(DIGEST AS ENACTED)

Transfers the powers, duties, and functions of the marine employees' commission to the public employment relations commission. Expires June 30, 2013.

Requires the transportation commission to impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold.

Requires the office of financial management to complete a government management and accountability performance report.

Provides a sales and use tax exemption on fuel purchased by: (1) The Washington state ferry system for use in a state-owned ferry after June 30, 2013; and

(2) A county-owned ferry for use in ferry vessels after June 30, 2013.

Modifies collective bargaining provisions.

Creates the capital vessel replacement account.

VETO MESSAGE ON 2ESSB 5742

June 7, 2011

To the Honorable President and Members, The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 11, 13, 14, and 15, Second Engrossed Substitute Senate Bill 5742 entitled:

"AN ACT Relating to the Washington state ferry system."

Section 11 requires the Washington State Department of Transportation (WSDOT) to provide quarterly on-time performance reports to the Legislature and to post the data on vessels, at terminals, and on the WSDOT's website. I am vetoing this section because Washington State Ferries already reports on-time performance through the Government Management Accountability and Performance program (GMAP), and quarterly reports are posted on the GMAP website.

Sections 13 and 14 contain conflicting requirements for actions that must be taken if Washington State Ferries does not meet at least eighty percent of performance measure targets. Section 13 requires that the governor appoint a management representative and Section 14 requires WSDOT to solicit requests for qualifications to privatize Washington

State Ferries management. In addition, I do not believe either of these requirements is necessary or practicable.

Section 15 requires the Office of Financial Management's (OFM) Attainment Report to include the performance measures in Sections 10 and 11. Once the ad hoc committee in Section 10 completes its work, a determination will be made regarding the high-level performance indicators that should be included in the Attainment Report. Accordingly, I am vetoing this section so the ad hoc committee's recommendations can be considered.

For these reasons, I have vetoed Sections 11, 13, 14, and 15 of Second Engrossed Substitute Senate Bill 5742.

With the exception of Sections 11, 13, 14, and 15, Second Engrossed Substitute Senate Bill 5742 is approved.

Respectfully submitted, Christine Gregoire Governor