



2015 WSF Fare Proposal

Final Hearing
August 4, 2015; 10:00 a.m.

Proposed Fare Changes Effective:
October 1, 2015
May 1, 2016

WAC 468-300-010, 468-300-020, 468-300-040 and 468-300-220

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
 - Target was based on March 2015 forecast scenario that assumed a 2.5% fare increases in October 2015 and October 2016
 - Revenue requirement is **\$8.1 million** from new fares
- This proposal is projected to generate the revenue required for the 2015-2017 Biennial budget

Proposal Summary

- Changes that would take effect on **October 1, 2015**:
 - 2.5% fare increase for vehicles and a 1% fare increase for passengers
 - The current over-height surcharge for vehicles less than 22 feet in length is eliminated
 - The over-height waiver currently in place for qualifying disability vehicles 22- to 30-feet long will be expanded to include any feature necessary to accommodate a disability on the vehicle that may add height, rather than limiting it to a lift or other mechanism
- Changes that would take effect on **May 1, 2016**:
 - 2.5% fare increase for vehicles and a 1% fare increase for passengers
 - The over-height fare threshold for vehicles 22- to 30-feet long will be reduced from the current 7 feet 6 inches, to 7 feet 2 inches

Public Meetings and Comments

- Four public meetings were held in July:
 - July 7, Friday Harbor – 6 attendees, including three County Commissioners
 - July 8, Clinton – 12 attendees
 - July 13, Virtual Meeting – 1 attendee
 - July 22, Bremerton – 12 attendees
- On line comments:
 - A total of 32 comments were received online, plus one phone call

Comment Summary

- Major themes from the comments received:
 - Concerns over an October increase followed by another in May
 - Opposition to any fare increase at all
 - Increases should be evenly applied to all fares
 - Some support for treating passengers differently
 - Some comments that passenger fares should stay the same or even go down
 - Fares should favor residents and commuters
 - Other costs are going up as well – the Tacoma Narrows tolls and gas taxes

Specific Features of this Fare Proposal

1. Consistent with policy guidance in WTP 2035 and continues the implementation of near-term pricing strategies
2. Implements the projected 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-San Juan 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

Timing Element of Proposal

The WSTC has previously followed the specific timing in this two-year proposal

- The earlier second increase provides additional revenue in the biennium, while limiting the overall increase in fares
- This proposal uses the additional revenue to allow for lower passenger fare increase in 2015 and 2016
- This would be the third 2-year proposal in a row that follows the October/May timing
 - **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

Vehicle-Passenger Fare Ratio

Proposal: Increase the Vehicle-Passenger Fare Ratio by raising passenger fares less than vehicle fares

- The WSTC first proposed differential fare increases in 2013:
 - Oct 2013 fare change: Vehicles 3.0%, Passengers 2.0%
 - May 2014 fare change: Vehicles 2.5%, Passengers 2.0%
- Growing the gap between vehicle and passenger fares is following the Washington Transportation Plan and the WSF/WSTC Joint Recommendations on Operational and Pricing Strategies
- This proposal would result in four consecutive years where passenger fares grew marginally slower than vehicles
- These small changes add up over time

Vehicle-Passenger Fare Ratio

Proposal addresses several policy goals

- Recognizes the higher cost of serving vehicles compared to passengers and the fact that vehicle capacity is much more constrained.
- Modest shift toward pricing that encourages walk-on and HOV customers
- Incenting customers to arrive as passengers improves overall vessel utilization – a key demand management goal
- Brings the ratio closer to the peak level in the early part of the 2000's
- The higher the Vehicle-Passenger fare ratio, the wider the price differential

Vehicle-Passenger Ratio	Peak	2014	2015	2016
Vashon Island	3.56	3.44	3.46	3.48
Mukilteo-Clinton	3.59	3.46	3.47	3.52
Central Sound	3.53	3.48	3.52	3.56
Fauntleroy-Southworth	3.57	3.44	3.51	3.56
Port Townsend-Coupeville	3.57	3.31	3.4	3.42
Anacortes-Orcas	3.46	2.93	2.97	3.01

Note: Ratio is the 1-way standard vehicle fare divided by the passenger full fare

General Height Threshold

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"
- Vehicles under 7'6" are being loaded in the tall space
- The height issue has become a more significant operational concern
 - More loading challenges
 - Reservations system complications
 - Communications challenges

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

General Height Threshold Limit

Proposal:

Eliminate the Overheight Surcharge for Vehicles Under 22 Feet

- Majority of vehicles likely affected by threshold change are under 22 feet
- To mitigate the effects of the reduced threshold, proposal eliminates the overheight surcharge for vehicles under 22 feet
- The underheight 22-30 foot category defined using the lower threshold
- Reservations in the San Juan Islands and on Port Townsend-Coupeville will help mitigate risks associated with scarce overheight space
- May 2016 implementation allows more time for customers to adjust

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

Language would allow a wider range of vehicles to qualify for the waiver by changing “lift or mechanism” to any “feature” necessary to accommodate a disability.

Questions?

For more information, please contact:

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