



Washington State
Transportation Commission



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.

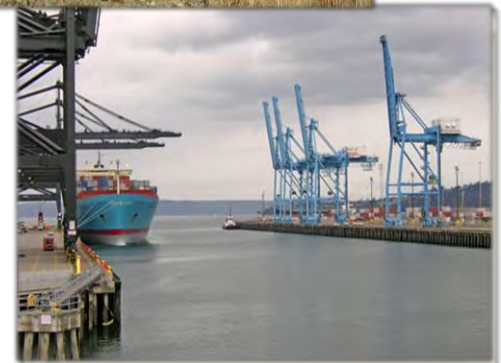
Roles and Responsibilities

- **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.
- Develops and issues a comprehensive, balanced **20-year statewide transportation plan**.
- **Conducts a statewide outreach program** to gather public input into state transportation policy; to promote transportation education; and to gain understanding of local and regional transportation needs and challenges.
- **Provides a public forum** for transportation policy development.



What is the statewide transportation system?

- 18,000 miles of city streets
- 39,200 miles of county roads and seven county ferries
- Over 7,000 miles of state highways and 23 ferries
- Reservation roads, DNR and Forest Service roads
- 465 miles of Columbia-Snake River barge transport
- Over 7.5 million registered passenger vehicles, trucks and motorcycles
- 32 transit agencies
- Bicycles
- Sidewalks and bike paths
- Amtrak, Sounder, Link light rail, streetcars
- 75 port districts in 33 of 39 counties
- Freight trains and trucking companies
- Airlines and maritime shipping lines



The Past and the Present

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, and the I-5 bridges between Vancouver and Portland, were all toll bridges.
- State gas tax provides about 40% of WSDOT budget. It is a declining percentage of funding.
- Puget Sound ferries were privately owned and operated until the state bought 16 vessels and 20 terminals in 1951.

Local

- Counties and cities receive a share of gas tax, but it is a smaller share today than 20 years ago. Less than $\frac{1}{4}$ of the gas tax is distributed to counties and cities.
- Sales tax is the primary revenue source for city streets and most transit systems.
- Property tax is the primary revenue source for county roads.



The Present: Big Picture

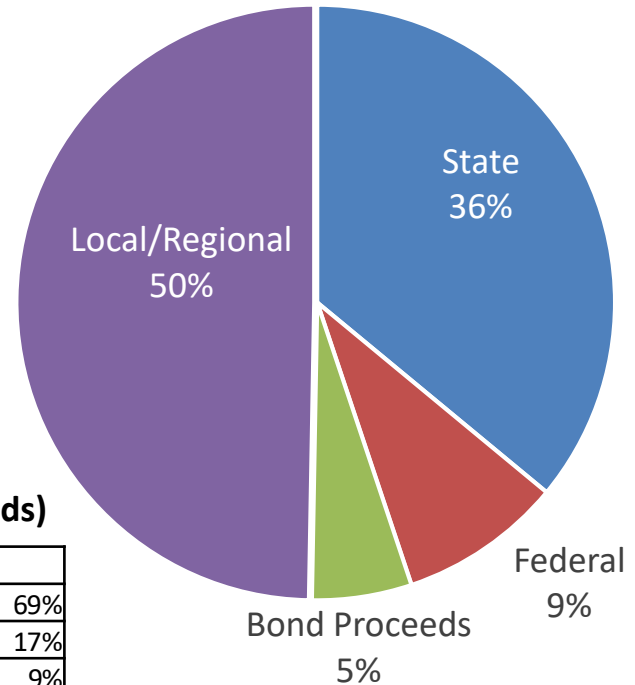
Federal

- Since 2008, Congress has transferred over \$143 billion from the general fund to the Highway Trust Fund and Mass Transit Fund.

State

- The \$9.98 billion transportation budget for 2019–2021 biennium is less than 9.0% of the total state budget.

Statewide Transportation Revenue
2017-2019 Biennium (est.)



2019 – 2021 Biennium: WA Transportation Budget (est. in thousands)

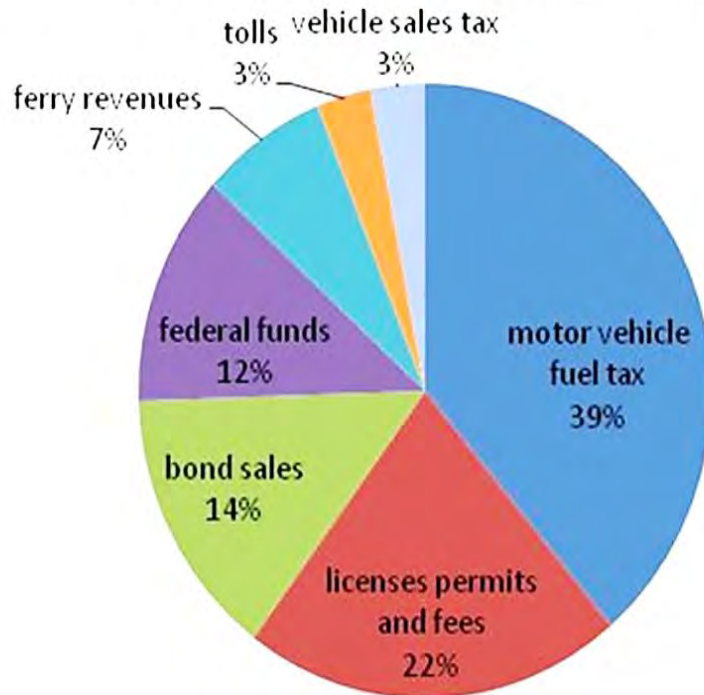
Agency/Purpose	Appropriation	% of Total Appropriation
WSDOT	\$6,887,893	69%
Bond Payments	\$1,718,181	17%
State Patrol and Licensing	\$907,716	9%
TIB/CRAB/FMSIB	\$409,952	4%
All other transportation agencies	\$56,549	0.6%
Total	\$9,980,291	100%

Notes: Totals are for Conference Transportation Budget approved by the legislature in April 2019. Pending Governor approval.

Note: WA State's 2019-2021 biennium is from July 1, 2019 - June 30, 2021

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¢ per gallon

Ferry fares will raise \$382 million in 2017 – 2019 biennium

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

State Gas Tax Breakdown

Where Does the State Fuel Tax Go?

49.4¢ PER-GALLON STATE FUEL TAX



*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 Present: Local Transportation Revenue

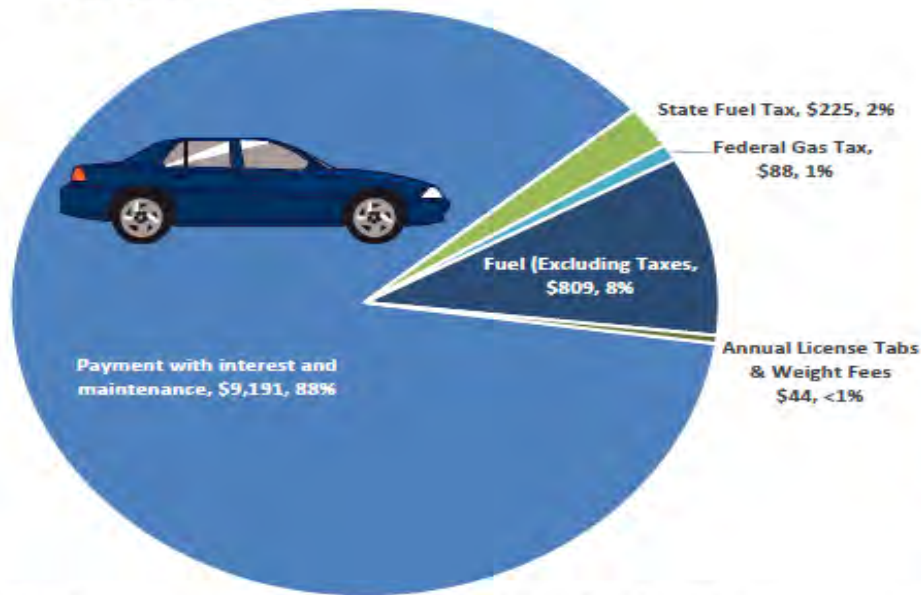
- 79% of cities' transportation funding and about 65% of counties' transportation funding is generated locally. For cities it is primarily from a sales tax; for counties most comes from the county road share of the property tax. Over 80 cities collect revenue from a Transportation Benefit District.
- Federal funds contribute 8% to cities' and counties' transportation revenue.
- 24% of counties' transportation revenue and 13% of cities' comes from the state:
 - 2.96¢ of state gas tax is distributed to cities.
 - 4.93¢ of state gas tax is distributed to counties.
 - 4.07¢ of state gas tax is distributed as grants to local governments.
- 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

What does it typically cost per year to travel by car and where does the money go?

2016 average cost to own a typical passenger car in Washington State:
\$10,357 per year



Annual transportation tax and fees and costs for a car driven 12,000 miles per year

Expenditures are based on the following:

Cost of Ownership*	\$9,191
Cost for Fuel (excluding taxes)**	\$809
Washington State Fuel Tax ***	\$225
Federal Fuel Tax (18.4¢ per gallon)	\$88
Annual License Tab & Weight Fees	\$44

Example of a typical vehicle:

Average annual miles	12,000
Miles per gallon	25
Total gallons used per year	480

\$20.35 of the license tab fee goes to the State Patrol and approximately 25% of the gas tax goes to local governments.

Local option taxes for local transportation projects may exist over and above those listed.

*Includes car payment, insurance, and maintenance. Sources: AAA, Your Driving Costs 2016 and Bankrate.com.

**Washington State average cost for regular gasoline \$2.36 per gallon less state and federal taxes. Source: U.S. Energy Information Administration Jan-June 2016.

***Washington State's excise tax was 44.5¢ from January 1, 2016 through June 30, 2016 and 49.4¢ beginning August 1, 2016.

Numbers may not add due to rounding

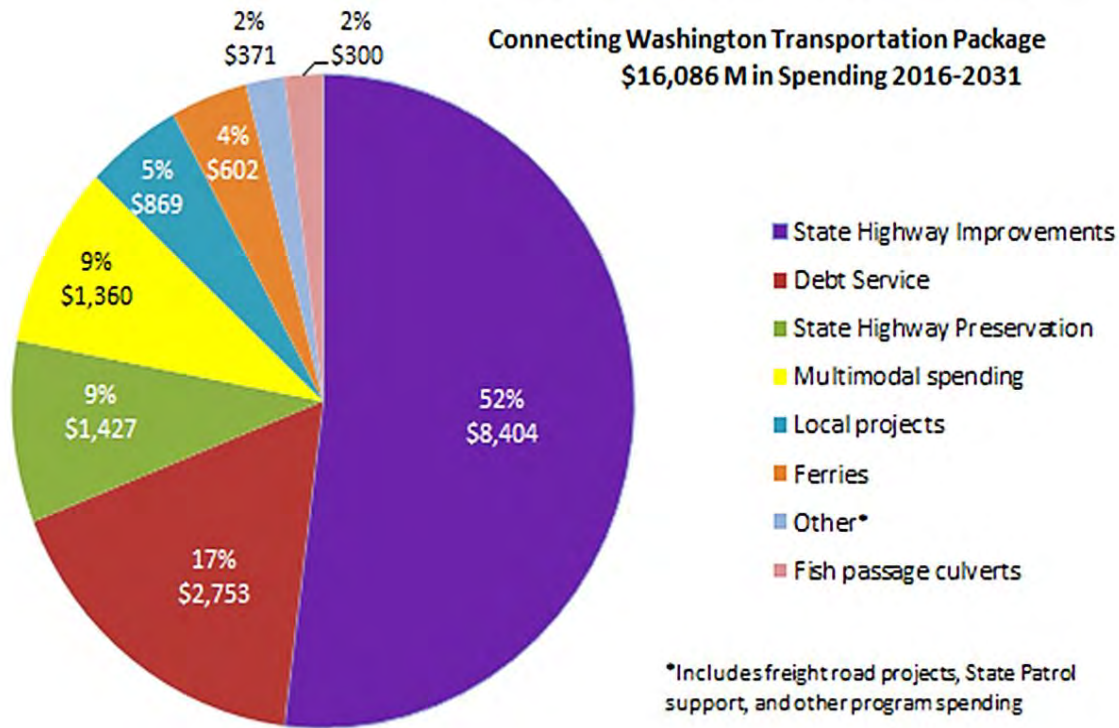
Good News: State Economy is Booming

Bad News:

- Increasing Debt Burden
- Inadequate Investment in Preservation
- Traffic Is Overwhelming
- Not Everywhere Is Growing

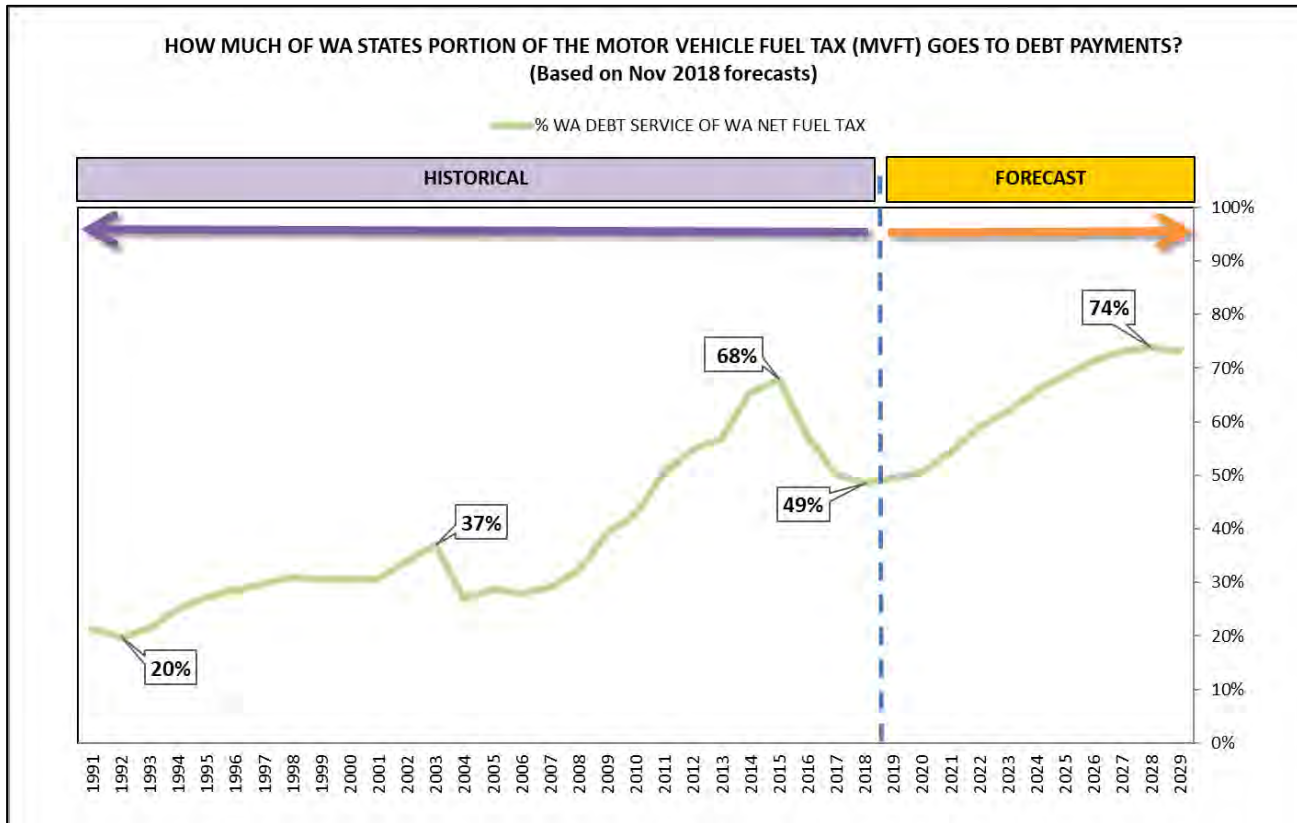


Making Big Capital Investments -- But Not Spending Enough on Preservation



State Transportation Debt is Growing

At 49.4 cents per gallon, Washington's gas tax is second highest in the nation. Bonds have been issued against most of the recent increases to expand the highway system. By 2028, 74% of gas tax revenue going to the state will be turned over to bondholders.





Washington State
Transportation Commission



Transportation Policy and Finance Recommendations

2018 Reflections and Recommendations

Each year, the Commission proposes policies to improve the state transportation system.

Preservation

- Dedicate sustainable funding to preservation and maintenance
- Phase out studded tires over five years

Transportation Finance

- Prioritize investments in the existing system before expanding with new projects
- Establish alternative, sustainable revenues for statewide transportation needs.
- Diversify grant funding sources for cities and counties
- Allow cities and counties to establish the duration of a sales tax supported Transportation Benefit District
- Identify a dedicated revenue source for improvements to increase resilience



2018 Reflections and Recommendations

Best Practices

- Increase revenue dedicated to safety education and enforcement activities
- Identify resources to remove critical fish barriers from transportation facilities
- Develop a transportation equity analysis toolkit



Efficiencies

- Reduce unnecessary permitting delays, especially on preservation and maintenance projects where the potential for environmental impact is minimal
- Manage transportation systems to improve highway and road operations
- Catalog transportation performance measures currently monitored at the state and local level to reduce gaps and duplication

2018 Reflections and Recommendations

Infrastructure Needs

- Enable cities, counties, and transit agencies to expand electric vehicle charging across the state.

Improved Planning and Coordination

- Revise state policies linking transportation and land use as they relate to urban congestion
- Prevent local land use policies from encroaching on Essential Public Facilities that support freight mobility
- Include transit, walking and bicycle access in siting of schools and other public facilities
- Develop a long-term, strategic tolling policy plan
- Explore how transit providers and state agencies can collaborate on mixed-use development

Technology

- Promote interoperable statewide mobility between transit, ferry systems, and mobility service providers





Washington State
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State Tolling Authority

The Importance of Tolling and Fares

Toll revenue pays for debt, maintenance, and operations for each tolled facility. Tolling generated over \$192 million in FY 2018.

- Build a project: \$735 million Tacoma Narrows Bridge
- Manage traffic: I-405 Express Toll Lanes
- Build a project and manage traffic: SR 520 Bridge

Newest toll facilities:

- I-405 Express Toll Lanes from Bellevue to Lynnwood
- SR 99 Tunnel (*tolling begins late summer 2019*)

Future tolling authorized:

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

Ferry Fares will raise \$382 million in 2017 – 2019 biennium, covering about 75% of WSF operating costs



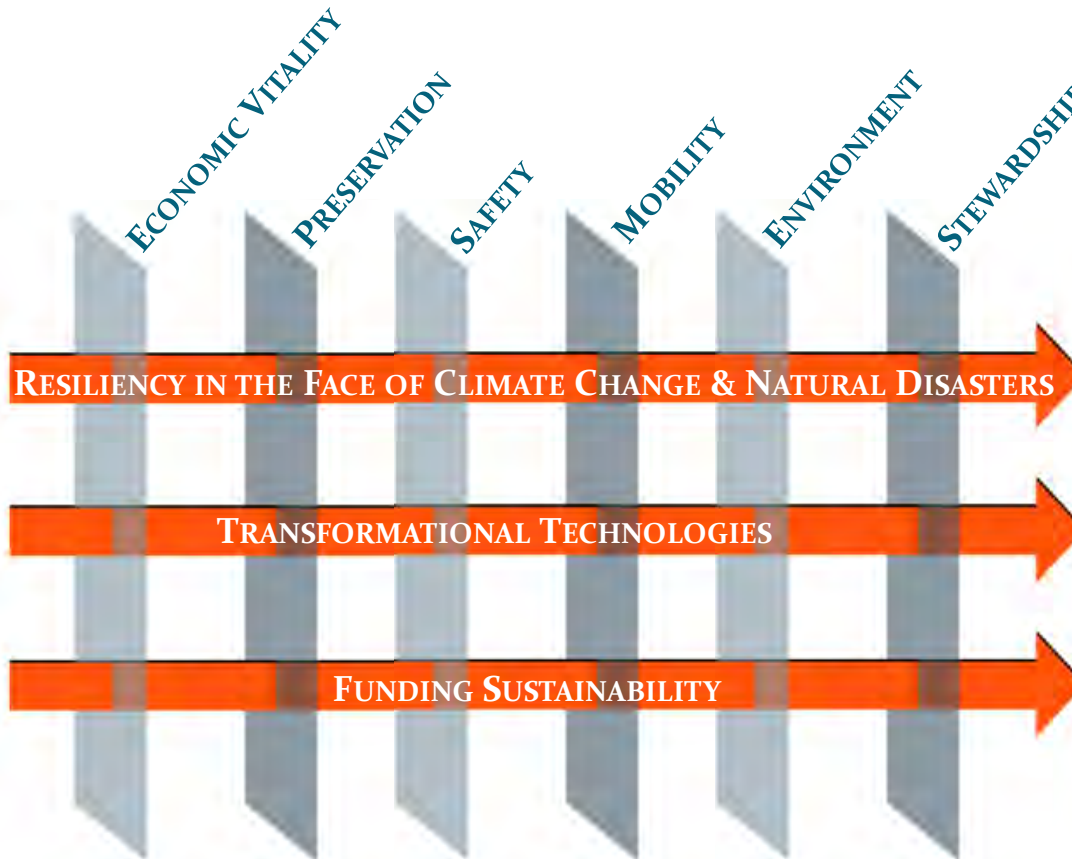


Washington State
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Comprehensive, Balanced 20-year Statewide Transportation Plan

Washington Transportation Plan 2040 and Beyond

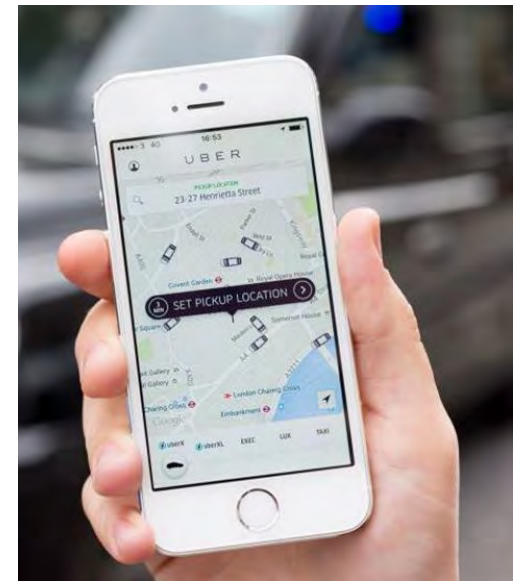
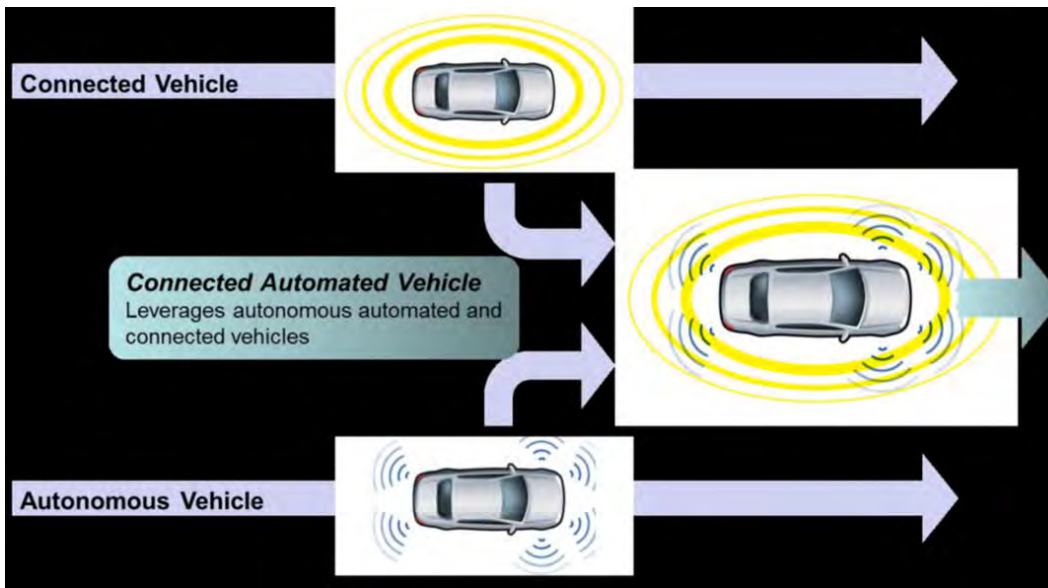


Develop and update every four years ... a comprehensive and balanced statewide transportation plan consistent with the state's growth management goals and based on the transportation policy goals.



How Will Technology Impact Transportation, Land Use, the Economy, and the Environment?

More sprawl? Longer commutes?
Big parking lots not needed?
Prioritize and manage curb space?
Congestion pricing? Or surplus roadways?
Mobility as a Service? Less Public Transportation?





Transportation is paramount to our state's resiliency.

Increasing frequency of severe weather events and disruptions due to climate change will tax resources, infrastructure, and services.



Transportation is critical to:

- Emergency response
- Societal recovery
- Business continuity





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Public Forum for Transportation Policy Development

The Road Usage Charge

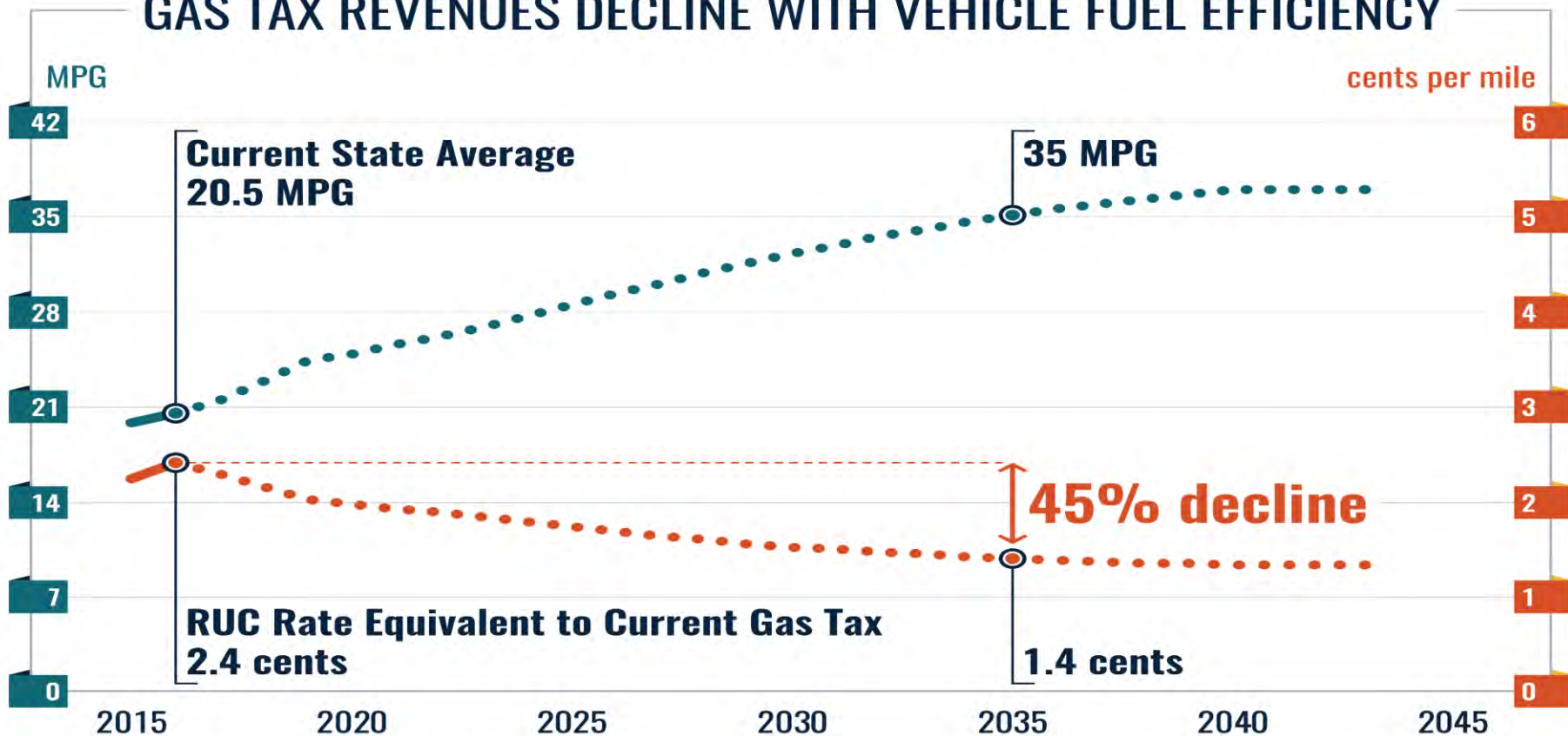


- A road usage charge is a per mile charge drivers would pay for the use of the road system, rather than paying by the gallon of gas
- A viable future funding source in need of further exploration
- <https://waroadusagecharge.org/>

 **WA RUC**

The Future: Improving MPG Erodes Gas Tax Revenues

GAS TAX REVENUES DECLINE WITH VEHICLE FUEL EFFICIENCY



Conservative forecasts say Washington's vehicles will reach a 35 MPG average by 2035—a potential 45% reduction in gas tax revenue per mile driven. As vehicle MPG increases, gas consumption decreases, and thus gas tax revenues decrease as well.

The state gas tax increased in 2015-2016.

Road Usage Charge Assessment

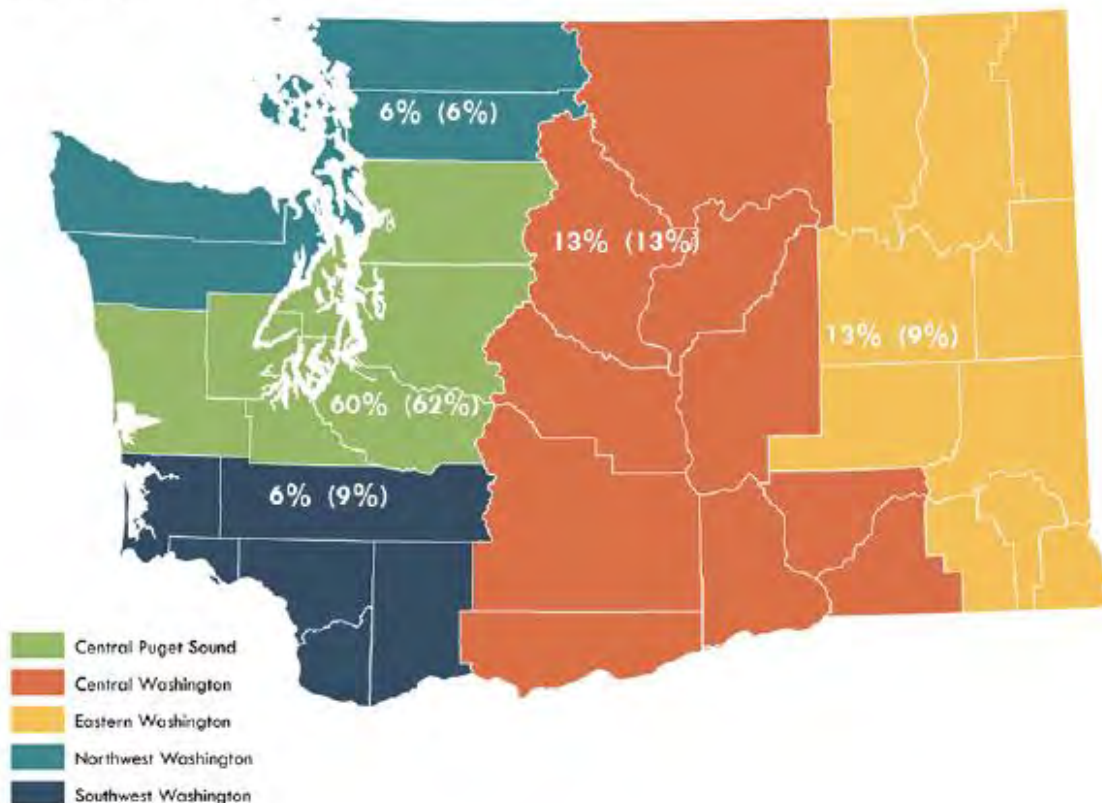
A deliberate and methodical evaluation:

- 2012:** Road usage charging is feasible; many policy and fiscal issues to be resolved
- 2013:** The business case for road usage charging is made; a policy framework developed
- 2014:** Transportation Commission recommends a demonstration project to test road usage charging options, operations, and customer interaction
State Treasurer notes caution around elimination of the gas tax and the role a road usage charge could play in our state financing
- 2015:** Legislature directs continued evaluation and review of work in other states.
Oregon implements a voluntary road usage charge program
- 2016:** Washington gets state and federal funding to prepare for a demonstration project starting in 2018
- 2017:** California concludes a 9-month pilot program with 5,000 vehicles
Washington receives \$8.5 million federal funding for a pilot project involving 2,000 vehicles
- 2018:** Washington conducts pilot project. Analysis continues through 2019.

2018: 2,000 Participants from Around the State in a Road Usage Charge Pilot Program

- 2,000 participants were selected from a pool of nearly 5,000 from around the state to achieve geographic and demographic balance.
- The Pilot tested the technology against out-of-state travel between Oregon, Idaho, and Washington, and travel between Washington and British Columbia.

Percent Enrolled (Share of State Population)





WASHINGTON STATE

AUTONOMOUS VEHICLE WORK GROUP

- Created by Chapter 180, Laws of 2018, its membership includes legislators, agency heads, private sector and local government representatives interested in shaping AV policy
- The Work Group must:
 - Follow developments in AV technology and deployment, and federal, state and local policies that relate to AV operations
 - Include commercial and passenger autonomous vehicles
 - Explore approaches to modifying state policy, rules and laws to further public safety and prepare for AV deployment in the state
 - Disseminate information
- The Transportation Commission must develop recommendations for the operation of autonomous vehicles on public roadways, based upon input from the work group, and report them to the Legislature and Governor



Thank you!
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