(DIGEST AS ENACTED)

Addresses increased costs of ferry system operations in a manner that balances the interests of the ferry system, ferry workforce, and the fare payers.

Modifies collective bargaining provisions for ferry workers.

Requires the office of financial management to: (1) Convene an expert panel of ferry operators to conduct a management review of the ferries division of the department of transportation; and

(2) Conduct a salary survey for use in collective bargaining and arbitration.

Requires the department of transportation to: (1) Prioritize vessel preservation and acquisition funding requests over vessel improvement funding requests;

- (2) Investigate the frequency, severity, and prosecutorial results of assaults on Washington state ferries employees; and
- (3) Provide data to the transportation committees of the senate and house of representatives for a transparent analysis of travel pay policies.

Requires signage at each terminal and on each vessel that informs the public that assaults on state employees will be prosecuted to the full extent of the law.

Allows work for less than one hundred twenty thousand dollars to be performed on ferry vessels and terminals by state forces.

Repeals chapter 47.61 RCW (acquisition of new ferry vessels under urban mass transportation act of 1964) and statutes relating to passenger-only ferry service and jumbo ferry construction.

VETO MESSAGE ON ESHB 3209

April 1, 2010

To the Honorable Speaker and Members, The House of Representatives of the State of Washington Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 17 and 18, Engrossed Substitute House Bill 3209 entitled:

"AN ACT Relating to managing costs of the ferry system."

Section 17 eliminates ferry passes for current employees, retirees, and their family members at the end of the current

collective bargaining agreements. The issuance of ferry passes is a subject of collective bargaining and should be dealt with as part of the overall compensation package at the bargaining table, not singled out in legislation for elimination. Legislating matters subject to bargaining may restrict the state's ability to address other more important cost savings measures through the collective bargaining process. I am directing my Labor Relations Office to focus in this bargaining cycle on the best approaches to reduce long-term labor costs, including ferry passes and all aspects of the compensation package.

Section 18 reduces the Ferries Division insurance policy appropriation by \$670,000, based on a legislative study that concluded that the Department could save money by eliminating some marine insurance coverage. I share the Legislature's interest in saving money over the long term and being responsible stewards of taxpayer dollars by protecting our state-owned assets. While I am vetoing this subsection, I direct the Office of Financial Management to work with the Legislature over the interim to review the Department's marine insurance coverage carefully and to assess whether cost reductions can be made while still adequately protecting taxpayer dollars.

For these reasons, I have vetoed Sections 17 and 18 of Engrossed Substitute House Bill 3209.

With the exception of Sections 17 and 18, Engrossed Substitute House Bill 3209 is approved.

Respectfully submitted, Christine Gregoire Governor