

WSDOT Ferries Division 2013 Tariff Review Status Report

Lynn Peterson
Secretary of Transportation

Katy Taylor
Chief of Staff

Ray Deardorf
Planning Director
Ferries Division

**Washington State Transportation Commission
April 17, 2013**

Presentation Overview

- Setting the Stage for the May 22 Fare Proposal
- Timeline
- Legislative Direction on Fare Setting
- Issues Reviewed
- Legislative Budget Indications
- Options for 2013/2014 Timing
- Next Steps

2013 Tariff Cycle – Timeline

- Initial discussion of potential 2013 tariff topics at November 2013 WSF community meetings
- February – April: FAC-T meetings
- NLT April 17, 2013: file CR 101 notifying the opening of the tariff WAC sections
- April 28: conclusion of regular legislative session and establishment of fare revenue target
- May 22: Port Townsend Local Area Meeting: WSF fare proposal to Commission
- NLT June 5, 2013: file CR 102 form with Commission fare proposal

2013 Tariff Cycle – Timeline

- Late June/early July 2013: Public comment period for Commission fare proposal
- July 9, 2013 or later: Commission holds adoption hearing on tariff proposal – could occur at July 16/17 regular meeting
- NLT August 30, 2013: file CR 103 with final amended tariff
- October 1, 2013: New tariff in effect

Legislative Guidance on Fare Setting

RCW 47.60.290 directed WSF to, among other things, “consider... options for using pricing to level vehicle peak demand” and “recognize that each travel shed is unique.”

- This guidance potentially relates to the passenger-vehicle fare ratio and fare discount policies that encourage passengers to switch from walk-on to drive-on travel and increase vehicle occupancy either through carpooling, car sharing, or consolidating trips.

Vehicle/Passenger Fare Ratio

A “Cost of Service Analysis” was conducted at the request of the FAC-T:

- This analysis included many assumptions and started with the premise that WSF’s initial cost drivers in establishing the size of vessels and terminals was to carry vehicles.
- Passengers create additional costs for vessel crews and terminal staffing.
- The additional revenue that passengers bring to WSF’s bottom line, however, is proportionately more than the marginal cost it takes to carry them.
- This conclusion gives latitude to treat passenger fares more generously than vehicles in rate setting to meet transportation demand management goals.

Vehicle/Passenger Fare Ratio (cont.)

With the exception of the San Juan Islands, the standard size vehicle/driver to passenger fare ratio is 3.5 to 1.

Options are being looked at that would alter this for some or all passenger fare categories:

- These include increasing the discount given to 90-day passenger multi-ride/monthly passes and youth (ages 6 through 18) fares from the current 20% discount to something higher.
- Another approach is to increase the spread between passenger fares and vehicle/driver fares for all passenger categories.
- To make up the revenue difference, it would be necessary to increase other fare categories at a higher rate.
- Phasing options are being looked at as well to lessen the impact of the offsetting fares.

Under 14' Vehicles

Background – to encourage WSF’s customers to use smaller cars to “grow the size of the boat”, vehicles larger than a motorcycle but shorter than 14 feet in length were given a 20% reduction in fares relative to a standard car.

- This was done in two phases, a 10% reduction in October 2011 and a 20% reduction in May 2012.
- A third phase was envisioned to increase the reduction to 30%, calculated based on the combined vehicle/driver fare.
- Three options are being considered: 1) leaving the price reduction at 20%; 2) moving it to 30% as was discussed in 2011; and 3) recalculating it in a way that’s consistent with the way the motorcycle/driver fare is calculated – calculating the fare differential using only the vehicle portion of the vehicle/driver fare.

Under 14' Vehicle Fare – System-wide

Initial Rider Response with 10% discount – October 2011 through March 2012:

- Under 14' were 4.7% of all under 22' full fare paying vehicles
- Under 14' were 5.3% of all under 22' multi-ride card paying vehicles

Rider Response with 20% discount - October 2012 through March 2013:

- Under 14' are 5.7% of all under 22' full fare paying vehicles – up from 4.7% with a 10% discount.
- Under 14' are 6.5% of all under 22' multi-ride card paying vehicles – up from 5.3% with a 10% discount.

Under 14' – By Route Usage 10/12 – 3/13

Percent of total under 14' of total under 22' vehicles

- Seattle/Bremerton: 7.1%
- Fauntleroy/Vashon/Southworth: 6.9%
- Point Defiance/Tahlequah: 5.9%
- Seattle/Bainbridge: 5.6%
- Mukilteo/Clinton: 5.5%
- Port Townsend/Coupeville: 5.4%
- Edmonds/Kingston: 5.2%
- Anacortes/Sidney, B.C: 4.7%
- Anacortes/San Juan domestic: 3.7%

Under 14' – By Route Usage 10/12 – 3/13

Percent of multi-ride under 14' of multi-ride under 22' vehicles

- Seattle/Bremerton: 8.1%
- Fauntleroy/Vashon/Southworth: 7.8%
- Edmonds/Kingston: 7.3%
- Point Defiance/Tahlequah: 6.5%
- Seattle/Bainbridge: 6.2%
- Mukilteo/Clinton: 6.2%
- Port Townsend/Coupeville: 5.9%
- Anacortes/San Juan domestic: 3.2%

Under 14' Vehicles (cont.)

Issues the FAC-T and WSF are considering regarding the Under 14' fare:

- The increase in the percentage of use of the Under 14' fare between the 10% and 20% fare difference.
- The impact to terminal sales staff of increased attractiveness of the Under 14' fare with current measuring technology.
- The impacts of further discounting of this fare category and it's effects on other fares to compensate, especially in light of potential passenger fare adjustments.
- Consistency with motorcycle fares and using the vehicle only portion to make space calculations.

Motorcycles and 3-Wheeled Vehicles

Currently, motorcycle fares are calculated based on a ratio of five motorcycles to one standard vehicle space.

- A surcharge is added if a motorcycle has three wheels.
- A wide variety of vehicles are licensed as motorcycles and they travel at the appropriate motorcycle rates.
- There are some three wheeled motorcycles that are actually smaller than some two wheeled motorcycles, even though they pay more – this has raised concerns about equity.

**Narrow 3-wheeled
motorcycle**



**Wide 2-wheeled
motorcycle**



**Parking enforcement
3-wheeled vehicle**



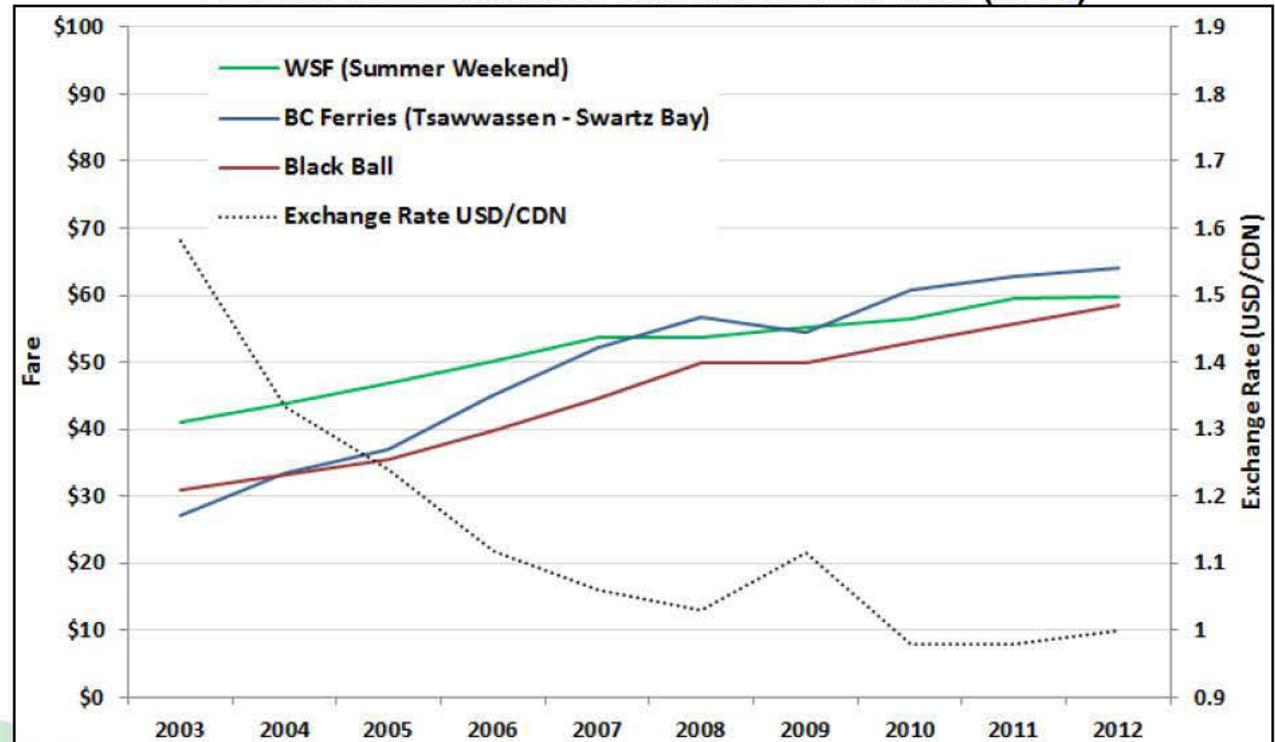
Sidney Fares

Market Screen Analysis

- The Anacortes-Sidney fares are set higher than they otherwise would be if based solely on distance. This is because they have been set more in line with the other operators to Vancouver Island, B.C. Ferries and Black Ball Line.

- In recent years fares have gone up lock step with rest of the WSF system.

Peak Season Standard Vehicle/Driver Fares (US \$)



Sidney Fares (cont.)

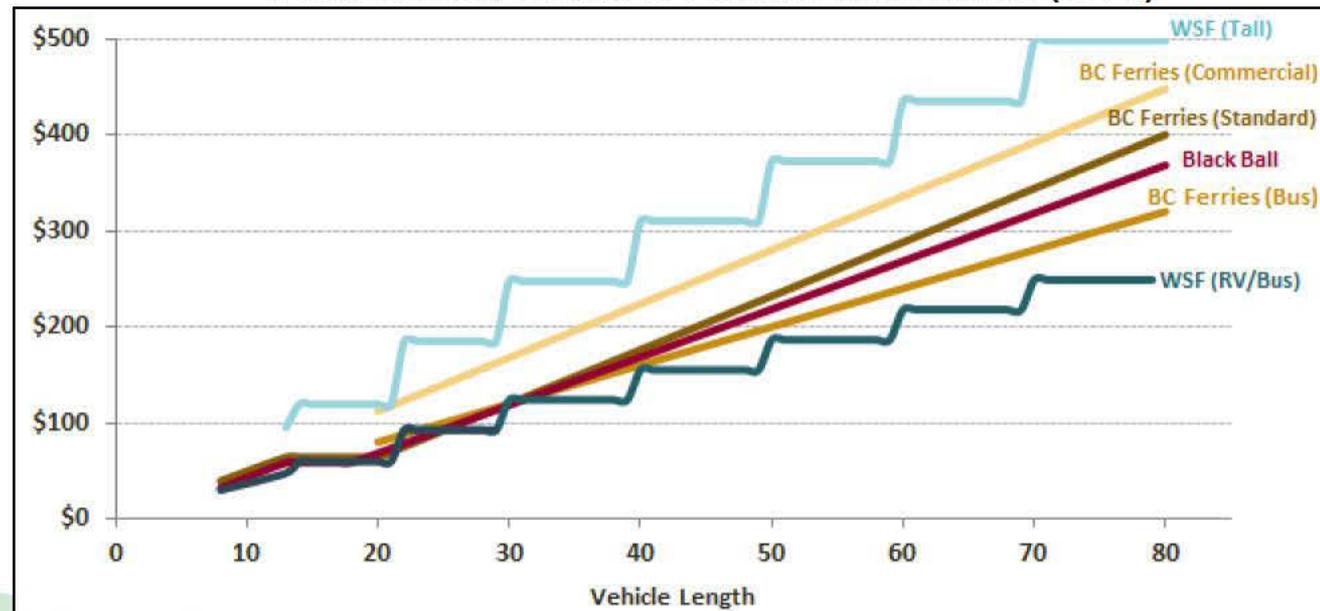
RV Fares/Commercial Fares Differential

- The Anacortes/Sidney, B.C. route has two sets of fares for oversized vehicles – one for commercial and the other a discounted fare for buses and recreational vehicles.
- As Canada Customs no longer allows commercial vehicles through the Sidney terminal, almost no one is using the higher fare.

- The FAC-T and WSF

are evaluating combining the two sets of oversize fares into a single category, as was recommended by the JTC's fare media study.

Peak Season Oversize Vehicle/Driver Fares (US \$)



Sidney Fares (cont.)

Sidney-Friday Harbor Fares

- Currently, the fares between Sidney and the San Juan Islands are greatly different depending upon which direction is traveled.
- This is because the Sidney/Anacortes fares are collected in both directions, but the Anacortes to San Juans fares are collected as a roundtrip only in the westbound direction.
- The FAC-T and WSF are evaluating alternatives to this fare structure, including the concept of charging a round trip fare from Friday Harbor to Sidney so this fare can be set independent of the one-way Anacortes to Sidney fare.

Available Anacortes-Sidney-Islands Fares



Multi-ride card Available on ORCA

Recommendation 7 from the JTC's Fare Media Study stated that:

- “WSF should allow its passenger multi-ride cards, and if operationally feasible its vehicle multi-ride cards, to be purchased and loaded on ORCA cards”.
- There is FAC-T support for this being applied to passenger multi-ride media. It does not appear to be feasible to apply ORCA to vehicle multi-ride media as it is intended for transit type usage and not vehicles.

Other Tariff Items

The following are minor language changes that are being discussed for the 2013 tariff cycle:

- Reservation fees (as an option where the current deposit approach creates operational challenges)
- Language requiring school groups traveling on the school group rate to notify WSF 72 hours in advance with a count of participants to ensure adequate children's life vests.
- Language to ensure that there is no difference in the applicable fare for disabled passenger traveling with an attendant regardless of fare type or who is driving the vehicle.

Legislative Budget Development

Initial transportation budget proposals from the Senate and House Transportation Committees contain the same assumptions about fares in the 2013-2015 biennium:

- Across the board 2.5% fare increases, in October 2013 and October 2014.
- Based on the March 2013 transportation revenue forecasts.
- Assumes a total of \$328 million in fares to operations and \$7.6 million to capital (the latter from the 25 cent per fare surcharge) for the biennium.

Options for Second Year Timing - 2014

In 2011, the Commission opted to file a two year tariff for both 2011 and 2012, and moved the implementation of the second year's tariff up to May 2012 from October.

- This was an idea from the Commission and was done to offset declining forecasts in June 2011 that indicated that it would be more difficult to meet the legislature's fare revenue target.
- Administratively, the two year tariff worked out very successfully and there was very little customer comment.
- Doing so again for 2013 and 2014 could increase the revenue to WSF and reduce the need for some fares to be higher if options such as keeping passenger fares low are pursued.

2013 Tariff Cycle – Next Steps

Calendar of Upcoming Events

- April 24 and May 9: FAC-T meetings 5 and 6
- April 28: conclusion of regular legislative session and establishment of fare revenue target
- April 30: WSF meets with Commission Ferry Subcommittee
- May 22, Port Townsend Local Area Meeting: WSF fare proposal to Commission
- NLT June 5, 2013: file CR 102 form with Commission fare proposal
- Public Outreach late June to early July – specifics to be determined based on the fare proposal
- July 16/17th – Commission hearing on proposal

Questions?

For more information on the 2013 Tariff Review Cycle,
please contact:

Ray Deardorf, Planning Director
WSDOT Ferries Division, at
(206) 515-3491 or deardorf@wsdot.wa.gov.