WSDOT Ferries Division: 2019/20 Ferry Fare Development Process

Ray Deardorf, Acting Director, Community Services and Planning
Washington State Transportation Commission
April 16, 2019
WSF Fare Development: Presentation Outline

- Overview of Fare Development Process
  - FAC-T Membership Update
- Policies and Guidance
- Timeline of 2019/2020 Fare-setting cycle
- Revenue and Ridership Update
- 2019/2020 Fare Issues Review
- Public Outreach Plan
- Next Steps
- Q&A
Ferry Fare Development Process

Roles and responsibilities

• WSTC adopts fares through a rulemaking process; fares are effective for approximately one year (RCW 47.60.315)

• WSF conducts a review of its fares and develops a fare proposal for submittal to the WSTC for their consideration (RCW 47.60.290)

• WSF develops fare proposals with input from ferry users, by review of the affected FACs, and data gathered from FROG surveys (RCW 47.60.290)
Ferry Fare Development: FAC-T Membership Update

Current FAC-T Membership (per most recent charter):
• Ferry Advisory Committee chairs or their designees (approximately 12)
• Transit (Sound Transit representative)
• Economic development (vacant)
• Freight/commercial (WA Trucking Association representative)
• Active transportation / bike & ped (Bicycle/pedestrian representative)
• Tourism (vacant)
• WSDOT Finance (ex-officio)
• WSTC (ex-officio)

Additional Membership positions filled:
• Second transit representative (Kitsap Transit representative)
• Special needs ridership (ADA, human services – Whidbey Island Veterans Resource Center Representative )
• Regional transportation planners (Puget Sound Regional Council Representative)
# Fare Review Process Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Current Date</th>
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<tbody>
<tr>
<td>Ferries Team/WSF Staff Meetings</td>
<td>October and December 2018</td>
</tr>
<tr>
<td>WSTC Presentation</td>
<td>January 2019</td>
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<tr>
<td>Begin FAC-T Meetings</td>
<td>February 2019</td>
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<tr>
<td>WSTC Presentation</td>
<td>April 2019</td>
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<tr>
<td>Adopted Budget</td>
<td>Mid/Late April 2019</td>
</tr>
<tr>
<td>CR 101 Filing</td>
<td>NLT 5/1/19</td>
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<tr>
<td>Public Outreach on Fare Issues</td>
<td>May 2019</td>
</tr>
<tr>
<td>CR 102 Filing</td>
<td>June 14 – July 3, 2019</td>
</tr>
<tr>
<td>Fare Proposal to WSTC</td>
<td>June 18/19 2019</td>
</tr>
<tr>
<td>Public Comment</td>
<td>Late July/Early August</td>
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<tr>
<td>Public Hearing</td>
<td>August 6, 2019</td>
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<tr>
<td>CR 103 Filing</td>
<td>NLT 8/30/19</td>
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<tr>
<td>Fares Take Effect</td>
<td>Oct 1, 2019</td>
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Ferry Fare Development: FAC-T Engagement

• Meetings to date:
  – February 28: Overview of process and initial issue identification
  – March 13: International market screen, reservation cancellation, ORCA LIFT program participation, small vehicle update, capital surcharge fee
  – April 9: *Good to Go!* pilot program participation, transportation demand management, bicycle surcharge elimination, under/over 7’2”, carry-over issues

• Planned meetings
  – May 8: General fare increase, disability charge language, carry-over issues
  – June 5: Carry-over issues, summary of public feedback
Ferry Fare Development: Revenue and Ridership Update

Ridership and Employment, FY2008-FY2018
Ferry Fare Development:
Revenue and Ridership Update

Passenger Ridership by Frequency,
FY2008 - FY2018 (in Thousands)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Non-Frequent</td>
<td>8,218</td>
<td>8,091</td>
<td>8,413</td>
<td>8,459</td>
<td>8,476</td>
<td>8,698</td>
<td>9,173</td>
<td>9,986</td>
<td>10,295</td>
<td>10,474</td>
<td>10,833</td>
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</tbody>
</table>

Thousands

- Frequent User Passenger Ridership
- Non-Frequent-user Passenger Ridership
Ferry Fare Development: Revenue and Ridership Update

Standard Size Vehicle Ridership by Category, FY2008-FY2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Ridership</th>
<th>Regular (to 20'/22')</th>
<th>Commuter (to 20'/22')</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>4,208</td>
<td>4,700</td>
<td>1,508</td>
</tr>
<tr>
<td>FY 2009</td>
<td>3,608</td>
<td>4,142</td>
<td>266</td>
</tr>
<tr>
<td>FY 2010</td>
<td>3,944</td>
<td>4,689</td>
<td>755</td>
</tr>
<tr>
<td>FY 2011</td>
<td>3,882</td>
<td>4,611</td>
<td>271</td>
</tr>
<tr>
<td>FY 2012</td>
<td>3,831</td>
<td>4,636</td>
<td>195</td>
</tr>
<tr>
<td>FY 2013</td>
<td>3,772</td>
<td>4,684</td>
<td>98</td>
</tr>
<tr>
<td>FY 2014</td>
<td>3,753</td>
<td>4,728</td>
<td>125</td>
</tr>
<tr>
<td>FY 2015</td>
<td>3,654</td>
<td>4,919</td>
<td>255</td>
</tr>
<tr>
<td>FY 2016</td>
<td>3,692</td>
<td>4,995</td>
<td>303</td>
</tr>
<tr>
<td>FY 2017</td>
<td>3,652</td>
<td>5,015</td>
<td>357</td>
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<tr>
<td>FY 2018</td>
<td>3,615</td>
<td>5,109</td>
<td>484</td>
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</tbody>
</table>
Ferry Fare Development: Revenue and Ridership Update

- How did we do compared to forecasts?
  - March 2017 fare revenue forecast, legislature’s budget for 2017-2019 biennium: $381.2 million for operations, $8.0 million for capital
  - March 2019 fare revenue forecast for 2017-2019 biennium: $382.2 million for operations, $8.1 million for capital.
Ferry Fare Development: Tariff Review 2019/2020

Issues being reviewed this tariff cycle:

• General fare increase (dependent upon legislative action)
• International route market screen (including oversize vehicles)
• Effectiveness of demand management strategies (slight spreading of passenger and vehicle fares) over the last two cycles
• Evaluate the bicycle surcharge for mode shift and fare simplification opportunities
• Capital surcharge adjustments
Ferry Fare Development:
Tariff Review 2019/2020

Issues being reviewed this tariff cycle:

- Consider fare simplification strategy recommendations
- Evaluate reservation cancellation fees to reduce no-shows
- Evaluate revenue requirements for participation in ORCA LIFT
- WAC language:
  - *Good to Go!* Pilot ability
  - Interisland Transfers
  - Under/Over 7’2”
  - Disability charge language
Fare Issues: International Market Screen

Issue Summary:
• WSF Sidney route passenger and vehicle fares compared to fares for Black Ball and BC Ferries routes to Vancouver Island to evaluate competitiveness.

Analysis:
• BC Ferries’ fare changes have reduced WSF’s price advantage.
Fare Issues: International Market Screen

Analysis:
• WSF’s fares for oversize vehicles are below competitor fares for most length categories.

<table>
<thead>
<tr>
<th></th>
<th>WSF</th>
<th>BC FERRIES</th>
<th>BLACK BALL</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Peak Fare</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>22' to Under 30', Under 7'2&quot;</td>
<td>$104.75</td>
<td>$94.23</td>
<td>$132.84</td>
</tr>
<tr>
<td>22' to Under 30', Over 7'2&quot;</td>
<td>$104.75</td>
<td>$94.23</td>
<td>$132.84</td>
</tr>
<tr>
<td>30' to Under 40'</td>
<td>$140.15</td>
<td>$133.33</td>
<td>$181.71</td>
</tr>
<tr>
<td>40' to Under 50'</td>
<td>$175.55</td>
<td>$182.20</td>
<td>$230.59</td>
</tr>
<tr>
<td>50' to Under 60'</td>
<td>$210.95</td>
<td>$231.08</td>
<td>$279.46</td>
</tr>
<tr>
<td>60' to Under 70'</td>
<td>$246.30</td>
<td>$279.95</td>
<td>$328.33</td>
</tr>
<tr>
<td>70' to Under 80'</td>
<td>$281.70</td>
<td>$328.82</td>
<td>$377.20</td>
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Fare Issues: Reservation Cancellation Fee

Issue Summary
• Consideration of potential increase of no-show fees to 100% of the one-way fare to increase disincentive to no-show.

Analysis:
• Establishing no-show fees of 100% of the senior/disabled one-way fare increases the no-show fee and does not require a WAC language change.
• Could result in modest increase to the no-show fee.
• Minor changes to remove conflicting language

<table>
<thead>
<tr>
<th>Vehicle Size</th>
<th>Ana-Lop</th>
<th>Ana-Sh/Or</th>
<th>Ana-FH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorcycle</td>
<td>$5.58</td>
<td>$6.28</td>
<td>$7.05</td>
</tr>
<tr>
<td>Under 14'</td>
<td>$10.48</td>
<td>$13.28</td>
<td>$16.38</td>
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</table>

Max No-Show Fee

Port Townsend - Coupeville

<table>
<thead>
<tr>
<th>Vehicle Size</th>
<th>Max No-Show Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorcycle</td>
<td>$3.45</td>
</tr>
<tr>
<td>Under 14'</td>
<td>$7.65</td>
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</table>

Max No-Show Fee

Anacortes - Sidney

<table>
<thead>
<tr>
<th>Vehicle Size</th>
<th>Ana-Sid Sid-SJI</th>
<th>SJI-Sid</th>
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</thead>
<tbody>
<tr>
<td>Motorcycle</td>
<td>$17.40</td>
<td>$10.80</td>
</tr>
<tr>
<td>Under 14'</td>
<td>$35.50</td>
<td>$22.00</td>
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Fare Issues:
Transfers in the San Juan Islands

Issue Summary
• Evaluation of WAC language changes to eliminate misuse of interisland vehicle transfers and consideration of the Anacortes to San Juan Islands oversize transfer fee.

Proposed WAC changes:
• Change transfer use period from “24-period” to “end of the service day.”
• Changes to allow for oversize transfers to be made available for a stopover at an intermediate island with the purchase of the full fare for the furthest destination.
Fare Issues: Bicycle Surcharge

Issue Summary
• Evaluation of impact of eliminating the bicycle surcharge to promote multimodal transportation and fare simplification.

Analysis:
• FY 2018 Bicycle surcharge revenues totaled $458,000.
Fare Issues: ORCA LIFT Participation

Issue Summary
• Review implications of participating in the ORCA LIFT program, through which multiple transit agencies are offsetting transportation costs for low-income residents.

Analysis:
• BERK estimated that 2.6% of all ferry trips would be LIFT trips, representing a 1.3% annual revenue loss – this translates to about $2.4 million.
• To be eligible, riders would need to go through income verification at an ORCA LIFT enrollment center. Centers contract with King County for ORCA LIFT income verification services and are available in King, Pierce, and Snohomish Counties.
Fare Issues:
Transportation Demand Management

Issue Summary:
- Review of historic vehicle-passenger differential increases and comparison of vehicle to passenger ratios with and without the capital surcharge to evaluate impact.

Analysis:
- The current capital surcharge level reduces the vehicle:passenger fare ratio.
Fare Issues:
Small Vehicle Verification

Issue Summary
• Review of effectiveness of the 14’ small vehicle cutoff.

Analysis:
• Share of vehicles in the 0-14’ category continues to increase.
Fare Issues:  
Capital Surcharge

Legislative proposals could increase capital surcharges significantly.

### 2019 Legislative Session Capital Surcharge Comparisons

<table>
<thead>
<tr>
<th>Fare Category</th>
<th>Fare Type</th>
<th>Current Surcharge</th>
<th>SSB 5992 Additional</th>
<th>SSB 5992 Total</th>
<th>HB 2161 Additional</th>
<th>HB 2161 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle</td>
<td>Full fare</td>
<td>$0.25</td>
<td>$1.00</td>
<td>$1.25</td>
<td>$0.75</td>
<td>$1.00</td>
</tr>
<tr>
<td>Vehicle</td>
<td>Multi-ride</td>
<td>$0.25</td>
<td>$0.50</td>
<td>$0.75</td>
<td>$0.75</td>
<td>$1.00</td>
</tr>
<tr>
<td>Passenger</td>
<td>Full fare</td>
<td>$0.25</td>
<td>$1.00</td>
<td>$1.25</td>
<td>-</td>
<td>$0.25</td>
</tr>
<tr>
<td>Passenger</td>
<td>Half fare</td>
<td>$0.25</td>
<td>$0.50</td>
<td>$0.75</td>
<td>-</td>
<td>$0.25</td>
</tr>
<tr>
<td>Passenger</td>
<td>Multi ride</td>
<td>$0.25</td>
<td>$0.50</td>
<td>$0.75</td>
<td>-</td>
<td>$0.25</td>
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Ferry Fare Development: Public Outreach Meetings

Spring 2019 Meeting Schedule

**Kingston**
Monday, April 29, 6 p.m.
Kingston Village Green Community Center
26159 Dulay Road NE, Kingston

**Coupeville**
Wednesday, May 1, 6 p.m.
Island County Commissioner’s Hearing Room
1 NE 7th St., Coupeville

**Bremerton**
Wednesday, May 8, 5:30 p.m.
Kitsap Conference Center
100 Washington Ave., Bremerton

**Bainbridge Island**
Thursday, May 9, 6 p.m.
Bainbridge Island Senior Center
370 Brien Drive SE, Bainbridge Island

**Anacortes**
Tuesday, May 14, 4 p.m.
City Hall Municipal Building
904 6th St., Anacortes

**San Juan Islands**
Wednesday, May 15, 5 p.m. Orcas Senior Center
62 Henry Road, Eastsound

**Southworth**
Tuesday, May 21, 6 p.m.
Harper Church
10384 SE Sedgwick Road,
Port Orchard

**Mukilteo**
Thursday, May 23, 6 p.m.
Mukilteo Multimodal Terminal project open house 5 – 6 p.m.
Rosehill Community Center
304 Lincoln Ave., Mukilteo

**Vashon Island**
Thursday, May 30, 7 p.m.
Vashon Island High School
9600 SW 204th St., Vashon

Meeting Topics will include:

- Proposed changes to fares
- Implementation of the 2040 Long Range Plan
- Local projects specific to each route
Next Steps

• May – June 2019: final FAC-T meetings
• Late April: Regular legislative session ends; fare revenue target established
• May 1, 2019: File CR 101 notifying the opening of the tariff WAC sections
• Mid- to late May: Initial public outreach on fare issues
• June 18/19: WSDOT/WSF fare proposal to Commission
• June 14 to July 3, 2019: File CR 102 form with Commission fare proposal
• June/July 2019: Public comment period for Commission fare proposal
• August 6, 2019 or later: Commission holds adoption hearing on tariff proposal
• NLT August 30, 2019: File CR 103 with final amended tariff
• October 1, 2019: Adopted fares go into effect
For additional information on the 2019/20 Ferry Fare Development Process, please contact:

Ray Deardorf, Acting Director, Community Services and Planning
(206) 515-3491 or Deardorf@wsdot.wa.gov