

Kingston FAC Mar 11th Meeting Agenda

1. Come to consensus on contacting legislators regarding the WSF budget request.

The FACs and FCP both think the message is to urge the continued building of 144-car ferries under the current contract. We have not taken a position on the propulsion (either diesel or diesel/electric hybrid) only that if there is potential for a significant delay to shift over to a new design WSF should continue to build the current design until they can shift over to a new design without a significant delay. As this is a new project it is a target for cuts. Data is accumulating that without new vessels reliability on routes using the Super and Issaquah ferries will see degrading reliability.

2. Whether we also comment on hybridization of the Mk IIs.

The Governor's budget is not affordable without a new tax, so the legislature is looking for cuts. New projects are prime targets. The MX II conversion would be a new, discretionary project .

Mid life overhauls are scheduled at the 30 year point. As they only 20-22 years old consideration of this project can be pushed back to save money along which could help to fund the new vessel build program. Doing the conversion at the scheduled overhaul has advantages:

A 144 hybrid electric will be in service by 2022 WSF according to WSF. That allows time to work out technical and project issues to both programs (e.g. best propulsion arrangement option, shore charging equipment development, permitting, public review etc.).

More time enables WSF to learn from other non WSF programs and take advantage of technical developments.

WSF can use that initial hybrid 144 vessel operations to break in the concept and work out the bugs on a number of routes and have ample 144 car back-up boats when there are hiccup/problems.

Why risk breaking in the concept on routes with route unique boats that carry 43% of the systems riders and generate 44% of the system's income.

Doing the MK II overhauls early risks the cost and service interruption having to do a second shipyard overhaul later

Fares

Every two years WSF reviews possible change to fares and fare policies. Attached is a detailed description of the process, fare background and current history. There are a number fare proposals being considered in this cycle they are listed on page 33 of the attachment. Next week the FAC Tariff Committee will start with the following items. We should go over them and also what additional tariff changes you think should be considered:

The possibility of the legislature adding 25¢ to the already 25¢ surcharge on each ticket.

This is actually not a matter for WSF as it will be decided by the legislature so what the tariff committee says will have no bearing on the decision. We may discuss whether passenger fares should be reduced to compensate. This however would be a net zero adjustment and vehicle fares would have to go up the same amount to compensate. We may want to weigh in on this with our legislators.

This surcharge is part of a bill in the legislature to raise more transportation money. It includes a carbon tax, a new gas tax, and new or increased taxes in nineteen other areas from bicycles to auto parts. As there's enough taxes to annoy everyone I, and carbon taxes were voted down twice, it isn't

likely to pass. The 25¢ surcharge while not a lot hits a nerve. In 2011 riders were asked to help build new boats with a 25¢ surcharge dedicated to building new ferries. Being upstanding citizens we agreed. And the tickets were stamped saying that's what it was for. Then, a few years ago, some stealth legislation allowed the surcharge money to be diverted for other things. It raises about \$4M per year.

Stopover Fares

This as to do with trucks that stop over in the San Juans and exemptions to tht. There are some holes in the language which need to be cleaned up so this is consistent among all vehicles.

Sidney Fares

WSF will look at whether WSF fares are remaining competitive with BC Ferries and Black Ball. Generally the policy is to remain competitive to support Anacortes and the San Juans. There has been criticism of this route as it requires a special vessel which adds capital costs. The recovery ratio of the Sidney route is 70%, at the system average.

Reservations Cancellation Fee

Ferries will be looking into increasing the cancellation fee to 100% of the ticket price. Effectively you'd be buying your ticket in advance and you'd have to use it or lose it. The current policy is:

"Unlimited changes are permitted up to 5:00 p.m. the day prior to the reserved sailing. One change is allowed after 5:00 p.m. but must be made more than two hours in advance of the reserved sailing for Coupeville/Port Townsend and Anacortes/San Juan Island/Sidney B.C. reservations. Any reservations cancelled after making the one allowable change after 5:00 p.m. the day before will be charged a no-show fee." the no-show fee varies from 25-100% of the one way fare. For example for a standard car in the San Juans it's \$10. Apparently this is getting abused where people make multiple reservations then use only one. This begs the question about why not have the system just allow only one reservation each way in the same day?

ORCA LIFT program.

This would incorporate 50% reduced passenger fares for low income riders. Once the person qualifies they receive an ORCA LIFT card registered to their name, with the same features every ORCA card has. They can load an E-purse value on their card to pay for trips one at a time. ORCA does all the management. This however is a zero sum so the discounted money will need to be made up for with increases to regular fares.

If I get more information on the above I'll pass it on

3. Meeting with the Terminals Manager

We may have feedback from Trevor on when he's available to meet with us.