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%
- 10.1¢, 21%
- 8.0¢, 16%
- 12.0¢, 24%

Where Will the 49.4¢ State Gas Tax Go?

- 21.0¢, 43%
- 8.4¢, 17%
- 12.0¢, 24%

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

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

*Includes both State and Local funds*

<table>
<thead>
<tr>
<th>Federal Programs</th>
<th>FAST (5 year total)</th>
<th>Infrastructure Invest (5 year total)</th>
<th>Difference</th>
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<tr>
<td>National Highway Performance Program (NHPP)</td>
<td>1,972,723,579</td>
<td>2,289,951,997</td>
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<td>Surface Transportation Block Grant Program (STBGP)</td>
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<td>Congestion Mitigation and Air Quality (CMAQ)</td>
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<td>Metropolitan Planning</td>
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<td>Recreational Trails</td>
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<td>10,599,972</td>
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<td>Ferry Boats</td>
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<td>108,840,840</td>
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<td>Carbon Reduction Program</td>
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<td>PROTECT</td>
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<td>Bridge Replacement - GF</td>
<td>-</td>
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<td>National Electric Vehicle - GF</td>
<td>-</td>
<td>71,589,010</td>
<td>71,589,010</td>
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</tbody>
</table>

|                                      | 3,780,105,142 | 5,443,314,532 | 1,663,209,390 |

Comparison of FAST Act vs. Infrastructure Investment and Jobs Act For Washington State
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
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 is expected to generate about $182 million in FY 2022, up about $33 million from FY 2021.

• Ferry Fares are expected to raise about $343 million in the 2021-23 biennium, covering about 58% 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

- **Washington State Legislature**
  - Authorizes toll facilities
  - Determines how toll revenue is spent

- **Transportation Commission**
  - Sets toll rates and exemptions

- **WSDOT**
  - Plans, builds and operates toll facilities

- **Office of State Treasurer**
  - Arranges financing and issues debt
Thank you!

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