

HOUSE BILL REPORT

SHB 2718

As Passed House:

February 14, 2008

Title: An act relating to reasonable fares for frequent users of Washington state ferries.

Brief Description: Addressing the desirability of reasonable fares for frequent ferry users.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Appleton, Rolfes, Lantz, Cody, Eddy, Kenney, Quall, McIntire, Haigh, Seaquist, Eickmeyer, Linville, Ericks, Roberts, VanDeWege, Morris, Dickerson, Kessler, Bailey, Smith, Sells, Nelson and Hasegawa).

Brief History:

Committee Activity:

Transportation: 2/5/08, 2/6/08 [DPS].

Floor Activity:

Passed House: 2/14/08, 95-0.

Brief Summary of Substitute Bill

- Requires the Washington State Department of Transportation and the Washington State Transportation Commission to consider "the desirability of reasonable fares for persons using the ferry system to commute daily to work and other frequent users who live in ferry-dependent communities" when setting ferry fare and pricing policy.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives Clibborn, Chair; Ericksen, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Appleton, Armstrong, Campbell, Dickerson, Eddy, Herrera, Hudgins, Jarrett, Kristiansen, Loomis, Rodne, Rolfes, Sells, Simpson, Smith, Springer, Upthegrove, Wallace, Warnick, Williams and Wood.

Staff: Beth Redfield (786-7347).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington State Department of Transportation (WSDOT) 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 23 vessels and 20 terminals.

The Washington State Transportation Commission (Commission) has principal responsibility for setting ferry fares. The current fare structure for ferry riders includes discounts for frequent users. This policy reflects statutory permission (repealed in 2007) for the Commission to consider, "the desirability of reasonable rates for persons using the ferry system to commute daily to work and other frequent users who live in ferry-dependent communities."

The 2006 and 2007 transportation budgets have directed the Joint Transportation Committee (JTC) to conduct a finance study of the state ferry system. The study is currently in its second phase. The study makes numerous recommendations regarding the long-term maintenance and preservation of both vessels and terminals and suggests approaches to more efficiently serve ferry system demand.

Engrossed Substitute House Bill 2358, enacted in 2007, directed the WSDOT and the Commission to implement recommendations of phase one of the study.

The 2007 legislation directed the WSDOT and the Commission, beginning in 2008, to develop fare and pricing policies that: (1) recognize each route is unique; (2) use data from a current customer survey; (3) are developed with input from affected ferry users; (4) generate the amount of revenue required by the biennial transportation budget; (5) consider impacts on users, capacity, and local communities; (6) keep fare schedules as simple as possible; and (7) consider options for using pricing to level vehicle peak demand and increase off-peak ridership.

Summary of Substitute Bill:

The desirability of reasonable fares for persons using the ferry system to commute daily to work and other frequent users who live in ferry-dependent communities is added to the considerations the WSDOT must make when developing fare and pricing policy.

The desirability of reasonable fares for persons using the ferry system to commute daily to work and other frequent users who live in ferry-dependent communities is added to the considerations the Commission must make when adopting fare and pricing policy.

Substitute Bill Compared to Original Bill:

The substitute bill does not require the WSDOT and the Transportation Commission to consider the desirability of reasonable fares for frequent ferry users, rather the two agencies may consider that factor when setting ferry fares.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) None.

(In support with concerns) The plan to move toward time-of-day pricing for ferry fares will penalize ferry riders for circumstances out of their control. Anyone who can exercise a choice of when to ride is already doing so to avoid long boat waits. The boats are full all day long, there is no off-peak time to ride. There are no alternative commute routes for many people who live in ferry communities.

Ferry riders have suffered service cuts and 67 percent fare increases. A farebox recovery target of 80 percent is more than any transit system. Ferry riders are paying 100 percent of operating costs if costs are truly stated. There is no longer a public input mechanism for ferry fare increases. The median income in the Kingston area is \$55,000, and 20 percent of family budget goes towards transportation. Riders want to help solve the ferry system's problems, but the Legislature must look at costs and other funding sources and not just at fares.

It should be a requirement to consider reasonable fares for commuters and other frequent users, not just permission to consider this.

(Opposed) None.

Persons Testifying: Representative Appleton, prime sponsor; Ivan Weiss, Vashon Island and 34th District Democrats; Annie Humiston, Kingston Citizens Advisory Council; Debbi Lester, Ferry Community Partnership; Alan Mendel, Vashon Ferry Advisory Committee; Kari Ulatoski, Vashon Maury Community Council; Joe Ulatoski; Mark Gripp; Dennis Cziske, Kingston Ferry Advisory Committee; Vickie Mercer; Father Tryphon, Abbott, The Brotherhood of the All-Merciful Savior, Russian Orthodox Church; and Walt Elliott, Kingston Edmonds Ferry Advisory Council Executive Council.

Persons Signed In To Testify But Not Testifying: None.