

# **Beyond Oil**

*Transforming Transportation: A National Demonstration Project*

## **Breakout Session: A New Paradigm - Future of Transportation, Funding, and Climate Change**

**Paula Hammond**

Secretary of Transportation

Washington State Department of Transportation

**Hon. Chris Gregoire**

Governor

Microsoft Campus Conference Center

Redmond, Washington

September 5, 2008



**Washington State  
Department of Transportation**

# Washington State Department of Transportation Profile



WSDOT owns, manages and maintains:

- 20,000 state highway lane miles (carry 86 million vehicle miles/day)
- 3,400 state bridges
- 28 ferry vessels and 20 terminals (carry 24 million passengers/year)
- Partner in Amtrak *Cascades* state passenger rail (carries 420,000 passengers/year)
- 16 General aviation airports
- Grain Train (runs 89 grain cars)
- 1,432 miles of short line rail

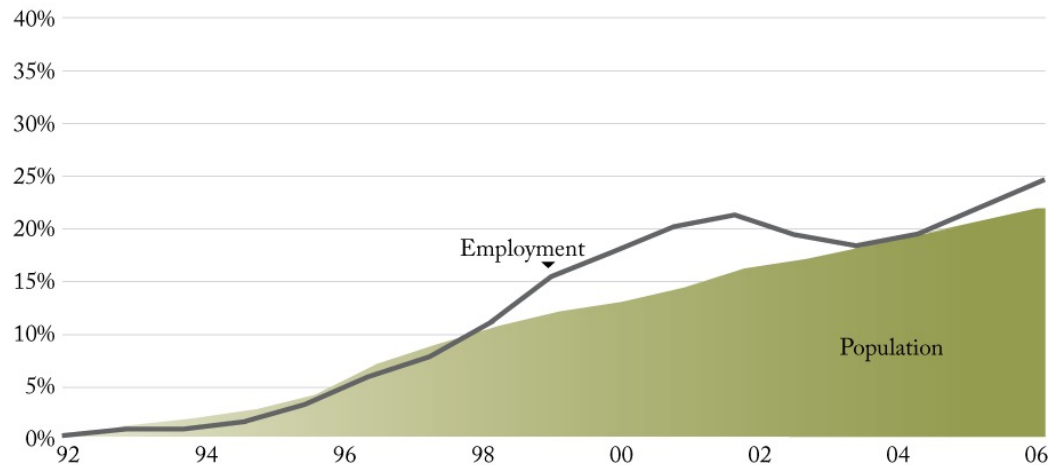
Total 2007-09 Biennial Budget of \$5.9 billion (17% federal)

- \$4.56 billion (07-09) Capital Budget, over 1,000 active projects, currently delivering the largest infrastructure program in the state's history
- \$1.35 billion (07-09) Operating Budget

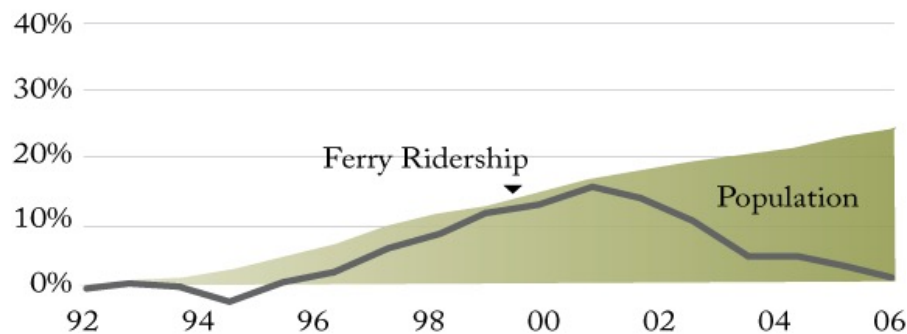


# Continued Growth is Putting Additional Demand on the State's Transportation System

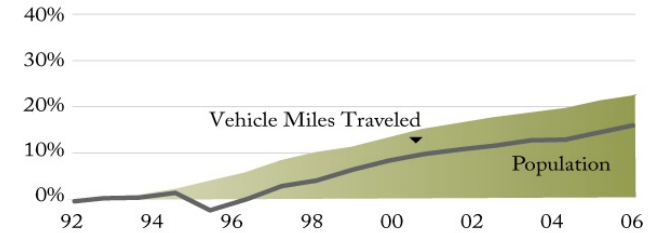
Employment and Population Growth by Year



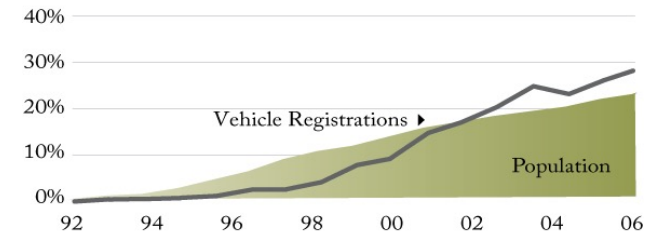
Ferry Ridership has grown at a slower rate, 2%



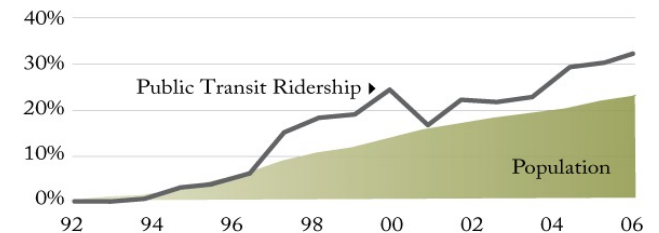
Vehicle Miles Traveled have grown at a slower rate, 16%



Vehicle Registrations have grown at a faster rate, 27%



Public Transit Ridership has grown at a faster rate, 32%



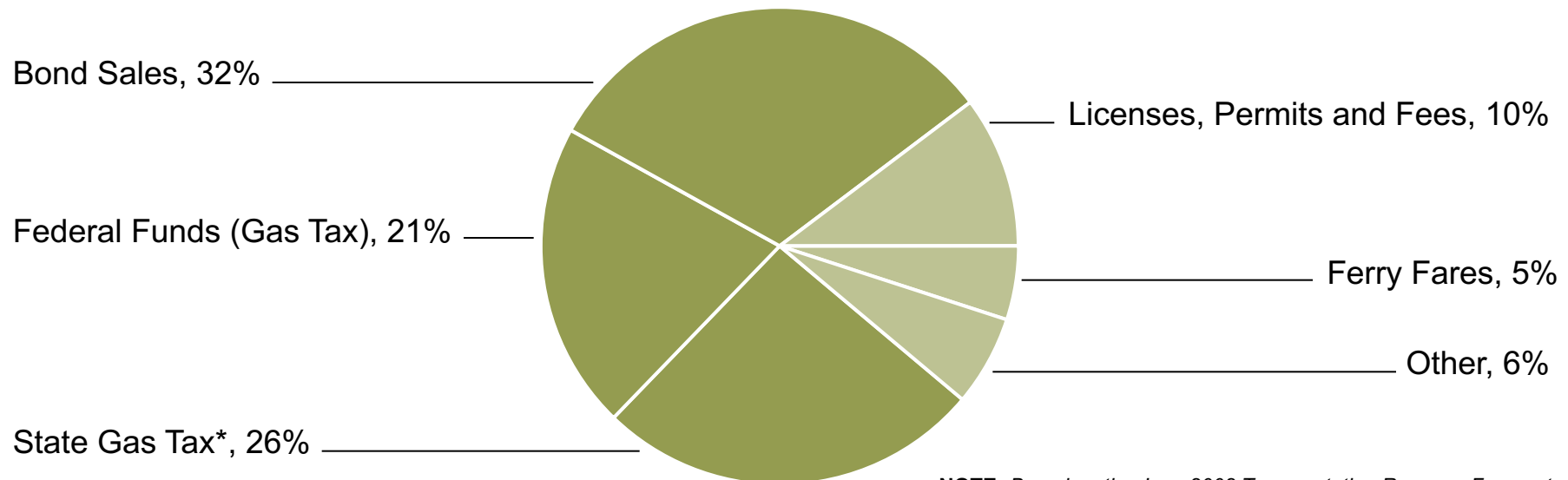
# WSDOT's Dependency by Sources of Funds

(2007-09)

State Gas Tax*	\$1,527	26%
Federal Funds (Gas Tax)	1,211	21%
Bond Sales	1,856	32%
Licenses, Permits and Fees	609	10%
Ferry Fares	295	5%
Other	351	6%
<b>Total</b>	<b>\$5,849</b>	<b>100%</b>

79% of transportation funding is generated through gas tax

*\* State Gas tax reflects the net amount after distributions to cities and counties, refunds, and debt service have been made.*



**NOTE:** Based on the June 2008 Transportation Revenue Forecast

# How Does Washington's Gas Tax Get Used?

*A fixed rate per gallon dependant on the sale of fuel.*

## Where does the gas tax go?



37½¢

per gallon Washington State gas tax rate as of July 1, 2008

- 9½¢

goes to **257 specific transportation projects statewide\***  
(2005 Transportation Partnership Projects)

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28¢



- 5¢

goes to **130 specific transportation projects statewide**  
(2003 Nickel Package projects)

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23¢



- 11¢

goes to **cities and counties** for local roads

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12¢



- 4¢

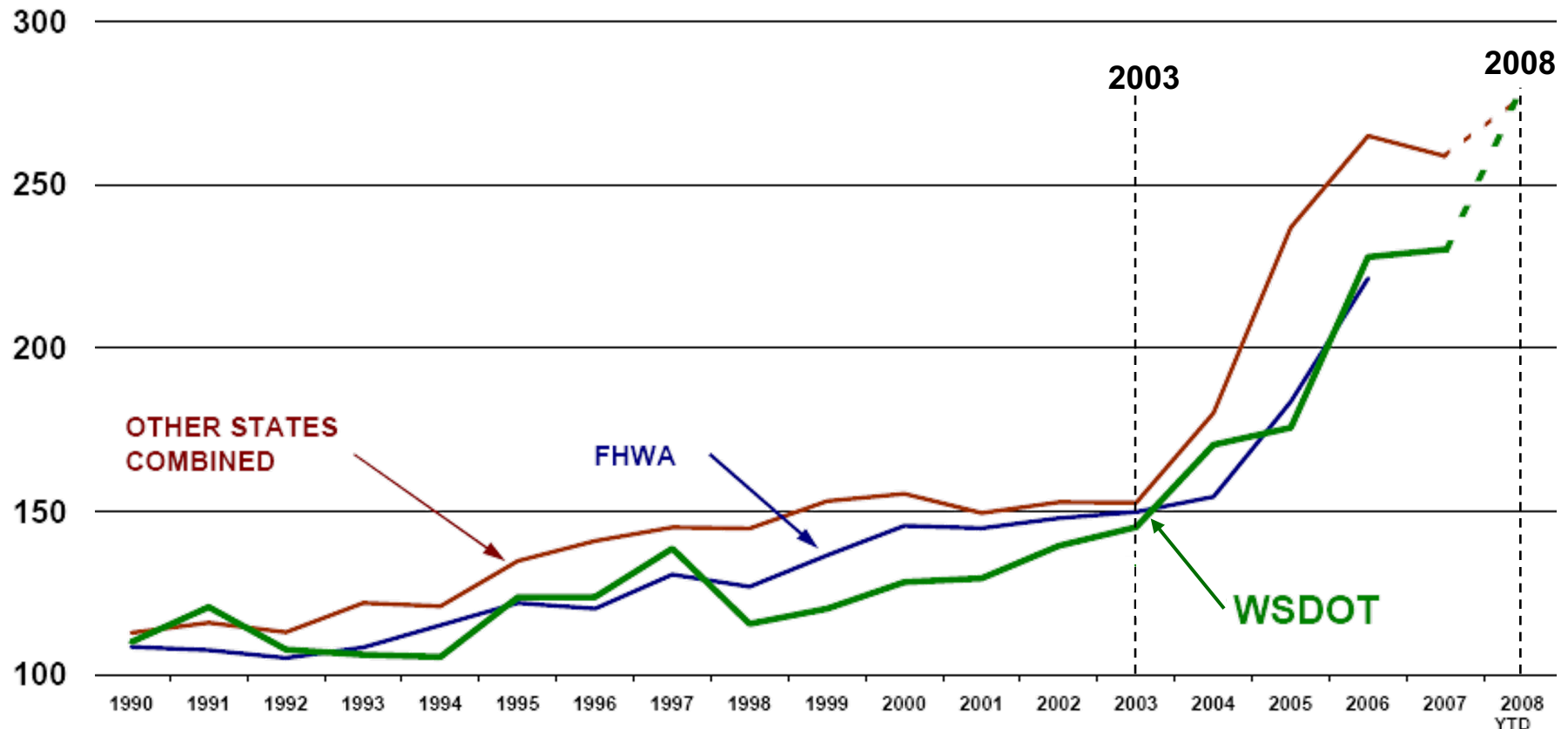
goes to pay off **bond debt** that funded past highway and ferry projects



8¢

is left for **maintenance and operations** as well as **preservation, safety improvements, and congestion relief** projects for state highways and ferries

# Since 2003, the Rate of Inflation has Skyrocketed Beyond Economic Expectations



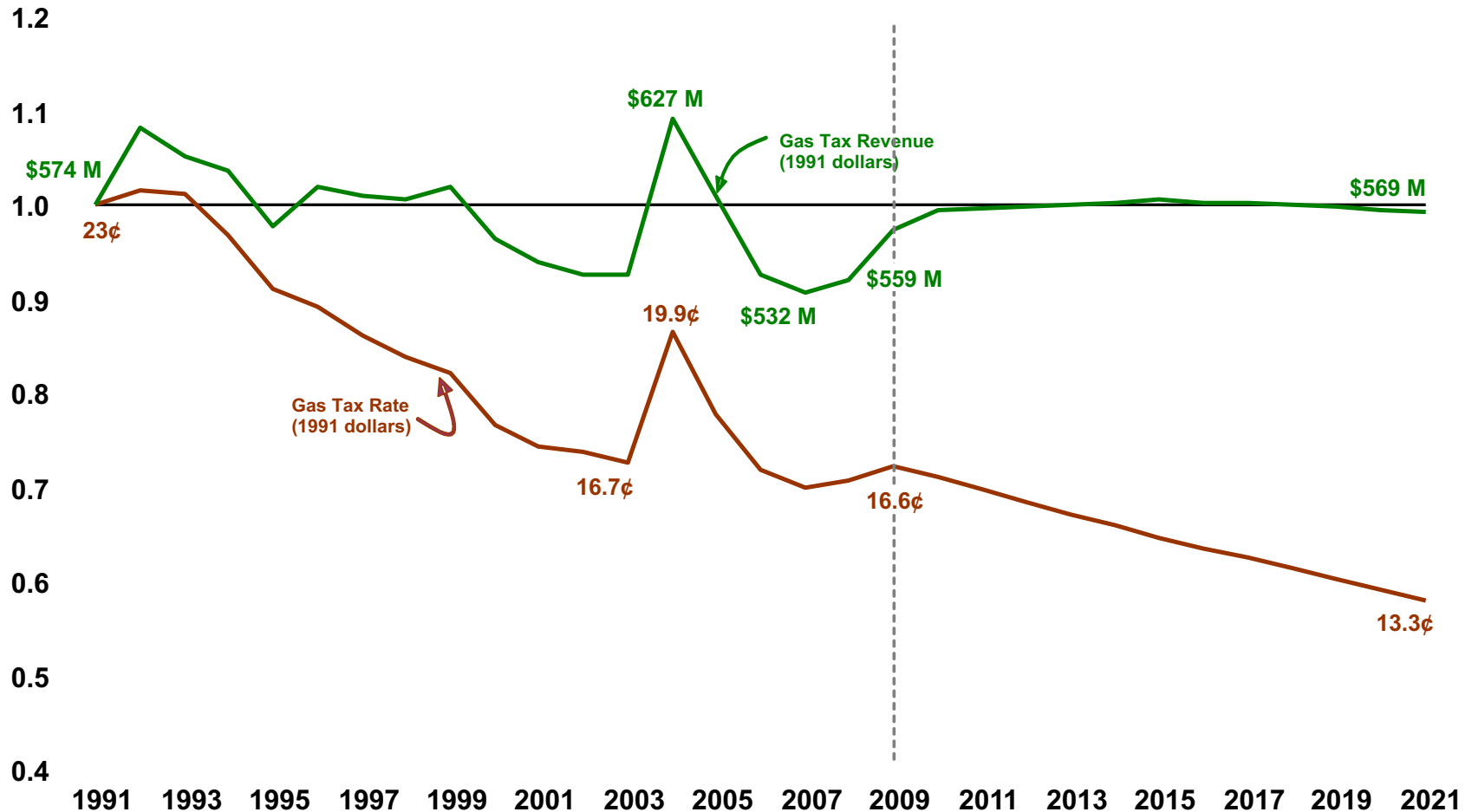
WSDOT BASE 1990 = 110  
FHWA AND OTHER STATES BASE 1987 = 100  
OTHER STATES: CALIFORNIA, COLORADO, OREGON, SOUTH DAKOTA & UTAH

WSDOT 2008 INDEX IS FOR QUARTER 1 & 2  
FHWA INDEX DISCONTINUED IN 2007  
OTHER STATES 2008 DATA IS THE AVERAGE OF CALIFORNIA, COLORADO, OREGON, AND UTAH FIRST QUARTER INDICES.

**NOTE:** 2003 and 2004 WSDOT CCI data points adjusted to correct for spiking bid prices on structural steel

# Gas Tax Revenues are Losing Steam

Growth Rates Compared: Gas Tax Revenue, & Gas Tax Rate in 1991 dollars



NOTE: Based on the June 2008 Transportation Revenue Forecast



# How will We Meet the Challenges of:

- Keeping up with our preservation and maintenance needs.
- Expanding the system.
- Making it safe for travelers.
- Operating the system well.





# **Our Vision:**

## **the Transportation System of the Future Must Be ...**

### **Reliable**

- ☒ **Maintained and preserved at the optimal levels**
- ☒ **Safer roads and fewer crashes**
- ☒ **Improved travel times for drivers and freight haulers**
- ☒ **Better reliability and choices for commuters**

### **Responsible**

- ☒ **Cleaner air and water**
- ☒ **More efficient freight movement across our state and in and out of our state's ports**

### **Sustainable**

- ☒ **Predictable and affordable**

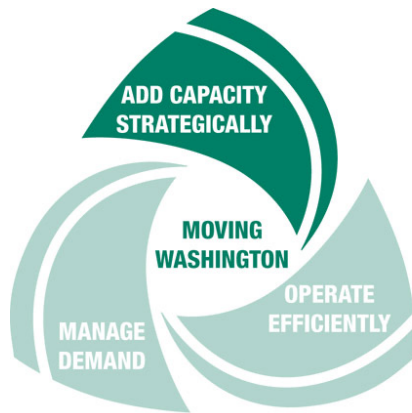
# **Moving Washington**



# Moving Washington

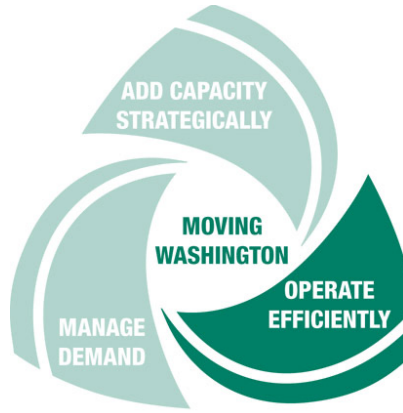
## Our three-part strategy to address congestion

Improving the Performance of Our State's Transportation Corridors by:



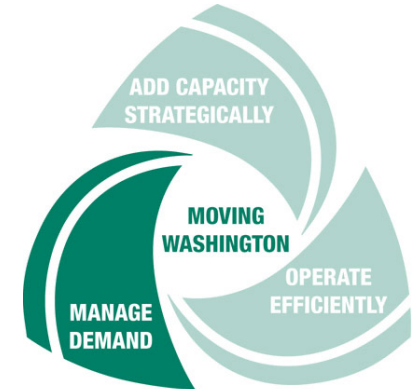
### Adding Capacity Strategically

Adding new capacity to our currently over-stressed transportation system is a critical component of Moving Washington.



### Operating Roadways Efficiently

Moving Washington improves the system's performance and generates revenue through variable pricing and other traffic management tools.



### Managing Demand

Providing more travel choices and options for people and freight helps improve the efficiency and effectiveness of our transportation system.

# **It's Time to Change the Way We Fund Transportation**

**“User fees” will continue to be the focus**

## **Gas Tax**

- We will likely begin to wean ourselves off of gas tax as our funding staple.

**Regional partnerships between local and state agencies will be more heavily relied upon.**

- Sound Transit
- Transportation Improvement Board
- Regional investment packages

## **Electronic Tolling. It has arrived in Washington:**

- Tacoma Narrows Bridge
- SR 167 HOT Lanes
- SR 520 Corridor

## **Variable Pricing**

- Generates revenue for transportation investments.
- Spreads transportation demand to off-peak periods when the system has more capacity.