



Dec. 17, 2010

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Community Meetings Wrap Up

We wrapped up our most recent round of community meetings this week by visiting Whidbey Island on Monday, the San Juan Islands on Tuesday, and Bremerton on Thursday. The nine meetings held in November and December were particularly hard as I discussed the difficult financial issues facing the ferry system and the state. The ferry system has not been financially sustainable for some time and we are now facing the reality that there is not enough money to provide the current level of service. These equate to tough choices for our customers, ferry-served communities, WSDOT leadership and our elected officials. We are reviewing all of the public comments received and will post that information online in the next few weeks. For more information on the community meetings, visit www.wsdot.wa.gov/Ferries/commuterupdates/pub_meetings.htm

Governor's Proposed Budget

The Governor presented her balanced budget for 2011-2013 Wednesday morning, which is available at www.governor.wa.gov/priorities/budget/press_packet.pdf. The budget spoke to the difficult times the state is facing. For a number of years, we have grappled with a shortfall in funding for both ferry capital projects and ferry operations, patching the system together with short-term transfers from non-ferry transportation accounts. This approach is not sustainable. Over the last two years, WSF has made progress in significantly reducing expenditures by \$28 million annually. In addition, our employees did not take their arbitrated salary increase, which saved WSF \$17 million. However, this is still not enough.

The Governor's budget includes further reductions in ferry administrative costs and continues to transfer funds from highway sources. But even with these actions, funding is insufficient to maintain current service levels in the next biennium. Therefore, the Governor also is proposing a combination of fare increases and service cuts. In making service reductions, priority was placed on reducing service instead of eliminating routes and the reductions were spread throughout the system. I recognize that this is incredibly difficult for our ferry-served communities and news that no one wants to hear. I have held nine community meetings around the sound this winter speaking to this issue. You can find information about the proposed service reductions as well as efficiencies and reforms already implemented in our community meeting materials at www.wsdot.wa.gov/Ferries/commuterupdates/pub_meetings.htm.

Ferry Sailing Schedule Update

The following routes will operate on holiday schedules on Dec. 24 and Dec. 31: Point Defiance/Tahlequah, Seattle/Bainbridge Island, and Mukilteo/Clinton. All other routes will operate on their normal sailing schedules throughout the holidays. As a reminder, the winter sailing schedule begins on Jan. 2. For more information, visit www.wsdot.wa.gov/ferries/schedule.

Fare Increase on Jan. 1

You may recall in a previous weekly report that the Washington State Transportation Commission approved a 2.5 percent across-the-board fare increase at their Nov. 15 meeting. The State Attorney General's Office (AGO) has been requested to provide an opinion about whether voter-approved initiative 1053 would rescind this increase and send it to the Legislature for approval. At this point, we are proceeding with the changes necessary to implement the fare increase on Jan. 1. If the AGO issues an opinion to change that direction, we will adjust at that time.

Presentation to Washington State Transportation Commission

On Wednesday, I was joined by Deputy Chiefs George Capacci and Jean Baker and Terminal Engineering Director Tim Smith for presentations to the Washington State Transportation Commission on the Mukilteo Multi-modal Project, fuel cost mitigation, and ferries reform. We appreciated the opportunity to present this information and respond to their questions.

2010 Advertising Revenues

Finding new sources of revenue for the ferry system becomes even more important in our current environment. This is the third year that WSF has pursued advertising of a larger scale aboard our vessels and at our terminals. This calendar year, WSF earned just over \$474,000 in revenue from paid advertisements. To learn more about advertising at WSF, please visit www.wsdot.wa.gov/Ferries/Planning/marketing.htm

Next Week:

Happy Holidays! Due to the state holidays on Dec. 24 and 31, the next weekly report will be issued on Fri., Jan. 7.

David Moseley's weekly reports are available on the WSDOT Ferries Division website at www.wsdot.wa.gov/ferries/weekly.

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