

CHRISTINE O. GREGOIRE
Governor



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To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 17 and 18, Engrossed Substitute House Bill 3209 entitled:

"AN ACT Relating to managing costs of the ferry system."

Section 17 eliminates ferry passes for current employees, retirees, and their family members at the end of the current collective bargaining agreements. The issuance of ferry passes is a subject of collective bargaining and should be dealt with as part of the overall compensation package at the bargaining table, not singled out in legislation for elimination. Legislating matters subject to bargaining may restrict the state's ability to address other more important cost savings measures through the collective bargaining process. I am directing my Labor Relations Office to focus in this bargaining cycle on the best approaches to reduce long-term labor costs, including ferry passes and all aspects of the compensation package.

Section 18 reduces the Ferries Division insurance policy appropriation by \$670,000, based on a legislative study that concluded that the Department could save money by eliminating some marine insurance coverage. I share the Legislature's interest in saving money over the long term and being responsible stewards of taxpayer dollars by protecting our state-owned assets. While I am vetoing this subsection, I direct the Office of Financial Management to work with the Legislature over the interim to review the Department's marine insurance coverage carefully and to assess whether cost reductions can be made while still adequately protecting taxpayer dollars.

For these reasons, I have vetoed Sections 17 and 18 of Engrossed Substitute House Bill 3209.

With the exception of Sections 17 and 18, Engrossed Substitute House Bill 3209 is approved.

Respectfully submitted,

/s/

Christine O. Gregoire
Governor