



ADDRESSING CRITICAL NEEDS: PRESERVING THE INTEGRITY OF WASHINGTON'S TRANSPORTATION SYSTEM

Last year, Governor Gregoire convened the Connecting Washington Task Force. Its charge was to create a 10-year plan to maintain and improve the state's transportation system for consideration during the 2012 legislative session. Among its findings were that our transportation system faces enormous challenges in such measures as an increase in number of vehicle miles traveled and in public transit and ferry ridership. Connecting Washington recommended a \$21 billion investment.

Washington's transportation system is the lifeblood of our economy. Its scope is as wide as it is vital:

Freight

- Freight-dependent businesses represent 44 percent of the state's jobs
- Companies move \$37 billion worth of freight on Washington roadways hourly

Highways

- 18,500 state highway lane miles
- 87 million vehicle-miles per day driven
- More than 3,600 bridges and structures

Ferries

- 22.3 million passengers per year
- 22 vessels, 19 terminals
- 900 total sailings per day

Passenger rail

- More than 750,000 passengers per year

Freight rail

- 3,600 miles of operated public and private freight railroads move 103 million tons of freight

Transit

- Commute programs support more than 810,000 workers statewide, which cuts 170 million vehicle miles traveled per year
- 2,400 vans form the largest public fleet in the nation

Without funding for maintenance, we face such consequences as elimination of five ferry routes and reductions on two others. We risk further deterioration of state highways, leading to hazardous conditions. And we risk compromising bridge safety and triggering freight-restricting weight limits.



At the same time that population pressures and economic growth are placing greater demands on our transportation system, our purchasing power to maintain and improve the system is diminishing. This was caused by Initiative 695, which reduced the revenue collected through the Motor Vehicle Excise Tax by more than \$750 million annually. Passage of I-695 also cut state support for the ferries. Today, the ferry system is more dependent on passenger fares and transfers from other state transportation funds for its operating costs. With the loss of the Motor Vehicle Excise Tax, nearly 75 percent of the funding for local transit agencies now comes from the sales tax, which is especially volatile during periods of economic uncertainty.

Although voters have passed two fuel tax increases, these funds have been exhausted:

- » The 2003 Nickel Package passed by the voters is committed for paying off the bonds sold to fund 160 completed transportation projects.
- » The 2005 Transportation Partnership Package is also fully committed for paying off the bonds sold to fund 261 additional projects with a 9½ cent increase.
- » Neither initiative provided funds for maintenance.

Compounding this situation are these factors:

- » The Department of Transportation does not have a source of funds that can be used to preserve the state's highways and bridges, and maintain ferry service at current levels.
- » Counties lack the resources to maintain county roads, fix unsound bridges and address stormwater problems.
- » Cities cannot keep up with street, pavement and bridge repairs.
- » Public transit systems are being forced to cut service just as demand is rising.



WE MUST ADDRESS TRANSPORTATION MAINTENANCE

Tough times notwithstanding, Governor Gregoire believes we must at least maintain our transportation system. The health of our economy depends upon the ability of businesses to move freight and the ability of their employees to get to and from work. The Governor recommends that the Legislature make at minimum the following base investments so we continue to move passengers safely and goods efficiently to market:

- » **State operations and maintenance** to maintain 90 percent of state highway pavement in fair or good condition, operate ferry service and preserve bridges to avoid weight or traffic limitations – \$2.67 billion
- » **Grant funding for cities and counties** to address critical pavement and bridge structure needs – \$310 million
- » **Grant funding for transit** to mitigate potential service cuts to passengers that would affect their ability to get to work, school and other destinations – \$150 million
- » **Stormwater retrofit projects** to prevent polluted stormwater from reaching Puget Sound – \$250 million
- » **Washington State Patrol** to prevent the elimination of up to 12 percent of the trooper workforce that keeps our highways safe – \$200 million
- » **Passenger rail** to help operate service on Amtrak trains – \$100 million

To fund these investments, Governor Gregoire recommends the Legislature take the following actions:

- » Impose an oil barrel fee of \$1.50. The \$2.75 billion raised would be dedicated to operations, maintenance of the state transportation system and stormwater retrofits.
- » Impose a fee of \$100 on each electric vehicle. Because electric vehicles owners do not pay gas tax, they contribute little to the maintenance of our roads. The \$10 million raised would be spent on operations and maintenance; \$1.5 million would be invested in a pilot project to identify an equitable way to raise revenue from electric vehicle operators.
- » Impose an additional 15 percent increase on the heavy commercial vehicle combined license fee. This increase mitigates the erosion of the existing fee caused by inflation. The \$177 million raised would be invested in pavement preservation.
- » Impose an additional \$15 base passenger vehicle weight fee. The \$760 million raised would be directed to the Washington State Patrol, public transit, passenger rail service and local governments.
- » Impose a \$5 fee on each studded tire sold. Studded tires damage Washington roads. The \$7.5 million raised would be dedicated to highway and road maintenance.
- » Either allow local governments the option, through councilmatic approval, to impose a 1 percent increase in the Motor Vehicle Excise Tax, with proceeds to be dedicated to local road and transit needs, **or** allow transportation benefit districts the option, through councilmatic approval, to adopt up to a \$40 vehicle license fee for local road and transit needs.

If passed by the Legislature, the Governor's proposal is estimated to create an average of 5,500 direct, indirect and induced jobs annually over a 10-year period. The larger effect of this investment, however, would be to keep today's transportation system intact, which benefits our communities and our economy.



In the future, our children and our communities will face these and other vital transportation needs. We must continue to work together to find ways to fund these important improvement projects. Investing in our transportation infrastructure will create jobs and build the future prosperity of Washington.