175 - $200 billion in transportation system investments are needed statewide in the next 20 years.
- Long-term needs vs. short-term revenue solutions.
- Population to grow by 28% in the next decade.
- Fuel tax, primary source of transportation revenue, is eroding.
- Revenue sources don't keep pace with needs.

The motor fuel tax represents the largest share of state transportation funding, supporting 76 percent of all state transportation investments.

Blueprint for the Future
The Washington Transportation Plan

Six transportation policy goals:

- ECONOMIC VITALITY
- PRESERVATION
- SAFETY
- MOBILITY
- ENVIRONMENT
- STEWARDSHIP

RCW 47.04.280

WTP2030

CONNECTING WASHINGTON
COMMUNITIES FOR A PROSPEROUS FUTURE

WASHINGTON TRANSPORTATION PLAN 2030

- Our top priority must be to **maintain the capacity of the existing transportation system**.
- **Mobility** of people and goods is critical to our economy.
- A **stable funding mechanism** is essential to continued mobility and the economic health and quality of life that come from an integrated and connected transportation network.
- Ensure **environmental sustainability** by reducing emissions and mitigating transportation-related impacts to maintain quality of life.
- Measure **performance outcomes** to ensure value for dollars spent.

The Next WTP

A comprehensive and balanced statewide transportation plan.

Build on WTP 2030 and the current federally compliant state transportation plan.

Build the Next WTP in two phases:

- Phase I – Update Statewide Policy Plan and deliver to Governor and Legislature by December 2014.
- Phase 2 – Adopt new federally compliant state plan that meets MAP-21 requirements and includes performance targets.

The Future: More Tolling Likely

Supplement Gas Tax Revenues with Tolling

- Build a project
- Manage traffic
- Build a project and manage traffic
- Manage a transportation corridor

Tolling To Fund a Project

Tacoma Narrows Bridge

Project Cost: $735 million:

Toll Revenue makes bond payments and finances maintenance and operations.

Toll Rates for car (July 1, 2013)

Good to Go:	*$4.25*
Cash:	*$5.25*
Pay by Mail:	*$6.25*

Transit not exempt from tolls.

Tolling To Manage Traffic

SR 167 HOT Lane Pilot Project

- High Occupancy Toll (HOT) Lanes use dynamic tolling.
- Rates reflect current traffic in HOT and general purpose lanes.
- Speeds have increased by 11% in GP lanes.
- Average toll: Less than $1.00.
- HOV & transit exempt from tolls.

Tolling to Build a Project and Manage Traffic

SR 520 Replacement/HOV Lanes

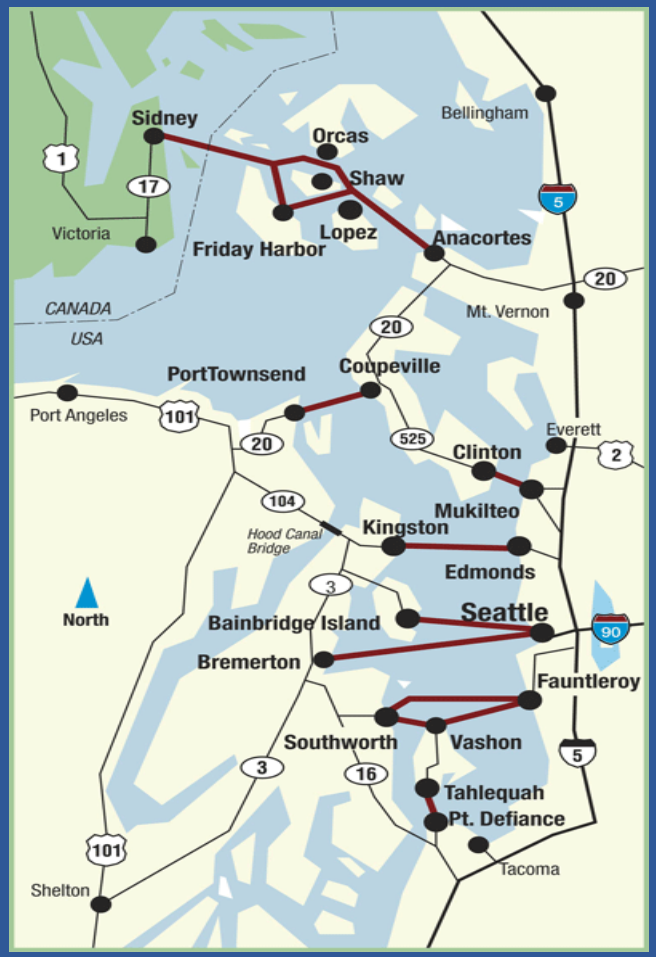
- New floating bridge
- Extends HOV lanes from I-5 to SR 202

Project Cost: $4.2 billion

Variable Tolling

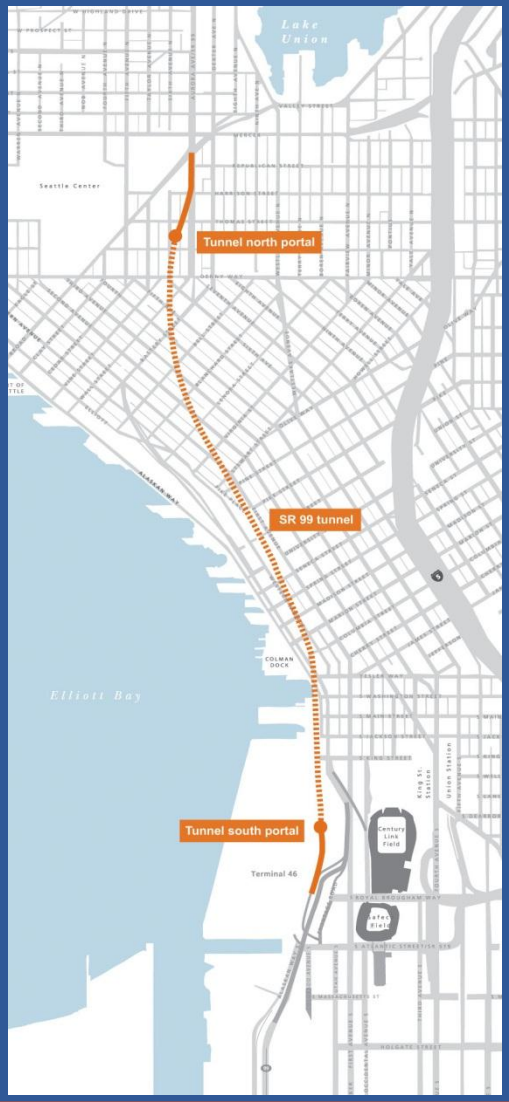
- Weekday Peak Car Toll Rates (July 1, 2013)
  - *Good to Go!* $3.70
  - Pay by Mail $5.25
- No tolls 11 pm – 5 am
- Registered vanpools and transit are exempt from tolls

Tolling to Manage a Transportation Corridor



Although SR 520 and I-90 function as a Cross-Lake Corridor, currently tolls are charged only on SR 520. Fares charged on the Bainbridge-Seattle and Bremerton-Seattle ferry routes are set the same to balance demand on the two routes.

Tolling in the Future



Two additional toll facilities authorized

- SR 99 AWV Replacement Tunnel.
- I-5 Columbia River Crossing (not funded).

Four other toll projects under consideration & review:

- I-405/SR 167 Express Toll Lanes.
- SR 509 Extension to I-5.
- SR 167 Extension to Port of Tacoma.
- I-90 from I-5 to I-405.

Road Usage Charge Assessment

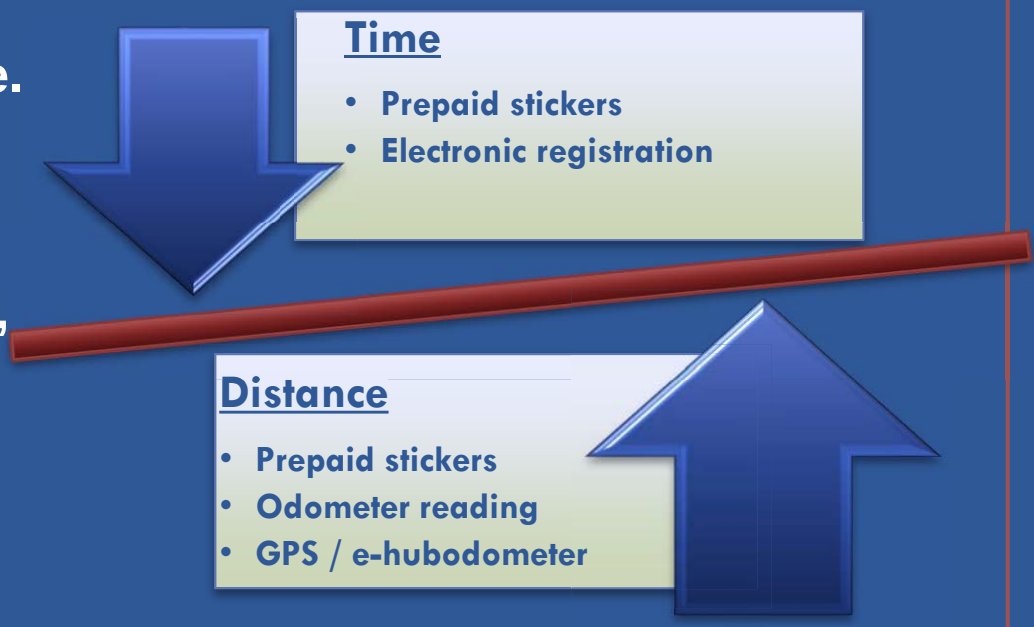
- Gas tax revenue is declining as cars become more fuel efficient. By 2025, the new vehicle fleet must achieve an average fuel economy of 54.5 mpg.
- The Legislature directed the Commission to establish a 20 member Road Usage Charge (RUC) Steering Committee, including legislators, to assess whether a road usage charge would be feasible.
- The Steering Committee met four times in 2012 and determined, among other things, that a Road Usage Charge is feasible in Washington.
- Recommended Goal: Identify and develop a sustainable, long-term revenue source for Washington State's transportation system to transition from the current motor fuel tax system.

What is a Road Usage Charge?

- **With road usage charging, drivers would pay for roads as they do for other utilities—based on how much they use.**

- **This study is focused on general road usage charging, NOT:**
  - **Tolls**
  - **HOT or Express Toll Lanes**
  - **Cordon or area charges**

Two basic forms of road usage charging:



Road Usage Charge Assessment: 2013 Legislative Directives

- Develop preliminary road usage charge policies that are necessary to develop the business case, as well as supporting research.
- Develop the preferred operational concept(s) that reflect the preliminary policies.
- Evaluate the business case - must assess likely financial outcomes.
- Identify and document policy and other issues that are deemed important to further refine - to gain public acceptance.
  - This Should form the basis for continued work .

Tell Us What You Think:
www.voiceofwashingtonsurvey.org

- The Voice of Washington State survey (VOWS) collects statistically valid data and opinions from individuals across the state, sorted by region.
- Over 28,000 people participate.
- New statewide VOWS surveys coming this fall and into 2014 – join now!

Ferry Riders Opinion Group F.R.O.G.

- Every two years the Commission surveys ferry riders to help inform the level of service, pricing, planning and operational decisions for Washington State Ferries.
- Over 7,000 riders participate.
- New F.R.O.G. surveys coming soon.

Thank you!

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