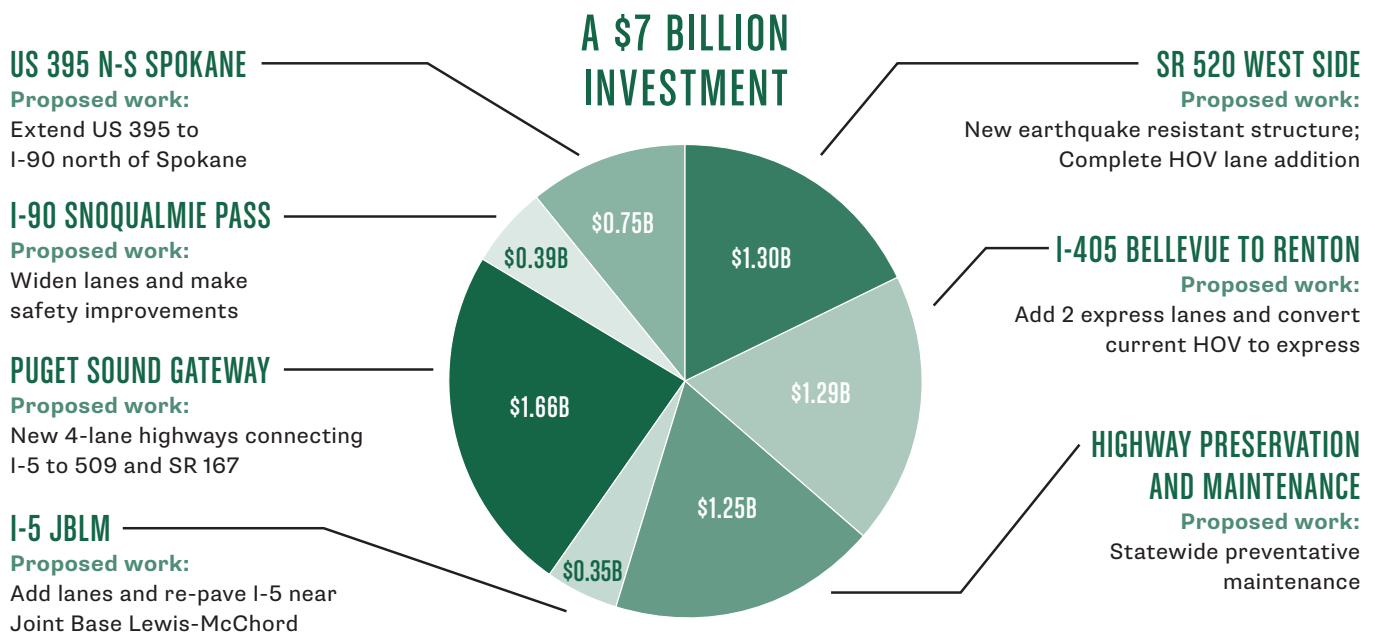


INVESTMENTS IN WASHINGTON STATE TRANSPORTATION: DRIVING ECONOMIC GROWTH

Washington's economy is growing and use of the state transportation system is on the rise. However, state policymakers have not adopted a new transportation investment package since 2005 and there is a multi-billion-dollar backlog of preservation and maintenance needs. The Washington Roundtable asked The Boston Consulting Group to assess the economic impact of the components of transportation proposals that received the broadest support during the past two legislative sessions. The analysis assesses the economic impact of investment in preservation and maintenance as well as six major improvement projects in key economic corridors over 12 years.

KEY FINDINGS: \$7 BILLION INVESTMENT WOULD YIELD \$42 BILLION BENEFIT, SUPPORT 184,000 JOBS, BRING \$2 BILLION IN TAX REVENUE

A \$7 billion investment to preserve and maintain state road and bridge networks and improve key economic corridors would generate \$42 billion in benefits and increase state and local revenues by \$2 billion over 30 years. It would support 184,000 jobs, save \$600 million per year in business supply chain costs, support \$2.5 billion in port expansion, and reduce road repair costs by \$650 million per year. Alternatively, a lack of new investment will result in significant road deterioration, millions more hours of congestion and higher costs for drivers. The call to action is clear: Invest in the preservation and maintenance of Washington's existing roads and bridges and make improvements in key economic corridors.



THE BENEFITS OF TAKING ACTION

If Washington makes a \$7 billion investment in its road and bridge network, the state will reap significant quality-of-life and economic benefits. As compared to the status quo investment levels of today:

- Congestion will be reduced by four million hours per year, saving the average driver \$85 annually.
- The percentage of roads in poor condition will be reduced by 25 percent, saving the average driver \$160 per year.
- The state will avoid escalating reconstruction costs on 225 miles of the state highway system, which could save \$650 million annually.
- The new investment will support a projected 50 percent increase in traffic at the Ports of Seattle and Tacoma.

A \$42 BILLION BENEFIT FOR THE BROADER ECONOMY

		MAJOR IMPROVEMENT	BENEFIT (BILLIONS)	30-YEAR BENEFIT	
RESIDENTS	1	Reduced congestion:	4M fewer congestion hours/yr	\$2.1B	\$20.3B
	2	Improved safety and lower vehicle operating costs:	Up to \$160/yr per person	\$13.9B	
	3	More construction jobs:	184K jobs over 12 years	\$4.3B	
BUSINESSES	4	Lower costs that allow for greater investment in Washington:	\$600M/yr supply chain costs	\$10.5B	\$15.9B
	5	Enablement of significant port expansion:	\$2.5B in building + \$370M/yr jobs	\$5.4B	
GOVERNMENT	6	Revenues from increased commerce and lower unemployment:	\$20-80M/yr from business productivity	\$0.6B	\$5.6B
	7	Avoided costs and risks resulting from not acting near-term:	\$650M/yr cost avoidance	\$5.0B	
					TOTAL \$42B

THE DOWNSIDE OF DOING NOTHING

If Washington state doesn't increase its investment in the preservation and maintenance of its roads and bridges and make improvements in key economic corridors, by 2026:

- Overall congestion statewide will rise to 109 million hours per year, costing drivers \$940 annually.
- Sixty percent of state highway pavement will be rated in "poor" condition or worse, costing drivers \$1,040 per year in vehicle maintenance costs.
- Forty percent of bridges will be functionally obsolete or structurally deficient.
- Preservation and maintenance of existing highways will be nine times more expensive, escalating to \$2.7 million per mile.
- Trade volumes at the Ports of Seattle and Tacoma will be flat or declining.



THE BOSTON CONSULTING GROUP

The Boston Consulting Group
1918 Eighth Avenue, Suite 3270
Seattle, Washington 98101
Tel: 206-538-5000
www.bcg.com



Washington Roundtable
520 Pike Street, Suite 1212
Seattle, WA 98101
Tel: 206-623-0180
www.waroundtable.com

Facebook:
Washington Roundtable
Twitter:
@waroundtable

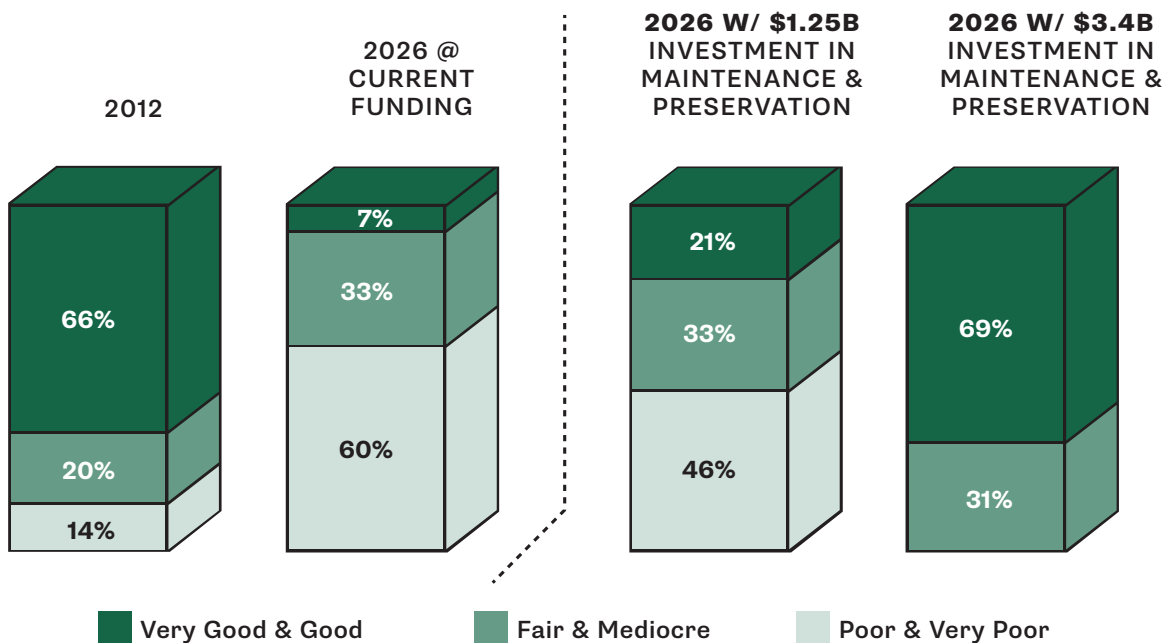
BRINGING ALL ROADS UP TO “FAIR” CONDITION OR BETTER

Washington state lawmakers have considered a number of potential transportation investments during the past two legislative sessions. The components of transportation proposals that received the broadest legislative support total approximately \$7 billion in new funding over 12 years. According to The Boston Consulting Group, such an investment would yield \$42 billion in benefits to Washington’s residents, businesses and government.

Of the \$7 billion in proposed new investments, \$1.25 billion has been targeted for maintenance and preservation. Absent new funding for maintenance and preservation, 60 percent of state highway pavement will be in “poor” condition or worse in 12 years. An investment of \$1.25 billion over 12 years would improve the trajectory for road quality, but 46 percent of state highway pavement would still be in “poor” condition or worse.

To bring all state highway pavement up to “fair” condition or better, Washington must invest an additional \$3.4 billion in preservation and maintenance over the next 12 years. Significant new investment in maintenance and preservation is essential to safety, mobility and economic growth.

INCREASING MAINTENANCE AND PRESERVATION INVESTMENT TO \$3.4 BILLION WOULD ELIMINATE POOR QUALITY ROADS



Road quality estimate based on linear projection from Washington State Department of Transportation’s 2023 condition estimate and 2012 Federal Highway Administration report.