

SENATE BILL REPORT

SB 6477

As of January 19, 2000

Title: An act relating to establishing a public/private partnership to manage and operate a passenger-only vessel system.

Brief Description: Operating passenger-only ferries through a public/private partnership.

Sponsors: Senators B. Sheldon, Oke, Haugen, T. Sheldon, Gardner and Winsley.

Brief History:

Committee Activity: Transportation: 1/19/2000.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Lynn Hale (786-7346)

Background: Current law prohibits others from operating ferries within ten miles from a service provided by Washington State Ferries. Other ferries can operate within these limits under a certificate issued by the Utilities and Transportation Commission. There are no state provisions for public-private ferry operations.

With the passage of Initiative 695, the WSF may experience a reduction in operating and capital funds. The Washington State Transportation Commission has adopted the WSF's proposed reductions in service, which includes eliminating passenger-only ferry service.

However, other public sector and private interests have expressed an interest in continuing passenger-only ferry service. Enabling a public-private ferry operator may require a public subsidy for passenger-only ferry service. The subsidy may include capital and operating support, or the use of public property such as dock facilities.

Summary of Bill: A public subsidy is defined as the provision of money, equipment, or materials, or the provision of equipment, materials, services, or facilities at below-market value by a public entity to an applicant for a certificate or certificate holder.

Certificates issued to holders whose rates include or otherwise rely upon public subsidies must be conditioned on the continuation of the subsidies. If the subsidy is eliminated, the certificate lapses upon notification of the Utilities and Transportation Commission (UTC) by the public entity. The commission reviews the certificate if the subsidy is reduced.

The UTC may now consider public subsidies when issuing certificates.

A subsidizing public entity must be named as a party in interest to a certificate whose issuance is based in any way on a public subsidy. A subsidizing public entity is a necessary party to any proceeding regarding the certificate holder, its rates, or the certificate, including

transfer of the certificate. The commission may not authorize a transfer without the express written consent of the party in interest.

Interlocal agreements may authorize participation in acquisition of equipment or facilities through federally approved alternative purchasing procedures. Contracts for agencies which provide high capacity transportation service may include public/private partnerships, design-build, turnkey, and super-turnkey purchasing methods authorized under federal law applicable to joint development projects.

When one agency assumes a high-capacity responsibility, route, or plan element from another agency, the agency is not required to follow the high capacity transportation system planning process and the independent system plan oversight process prescribed in state law.

The January 1, 2001 sunset of the vessel excursion authorization is repealed.

Appropriation: None.

Fiscal Note: Requested January 19, 2000.

Effective Date: Ninety days after adjournment of session in which bill is passed.