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 21 ferries
- Reservation roads, DNR and Forest Service roads
- 465 miles of Columbia-Snake River barge system
- Over 8 million registered passenger vehicles, trucks and motorcycles
- 32 transit systems
- Sidewalks, bike paths, and bicycles
- Amtrak, Sounder, Link light rail, streetcars
- 75 port districts in 33 of 39 counties
- Freight trains, trucking companies and maritime shipping
- Airports and airlines
Transportation in the Past

**Federal**
- Federal gas tax money built 90% of the Interstate System.
- Congress last increased the federal gas tax to 18.4 cents/gallon 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.
- Puget Sound ferries were privately owned and operated until the state bought 16 vessels and 20 terminals in 1951.
- State and local government are contributing a greater share of transportation funding than during the 60s, 70s, and 80s.

**Local**
- Counties and cities receive a smaller percentage of the state gas tax today than they did 20 years ago. Less than ¼ of the state gas tax is distributed to counties and cities.
Where Does the Gas Tax Go?

Where Does the 49.4¢ State Gas Tax Go?

Where Will the 49.4¢ State Gas Tax Go?

- **2021**
  - WSDOT*: 10.1¢ (21%)
  - Cities & Counties (Local Government): 12.0¢ (24%)
  - Legislatively Directed Investments**: 8.4¢ (17%)
  - Debt Service**: 19.3¢ (39%)

- **2031**
  - WSDOT*: 21.0¢ (43%)
  - Cities & Counties (Local Government): 8.0¢ (16%)
  - Legislatively Directed Investments**: 8.0¢ (16%)
  - Debt Service**: 12.0¢ (24%)

Based on the 2021 Supplemental Budget and November 2021 TRFC forecast. Only assumes bond sales through 23-25 Biennium.

* Includes operations, maintenance, preservation and safety improvements.
** Includes funding for projects specified in the 2003 nickel, 2005 Transportation Partnership, and 2013 Connecting Washington acts, as well as funding to pay off bonds funded by pre-2003 fuel tax.

Source: WSDOT, 2022
Investing in Transportation
Infrastructure
Investment & Jobs
Act (IIJA)

Provides $284 billion in new transportation funding nationally over 5 years (FY22 – FY26)
Core Federal-Aid Highway Formula Program *

<table>
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<tr>
<th>Federal Programs</th>
<th>FAST (5 year total)</th>
<th>Infrastructure Invest (5 year total)</th>
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<td>National Electric Vehicle - GF</td>
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* Includes both State and Local funds
2022 Move Ahead Washington

Provides nearly $17 billion over 16 years (FY23 – FY38)

Funding Sources Include:

- Climate Commitment Act: $5.4 billion
- Federal IIJA: $3.4 billion
- General Fund: $2 billion
- License, Permits and Fees: $2.3 billion
- Existing Bond Authority: $956 million
Local Transportation Revenue Sources

- 79% of city and 65% of county transportation revenue is locally generated, including sales and property taxes, and transportation benefit districts.

- 13% of city and 25% of county transportation revenue comes from the state.

- Federal funds contribute 8% to city and 10% to county transportation revenue.

- Transit revenue typically comes from:
  - Locally-approved sales tax
  - Fare box receipts
  - Federal and state grants

- Port revenues comes from user fees, leases, property tax and grants.
Transportation Costs & Household Incomes

Today’s fuel tax represents only 4% of low-income household expenditures but will increase as fuel taxes increase. With RUC, targeted discounts can be offered.
Transportation Commission’s 2022 Priority Recommendations

Submitted to the Legislature & Governor
Bring sustainability to our ferry system

- Establish a long-term funding source
- Enhance and support access to transit services
- Enhance employee retention by eliminating seasonal layoffs
- Increase wages to attract and retain a more diverse workforce
One size does not fit all – Rural Washington needs customized project delivery approach

- Customize project prioritization processes
- Customize transportation system policies and expectations
- Provide direct funding to Regional Transportation Planning Organizations to fund regional needs
Transportation equity is central to achieving free & accessible movement for all

- Disaggregate data to understand transportation inequities
- Use environmental health-related disparities data maps to prioritize transportation investments
- Proactively engage historically marginalized communities in transportation decision-making
- Use equity analysis to evaluate the benefits and impacts of proposed policies and investments
- Ensure policies support all people feeling safe
Proactively plan for the emerging Cascadia Mega-Region encompassing Portland-Seattle-Vancouver, B.C.

- Advance the policy recommendations in Vision 2050
- Leverage High-Speed Rail transit to connect urban centers to hub cities
- Establish a multi-jurisdictional structure to begin planning and coordinating investments
Establishing Sustainable Transportation Funding

Transitioning from the Gas Tax to a Road Usage Charge
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.
Taxing Gallons of Gas has Fairness & Equity Challenges

- The gas tax is fair because it is based on a simple principle: user pays, user benefits.
  - The more drivers use the roads, the more gas they purchase, thus the more drivers pay in gas taxes used for the maintenance and construction of roads.

- However, as the adoption of EV’s and hybrids expands, the gas tax has moved more toward a “some users pay/all users benefit” model.

- RUC returns us to the user pay, user benefits principle.
A road usage charge (RUC) is a per-mile charge. Drivers would pay for roads based on actual miles driven, instead of paying based on gallons of gas consumed.

**Oregon** and **Utah** have enacted RUC programs and are collecting per-mile charges from drivers.

**Virginia** enacted a program in 2020 which will launch in 2022.
Legislative Direction to the WSTC

2012 Legislative Mandate: Assess RUC’s suitability as a sustainable, long-term revenue source that could replace the current state gas tax.

High-level parameters:

► During a transition period of moving from the gas tax to a road usage charge, drivers would owe one or the other, but not both.

► To compare the gas tax against a road usage charge, analyze and test a per-mile rate that is equivalent to the state’s 49.4 cent/gallon gas tax.
  ◦ State Gas Tax 49.4 ÷ 20 mpg (state average) = 2.4 cents / mile

► Provide drivers’ a choice for how their vehicle mileage is collected, reported and paid.
Washington’s RUC Pilot Project

- **2018-2019, year-long**, statewide test of Washington-designed RUC system for **2,000** test-drivers
- **Cross-border testing:**
  - City of Surrey, BC
  - Idaho Transportation Department
  - Oregon Department of Transportation
- **Additional partners:** Seattle Electric Vehicle Association and Plug-in America
RUC Mileage Reporting Methods – Drivers Choose

**ODOMETER READING**
- 28% use
- Post-pay for miles reported quarterly
- Report miles either electronically or in person

**MILEAGE PERMIT**
- 1% use
- Pre-select a block of miles (1,000, 5,000, 10,000)
- Report odometer either electronically or in person every three months
- Obtain additional miles as needed to keep mileage permit valid

**MILEMAPPER SMARTPHONE APP**
- 14% use
- Records miles using a smartphone
- Works with all vehicles
- Navigational GPS can be turned on/off
- Available only on iPhone iOS

**PLUG-IN DEVICES (WITH OR WITHOUT GPS)**
- 56% use
- 37% with GPS
- 19% without GPS
- Automated mileage meter with GPS and non-GPS options
- Plugs into OBD-II ports in vehicles 1996 or newer
- GPS-enabled devices automatically deduct out-of-state miles
What you drive will determine the cost impact of RUC:
- Less fuel efficient vehicles will see a decrease in the amount of taxes paid
- More fuel efficient vehicles will see an increase in the amount of taxes paid
- The total effect is that all drivers pay the same rate to use the roads—regardless of their vehicle’s MPG
Low-Income & Rural Household RUC Financial Impacts

- Fuel tax currently amounts to 1.4% of total low-income household expenditures, on average.
- Rural households would save under a RUC compared to the gas tax, on average around $25 per year savings.
- The average low-income household would also save a modest amount, compared to the gas tax (<$10 per year savings).
Tolling Provides Needed Funding & Helps Manage System Demands
Toll Roads & Bridges, Ferry Fares

• Nationally, tolls are increasingly used to finance transportation improvements.

• Washington uses congestion pricing and variable toll rates to manage traffic as well as raise revenue.

• Toll revenue pays for debt, maintenance, and operations for each tolled facility. Tolling generated about $148 million in FY 2021, down about $31 million from FY 2020.

• Ferry Fares are expected to raise about $356 million in the 2021-23 biennium, covering nearly 61% of WSF operating costs.
Current Toll Facilities in Washington

SR 16 Tacoma Narrows Bridge
- State’s first electronic tolling facility opened July 2007

SR 167 HOT Lanes
- State’s first high-occupancy toll lanes launched May 2008

SR 520 Bridge
- Urban Partnership
- Pre-construction tolls began Dec. 2011

I-405 Express Toll Lanes
- First phase between Bellevue & Lynnwood began Sept. 2015

SR 99 Tunnel
- Opened Feb. 2019
- Tolling began in Nov. 2019

**Flat toll rates** repay construction bonds.

**Dynamic toll rates** manage traffic performance, no debt issued.

**Variable toll rates** to repay bonds and manage traffic.

**Dynamic toll rates** manage traffic performance, no debt issued.

**Variable toll rates** to repay bonds and manage traffic.
An Expanding Tolling System

Authorized Future Toll Facilities – Mid 2020s

- I-405 Express Toll Lanes (Renton to Bellevue)
- Puget Sound Gateway Program
  - SR 167 Expressway
  - SR 509 Expressway

Possible Toll Facilities Pending On-Going Analysis and Legislative Approval

- I-5 Columbia River Bridge Replacement
- US 2 Westbound Trestle Replacement
Washington State Tolling

Who’s Involved?

Transportation Commission Serves as the State Tolling Authority
Thank you!

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