
Transportation Committee

HB 1879

Brief Description: Concerning the review of and recommendations for ferry fares.

Sponsors: Representatives Seaquist, Appleton and Fitzgibbon.

Brief Summary of Bill

- Requires that the Executive Committee of Washington State Ferry Users (Executive Committee) be given notice of fare changes and adopt recommendations regarding ferry fares and schedules.
- Requires that this Executive Committee develop expertise regarding the ferry system's operating and capital budgets, review cost savings and efficiency strategies, and adopt recommendations for such strategies.
- Requires that the Washington State Transportation Commission and the Washington State Department of Transportation work with the Executive Committee in certain respects.

Hearing Date: 2/26/13

Staff: Andrew Russell (786-7143).

Background:

The Washington ferry system is a public mass transportation system operated by the Washington State Department of Transportation (WSDOT). The Washington State Ferries Division operates and maintains ferry vessels and terminals, constructs terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 22 vessels and 20 terminals.

Ferry fares are adopted by the Washington State Transportation Commission (WSTC) annually. During this process, the WSDOT must provide to the WSTC a report containing a review of fare and pricing policies and recommendations for a revision of these fares and pricing policies. By September 1 every year, the WSTC must adopt fares for the ensuing year. Fares may be

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increased by a percentage that exceeds the fiscal growth factor; however, the chief executive officer of the ferry system may authorize the use of promotional or discounted fares in order to maximize capacity and revenues collected by the ferry system.

Finally, the Legislature has established Ferry Advisory Committees (FACs) that work with the WSDOT in reviewing problems experienced in areas served by the ferry system. These FACs represent areas that are served by ferries and they are composed of members who reside in the vicinity of a ferry terminal. The chairs of each of these committees comprise the Executive Committee of Washington State Ferry Users (Executive Committee). The chairs also serve as the members of the Ferry Advisory Committee – Tariff (FACT). The FACT works with the WSDOT representatives in providing input, advice, and recommendations on the WSDOT's fare proposal. Additionally, when necessary, the FACT provides input and comments to the WSTC in the fare-setting process. Finally, the FACT reviews options to achieve legislatively determined revenue targets.

Summary of Bill:

The Executive Committee is required to review proposals regarding ferry fares and schedules. The Executive Committee must adopt recommendations regarding fares and schedules every August 1, beginning in 2014. Additionally, the Executive Committee is required to develop an expertise of the operating and capital budgets, review cost savings and efficiency strategies, and recommend new strategies. The Executive Committee must adopt recommendations regarding the ferry system's operating and capital budgets every November 1, beginning in 2014.

The WSTC must work with the Executive Committee to develop a public outreach process. The WSTC must consider the recommendations of the Executive Committee when setting ferry fares. Finally, the WSTC may not adopt a fare change unless the Executive Committee has been given 20-day's notice.

The WSDOT must provide to the Executive Committee operating cost and fare revenue scenario information, and the WSDOT must submit quarterly cost reports to the WSTC and the Executive Committee. The WSDOT must also develop an online operating budget display and organizational chart of personnel assignments.

Finally, the Legislature, in adopting a biennial transportation budget, must set ferry farebox recovery rates at no more than 73 percent, with the goal of reducing this rate by 1 percent per year for the following 10 years.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.