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
Where Does the Gas Tax Go?

Where Does the 49.4¢ State Gas Tax Go?

- 19.3¢ (39%)
- 8.0¢ (16%)

2021

10.1¢ (21%)
12.0¢ (24%)

Where Will the 49.4¢ State Gas Tax Go?

- 21.0¢ (43%)
- 8.0¢ (16%)

2031

8.4¢ (17%)
12.0¢ (24%)

Source: WSDOT, 2022

* Includes operations, maintenance, preservation and safety improvements.
** Includes funding for projects specified in the 2003 Nickel, 2005 Transportation Partnership, and 2015 Connecting Washington acts, as well as funding to pay off bonds funded by pre-2003 fuel tax.

Based on the 2021 Supplemental Budget and November 2021 TRFC forecast. Only assumes bond sales through 23-25 Biennium.
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>
<thead>
<tr>
<th>Federal Programs</th>
<th>FAST (5 year total)</th>
<th>Infrastructure Invest (5 year total)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway Performance Program (NHPP)</td>
<td>1,972,723,579</td>
<td>2,289,951,997</td>
<td>317,228,418</td>
</tr>
<tr>
<td>Surface Transportation Block Grant Program (STBGP)</td>
<td>1,049,371,172</td>
<td>1,327,224,449</td>
<td>277,853,277</td>
</tr>
<tr>
<td>Highway Safety Improvement Program (HSIP)</td>
<td>192,445,996</td>
<td>225,874,836</td>
<td>33,428,840</td>
</tr>
<tr>
<td>Railroad Crossing - Safety</td>
<td>23,993,991</td>
<td>25,251,713</td>
<td>1,257,722</td>
</tr>
<tr>
<td>Congestion Mitigation and Air Quality (CMAQ)</td>
<td>187,143,182</td>
<td>216,864,306</td>
<td>29,721,124</td>
</tr>
<tr>
<td>National Highway Freight Program (NHFP)</td>
<td>105,334,603</td>
<td>139,821,743</td>
<td>34,487,139</td>
</tr>
<tr>
<td>Statewide Planning and Research (SPR)</td>
<td>70,311,395</td>
<td>82,021,506</td>
<td>11,710,110</td>
</tr>
<tr>
<td>Metropolitan Planning</td>
<td>37,888,336</td>
<td>44,104,268</td>
<td>6,215,932</td>
</tr>
<tr>
<td>Transportation Alternatives</td>
<td>54,926,192</td>
<td>62,246,210</td>
<td>7,320,018</td>
</tr>
<tr>
<td>Recreational Trails</td>
<td>9,431,350</td>
<td>10,599,972</td>
<td>1,168,622</td>
</tr>
<tr>
<td>Ferry Boats</td>
<td>76,535,345</td>
<td>108,840,840</td>
<td>32,305,495</td>
</tr>
<tr>
<td>Carbon Reduction Program</td>
<td>-</td>
<td>106,627,678</td>
<td>106,627,678</td>
</tr>
<tr>
<td>PROTECT</td>
<td>-</td>
<td>121,243,310</td>
<td>121,243,310</td>
</tr>
<tr>
<td>Bridge Replacement - GF</td>
<td>611,052,694</td>
<td>611,052,694</td>
<td>0</td>
</tr>
<tr>
<td>National Electric Vehicle - GF</td>
<td>71,589,010</td>
<td>71,589,010</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,780,105,142</strong></td>
<td><strong>5,443,314,532</strong></td>
<td><strong>1,663,209,390</strong></td>
</tr>
</tbody>
</table>

* 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:
  o Locally-approved sales tax
  o Fare box receipts
  o 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.
Establishing Sustainable Transportation Funding

Transitioning from the Gas Tax to a Road Usage Charge
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.
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.
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
- Tested five different mileage reporting options, from no-tech. to high tech.
- Cross-border testing:
  - City of Surrey, BC
  - Idaho Transportation Department
  - Oregon Department of Transportation
- Additional partners: Seattle Electric Vehicle Association and Plug-in America
Research Continues:  
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)

For more information on the RUC Assessment visit: https://waroadusagecharge.org/
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

<table>
<thead>
<tr>
<th>Washington State Legislature</th>
<th>Transportation Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>◢ Authorizes toll facilities</td>
<td>◢ Sets toll rates and exemptions</td>
</tr>
<tr>
<td>◢ Determines how toll revenue is spent</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WSDOT</th>
<th>Office of State Treasurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>◢ Plans, builds and operates toll facilities</td>
<td>◢ Arranges financing and issues debt</td>
</tr>
</tbody>
</table>
Thank you!

wstc.wa.gov
transc@wstc.wa.gov