
Transportation Committee

HB 2607

Brief Description: Using dock lease revenue for private passenger-only ferry grants.

Sponsors: Representative Ericksen.

Brief Summary of Bill

- Creates the passenger-only ferry account and provides that funds from this account be used to provide grants to private operators of passenger-only ferries to reduce ticket costs to passenger-only ferry riders.
- Allows the Utilities and Transportation Commission to immediately consider applications for certificates to operate private passenger-only ferry service.

Hearing Date: 2/3/04

Staff: Jill Satran (786-7315).

Background:

The Department of Transportation (DOT) is currently authorized to sell, rent or lease its passenger-only ferry (POF) vessels, equipment, and terminal space to public transportation benefit area (PTBA) authorities and ferry districts. Under such agreements the PTBA or ferry district is subject to the terms of collective bargaining agreements negotiated under 41.56 RCW or the National Labor Relations Act.

The DOT is also required to make its terminal, dock, and pier space available to private POF operators as long as it can be made available without limiting the operation of Washington state ferries (WSF) car ferries. Charges for the equipment and space must be at fair market value, taking into account the public benefit of the POF service. Revenues from these agreements are placed into the Puget Sound Ferry Operations account, which is used for ferry operations.

No private entity may operate commercial ferry service without first obtaining a certificate from the Utilities and Transportation Commission (UTC). In 2003, the legislature provided operators of POF services an exemption from the 10-mile rule, which prohibits entities from operating a ferry within 10 miles of a state-operated ferry service. Before issuing a certificate the UTC will consider whether the applicant has sufficient financial resources to operate the proposed route for at least 12 months, and the UTC must consider the effect of awarding such a certificate on public agencies operating, or eligible to operate, POF service. The UTC is prohibited from considering

applications for POF service until March, 2005, unless the local public transportation benefit area authority or ferry district pass a resolution agreeing to the application.

Summary of Bill:

The DOT is allowed to enter into agreements with private POF operators for the rent or lease of its passenger-only ferry vessels. Private POF operators are not subject to the jurisdiction of the Marine Employees Commission.

The Passenger-Only Ferry Account is created and revenue from the lease or rent of vessels, terminals, docks and pier space by private operators these agreements are to be placed in that account. The funds in the account are to be used to provide grants to those private operators to provide reduced-cost tickets for passenger-only service. No private operator can receive more in grants than it pays to the DOT in leases or rents.

The moratorium on the UTC's consideration of applications for POF certificates by private operators is eliminated.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.