

**SEATTLE PORT COMMISSION MOTION
TO OPPOSE PASSAGE OF INITIATIVE 1125,
ENTITLED THE “PROTECT GAS-TAXES AND TOLL REVENUES ACT AND
PROTECT THE 18TH AMENDMENT TO WASHINGTON’S CONSTITUTION”**

OCTOBER 11, 2011

Statement in support of motion

The Port of Seattle owns and operates a system of marine cargo, cruise and fishing terminals and properties and the Seattle-Tacoma International Airport. An efficient transportation system is critical to the growth of Washington’s economy and is a pivotal factor in the Port of Seattle’s ability to create jobs, strengthen its seaport and aviation businesses and engage in economic development. As the nation’s most trade-dependent state, improving access to Puget Sound ports and the Seattle-Tacoma International Airport is essential to fostering the growth of Washington State business sectors that depend on efficient access to international and domestic markets.

Improvements must be made in the region’s and state’s transportation system to relieve bottlenecks in high traffic areas to speed the movement of air and water-borne commerce, ease congestion and increase safety, yet sufficient funding is lacking for the maintenance and improvement of the transportation system due to the decline in gasoline tax revenue, the economic downturn and the loss of other funding sources.

As sources of transportation funding have waned, toll revenues have been identified as essential components of project funding of regional and statewide importance, including the replacement of SR-520 crossing Lake Washington; the replacement of the Alaskan Way Viaduct; potentially the extension of SR-509 to Interstate 5; and the extension of SR-167. All of these projects will help relieve congestion, maintain and expand important freight corridors, and enhance economic development.

To maximize the efficiency of highway facilities, the state must have the ability to set tolls at varying levels to manage demand for scarce transportation infrastructure, ensure it is used efficiently, and increase the benefit to all users of the system.

Initiative 1125, which will be considered by the state's voters November 8, 2011, would severely restrict the state's ability to use toll revenues for several critical transportation projects around the state. The effect could be delay and higher costs for these projects, at a time when revenues are declining and the state's economy badly needs construction employment.

The initiative seeks to remove toll-setting authority from the non-partisan Washington State Transportation Commission, placing it in the hands of the State Legislature. Today, the Transportation Commission sets tolls based on recommendation from local advisory committees.

In the view of the State Treasurer, subjecting toll-setting to the politics of the State Legislature will effectively block the state's ability to sell bonds backed by toll revenues. The Office of Financial Management, in its financial analysis of the initiative, quotes the view of the State Treasurer that "requiring tolls to be set and adjusted by the Legislature rather than by an independent toll-setting body would make the cost of bonds secured solely by toll revenue prohibitively expensive and would be unprecedented nationally." Additionally, the State Treasurer states that "bonds secured solely by toll revenue would be eliminated as a financing tool for the (SR-520) bridge. Gas tax or other revenues would be necessary to issue bonds, reducing overall capacity to finance transportation projects, which may impact future expenditures."

Other provisions of Initiative 1125 would possibly block the use of Interstate 90 across Lake Washington for Sound Transit light rail, as the voters have approved, by prohibiting the use of toll revenues for funding non-highway purposes; prohibit uses of toll revenues for maintenance and future construction of facilities; and deny the state the ability to use variable pricing strategies to increase tolls at periods of peak demand to reduce congestion and maximize the efficient use of facilities throughout the transportation system.

The initiative has been opposed by a wide range of business, community, labor and environmental organizations around the state for the reasons cited above.

Motion

1. The Port Commission expresses its position that toll revenues have been identified as an important component of funding of transportation infrastructure necessary to creating jobs, maintaining healthy ports and ensuring the state's competitive position in the global economy.
2. The existing authority of the Washington State Transportation Commission ensures a stable and predictable process to provide revenues sufficient for transportation project needs, set tolls to maximize efficiency and reduce congestion; and further provides appropriate security for bondholders, thus keeping costs low.
3. The Commission urges the state's voters to reject Initiative 1125 on November 8, 2011.
4. The Port Commission directs the Chief Executive Officer to disseminate this motion to appropriate Washington State officials and interested parties, including but not limited to, the Governor of Washington State, the Speaker of the House of Representatives and the House Minority Leader, the Senate Majority Leader and the Senate Republican Leader, the Washington State Transportation Commission, the Puget Sound Regional Council, the King County Executive, the King County Council, the City of Seattle Mayor, the Seattle City Council, the Association of Suburban Cities, the various Chambers of Commerce in King County and other business, community, labor and environmental organizations.