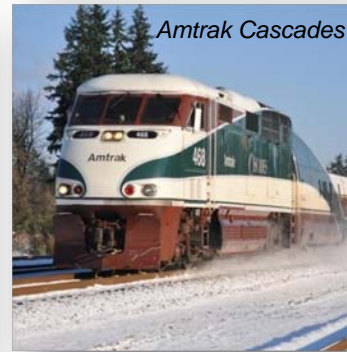
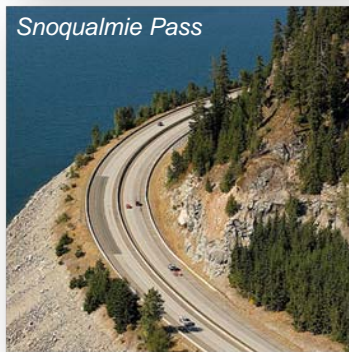
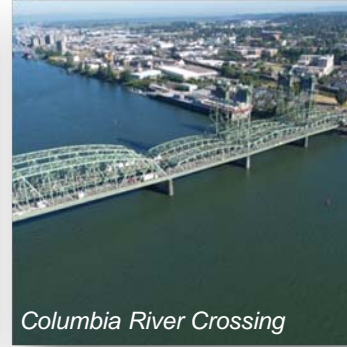


# State of Transportation: Moving Washington Forward

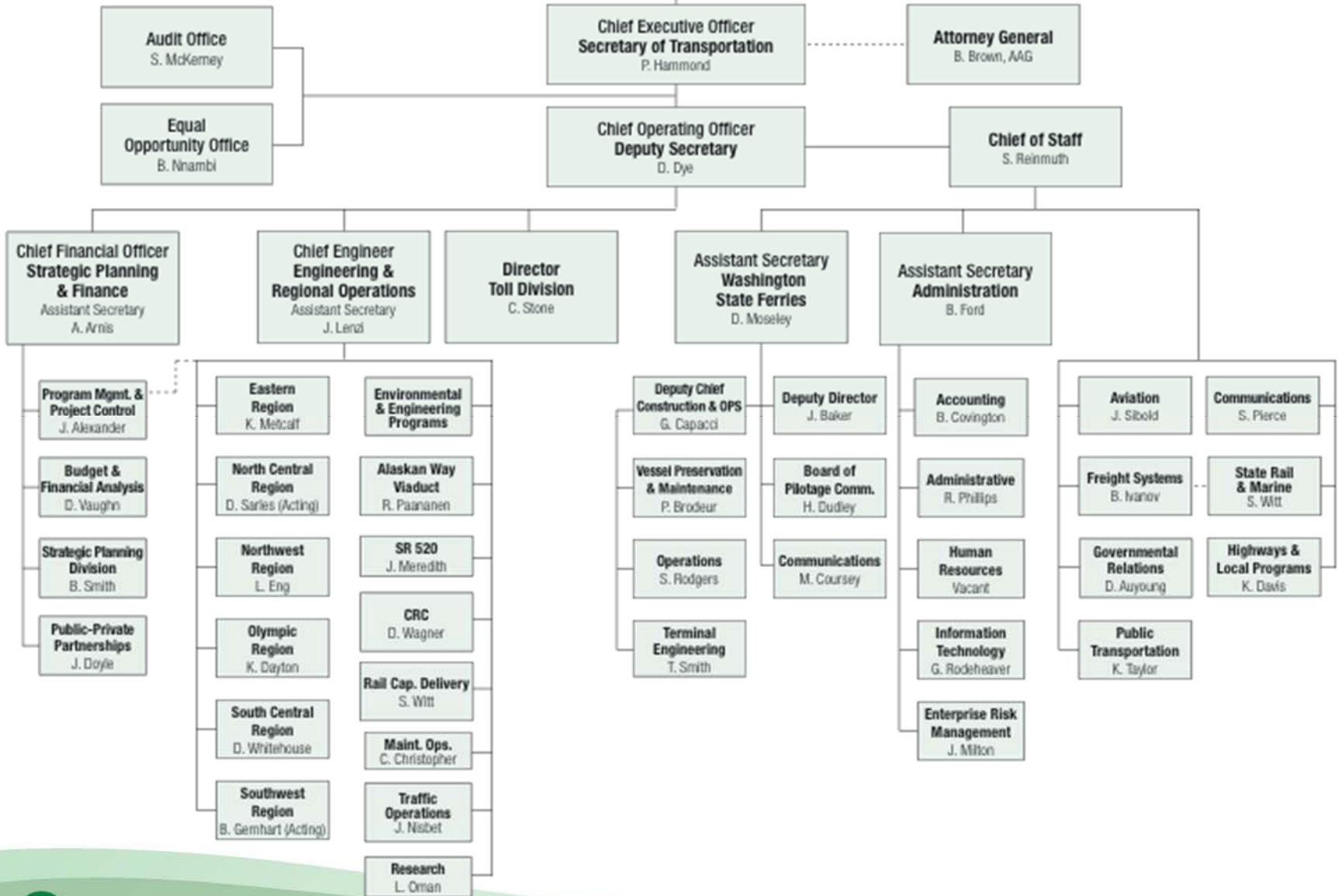
## Transportation Investment for a Sustainable Recovery

**Paula Hammond, P.E.**  
Secretary of Transportation

**David L. Dye, P.E.**  
Deputy Secretary



**Citizens of Washington State  
Governor Christine Gregoire**



# Overview

- Washington's economy depends on a strong transportation system
- Washington's transportation system - a valuable asset
- Improvements have been made and benefits are recognized
- **Transportation revenue does not keep up with growing needs**

# Washington's transportation system - a valuable asset

## Highways

- Carry 86 million vehicle miles/day *(on 18,500 state highway lane miles)*
- 225 lane miles of a planned 320-mile HOV freeway system
- More than 3,600 bridges and structures

## Ferries

- Carry 23 million passengers/year *(on 21 ferry vessels, 20 terminals, and 505 daily sailings)*

## Passenger rail

- Carries over 800,000 passengers/year *(Partner in Amtrak Cascades state passenger rail)*

## Aviation

- 17 WSDOT managed airports, 138 public-use airports

## Freight rail

- Grain Train delivers over 1.2 million tons of grain *(Since 1994, grain train runs 118 cars, including 29 added in 2010)*
- WSDOT owns 296 miles of PCC railroad *(Shipping during 2010 on the PCC rail system increased 20% over 2009 to 8,000 carloads.)*
- 3,600 miles of public and private freight railroad moves 116 million tons of freight. *(2008 data)*

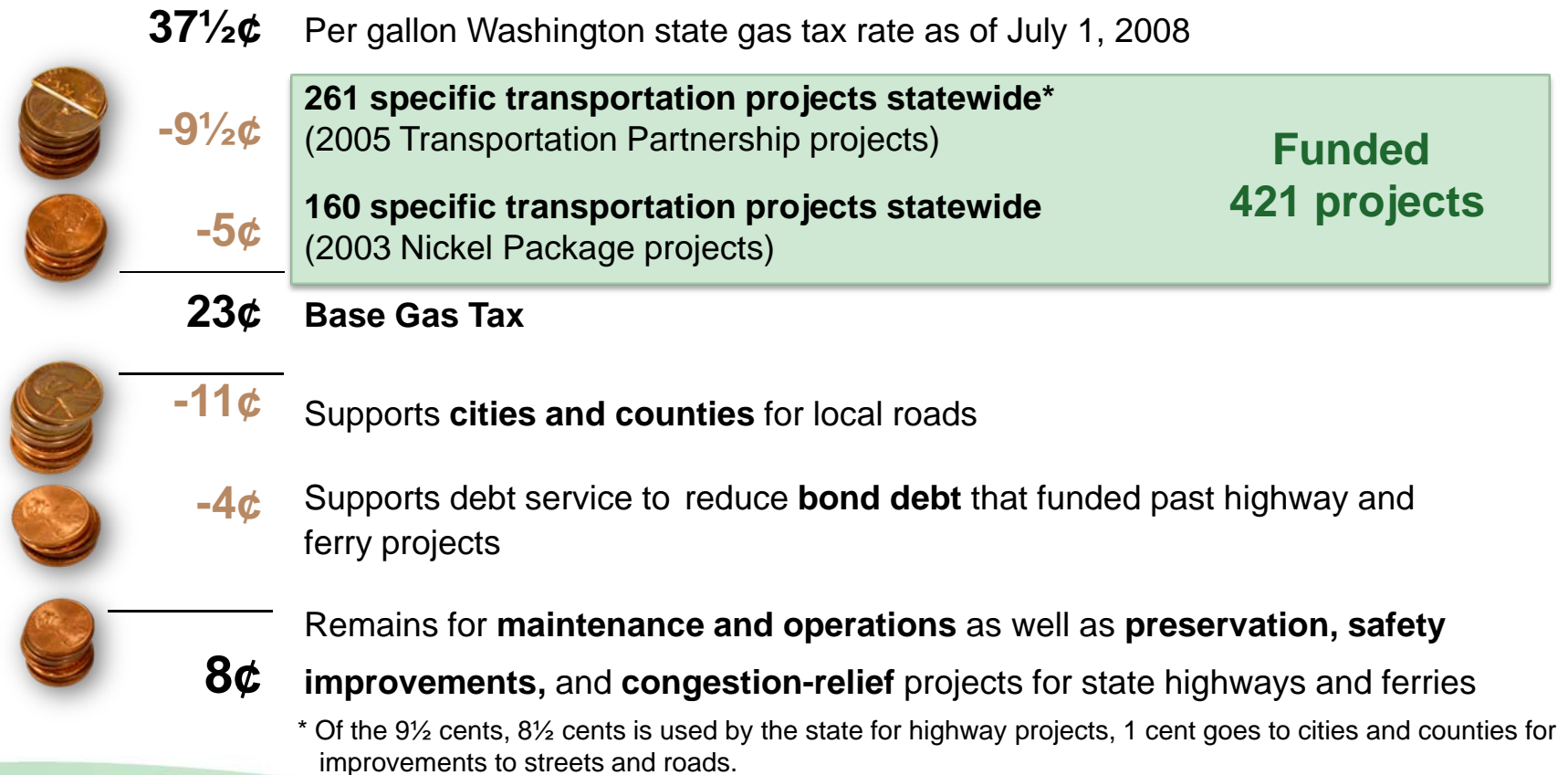
## Transit support

- Commute programs support more than 810,000 commuters statewide *(170 million vehicle miles traveled reduced annually)*
- Vanpool program includes more than 2,400 vans *(Washington has the largest public vanpool fleet in the nation)*



# Washington's primary transportation revenue source is limited, committed, and doesn't keep up with inflation and growing demand.

76% of all state transportation investments are financed by the gas tax.



# Non-gas tax revenue also supports non-highway transportation programs

Non-18 <sup>th</sup> Amendment Revenue Sources 2011-13 : Estimated \$620 Million *
Vehicle Sales Tax (0.3%) / Rental Car Tax
License Fees
Other
Ferry Fares
Tolls

Uses of Non-18th Amendment Funds
Rail Operations
Public Transportation Grants
Ferry Operations (85%)
Toll Operations (HOT lanes, TNB)
Local Programs (bike and pedestrian grants)
Debt Service, Admin and Transfers
Rail Capital - State

- When the state Motor Vehicle Excise Tax (MVET) was repealed, dedicated funding for transportation and the Washington State Ferries was substantially reduced.
  - If MVET was in place today, it would generate more than \$900 million per year for all users with ferries receiving 13% of the tax.
  - Total MVET 10-year loss (2000-2009) = \$9.1 billion (ferries lost \$1.18 billion in revenues)

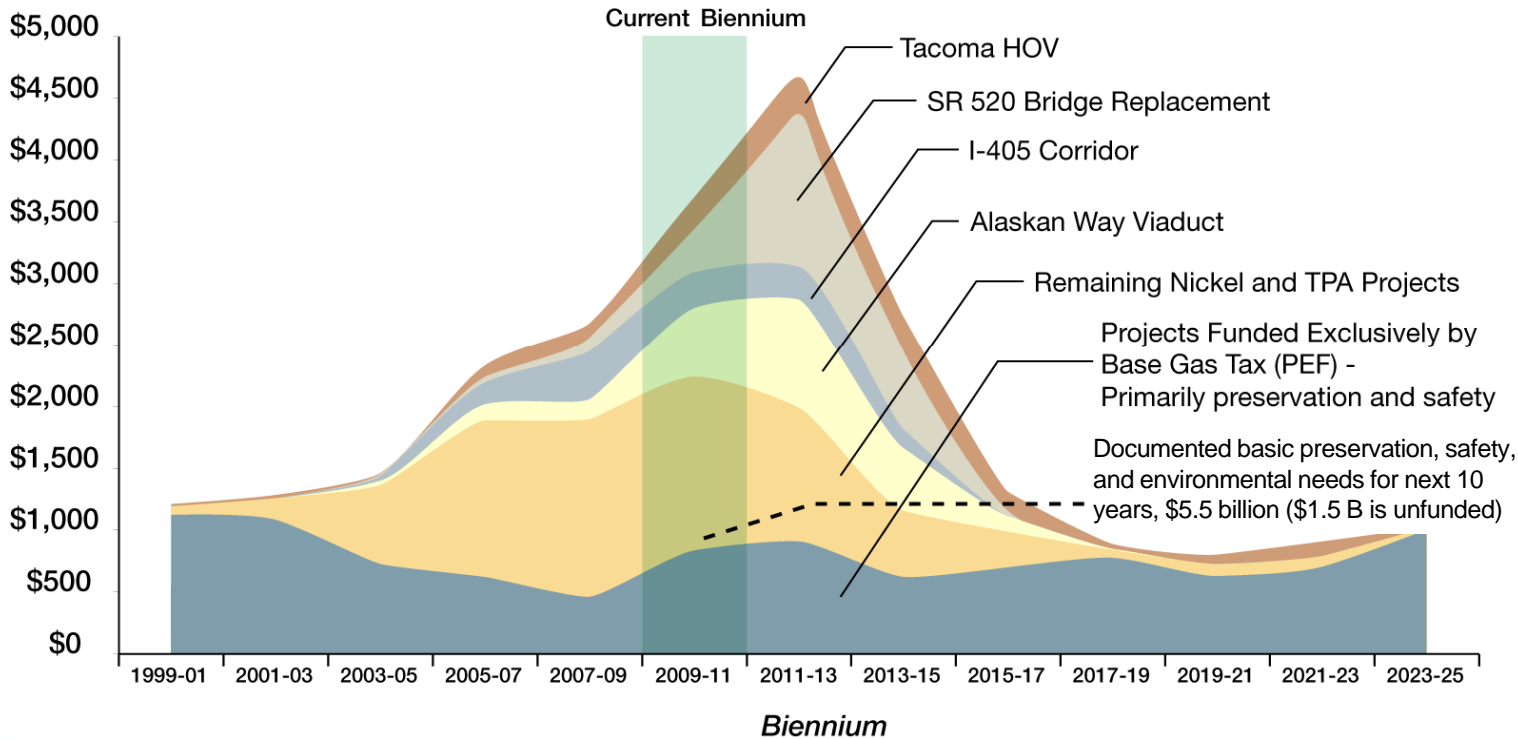
*Source: Nov. 2010 Transportation Revenue Forecast; Bond sales are based on the Governor's proposed 2011 budget*

# WSDOT highway construction program

All funds from the 2003 and 2005 gas tax increases are committed.

2011 Governor proposed budget request - program total with select mega-projects highlighted

Dollars in Millions



74% of highway program dollars are contracted to the private sector.

\$6 B of the \$15.5 B in Nickel and TPA will be delivered through our design-build program.

54% of the design effort for Nickel and TPA was delivered by consultants.

Source: WSDOT Capital Program Development and Management Office

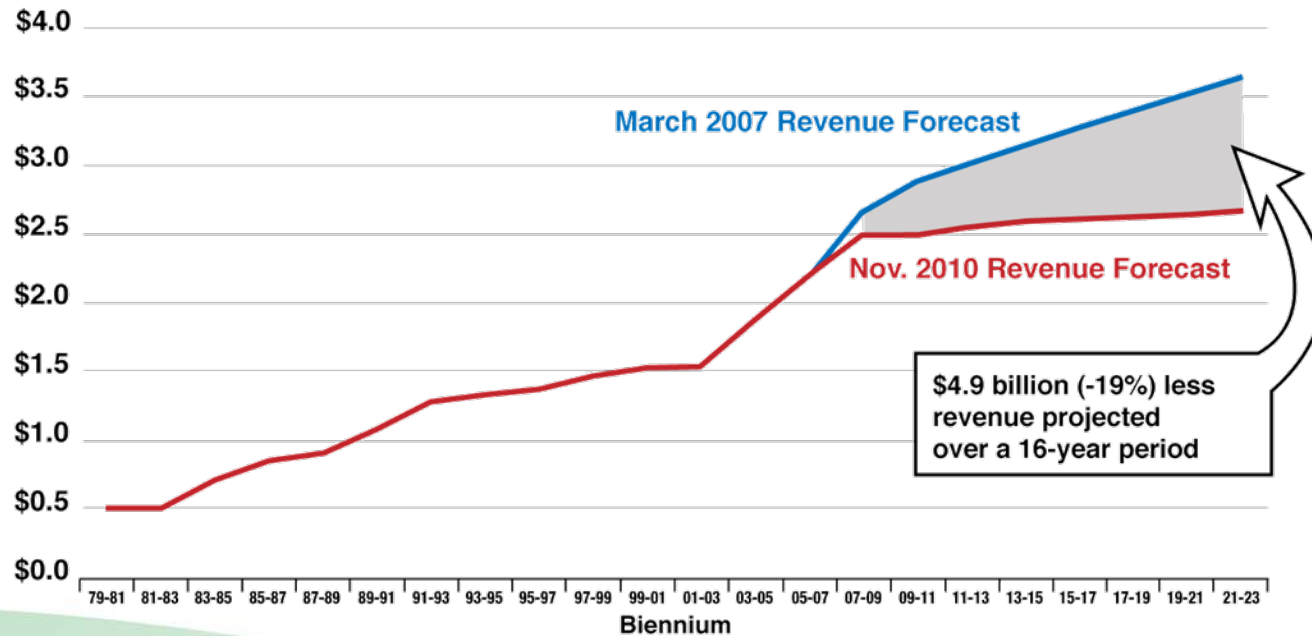
# Purchasing power of transportation revenue is declining

- Revenue forecasts have been reduced

- More fuel-efficient and alternative-powered vehicles, along with a weaker economic recovery from the recession
- Since March 2007, projected fuel tax revenues have fallen by \$4.9 billion over a 16-year period

**Gross fuel tax history with forecast comparison: March 2007 vs. Nov. 2010**

*Dollars in billions*



# Federal revenues will likely stay the same or decline

- **SAFETEA-LU** (authorizing legislation), and **current year** (FY 2011 appropriations funding) **extended through March 4, 2011**
- **Congressional transportation committees will try once again to pass a multi-year bill**, but odds are against passage until 2013. Administration promises a proposal in spring 2011.
- **Funding levels are in flux. In February/March, Congress will determine the final funding levels for FFY 2011 and begin to negotiate the FFY 2012 levels.**
  - Earmarks discontinued in House, may be discontinued in Senate, for FFY 2012 and 2013
  - There is some bipartisan support for exempting transportation from the earmark ban
- **WSDOT anticipates federal funding reductions, and forecasts receiving an average of \$580 million in formula funds in each of the next few years – about 20% less than in previous years.** (66% goes to state projects and 34% for local projects).
- **It is critical to our investment strategy to gain federal acceptance of tolling on major state and interstate highways.** This policy shift could be enacted in spite of a stalled authorization bill but is necessary as a piece of the financial plan.

# Current funding and purchasing power does not keep up with basic transportation needs

- **Committed projects deferred**

- Legislature deferred 13 Nickel/TPA projects prior to 2011-13 biennium worth more than \$397 million. Even with a favorable bid climate, revenue projections indicate another 13 Nickel/TPA projects worth \$495 million may not be completely funded.

- **Basic maintenance, preservation and operations underfunded at state, county and city levels in the next 10 years.**

- More than \$1.5 billion on state highway system.
- Another \$1 billion needed for cities and counties.
- Over \$1 billion in capital and operating/maintenance/preservation for ferry vessels and terminals

- **New environmental commitments increase costs.**

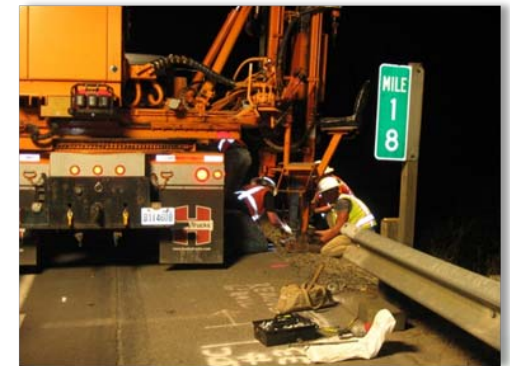
- Stormwater discharge permit requirements.
- Fish culvert case decision.

- **Local transit seeks state support**

- Reduced sales tax collections mean potential service cuts.
- Affects state's most vulnerable populations.
- Transit agencies advocating for state funds to replace MVET.

# Our ability to build infrastructure and stimulate economic development is severely restricted

- **Ferry system financial plan is not sustainable**
  - Service cuts are being considered on the majority of ferry routes.
  - Aging vessel and terminals will mean more breakdowns and less reliability.
- **Washington's roadway conditions will decline**
  - In 15 years, pavement will deteriorate from 94% good/fair to less than 60%.
- **Roadway maintenance service levels will decline**
  - Level of service will drop from current average of B-/C+ to D/F.
  - Only high-priority snow - and ice - removal activities.
  - Rougher roads, poor striping and pavement markings, more litter and graffiti.
  - Increased response times for incident response.



# There are growing demands on the system.

- The population is growing -- this means more people will be driving on the roads and more resources will be required to maintain the system.
  - The population of Washington state is expected to **grow 20% between 2010 and 2025.**
  - The number of licensed drivers is expected to **grow 16% between 2010 and 2025.**
  - Vehicle registrations are expected to grow **26% between 2010 and 2025.**
  - **Business and freight movement will increase in a recovering economy.**

Source: Washington State Governor's Office of Financial Management; November 2010  
Transportation Economic and Revenue Forecast



# There are many unmet freight priority needs in marine, rail and the statewide highway system



# Transportation investments are at risk without new revenue

## Moving Washington

Our three-part strategy to address congestion



*Improving the performance of our state's transportation corridors by:*

- **Operating Roadways Efficiently**
- **Managing Demand**
- **Adding Capacity Strategically**

**Our top priority is to maintain, preserve and keep safe our existing transportation assets**

- **Mega projects will remain unfinished**

- SR 520
- North Spokane Corridor
- I-90 Snoqualmie Pass
- I-405

- **These projects will not start construction**

- Columbia River Crossing
- I-5 corridor in the vicinity of JBLM (Joint Base Lewis-McChord)
- SR 167 new freeway extension
- SR 509 freight and congestion relief
- 144-car ferry construction

- **No new transportation improvements around the state**

- **Reduced support for special-needs transportation and transit grants**

- **Financial capacity to support intercity passenger rail will decline**

# Compelling reasons for additional investment in a strong transportation system

- A modern and efficient transportation infrastructure is critical for our economy and will create jobs for Washington state.
- The 2003 and 2005 Gas Tax increases funded projects that are being delivered on time and on budget and are producing real results – but all funds are committed.
- Our growing state transportation needs will outpace our current financial capacity.
- There is a great bidding climate now – WSDOT is seeing more and better bids than ever before.
  - In FY 2010, contracts were awarded an average of 18% below engineer's estimates.
- **A recovered economy will depend on a transportation system that works.**