

## **Real Transportation Reform is the Key to Restoring Voter Trust**

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The vital question for policymakers in the wake of the defeat of Referendum 51 is: What does it take to win voter support for costly public projects? Most will agree the answer is clear. State government must implement common sense reforms that change the institutional structure of the Washington State Department of Transportation (WSDOT) and restore competitive efficiency to the transportation system. Only by implementing real reform can state leaders hope to regain voter support for much-needed road projects. Then WSDOT can get back to improving mobility by creating a statewide transportation system that meets the needs of commuters and businesses alike.

### **Streamline the Permitting Process**

It is not uncommon for WSDOT to spend two or three years lining up the permits the state requires before construction on a vital transportation project can even start. By slimming the permitting process, transportation projects could be completed much faster, thus reducing costs and helping to restore trust in government. Three ideas offer strong potential for shortening the complex permitting process, while maintaining proper control and oversight.

First, transportation planners should consider setting up an Integrated Permitting System (IPS), which reduces administrative roadblocks by putting all permitting documents into one central database under a single project description. Second, WSDOT officials should consider the Blue Ribbon Commission's recommendation for a one-stop-shop for all environmental permits. When

used together these two reforms can sharply reduce paperwork delays. Third, policymakers should consider letting the Department of Transportation develop a self-permitting process, one with minimal interference from regulatory agencies that have been known to bring needed highway projects to a screeching halt.

### **Allow Private Passenger Ferries**

Washington State Ferries are an integral part of the state highway system, providing over 27 million passenger trips each year. More than one million of those trips are on passenger-only ferries, where fare-box revenue covers less than 20% of the operating cost. Washington ferry officials have announced they are ending the state's passenger service on June 15, meaning no passenger ferries will exist at all. A more reasonable alternative would be to simply lift the 1950s-era ban against running private ferries on the Sound. Currently, it is against the law to operate a private ferry within ten miles of any state route, an area that essentially covers all of Puget Sound.

Private companies have expressed interest in starting passenger ferries and would gladly, if given the chance, offer service on many of the routes now operated by Washington State Ferries. Repealing the ban would open the way for new ideas, new investment and more efficient operations, at no risk to the public. If the state can no longer carry passengers across the Sound, it should consider stepping aside to let private companies offer the service.

## **Implement Competitive Contracting**

Current law also makes it illegal for the state to open most government work to competition, in effect creating a closed monopoly on public sector jobs. By allowing private contractors to compete for highway maintenance and other government work, the quality of state projects would be improved, and the cost to taxpayers would be reduced.

Examples from around the country show introducing competition saves taxpayers at least 10% to 25%. A 1988 audit estimated WSDOT could improve service levels and save more than \$25 million by competitively bidding highway maintenance. Other states, such as Virginia, Texas and Massachusetts, are far ahead of us in using free-market competition to get the most from tight public budgets. Virginia saved \$22 million on one three-year road maintenance contract alone.

Often public employees compete for, and win, contracts to perform government work. Front line government workers usually know how to do their jobs better, if only the rules would let them do it. It's competition, not privatization that achieves higher efficiency, because it allows program managers to choose the best-cost option while delivering improved service to the public.

## **Use Performance Audits**

Independent performance audits are a proven way to save taxpayer money. In Colorado, recent performance audits of several agencies identified over \$12 million in savings from easily adopted policies, and \$41 million in additional near-term efficiencies. In Florida, an audit of the budget system helped the legislature and the governor enact changes that will lead to major improvements. In Texas, government-wide performance audits over eight years identified \$8.1 billion in savings.

If combined with other reforms, regular performance audits of the state transportation system would help establish an innovative culture that rewards productivity and efficiency. It is important to recognize the positive impact of regular oversight. Not only would poor performance be identified and ended, but previously unpublished success stories would become a part of the public record, allowing WSDOT managers and workers to establish credibility with voters.

## **Reform Prevailing Wage Law**

The state's prevailing wage law hampers the bidding process for highway construction by imposing price controls that prevent normal competition and cause artificial inflation. The government ends up imposing rules on itself that only drive up its own costs. In the private sector, open market forces determine the prevailing price of labor, not a pre-determined, government-fixed price.

If prevailing wages costs can't be eliminated totally, the system could at least be reformed so that wage costs for road projects across the state are not based on the cost of living in the state's largest cities. Changing the law to accurately reflect local wages would allow major savings on all state projects. Reform would especially help rural areas that have a lower wage base than high-priced urban areas, allowing the state to provide more and better roads with limited funding.

## **Conclusion**

With a clear focus on effective reform, state policymakers can cut the cost of major projects, reduce congestion, and restore public trust in the state's management of the transportation system.

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