

Ladies and Gentlemen:

My name is Sonny Putter and I am a former Mayor and Councilmember for the City of Newcastle, Washington.

I generally concur with the overall approach of the Straw Man Scenario, segregating revenue sources by short-term and long-term utility. I do, however, have a number of serious concerns about the details of the proposal.

The Draft Principles that you adopted for funding the 2040 Transportation Plan ask that the revenue sources be Stable and Predictable, that they be Equitable, and that they be Feasible. The levels of projected revenues from the Carbon Tax on Vehicle Emissions and the Small Transit Fare Increases fail to meet these Draft Principles.

The Carbon Tax on Vehicle Emissions is not a funding source which is consistently dedicated to transportation. It is also not a predictable and feasible source of transportation funding. In fact, recent State legislative proposals presumed that a carbon tax would fund education and general government as well as transportation. Proposed carbon tax Initiative 732, now collecting signatures, is revenue neutral; the initiative intends to reduce sales taxes while increasing carbon taxes. Moreover, today's Seattle Times reports of another initiative under consideration by "a powerful coalition of Democratic Party-allied environmental, labor and other groups" which would use carbon taxes to fund "schools, affordable housing and other state needs". No mention of transportation funding at all! In view of these concerns, I suggest that the level of transportation revenues expected from a Carbon Tax on Vehicle Emissions be substantially reduced and the difference replaced by an increase in the proposed rate of the Road Usage Charge.

The Small Transit Fare Increases proposed in the Straw Man Scenario substantially underestimates the transportation revenues that should be achieved from this source. Transit agencies in the Puget Sound region only return about 15%-30% of operating costs from current fares, whereas comparable transit systems in Canada return 50%-65% of operating costs from fares. Now that regional low-income transit users have a new, lower fare option in the Orca Lift program, substantially more revenues should be expected from larger fare increases for the majority of transit users that can afford to pay higher fares.

One revenue source that you have not considered to fund transit is an employer payroll tax. Most transit in the region is used to get people to work during peak commute hours. A payroll tax on employers, as is used in the Portland, Oregon metropolitan area, more directly ties transit service to the generators of the transit need.

The proposed revenue sources in total fail to meet the Equity test in your Funding Principles. Virtually all of the new \$36 billion in transportation revenues raised would come out of pockets of vehicle drivers. Users of other transportation modes escape virtually untouched.

The start dates for the proposed new revenue sources – Carbon Tax, Road Usage Charge and Road Utility Fee – are unrealistic and not feasible. Delaying the beginning dates of these new sources would reduce the actual revenue yield from these sources.

Another issue that you have not considered is the cost side of the 2040 Transportation Plan. Not all proposed projects in the Plan are vital to the region's transportation needs. Some local projects were included only to accommodate adoption of the plan by local political interests. A scrupulous prioritization of the projects in the Plan - and a thorough vetting of their costs using practical design and least-cost planning - will undoubtedly result in cost savings and in a reduction of the revenues that need to be generated by the Plan.

Finally, out of an abundance of caution, I suggest that the level of revenues expected from new county and city impact fees be double-checked. Most local cities have already adopted transportation impact fees on new development. Some jurisdictions have also adopted transportation benefit district flat fees on vehicles. Shouldn't these fees be included in the proposal?

Thank you for the opportunity to comment.

Sonny Putter