

Washington State Ferries

FY2015 Route Statements

This document is a description of factors affecting the Route Statements for Fiscal Year 2015 (July 1, 2014 through June 30, 2015), and information regarding cost, ridership, and revenue trends over the past six years.

Service Changes Over the Six-Year Period

- From the Winter of FY08 through the Fall of FY11, the Port Townsend – Coupeville (Keystone) 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 summer service on the Port Townsend route was restored at the beginning of FY12 with the addition of the MV Salish.
- In January 2012 the 48-car MV Rhododendron was replaced by the MV Chetzemoka on the Point Defiance – Tahlequah route. The new 64-car ferry MV Kennewick replaced the MV Chetzemoka on the Port Townsend – Coupeville (Keystone) route.
- At the end of FY14 the 144-car Tokitae replaced the 124-car Cathlamet on the Mukilteo-Clinton route.
- In July 2014 the MV Tacoma was out of service for eight months for repairs needed due to mechanical failure. In order to ensure proper service levels the MV Evergreen State, which was slated for decommissioning in FY15, was reinstated.
- At the end of FY15 the 144-car Samish replaced a 90-car Sealth on the Anacortes-San Juan Island route.

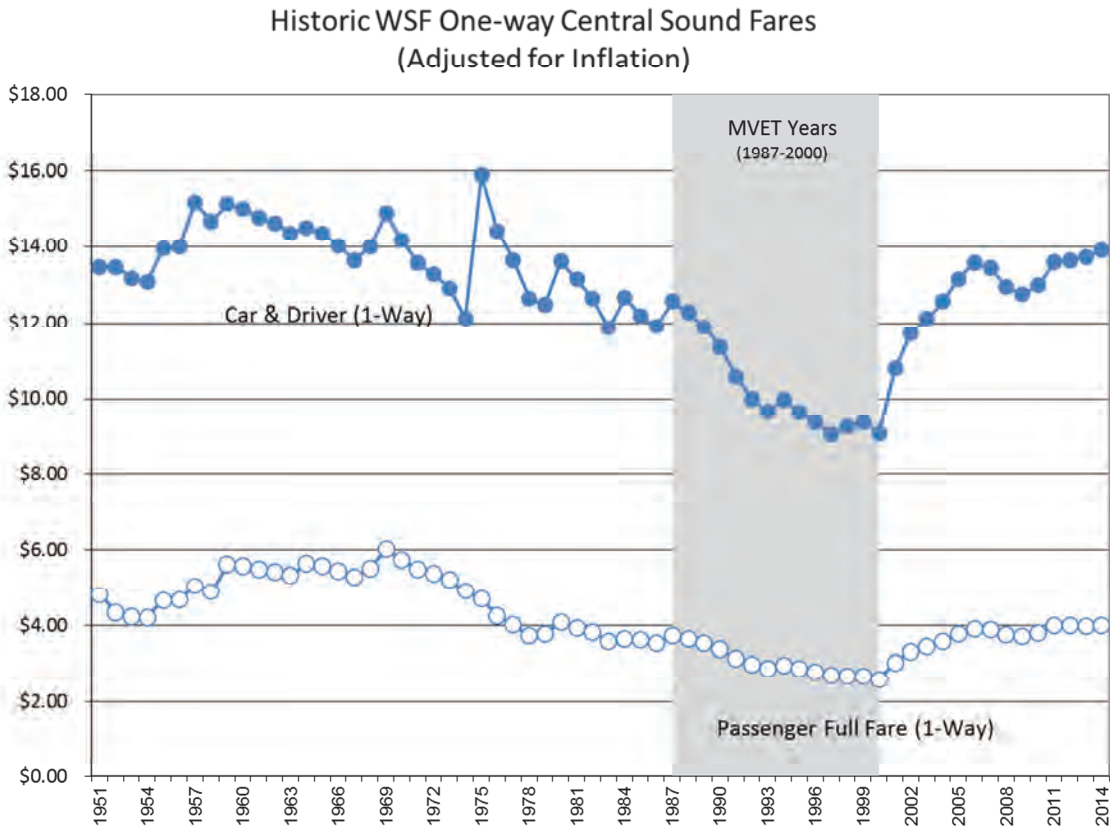
Ridership Changes

Ridership began increasing in FY11, lagging behind the beginning of the economic recovery. This lag was due in part to the continued high gasoline prices and a shift in ridership demographics away from commuters to more occasional travel. With the improving economy and lower fuel prices, ridership increased 2.0% in FY14 and increased by another 3.5% in FY15. For the first time since FY08, ridership exceeded 23 million riders in FY15.

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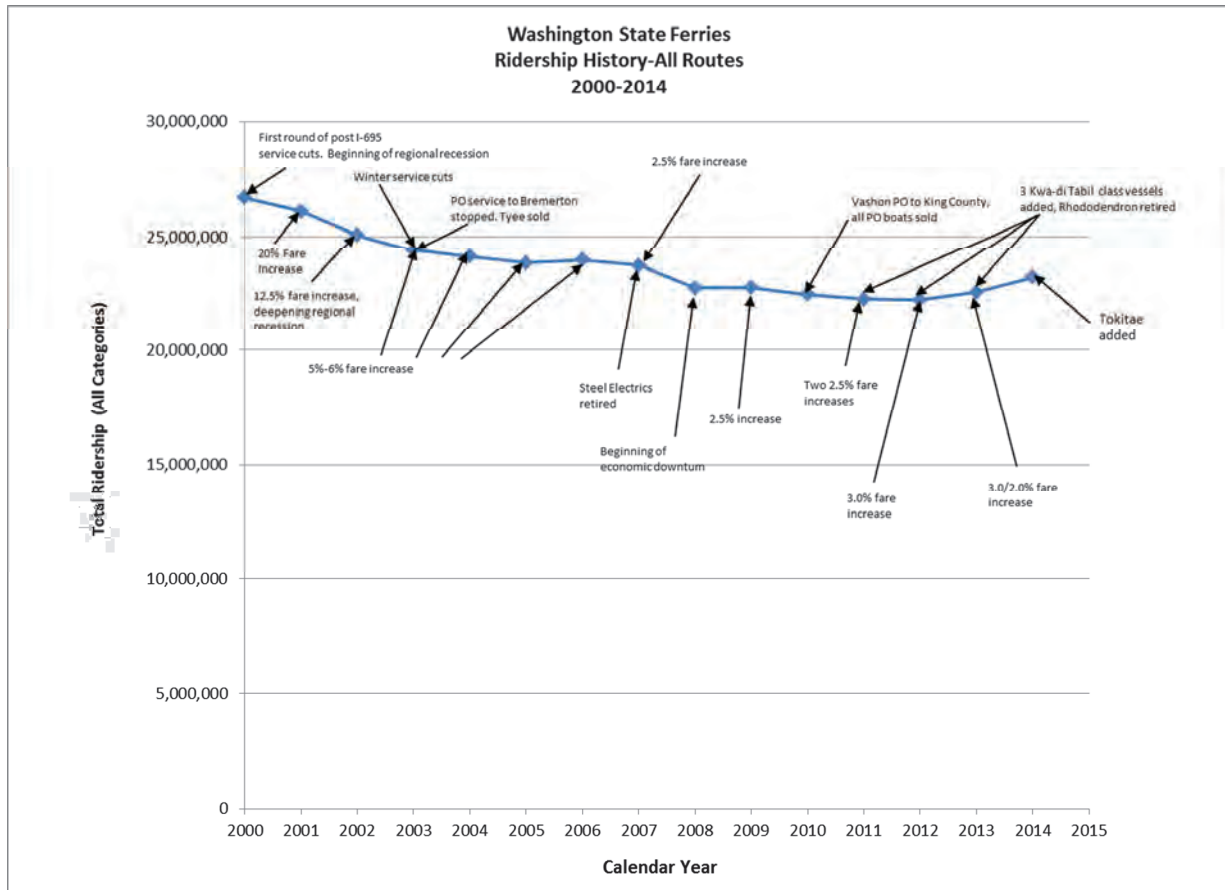
Fare Changes

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 52% and 137%, depending on the route.



These large fare increases increased the recovery rate close to 80% in fiscal year 2004, but cost increases (primarily rapid increases in fuel prices) and relatively modest fare increases pushed the recovery rate to as low as 64.7% in FY08. Since then the recovery rate has increased to its current rate of 74.6% in FY15. Volatile fuel prices have had a large impact on the fare recovery ratio, since fuel expense is a large percentage of WSF's operating budget. The chart above shows historical fares adjusted for inflation between 1951 and 2015. 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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In FY10 there was a 2.5% fare increase. An additional 2.5% fare increase went into effect January 1, 2011.

In FY12, 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.

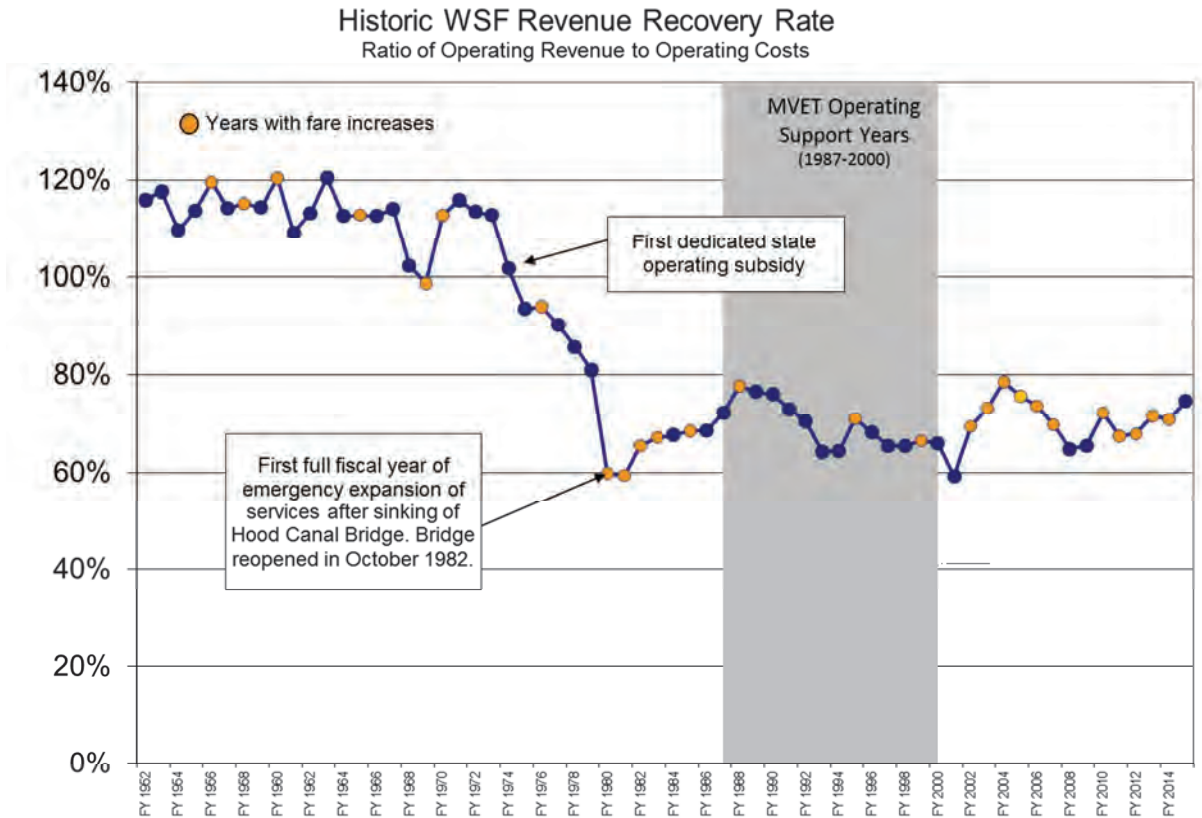
There was no fare increase in FY13. Fares were increased twice in FY 14; once in October 2013 (3% for vehicles, 2.5% for passengers), and once in May 2014 (2.5% for vehicles and 2% for passengers). There were no fare increases in FY15.

Overall fares increased by an average of 14% from 2010 to 2015.

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Farebox Recovery

Farebox recovery (the percent of operating expenses paid for by fares) increased in FY15.



Since the loss of MVET as a funding source, the Legislature has been subsidizing the operating program 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. The source of these transfers is becoming severely constrained. In addition to the transfers, revenue from other funds is also used to pay debt service and fund a portion of Ferries' capital program.

In FY15 the Washington State legislature enacted new transportation revenues called Connecting Washington in FY16. While the funding did not affect FY15 revenue, it is expected these funds will lessen some of the financial pressure of both the ferries operating and capital programs.

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Operating Expense Changes

Overall operating expenses decreased \$0.5 million from FY14 to FY15 (-0.2%). Labor costs were higher due in part to increased United States Coast Guard (USCG) crewing requirements and negotiated labor contract changes. Non-labor costs, excluding fuel, increased due to one-time costs for the MV Samish and due to vessel maintenance needs. These cost increases were offset by lower fuel costs, a savings of \$4.8 million (-8.8%).

Over the six years (FY10-FY15) operating expenditures increased \$27.5 million (+13.2%). This is due in part to \$9.5 million in increased fuel expenditures and \$8.9 million in increased direct vessel and terminal labor costs. Additional factors that affected expenses were \$4.2 million in increased labor maintenance costs for ferries and terminals, \$1.8 million in increased non-labor maintenance costs, and \$1.0 million in increased terminal non-labor operating expenses.

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

Direct Vessel Operating Expense

Labor Costs: Change from prior year (from FY14 to FY15): \$2.7 million increase (+3.1%)
Change over six years (from FY10 to FY15): \$6.6 million increase (+7.9%)

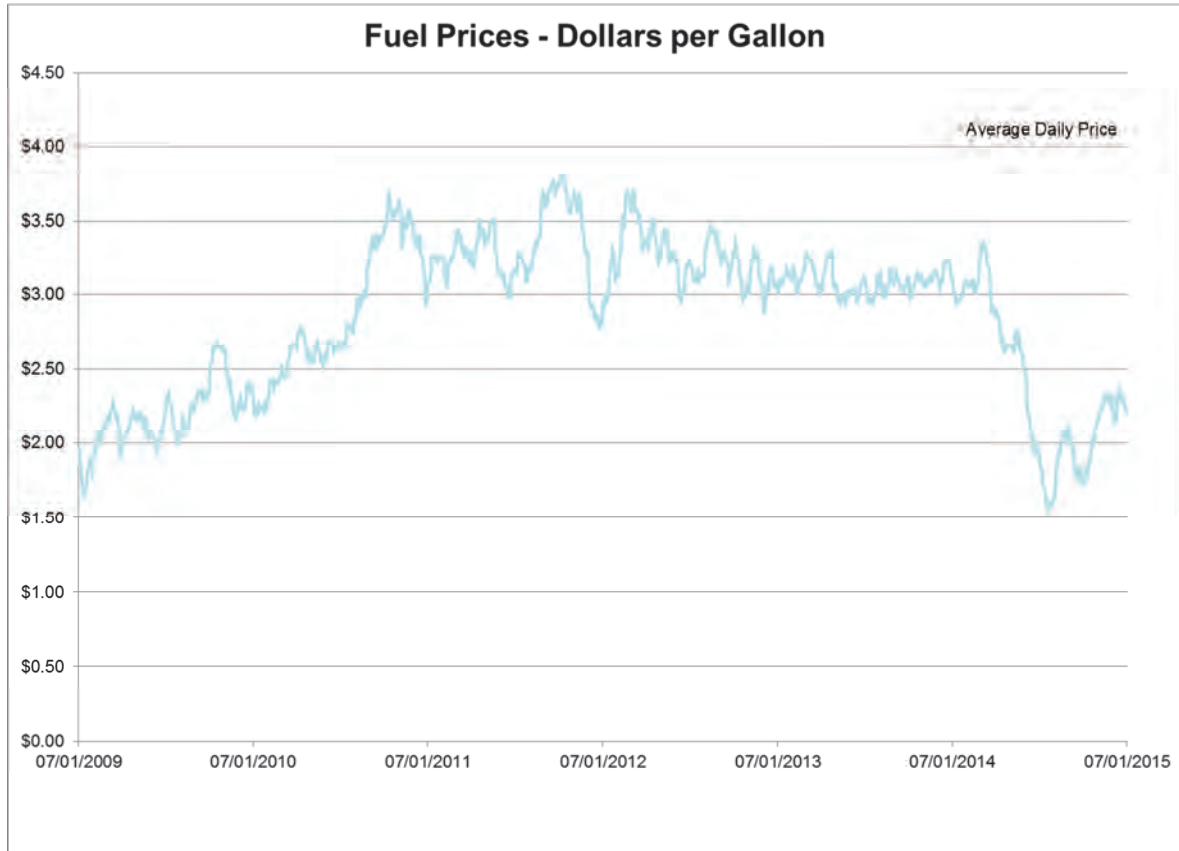
- From FY14 to FY15 there was a \$2.7 million increase (+3.1%) in direct vessel operating labor. The majority of this increase (\$1.7 million) is due to the addition of the new MV Tokitae at the end of FY14.
- Additional changes in employee benefits resulted in a \$0.7 million increase. An increase of \$0.5 million was due to additional training for safety and mate orientation. A one-time Deck internship program contributed \$0.2 million to the overall increase, and an additional \$0.2 million was due to an increase in Engine Room break-in and familiarization. This was partially offset by a decrease of \$1.1 million on the MV Tacoma due to out of service time for mechanical repairs and a decrease of \$0.2 million for the MV Evergreen State. While the MV Tacoma was out of service, changes to vessel assignments on routes were made to provide suitable service levels.
- Over the past six years labor costs increased \$6.6 million (+7.9%). The majority of this increase is due to the higher crewing levels which were mandated by the Coast Guard in FY13.

Fuel: Change from prior year (from FY14 to FY15): \$4.8 million decrease (-8.8%)
Change over six years (from FY10 to FY15): \$9.5 million increase (+23.4%)

- From FY14 to FY15 there was a \$4.8 million decrease in expense due primarily to a decrease in fuel prices from \$3.15 in FY14 to \$2.88 in FY15 (-8.6%).
- Over the six years the price of fuel increased from an average of \$2.35 per gallon in FY10 to \$2.88 per gallon in FY15, an increase of 22.6%.

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In July 2008, fuel prices were at a high of \$4.62 per gallon then in March 2009 prices dropped to \$1.05 per gallon, followed by a fairly steady climb up to a second high of \$4.18 in April 2012. Between July 2012 and June 2015 prices ranged between \$3.97 and \$2.79, averaging \$3.17 per gallon. Annual fuel consumption between FY10 and FY15 ranged between 17,198,000 and 17,475,000 gallons, averaging 17,298,000 gallons per year.



Non-Labor: Change from prior year (from FY14 to FY15): \$1.0 million increase (+11.0%)
Change over six years (from FY10 to FY15): \$0.7 million increase (+6.8%)

- From FY14 to FY15 there was an increase of \$0.5 million for ferry parts and supplies, an additional \$0.2 million increase for increased mileage reimbursement rates and an increase in miles reimbursed, a \$0.2 million increase for employee settlements, and a \$0.1 million increase for additional training services.
- Over the six years the majority of the \$0.7 million increase was primarily due to an increase in ferry parts and supplies.

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Direct Terminal Operating Expense:

Labor: Change from prior year (from FY14 to FY15): \$0.3 million increase (+1.1%)
Change over six years (from FY10 to FY15): \$2.3 million increase (+10.5%)

- The \$0.3 million increase from FY14 to FY15 was primarily due to \$0.2 million in increased hours for terminal workers at Coupeville and Anacortes as a result of the expanded reservations system as well as \$0.1 million for increased hours at the Seattle terminal
- The increase over the six years of \$1.8 million was due to the impact of labor contracts that contributed to the increased costs. An additional \$0.5 million for staff added for the Electronic Fare System and for compliance with the Americans with Disabilities Act for access to ferry terminals and vessels (Title 49 CFR Part 39) that went into effect in November 2010.

Non-Labor: Change from prior year (from FY14 to FY15): \$0.3 million increase (+4.1%)
Change over six years (from FY10 to FY15): \$1 million increase (+18.4%)

- From FY14 to FY15 there was an increase due primarily to an increase of \$0.1 million for other services, including operating costs split with Kitsap Transit at the Bremerton terminal, armored car services and pest control services, and \$0.1 million for personal services.
- The majority of the increase over the six year period is due primarily to increases in utility costs (\$0.3 million) and payments to contract terminal agents (\$0.3 million). Other increases include additional services rendered by other Government agencies (\$0.1 million) and Equipment and inventory (\$0.1 million).

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

Vessel Maintenance: Change from prior year (from FY14 to FY15): \$0.3 million decrease (-1.4%)
Change over six years (from FY10 to FY15): \$5.6 million increase (+37.1%)

- The decrease of \$0.3 million from FY14 to FY15 was mainly due to a decrease in shipyard maintenance contract costs (\$1.8 million) in comparison with the prior year. These were offset by an increase of \$1.6 million in labor. This was due to the crew required to keep the MV Evergreen State on routes or in standby while the MV Tacoma was out of service for emergency repairs, which caused a disruption in the shipyard maintenance schedule.
- The increase over the six years was due to \$4.6 million in increased labor costs due to an increase of 28.8 FTE (31.9%) from FY10 to FY15 and labor contract negotiations. This resulted in an increase of \$3.1 million for Straight Time, \$0.7 million for Overtime, \$0.4 million in Penalty Pay, \$0.2 million in Travel Time, and 0.2 million in Relief and Callback pay. An additional \$1.0 million was due to an increase in inventory expenses. After FY 2011 a review of non-labor charges resulted in some expenses moving to vessel maintenance from direct vessel maintenance. This resulted in an increase in vessel maintenance expenses for FY 2012 which has remained in place.

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Terminal Maintenance: Change from prior year (from FY14 to FY15): \$0.4 million decrease (-4.3%)
Change over six years (from FY10 to FY15): \$0.4 million increase (+4.0%)

- The decrease of \$0.4 million from FY14 to FY15 was mainly due to a decrease of \$0.4 million in labor. This was due to a shift of maintenance work performed from terminals to vessels during FY15.
- The increase over the six years was due to \$0.6 million in general repairs, alterations & maintenance and \$0.2 million in increased outside repairs to terminals. This was offset by a decrease of \$0.4 million in labor.

Management and Support Expense:

Labor: Change from prior year (from FY14 to FY15): \$0.2 million increase (+1.7%)
Change over six years (from FY10 to FY15): \$0.7 million increase (+6.2%)

- The increase of \$0.2 million from FY14 to FY15 was primarily due to an increase in hours worked during Phase II of Reservations for Information Agents.
- The increase over the six years was due to staff increases for Information Agents related to Reservations.

Non-Labor: Change from prior year (from FY14 to FY15): \$0.5 million increase (+4.7%)
Change over six years (from FY10 to FY15): \$0.8 million increase (+6.7%)

- The increase from FY14 to FY15 was due to additional increases to credit card processing fees of \$0.2 million, Marine Insurance (\$0.1 million), lease consolidation (\$0.1 million), and Settlements (\$0.1 million) in FY15.
- The majority of the increase over the six years is due primarily to an increase in merchant discount fees (\$0.6 million).

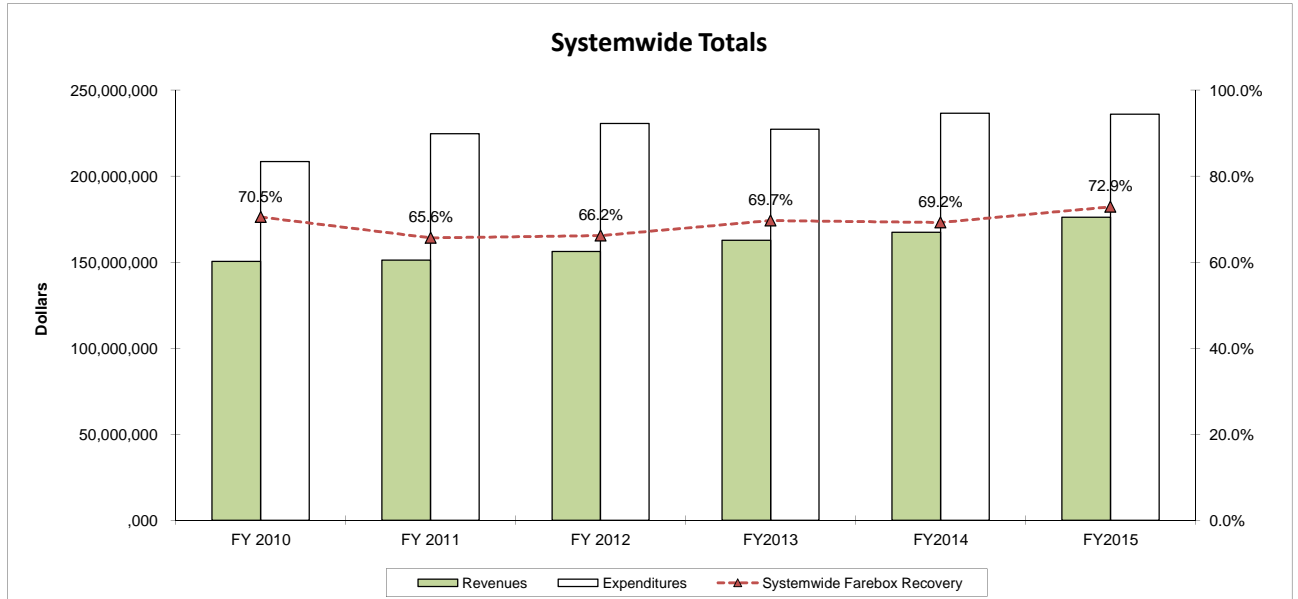
Over the six years the subsidy per rider has ranged from \$2.53 (FY15) to \$3.34 (FY12). In FY15 the subsidy was \$2.53, the lowest in six years. (Note that the net subsidy per rider for FY11 has been amended (from \$3.25 to \$3.30) based on the revised ridership information for that year.)

	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
Cost per rider	\$9.22	\$10.11	\$10.38	\$10.15	\$10.35	\$9.98
Fare recovery per rider	\$6.50	\$6.64	\$6.87	\$7.07	\$7.17	\$7.27
Miscellaneous Revenue per rider	\$0.15	\$0.17	\$0.17	\$0.19	\$0.16	\$0.17
Net Subsidy per rider	\$2.57	\$3.30	\$3.34	\$2.89	\$3.03	\$2.53

**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Summary - All Routes

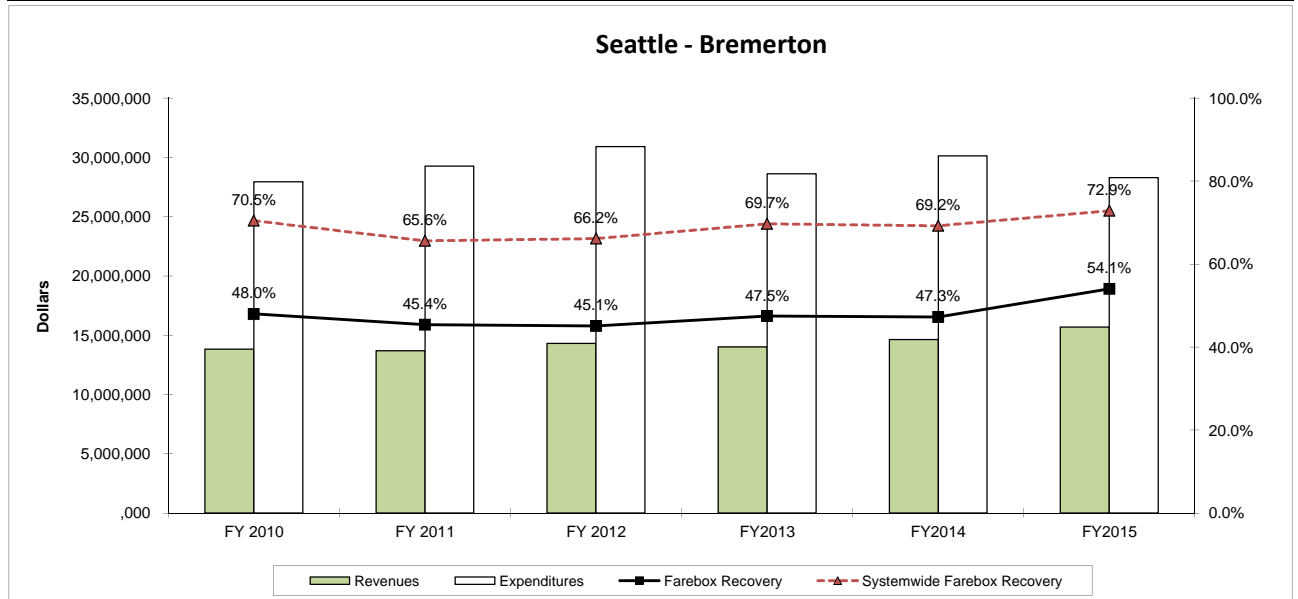
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	12,480,000	12,245,000	12,236,000	12,350,000	12,698,000	13,270,000
Vehicle & Driver	10,134,000	9,970,000	9,983,000	10,045,000	10,153,000	10,387,000
TOTAL RIDERS	22,614,000	22,215,000	22,219,000	22,395,000	22,851,000	23,657,000
REVENUE						
Fares	147,010,000	147,448,000	152,540,000	158,421,000	163,779,000	172,071,000
Miscellaneous	3,495,000	3,839,000	3,762,000	4,295,000	3,659,000	4,058,000
TOTAL REVENUE	150,505,000	151,287,000	156,302,000	162,716,000	167,438,000	176,129,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	83,771,000	82,555,000	81,142,000	80,644,000	87,679,000	90,403,000
Fuel	40,400,000	53,560,000	63,400,000	60,367,000	54,672,000	49,855,000
Non-Labor	9,682,000	7,426,000	8,014,000	8,737,000	9,311,000	10,336,000
Total	133,853,000	143,541,000	152,556,000	149,748,000	151,661,000	150,594,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	21,807,000	22,054,000	22,373,000	22,090,000	23,837,000	24,088,000
Non-Labor	5,394,000	5,461,000	5,792,000	6,161,000	6,138,000	6,387,000
Total	27,201,000	27,515,000	28,165,000	28,251,000	29,975,000	30,475,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	15,048,000	19,751,000	21,017,000	19,007,000	20,912,000	20,627,000
Terminal Maintenance	9,243,000	9,198,000	8,997,000	9,691,000	10,044,000	9,612,000
Total	24,291,000	28,949,000	30,014,000	28,698,000	30,956,000	30,239,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	12,009,000	12,320,000	11,858,000	11,846,000	12,545,000	12,758,000
Non-Labor	11,231,000	12,328,000	7,960,000	8,806,000	11,446,000	11,982,000
Total	23,240,000	24,648,000	19,818,000	20,652,000	23,991,000	24,740,000
TOTAL EXPENSES	208,585,000	224,653,000	230,553,000	227,349,000	236,583,000	236,048,000
NET REVENUE/(EXPENSE)	(58,080,000)	(73,366,000)	(74,251,000)	(64,633,000)	(69,145,000)	(59,919,000)
FAREBOX RECOVERY RATIO	70.5%	65.6%	66.2%	69.7%	69.2%	72.9%
TOTAL REVENUE RECOVERY RATIO	72.2%	67.3%	67.8%	71.6%	70.8%	74.6%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 10: Seattle - Bremerton

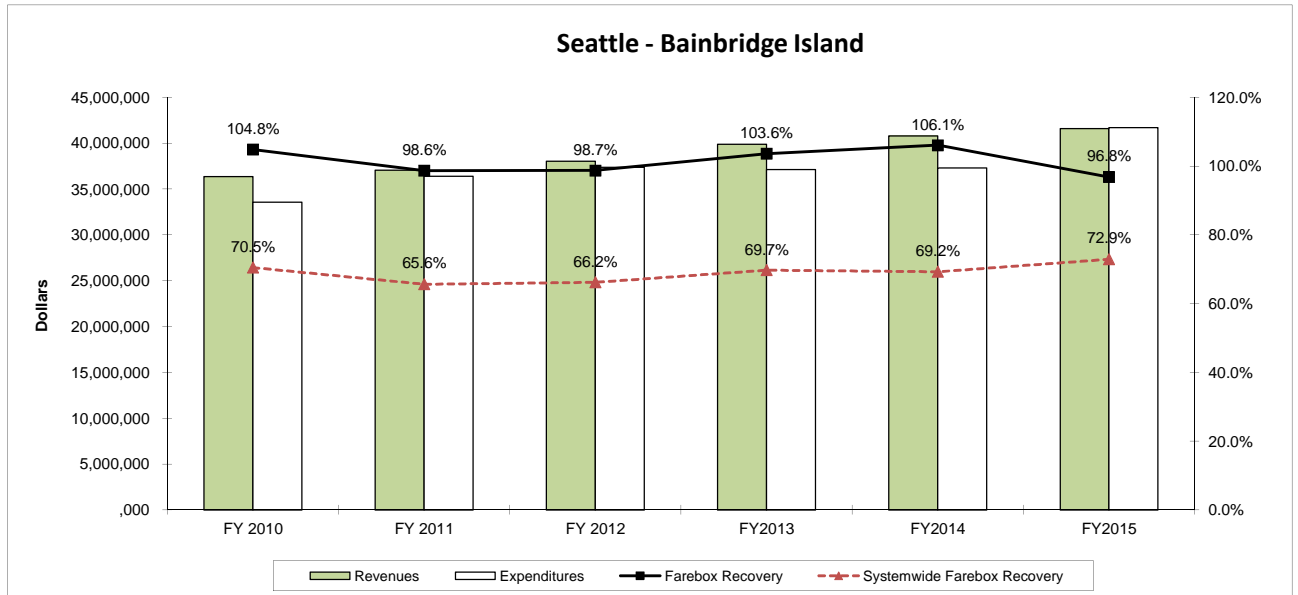
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	1,911,000	1,712,000	1,711,000	1,653,000	1,765,000	1,952,000
Vehicle & Driver	649,000	648,000	647,000	626,000	640,000	663,000
TOTAL RIDERS	2,560,000	2,360,000	2,358,000	2,279,000	2,405,000	2,615,000
REVENUE						
Fares	13,414,000	13,291,000	13,943,000	13,587,000	14,244,000	15,298,000
Miscellaneous	401,000	396,000	378,000	437,000	392,000	384,000
TOTAL REVENUE	13,815,000	13,687,000	14,321,000	14,024,000	14,636,000	15,682,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	10,902,000	10,436,000	9,864,000	9,727,000	10,728,000	10,714,000
Fuel	6,960,000	8,961,000	10,597,000	8,712,000	8,225,000	6,861,000
Non-Labor	1,234,000	853,000	1,175,000	1,150,000	1,156,000	1,117,000
Total	19,096,000	20,250,000	21,636,000	19,589,000	20,109,000	18,692,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,484,000	2,465,000	2,475,000	2,375,000	2,545,000	2,621,000
Non-Labor	369,000	377,000	419,000	427,000	377,000	444,000
Total	2,853,000	2,842,000	2,894,000	2,802,000	2,922,000	3,065,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,596,000	1,981,000	2,959,000	2,449,000	3,000,000	2,720,000
Terminal Maintenance	1,294,000	968,000	775,000	1,189,000	1,055,000	854,000
Total	2,890,000	2,949,000	3,734,000	3,638,000	4,055,000	3,574,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,609,000	1,609,000	1,590,000	1,492,000	1,598,000	1,529,000
Non-Labor	1,505,000	1,610,000	1,068,000	1,109,000	1,458,000	1,436,000
Total	3,114,000	3,219,000	2,658,000	2,601,000	3,056,000	2,965,000
TOTAL EXPENSES	27,953,000	29,260,000	30,922,000	28,630,000	30,142,000	28,296,000
NET REVENUE/(EXPENSE)	(14,138,000)	(15,573,000)	(16,601,000)	(14,606,000)	(15,506,000)	(12,614,000)
FAREBOX RECOVERY RATIO	48.0%	45.4%	45.1%	47.5%	47.3%	54.1%
TOTAL REVENUE RECOVERY RATIO	49.4%	46.8%	46.3%	49.0%	48.6%	55.4%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 20: Seattle - Bainbridge Island

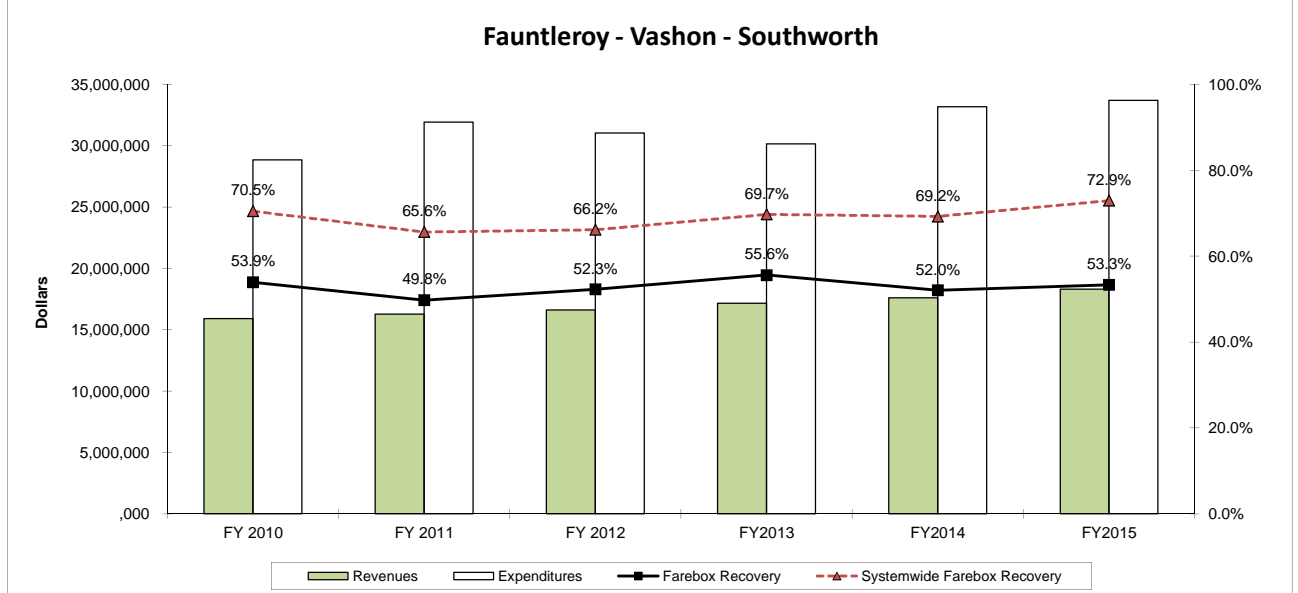
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	4,006,000	4,170,000	4,142,000	4,243,000	4,361,000	4,396,000
Vehicle & Driver	1,944,000	1,953,000	1,945,000	1,957,000	1,969,000	1,956,000
TOTAL RIDERS	5,950,000	6,123,000	6,087,000	6,200,000	6,330,000	6,352,000
REVENUE						
Fares	35,187,000	35,892,000	36,862,000	38,461,000	39,540,000	40,377,000
Miscellaneous	1,146,000	1,145,000	1,165,000	1,421,000	1,239,000	1,200,000
TOTAL REVENUE	36,333,000	37,037,000	38,027,000	39,882,000	40,779,000	41,577,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	12,073,000	12,145,000	11,697,000	11,564,000	12,355,000	12,840,000
Fuel	7,760,000	10,251,000	12,048,000	11,929,000	10,499,000	10,537,000
Non-Labor	1,337,000	1,102,000	970,000	992,000	1,119,000	1,598,000
Total	21,170,000	23,498,000	24,715,000	24,484,000	23,973,000	24,975,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,629,000	4,805,000	4,790,000	4,776,000	5,122,000	5,081,000
Non-Labor	507,000	558,000	619,000	653,000	615,000	636,000
Total	5,136,000	5,363,000	5,409,000	5,429,000	5,737,000	5,717,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,755,000	2,046,000	2,355,000	1,606,000	2,207,000	4,236,000
Terminal Maintenance	1,765,000	1,479,000	1,655,000	2,236,000	1,586,000	2,402,000
Total	3,520,000	3,525,000	4,010,000	3,842,000	3,793,000	6,638,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,933,000	2,001,000	1,921,000	1,935,000	1,977,000	2,254,000
Non-Labor	1,807,000	2,003,000	1,290,000	1,438,000	1,804,000	2,117,000
Total	3,740,000	4,004,000	3,211,000	3,373,000	3,781,000	4,371,000
TOTAL EXPENSES	33,566,000	36,390,000	37,345,000	37,128,000	37,284,000	41,701,000
NET REVENUE/(EXPENSE)	2,767,000	647,000	682,000	2,754,000	3,495,000	(124,000)
FAREBOX RECOVERY RATIO	104.8%	98.6%	98.7%	103.6%	106.1%	96.8%
TOTAL REVENUE RECOVERY RATIO	108.2%	101.8%	101.8%	107.4%	109.4%	99.7%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 30: Fautleroy - Vashon - Southworth

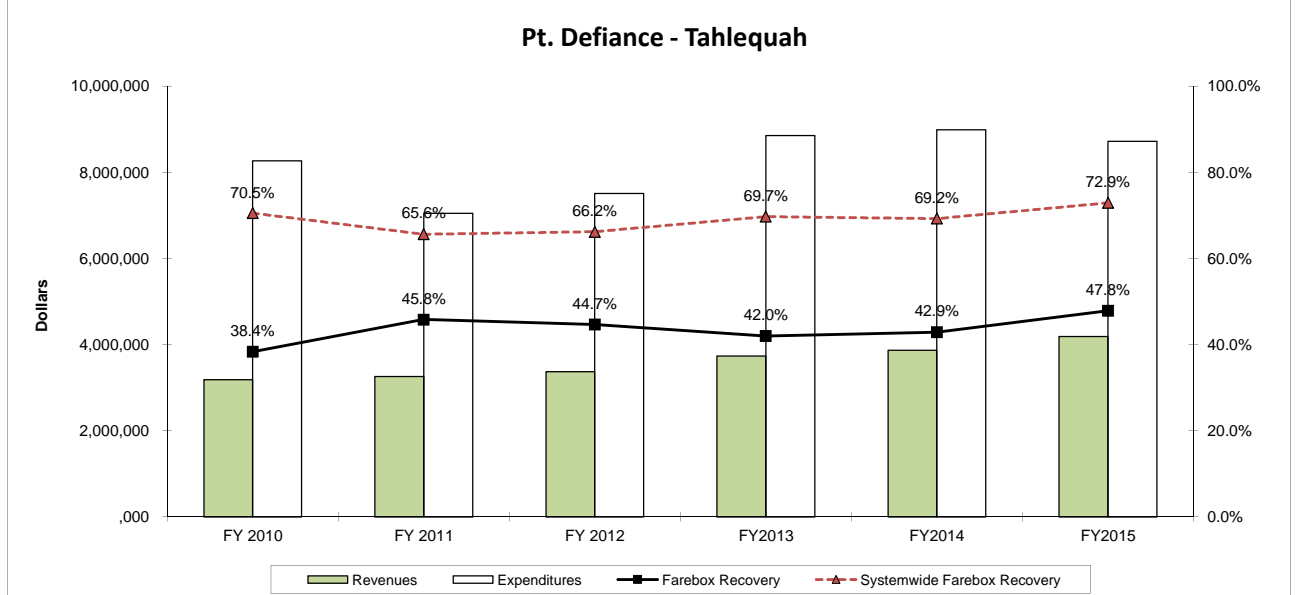
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	1,241,000	1,261,000	1,227,000	1,220,000	1,229,000	1,251,000
Vehicle & Driver	1,701,000	1,706,000	1,682,000	1,678,000	1,687,000	1,697,000
TOTAL RIDERS	2,942,000	2,967,000	2,909,000	2,898,000	2,916,000	2,948,000
REVENUE						
Fares	15,558,000	15,887,000	16,220,000	16,762,000	17,259,000	17,966,000
Miscellaneous	343,000	398,000	396,000	394,000	357,000	355,000
TOTAL REVENUE	15,901,000	16,285,000	16,616,000	17,156,000	17,616,000	18,321,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	12,702,000	12,608,000	12,147,000	12,015,000	13,244,000	13,926,000
Fuel	4,517,000	6,074,000	7,076,000	6,783,000	6,333,000	5,501,000
Non-Labor	953,000	807,000	843,000	1,001,000	965,000	1,064,000
Total	18,172,000	19,489,000	20,066,000	19,799,000	20,542,000	20,491,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	3,400,000	3,467,000	3,643,000	3,579,000	3,844,000	3,959,000
Non-Labor	324,000	337,000	350,000	369,000	386,000	373,000
Total	3,724,000	3,804,000	3,993,000	3,948,000	4,230,000	4,332,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,720,000	2,751,000	3,419,000	2,923,000	3,149,000	3,543,000
Terminal Maintenance	1,011,000	2,369,000	892,000	744,000	1,885,000	1,791,000
Total	3,731,000	5,120,000	4,311,000	3,667,000	5,034,000	5,334,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,660,000	1,756,000	1,596,000	1,571,000	1,759,000	1,821,000
Non-Labor	1,553,000	1,757,000	1,072,000	1,168,000	1,605,000	1,710,000
Total	3,213,000	3,513,000	2,668,000	2,739,000	3,364,000	3,531,000
TOTAL EXPENSES	28,840,000	31,926,000	31,038,000	30,153,000	33,170,000	33,688,000
NET REVENUE/(EXPENSE)	(12,939,000)	(15,641,000)	(14,422,000)	(12,997,000)	(15,554,000)	(15,367,000)
FAREBOX RECOVERY RATIO	53.9%	49.8%	52.3%	55.6%	52.0%	53.3%
TOTAL REVENUE RECOVERY RATIO	55.1%	51.0%	53.5%	56.9%	53.1%	54.4%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 40: Pt. Defiance - Tahlequah

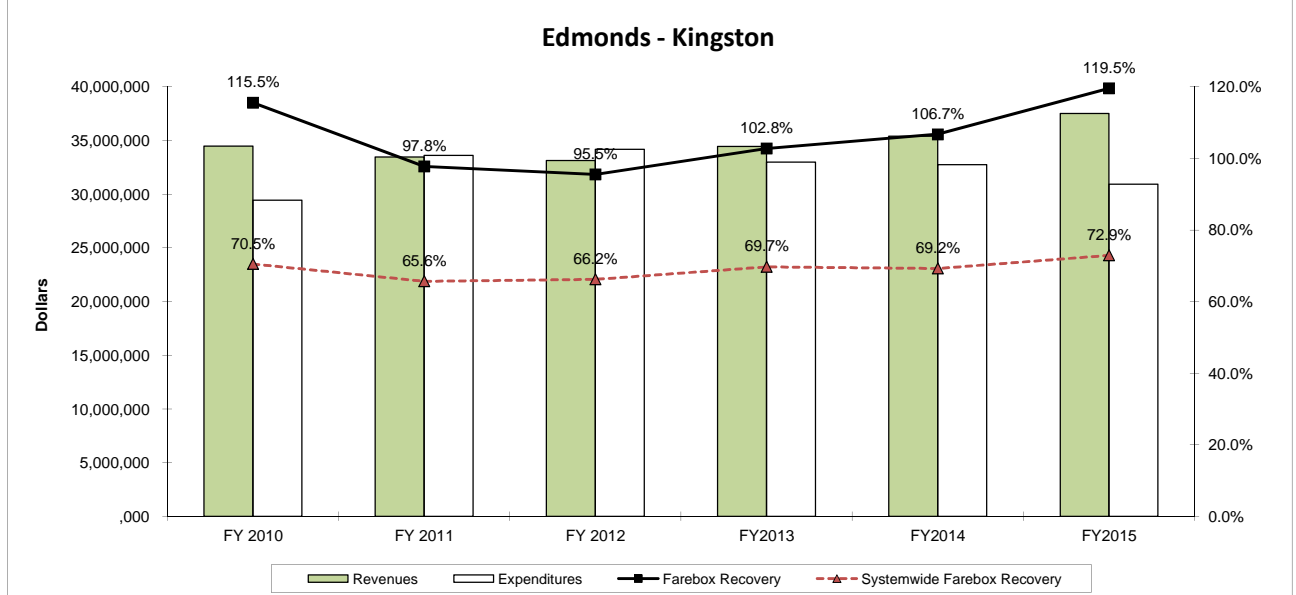
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	270,000	271,000	264,000	272,000	285,000	302,000
Vehicle & Driver	370,000	375,000	377,000	398,000	409,000	431,000
TOTAL RIDERS	640,000	646,000	641,000	670,000	694,000	733,000
REVENUE						
Fares	3,169,000	3,229,000	3,355,000	3,716,000	3,855,000	4,170,000
Miscellaneous	17,000	27,000	18,000	21,000	16,000	15,000
TOTAL REVENUE	3,186,000	3,256,000	3,373,000	3,737,000	3,871,000	4,185,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	3,752,000	3,333,000	3,426,000	3,860,000	4,074,000	4,224,000
Fuel	652,000	812,000	1,099,000	1,369,000	1,131,000	1,003,000
Non-Labor	446,000	208,000	410,000	541,000	497,000	371,000
Total	4,850,000	4,353,000	4,935,000	5,770,000	5,702,000	5,598,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	885,000	872,000	883,000	890,000	990,000	924,000
Non-Labor	61,000	62,000	75,000	104,000	72,000	84,000
Total	946,000	934,000	958,000	994,000	1,062,000	1,008,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	588,000	677,000	496,000	1,069,000	775,000	762,000
Terminal Maintenance	958,000	307,000	475,000	211,000	537,000	435,000
Total	1,546,000	984,000	971,000	1,280,000	1,312,000	1,197,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	476,000	388,000	386,000	461,000	476,000	471,000
Non-Labor	445,000	388,000	259,000	343,000	435,000	443,000
Total	921,000	776,000	645,000	804,000	911,000	914,000
TOTAL EXPENSES	8,263,000	7,047,000	7,509,000	8,848,000	8,987,000	8,717,000
NET REVENUE/(EXPENSE)	(5,077,000)	(3,792,000)	(4,136,000)	(5,111,000)	(5,116,000)	(4,532,000)
FAREBOX RECOVERY RATIO	38.4%	45.8%	44.7%	42.0%	42.9%	47.8%
TOTAL REVENUE RECOVERY RATIO	38.6%	46.2%	44.9%	42.2%	43.1%	48.0%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 50: Edmonds - Kingston

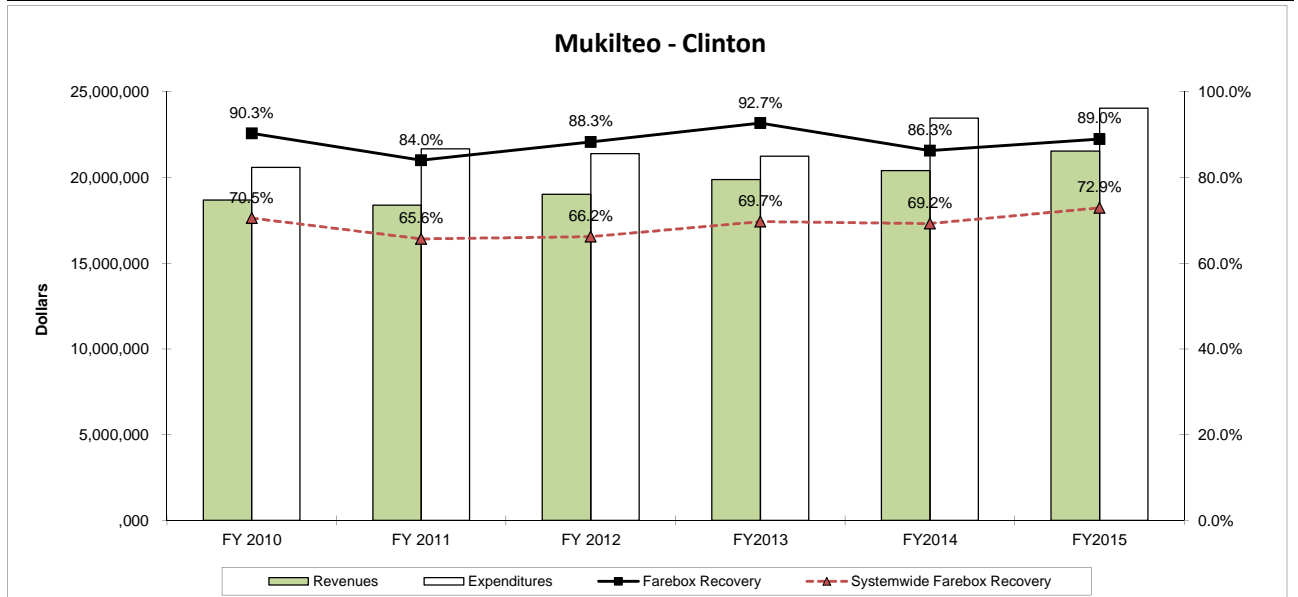
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	1,967,000	1,856,000	1,788,000	1,813,000	1,853,000	1,957,000
Vehicle & Driver	2,192,000	2,092,000	2,033,000	2,035,000	2,067,000	2,127,000
TOTAL RIDERS	4,159,000	3,948,000	3,821,000	3,848,000	3,920,000	4,084,000
REVENUE						
Fares	34,000,000	32,872,000	32,637,000	33,882,000	34,944,000	36,955,000
Miscellaneous	471,000	586,000	500,000	576,000	468,000	544,000
TOTAL REVENUE	34,471,000	33,458,000	33,137,000	34,458,000	35,412,000	37,499,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	11,606,000	11,382,000	11,106,000	10,731,000	11,533,000	11,528,000
Fuel	6,941,000	8,723,000	10,285,000	9,228,000	8,524,000	7,472,000
Non-Labor	1,115,000	1,071,000	1,093,000	1,205,000	1,180,000	1,394,000
Total	19,662,000	21,176,000	22,484,000	21,164,000	21,237,000	20,394,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,059,000	4,050,000	3,940,000	3,878,000	4,137,000	4,110,000
Non-Labor	580,000	544,000	579,000	647,000	598,000	618,000
Total	4,639,000	4,594,000	4,519,000	4,525,000	4,735,000	4,728,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,059,000	3,077,000	3,260,000	3,078,000	2,659,000	1,391,000
Terminal Maintenance	793,000	1,075,000	964,000	1,213,000	789,000	1,162,000
Total	1,852,000	4,152,000	4,224,000	4,291,000	3,448,000	2,553,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,694,000	1,849,000	1,757,000	1,718,000	1,736,000	1,671,000
Non-Labor	1,585,000	1,850,000	1,180,000	1,277,000	1,584,000	1,569,000
Total	3,279,000	3,699,000	2,937,000	2,995,000	3,320,000	3,240,000
TOTAL EXPENSES	29,432,000	33,621,000	34,164,000	32,975,000	32,740,000	30,915,000
NET REVENUE/(EXPENSE)	5,039,000	(163,000)	(1,027,000)	1,483,000	2,672,000	6,584,000
FAREBOX RECOVERY RATIO	115.5%	97.8%	95.5%	102.8%	106.7%	119.5%
TOTAL REVENUE RECOVERY RATIO	117.1%	99.5%	97.0%	104.5%	108.2%	121.3%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 60: Mukilteo - Clinton

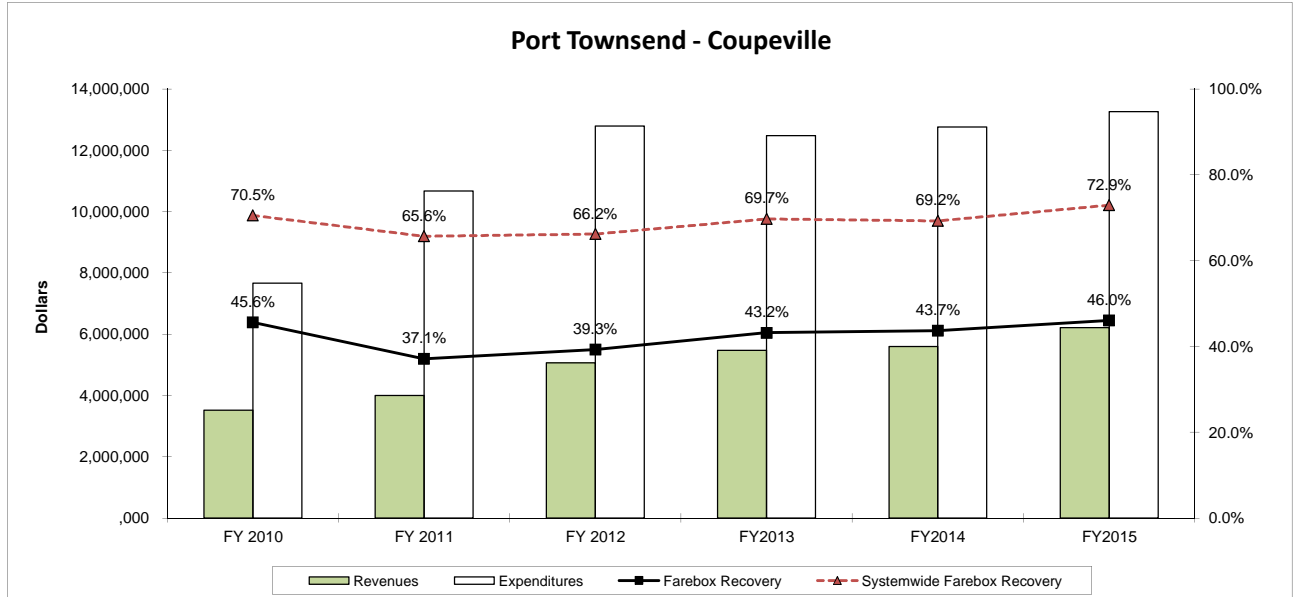
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	1,817,000	1,691,000	1,749,000	1,780,000	1,779,000	1,860,000
Vehicle & Driver	2,155,000	2,055,000	2,089,000	2,118,000	2,122,000	2,200,000
TOTAL RIDERS	3,972,000	3,746,000	3,838,000	3,898,000	3,901,000	4,060,000
REVENUE						
Fares	18,589,000	18,204,000	18,876,000	19,684,000	20,241,000	21,377,000
Miscellaneous	100,000	188,000	137,000	185,000	154,000	166,000
TOTAL REVENUE	18,689,000	18,392,000	19,013,000	19,869,000	20,395,000	21,543,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	9,024,000	9,259,000	8,828,000	8,868,000	9,939,000	10,518,000
Fuel	2,680,000	3,943,000	3,926,000	3,960,000	3,719,000	3,934,000
Non-Labor	786,000	639,000	746,000	717,000	1,106,000	1,059,000
Total	12,490,000	13,841,000	13,500,000	13,545,000	14,764,000	15,511,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,906,000	2,883,000	2,970,000	2,902,000	3,111,000	3,131,000
Non-Labor	470,000	454,000	493,000	532,000	545,000	553,000
Total	3,376,000	3,337,000	3,463,000	3,434,000	3,656,000	3,684,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,804,000	1,650,000	2,156,000	1,799,000	1,845,000	1,430,000
Terminal Maintenance	627,000	454,000	423,000	534,000	820,000	883,000
Total	2,431,000	2,104,000	2,579,000	2,333,000	2,665,000	2,313,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,185,000	1,192,000	1,100,000	1,107,000	1,244,000	1,299,000
Non-Labor	1,109,000	1,192,000	738,000	822,000	1,135,000	1,220,000
Total	2,294,000	2,384,000	1,838,000	1,929,000	2,379,000	2,519,000
TOTAL EXPENSES	20,591,000	21,666,000	21,380,000	21,241,000	23,464,000	24,027,000
NET REVENUE/(EXPENSE)	(1,902,000)	(3,274,000)	(2,367,000)	(1,372,000)	(3,069,000)	(2,484,000)
FAREBOX RECOVERY RATIO	90.3%	84.0%	88.3%	92.7%	86.3%	89.0%
TOTAL REVENUE RECOVERY RATIO	90.8%	84.9%	88.9%	93.5%	86.9%	89.7%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 70: Port Townsend - Coupeville

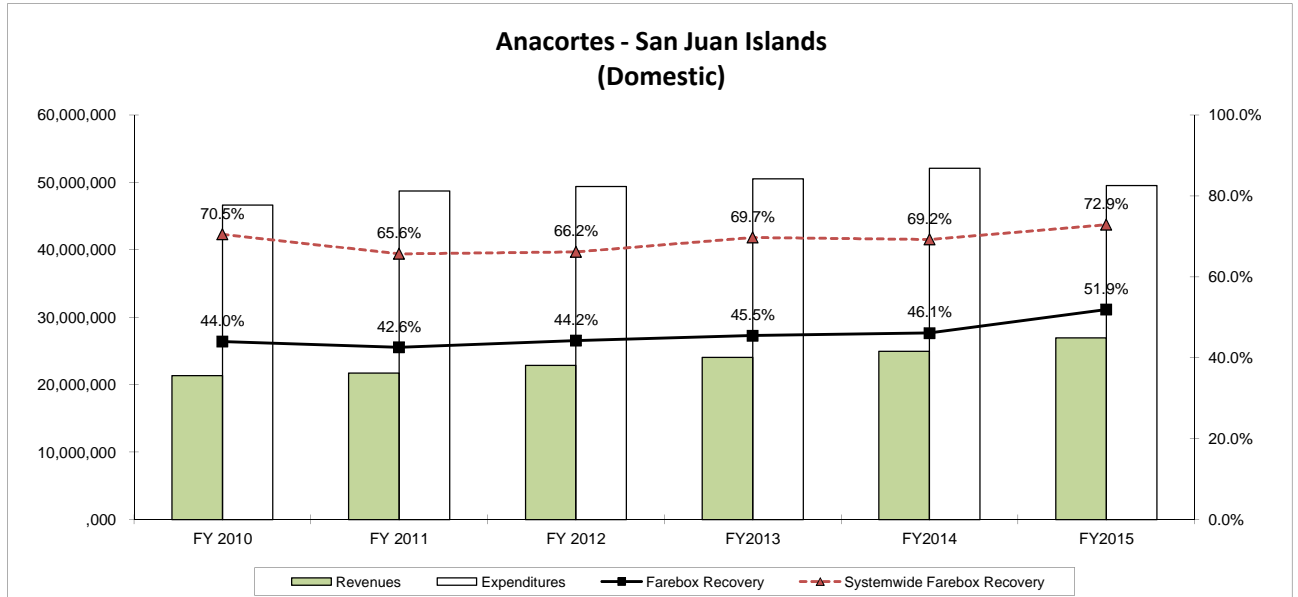
	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	304,000	320,000	360,000	356,000	365,000	409,000
Vehicle & Driver	248,000	272,000	320,000	323,000	328,000	355,000
TOTAL RIDERS	552,000	592,000	680,000	679,000	693,000	764,000
REVENUE						
Fares	3,499,000	3,959,000	5,024,000	5,387,000	5,568,000	6,103,000
Miscellaneous	20,000	37,000	44,000	80,000	24,000	106,000
TOTAL REVENUE	3,519,000	3,996,000	5,068,000	5,467,000	5,592,000	6,209,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	2,839,000	3,376,000	5,170,000	4,671,000	4,935,000	5,248,000
Fuel	469,000	1,297,000	2,433,000	2,593,000	2,127,000	1,793,000
Non-Labor	1,255,000	615,000	732,000	631,000	621,000	655,000
Total	4,563,000	5,288,000	8,335,000	7,895,000	7,683,000	7,696,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,230,000	1,241,000	1,371,000	1,438,000	1,575,000	1,639,000
Non-Labor	138,000	164,000	215,000	197,000	223,000	217,000
Total	1,368,000	1,405,000	1,586,000	1,635,000	1,798,000	1,856,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	201,000	1,991,000	1,212,000	855,000	1,396,000	1,724,000
Terminal Maintenance	681,000	886,000	558,000	958,000	585,000	594,000
Total	882,000	2,877,000	1,770,000	1,813,000	1,981,000	2,318,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	441,000	552,000	658,000	650,000	676,000	717,000
Non-Labor	413,000	552,000	441,000	483,000	617,000	673,000
Total	854,000	1,104,000	1,099,000	1,133,000	1,293,000	1,390,000
TOTAL EXPENSES	7,667,000	10,674,000	12,790,000	12,476,000	12,755,000	13,260,000
NET REVENUE/(EXPENSE)	(4,148,000)	(6,678,000)	(7,722,000)	(7,009,000)	(7,163,000)	(7,051,000)
FAREBOX RECOVERY RATIO	45.6%	37.1%	39.3%	43.2%	43.7%	46.0%
TOTAL REVENUE RECOVERY RATIO	45.9%	37.4%	39.6%	43.8%	43.8%	46.8%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 80: Anacortes - San Juan Islands (Domestic)

	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	888,000	882,000	905,000	921,000	967,000	1,051,000
Vehicle & Driver	835,000	826,000	841,000	860,000	881,000	909,000
TOTAL RIDERS	1,723,000	1,708,000	1,746,000	1,781,000	1,848,000	1,960,000
REVENUE						
Fares	20,499,000	20,749,000	21,835,000	22,962,000	24,016,000	25,719,000
Miscellaneous	860,000	973,000	1,045,000	1,082,000	925,000	1,213,000
TOTAL REVENUE	21,359,000	21,722,000	22,880,000	24,044,000	24,941,000	26,932,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	18,968,000	18,233,000	17,248,000	17,566,000	19,019,000	19,554,000
Fuel	9,403,000	12,079,000	14,191,000	14,189,000	12,528,000	11,358,000
Non-Labor	2,231,000	1,907,000	1,837,000	2,269,000	2,403,000	2,760,000
Total	30,602,000	32,219,000	33,276,000	34,024,000	33,950,000	33,672,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,998,000	2,046,000	2,052,000	2,006,000	2,242,000	2,369,000
Non-Labor	2,228,000	2,258,000	2,326,000	2,528,000	2,628,000	2,751,000
Total	4,226,000	4,304,000	4,378,000	4,534,000	4,870,000	5,120,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	4,694,000	5,305,000	4,467,000	4,860,000	5,346,000	4,147,000
Terminal Maintenance	1,911,000	1,547,000	3,022,000	2,510,000	2,658,000	1,404,000
Total	6,605,000	6,852,000	7,489,000	7,370,000	8,004,000	5,551,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	2,684,000	2,681,000	2,540,000	2,632,000	2,763,000	2,677,000
Non-Labor	2,511,000	2,682,000	1,705,000	1,957,000	2,521,000	2,514,000
Total	5,195,000	5,363,000	4,245,000	4,589,000	5,284,000	5,192,000
TOTAL EXPENSES	46,628,000	48,739,000	49,388,000	50,517,000	52,108,000	49,535,000
NET REVENUE/(EXPENSE)	(25,269,000)	(27,016,000)	(26,508,000)	(26,473,000)	(27,167,000)	(22,603,000)
FAREBOX RECOVERY RATIO	44.0%	42.6%	44.2%	45.5%	46.1%	51.9%
TOTAL REVENUE RECOVERY RATIO	45.8%	44.6%	46.3%	47.6%	47.9%	54.4%



**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2010 - 2015**

Route 85: Anacortes - Sidney

	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
TRAFFIC						
Passenger	76,000	81,000	89,000	91,000	93,000	93,000
Vehicle & Driver	40,000	44,000	48,000	50,000	50,000	49,000
TOTAL RIDERS	116,000	125,000	137,000	141,000	143,000	142,000
REVENUE						
Fares	3,095,000	3,366,000	3,788,000	3,979,000	4,111,000	4,107,000
Miscellaneous	137,000	89,000	79,000	100,000	85,000	75,000
TOTAL REVENUE	3,232,000	3,455,000	3,867,000	4,079,000	4,196,000	4,182,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	1,905,000	1,783,000	1,656,000	1,642,000	1,852,000	1,851,000
Fuel	1,018,000	1,420,000	1,745,000	1,603,000	1,586,000	1,395,000
Non-Labor	326,000	224,000	208,000	232,000	264,000	318,000
Total	3,249,000	3,427,000	3,609,000	3,477,000	3,702,000	3,564,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	215,000	226,000	248,000	246,000	271,000	254,000
Non-Labor	718,000	706,000	716,000	705,000	694,000	712,000
Total	933,000	932,000	964,000	951,000	965,000	966,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	631,000	274,000	693,000	368,000	536,000	673,000
Terminal Maintenance	203,000	113,000	232,000	96,000	129,000	87,000
Total	834,000	387,000	925,000	464,000	665,000	760,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	325,000	293,000	309,000	280,000	315,000	319,000
Non-Labor	304,000	294,000	208,000	209,000	287,000	300,000
Total	629,000	587,000	517,000	489,000	602,000	619,000
TOTAL EXPENSES	5,645,000	5,333,000	6,015,000	5,381,000	5,934,000	5,909,000
NET REVENUE/(EXPENSE)	(2,413,000)	(1,878,000)	(2,148,000)	(1,302,000)	(1,738,000)	(1,727,000)
FAREBOX RECOVERY RATIO	54.8%	63.1%	63.0%	73.9%	69.3%	69.5%
TOTAL REVENUE RECOVERY RATIO	57.3%	64.8%	64.3%	75.8%	70.7%	70.8%

