



## Executive Summary

As Washington recovers from the recent Great Recession, the state's transportation system is under mounting stress. Employment is once again expanding in the central Puget Sound and across the state in other regional centers as manufacturing, technology, agriculture and natural resource extraction activities all rebound. The pre-existing backlog of deferred maintenance on many miles of aging streets and bridges, rail lines and waterways is now being joined by growing demand on passenger and freight transportation networks, resulting in increased congestion and additional maintenance and long-term preservation needs. At the same time, growth in revenue has been sufficient neither to keep up with needs for maintaining the system nor to meet growing transportation demand.

Over the longer term, the state faces much uncertainty about both the quantity and character of future transportation demand. Not only is there growing volatility in transportation fuel costs, but the impact of gas prices on individual travel behavior is less clear. Changing lifestyle preferences, shifting employment trends, and improvements in communications and mobile connectivity all influence travel choices, even the decision to own an automobile at all. Other trends and external factors influence freight transportation, particularly for energy resources such as oil and coal, agricultural products, and manufactured goods. An explosion in online shopping has created rapid growth in parcel delivery services. The long-term impacts of growing freight demand are difficult to predict, however, as industries continually respond to competitive pressures and make adjustments to the way they do business.



What is clear, however, is that fuel tax revenues have failed to meet projections, and are likely to stagnate or decline in the long run without an increase in the state or federal tax rates. The economic importance of reliable and efficient freight movement is also clear. Meanwhile, state and local agencies have fallen behind on system maintenance, and local transit operators are struggling to meet growing demands for service.

Rather than attempt to predict and plan for a specific future, Washington needs to implement policies and strategies that address urgent needs while simultaneously preparing for a range of possible long-term future outcomes. This should include continued evaluation of alternatives to the fuel tax as the primary source of state transportation system funding. Additional emphasis should be given to systems operation and management strategies, including pricing, to optimize passenger and freight mobility from existing infrastructure. Future updates of the WTP and other planning studies will provide decision makers with guidance and periodic course-corrections as short term uncertainty gives way to more confident projections of future needs.

***Washington's decision makers must confront several important challenges in order for the transportation system to fulfill its critical role in fostering a vibrant, sustainable future for all regions of the state:***

- Find secure, sustainable, long-term sources of funding for transportation.
- Maintain reliable, efficient freight movement to support Washington's economic vitality.
- Establish a more clearly-defined role for the state in multimodal transportation.



## Critical Messages for Decision-Makers

Washington's future economic vitality and quality of life depend on a multimodal transportation system that is safe and well-maintained, and that operates efficiently and reliably to serve a growing economy and population. Several important themes for Washington lawmakers to consider emerged repeatedly during the year-long process of outreach and consultation.

### Voice of Washington State Survey Reveals Support for Increased Revenue

The 2013 Voice of Washington State (VOWS) survey of over 5,600 residents age 18 and above revealed 59 percent of respondents to be in agreement with the statement that Washington "needs additional revenue to keep our transportation system safe, effective, and properly maintained." Sixty percent of respondents supported "raising some taxes and fees to increase funding for those transportation elements they feel are important."

**There is an identifiable need for secure, sustainable, long-term sources of funding for transportation.** In spite of a handful of highly visible and expensive infrastructure replacement projects, Washington has made limited progress in addressing the growing backlog of projects and preservation needs noted four years ago in WTP 2030. The 2012 Connecting Washington Task Force reported a cumulative 10-year maintenance and operations need on state-, county- and city-owned systems of about \$10 billion, exceeding available local, state and federal funding sources. State policies that encourage less driving diminish fuel tax revenues while generating increased demand for alternative modes. Continuing the funding status quo will result in declining condition and performance of the transportation system, including ferry and transit service.

**Maintaining reliable, efficient freight movement is a key to Washington's economic vitality.** The state's freight system underpins our economy, sustaining hundreds of thousands of jobs directly in the business of goods movement and indirectly in manufacturing, agriculture and natural resources. After three

successive years of decline, employment growth in Washington's freight-dependent industries returned to positive territory in 2011 and 2012, an important barometer of the state's economic health. Gross business income for freight-dependent industries totaled \$450 billion in 2012. The importance of global trade to Washington cannot be overemphasized: forty percent of all jobs in Washington are connected to trade, and the Ports of Seattle and Tacoma together rank third in container volume in North America and fourth in total export value.

**Washington must establish a clearly defined role for the state in planning and delivering multimodal transportation.** Communities across Washington welcome a more engaged role for the state where it will improve coordinated delivery of projects, programs and services across modes and jurisdictions. State interests in public transportation include maintaining the mobility and safety of the transportation network, reducing carbon emissions, improving the health of citizens and communities, and supporting state initiatives in energy and environment. Three specific areas for increased state involvement stand out:

**Key Transportation Corridors:** Public transit service in congested corridors benefits the state by increasing the person-carrying capacity of state highways, freeing up capacity for freight and other non-commuter vehicles. State funding partnerships with local transit agencies, coordinated with additional investment in High Occupancy Vehicle (HOV) lanes, Express Toll Lanes (ETL), and other operational improvements, can reduce the need for more costly capital approaches to improve performance on the most heavily travelled corridors in the state-owned system.

**Special Needs Transportation:** Public transit agencies deliver most of the paratransit trips in the state, a lifeline for those with special transportation needs or no other transportation options. Increased state funding for paratransit is warranted, together with a concerted effort to better leverage federal funding.

**Connecting Communities.** Transit provides connections between cities and counties, population and employment centers, and to other modes, such as ferries and intercity rail. Businesses often consider the availability of transit service in deciding where to locate or expand. Connecting people to jobs is key to maintaining economic vitality. The state should continue to invest in transit programs that provide connectivity between communities and that improve access to employment centers.



In addition, **expanded local option funding authority** is a necessity to keep existing transit service operating and to meet future growth in demand in those jurisdictions that have fully tapped their existing authority. Five of the state's public transportation systems have reached their maximum taxing authority, and have no other funding sources without additional authority. These recommendations are described more fully in Sections 4.6 and 4.7 of WTP 2035.

# Key Findings of WTP 2035

Since adoption of WTP 2030 four years ago, Washington has made progress towards fulfilling a number of recommendations in that plan. These include improvements to commuter rail, light rail, aviation, and ferry systems, increased regional collaboration and investment in highway safety, and progress on environmental objectives such as reducing storm water impacts and expanding the electric vehicle charging infrastructure. Nonetheless, significant work lies ahead to address the state's most persistent challenges:

**Preservation and Maintenance.** Regular preventive maintenance and long-term preservation of key infrastructure components produces economic benefits and is more cost-effective than deferred maintenance which must then be remedied with expensive reconstruction. Yet, maintenance and preservation needs, at both the state and local levels, are widely perceived to be insufficiently funded and too often deferred due to budget challenges and competing priorities. *A sustainable funding source, established at the state level and directed to state and local preservation, would support a more strategic approach to asset management.*



**Safety.** Despite a decade of steady, significant progress to improve traffic safety, the death toll on Washington's streets, roads, and highways remains unacceptably high. In 2013, 436 traffic-related fatalities occurred, nearly half of them involving an alcohol- or drug-impaired driver. Target Zero, the state's 2013 Strategic Highway Safety Plan update, sets forth prioritized strategies to address the specific factors that contribute to traffic fatalities and serious injuries. *Further focus is needed to improve safety on tribal and rural two-lane roads, and to reverse the growth in pedestrian and bicyclist fatalities and injuries.*

**Freight Mobility.** Anticipated growth in truck and rail freight tonnage, much of which moves through Washington's marine ports, raises concerns about future system reliability and safety. Dramatic growth in crude oil shipments by rail has increased traffic delay at grade crossings and strained mainline rail capacity, causing freight delays and creating competition for shippers of other commodities bound for Washington's west coast ports. *Guidance from both the Washington Rail Plan and Freight Mobility Plan can help to develop strategic freight rail partnerships that support essential rail service and determine which freight rail investments should receive public financial support.*



**Public Transportation.** Across Washington there is support for further investment in public transportation, including improved access to transit, to accommodate growing demand. Improving public transportation connections between regions, as well as providing better mobility for low-income and other special-needs populations, are challenges of statewide significance to be addressed at the state level. Public transportation is also crucial to meeting the economic development, education, and health care needs for Washington's tribes. *Enhanced local transportation revenue options should be supported for those jurisdictions with demonstrated need for additional funding capacity to ensure the growing demand for public transportation can be met.*



**Public Health.** Strategies that support increased bicycling and walking, as well as greater use of public transportation, are shown to increase physical activity levels, contribute to overall improved personal health, and reduce personal and public spending on health care. *State and local agencies should better coordinate policies on transportation and public health, generating significant long-term health benefits and economic savings to individuals and the state as a whole.*

**Accountability and Transparency.** State and local agencies, business and industry groups, and many others all seek improved efficiency and greater accountability for expenditure of transportation funds. The state's transportation strategies should be consistent with and reinforce Results Washington, the initiative to build a more responsive, accountable, and data-driven state government. *State and local transportation agencies should adopt broad performance management practices to improve accountability for expenditure of both federal and state transportation funds.*



# Integrating Transportation and Land Use Decision-Making



For 25 years Washington has aspired to integrate its land use decisions with transportation planning. A key factor driving passage of the Growth Management Act (GMA) in 1990 was recognition by the Legislature that sprawling development increased infrastructure costs exponentially: capital costs for roads, water, and sewer, and operating costs for transit, police, and fire services all were growing at an unsustainable rate.

WTP 2035 recommends further strengthening policy and planning linkages between land use development and the transportation system. A continued focus on integrating land use and transportation decisions over time will help bring about more proximate location of jobs, housing, and essential services. This will reduce the need for some automobile trips, and will make many other auto trips shorter. It will make public transportation, bicycling and walking more attractive choices for many trips, and will reduce the per-passenger cost of providing public transportation service. These changes help to draw the maximum benefit from existing streets and other utility networks and reduce long-term system expansion needs. Section 2.3 of WTP 2035 provides additional details and makes recommendations for strengthening the connection between land use and transportation.

## Delivering Results

Substantial evidence, from data on bridge and pavement conditions to public attitudes and opinions on revenue, stresses the need to improve the financial health of Washington's transportation system. Two themes emerge as essential to achieving sustainable long-term financial security:

- Increase effectiveness of all expenditures through efficiencies and reforms; and
- Enhance and augment existing revenue sources to address the transportation needs of a growing economy and population.

### *Efficiencies and Reforms*

All transportation partners need to seek to extract the maximum possible benefit from existing resources and revenue. This can be pursued through improved accountability for expenditures, performance management, practical design methods, optimization of existing investments, increased collaboration between state and local agencies, and technology-based efficiency gains. Specific examples of reforms the state should consider include phasing out the use of studded tires to reduce roadway maintenance and preservation costs; expanded use of public-private partnerships for non-highway projects; and allowing WSDOT greater flexibility in its capital construction tools and contracting methods.

### *Revenue Enhancements*

Even with improved efficiency, the state needs to consider a range of alternative revenue sources to augment existing funding mechanisms to address the growth in transportation demand and the eroding effect of inflation. Several options to consider for increasing future revenues are listed below, and presented in more detail in Section 4.7 of WTP 2035:

- Increase fuel taxes and vehicle fees such as passenger vehicle registration and truck weight fees.
- Continue evaluation of road usage charges as a replacement for the fuel tax.
- Apply tolling authority selectively as a funding source for major transportation facilities and to manage congestion.
- Adjust the ferry capital surcharge periodically to keep pace with construction costs.
- Expand local funding options such as transportation benefit districts, street maintenance utilities, and local fuel taxes.

Additionally, Washington should consider wider user of innovative financing mechanisms such as public-private partnerships and intergovernmental partnerships to stretch available funds.

**For more detail, see the full Washington Transportation Plan 2035 at [www.wtp2035.com](http://www.wtp2035.com) or call the Washington State Transportation Commission at 360.705.7070.**