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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In re Application of
MEI NORTHWEST LLC
For a Certificate of Public Convenience and
Necessity to Operate Vessels in Furnishing
Passenger Ferry Service

Docket TS-160479

**TESTIMONY OF
BRIAN WESTAD
INCHCAPE SHIPPING**

November 1, 2016

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: Brian Westad, 1011 SW Klickitat Way Suite 103, Seattle, Washington 98134.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am the Port Manager at Inchcape Seattle.

6 **Q: Would you please describe your business experience.**

7 A: I have been an agent in the marine industry for the last approximate 4 ½ years starting
8 as a boarding agent, promoted to Operations Manager and now as Port Manager I
9 manage all of the Seattle office.

10 **Q: Please describe what Inchcape Shipping Company does.**

11 A: We are shipping agents. We handle vessels of all types, both US and Foreign flagged,
12 that call on the terminals in the ports of Puget Sound. Inchcape works as either the
13 charterers' agent or owner's agent. In both cases, we coordinate with the vessel owner,
14 vessel charterer, the vessel, and various service providers in arranging any service
15 requirements during a vessel's visit to Puget Sound. Also, we coordinate with
16 governmental regulatory agencies on the critical documentation necessary in shipping
17 lanes in this post 9/11 environment.

18 **Q: For whom does Inchcape specifically work?**

19 A: Specifically, we work as charters' agents for entities such as Shell Oil, NYK and Alcoa
20 to name a few. Also, we work for/"represent" the individual vessel owner. In other
21 words, Inchcape works for either the owner or charterers of the ship, and in some cases
22 it may be one and the same.

23 **Q: In that capacity have you interacted with Arrow Launch Service?**

24 A: Yes, continuously throughout my 4 ½ years with Inchcape.
25

1 **II. SCOPE OF TESTIMONY**

2 **Q: What is the purpose of your testimony today?**

3 A: The purpose of my testimony today is to attest to the service Arrow Launch Service,
4 Inc. has provided Inchcape since my tenure began in 2012.

5 **Q: Does Inchcape have a need for additional launch service in western Washington?**

6 A: No. Arrow Launch Service provides excellent service.

7 **Q: Have you ever had a problem with that service?**

8 A: We have never had a problem with Arrow and in fact quite often service times will
9 change and Arrow is always respectful and cooperative with those adjustments. In fact,
10 sometimes it is Arrow who contacts us to alert us to a ship's early arrival or delay.
11 These schedule changes can significantly impact entities such as Customs or
12 technicians that have specific notification requirements, with Arrow's proactive
13 communication policies significantly helping in those cases. In other words, Arrow
14 Launch is very cooperative and communicative, particularly in their follow up and
15 working to facilitate Inchcape's overall service requirements.

16 **Q: What services does Arrow Launch Service provide to Inchcape vessels?**

17 A: Arrow provides launch service (water borne transportation) for passengers and freight
18 in the ports of Bellingham, Vendovi, Anacortes, Port Angeles, Seattle, Manchester,
19 Everett, Port Townsend and Tacoma.

20 **Q: Have you had any experience with any other launch companies?**

21 A: Yes, Dunlop in Dutch Harbor and Farley Transport in Nome, Alaska but they are much
22 smaller companies. ALS has far more vessels and resources and operates 24/7 and thus
23 also has far more availability.

24 **Q: Could you describe generally the composition of your business in various ports?**

1 A: Bellingham, Vendovi and Anacortes service is largely to foreign flagged tankers. Port
2 Angeles is generally foreign flagged tankers and Seattle/Tacoma service is largely bulk,
3 container or military sealift vessels.

4 **Q: Since 2012, could you please generally describe the service history of Arrow**
5 **Launch with Inchcape?**

6 A: We have never once had Arrow deny service nor be unavailable on our, or our
7 customers' timelines. Arrow has always been reliable and has never declined or failed
8 to provide service to us on our schedule.

9 **Q: Could you please describe the frequency of service for which you require**
10 **regulated launch service?**

11 A: That will depend on the number of ships in the port at any given time. We average
12 between 10 and 20 ships per month, with not all of our ships requiring launch service.
13 Of those that do utilize launch service, between 5 and 15 ships use launch service about
14 one or two times per ship. Infrequently, sometimes three launches per ship anchorage
15 are required.

16 **Q: Could you please describe a typical interaction with Arrow Launch Service?**

17 A: Yes. We call Arrow Dispatch and schedule the initial order, basically scheduling the
18 launch to take me or someone from my office out, known in the industry as a "boarding
19 party" that often includes US Customs or the Coast Guard. We also coordinate
20 delivery by launch of spare parts and food items known as provisions to vessels.

21 **Q: How would you characterize Arrow Launch Service's responsiveness with respect**
22 **to those kinds of interactions?**

23 A: Highly responsive and accommodating.

24 **Q: Could you describe in a little more detail what you mean by referring to Arrow's**
25 **"accommodation" of Inchcape?**

1 A: Arrow Launch provides us excellent service. Specifically following up once an initial
2 order is placed, verifying the details of an order and helping us to determine the most
3 efficient ways to complete that order. An example of that outreach involves a ship that
4 frequently comes from Canada which U.S. Customs is required to attend. Arrow
5 contacts Inchcape when the ship is arriving early or late so as to alert us since these
6 changes may completely alter the timing of boarding requirements. This reflects
7 Arrow's willingness to work closely with us to coordinate service to Inchcape
8 customers.

9 **Q: Again, have you ever had an occasion of difficulty in getting a launch vessel to**
10 **your company on request?**

11 A: No. In fact, often on short notice requests, many times in inclement weather, such as
12 when a ship drags an anchor or the ship has a crew person with a medical emergency,
13 anytime of the day or night including weekends or holidays, Arrow has always been
14 there.

15 **Q: Have you ever heard of or been contacted by a company called MEI or MEI**
16 **Northwest, LLC?**

17 A: Yes, I have now heard of them, but only from Arrow Launch.

18 **Q: Had you personally been aware of them before Arrow notified you of their**
19 **application?**

20 A: Not to my knowledge. The Seattle office has not been contacted by MEI.

21 **Q: What would be your reaction to any dilution of Arrow's customer or revenue**
22 **base?**

23 A: As noted, we use Arrow in all ports of Puget Sound and many of these ports have
24 minimal launch requirements or demand, yet Arrow is always there. I would be
25 concerned that a potential reduction in customer base or revenues could potentially

1 increase costs. In short, any reduction in the resources or service availability of Arrow
2 is a concern for us which is why I'm pleased to support their impeccable service history
3 before the Commission.

4 **Q: In summary, do you have any other comments about Arrow Launch Service?**

5 A: Just that Arrow personnel and equipment are highly reliable, and what I mean by that is
6 that whether the launch is being ordered in Tacoma or Anacortes, the standards of
7 service and professionalism are always consistent. In other words, they have
8 implemented protocols in servicing our vessels with communication geared to safety
9 and efficiency of operations, constant communication and frequent requests for
10 feedback on the nature of their service that demonstrate the commitment of and Arrow
11 Launch's reliability to Inchcape. We frankly couldn't do our jobs as well for our
12 customers without our partnership with Arrow and we want to attest to their
13 extraordinary service here by speaking to their record of performance in serving all our
14 launch service requirements.

15 **Q: Does this conclude your testimony in this proceeding?**

16 A: Yes it does.
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2 CERTIFICATE OF SERVICE

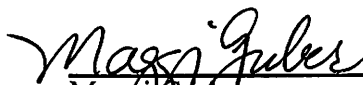
3 I certify that on November 1, 2016, I caused to be served the original of the foregoing
4 document to the following address via FedEx to:

5 Steven V. King, Executive Director and Secretary
6 Washington Utilities and Transportation Commission
7 Attn: Records Center
8 PO Box 47250
9 1300 S. Evergreen Park Dr. SW
10 Olympia, WA 98504-7250

11 I further certify that I have also provided to the Washington Utilities and Transportation
12 Commission's Secretary an official electronic file containing the foregoing document via the
13 WUTC web portal; and served a copy via email to the following parties:

<p>12 <i>For Washington Utilities and Transportation Commission Staff:</i> 13 Julian Beattie 14 Office of the Attorney General 15 Utilities and Transportation Division 16 1400 S. Evergreen Park Drive SW 17 P.O. Box 40128 18 Olympia, WA 98504-0128 19 Phone: (360) 664-1225 20 Email: jbeattie@utc.wa.gov</p>	<p><i>For MEI Northwest, LLC:</i> Mr. Dan Bentson Bullivant, Houser, Bailey, PC 1700 Seventh Ave, Suite 1810 Seattle, WA 98101 Email: dan.bentson@bullivant.com</p>
<p>17 <i>For Pacific Cruises Northwest, LLC:</i> 18 Captain Drew M. Schmidt 19 President 20 Pacific Cruises Northwest, Inc. 355 Harris Avenue, Suite 104 Bellingham, WA 98225 Phone: (360) 738-8099 Email: drew@whales.com</p>	<p><i>Administrative Law Judge</i> Judge Marguerite E. Friedlander Washington Utilities and Transportation Commission Email: mfriedla@utc.wa.gov</p>

21 Signed at Seattle, Washington this 1st day of November 2016.

22
23 
24 Maggi Gruber
25 Legal Assistant
Williams Kastner & Gibbs PLLC
mgruber@williamskastner.com