

Washington State Ferries FY2012 Route Statements

This document is a description of factors affecting the Route Statements for Fiscal Year 2012 (July 1, 2011 through June 30, 2012), and information regarding cost, ridership, and revenue trends over the past six years.

Service Changes

- With the exception of the routes that had been served by Steel Electric class vessels, auto ferry service was the same across the six years from FY2007 - FY2012
- Through FY2007 the Port Townsend – Coupeville (Keystone) route was served by one Steel Electric vessel in fall, winter and spring with a second Steel Electric vessel providing an additional 56 hours a week of service in summer and shoulder seasons. From the winter of FY2008 through the fall of FY2011, this route had one-boat service with the leased vessel MV Steilacoom II. The new 64-car ferry MV Chetzemoka went into service on this route in November 2010. This route remained at one-boat service for the entire fiscal year. Full service on the Port Townsend route was restored at the beginning of FY2012 with the addition of the MV Salish.
- The San Juan Interisland route was served by one Steel Electric vessel from FY2006 - FY2007. This was upsized by 23 vehicle spaces in FY2008 to the MV Evergreen State, which had been out of service since the passage of Initiative 695.
- Washington State Ferries ran the Seattle – Vashon Island passenger-only route through FY2008, when it was turned over to King County.
- In January 2012 the 48-car Rhododendron was replaced by a 64-car vessel on the Point Defiance – Tahlequah route.

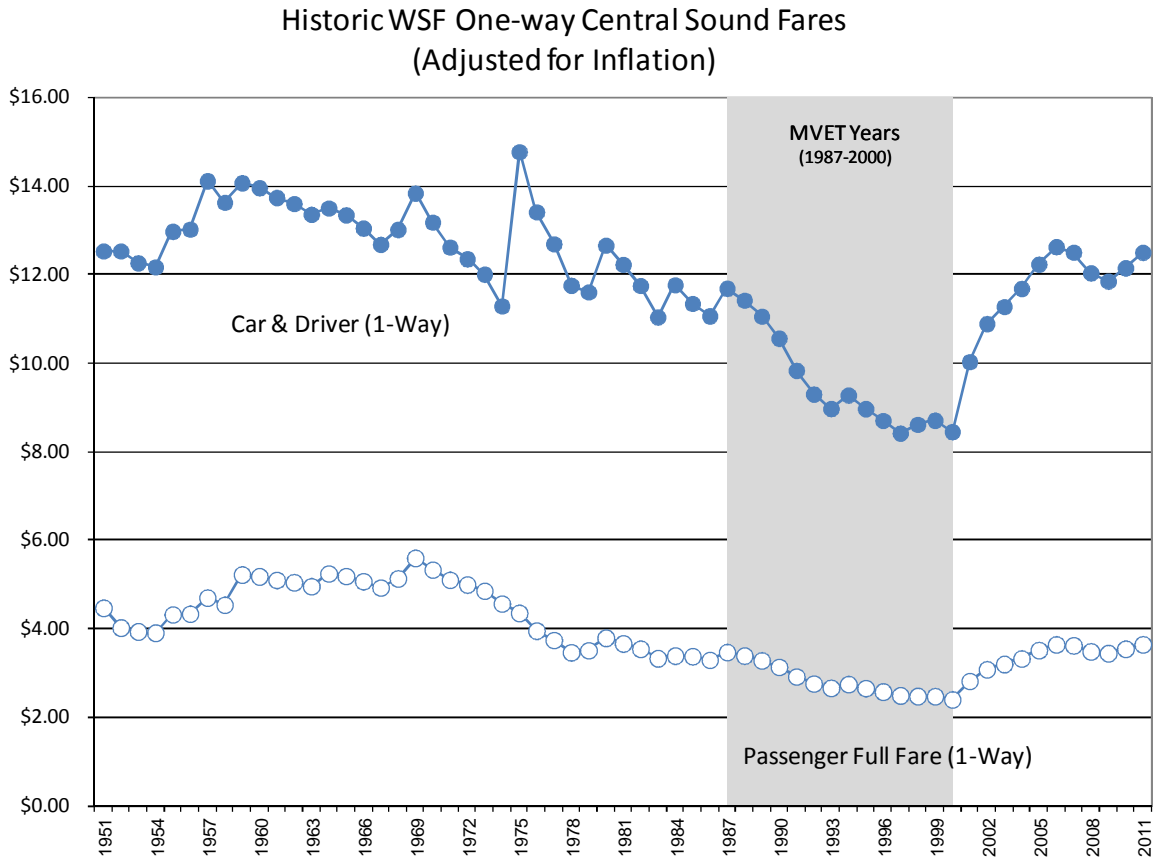
Ridership Changes

Ridership started to drop in FY2008, primarily due to the removal of the Steel Electric class and stepped up vessel hull inspections and repairs, which resulted in more vessel out-of service time. Also, in FY2008 the new Tacoma Narrows Bridge opened which provided a viable drive around option for the Bremerton and Southworth routes. Further ridership losses occurred in FY2009 due to large scale economic events: 1) a spike in gasoline prices, which dampened overall vehicle travel demand; and 2) the deepening recession. FY2009 also marked the first full year of King County operation, of the Seattle/Vashon passenger only ferry. FY2012's ridership stabilized at a level just above FY2011. FY2011's ridership numbers have been changed from earlier publications for the Edmonds and Mukilteo routes to account for a correction in the traffic data base.

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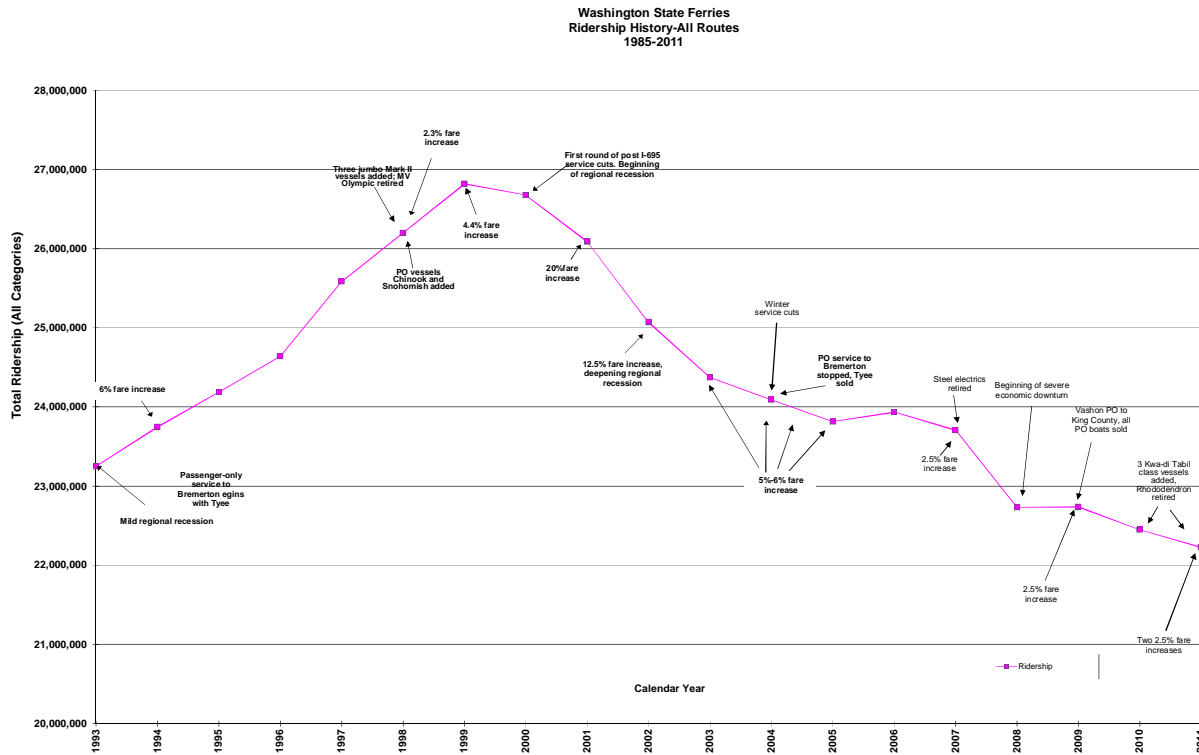
Fare Changes

When voters approved I-695 in November 1999 and the Legislature codified the MVET tax reductions during the 2000 legislative session, WSF lost approximately 20% of its operating support and approximately 75% of its dedicated capital funds. Since the loss of MVET, fares have increased between 47% and 132%, depending on the route.



These large fare increases raised the recovery rate close to 80% in fiscal year 2004, but since then, cost increases (primarily rapid increases in fuel prices) and relatively modest fare increases have pushed the recovery rate back below 70%. Volatile fuel prices have had a large impact on the fare recovery ratio, and fuel made up about 29% of WSF's operating budget in FY2012. The chart above shows historical fares adjusted for inflation between 1951 and 2012. Another perspective on ridership changes is illustrated in the figure below, which shows fare increases as well as external events that affect ridership.

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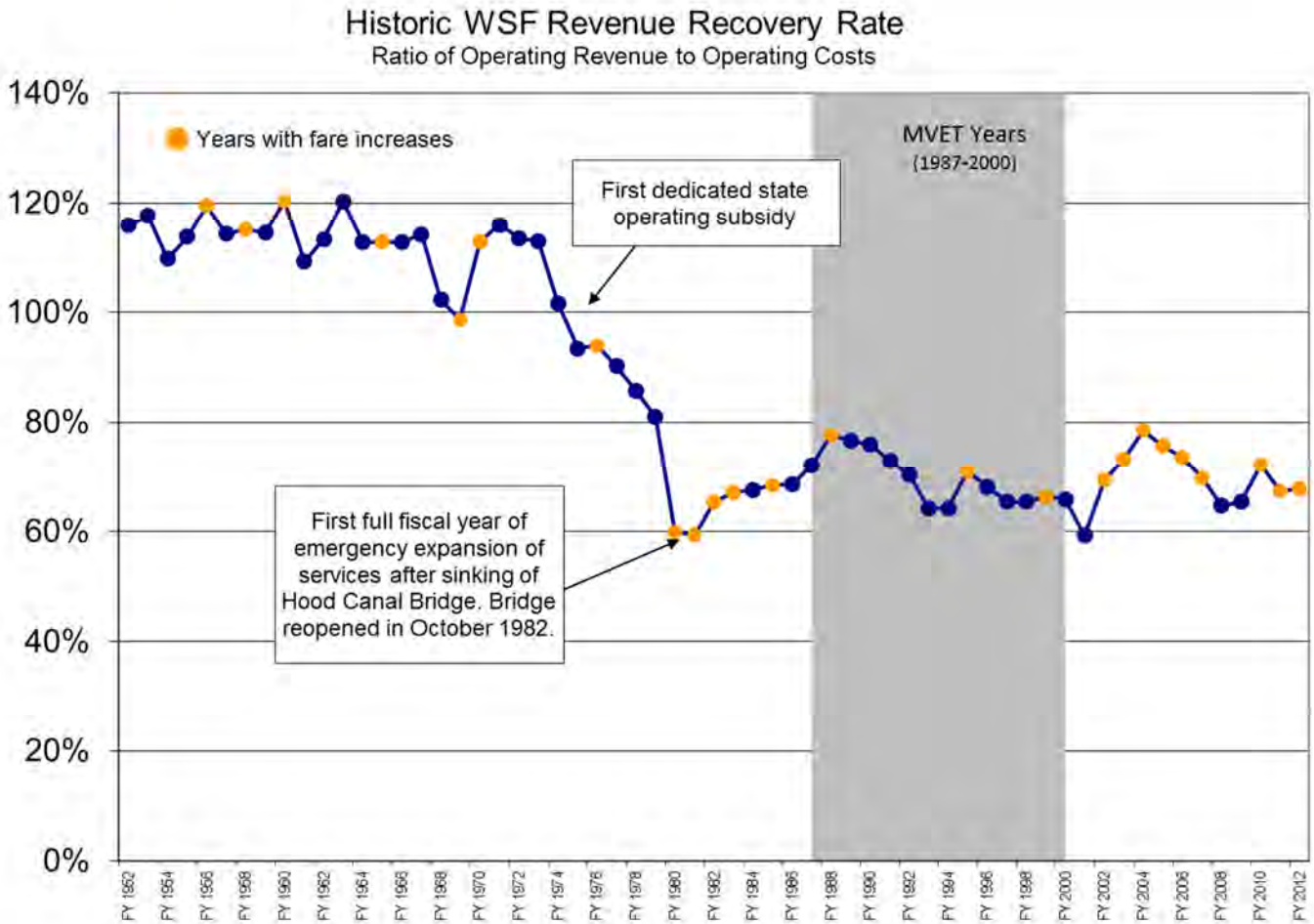
Fare increases during the past six years were lower in comparison to the previous five years – a 2.5% increase in FY2007, and then no fare increases until a 2.5% increase in FY2009. An additional 2.5% fare increase went into effect January 1, 2011. Overall fares increased by an average of 14% from 2007 to 2012.

In FY2012, there were two fare increases – one in October 2011 (2.5%) and the second in May 2012 (3.0%). In addition, the legislature directed the Transportation Commission to add a 25 cent per fare capital surcharge from which revenues would go into the capital program, not operations. The revenues from the capital surcharge are not included in the route statements as they are solely for capital purposes. A “small car” discount of 10 percent was begun in October 2011, and this discount went up to 20 percent in May 2012.

Farebox Recovery

Farebox recovery (the percent of operating expenses paid for by fares) increased slightly in FY2012.

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Loss of Motor Vehicle Excise Tax (MVET) funding in 2000 resulted in a loss of dedicated revenue representing 20 percent of the operating budget. Since the loss of that funding source, the Legislature has been subsidizing the funding gap with transfers from general transportation resources, primarily the Motor Vehicle Account and the Multimodal Account. The funds in these accounts are subject to appropriation every two years and are allocated based on funding priorities among all of WSDOT and other transportation agencies. WSF shares these limited resources with the landside highway system. The source of these transfers is becoming severely constrained. In addition to the transfers shown below, revenue from other funds is also used to pay debt service and fund a portion of Ferries' capital program. Total resources used from other funds for operations and capital are projected to be \$1.15 billion over the 14-year period FY99 to the end of FY13.

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	-----Actuals-----							Nov 2012 Forecast/ Governor's Budget Proposal	14-Year
	1999-01	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13	Total	
Operating Fund Sources									
Dedicated sources:									
Motor Vehicle Excise Tax	14.4	0.0	0.0	0.0	0.0	0.0	0.0	14.4	
State Taxes (Gas Tax) and Capron Act	33.5	34.1	37.8	39.2	43.8	43.6	43.1	275.0	
Licenses, Permits and Fees	12.3	13.5	13.7	14.7	14.7	14.3	14.8	98.0	
Ferry Fares	192.3	230.9	259.4	286.4	293.5	294.5	310.5	1,867.4	
Non-Farebox Revenue	2.9	2.7	4.1	5.6	9.2	6.2	6.7	37.5	
Interest	8.9	7.3	1.0	0.1	7.1	0.5	0.5	25.4	
Total dedicated sources	264.3	288.5	316.0	346.0	368.3	359.1	375.6	2,317.8	
Transfers and Appropriations from other accounts:									
Transfer from Multimodal Account	5.1	0.0	5.1	3.6	88.0	13.0	42.0	156.9	
Transfer from Motor Vehicle Account	0.0	38.3	31.3	50.7	0.0	78.0	45.5	243.7	
Direct Appropriation from Highway Safety Account	0.0	0.0	0.0	0.0	0.0	0.0	7.0	7.0	
Transfer from General Fund	20.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	
Total subsidies from other accounts	25.1	38.3	36.4	54.3	88.0	91.0	94.5	427.6	
Total Operating Funding Sources	289.3	326.8	352.4	400.3	456.3	450.1	470.1	2,275.3	

Operating Expense Changes

Overall operating expenses are up by \$5.9 Million from FY2011 to FY2012 (2.6%). Fuel costs went up by \$9.8 Million. The effect of other changes was a net decrease \$3.9 Million (2.3%). There was a 3% across the board reduction in salaries which lowered labor costs. In addition, the responsibility for paying Marine Insurance was transferred to OFM and these costs are no longer paid from WSF's funds.

Over the six-years (FY2007-FY2012) operating expenditures are up by \$15.6 Million (7.2%). Fuel has increased by \$22 Million over the six years. A change starting in FY2010 is the deletion of certain costs in the category "Other State Support" which consisted of charges to the Puget Sound Ferry Operating Account for WSDOT Headquarters Support and for self insurance and tort claims defense paid by WSDOT. After adjusting for the elimination of "Other State Support" reporting, the increase net of fuel is \$4.3 Million (2.6%).

The following notes describe the changes that occurred in each major expense category.

Direct Vessel Operating Expense

Labor Costs: \$4.3 Million increase (5.6%) from FY2007 to FY2012.

- From FY2011 to FY2012 there was a \$1.4 Million decrease (1.7%) in direct vessel operating labor due to the 3% reduction in salaries which took effect in FY2012, partially offset by one additional vessel, the MV Kennewick, added to the fleet in FY2012.
- The 2007-2009 labor contracts added \$6.9 Million over the past six years. The total increase is less than this due to the impact of lower overtime usage, more engine labor being charged to vessel maintenance, reductions in payments for travel time and mileage, and to the 3% reduction in salaries which took effect in FY2012.

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Fuel: \$21 Million increase (53%) from FY2007 to FY2012

- From FY2011 to FY2012 there was a \$9.8 Million increase due to a significant increase in average fuel prices (from \$3.09 in FY2011 to \$3.63 in FY2012). The costs would have been higher had WSF not initiated a fuel hedging program in this fiscal year. Although the fuel hedging program saved money in this year, the primary purpose of hedging was to provide budget stability for fuel.
- Over the six years the price of fuel increased from an average of \$2.38 per gallon in FY2007 to \$3.63 per gallon in FY2012, an increase of over 50 percent.

Non-Labor: \$2.1 Million decrease (20.8%) from FY2007 to FY2012.

- From FY2011 to FY2012 there was a \$0.6 Million increase due to increases in the price of lube oil (\$0.2 Million) and to higher costs for supplies and materials (\$0.5 Million) offset by a decrease in mileage reimbursements paid (-\$0.1 Million).
- The decrease in Direct Vessel Operating non-labor over the six years is due an accounting coding change which was in effect from FY2007 through FY2009 which resulted in more vessel maintenance parts being charged to direct vessel operating costs rather than to vessel maintenance. This practice was reversed in FY2010. Net of the coding changes there was approximately an 8% increase in costs over the six years, primarily due to inflation.

Direct Terminal Operating Expense:

Labor: \$2.8 Million increase (14.3%) from FY2007 to FY2012.

- A \$0.3 Million increase from FY2011 to FY2012 is due to additional staff to comply with new Federal Americans with Disabilities Act requirements which added \$375,000 to the cost, to additional staff for the Reservations System project (\$66,500), offset by the 3% salary reduction.
- Over the six years, the impact of the 2007-2009 labor contracts contributed \$1.8 Million to the increased costs; the Electronic Fare System contributed \$0.5 Million, and, as noted above, ADA compliance and the new reservations system added to the costs in FY2012.

Non-Labor: \$1 Million increase (21%) from FY2007 to FY2012

- A \$0.3 Million increase from FY2011 to FY2012 is due to increases in the cost of leases, payments to contract agents and utility costs.
- The increase over the six year period is due to increases in lease costs at Anacortes and increases in utility costs and other items totaling approximately \$1.2 Million.

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Direct Maintenance Expense (including contracted maintenance, Eagle Harbor labor and maintenance materials)

Vessel Maintenance: \$4.1 Million increase (24.4%) from FY2007 to FY2012.

- The increase of \$1.3 Million from FY2011 to FY2012 was due to more engine labor being coded to layup/maintenance. This is a result of bringing new vessels online.
- The increase in Vessel Maintenance costs over the six years is primarily in non-labor costs and is due to an accounting coding change which was in effect from FY2007 through FY2009. This resulted in more vessel maintenance parts being charged to direct vessel operating costs rather than to vessel maintenance. This practice was reversed in FY2010. Net of the coding changes there was approximately an 8% increase in costs over the six years, primarily due to inflation.

Terminal Maintenance: \$1.3 Million increase (17%) from FY2007 to FY2012.

- Expenditures decreased by \$0.2 Million (2.2%) from FY2011 to FY2012.
- Beginning in FY2008, the Legislature directed that costs for interim preservation projects to be transferred from the capital program to the operating program. This accounts for the increase over the six years.

Management and Support Expense:

Labor: \$0.8 Million increase (7.2%) from FY2007 to FY2012.

- Wage increases of 3.2% and 1.6% in the two years of the 2007-2009 biennium contributed the majority of the increases over the past six years.
- From FY2011 to FY2012 there was a decrease of \$0.5 Million. There was a reduction of 10.5 operating FTEs beginning in FY2012 that reduced the administrative budget by \$0.6 million; however, the impact of the change from FY2011 to FY2012 was masked by vacancies in FY2011. Also in FY2012, expenses were reduced because of a three percent across the board salary reduction.

Non-Labor: \$7.9 Million decrease (49.9%) from FY2007 to FY2012

- From FY2011 to FY2012 there was a decrease of \$4.4 Million (35%). WSF is no longer paying marine insurance from its funds as that responsibility has been assumed by OFM. This accounts for \$3.1 Million of the decrease. In addition, FY2011 Management and Support expenses were unusually high. One time payments for IT licenses and payments for Passenger Vessel Association studies together accounted for \$0.9 Million in FY2011 payments. There were no unique or expensive studies in FY2012.
- Over the six years, spending by WSF in this category has decreased by \$7.9 Million. The change in responsibility for insurance payments noted above accounts for \$4.7 Million (60%) of this. In addition, WSF cut staff, reduced the use of temporary employees and on-site consultants (\$0.4 Million savings), canceled some consultant contracts and converted others to staff positions

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(\$0.6 Million savings). Payments for contracted support for Human Resources systems were transferred to WSDOT Headquarters and this reduced expenditures by a further \$0.6 Million.

As of FY2010, "Other State Support" costs are no longer included in the calculation of the Farebox Recovery Rate. The following table restates farebox recovery for FY2007-FY2009 without that change.

	Equivalent Recovery Rates Net of "Other State Support"					
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Farebox Recovery Rate – as originally reported (with added State Support)	67.8%	63.1%	63.8%	70.5%	65.6%	66.2%
Farebox Recovery Rate – adjusted for no added State Support	71.3%	65.6%	67.4%	70.5%	65.6%	66.2%

Over the six years the net subsidy per rider has ranged from \$2.71 to \$3.57. In FY2012 the subsidy was \$3.34. (Note that the net subsidy per rider for FY2011 has been amended based on the revised ridership information for that year.)

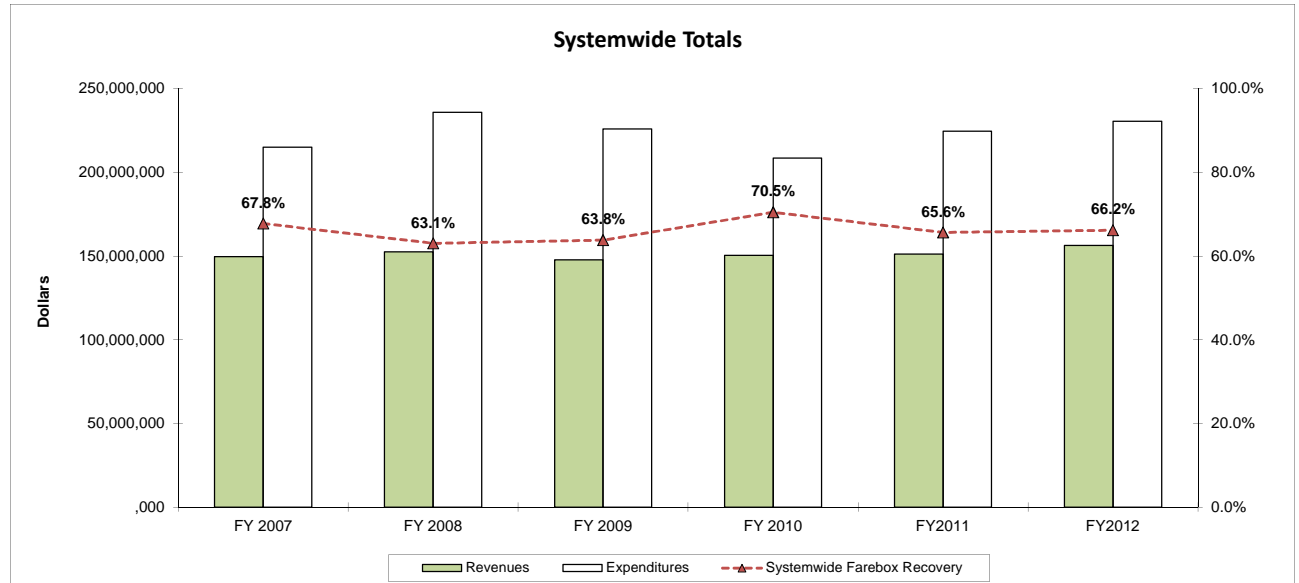
	FY2007	FY2007	FY2009	FY2010	FY2011	FY2012
Cost per rider	\$8.95	\$10.11	\$10.08	\$9.22	\$10.11	\$10.38
Fare recovery per rider	\$6.06	\$6.38	\$6.43	\$6.50	\$6.64	\$6.87
Miscellaneous Revenue per rider	\$0.17	\$0.17	\$0.16	\$0.15	\$0.17	\$0.17
Net Subsidy per rider	\$2.71	\$3.57	\$3.49	\$2.57	\$3.30	\$3.34

ROUTE STATEMENT SUMMARY FISCAL YEAR 2007 - 2012

Summary - All Routes

Includes Seattle-Vashon Passenger Only FY2007-FY2008

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	13,179,000	12,926,000	12,489,000	12,480,000	12,246,000	12,236,000
Vehicle	10,852,000	10,392,000	9,911,000	10,134,000	9,970,000	9,983,000
TOTAL RIDERS	24,031,000	23,319,000	22,400,000	22,614,000	22,215,000	22,219,000
REVENUE						
Fares	145,687,000	148,690,000	144,030,000	147,010,000	147,448,000	152,540,000
Miscellaneous	4,071,000	3,910,000	3,646,000	3,495,000	3,839,000	3,762,000
TOTAL REVENUE	149,758,000	152,600,000	147,676,000	150,505,000	151,287,000	156,302,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	76,837,000	81,613,000	81,679,000	83,771,000	82,555,000	81,143,000
Fuel	41,444,000	52,447,000	41,932,000	40,400,000	53,561,000	63,401,000
Non-Labor	10,119,000	14,404,000	13,033,000	9,682,000	7,427,000	8,013,000
Total	128,400,000	148,464,000	136,645,000	133,853,000	143,542,000	152,557,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	19,573,000	21,616,000	21,596,000	21,807,000	22,054,000	22,373,000
Non-Labor	4,783,000	5,577,000	5,683,000	5,394,000	5,461,000	5,792,000
Total	24,356,000	27,192,000	27,278,000	27,201,000	27,515,000	28,165,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	16,900,000	15,455,000	13,596,000	15,048,000	19,751,000	21,017,000
Terminal Maintenance	7,696,000	8,643,000	8,651,000	9,243,000	9,198,000	8,997,000
Total	24,596,000	24,098,000	22,247,000	24,291,000	28,948,000	30,014,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	11,065,000	12,605,000	11,730,000	12,008,000	12,320,000	11,858,000
Non-Labor	15,879,000	14,276,000	15,911,000	11,231,000	12,328,000	7,960,000
Other State Support	10,696,000	9,175,000	12,003,000			
Total	37,641,000	36,056,000	39,643,000	23,240,000	24,648,000	19,818,000
TOTAL EXPENSES	214,992,000	235,811,000	225,813,000	208,584,000	224,653,000	230,553,000
NET REVENUE/(EXPENSE)	(65,234,000)	(83,211,000)	(78,137,000)	(58,080,000)	(73,366,000)	(74,251,000)
FAREBOX RECOVERY RATIO						
	67.8%	63.1%	63.8%	70.5%	65.6%	66.2%
TOTAL REVENUE RECOVERY RATIO						
	69.7%	64.7%	65.4%	72.2%	67.3%	67.8%

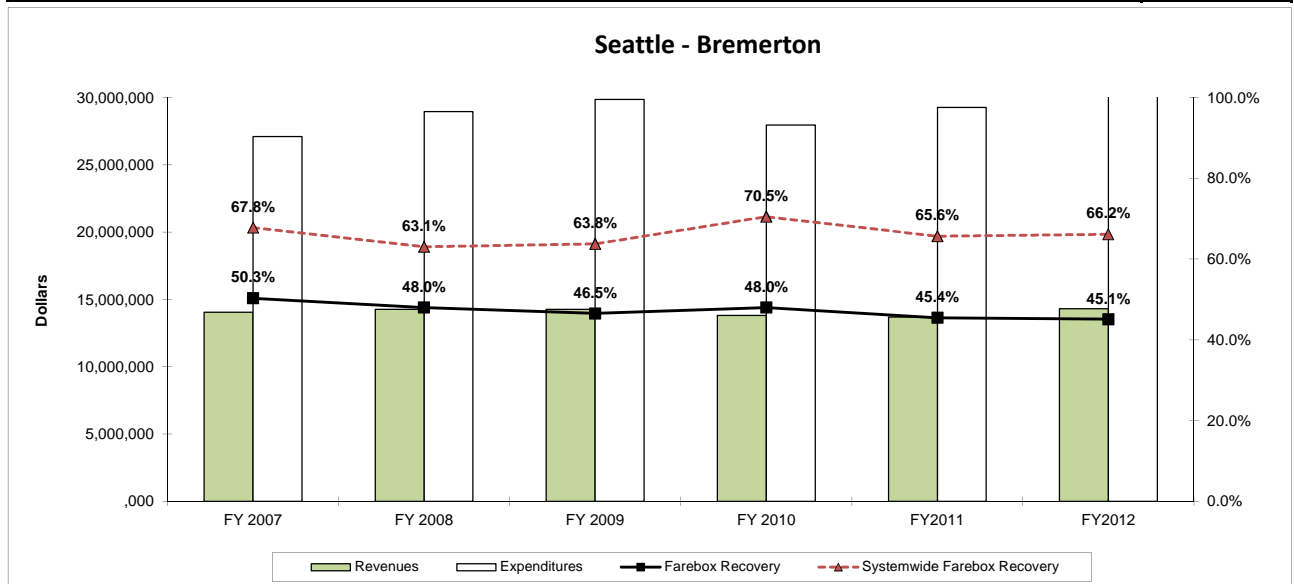


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 10: Seattle - Bremerton

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	1,734,000	1,862,000	1,796,000	1,910,000	1,712,000	1,711,000
Vehicle	740,000	699,000	653,000	649,000	648,000	647,000
TOTAL RIDERS	2,474,000	2,561,000	2,450,000	2,560,000	2,360,000	2,358,000
REVENUE						
Fares	13,623,000	13,893,000	13,895,000	13,414,000	13,291,000	13,943,000
Miscellaneous	431,000	376,000	367,000	401,000	396,000	379,000
TOTAL REVENUE	14,054,000	14,269,000	14,262,000	13,815,000	13,687,000	14,321,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	9,903,000	9,931,000	10,739,000	10,902,000	10,436,000	9,864,000
Fuel	5,938,000	7,524,000	6,394,000	6,960,000	8,961,000	10,597,000
Non-Labor	1,169,000	1,585,000	1,598,000	1,234,000	853,000	1,175,000
Total	17,010,000	19,041,000	18,730,000	19,096,000	20,250,000	21,636,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,252,000	2,469,000	2,494,000	2,484,000	2,465,000	2,475,000
Non-Labor	452,000	483,000	447,000	369,000	378,000	419,000
Total	2,705,000	2,952,000	2,941,000	2,853,000	2,842,000	2,894,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,617,000	1,419,000	1,801,000	1,596,000	1,981,000	2,959,000
Terminal Maintenance	1,025,000	1,123,000	1,152,000	1,293,000	967,000	775,000
Total	2,642,000	2,543,000	2,953,000	2,889,000	2,949,000	3,735,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,395,000	1,548,000	1,551,000	1,609,000	1,609,000	1,590,000
Non-Labor	2,002,000	1,754,000	2,104,000	1,505,000	1,610,000	1,068,000
Other State Support	1,348,000	1,127,000	1,588,000			
Total	4,745,000	4,429,000	5,244,000	3,114,000	3,220,000	2,658,000
TOTAL EXPENSES	27,101,000	28,964,000	29,868,000	27,953,000	29,261,000	30,923,000
NET REVENUE/(EXPENSE)	(13,047,000)	(14,695,000)	(15,607,000)	(14,138,000)	(15,574,000)	(16,601,000)

FAREBOX RECOVERY RATIO	50.3%	48.0%	46.5%	48.0%	45.4%	45.1%
TOTAL REVENUE RECOVERY RATIO	51.9%	49.3%	47.7%	49.4%	46.8%	46.3%

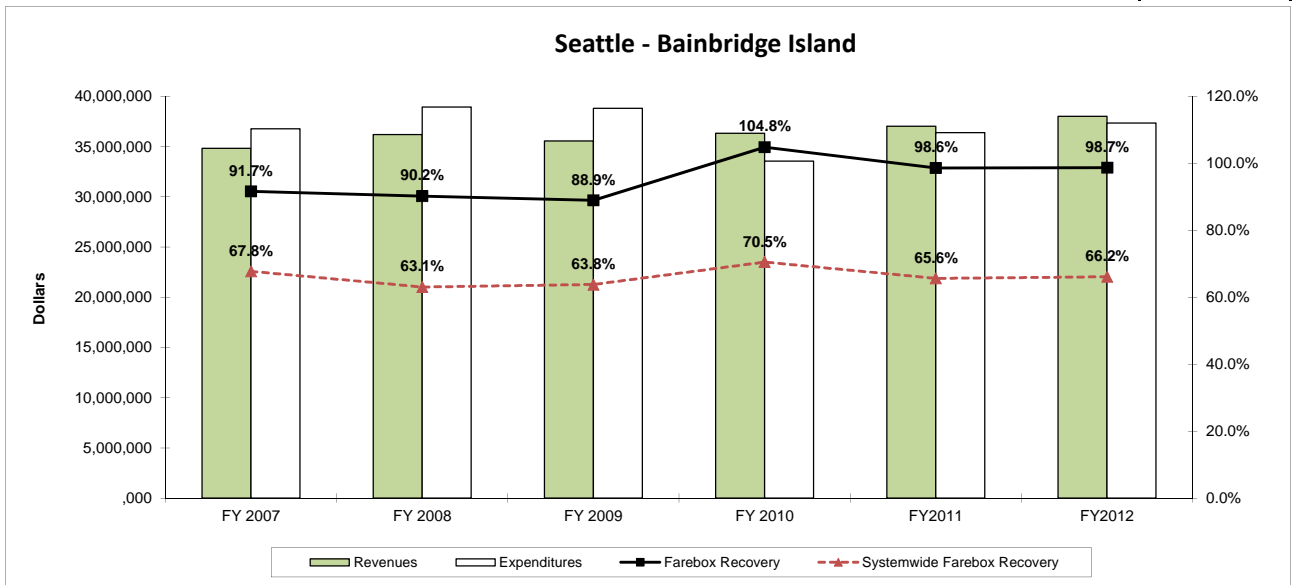


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 20: Seattle - Bainbridge Island

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	4,365,000	4,285,000	4,194,000	4,006,000	4,170,000	4,142,000
Vehicle	2,114,000	2,010,000	1,914,000	1,944,000	1,953,000	1,944,000
TOTAL RIDERS	6,480,000	6,295,000	6,107,000	5,950,000	6,123,000	6,087,000
REVENUE						
Fares	33,699,000	35,126,000	34,508,000	35,187,000	35,892,000	36,861,000
Miscellaneous	1,140,000	1,068,000	1,039,000	1,146,000	1,145,000	1,165,000
TOTAL REVENUE	34,839,000	36,194,000	35,547,000	36,333,000	37,037,000	38,027,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	11,137,000	11,772,000	12,025,000	12,073,000	12,145,000	11,697,000
Fuel	9,019,000	10,774,000	8,942,000	7,761,000	10,251,000	12,048,000
Non-Labor	1,685,000	1,725,000	1,783,000	1,337,000	1,102,000	970,000
Total	21,841,000	24,270,000	22,749,000	21,170,000	23,498,000	24,715,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,218,000	4,639,000	4,572,000	4,628,000	4,805,000	4,790,000
Non-Labor	577,000	579,000	563,000	507,000	558,000	619,000
Total	4,795,000	5,218,000	5,136,000	5,136,000	5,363,000	5,409,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,347,000	1,790,000	1,579,000	1,755,000	2,045,000	2,355,000
Terminal Maintenance	1,346,000	1,694,000	2,529,000	1,765,000	1,479,000	1,655,000
Total	3,693,000	3,484,000	4,109,000	3,520,000	3,525,000	4,010,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,892,000	2,081,000	2,016,000	1,932,000	2,001,000	1,921,000
Non-Labor	2,715,000	2,356,000	2,734,000	1,807,000	2,003,000	1,289,000
Other State Support	1,829,000	1,514,000	2,063,000			
Total	6,437,000	5,951,000	6,813,000	3,740,000	4,004,000	3,210,000
TOTAL EXPENSES	36,765,000	38,923,000	38,806,000	33,565,000	36,389,000	37,345,000
NET REVENUE/(EXPENSE)	(1,926,000)	(2,729,000)	(3,259,000)	2,767,000	647,000	682,000

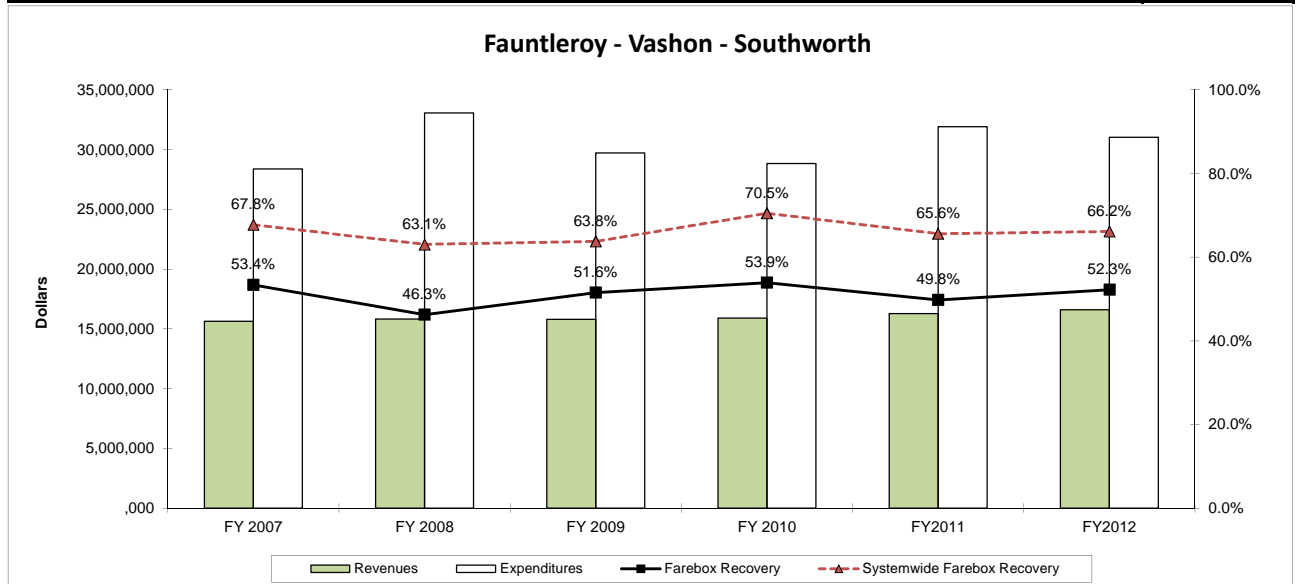
FAREBOX RECOVERY RATIO	91.7%	90.2%	88.9%	104.8%	98.6%	98.7%
TOTAL REVENUE RECOVERY RATIO	94.8%	93.0%	91.6%	108.2%	101.8%	101.8%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 30: Fautleroy - Vashon - Southworth

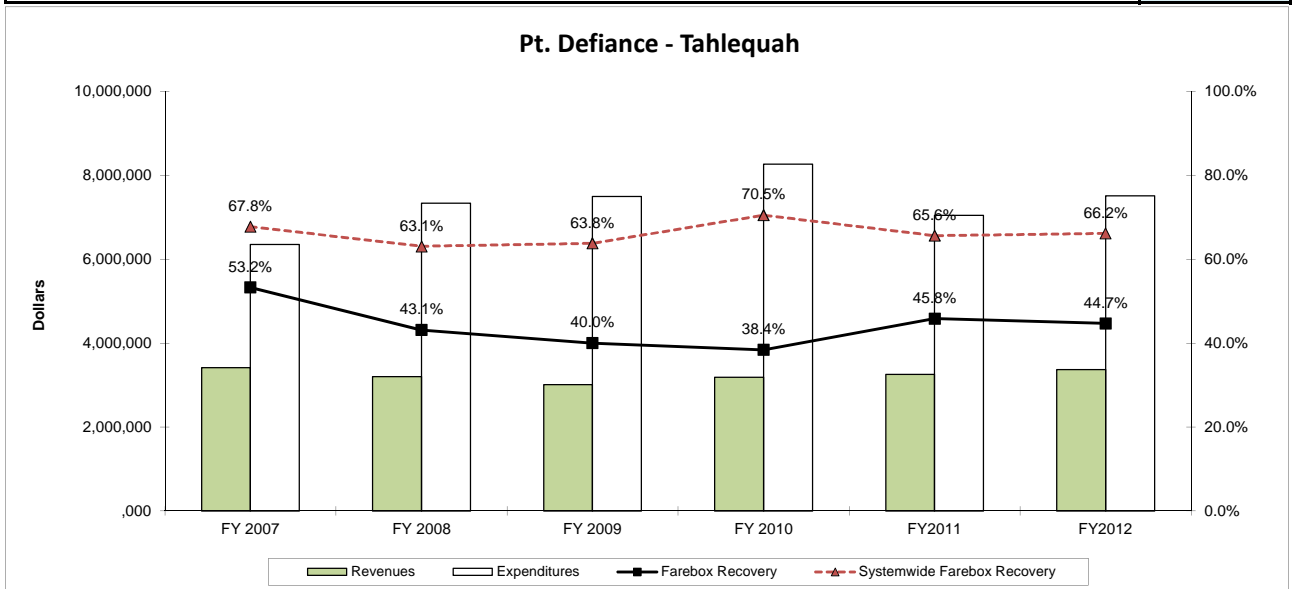
	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	1,402,000	1,321,000	1,315,000	1,241,000	1,261,000	1,227,000
Vehicle	1,823,000	1,749,000	1,696,000	1,701,000	1,706,000	1,682,000
TOTAL RIDERS	3,225,000	3,070,000	3,011,000	2,942,000	2,967,000	2,909,000
REVENUE						
Fares	15,164,000	15,308,000	15,328,000	15,558,000	15,887,000	16,220,000
Miscellaneous	492,000	523,000	466,000	343,000	398,000	396,000
TOTAL REVENUE	15,655,000	15,832,000	15,794,000	15,901,000	16,285,000	16,616,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	11,628,000	12,129,000	12,436,000	12,702,000	12,608,000	12,147,000
Fuel	4,613,000	5,934,000	4,900,000	4,517,000	6,074,000	7,076,000
Non-Labor	1,091,000	2,261,000	1,177,000	953,000	807,000	843,000
Total	17,332,000	20,324,000	18,513,000	18,172,000	19,490,000	20,066,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,903,000	3,443,000	3,412,000	3,400,000	3,467,000	3,644,000
Non-Labor	288,000	271,000	352,000	323,000	336,000	350,000
Total	3,191,000	3,714,000	3,764,000	3,724,000	3,804,000	3,993,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,989,000	2,744,000	1,429,000	2,720,000	2,751,000	3,419,000
Terminal Maintenance	911,000	1,241,000	803,000	1,011,000	2,369,000	892,000
Total	2,900,000	3,985,000	2,232,000	3,731,000	5,120,000	4,311,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,461,000	1,768,000	1,544,000	1,660,000	1,756,000	1,596,000
Non-Labor	2,097,000	2,003,000	2,095,000	1,553,000	1,757,000	1,072,000
Other State Support	1,413,000	1,287,000	1,580,000			
Total	4,971,000	5,058,000	5,219,000	3,213,000	3,513,000	2,668,000
TOTAL EXPENSES	28,394,000	33,081,000	29,727,000	28,840,000	31,927,000	31,038,000
NET REVENUE/(EXPENSE)	(12,739,000)	(17,249,000)	(13,934,000)	(12,939,000)	(15,641,000)	(14,422,000)
FAREBOX RECOVERY RATIO	53.4%	46.3%	51.6%	53.9%	49.8%	52.3%
TOTAL REVENUE RECOVERY RATIO	55.1%	47.9%	53.1%	55.1%	51.0%	53.5%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 40: Pt. Defiance - Tahlequah

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	270,000	264,000	259,000	270,000	271,000	265,000
Vehicle	388,000	371,000	353,000	370,000	375,000	377,000
TOTAL RIDERS	658,000	635,000	612,000	640,000	646,000	641,000
REVENUE						
Fares	3,381,000	3,165,000	2,994,000	3,169,000	3,229,000	3,355,000
Miscellaneous	36,000	35,000	16,000	16,000	27,000	18,000
TOTAL REVENUE	3,417,000	3,200,000	3,011,000	3,186,000	3,256,000	3,373,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	2,800,000	3,082,000	3,270,000	3,752,000	3,333,000	3,426,000
Fuel	407,000	702,000	370,000	652,000	812,000	1,099,000
Non-Labor	273,000	482,000	446,000	445,000	208,000	410,000
Total	3,480,000	4,266,000	4,086,000	4,849,000	4,353,000	4,935,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	768,000	806,000	852,000	885,000	872,000	883,000
Non-Labor	61,000	64,000	65,000	61,000	62,000	75,000
Total	829,000	869,000	918,000	946,000	934,000	958,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	757,000	747,000	906,000	588,000	677,000	496,000
Terminal Maintenance	172,000	334,000	269,000	958,000	307,000	475,000
Total	930,000	1,081,000	1,175,000	1,546,000	984,000	971,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	327,000	392,000	389,000	476,000	388,000	386,000
Non-Labor	469,000	444,000	528,000	445,000	388,000	259,000
Other State Support	316,000	286,000	398,000			
Total	1,112,000	1,122,000	1,315,000	921,000	775,000	645,000
TOTAL EXPENSES	6,350,000	7,338,000	7,493,000	8,263,000	7,047,000	7,509,000
NET REVENUE/(EXPENSE)	(2,933,000)	(4,138,000)	(4,482,000)	(5,077,000)	(3,791,000)	(4,136,000)
FAREBOX RECOVERY RATIO	53.2%	43.1%	40.0%	38.4%	45.8%	44.7%
TOTAL REVENUE RECOVERY RATIO	53.8%	43.6%	40.2%	38.6%	46.2%	44.9%

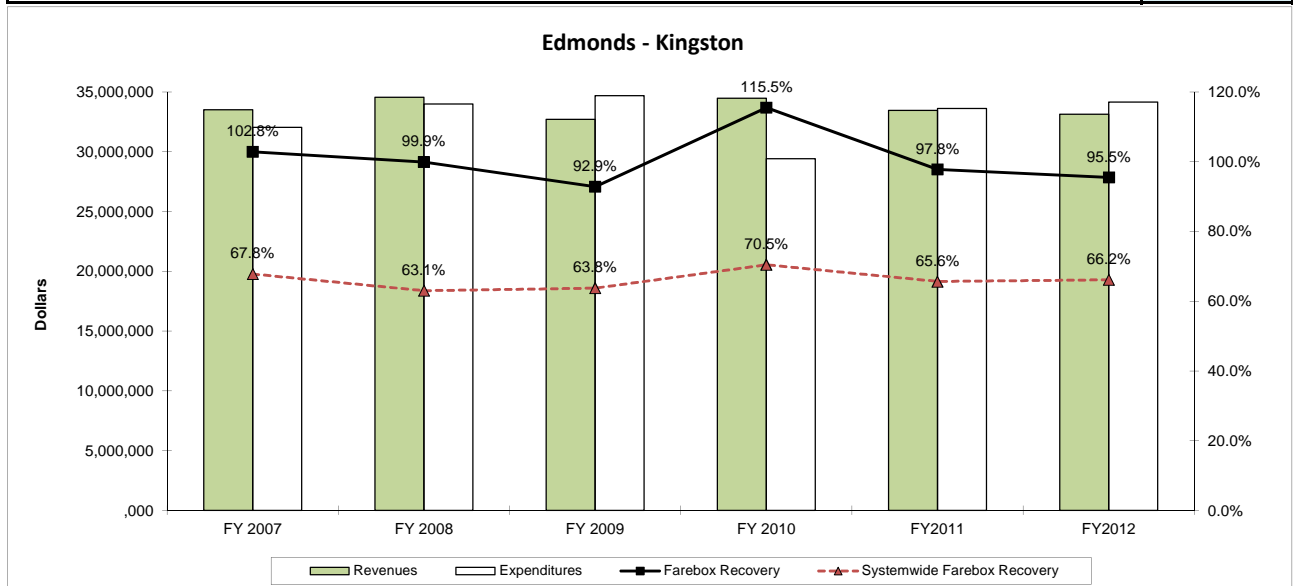


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 50: Edmonds - Kingston

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	2,079,000	1,968,000	1,877,000	1,967,000	1,856,000	1,788,000
Vehicle	2,278,000	2,234,000	2,075,000	2,192,000	2,091,000	2,033,000
TOTAL RIDERS	4,357,000	4,202,000	3,953,000	4,159,000	3,948,000	3,821,000
REVENUE						
Fares	32,945,000	33,958,000	32,217,000	34,000,000	32,872,000	32,637,000
Miscellaneous	565,000	604,000	504,000	471,000	586,000	500,000
TOTAL REVENUE	33,509,000	34,562,000	32,722,000	34,471,000	33,458,000	33,137,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	10,818,000	11,427,000	11,691,000	11,606,000	11,382,000	11,106,000
Fuel	7,033,000	8,767,000	6,776,000	6,941,000	8,723,000	10,285,000
Non-Labor	1,267,000	1,594,000	2,150,000	1,115,000	1,070,000	1,093,000
Total	19,118,000	21,789,000	20,617,000	19,662,000	21,176,000	22,484,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	3,706,000	3,929,000	4,016,000	4,059,000	4,050,000	3,940,000
Non-Labor	531,000	577,000	585,000	580,000	544,000	579,000
Total	4,237,000	4,505,000	4,600,000	4,639,000	4,594,000	4,519,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,885,000	1,430,000	2,606,000	1,059,000	3,076,000	3,260,000
Terminal Maintenance	1,184,000	1,069,000	778,000	793,000	1,075,000	965,000
Total	3,069,000	2,499,000	3,385,000	1,852,000	4,151,000	4,225,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,649,000	1,817,000	1,802,000	1,694,000	1,849,000	1,757,000
Non-Labor	2,366,000	2,058,000	2,444,000	1,585,000	1,850,000	1,180,000
Other State Support	1,594,000	1,323,000	1,844,000			
Total	5,608,000	5,197,000	6,090,000	3,279,000	3,699,000	2,937,000
TOTAL EXPENSES	32,032,000	33,990,000	34,692,000	29,432,000	33,621,000	34,164,000
NET REVENUE/(EXPENSE)	1,478,000	572,000	(1,970,000)	5,039,000	(163,000)	(1,027,000)

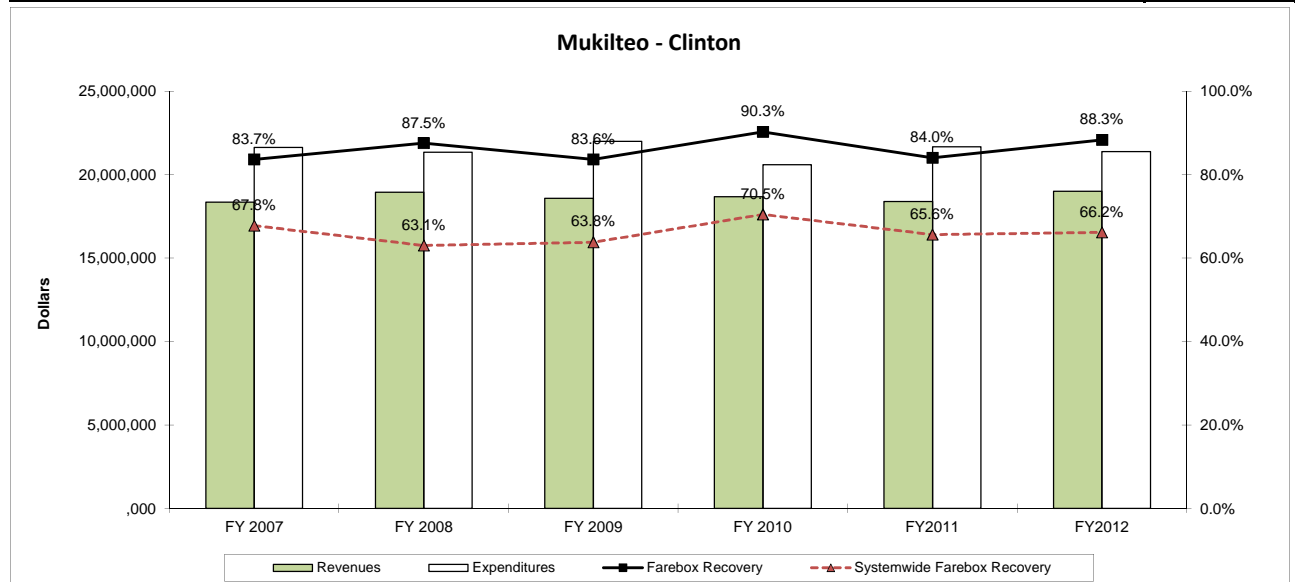
FAREBOX RECOVERY RATIO	102.8%	99.9%	92.9%	115.5%	97.8%	95.5%
TOTAL REVENUE RECOVERY RATIO	104.6%	101.7%	94.3%	117.1%	99.5%	97.0%



ROUTE STATEMENT SUMMARY FISCAL YEAR 2007 - 2012

Route 60: Mukilteo - Clinton

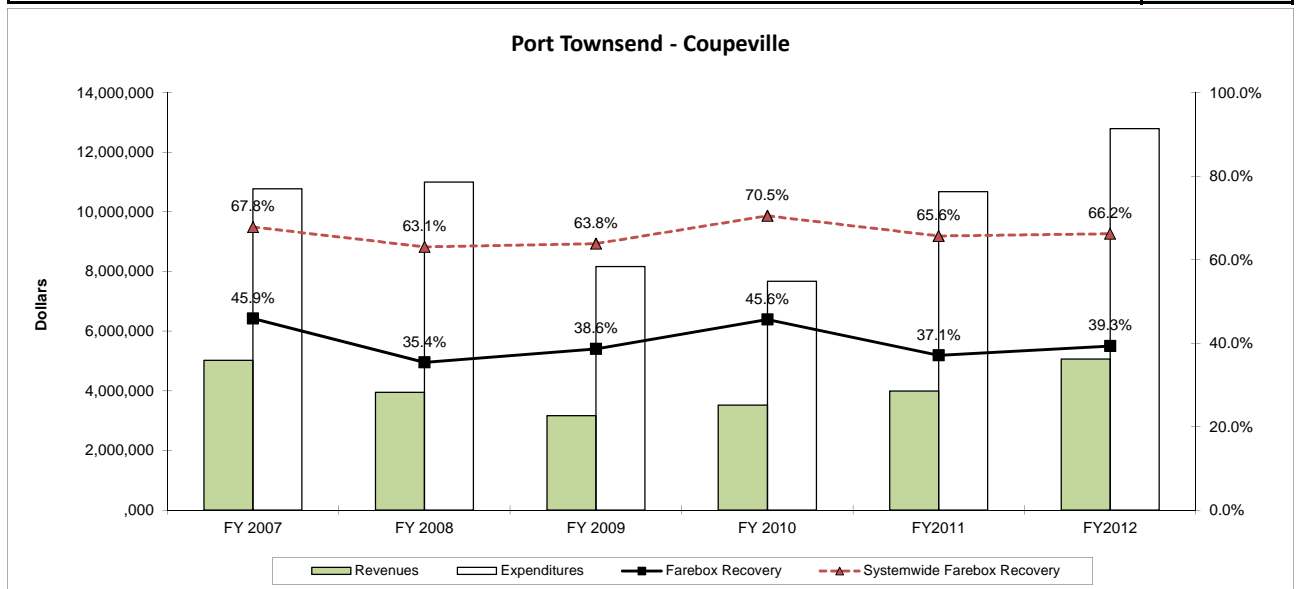
		FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC							
Passenger		1,832,000	1,813,000	1,814,000	1,817,000	1,692,000	1,749,000
Vehicle		2,233,000	2,195,000	2,138,000	2,155,000	2,055,000	2,090,000
TOTAL RIDERS		4,065,000	4,007,000	3,951,000	3,972,000	3,746,000	3,838,000
REVENUE							
Fares		18,099,000	18,686,000	18,406,000	18,589,000	18,204,000	18,876,000
Miscellaneous		245,000	256,000	179,000	100,000	188,000	137,000
TOTAL REVENUE		18,345,000	18,941,000	18,585,000	18,689,000	18,392,000	19,013,000
DIRECT VESSEL OPERATING EXPENSE							
Labor		8,411,000	8,920,000	9,157,000	9,024,000	9,259,000	8,828,000
Fuel		2,822,000	3,427,000	2,850,000	2,680,000	3,943,000	3,926,000
Non-Labor		1,046,000	1,274,000	1,016,000	786,000	639,000	746,000
Total		12,278,000	13,620,000	13,024,000	12,490,000	13,841,000	13,500,000
DIRECT TERMINAL OPERATING EXPENSE							
Labor		2,577,000	2,824,000	2,842,000	2,906,000	2,883,000	2,969,000
Non-Labor		274,000	262,000	278,000	470,000	454,000	493,000
Total		2,851,000	3,086,000	3,120,000	3,376,000	3,337,000	3,463,000
DIRECT MAINTENANCE EXPENSE							
Vessel Maintenance		1,538,000	685,000	1,197,000	1,804,000	1,650,000	2,156,000
Terminal Maintenance		1,180,000	693,000	800,000	627,000	454,000	423,000
Total		2,717,000	1,378,000	1,997,000	2,431,000	2,104,000	2,578,000
MANAGEMENT AND SUPPORT EXPENSE							
Labor		1,113,000	1,141,000	1,143,000	1,185,000	1,192,000	1,100,000
Non-Labor		1,598,000	1,292,000	1,550,000	1,109,000	1,192,000	738,000
Other State Support		1,076,000	831,000	1,170,000			
Total		3,788,000	3,264,000	3,863,000	2,294,000	2,384,000	1,838,000
TOTAL EXPENSES		21,634,000	21,348,000	22,003,000	20,591,000	21,666,000	21,379,000
NET REVENUE/(EXPENSE)		(3,289,000)	(2,407,000)	(3,419,000)	(1,902,000)	(3,274,000)	(2,366,000)
FAREBOX RECOVERY RATIO		83.7%	87.5%	83.6%	90.3%	84.0%	88.3%
TOTAL REVENUE RECOVERY RATIO		84.8%	88.7%	84.5%	90.8%	84.9%	88.9%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 70: Port Townsend - Coupeville

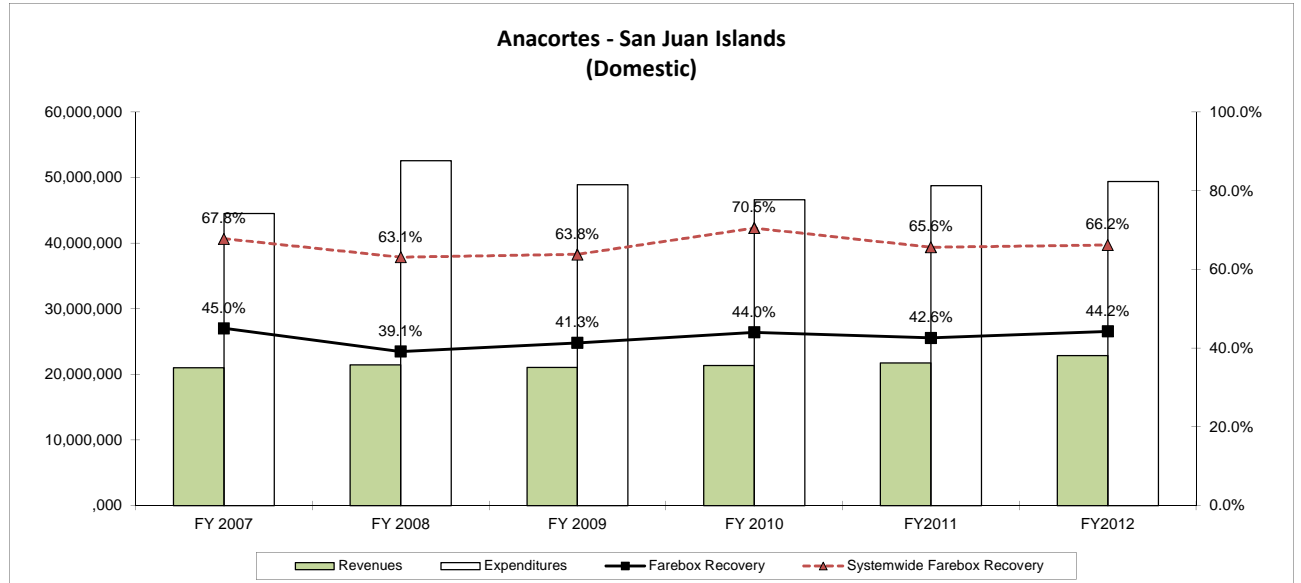
	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	396,000	336,000	282,000	304,000	320,000	360,000
Vehicle	367,000	260,000	222,000	248,000	272,000	320,000
TOTAL RIDERS	762,000	596,000	503,000	552,000	592,000	680,000
REVENUE						
Fares	4,942,000	3,889,000	3,153,000	3,499,000	3,959,000	5,024,000
Miscellaneous	80,000	57,000	18,000	20,000	37,000	43,000
TOTAL REVENUE	5,022,000	3,946,000	3,171,000	3,519,000	3,996,000	5,068,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	3,579,000	3,989,000	2,713,000	2,839,000	3,376,000	5,170,000
Fuel	1,028,000	1,102,000	492,000	468,000	1,297,000	2,433,000
Non-Labor	819,000	1,151,000	1,220,000	1,255,000	615,000	731,000
Total	5,426,000	6,241,000	4,425,000	4,563,000	5,288,000	8,335,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,165,000	1,242,000	1,240,000	1,230,000	1,241,000	1,371,000
Non-Labor	159,000	219,000	152,000	138,000	164,000	215,000
Total	1,324,000	1,460,000	1,392,000	1,368,000	1,405,000	1,586,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,535,000	1,177,000	216,000	201,000	1,991,000	1,212,000
Terminal Maintenance	596,000	438,000	699,000	681,000	886,000	558,000
Total	2,132,000	1,616,000	915,000	882,000	2,877,000	1,770,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	554,000	588,000	424,000	441,000	552,000	658,000
Non-Labor	795,000	666,000	575,000	413,000	552,000	442,000
Other State Support	536,000	428,000	434,000			
Total	1,885,000	1,682,000	1,433,000	854,000	1,104,000	1,099,000
TOTAL EXPENSES	10,767,000	10,999,000	8,165,000	7,667,000	10,673,000	12,790,000
NET REVENUE/(EXPENSE)	(5,745,000)	(7,053,000)	(4,994,000)	(4,148,000)	(6,677,000)	(7,723,000)
FAREBOX RECOVERY RATIO						
	45.9%	35.4%	38.6%	45.6%	37.1%	39.3%
TOTAL REVENUE RECOVERY RATIO						
	46.6%	35.9%	38.8%	45.9%	37.4%	39.6%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 80: Anacortes - San Juan Islands (Domestic)

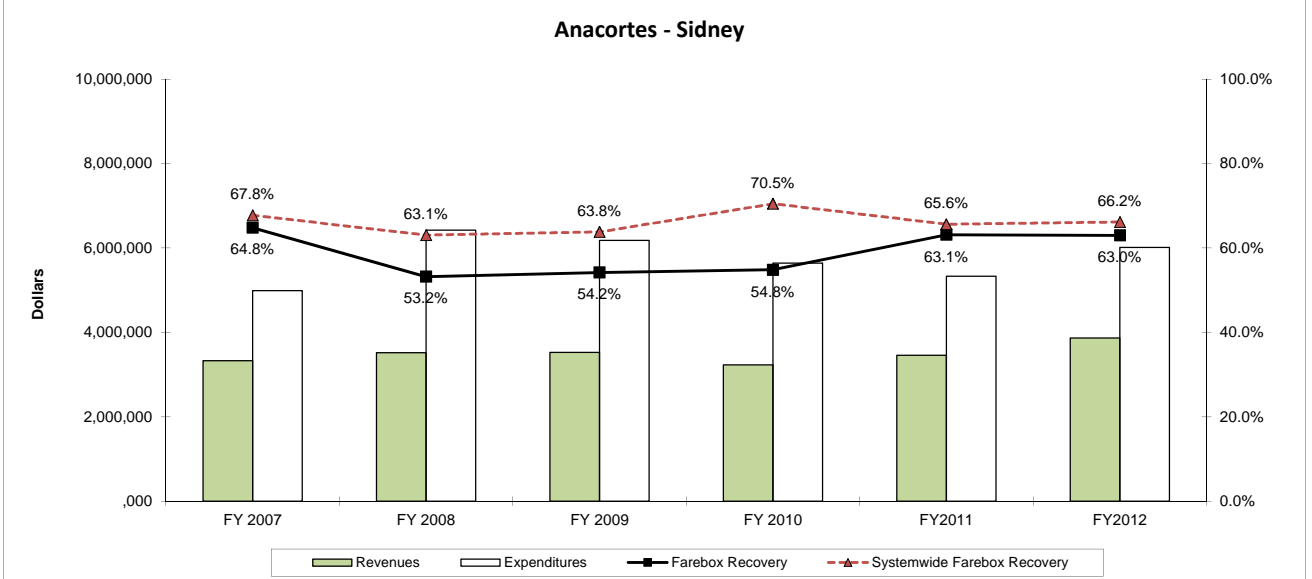
	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	886,000	864,000	868,000	888,000	882,000	905,000
Vehicle	865,000	829,000	817,000	835,000	826,000	841,000
TOTAL RIDERS	1,752,000	1,694,000	1,685,000	1,723,000	1,708,000	1,747,000
REVENUE						
Fares	20,038,000	20,552,000	20,183,000	20,499,000	20,748,000	21,836,000
Miscellaneous	984,000	882,000	875,000	860,000	973,000	1,045,000
TOTAL REVENUE	21,022,000	21,433,000	21,058,000	21,359,000	21,722,000	22,880,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	15,861,000	17,456,000	17,664,000	18,968,000	18,233,000	17,248,000
Fuel	9,146,000	12,311,000	9,840,000	9,403,000	12,079,000	14,191,000
Non-Labor	2,368,000	3,857,000	3,295,000	2,231,000	1,907,000	1,837,000
Total	27,375,000	33,623,000	30,799,000	30,602,000	32,219,000	33,276,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,744,000	1,971,000	1,935,000	1,998,000	2,046,000	2,052,000
Non-Labor	1,854,000	2,091,000	2,318,000	2,228,000	2,258,000	2,326,000
Total	3,598,000	4,062,000	4,253,000	4,226,000	4,304,000	4,378,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	4,531,000	4,919,000	3,723,000	4,694,000	5,304,000	4,467,000
Terminal Maintenance	1,215,000	1,932,000	1,525,000	1,911,000	1,547,000	3,022,000
Total	5,746,000	6,851,000	5,248,000	6,605,000	6,852,000	7,489,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	2,291,000	2,810,000	2,539,000	2,684,000	2,680,000	2,540,000
Non-Labor	3,288,000	3,183,000	3,444,000	2,511,000	2,682,000	1,705,000
Other State Support	2,215,000	2,046,000	2,598,000			
Total	7,794,000	8,039,000	8,581,000	5,195,000	5,363,000	4,245,000
TOTAL EXPENSES	44,512,000	52,575,000	48,882,000	46,628,000	48,737,000	49,389,000
NET REVENUE/(EXPENSE)	(23,490,000)	(31,142,000)	(27,824,000)	(25,269,000)	(27,016,000)	(26,508,000)
FAREBOX RECOVERY RATIO	45.0%	39.1%	41.3%	44.0%	42.6%	44.2%
TOTAL REVENUE RECOVERY RATIO	47.2%	40.8%	43.1%	45.8%	44.6%	46.3%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2012**

Route 85: Anacortes - Sidney

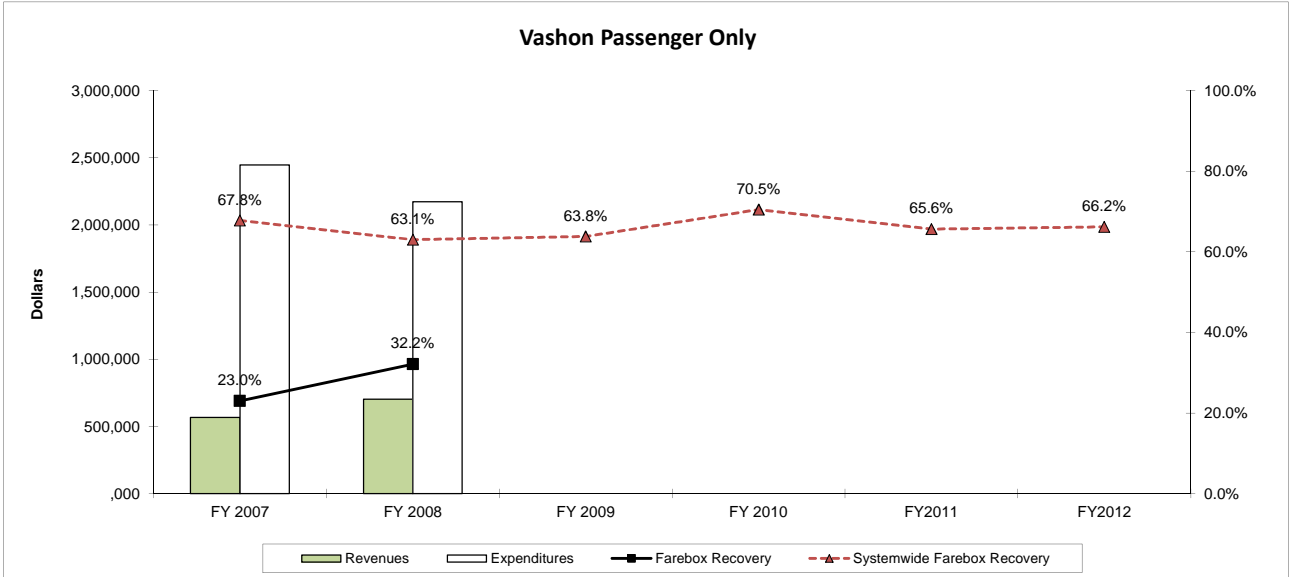
	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	87,000	87,000	84,000	76,000	81,000	89,000
Vehicle	44,000	45,000	44,000	40,000	44,000	48,000
TOTAL RIDERS	131,000	133,000	128,000	116,000	125,000	137,000
REVENUE						
Fares	3,234,000	3,414,000	3,346,000	3,095,000	3,366,000	3,788,000
Miscellaneous	92,000	106,000	182,000	137,000	89,000	79,000
TOTAL REVENUE	3,326,000	3,520,000	3,528,000	3,232,000	3,455,000	3,867,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	1,809,000	1,986,000	1,983,000	1,905,000	1,783,000	1,656,000
Fuel	1,066,000	1,416,000	1,369,000	1,018,000	1,420,000	1,745,000
Non-Labor	273,000	269,000	350,000	326,000	224,000	208,000
Total	3,149,000	3,672,000	3,702,000	3,249,000	3,427,000	3,609,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	191,000	236,000	232,000	215,000	226,000	248,000
Non-Labor	581,000	1,025,000	923,000	718,000	706,000	716,000
Total	771,000	1,261,000	1,155,000	933,000	932,000	964,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	145,000	407,000	138,000	631,000	274,000	693,000
Terminal Maintenance	51,000	97,000	96,000	203,000	113,000	232,000
Total	196,000	504,000	235,000	834,000	387,000	925,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	257,000	343,000	321,000	325,000	293,000	309,000
Non-Labor	369,000	389,000	435,000	304,000	293,000	208,000
Other State Support	248,000	250,000	328,000			
Total	874,000	981,000	1,084,000	629,000	587,000	517,000
TOTAL EXPENSES	4,990,000	6,419,000	6,177,000	5,645,000	5,333,000	6,016,000
NET REVENUE/(EXPENSE)	(1,664,000)	(2,899,000)	(2,649,000)	(2,413,000)	(1,878,000)	(2,148,000)
FAREBOX RECOVERY RATIO	64.8%	53.2%	54.2%	54.8%	63.1%	63.0%
TOTAL REVENUE RECOVERY RATIO	66.7%	54.8%	57.1%	57.3%	64.8%	64.3%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2007 - 2008**

Seattle - Vashon Passenger Only - (operated through FY2008 only)

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger Vehicle	128,000	125,000				
TOTAL RIDERS	128,000	125,000				
REVENUE						
Fares	563,000	699,000				
Miscellaneous	5,000	4,000				
TOTAL REVENUE	567,000	703,000				
DIRECT VESSEL OPERATING EXPENSE						
Labor	891,000	921,000				
Fuel	372,000	491,000				
Non-Labor	128,000	206,000				
Total	1,391,000	1,617,000				
DIRECT TERMINAL OPERATING EXPENSE						
Labor	49,000	58,000				
Non-Labor	7,000	7,000				
Total	56,000	65,000				
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	555,000	136,000				
Terminal Maintenance	15,000	22,000				
Total	571,000	158,000				
MANAGEMENT AND SUPPORT EXPENSE						
Labor	126,000	116,000				
Non-Labor	181,000	132,000				
Other State Support	122,000	85,000				
Total	428,000	332,000				
TOTAL EXPENSES	2,446,000	2,173,000				
NET	(1,879,000)	(1,470,000)				
FAREBOX RECOVERY RATIO:	23.0%	32.2%				
TOTAL REVENUE RECOVERY RATE	23.2%	32.4%				



ROUTE STATEMENT SUMMARY FISCAL YEAR 2007 - 2012

Summary - Auto Ferry Only (net of FY07-FY08 Passenger Only)

does not include Passenger Only service operated FY2007-FY2008

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012
TRAFFIC						
Passenger	13,051,000	12,801,000	12,489,000	12,480,000	12,374,000	12,236,000
Vehicle	10,852,000	10,392,000	9,911,000	10,134,000	9,973,000	9,983,000
TOTAL RIDERS	23,904,000	23,194,000	22,400,000	22,614,000	22,347,000	22,219,000
REVENUE						
Fares	145,125,000	147,991,000	144,030,000	147,010,000	147,448,000	152,540,000
Miscellaneous	4,066,000	3,906,000	3,646,000	3,495,000	3,839,000	3,762,000
TOTAL REVENUE	149,191,000	151,897,000	147,676,000	150,505,000	151,287,000	156,302,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	75,945,000	80,692,000	81,679,000	83,771,000	82,555,000	81,143,000
Fuel	41,072,000	51,956,000	41,932,000	40,400,000	53,561,000	63,401,000
Non-Labor	9,991,000	14,199,000	13,033,000	9,682,000	7,427,000	8,013,000
Total	127,008,000	146,846,000	136,645,000	133,853,000	143,542,000	152,557,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	19,524,000	21,557,000	21,596,000	21,807,000	22,054,000	22,373,000
Non-Labor	4,776,000	5,570,000	5,683,000	5,394,000	5,461,000	5,792,000
Total	24,300,000	27,127,000	27,278,000	27,201,000	27,515,000	28,165,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	16,345,000	15,319,000	13,596,000	15,048,000	19,751,000	21,017,000
Terminal Maintenance	7,680,000	8,621,000	8,651,000	9,243,000	9,198,000	8,997,000
Total	24,025,000	23,940,000	22,247,000	24,291,000	28,948,000	30,014,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	10,939,000	12,489,000	11,730,000	12,008,000	12,320,000	11,858,000
Non-Labor	15,698,000	14,145,000	15,911,000	11,231,000	12,328,000	7,960,000
Other State Support	10,575,000	9,091,000	12,003,000			
Total	37,212,000	35,724,000	39,643,000	23,240,000	24,648,000	19,818,000
TOTAL EXPENSES	212,546,000	233,638,000	225,813,000	208,584,000	224,653,000	230,553,000
NET REVENUE/(EXPENSE)	(63,355,000)	(81,741,000)	(78,137,000)	(58,080,000)	(73,366,000)	(74,251,000)
FAREBOX RECOVERY RATIO						
	68.3%	63.3%	63.8%	70.5%	65.6%	66.2%
TOTAL REVENUE RECOVERY RATIO						
	70.2%	65.0%	65.4%	72.2%	67.3%	67.8%

