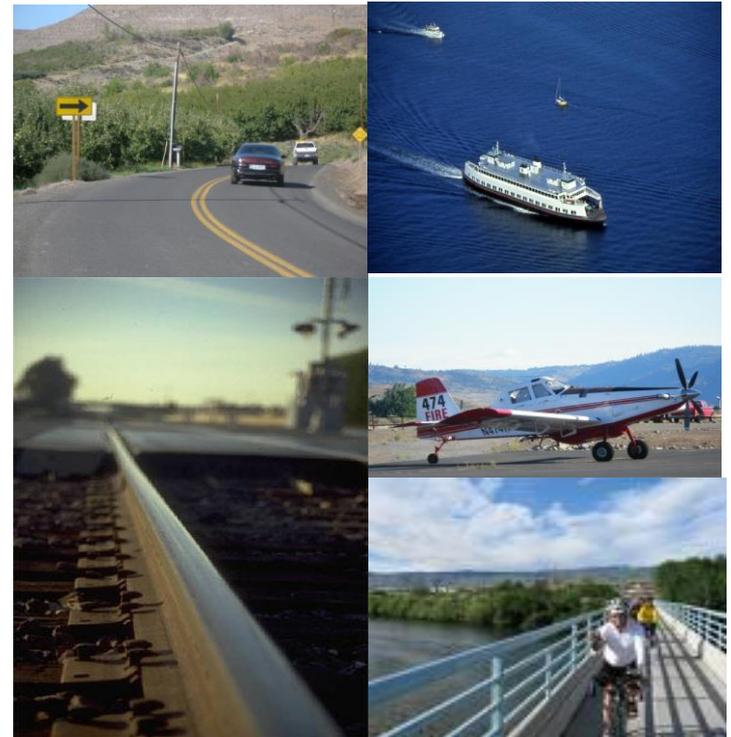




Washington State  
Transportation Commission

# TRANSPORTATION 101

## Moving People and Goods



Winter 2014

# 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 22 ferries
- 465 miles of Columbia-Snake River barge transport
- Reservation roads, DNR and Forest Service roads
- 31 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 1993.

## Washington State

- Tacoma Narrows Bridge, both 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.
- Puget Sound ferries were privately owned and operated until the state bought 16 vessels and 20 terminals in 1951.
- 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 most transit systems.
- Property tax revenue is the primary fund source for county roads.

# The Present

## Federal

- Since 2008, over \$65 billion transferred from general fund to Highway Trust Fund and Mass Transit Fund.
- Highway Trust Fund is projected to be insolvent in 2015.

## State

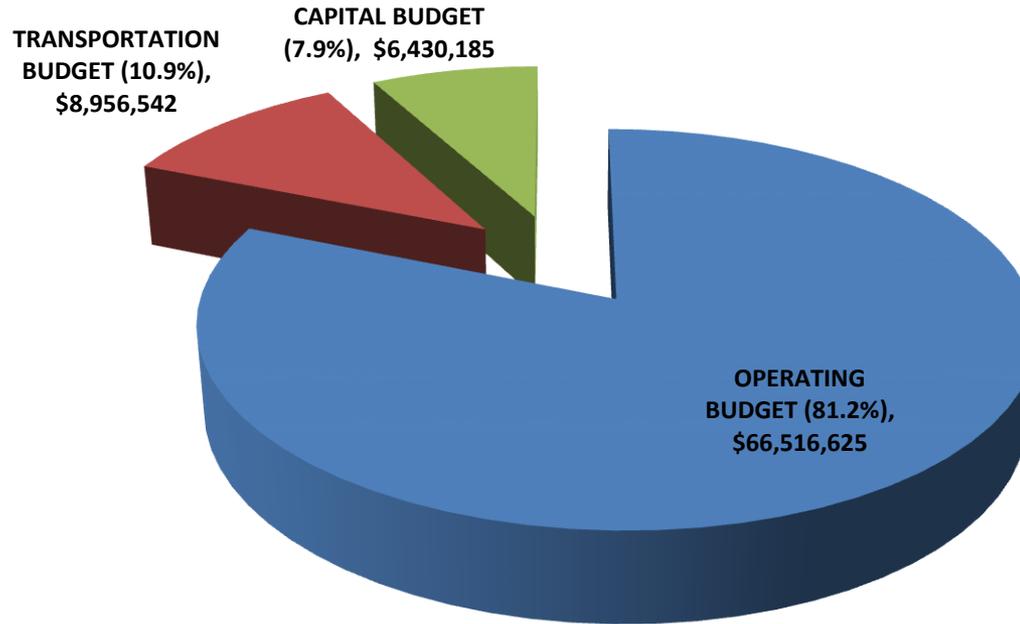
- 2013-15 Washington State Transportation Budget: \$8.956 billion for the biennium.
- Tolling is generating revenue to build a new SR 520 bridge across Lake Washington and is paying most of the construction cost for the Tacoma Narrows Bridge.

## Local

- Over \$3 billion annual county, city and transit investment statewide.



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



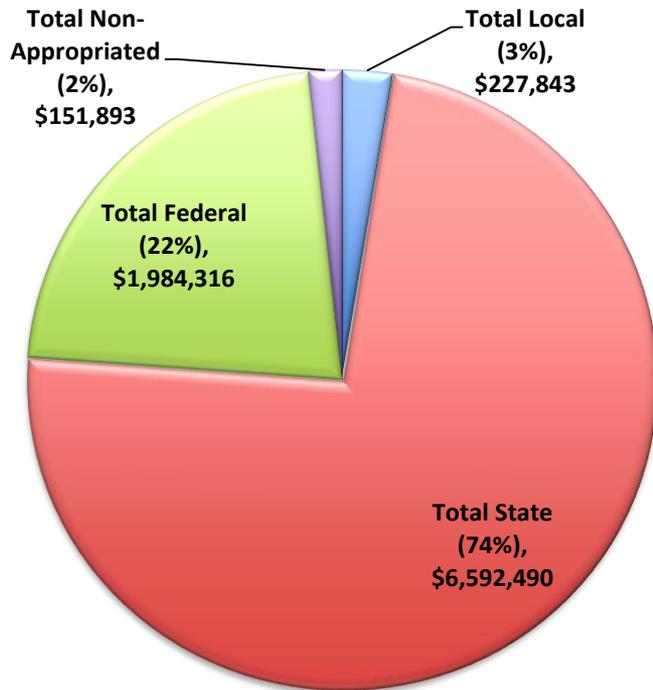
Source: [fiscal.wa.gov](http://fiscal.wa.gov)

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.

# 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](http://fiscal.wa.gov)

# 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
- Local transit service revenue typically comes from:
  - Locally-approved sales tax
  - Fare box receipts
  - Federal grants
- Port revenue comes from user fees, leases, property tax and grants.



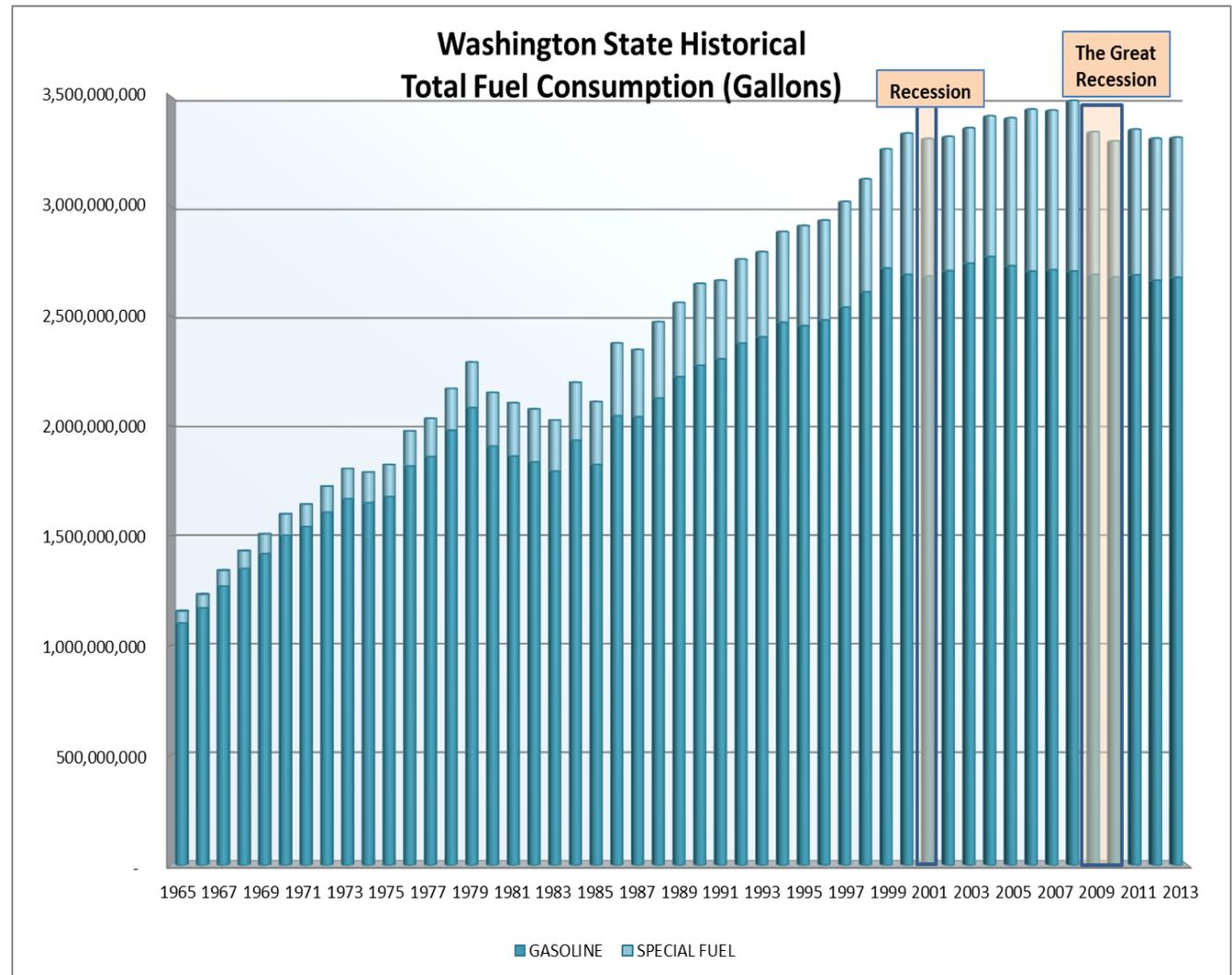
# The Present:

## Your transportation spending

- In 2009, Washington citizens and businesses spent over \$11.1 billion on gasoline and other transportation fuel.
- In 2012, new car sales in the state exceeded \$12 billion.
- Washington citizens and businesses spend 3 times as much on transportation as state and local government does.
- 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.

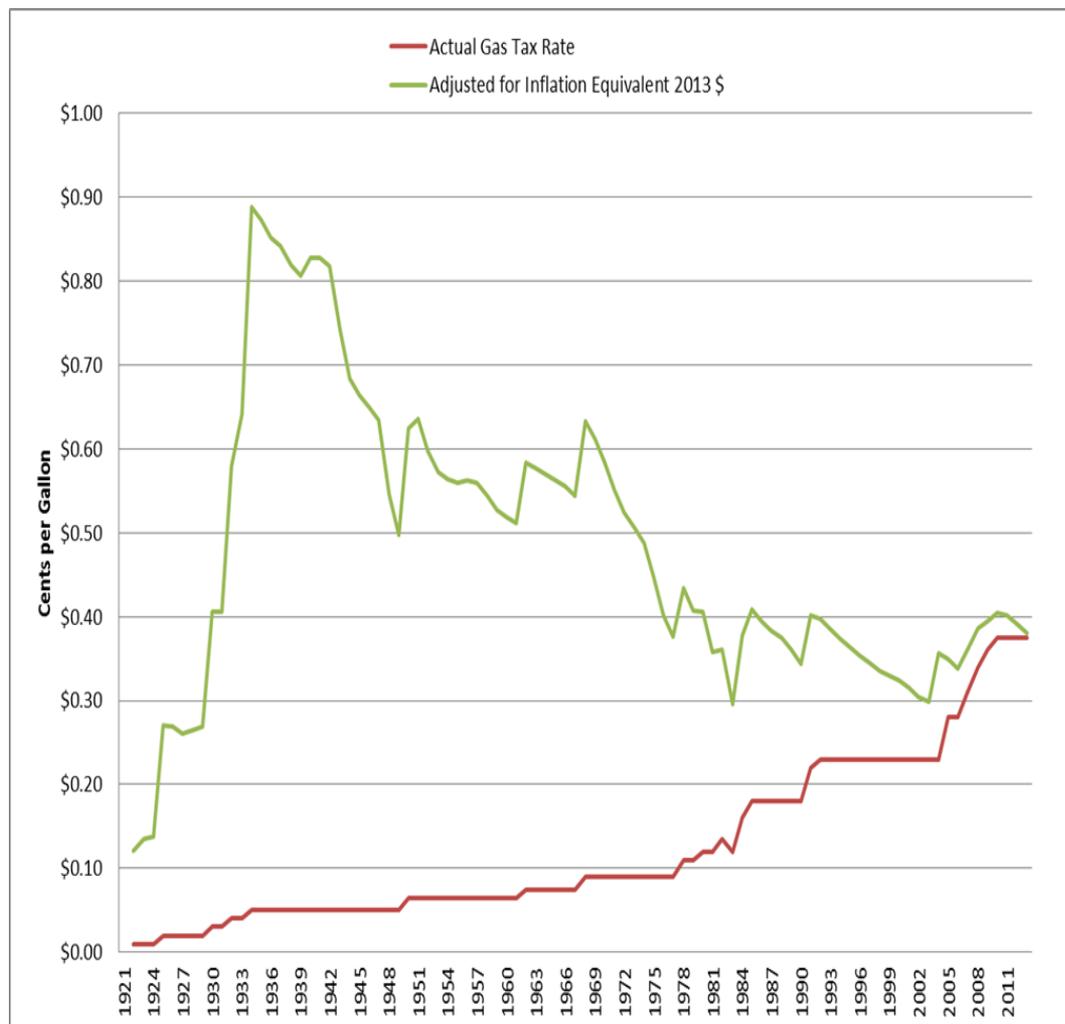


- Gross Fuel Consumption has increased from 1.156 billion gallons in 1965 to 3.313 Billion gallons in 2013.
- Gross Fuel Consumption has been impacted by the economy and “The Great Recession”.



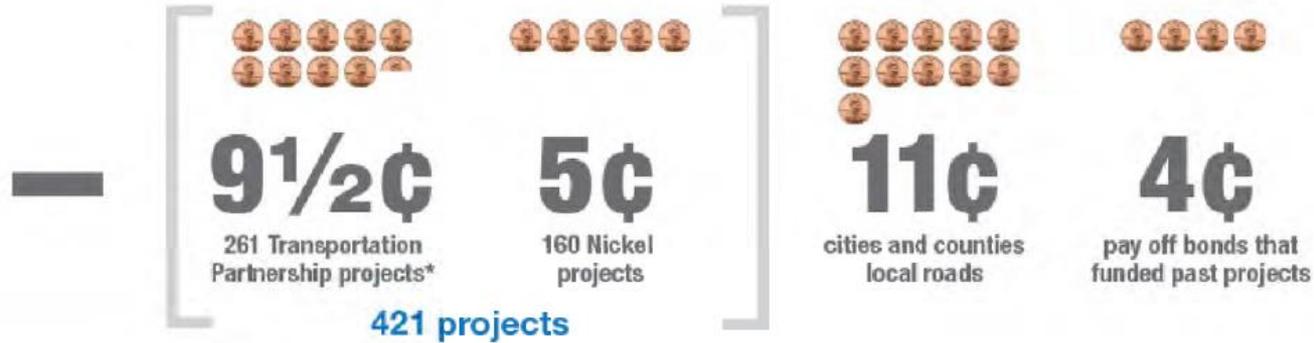
# WA State Gas Tax Rate Adjusted for Inflation

- 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
- 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.



# Transportation fuel tax is limited and committed

# 37 1/2 ¢ per-gallon state fuel tax



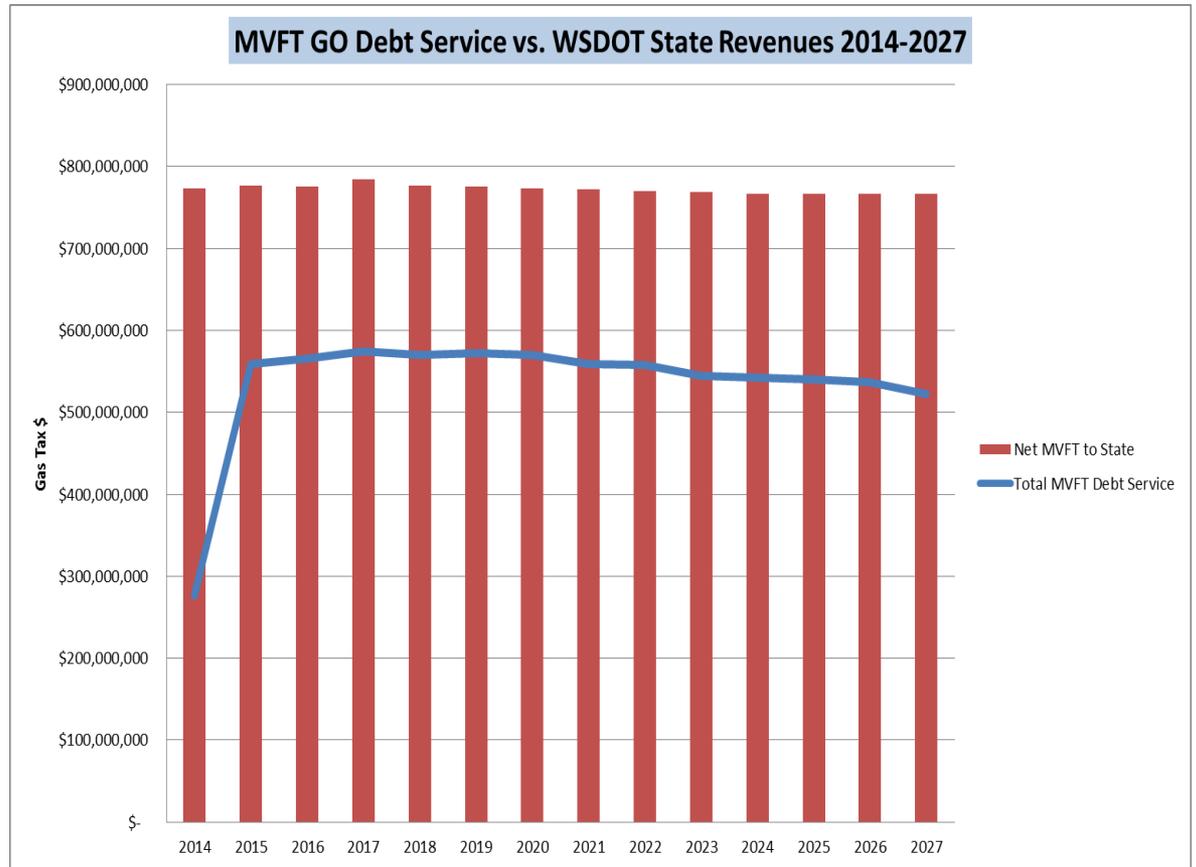
**= 8 ¢** Available for use on state highways, bridges and ferries:

- maintenance and operations
- preservation
- safety improvements

\* Of the 9 1/2 cents, 8 1/2 cents is used by the state for highway projects, 1 cent goes to cities and counties for street and road improvements.

# WA State Gas Tax Revenue Obligations

Over the next decade approximately **70%** of the State's net portion of motor vehicle fuel tax revenue is obligated to pay debt service for past projects.



# What does the Future Bring?

## Washington is at a transportation funding crossroads.

- Transportation infrastructure is aging. Statewide, over \$175 billion in transportation system investments are needed in the next 20 years.
- Long-term needs vs. short-term revenue solutions.
- Population to grow by 28% in the next decade.
- A fixed fuel tax, primary source of transportation revenue, doesn't keep pace with increases in transportation costs.
- Each year debt service payments are absorbing more of the fuel tax revenue. Thus, there is less money for on-going expenses.

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

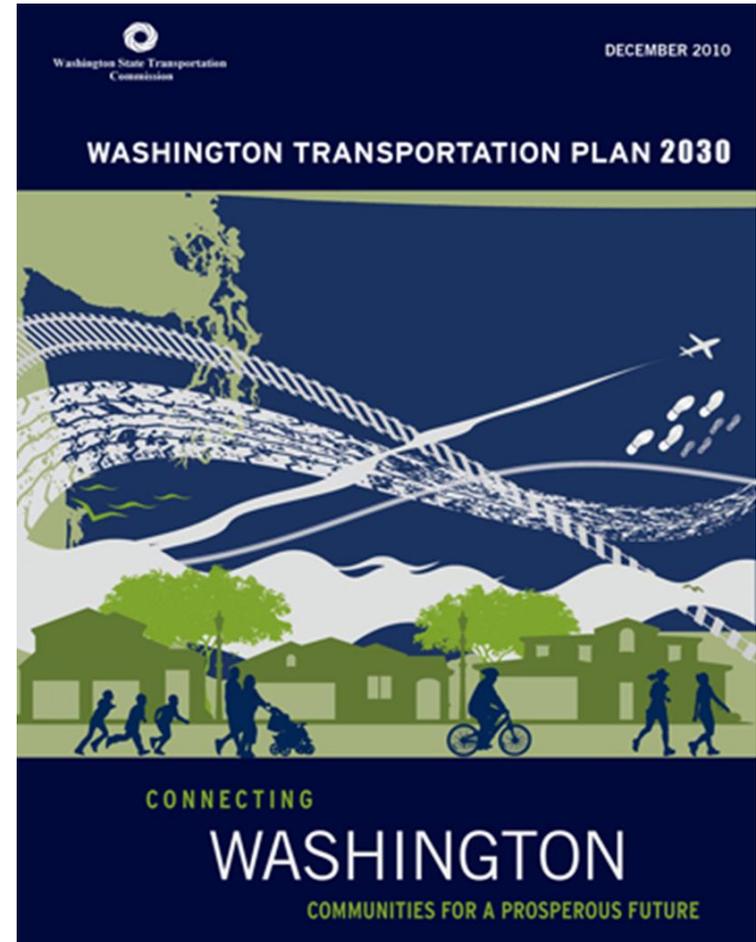
# Blueprint for the Future: The Washington Transportation Plan

A comprehensive and balanced statewide transportation plan.

Six transportation policy goals:

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

RCW 47.04.280



# WTP 2035 Key Messages

- Washington's future economic vitality and quality of life depend on a multimodal transportation system that is **safe and well-maintained**, and **operates efficiently** to **serve a growing economy and population**. An integrated and coordinated planning process supported by best management practices is necessary to meet these demands, whether moving harvest from farm to market on roads, waterways, rail and air, or getting children safely between school and home using sidewalks, bicycles, and buses.
- A more defined role for the State in multimodal transportation, including **air, public transportation, and special needs transportation** is important for Washington's communities across the state. Service providers must have the financial resources and authority to ensure they can deliver efficient services that meet the unique needs of their respective areas.
- Statewide, there is an **identifiable need for a secure, sustainable, long-term source of funding for transportation**. Continuing the funding status quo will result in declining condition and performance of Washington's transportation system, due to inadequate maintenance and failure to address growing demand.

# The Future: More Tolling Likely

## Supplement Gas Tax Revenue with Tolling

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

## Two additional toll facilities authorized

- SR 99 AWW Replacement Tunnel.
- I-405 Express Toll Lanes.



# 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, 2014)

*Good to Go:* \$4.50

*Cash:* \$5.50

*Pay by Mail:* \$6.50

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 \$2.00.
- 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, 2014)
  - *Good to Go!* \$3.80
  - Pay by Mail \$5.40
- No tolls 11 pm – 5 am
- Registered vanpools and transit are exempt from tolls



# Road Usage Charge Assessment: 2012

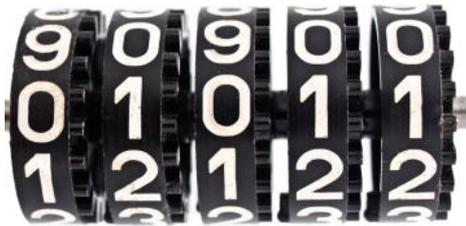


- The Legislature directed and the Commission established a 20 member Road Usage Charge (RUC) Steering Committee, including eight legislators.
- With road usage charging, drivers would pay for roads as they do for other utilities—based on how much they use.
- The goal is to identify and develop an alternative sustainable, long-term revenue source for Washington State’s transportation system to transition from the current motor fuel tax system.
- The Steering Committee has determined, among other things, that a Road Usage Charge is feasible in Washington.

# Road Usage Charge Assessment: 2013 - 14 Findings



NOVEMBER 2012						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	



Three potential road usage charge concepts have been evaluated and developed into a Concept of Operations. A business case can be made for all three:

- A Time Permit – payment of a flat fee to allow a vehicle to use the road system and an drive unlimited number of miles for a given time period (e.g. a month or year)
- Odometer Charge – a per-mile charge based on 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

Plus combinations of the above options.

# Road Usage Charge Assessment: 2013 - 14 Findings

The pace at which the fleet becomes more fuel efficient will determine if a road usage charge system would be a preferable alternative to collect revenue for transportation.

- Increasing the fuel tax also can be a solution to generate additional revenue.
- A road usage charge system ensures everyone pays their fair share for using the roads, regardless of fuel source or miles per gallon.

It will take years to refine a road usage charge concept into an achievable program.

- A road usage charge will face technical, financial and public acceptance issues.
- The Transportation Commission is considering options for a potential pilot program it may recommend to the Legislature.



# Tell Us What You Think

[voiceofwashingtonsurvey.org](http://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.



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

[ferryridersopiniongroup.com](http://ferryridersopiniongroup.com)

- 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.



**FERRYRIDERS' OPINION GROUP**  
*Jump On Board*

**Join F.R.O.G.**  
tell us how we're doing

Use your mobile device to scan one of the square codes below to tell us if you think WSF is a good value for the fare you paid or not and to join the F.R.O.G.

**GOOD VALUE**  **POOR VALUE** 

Or skip the vote and sign-up at:  
[www.FerryRidersOpinionGroup.com](http://www.FerryRidersOpinionGroup.com)



Thank you!  
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