

**Transportation Revenue
Forecast Council
September 2011 Transportation
Economic and Revenue Forecasts**

Volume IV: Alternative Forecast Tables

**Transportation Revenue
Forecast Council
September 2011**

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**Alternative Pay By Mail Forecast
September 2011**

Alternative Pay-By-Mail (PBM) Toll Operations Forecast

WSDOT performed an alternative PBM toll revenue forecast to the September 2011 baseline toll revenue forecast based on the recommendations from general toll consultants. The alternative forecast assumes TNB users will have an additional option for paying their toll starting December 1, 2011. The attached table itemizes toll revenue loss estimates due to unprocessed images and unpaid toll rates moved into the civil penalty process. The alternative PBM toll revenue forecast is based on the PBM toll traffic estimates prepared for the civil penalty process (except for an adjustment of 12% traffic loss due to unprocessed images). The September PBM Toll Revenue is prepared for the FY2011-13, FY2013-14 and FY2015-17 biennia.

Assumptions:

- (1) \$5.50 toll rate covers the loss of collection
- (2) PBM traffic volumes include all violations and excludes non-revenue traffic
- (3) 12% of PBM traffic is lost due to unprocessed images
- (4) All processed images (remaining 88%) will receive the 1st statement
- (5) 35% of the 1st statements will not pay and will receive a 2nd statement
- (6) 2nd statement will include a \$5/statement late payment fee in addition to the unpaid tolls
- (7) Multiple toll violations in 2nd statements: average 1.4 toll transactions per statement
- (8) 55% of the customers receiving the 2nd statement will pay the toll. (Fee revenue will not be included in this forecast)

Findings:

PBM Toll Revenue forecast assumes people pay 1st or 2nd bill. If not, revenues are deferred to the civil penalty process. If baseline and alternative PBM forecasts are compared for the FY2011-13 biennium, TNB will receive an additional \$2.95 million prior to the notice of civil penalty (NOCP) process. The forecast assumes unpaid toll revenues of \$2.38 million will be collected in the civil penalty process. Civil penalty process starts 80 days after the transaction. In summary, the alternative PBM toll revenue is \$93.2 million, or 3.3% higher than the baseline toll revenue, which is \$90.3 million.

Transportation Revenue Forecast Council
Alternative Pay-By-Mail Toll Operations Forecast
September 2011

Tacoma Narrows Bridge Traffic Distribution and PBM Process	FY2012	FY2013	FY2011-13	FY2014	FY2015	FY2013-15	FY2016	FY2017	FY2015-17
Baseline Traffic Volume	14,171,000	14,919,000	29,090,000	15,624,000	16,260,000	31,884,000	17,009,000	17,616,000	34,625,000
ETC	10,190,000	10,784,000	20,974,000	11,355,000	11,881,000	23,236,000	12,497,000	13,050,000	25,547,000
Cash	2,956,000	1,874,000	4,830,000	1,903,000	1,949,000	3,852,000	2,004,000	2,040,000	4,044,000
PBM (% of cash + violations)	846,000	2,278,000	3,124,000	2,355,000	2,419,000	4,774,000	2,496,000	2,549,000	5,045,000
PBM Traffic Volume (Less Non-revenue Traffic)	13,992,000	14,936,000	28,928,000	15,613,000	16,249,000	31,862,000	16,997,000	17,639,000	34,636,000
PBM as % of Cash	28.6%	121.6%	64.7%	123.8%	124.1%	123.9%	124.6%	125.0%	124.8%

Tacoma Narrows Bridge PBM Toll Revenue and Late Fee	FY2012	FY2013	FY2011-13	FY2014	FY2015	FY2013-15	FY2016	FY2017	FY2015-17
PBM Toll Revenue (\$)	46,241,000	51,410,000	97,651,000	53,712,000	55,764,000	109,476,000	58,187,000	60,116,000	118,303,000
12% Revenue Loss Due to Unprocessed Image Transactions (\$)	-561,000	-1,502,000	-2,063,000	-1,557,000	-1,595,000	-3,152,000	-1,650,000	-1,683,000	-3,333,000
PBM Toll Revenue Less Unprocessed Image Transactions (\$)	45,680,000	49,908,000	95,588,000	52,155,000	54,169,000	106,324,000	56,537,000	58,433,000	114,970,000
% Change from PBM Toll Revenue	-1.2%	-2.9%		-2.9%	-2.9%		-2.8%	-2.8%	
Revenue Loss Due to Unpaid 2nd Statements - See CP Process	-643,500	-1,737,000	-2,380,500	-1,793,000	-1,843,000	-3,636,000	-1,903,000	-1,942,000	-3,845,000
% Change from PBM Toll Revenue	-1.4%	-3.4%	-2.4%	-3.3%	-3.3%	-3.3%	-3.3%	-3.2%	-3.3%
PBM Toll Revenue Less NOCP Unpaid Tolls (\$)	45,036,500	48,171,000	93,207,500	50,362,000	52,326,000	102,688,000	54,634,000	56,491,000	111,125,000

PBM Toll Revenue Prior to CP Process	FY2012	FY2013	FY2011-13	FY2014	FY2015	FY2013-15	FY2016	FY2017	FY2015-17
Baseline Toll Revenue	44,004,000	46,252,000	90,256,000	48,356,000	50,240,000	98,596,000	52,461,000	54,239,000	106,700,000
Alternative Forecast of PBM Revenue Prior to NOCP Process	45,036,500	48,171,000	93,207,500	50,362,000	52,326,000	102,688,000	54,634,000	56,491,000	111,125,000
% Change From Baseline Toll Revenue	2.3%	4.1%	3.3%	4.1%	4.2%	4.2%	4.1%	4.2%	4.1%

Vehicle Miles Traveled Forecast September 2011

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September 2011 Forecast of Vehicle Miles Travelled (History and Forecast), VMT per capita, and Independent Variables.

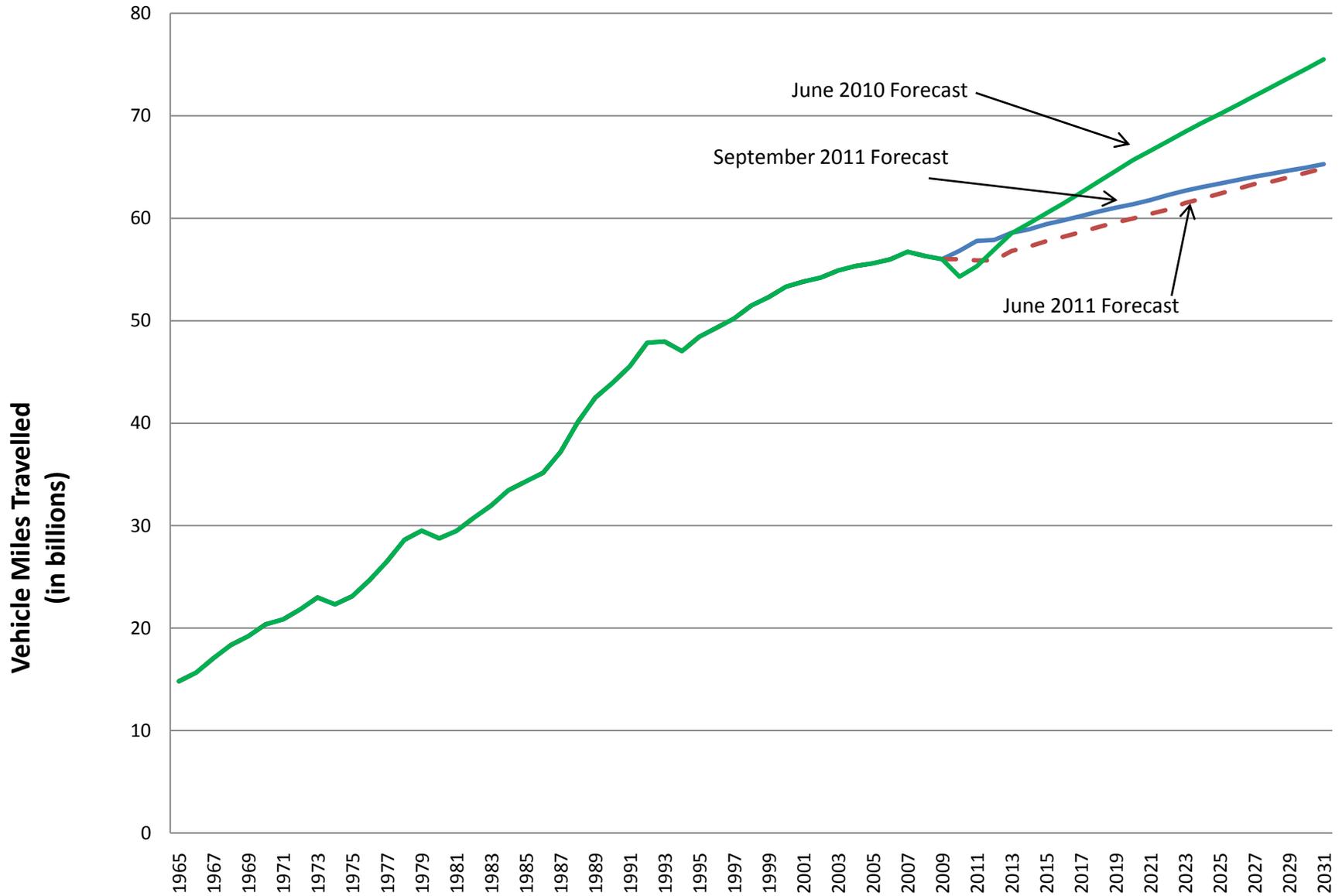
YEAR	Total VMT			VMT Per			Washington		Independent Variables			
	(Billion Miles)	Percent Change	Capita	Percent Change	Driver Pop	Percent Change	Employment ¹ (in Thousands)	Percent Change	Registered ² (in Thousands)	Percent Change	Gas Prices ³	Percent Change
1965	14.803						869		1,525		0.19	
1966	15.645	5.69%					940	8.12%	1,619	6.16%	0.19	3.08%
1967	17.067	9.09%					1021	8.63%	1,727	6.67%	0.20	3.48%
1968	18.347	7.50%					1075	5.27%	1,834	6.20%	0.20	1.69%
1969	19.211	4.71%					1116	3.82%	1,971	7.47%	0.21	3.47%
1970	20.371	6.04%	6,087		9,048		1109	-0.65%	1,971	0.00%	0.21	2.50%
1971	20.844	2.32%	6,188	1.67%	9,122	0.81%	1062	-4.16%	1,998	1.37%	0.22	2.12%
1972	21.835	4.75%	6,498	5.00%	9,493	4.06%	1079	1.60%	2,078	4.00%	0.22	-0.82%
1973	22.977	5.23%	6,813	4.86%	9,835	3.60%	1127	4.41%	2,200	5.87%	0.23	7.72%
1974	22.317	-2.87%	6,498	-4.63%	9,272	-5.72%	1172	3.96%	2,288	4.00%	0.36	54.69%
1975	23.106	3.54%	6,615	1.80%	9,340	0.73%	1217	3.86%	2,358	3.06%	0.40	10.11%
1976	24.685	6.83%	6,939	4.90%	9,690	3.75%	1249	2.62%	2,483	5.30%	0.41	4.09%
1977	26.485	7.29%	7,286	5.00%	10,077	3.99%	1322	5.88%	2,649	6.69%	0.43	4.44%
1978	28.605	8.00%	7,621	4.60%	10,445	3.65%	1427	7.94%	2,743	3.55%	0.44	1.64%
1979	29.511	3.17%	7,579	-0.54%	10,307	-1.32%	1534	7.48%	2,969	8.24%	0.69	57.50%
1980	28.765	-2.53%	7,118	-6.09%	9,611	-6.75%	1607	4.75%	3,092	4.14%	1.25	81.05%
1981	29.487	2.51%	7,130	0.17%	9,579	-0.33%	1615	0.49%	3,219	4.11%	1.40	11.96%
1982	30.744	4.26%	7,353	3.13%	9,831	2.63%	1590	-1.53%	3,214	-0.16%	1.29	-7.98%
1983	31.965	3.97%	7,595	3.28%	10,114	2.87%	1564	-1.61%	3,256	1.31%	1.23	-4.13%
1984	33.459	4.67%	7,867	3.59%	10,450	3.33%	1623	3.77%	3,328	2.21%	1.20	-2.33%
1985	34.308	2.54%	7,958	1.15%	10,553	0.98%	1685	3.82%	3,422	2.82%	1.20	-0.17%
1986	35.152	2.46%	8,073	1.45%	10,688	1.28%	1741	3.30%	3,569	4.30%	0.98	-18.14%
1987	37.207	5.85%	8,426	4.38%	11,129	4.13%	1805	3.66%	3,768	5.58%	1.01	2.87%
1988	40.101	7.78%	8,908	5.72%	11,738	5.47%	1897	5.12%	3,876	2.87%	1.02	0.63%
1989	42.494	5.97%	9,222	3.52%	12,128	3.32%	1992	4.99%	4,007	3.38%	1.13	10.90%
1990	43.934	3.39%	9,266	0.48%	12,207	0.65%	2104	5.63%	4,219	5.29%	1.33	17.70%
1991	45.536	3.65%	9,312	0.49%	12,295	0.72%	2160	2.69%	4,293	1.75%	1.22	-8.27%
1992	47.858	5.10%	9,564	2.71%	12,654	2.92%	2201	1.90%	4,448	3.61%	1.24	1.64%
1993	47.965	0.22%	9,362	-2.11%	12,407	-1.95%	2237	1.60%	4,480	0.72%	1.19	-4.03%
1994	47.025	-1.96%	9,014	-3.71%	11,951	-3.68%	2280	1.93%	4,512	0.71%	1.26	5.88%
1995	48.430	2.99%	9,109	1.05%	12,071	1.01%	2332	2.29%	4,581	1.53%	1.28	1.59%
1996	49.323	1.84%	9,119	0.10%	12,070	-0.01%	2371	1.67%	4,587	0.13%	1.32	3.13%
1997	50.206	1.79%	9,128	0.10%	12,064	-0.05%	2465	3.96%	4,701	2.49%	1.20	-9.09%
1998	51.482	2.54%	9,225	1.06%	12,149	0.71%	2558	3.80%	4,847	3.11%	1.10	-8.33%
1999	52.303	1.59%	9,248	0.25%	12,130	-0.16%	2622	2.48%	4,930	1.71%	1.43	30.00%
2000	53.319	1.94%	9,335	0.94%	12,173	0.35%	2683	2.32%	5,195	5.38%	1.59	11.19%
2001	53.829	0.96%	9,304	-0.33%	12,086	-0.71%	2716	1.23%	5,256	1.17%	1.37	-13.84%
2002	54.201	0.69%	9,273	-0.34%	11,994	-0.76%	2665	-1.85%	5,422	3.16%	1.56	13.87%
2003	54.890	1.27%	9,310	0.40%	11,989	-0.04%	2655	-0.40%	5,472	0.92%	1.79	14.74%
2004	55.331	0.80%	9,284	-0.28%	11,910	-0.66%	2673	0.71%	5,645	3.16%	2.12	18.44%
2005	55.585	0.46%	9,199	-0.91%	11,764	-1.22%	2737	2.39%	5,720	1.33%	2.67	25.94%
2006	55.989	0.73%	9,094	-1.14%	11,600	-1.39%	2821	3.04%	5,832	1.96%	2.64	-1.12%
2007	56.739	1.34%	9,058	-0.40%	11,528	-0.62%	2897	2.70%	5,912	1.37%	2.88	9.09%
2008	56.309	-0.76%	8,854	-2.25%	11,238	-2.52%	2960	2.19%	6,161	4.21%	3.34	15.97%
2009	56.013	-0.53%	8,702	-1.72%	11,013	-2.01%	2900	-2.04%	6,030	-2.13%	2.83	-15.39%
2010	56.812	1.43%	8,743	0.48%	11,029	0.15%	2785	-3.97%	5,950	-1.32%	2.93	3.77%
2011	57.780	1.70%	8,805	0.70%	11,077	0.44%	2799	0.51%	6,153	3.41%	3.38	15.30%
2012	57.892	0.19%	8,724	-0.92%	10,960	-1.06%	2837	1.36%	6,223	1.13%	3.71	9.73%
2013	58.577	1.18%	8,711	-0.14%	10,936	-0.22%	2892	1.96%	6,320	1.55%	3.80	2.43%
2014	58.923	0.59%	8,651	-0.68%	10,857	-0.72%	2921	1.00%	6,419	1.58%	3.93	3.42%
2015	59.433	0.86%	8,619	-0.37%	10,813	-0.41%	2951	1.00%	6,517	1.53%	3.91	-0.51%
2016	59.810	0.63%	8,569	-0.58%	10,747	-0.61%	2980	1.00%	6,615	1.51%	4.01	2.56%
2017	60.213	0.67%	8,525	-0.52%	10,686	-0.56%	3010	1.00%	6,714	1.49%	4.09	2.00%
2018	60.655	0.73%	8,489	-0.42%	10,638	-0.45%	3040	1.00%	6,811	1.44%	4.13	0.98%
2019	61.042	0.64%	8,447	-0.49%	10,578	-0.57%	3070	1.00%	6,910	1.46%	4.23	2.42%
2020	61.373	0.54%	8,401	-0.54%	10,514	-0.61%	3101	1.00%	7,008	1.41%	4.38	3.55%
2021	61.768	0.64%	8,367	-0.41%	10,464	-0.47%	3123	0.70%	7,104	1.38%	4.37	-0.23%
2022	62.253	0.79%	8,348	-0.22%	10,429	-0.34%	3145	0.70%	7,203	1.38%	4.28	-2.06%
2023	62.695	0.71%	8,331	-0.21%	10,389	-0.38%	3167	0.70%	7,300	1.35%	4.23	-1.17%
2024	63.048	0.56%	8,304	-0.33%	10,337	-0.50%	3189	0.70%	7,396	1.32%	4.26	0.71%
2025	63.382	0.53%	8,275	-0.35%	10,278	-0.57%	3211	0.70%	7,497	1.36%	4.32	1.41%
2026	63.718	0.53%	8,247	-0.34%	10,221	-0.56%	3234	0.70%	7,599	1.36%	4.38	1.39%
2027	64.051	0.52%	8,233	-0.17%	10,166	-0.53%	3256	0.70%	7,700	1.32%	4.44	1.37%
2028	64.358	0.48%	8,216	-0.20%	10,112	-0.53%	3279	0.70%	7,798	1.28%	4.52	1.80%
2029	64.653	0.46%	8,197	-0.24%	10,059	-0.53%	3302	0.70%	7,895	1.25%	4.61	1.99%
2030	64.942	0.45%	8,180	-0.20%	10,005	-0.53%	3325	0.70%	7,994	1.25%	4.71	2.17%
2031	65.296	0.55%	8,075	-1.28%	9,961	-0.43%	3348	0.70%	8,094	1.25%	4.75	0.85%

¹Forecast 2011-2013 from Economic and Revenue Forecast Council's September 2011 Forecast
Forecast 2014-2031 extended based on OFM forecast growth rate February 2011

²Forecast 2010-2031 from Transportation Revenue Forecast Council's September 2011 Forecast

³Forecast 2010-2031 from Transportation Revenue Forecast Council's September 2011 Forecast

Vehicle Miles Travel Forecast Comparison



**REVENUE AND RIDERSHIP PROJECTIONS
SEPTEMBER 2011 FORECAST
FISCAL YEARS 2012-2027**

Prepared for
Washington State Ferries

for Presentation to the
**Transportation Revenue
Forecast Council**

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Prepared by
Parsons Brinckerhoff

September 15, 2011



Adopted September 15, 2011



Washington State Ferries

September 2011 Revenue and Ridership Forecasts — Fiscal Years 2012-2027

SEPTEMBER 2011 FORECAST NOTES

The fare revenue and ridership forecasts for Washington State Ferries (WSF) are completed in four stages. First, monthly ridership projections by six fare categories are prepared for each route using time series analysis methods, with a forecast horizon from the present through fiscal year (FY) 2027.

The second stage of the process generates system-wide ridership projections. Econometric models combine ferry fare scenarios and state economic variables to produce system-wide unconstrained ridership forecasts by six fare categories through FY 2027. Within each fare category, the individual route forecasts are then calibrated to match the system-wide forecast totals from the econometric models.

The third stage of the process consists of adjusting the calibrated passenger and vehicle ridership by route to reflect seasonal vehicle capacity constraints, changes in service hours, and/or the net impacts from adding or eliminating service.

Last, the appropriate fares and average fare realizations are applied to the calibrated, capacity-constrained ridership forecasts for each route by fare category. This yields monthly and annual revenue forecasts by route for six fare categories.

Three scenarios differing in fare assumptions were prepared for September:

- **Baseline Forecast** – includes the fare revisions adopted by the Washington State Transportation Commission in August 2011 as follows:
 - 2.5% fare increase on October 1, 2011;
 - 3.0% fare increase on May 12, 2012;
 - New, lower fares for small vehicles under 14 feet long, with offsetting fare adjustments to other vehicles for the loss of revenue on small vehicles; and
 - A 25¢ per fare surcharge to support WSF’s capital program.

The Baseline Forecast assumes no changes to fares beyond FY 2012, resulting in declining real fares through the forecast horizon due to general inflation.

- **Alternative 1 Forecast** – adds to the Baseline Forecast consecutive 2.5% increases each October, from 2013 through 2026 (FY 2014-27), which provides slightly increasing real fares given that projected inflation averages 1.9% over the forecast period, using the Implicit Price Deflator for Personal Consumption.
- **“Old Baseline” Forecast** – set to match June’s Baseline Forecast, which holds nominal fares fixed at their FY 2011 levels, resulting in declining real fares.

The September 2011 Forecast results for FY 2012 include actual ridership counts through July 2011 and actual revenue collections through August 2011.

Ridership Impacts

The September 2011 ridership demand forecasts reflect the latest ridership data and updated economic variable projections produced by the State and Global Insight. The following points summarize the updated ridership forecast.

- The September forecast for employment has been revised lower through the forecast horizon. Additionally, the recent history and forecast for real personal income have been revised downward by as much as 3.5% over the forecast period. Absent other factors, these two economic projections contribute to lower ridership demand from FY 2013 through FY 2027.
- Predictions for real gasoline prices are slightly lower than in June, which helps to partially mitigate the other downward effects on projected vehicle ridership over the forecast horizon.
- The fare revisions adopted by the Commission in August account for more than half of the 3.7% to 4.9% reduction in projected ridership under the Baseline Forecast beyond the current fiscal year, relative to June’s projections. The higher fares cause ridership to decrease somewhat due to the elasticity of demand; however, because ferry demand is relatively inelastic, overall revenue grows with each fare increase.
- The capital fare surcharge in both the Baseline and Alternative 1 Forecasts would initially reduce ridership demand by about 1.3%, with the effect gradually declining to 0.8% as the real value of the 25¢ surcharge declines.

Revenue Impacts

- Revenues under both the Baseline and Alternative 1 Forecasts for the 2009/11 biennium came in at \$294.5 M, or \$0.3 M (0.1%) higher than June.
- The Baseline Forecast revenue projection for the 2011/13 biennium totals \$315.5 M, or 4.8% higher than in June, due to the net effect of the fare changes. Absent these fare changes (under the “Old Baseline”), the 2011/13 revenue forecast would have been virtually unchanged compared with June.
- The Alternative 1 Forecast fare revenue projections are 2.4% or \$7.2 M higher in the 2011/13 biennium, due to advancing the previously planned October 2012 increase to May 2012, increasing it from 2.5% to 3.0%, and factoring in the effects of the capital fare surcharge.
- Both the Baseline and Alternative 1 Forecasts remain higher than their June counterparts for the remainder of the forecast period.
- The 25¢ capital fare surcharge is predicted to yield \$6.3 M in the 2011/13 biennium for transfer to the capital program.

Washington State Ferries

REVENUE PROJECTIONS ~ BASELINE FORECAST

No Changes in the Current Posted Fares¹

September 2011 Forecast – Fiscal Years 2011-2027

<i>Fiscal Year</i>	<i>September 2011 Capacity-Constrained Revenue Forecast</i>	<i>Fiscal Year Annual Growth Rate</i>	<i>September Biennium Total</i>	<i>September vs. June Forecast</i>			<i>June 2011 Baseline</i>	
				<i>% Change by Fiscal Year</i>	<i>\$ Change and % Change by Biennium</i>		<i>Capacity-Constrained Revenue Forecast</i>	<i>Biennium Total</i>
2008²	\$148,379,626	1.1%						
2009²	\$144,540,455	(2.6%)	\$292,920,081					
2010²	\$147,009,545	1.7%		0.0%			\$147,009,545	
2011²	\$147,447,850	0.3%	\$294,457,395	0.2%	\$299,850	0.1%	\$147,148,000	\$294,157,545
2012	\$154,635,000	4.9%		4.1%			\$148,508,000	
2013	\$160,883,000	4.0%	\$315,518,000	5.4%	\$14,322,000	4.8%	\$152,688,000	\$301,196,000
2014	\$164,766,000	2.4%		4.8%			\$157,168,000	
2015	\$169,177,000	2.7%	\$333,943,000	4.6%	\$15,047,000	4.7%	\$161,728,000	\$318,896,000
2016	\$172,979,000	2.2%		4.3%			\$165,793,000	
2017	\$176,769,000	2.2%	\$349,748,000	4.2%	\$14,280,000	4.3%	\$169,675,000	\$335,468,000
2018	\$180,740,000	2.2%		4.2%			\$173,454,000	
2019	\$184,788,000	2.2%	\$365,528,000	4.5%	\$15,280,000	4.4%	\$176,794,000	\$350,248,000
2020	\$188,821,000	2.2%		5.1%			\$179,592,000	
2021	\$192,340,000	1.9%	\$381,161,000	5.8%	\$19,688,000	5.4%	\$181,881,000	\$361,473,000
2022	\$195,071,000	1.4%		6.1%			\$183,886,000	
2023	\$197,140,000	1.1%	\$392,211,000	6.2%	\$22,701,000	6.1%	\$185,624,000	\$369,510,000
2024	\$199,123,000	1.0%		6.3%			\$187,301,000	
2025	\$201,228,000	1.1%	\$400,351,000	6.6%	\$24,243,000	6.4%	\$188,807,000	\$376,108,000
2026	\$203,344,000	1.1%		6.8%			\$190,330,000	
2027	\$205,189,000	0.9%	\$408,533,000	7.0%	\$26,405,000	6.9%	\$191,798,000	\$382,128,000

¹ The Baseline Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Baseline Forecast assumes no further changes to the nominal fares thereafter. This leads to declining real fares over the forecast horizon. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries

REVENUE PROJECTIONS ~ BASELINE FORECAST

No Changes in the Current Posted Fares¹

September 2011 Forecast – Fiscal Years 2012-2027

<i>Fiscal Year</i>	<i>September 2011 Capacity-Constrained Revenue Forecast</i>	<i>Fiscal Year Annual Growth Rate</i>	<i>September Biennium Total</i>	<i>Distribution of Revenue to Operating and Capital Programs</i>			
				<i>25¢ Surcharge Revenue for Capital Program</i>	<i>Capital Biennium Total</i>	<i>Base Fare Revenue for Operating Program</i>	<i>Operating Biennium Total</i>
2008²	\$148,379,626	1.1%				\$148,379,626	
2009²	\$144,540,455	(2.6%)	\$292,920,081			\$144,540,455	\$292,920,081
2010²	\$147,009,545	1.7%				\$147,009,545	
2011²	\$147,447,850	0.3%	\$294,457,395			\$147,447,850	\$294,457,395
2012²	\$154,635,000	4.9%		\$2,578,000		\$152,057,000	
2013	\$160,883,000	4.0%	\$315,518,000	\$3,733,000	\$6,311,000	\$157,150,000	\$309,207,000
2014	\$164,766,000	2.4%		\$3,834,000		\$160,932,000	
2015	\$169,177,000	2.7%	\$333,943,000	\$3,954,000	\$7,788,000	\$165,223,000	\$326,155,000
2016	\$172,979,000	2.2%		\$4,055,000		\$168,924,000	
2017	\$176,769,000	2.2%	\$349,748,000	\$4,156,000	\$8,211,000	\$172,613,000	\$341,537,000
2018	\$180,740,000	2.2%		\$4,263,000		\$176,477,000	
2019	\$184,788,000	2.2%	\$365,528,000	\$4,371,000	\$8,634,000	\$180,417,000	\$356,894,000
2020	\$188,821,000	2.2%		\$4,480,000		\$184,341,000	
2021	\$192,340,000	1.9%	\$381,161,000	\$4,577,000	\$9,057,000	\$187,763,000	\$372,104,000
2022	\$195,071,000	1.4%		\$4,660,000		\$190,411,000	
2023	\$197,140,000	1.1%	\$392,211,000	\$4,733,000	\$9,393,000	\$192,407,000	\$382,818,000
2024	\$199,123,000	1.0%		\$4,805,000		\$194,318,000	
2025	\$201,228,000	1.1%	\$400,351,000	\$4,881,000	\$9,686,000	\$196,347,000	\$390,665,000
2026	\$203,344,000	1.1%		\$4,959,000		\$198,385,000	
2027	\$205,189,000	0.9%	\$408,533,000	\$5,032,000	\$9,991,000	\$200,157,000	\$398,542,000

¹ The Baseline Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Baseline Forecast assumes no further changes to the nominal fares thereafter. This leads to declining real fares over the forecast horizon. The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries

REVENUE PROJECTIONS ~ ALTERNATIVE 1 FORECAST

2.5% Annual Fare Increases FY 2012-27¹

September 2011 Forecast – Fiscal Years 2011-2027

Fiscal Year	September 2011 Capacity- Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	September vs. June Forecast			June 2011 Alternative	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity- Constrained Revenue Forecast	Biennium Total
2008 ²	\$148,379,626	1.1%						
2009 ²	\$144,540,455	(2.6%)	\$292,920,081					
2010 ²	\$147,009,545	1.7%		0.0%			\$147,009,545	
2011 ²	\$147,447,850	0.3%	\$294,457,395	0.2%	\$299,850	0.1%	\$147,148,000	\$294,157,545
2012	\$154,635,000	4.9%		2.7%			\$150,587,000	
2013	\$160,883,000	4.0%	\$315,518,000	2.0%	\$7,274,000	2.4%	\$157,657,000	\$308,244,000
2014	\$166,977,000	3.8%		1.1%			\$165,216,000	
2015	\$174,578,000	4.6%	\$341,555,000	0.9%	\$3,298,000	1.0%	\$173,041,000	\$338,257,000
2016	\$181,806,000	4.1%		0.7%			\$180,517,000	
2017	\$189,242,000	4.1%	\$371,048,000	0.5%	\$2,231,000	0.6%	\$188,300,000	\$368,817,000
2018	\$197,172,000	4.2%		0.3%			\$196,674,000	
2019	\$205,631,000	4.3%	\$402,803,000	0.1%	\$732,000	0.2%	\$205,397,000	\$402,071,000
2020	\$214,381,000	4.3%		0.1%			\$214,205,000	
2021	\$223,220,000	4.1%	\$437,601,000	0.2%	\$646,000	0.1%	\$222,750,000	\$436,955,000
2022	\$231,709,000	3.8%		0.4%			\$230,859,000	
2023	\$240,189,000	3.7%	\$471,898,000	0.5%	\$1,966,000	0.4%	\$239,073,000	\$469,932,000
2024	\$249,032,000	3.7%		0.6%			\$247,554,000	
2025	\$257,941,000	3.6%	\$506,973,000	0.7%	\$3,329,000	0.7%	\$256,090,000	\$503,644,000
2026	\$266,927,000	3.5%		0.8%			\$264,753,000	
2027	\$275,850,000	3.3%	\$542,777,000	0.8%	\$4,378,000	0.8%	\$273,646,000	\$538,399,000

¹ The Alternative 1 Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Alternative 1 Forecast also assumes 2.5% annual base fare increases, starting October 1, 2013. This results in increasing real fares under the current inflation projection. The Alternative 1 Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries

REVENUE PROJECTIONS ~ ALTERNATIVE 1 FORECAST

2.5% Annual Fare Increases FY 2012-27¹

September 2011 Forecast – Fiscal Years 2012-2027

Fiscal Year	September 2011 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Growth Rate	September Biennium Total	Distribution of Revenue to Operating and Capital Programs			
				25¢ Surcharge Revenue for Capital Program	Capital Biennium Total	Base Fare Revenue for Operating Program	Operating Biennium Total
2008 ²	\$148,379,626	1.1%				\$148,379,626	
2009 ²	\$144,540,455	(2.6%)	\$292,920,081			\$144,540,455	\$292,920,081
2010 ²	\$147,009,545	1.7%				\$147,009,545	
2011 ²	\$147,447,850	0.3%	\$294,457,395			\$147,447,850	\$294,457,395
2012 ²	\$154,635,000	4.9%		\$2,578,000		\$152,057,000	
2013	\$160,883,000	4.0%	\$315,518,000	\$3,733,000	\$6,311,000	\$157,150,000	\$309,207,000
2014	\$166,977,000	3.8%		\$3,816,000		\$163,161,000	
2015	\$174,578,000	4.6%	\$341,555,000	\$3,903,000	\$7,719,000	\$170,675,000	\$333,836,000
2016	\$181,806,000	4.1%		\$3,971,000		\$177,835,000	
2017	\$189,242,000	4.1%	\$371,048,000	\$4,039,000	\$8,010,000	\$185,203,000	\$363,038,000
2018	\$197,172,000	4.2%		\$4,107,000		\$193,065,000	
2019	\$205,631,000	4.3%	\$402,803,000	\$4,179,000	\$8,286,000	\$201,452,000	\$394,517,000
2020	\$214,381,000	4.3%		\$4,254,000		\$210,127,000	
2021	\$223,220,000	4.1%	\$437,601,000	\$4,327,000	\$8,581,000	\$218,893,000	\$429,020,000
2022	\$231,709,000	3.8%		\$4,390,000		\$227,319,000	
2023	\$240,189,000	3.7%	\$471,898,000	\$4,444,000	\$8,834,000	\$235,745,000	\$463,064,000
2024	\$249,032,000	3.7%		\$4,500,000		\$244,532,000	
2025	\$257,941,000	3.6%	\$506,973,000	\$4,555,000	\$9,055,000	\$253,386,000	\$497,918,000
2026	\$266,927,000	3.5%		\$4,608,000		\$262,319,000	
2027	\$275,850,000	3.3%	\$542,777,000	\$4,658,000	\$9,266,000	\$271,192,000	\$533,511,000

¹ The Alternative 1 Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Alternative 1 Forecast also assumes 2.5% annual base fare increases, starting October 1, 2013. This results in increasing real fares under the current inflation projection. The Alternative 1 Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries
REVENUE PROJECTIONS ~ OLD BASELINE FORECAST
FY 2011 Fares Held Constant for Comparison with June Baseline¹

September 2011 Forecast – Fiscal Years 2012-2027

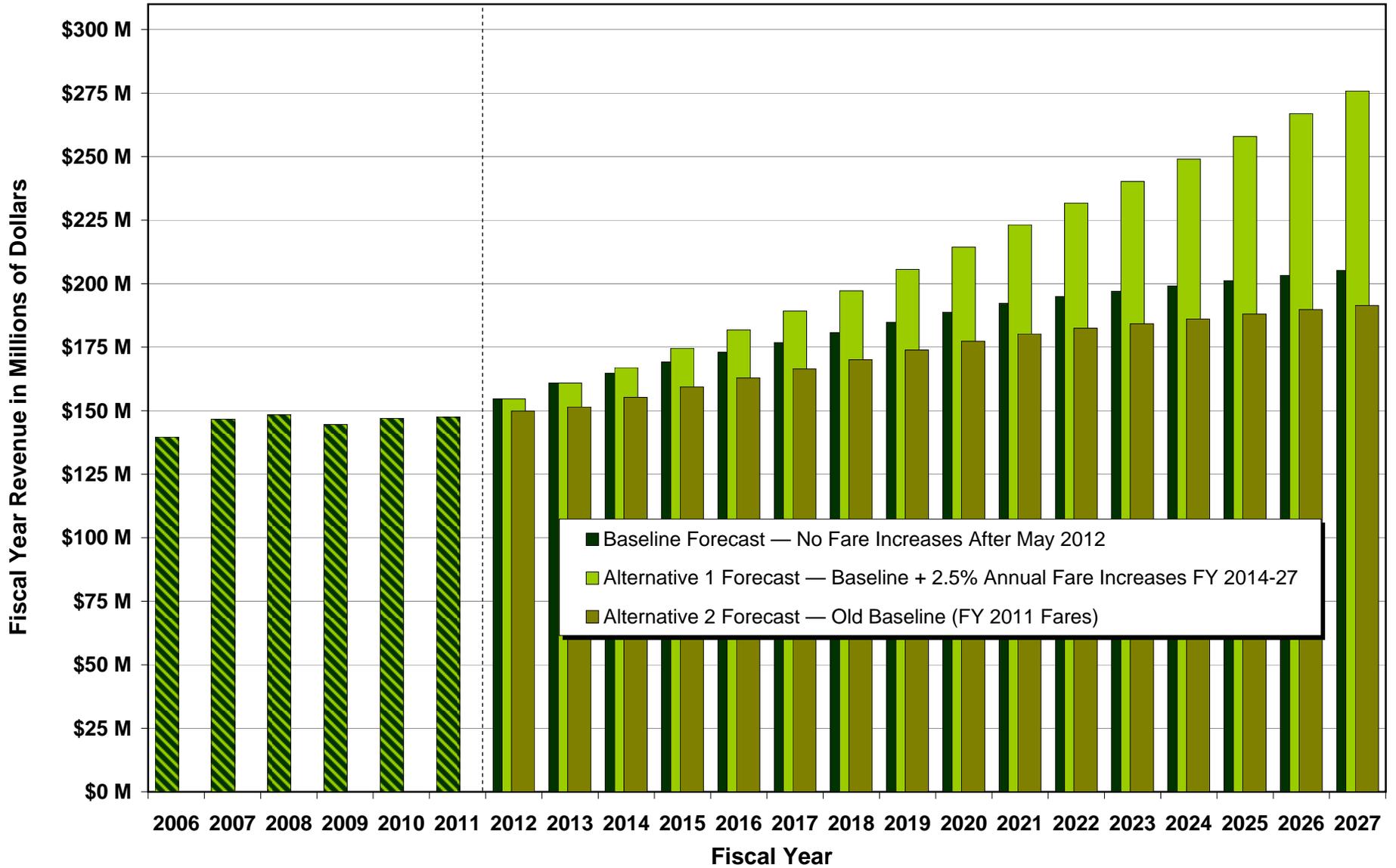
<i>Fiscal Year</i>	<i>September 2011 Capacity-Constrained Revenue Forecast</i>	<i>Fiscal Year Annual Growth Rate</i>	<i>September Biennium Total</i>	<i>September vs. June Forecast</i>			<i>June 2011 Baseline</i>	
				<i>% Change by Fiscal Year</i>	<i>\$ Change and % Change by Biennium</i>		<i>Capacity-Constrained Revenue Forecast</i>	<i>Biennium Total</i>
2008²	\$148,379,626	1.1%						
2009²	\$144,540,455	(2.6%)	\$292,920,081					
2010²	\$147,009,545	1.7%		0.0%			\$147,009,545	
2011²	\$147,447,850	0.3%	\$294,457,395	0.2%	\$299,850	0.1%	\$147,148,000	\$294,157,545
2012²	\$149,836,000	1.6%		0.9%			\$148,508,000	
2013	\$151,519,000	1.1%	\$301,355,000	(0.8%)	\$159,000	0.1%	\$152,688,000	\$301,196,000
2014	\$155,261,000	2.5%		(1.2%)			\$157,168,000	
2015	\$159,322,000	2.6%	\$314,583,000	(1.5%)	(\$4,313,000)	(1.4%)	\$161,728,000	\$318,896,000
2016	\$162,888,000	2.2%		(1.8%)			\$165,793,000	
2017	\$166,457,000	2.2%	\$329,345,000	(1.9%)	(\$6,123,000)	(1.8%)	\$169,675,000	\$335,468,000
2018	\$170,113,000	2.2%		(1.9%)			\$173,454,000	
2019	\$173,865,000	2.2%	\$343,978,000	(1.7%)	(\$6,270,000)	(1.8%)	\$176,794,000	\$350,248,000
2020	\$177,342,000	2.0%		(1.3%)			\$179,592,000	
2021	\$180,296,000	1.7%	\$357,638,000	(0.9%)	(\$3,835,000)	(1.1%)	\$181,881,000	\$361,473,000
2022	\$182,462,000	1.2%		(0.8%)			\$183,886,000	
2023	\$184,232,000	1.0%	\$366,694,000	(0.7%)	(\$2,816,000)	(0.8%)	\$185,624,000	\$369,510,000
2024	\$186,104,000	1.0%		(0.6%)			\$187,301,000	
2025	\$188,060,000	1.1%	\$374,164,000	(0.4%)	(\$1,944,000)	(0.5%)	\$188,807,000	\$376,108,000
2026	\$189,814,000	0.9%		(0.3%)			\$190,330,000	
2027	\$191,412,000	0.8%	\$381,226,000	(0.2%)	(\$902,000)	(0.2%)	\$191,798,000	\$382,128,000

¹ The Old Baseline Forecast includes the recent 2.5% fare increase on January 1, 2011, but assumes no further changes to the current nominal fares thereafter. This leads to declining real fares over the forecast horizon. The Old Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries — Revenue History and Forecast Trends

September 2011 Forecast Scenarios – Fiscal Years 2006-2027



Washington State Ferries

RIDERSHIP PROJECTIONS ~ BASELINE FORECAST

No Changes in the Current Posted Fares¹

September 2011 Forecast – Fiscal Years 2012-2027

Fiscal Year	September 2011 Unconstrained Demand Forecast	September 2011 Capacity Constrained Projections				June 2011 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	Sep. % Chg from Jun.
2008²		12,889,403	10,392,148	23,281,551	(2.9%)		
2009²		12,572,707	9,904,766	22,477,473	(3.5%)		
2010²		12,453,226	10,134,311	22,587,537	0.5%		
2011²		12,369,167	9,968,632	22,337,799	(1.1%)	22,215,000	0.6%
2012²	22,157,000	12,272,000	9,885,000	22,157,000	(0.8%)	22,447,000	(1.3%)
2013	22,538,000	12,334,000	9,871,000	22,205,000	0.2%	23,168,000	(4.2%)
2014	23,187,000	12,718,000	10,116,000	22,834,000	2.8%	23,960,000	(4.7%)
2015	23,962,000	13,187,000	10,395,000	23,582,000	3.3%	24,780,000	(4.8%)
2016	24,605,000	13,539,000	10,653,000	24,192,000	2.6%	25,447,000	(4.9%)
2017	25,259,000	13,901,000	10,910,000	24,811,000	2.6%	26,101,000	(4.9%)
2018	25,944,000	14,271,000	11,182,000	25,453,000	2.6%	26,759,000	(4.9%)
2019	26,662,000	14,661,000	11,449,000	26,110,000	2.6%	27,397,000	(4.7%)
2020	27,410,000	15,059,000	11,718,000	26,777,000	2.6%	28,006,000	(4.4%)
2021	28,162,000	15,460,000	11,938,000	27,398,000	2.3%	28,567,000	(4.1%)
2022	28,871,000	15,875,000	12,075,000	27,950,000	2.0%	29,099,000	(3.9%)
2023	29,568,000	16,277,000	12,167,000	28,444,000	1.8%	29,593,000	(3.9%)
2024	30,306,000	16,703,000	12,244,000	28,947,000	1.8%	30,110,000	(3.9%)
2025	31,080,000	17,159,000	12,319,000	29,478,000	1.8%	30,637,000	(3.8%)
2026	31,876,000	17,634,000	12,388,000	30,022,000	1.8%	31,176,000	(3.7%)
2027	32,694,000	18,125,000	12,432,000	30,557,000	1.8%	31,731,000	(3.7%)

¹ The Baseline Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Baseline Forecast assumes no further changes to the nominal fares thereafter. This leads to declining real fares over the forecast horizon

The Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries
RIDERSHIP PROJECTIONS ~ ALTERNATIVE 1 FORECAST
2.5% Annual Fare Increases FY 2012-27¹

September 2011 Forecast – Fiscal Years 2012-2027

Fiscal Year	September 2011 Unconstrained Demand Forecast	September 2011 Capacity Constrained Projections				June 2011 Projections	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Growth	Total Ridership	Sep. % Chg from Jun.
2008²		12,889,403	10,392,148	23,281,551	(2.9%)		
2009²		12,572,707	9,904,766	22,477,473	(3.5%)		
2010²		12,453,226	10,134,311	22,587,537	0.5%		
2011²		12,369,167	9,968,632	22,337,799	(1.1%)	22,215,000	0.6%
2012²	22,157,000	12,272,000	9,885,000	22,157,000	(0.8%)	22,318,000	(0.7%)
2013	22,582,000	12,334,000	9,871,000	22,205,000	0.2%	22,812,000	(2.7%)
2014	23,135,000	12,660,000	10,069,000	22,729,000	2.4%	23,369,000	(2.7%)
2015	23,722,000	13,006,000	10,272,000	23,278,000	2.4%	23,953,000	(2.8%)
2016	24,169,000	13,234,000	10,454,000	23,688,000	1.8%	24,377,000	(2.8%)
2017	24,616,000	13,457,000	10,634,000	24,091,000	1.7%	24,800,000	(2.9%)
2018	25,074,000	13,674,000	10,826,000	24,500,000	1.7%	25,234,000	(2.9%)
2019	25,552,000	13,903,000	11,024,000	24,927,000	1.7%	25,677,000	(2.9%)
2020	26,051,000	14,136,000	11,234,000	25,370,000	1.8%	26,117,000	(2.9%)
2021	26,551,000	14,370,000	11,433,000	25,803,000	1.7%	26,521,000	(2.7%)
2022	26,711,000	14,609,000	11,584,000	26,193,000	1.5%	26,875,000	(2.5%)
2023	27,112,000	14,828,000	11,710,000	26,538,000	1.3%	27,199,000	(2.4%)
2024	27,541,000	15,064,000	11,839,000	26,903,000	1.4%	27,545,000	(2.3%)
2025	27,990,000	15,317,000	11,945,000	27,262,000	1.3%	27,875,000	(2.2%)
2026	28,441,000	15,573,000	12,034,000	27,607,000	1.3%	28,199,000	(2.1%)
2027	28,900,000	15,838,000	12,101,000	27,939,000	1.2%	28,525,000	(2.1%)

¹ The Alternative 1 Forecast includes a 2.5% fare increase on October 1, 2011, a 3.0% fare increase on May 1, 2012, the fare revisions associated with creating a new under 14' vehicle category, and the effects of a 25¢ per fare surcharge for capital. The Alternative 1 Forecast also assumes 2.5% annual base fare increases, starting October 1, 2013. This results in increasing real fares under the current inflation projection. The Alternative 1 Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries
RIDERSHIP PROJECTIONS ~ OLD BASELINE FORECAST
FY 2011 Fares Held Constant for Comparison with June Baseline¹

September 2011 Forecast – Fiscal Years 2012-2027

<i>Fiscal Year</i>	<i>September 2011 Unconstrained Demand Forecast</i>	<i>September 2011 Capacity Constrained Projections</i>			<i>June 2011 Projections</i>		
		<i>Passenger Ridership</i>	<i>Vehicle/Driver Ridership</i>	<i>Total Ridership</i>	<i>Annual Rate of Growth</i>	<i>Total Ridership</i>	<i>Sep. % Chg from Jun.</i>
2008²		12,889,403	10,392,148	23,281,551	(2.9%)		
2009²		12,572,707	9,904,766	22,477,473	(3.5%)		
2010²		12,453,226	10,134,311	22,587,537	0.5%		
2011²		12,369,167	9,968,632	22,337,799	(1.1%)	22,215,000	0.6%
2012²	22,493,000	12,490,000	10,003,000	22,493,000	0.7%	22,447,000	0.2%
2013	22,929,000	12,770,000	10,117,000	22,887,000	1.8%	23,168,000	(1.2%)
2014	23,615,000	13,186,000	10,376,000	23,562,000	2.9%	23,960,000	(1.7%)
2015	24,405,000	13,673,000	10,658,000	24,331,000	3.3%	24,780,000	(1.8%)
2016	25,061,000	14,039,000	10,921,000	24,960,000	2.6%	25,447,000	(1.9%)
2017	25,728,000	14,414,000	11,184,000	25,598,000	2.6%	26,101,000	(1.9%)
2018	26,426,000	14,801,000	11,450,000	26,251,000	2.6%	26,759,000	(1.9%)
2019	27,158,000	15,206,000	11,717,000	26,923,000	2.6%	27,397,000	(1.7%)
2020	27,920,000	15,619,000	11,962,000	27,581,000	2.4%	28,006,000	(1.5%)
2021	28,687,000	16,041,000	12,148,000	28,189,000	2.2%	28,567,000	(1.3%)
2022	29,409,000	16,477,000	12,252,000	28,729,000	1.9%	29,099,000	(1.3%)
2023	30,120,000	16,895,000	12,327,000	29,222,000	1.7%	29,593,000	(1.3%)
2024	30,873,000	17,337,000	12,405,000	29,742,000	1.8%	30,110,000	(1.2%)
2025	31,662,000	17,811,000	12,477,000	30,288,000	1.8%	30,637,000	(1.1%)
2026	32,474,000	18,307,000	12,526,000	30,833,000	1.8%	31,176,000	(1.1%)
2027	33,308,000	18,820,000	12,557,000	31,377,000	1.8%	31,731,000	(1.1%)

¹ The Old Baseline Forecast includes the recent 2.5% fare increase on January 1, 2011, but assumes no further changes to the current nominal fares thereafter. This leads to declining real fares over the forecast horizon. The Old Baseline Forecast also reflects the current programmed level of service subject to capacity constraints.

² Reflects/includes historical data.

Washington State Ferries — Ridership History and Forecast Trends

September 2011 Forecast Scenarios – Fiscal Years 2006-2027

