



TRANSPORTATION 101

Moving People and Goods



Who is the Washington State Transportation Commission?

An independent, seven-member body of citizens appointed by the Governor for six-year terms – three from east of the mountains and four from the west. The WSDOT Secretary and the Governor's Office serve as non-voting members.

Roles and Responsibilities

- **Proposes transportation policy and finance recommendations** to the Governor and Legislature.
- Serves as the **State Tolling Authority**, adopting state highway and bridge tolls, and setting fares for Washington State Ferries.
- **Provides a public forum** for transportation policy development.
- Develops and issues a comprehensive, balanced **20-year statewide transportation plan**.
- **Conducts a statewide outreach program**, including on-line surveys to gather public input into state transportation policy, to promote transportation education, and to understand local and regional transportation needs and challenges.



What is the statewide transportation system?

- 18,046 miles of city streets.
- 39,748 miles of county roads and seven county ferries.
- Over 7,000 miles of state highways and 23 ferries.
- 465 miles of Columbia-Snake River barge transport.
- Reservation roads, DNR and Forest Service roads.
- 32 transit agencies.
- 75 port districts in 33 of 39 counties.
- Sidewalks and bike paths.
- Over 7.1 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

- Federal gas tax money built 90% of the Interstate System.
- Congress last increased the gas tax in 1993.

Washington State

- Tacoma Narrows Bridge, both Lake Washington floating bridges, the I-5 bridge between Vancouver and Portland, were all toll bridges.
- State gas tax increases in 2003 and 2005 were fully bonded to build capital projects.
- Puget Sound ferries were privately owned and operated until the state bought 16 vessels and 20 terminals in 1951.

Local

- The primary revenue source for city streets and most transit systems is sales tax.
- The primary fund source for county roads is property tax.



The Present: Big Picture

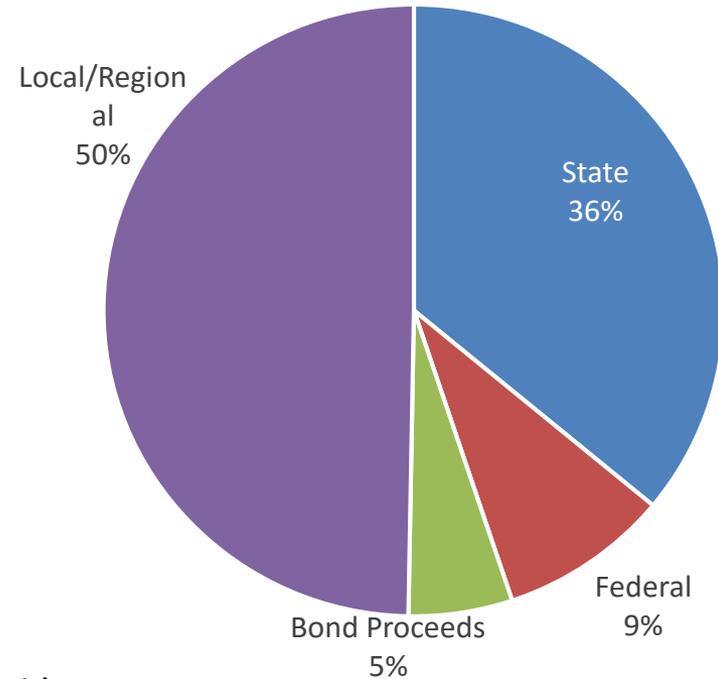
Federal

- Since 2008, Congress has transferred over \$73 billion from the general fund to Highway Trust Fund and Mass Transit Fund.

State

- The \$8.63 billion biennial transportation budget is only 9% of the total state budget.

Washington State Transportation Revenue
2015-2017 Biennium (est.)



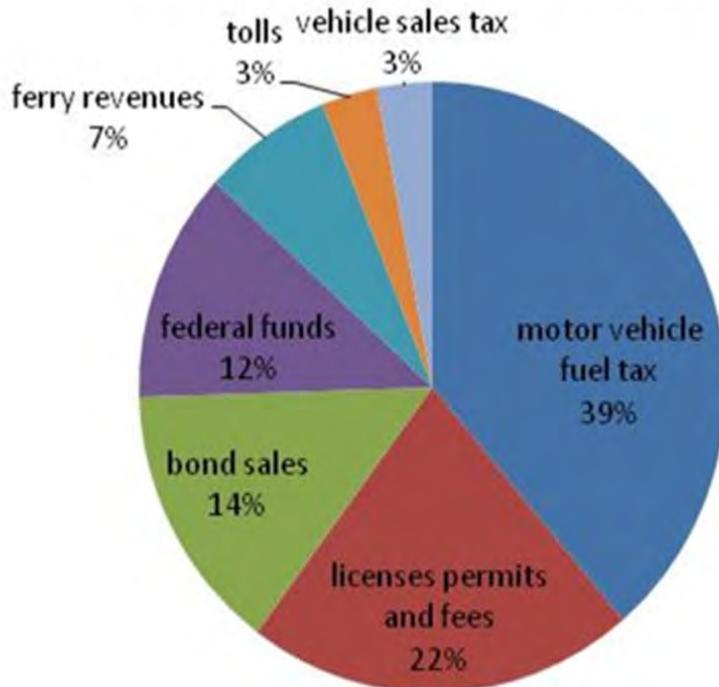
WA Transportation Revenue Sources: 15-17 Biennium (est. -- thousands)

Source	Revenue Totals	% of Revenue Total
State	\$ 5,812,000	36%
Federal	\$ 1,432,000	9%
Bond Proceeds	\$ 874,000	5%
Local/Regional	\$ 8,026,000	50%
Total	\$ 16,144,000	100%

Note: WA State's 2015-2017 Biennium is from July 1, 2015 - June 30, 2017

The Present: What are the Sources of State Transportation Revenue?

Washington State Transportation
16-Year Funding Sources



Federal gas tax =
18.4¢ per gallon.

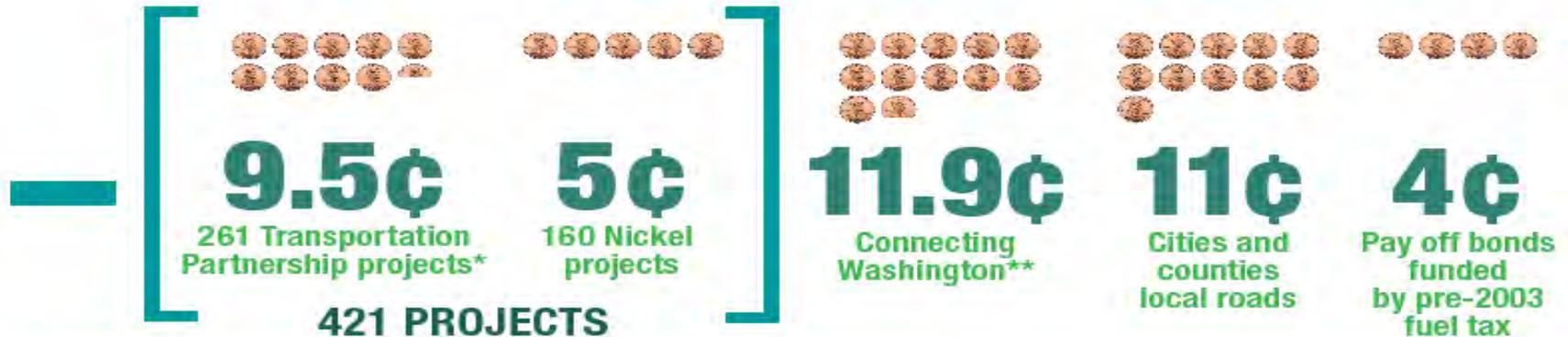
State gas tax =
49.4¢/gallon.

Ferry fares will
generate \$357 million
in 2015 - 17, covering
about 75% of WSF
operating costs.

Toll revenue pays for
debt, maintenance
and operations for
each tolled facility.

Gas Tax Breakdown

49.4¢ PER-GALLON STATE FUEL TAX



= 8¢ Available for use on state highways, bridges and ferries:

- maintenance and operations
- preservation
- safety improvements

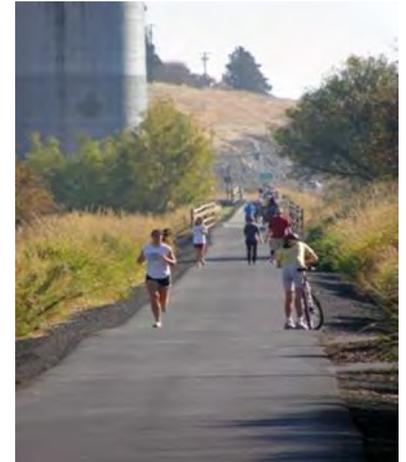
* Of the 9.5 cents, 8.5 cents is used by the state for highway projects, 1 cent goes to cities and counties for street and road improvements.

** The 11.9-cent gas tax increase will be phased in over the next two years. The first 7.0-cent increase occurs on August 1, 2015, followed by a 4.9-cent gas tax increase on July 1, 2016.

The Present:

Local Transportation Revenue

- 70% of cities' transportation funding is locally generated, primarily from sales tax. Over 80 cities are collecting revenue from a Transportation Benefit District.
- About 62% of counties' transportation funding is locally generated, most from the county road share of the property tax.
- Federal funds contribute 11% to cities' and counties' transportation revenue.
- 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
- Transit revenue typically comes from:
 - Locally-approved sales tax
 - Fare box receipts
 - Federal and state grants
- Port revenue comes from user fees, leases, property tax and grants.



The Present: Personal Spending

- In 2014, Washington citizens and businesses spent over \$15.7 billion on gasoline and other transportation fuel.
- In 2015, new car and truck sales totaled \$15.6 billion.
- The average Washington household spends \$3,250 – \$4,400 annually on vehicle fuel, compared to \$607 for home heating.
- Average state and federal gas tax paid by a household annually is \$559 - \$669.
- Washington citizens and businesses spend four times as much on transportation as state and local government does.

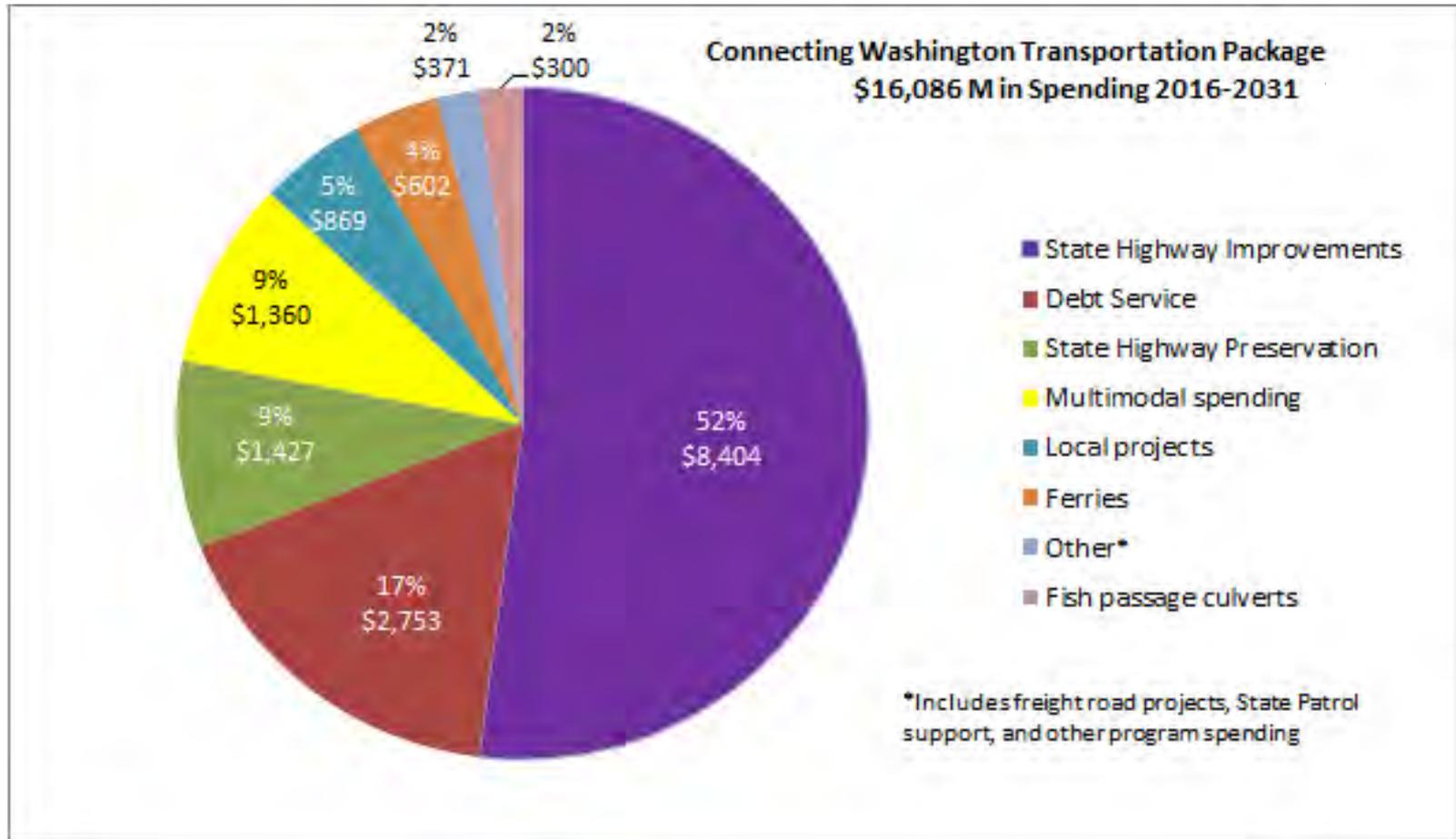


BELLINGHAM INTERNATIONAL AIRPORT
Part of Bellingham

Airline	Flight	Time	Status
Allegiant	649	2:01 PM	Arrived 1:47 PM
Allegiant	221	1:52 PM	New 2:06 PM
Allegiant	639	3:46 PM	In Air
Allegiant	225	7:52 PM	On Time
Allegiant	223	8:47 PM	On Time
Allegiant	230	1:07 PM	At Gate 12:58 PM
Allegiant	201	9:32 PM	On Time
Allegiant	211	3:09 PM	New 3:23 PM
Allegiant	2482	2:35 PM	On Time

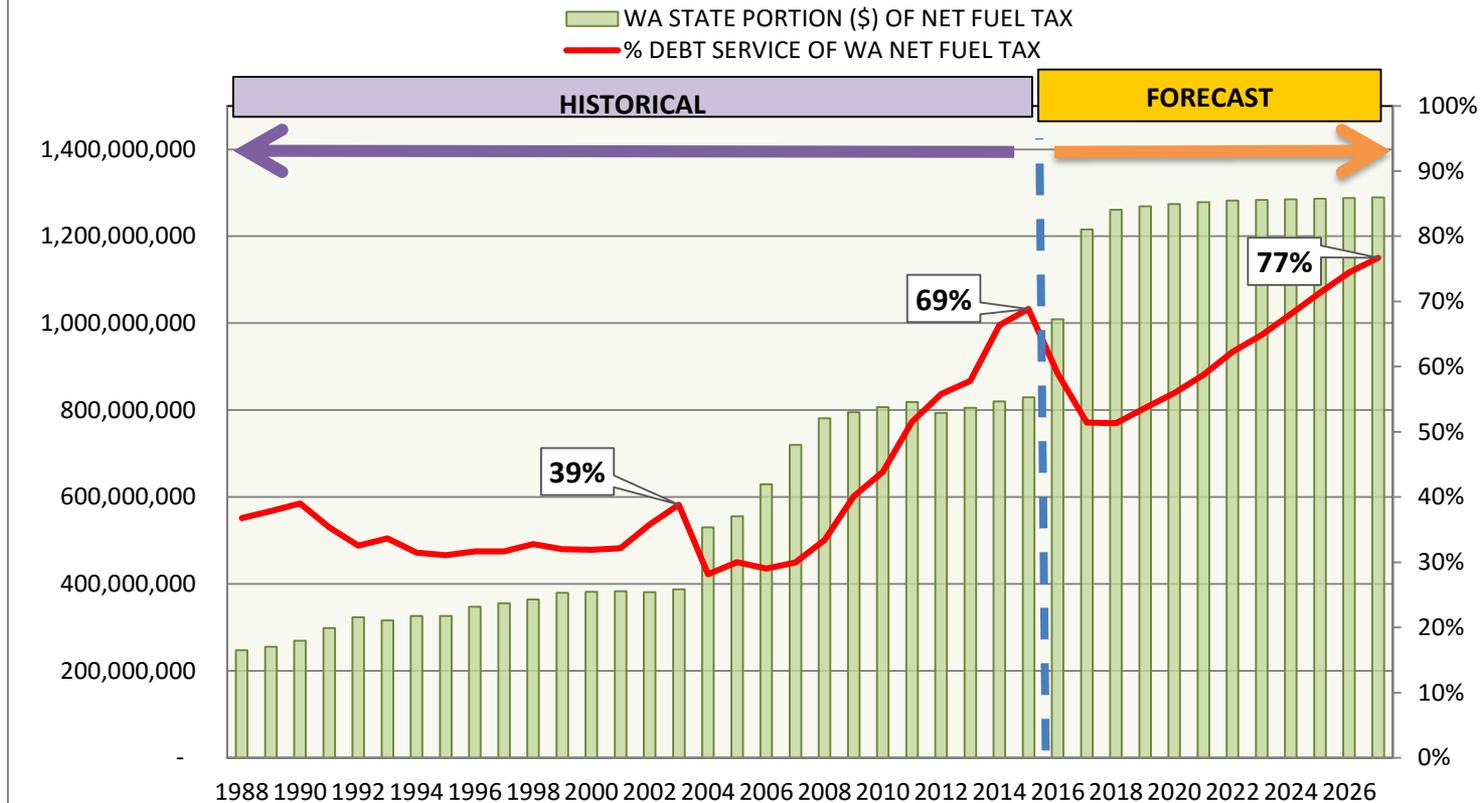


Revenue Uses – 2015 Connecting Washington Package



Over the next 10 years, Washington State's net portion of gas tax revenues being obligated to pay for long-term debt associated with financing past and currently planned transportation projects will grow to 77%

WHAT % OF WA STATE'S PORTION OF GAS TAX REVENUE GOES TO DEBT SERVICE PAYMENTS?*



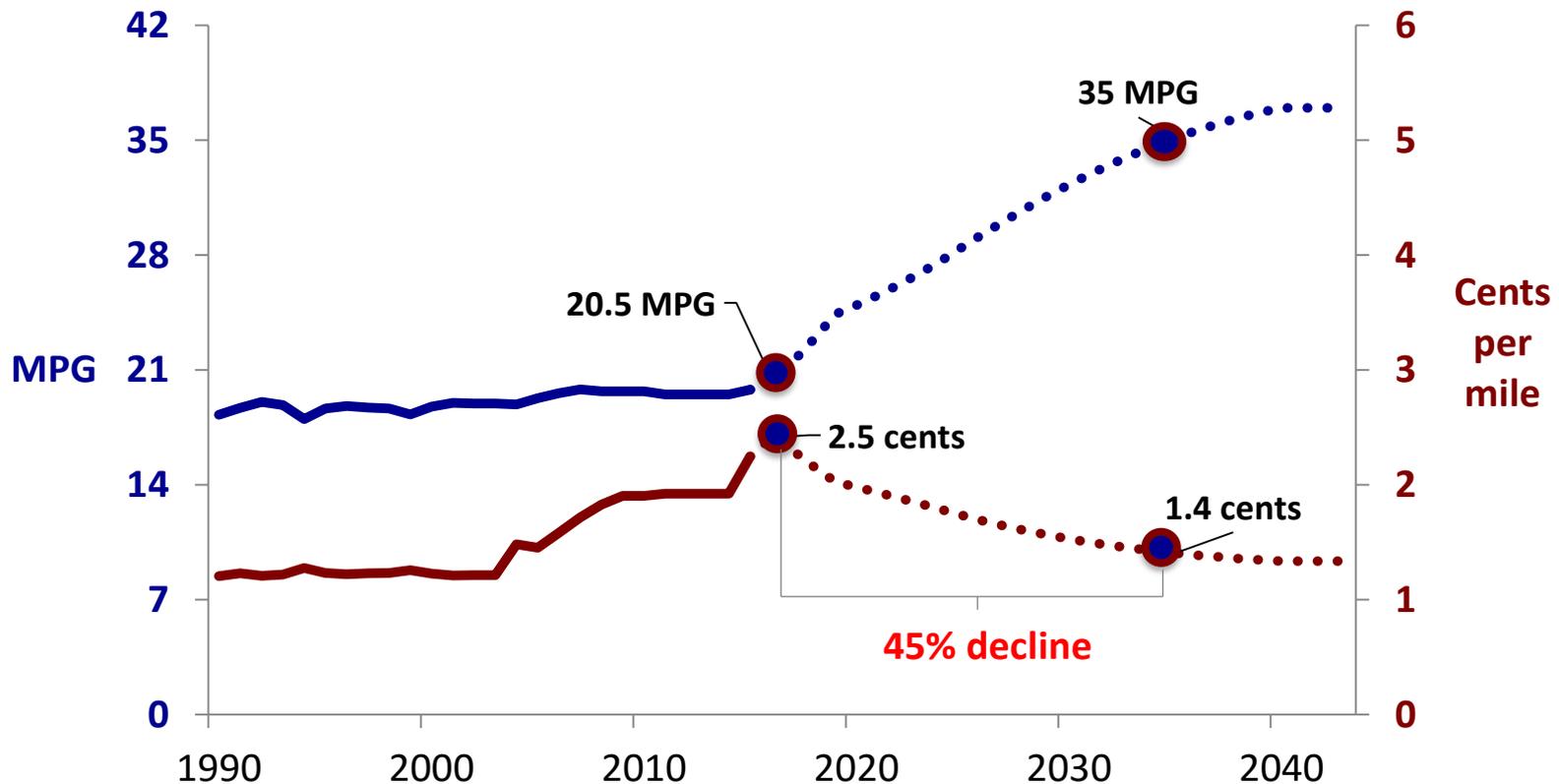
*This chart is based on Net Fuel Tax Revenue and Debt Service projections per the Nov 2015 Forecast.

- For this chart, debt service only includes debt first payable by the fuel tax. This excludes SR 520 corridor debt service (first payable by tolls), but includes Tacoma Narrows Bridge debt service (reimbursed by tolls).

- WA state's portion of fuel tax revenue in this chart does not include all fuel tax revenue pledged for debt service. For example, also pledged for debt service is revenue distributed to cities & counties, and beginning in FY 2019, revenue from select vehicle fees (for selected projects).

Improving Vehicle MPG Erodes Gas Tax Revenues

Conservative forecasts: Washington's vehicles will reach 35 MPG by 2035 – a potential 45% reduction in gas tax revenue per mile driven.



What does the Future Bring?

Washington is at a transportation funding crossroads

- Transportation infrastructure is aging.
- Inadequate investment in maintenance and preservation.
- Population is projected to grow by 21% in the next 20 years.
- Urban areas are torn between investing in preservation/maintenance or responding to increased demand.
- Rural areas are torn between investing in preservation/maintenance or economic development.
- A fixed fuel tax, the primary source of transportation revenue, doesn't keep pace with increases in transportation costs and improving fuel efficiency.
- Debt service payments are absorbing much of the fuel tax revenue, leaving less money for new and on-going expenses.

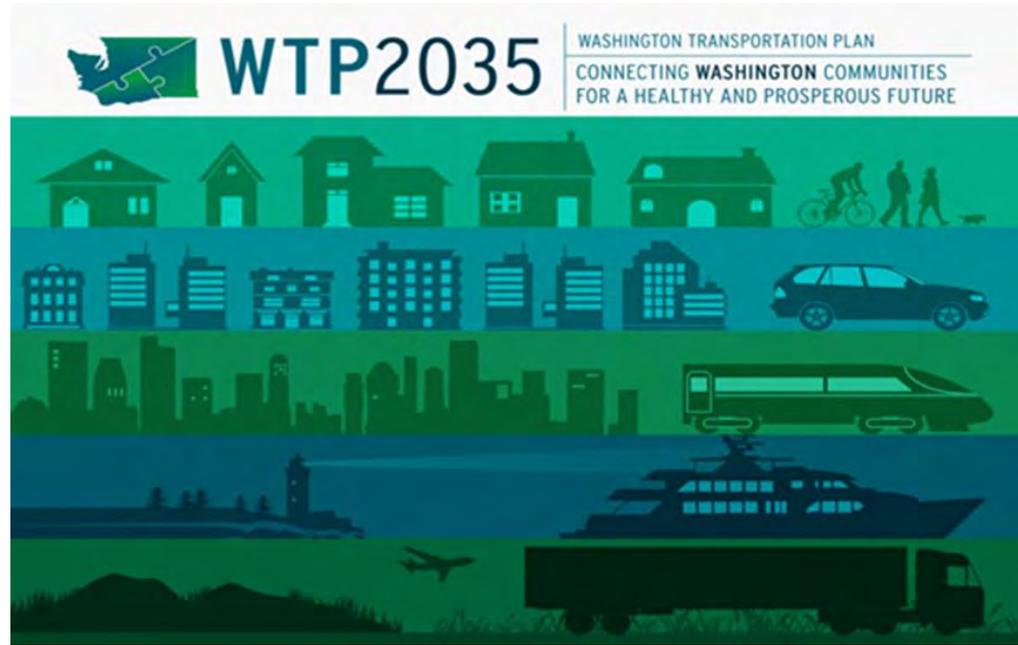
The motor fuel tax is the largest component of state transportation funding.

Blueprint for the Future: The Washington Transportation Plan

A comprehensive and balanced statewide transportation plan.

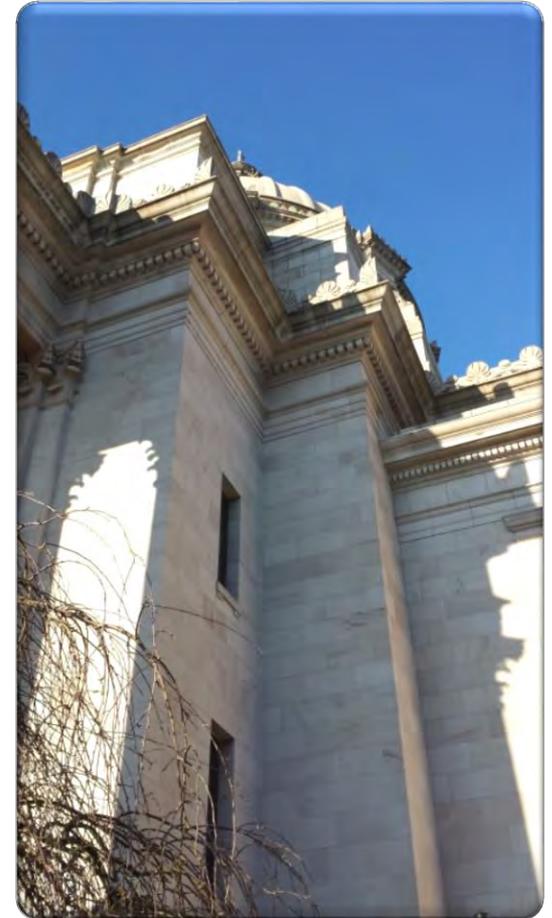
RCW 47.04.280 sets forth six transportation policy goals:

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



WTP 2035 Strategies and Recommendations

- 25 broad strategies organized by policy goal.
- 102 specific recommendations to implement the strategies.
- Additional recommendations to strengthen the linkages between transportation and land use.
- Recommendations for delivering results:
 - Efficiencies and reforms
 - Additional transportation revenue.



WTP 2035 Key Messages

- Reliable, efficient freight movement is critical for jobs, balance of trade, and economic competitiveness.
- There is an important state role in planning and delivering multimodal transportation services and infrastructure, including public transportation:
 - key corridors
 - connecting communities
 - special needs transportation
- Secure, sustainable funding is needed to ensure the long-term preservation of existing infrastructure and to meet growing demand in many regions of the state.



The Future: More Tolling Likely

Tolling generated over \$140 million in 2015.

- Build a project.
- Manage traffic.
- Build a project and manage traffic.

Newest toll facility:

- I-405 Express Toll Lanes opened September 27, 2015.

Future tolling authorized:

- I-405 Express Toll Lanes from Bellevue to Renton
- SR 99 Downtown Seattle Tunnel
- SR 167 to Port of Tacoma and SR 509 to I-5.



Tolling To Fund a Project



Tacoma Narrows Bridge

Project Cost: \$735 million:

Toll Revenue makes bond payments and finances maintenance and operations.

Current Toll Rates for car

<i>Good to Go:</i>	\$5.00
<i>Cash:</i>	\$6.00
<i>Pay by Mail:</i>	\$7.00

HOV & transit not exempt from tolls.



Tolling To Manage Traffic

I-405 Express Toll Lanes (ETLs) and SR 167 High Occupancy Toll (HOT) Lane Pilot Project

- Allows non-HOV drivers to buy into the HOV lanes.
- Toll rates dynamically adjust to reflect traffic conditions, aiming to average at least 45 mph, 95% of the time in peak hours.
- Average toll on I-405 ETLs: Less than \$4.00.
- Average toll on SR 167: Less than \$2.00.
- HOV & transit exempt from tolls.



EXPRESS TOLL LANES	
NE 124th St	\$0.75
Jct 	\$1.00
Jct 	\$1.25
HOV 3+ FREE W/FLEX PASS	

Tolling to Fund a Project and Manage Traffic

SR 520 Replacement and HOV Lanes

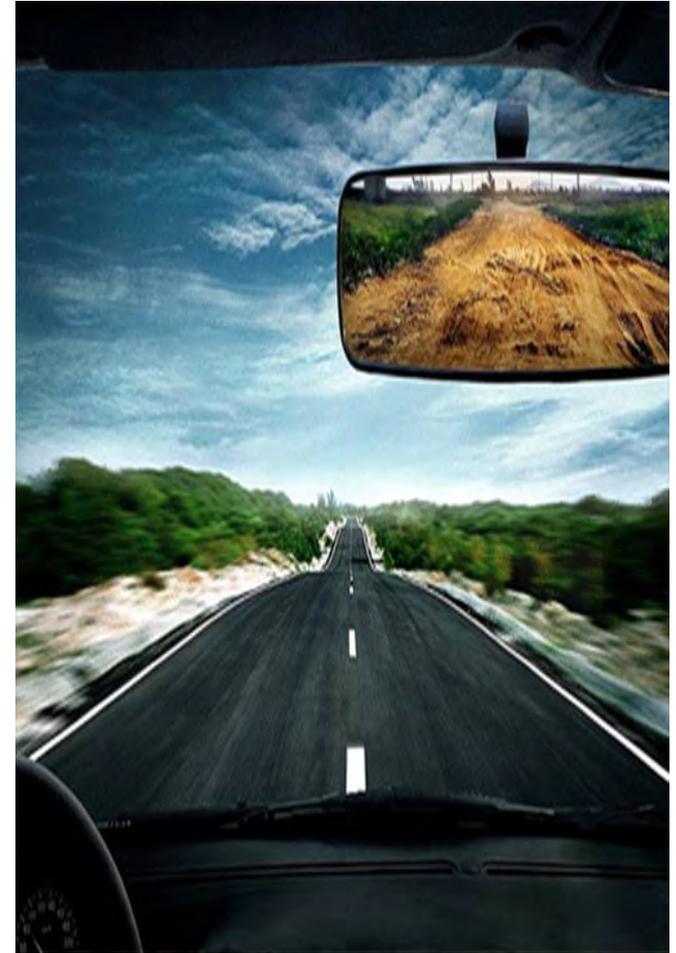
- New floating bridge.
- Extends HOV lanes from Redmond to I-5.
- Project Cost: \$4.56 billion.
- Variable tolling by time of day.
- Weekday Peak Car Toll Rates
 - Good to Go!* \$4.10
 - Pay by Mail \$6.10
- No tolls 11 pm – 5 am.
- Registered vanpools and transit are exempt from tolls. Transit ridership is up 52%.



The Road Usage Charge

A road usage charge is a per mile fee drivers would pay for the use of the road system, rather than paying by the gallon of gas.

Identified as a viable future funding source in need of further exploration.

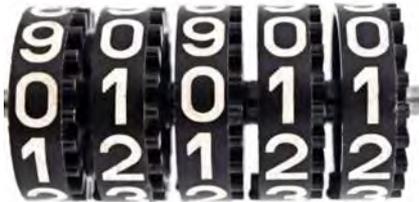


Road Usage Charge Assessment

A deliberate and methodical evaluation:

- 2012:** Road usage charging is feasible; identified a laundry list of policy and fiscal issues to be resolved.
- 2013:** The business case for road usage charging is made and a policy framework developed.
- 2014:** Transportation Commission recommends demonstration project to test road usage charge approaches, operations, and customer interaction. WSDOT reports on how interstate travel under a RUC could function. State Treasurer notes caution around elimination of gas tax and the role a road usage charge could play in our state financing.
- 2015:** Legislature directs continued evaluation, including review of work in other states.
Oregon implements a voluntary road usage charge program.
- 2016:** State and federal funding enables Washington to prepare for a demonstration project in 2017. California began a pilot program in July.

Operational Concepts Assessed



We have focused on four operational concepts to assess a road usage charge system:

- **Time Permit:** A flat fee to drive an unlimited number of miles for a given period of time (month or year).
- **Odometer Charge:** A per-mile charge measured by odometer readings.
- **Automated Distance Charge:** A per-mile charge measured by in-vehicle technology that can distinguish between in-state and out-of-state travel with periodic billing.
- **Smart Phone Application:** A smartphone application can be used for mileage collection.

Thank you!
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