

## MEMORANDUM

**To:** Stephen Kiehl

**From:** Becca Aue

**Date:** November 27, 2007

**Subject:** Regional Passenger-Only Ferry Study – ***DRAFT** Governance and Regional Roles*

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### Introduction

For many years transportation officials, public leaders, citizens and stakeholder groups have been asking how passenger-only ferry (POF) service might be best administered and delivered in the Puget Sound region. Recent actions by the State Legislature directed Washington State Ferries (WSF) to exit the POF business, and enabled cities, counties and transit agencies to form new Ferry Districts and Public Transportation Benefit Areas (PTBAs) with expanded tax-collecting authority to fund passenger-only ferry service. The newly formed King County Ferry District will begin collecting new property taxes in 2008 to deliver POF service between Seattle and Vashon and to enhance Elliott Bay Water Taxi service, and is studying other routes for potential demonstration service. At the same time, WSF will have fully extracted itself from all POF service provision by Summer 2009. To enable potential non-state providers to deliver service, the Legislature reduced regulatory and legal barriers. For example, passenger-only ferries were granted an exception to a law making it illegal for a ferry operator to implement service within ten-miles of a WSF terminal. New laws also enabled POF operators – public or private – to lease, rent or purchase existing state owned passenger-only ferry vessels and terminals.

While these developments lay the necessary groundwork for local and private POF service development and delivery, it is unclear whether some service might be better suited for regional management, and how the state, counties, transit agencies, cities and private sector could collaborate to deliver the most beneficial set of POF services to the region. This paper begins by summarizing the variety of POF governance options that might be applied in this region. Although it does not attempt to recommend a preferred strategy, it does present the pros, cons and tradeoffs of each structure, and discusses the key findings on governance from other recent studies and conversations with POF

providers. This memo also details how the Puget Sound Regional Council currently supports POF planning and service development, and suggests possible expanded regional roles for the future.

## Array of Potential Governance Structures

Legislative actions over the past four years have led to an increased focus on local governance for passenger ferries, but POF service can also be developed and delivered by the private sector (i.e. Victoria Clipper), county (i.e. King County Ferry District), transit agencies (i.e. Kitsap Transit Foot Ferry) and numerous variations on public-private and public-public partnerships. Each has its merits and downfalls, and the option that is best for a specific POF service is highly dependent on the particulars of the market, route, operating and political environment, as well as existing or upcoming opportunities for partnerships. This section describes the stratum of governance options ranging from private, private-public, or entirely public operation. The discussion of public governance is further broken down to local, regional and state-managed options.

### ***PRIVATE OPERATION***

#### **Privately Owned and Managed**

Under this free market structure, a private operator finances, designs, builds, maintains, manages and delivers all aspects of service, including the setting of schedules and fares. The private sector is either responsible for funding and building terminals, or acquiring rights to use existing terminals under different ownership (such as leasing facilities from WSF). Besides being subject to existing regulations (i.e. Utilities and Transportation Commission, Coast Guard, NEPA, land use codes), the private owner has full autonomy with no direct public oversight. Typically, the private operator recovers capital and operating costs through fares, concession revenue, advertising, and charter service. Local examples of this approach include the Victoria Clipper service between Seattle and Victoria B.C., and Victoria Express with service between Port Angeles, Victoria B.C. and Friday Harbor, and the Victoria Harbor Ferry Company which operates 12 small (12-passenger) vessels in Victoria Harbor. Interestingly, each of these examples focuses on a niche tourist market. This approach may be most appropriate for a Lake Union circulator route where tourist ridership would be relatively high.

#### **Privately Owned and Managed with Public Subsidies**

This model introduces funding from public agencies to support capital improvements and operating expenditures. Indirect support can be in the form of low cost leases on public facilities, or maintenance, fuel, personnel, training, insurance, financing, and other elements at reduced cost. The private operator maintains managerial and operational control, but with added constraints and oversight that may be imposed by the subsidizing agency. An example of this structure is New York Water Taxi, which provides three peak-period commuter routes and additional all-day service during the summer. The majority of the terminals NY Water Taxi uses are owned by the City of New York, the Port Authority or private owners, and New York Department of Transportation has worked

collaboratively with the agency to apply for and secure additional federal and state monies to develop docks. The agency also works with private partners such as developers and employers to subsidize new connections. The partners guarantee a certain number of riders (and pay the difference if actual ridership is lower) in exchange for service to their housing development or business.<sup>1</sup>

### Tradeoffs of Private Operation

PROS	CONS
<ul style="list-style-type: none"> <li>• Little or no financial impact to public transportation agencies</li> <li>• Little or no public operating risk</li> <li>• Reliability and sustainability of service is not highly susceptible to external political forces</li> <li>• Private operators often see the best returns on investment</li> <li>• Service levels and routing could be adjusted relatively quickly to changing markets and circumstances</li> <li>• Potential for some public oversight without incurring public staffing and administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>• Service provision is dependent on economic viability for the private operator, making long-term sustainability uncertain</li> <li>• Very little or no public influence on service and routing decisions</li> <li>• May depend on access to public resources for landside infrastructure and connections</li> <li>• Subject to additional regulations from the Utilities and Transportation Commission</li> <li>• Service is structured around routes with best return on investment rather than those most able to meet overall public need</li> <li>• Without public subsidy, fares are more likely to be set at a premium</li> </ul>

### **PUBLIC OPERATION**

Under this structure, a public operator (state, city, county, region or transit agency) finances, designs, builds, maintains, manages and delivers all aspects of service, including the setting of schedules and fares. This approach leverages the public sector’s taxing and bonding authority and creates maximum transparency and public accountability. In most peer cities, passenger-only ferry services are operated by a regional transit district or a municipal or state department of transportation.

#### **State**

Under state governance, the State Legislature is the governing authority. This is currently the case with the Vashon-Seattle POF route, which is managed and operated by Washington State Ferries, although the process to transfer full funding, management, and operation of the route to the King County Ferry District is underway. As of July 2009, WSF will have fully removed itself from POF service delivery, making state governance of POF in the Puget Sound an unlikely option. However, this does not necessarily preclude the state from subsidizing service provided by city, county or private operators. In fact, the WA State Joint Transportation Committee Passenger-Only Ferry Task Force found

<sup>1</sup> King County, 2005. *Waterborne Transit Policy Study, Task 2- Regional and Industry Experience*. Page 17.

that POF service in the region would not be viable without some level of public subsidy, even in the case of private operation. But to qualify for public subsidy, POF service would need to help achieve public transportation objectives. The Task Force identified the potential future routes between Seattle and Bremerton, Seattle and Southworth, and Seattle and Kingston as “first-tier priorities” for the state since they meet established criteria for routes with statewide significance.<sup>2</sup>

## **Regional**

Regional structures are overseen by a policy board or council composed of either appointed elected officials or members elected from the geographic region served. The organization may be responsible solely for waterborne transit service (i.e. Bay Area Water Transit Authority), or for an array of regional transportation services (i.e. Massachusetts Bay Transportation Authority). For some time the Puget Sound region, as well as the state Legislature, has been discussing the idea of regional transportation governance. In its 2006 Final Report to Governor Gregoire, the Regional Transportation Commission recommended that the Washington State Legislature create a 15-member Puget Sound Regional Transportation Commission (PSRTC) with authority and responsibility for planning, prioritizing and funding all modes of regional transportation for the four-county area<sup>3</sup>. Although no legislative action has been taken to implement this recommendation, the idea is still alive and will likely receive further debate. Should the PSRTC be created, this body could oversee and develop POF service for “regionally-significant” routes (which would need to be defined), or possibly all POF services within the region.

## **County/Local**

A county or local governance system would place legislative authority in an existing legislative body, while service development and delivery is handled by a city or county department of transportation or a transit agency. The development of the King County Ferry District is an example of this structure, where King County Council is the legislative authority and King County Metro delivers the service and handles its day-to-day management.

## **Public-Public Partnerships**

Two or more public agencies may collaborate to offer POF services through an interagency agreement that specifies respective program implementation responsibilities. Teaming up to provide service also allows the combination of public assets to provide service, such as terminal facilities. Public-public partnerships can also help leverage state and federal grant funds. For example, the Bay Area Water Transit Authority expects that local jurisdictions will provide capital funding for terminal facilities and contribute to operating costs, and is prioritizing the routes that serve jurisdictions willing to make those contributions. The Sydney Ferry Corporation owns only six of the 60 terminals in its

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<sup>2</sup> Washington State Legislature, 2006. *Passenger-Only Ferry Task Force’s Report to the Joint Transportation Committee*. Page 7.

<sup>3</sup> The Regional Governance Commission’s report laid out several options for how existing local, regional and state transportation agencies would interact with the PSRTC if it were created. In the case of Puget Sound Regional Council, options ranged from keeping the agency intact with a modified role, to abolishing it altogether.

system, while the rest are owned by town councils (city governments) or Waterways (equivalent of the U.S. Coast Guard). In some cases, Sydney Ferries must pay for use of the facilities. In other cases, the terminals are provided free of charge as an incentive to attract ferry service.<sup>4</sup> In the PSRC region, the King County Ferry District will lease existing State-owned terminals to provide the Vashon-Seattle service, while it partners with the City of Seattle to use docking space at Seacrest Park for the Elliott Bay Water Taxi.

### Tradeoffs of Public Operation

PROS	CONS
<ul style="list-style-type: none"> <li>• Public operator has full control of level and quality of service</li> <li>• Public operator fully determines cost recovery rates and fares</li> <li>• More state, regional and federal grant and funding opportunities</li> <li>• Combines public assets—such as terminal facilities, vessels, etc—to make service delivery more cost-efficient overall</li> <li>• Service and routes are structured around public needs and objectives rather than profit potential</li> <li>• Cost-sharing may better support necessary service levels</li> <li>• Regional structures allow better integration of POF into the larger transportation system, better cross-jurisdictional coordination, and centralized customer information</li> <li>• Assuming stable funding sources, service is more reliable and sustainable in the long term</li> <li>• Public subsidy allows potentially more affordable fares</li> </ul>	<ul style="list-style-type: none"> <li>• Larger financial risk to the public</li> <li>• Increased public cost</li> <li>• New revenue sources would be needed to fund capital outlay and operations</li> <li>• Under a regional model, cities and counties have less direct oversight</li> <li>• Does not take advantage of private sector service delivery experience and efficiencies</li> <li>• If multiple cities and counties provide service in the same region, it can lead to competition over scarce funding resources and ridership in a limited market</li> <li>• Attempts to control costs may result in fewer customer amenities and lower overall comfort on vessels and at terminals</li> <li>• Shifting politics and public opinion could impact reliability of service</li> </ul>

### Public-Private Partnership Model

In this model, a public agency teams with a private entity to develop, fund, deliver and manage service. The King County Waterborne Transit Policy Study (2005) found that partnerships are key to success—especially public-private partnerships. This is due to the fact all revenue sources and financing approaches available under the public option and the private option are available to the public/private combination. Local stakeholders and other agencies with experience operating waterborne transit services highly recommend

<sup>4</sup> King County, 2005. *Waterborne Transit Policy Study, Task 2- Regional and Industry Experience*. Page 13.

partnership models as ways to provide terminal infrastructure, deliver service, and share risk and reward. Two variations on this scenario are: 1) service that is publicly owned and privately managed, and 2) service that is publicly owned and managed, with service delivery and/or maintenance functions contracted out. Examples include Vallejo BayLink in the Bay Area, and locally, the Kingston Express service which was terminated due to low ridership and high operating costs.

### Tradeoffs of Public-Private Operation

PROS	CONS
<ul style="list-style-type: none"> <li>• Shares operating and financial risk</li> <li>• Reduces public fiscal commitment</li> <li>• Capitalizes on private operator’s service delivery experience</li> <li>• Provides access to public funding that can reduce financial barriers for private operators enough to make service viable</li> <li>• Allows public agencies to participate in service planning</li> <li>• Leverages revenue via docking fees and/or development fees</li> <li>• Maximizes flexibility in service funding, development and delivery</li> </ul>	<ul style="list-style-type: none"> <li>• May require public subsidy to fund capital or operating costs</li> <li>• New public revenue sources may be needed, depending on chosen subsidy levels</li> <li>• Could result in lost public investment should the private operator decide to back out</li> <li>• Public sector may have limited ability to exercise quality control over private operators</li> </ul>

## Existing Regional Roles

A primary purpose of the Regional Passenger-Only Ferry Study is to evaluate the current status of passenger-only ferries in the Central Puget Sound Region and explore the need for a coordinated regional approach to planning for passenger-only ferries. Although the PSRC does not have direct responsibility for implementing transportation service and building infrastructure, it does have a variety of functions that help support the planning and delivery of POF service in the region.

### ***Policy Support***

The Puget Sound Regional Council sets multi-county planning policies in the areas of transportation, economic development, and growth management through **Vision 2040** (the region’s long-range growth strategy), the **Regional Economic Strategy** (the region’s strategic plan for attracting and retaining jobs) and **Destination 2030** (the region’s long-range multi-modal transportation plan). Additionally, PSRC works with cities and counties to develop multi-county planning policies, which are required for King, Pierce and Snohomish counties and their cities. Other less-populated counties may opt to participate in adopting multi-county planning policies. Multi-county planning policies and

**Destination 2030** provide a broad and solid foundation for passenger-only ferry service with their focus on the following objectives:

- Promotion of transportation-efficient land uses and cost-effective transportation systems
- Concentrating growth in urban centers and compact communities
- Creation of a regional transportation network that connects urban centers, increases access to employment hubs, and provides alternatives to SOV travel
- Establishment of seamless intermodal connections between different modes
- Development of a comprehensive high-capacity transit network
- Preservation and protection of rural and resource lands
- Addressing the needs of a diverse population
- Protecting and preserving natural resources and minimizing the region's contribution to climate change

### ***Long-Range Planning: Destination 2030***

**Destination 2030** is the four-county region's long-range transportation plan that details and prioritizes needed investments in the regional transportation system, including auto and passenger ferries. Proposed improvements in the Plan related to passenger-only ferries include routes between Seattle and Vashon Island, Southworth, Bremerton, and Kingston. The Plan also includes ferry terminal expansion and improvement projects, as well as critical landside transit, bicycle and pedestrian connections such as park-and-rides, transit service and nonmotorized facilities. The 2007 update to *Destination 2030* retained previously planned investments in POF, but added wording about the state's changing role, Kitsap Transit's efforts to develop new funding sources for expanded POF service, the King County Business Plan for its newly formed Ferry District, and the Regional POF Study. The results of the Regional POF Study and the project list it ultimately recommends in 2008 will be incorporated into the major update to **Destination 2030**, planned for adoption in 2010.

Many plan provisions in **Destination 2030** provide a necessary foundation of support for regional POF service by helping define when POF service should be considered "regional" in nature, providing a framework for how passenger ferries fit into the regional transportation network, and by describing how POF service supports adopted growth management and transportation goals. Excerpts of these policies and supporting plan text include:

1. **The Region will promote integration of ferry services and facilities with other modes**, including nonmotorized, and local and regional transit.

2. **Non-state passenger-only ferry service, such as water taxis, will be further evaluated** to determine what role they may play in the regional transportation system [this study].
3. **Passenger and auto ferries are part of the Metropolitan Transportation System** (MTS). The MTS includes regionally significant multi-modal transportation facilities and services considered crucial to the mobility needs of the region.
4. **Facilities of Statewide Significance include:** interregional State principal arterials including ferry connections that serve statewide travel.
5. **Passenger-only ferries are defined as High Capacity Transit.** This system includes Sound Transit's LINK light rail, Sounder Commuter Rail, and Regional Express Bus.
6. **Passenger and auto ferries provide basic transportation** for thousands of daily commuters.
7. **Passenger and auto ferry services support the region's land use and transportation objectives** by providing effective transportation services that reduce travelers' dependence upon personal vehicle use, and reduce vehicle delay due to congestion on the region's roadways. By serving regional growth centers (downtown Seattle, Bremerton) ferry system projects can receive higher priority in the Regional Transportation Improvement Program (TIP).
8. **Ferry service is . . . coordinated with local transit services** at terminals, providing seamless connections throughout the region. **Destination 2030 provides the following direction:** "Promote convenient transfers between transit and other travel modes, including ferries."
9. **Destination 2030** begins by recognizing the vitally important role that transit and ferry services play in the functioning of urban and suburban communities, and looks to, as a baseline standard, **preserve local services at levels prior to the elimination of state motor vehicle excise tax revenues.**
10. **Passenger-only ferries serve a particular, regionally important travel market.** In the future, passenger-ferry service may be in part funded through regionally available funds and/or through local transit agency financial support or private operation and investment.

### ***Transportation Improvement Program***

The Regional Transportation Improvement Program (TIP) provides a list of current transportation projects within King, Kitsap, Pierce, and Snohomish counties that are funded with federal, state, or local funds including federal grants awarded and managed through the Regional Council's triennial project selection process. It is important to understand the TIP since any transportation project in the region—including passenger-only ferries—must be included in order to receive federal funding. The TIP spans a four-

year period and must be updated every three years, although minor amendments are made on a monthly basis. The TIP is required under federal and state legislation, and undergoes public review and comment, before being approved by the Regional Council's Transportation Policy and Executive Boards before being submitted for further approvals by the Governor and the United States Department of Transportation.

In order for a project to be included in the TIP, the project must meet the following criteria:

1. A project is using federal and/or state funds, or
2. The project is funded locally, is considered "regionally significant," and project funds are scheduled for use within the four-year time span of the current TIP

All projects undergo comprehensive screening by PSRC to ensure:

- The project is included in **Destination 2030**, or is consistent with the policy intent of **Destination 2030**
- The funds being programmed are secured or there are reasonable expectations to acquire those funds, and
- The project meets air quality conformity standards

### ***PSRC's Project Selection Process***

By meeting certain regional objectives—such as serving regional growth centers (“Urban Centers”), providing travel alternatives in highly congested corridors, and/or providing a travel choice for transit-dependent communities—passenger-only ferry system projects can receive higher priority in the Regional Transportation Improvement Program (TIP). Urban Centers adjacent to water include downtown Seattle, South Lake Union, downtown Everett, Renton, downtown Tacoma, downtown Bremerton and Silverdale. Under current TIP policy direction (as well as the region’s multi-county planning policies), new passenger-only ferry service to these regional growth centers would be consistent with regional goals and policies, and could potentially compete successfully for regional TIP funds or other funds managed through the county-wide TIP funding process.

## ***Federal Funds Competitive Process***

PSRC receives three federal funding sources and conducts regional competitions for those funds every three years. A policy framework, adopted by PSRC's Boards, provides the focus for investments in the region based on PSRC's adopted plans (VISION 2040, Destination 2030, and the Regional Economic Strategy). Policies guiding those regional competitions focus on support for the development of urban and manufacturing/industrial centers and the connections between those centers. These policies may support many potential future regional passenger-only routes being analyzed in this Regional POF Study.

## ***Regional Coordination***

A pivotal role of the PSRC is to provide a forum for coordinated planning of the regional transportation system. This is done via the Transportation and Growth Management Policy Boards, the Executive Board, the Economic Development District Board, and the various advisory committees that guide PSRC's work (currently there are eleven). This coordinated approach culminates in adopted multi-county planning policies and **Destination 2030**. The value of this approach is the identification of facilities, routes, and corridors that are regionally-significant in nature, an agreed upon framework to guide regional funding decisions, a transportation network that is coordinated and connected across city and county lines, as well as between different operators and providers. Finally, regional coordination allows critical dialogue, data and information sharing between agencies and service providers, as well as between stakeholder and community groups with a vested interest in the development of the regional transportation system.

## ***Technical Support and Research***

An important way PSRC currently supports ferry planning and all transportation planning in the region is through technical support and research functions. PSRC maintains population, employment and income data and forecasts and makes this available to all member jurisdictions and members of the public. PSRC also maintains the regional travel demand model to forecast future demand, and assists its members to use the model in their planning efforts and conduct analysis of model results. Efforts underway through this study will help to improve the function of the regional travel demand model for forecasting cross-Sound ferry patronage. There is also an important research function that PSRC fills on behalf of the region. The Household Travel Survey and studies such as this one all serve to inform transportation stakeholders about potential needs, markets, user behavior, data sources, best practices, and existing and future travel trends.

## **Possible Expanded Regional Roles**

As outlined above, PSRC supports ferry system, and regional transportation planning in general, in a variety of ways. Many adopted policies are in support of passenger-only ferry service and could potentially bolster implementation of potential routes in the future.

This study grapples with important questions such as what potential routes are most viable, which routes support local versus regional objectives, and how can passenger-only service be funded and most efficiently delivered. Although not all the answers are known, research performed to date has shed light on possible expanded roles for PSRC in POF system planning. They include:

### ***Research and Surveys***

Good planning stems from good data, and PSRC could enable improved ferry planning by conducting research into existing and future ferry markets, user preferences, potential customer reactions to various fare structures, and overall research into and testing of a variety of ferry service concepts. PSRC could team with partners such as King County Ferry District and WSF to fund and carry out research and surveys on an as-needed basis.

### ***Planning and Guidance for Ferry Terminal Areas***

Regions around the nation and world are increasingly recognizing the importance of transit-oriented development (TOD) in increasing transit patronage, reducing SOV travel and overall VMT, reducing carbon emissions and generally creating more livable, sustainable communities. Given passenger-only ferries are essentially high-capacity transit operating on water, the same concept can be applied to regional ferry terminals (“water TOD”). By incorporating a mix of land uses in close proximity of terminals—including office, residential, retail and/or civic uses—combined with good landside transit connections, the market for POF and walk-on use of auto ferries could be greatly enhanced.

However, not every location is appropriate for dense residential or mixed-use development. Several potential routes being studied in this effort serve rural or suburban markets where this approach to land use and design may not make sense, or may not be accepted by the community. PSRC could assist by developing planning and design guidance for ferry terminal areas tailored to different prevailing densities, land uses, and market types.

### ***Multi-Modal Service Integration***

The success of a passenger-only ferry service will be highly dependent on the convenience of service, and whether patrons can easily get from their home to the terminal, and from the terminal to their final destination. It cannot be overstated how important multimodal service integration is to the success of a POF system. All it takes is one inconvenient transfer, too long a wait for a bus, or a lack of connecting pedestrian facilities to deter potential riders from using the system. PSRC can play a critical role by fostering improved multimodal service integration. This would consist of inventorying existing conditions on the landside bicycle, roadway, pedestrian and transit networks—including parking supply—noting deficiencies and needs, and then working with the appropriate agencies to ensure seamless integration of modes and improved connections to ferry services.

### ***Development of Coordinated Service Standards***

PSRC could work with its agency stakeholders to ensure that all existing and future POF service meets minimum quality of service levels. In addition to determining what appropriate service standards might be, the region could develop performance measures to evaluate whether POF service is meeting the standards. This could apply in particular to POF services receiving competitive federal, state or regional funds to ensure transportation dollars are distributed to the most productive and regionally important services.

### ***Capital Planning***

When planning new service, a common challenge for service providers is developing capital plans that can stand up to the closest scrutiny. This is especially the case when the type of service in question is not already widespread in the region and the provider has limited direct past experience. This is an issue that the King County Ferry District is dealing with now as it plans to take over the Vashon-Seattle route and potentially expand and develop other POF ferry service in the County. To assist with their capital planning, the King County Ferry District has retained consultants and industry experts. Although PSRC does not have experience delivering POF service, this is a role that PSRC might at least partially take on. Through targeted research into other systems' capital programs and trends in ferry system technology, PSRC could develop important cost data, best practices, and other resources to assist potential future providers to craft credible capital plans.

### ***Enhanced Cross-Regional Coordination***

Some members of the Joint Transportation Committee Passenger-Only Ferry Task Force felt that more coordinated regional ferry planning was needed to determine whether certain routes should be eligible for state subsidy, and that this might be achieved through the formation of a more formal governance structure. Although only state elected officials have the authority to enable a new regional governance structure, PSRC could foster enhanced cross-regional coordination by forming a new Regional Ferry Committee comprised of agencies and interested parties from the region and state. Such a committee could generate ideas for new routes, development of ferry terminal areas, design guidelines, funding sources, and in general inform all aspects of ferry planning.

### ***Evaluate Regional Passenger-Only Ferry Governance Options***

Similar to the Bay Area's Water Transit Authority, the PSRC region could choose to take a similar route to develop and deliver regionally-significant POF service. In preparation for that possibility, PSRC could conduct a comprehensive evaluation of the pros and cons and costs and benefits of such a regional authority, as well as the legal and regulatory issues involved. Among other things, the evaluation could address the tradeoffs of regional fund allocation to POF and potential pitfalls. Doing this evaluation may set the stage for a serious discussion and would enable a much more informed public debate should the idea gain momentum.

## ***Development of New Regional Funding Sources***

There is a critical lack of funding for the many high priority transportation projects in the region. Among these priorities, the region will need to consider whether new regional funding sources could be developed to fund POF as well as other types of service.

In the Bay Area, a significant proportion of bridge tolls are allocated to POF service providers in the region. With the PSRC region's recent designation as an FHWA Urban Partner, plans to collect tolls in the future on SR 520, and ever-expanding discussions about the need for regional tolling, there is public speculation about whether tolling could be a viable future funding source for POF service. PSRC is a logical venue for future discussion of such financing concepts.

Additionally, the replacement of both the Alaskan Way Viaduct and the SR 520 bridge present a unique opportunity to potentially capture federal mitigation funding for POF service in these corridors (across Lake Washington and Elliott Bay). Finally, the growing federal focus on emergency mitigation and disaster management could lead to new opportunities for regional POF funding, as ferry service provides an alternate route should area bridges be rendered unusable by an earthquake or other disaster. The PSRC could serve as a forum for discussing these ideas, generating support, and moving concepts forward through the regulatory process.