OPERATIONS: ADAPTIVE MANAGEMENT STRATEGIES

WSF conducted a comprehensive review of options and best practices to improve operating efficiencies, in response to the question of how the ferry system can operate more efficiently, and considering legislative direction around operating strategies. It considered the experience of transportation industry professionals and included an extensive national and international best practices review.

Through these avenues a wide range of strategies was identified, and over 90 discrete operational strategies were ultimately considered for inclusion in this Draft Plan (see Appendix E for detailed discussion of all operating strategies). This section focuses on those strategies with the greatest potential to benefit the ferry system.

The Cost of Forgoing Adaptive Management Strategies

In addition to screening criteria that included maximizing demand management benefits, minimizing negative impacts to customers and communities, and increasing operating efficiencies, the adaptive management strategies were evaluated in terms of what it might cost the system to not make investments in these strategies. As many of the strategies have initial capital costs associated with them (and several have operating impacts as well), one might assume that a "do nothing" scenario is the least costly option. This is not the case. Without strategies to encourage mode shift and manage growing vehicle volume at terminals, the ferry system would likely find itself in a position where it needs to expand its terminals (and expand its capital program) or allow service degradation and vehicle queuing that translates into significant costs for local communities.

A package of well-coordinated operating strategies designed to address the specific situations faced by each ferry terminal is a key component to the Long-Range Plan. In many cases it eliminates the need for additional terminal investments or even reduces the existing terminal capital program. Furthermore, it reduces and postpones the demand pressure for additional investment in new vessels.

The strategies identified as having the greatest impact on demand management and operating efficiency objectives, in

Legislative direction on operating strategies

WSF must develop, and the Commission must review, operational strategies that (section 5):

- Use data from a current user survey.
- Recognize each travel shed is unique.
- Are consistent with the vehicle level of service standards.
- Use a life cycle cost analysis to find the best balance between capital and operating investments.
- Use methods of collecting fares that maximize efficiency and achieve revenue control.
- Are re-evaluated periodically, at least before a new capital plan is developed.
- Consider the following:
  - Options for leveling vehicle peak demand and increasing off-peak ridership.
  - Feasibility of reservation systems.
  - Ways to shift vehicle traffic to other modes.
  - Dock operation and queuing efficiencies.
  - Costs/benefits of remote holding versus over-water.
  - Methods of reorganizing holding areas to maximize space available for customer vehicles.
  - Schedule modifications.
  - Efficiencies in exit queuing and metering.
  - Interoperability with other transportation services.

addition to being cost effective relative to alternatives, are described in further detail below.

10. TRANSIT ENHANCEMENTS

In addition to other local benefits they might provide with respect to commute trip reduction and improved traffic flow, the transit enhancements options included in this plan are chosen to maximize a customer's ability to shift mode of transportation, thus postponing the need to add additional vessels to the system and mitigating expected service degradation.

The costs to WSF of transit enhancement strategies must therefore be considered in this context. Given that some costs would likely be borne by local transit agencies, a targeted package of transit enhancements is expected to be less costly than the service degradation or earlier vessel acquisition need that would occur under a "do nothing" scenario. A full cost-benefit analysis will be conducted as part of the pre-design requirement around substantial investments in transit enhancements on the part of WSF.

Exhibit 16
Summary of Transit Enhancements

Transit Service	Facility Needs	Non-motorized Facilities
• Downtown Seattle shuttle • Better park & ride connectors • More frequent service during peak • More night and midday service • New routes and better connections • Better timing with vessel arrivals and departures • Hold buses until boat arrives	• Covered walkways • Sheltered bus stops • Improved pedestrian crossings • Preferential access for buses • More park & ride locations away from the terminal • Improved wayfinding through terminal	• Covered and secure bike storage at terminal • Car sharing locations at ferry terminals • Trails and dedicated pedestrian and bike paths to connect with terminals

Furthermore, the WSTC customer survey corroborates the notion that transit enhancements are likely to have a significant mode shift impact. Particularly on commuter routes, a large portion of ferry customers identified inadequate transit connections and other transit related issues as a significant driver of mode choices. This would indicate that strategies related to improving transit in and around

terminals could be quite effective in achieving mode shift objectives and would be valued by customers. Survey results showed that three factors clearly dominated the drive-on versus walk-on decision-making:

- The availability of transit or another alternative such as transit from a park-and-ride lot or parking at the ferry to get from their home to the ferry
- The amount of time the trip takes walking-on versus driving-on
- The availability of transit or a second car to get to their final destination

Options for increasing transit availability are included as part of the proposed transit enhancements. Exhibit 16 summarizes these options, some which will require coordination with highways, other regions, and local transit agencies. Appendix F includes a complete list of proposed transit enhancements by terminal.

Coordination with Local Transit Agencies

To effectively implement a package of transit enhancements most likely to result in mode shift behaviors, WSF will need to coordinate closely with local transit agencies. It is expected some of the costs for improvements would be borne by WSF, while local transit organizations would need to provide other improvements. This does not assume any contracting of local services by WSF, rather an increased level of coordination and targeted investments by WSF and transit providers.

WSF will continue to work closely with these agencies to improve transit services at terminals and coordinate scheduling where possible.

Public Private Partnerships Opportunities at Terminals

The Washington State Department of Transportation Office of Public Private Partnerships (PPP) has, at the request of the Legislature, conducted a study to identify any opportunities for public-private development at WSF terminals. This study will be submitted to the Legislature during the 2009 session.

The study has identified three terminals with potential market opportunities – Seattle, Bainbridge and Edmonds.

This Draft Plan does not incorporate any findings from the PPP's study. If there are opportunities that emerge which warrant further review, WSF will work with Office of PPP to determine how these might be integrated with the transportation needs of the system, for the benefit of WSF and its customers.

11. VEHICLE RESERVATIONS

A vehicle reservation system is the primary demand management strategy included in this Plan. Under the current system of vehicle capacity allocation on ferry vessels, automobiles queue within and around the terminals, waiting until there is adequate vehicle capacity on a vessel. This is an extremely inefficient system that has high costs in terms of lost time, unpredictability for riders, customer frustrations, negative community impacts, and the costs associated with building larger terminals.

At many terminals during periods of high demand, the capacity of the terminal vehicle holding is reached and traffic begins to overflow. When the holding areas overflow, the traffic and congestion impacts are frequently severe on streets and highways surrounding the terminals' streets, and effects are felt by the neighborhoods in the terminal area. In most cities and towns served by WSF, local and county governments see this traffic impact as untenable. While most understand ferry traffic is an overall benefit to the community, when waiting ferry traffic clogs the streets, increases air pollution, and staunches commerce, it is no longer seen as beneficial and is largely deemed as detrimental.

There are a number of secondary impacts that also result from this situation, including customer inconvenience in terms of lost time, energy use, lack of predictability, frustration, and an inability to be spontaneous in one's travel. The system also experiences higher operating costs for traffic control and often the acquisition, construction, and maintenance of auxiliary holding areas to accommodate these peak conditions.

Historically, the solution to this problem has been to consider construction of larger vehicle holding facilities so that even on the highest peak days, vehicles do not back up onto local streets.

There are three primary ways to address how peak traffic is accommodated:

- **Facility Approach**. Build larger terminals to hold all demand, including more extensive use of auxiliary and/or remote holding to store vehicles during overload situation. Could require two or more boat loads of storage.
- **Service Approach**. Add more ferry service, so arriving demand seldom outstrips the capacity of the terminal. In other words, adding a third boat to a route will increase the frequency of service and throughput capacity, which in turn will reduce the likelihood that there will be significant overloads.

- **Operational Approach**. Use other methods, such as a reservation system, to move the overflow into a virtual queue and smooth out the arrival rate. Since there is a balance of arrival vehicles and space on departing sailings, there will be minimal vehicle storage requirements.

The first two options require significant capital investments for terminal expansion and vessel acquisition and maintenance. In the facility options, there are significant investments in large facilities, which if located over water can be very difficult to permit. In the case of the service approach, the costs could include the acquisition of a new vessel to add to the route, which conservatively might cost $100 million, plus the annual cost to maintain and operate the service.

Historically, WSF has focused on a facility approach. For example, during the 1990's WSF was pursuing a multimodal terminal strategy that would have provided a significant increase in the holding capacity at a number of terminals. The total cost of this program was approximately $1 billion.

More recently, given the significant reduction in WSF's dedicated capital program, a much less ambitious program of improvements have been identified that would address vehicle queuing outside the terminal, primarily with remote holding facilities. Even this approach, which is designed to mitigate terminal traffic impacts at a low cost, is estimated to cost approximately $290 million.

In contrast, a reservation system would have much more modest acquisition and operating costs. Terminal updates and system investments required to implement a reservation system are estimated to be approximately $45 million ($30 million for terminal modifications systemwide and $15 million for the reservation system and back office equipment, software and systems, including design and contingencies). This investment effectively solves the terminal congestion problem, and in comparison to the other options, is much less costly.

Doing nothing about terminal congestion would allow terminal traffic to back up further into local communities, but this would only increase the problems cited above, and would transfer the cost of terminal congestion to local communities.

When compared to the other alternatives ($290 million to as much as $1 billion), and considering its effectiveness with respect to demand management and benefits to communities around the ferry terminals, a $45 million investment in a reservation system is a very cost-effective option.

Reservations Allow for Much Smaller Terminals

A major benefit of a reservation system for vehicles is that WSF can operate a high quality service with the smallest possible terminal facilities, while providing predictability for customers and mitigating most of the queuing impacts around terminals.

The ability to operate with smaller terminals also has a significant cost benefit for WSF, as it would be much more expensive to address some of these issues through terminal investments alone.

For example, even a "low cost" approach that emphasized remote holding facilities would cost approximately $290 million, compared to an investment in a reservation system of $45 million.

Systemwide Elements of a Reservation System

While implementation details and schedules would likely vary from route to route based upon the unique ridership and operating characteristics of the individual routes and terminals, there are some attributes that would need to be applied systemwide for the system to be an effective demand management tool:

- In order to provide space for emergency vehicles and to implement the preference programs noted below, no sailing would be 100% reserved
    - The amount of space reserved will vary by route and sailing time
- Through targeted programs and the timing of available space being released for reservations, preference would be given in the following order:
    - Vanpools and carpools (on designated sailings, there would be a preset amount of space for these vehicles)
    - Commuters and frequent users (on designated sailings)
    - Local residents
    - Commercial traffic
    - All other trips
- There would be no additional reservation fee, but pre-payment of the fare (at least in part) would be required
- Implementation of the system would occur gradually
    - Routes would be phased in one or two at a time
    - As a reservation system is implemented on a route, the number of sailings subject to reservations would initially be low and gradually increased.

Key Implementation Issues of a Reservation System

Initial WSTC survey results found that customers typically did not view a reservation system favorably. This might be because the survey question assumed a fee for reservations, a notion that has since been eliminated from potential reservation system proposals. Customers also noted that a reservation system must be dynamic and interactive, showing people how much space is still available, and frequent users should be able to book multiple sailings. These considerations and the issues raised below have been incorporated into the reservation system proposal included in the draft plan:

- What happens if a user misses the reservation?
- What happens if the ferry system misses a reserved sailing?

- Would policies be different for residents, frequent users, or tourists?
- How would a reservation system differ by route?
- How can the ferry system ensure a reservation system will work?
- How do customers deal with the loss of spontaneity?

For more route-specific details on how implementation of a reservation system for WSF, please see Appendix G.

12. OTHER OPERATIONAL STRATEGIES

12.1 Fuel Saving Strategies

Fuel costs comprise a significant portion of WSF's operating costs, and to the extent that operating strategies will result in a reduction in fuel consumption, they will be considered. The JTC Vessel Study evaluated strategies to conserve fuel consumption.

WSF has also identified a number of things it can do to conserve fuel and reduce operating costs, and it has already acted on many of them.

Exhibit 17 details the fuel conservation strategies that WSF has already identified

Exhibit 17
Fuel Conservation Initiatives

Vessel Class	Fuel Saving Initiative	Predicted Savings	Status
Vessel Specific Strategies			
Jumbo Mark II	Upgrade voltage regulators to run vessels on two engines, without using a third during landings	181,300 gal/year for 3 ferries	In preliminary design phase (vessels already running on 2 engines except during landings)
Jumbo Mark I	Control system upgrade to run vessels on 3 engines instead of 4	142,000 gal/year for 2 ferries	Install on both vessels in 2009
Super Class	Upgrade engines and associated systems to enable running on 2 engines instead of 4	387,000 gal/year for 3 ferries	Install on Kaleetan in late 2009, Yakima in 2010 if funded
Issaquah Class	Change heating system from diesel to steam	30,000 gal/year per vessel	Install on Issaquah in early 2009, other vessels to follow
Systemwide Strategies			
	Develop alternate tie-up method for vessels, allowing a reduction in shaft speed (or shut down of shafts) while docked	145,000 gal/year per vessel	Investigating alternatives for prototype installation
	Slow vessels down 0.5 to 1.0 knots (see “Boat Speed” below)	Up to 2.5% savings for 0.5 knot reduction and 5% for 1.0 knot reduction	WSF will strategically implement vessel speed reductions during non-peak periods in the Winter 2009 schedule

Boat Speed

The travel speed of vessels is a major factor affecting fuel consumption. As travel speeds increase, so does fuel consumption. Following this logic, it may be beneficial to reduce the speed of boats, especially during off-peak times. The Long-Range Plan incorporates speed reduction strategies which will vary on a route-by-route basis, as appropriate. These reductions will likely be focused on off-peak seasons and times, to reduce operating costs while minimizing negative impacts to customers.

12.2 Other Operating Strategies

Future Role of Passenger-only Ferries

As per the legislative direction provided during the 2006 legislative session, the Draft Plan assumes that WSF will not provide passenger-only ferry (POF) service. Where local providers view POF service as a way to improve service or fill potential gaps, it is expected that locally funded POF service will be evaluated and pursued. This is described in more detail in the Long-Range Plan, Plan B option (Section 15).

WSF and Passenger-Only Ferries

WSF provided POF service between Vashon and downtown Seattle between 1990 and 2008, when in July 2008 King County took over the service. In recent years the future of POF service in the region has been the subject of extensive policy activity and debate:

- In 2000, the Joint Legislative Task Force on Ferry Funding recommended that WSF not add any new POF routes and that the Legislature remove barriers to privately-operated POF services.
- In 2003, Kitsap Transit entered into agreements with two private ferry operators to provide POF service to Kitsap County, with service beginning in 2004.
- In 2005, WSF responded to the Legislature's request for a 10-year POF strategy, proposing an expanded "triangle" POF service between Seattle, Southworth, and Vashon as the best short-term solution for future growth.
- In 2005, the Legislature commissioned a Passenger-Only Ferry Task Force to determine the future of POF. The Task Force's report was inconclusive, and the Legislature re-visited the issue in 2006.

Bills passed by the 2006 Legislature directed WSF to maintain the Seattle-Vashon POF service until either King or Kitsap County creates a ferry district and assumes responsibility for the service. The Legislature also directed WSF to sell the Snohomish and Chinook passenger-only ferries and deposit the proceeds into a Passenger Ferry Account, which in the future will be used for operating or capital grants to POF systems.

13. PRICING

Legislative direction on pricing strategies

- Recognize that each travel shed is unique, and might not have the same farebox recovery rate and the same pricing policies
- Use data from the current market survey conducted by the WSTC
- Be developed with input from affected ferry users by public hearing and by review with affected ferry advisory committees, in addition to the market survey
- Generate the amount of revenue required by the biennial transportation budget
- Consider impacts on users, capacity, and local communities
- Keep the fare schedules as simple as possible
- Consider options for using pricing to level vehicle peak demand
- Consider options for using pricing to increase off-peak ridership

Within the context of this Draft Long-Range Plan, there are two key objectives associated with pricing strategies: (1) to generate sufficient revenue to meet the requirements of the biennial transportation budget, and (2) to help meet the demand management goals of ESHB 2358.

Revenue Requirements

The biennial transportation budget sets a revenue target for the ferry system. To meet this target, general fare increases above the 2.5% annual inflationary increases might need to be enacted.

General Fare Increases and Elasticity Effects

WSF ridership and fare history has shown that demand for ferry service is sensitive to fares, and for this reason, general fare increases can also have demand management benefits. As prices increase in real terms, total ferry system riders are likely to decrease. Similarly, if prices decrease, demand for services will increase. These changes in ridership relative to changes in prices are referred to as elasticity effects. It is important to note that price is only one factor impacting ridership, and not always the most important one.

To assess changes in ridership resulting from general fare changes, this analysis relies on the ferry system's revenue model, constructed using a long history of short-term demand responses to actual fare increases. Where possible, elasticity coefficients and mode shift information from the WSTC customer survey was also incorporated.

A more detailed discussion of ferry system elasticity effects is included in Appendix D.

Transportation Demand Management

In addition to meeting revenue goals, fare policy will need to incorporate demand management strategies. The demand leveling called for by ESHB 2358 will be accomplished primarily through the extensive use of a reservation system, and the following analysis details options and incentives WSF can use in conjunction with a reservation system to illicit mode shifts and other desirable behavior.

WSDOT Survey Inputs and Effectiveness Analysis

Where possible, the WSTC customer survey was used to assess the effectiveness of potential pricing strategies. The survey identified customers' willingness and ability to shift travel times and mode as well as their price sensitivity. The conjoint analysis, a survey module designed to analyze customers' mode shift decisions as they relate to price, was used to develop elasticity coefficients for subcategories of

customers. The onboard survey results and conjoint analysis form the basis of the analysis that follows on the effectiveness of specific pricing strategies.

13.1 Pricing and a Reservation System

As proposed, there will be no additional fees associated with the reservation system. Though the WSTC survey showed that a significant portion of customers would be willing to pay for a reservation that guarantees their spot on a vessel (and thus validated the value inherent in such a system), there will be no charge. There were two primary reasons for this decision:

The reservation system is the primary adaptive management strategy being proposed in this plan. In order to ensure broad acceptance of this strategy and minimize negative impacts to customers, there will be no additional fees. In addition, not charging a reservation fee will prevent people from queuing at the terminal for standby space in order to prevent paying extra.

13.2 Fuel Surcharge

Fuel is a large and growing portion of the ferry system's operating costs. The volatile cost of fuel adds uncertainty to WSF's operating expenses, and in recent years has led to decreasing farebox recovery rates. For WSF to have self-sustaining operations, the risk associated with fluctuating fuel costs needs to be mitigated.

To mitigate this fuel risk, WSF could implement a fuel surcharge that would automatically adjust fares to reflect increases in fuel prices above a pre-determined base fuel price. Under this program, a customer's total fare would be subject to automatic increases in periods of rapid fuel price escalation, effectively passing on this direct operating expense to those benefiting from the service.

A key analytical question involves how to determine the current base fuel price from which future fuel surcharges would be pegged. For the purposes of this Draft Plan it is assumed that the base price of fuel be set at a price equal to the average fuel costs as defined by the inflation-adjusted average cost of diesel from 1952 to 2008 ($2.15 per gallon), the time period over which the State has owned and operated the ferry system.

As shown in Exhibit 18 below, with a few notable exceptions, the average per gallon price of diesel fuel has been relatively stable over the period in question. As a result, setting the base price to the long-term inflation-adjusted price of fuel would incorporate the "typical" level of fuel costs experienced by WSF.

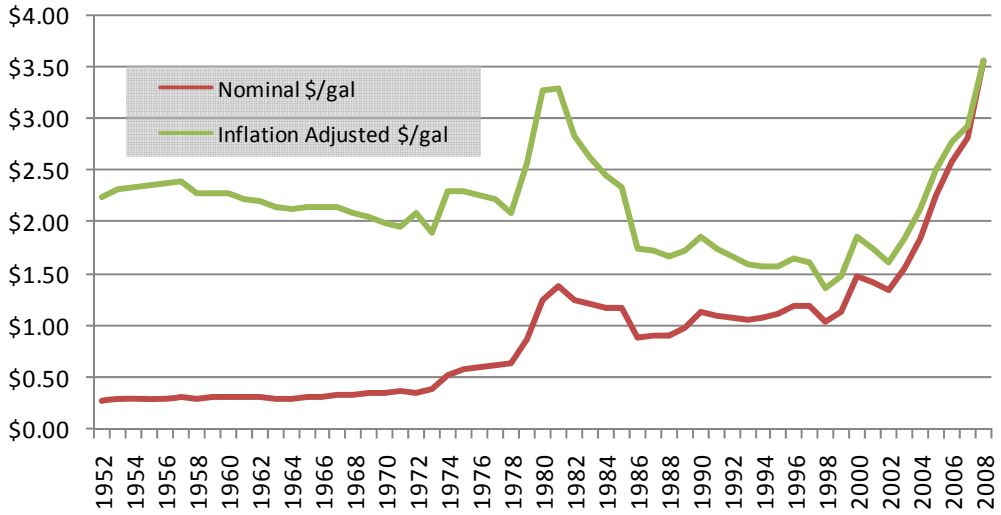
Implementation of Tariff Changes

Any changes in existing ferry fares are subject to WAC revisions policies.

Public outreach is an important part of fare updates and will be undertaken before any fare changes can occur.

To the extent that the actual current cost of diesel would differ substantially (20% or more perhaps) from this long-term average, a fuel surcharge would to need to be introduced.

Exhibit 18
Historic Fuel Prices (1952-2008)



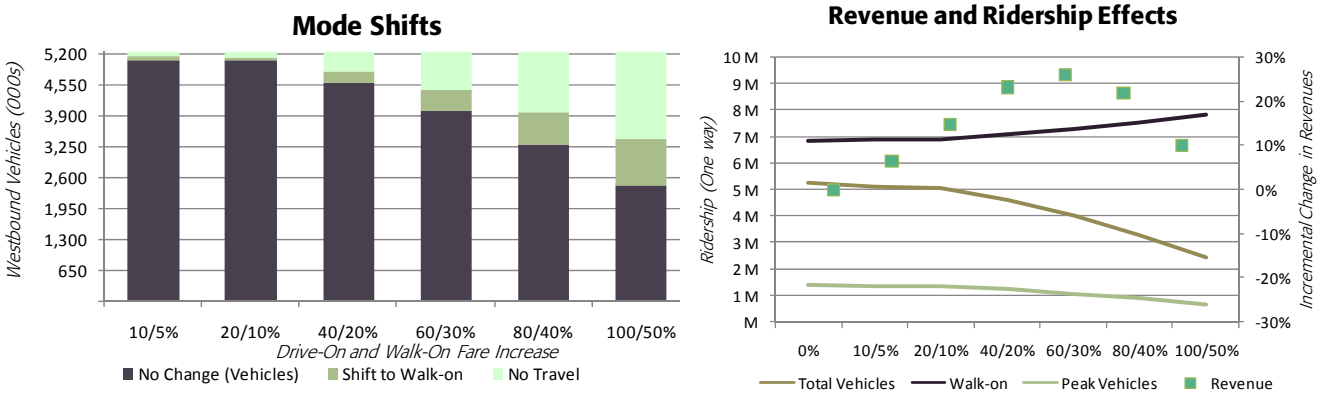
Source: Energy Information Administration, 2008.

13.3 Differential Vehicle and Passenger Pricing

Differential vehicle and passenger pricing refers to how specific fare categories will be increased to achieve the annual fare increase required to meet Transportation Budget revenue requirements. Increasing passenger fares at a slower rate than vehicle fares allows the differential between the two fare categories to grow more rapidly, creating a stronger pricing incentive for mode shift.

Based on the fare sensitivity and mode shift findings from the WSTC survey, Exhibit 19 shows the expected outcome of such a strategy. It is important to note that the fare increases (expressed as percentage increase over base fare) represent the total expected inflation-adjusted increase over the 22-year planning horizon. Any fare increases will be implemented gradually and with public input.

Exhibit 19
Estimated Effects of Differential Vehicle and Passenger Fare Increases



As shown above, this strategy has a couple of key advantages. First of all, an increasing differential between vehicle and passenger fares does, in fact, cause vehicles to mode shift, and secondly, the strategy is revenue positive (although less so at high ends of the scale). It is important to note that these price increases are intended to occur over the 22-year planning horizon.

Taking, for example, a scenario where vehicle fares increase by 10% while passenger fares increase by 5%, the ferry system might expect 70,000 annual vehicle trips to switch to walk-on, while losing over 100,000 vehicle trips altogether. The incremental effect is a decrease in vehicle trips and an increase in passenger trips (because the shift from vehicles is greater than the passengers leaving the system due to price increases), with a small decrease in total riders. Revenue effects are positive, and under this scenario, are expected to provide about a 6% annual increase.

It should be noted that this analysis is using short term elasticity effects from the WSTC customer survey, and there is much greater uncertainty about these effects in the long run.

13.4 Other Pricing Strategies

In addition to the key strategies outlined above, a number of other strategies were considered as part of this effort. While the ferry system does not intend to implement these strategies immediately, it does intend to re-visit these ideas regularly.

In the near term, the strategies discussed above will be the system's primary area of focus. Depending upon actual experience with a reservation system and some of the other strategies, the ferry system

may need to implement other adaptive management strategies. A complete list and analysis of other pricing strategies considered can be found in Appendix H.

The two strategies discussed below have been brought forward because they have demand management benefits and are narrowly targeted strategies that together could be revenue neutral while providing benefits to local customers. As such, they are likely to be considered for implementation prior to other ideas.

Seasonal Surcharge

WSF's fare structure currently contains a seasonal surcharge component. From the months of May to October, the cash fare is increased on all routes by 25% and on Anacortes-San Juan Islands routes by 35%. Because customers who use the frequent user and multi-ride fare purchase options are exempt from this surcharge, it has the effect of targeting recreational users.

Actual ridership trends show a seasonal peak that is not evenly spread between May and October. July and August represent the "peak of peak" with much higher proportions of cash-paying recreational users. As vehicle capacity constraints are significantly worse during these months, WSF should consider adding a third level to its seasonal pricing structure that allows for a higher surcharge during July and August.

Because this surcharge would target just a small portion of riders (discretionary trips in July and August), revenue impacts are also small, though there would be some demand management benefits. Assuming a July/August cash fare surcharge of an additional 10%, WSF might expect to increase total annual revenues by approximately 1% (based upon elasticity assumptions from the WSF revenue model). With respect to ridership effects, this same scenario would have the effect of decreasing July/August vehicle ridership by 0.5-1.0%, depending upon the route. Routes with more summertime tourist traffic, like Anacortes and Port Townsend, would see larger effects.

Small Car Discounts

WSF already charges vehicles based on their size, and a small car discount would be a special incentive to encourage people that must drive-on to take smaller cars, allowing more vehicles to fit on deck. It has the advantage of increasing vessel carrying capacity by reducing average vehicle size and providing a lower cost vehicle option that still offers a demand management benefit to the system.

As with the July/August summer surcharge, a small car discount would target a very small portion of total riders. Depending how the

discount is set and what size vehicle would qualify, it could attract some new riders to the system, but would likely draw most of its participants from the pool of standard vehicles. The net revenue effects would therefore be negative but probably on a very small order of magnitude (1-2% systemwide assuming the size cut-off is quite restrictive).

A policy decision exists around the definition of a "small car." Most newer vehicles classified as "subcompact" have a length at or just over thirteen feet, though some very small commuter cars that are popular in Europe and Asia are being successfully introduced to the US market. A "small car" would likely be defined as a vehicle less than 12-14 feet in length.

Non-Resident Pricing

Another strategy that may have some demand management benefits and takes a different approach to fare equity, is a non-resident pricing program. Per initial research undertaken by the Office of the Attorney General, such a program might be feasible as long as "non-resident" is defined as out-of-state.

It is uncertain the ridership or revenue impact such a policy might have, and Ferries will continue to evaluate this option for potential future implementation.

Pricing Strategies for Future Consideration

Once WSF has fully implemented the proposed reservation system and the effects on demand management are understood, it may be necessary or beneficial to consider some of the other pricing strategies which were shown to be effective in leveling demand, but would likely have had more significant impacts on customers. These could include:

- Congestion pricing. The pricing strategy with the greatest potential to shift travel behavior is congestion pricing. If reservations alone are not sufficient to shift demand then it may be necessary to evaluate a reservations plus variable congestion pricing approach.
- Vehicle frequent-user policies. The current frequent user policies are assumed to continue for the purposes of this plan. A result of this assumption is that a significant number of vehicle trips are paying the same price regardless of when they travel. To achieve its demand management goals it may become necessary to revisit this policy and vary frequent-user fares based on congestion pricing principles.
- Progressive pricing for larger vehicles. The concept underlying the small vehicle discount would also apply to the possibility of charging proportionally more for larger vehicles as

well, in order to accommodate more total vehicles (especially during peak periods)

- Variable pricing among routes within a travel shed. If travel patterns are not sufficiently rebalanced through reservations alone, it may be desirable to consider a pricing mechanism to encourage the use of underutilized routes where customers have a choice (i.e. Bremerton versus Bainbridge or Point Defiance-Tahlequah versus Vashon-Fauntleroy).