



2022 Ferry Fuel Surcharge Online Public Input Forum

December 13, 2022

Aaron Halbert



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 a fuel surcharge
- Structured as an **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

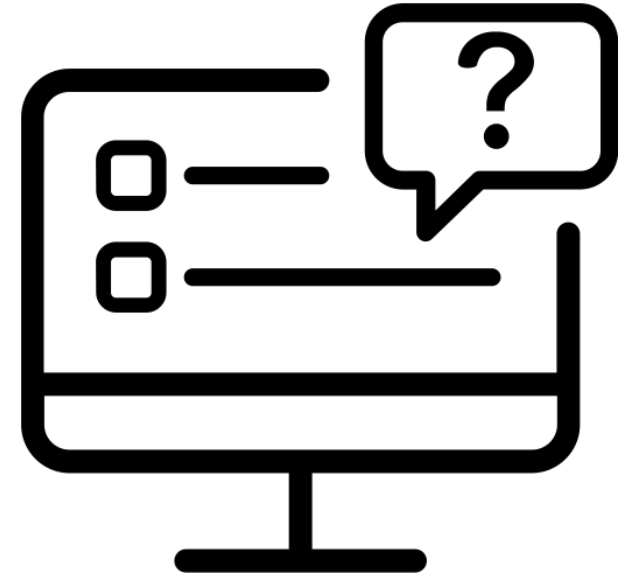
Commission Action Taken in June

To forestall implementation of a ferry fuel surcharge and to ensure Commission and public input, in June the Commission entered into emergency rule making to 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

Online Public Input Forum

- Open from November 14, 2022 - November 30, 2022
 - Over **6,200** completed survey responses
- Sought public input on:
 - Overall level of support for a fuel surcharge
 - How fuel funding shortfalls should be funded and what a reasonable surcharge amount would be
 - Frequency of use and additional demographic information



Forum Results

Key Respondent Metrics

Frequency of Use

- **13%** daily riders
- **35%** weekly riders
- **31%** monthly riders
- **20%** ride the ferry a few times a year or less

Primary Trip Purpose

- **58%** personal trips
- **25%** commute to work or school
- **7%** recreation
- **9%** other

Places of Residence*

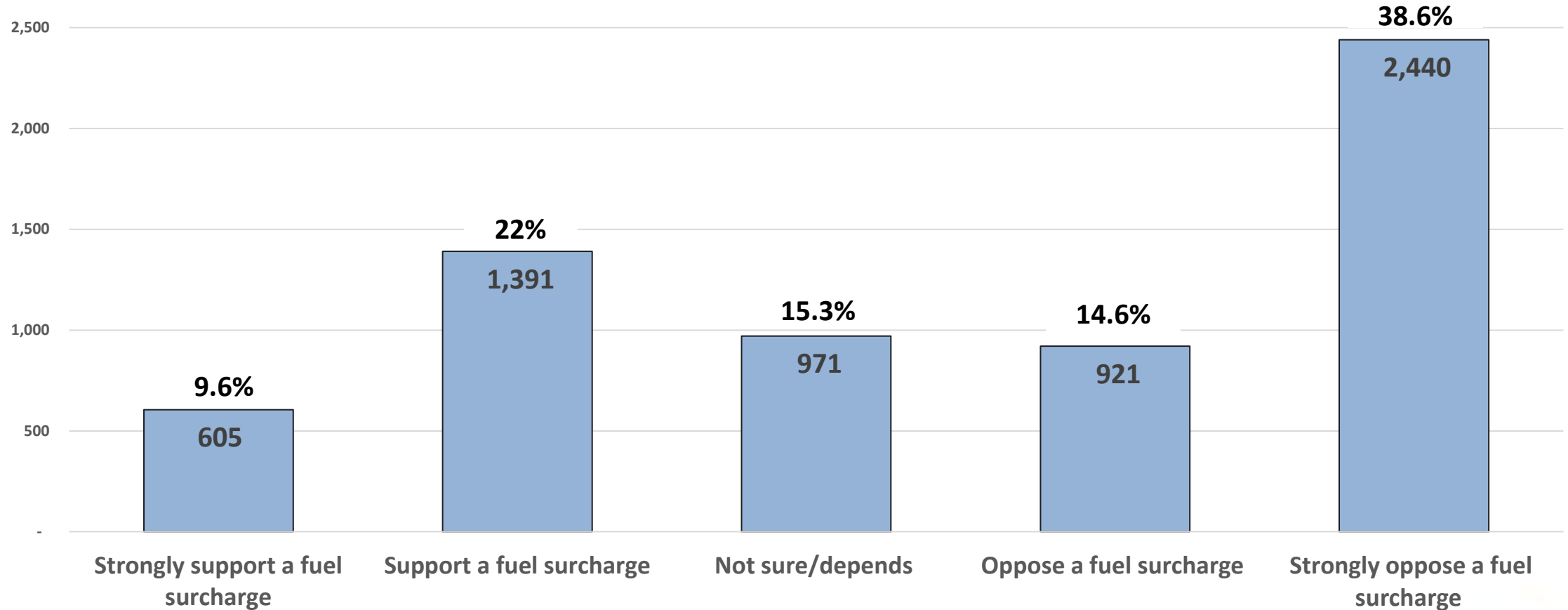
- **59%** ferry-served communities West of Puget Sound
- **27%** ferry-served communities East of Puget Sound
- **14%** other

**Ferry-served communities West of Puget Sound: Island, Jefferson, Kitsap, & San Juan Counties*

**Ferry-served communities East of Puget Sound: King, Pierce, Skagit, & Snohomish Counties*

Overall Support

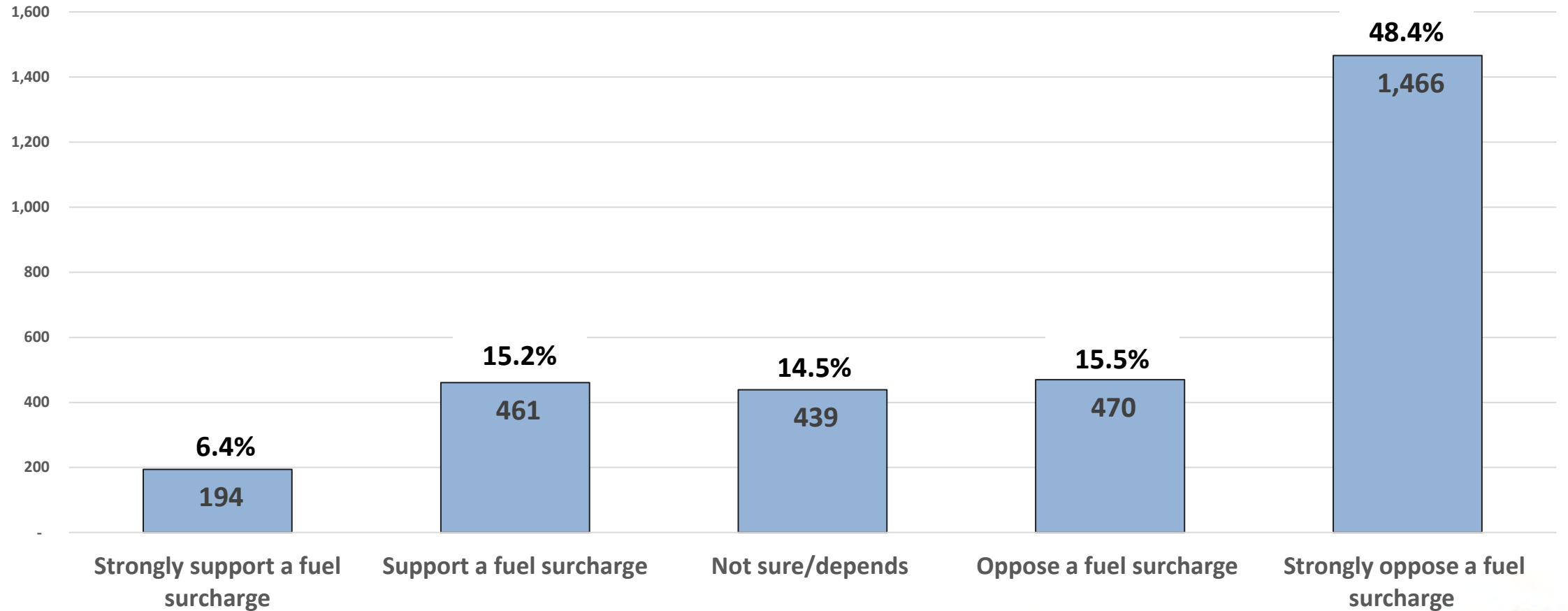
Key Takeaway: Most survey respondents (53.2%) either oppose or strongly oppose the idea of a temporary fuel surcharge, while 31.6% stated support/strong support.



Out of 6,328 Total Votes

Support Among Frequent Riders

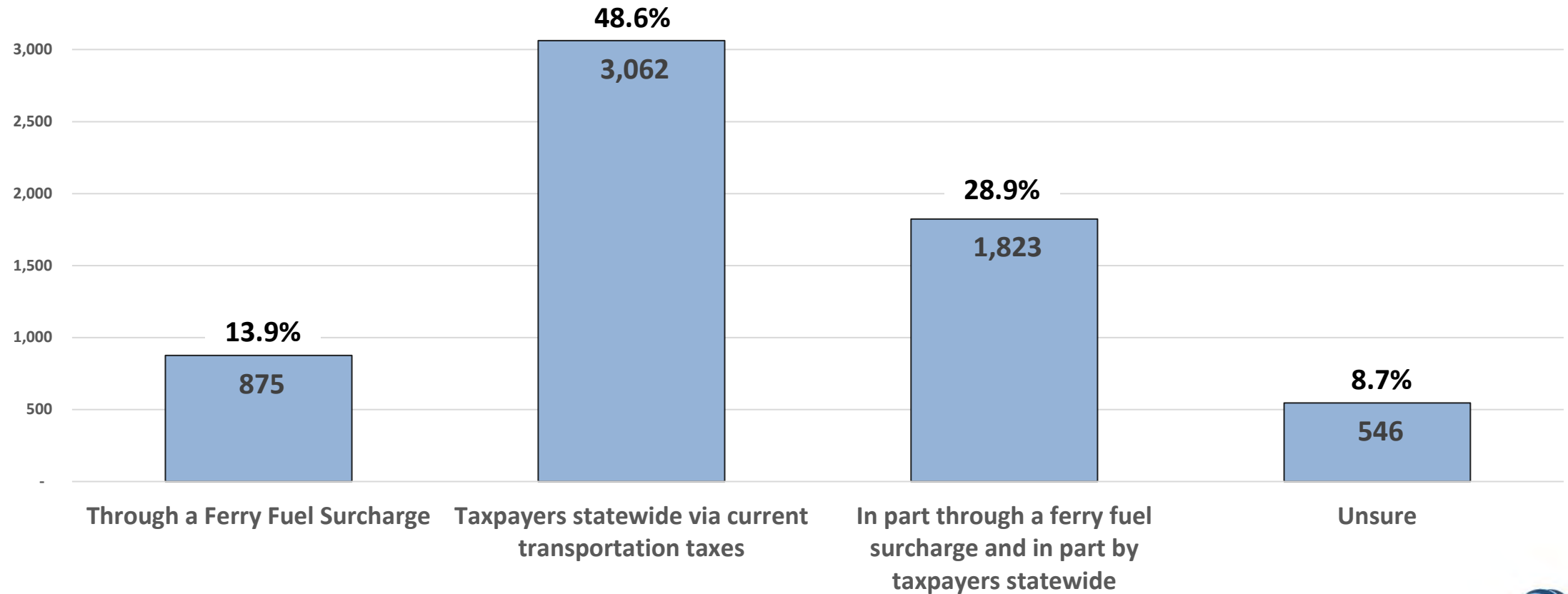
Key Takeaway: 63.9% of frequent (daily or weekly) riders either oppose or strongly oppose the fuel surcharge, while 21.6% stated support/strong support.



Out of 3,030 Total Votes

How Should Fuel Funding Shortfalls be Covered?

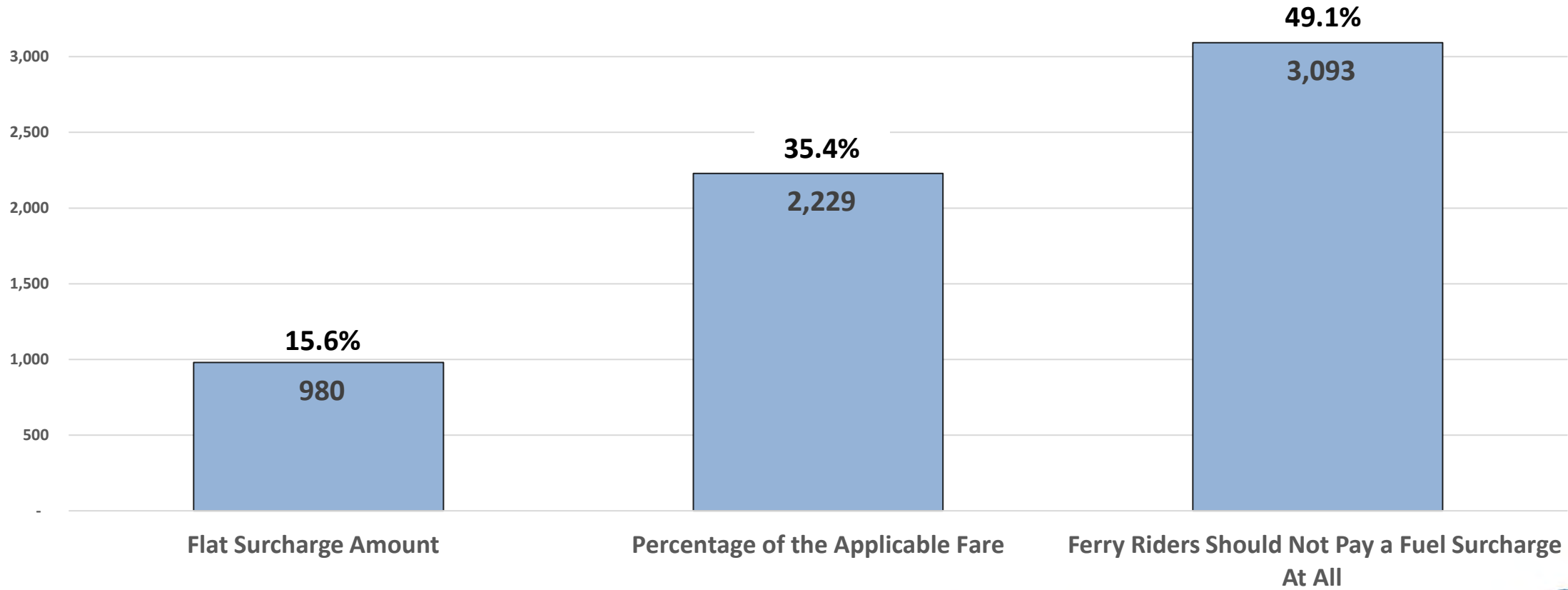
Key Takeaway: Most respondents (48.6%) stated that fuel funding shortfalls should be covered by taxpayers statewide via current transportation taxes. Only 13.9% of respondents stated that this should be funded strictly through a fuel surcharge.



Out of 6,306 Total Votes

Flat Surcharge Amount or Percentage-Based?

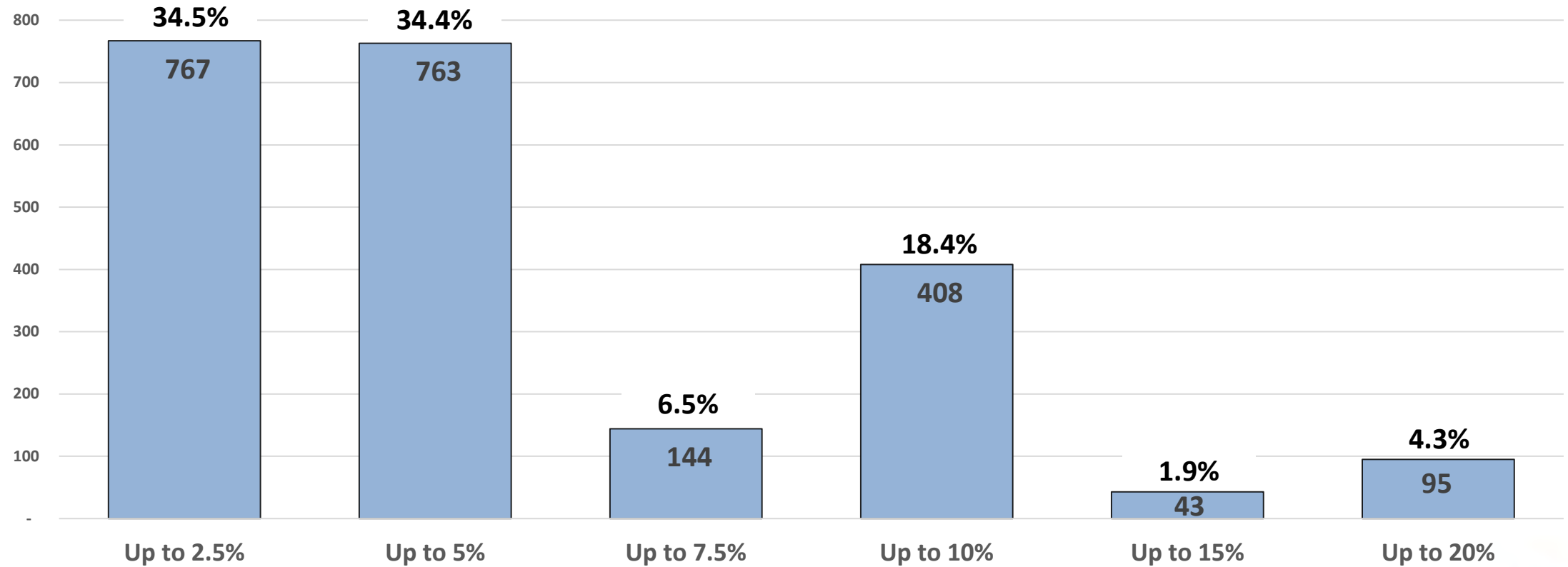
Key Takeaway: More than twice as many respondents prefer a percentage-based surcharge (35.4%) compared to a flat surcharge amount (15.6%). However, most respondents (49.1%) stated that ferry riders should not pay a fuel surcharge at all.



Out of 6,302 Total Votes

Willingness to Pay - Percentage Amount

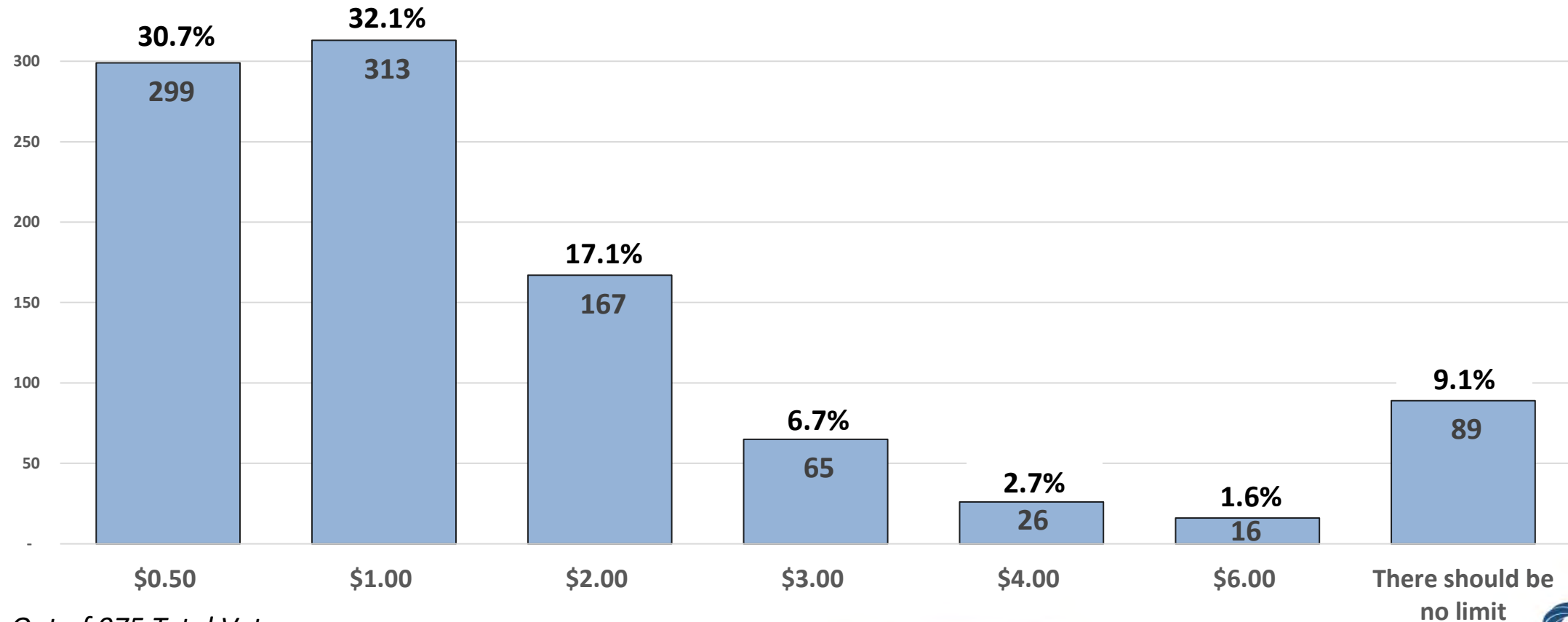
Key Takeaway: Of those who stated preference for a percentage-based surcharge, most respondents (68.9%) felt that a surcharge up to 2.5% or 5% would be a reasonable amount to charge.



Out of 2,220 Total Votes

Willingness to Pay - Flat Amount

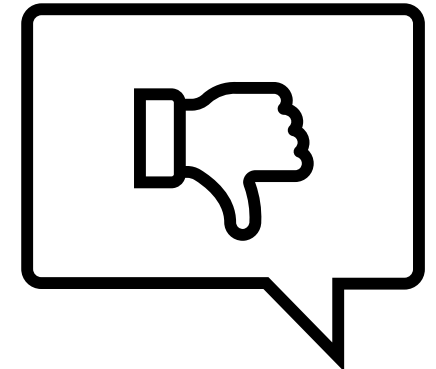
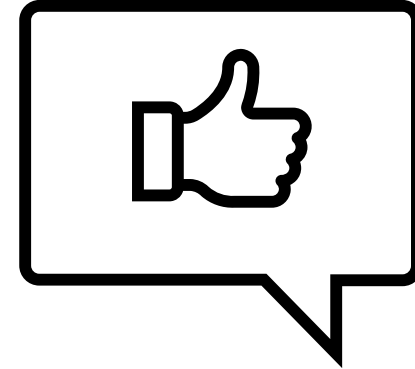
Key Takeaway: Of those who stated preference for a flat surcharge amount, most respondents (62.8%) felt that a surcharge of 50-cents or \$1 would be a reasonable amount to charge.



Out of 975 Total Votes

What We Heard: Comments From Respondents

- **3,175** comments received
 - **13** additional comments were submitted via email to the WSTC
- Nine core themes emerged:
 - Shortfalls should be funded through state taxes
 - Focus on service reliability
 - Adjust the existing budget and cut back on costs
 - People should not bear the burden of the increased fuel costs
 - Concerns around the surcharge becoming permanent
 - Walk-ons should be exempt from the surcharge
 - Different kinds of riders should be charged different amounts
 - Requests for more transparency in the decision-making process and spending
 - Invest in electrifying vessels to save on fuel costs



Recap

- Most respondents either oppose or strongly oppose the idea of a temporary fuel surcharge.
- Frequent riders are significantly less supportive of a fuel surcharge than less frequent riders.
- Most respondents stated that fuel funding shortfalls should be covered by taxpayers statewide via current transportation taxes.
- More respondents prefer a percentage-based surcharge compared to a flat surcharge amount.
- In general, the greater the surcharge amount, the less overall support.

Comparisons to FROG Survey Results

- 54% of forum respondents were opposed to the idea of a temporary fuel surcharge, compared to 41% of FROG panelists.
- 15% of forum respondents stated as being “not sure” if they support or oppose the surcharge, compared to 27% of FROG panelists.
- 14% of forum respondents stated that fuel funding shortfalls should be covered through a surcharge, compared to 10% of FROG panelists.
- 29% of forum respondents stated that shortfalls should be covered in part through a surcharge and in part by taxpayers statewide compared to 34% of FROG panelists.
- 49% of forum respondents stated that shortfalls should be covered by taxpayers statewide, compared to 42% of FROG panelists.

Next Steps

- The Commission will advance the results from the Online Public Input Forum and FROG Summer Performance Survey to the State Legislature for consideration during the upcoming 2023 Session.
- Possible rule making may take place in 2023, dependent on the outcome of legislative discussions and direction.

Questions / Contact

Aaron Halbert

Financial Analyst - WSTC

HalberA@wstc.wa.gov

360-705-7118