

Outline of 2007 and 2008 Ferries Bills and Budget Provisos

	ESHB 2358 (2007)	Budget Proviso
Ridership	Capital plan must adhere to a current ridership demand forecast (section 13, RCW 46.30.375)	<ul style="list-style-type: none"> ▪ WSF must recast and reconcile ridership demand forecasts (section 224 (8)(b)). ▪ JTC review of forecast (section 205 (1)(b)(i)).
Customer survey	Commission must, with involvement of WSF, conduct a survey of users (section 4, RCW 47.60.286). Survey must: <ul style="list-style-type: none"> ▪ Include info on recreational users, walk-on and vehicle customers, freight, and reactions to possible operational strategies and pricing policies. ▪ Commission must provide opportunity for FAC input. ▪ Must be updated at least every two years. 	<ul style="list-style-type: none"> ▪ Due to the Legislature by 11-15-08 (section 206 (5)). ▪ Revenue source recommendation must generate revenue equal to or greater than the funding level identified by the JTC Ferries Finance Study (section 206 (5)). ▪ JTC participation in, and review of, the initial survey (sections 206 (1) and 205 (1)(a)(i)).
Level of service standard	When setting level of service standard (currently boat waits), WSF may adjust for seasons (section 2, RCW 47.60.140).	<ul style="list-style-type: none"> ▪ WSF to re-establish vehicle level of service standards and evaluate if boat wait is the right measure (section 224 (8)(a)(ii)). ▪ JTC participation in, and review of, the re-establishment of level of service standards (section 205 (1)(a)(ii)).
Service levels	(section 8, RCW 47.60.330) <ul style="list-style-type: none"> ▪ WSF must get public input and receive legislative approval before adding/deleting a route. ▪ WSF must get public input and consult with affected ferry users before making a substantial change to service levels. 	
Fares and pricing policies	(section 5, RCW 47.60.290; and section and 6, RCW 47.60.315) <ul style="list-style-type: none"> ▪ WSF continues to review fares annually. Commission continues to approve fares by rule. Fare schedule adoption changed from April to September 1, effective 2008. ▪ Annual review must include pricing policies. ▪ Starting in 2008, reviews must: <ul style="list-style-type: none"> ➢ Generate the amount of revenue required by the transportation budget. ➢ Consider options for using pricing to increase off-peak ridership and level peak vehicle demand. ➢ Recognize each travel shed is unique. ➢ Consider impacts on users, capacity, and local communities. ➢ Keep fares as simple as possible. ➢ Use data from a current user survey. ➢ Be developed with input from affected users by public hearing and by reviews with FACs. ▪ Fares may not be raised until the fare rules contain pricing policies, or September 1, 2009, whichever is later. ▪ WSF director continues to have authority to use promotional (discounted) fares. ▪ If operating revenues are used to support capital, must be specifically identified in fares. 	<ul style="list-style-type: none"> ▪ WSF to develop pricing policy proposals and evaluate the one-way fare policy in effect on some routes (section 224 (8)(a)(iii)). ▪ JTC participation in, and review of, the development of pricing policies (section 205 (1)(a)(iii)). ▪ See also 2007 House floor colloquy regarding fare freeze. ▪ WSF may consider the desirability of reasonable fares for commuters when developing fare and pricing policy proposals (section 224 (13)).
Operational strategies	WSF must develop, and the Commission must review, operational strategies that (section 7, RCW 47.60.327): <ul style="list-style-type: none"> ▪ Use data from a current user survey. ▪ Recognize each travel shed is unique. ▪ Are consistent with the vehicle level of service standards. ▪ Use a life cycle cost analysis to find best balance between capital and operating investments. ▪ Use methods of collecting fares that maximize efficiency and achieve revenue control. ▪ Are reevaluated periodically, at least before a new capital plan is developed. 	<ul style="list-style-type: none"> ▪ JTC participation in, and review of, the initial development of operational strategies (section 205 (1)(a)(iv)).

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Operational strategies--continued	<ul style="list-style-type: none"> ▪ Consider the following: <ul style="list-style-type: none"> ➢ Options for leveling vehicle peak demand and increasing off-peak ridership. ➢ Feasibility of reservation systems. ➢ Ways to shift vehicle traffic to other modes. ➢ Dock operation and queuing efficiencies. ➢ Costs/benefits of remote holding versus over-water. ➢ Methods of reorganizing holding areas to maximize space available for customer vehicle space. ➢ Schedule modifications. ➢ Efficiencies in exit queuing and metering. ➢ Interoperability with other transportation services. 		
Life cycle cost model	<p>WSF must maintain a life cycle cost model that (section 10, RCW 47.60.345):</p> <ul style="list-style-type: none"> ▪ Is used in developing preservation funding requests. ▪ Uses available industry standards or department-adopted standards when standard life cycles are not available. ▪ Is updated when inspections are made to reflect asset condition. ▪ Does not include systems that aren't replaced on a standard life cycle or that are not yet built. ▪ Is updated at least every three years. 	<p>LCCM must be the basis for developing budget requests for terminal and vessel preservation funding (sec 4).</p>	<ul style="list-style-type: none"> ▪ WSF to update LCCM no later than August 1, 2007 (section 224 (8)(c)). ▪ JTC to review updated LCCM (section 205 (1)(b)(ii)). ▪ JLARC to ensure LCCM complies with requirements in bill (section 108 (2)) ▪ WSF to research an asset management system, reporting to the Governor and the Legislature by 1-15-08 (section 309 (5)). ▪ WSF to review the costs/benefits of continued use of Primavera scheduling system (section 309 (10)).
Terminal design standards	<p>WSF must develop terminal design standards that (section 12, RCW 47.60.365):</p> <ul style="list-style-type: none"> ▪ Adhere to vehicle level of service standards. ▪ Adhere to operational strategies. ▪ Find the most efficient balance between capital and operating. 		<ul style="list-style-type: none"> ▪ JTC participation in, and review of, terminal design standards (section 205 (1)(a)(v)).
Capital expenditures	<ul style="list-style-type: none"> ▪ Capital definitions must conform to OFM definitions (section 3, RCW 47.60.005). ▪ Systemwide costs to be allocated to projects (section 9, RCW 47.60.335). ▪ Preservation funding request may only be for items in the LCCM (section 11, RCW 47.50.355). ▪ Preservation expenditures must be warranted by asset condition (section 9, RCW 47.60.335). ▪ JLARC to review implementation of cost allocation methodology, and assignment of preservation and improvement costs for FY 09 (section 15, RCW 47.60.395). 	<ul style="list-style-type: none"> ▪ Vessel emergency repair budget may not be used for planned maintenance and inspection of inactive vessels (Sec 7) 	<ul style="list-style-type: none"> ▪ WSF to develop cost allocation methodology to confirm to bill's definitions and direction on expenditures (section 224 (8)(d)). ▪ JTC to review the proposed cost allocation methodology (section 205 (1)(b)(iv)). ▪ JLARC to review assignment of preservation costs for FY 08 (section 108 (1)).

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Pre design study	<ul style="list-style-type: none"> ▪ Requests for preservation over \$5 M must be submitted with a pre-design study (section 11, RCW 47.60.355). ▪ Requests for terminal improvement design or construction must be submitted with a pre-design study that (section 14, RCW 47.60.385): <ul style="list-style-type: none"> ➢ Meets OFM requirements. ➢ Identifies basic and ancillary elements and their costs. ➢ Identifies local requested and multimodal elements, their costs, and the proposed funding source. ➢ Identifies additional elements to provide ancillary revenue and customer comforts. ➢ Includes construction phasing options consistent with forecasted ridership. ➢ Identifies all contingency amounts. 		
Long range capital planning	<p>(section 13, RCW 47.60.375) Capital plan must adhere to:</p> <ul style="list-style-type: none"> ▪ Current ridership demand forecast. ▪ Vehicle level of service standards ▪ Operational strategies. ▪ Terminal design standards. 	<p>Capital plan is reviewed by the Commission and reported to the transportation committees of the Legislature (section 1)</p> <p>Capital plan must include a current (section 3):</p> <ul style="list-style-type: none"> ▪ Vessel preservation plan. ▪ Systemwide vessel rebuild and replacement plan. ▪ Vessel deployment plan. ▪ Terminal preservation plan. <p>Vessel rebuild and replacement plan must include (section 2):</p> <ul style="list-style-type: none"> ▪ Projected retirement dates for all vessels. ▪ Timelines for vessel replacement . ▪ Rebuild dates for all vessels. ▪ Summary of the condition of all vessels. 	<ul style="list-style-type: none"> ▪ JTC participation in, and review of, long range capital plan (section 205 (1)(a)(vi)). ▪ JTC to make recommendation regarding the most efficient timing and sizing of future vessel acquisitions beyond those currently authorized by the legislation (section 205 (1)(c)(i)). ▪ JTC to make recommendations regarding capital financing strategies for consideration in the 2009 session, including confirming DOT's estimates of future capital requirements (section 205 (1)(c)(ii)). ▪ Ferries to review capital engineering staffing to ensure core competency in, and a focus on, terminal and vessel preservation. Until the completion of the capital plan, WSF to maintain capital staffing levels at or below the level of staffing on January 1, 2008 (section 309 (11)).

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Vessel maintenance and preservation program		<p>WSF must develop and maintain a vessel maintenance program that:</p> <ul style="list-style-type: none"> ▪ Includes a bilge and void maintenance program (section 5 (1)). ▪ Includes a visual inspection/audio gauging steel preservation program(section 5 (1)). ▪ Uses a lowest life-cycle cost model(section 5 (1)). ▪ Maximizes cost efficiency by reducing out of service time(section 5 (2)). <p>Each budget submittal must include a status report on (section 5 (4)):</p> <ul style="list-style-type: none"> ▪ Maintenance and preservation of all vessels. ▪ Description of any significant deviation from vessel preservation plan. ▪ Description of any decisions not to invest in vessels or to invest early. 	
Long-term revenue analysis			<ul style="list-style-type: none"> ▪ Commission to conduct long-term revenue alternative study (section 206 (2))
Other JTC review			<ul style="list-style-type: none"> ▪ JTC to review following costs: administrative operating, nonlabor and nonfuel operating, Eagle Harbor, maintenance, administrative and systemwide capital, vessel preservation (section 205 (b)(iii)).