



Overview of the Ferry Fuel Surcharge & Emergency Rule Making

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Ferry Fuel Surcharge

- Established October 1, 2011, as a rule in Washington Administrative Code (WAC 468-300-080)
- Rule lays out the methodology for calculating and implementing the fuel surcharge
- Structured as an **automatic, incremental, and additional charge** that is applied to the standard fare
- Calculated quarterly by Washington State Ferries based on formula set forth in the rule
- Can range from 2.5% - 10% of the applicable ferry fare

Issues With The Current WAC

- Due to the automatic mechanism, if the surcharge is triggered, there is no opportunity for the Commission to review, stop, delay or modify the way in which the surcharge is applied
- Should the Commission wish to stop the fuel surcharge from being applied, the Commission must amend the surcharge rule through a rule making process
- If current fuel market conditions remain, **the surcharge could be triggered as soon as the end of this month**

Recommended Action

To forestall implementation of a ferry fuel surcharge and to ensure Commission input, it is recommended that the Commission enter into emergency rule making today to immediately amend WAC 468-300-080 as follows:

- Replace the automatic trigger mechanism for implementing the surcharge with a required review and approval by the Commission
- Enable the Commission to consider factors such as the revenue requirements of the ferry system, available funding, and impacts on ferry riders and local communities

Rule Making Process

Next Steps:

- June 22, 2022: File CR-103E Emergency Rule Making Order – may remain in effect until October 20, 2022 (120 days), unless extended by the Commission
- A regular rule making process will need to be carried out this fall in order for changes to be made permanent
- As part of the regular rule making process, public outreach will occur to ensure the general public, state decision makers, and others have the chance to offer input and guidance for the Commission's consideration.

Questions / Contact

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