

JOINT TRANSPORTATION COMMITTEE

WSF FARE MEDIA STUDY

TARIFF REVIEW PROCESS: ROLES, RESPONSIBILITIES AND PROCESS

Washington State Legislature

During each legislative session, the Washington State Legislature must pass a balanced budget. For Washington State Ferries, the Legislature establishes both the expenditure levels and determines where the revenues will come from. On the capital side, all of the funding is from tax sources, while the operating budget includes an explicit assumption for how much revenue is to come from taxes and how much from fares. The fare revenue target in the budget is then used by WSF and WSTC as a basis for evaluating possible fare changes.

Washington State Transportation Commission (WSTC)

The WSTC is responsible for adopting fares through the rulemaking process. As stated in RCW 47.60.315 “(1) The commission shall adopt fares and pricing policies by rule, under chapter 34.05 RCW, according to the following schedule:

- a) Each year the department shall provide the commission a report of its review of fares and pricing policies, with recommendations for the revision of fares and pricing policies for the ensuing year;
- b) By September 1st of each year, beginning in 2008, the commission shall adopt by rule fares and pricing policies for the ensuing year.

(2) The commission may adopt by rule fares that are effective for more or less than one year for the purposes of transitioning to the fare schedule in subsection (1) of this section.

(3) The commission may increase ferry fares included in the schedule of charges adopted under this section by a percentage that exceeds the fiscal growth factor.”

WSDOT Ferries Division

WSDOT Ferries Division is responsible for conducting an annual review of fares and, where warranted, developing a fare proposal for submittal to the WSTC for their consideration. RCW 47.60.290 identifies the requirements of this annual review: “(1) The department shall annually review fares and pricing policies applicable to the operation of the Washington state ferries. (2) Beginning in 2008, the department shall develop fare and pricing policy proposals that must:

- a) Recognize that each travel shed is unique, and might not have the same farebox recovery rate and the same pricing policies;
- b) Use data from the current survey conducted under RCW 47.60.286;
- c) Be developed with input from affected ferry users by public hearing and by review with the affected ferry advisory committees, in addition to the data gathered from the survey conducted in RCW 47.60.286;
- d) Generate the amount of revenue required by the biennial transportation budget;
- e) Consider the impacts on users, capacity, and local communities; and
- f) Keep fare schedules as simple as possible.

(3) While developing fare and pricing policy proposals, the department must consider the following:

- a) Options for using pricing to level vehicle peak demand; and
- b) Options for using pricing to increase off-peak ridership.”

Ferry Advisory Committees (FAC’s)

As part of the statutory direction to RCW 47.60.310 states that “The department is further directed to conduct such review by soliciting and obtaining expressions from local community groups in order to be properly informed as to problems being experienced within the area served by the Washington state ferries. In order that local representation may be established, the department shall give prior notice of the review to the ferry advisory committees.”

Key Steps in the Process for Adopting New Fares:

- WSDOT Ferries Division conducts annual fare review and develops a fare proposal that addresses legislative direction, in particular, meets the revenue requirements of the budget and is consistent with the policy direction in RCW 47.60.290.
- In most years, the development of the proposal has involved an advisory committee (From 1991 – 2007 this was the Tariff Policy Committee, and starting in 2010 the Ferry Advisory Committee on Tariffs).
- The proposal is presented to the WSTC, where the Commission incorporates the proposal into a rulemaking filing (often with WSTC modifications).
- The WSTC, with support from WSDOT Ferries Division, conducts public outreach on the proposal and holds a public hearing.
- At the public hearing the WSTC makes its final decisions regarding the proposal and adopts a final rule change.