

**WASHINGTON STATE TRANSPORTATION COMMISSION
PUBLIC OUTREACH MEETING**

ON

**WASHINGTON STATE FERRIES (WSF)
FERRY FARE PROPOSAL**

AGENDA ITEM	TIME
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- 1. COMMISSION INTRODUCTION AND OVERVIEW OF PROCESS**
- 2. INTRODUCTION AND OVERVIEW OF WSF FERRY FARE PROPOSAL**
Presenter: Ray Deardorf, Planning Director, Ferries Division, WSDOT
- 3. PUBLIC COMMENT**

ADJOURN

(The Commission reserves the right to take action on any item during the Commission meeting.)

All Transportation Commission and Committee meetings are open to the public.

WASHINGTON STATE TRANSPORTATION COMMISSION

2011 TARIFF REVIEW CYCLE

Summary of Fare Adjustment Proposal

FARE PROPOSAL ELEMENTS

General Fare Increase

1. **Proposal for General Fare Increase:** Implement a general fare increase of 2.5% in October 2011, and an increase of 3.0% in May 2012, which will generate approximately \$1.9 M more revenue than a 2.5% fare increase in both October 2011 and October 2012 over the 2011-13 biennium. Actual fare impacts will vary depending on rounding and application of other policy rules.

Raise international route fares by the same rate as the general fare increase.

Fare Structure Adjustments

2. **Proposal for Vehicle Categories Under 30 Feet:** Restructure the vehicle categories under 30 feet and phase implementation of resultant fare changes over three years to mitigate significant fare impacts in any given year. The purpose of this restructuring is to provide pricing incentives for use of smaller vehicles by introducing a small car category and gradually increasing the cost per foot as vehicles get longer, while also eliminating the source of significant tollbooth conflict around the current 20-foot cutoff. The following are specific implementation details

- **Phasing Timeline.** Phase in fare structure changes over three years. Phasing over three years reduces the impact of fare increases on other vehicle categories. At each step, the small vehicle fare will be reduced relative to the standard vehicle fare as follows:
 - **Phase 1:** Small vehicle is set to 90% of standard vehicle
 - **Phase 2:** Small vehicle is set to 80% of standard vehicle
 - **Phase 3:** Small vehicle is set to 70% of standard vehicle

This proposal would implement phase 1 as part of the October 2011 fare change and phase 2 as part of the May 2012 fare change.

- **Offsetting Lost Small Car Revenues.** WSF will spread the revenue loss across other vehicle categories in order to minimize the impact on any specific fare. The standard vehicle fare on Central Sound will be increased by one nickel (about 0.4% on a central sound fare, with all other fares adjusted based their relationship to the central sound fare), and the rest of the loss will be spread across oversize vehicle categories by marginally increasing the per foot cost as vehicles get larger.

- **Redefine the Length of Standard Vehicle to 14-22 feet.** The standard vehicle category has generally been defined as encompassing passenger vehicles and light trucks (i.e. SUV's and pickup trucks). WSF's reason for extending this category reflects the increase in length of light trucks in the last decade which have led to many conflicts at the tollbooth around the 20' cutoff. By extending the definition to 22', virtually all passenger and light-truck vehicles will fit in this category, simplifying tollbooth transactions.
- **Motorcycle with Surcharge Fares.** As part of the reworked under 30-foot fares, the surcharge that oversize motorcycles (e.g. three-wheeled vehicles registered as motorcycles, motorcycles with sidecars or towing trailers) currently pay will be eliminated and these vehicles will eventually pay the under 14-foot fare small vehicle fare. To transition toward this eventual elimination, WSF will gradually increase the motorcycle oversize surcharge amount to grow the total fare paid by oversize motorcycles toward the higher small car fare. This would leave the standard motorcycle fare untouched.

Since the motorcycle oversize surcharge is currently more than 25% higher in the peak season than the base season, the base season surcharge will need to increase more quickly than the peak surcharge to bring them into alignment with a standard 25% peak season surcharge. In the first year of 3-year phasing, the surcharge would increase by \$0.50 in the base season and \$0.25 in the peak season for the Central Sound. The increases on other routes would be based on their relationship to the Central Sound fare.

3. **Proposal for Bicycle Surcharges and Passes:** Eliminate the bicycle annual permit, and allow passengers paying with monthly passes, multi-ride cards, or ORCA ePurse to bring bicycles without charge. (In the San Juan Islands, only multi-ride card users could bring bicycles without charge). Bicycle surcharges would not increase and would still apply when traveling using single fare tickets.

Fuel Surcharge

4. **Proposal for Fuel Surcharge:** Implement a system-wide, formula-based fuel surcharge for use during times when fuel costs are higher than those funded in the budget. Key policy recommendations:
 - **Actual costs must exceed budget for fuel.** The surcharge would only apply when WSF is incurring actual costs in excess of the amount budgeted for fuel.
 - **Quarterly review process.** The need for a fuel surcharge will be reviewed quarterly and if a fuel surcharge is to be added, changed or eliminated, there would be a 30-day notice to customers prior to implementing any changes.
 - **Minimum surcharge amount:** 2.5%
 - **Maximum surcharge amount (hard cap):** 10.0%
 - **Fixed Thresholds:** Implement surcharge at fixed thresholds of 2.5%, 5.0%, 7.5%, or 10.0%, where the surcharge would be set based on which threshold is triggered by applying the surcharge formula.

Capital Surcharge

5. **Proposal for Capital Surcharge:** Impose a 25-cent surcharge on each ferry fare system-wide (one-way or round trip) as required by law. Revenue from the surcharge can only be used to fund future vessel replacements. Multi-ride and monthly pass products will be adjusted to reflect the total per-ticket price.

FARE REVIEW CYCLE 2011

Vehicle Categories Under 30 Feet

July-August 2011

BACKGROUND

WSF's 2009 Long-range Plan introduced the concept of using pricing as a way to encourage customers to travel on WSF in incrementally smaller vehicles, effectively growing deck space and delaying or reducing the need for capital investments in larger vessels or terminals. Reducing the average size of a vehicle traveling via WSF will allow WSF to carry additional vehicles on any given sailing and therefore may reduce wait times during peak periods.

2011 COMMISSION PROPOSAL

The Commission proposes changes to fare categories less than 30 feet to provide pricing incentives for customers to use smaller vehicles, through the introduction of a small car fare category and gradual increases in the price-per-foot as vehicles get longer. The proposed fare changes will be phased in over three years to minimize significant impacts in any given year. Phase 1 will be implemented on October 1, 2011 and Phase 2 will be implemented on May 1, 2012. One additional phasing step will be necessary, likely in 2013, to finish implementation.

This proposal includes the following elements:

- **Create a new Small Vehicle category for vehicles 14' and under.** The small vehicle fare will eventually be set equal to 70% of the standard vehicle fare to reflect the relationship between a 14' car and a standard car. In Phase 1, small vehicles will be priced at 90% of the standard vehicle fare. In Phase 2, small vehicles will be priced at 80% of the standard vehicle fare.
- **Extend the definition for a Standard Vehicle from 20' to 22'.** The standard vehicle category has generally been defined as encompassing passenger vehicles and light trucks such as SUVs and pickups. This category will be extended to reflect the increase in length of light trucks in the past decade, leading to many conflicts at the tollbooth around the 20-foot cutoff. A cutoff length of 22 feet will encompass virtually all passenger and light-truck vehicles. This will simplify tollbooth transactions, improve terminal operations, and support more consistent application of fares.
- **Change pricing relationships on all vehicle categories.** In order to help offset lost revenues from Small Vehicles, the Central Sound standard vehicle fare will be increased by an additional nickel (about 0.4%) above the general fare increase in both Phase 1 and Phase 2, with fares on other routes set in proportion to the Central Sound fare. Consistent with the overall shift to varying pricing to encourage the use of smaller vehicles, oversize vehicle fares will be increased by marginally increasing the per-foot price as vehicles get larger.
- **Eliminate the Motorcycle Oversize Surcharge.** In the last phase of implementation, the motorcycle oversize surcharge will be eliminated and vehicles that now pay a motorcycle with surcharge fare will be included in the small vehicle category. To minimize significant fare impacts in any given year, the motorcycle oversize surcharge fares will be increased incrementally in each phase to grow the motorcycle with surcharge fare toward the small vehicle fare.



Rationale for New Category Definitions

The vehicle size cutoff lengths have been chosen to mitigate potential operating impacts at the tollbooth, while ensuring a reasonable number of small vehicle models that would qualify to take advantage of the small car fare. These cutoffs were based on an evaluation of recent US fleet sales data and extensive conversations with terminal operations.

- **Small Vehicle Cutoff of 14 Feet.** A cutoff length of 14' would make enough vehicles eligible for the new category to provide incentives for customers, but would consist of few enough vehicles (about 4% of ferry traffic) so that operational challenges would be minimized.
- **Standard Vehicle Cutoff of 22 Feet.** Extending the standard vehicle to 22 feet will significantly improve transaction efficiency at the tollbooth.

Exhibit 1 shows 2009 new vehicle sales categorized by length. It shows that vehicles 14 feet and less make up about 4% of the US vehicle fleet. Discussions with WSF terminal operations staff informed the decision to put the cutoff at 14 feet, as extending it to 15 feet would include too many makes and models of vehicles for WSF to process efficiently, given existing technology.

Exhibit 1
2009 Sales of New Passenger Vehicles and Light Trucks/SUVs

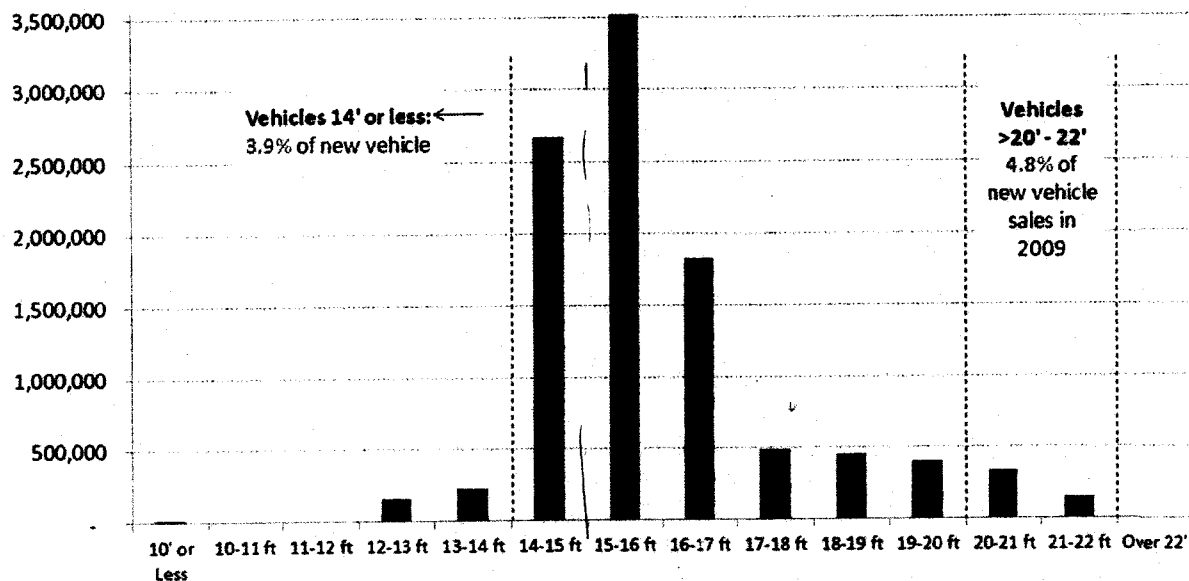


Exhibit 1 also shows how extending the standard vehicle cutoff to 22 feet will virtually eliminate any conflicts when measuring larger vehicles – essentially all new passenger and light-truck vehicles are less than 22 feet. The real problem that WSF is trying to address with this change is that it is no longer practical to reasonably enforce the 20-foot cutoff as the definition of a standard passenger vehicle.

As vehicles have continued to grow longer, the operational conflicts around the 20-foot cutoff point have increased. In addition, since many of the affected vehicles are simply trim variations of specific models, they are almost indistinguishable from their under 20-foot variants, which makes it very difficult for tollbooth operators to identify them. As a result many of these 20-22 vehicles (perhaps the vast majority) are already being charged the standard vehicle fare and taking advantage of the standard vehicle multi-ride product. This results in two significant problems that this policy would clear up:

Fare Review Cycle 2011
Vehicle Categories Under 30 Feet

1. When customers who are used to paying as a standard vehicle do periodically get identified properly as an over 20-foot vehicle, there have been significant conflicts around the inconsistency in fare application for a particular customer.
2. The challenge of identifying many of these vehicles has led to a significant inequity in fare application where the same make/model/trim is being charged differently at different times and on different routes.

WSF believes that many customers driving 20-22-foot vehicles are already paying the standard vehicle fare and the policy proposal will allow the fare definition to catch up with how the fares are largely already being applied.

Exhibit 2 provides a list of most new vehicles available for sale in the US in 2011 that are 14' and shorter. This list is for illustrative purposes to give examples of the size and types of vehicles that will qualify for the small vehicle category. This list is not exhaustive of all vehicles that are less than 14 feet.

Exhibit 2
Examples of New Vehicles 14' and Under

Make	Model
Audi	TT
BMW	Z4
Chevrolet	Aveo*
Fiat	500
Ford	Fiesta*
Honda	CR-Z
Honda	Fit
Honda	Accent*
Jeep	Wrangler
Kia	Rio
Kia	Soul
Mazda	Mazda2
Mazda	MX-5 Miata
Mercedes	SLK-class
Mini	Cooper
Nissan	370Z
Nissan	Juke
Nissan	Cube
Scion	xD
Scion	xB
Smart	ForTwo
Suzuki	SX4*
Toyota	Yaris*
Volkswagen	Golf
Volvo	C30

*Hatchback model only.

Source: Edmunds.com and BERK, 2011.

FARE REVIEW CYCLE 2011

Fuel Cost Mitigation Strategy and the Fuel Surcharge

July-August 2011

AN INTEGRATED FUEL COST MITIGATION STRATEGY

WSF released an Updated Fuel Cost Mitigation Plan in the spring of 2011, which presents an integrated set of strategies to improve WSDOT's budgeting practices and reduce exposure to fuel price volatility. The strategy consists of four tools designed to work together to achieve these goals:

- (1) Improved fuel budgeting and forecasting techniques,
- (2) Fixed price hedging,
- (3) Fuel conservation techniques, and
- (4) A fuel surcharge.

Consistent with the Legislative direction, the fuel surcharge is the strategy of last resort and will only be implemented once the Department has put into practice the other fuel cost mitigation strategies identified in its plan.

2011 COMMISSION PROPOSAL

Summary of Fuel Surcharge Mechanism

The Commission proposes a system-wide, formula-based fuel surcharge mechanism to provide additional funding when fuel costs exceed the amount budgeted for fuel. **Key policies governing the fuel surcharge are:**

- **The Fuel Surcharge is the Strategy of Last Resort.** It will only be used to cover unexpected fuel costs that exceed the amount budgeted for fuel. Improved forecasting techniques and fixed-price hedging will minimize the risk of WSF exceeding its fuel budget. Revenue generated from the fuel surcharge will only be used to offset excess fuel costs.
- **Formula will be run Quarterly.** The need for a fuel surcharge will be reviewed quarterly and if triggered, customers would be notified 30 days before any fare change.
- **Minimum Surcharge Amount of 2.5% of the Applicable Fare.** A fuel surcharge will not be implemented until the calculated surcharge amount is at least 2.5%, which equates to actual fuel costs exceeding the budgeted amount by about 6%. At the current budgeted fuel price of \$3.86/gallon, fuel prices would need to reach \$4.08 before a surcharge of 2.5% would be implemented.
- **Maximum Surcharge Amount of 10.0% of the Applicable Fare.** The implemented surcharge amount will not exceed 10%, even if the formula-calculated amount is higher.



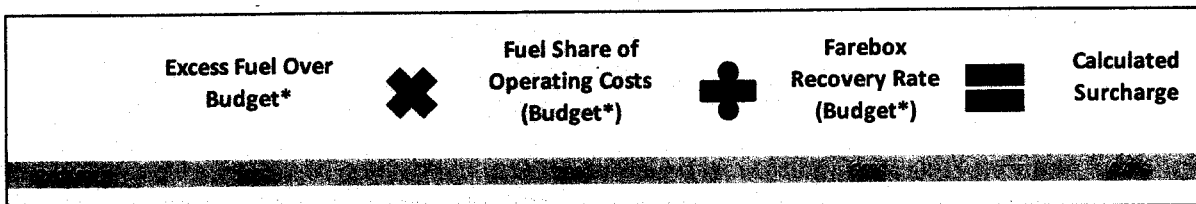
Fare Review Cycle 2011
Fuel Cost Mitigation Strategy and the Fuel Surcharge

- **Fixed Thresholds.** If the fuel surcharge comes into effect or changes due to rising fuel costs, it will only be changed by fixed increments of 2.5%. Given the minimum and maximum levels, the applicable fuel surcharge amount will be either 2.5%, 5.0%, 7.5%, or 10.0% of the applicable fare.
- **Surcharge Reset to Zero at Each Biennium.** The surcharge amount will be reset to zero as part of the biennial budgeting process.

Example Fare Impacts

Exhibit 1 shows how the fuel surcharge amount is calculated. After the surcharge amount is calculated, it is rounded down to the nearest increment of 2.5% to be implemented at one of the fixed thresholds.

Exhibit 1
Formula for Calculating Surcharge Amount



* "Budget" refers to the assumptions included in the currently adopted state transportation budget.

Exhibit 2 shows how hypothetical changes in the actual price of fuel would affect the fuel surcharge amount, using current central sound fares as an example.

Exhibit 2
Hypothetical Fuel Prices and Potential Fuel Surcharge Impacts (Proposed Central Sound Fares)

\$3.86 Budgeted fuel price per gallon.

Actual Price of Fuel	Pct over Budget	Calculated Surcharge	Surcharge Amount	Car & Driver Surcharge	Total Car & Driver FF	Passenger Surcharge	Total Passenger FF	Notes
\$3.86	0.0%	0.0%	0.0%		\$12.15		\$7.10	Current fare & budget price of fuel
\$4.05	5.0%	2.2%	0.0%	\$0.00	\$12.15	\$0.00	\$7.10	No surcharge
\$4.15	7.5%	3.3%	2.5%	\$0.30	\$12.45	\$0.20	\$7.30	
\$4.25	10.0%	4.4%	2.5%	\$0.30	\$12.45	\$0.20	\$7.30	
\$4.40	14.0%	6.2%	5.0%	\$0.60	\$12.75	\$0.35	\$7.45	
\$4.46	15.5%	6.8%	5.0%	\$0.60	\$12.75	\$0.35	\$7.45	
\$4.59	19.0%	8.3%	7.5%	\$0.90	\$13.05	\$0.55	\$7.65	
\$4.69	21.5%	9.4%	7.5%	\$0.90	\$13.05	\$0.55	\$7.65	

Notes: Table is for illustrative purposes only and is based on **current fares**. Actual surcharge impacts would depend on final adopted rules
 Fares are rounded to the nearest nickel after applying the surcharge amount
 The surcharge amount would be shown separately on receipt
 Actual price of fuel is the overall average price including gallons purchased using fixed price contracts and gallons purchased at spot prices

LEGISLATIVE DIRECTIVES – 2009/11 TRANSPORTATION BUDGET

- **For the WSTC.** If the commission considers implementing a ferry fuel surcharge, it must first submit an analysis and business plan to the office of financial management and either the joint transportation committee or the transportation committees of the legislature (see 2011 report linked below). The commission may impose a ferry fuel surcharge effective July 1, 2011. When implementing a ferry fuel surcharge, the commission must regard ferry fuel surcharges as fare policy changes and thus, ferry fuel surcharges should be included in all public procedures and processes currently used for fare pricing per RCW 47.60.290.
- **For the Department.** If, after the department's review of fares and pricing policies, the department proposes a fuel surcharge, the department must evaluate other cost savings and fuel price stabilization strategies that would be implemented before the imposition of a fuel surcharge. The department shall report to the legislature and transportation commission on its progress of implementing new fuel forecasting and budgeting practices, price hedging contracts for fuel purchases, and fuel conservation strategies by November 30, 2010. (see 2011 report linked below)

AVAILABLE REPORTS ON FUEL SURCHARGE

Fall 2009 - Working with the Transportation Commission, WSF developed a Fuel Cost Mitigation Plan (<http://www.wstc.wa.gov/CommissionLibrary/FerryFuelSurchargeReport.pdf>) that:

- Described WSF's fuel conservation plan.
- Detailed a potential hedging plan that would be aligned with WSF's fuel purchasing and budgeting processes.
- Provided a business plan for how a fuel surcharge might be applied to fares, if necessary.

Spring 2011 – WSF prepared an updated report on the Fuel Cost Mitigation Plan that was released in spring 2011, and presented key findings and recommendations to the Commission and the Legislature (http://www.wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/December14/documents/20101215_BP12B_FuelCostMitigation.pdf). This update:

- Described in detail how a hedging program could work given WSF's purchasing and budgeting constraints.
- Documented new reporting that would be required.
- Presented several "what-if" scenarios that show what the implications (fuel cost and ferry fares) would have been over the past several years had the hedging and fuel surcharge program been in place during this period of significant price volatility.
- Identified key decision points including how much of the total expected fuel purchases should be locked in at a fixed price and at what points in time should these decisions be made.

FARE REVIEW CYCLE 2011

Capital Surcharge

July-August 2011

BACKGROUND

Senate Bill 5742, passed during the 2011 legislative session, states that:

"(7) The commission shall impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself." (Section 3)

Revenue from this surcharge shall be deposited in the newly created Capital Vessel Replacement Account. This account can only be used to fund the construction or purchase of ferry vessels. As a result, the surcharge revenue is **not** available to fund ferry operations.

2011 COMMISSION PROPOSAL

The Commission is proposing that this legislative direction be implemented as follows:

- Impose a \$0.25 surcharge on each ferry fare system-wide (one-way or round-trip).
- Adjust multi-ride and monthly pass products to reflect total per-ticket price.
- List the surcharge as a separate line item on customer receipts and place proceeds into the Capital Vessel Replacement Account.

The following exhibits show the impacts that the capital surcharge will have on the total price customers will pay to ride the ferry when the surcharge is combined with the effects of the current fare proposal.

- **Exhibit 1** shows how the capital surcharge will impact fare changes proposed for implementation on October 1, 2011. This fare table doesn't show proposed peak season fares, as the second proposed fare changes will take effect on May 1, 2012 when the next peak season begins.
- **Exhibit 2** shows how the capital surcharge will impact fare changes proposed for implementation on May 1, 2012.
- **Exhibit 3** shows how multi-ride and monthly pass products are adjusted to reflect the per-ticket price on each route. This table uses fares proposed for October 1, 2011 implementation as an example. The capital surcharge level will not change for the 2012 fare increase.



Exhibit 1

Summary of Fares Proposed for October 1, 2011 Implementation with Capital Surcharge Impacts

Standard Vehicles (14'-22')				Peak Season is effective May 1 through September 30					
Route	Full Fare - Base			Full Fare - Peak			Multi-Ride Media		
	Current	Proposal	With Capital Surcharge	Current	Proposal	With Capital Surcharge	Current	Base Proposal	With Capital Surcharge
Vashon Island (RT)	\$15.55	\$16.00	\$16.25	\$19.45	-	-	\$124.40	\$128.00	\$130.50
Mukilteo-Clinton (1-way)	\$7.20	\$7.35	\$7.60	\$9.00	-	-	\$115.20	\$117.60	\$122.60
Central Sound (1-way)	\$12.15	\$12.50	\$12.75	\$15.20	-	-	\$194.40	\$200.00	\$205.00
Fauntleroy-Southworth (1-way)	\$9.35	\$9.60	\$9.85	\$11.70	-	-	\$149.60	\$153.60	\$158.60
Coupeville-Port Townsend (1-way)	\$9.35	\$9.60	\$9.85	\$11.70	-	-	\$149.60	\$153.60	\$158.60
Anacortes - Lopez (RT)	\$27.95	\$28.75	\$29.00	\$37.75	-	-	\$104.85	\$107.80	\$109.05
Anacortes - Shaw, Orcas (RT)	\$33.55	\$34.50	\$34.75	\$45.30	-	-	\$125.85	\$129.40	\$130.65
Anacortes - Friday Harbor (RT)	\$39.85	\$41.00	\$41.25	\$53.80	-	-	\$149.45	\$153.75	\$155.00
San Juan Interisland (RT)	\$18.75	\$19.25	\$19.50	\$23.50	-	-	\$75.00	\$77.00	\$78.25
Anacortes - Sidney (1-way)	\$45.15	\$46.25	\$46.50	\$56.45	-	-	N/A	N/A	N/A
Islands - Sidney (1-way)	\$13.50	\$13.85	\$14.10	\$28.95	-	-	N/A	N/A	N/A
Small Vehicles (14' and Under)									
Route	Full Fare - Base			Full Fare - Peak			Multi-Ride Media		
	Current	Proposal	With Capital Surcharge	Current	Proposal	With Capital Surcharge	Current	Base Proposal	With Capital Surcharge
Vashon Island (RT)	\$15.55	\$14.40	\$14.65	\$19.45	-	-	\$124.40	\$115.20	\$117.70
Mukilteo-Clinton (1-way)	\$7.20	\$6.60	\$6.85	\$9.00	-	-	\$115.20	\$105.85	\$110.85
Central Sound (1-way)	\$12.15	\$11.25	\$11.50	\$15.20	-	-	\$194.40	\$180.00	\$185.00
Fauntleroy-Southworth (1-way)	\$9.35	\$8.65	\$8.90	\$11.70	-	-	\$149.60	\$138.25	\$143.25
Coupeville-Port Townsend (1-way)	\$9.35	\$8.65	\$8.90	\$11.70	-	-	\$149.60	\$138.25	\$143.25
Anacortes - Lopez (RT)	\$27.95	\$25.90	\$26.15	\$37.75	-	-	\$104.85	\$97.00	\$98.25
Anacortes - Shaw, Orcas (RT)	\$33.55	\$31.05	\$31.30	\$45.30	-	-	\$125.85	\$116.45	\$117.70
Anacortes - Friday Harbor (RT)	\$39.85	\$36.90	\$37.15	\$53.80	-	-	\$149.45	\$138.40	\$139.65
San Juan Interisland (RT)	\$18.75	\$17.30	\$17.55	\$23.50	-	-	\$75.00	\$69.30	\$70.55
Anacortes - Sidney (1-way)	\$45.15	\$41.65	\$41.90	\$56.45	-	-	N/A	N/A	N/A
Islands - Sidney (1-way)	\$13.50	\$12.45	\$12.70	\$28.95	-	-	N/A	N/A	N/A
PASSENGER FARES									
Route	Full Fare - Base			Multi-Ride Media			Monthly Passes		
	Current	Base Proposal	With Capital Surcharge	Current	Base Proposal	With Capital Surcharge	Current	Base Proposal	With Capital Surcharge
Vashon Island (RT)	\$4.55	\$4.65	\$4.90	\$36.40	\$37.20	\$39.70	\$58.25	\$56.55	\$63.55
Mukilteo-Clinton (RT) ~	\$4.20	\$4.25	\$4.50	\$33.60	\$34.00	\$36.50	\$53.80	\$54.40	\$58.40
Central Sound (RT)	\$7.10	\$7.25	\$7.50	\$56.80	\$58.00	\$60.50	\$90.90	\$92.80	\$96.80
Fauntleroy-Southworth (RT)	\$5.50	\$5.60	\$5.85	\$44.00	\$44.80	\$47.30	\$70.40	\$71.70	\$75.70
Coupeville-Port Townsend (1-way)	\$2.75	\$2.80	\$3.05	\$44.00	\$44.80	\$49.80	\$70.40	\$71.70	\$79.70
Anacortes - Lopez (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$79.20	N/A	N/A	N/A
Anacortes - Shaw, Orcas (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$79.20	N/A	N/A	N/A
Anacortes - Friday Harbor (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$79.20	N/A	N/A	N/A
San Juan Interisland (RT)	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Anacortes - Sidney (1-way)	\$16.85	\$17.25	\$17.50	N/A	N/A	N/A	N/A	N/A	N/A
Islands - Sidney (1-way)	\$6.30	\$6.45	\$6.70	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit 2
Summary of Fares Proposed for May 1, 2012 Implementation with Capital Surcharge Impacts

Standard Vehicles (14'-22')											
Route	Full Fare - Base			Full Fare - Peak			Multi-Ride Media				
	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	With Capital
Vashon Island (RT)	\$16.00	\$16.50	\$16.75	\$20.00	\$20.65	\$20.90	\$128.00	\$132.00	\$134.50		
Mukilteo-Clinton (1-way)	\$7.35	\$7.60	\$7.85	\$9.20	\$9.50	\$9.75	\$117.60	\$121.60	\$126.60		
Central Sound (1-way)	\$12.50	\$12.90	\$13.15	\$15.65	\$16.15	\$16.40	\$200.00	\$206.40	\$211.40		
Fauntleroy-Southworth (1-way)	\$9.60	\$9.95	\$10.20	\$12.00	\$12.45	\$12.70	\$153.60	\$159.20	\$164.20		
Coupeville-Port Townsend (1-way)	\$9.60	\$9.95	\$10.20	\$12.00	\$12.45	\$12.70	\$153.60	\$159.20	\$164.20		
Anacortes - Lopez (RT)	\$28.75	\$29.65	\$29.90	\$38.80	\$40.05	\$40.30	\$107.80	\$111.20	\$112.45		
Anacortes - Shaw, Orcas (RT)	\$34.50	\$35.60	\$35.85	\$46.60	\$48.05	\$48.30	\$129.40	\$133.50	\$134.75		
Anacortes - Friday Harbor (RT)	\$41.00	\$42.30	\$42.55	\$55.35	\$57.10	\$57.35	\$153.75	\$158.65	\$159.90		
San Juan Interisland (RT)	\$19.25	\$19.85	\$20.10	\$24.10	\$24.85	\$25.10	\$77.00	\$79.40	\$80.65		
Anacortes - Sidney (1-way)	\$46.25	\$47.65	\$47.90	\$57.85	\$59.60	\$59.85	N/A	N/A	N/A		
Islands - Sidney (1-way)	\$13.85	\$14.25	\$14.50	\$29.65	\$30.55	\$30.80	N/A	N/A	N/A		
Small Vehicles (14' and Under)											
Route	Full Fare - Base			Full Fare - Peak			Multi-Ride Media				
	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	With Capital
Vashon Island (RT)	\$14.40	\$13.20	\$13.45	-	\$16.50	\$16.75	\$115.20	\$105.60	\$108.10		
Mukilteo-Clinton (1-way)	\$6.60	\$6.10	\$6.35	-	\$7.50	\$7.75	\$105.85	\$97.30	\$102.30		
Central Sound (1-way)	\$11.25	\$10.30	\$10.55	-	\$13.00	\$13.25	\$180.00	\$165.10	\$170.10		
Fauntleroy-Southworth (1-way)	\$8.65	\$7.95	\$8.20	-	\$10.00	\$10.25	\$138.25	\$127.35	\$132.35		
Coupeville-Port Townsend (1-way)	\$8.65	\$7.95	\$8.20	-	\$10.00	\$10.25	\$138.25	\$127.35	\$132.35		
Anacortes - Lopez (RT)	\$25.90	\$23.70	\$23.95	-	\$32.00	\$32.25	\$97.00	\$88.95	\$90.20		
Anacortes - Shaw, Orcas (RT)	\$31.05	\$28.50	\$28.75	-	\$38.50	\$38.75	\$116.45	\$106.80	\$108.05		
Anacortes - Friday Harbor (RT)	\$36.90	\$33.85	\$34.10	-	\$45.50	\$45.75	\$138.40	\$126.90	\$128.15		
San Juan Interisland (RT)	\$17.30	\$15.90	\$16.15	-	\$20.00	\$20.25	\$69.30	\$63.50	\$64.75		
Anacortes - Sidney (1-way)	\$41.65	\$38.10	\$38.35	-	\$47.50	\$47.75	N/A	N/A	N/A		
Islands - Sidney (1-way)	\$12.45	\$11.40	\$11.65	-	\$24.50	\$24.75	N/A	N/A	N/A		
PASSENGER FARES											
Route	Full Fare - Base			Multi-Ride Media			Monthly Passes				
	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	Proposal	With Capital	Current	With Capital
Vashon Island (RT)	\$4.65	\$4.75	\$5.00	\$37.20	\$38.00	\$40.50	\$59.55	\$60.80	\$64.80		
Mukilteo-Clinton (RT)	\$4.25	\$4.40	\$4.65	\$34.00	\$35.20	\$37.70	\$54.40	\$56.35	\$60.35		
Central Sound (RT)	\$7.25	\$7.45	\$7.70	\$58.00	\$59.60	\$62.10	\$92.80	\$95.40	\$99.40		
Fauntleroy-Southworth (RT)	\$5.60	\$5.70	\$5.95	\$44.80	\$45.60	\$48.10	\$71.70	\$73.00	\$77.00		
Coupeville-Port Townsend (1-way)	\$2.80	\$2.85	\$3.10	\$44.80	\$45.60	\$50.60	\$71.70	\$73.00	\$81.00		
Anacortes - Lopez (RT)	\$11.80	\$12.20	\$12.45	\$76.70	\$79.30	\$81.80	N/A	N/A	N/A		
Anacortes - Shaw, Orcas (RT)	\$11.80	\$12.20	\$12.45	\$76.70	\$79.30	\$81.80	N/A	N/A	N/A		
Anacortes - Friday Harbor (RT)	\$11.80	\$12.20	\$12.45	\$76.70	\$79.30	\$81.80	N/A	N/A	N/A		
San Juan Interisland (RT)	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C		
Anacortes - Sidney (1-way)	\$17.25	\$17.75	\$18.00	N/A	N/A	N/A	N/A	N/A	N/A		
Islands - Sidney (1-way)	\$6.45	\$6.65	\$6.90	N/A	N/A	N/A	N/A	N/A	N/A		

Peak Season is effective May 1 until October 1

Multi-Ride Media includes tickets for 10 round trips, except in the San Juan Islands where it includes tickets for 5 round trips. All coupon books expire after 90 days.

N/A = Not Available, N/C = No Charge

Exhibit 3

Summary of Capital Surcharge Impacts on Multi-ride and Monthly Pass Products for October 1, 2011 Implementation

STANDARD VEHICLES (14'-22')									
Route	Full Fare - Base			Multi-Ride Media			Total		
	Current	Proposal	With Capital Surcharge	Current	Base Proposal	Per Trip Surcharge	Number of Tickets	Surcharge	Total Price
Vashon Island (RT)	\$15.55	\$16.00	\$16.25	\$124.40	\$128.00	\$0.25	10	\$2.50	\$130.50
Mukilteo-Clinton (1-way)	\$7.20	\$7.35	\$7.60	\$115.20	\$117.60	\$0.25	20	\$5.00	\$122.60
Central Sound (1-way)	\$12.15	\$12.50	\$12.75	\$194.40	\$200.00	\$0.25	20	\$5.00	\$205.00
Fauntleroy-Southworth (1-way)	\$9.35	\$9.60	\$9.85	\$149.60	\$153.60	\$0.25	20	\$5.00	\$158.60
Coupeville-Port Townsend (1-way)	\$9.35	\$9.60	\$9.85	\$149.60	\$153.60	\$0.25	20	\$5.00	\$158.60
Anacortes - Lopez (RT)	\$27.95	\$28.75	\$29.00	\$104.85	\$107.80	\$0.25	5	\$1.25	\$109.05
Anacortes - Shaw, Orcas (RT)	\$33.55	\$34.50	\$34.75	\$125.85	\$129.40	\$0.25	5	\$1.25	\$130.65
Anacortes - Friday Harbor (RT)	\$39.85	\$41.00	\$41.25	\$149.45	\$153.75	\$0.25	5	\$1.25	\$155.00
San Juan Interisland (RT)	\$18.75	\$19.25	\$19.50	\$75.00	\$77.00	\$0.25	5	\$1.25	\$78.25
Anacortes - Sidney (1-way)	\$45.15	\$46.25	\$46.50	N/A	N/A	N/A	N/A	N/A	N/A
Islands - Sidney (1-way)	\$13.50	\$13.85	\$14.10	N/A	N/A	N/A	N/A	N/A	N/A

PASSENGER MULTI-RIDE FARES									
Route	Full Fare - Base			Multi-Ride Media			Total		
	Current	Proposal	With Capital Surcharge	Current	Base Proposal	Per Trip Surcharge	Number of Tickets	Surcharge	Total Price
Vashon Island (RT)	\$4.55	\$4.65	\$4.90	\$36.40	\$37.20	\$0.25	10	\$2.50	\$39.70
Mukilteo-Clinton (RT)	\$4.20	\$4.25	\$4.50	\$33.60	\$34.00	\$0.25	10	\$2.50	\$36.50
Central Sound (RT)	\$7.10	\$7.25	\$7.50	\$56.80	\$58.00	\$0.25	10	\$2.50	\$60.50
Fauntleroy-Southworth (RT)	\$5.50	\$5.60	\$5.85	\$44.00	\$44.80	\$0.25	10	\$2.50	\$47.30
Coupeville-Port Townsend (1-way)	\$2.75	\$2.80	\$3.05	\$44.00	\$44.80	\$0.25	20	\$5.00	\$49.80
Anacortes - Lopez (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$0.25	10	\$2.50	\$79.20
Anacortes - Shaw, Orcas (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$0.25	10	\$2.50	\$79.20
Anacortes - Friday Harbor (RT)	\$11.50	\$11.80	\$12.05	\$74.75	\$76.70	\$0.25	10	\$2.50	\$79.20
San Juan Interisland (RT)	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Anacortes - Sidney (1-way)	\$16.85	\$17.25	\$17.50	N/A	N/A	N/A	N/A	N/A	N/A
Islands - Sidney (1-way)	\$6.30	\$6.45	\$6.70	N/A	N/A	N/A	N/A	N/A	N/A

PASSENGER MONTHLY PASS FARES									
Route	Full Fare - Base			Monthly Passes			Total		
	Current	Proposal	With Capital Surcharge	Current	Base Proposal	Per Trip Surcharge	Number of Tickets	Surcharge	Total Price
Vashon Island (RT)	\$4.55	\$4.65	\$4.90	\$58.25	\$59.55	\$0.25	16	\$4.00	\$63.55
Mukilteo-Clinton (RT)	\$4.20	\$4.25	\$4.50	\$53.80	\$54.40	\$0.25	16	\$4.00	\$58.40
Central Sound (RT)	\$7.10	\$7.25	\$7.50	\$90.90	\$92.80	\$0.25	16	\$4.00	\$96.80
Fauntleroy-Southworth (RT)	\$5.50	\$5.60	\$5.85	\$70.40	\$71.70	\$0.25	16	\$4.00	\$75.70
Coupeville-Port Townsend (1-way)	\$2.75	\$2.80	\$3.05	\$70.40	\$71.70	\$0.25	32	\$8.00	\$79.70
Anacortes - Lopez (RT)	\$11.50	\$11.80	\$12.05	N/A	N/A	N/A	N/A	N/A	N/A
Anacortes - Shaw, Orcas (RT)	\$11.50	\$11.80	\$12.05	N/A	N/A	N/A	N/A	N/A	N/A
Anacortes - Friday Harbor (RT)	\$11.50	\$11.80	\$12.05	N/A	N/A	N/A	N/A	N/A	N/A
San Juan Interisland (RT)	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Anacortes - Sidney (1-way)	\$16.85	\$17.25	\$17.50	N/A	N/A	N/A	N/A	N/A	N/A
Islands - Sidney (1-way)	\$6.30	\$6.45	\$6.70	N/A	N/A	N/A	N/A	N/A	N/A

FARE REVIEW CYCLE 2011

Bicycle Surcharge and Permit Fees

July-August 2011

BACKGROUND

WSF thoroughly assessed the current structure of its bicycle fares this year in light of the opportunity for cost savings due to a terminal improvement project at Colman Dock. In addition, this review considered opportunities to leverage any fare changes needed to support the Colman Dock bicycle toll both for broader system-wide terminal processing efficiencies and customer benefits.

WSF's current fare products for bicycle passengers are:

- Single-trip bicycle surcharges that allow passengers to bring a bicycle on board.
- An annual permit that costs \$20 per year and exempts passengers from the single-trip surcharge on all routes except those to and from the San Juan Islands and Sidney.

2011 COMMISSION PROPOSAL

The Commission proposes the following changes to bicycle fares:

- On all routes except those serving the San Juan Islands and Sidney, eliminate the annual bicycle permit and allow passengers paying with monthly passes, multi-ride cards, or ORCA ePurse to bring bicycles without charge.
- In the San Juan Islands, allow passengers paying with a multi-ride card to bring bicycles without charge.
- Continue to collect single-trip bicycle surcharges at the current levels for all passengers paying applicable single-trip fares.

These changes are necessary to support the Colman Dock commuter bicycle toll booth, which will provide an automated ticket scanning station for bicyclists. This will allow WSF to close the current north entrance at Colman Dock and eliminate the need for staffing at that entrance during peak times, resulting in cost savings to WSF.

These changes will also simplify operations at terminals system-wide, and make it easier for regular ferry customers to travel via bicycle.



FARE REVIEW CYCLE 2011

2011-13 Transportation Budget Summary and the General Fare Increase

July-August 2011

2011-13 ADOPTED TRANSPORTATION BUDGET

Exhibit 1 shows a high level summary of the 2011-13 Biennial operating budget for Ferries, which highlights the increasing impact of fuel costs, and shows the expected of fares in funding operations over the next two years.

Exhibit 1 2011-13 Operating Budget Highlights

	2009-11	2011-13	Change	%Chg
Total expenditures	446,961	467,773	20,812	4.7%
Fuel budget	97,053	135,248	38,195	39.4%
Non-fuel expenditures	349,908	332,525	(17,383)	-5.0%
Total revenues	449,323	466,136	16,813	3.7%
Fare revenues	293,923	310,279	16,356	5.6%
Non-fare operating	6,551	7,096	545	8.3%
Total taxes	148,849	148,761	(88)	-0.1%
Administrative transfers	91,000	89,500	(1,500)	-1.6%
Dedicated taxes and fees	57,849	59,261	1,412	2.4%
Farebox recovery	65.8%	66.3%		
Fuel percent of operating budget	21.7%	28.9%		

- The budget fully funds current WSF service levels plus an additional boat on the Port Townsend-Coupeville route through a combination of tax support, transfers from other transportation accounts, and fare revenues.
- The \$135 million fuel budget is the highest in WSF history.
- The budget was balanced through non-fuel cost savings of approximately \$17 million and a higher fare revenue target. State tax support levels remain steady from the 2009-11 Biennium.
- The total fare revenue target is \$310 million, a 5.6% increase over 2009-11 fare revenues.

2011 COMMISSION PROPOSAL

The budget, based on March 2011 ridership forecasts, estimated that WSF could achieve \$310 million in fare revenue with 2.5% fare increases in both 2011 and 2012. In the June 2011 forecast update, ridership expectations were revised downward to reflect slower-than-expected economic recovery in the region. Using these revised ridership numbers, 2.5% fare increases in 2011 and 2012 would only generate about \$306 million – \$4 million less than the target.

Fare Review Cycle 2011

2011-13 Transportation Budget Summary and the General Fare Increase

To address this shortcoming, the Commission is proposing a general fare increase that balances WSF's revenue need, ridership and revenue forecasts, and the underlying fare increase assumption of 2.5% in the transportation budget. The proposal includes two fare increases as follows:

- A 2.5% general fare increase on October 1, 2011.
- A 3.0% general fare increase on May 1, 2012.

This proposal is estimated to generate about \$308 million. While this is short of the legislative budget target, recent actual revenues have been coming in slightly ahead of projections. Given the uncertainty regarding future ridership and the continuing slow progress of the state's economy, ridership and revenue will be re-assessed in 2012 to determine whether additional fare increases will be necessary to meet revenue goals.

WASHINGTON STATE TRANSPORTATION COMMISSION 2011 FARE PROPOSAL

DRAFT Proposed Fare Tables for October 1, 2011 Implementation

Exhibit 1 Proposed Ferry Passenger Tolls for October 1, 2011 Implementation

Routes	Full Fare	Senior or Disabled	Youth Fare (6-18)	Multi-ride Media ¹	Monthly Pass ⁵	Bicycle Surcharge ^{2,6}
*Edmonds-Kingston						
*Seattle-Bremerton	\$7.25	\$3.50	\$5.80	\$58.00	\$92.80	\$1.00
*Seattle-Bainbridge Island						
*Fauntleroy-Southworth	\$5.60	\$2.65	\$4.50	\$44.80	\$71.70	\$1.00
Port Townsend-Coupeville	\$2.80	\$1.25	\$2.25	\$44.80	\$71.70	\$0.50
*Fauntleroy-Vashon						
*Southworth-Vashon	\$4.65	\$2.20	\$3.70	\$37.20	\$59.55	\$1.00
*Pt Defiance-Tahlequah						
*Mukilteo-Clinton	\$4.25	\$2.00	\$3.40	\$34.00	\$54.40	\$1.00
*Anacortes to Lopez, Shaw, Orcas or Friday Harbor	\$11.80	\$5.75	\$9.45	\$76.70	N/A	\$2.00
Between Lopez, Shaw, Orcas, and Friday Harbor ⁴	N/C	N/C	N/C	N/C	N/A	N/C
International Travel						
Anacortes to Sidney and Sidney to all destinations	\$17.25	\$8.50	\$13.80	N/A	N/A	\$4.00
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$6.45	\$3.10	\$5.15	N/A	N/A	\$1.00
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ³	\$23.70	\$11.60	\$18.95	N/A	N/A	\$5.00

* Denotes routes with one point toll collection. Fares are for round trip travel.

Exhibit 2
Proposed Base Vehicle Ferry Tolls for October 1, 2011 Implementation

Routes	Vehicle under 14' Inc. Driver One Way	Vehicle under 14' w/ Sr. Citizen or Disabled Driver ⁴	Vehicle under 14' Over Height Surcharge ¹	Multi-ride Media ²	Vehicle 14'-22' Inc. Driver One Way	Vehicle 14'-22' w/ Sr. Citizen or Disabled Driver ⁴	Vehicle 14'-22' Over Height Surcharge ¹	Multi-ride Media ²	Motorcycle/Inc. Driver Stowage ¹	Motorcycle w/Sr. Citizen or Disabled Driver Stowage ^{1,4}	Motorcycle Oversize Surcharge ¹	Motorcycle Multi-ride Media 20 Rides ²
Edmonds-Kingston												
Seattle-Bremerton	\$11.25	\$9.35	\$11.25	\$180.00	\$12.50	\$10.60	\$12.50	\$200.00	\$5.40	\$3.50	\$2.30	\$86.40
Seattle-Bainbridge Island												
Port Townsend-Coupeville	\$8.65	\$7.15	\$8.65	\$138.25	\$9.60	\$8.10	\$9.60	\$153.60	\$4.20	\$2.70	\$1.80	\$67.20
Fauntleroy-Southworth												
*Fauntleroy-Vashon												
*Southworth-Vashon	\$14.40	\$11.95	\$14.40	\$115.20	\$16.00	\$13.55	\$16.00	\$128.00	\$6.95	\$4.50	\$2.95	\$55.60
*Pt Defiance-Tahlequah												
Mukilleo-Clinton	\$6.60	\$5.45	\$6.60	\$105.85	\$7.35	\$6.20	\$7.35	\$117.60	\$3.20	\$2.05	\$1.40	\$51.20
*Anacortes to Lopez	\$25.90	\$19.85	\$25.90	\$97.00	\$28.75	\$22.70	\$28.75	\$107.80	\$15.20	\$9.15	\$4.55	\$114.00
*Shaw, Orcas	\$31.05	\$25.00	\$31.05	\$116.45	\$34.50	\$28.45	\$34.50	\$129.40	\$16.35	\$10.30	\$5.95	\$122.65
*Friday Harbor	\$36.90	\$30.85	\$36.90	\$138.40	\$41.00	\$34.95	\$41.00	\$153.75	\$17.65	\$11.60	\$7.50	\$132.40
Between Lopez, Shaw, Orcas and Friday Harbor ³	\$17.30	\$17.30	\$17.30	\$69.30	\$19.25	\$19.25	\$19.25	\$77.00	\$5.45	\$5.45	\$6.25	N/A
International Travel												
Anacortes to Sidney and Sidney to all destinations	\$41.65	\$32.90	\$41.65	N/A	\$46.25	\$37.50	\$46.25	N/A	\$23.05	\$14.30	\$7.65	N/A
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$12.45	\$9.10	\$12.45	N/A	\$13.85	\$10.50	\$13.85	N/A	\$7.95	\$4.60	\$2.05	N/A
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ⁵	\$54.10	\$42.00	\$54.10	N/A	\$60.10	\$48.00	\$60.10	N/A	\$31.00	\$18.90	\$9.70	N/A

* Denotes routes with one point toll collection. Fares are for round trip travel.

Exhibit 3
Proposed Base Oversize Vehicle Ferry Tolls for October 1, 2011 Implementation

Routes	22' to Under 30' Under 7'6" tall	22' to Under 30' Over 7'6" tall	30' to Under 40'	40' to Under 50'	50' to Under 60'	60' to Under 70'	70' to Under 80'	Cost per ft. Over 80'
Edmonds-Kingston								
Seattle-Bremerton	\$19.05	\$38.15	\$51.25	\$64.40	\$77.50	\$90.65	\$103.75	\$1.30
Seattle-Bainbridge Island								
Port Townsend-Coupeville	\$14.65	\$29.30	\$39.35	\$49.45	\$59.50	\$69.60	\$79.70	\$1.00
Fauntleroy-Southworth								
*Fauntleroy-Vashon								
*Southworth-Vashon	\$24.40	\$48.80	\$65.60	\$82.40	\$99.20	\$116.00	\$132.80	\$1.70
*Pt Defiance-Tahlequah								
Mukilteo-Clinton	\$11.20	\$22.40	\$30.15	\$37.85	\$45.55	\$53.30	\$61.00	\$0.75
*Anacortes to Lopez ²	\$43.85	\$87.70	\$117.85	\$148.05	\$178.25	\$208.45	\$238.65	\$3.00
*Shaw, Orcas	\$52.60	\$105.20	\$141.45	\$177.70	\$213.90	\$250.15	\$286.35	\$3.60
*Friday Harbor	\$62.55	\$125.05	\$168.10	\$211.15	\$254.20	\$297.25	\$340.30	\$4.30
Between Lopez, Shaw								
Orcas and Friday Harbor ³	\$29.35	\$58.70	\$78.90	\$99.15	\$119.35	\$139.55	\$159.80	N/A
International Travel								
Anacortes to Sidney and Sidney to all destinations	\$70.55	\$141.05	\$189.60	\$238.20	\$286.75	\$335.30	\$383.90	\$4.85
Promotional fare for buses and recreational vehicles	\$70.55	\$70.55	\$94.80	\$119.10	\$143.40	\$167.65	\$191.95	\$2.45
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$21.15	\$42.25	\$56.80	\$71.35	\$85.85	\$100.40	\$114.95	\$1.45
Promotional	\$21.15	\$21.15	\$28.40	\$35.70	\$42.95	\$50.20	\$57.50	\$0.75
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ⁴	\$91.70	\$183.30	\$246.40	\$309.55	\$372.60	\$435.70	\$498.85	\$6.30
Promotional	\$91.70	\$91.70	\$123.20	\$154.80	\$186.35	\$217.85	\$249.45	\$3.20

* Denotes routes with one point toll collection. Fares are for round trip travel.

WASHINGTON STATE TRANSPORTATION COMMISSION 2011 FARE PROPOSAL

DRAFT Proposed Fare Tables for May 1, 2012 Implementation

Exhibit 1 Proposed Ferry Passenger Tolls for May 1, 2012 Implementation

Routes	Full Fare	Senior or Disabled	Youth Fare (6-18)	Multi-ride Media ¹	Monthly Pass ⁵	Bicycle Surcharge ^{2,6}
*Edmonds-Kingston						
*Seattle-Bremerton	\$7.45	\$3.60	\$5.95	\$59.60	\$95.40	\$1.00
*Seattle-Bainbridge Island						
*Fauntleroy-Southworth	\$5.70	\$2.70	\$4.55	\$45.60	\$73.00	\$1.00
Port Townsend-Coupeville	\$2.85	\$1.30	\$2.30	\$45.60	\$73.00	\$0.50
*Fauntleroy-Vashon						
*Southworth-Vashon	\$4.75	\$2.25	\$3.80	\$38.00	\$60.80	\$1.00
*Pt Defiance-Tahlequah						
*Mukilteo-Clinton	\$4.40	\$2.05	\$3.50	\$35.20	\$56.35	\$1.00
*Anacortes to Lopez, Shaw, Orcas or Friday Harbor	\$12.20	\$5.95	\$9.75	\$79.30	N/A	\$2.00
Between Lopez, Shaw, Orcas, and Friday Harbor ⁴	N/C	N/C	N/C	N/C	N/A	N/C
International Travel						
Anacortes to Sidney and Sidney to all destinations	\$17.75	\$8.75	\$14.20	N/A	N/A	\$4.00
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$6.65	\$3.20	\$5.30	N/A	N/A	\$1.00
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ³	\$24.40	\$11.95	\$19.50	N/A	N/A	\$5.00

* Denotes routes with one point toll collection. Fares are for round trip travel.

Exhibit 2
Proposed Base Vehicle Ferry Tolls for May 1, 2012 Implementation

Routes	Vehicle under 14' Inc. Driver One Way	Vehicle under 14' w/ Sr. Citizen or Disabled Driver ⁴	Vehicle under 14' Over Height Surcharge ¹	Multi-ride Media ²	Vehicle 14'-22' Inc. Driver One Way	Vehicle 14'-22' w/ Sr. Citizen or Disabled Driver ⁴	Vehicle 14'-22' Over Height Surcharge ¹	Multi-ride Media ²	Motorcycle/Inc. Driver Stowage ¹	Motorcycle w/Sr. Citizen or Disabled Driver Stowage ^{1,4}	Motorcycle Oversize Surcharge ¹	Motorcycle Multi- ride Media 20 Rides ²
Edmonds-Kingston												
Seattle-Bremerton	\$10.30	\$8.35	\$10.30	\$165.10	\$12.90	\$10.95	\$12.90	\$206.40	\$5.60	\$3.65	\$2.90	\$89.60
Seattle-Bainbridge Island												
Port Townsend-Coupeville	\$7.95	\$6.45	\$7.95	\$127.35	\$9.95	\$8.45	\$9.95	\$159.20	\$4.30	\$2.80	\$2.20	\$68.80
Fauntleroy-Southworth												
*Fauntleroy-Vashon												
*Southworth-Vashon	\$13.20	\$10.70	\$13.20	\$105.60	\$16.50	\$14.00	\$16.50	\$132.00	\$7.10	\$4.60	\$3.65	\$56.80
*Pt Defiance-Tahlequah												
Mukilteo-Clinton	\$6.10	\$4.90	\$6.10	\$97.30	\$7.60	\$6.40	\$7.60	\$121.60	\$3.30	\$2.10	\$1.70	\$52.80
*Anacortes to Lopez	\$23.70	\$17.45	\$23.70	\$88.95	\$29.65	\$23.40	\$29.65	\$111.20	\$15.70	\$9.45	\$5.80	\$117.75
*Shaw, Orcas	\$28.50	\$22.25	\$28.50	\$106.80	\$35.60	\$29.35	\$35.60	\$133.50	\$16.90	\$10.65	\$7.45	\$126.75
*Friday Harbor	\$33.85	\$27.60	\$33.85	\$126.90	\$42.30	\$36.05	\$42.30	\$158.65	\$18.25	\$12.00	\$9.35	\$136.90
Between Lopez, Shaw, Orcas and Friday Harbor ³	\$15.90	\$15.90	\$15.90	\$63.50	\$19.85	\$19.85	\$19.85	\$79.40	\$5.65	\$5.65	\$7.25	N/A
International Travel												
Anacortes to Sidney and Sidney to all destinations	\$38.10	\$29.10	\$38.10	N/A	\$47.65	\$38.65	\$47.65	N/A	\$23.75	\$14.75	\$9.70	N/A
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$11.40	\$7.95	\$11.40	N/A	\$14.25	\$10.80	\$14.25	N/A	\$8.20	\$4.75	\$2.65	N/A
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ⁵	\$49.50	\$37.05	\$49.50	N/A	\$61.90	\$49.45	\$61.90	N/A	\$31.95	\$19.50	\$12.35	N/A

* Denotes routes with one point toll collection. Fares are for round trip travel.

Exhibit 3
Proposed Base Oversize Vehicle Ferry Tolls for May 1, 2012 Implementation

Routes	22' to Under 30' Under 7'6" tall	22' to Under 30' Over 7'6" tall	30' to Under 40'	40' to Under 50'	50' to Under 60'	60' to Under 70'	70' to Under 80'	Cost per ft. Over 80'
Edmonds-Kingston								
Seattle-Bremerton	\$20.00	\$40.00	\$53.55	\$67.10	\$80.65	\$94.15	\$107.70	\$1.35
Seattle-Bainbridge Island								
Port Townsend-Coupeville	\$15.45	\$30.85	\$41.30	\$51.75	\$62.20	\$72.65	\$83.10	\$1.05
Fauntleroy-Southworth								
*Fauntleroy-Vashon								
*Southworth-Vashon	\$25.60	\$51.15	\$68.50	\$85.80	\$103.15	\$120.45	\$137.80	\$1.75
*Pt Defiance-Tahlequah								
Mukilteo-Clinton	\$11.80	\$23.55	\$31.55	\$39.50	\$47.50	\$55.50	\$63.45	\$0.80
*Anacortes to Lopez ²	\$45.95	\$91.90	\$123.05	\$154.20	\$185.30	\$216.45	\$247.60	\$3.10
*Shaw, Orcas	\$55.20	\$110.35	\$147.75	\$185.10	\$222.50	\$259.90	\$297.25	\$3.75
*Friday Harbor	\$65.60	\$131.15	\$175.55	\$219.95	\$264.40	\$308.80	\$353.20	\$4.45
Between Lopez, Shaw								
Orcas and Friday Harbor ³	\$30.80	\$61.55	\$82.40	\$103.20	\$124.05	\$144.90	\$165.75	N/A
International Travel								
Anacortes to Sidney and Sidney to all destinations	\$73.85	\$147.70	\$197.75	\$247.80	\$297.80	\$347.85	\$397.90	\$5.00
Promotional fare for buses and recreational vehicles	\$73.85	\$73.85	\$98.90	\$123.90	\$148.90	\$173.95	\$198.95	\$2.50
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$22.10	\$44.20	\$59.15	\$74.10	\$89.05	\$104.00	\$119.00	\$1.50
Promotional	\$22.10	\$22.10	\$29.60	\$37.05	\$44.55	\$52.00	\$59.50	\$0.75
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ⁴	\$95.95	\$191.90	\$256.90	\$321.90	\$386.85	\$451.85	\$516.90	\$6.50
Promotional	\$95.95	\$95.95	\$128.50	\$160.95	\$193.45	\$225.95	\$258.45	\$3.25

* Denotes routes with one point toll collection. Fares are for round trip travel.

Exhibit 4
Proposed Peak Season Vehicle Ferry Tolls for May 1, 2012 Implementation

Routes	Vehicle under 14' Inc. Driver One Way	Vehicle under 14' w/ Sr. Citizen or Disabled Driver ⁴	Vehicle under 14' Over Height Surcharge	Vehicle 14'-22' Inc. Driver One Way	Vehicle 14'-22' w/ Sr. Citizen or Disabled Driver ³	Vehicle 14'-22' Over Height Surcharge	Motorcycle/Inc. Driver Stowage	Motorcycle w/Sr. Citizen or Disabled Driver Stowage ³	Motorcycle Oversize Surcharge	22' to Under 30' Under 7'6" tall	22' to Under 30' Over 7'6" tall	30' to Under 40'	40' to Under 50'	50' to Under 60'	60' to Under 70'	70' to Under 80'	Cost per ft Over 80'
Edmonds-Kingston																	
Seattle-Bremerton	\$13.00	\$11.05	\$13.00	\$16.15	\$14.20	\$16.15	\$7.00	\$5.05	\$3.80	\$25.05	\$50.05	\$67.00	\$84.00	\$100.95	\$117.90	\$134.85	\$1.70
Seattle-Bainbridge Island																	
Port Townsend-Coupeville	\$10.00	\$8.50	\$10.00	\$12.45	\$10.95	\$12.45	\$5.40	\$3.90	\$2.95	\$19.30	\$38.60	\$51.65	\$64.75	\$77.80	\$90.90	\$103.95	\$1.30
Fauntleroy-Southworth																	
*Fauntleroy-Vashon																	
*Southworth-Vashon	\$16.50	\$14.00	\$16.50	\$20.65	\$18.15	\$20.65	\$8.90	\$6.40	\$4.80	\$32.00	\$64.00	\$85.70	\$107.40	\$129.05	\$150.75	\$172.45	\$2.15
*Pt Defiance-Tahlequah																	
Mukilteo-Clinton	\$7.50	\$6.30	\$7.50	\$9.50	\$8.30	\$9.50	\$4.15	\$2.95	\$2.25	\$14.75	\$29.45	\$39.45	\$49.40	\$59.40	\$69.35	\$79.35	\$1.00
*Anacortes to Lopez ¹	\$32.00	\$25.75	\$32.00	\$40.05	\$33.80	\$40.05	\$21.20	\$14.95	\$10.15	\$62.10	\$124.15	\$166.20	\$208.25	\$250.30	\$292.35	\$334.40	\$4.20
*Shaw, Orcas	\$38.50	\$32.25	\$38.50	\$48.05	\$41.80	\$48.05	\$22.80	\$16.55	\$12.00	\$74.50	\$148.95	\$199.40	\$249.85	\$300.30	\$350.75	\$401.20	\$5.05
*Friday Harbor	\$45.50	\$39.25	\$45.50	\$57.10	\$50.85	\$57.10	\$24.65	\$18.40	\$14.10	\$88.50	\$177.00	\$236.95	\$296.90	\$356.90	\$416.85	\$476.80	\$6.00
Between Lopez, Shaw, Orcas and Friday Harbor ²	\$20.00	\$20.00	\$20.00	\$24.85	\$24.85	\$24.85	\$7.10	\$7.10	\$9.10	\$38.55	\$77.05	\$103.15	\$129.20	\$155.30	\$181.40	\$207.50	N/A
International Travel																	
Anacortes to Sidney and Sidney to all destinations	\$47.50	\$38.50	\$47.50	\$59.60	\$50.60	\$59.60	\$29.70	\$20.70	\$13.80	\$92.40	\$184.75	\$247.35	\$309.90	\$372.50	\$435.10	\$497.65	\$6.25
Promotional										\$92.40	\$92.40	\$123.70	\$154.95	\$186.25	\$217.55	\$248.85	\$3.15
Lopez, Shaw, Orcas and Friday Harbor to Sidney	\$24.50	\$21.05	\$24.50	\$30.50	\$27.05	\$30.50	\$16.15	\$12.70	\$10.05	\$47.30	\$94.55	\$126.60	\$158.60	\$190.65	\$222.65	\$254.65	\$3.20
Promotional										\$47.30	\$47.30	\$63.30	\$79.30	\$95.35	\$111.35	\$127.35	\$1.60
Lopez, Shaw, Orcas and Friday Harbor to/from Sidney (round trip) ⁴	\$72.00	\$59.55	\$72.00	\$90.10	\$77.65	\$90.10	\$45.85	\$33.40	\$23.85	\$139.70	\$279.30	\$373.95	\$468.50	\$563.15	\$657.75	\$752.30	\$9.45
Promotional										\$139.70	\$139.70	\$187.00	\$234.25	\$281.60	\$328.90	\$376.20	\$4.70

* Denotes routes with one point toll collection. Fares are for round trip travel.

WASHINGTON STATE TRANSPORTATION COMMISSION

FACT SHEET on Ferries Funding

PERCEPTION:

Fares on average have doubled in less than a decade.

FACT:

- Since 2001 (post MVET), fares have risen 80% (80% takes compounding into account).
- Over the last ten years, the amount of the fare increases have decreased quite dramatically, going from a one-time increase of 20% in 2001 down to 2.5% in 2009.
- While the amount of fare increases have decreased significantly over the last decade, ridership has been declining for the most part, regardless of fare changes.
- The list below details the percentage fare increase each year for the last 10 years, starting with the year after the MVET was repealed – **NOTE: fares were not increased in 2008 and 2010.** Also notated are the annual ridership numbers for the same year.

YEAR	FARES	RIDERSHIP*
2001	20.0%	26.1
2002	12.5%	25.6
2003	5.0%	24.5
2004	5.0%	26.0
2005	6.0%	23.9
2006	6.0%	23.8
2007	2.5%	24.0
2008	0%	23.3
2009	2.5%	22.4
2010	0%	22.6

**Ridership numbers are in the millions. Fare changes take effect near the end of each fiscal year, ridership impacts from a fare increase are generally reflected in the following year's ridership number.*

PERCEPTION:

The state has not done much to bail out ferries and provide the funding necessary to sustain it.

FACT:

- Since the MVET was repealed in 1999, ferries has received transfers and other financial support of **over \$800 million** in gas tax revenues and licensing fee revenues.
- Bond debt service for ferry capital costs have also been paid from gas tax revenues as well.

PERCEPTION:

When the MVET went away WSF lost about half of the operational funding.

FACT:

- MVET supported **20% of ferries operating costs** and **75% of its dedicated capital funding**.
- It is estimated that \$1.2 billion has been lost in MVET revenues since the tax was repealed.

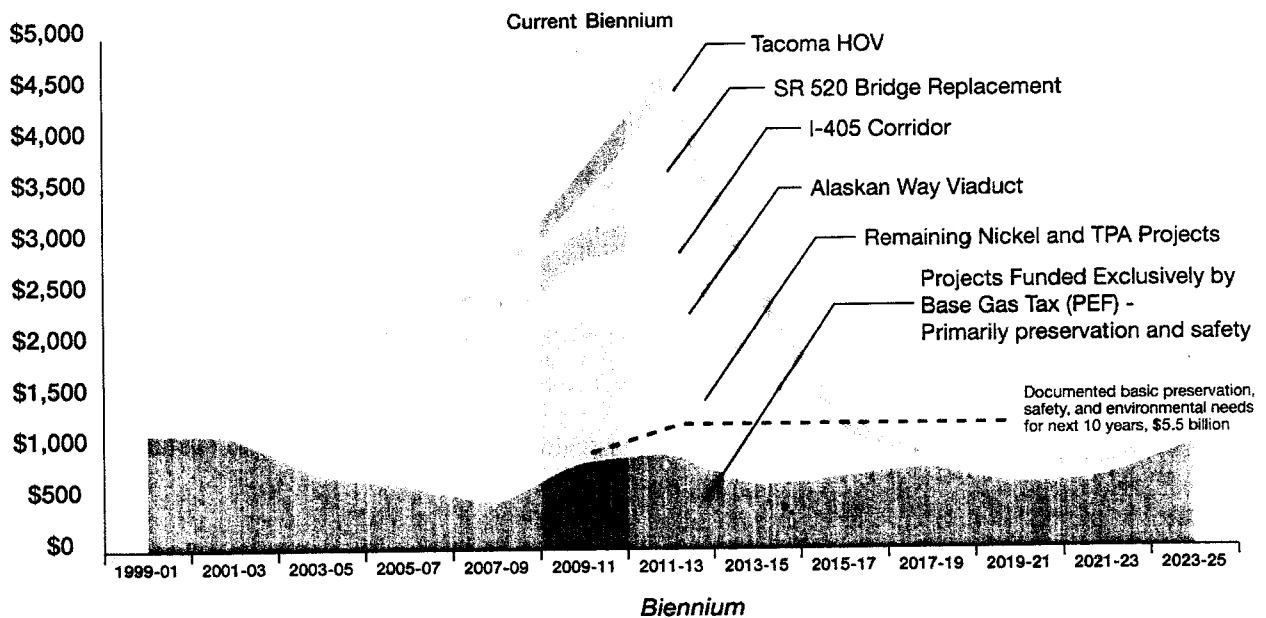
PERCEPTION:

WSF funding has fallen dramatically as a percentage of the DOT budget, while the gas tax has gone up nearly 15 cents in the last two funding packages.

FACT:

- While it is true that gas taxes have gone up 14.5 cents in the last decade and that ferries capital and operating budgets are currently a smaller percent of the overall budget for WSDOT, there is a reason for this: the Nickel and Transportation Partnership Account gas tax increases were (and still are) dedicated to a list of specified road projects as determined by the Legislature, inflating the total budget for DOT.
- Because of this, the size of the percentage for the WSF budget is skewed because of the bond proceeds that have been issued to pay for the highway projects, which in turn reduces the ferries percentage of the total budget.
- As those bond proceeds are spent, the WSDOT budget will be far smaller, and in turn the percentage going to ferries will go back up. The full view of the state's investment from start to finish is depicted on the next page on the "mountain chart" – we are now on the downhill side of the state's investment of the last two gas tax increases.

Dollars in Millions



PERCEPTION:

Fares have made up a big chunk of the lost MVET revenue.

FACT:

- A big chunk of the lost MVET revenue has not been covered with just ferry fares – as stated on the prior page, the **Legislature has transferred over \$800 million in state transportation taxes to subsidize the operating costs of ferries.**
- Historically, ferries have experienced a relatively high farebox recovery percentage most often in the 60% - 70% range both before and after the existence of the MVET. The highest recovery rate was achieved in the late 1980's when it reached nearly 80%.
- The farebox recover rate by year, over the last 10 years is listed below:

YEAR	PERCENTAGE
○ 2000	65.8
○ 2001	59.3
○ 2002	69.4
○ 2003	73.2
○ 2004	78.5
○ 2005	75.5
○ 2006	73.6
○ 2007	69.7
○ 2008	64.7
○ 2009	65.4
○ 2010	70.5



Richard Ford, Chair, King County

Richard contributes port and legal experience to the Commission. He is senior counsel of the international law firm K&L Gates LLP, and spent more than 30 years in public service, retiring in 1985 as Executive Director of the Port of Seattle. Richard has also served on a number of key boards and commissions, including Premera (Blue Cross), Casey Family Programs, the Climate Change Transportation Work Group - a sub-committee to the Governor's Climate Advisory Team, Governor's Growth Strategies Commission, Washington State Marine Oversight Board, Citizen Advisory Panel on Council Elections, and the RTA Regional Outreach Committee. Richard was appointed by Governor Locke in 2004 and reappointed by Governor Gregoire in 2007. Term expires June 30, 2013.



Philip Parker, Vice Chair, Clark County

Philip brings a varied background to the Commission. He recently retired as a Journeyman Electrician and has taught in the electrical apprenticeship program. Philip has represented the Vancouver community on many boards with a recent focus on workforce development and transportation issues. Philip was appointed by Governor Gregoire in 2007. Term expires June 30, 2013.



Tom Cowan, San Juan County

Tom Cowan is a public policy consultant and also manages marine resources restoration projects. Tom was formerly the Director of the congressionally authorized Northwest Straits Commission and was a former Assistant Director for the Puget Sound Action Team. Prior to that, Tom was a San Juan County Commissioner for 12 years and served as President of the Washington State Association of Counties. Tom and his wife owned and operated an electrical contracting firm and the only hardware and building supply store on Lopez Island. Tom is currently the Chair of the San Juan County Land Bank and a Board member of the SeaDoc Society. Tom has lived on Lopez Island for the past 36 years and is a frequent ferry rider. He was appointed to the Commission by Governor Gregoire in 2011. Term expires June 30, 2016.



Anne Haley, Walla Walla County

Anne comes to the Transportation Commission with a breadth of experience on private, public, and non-profit boards and commissions, and 30 years experience of managing public libraries in Washington. She currently is Chairman of the Board of Directors of Brown & Haley, Tacoma. As Chairman of the Washington State Library Commission, she guided the Washington State Library's merger into the Office of Secretary of State in 2002. She was President of the Washington Library Association and Pacific Northwest Library Association, and Counselor-at-Large of the American Library Association. In Walla Walla, she founded Project Read, sat on the Sherwood Trust Advisory Committee, and served on various community organization boards. After retiring from the Yakima Valley Library in 2002, she returned to school and earned a BFA degree. Anne was appointed by Governor Gregoire in April 2011 for a partial term of office that will continue until June 20, 2012.



Jerry Litt, Douglas County

Jerry joins the Commission with 37-years experience in planning and community development. He has served as the Director of Planning and Community Development for the City of Lacey for 13 years and 10 years with Douglas County. His experience includes responsibility for a full-range of Planning and Community Development services, including public participation in Douglas County's award winning GMA public involvement program and the City of Lacey's "Designing Downtown 2000" program. He has also been involved with state-wide issues through the Washington City Planning Director's Association as an executive board member. As past president of the Washington County and Regional Planning Director's Association he has built a long history and awareness of community infrastructure needs at the forefront. He has additional experience in the private sector as a consultant in Spokane and Wenatchee, as a member of the Wenatchee Area Transportation Study, development of the Apple Capital Loop Trail, member of the Transportation Improvement Board, the International Council of Shopping Centers and the Urban Land Institute. Jerry was appointed to the Commission by Governor Gregoire July 2011.



Dan O'Neal, Mason County

Dan O'Neal, is on the Board of Directors of Greenbrier Companies (GBX), a publicly traded railroad car leasing and manufacturing company. He has owned and operated transportation and software businesses. Dan has actively participated in efforts to gain private and public sector support for improved freight transportation infrastructure. He is a member of the Puget Sound Partnership Leadership Council. Prior to joining a law firm in 1980 he was Chairman of the Interstate Commerce Commission. He also served as Transportation Counsel to the Senate Commerce Committee chaired by Senator Warren Magnuson. Dan was appointed by Governor Locke in 2003 and reappointed by Governor Gregoire in 2009. Term expires June 30, 2015.