

WSDOT Ferries Division 2023/2024 Ferry Fare Development Process

Todd Lamphere, Director of Finance and Administration
Ferries Division

Washington State Transportation Commission Meeting

May 16, 2023

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**)



Timeline of 2023/24 Tariff Cycle

Milestone	Current Date
WSF FAC-T process and scheduling meeting	January
WSF initial presentation to the Commission on the tariff setting process	February 16
WSTC Files CR101 (Notice of intent to modify fares)	March 29
WSF FAC-T Meeting 1	April 11
Legislature's Fare Revenue Budget	April 23
WSF FAC-T Meeting 2	May 9
WSF update to the Commission	May 16
WSTC Online Open House	May 15 – June 13
WSF Online Public Meetings	May 23 – June 7
WSF Fare Proposal to WSTC @ Friday Harbor	June 21
WSTC CR102 (fare proposal) filing window	June 16 – July 5
Public comment period on WSTC fare proposal	July
WSTC holds adoption hearing at PSRC Board Room on fare proposal	August 10
File CR 103P (final tariff changes)	By August 31
Fares Take Effect	October 1

Ferry Fare Development: FAC-T Engagement

- Meetings this cycle:
 - April 11: Overview of process and initial discussions about historical alternatives.
 - May 9: Focused on fare alternatives to meet the legislature's fare revenue budget requirements.

Fare Review Process: Roles and Responsibilities

- WSTC responsible for adopting fares through the rulemaking process; it may adopt fares that are effective for more or less than one year, and may increase fares by a percentage that exceeds the fiscal growth factor.
- WSF is responsible for conducting fare review, 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 as it develops its fare proposal for the Commission; membership includes Ferry Advisory Committee chairs or their designees, and modal and market segment interests.



Tariff Guiding Principles

- Use a simplified approach
- Charge vehicles based on space occupied
- Encourage modal shift by treating passenger and vehicle fares differently
- Differentiate fares by route based on distance and travel sheds
- Offer discounts to frequent customers
- Generate necessary fare revenue
- Employ transportation demand management strategies



Legislative Guidance on Fare Setting RCW 47.60.290

The department shall develop fare and pricing policy proposals that must:

- (a) Recognize each travel shed is unique, and might not have the same farebox recovery rate and the same pricing policies;
- (b) Use data from the current survey conducted under RCW [47.60.286](#);
- (c) Be developed with input from affected ferry users by public hearing and by review with the affected ferry advisory committees, in addition to the data gathered from the survey;
- (d) Generate the amount of revenue required by the biennial transportation budget;
- (e) Consider the impacts on users, capacity, and local communities; and
- (f) Keep fare schedules as simple as possible.

While developing fare and pricing policy proposals, the department must consider the following:

- (a) Options for using pricing to level vehicle peak demand; and
- (b) Options for using pricing to increase off-peak ridership.

2023-25 Legislative Funding Target

- The 2023-25 Legislative Conference Budget assumed a 4% fare increase
- The revenue funding target for a 4% fare increase is approximately \$419 million for the 2023-25 biennium

How do we get there...

- There are many ways to meet the funding target set by the Legislature
- Two approaches historically used to meet these targets have been differential and non-differential fare setting
 - Differential fare setting applies the fare increase differently between passengers and vehicles.
 - Non-Differential fare setting applies the fare increase equally between passengers and vehicles

Alternative 1 – 4% Applied to All Fares, October 2023 and 2024

Alternative 1 is a non-differential fare setting approach that meets the legislative revenue target by increasing all fares (passengers and vehicles) by 4% in October/October of each year.

Fare alternatives are being developed to be revenue neutral and to achieve the target set by the Legislature.

Alternative 2 – Differential fares with vehicle fares higher than passenger fares

Alternative 2 is a differential fare setting approach that meets the legislative revenue target by increasing fares for passengers and vehicles at different percentages in October/October of each year. Encourages walk-on passengers which are still significantly below pre-pandemic levels.

Fare alternatives are being developed to be revenue neutral and to achieve the target set by the Legislature.

Next steps

- May 15 – June 13: WSTC Online Open House
- May 23 – June 7: WSF Online Public Meetings
- June 16 – July 5: WSTC CR 102 (fare proposal) filing window
- June 21: WSF Fare Proposal to WSTC @ Friday Harbor
- By July 7, 2023: File CR 102 form with Commission fare proposal
- July: Public comment period for Commission fare proposal
- August 10: WSTC holds adoption hearing on tariff proposal
- NLT August 30, 2023: File CR 103 with final amended tariff
- October 1, 2023: Adopted fares go into effect

Questions

For more information on the 2023/2024 Ferry Fare
Development Process,
please contact:

Todd Lamphere, Director of Finance and Administration,
Ferries Division

LampheT@wsdot.wa.gov