



# Washington State Transportation Commission

## Olympia Meeting Summary July 19 & 20, 2022

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### July 19, 2022

Chair Roy Jennings opened the meeting at 9:00 am with introductions by commission members and staff, an overview of the agenda, and virtual meeting protocols.

### Agenda Item 2:

#### Electrification of Heavy Duty Trucks and Vehicles

##### Presenters:

- Bruce Agnew, Director, Cascadia Center, and ACES NW Network Discovery Institute
- Jeremy Butzlaff, Chief Executive Officer, MTR Western Intercity Bus and Shuttles
- Stephanie Bowman, Strategic Logistics Adviser, Pacific Northwest Economic Region

The panel briefed the Commission on the challenges associated with the electrification of medium and heavy-duty trucks and buses. The Northwest Seaport Alliance (NWSA), along with the Port of Vancouver, British Columbia, recently created a goal as part of their clean air strategy to reduce seaport-related activities to zero-emissions by 2050. Approximately 3,600 diesel drayage trucks serve the NWSA, all of which will need to be phased out over the next 30 years in order to accomplish this goal. There exist several challenges in this, including the affordability of heavy-duty electric trucks and electricity, the build out and placement of accessible and functional charging stations, and the reskilling of drivers and mechanics to service these vehicles.

##### Presentation:

#### [Electrification of Heavy Duty Trucks and Vehicles](#)

For more detail on agenda item 2, please refer to the [TVW Meeting Recording](#), starting at 00:03:16, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

### **Agenda Item 3:**

#### **June State Transportation Revenue Forecast – General Overview and Tolling**

##### **Presenters:**

- Doug Vaughn, Chief Financial Officer, Washington State Department of Transportation
- Pani Saleh, Director, Toll Business Administration Tolling Division, Washington State Department of Transportation

Mr. Vaughn and Ms. Selah updated the Commission on the results from the latest June 2022 transportation revenue forecast for Washington State’s tolled facilities. In the near-term (FY 2022-24), toll revenues are forecasted to be about 2.1% (or \$13.5 million) lower than the prior February 2022 forecast. However, in the long-term (FY 2025-31), toll revenues are forecasted to be about 2.2% (or \$39.9 million) greater than the February 2022 forecast. Over the full ten-year forecast horizon, toll revenues still lag behind the pre-COVID November 2019 forecast by about 16.6% (or \$448.6 million). The Tacoma Narrows Bridge continues to have the fastest recovery among tolled facilities, while the SR 99 tunnel has had the slowest recovery.

##### **Presentations:**

[June 2022 - Transportation Revenue Forecast](#)

[Toll Facilities - June 2022 T&R Forecast](#)

For more detail on agenda item 3, please refer to the [TVW Meeting Recording](#), starting at 01:05:51, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

### **Agenda Item 4:**

#### **Tacoma Narrows Bridge Rate Setting - *ACTION***

##### **Presenter:**

- Carl See, Deputy Director, Washington State Transportation Commission
- Aaron Halbert, Financial Analyst, Washington State Transportation Commission

During the 2022 Washington State Legislative session, the Legislature committed \$130 million in transfers from the General Fund to the Tacoma Narrows Bridge (TNB) Account over 10 years (FY 2023 - 2032) with the intent for the Commission to adjust toll rates on the TNB. In May 2022, the Commission selected three rate reduction options to advance for purposes of public input, with a targeted effective date of October 1, 2022. The three rate reduction options are as follows:

- Option 1: Flat 75 cents toll rate reduction for only two-axle vehicles
- Option 2: Flat 75 cents toll rate reduction for all vehicles
- Option 3: Flat 75 cents toll rate reduction for two-axle vehicles, with a per axle multiplier applied for vehicles with 3+ axles

Mr. See provided an update of the financial analysis to reflect the June 2022 Transportation forecast. All three rate reduction options remain financially viable with relatively little variation between them: Option 1 is expected to cost about \$101.2 million, Option 2 about \$103.8 million, and Option 3 about 106.9 million.

Mr. Halbert provided an overview of the results from the Commission’s Online Public Input Forum, which was open from June 13 – June 30, 2022. During this time, the Commission received over 13,000 completed survey responses and over 7,300 open-ended comments. Most survey respondents ranked Option 1 as their most preferred option. However, all three reduction options received at least 30% of respondents most preferred votes.

Commissioners discussed their preference for Option 3 due to its consistency with the Commission’s standard rate setting process and the fact that it provides the greatest immediate benefit to the most people.

**Presentation:**

[2022 TNB Rate Setting](#)

For more detail on agenda item 4, please refer to the [TVW Meeting Recording](#), starting at 01:34:13, on the progress bar found at the bottom of the screen.

**Action:** Commissioner Litt moved the adoption of Option 3 as the Commission’s formal CR-102 toll rate proposal for the TNB, for which further public comment will be sought. Commissioner Restucci seconded the motion. The motion was approved, 6-0-1 excused.

**Follow-Up:** File the CR-102 with the selection option.

**Agenda Item 5:**

**June State Transportation Revenue Forecast – Washington State Ferries**

**Presenter:**

- John Vezina, Director, Community Services and Planning, Washington State Ferries, Washington State Department of Transportation

Mr. Vezina provided an update on the June 2022 Ridership and Fare Revenue Forecasts for Washington State Ferries (WSF). In FY 2022, overall ferry ridership grew by about 12% from the prior year. However, ridership is still about 29% below pre-COVID levels. The June 2022 forecast estimates \$355.10 million in farebox revenues for the 2021-2023 biennium (down 4% or \$14.88 million from the February 2022 forecast) and \$419.69 in farebox revenues for the 2023-25 biennium (down 3.7% or \$16 million from the February 2022 forecast). This is largely due to the ongoing effects of the COVID-19 pandemic, the elimination of youth passenger fares which take effect October 1, 2022, and revised analysis of vehicle capacity constraints.

**Presentation:**

[WSF - June 2022 Revenue Forecast](#)

For more detail on agenda item 5, please refer to the [TVW Meeting Recording](#), starting at 02:24:12, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

## **Agenda Item 6:**

### **Implementing the Healthy Environment for All (HEAL) Act**

#### **Presenters:**

- Alberto Valentin, Community Engagement and Environmental Justice Manager, Office of Equal Opportunity, WSDOT HEAL Act Co-Lead, Washington State Department of Transportation
- Charlene Kay, Region Planning and Strategic Community Partnerships Director, Eastern Region, WSDOT HEAL Act Co-Lead, Washington State Department of Transportation

Passed in 2021, the Healthy Environment for All, (HEAL) Act, directs state agencies to incorporate environmental justice into their decision-making process whenever significant action is taken. The Commission learned about the overall structure of the legislation and considerations for community engagement activities.

The HEAL Act defines environmental justice in state law and incorporates its principals into strategic and community engagement plans which will provide fair treatment and an equitable distribution of benefits. Environmental justice is defined as the fair treatment and meaningful involvement of all people regardless of race, color, culture, national origin, income, and educational levels with respect to the development, implementation, and enforcement of protective environmental laws, regulations, and policies. The HEAL Act covers seven state agencies: the Washington State Department of Health, Puget Sound Partnership, and the state departments of Agriculture, Commerce, Ecology, Natural Resources, and Transportation. Agencies which are not covered by the HEAL Act, such as the WSTC, are able to opt in.

#### **Presentation:**

##### [HEAL Act](#)

For more detail on agenda item 6, please refer to the [TVW Meeting Recording](#), starting at 02:44:47, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

## **Agenda Item 7:**

### **Building the Guemes Island All-Electric Ferry Service**

#### **Presenters:**

- Commissioner Lisa Janicki, Skagit County
- Jacob Gerlach, Marine Engineer, Glosten
- Rachel Rowe, Cpt. Ferry Operations Division Manager, Public Works Department Skagit County

The panel provided an overview of Skagit County's first all-electric ferry, which will provide service to Guemes Island from the Anacortes Terminal. The current Guemes Island ferry operates on a 30-minute round-trip cycle for about 12 hours a day, which will be maintained with the new electric vessel. Overall energy costs will also see about a 50% drop, from as much as \$24,000 per month to as little as \$10,000 per month. These savings will be somewhat offset by

the cost of replacement batteries and maintenance costs; however there are still expected to be significant cost savings over the life of the vessel.

Skagit County's Ferry Replacement Program, which includes design & permitting, vessel construction, shore side electrical systems construction, and terminal improvements construction, has been fully funded at about \$30.2 million. Skagit County expects to release their bid package for the construction of the vessel in October 2022 and anticipates the vessel to be completed and put into service in January 2025.

**Presentation:**

[Skagit County Guemes Island Electric Ferry](#)

For more detail on agenda item 7, please refer to the [TVW Meeting Recording](#), starting at 03:40:01, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

**Agenda Item 8:**

**Pricing Oregon's Regional Transportation System**

**Presenter:**

- Lucinda Broussard, Tolling Program Director, Oregon Department of Transportation

The Oregon Department of Transportation (ODOT) is in the process of implementing a toll program in order to manage traffic flow and generate revenue for key transportation system improvements. Ms. Broussard provided an overview of the structure of the new toll program, current plans for tolling and congestion pricing, and the department's schedule for implementation.

ODOT's first tolling project will be the Abernathy and Tualatin bridges on I-205, expected to begin in late-2024. ODOT's second tolling project, the Regional Mobility Pricing Project (RMPP) will apply variable toll rates on all lanes of I-5 and I-205 in the Portland metro, expected to begin in early-2026. And lastly, ODOT expects to begin pre-completion tolling for the Interstate Bridge Replacement (IBR) project in late-2025.

**Presentation:**

[Oregon Department of Transportation Tolling Plans](#)

For more detail on agenda item 8, please refer to the [TVW Meeting Recording](#), starting at 04:10:01, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

## **Agenda Item 9: Ferry Riders Opinion Group (FROG) Survey Results**

### **Presenters:**

- Bill Young, Survey Program Advisor, Research Assurance
- John Vezina, Director, Community Services and Planning, Washington State Ferries, Washington State Department of Transportation

Mr. Young presented results from the Ferry Riders' Opinion Group (FROG) 2022 Winter Performance Survey. The survey was conducted from March 28, 2022, through April 18, 2022, regarding respondents' personal experience riding Washington State Ferries from January through March 2022. Only 39% of respondents reported being either somewhat satisfied or extremely with WSF's services, which is significantly lower than in previous years. Ontime and dependable departures appears to be the key driver of the drop in overall satisfaction. 50% of respondents, however, still consider WSF to be a good value overall.

Mr. Vezina provided an update on WSF's ferry service plan as they work to address their ongoing operational challenges. A return to pre-COVID service levels will depend on WSF's ability to address staffing shortages, ridership levels, vessel shortages, and the trajectory of the COVID-19 pandemic itself. Currently, four routes are running on regular service, and four routes are running on alternative reduced service.

### **Presentation:**

[FROG - 2022 Winter Performance Survey](#)

[FROG Survey Results](#)

For more detail on agenda item 9, please refer to the [TVW Meeting Recording](#), starting at 04:37:41, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

Chair Roy Jennings reminded the Commission that the meeting will continue Wednesday, July 20, 2022, and recessed the meeting.

## **DAY 2: July 20, 2022**

Chair Roy Jennings opened the meeting at 9:00 am with introductions by commission members and staff, an overview of the agenda, and virtual meeting protocols.

### **Agenda Item 11: Secretary's Report**

#### **Presenter:**

- Amy Scarton, Deputy Secretary, Washington State Department of Transportation

Deputy Secretary Scarton updated the Commission on the Washington State Department of Transportation's (WSDOT) activities.

**Presentation:** There was no associated presentation.

For more detail on agenda item 11, please refer to the [TVW Meeting Recording](#), starting at 00:02:50, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

### **Agenda Item 12: Next-Gen Car Sharing: Driverless Doorstep Delivery Coming to Bellevue**

#### **Presenters:**

- Anand Nandakumar, Founder and CEO, Halo.car
- Daniel Lai, Smart Mobility Manager, City of Bellevue
- Craig Schieber, Director, Strategy and Planning, T-Mobile

The panel briefed the Commission on Halo.car, a remote-piloted electric car rental service that is coming to the Puget Sound this summer with collaboration from T-Mobile and the City of Bellevue. Halo currently charges \$15 per hour to rent one of their vehicles, which offers a unique mixture of convenience and affordability for customers when compared to other car sharing services or the cost of EV ownership. This year, Halo launched their service in Las Vegas and plans to expand to two other cities in 2023, including Bellevue.

#### **Presentation:**

[Halo.car](#)

For more detail on agenda item 12, please refer to the [TVW Meeting Recording](#), starting at 00:13:00, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

## **Agenda Item 13:** **The Future of Transit in Washington State**

### **Presenter:**

- Justin Leighton, Executive Director, Washington State Transit Association

Mr. Leighton updated the Commission on transit service performance across the state, operational challenges, and opportunities that are emerging with the new federal funding provided in the federal Infrastructure Investment and Jobs Act (IIJA) funding program and the state's Move Ahead Washington revenue package. Transit agencies continue to struggle to keep service levels maintained as COVID-19 impacts daily staffing levels. Through the first four months of the pandemic, weekday ridership saw a 71% drop. Weekday ridership has increased over the following months; however it is still only about 56% of pre-COVID ridership. So far, non-Puget Sound Urban agencies have experienced the greatest return in ridership.

The federal IIJA, signed into law in November 2021, authorized an additional \$45 billion for transit over FY 2022-26, bringing federal public transportation funding up to \$108 billion for those years. The state's Move Ahead Washington revenue package provides over \$3 billion over 16 years across 8 transit grant programs. Challenges such as inflation and workforce shortages will need to be considered in order for the vision of the state and federal investments to be realized.

### **Presentation:**

[WSTA - Future of Transit](#)

For more detail on agenda item 13, please refer to the [TVW Meeting Recording](#), starting at 00:37:57, on the progress bar found at the bottom of the screen.

**Action:** None.

**Follow-Up:** None at this time.

## **Agenda Item 14:** **Sustainability of Current Toll Rates on SR 520 and SR 99**

### **Presenter:**

- Jason Richter, Deputy treasurer for Debt Management, Office of the State Treasurer

Mr. Richter briefed the Commission on the sustainability of toll rates on the SR 520 Bridge and the SR 99 Tunnel based on the most recent forecast information. American Rescue Plan Act (ARPA) funds and the delay of deferred sales tax payments have lessened the need for a toll rate increase on the SR 520 Bridge in the near term. However, a toll rate increase may be needed in the next 2-3 years prior to the issuance of \$254 million in third tier triple pledge bonds. There exists about a 16-30% permanent drop in projected revenues for the SR 99 Tunnel compared to June 2021 forecast information. Toll rate increases and legislative assistance are likely to be needed in order to remedy the shortfall.

### **Presentation:**

[OST Tolling Update](#)

For more detail on agenda item 14, please refer to the [TVW Meeting Recording](#), starting at 01:21:53, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

### **Agenda Item 15:**

#### **Advancing Electric Freight Truck Technology**

**Presenter:**

- Mike Gerty, Director of Advanced Research, PACCAR Inc

Mr. Gerty provided an overview on PACCAR Inc’s strategies for adopting zero-emission technologies. PACCAR Inc, one of the largest truck manufacturing companies in the world, offers heavy and medium duty battery electric vehicles (BEV), charging hardware, installation, and software and service. Currently, BEVs cost 2-3 times that of a diesel truck. Strong incentives, in addition to public charging infrastructure, will be necessary to increase the sales of BEVs.

**Presentation:**

[Advancing Electric Freight Truck Technology](#)

For more detail on agenda item 15, please refer to the [TVW Meeting Recording](#), starting at 01:44:44, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

### **Agenda Item 16:**

#### **Implementing the “18 & Under Ride Free” Ferry Fare Policy**

**Presenter:**

- John Vezina, Director, Community Services and Planning, Washington state Ferries, Washington State Department of transportation

Mr. Vezina updated the Commission on the operational considerations and impacts of the 18 & Under Ride Free Ferry Fare Policy, along with next steps and plans for carrying it out this fall. Following the June 2022 forecast, WSF refined the estimated cost for the policy based on a detailed review of actual youth ridership data by route. An additional \$39-51 million may be necessary to fund the program over the 16-year period that the program was funded for.

WSF has been working with transit partners to determine an implementation strategy for the policy. WSF plans to encourage the use of ORCA Youth Pass to facilitate youth transactions. In addition, WSF has established an internal work group to resolve additional implementation considerations such as safety and security challenges, signage changes, and the sale of discount fares at unstaffed kiosks. The 18 & Under Ride Free Ferry Fare Policy will go into effect on October 1, 2022.

**Presentation:**

[WSF - Free Youth Transit Pass Policy](#)

For more detail on agenda item 16, please refer to the [TVW Meeting Recording](#), starting at 02:22:18, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

**Agenda Item 17:  
Public Comment**

**Tom Thiersch:** Mr. Thiersch expressed concern about the effects of annual 2.5% ferry fare increases and their impacts on ridership. He suggested that the Commission, WSF, and the State Legislature all need to work together to develop a funding model that puts less burden on the customer.

**John Harpe:** Mr. Harpe provided two questions in the Zoom Q&A box regarding the extent to which the Commission can contribute to (1) maritime emergency preparedness and (2) clearing water transportation routes for vessels and amphibious aircrafts under tsunami inundations.

Ms. Griffith responded that the Commission does not have jurisdiction over waterway operations or emergency preparations, which fall under the Coast Guard and potentially other federal agencies.

**Joe Kunzler:** Mr. Kunzler expressed concern around Sound Transit's continued request to be a part of the state grant program even though they have special revenue tools, such as property and car tabs taxes, that other transit agencies throughout the state do not. Mr. Kunzler also requested that the Commission do not use the Zoom chat function which the public does not have access to.

**Presentation:** There was no associated presentation.

For more detail on agenda item 17, please refer to the [TVW Meeting Recording](#), starting at 02:35:35, on the progress bar found at the bottom of the screen.

**Action:** None

**Follow-Up:** None at this time.

## **Agenda Item 18:**

### **Commission Business**

#### **Presenters:**

- Reema Griffith, Executive Director, Washington State Transportation Commission
- Carl See, Deputy Director, Washington State Transportation Commission

#### **Commissioner Reflections and Reports**

- Good to hear from WSTA and the current state of transit.
- Excited to hear about the HEAL Act implementation and hope that the Commission can opt into policy considerations and community outreach guidelines that are being set up.
- Enjoyed hearing about the Halo.car program, which seems very exciting for urbanized areas.
- Struck by the new technologies and their roll outs, but concerned about the intersection between the transformation of the transportation system and energy supply.
- Lots of exciting, promising technology. However, the ferry and transit systems are struggling. The outlook on tolling is also troubling.
- Lots of work that is ahead of us, particularly with tolling on the SR 99 tunnel and ferries.

#### **June Meeting Summary & Modification to Union Gap Meeting Summary**

There were no revisions requested for the June meeting summary. All Aboard Washington requested a modification for the Union Gap meeting summary. Commissioners approved the June meeting summary and the updated Union Gap meeting summary. Both meeting summaries will be posted to the WSTC website.

#### **Budget Preparations for the 2023 Legislative Session – *ACTION***

Ms. Griffith briefed the Commission on budget preparations for the upcoming 2023 Legislative Session. Budgets are due to OFM no later than September 20, 2022. The Commission will be submitting one decision package to fund the Washington Transportation Plan update.

**Action:** Commissioner Fukai moved that the Commission delegate the chair and vice-chair to approve the final budget document. Commissioner Litt seconded the motion. The motion was approved, 7-0.

#### **Hood River Traffic and Revenue Study**

Mr. See provided an update on the Hood River Traffic and Revenue Study. In May 2022, the Commission put forward a Request for Qualifications (RFQ) and is now in the process of negotiating the scope of work and final contract with the selected consultant, CDM Smith. The Commission anticipates the project being underway by August or September 2022 with a completion date of June 2023.

#### **Update on September West Coast Commission Meeting Agenda in Eugene**

Ms. Griffith provided an overview of the upcoming West Coast Commission Meeting Agenda located in Eugene, Oregon.

Following the meeting, it was decided to cancel the West Coast Commission Meeting due to concerns with the spread of COVID-19.

**Future Commission Meetings – Virtual vs In-person**

The Commission discussed plans for future Commission Meetings. The Commission decided to stay virtual for the Olympia meetings through March 2023 and to meet in-person for local meetings coming up in Battle Ground and Anacortes.

**Presentation:** There was no associated presentation.

For more detail on agenda item 18, please refer to the [TVW Meeting Recording](#), starting at 02:43:50, on the progress bar found at the bottom of the screen.

**Follow-Up:** None at this time.

**Chair Jennings adjourned the meeting at 1:00pm**

The next Commission meeting will be held in person in Battle Ground, WA, on September 13 & 14, 2022.