

**WASHINGTON STATE TRANSPORTATION COMMISSION**  
**Joint Meeting Washington and California Transportation Commissions**  
**Meeting Summary**  
**September 14, 2011**

The joint meeting of the Washington and California Transportation Commissions was called to order at 1 p.m., on Wednesday, September 14, at the Sheraton Sonoma County, Great Blue Heron Ballroom, 745 Baywood Drive, Petaluma, CA

Commissioners Ford, Parker, O’Neal, Cowan and Haley attended from Washington and from California, Commissioners Frommer (Los Angeles), Ghielmetti (San Francisco), Assemi (Fresno), Burke (Los Angeles), Dunn (Orange County), Earp (Sacramento), Guardino (Silicon Valley) and Inman (Orange County) attended.

Commissioner Ford described the roles and responsibilities of the Washington State Transportation Commission. He recounted the enactment of the 2003 and 2005 gas tax increases, the bond revenue raised with that revenue stream, and the projects underway and accomplished. He also reported that Governor Gregoire has convened an Advisory Group to consider whether to recommend a revenue package for the fall 2012 election.

**Executive Directors’ Reports**

Bimla Rhinehart talked about the joint efforts of the West Coast Commissions to date, including letters regarding reauthorizing of federal transportation funding, freight movement, and the funding challenges posed by fuel efficiency. Reema Griffith briefly described WTP 2030 and provided copies of it to the California Commission. WTP 2030 provides a framework for future transportation investment, identifies a future need of \$175-200 billion over the next 20 years, and explores additional funding options to meet that need. She also described the Statewide Priorities Survey being conducted by the Commission; the survey will begin the next week.

Ms. Griffith suggested that the Commissions consider revising and resending the 2009 joint letter recommending a west coast VMT pilot in light of the continuing decline of fuel tax revenues and reauthorization discussions. The need for a national strategy to transition from fuel tax to fund transportation has become even more acute.

**Action/Follow-up:** The California Commission will discuss further. The Washington Commission staff is to contact the Oregon Commission to see if they agree. The Washington Commission staff will get back to California to finalize and move forward..

**Federal Transportation Policy and Funding: Status and Outlook**

Larry Ehl informed the Commissions that the Senate Committee passed a four-month extension of SAFETEA-LU last week.

A continuing resolution is expected to continue funding levels and programs beyond October 1, 2011. The 2012 appropriations likely will be 30-35% less than in 2011.

Sharon Neely, Southern California Association of Governments, added that the President's jobs package included \$50 billion for transportation and \$10 billion for an infrastructure bank. California is looking at expediting project delivery and targeted funds for improved goods movement. Through NEPA delegation, California estimates it has achieved a 17-month time savings in transportation construction work; California has requested permanent delegation of NEPA review. Ms. Neely also added that if the three west coast commissions issue another letter on VMT urging congress to identify a transition strategy and/or a pilot on the west coast, her organization would support it and advocate for it in D.C. when they are there.

### Federal Transportation Program - Reauthorization

**Action/Follow-up: None.**

### Congressional Budget Office Report – Alternative Approaches to Funding Highways

Perry Beider, from the Congressional Budget Office, reported on how CBO is communicating ideas on transportation funding to Congress. The Report focuses on fuel taxes and potential VMT fees. It was requested by Senate Budget Committee Chair. The Highway Trust Fund (HTF) is funded 90% from taxes collected on fuel sales.

HTF revenues today are less than spending. Since 2008, about \$30B in general fund revenues has supplemented the HTF fuel tax revenue.

Mr. Beider set out three Highway Funding Goals:

- Efficiency; maximize benefits net of costs
- Equity – fair treatment
- Privacy

The prescription for efficiency is to charge people for the marginal cost of their use or consumption of a good or service. Most marginal costs are more directly related to miles traveled than to fuel consumed.

Charges that maximize efficiency of road use:

- Charge for both VMT and fuel use
- Total charges would be much higher than current fuel taxes
- Efficient VMT Charge = uniform “base” component + larger local/regional “congestion” component

How efficient are VMT charges when taking into account cost of collection? It's not clear how much a national VMT system would cost, but the estimated benefits of \$60 - \$90 billion/year from congestion pricing would leave a lot of room for collection costs.

Fuel taxes impose larger relative burdens on:

- Households that drive more (13% more in rural areas)

- Lower-income households
- Households using vehicles that achieve lower mpg

Congestion taxes shift burden toward households that drive more in congested conditions

How to address privacy concerns:

- Limit the information used
- Do all charge calculations inside the vehicle
  - Internal storage
  - Deduct charges in real time
  - Calculate charges externally but anonymously or using private sector
- Ease into VMT system
- Allow “opt-out” alternatives

In designing and implementing a VMT System, ask:

- What should the system do?
- Who should lead the system’s introduction?

VMT taxes can address congestion and road damage better than fuel taxes.

[CBO Report on Alternative Approaches to Funding Highways](#)

**Action/Follow-up: None.**

**Tolling, Congestion Pricing and Other Revenue Options**

Paul Parker, Senior Policy Analyst, Washington State Transportation Commission, shared the work that Washington State has done -- reviewing and analyzing options for increasing transportation revenue, including the Transportation Commission’s funding recommendations for state, county, city and transit that are part of the WTP. He stressed that tolling will play a larger role in funding future projects and that three types of tolling currently are used or underway in Washington:

- Tolling to build a project
- Tolling to manage traffic
- Tolling to build a project and manage traffic

Washington, unlike California, does not currently use tolling for corridor management. He noted that passage of a proposed November 2011 voter initiative would prohibit tolling for corridor management.

Members of the California Commission asked how Washington State was able to successfully enact 13.5 cents of fuel tax increases in 2003 and 2005, and also asked why someone would sponsor an initiative prohibiting corridor tolling.

[Washington State Explores Funding Options  
Tolling, Congestion Pricing and other Revenue Options](#)

**Action/Follow-up: None**

## **Metropolitan Transportation Commission/Bay Area Toll Authority**

Steve Heminger, Executive Director, MTC, which is the Metropolitan Planning Organization for the Bay Area, and also the Bay Area Toll Authority (BATA). BATA, along with CalTrans and the California Transportation Commission, is building the new SF-Oakland East Bay Bridge, the largest public works project in US. Scheduled to open in 2013, it is now 75% complete. About \$1 billion worth of false work was installed in order to fit the new bridge into the existing tunnels and footprint.

The Bay Area toll bridge system is geographically dispersed: there are seven bridges, managed jointly with the revenue pooled and used to support the needs of all seven bridges. Traffic is relatively inelastic. BATA has a “AA” bond rating. There are 112 million tolls paid annually. All seven bridges are being retrofitted to highest seismic standards.

### **[Bay Area Tolling Authority – Tolling Structures and Operations](#)**

**Action/Follow-up: None.**

## **Orange County Transportation Authority**

Will Kempton, Executive Director, Orange County Transportation Authority, talked about the successful SR 91 Express Toll Lanes managed by his agency. From 2003, when Orange County purchased the project, until 2007, traffic shifted from peak to non-peak hours. The lanes have done so well that they are being extended into Riverside County for another 10 miles, doubling the length of the Express Toll Lanes.

Lessons learned:

- Pricing to maximize efficiency
- Take the politics out of the policy
- Transparency is the key for public support

Orange County is now evaluating using tolling to pay for I-405 improvements.

**Action/Follow-up: None.**

## **Climate Change Policy**

Paul Parker, Senior Policy Analyst, Washington State Transportation Commission, shared the work that Washington State has done in developing strategies to reduce greenhouse gas (GHG) emissions generated by transportation. Transportation activity generates nearly half of the GHG produced in Washington.

In 2007-08, a Governor-appointed Climate Action Team (CAT) recommended long-term and short-term strategies; some recommendations were adopted into law, some lacked broad support and others have support but lack funding. Efforts to reduce GHG have proceeded slower since 2009, due to greater attention on the economy and lack of funding for transit and non-highway

transportations options. In that same time period, however, fuel consumption has dropped due to more efficient vehicles and reduced driving.

The CAT recommendations that were not enacted are getting a new look as Washington is working to rewrite its 1993 State Energy Strategy. Draft Near-Term Strategies under consideration for the 2012 State Energy Strategy include:

- *Vehicles and Fuels*
  - Deploy electric vehicle infrastructure
  - Set a renewable fuels standard
  - Reduce diesel emissions
- *Travel Efficiency*
  - Manage transportation systems
  - Expand commute trip reduction efforts
  - Promote housing/employment density
  - Encourage bicycle/pedestrian access
  - Improve transportation concurrency
- *Pricing*
  - Pay-as-you-drive insurance
  - Mileage Pricing Pilot

[Climate Change and Transportation in Washington State  
Bay Area Plan – Developing a Sustainable Community Strategy for the Bay Area](#)

**Action/Follow-up: None.**

### **San Diego Association of Governments (SANDAG)**

Gary Gallegos, Executive Director, SANDAG, talked about his region's existing toll road and a value pricing corridor. New value pricing corridors and new toll roads are under consideration. San Diego also is the first MPO in California to incorporate GHG reduction in its transportation planning.

San Diego has been pricing managed lanes (I-15) since 1996. Price changes every 20 minutes based on road capacity. Very large carpool growth on I-15 (carpools go for free). Pricing is being used to manage traffic, not to pay for the capital investment. Extra money is poured into the corridor to enhance transit.

**Action/Follow-up: None.**

### **Interstate 5 Electric Highway**

Martin Tuttle, CalTrans and Pat Perez, Deputy Director, Fuels and Transportation Division, California Energy Commission, briefed the Commissions on the West Coast Green Highway. Traversing the coast from the Canadian to the Mexican border, Washington has taken the lead in developing the corridor for alternative fuel use. In Washington and Oregon, I-5 is the backbone of the corridor; in California,

Pat Perez also briefed the two Commissions on California's Alternative and Renewable Fuel and Vehicle Technology Program. During 2011-12, over \$100 million is programmed for the development of alternative fuels and technologies, including Plug-In Electric Vehicle Charging stations.

[West Coast Green Highway](#)

[The Alternative and Renewable Fuel and Vehicle Technology Program](#)

**Action/Follow-up: None.**

**TRANSPORTATION COMMISSION**

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Secretary of Transportation

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL