

HOUSE BILL REPORT

HB 1880

As Reported by House Committee On: Transportation

Title: An act relating to limiting the scope of the department of transportation's administration of the state's ferry system.

Brief Description: Limiting the scope of the department of transportation's administration of the state's ferry system.

Sponsors: Representative Seaquist.

Brief History:

Committee Activity:

Transportation: 2/26/13, 2/27/13 [DPS].

Brief Summary of Substitute Bill

- Prohibits the Washington State Department of Transportation from designing, constructing, or making substantial alterations to ferries or ferry facilities unless directed by the Legislature.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Bergquist, Farrell, Fitzgibbon, Habib, Hayes, Johnson, Klippert, Kochmar, Kretz, Kristiansen, Moeller, Morris, O'Ban, Riccelli, Rodne, Ryu, Sells, Shea, Takko, Tarleton, Upthegrove and Zeiger.

Staff: Paul Ingiosi (786-7114).

Background:

The Washington State Ferries (WSF) division of the Washington State Department of Transportation (WSDOT) operates and maintains ferry vessels and terminals, constructs

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terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 22 vessels and 20 terminals.

The Puget Sound Capital Construction Account is the main account used by the WSF for vessel acquisition, vessel construction, major and minor vessel improvements, and terminal construction and improvements. Expenditures from this account occur only after appropriations are made by the Legislature.

Since 2010 the WSDOT has acquired three new vessels, contracted for the construction of two additional new vessels, and budgeted approximately \$71 million for terminal improvement and preservation projects.

Under current law, the WSF has the authority to procure materials, supplies, services, and equipment for the support, maintenance, and use of a ferry, ferry terminal, or other facility operated by the WSF or through a formal competitive Request for Proposals (RFP) solicitation. Current law also allows the WSF to purchase new ferries through a design-build partnership following a modified RFP process.

Summary of Substitute Bill:

The WSDOT is prohibited from designing, constructing, or making substantial alterations to ferries or ferry facilities unless directed by the Legislature. The term "substantial alterations" is defined to mean any project anticipated to cost more than 25 percent of the replacement value of the ferry or ferry facility at the time of the alteration.

The WSDOT is still permitted to purchase or acquire ferries or ferry facilities.

The restrictions on design, construction, or alterations begin on January 1, 2015.

Substitute Bill Compared to Original Bill:

The definition of substantial alterations is changed from projects anticipated to cost more than 25 percent of fair market value to projects anticipated to cost more than 25 percent of replacement value.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on January 1, 2014.

Staff Summary of Public Testimony:

(In support) The bill is a companion to the new Governor's lean approach to government. It makes sure we understand the mission of the WSF; narrowing the mission to the business of operating and maintaining ferries, not the business of designing ferries. Over the years, the WSF gradually became accustomed to designing new boats. In the future, there would be requirements for a group made up of a representative for the WSDOT, a designer, and a builder to work together to build the new boats. The bill has an enormous fiscal impact, nearly \$50 million per biennium, if the 200 or so people involved in designing terminals and boats are "leaned" out.

(Opposed) None.

Persons Testifying: Representative Seaquist, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.