

# **WSDOT Ferries Division Fare Setting Process Update**

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**Washington State Transportation Commission  
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# Presentation Outline – WSF Fare Setting

- Process and timeline
- Schedule options for next steps depending on legislative action
- Issues reviewed this cycle
- Potential elements of a fare proposal

# Tariff Review Process

## Roles and responsibilities:

- The Transportation Commission is responsible for adopting fares through the rulemaking process.
- WSF is responsible for conducting review of fares, and developing a fare proposal for submittal to the Commission for their consideration.
- The Ferry Advisory Committee on Tariff (FAC-T) was created in 2010 to provide guidance to WSF during the tariff review process and provide a customer perspective on prospective fare proposal elements.

# 2015/16 Tariff Cycle – Timeline

| Milestone         | Base                  | End of Session        | 2-Week Delay        | Full Month Delay         |
|-------------------|-----------------------|-----------------------|---------------------|--------------------------|
| FAC-T Kick off    | Dec 2014              |                       |                     |                          |
| WSTC Presentation | Dec 2014              |                       |                     |                          |
| WSTC Presentation | March 2015            |                       |                     |                          |
| CR101 Filing      | 4/21/2015             |                       |                     |                          |
| Adopted Budget    | April                 | Late May              | Early June          | Mid/late June            |
| Proposal to WSTC  | Mid-May               | Early June*           | Mid June            | Late June or early July* |
| CR102 Filing      | June 5-17             | NLT June 17           | NLT July 1          | NLT July 22              |
| Public Comment    | June/July             | June/July             | July                | July/Aug                 |
| Public Hearing    | July 21 <sup>st</sup> | July 21 <sup>st</sup> | Aug 4 <sup>th</sup> | Aug 25 <sup>th</sup>     |
| CR103 Filing      | NLT 8/29/15           | NLT 8/29/15           | NLT 8/29/15         | NLT 8/29/15              |
| Fares Take Effect | Oct 1, 2015           | Oct 1, 2015           | Oct 1, 2015         | Oct 1, 2015              |

\* Special Commission meeting required

# 2015/16 Tariff Cycle – Issues Reviewed

## Issues that have been reviewed in this tariff cycle:

- 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: Potential Elements of a Proposal

1. General Fare Increase
  - Implement legislative direction
2. Fare Policy Adjustments
  - Vehicle-to-Passenger Fare Ratio
  - Vehicle Height Issues
    - Disability waiver for overheight vehicles
    - Height limit (7'6") and overheight surcharge

# 2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

## Issue Description

- WSF applied differential fare increases in the 2013 tariff cycle.
- This cycle, the FAC-T was asked to consider options to continue with differential increases.
- During the discussion, an option was proposed where the ratio might be different according to travel sheds.

# 2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

## Options

- 1 Apply equal increases to vehicles and passengers

|   | Vehicle Increase | Passenger Increase |
|---|------------------|--------------------|
| <b>Bridge-less Travel Sheds</b><br>(San Juan Islands, Vashon) | +2.5%            | +2.5%              |
| <b>All other routes</b>                                       | +2.5%            | +2.5%              |

- 2 Apply differential to all travel sheds, except bridge-less islands.

|   | Vehicle Increase | Passenger Increase |
|---|------------------|--------------------|
| <b>Bridge-less Travel Sheds</b><br>(San Juan Islands, Vashon) | +2.5%            | +2.5%              |
| <b>All other routes</b>                                       | +3.0%            | +1.0%              |

- 3 Address issue as part of Operational and Pricing Strategies update.

- 4 Other options



# 2015/16 Tariff Cycle: Vehicle-Passenger Fare Ratio

## FAC-T Perspectives

- WSF should set goals for the vehicle-passenger ratio.
- Group is split – some want to keep current ratio, others increasing differential.
- Some are concerned that modest pricing differentials are ineffective
  - Not likely to affect mode shift
  - Unduly burdens drivers in vehicle-dependent travel sheds.
- Some support for gradual change that will have a cumulative impact over time and help with mode shift goals.
- Concern about treating travel sheds differently and altering the fare relationships between routes.

# 2015/16 Tariff Cycle: Disability Height Waiver

## Issue Description

WAC is 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

## Options Considered

- 1 No change
- 2 Change WAC to address Scenario A  
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: Disability Height Waiver Language Changes

## **Overheight surcharge for vehicles under 22'**

*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 feature** designed to accommodate the person with disability.*

## **Overheight surcharge for vehicles 22' – under 30'**

*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~~ the overheight charge will be waived for vehicles equipped with wheelchair lift or other **mechanism feature** designed to accommodate the person with the disability.*

# 2015/16 Tariff Cycle: General Height Limit

## Issue Description

- 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

## Summary of Overheight Surcharge Collections

|                            | No.            | Base Fare Revenue  | Surcharge Revenue  |
|----------------------------|----------------|--------------------|--------------------|
| Veh Under 14               | 13             | \$119              | \$115              |
| Veh Under 22               | 12,054         | \$233,555          | \$230,148          |
| Veh Under 30 (includes OH) | 79,292         | \$2,558,793        | \$2,466,668        |
| Veh Under 30 (Under 7' 6") | 20,645         | \$628,836          | \$0                |
| <b>Total</b>               | <b>112,004</b> | <b>\$3,421,303</b> | <b>\$2,696,931</b> |

| 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) -<br>7'6" (Others)   |
| Super         | 7'4"              | 7'4" (MV Kaleetan) -<br>7'6" (Others) |
| Olympic       | 7'4"              | 8'0"                                  |
| Kwa-di-Tabil  | 7'0"              | N.A. (no upper wing)                  |

# 2015/16 Tariff Cycle: General Height Limit

## Options

- ① No change to policy
- ② Lower the height threshold to 7'0", no change to surcharge.
- ③ Lower the height threshold to 7'0" and decrease the surcharge amount in 2016.
- ④ Eliminate the overheight surcharge altogether
  - Fares based on length
  - Vehicles longer than 22 feet would include overheight charge in base fare
- ⑤ Potential new option - combine Options 3 and 4
  - Eliminate the overheight surcharge on under 22-foot, keep the surcharge for over vehicles 22-30 feet

# 2015/16 Tariff Cycle: General Height Limit

## FAC-T Perspectives

- ① Some support for no change in policy since the impact on customers is minimal
- ②/③ FAC-T concerned about a lower threshold and keeping the surcharge
  - More customers affected, increasing costs of travel
  - Customers have made accommodations based on current threshold
  - Public outcry and increased tollbooth disputes with a change to the limit
  - Customers charged for overheight but loaded in wings on some routes
- ④/⑤ About half of the FAC-T showed initial interest in eliminating the surcharge
  - Need more data to understand how fares would need to be adjusted.

# 2015/16 Tariff Cycle – Proposal Options

## **If no fare increase required by legislature's 2015-2017 budget:**

1. No fare proposal in 2015, CR101 would remain until future proposal is developed.
2. Propose minor structural and/or language adjustments, no general fare increase or major policy changes.

## **If a fare increase or increases are required to meet the revenue target established by the budget:**

1. One-year or two-year tariff?
2. Structural modifications for this tariff cycle?
  - Defer any substantive policy initiatives
  - Incorporate structural modifications



# Questions?

For more information on the WSDOT Ferries Division Fare Setting Process, please contact:

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