

WSDOT Ferries Division Final 2030 Long-Range Plan

Paula J. Hammond, P.E.
Secretary of Transportation

Dave Dye
Deputy Secretary

Steve Reinmuth
Chief of Staff

David Moseley
Assistant Secretary
Ferries Division

Ray Deardorf
Planning Director
Ferries Division

**Joint Transportation Committee
September 9, 2009**



Purpose and Goal

The Final WSF 2030 Long Range Plan was designed to achieve the following key goals, as required by ESHB 2358:

- Maximize the use of existing capacity.
- Apply adaptive management practices.
- Deliver the highest quality service at the lowest possible cost.

Further to these goals, the Plan provides the information to support resolution of three key strategic issues:

- Gain consensus about which strategies should form the basis of future ferry operations.
- Choose a vessel procurement strategy that will define the timing, number and size of future vessel acquisitions.
- Secure a long-term capital funding commitment to allow for effective planning and delivery of capital facilities.

Challenges Facing WSF

- The key challenge ahead for WSF is the lack of a dedicated capital funding stream that is adequate to meet ongoing investment requirements.
- In addition, there are several other significant challenges that have shaped the development of the Final Plan:
 - Role of fares: ferry customers have experienced significant fare increases in recent years.
 - Aging asset base: there are significant capital reinvestment needs, particularly with the fleet.
 - Long lead times for capital: implementation time requires timely decision making for major capital investments (vessels and terminals).
 - Vehicle capacity constraints in peak: there are significant vehicle congestion challenges today during peak periods.
 - Growth, ridership demand and service needs: there is expected to be a 36% increase in ridership by 2030.

Changing Our Business

The Final Long Range Plan was built around several important proposed changes in how WSF does business. These are all directly related to ESHB 2358's requirement to manage demand and operate as efficiently as possible:

- Cost containment: implementation of JTC recommendations to date and ongoing evaluations of how to be more cost effective.
- Vehicle reservations to spread peak demand and offer high quality services with smallest practical terminal holding areas.
- Transit enhancements to focus on increasing walk-on customers.
- Vehicle level-of-service standards refocused on overall capacity utilization and away from a peak commute orientation.

2009 Legislative Direction

The Legislature offered a number of clear policy directives related to the Long-Range Plan

- The Final Plan is based on an “A(minus) scenario”:
 - Fund the existing service levels.
 - Fund only “essential” capital projects (i.e. those that are absolutely necessary to support existing service levels).
 - Defer projects that : (1) are not immediately necessary; (2) where the benefits have not yet been adequately proven; or (3) where additional federal funding is being sought.
- There was conditional support for two key operational strategies:
 - Vehicle reservations (a final decision will come after a pre-design report due in December 2009, with a pilot route to be implemented by 2011).
 - Fuel surcharge (a final decision will come after a plan for how the surcharge would work is presented to the JTC and OFM).
 - If ridership demand warrants it, transit enhancements at terminals.

09 Legislative Direction

Essential vs. Non-Essential Capital

The Legislature made a fundamental distinction between essential and non-essential capital when reviewing future Ferry System needs

- The types of investments that were deemed to be essential include:
 - Vessel and terminal preservation.
 - Vessel replacement for vessels that are due to be retired.
 - Improvements for vessels and terminals to comply for regulatory requirements (Coast Guard, seismic, etc...).
 - Some modest vessel and terminal improvements, where these improvements can be demonstrated to add significant value.
- Other LRP needs were determined to be non-essential and would only be considered if conditions changed or additional “outside” funding were to come available (e.g. terminal dwell time improvements and transit enhancements).

09 Legislative Direction

New Vessels

The Legislature made a commitment in the 16 year budget to replace vessels when they are due to be retired:

- In the next 16-years there will be 5 new vessels constructed (three 64-car vessels and two 144-car vessels).
- If funding falls short, the 4th vessel could be a 64-car vessel instead of a 144-car vessel.
- Another 5 new vessels will need to be retired in the last 6 years of the Long-Range Plan.

Year	Vessel	Notes
2010	Island Home # 1	Replace a Steel Electric (Port Townsend)
2011	Island Home # 2	Replace a Steel Electric (Port Townsend)
2011	Hyak reinvestment	Invest in the Hyak to extend life 20 years
2012	Island Home # 3	Replace the Rhododendron (go to Point Defiance)
<i>Procurement #1 (144's)</i>		
2014	144-car vessel # 1	Replace the Evergreen State
2014	144-car vessel # 2	Restore standby/ reserve capacity; 87-car vessel moved to standby
<i>Procurement #2 (144's)</i>		
2029	144-car vessel # 3	Replace the Tillikum
2030	144-car vessel # 4	Replace the Klahowya
2030	144-car vessel # 5	Replace the Elwha
2031	144-car vessel # 6	Replace the Kaleetan
2031	144-car vessel # 7	Replace the Yakima

09 Legislative Direction

Service Implications

The implications for service are to maintain existing service levels with some modest improvements in capacity, and providing adequate emergency stand-by capability.

- The first 5 new vessels will allow for:
 - Restoration of Port Townsend/Keystone to full service.
 - Incremental capacity additions to Mukilteo/Clinton, Seattle/Bremerton, Fauntleroy/Vashon/Southworth, Point Defiance/Tahlequah and Anacortes/San Juan Islands/Sidney, B.C.
 - Retirement of Evergreen State, Rhododendron, and Hiyu.
 - An 87-car vessel becomes the system's stand-by.
- The second 5 vessels after 2025 allow retirement of the remaining two Evergreen State class and three Super class vessels, plus allows additional incremental capacity improvements in the system.

09 Legislative Session

Long-Term Funding Outlook

The efforts in the Legislature this year were primarily oriented to ensuring that existing ferry services could be maintained in the most cost effective way possible.

- The budget and 16-year financial plan reflect continued services with assumed cost efficiencies and a capital program that focuses on essential needs, particularly on vessel investments.
- The Legislature was not able to address the long-term funding issue this session. The commitments identified in the Legislature's 16-year financial plan are not fully funded.
- There is a \$134M operating funding gap and a \$954M capital funding gap over the 16-year period (based on the June 2009 forecast).
- Primarily due to the vessel construction needs in the last 6 years of the Plan, the full LRP (22-year) funding gap is approximately \$3 billion.

Next Steps

WSF finalized its Long-Range Plan on June 30, 2009

- The Final Plan is based on the A(minus) vision of future ferry services.
- The Plan incorporates legislative direction from the 2009 session.
- WSF will report back to the legislature on the Vehicle Reservations pre-design study and the Fuel Surcharge issue.
- Additional follow on work continues with metropolitan and regional planning organizations.
- Plan is available at www.wsdot.wa.gov/ferries/planning/ESHB2358.htm

Questions?

For more information on the
WSDOT Ferries Division Final Plan, please contact:
David Moseley, Assistant Secretary, Ferries Division,
at moseled@wsdot.wa.gov.