



# PUBLIC REVIEW

The public comment period will extend through the end of the Transportation Commission public hearing on August 24, 2011.

The Commission has the option to modify the current proposal prior to adoption. Assuming Commission action at the hearing, fares would take effect on October 1, 2011 and again on May 1, 2012.

## Public Open Houses

Mon. July 25 2:15 - 5:05 pm	<b>San Juan Islands</b> On board the Interisland Ferry
Mon. July 25 6:30 - 8:30 pm	<b>Friday Harbor</b> San Juan County Council Legislative Bldg. 55 Second Street, Friday Harbor
Tue. July 26 6:00 - 8:00 pm	<b>Coupeville</b> Coupeville Inn, Downstairs Conference Rm. 200 NW Coveland Street, Coupeville
Thur. July 28 6:30 - 8:30 pm	<b>Vashon Island</b> McMurray Middle School 9329 SW Cemetery Road, Vashon
Tue. August 2 6:30 - 8:30 pm	<b>Bainbridge Island</b> Bainbridge Island Commons - Sr. Center 402 Brien Drive, Bainbridge Island
Wed. August 3 6:30 - 8:30 pm	<b>Bremerton</b> Kitsap Conference Center 100 Washington Avenue, Bremerton
Thur. August 4 6:30 - 8:30 pm	<b>Port Orchard</b> John Sedgwick Middle School 8995 SE Sedgwick, Port Orchard

## Public Hearing

Wed. Aug 24 1:00 - 4:00 pm	<b>Seattle (Downtown)</b> PSRC Board Room 1011 Western Ave., Suite 500 Seattle
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## Introduction

The Washington State Transportation Commission (WSTC) is responsible for setting fares for Washington State Ferries (WSF). Direction to the WSTC on fares was included in the recently enacted Transportation Budget, as follows:

*“the legislature authorizes the transportation commission to periodically review and, if necessary, adjust the schedule of fares for the Washington State ferry system only in amounts not greater than those sufficient to generate the amount of revenue required by the biennial transportation budget. When adjusting ferry fares, the Commission must consider input from affected ferry users by public hearing and by review with the affected Ferry Advisory Committees, in addition to the data gathered from the current ferry user survey.”*

Consistent with this direction, the Washington State Transportation Commission relied on input from WSF and the Ferry Advisory Committee – Tariff (FAC-T) in the development of this proposal. The FAC-T is an Advisory Committee consisting of members of the FAC Executive Council or their designees.

The 2011 fare proposal reflects the Commission’s preferred tariff policy updates. A summary of the proposal follows. For more detailed information, refer to the Commission website: [www.wstc.wa.gov](http://www.wstc.wa.gov)

## 1. General Fare Increase

It is the Commission’s responsibility to ensure that updated ferry fares help raise the amount of money required by the Legislature’s Budget. For the 2011-2013 biennium, this amounts to \$310 million.

Based on the most recent ridership forecast adopted by the Transportation Revenue Forecast Council, the proposal outlined here is expected to generate approximately \$308 million for the operating account (excludes income from the capital surcharge). While this is short of the legislative budget target, recent actual revenues have been coming in somewhat ahead of projections.

As a result, the proposal has been developed to strike a balance between WSF’s revenue need, ridership and revenue expectations for the next biennium and the underlying fare increase assumption of 2.5% in the transportation budget. The proposal includes two fare increases as follows:

- Implement a 2.5% general fare increase on October 1, 2011.
- Implement a 3.0% general fare increase on May 1, 2012.

Given the uncertainty regarding future ridership and the continuing slow progress of the state’s economy, WSF will re-assess ridership and revenue in 2012 to

determine whether additional fare increases would be required to meet revenue goals.

Due to rounding and other fare proposal items outlined here, not all fare categories will experience a percentage change equal to the general fare increase. WSF’s rounding policy is to round fares to the nearest nickel – this means that some fares are rounded up and others are rounded down.

## 2. Proposal for Vehicle Categories Under 30 Feet

The Commission is proposing to restructure the fare categories for vehicles under 30 feet. The purpose of this restructuring is to provide pricing incentives for use of smaller vehicles by introducing a new, small car fare category and gradually increasing the price per foot as vehicles get longer.

By encouraging customers to bring smaller vehicles when possible, WSF will be able to increase the number of vehicles it can accommodate on any given sailing and reduce wait times during peak periods.

The vehicle size cut-off lengths have been chosen to mitigate potential operating impacts at the tollbooth while providing as many customers as possible the opportunity to take advantage of the small car fare.

The fare adjustments would be made so that customers continue to pay generally in proportion to the amount of deck space their vehicle uses, though prices by foot would gradually increase as vehicles get longer. The fare adjustments would be phased in over three years to mitigate significant fare impacts in any given year.

- Phase 1 will be implemented on October 1, 2011.
- Phase 2 will be implemented on May 1, 2012.
- One additional phasing step will be necessary to complete implementation, which will be included in a later proposal - likely in 2013.

### Small Vehicle (14’ and Under)

Small vehicle category fares will be reduced in relation to the standard vehicle fare. On October 1, 2011 (Phase 1), small vehicles will be priced at 90% of the standard vehicle fare. May 1, 2012 (Phase 2) will see the small vehicles priced at 80% of the standard vehicle fare. At the end of phasing, small vehicle fares will be equal to 70% of the standard vehicle fare.

### Standard Vehicle (14’-22’)

The standard vehicle category has generally been defined as encompassing passenger vehicles and light trucks (i.e. SUVs and pickup trucks). This category will be extended in length to reflect the increase in length of light trucks in the last decade, which has led to many conflicts at the tollbooth around the 20’ cutoff.

By extending the definition to 22’, virtually all passenger and light-truck vehicles will fit in this category. This

will simplify tollbooth transactions, improve terminal operations, and support more consistent application of fares for transactions around the current 20-foot limit.

The Central Sound standard vehicle fare will be increased by an additional nickel above the general fare increase (about 0.4%) on both October 1, 2011 and May 1, 2012. Fares on other routes are adjusted based on their relationship to the Central Sound fare.

### Oversize Vehicles (22’-30’ and other categories above 30’)

Consistent with the overall shift to varying pricing to encourage the use of smaller vehicles, oversize vehicle fares will be increased by marginally increasing the per-foot price as vehicles get larger. (Please see [www.wstc.wa.gov](http://www.wstc.wa.gov) for additional information on specific oversize vehicle fares)

### Motorcycle Oversize Surcharge

In the last phase of implementation, the motorcycle surcharge will be eliminated, and vehicles that pay a motorcycle plus surcharge fare will be included in the small vehicle fare category. The motorcycle surcharge fare will be increased in each phase to grow the motorcycle with surcharge fare total toward the small vehicle fare.

## 3. Proposal for Bicycle Surcharges and Passes

The bicycle proposal is designed to simplify operations at Colman Dock, where a new bicycle entry project is underway, and encourage the use of alternative modes of transportation where possible. It includes the following:

- On all routes except those serving the San Juan Islands and Vancouver Island, eliminate the bicycle annual permit and allow passengers paying with monthly passes, multi-ride cards, or ORCA ePurse to bring bicycles without charge.
- In the San Juan Islands, allow passengers paying with a multi-ride card to bring bicycles without charge.
- Current bicycle surcharges will continue to be collected on all routes for passengers paying applicable single trip fares. Bicycle surcharges will remain at their current level.

While these changes are necessary to support the Colman Dock project, they will simplify operations at other terminals and make it easier for regular ferry customers to travel via bicycle.

## 4. Proposed Fuel Surcharge

The fare proposal includes a fuel surcharge mechanism to provide additional funding when fuel costs exceed the budget for fuel. On a quarterly basis, WSF will review actual fuel costs against budgeted amounts and apply a standard formula to (1) calculate if a surcharge is necessary and (2) determine how much the potential

surcharge would be for the following quarter as a percentage of current fares. Key policy elements include:

- **Minimum surcharge amount:** 2.5% - If the formula determines a surcharge of less than 2.5% is needed, WSF will not have a fuel surcharge at all for that quarter
- **Maximum surcharge amount (hard cap):** 10.0% - Any potential fuel surcharge will never be more than 10% of the applicable fare.
- **Fixed Thresholds:** WSF will implement quarterly surcharges (if necessary) at fixed thresholds of 2.5%, 5.0%, 7.5%, or 10.0%, based on which threshold is triggered by applying the surcharge formula.

The fuel surcharge is just one element of a 4-part strategy that works to protect the budget from excessive volatility in fuel prices. The strategy consists of: (1) Improved fuel budgeting and forecasting techniques, (2) Fixed price hedging, (3) Fuel conservation techniques, and (4) A fuel surcharge. The fuel surcharge is intended to be the strategy of last resort.

To ensure that there is a transparent process WSF will publish the results of its quarterly review of fuel costs and application of the fuel surcharge formula. In addition, if a fuel surcharge is required, then it will be shown separately on customer receipts.

For more detailed information on the fuel surcharge formula and background information about WSF’s Fuel Cost Mitigation Plan, please see the following: [www.wstc.wa.gov](http://www.wstc.wa.gov).

## 5. Capital Surcharge Directed by the Legislature

In order to establish a dedicated fund that could be used for new ferry construction, the 2011 Legislature has directed the Commission to put in place a 25-cent surcharge on each ferry fare system-wide (one-way or round trip). The capital surcharge applied to multi-ride and monthly pass products will reflect the number of trips these products include. This surcharge will be shown as a separate line item on customers’ receipts and proceeds will be placed in a new account.

WSDOT ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin or sex in the provision of benefits and services resulting from its federally assisted programs and activities. For questions regarding WSDOT’s Title VI Program, you may contact the Department’s Title VI Coordinator at (360) 705-7098.

Individuals requiring reasonable accommodations may request written materials in alternate formats, sign language interpreters, physical accessibility accommodations, or other reasonable accommodations by contacting Susan Harris at (206) 515-3460. Persons who are deaf or hard of hearing may contact the event sponsor through the Washington Relay Service at 7-1-1.

# NEW FARE PROPOSAL



Washington State  
Transportation Commission

IMPLEMENTATION DATES  
**OCTOBER 1, 2011**  
**MAY 1, 2012**

## Ways to Comment

**Website:** [www.wstc.wa.gov](http://www.wstc.wa.gov)

**E-mail:** [transc@wstc.wa.gov](mailto:transc@wstc.wa.gov)

**Phone:** **360.705.7070**

**Postal mail:** **Tariff Proposal**  
**Washington State**  
**Transportation Commission**  
**PO Box 47308**  
**Olympia, WA 98504-7308**

**In-person:** **Public Open Houses**