

2013 FARE PROPOSAL

IMPLEMENTATION DATES
OCTOBER 1, 2013
MAY 1, 2014



SUMMARY OF FARE PROPOSAL

June – July 2013

INTRODUCTION

The Washington State Transportation Commission (Commission) has authority for setting fares on Washington State Ferries (WSF). Legislative direction requires that WSF provide the Commission with a fare proposal for consideration and that the Commission must consider input from affected ferry users by public hearing and by review from Ferry Advisory Committees (FACs) when adjusting fares.

Consistent with this direction, the Commission's 2013 proposal is based on WSF's recommendations and input from the Ferry Advisory Committee-Tariff (FAC-T). The FAC-T is an advisory committee consisting of members of the FAC Executive Council or their designees.

It is the Commission's responsibility to ensure that updated ferry fares raise the amount of operating and maintenance money required by the Legislature's Budget. The 2013-2015 revenue target for operations is \$328 million, which is a 6% increase over fare revenues in the 2011-13 biennium.

The proposed fare changes would generate the required revenue through a mix of policies, some of which reduce revenue and others which increase revenue. This proposal has been developed to strike a balance between the required revenue amount, ridership and revenue forecasts, and service.

The 2013 fare proposal reflects the Commission's preferred fare policy updates. The proposal includes a number of structural changes, which are summarized in this document. Detailed descriptions and impacts of each proposal element, as well as fare tables, are available on the Commission's website: www.wstc.wa.gov

FARE PROPOSAL ELEMENTS

1. General Fare Increase

The general fare increase applies to all fares in the system, except those affected by the other proposal elements described in this document. The general fare increase is the primary generator of revenue to reach the Legislature's adopted revenue target. The fare proposal is for two years and includes two increases with different percentages for vehicle and passenger fares:

- Implement a 2.0% general fare increase on passenger fares and a 3.0% general fare increase on vehicle fares on October 1, 2013.
- Implement a 2.0% general fare increase on passenger fares and a 2.5% general fare increase on vehicle fares on May 1, 2014.

The Commission is not proposing changes to bicycle surcharges. The proposed general fare increase would only apply to passenger, vehicle, and motorcycle fares.

Due to rounding and other fare proposal items outlined in this document, not all fare categories will experience a percentage change equal to the applicable general fare increase. The Commission's established 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 International Route Fares

Due to market considerations and competition from BC Ferries and Black Ball Ferry Lines, fares on international routes (those serving Sidney, B.C.) are adjusted separately from the general fare increase to ensure alignment with the competitive market. The 2013 fare proposal includes proposed changes to both international routes.

A. Anacortes-Sidney Route

Standard Vehicle and Passenger Fares. The Commission is proposing the following increases for both vehicle and passenger fares on the Anacortes-Sidney route:

- Implement a 4.1% increase on Anacortes-Sidney vehicle and passenger fares on October 1, 2013
- Implement a 2.5% increase on Anacortes-Sidney vehicle and passenger fares on May 1, 2014.

Oversize Vehicle Fares. WSF currently has two separate fare categories for oversize vehicles on the Anacortes-Sidney route – one for commercial vehicles and one for recreational vehicles and buses. Because commercial vehicle traffic no longer travels via WSF between the U.S. and Canada, the Commission is proposing to consolidate the two fares into a single oversize fare category.

In order to set this consolidated fare category closer to market alignment, the proposal includes:

- Implementing oversize fares at 5.1% above the current recreational vehicle and bus fare on October 1, 2013.
- Implementing a 2.5% increase on Anacortes-Sidney oversize vehicle fares on May 1, 2014.

B. San Juan Islands-Sidney Route

WSF currently sells two separate one-way tickets on this route, one from Friday Harbor to Sidney and one from Sidney to Friday Harbor.

The Commission is proposing to consolidate these two fares into one round-trip fare that will make purchases simpler for customers and will provide more flexibility to set the fare level appropriately on this route. The proposal for this route includes the following changes:

- In 2013, raise one-way eastbound (Sidney to Friday Harbor) fares by the same percent as Anacortes-Sidney (4.1%) to maintain fare alignment. Hold one-way westbound (Friday Harbor to Sidney) fares stable.
- In 2014, eliminate one-way fares and institute a round-trip fare available from either terminal that is priced proportionally to the cost of a round-trip from Anacortes-Sidney, based on the difference in distance between the two routes.

3. Proposal for Small Vehicle Fares

A. Under 14' Vehicle Fares

In 2011, the Commission adopted a three-phase plan to create an Under 14' Vehicle category to provide incentives for customers to use smaller vehicles. By encouraging customers to bring smaller vehicles when

possible, WSF will be able to increase the number of vehicles on any given sailing and reduce wait times during peak periods.

The first two phases were implemented in the 2011 and 2012 fare changes. The 2013 proposal includes the final changes necessary to complete implementation. This will result in the vehicle portion of the Under 14' Vehicle/Driver Fare being set at 70% of the vehicle portion of the Standard Vehicle (14' to Under 22') Fare.

B. Motorcycle Oversize Surcharge

As part of the last phase of the Under 14' Vehicle Fare implementation, the motorcycle oversize surcharge, which applies to about 5,000 trips per year, will be eliminated to improve fare simplicity.

Vehicles that currently pay the motorcycle oversize surcharge will now pay either the Under 14' Vehicle Fare or the Motorcycle Fare depending on their size:

- Motorcycle Fare: All 2-wheeled vehicles plus any 3-wheeled vehicles under 8'0" in length
- Under 14' Vehicle Fare: 3-wheeled vehicles 8'0" and longer

Fare impacts from eliminating the surcharge will vary based on the size of each customer's vehicle, whether the customer purchases single ticket or multi-ride media, and if travel occurs in the peak season.

4. Proposal for Youth Discount

This fare proposal would change the youth discount from the current 20% off full fare to 50% off full fare, effective October 1, 2013. The Commission is proposing moving the discount to 50% to provide more affordable travel options for families.

Both the senior/disabled and youth fares are based on a stated 50% discount policy. However, senior/disabled fares are slightly lower than youth fares. This is due to federal requirements that mandate senior/disabled fares be no more than 50% of the total fare, which now includes a fixed capital surcharge. As a result, the effective discount for senior/disabled fares must be slightly higher than 50% to both meet the federal requirements and collect the legislatively-mandated fixed capital surcharge.

5. Proposed Changes to Regulatory Language

In addition to the specific revenue and structural elements described above, the Commission is also proposing a number of minor regulatory changes in the Washington Administrative Code (WAC). A description of these changes follows.

- **Bulk Newspapers.** Implement a freight-only charge that allows customers to drop off newspapers at one terminal and have someone else pick them up at the destination terminal. The Commission proposes setting this fare to the price it was when last set in 2000, increased by the change in inflation from 2000 to 2013.
- **Multiride Media.** Currently, WSF passengers with disabilities who require an attendant can travel without additional cost for the attendant except in the case where the attendant is driving and the passenger is paying with a vehicle multiride card. The Commission is proposing revised language to ensure passengers with disabilities who require an attendant can always travel at no additional cost regardless of who is driving.
- **School Groups.** To meet US Coast Guard lifesaving equipment requirements, school groups will need to notify WSF of their travel schedule and the number of school-age children on each trip at least 72 hours before their desired departure. If this notification is not provided, groups may be delayed or split among multiple sailings to ensure adequate lifesaving equipment is available.

- **Promotional Fares.** The Commission is proposing to expand WSF's current authority to use promotional fares to support tourism or special events, to include permission to participate in multi-organization promotions with other transportation providers.
- **Vehicle Reservation Deposit.** The current vehicle reservation deposit WAC allows WSF to collect a deposit of 25% to 100% of the applicable fare. This deposit applies to the eventual fare if a customer travels at their reserved time and is kept by WSF if the customer fails to use their reservation.

The proposal would allow WSF to charge a no-show fee in lieu of a deposit on routes where it is operationally necessary (such as routes with one-point fare collection) or more efficient. The proposed no-show fee would work similarly to the deposit, in that it could be set at 25% to 100% of the fare, and will only be charged if a customer does not travel on the same business day as their reserved sailing.

