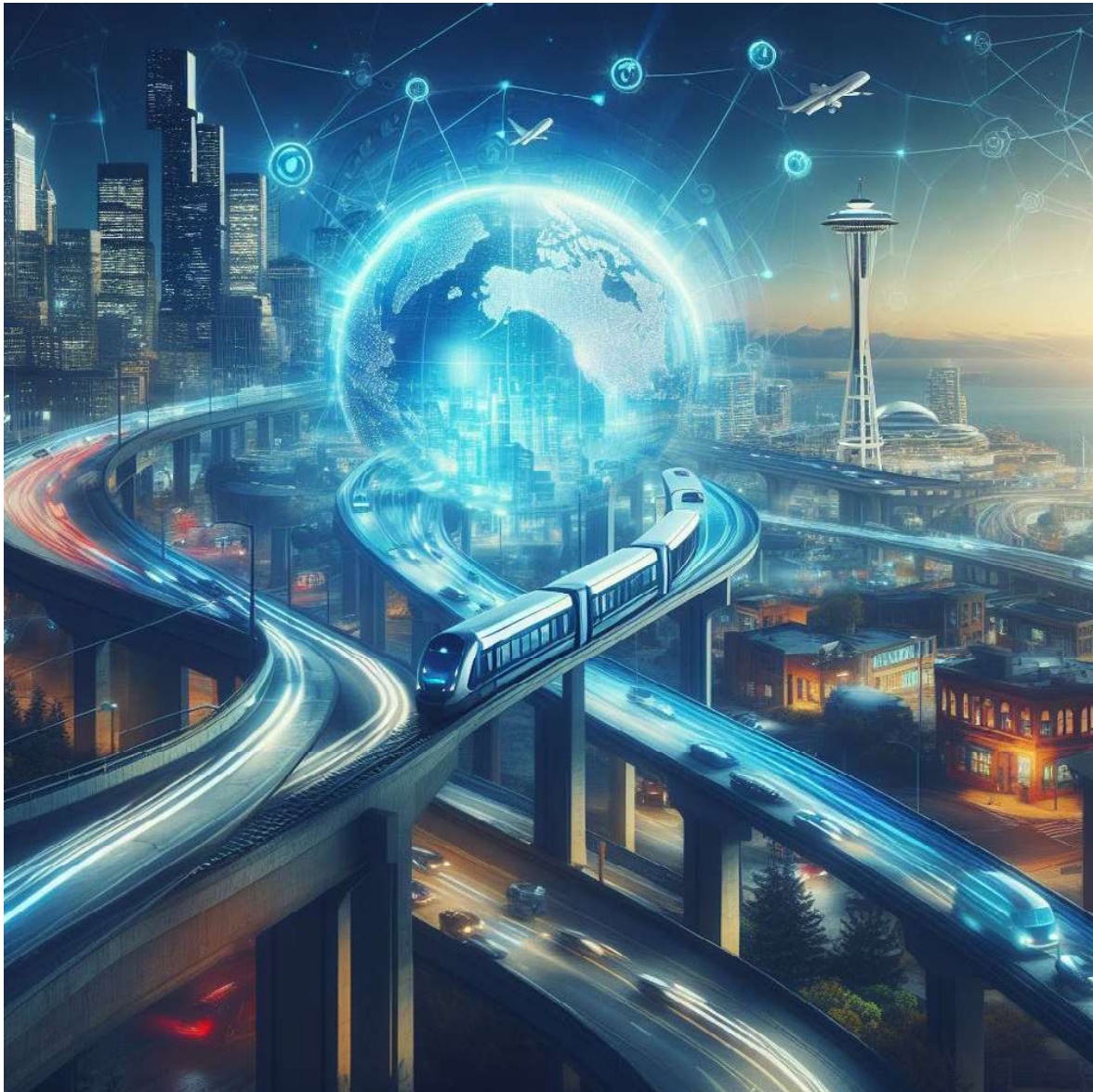


CHAPTER IX

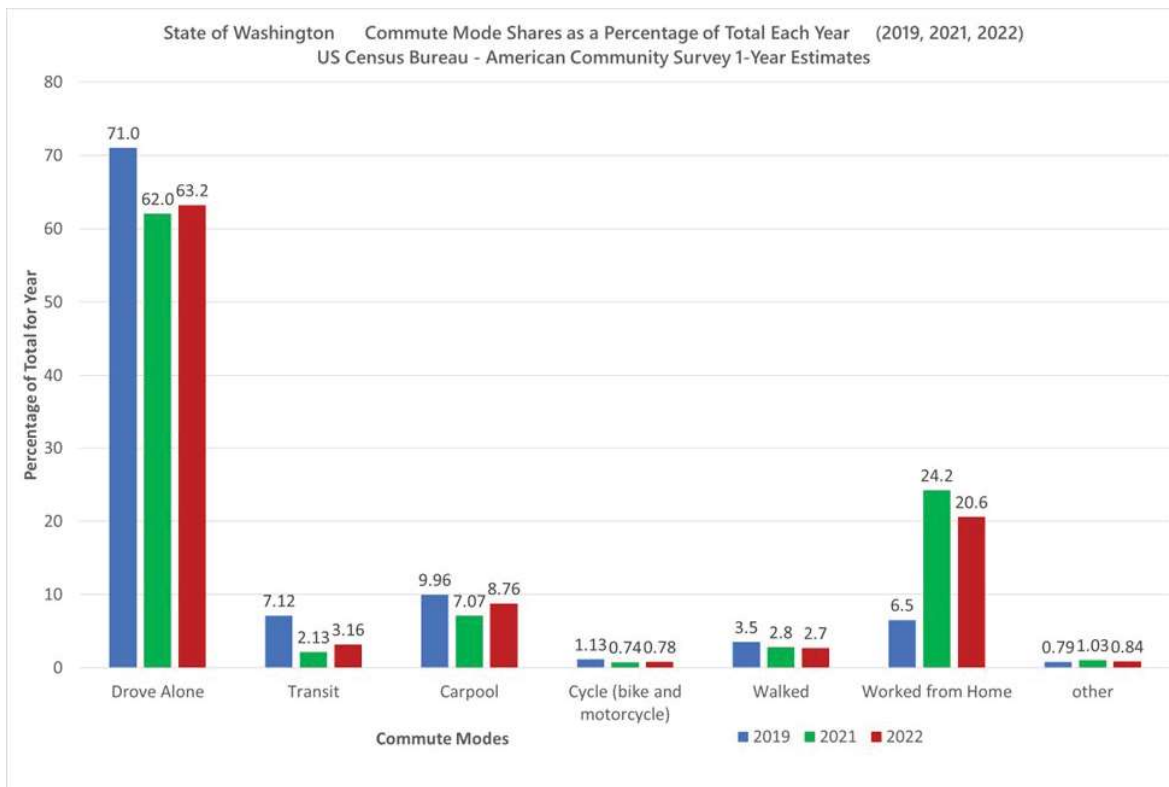
IMPROVING MOBILITY AND TRANSPORTATION SERVICES



CHAPTER IX

IMPROVING MOBILITY AND TRANSPORTATION SERVICES

1. Make system efficiency a primary goal of transportation policy
2. Focus on improving mobility rather than reducing daily travel
3. Reform transit agency governance and improve accountability
4. Make tolling policy consistent with 18th Amendment protections
5. Reform transportation planning and clarify policy goals
6. Begin shift to revenue sources that can replace fuel taxes



Driving is by far the most common way people travel every day.

Policy Recommendation:

1. MAKE SYSTEM EFFICIENCY A PRIMARY GOAL OF TRANSPORTATION POLICY

It is estimated that the population of Washington state will grow by more than a million people by the year 2035.¹ That growth will increase the burden on the state highway system, county roads, and city streets. Parts of this road system are already severely congested during peak travel periods. Reducing traffic congestion is key to increasing system efficiency, serving the public, and providing cost-effective mobility because driving is by far the most common way people travel every day.

When highways become congested, traffic slows to such an extent that vehicle throughput is greatly reduced. In some corridors, the loss of capacity during rush hour can be as high as 40%. This congestion impedes the flow of traffic at the very times when the capacity is most needed and reduces the return on the state's large investment in highways. It also denies members of the public the level of mobility that elected officials have promised and which drivers have a right to expect.

This problem illustrates the critical importance of reducing traffic congestion, which is also essential for achieving other state policy goals, including economic vitality, mobility, and environmental improvement.

In 2019, the cost of congestion for Washington residents was estimated at \$4.8 billion.² Despite the importance of relieving traffic congestion, transportation officials have not based budget decisions on measurable benchmarks. They do not implement the road projects and services needed to improve efficiency and accommodate a growing population.

The Legislature has wrestled with this important question many times. In 2000, the state Blue Ribbon Commission on Transportation identified several positive ways to measure the effectiveness of the state's transportation system.³ These performance measures were very specific and the Legislature enacted some of them into law. Two of the most important included:

- “Traffic congestion on urban state highways shall be significantly reduced and be no worse than the national mean;”
- “Delay per driver shall be significantly reduced and no worse than the national mean.”

Lawmakers later repealed meaningful benchmarks

In 2007, lawmakers repealed those benchmarks and replaced them with five vague transportation policy goals. Lawmakers added a sixth goal in 2010. Only one of the six policy goals sought to reduce travel times. The Legislature weakened its definition of “Mobility” to mean an effort to “improve the predictable movement of goods and people throughout Washington State.”⁴ By “mobility,” they did not mean “faster travel” but only “predictable travel.”

Lawmakers improved their policy goal of better mobility as part of the 2015 transportation package by adding the Washington Policy Center recommendation to include congestion relief and improved freight mobility, but they did not re-institute the specific performance-based benchmarks that had previously been part of the law. As a result, state officials’ intention of improving mobility for the public remains a wistful ideal instead of a measurable goal.

Failing to report traffic delay

Officials at the state Department of Transportation (WSDOT) have even stopped reporting statewide travel delays, despite being required by statute to reduce traffic congestion. Agency officials are instead focused on reducing vehicle trips, managing congestion by collecting money through tolls, and encouraging transit expansion and use.

This policy of trying to reduce rather than accommodate travel demand is counterproductive to a growing economy and a healthy society. Obscuring transportation performance trends makes it harder for legislators to identify the most effective policies and transportation spending. State officials are not fooling the drivers who experience traffic congestion and its frustrations firsthand every day.

Quantifying the benefits of reducing traffic congestion

The state Auditor has found that over a five-year period, if congestion relief were prioritized, it could be reduced up to 20%, lowering vehicle emissions and saving travelers up to \$400 million.⁵ The Auditor’s office said that transportation spending “should be measured, in part, based on how many hours of delay can be reduced for each million dollars” spent.⁶ The Auditor also recommended that lawmakers:

“Apply congestion-related goals, objectives and benchmarks to all highway and transit-related investments” and “elevate congestion reduction benefits in all decision-making processes.”⁷

Conclusion

Lawmakers should amend current transportation law to return to a system based on honest performance metrics like those implemented by Governor Locke’s Blue Ribbon Commission. Reinstating these measures would show the public that policymakers are committed to reducing traffic congestion and increasing transportation system efficiency.

The Legislature should require that the Metropolitan Planning Organizations and Regional Transportation Planning Organizations make congestion reduction an explicit goal if forecasts indicate travel demand is expected to exceed roadway capacity.

Policy Recommendation:

2. FOCUS ON IMPROVING MOBILITY RATHER THAN REDUCING DAILY TRAVEL

In 2008, the Legislature established statewide targets for reducing per-capita vehicle miles traveled (VMT).⁸ This policy is a failure. The only time the VMT reduction target was met was during the COVID pandemic of 2020-2021 when the governor ordered most businesses to close and told people to stay in their homes.

In 2021, after 13 years of failing to meet targets, the Legislature directed the Department of Transportation (WSDOT) to develop a process for establishing local VMT-reduction targets and recommend ways local jurisdictions can achieve the targets.

Pursuant to that legislative directive, WSDOT has produced a Vehicle Miles Traveled Targets Final Report.⁹ The report acknowledged that imposing VMT-reduction targets at the local level is impractical and instead proposed a regional approach, but it failed to discuss the other problematic aspects of the VMT-reduction proposal. It also failed to note that the Legislature’s VMT-reduction policy has never worked. The WSDOT study found:

- Trips are taken because individuals derive benefits (going to work,

shopping, recreation, school). A government policy of suppressing daily travel necessarily means the benefits of mobility will be reduced.

- There is no practical way for state or local government officials to enforce limits on how much people travel each day, much less know whose trips should be reduced and which ones should be allowed.
- VMT that is suppressed locally may go somewhere else, such as to another city or region or to another state altogether. Shifting VMT from one place to another does nothing to achieve environmental, economic or mobility goals. Indeed it would likely prove counterproductive.
- VMT-reduction strategies that impose higher cost, such as parking pricing and mileage taxes, increases the cost of living for residents and reduces the economic competitiveness of local businesses. The WSDOT report does not consider these costs.
- The relationship between driving and CO2 emissions is steadily weakening as cars become more fuel-efficient and sales of electric vehicles increase. By 2035, all new cars sold in Washington, according to a state mandate, are supposed to produce zero-emissions, so setting targets for VMT reduction will have a declining effect on emissions.¹⁰

Land use plans and travel behavior

There are also problems with the VMT-reduction strategies proposed in the WSDOT report. The report asserts that changes in land use are the most effective way to reduce VMT, but the most reliable analysis concluded that actual reductions in travel from imposing urban density are very small.¹¹ Also, changes in land use typically occur over decades, so a reduction in VMT, if any, would occur far in the future.

State officials assume changes in zoning will solve transportation problems but there is no evidence that this approach is working. In fact, most cities already have many areas zoned for high- density development, but if the real estate market doesn't support those high densities the expected development won't occur.

This failure can be seen at both the local level in the large amount of vacant commercial space in downtown Seattle, Tacoma, Everett, and Bremerton and at the regional level.

For example, from 1990 to 2010, the twenty-seven urban growth centers tracked by the Puget Sound Regional Council (PSRC) accounted for less than 7% of the population growth in the Puget Sound region, while lower-density areas outside urban centers accounted for 93% of the growth.¹²

That growth pattern occurred despite the limits of the Growth Management Act, strong support for urban centers in local plans, and a buoyant regional economy. This shows that neither wishing for higher density nor zoning changes will necessarily cause VMT reduction to happen. If anything, the larger economic and social forces that have led to decentralization are growing stronger, as officials witnessed when they ordered the COVID-related economic shutdown.

The WSDOT report also rates parking charges and roadway pricing among the more effective strategies. It is true that if policymakers make driving and parking sufficiently expensive, people will modify their travel behavior, but it does not necessarily follow that VMT will be reduced.

Higher costs merely prompt people to avoid the tolls and parking charges by taking other routes or going to places where parking is free. This may involve driving farther and adding to daily VMT instead of “getting people out of their cars,” as planners often say, by shifting people to transit or walking.

Transit and VMT reduction

Transit enhancements are another strategy favored by WSDOT officials, but transit ridership is far lower today than it was ten years ago despite very large increases in transit budgets. Some of the decrease can be attributed to the COVID-related shutdown, but a dozen transit agencies in Washington experienced double-digit drops in ridership in the ten years before the governor’s 2020 shutdown order.

For many bus routes, ridership has fallen to such a low level that per-passenger-mile fuel use is now higher than private driving. The few passengers riding a public bus on some routes use more fuel than one person driving the same distance in a car.

People in government like to promote light rail as a substitute for driving, but the Sound Transit rail lines will serve less than 3% of all trips in the region by 2050. That isn’t enough to make much difference in total VMT, and construction of the light rail lines is so energy-intensive that it will not

reduce carbon emissions. In short, there is no evidence that transit will meaningfully reduce VMT or significantly reduce carbon emissions in the state.

Conclusion

The WSDOT report focused on addressing transportation and environmental problems by suppressing VMT and, therefore, reducing people's mobility. A better approach would be to increase transportation system efficiency and encourage telework, e-commerce, and faster travel times. Those strategies can be implemented sooner, at a lower cost, and would not require difficult trade-offs among policy goals as would be needed for reducing VMT.

For these reasons, lawmakers should repeal the state's unenforceable and unachievable VMT reduction targets. They should also develop transportation performance measures that emphasize increasing energy efficiency and improving mobility for the traveling public.

Policy Recommendation:

3. REFORM TRANSIT AGENCY GOVERNANCE AND IMPROVE ACCOUNTABILITY

In 2021, the 32 tax-funded transit agencies in Washington state had total revenues of over \$4.7 billion.¹³ Transit services in cities and counties are overseen by local councils, mayors, and county executives, all of whom are elected officials. But most transit agencies run as Public Transportation Benefit Areas, which are governed by federated boards of appointed members.

As a result, residents of those transit districts may not have any direct representation on the agency governing board, have no say in who is appointed to the transit boards, and may not even know who is supposed to be representing them.

Governance problems in the Puget Sound region

The problem of scattered and ineffective governance and a lack of accountability is particularly acute in the central Puget Sound Region,

where five transit agencies operate, each with its own governing board and dedicated revenue sources.¹⁴ But even though the agencies are supposed to be independent, some of their board members also serve on the Sound Transit board and on the PSRC Transportation Policy Board.

These overlapping offices mean that officials can serve on the boards of several agencies as well as serving as city or county council members. These public entities do business with one another, cooperate on joint projects and compete for grant funding; conflicts of interest are unavoidable.

The governance problems are made worse by the structure of the Sound Transit Board. The 17-member board consists of local elected officials who are appointed by county executives.¹⁵ (The 18th member, the Secretary of Transportation, is appointed by statute.) This gives the King County executive, who appoints the majority of the board, effective control and disenfranchises residents of Pierce and Snohomish counties. These county residents have little or no say in who represents them and even less say in the plans and decisions of the King County-dominated agency.

There are further problems with accountability. The 17 appointed members of the Sound Transit Board each have at least one other government job, so a Community Oversight Panel was established to serve as a watchdog. The panel is supposed to be independent, but the members are hand-picked by the board they are supposed to oversee.¹⁶ In addition, the Panel members depend on Sound Transit staff for the information they are supposed to review.

Sound Transit's "independent watchdog" is created and controlled by the same public officials it is supposed to watch and, therefore, is not independent at all.

In the 25 years the Community Oversight Panel has existed, Sound Transit has incurred a long series of cost overruns, long construction delays, and embarrassing engineering problems.

The agency's performance has also fallen short in ridership, which is far below the levels Sound Transit presented to the public when seeking voter approval. The agency's operating costs, which were very high to begin with, partly because of its contracts with local transit agencies, are among the highest in the industry.

The Community Oversight Panel has not been effective in identifying any of these problems, or in recommending the plan modifications and other actions needed to correct poor agency performance. It is clear the panel has had little if any influence on the trajectory of the agency, nor has it had any effect on Sound Transit's ability to keep its promises.

In a 2012 review, the state Auditor found many conflicts of interest both within the board and in its Citizen Oversight Panel, which was packed with favored individuals as well as people who worked for companies that profit from Sound Transit contracts.¹⁷ This pattern of insider coziness helps explain the Oversight Panel's consistent failures and ineffectiveness.

Independent assessment of the governance problem

In 2006, the Legislature recognized the governance problem in the Puget Sound region and created a Regional Transportation Commission "to develop a proposal for a regional transportation governing entity more directly accountable to the public." The Final Report of the commission found that:

"Our current system of transportation governance delivers inadequate results and will need fundamental systemic change to meet our region's transportation needs in the future.

"At this point there is no single agency in the region with the ability to meet the overall transportation needs of the region. In order to address regional needs, the system has to be "re-knit" at the regional level. We base this conclusion on what we know about the current system and what we know our future needs will be."¹⁸

That frank assessment was focused on the Puget Sound region, but the problems it identified apply to regions across the state. These problems are not new or surprising. In 2000, Governor Gary Locke's Blue Ribbon Commission on Transportation came to similar conclusions regarding poor system performance resulting from myriad agencies and jurisdictions and from transportation funding that was not tied to performance benchmarks.¹⁹

Performance trends today show these long-standing problems have not been addressed. In fact, public transit performance has gotten worse. For example, the PSRC 2050 plan assumed transit ridership would more than double by 2030, but in the five years since the plan's adoption, ridership

has fallen by more than 30%, while the cost per hour of transit service has increased.²⁰

The Legislature has been quite permissive in enabling transportation authorities and granting additional revenue sources. For example, in addition to cities and counties and WSDOT, the Legislature allows six different types of transit authorities, plus Transportation Benefit Districts, Local Improvement Districts, Port Districts, and County Ferry Districts.

These agencies are usually governed by boards of locally elected or appointed officers, and each agency has the authority to impose its own taxes and collect fees. Taxes are sometimes imposed after a public vote, but sometimes taxes are imposed on the public by transit board action alone.

This permissive approach to granting local and regional authority for taxing has not been matched with any requirement for accountability or even consistency with state policy goals. The result is a swarm of public entities, sometimes competing, sometimes cooperating, that adopt plans and operate services with minimal oversight and even less public accountability.

The Regional Transportation Commission found that the competing objectives of agencies make effective prioritization impossible. Each local agency runs its own plan and its own budget. Clearly, no one is responsible for system performance.

The role of regional planning agencies and the need for accountability

State law assigns much of the responsibility for planning coordination to Regional Transportation Planning Organizations (RTPOs) and Metropolitan Planning Organizations (MPOs). Those agencies are governed by boards of appointed members who are usually local elected officials. The average citizen has no idea who is supposed to represent the public interest on these boards or how their plans set transportation policy.

State law directs RTPOs and MPOs and the state Department of Commerce to review and certify local comprehensive plans. In practice, however, this system has not proven effective at solving transportation performance problems.

State law also empowers the state Auditor's Office to conduct audits for compliance with financial regulations, but those audits do not consider whether agency plans are based on realistic assumptions, whether projects were successfully implemented, or even whether they made any sense in the first place. The generally favorable audit results stand in stark contrast to transportation system performance, which has steadily worsened.

Both the 2006 Regional Transportation Commission and the 2000 Blue Ribbon Commission on Transportation recommended far-reaching reforms designed to improve governance and increase accountability.

Based on the findings and recommendations of those commissions, lawmakers should enact the following reforms:

- Require direct election of the governing boards of Public Transportation Benefit Areas and Regional Transportation Authorities. This would eliminate conflicts of interest and overlapping representation. Directly elected boards would make transit agencies more accountable to the residents and equalize representation that now gives some voters much more say than others.
- Require transit agency plans and RTPO and MPO plans to implement the transportation policy goals set in state law (specifically RCW 47.04.280). Most transit agency plans make no mention of state policy goals and regional plans often fail to advance those goals.
- Direct the state Auditor's Office to conduct performance audits of transportation agencies with particular attention to the effectiveness of past agency plans and whether current plans are based on realistic assumptions and forecasts. The performance audits should include an estimate of the benefits, if any, the public should expect.
- Conduct an evaluation of the state Regional Mobility Grant program to ensure managers actually deliver the public benefits they promise. The evaluation should include an estimate of the benefit the public receives from tax-funded projects.

Conclusion

The existing transit governance structure has failed to deliver the effective and efficient service that was promised to voters and which legislators were led to expect when they authorized these local transit agencies in the first place.

Lawmakers should revise transit board representation to increase accountability. They should require transit agencies to align their plans with state policy goals. To be effective the state should also establish and monitor transit performance objectives.

Policy Recommendation:

4. MAKE TOLLING POLICY CONSISTENT WITH 18TH AMENDMENT PROTECTIONS

In 1944, the voters of Washington passed the 18th Amendment to the state constitution. This provision requires that:

“All fees collected by the State of Washington as license fees for motor vehicles and all excise taxes collected by the State of Washington on the sale, distribution or use of motor vehicle fuel and all other state revenue intended to be used for highway purposes, shall be paid into the state treasury and placed in a special fund to be used exclusively for highway purposes.”

The amendment was specifically intended to prevent the diversion of gas tax revenue to non-highway purposes and to ensure the state had a predictable and ongoing revenue source for maintaining the highway system. The language of the 18th Amendment covers toll revenue collected from highway system users, but various agencies and advocacy organizations want to divert toll revenue to non-highway purposes.

Taking toll revenue for other uses shortchanges highway needs by funding projects of no benefit to highway system users, as well as adding further uncertainty to the state transportation budget. Tolling authorization should clearly affirm that tolls collected from highway system users are protected by the voter-approved 18th amendment and are a user fee that is paid by, and therefore should benefit, motorists.

Existing tolled highway facilities

As authorized by the Legislature, officials currently collect tolls on five state highways:

- The Tacoma Narrows Bridge/State Route 16;
- State Route 167 HOT lanes;
- Interstate 405 Express Toll Lanes;
- State Route 520 floating bridge;
- State Route 99 tunnel in Seattle.

Toll revenue collected from drivers is being used to finance construction or, in the case of the SR 167 HOT lanes, ongoing operations. Yet only toll revenues from the Tacoma Narrows Bridge and the Interstate 405 Express Toll Lanes are sent to the Motor Vehicle Fund and are expressly protected for highway purposes.²¹

Variable tolls to optimize traffic flow

Several WSDOT facilities use tolls that vary either by time of day or dynamically based on demand to smooth traffic flow and increase system efficiency. This can substantially increase the capacity of the highway in times of high demand. It is especially valuable in highway corridors where adding lanes is not feasible and where traffic volumes are expected to grow. However, there is no specific protection in state law that mandates that tolls be set to optimize traffic flow for the benefit of the public.

As seen in other states, when budgets are tight policymakers raise toll rates to get more money for various non-highway programs. The result is price-gouging of the public and toll rates that may leave capacity underutilized, while taking money from drivers who have few other options. To prevent the imposition of non-optimal tolls, the Legislature should adopt guidelines for toll setting that emphasize highway system efficiency.

Vehicle mileage tax

The state Transportation Commission has recommended the state begin the transition away from the gas tax by instituting a vehicle mileage tax (sometimes called a Road User Charge or RUC).²² A flat-fee per mile tax is simple in concept, but it would not be simple to collect, and it raises a number of important fairness and privacy issues.

Less than 1% of the revenue raised from the gas tax is needed to cover the cost of collecting the tax. In contrast, collecting a vehicle mileage tax would cost upwards of 5% depending on how it was collected.²³ It is

possible that improving technology will lower the cost of collection, but that may only raise further questions about privacy, data security, fairness and whether people trust government officials to collect their sensitive personal information.

Similar to facility tolling, revenue collected from a vehicle mileage tax falls within the protection of the voter-approved 18th Amendment. It would be a user fee on drivers, and therefore, drivers should benefit from the way this user fee revenue is spent.

There are interest groups, however, that see a mileage tax as a cash cow that would be used to pay for their favorite non-highway projects. In other words, they want to give benefits to those who would not pay the user fee. If the Legislature considers a vehicle mileage tax, and manages to address the problems with privacy and trust, they should ensure that all proceeds are protected by the 18th Amendment and deposited in the State Motor Vehicle Fund.

Conclusion

Given the state's growing mobility needs and the promises lawmakers have made to the public, the Legislature should enact principles for setting tolls on congested facilities so traffic flow is optimized. They should set a tolling policy so the public benefit of the roadway is maximized instead of catering to special interests. They should also ensure that all toll revenue and any future mileage tax are protected by the 18th Amendment and preserved for highway purposes.

Policy Recommendation:

5. REFORM TRANSPORTATION PLANNING AND CLARIFY POLICY GOALS

Washington state law includes many planning requirements for officials at the Department of Transportation (WSDOT), cities, counties, transit agencies, and regional planning organizations. These requirements are intended to organize the planning efforts of these public entities and produce a more efficient transportation system that serves the needs of the traveling public.

The intention seems good, but the true outcome of all that transportation planning is far short of what officials promise and what the public has been led to expect. The plans may be consistent in terms of county-level population forecasts, and they may share some broad policy goals, but they do not have common priorities nor is the current planning process producing outcomes that serve the public interest.

Transportation planning requirements

State law provides extensive guidance for transportation planning. The overall goals for WSDOT are established in RCW 47.04.280 as follows:

- **Preservation:** Maintain, preserve, and extend the life and utility of prior investments in transportation systems and services, including the state ferry system;
- **Safety:** Provide for and improve the safety and security of transportation customers and the transportation system;
- **Stewardship:** Continuously improve the quality, effectiveness, resilience, and efficiency of the transportation system;
- **Mobility:** Improve the predictable movement of goods and people throughout Washington State, including congestion relief and improved freight mobility;
- **Economic vitality:** Promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy; and
- **Environment:** Enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment.

These policy goals are fine, but they do not tell officials responsible for transportation planning how to reconcile goals when they conflict, and those conflicts cannot be avoided. RCW 47.05.010 tells officials that “difficult investment trade-offs will be required” and provides the following guidance:

“It is the intent of the legislature that investment of state transportation funds to address deficiencies on the state highway system be based on a policy of priority programming having as its basis the rational selection of projects and services according to factual need and an evaluation of life-cycle costs and benefits that

are systematically scheduled to carry out defined objectives within available revenue.

“The state must develop analytic tools to use a common methodology to measure benefits and costs for all modes.”²⁴

If WSDOT officials were following the law’s direction, it would be apparent in the plans the agency has prepared, and WSDOT does produce a lot of plans. A partial list of recent state plans includes:

- Strategic Highway Safety Plan: Target Zero
- Active transportation Plan (2021)
- State Rail Plan (2019)
- Public Transportation Plan (2016)
- State Freight System Plan (2022)
- Washington State Plan for Electric Vehicle Infrastructure Deployment (2022)
- Washington Transportation Plan (2018)
- State Highway System Plan (2007)
- Statewide Human Services Transportation Plan (2022)
- Community Engagement Plan (2016)
- Safety Rest Area Strategic Plan (draft, 2023)

A review of these documents finds few references to cost-effectiveness or lowest life-cycle costs to address identified deficiencies as called for in the law. Many of the plans don’t make any estimate of future costs or the expected benefits from proposed public spending.

The most important plan is the State Highway System Plan. In the past, that document laid out a detailed twenty-year program of spending, complete with cost estimates and a plan for project phasing to implement the improvements.

The State Highway System Plan once served as the starting point for legislative budget deliberations and informed the plans of local jurisdictions and regional planning organizations.

So what is the problem? The most recent State Highway System Plan was published 16 years ago! Most of the projects have been completed, and WSDOT planning is now badly out of date.

As can be seen from the list above, since 2007, WSDOT has prepared a wide variety of plans, and the Legislature has budgeted tens of billions of dollars for a range of transportation projects and programs, but those plans and expenditures are not guided by the “rational selection of projects and services according to factual need and an evaluation of life-cycle costs and benefits” as required by law.

This explains why public transportation systems fall badly short of the state’s policy goals despite huge increases in spending. WSDOT’s plans simply are not producing the promised outcomes.

Transit agency plans and priorities

The law also specifies the elements to be included in transit agency plans, but those plans do not reflect the required goals. For example, the transit plans include little, if any, discussion of cost-effectiveness or congestion reduction, nor are those goals listed as agency objectives.

Even when a cost/benefit analysis is performed, an agency’s plan may not be revised accordingly. For example, in 2016, Sound Transit did a cost/benefit analysis of the Sound Transit 3 plan. It showed that the expected benefits of ST3 would not equal its costs *until the year 2071*.

A plan that takes more than fifty years to reach its break-even point implies the public is being denied promised benefits. Since then, Sound Transit officials have increased their costs by tens of billions of dollars, and they have stretched out their timeline for completion by a number of years. Yet, ridership continues to fall far below even the most pessimistic forecasts.

As a result, the cost of Sound Transit’s plan, now expected to be nearly \$150 billion, will exceed benefits far beyond 2071, well past the useful life of the stations, trains and track. In fact, Sound Transit will never justify its costs, according to the agency’s analysis.

Obviously, such poor performance will have a negative economic impact on the region and is not consistent with state policy goals or public expectations.

Despite the major shifts that have occurred in travel patterns and increasingly poor future prospects, Sound Transit board members are unwilling to reconsider their extravagant light rail spending plan. Instead,

they have repeatedly delayed delivering promised rail service while raising the cost by tens of billions of dollars.

Regional planning requirements

State law and the Washington Administrative Code (WAC) provide direction on the preparation of regional plans. WAC 468-86-080 says regional planning organizations should use a least-cost methodology, but regional transportation plans are not following the WAC requirement. One agency, the Puget Sound Regional Council (PSRC), is using a methodology that has resulted in a 2050 plan with a \$300 billion price tag while providing poor performance for the public.

Despite the enormous costs the plan will lead to 38% more traffic congestion compared to the 2018 baseline, with public transit providing daily trip percentages in the low single digits. That dismal outcome does not support the state transportation policy goals in RCW 47.04.280, nor does the plan effectively advance the regional goals of PSRC's own plan. A least-cost planning method would identify alternative spending and policies that would produce much better results.

As the foregoing discussion makes clear, the poor results of transportation planning in Washington can be attributed to three fundamental problems:

- Agencies responsible for transportation planning have divergent objectives and priorities;
- Planning guidance in the law is often circumvented or ignored;
- Measures of cost-effectiveness, which could identify superior transportation policies and investments, are not often used in the development of agency or regional plans.

It should be emphasized that the poor performance of transportation plans is not because agencies lack the necessary analytical tools and data needed for planning. The models they use for evaluation are not perfect, but they are more than adequate to identify performance deficiencies and produce solutions. The flawed plans are the outcome of unrealistic assumptions and dysfunctional politics used by officials, not a lack of data or evaluation methods.

Conclusion

Lawmakers should require transportation agencies to use a cost/benefit analysis in the planning process. Agencies should use least-cost planning and update the State Highway System Plan every four years to provide a detailed project list with cost estimates. State funding of regional planning organizations should be contingent on compliance with these requirements.

The plans of WSDOT and other agencies have not been effective in advancing the state policy goals as set forth in the law. Lawmakers should enact planning reforms and set clear goals to achieve better outcomes for taxpayers and the traveling public.

Policy Recommendation:

6. BEGIN A SHIFT TO REVENUE SOURCES THAT CAN REPLACE FUEL TAXES

Even though fuel tax revenue remains robust, the transition to electric vehicles and better fuel economy for gas-powered cars indicates that fuel tax revenue will begin to decline in the future. At the same time, the Department of Transportation (WSDOT) is facing a growing shortfall in funding for highway system preservation and maintenance. The Transportation Secretary recently said that an additional \$770 million per year is needed to bring the highway system up to a state of good repair.²⁵

State officials say that they need additional funding. Because the gas tax in Washington state is already one of the highest in the country, and because the recently imposed carbon emissions tax has already increased the price of motor fuel, it is unlikely lawmakers will increase the gas tax. Nor should they. The public rightly thinks the gas tax is too high as it is, and is having a negative effect on jobs and economic growth.

However, that doesn't mean the state lacks alternative revenue sources that officials could use for transportation purposes. Following are existing revenue sources that officials can use to bring the state's road and highway transportation to a state of good repair without raising taxes.

Sales tax on automobiles

Shifting revenue from the existing 6.5% tax on the sale of automobiles from the General Fund to the Motor Vehicle Fund would provide hundreds of millions of dollars per year in funding for highway projects. The proceeds of the tax would go toward highway maintenance and improvements that benefit the motorists who pay the sales tax.

Unlike the gas tax, the sales tax on automobiles will increase with inflation and with growth in the state population. This makes it a steady and reliable source of revenue to fund ongoing highway maintenance needs, which also increase over time.

Carbon tax revenue

In 2023, state lawmakers and Governor Inslee imposed a large carbon emissions tax, most of which is being paid by motorists when they fill up their gas tanks. Total revenue for 2023 from the new tax is expected to exceed \$500 million.²⁶ However, the Legislature arbitrarily prohibited using the revenue for “highway purposes authorized under the 18th Amendment of the Washington State Constitution...” This provision effectively bans using carbon tax money for highway improvements that benefit the motorists who pay most of the tax.

The fact the General Fund has a substantial surplus and the state highway budget has a large unfunded maintenance and preservation need means lawmakers are in a position to put the surplus carbon-emissions revenue to work in ways that most directly benefit the citizens who pay the tax.

Cut the cost of public road projects

One of the most significant obstacles to building roads and highways in Washington is the ever-rising cost of public projects. Over the years, lawmakers have added regulatory delay, political factors, and labor restrictions that increase costs far beyond what similar projects would cost in the private sector.

Imposing artificial costs on public projects

The natural cost of a project is the same in the private and public sectors. These include inflation, material expenses, market labor costs, and the cost of financing.

Artificial costs are imposed by government officials by choice. These are political factors like prevailing wage rules, taxes on state projects, apprenticeship requirements, inefficient permitting, environmental compliance, special set-asides for art, and using highway projects to fund mass transit.

A real-world model for cutting artificial costs

On May 23, 2013, the Skagit River Bridge, which carries Interstate 5, was hit by a truck and the structure collapsed. Three people suffered minor injuries, and the main road connection between Vancouver, British Columbia, and Seattle was severed.²⁷

The governor and other elected leaders rushed to replace this essential link. They eliminated the artificial policies that normally add lengthy delays and increased costs to any public project. Intense media and public interest allowed state officials to ignore politics and repair the road connection quickly and efficiently.

Officials had a temporary replacement bridge open in less than a month, on June 19, and a

permanent span was open to traffic by September 15. The public saw how cutting artificial rules can get a road project completed in about four months instead of the typical five to ten years.

Conclusion

These are just two additional revenue sources the Legislature can use to replace fuel tax revenue and increase spending on highway system maintenance and improvements that do not involve higher taxes or vehicle fees.

These two existing revenue sources are already being paid by highway system users, so it would be fair and logical to use the funds for their benefit. In addition, lawmakers should cut artificial costs and ignore political pressures that make the public pay more for public roads. Such reforms would help rebuild the public's trust by ensuring the state actually delivers the highway and mobility improvements that elected officials have promised.

ADDITIONAL RESOURCES:

“State Transportation Budget Highlights,” by Charles Prestrud, May 22, 2023, at <https://www.washingtonpolicy.org/publications/detail/state-transportation-budget-highlights>

“Five Principles of responsible Transportation Policy,” by Mariya Frost and Charles Prestrud, March 2023, at <https://www.washingtonpolicy.org/library/doclib/5-Principles-of-transportation-trifold-002-.pdf>

“Implications of Shifts in Commuting,” by Charles Prestrud, October 3, 2023, at <https://www.washingtonpolicy.org/publications/detail/implications-of-shifts-in-commuting>

“HB 1846 – To Provide for Buying New Washington State Ferries,” by Charles Prestrud, Legislative Memo, April 2023, at <https://www.washingtonpolicy.org/library/doclib/Charles-LM-HB-1846.pdf>

“High Speed Rail proposal runs into high-cost problems,” by Charles Prestrud, June 2023, at <https://www.washingtonpolicy.org/publications/detail/high-speed-rail-proposal-runs-into-high-cost-problems>

“A bottomless pothole foretells more problems ahead,” by Charles Prestrud, Washington Policy Center blog, May 2023, at <https://www.washingtonpolicy.org/publications/detail/a-bottomless-pothole-foretells-more-problems-ahead>

“WSDOT demonstrates that adding general purpose capacity on I-405 reduces traffic congestion and toll rates,” by Mariya Frost, July 14, 2017, at <https://www.washingtonpolicy.org/publications/detail/wsdot-demonstrates-that-adding-general-purpose-capacity-on-i-405-reduces-traffic-congestion-and-toll-rates>

“The Road Usage Charge: To impose a tax on every mile you drive,” by Mariya Frost, Policy Brief, June 2017, at <https://www.washingtonpolicy.org/library/doclib/Frost-The-Road-Usage-Charge-to-impose-a-tax-on-every-mile-you-drive-PB-6.23.17-1.pdf>

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