
Joint Transportation Committee
Passenger-Only Ferry Task Force

**THE TASK FORCE'S
REPORT TO THE
JOINT TRANSPORTATION
COMMITTEE**

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I. THE TASK FORCE'S PROCESS

The Passenger-Only Ferry Task Force was created by the State Legislature during the 2005 Legislative Session. Its members were appointed by Governor Gregoire and the Legislature's Joint Transportation Committee, which is co-chaired by Senator Mary Margaret Haugen and Representative Edward Murray.

The mission of the Passenger-Only Ferry Task Force was "to study the most reliable and cost-effective means of providing passenger-only ferry service." To fulfill this mandate, the Legislature requested that the Task Force "examine issues related to but not limited to the long-term viability of different providers, cost to ferry passengers, the state subsidies required by each provider, and the availability of federal funding for the different service providers."

The Task Force membership was set forth in the 2005-07 biennial transportation budget (ESSB 6091, Sec. 205) and the 18 members represented the principal parties of interest in the delivery and operations of passenger-only ferry (POF) service, including representatives of the: a) four caucuses of the Washington State Legislature; b) Washington State Ferries, a division of the State's Department of Transportation; c) Washington State Transportation Commission; d) Washington State Office of Financial Management, representing the Governor; e) local public transportation agencies; f) commercial ferry operators; g) organized labor; h) business; and i) ferry user communities, consumers and citizens-at-large. In addition, a nineteenth member, who is the chair of the Ferry Advisory Committee's Executive Council, was appointed by Senator Haugen and Representative Murray.

The Task Force met seven times in 2005 and once in 2006: August 29th, September 13th and 27th, October 3rd and 25th, November 22nd and 29th, and January 4th. A subcommittee of the group met four additional times: November 2nd, 8th, 14th and 22nd. Each Task Force meeting was witnessed by fifteen to fifty people; about half the people in the audience were citizens from across Central Puget Sound who voiced their perspectives, opinions and ideas, and who made recommendations to the Task Force about how to address the specific issues the Task Force members were addressing.

The Task Force issued a Preliminary Report to the Joint Transportation Committee (JTC) at the Committee's November 30th meeting. This report also included a recommendation that the JTC retain a consultant to compare cost and ridership estimates for alternative proposals advanced by Washington State Ferries and Kitsap Transit to provide certain Passenger-Only Ferry services. The JTC acted on this recommendation and retained Parametrix to conduct the evaluation. The Task Force considered that report at its January 4th meeting when finalizing this report.

II. HISTORY AND CONTEXT

(Note: This section of the report also appears in the Parametrix report that analyzed the costs of providing passenger-only ferry service.)

Washington State Ferries (WSF) has operated passenger-only ferry service from Vashon to downtown Seattle since 1990. Service was provided sixteen hours per day, seven days per week until the year 2000 when the passage of Initiative 695 resulted in reductions in the passenger-only ferry service budget and of service to weekdays only.

In 2000 a Joint Legislative Task Force on Ferry Funding (JTFF) recommended that WSF should no longer consider POF service to new communities such as Southworth, although Seattle-Vashon POF service should continue on a weekday-only schedule. The JTFF also recommended that the State Legislature remove barriers to allow privately-operated POF service to be implemented.

In 2003 the State Legislature funded the Vashon-Seattle POF service through 2005, and approved Engrossed Substitute House Bill 1853 authorizing Public Transportation Benefit Areas to develop plans to operate or contract POF services. Following passage of ESHB 1853, Kitsap County leaders formed the Marine Transportation Association of Kitsap to provide a public-private POF system. In 2002 and 2003 Kitsap Transit developed a POF service plan leading to a public vote to approve a sales tax increase to implement the service. However, the measure was not approved by Kitsap County voters.

Kitsap Transit then entered into Joint Development Agreements with private ferry operators to provide POF service. Kitsap Ferry Company currently provides POF service between Seattle and Bremerton. Aqua Express started service between Kingston and Seattle in January 2005 but suspended service in September 2005. Kitsap Transit has also had discussions with private operators regarding a new Seattle-South Kitsap service.

In the 2005 Session, the Legislature debated funding for passenger-only ferry service. To address future structural and financial alternatives for POF service, it directed the Joint Transportation Committee to support a Passenger-Only Ferry Task Force to review alternative proposals for providing passenger only ferry (POF) service in Puget Sound. The budget bill (ESSB 6091) also included:

- Funding for continued state service between Vashon and Seattle through June 30, 2007, with that service being reduced to two four-hour peak hour shift, operating five days per week.
- Funding for the proposed Washington State Ferries triangle POF service between Vashon, Southworth, and Seattle was appropriated but could not be spent without further authorization from the Legislature.
- Existing permit applications by private operators—Mosquito Fleet, Inc. and Aqua Express—to provide Southworth-Seattle service were frozen with no additional applications allowed. No action on the existing permits was to be taken by the Washington Utilities and Transportation Commission until the Legislature made a decision about state participation in POF service in the 2006 Session.

III. THE MUTUAL INTERESTS OF THE TASK FORCE MEMBERS

Early in its process the members of the Passenger-Only Ferry Task Force reached agreement on seven mutual interests. These interests assisted the Task Force members in identifying “common ground” among them, and were intended to help them reach agreement on a set of recommendations to the State Legislature that would achieve all parties’ common goals. Later in the process the mutual interests served as criteria by which to analyze potential policy goals and alternatives for achieving them

The mutual interests of the Task Force members are:

1. Achieve the common interests of the parties involved in and affected by passenger-only ferry service.
2. Recommend to the State Legislature a policy framework that, over the long-term, can endure changes in legislative and/or executive leadership.
3. Recommend solutions that help achieve safe, reliable, consistent, efficient and sustainable transportation on the Puget Sound.
4. Recommend solutions that are fiscally responsible for consumers, communities and the citizens of Washington State.
5. Clearly define roles and responsibilities of public and private service providers to help ensure an integrated transportation system.
6. Treat people and communities fairly and equitably, recognizing differences between the needs of regions or communities around Puget Sound.
7. Address both short-term and long-term issues and interests, and in recommending short-term solutions, ensure they lay the foundation for long-term, enduring ones.

IV. THE TASK FORCE'S KEY FINDINGS

The State Legislature directed the Passenger-Only Ferry Task Force to recommend strategies for providing passenger-only ferry service reliably and cost effectively. To fulfill this mandate, the Task Force addressed issues such as the long-term viability of different service providers, the costs of service to ferry passengers, state subsidies required by providers, and the availability of federal funding for various service providers.

Here are the Task Force's key findings related to those issues:

- Passenger-only ferry service is an important component of state, regional and local transportation infrastructure.
- Passenger-only ferry service, including service operated by the private sector, is not sustainable at this time without public subsidies.
- Service providers are reliable, service provision is not. Both WSF and private operators are viable providers of passenger-only ferry service in the short- and long-term. But service provision is not reliable, primarily because of these two factors: a) inconsistent levels of public funding, which can be attributed, in part, to recent initiatives or referendums passed by the voters that have reduced the levels of funding provided by the state; and b) unexpected higher operating costs, due primarily to higher fuel costs.
- Federal funding is available to help fund capital costs of passenger-only ferry service, but not operating costs.
- Fare box recovery rates have steadily increased over the recent past. But the issue remains a challenge for POF because of factors such as schedule and tariff changes, increasing fuel costs, and changes in ridership habits, including the reluctance of consumers to pay more for existing (as opposed to improved) levels of service.

V. THE POLICY FRAMEWORK: RECOMMENDED GOALS

The Task Force recommends to the Legislature the following seven policy goals to achieve the common interests of the key stakeholders in passenger-only ferry service, including the public-at-large. The Task Force envisions and recommends that these goals guide the Legislature and other decision-makers in both the short- and long-term in making funding decisions and ensuring that passenger-only ferry service is planned and provided in the context of the policies and objectives of the transportation system at the state, regional and local levels.

1. **Passenger-only ferry service is an important component of state, regional and local transportation infrastructure and should be promoted and utilized where appropriate.**
2. **Planning for passenger-only ferry service within Washington State should be coordinated with regard to regional, state and local priorities; carriers; prospective routes; related transportation links; and fare policy.**
3. **When passenger-only ferry service helps achieve public transportation objectives, reasonable levels of public subsidies (federal, state and/or local) to fund it should be considered.**
4. **To achieve the interests of the people of Washington State, residents of the Puget Sound communities and visitors to the region, decision-makers need to establish and adhere to priorities, particularly in making funding decisions. A distinction must be made between two tiers or levels of priorities: 1) immediate; and 2) long-term. Decisions or actions that address the first tier (immediate) priorities should lay a foundation for effectively addressing the second tier (long-term) priorities.**
5. **To increase the likelihood that passenger-only ferry service becomes predictable and reliable, preserve and strengthen the first tier (immediate) priorities through reasonable levels of state and/or local assistance.**
6. **To determine the first tier priorities, the following criteria, which are ranked in order and regardless of the potential operators, should be used:**
 - a. **POF Service Currently Exists**

Priority should be given to maintaining passenger-only ferry service for communities that are currently served by POF services over implementing new POF routes.
 - b. **No Practical Alternative**

Passenger-only service should focus on connections where the quality of other transportation options is inferior or not practical because of:

 - trip times and frequency, distance, transfers or congestion; and/or
 - the facilities to accommodate passenger-vehicle ferries cannot be expanded or constructed due to physical or environmental constraints or impacts to the natural or built environment; and/or
 - restrictions imposed by land use and transportation policies and plans.

c. Financial Stability

Priority should be given to passenger-only routes where the potential market, proposed operating plan and fare levels project that the service will be financially sustainable over the long-term, and where stable public subsidies, which may include state, regional and/or local sources, exist to ensure operating and capital expenses.

d. Infrastructure Exists or is Planned and Funded

Priority should be given to routes where docks, associated land-side facilities and vessels exist or are planned and funded, and for which there are physical links to and operating relationships with local transit systems and their extended infrastructure on both sides of the route.

e. Adds Cost Effective Value to the Regional Transportation System

Priority should be given to passenger-only ferry routes that are cost effective in that they help limit the impacts of traffic congestion on neighborhoods, reduce the need for other costly transportation infrastructure investments, and/or complement passenger-vehicle ferry service by improving service quality at a lower cost than expanding passenger-vehicle ferry service.

f. Integrated Planning

Proposed passenger-only ferry service should be consistent with local planning and land use requirements. Furthermore, POF service should advance Washington State's Commute Trip Reduction goals.

- 7. Based on the criteria in goal #6, the state's first tier priorities should be passenger-only ferry service that connects the communities of downtown Seattle, Bremerton, Kingston, Southworth and Vashon. Because Vashon is an island and has had long-standing service, and because of logistical constraints and challenges at Fauntleroy, passenger-only ferry service between Vashon and downtown Seattle should be continued.**

Passenger-only ferry service for all other communities constitutes the second tier (long-term) priorities for the foreseeable future.

Passenger-only ferry services to and from the communities that are included in the first tier priorities are legitimate candidates for public subsidies.

These are the primary reasons why it is in the state's interests to maintain and sustain passenger-only ferry service between Vashon and downtown Seattle:

- a. For the past fifteen years the only passenger-only ferry route that has been continuously served by the state has been Vashon-downtown Seattle, although the level of service has not been consistent because of budgetary issues and considerations.
- b. Vashon is an island with no bridges connecting it to any other land mass. Therefore, the only alternative for Vashon residents to leave the island is by ferry.

- c. While there exists passenger-vehicle service between Vashon and the Fauntleroy dock in West Seattle, that facility has significant physical constraints that prevent expansion. Furthermore, the agencies involved in transportation planning and services—WSF, King County Metro and the City of Seattle—share an interest in minimizing the impacts of traffic congestion and related environmental concerns on the people of Fauntleroy and adjacent neighborhoods.
- d. Infrastructure (boats, docks and land-side facilities) needed to operate passenger-only service between Vashon and downtown Seattle exists.
- e. Continuation of this service helps achieve the City of Seattle’s goals for managing traffic congestion along the Seattle Waterfront.

These are the primary reasons why it is in the state’s interests that the residents of Southworth and surrounding communities be served by passenger-only ferries:

- a. The community currently does not have direct POF service. An existing POF connection to downtown Seattle is provided through Vashon Island. The service requires passengers to travel aboard a passenger-vehicle ferry from Southworth to Vashon, and then transfer to the passenger-only vessel that connects Vashon to downtown Seattle.
- b. A growing percentage of passengers on the Vashon passenger-only ferry to downtown Seattle reside in Southworth or that area of Kitsap County. Thus, an increasing percentage of the costs of operating the ferry that is paid by consumers is paid by residents of Southworth and surrounding communities of Kitsap County.
- c. Infrastructure (boats, docks and land-side facilities) needed to operate service to and from Southworth exists.
- d. Passenger-only ferry service for Southworth is an important strategy by Kitsap County and Kitsap Transit to achieve its state-mandated Growth Management Act policy goals for land use, transportation, environmental protection and economical development.
- e. The use of passenger-only ferries to help transport Southworth residents to and from downtown Seattle, even if it is by indirect means, helps achieve the City of Seattle’s goals for managing traffic congestion along the Seattle waterfront.

These are the primary reasons why it is in the state’s interests for passenger-only ferry service between Kingston and downtown Seattle to be renewed and sustained:

- a. Passenger-only service exists because, although it was recently suspended, Aqua Express has the license to operate it.
- b. Infrastructure (boats, docks and land-side facilities) needed to operate it exists.
- c. Passenger-only ferry service from Kingston is also an integral part of Kitsap County’s comprehensive land use and transportation planning, and may, in

the long-term, help address traffic congestion on the Kitsap Peninsula and Bainbridge Island.

- d. The service also appears to be a key component of the Kingston community's goals and strategies for strengthening the local economy and revitalizing the downtown core.
- e. Resuming and sustaining this service should prevent any pressure that may be exerted on the state to provide ferry service, whether with passenger-only or passenger-vehicle vessels, between Kingston and downtown Seattle.

These are the primary reasons why it is in the state's interests that passenger-only ferry service continues to operate between Bremerton and downtown Seattle:

- a. Passenger-only service between the two communities currently exists.
- b. The service, which is managed by Kitsap Transit and operated by a subcontractor, the private commercial operator Kitsap Ferry Company, supplements and complements the passenger-vehicle service provided by WSF, and has the potential to lower costs and improve productivity of the Bremerton/Seattle connection while improving the quality of service for cross-Sound travelers.
- c. Infrastructure (boats, docks and land-side facilities) needed to operate service exists.
- d. Passenger-only service is also an integral component of Kitsap County's and Kitsap Transit's efforts to achieve land use and transportation policy goals, and of Bremerton's efforts to revitalize the city, particularly its downtown.
- e. Continuation of this service helps achieve the City of Seattle's goals for managing traffic congestion along the Seattle waterfront.

VI. SERVICE DELIVERY OPTIONS

The Task Force originally developed numerous options for providing POF services but narrowed the detailed examination to three options for providing service to Vashon and Southworth. The Bremerton and Kingston routes were not examined in detail because: 1) Service between Bremerton and downtown Seattle currently exists. The route is operated under the direction of Kitsap County Transit, which subsidizes the services provided by its contractor, the Kitsap Ferry Company; and 2) Service on the Kingston-Seattle route is currently suspended. But as this report makes clear, the Task Force believes that service between the four communities and downtown Seattle, however provided, is in the state's interests and should constitute the state's first tier priorities.

At the Task Force's recommendation, the Joint Transportation Committee (JTC) engaged Parametrix, a Bellevue consulting firm, to analyze the costs of the three options by assessing information provided by Washington State Ferries and Kitsap Transit to the Task Force.

The three POF service delivery options that are evaluated in Parametrix's report (which is a companion document of this one) are:

- **Option 1:** This option assumes a triangular POF service route connecting Vashon, Southworth and downtown Seattle, operated by WSE. The triangular POF service route assumes three round trips in both the a.m. and p.m. peak periods, five days per week. The service would operate from downtown Seattle to Vashon to Southworth, and then back to downtown Seattle during both the a.m. and p.m. peak periods. This operation provides Southworth the faster direct trip to downtown Seattle in the a.m. peak period and Vashon the faster direct trip from downtown Seattle in the p.m. peak period.
- **Option 2:** This option provides two separate direct POF service connections between Vashon and downtown Seattle and between Southworth and downtown Seattle. The service between Southworth and Seattle is assumed to be operated by a public agency or by a public-private partnership. The service between Seattle and Vashon is assumed to be operated by the state, a local public agency or a public-private partnership. A total of three round trips during both the a.m. and p.m. peak periods would be provided on both these routes.
- **Option 3:** This option assumes continued operation of the existing direct Vashon-Seattle POF, together with the transfer of one passenger-vehicle ferry (PVF) now operating in the Southworth, Vashon and Fauntleroy corridor. The PVF would provide a direct connection between Southworth and downtown Seattle. The transfer of the PVF (assumed to be the 130-vehicle capacity Issaquah) to this Southworth-downtown Seattle connection would occur Monday through Friday only and remain on the existing Vashon-Southworth-Fauntleroy route and schedule on weekends. A small 40-vehicle PVF (Hiyu) would also be added to shuttle pedestrian and vehicle traffic between Southworth and Vashon, operating on a 16-hour schedule, 5 days per week.

These three options address serving both Vashon and Southworth with passenger-only ferries. The Task Force, and the consultant at the Task Force's request, focused on serving these two communities because of the potential growth in ridership from the Southworth area and the interest in continuing to serve Vashon.

Option 1 couples or links service to Vashon and Southworth, whereas options 2 and 3 decouple service to the two communities by proposing separate, direct service between each community and downtown Seattle (except that option 3 proposes linking the two communities on weekends through a Vashon-Southworth-downtown Seattle route). Linking the two communities in option 1 reflects the Task Force's consideration that the state's interests may be served by creating a passenger-only connection between downtown Seattle, Vashon and Southworth for two reasons: 1) By creating passenger-only ferry service that connects Vashon, Southworth and downtown Seattle, the projected ridership growth and operating strategies may reduce the level of state subsidy to more acceptable levels over time; and 2) Service that brings passengers from both Vashon and Southworth into downtown Seattle on one vessel would not only help achieve the City of Seattle's goals for managing traffic congestion along the waterfront, it might also help alleviate waterborne traffic congestion at Colman Dock.

VII. SERVICE DELIVERY OPTIONS ANALYSIS: COMMENTS ON THE PARAMETRIX REPORT

At its final meeting on January 4th, 2006, the Task Force reviewed and discussed the analysis conducted by Parametrix. Much of the Task Force's discussion focused on the report's Table 7: Annual Cost Revenue and Farebox Recovery Estimates for Options 1, 2 and 3 (Dollars) (see Passenger-Only Ferry Cost Analysis, page 4-3).

The Task Force concluded that the consultant's report is a worthy beginning, primarily because it provides a side-by-side comparison of the options. The Task Force's discussion of the report also revealed some concerns. The first three concerns listed below could be addressed by expanding the analysis of existing available data, while the fourth and fifth might require generating new data and analyzing it.

- Much of the difference between options 1, 2a and 2b is attributable to differences in wage rates and benefits as well as differences in the vessels' crew sizes and compositions.
- Differences among the options in labor costs may not be as great as portrayed in Table 7. If a local public agency, like King County, were to provide service rather than the state, prevailing wage rates would be used. If service were provided by a private operator, particularly if it were a subcontractor to a public agency, wages would likely be somewhat higher than what private operators currently pay.
- The projections of labor and other related costs obviously cannot consider potential discussions and agreements between agencies and bargaining units that could result in reduced costs.
- The calculations for traffic forecasts, fare assumptions and the resulting annual revenue, and various cost elements including, but not limited to, direct and indirect maintenance cost and capital opportunity costs appear to need further analysis.
- The costs and benefits of the different options in the short- and long-term may not be comparable.

VIII. OTHER ISSUES

Finally, during its deliberations the Task Force discussed issues besides service delivery which could affect the achievement of the policy goals recommended on pages 7-10. Listed below are other issues that Task Force members discussed. In some cases the Task Force discussed ideas that might help achieve those goals. There was no effort to forge a consensus among the Task Force for any of these ideas, and the members recognize that additional study and analysis would be needed to advance any of them.

Coordination:

Establish more coordinated planning, perhaps through a more formal governance structure. The overall interests are to ensure coordinated planning across Puget Sound among all ferry service providers, and help determine if it is in the state's interest to provide passenger-only ferry service on specific routes, integrate the service of WSF and the service provided by a public or public-private partnership ferry operation, or help subsidize private or public-partnership service on routes.

Personnel:

An apprenticeship program might be a strategy to train and prepare employees of smaller privately-owned vessels or publicly-privately owned passenger-only vessels to eventually work on the state-operated passenger-only and passenger-vehicle ferries.

Fare Structure:

Passengers who walk onto the state-operated passenger-vehicle ferry from Bremerton to Seattle ride for free, while those who travel aboard the POF operated by Kitsap Ferry Company pay for the ride. This situation led to some discussions about the different fare structures among service providers, but did not affect the Task Force's policy recommendations.

