

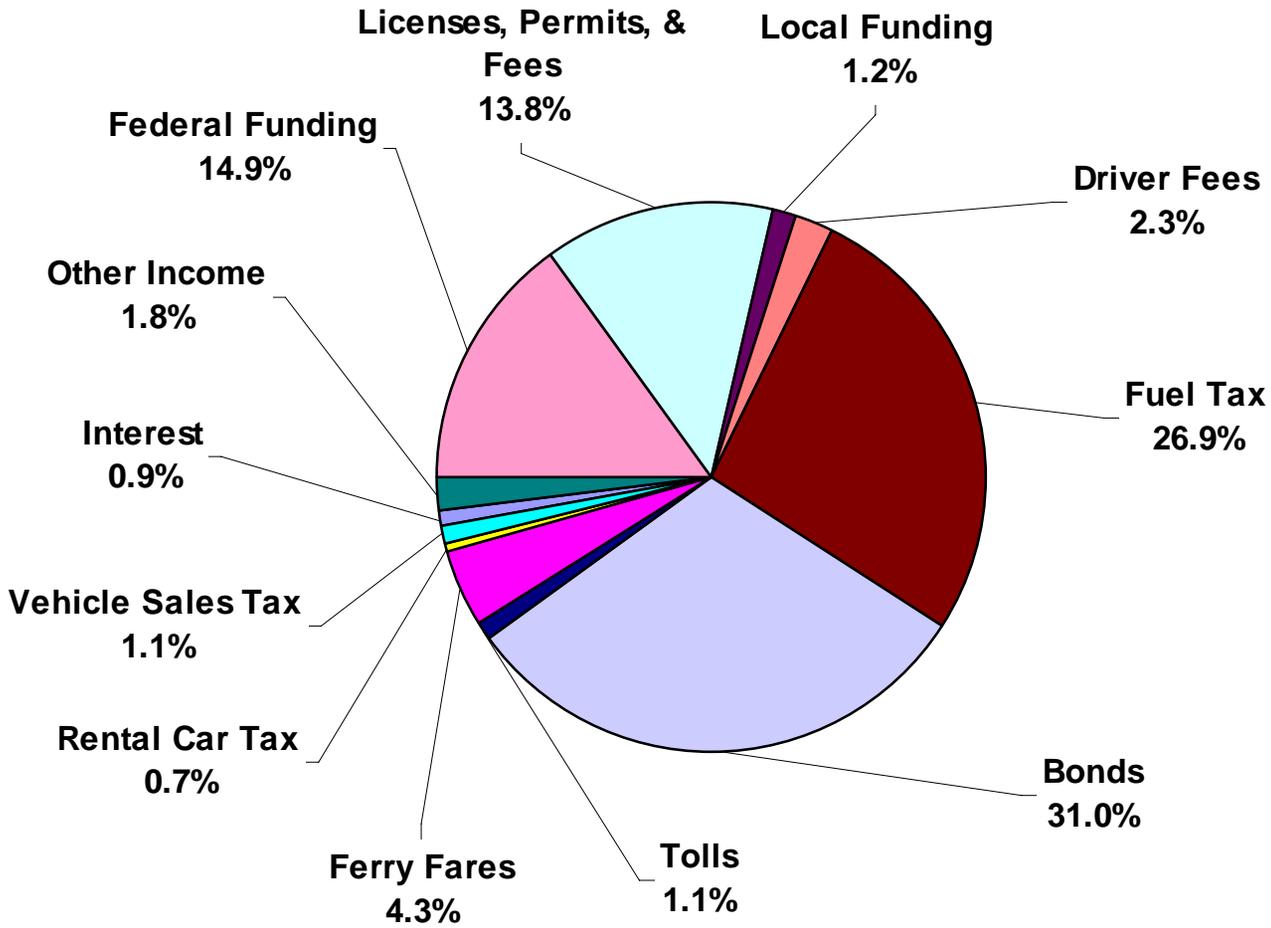
Transportation Revenue Forecast Update

June 2008

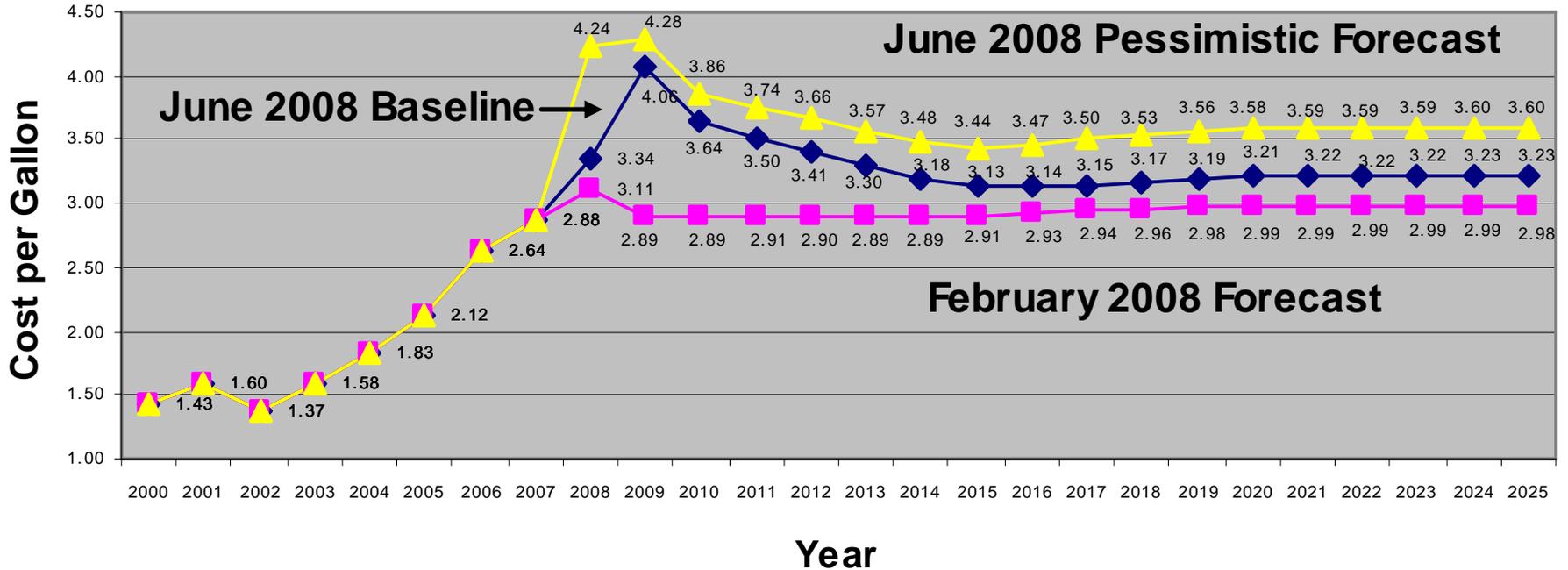
Jerry Long HTC Staff and David Ward STC Staff

July 8, 2008

2007-09 State Transportation Funding \$7.2 Billion



Fuel Price Projections



Baseline Forecast \$615 Million reduction over 16 years

Pessimistic Forecast \$1.057 Billion reduction over 16 years

Note: Combined state and local impact

Crude Oil Spot WTI Cushing

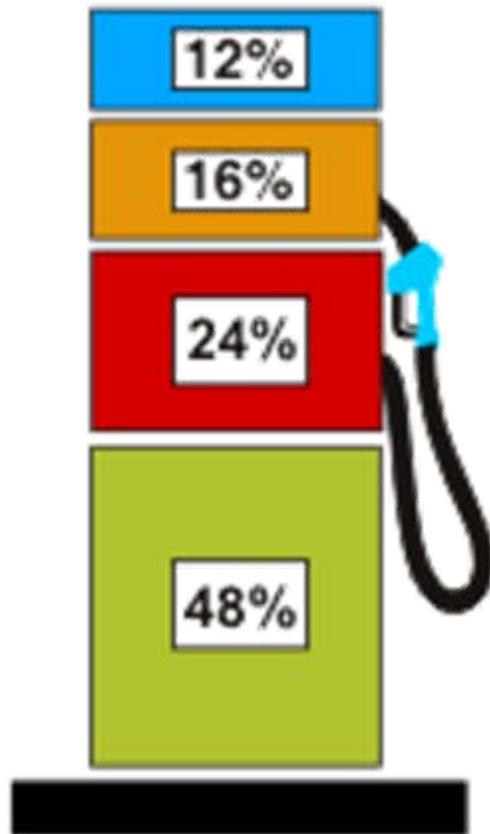


July 2, 2007 - July 2, 2008

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— Close

2000 to 2007 Average
Retail Price: \$1.91



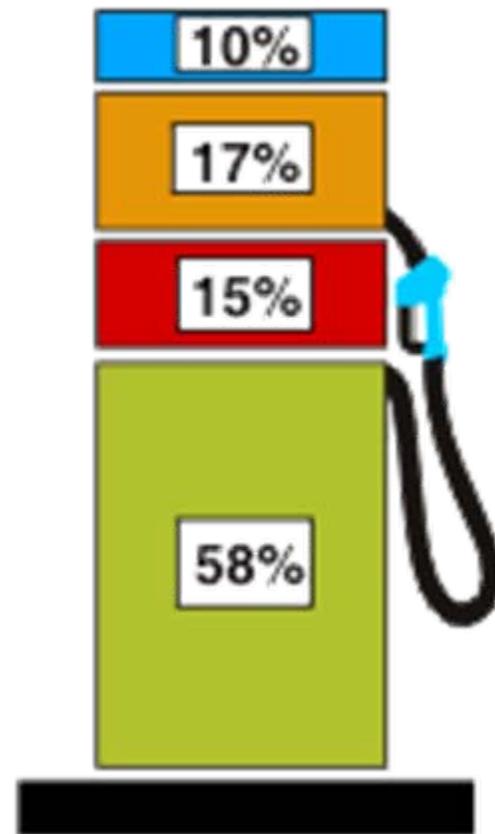
Distribution &
Marketing

Refining Costs &
Profits

Federal & State
Taxes

Crude
Oil

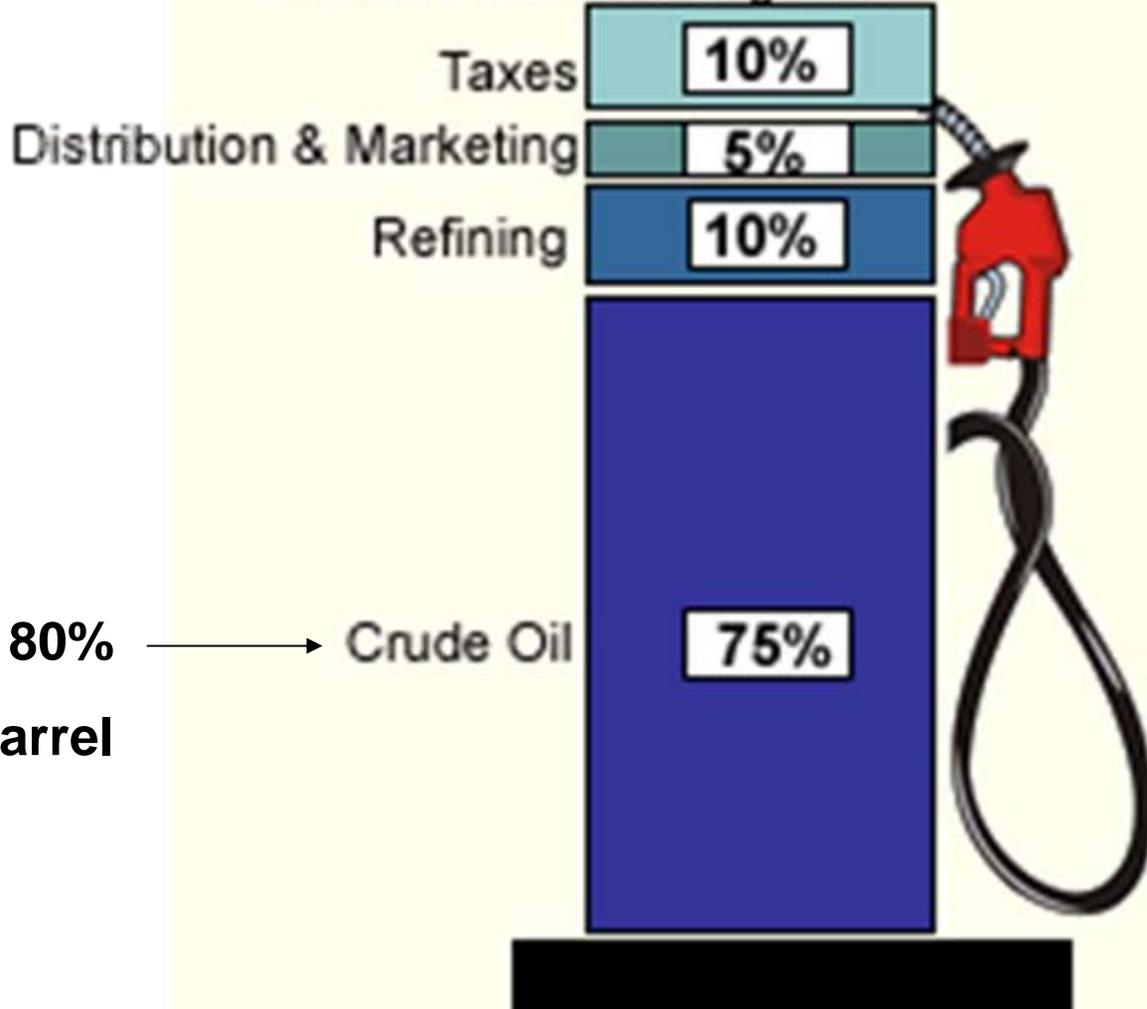
2007 Average
Retail Price: \$2.80



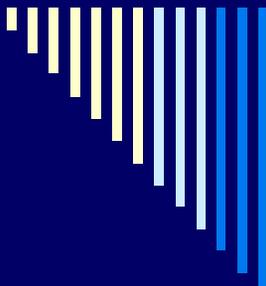
Source: Energy Information Administration

What We Pay For In A Gallon Of Regular Gasoline (May 2008)

Retail Price: \$3.77/gallon



June 2008 80%
\$140 per barrel



Major Factors Leading to the Lower Forecasts

- ❑ Higher actual and projected fuel prices. (Each \$10 increase in crude equals .25 cent increase in price.)
- ❑ Slower projections for real personal income growth.
- ❑ Softer vehicle sales than projected.
- ❑ Slower abstract of driver record sales.
- ❑ Slower economic growth and increased unemployment rates in both Washington State and the U.S.
- ❑ Higher refunds in estimated non-highway refunds for diesel fuel.
- ❑ Ferry service disruptions.

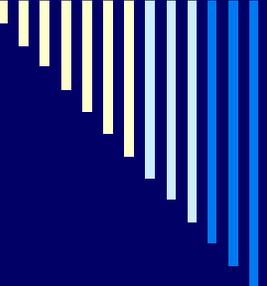
Transportation Revenue Sources
Change From February 2008
(Dollars in Millions)

	2007-09	2009-11	16 Years
Fuel Taxes	(\$70)	(\$106)	(\$615)
License, Permits and Fees	(\$8)	(\$15)	(\$107)
Ferry Fares	(\$7)	(\$9)	(\$59)
Toll Revenue	(\$2)	(\$7)	(\$17)
Aeronautics	(\$0.1)	\$0	(\$1)
Rental Car Tax	\$.2	(\$2)	(\$8)
Vehicle Sales Tax	(\$5)	(\$8)	(\$17)
Driver Licenses & Fees	(\$1)	(\$3)	(\$15)
Miscellaneous Revenues	\$2	\$1	\$12
Total Revenues	(\$91)	(\$149)	(\$827)

Revenue Impacts on Major Accounts (Dollars in Millions)

Account	2007-09	2009-11	16 Years
Motor Vehicle Account	(\$26)	(\$32)	(\$200)
Nickel Account	(\$9)	(\$15)	(\$84)
Partnership Account	(\$14)	(\$25)	(\$140)
Multimodal Account	(\$4)	(\$10)	(\$26)
Special Category C Account	(\$1)	(\$2)	(\$12)
Ferry Capital Account	(\$1)	(\$2)	(\$9)
Ferry Operations Account	(\$8)	(\$11)	(\$73)
Tacoma Narrows Bridge Account	(\$2)	(\$7)	(\$17)
State Patrol Highway Account	(\$4)	(\$8)	(\$54)
Highway/Motorcycle Safety/Aviation	(\$1)	(\$3)	(\$16)
Total State Accounts	(\$70)	(\$115)	(\$631)
TIB and CRAB Accounts	(\$7)	(\$12)	(\$67)
Cities and Counties	(\$13)	(\$22)	(\$128)

Does not include fuel tax refunds and transfers by account



Potential Risks to Future Revenues

- ❑ Price of fuel in the future does not decrease and the price of crude continues to rise.
- ❑ Disruption in fuel supplies or lower than projected crude supplies.
- ❑ Adoption of more aggressive CAFÉ standards.
- ❑ Further decline in vehicle sales.
- ❑ Sales of driver records continue to fall due to new driver monitoring program.
- ❑ Further erosion of personal income.
- ❑ Higher than projected unemployment.
- ❑ Ferry service disruptions.

Questions