

Transportation



Background:

Transportation investments have traditionally been made through increased gas taxes passed by the legislature and voters in response to longstanding concerns regarding Washington's transportation system and its effect on our safety, competitiveness and mobility of people and goods. Major arterials such as I-90 and I-5 are critical to maintain to move people and products around and through our state. Significant infrastructure needs exist in our state and during 2009, the Joint Transportation Committee (JTC) undertook a major study that included potential resources and what changes, if any, should be made to meet future challenges facing transportation funding afforded by vehicle technology, consumer choices and other factors. Additionally the JTC is conducting a number of studies designed to foster improvements, explore funding options and improve accountability of transit systems, and evaluate state and local transportation planning, including programs administered by the County Road Administration Board (CRAB), Freight Mobility Strategic Investment Board (FMSIB), Transportation Investment Board (TIB) and the Washington State Department of Transportation (WSDOT). The Washington Transportation Commission (WTC) is completing a long term transportation plan for 2011-2030 to establish a vision for a statewide transportation system.

Tolling continues to be a primary solution by a few states with intense traffic needs and today's technology provides new opportunities in the efficiency of using tolls. In Washington, the legislature enacted a statewide tolling policy in the passage of HB 1773 in the 2008 session. Two pilot projects are under way, the Narrows Bridge is collecting tolls (with some state subsidy) to help finance the new construction and High Occupancy Toll (HOT) Lanes on SR 167. The SR 167 effort will test a congestion management tool that allows solo drivers with a Windshield e-Sticker Transponder to pay an electronic toll without ever stopping to use the carpool lanes. Under this "dynamic tolling" concept, toll rates will fluctuate with the level of congestion to ensure that traffic in the HOT lane flows at least at 45 mph, even when the regular lanes are congested.

The Governor has called for the Connecting Washington Task Force, a group of transportation stakeholders including business, labor and environmental organizations to examine the need for additional transportation investments.

Problem:

Despite transportation tax increases in 2003, 2005 and the influx of federal stimulus dollars, transportation infrastructure investment is not meeting needs for economic vitality, congestion relief, safety, preservation or quality of life. However, recent legislative initiatives for container fees, horse-power surcharges and green house gas cap and trade schemes will further depress the State's economy while we are suffering the most severe recession in modern times. Alternatives to the fuel tax remain uncertain and are the subject of an ongoing legislative study. Fuel prices remain extremely volatile and, while they have receded from peak prices of 2008, they appear to be rising again. There is growing support for new transportation investments from a coalition of business, labor and environmental groups in response to the economic downturn and a realization that infrastructure investment is popular theme with the general public.

The 1998 Blue Ribbon Commission on Transportation and other studies have identified nearly \$50 billion in transportation investment needs throughout the state. The 2003, 2004 and 2005 funding packages set us on a course for improvement, but leave significant needs unmet. The Association of Washington Business believes transportation infrastructure is crucial to improving our state's business climate. Washington can no longer rely on

the traditional funding mechanisms to finance these projects. Tolls will be a critical part of the solution as we look to the future funding of transportation projects. For tolls to be successful in Washington, the toll revenues will need similar constitutional protection as motor vehicle fuel taxes to ensure they are not used for unrelated purposes.

Solution

AWB believes that our transportation infrastructure is crucial to our state's business climate and will continue to work on solutions to our transportation needs while protecting economic development. The business community remains willing to consider alternative financing mechanisms for transportation funding where they are demonstrated to not have a detrimental impact on commerce. We support a statewide effort in examining the need for additional transportation investments in the short term coupled with increased accountability.

Investment

1. Prioritize the preservation, maintenance and improvements of existing state transportation infrastructure. Require new projects to identify long-term investment strategies for preservation, maintenance and improvements.
2. Oppose transportation resources that adversely affect Washington businesses or create competitive disadvantages whether those choices include container fees, local option taxes or fees including a street utility tax, transfer taxes or stormwater fees among others. Require a review of existing local funding mechanisms.
3. Require that new taxes or fees to support local transportation options be authorized by the voters.
4. Tolls are an appropriate long-term financing mechanism, particularly for large transportation infrastructure projects and a combination of revenue accountability and dedication of tolls with system guarantees should be considered by the legislature to promote support from citizens for tolling as part of our transportation infrastructure financing package. (a) Tolls should have the same 18th Amendment constitutional protection as motor vehicle fuel taxes to ensure revenues are not used for unrelated purposes, (b) ensure a seamless, efficient and interoperable system and (c) utilize public-private partnerships for road construction, preservation, maintenance and tolling.
5. Review tribal gas tax agreements for greater balance, fairness and to ensure revenues are used for 18th amendment protected transportation investments as part of a coordinated statewide strategy.
6. Retain current restrictions on uses of Real Estate Excise Taxes. Specifically limit the use of REET revenues to cost-effective transportation capital investments designed to accommodate growth.

Accountability

7. Support legislative changes that improve the efficiency and performances of FMSIB, CRAB, TIB and WSDOT.
8. Improve the accountability of project delivery and provide additional flexibility to maximize efficiencies between projects within the same corridor.
9. Support measures that require public transportation accountability and operational efficiencies.

Commerce

10. Repeal the per capita vehicle miles traveled reduction benchmarks in current law.
11. Address local zoning requirements and ordinances that inhibit commerce dependent on truck deliveries.