

WSDOT Ferries Division WSF Fare Proposal

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WSF Fare Proposal Presentation Outline:

- Process and timeline
- WSF Fare Proposal
- Alternatives considered
- FAC-T Perspectives
- Next steps

2015/16 Tariff Cycle – Timeline

Milestone	Base	Revised Schedule
FAC-T Kick off	Dec 2014	
WSTC Presentation	Dec 2014	
WSTC Presentation	March 2015	
CR101 Filing	4/21/2015	
Adopted Budget	April	Early June
Proposal to WSTC	Mid-May	June 16
CR102 Filing	June 5-17	NLT July 1
Public Comment	June/July	July
Public Hearing	July 21 st	Aug 4 th
CR103 Filing	NLT 8/28/15	NLT 8/28/15
Fares Take Effect	Oct 1, 2015	Oct 1, 2015

2015/16 Tariff Cycle: Issues Reviewed

- Passenger/vehicle fare ratio
- Oversized vehicles
- International route market screen assessment
- Overheight exemptions for vehicles carrying disabled passengers
- Overheight surcharge and definition of standard height (7'6")
- Cost of service analysis,
 - Update to 2013 analysis
 - Evaluation of alternative approaches
- Potential requirements for a future fare collection system:
 - “Back-end” frequency discounts
 - Congestion or time of day pricing
 - Vehicle fares – charging length based by foot

2015/16 Tariff Cycle: Fare Revenue Requirement

- The legislature establishes a fare revenue target when it passes its biennial budget
- The 2015-2017 Transportation Budget:
 - **\$357.2 million** fare revenue requirement for operations
 - Based on a March 2015 forecast scenario that assumes a 2.5% fare increases in October 2015 and October 2016
 - Revenue requirement is **\$8.1 million** more than what is forecast from continuing current fares

2015/16 Tariff Cycle: WSF Proposal

- WSF Proposal consistent with budget revenue requirement
- The proposal addresses several operational and policy objectives:
 - Continues to gradually increase the Vehicle-Passenger fare ratio
 - Maintains a “base level” 2.5% increase for vehicle fares
 - Maintains the Tariff Route Equity relationship among routes
 - Eliminate the overheight surcharge for vehicles under 22
 - Reduces the height limit threshold from 7’6” to 7’2” (May 2016)
 - Adds clarity to the overheight waiver for disabled travelers
- To meet the revenue need, the October 2016 fare increase is moved earlier to May 2016

2015/16 Tariff Cycle: Features of WSF Proposal

1. Consistent with policy guidance in WTP35 and continues the implementation of near-term pricing strategies
2. Maintains 2.5% increases for vehicle fares while, also improving the Vehicle-Passenger Fare ratio
3. Better aligns pricing with available capacity on most WSF routes

Progress on WSF/WSTC Near-Term Strategies

Operational

Reservations	<input checked="" type="checkbox"/>	PT-Coupeville, International
	<input checked="" type="checkbox"/>	Anacortes-SanJuan Islands
Fuel conservation	<input checked="" type="checkbox"/>	Developed Fuel Cost Mitigation Plan in 2010

Pricing

Veh/Passenger ratio	<input checked="" type="checkbox"/>	Since 2013 differentiated fare increases
Reservations fees	<input checked="" type="checkbox"/>	No extra fee for reservations
Small car fare	<input checked="" type="checkbox"/>	Under 14-foot fare category added in 2011

Source: WSTC and WSF Joint Recommendations on Adaptive Management Strategies, 2009

2015/16 Tariff Cycle: Timing Element of Proposal

WSTC & WSF have previously followed the timing used in this two-year proposal

- This would be the third 2-year proposal in a row that follows the October/May timing
- The earlier second increase provides additional revenue in the biennium, while limiting the overall increase in fares
- **Tariff 2013.** Revenue from earlier 2nd year increase funded increasing the Youth Discount from 20% to 50%
- **Tariff 2011.** Revenue from earlier 2nd year increase was necessary to make up for lower June 2011 revenue forecasts for the 2011-13 Biennium, due to economic recession

2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

Proposal: Increase the Vehicle-Passenger Fare Ratio

- Consistent with the WTP and WSF/WSTC Joint Recommendations on Operational and Pricing Strategies
- WSF first proposed to the Commission differential fare increases in the 2013/14 tariff cycle and was part of the Commission fare action at that time
- This cycle, WSF evaluated several options that would continue this approach including one where the ratio might be different according to travel sheds

2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

Proposal will bring meet several policy goals

- Bring the Vehicle-Passenger fare ratio closer to the ratio experienced in the early part of the 2000's
- Provides another modest shift toward pricing that favors making walk-on and HOV customers
- Encourages more travelers to arrive as passengers, where WSF is much less capacity constrained – a key demand management goal

2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

WSF Draft Proposal brings ratios closer to historic peak

Vehicle-Passenger Fare Ratios	Historic Peak 2002-2004	Pre-Surcharge 2010	Current 2014	Proposed 2015	Proposed 2016
Vashon Island	3.56	3.45	3.44	3.46	3.48
Mukilteo-Clinton	3.59	3.41	3.46	3.47	3.52
Central Sound	3.53	3.42	3.48	3.52	3.56
Fauntleroy-Southworth	3.57	3.40	3.44	3.51	3.56
Coupeville-Port Townsend	3.57	3.45	3.31	3.40	3.42
Anacortes - Lopez	2.94	2.43	2.44	2.48	2.51
Anacortes - Shaw, Orcas	3.46	2.92	2.93	2.97	3.01
Anacortes - Friday Harbor	3.90	3.47	3.47	3.52	3.57
Anacortes - Sidney	2.70	2.68	2.68	2.69	2.70
Islands - Sidney	2.57	2.53	2.68	2.69	2.71

*San Juan Interisland not shown due to no charge for passengers

** San Juan Islands Ratios use week "End" in effect in 2002-2004

2015/16 Tariff Cycle: General Height Limit

Proposal: Reduce Height Threshold from 7'6" to 7'2" (May 2016)

- Standard vehicle height has been defined as 7'6"
- Actual height limit on many vessels is between 7'0" and 7'6"
 - New vessels with lower thresholds
 - Modifications to current fleet have reduced thresholds
- Vehicles under 7'6" are being loaded in the tall space
- Issue has become a more significant operational concern
 - More loading challenges
 - Reservations system complications
 - Communications challenges

2015/16 Tariff Cycle: General Height Limit

- Height threshold no longer aligns with fleet characteristics
- Surcharge mostly collected for vehicles over 22-feet

Class	Lower Wing Height	Upper Wing Height
Jumbo	7'2"	9'0"
Jumbo Mark II	8'0"	9'0"
Issaquah	7'2"	7'1" (MV Chelan) - 7'6" (Others)
Super	7'4"	7'4" (MV Kaleetan) - 7'6" (Others)
Olympic	7'4"	8'0"
Kwa-di-Tabil	7'0"	N.A. (no upper wing)

Summary of Overheight Surcharge Collections

	No.	Surcharge Revenue
Veh Under 14	13	\$115
Veh Under 22	12,054	\$230,148
Veh Under 30 (includes OH)	79,292	\$2,466,668
Veh Under 30 (Under 7' 6")	20,645	\$0
Total	112,004	\$2,696,932

2015/16 Tariff Cycle: General Height Limit

Proposal: Reduce Height Threshold from 7'6" to 7'2" (May 2016)

- Majority of vehicles affected by threshold change are under 22 feet
- To mitigate the effects of the reduced threshold, proposal also:
 - Eliminates the overheight surcharge for vehicles under 22 feet
 - Retains the under-height 22-30 foot category, but with the lower threshold
- May 2016 implementation allows more time for customers to adjust
- Revenue loss from elimination of surcharge recovered in the general fare increase
- Reservations will mitigate for loss of the overheight surcharge price disincentive on routes where tall space is particularly scarce
 - Anacortes to San Juan Islands and Port Townsend-Coupeville

2015/16 Tariff Cycle: Disability Height Waiver

Issue Description

WAC is too specific (limits waiver to wheelchair lifts) and does not cover the following situation:

An overheight vehicle is not equipped with a lift or mechanism, but the driver or passenger is disabled and the vehicle is otherwise specially accommodating the disability

Proposal:

Waive surcharge for vehicles that have a “feature” to accommodate a disability.

FAC-T Perspectives

Unanimously agreed to WAC changes to broaden the language and cover more vehicles which meet the intent of the rule

2015/16 Tariff Cycle: Height Threshold Language Changes

WAC 468-300-020 SIZE - Vehicles up to 14' in length ~~and under 7'6"~~ in height shall pay the vehicle under 14' toll. All vehicles from 14' to under 22' in length ~~and under 7'6" in height~~ shall pay the 14' to 22' toll. ~~All vehicles up to 22' but over 7'6" in height shall pay an overheight charge of 100% of the vehicle full fare.~~ Motorcycles towing a trailer and vehicles licensed as motorcycles with three or more wheels that are 8'0" or longer shall pay the appropriate length-based vehicle fare. ~~Upon presentation by either the driver or passenger of a WSF Disability Travel Permit, Regional Reduced Fare Permit, or other identification which establishes disability, the overheight charge will be waived for vehicles equipped with wheel chair lift or other mechanism designed to accommodate the person with disability.~~ **[Change to be implemented on October 1, 2015]**

2015/16 Tariff Cycle:

Height Threshold Language Changes

OVERSIZE VEHICLES - Includes all vehicles 22 feet in length and longer regardless of type: Commercial trucks, recreational vehicles, vehicles under 22' pulling trailers, etc. Length shall include vehicle and load to its furthest extension. Overheight charge is included in oversize vehicle toll. Vehicles wider than 8'6" pay double the fare applicable to their length. Private and commercial passenger buses or other passenger vehicles pay the applicable oversize vehicle tolls. Public transit buses and drivers shall travel free upon display of an annual permit which may be purchased for \$10. Upon presentation by either the driver or passenger of a WSF Disability Travel Permit, Regional Reduced Fare Permit, or other identification which establishes disability, vehicles 22-30 feet in length and over 7'6" in height shall be charged the 22-30 foot length and under 7'6" in height fare for vehicles equipped with wheelchair lift or other ~~mechanism~~ feature designed to accommodate the person with the disability. **[Change to be implemented on October 1, 2015]**

2015/16 Tariff Cycle:

Height Threshold Language Changes

OVERSIZE VEHICLES - Includes all vehicles 22 feet in length and longer regardless of type: Commercial trucks, recreational vehicles, vehicles under 22' pulling trailers, etc. Length shall include vehicle and load to its furthest extension. Overheight charge is included in oversize vehicle toll. Vehicles wider than 8'6" pay double the fare applicable to their length. Private and commercial passenger buses or other passenger vehicles pay the applicable oversize vehicle tolls. Public transit buses and drivers shall travel free upon display of an annual permit which may be purchased for \$10. Upon presentation by either the driver or passenger of a WSF Disability Travel Permit, Regional Reduced Fare Permit, or other identification which establishes disability, vehicles 22-30 feet in length and over ~~7'6"~~ 7'2" in height shall be charged the 22-30 foot length and ~~under 7'6"~~ under 7'2" in height fare for vehicles equipped with wheelchair lift or other ~~mechanism~~ feature designed to accommodate the person with the disability. **[Change to be implemented on May 1, 2016]**

2015/16 Tariff Cycle:

Alternative Proposals Considered by FAC-T

- WSF discussed two alternatives along with the Draft Proposal:
- A scenario that simply applied the assumptions used for the legislative budget:
 - 2.5% across-the-board increase in October 2015 and 2016
 - No other changes that target policy or operational issues
- A scenario that follows WSF timing, but does not vary the increases for passenger and vehicle fares:
 - General fare increase is reduced from 2.5% to 2.12%
 - Overheight-related changes are included

2015/16 Tariff Cycle: Fare Proposals Considered

	March Revenue Forecast Alternative 1 (Leg Budget)	WSF DRAFT Proposal	FACT-T Co-Chair Requested Option
Vehicle fares	2.5% in Oct '15 & Oct '16	2.5% in Oct '15 & May '16	2.12% in Oct '15 & May '16
Passenger fares	2.5% in Oct '15 & Oct '16	1.0% in Oct '15 & May '16	2.12% in Oct '15 & May '16

Standard Vehicle (14'-22') - without capital surcharge

	Fare	Yr-Yr Chg	Fare	Yr-Yr Chg	Fare	Yr-Yr Chg	Chg to WSF
Current full fare	\$13.65	--	\$13.65	--	\$13.65	--	
2015 Increase:	2.5%		2.5%		2.12%		
Apply pct increase	13.9913		13.9913		13.9394		
Round to nearest nickel	\$14.00	\$0.35	\$14.00	\$0.35	\$13.95	\$0.30	(\$0.05)
2016 Increase:	2.5%		2.5%		2.12%		
Apply pct increase	14.3500		14.3500		14.2457		
Round to nearest nickel	\$14.35	\$0.35	\$14.35	\$0.35	\$14.25	\$0.30	(\$0.05)
Total increase over current		\$0.70		\$0.70		\$0.60	(\$0.10)

Passenger - without capital surcharge

	Fare	Change	Fare	Change	Fare	Change	Chg to WSF
Current full fare	\$7.75	--	\$7.75	--	\$7.75	--	
2015 Increase:	2.5%		1.0%		2.12%		
Apply pct increase	7.9438		7.8275		7.9143		
Round to nearest nickel	\$7.95	\$0.20	\$7.85	\$0.10	\$7.90	\$0.15	\$0.05
2016 Increase:	2.5%		1.0%		2.12%		
Apply pct increase	8.1488		7.9285		8.0675		
Round to nearest nickel	\$8.15	\$0.20	\$7.95	\$0.10	\$8.05	\$0.15	\$0.05
Total increase over current		\$0.40		\$0.20		\$0.30	\$0.10

2015/16 Tariff Cycle: Fare Proposals Considered

Outcome of the discussion of proposal scenarios

- WSF Draft Proposal was favored by 4 of 11 FAC-T members in attendance
- Majority of FAC-T members (7) not in favor of WSF Draft Proposal:
 - Four favored applying the legislative budget assumptions (2.5% applied equally to vehicles and passengers Oct '15 & Oct '16)
 - Three initially favored the WSF proposal timing, but equal fare increases of 2.12% for vehicles and passengers
 - Second choice for this group was the legislative budget assumptions
- Most support the height threshold reduction to 7'2", although three members would prefer to retain the surcharge for under 22-ft vehicles

2015/16 Tariff Cycle: Fare Proposals Considered

FAC-T was split among the scenarios reviewed

- The greatest disagreement concerned the increase in the Vehicle-Passenger fare ratio, with those opposed citing these concerns:
 - All customers should share the fare increase burden equally
 - The change is not sufficient to affect travel behavior
 - Not all routes have the transit support to benefit from price changes designed to encourage walk-ons
- Supporters cited the following in favor of differentiating the fare increase:
 - Vehicle drivers traveling with at least one passenger will benefit from the proposal
 - It is relatively cheaper to carry passengers than vehicles

2015/16 Tariff Cycle: Fare Proposals Considered

FAC-T Perspectives on Fare Proposal Scenarios

- Other concerns with WSF Draft Proposal focused on:
 - Elimination of the overheight surcharge for vehicles under 22 feet
 - Eliminating the cost disincentive of the surcharge will result in tall vehicle overloads
 - Customers should pay for the use of the tall space
 - The close proximity of the Oct '15 and May '16 increases
 - The “double bounce” effect of a May increase on top of the fares increasing for the summer surcharge

2015/16 Tariff Cycle: Calendar of Upcoming Events

Milestone	Schedule
Proposal to WSTC, Commission Action	June 16
Development and distribution of proposal information	Late June
CR102 Filing	NLT July 1
Public Comment Period <ul style="list-style-type: none">Public Meetings in ferry communities	July
WSTC Public Hearing, Commission Action	Aug 4th
CR103 Filing	NLT 8/28/15
Fares Take Effect	Oct 1, 2015

Questions?

For more information, please contact:

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