

WASHINGTON STATE LEGISLATURE JOINT TRANSPORTATION COMMITTEE



JOINT TRANSPORTATION COMMITTEE

October 19, 2011

PURPOSE

Joint Transportation Committee (JTC) directed to:

- Conduct a study of the Washington State Ferry (WSF) fares that recommends the most appropriate fare media for use with the reservation system and the implementation of demand management pricing and interoperability with other payment methods
- Include direct collaboration with members of the Washington State Transportation Commission (WSTC) (Transportation Budget)

DEFINITIONS

Interoperability

Degree to which system accepts fare media of other systems and vice versa

Fare Media

The products that are accepted for payment

Fare Structure

The structure and policies setting the fares & to whom they are charged

CUSTOMERS

The central focus of the study is the WSF customer

Fare media, interoperability, fare structure, reservations demand management pricing are *interrelated* and *affect* the customer experience, satisfaction, and ultimately WSF's ridership



CUSTOMERS AND RIDERSHIP

Distinction between customers and ridership

Ridership Measures the total number of trips taken by customers

Customers Individuals who take at least one trip on WSF

Customers make household buying decisions – decisions that may result in a single ride a year or in 500+

WSF tracks ridership not customers – as do most transit agencies

CUSTOMERS AND RIDERSHIP

From 2000 to 2008

Ridership *Decreased 13%*

Customers *Increased 10% to 22%*

More *customers* are using the system – but *riding* less often

- Estimate 20% drop in rides per customer

WSF served approx. 297,000 customers in 2008/23.3 million riders

- Derived from and 2008 WSTC Customer Survey and 2008 ridership data

WSF CUSTOMERS ARE SEGMENTED BY TRAVEL SHED

Travel Shed	% of riders	% of customers	Travel Shed	% of riders	% of customers
Central Puget Sound	56%	36%	Clinton-Mukilteo	18%	13%
San Juans	9%	29%	Fauntleroy Southworth Vashon	7%	13%
Port Townsend - Coupeville	2%	13%	Pt. Defiance	2%	2%

Customers within travel sheds are distinct – unlikely to choose an alternate route

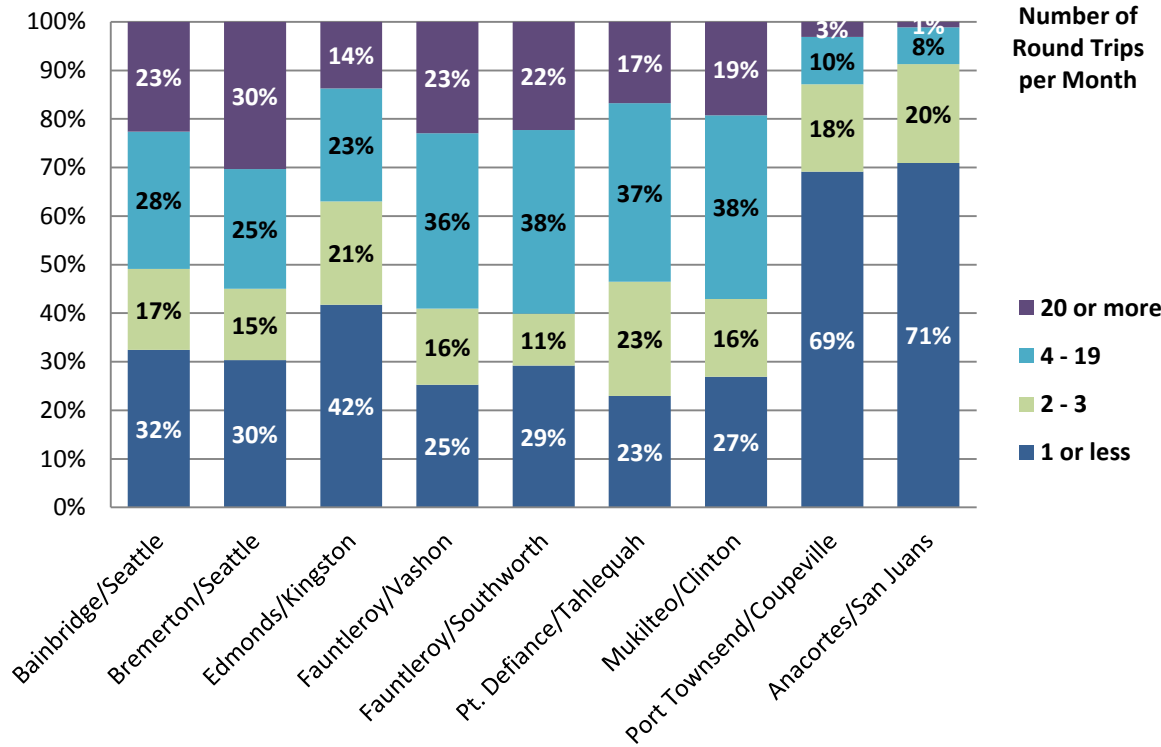
WSF CUSTOMERS ARE SEGMENTED BY TRIP PURPOSE

Segmented by Trip Purpose

	Regular Commuters	Regular Non-Commuters	Tourist Recreational	Commercial
Routes with High %	Fauntleroy Pt. Defiance Bainbridge Bremerton	Edmonds Mukilteo Port Townsend	Edmonds Mukilteo Port Townsend San Juans	Edmonds Mukilteo San Juans Vashon

WSF CUSTOMERS SEGMENTED BY FREQUENCY OF TRAVEL

FREQUENCY OF TRIP - PROPORTION OF TOTAL CUSTOMERS BY ROUTE

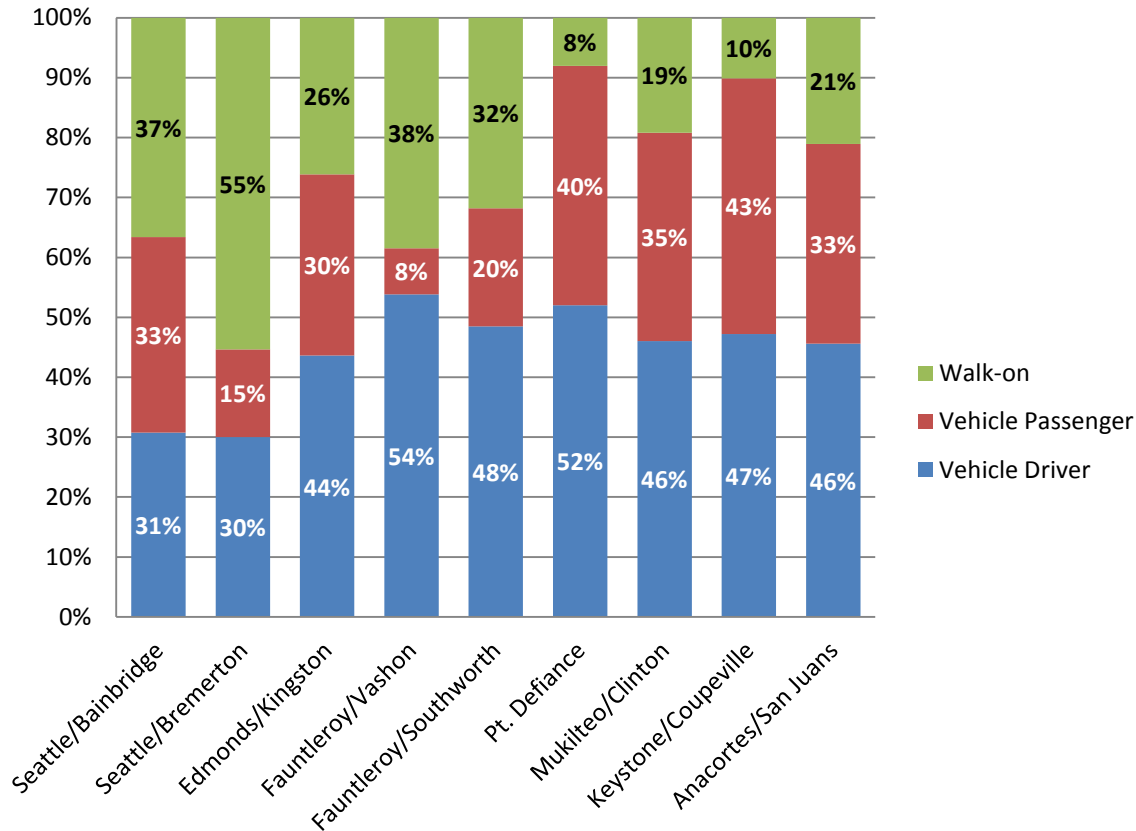


- Even on commuter routes, infrequent riders make up a large portion of the customer base.

- Also see declining use of multi-ride products by riders
 - Vehicles – 61% used single ride products in 2010 vs. 54% in 2000
 - Passengers – 67% used single ride products in 2010 vs. 55% in 2000.

WSF CUSTOMERS SEGMENTED BY HOW ACCESS FERRY

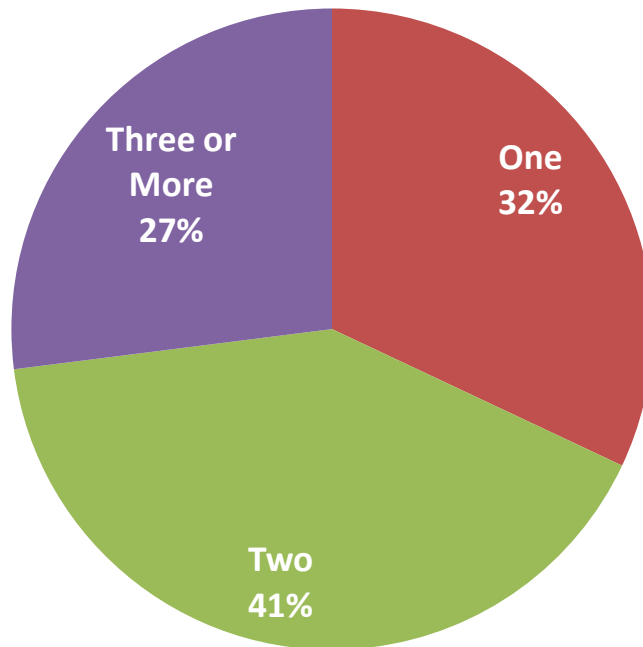
FERRY ACCESS – PROPORTION OF TOTAL CUSTOMERS BY ROUTE



- Commuter routes have a higher proportion of walk-on customers
- Drivers and vehicle passengers range from 90% of Port Townsend-Coupeville customers to 45% Seattle-Bremerton

WSF CUSTOMER HOUSEHOLDS OFTEN USE MORE THAN ONE WSF FARE MEDIA

Number of Fare Products Used by Household WSTC
Survey 500 Sept. 2011



- 68% used more than one fare media
- Typically a passenger product and a vehicle product

RIDERSHIP

Decline 13% 1999 to 2008/16% to 2010

Fare Increases

- Only 4 small increases in 15 years prior to 2001 & MVET loss
- Increases 10 times since then - 80% increase from 2001 to 2011

Service Decreases

- Reduced winter service hours
- End of passenger-only service
- One boat service Port Townsend 2007-11

West Sound Demographics

- Population growth – slower on West than East Sound
- Income – lower West Sound
- Age – older West Sound
- Employment – more opportunities to work on West Sound than in the past, telecommuting, recession

FARE STRUCTURE

Legislative Direction on Fares Changed in 2008

WSF must:

- Recognize each travel shed unique
- Use data from current WSTC survey
- Be developed with input from public hearings and Ferry Advisory Committees
- Generate revenue required by biennial budget
- Consider impacts on users, capacity & local communities
- Keep fare schedules simple

And must consider:

- Options for using pricing to level vehicle peak demand &
- Options for using pricing to increase off-peak ridership

FARE STRUCTURE PRINCIPLES, DISCOUNTS & SURCHARGES

THREE GUIDING PRINCIPLES FOR BASE FARE STRUCTURE

CUBE	Tariff Route Equity	Relationship Passenger/Vehicle Fares
Vehicle Rates	Vehicle Rates Passenger Rates	Vehicle Rates Passenger Rates
Fees based on space occupied Height, width & length	Price relationship between routes based on service time/ sheds	Vehicles cost 3.4 times > passengers

Discounts	Surcharges
Senior, Disabled & Medicare	Peak Season – Full fare vehicles
Youth (6-18)	Bicycles
Frequent Vehicle	Fuel
Frequent Passenger	Vessel Replacement Fund
San Juans Interisland Passengers Free	
Directors Promotions (RV Sidney – Frequent Commercial)	

DISCOUNT CHANGES AFFECTED USERS OF MULTI-RIDE PRODUCTS

Passenger Multi-Ride card and Passenger Monthly Passes

- ✓ 40% discount 1997 – effective 2003 down to 20%
- ✓ Price increase of 140% 2001 to 2011
- ✓ No refunds on unused portion of multi-ride cards– effective 2001
- ✓ 2006 – monthly pass limited to 31 rides
- ✓ 2007-8 EFS enforcement of 90 day limit on multi-ride card

Vehicle Multi-Ride Card

- ✓ No change in discount – remained at 20%
- ✓ Not charged 25% peak season vehicle surcharge
- ✓ Same 80% cost increase as single fare drivers 2001 to 2011
- ✓ EFS enforcement of 90 day limit contributed to drop in frequent vehicle ridership in 2007-08

TOLL COLLECTION

Route	Passengers	Vehicles
Vashon Island Routes	1-point toll collection (collected going to Vashon)	1-point toll collection (collected going to Vashon)
Central Sound	1-point toll collection (collected going westbound)	Collected each way
Port Townsend	Collected each way	Collected each way
Mukilteo	1-point toll collection (collected going westbound)	Collected each way
San Juan Islands	1-point toll collection (collected going to Islands)	1-point toll collection (collected going to Islands)
Sidney	Collected each way	Collected each way

Traffic Imbalance – More travel eastbound than westbound

25% more Fauntleroy-Southworth

16% more Bremerton

Revenue impact – not clear

FARE MEDIA & EXISTING SYSTEMS

Three Fare Media Accepted on WSF

Electronic Fare System (EFS) - Branded *Wave2Go*

- Ticket issuing and cancellation system
- Addressed long standing audit and control issues
- Provided new options for customers

One Regional Card for All (ORCA)

- Information is stored on the card
- Stored value (“e-cash”) for walk-ons, and pending for vehicles; also WSF monthly passes for passengers
- No joint transit-WSF passes or multi-ride products (per policy)
- “Issuing and cancellation” not intrinsically supported by ORCA

Commercial Accounts

- Operates as a distinct system
- Billing arrangements with account holders

***Good to Go!* currently not accepted for WSF travel**

INTEROPERABILITY CONSIDERATIONS

WSF-Specific Tariff and Multiple System Purposes

- 22 routes, 7 account classifications, 72 fare types, 9 ticket types, 27 validity periods, 15 passenger types –many fare options!
- Multifunctional – fare sales, fare collection, passenger counting, traffic statistics, revenue management

Integration Challenges

- Existing systems serve different purposes and have different capabilities
- Technical, integration and vendor support limitations with EFS
- Dynamic changes (e.g. time of day pricing) challenging within EFS
- WSF tariff significantly more complex than *Good to Go!* fee structure
- “Back-end” consolidated revenue management and reporting

RESERVATIONS & DEMAND MANAGEMENT PRICING

New Vehicle Reservation System

- Planned for Central Sound routes, Port Townsend & San Juans with commercial reservations on all routes
- Three phase implementation
 1. Replace software on current Port Townsend & Sidney system
 2. Extend commercial reservations to all routes
 3. Central Puget Sound
- Account based system
- Link to EFS – critical
 - System using custom software rather than off the shelf due to EFS constraints
 - Avoiding EFS vendor support in Phase One -12 month vendor lag to support

FARE REVENUE

70% (FY 2010) of Operation Funds

Vehicle fares (driver + vehicle) – 75% of revenue

- Standard vehicles – 67%
- Commercial & oversize – 8%

Passenger fares – 25% of revenue

Single trip fares more revenue than multi-ride

- 68% of revenue
- Revenue from multi-use products down despite fare increases
 - \$12.9 million in FY 2006 to \$10.9 million in FY 2010

Yield – higher (amount per rider) comparing FY 2006 to FY 2010

- 9% passenger fare increase – 11% increase yield
- 8% vehicle fare increase – 13% increase yield

WSTC STUDY SURVEY TOPICS

How households

- Use WSF fare media products (i.e. single ride, multi-ride etc.)
- Use ORCA
 - ✓ For WSF fares
 - ✓ For other transit systems
- Use *Good to Go!* or intend to
 - ✓ For Tacoma Narrows Bridge
 - ✓ 167 HOT Lanes
 - ✓ Plans for SR 520

Ferry/Transportation System Account Concept

- Single account for ferries
- Single account for all transportation system (tolls, transit, WSF)

EVALUATION FRAMEWORK TO TEST CHANGES

Base Fare System on Customer Needs

- Must be with legislative direction
 - ✓ Recognize each travel shed is unique
 - ✓ Generate revenue required by biennial budget
 - ✓ Consider impacts on users, capacity, & local communities
 - ✓ Keep fares simple and understandable
 - ✓ Consider options for demand management pricing

Base Equity Consideration

- Discussion at Policy Workgroup 10-12-11

Interoperability with *Good to Go!*

- Discussion at Policy Workgroup 10-12-11
- Important to have ability to pay with Good to Go account

NEXT STEPS

Three White Papers

- Interoperability
- Fare Media
- Fare Structure