

A Roadmap for Mobility

*Recommendations on a responsible
transportation funding plan for Washington state*



By Michael Ennis
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POLICY BRIEF

Key Findings

1. All transportation taxes and fees paid by drivers should be used for highway purposes only, while alternative travel modes should be funded by their own users (which reduces the public subsidy) or through local options that apply to the general public, like sales taxes.
2. There are 31 public transit agencies in Washington and they collected \$2.05 billion in total revenues in 2010, which is almost twice as much as the entire state collects in gas tax revenue.
3. The 31 public transit agencies' total market share is only about 2.4% of all daily person trip demand.
4. Public transit's sales tax revenue has grown 150% in the last ten years, from \$484 million in 2001 to \$1.23 billion in 2010.
5. Each year, drivers pay about \$204 million in various transportation taxes and fees that state officials then divert and spend on non-highway purposes. Annually, this amount is equivalent to about seven cents per gallon in the state gas tax rate.
6. Across the Seattle region, total hours of delay are six times higher today, rising from 11.9 million hours in 1982 to 87.9 million hours in 2010.
7. If drivers are going to pay more in higher transportation taxes and fees, it should be in exchange for projects that not only maintain the current system, but that also reduce traffic congestion.

A Roadmap for Mobility

Washington Policy Center's recommendations on a responsible transportation funding plan for Washington state

by Michael Ennis
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1. Taxes and fees paid by drivers should not subsidize other modes of transportation
2. Do not create a state-level tax or fee to fund local transit agencies
3. Stop diverting existing transportation taxes and fees for non-highway purposes
4. Expand capacity, fix chokepoints and do not restrict new resources to just maintaining the existing system
5. Reduce unnatural cost drivers that make transportation projects more expensive

Introduction

In 2011, Governor Christine Gregoire created the Connecting Washington Task Force. The group is made up of 31 individuals who were appointed by the governor. In December, the task force recommended a vague ten-year, \$20 billion transportation tax package. Task force members did not identify specific projects nor did they recommend specific funding sources. Instead, they identified broad investment areas and listed all the available funding options that were already being considered including gas taxes, tolls, higher sales taxes on vehicle purchases and other transportation-related fees. The final package to be forwarded to voters is now up to state legislators in Olympia and the governor.

Since the 1991–1993 legislative biennium, Washington's transportation budget has grown nearly 250%, from \$2.1 billion every two years, to \$7.2 billion every two years.¹ Some of the revenue growth stems from two motor vehicle fuel tax increases in 2003 and 2005. Washington State's gas tax rate is currently 37.5 cents per gallon and ranks as the seventh highest in the country.² In 2000, drivers paid about \$744 million in gas taxes and by 2010, gas taxes paid by drivers had

¹ "Washington State Fiscal Information, Transportation Budget, Statewide Summary, 1991–1993 legislative biennium, 2011–2012 legislative biennium," Office of Financial Management, viewed November 2012, at www.fiscal.wa.gov.

² "State Gasoline Tax Rates, as of January 1, 2011," Tax Foundation, viewed November 2012, at www.taxfoundation.org/taxdata/show/26079.html.

risen to \$1.2 billion, a 61% increase.³ State lawmakers have also increased driver-related licenses, permits and fees. In 2000, driver-related fees totaled about \$315 million, and rose to \$511 million by 2010, a 62% increase.⁴

These transportation taxes and fee hikes do not count the various local increases that officials have imposed recently. Particularly in King County, where taxpayers have experienced six significant increases in sales taxes, property taxes and motor vehicle excise taxes to pay for public transit.⁵ In 2001, statewide public transit agencies collected about \$484 million in sales taxes.⁶ By 2010, public transit agencies collected about \$1.23 billion in sales taxes, a 150% increase in sales tax collections in just ten years.⁷

Despite the significant growth in transportation taxes and fee revenue, state officials are now considering another increase. Before they ask voters to pay more, WPC offers the following recommendations for state leaders to consider when preparing a final ballot measure.

³ “Data For Actual Revenues From AFRS,” provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

⁴ Ibid.

⁵ 1996 Sound Transit phase 1, 2000 King County Metro Sales Tax increase, 2006 King County Metro Sales Tax increase, 2007 King County Ferry District property tax increase, later transferred to King County Metro, 2008 Sound Transit phase 2, 2011 King County Metro car tab tax increase.

⁶ “Washington State Transportation Resource Manual, Updated February, 2001,” Legislative Transportation Committee, February 2001, p. 123.

⁷ “Washington State Summary of Public Transportation, 2010,” Washington State Department of Transportation, December 2011, at www.wsdot.wa.gov/Publications/Manuals/PTSummary.htm.

I. Taxes and fees paid by drivers should not subsidize other modes of transportation

Drivers pay most of the taxes and fees that fund the state's transportation obligations. Nationally and in Washington state, the highway system was constructed largely on the philosophy that users would pay. This user fee theory successfully built 7,000 miles of roadway and allows Washingtonians to drive nearly 60 billion miles per year, producing industry, mobility, economic freedom and a higher quality of life for everyone. Over the years however, more of the taxes and fees paid by drivers are being used to subsidize other modes of transportation and other non-highway purposes.

Applying a multi-modal approach to a transportation tax package is important, but the hands of government should not dig into the pockets of drivers to subsidize these other modes. Drivers have their own infrastructure needs and the taxes and fees they pay should fund road, highway and bridge improvements. Likewise, transit users, bicyclists and rail passengers should fund their own infrastructure needs, or rely on local, general tax support. Historically, the primary funding source for local transit agencies has been sales taxes. Sales taxes apply to the broader public to support transit operations.

This same philosophy is precisely why gas taxes are protected by the 18th Amendment to the Washington State Constitution.

In 1921, officials implemented Washington's first gas tax of one cent per gallon. With this new revenue stream, state leaders were able to build, operate, maintain and expand Washington's highway network. And as the state's transportation infrastructure needs increased, so did the tax. Today, Washington's gas tax rate is 37.5 cents per gallon.

Seventy years ago, as they often do today, politicians saw spending opportunities in a new and stable revenue stream, and they began to divert gas tax collections to programs and services not related to roads or highways.

According to the Washington State Good Roads Association (WSGRA), more than \$10 million in gas taxes were diverted to other purposes in the ten years between 1933 and 1943.⁸

This gave rise to a popular statewide effort to protect motor vehicle fuel taxes for their intended purpose. In 1944, Washington voters passed the 18th Amendment to the state constitution, which limits the use of gas tax revenue exclusively to roads and highways.

To gather support for the constitutional amendment, the WSGRA hit on the natural attractiveness of a user fee system by stating, "Several hundred miles of good, paved, safe highway would have been built to save money in motor vehicle operation had this special motor tax money been used as it was intended. These were highways and streets we paid for, but didn't get!"⁹

⁸ Washington State Voter's Pamphlet, Washington Secretary of State's Office, November, 1944, p. 47, at www.sos.wa.gov/library/docs/OSOS/voterspamphlet/voterspamphlet_1944_2006_002278.pdf.

⁹ Ibid.

The measure passed and since then, gas tax revenues have been restricted solely to “highway purposes” and to the benefit of the drivers who pay the tax.

Raising transportation-related fees, raising the tax on the sale of vehicles and using roadway tolls, all to subsidize other travel modes, are examples of how this practice is unfair and siphons revenue paid by drivers that should instead fund roads to reduce traffic congestion and improve safety. In fact, the governor’s proposal increases taxes and fees paid by drivers by \$250 million to pay for public transit.

All transportation taxes and fees paid by drivers should be used for highway purposes only, while alternative travel modes should be funded by their own users (which reduces the public subsidy) or through local options that apply to the general public, like sales taxes.

2. Do not create a state-level tax or fee to fund local transit agencies

Public transportation is not underfunded in Washington state

Public transit is a local function with its own tax base and the state's role should be limited to granting local tax authority, not creating a new state-level funding source.

A common myth among public transit agencies and the transit lobby is that they are underfunded and need state money to further subsidize transit operations.

Public transit is not underfunded in Washington state.

In fact, the final report of a 2011 state study, "Identifying the State Role in Public Transportation," concluded that in public transportation funding "there is no common definition of 'unmet need' and there is no one source of information. Many observations are anecdotal and often do not have a strong data or rationale basis supporting the unmet need observation."¹⁰

There are 31 public transit agencies in Washington and they collected \$2.05 billion in total revenues in 2010.¹¹ To put this in perspective, in 2010 the state collected about the same amount (\$2.09 billion) from the three major revenue categories (taxes, fees and miscellaneous) that fund the state's entire transportation budget.¹²

Collecting more than \$2 billion in a year is remarkable considering how small public transit is compared to the state's overall transportation system. In 2010, the 31 public transit agencies provided 212 million passenger trips, or about 582,000 trips per day.¹³ The federal government estimates that households typically perform an average of 9.5 person trips per day.¹⁴ Washington state has 2.51 million households,¹⁵ which translates to an estimated 24 million person trips per day across the state. This means the 31 public transit agencies' total market share is only about 2.4% of all daily person trip demand.

The primary funding source for the 31 transit agencies is a local option sales tax. Washington state's primary transportation funding source is the motor

¹⁰ "Identifying the State Role in Public Transportation, Final Report," Washington State Legislature Joint Transportation Committee, January 2011, Pg. 6, at www.wstc.wa.gov/Meetings/AgendasMinutes/agendas/2011/January18/documents/011811_BP5_StateRolePublicTransportation.pdf.

¹¹ "Summary of Public Transportation, 2010," Washington State Department of Transportation, November 2011, Pg. 11, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf.

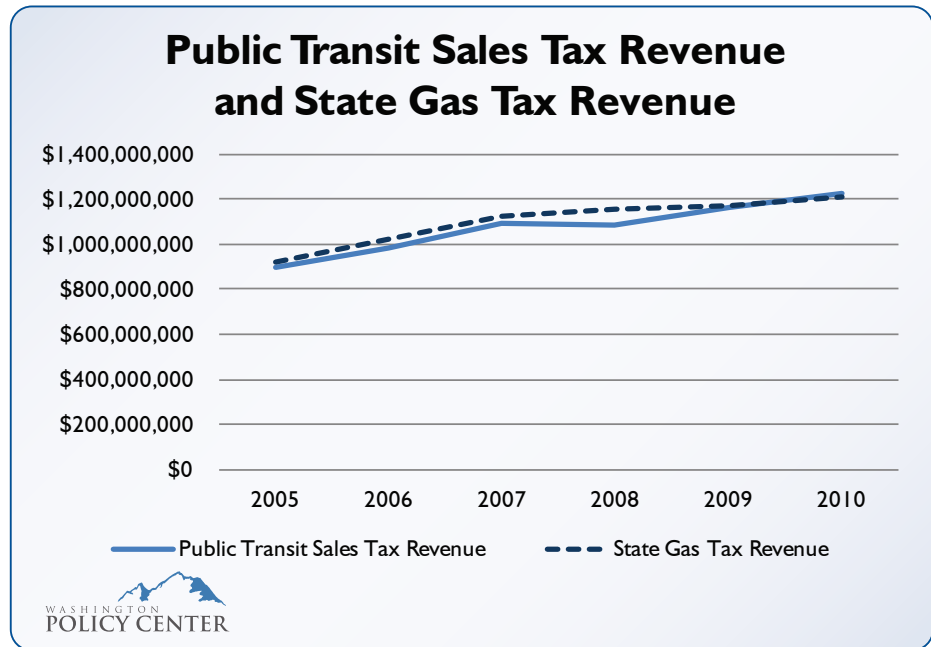
¹² "Data For Actual Revenues From AFRS," provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

¹³ "Summary of Public Transportation, 2010," Washington State Department of Transportation, November 2011, Pg. 14, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf.

¹⁴ "Summary of Travel Trends, 2009 National Household Travel Survey," Federal Highway Administration, June 2011, Pg. 10, at <http://nhts.ornl.gov/2009/pub/stt.pdf>.

¹⁵ "State and County QuickFacts, Washington" U.S. Census Bureau, 2010, at <http://quickfacts.census.gov/qfd/states/53000.html>.

vehicle fuel tax (gas tax). The following chart compares the annual sales tax revenue for public transit agencies to the state’s motor vehicle fuel tax collections between 2005 and 2010.



In 2010, the 31 public transit agencies collected \$1.23 billion in sales taxes.¹⁶ The state collected about \$1.21 billion in gas taxes in 2010.¹⁷ This means public transit agencies actually collected more in sales tax revenue than the entire state collected in gas tax revenue.

Among public transit agencies, the cumulative sales tax revenue since 2005 was \$6.46 billion,¹⁸ while the state’s cumulative gas tax revenue was \$6.60 billion over the same time period.¹⁹ Again, this is incredible when you consider how few people actually use public transit compared to the overall transportation system.

Transit officials also claim sales tax revenue is volatile and unreliable as a consistent funding source, but public transit’s sales tax revenue has grown 150% in the last ten years, from \$484 million in 2001²⁰ to \$1.23 billion in 2010.²¹ Inflation over the same time period only accounts for 23% of this growth.²² This

¹⁶ “Summary of Public Transportation, 2010,” Washington State Department of Transportation, November 2011, Pg. 237, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf.

¹⁷ “Data For Actual Revenues From AFRS,” provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

¹⁸ “Summary of Public Transportation, 2010,” Washington State Department of Transportation, November 2011, Pg. 237, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf. Data prior to 2007 was taken from the previous year’s report.

¹⁹ “Data For Actual Revenues From AFRS,” provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

²⁰ “Transportation Resource Manual, updated February 2001,” Legislative Transportation Committee, Washington State Legislature, February 2001, Pg. 123.

²¹ “Summary of Public Transportation, 2010,” Washington State Department of Transportation, November 2011, Pg. 237, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf.

²² “CPI Calculator,” The Federal Reserve Bank of Minneapolis, at www.minneapolisfed.org/.

means sales tax revenue for public transit agencies in Washington state has grown about 6.5 times faster than inflation over the last decade.

There also seems to be a misconception that transit ridership continues to rise. In reality, total ridership across the state has been steadily falling since 2008.

In 2008, transit's annual ridership was about 222 million passenger trips.²³ Since then however, transit demand has fallen. Through 2010, public transit's ridership declined to about 212 million passenger trips, a drop of 4.5%.²⁴ But transit's operating expenses have gone the other way.

In 2008, total statewide transit operating expenses were about \$1.01 billion.²⁵ By 2010, transit's operating expenses had risen by \$53 million, an increase of about 5%.²⁶ So public transit officials are serving fewer people but spending more to do it.

In another measure, public transit agencies have also accumulated very large reserve funds. In 2010, the 31 public transit agencies stored \$1.81 billion in reserves, which is twice as much as they had in 2007 (\$915 million).²⁷ In fact, Unrestricted Cash and Investments ballooned 560% from \$171 million in 2007 to \$1.13 billion in 2010.²⁸

Conclusion

A transportation funding package in 2012 should not include a dedicated, state-level funding source for public transit. Transit agencies are not underfunded and they have their own tax authority. Furthermore, transit officials should learn to become more efficient before asking taxpayers for more money. The state already cannot keep pace with funding its current transportation infrastructure needs; infrastructure needs that serve the majority of daily person-trip demand. Any new transportation revenue source at the state level should be used to pay for existing obligations or to expand highway capacity; it should not be diverted to new commitments, such as public transit.

²³ "Summary of Public Transportation, 2010," Washington State Department of Transportation, November 2011, Pg. 14, at www.wsdot.wa.gov/publications/manuals/fulltext/m0000/TransitSummary/2010PTSummary.pdf.

²⁴ Ibid.

²⁵ Ibid, p. 12.

²⁶ Ibid.

²⁷ Ibid. p. 238.

²⁸ Ibid.

3. Stop diverting existing transportation taxes and fees for non-highway purposes

Lawmakers diverted \$204 million in transportation taxes and fees last year

Before asking voters for higher taxes and fees, lawmakers should reform policies that divert current transportation revenues and fees to non-highway purposes.

Most officials claim the state's transportation system is underfunded and that current revenues cannot keep pace with simply preserving the system we have. In 2010, the major transportation funding sources (taxes, licenses, permits, fees, & tolls) brought in \$2.09 billion in state transportation funding.²⁹ Most of this revenue was paid by drivers and it should have gone to support the growing backlog of highway infrastructure needs. Yet, through various policies created by the legislature, state officials shifted more than \$200 million to non-highway purposes last year alone.

- **\$28.14 million to Indian tribes**

Tribally owned gas stations are exempt from paying 75% of state gas taxes. Under the state agreements, tribal stations impose the full state gas tax rate of 37.5 cents per gallon, and then receive an annual refund of 28 cents per gallon sold. The amount of gas taxes refunded to tribes was about \$28.14 million in 2010,³⁰ and tribal leaders have spent some of the gas tax refunds on non-highway purposes.³¹

- **\$114 million to the Multimodal Account**

State lawmakers also shift transportation taxes and fees paid by drivers into the state's Multimodal Account. As the name implies, the Multimodal Account is spent on transit, bicycle, and sidewalk improvements, generally through grant programs. One of the largest recipients of funds from this account is Amtrak. Most of the revenue that funds the Multimodal Account is paid by drivers in the form of a retail sales tax on the sale of motor vehicles and motor vehicle license fees. In 2010, drivers paid about \$114 million into the state's Multimodal Account.³²

- **\$62 million to the general government programs**

Washington State Department of Transportation (WSDOT) officials are required to pay state sales taxes on state transportation projects. This means valuable transportation revenue (paid by drivers) is funneled out of the transportation budget and into the state's general fund, and then used to pay for non-highway projects like social services, education and

²⁹ "Data For Actual Revenues From AFRS," provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

³⁰ "Annual Tribal Refunds, 2005–2010," Department of Licensing, 2011, at www.washingtonpolicy.org/sites/default/files/Annual-Tribal-Refunds-05-to-10.pdf. Note: 2010 fourth quarter data is not available in this document. Fourth quarter figures were provided directly from the Department of Licensing: Fourth quarter refunds is \$6.85 million and the 2010 total is \$28.14 million.

³¹ "State Gives Away Gas Taxes to Indian Tribes," Michael Ennis, Policy Brief, Washington Policy Center, October 2011, at www.washingtonpolicy.org/sites/default/files/tribal-gas-tax-pb_0.pdf.

³² "Data For Actual Revenues From AFRS," provided by officials at the Legislative Evaluation and Accountability Program Committee (LEAP), June 2011.

general government. WSDOT officials estimate that project delivery costs could be reduced up to 8.5% if their projects were exempt from state sales taxes.³³ The Office of Financial Management estimates WSDOT paid \$62 million in state sales taxes in 2010 on its capital construction projects.³⁴

Conclusion

Each year, drivers pay about \$204 million in various transportation taxes and fees that state officials then divert and spend on non-highway purposes. Annually, this amount is equivalent to about seven cents per gallon in the state gas tax rate.

These other projects may be important, but they should have their own funding sources, particularly paid by the user group who benefits from the program or service. Drivers have their own infrastructure needs that are not currently being met. Lawmakers should stop diverting current revenues to subsidize other, non-highway purposes and use the money they already have, before asking drivers to pay more.

³³ "Sales Tax Implications for WSDOT Project Delivery Cost," Washington State Department of Transportation, at www.wsdot.wa.gov/NR/rdonlyres/E6270D1D-6337-4744-B3C2-DD43A4E1175A/0/SalesTax.pdf.

³⁴ Data provided by officials at the Washington state Office of Financial Management, January 2012.

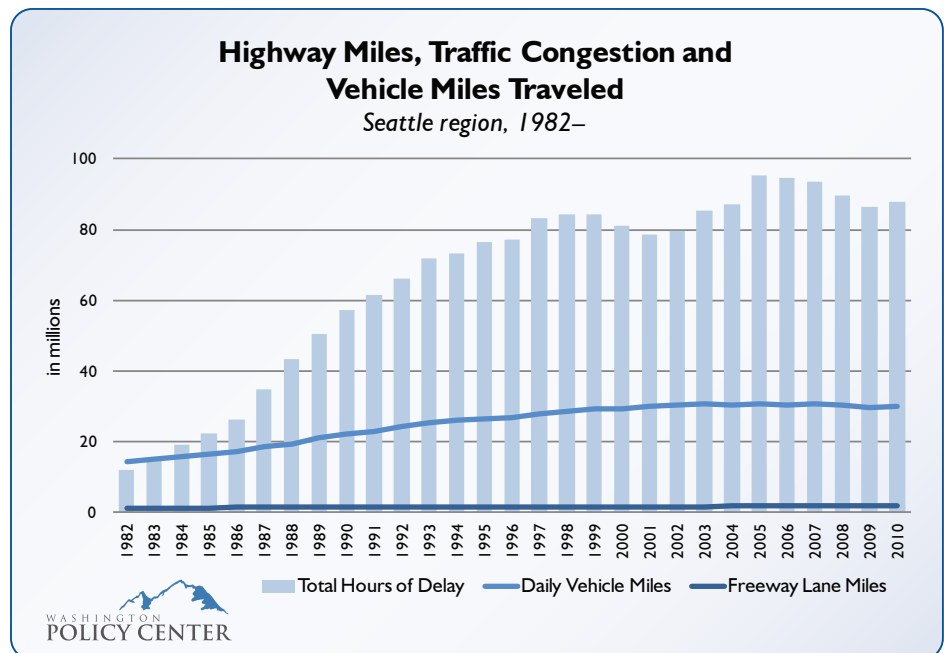
4. Expand capacity, fix chokepoints and do not restrict new resources to just maintaining the existing system

In 2003 and 2005, lawmakers passed two gas tax increases to fund more than 400 road projects across the state. Each proposal was tied to specific projects and taxpayers knew exactly what they were supposed to get. This time around however, lawmakers have only identified broad funding categories, with the stated intent of using the new revenue to preserve the existing system. This means drivers would have to pay higher transportation taxes and fees without receiving any new road capacity.

If lawmakers are going to raise taxes and fees on drivers and spend political capital to pass a transportation funding package, they should identify specific projects that fix chokepoints, expand capacity and ultimately reduce traffic congestion.

The chart following compares the number of highway lanes, person delay and highway-vehicle miles traveled in the Seattle region between 1982 and 2010.

In 1982, drivers traveled about 14.6 million miles per day on highways in the Seattle region.³⁵ By 2010, the amount of driving doubled to about 29.9 million miles per day on highways in the Seattle region.³⁶ Yet while the amount of travel demand on the regional highway system has doubled in the last 30 years, the amount of freeway capacity has not.



³⁵ “2011 Annual Urban Mobility Report, Performance Measure Summary, Seattle Washington,” Texas Transportation Institute, September 2011, at <http://mobility.tamu.edu/files/2011/09/seatt.pdf>.

³⁶ Ibid.

The Seattle region had 1,345 miles of freeway lanes in 1982.³⁷ In 2010, the region had 1,874 miles.³⁸ This means that since 1982, regional highway demand increased by 106% while the supply of regional highway lanes only increased by 39% over the same time period. As the demand for highway travel grows faster than the supply of highway lanes, drivers experience increased traffic congestion.

Across the Seattle region, total hours of delay are six times higher today, rising from 11.9 million hours in 1982 to 87.9 million hours in 2010.³⁹

Transportation leaders rely on drivers to fund most of the state's transportation budget and all of the state's highway system. In fact, drivers are now being forced to subsidize local transit agencies across Washington, despite a growing list of unmet road and bridge infrastructure needs.

But with anti-car policies that mandate reduced driving targets, increased driving taxes and fees and replacing valuable auto lanes with transit and bicycle-only restrictions, drivers are paying more and receiving less.

The plan to replace the SR-520 floating bridge does not add any new general purpose lanes to the already-congested configuration that exists today. The deep bore tunnel that will replace the Alaskan Way Viaduct actually reduces the number of existing automobile lanes from six to four, which guarantees more traffic snarls in Seattle and on Interstate 5. Sound Transit officials also plan to remove the reversible center lanes of the Lake Washington I-90 floating bridge, which a Washington State Department of Transportation study shows will increase traffic congestion.

This means officials plan to reduce the supply of unrestricted highway lanes around Seattle in the next 20 years despite population estimates that show an increase of more than one million new residents.

If drivers are going to pay more in higher transportation taxes and fees, it should be in exchange for projects that not only maintain the current system, but that also reduce traffic congestion.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

5. Reduce unnatural cost drivers that make transportation projects more expensive

One of the more significant obstacles to building transportation infrastructure in Washington is the ever-rising costs of projects.

As state transportation leaders discuss the possibility of seeking higher transportation revenues, there is another side to the funding equation that lawmakers must address before they obligate drivers to higher taxes and fees.

In the broadest sense, there are generally two drivers of costs in transportation projects: natural and artificial. Natural cost drivers occur as a result of normal economics. They include inflation, material expenses and higher costs for new technologies.

Artificial costs are from policies created by government officials that inflate expenses on public works projects. These policies are implemented for reasons that are unrelated to actually building a project. These unnatural cost drivers include:

- Prevailing wage rules
- Imposing state sales taxes on state projects
- Inefficient permitting, environmental compliance
- Requiring expensive mass transit improvements on highway projects

For example, the existing Washington State Route 520 Evergreen Point Floating Bridge spans Lake Washington and connects the cities of Seattle and Bellevue. It was built in 1963 and had a price tag of about \$245 million in today's dollars. The price of the proposed replacement will be about 19 times higher. Granted, the project scope of the current replacement is much larger, but officials have already spent more money (\$400 million) on planning and design than the total cost of building the first bridge, once adjusted for inflation.

On August 1, 2007, the Interstate 35 bridge in Minneapolis collapsed, tragically killing 13 people and injuring 145 others. Investigators concluded the bridge failed from a design flaw. Within hours of the collapse, Minneapolis officials pledged to rebuild the bridge.

Remarkably, a new, state of the art, ten-lane bridge opened on September 18, 2008, just 414 days after the old one fell. The new bridge cost under \$300 million. Officials were able to rebuild the I-35 Bridge so quickly and cheaply because they controlled risk.

Funding was secured up front. Permitting and environmental reviews were streamlined. Officials used a design-build public-private partnership, which allowed design and construction to occur simultaneously. Instead of bogging down in a debate on adding expensive light rail, which transit supporters strongly lobbied for, officials included two additional general purpose lanes and suggested they could be replaced by a High Capacity Transit system at some point in the future. This allowed the project to move forward without costly delays. Officials also created up to \$27 million in financial incentives if the contractor completed the project early, and they imposed penalties for delays.

Fortunately, Washington transportation officials use some of these same techniques here, but they face structural policies put in place by both federal and state lawmakers that artificially drive costs higher, however well-intentioned they may be.

Studies show that imposing federal prevailing wage rules on transportation projects unnecessarily increases labor costs by 22% and boosts total project costs by about 10%.⁴⁰

Washington State Department of Transportation (WSDOT) officials are required to pay state sales taxes on state transportation projects. This means valuable transportation revenue (paid by drivers) is drawn out of the transportation budget and deposited into the state's general fund, and then used to pay for non-highway projects like social services, education and general government. WSDOT officials estimate that project delivery costs could be reduced up to 8.5% if their projects were exempt from state sales taxes.⁴¹ The Office of Financial Management estimates WSDOT paid \$62 million in state sales taxes in 2010 on its capital construction projects.⁴²

The Federal Highway Administration (FHWA) estimates a typical Environmental Impact Statement took an average of 2.5 years to complete in the 1970s.⁴³ Today it takes 6.5 years.⁴⁴ And according to the FHWA, complex highway projects now take an average of 13 years to complete.⁴⁵ Only a fraction of that time is spent on construction.

Then there is the business of requiring expensive mass transit on highway projects. One of the most significant cost contributors of the Columbia River bridge project in Vancouver is the addition of light rail. Building light rail across the Columbia River would cost about \$1 billion, which represents 30% of the project's total costs, not to mention the millions in additional annual operating expenses that will burden local taxpayers indefinitely. Yet light rail would only serve somewhere between 3 and 9% of all trips that cross the bridge.

Deliberately increasing costs by 30% to serve less than 10% of people who cross the bridge, most of whom are already served by inexpensive buses, creates unnecessary costs, adds risk and establishes a very large gap between public costs and public benefits.

Instead of a system based on politics and process, lawmakers need a system focused on project delivery, results and performance, one that leverages

⁴⁰ "The Federal Davis-Bacon Act: The Prevailing Mismeasure of Wages," Sarah Glassman, Michael Head, David Tuerck, and Paul Bachman, The Beacon Hill Institute at Suffolk University, February 2008, at www.beaconhill.org/bhistudies/prevwage08/davisbaconprevwage080207final.pdf.

⁴¹ "Sales Tax Implications for WSDOT Project Delivery Cost," Washington State Department of Transportation, at www.wsdot.wa.gov/NR/rdonlyres/E6270D1D-6337-4744-B3C2-DD43A4E1175A/0/SalesTax.pdf.

⁴² Data provided by officials at the Washington state Office of Financial Management, January 2012.

⁴³ "PEL - A Path to Streamlining And Stewardship," Gina Barberio, Rachael Barolsky, Michael Culp, and Robert Ritter, U.S. Department of Transportation, Federal Highway Administration, April 2008, at www.fhwa.dot.gov/publications/publicroads/08mar/01.cfm.

⁴⁴ Ibid.

⁴⁵ Ibid.

public funds by using all financial tools available and limits unnecessary cost drivers.

If lawmakers want to rebuild trust with taxpayers and pass a comprehensive transportation funding package, they should tackle the cost side of public works projects before raising fees and taxes.

About the Author

Michael Ennis is Director of the Center for Transportation at Washington Policy Center. He is the author of numerous studies on transportation policy issues, including WPC's *Five Principles of Responsible Transportation Policy*. He appears regularly in print and broadcast media across Washington and policymakers on both sides of the aisle in Olympia seek his input and legislative testimony.



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