

Lake Chelan Recreation, Inc.
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July 16, 2015

Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
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Lake Chelan Boat Company Comments RE: Docket TS-151359: *In the Matter of the Petition of James and Clifford Courtney For a Declaratory Order on the Applicability of Wash. Rev. Code 81.84.010(1) and Wash. Admin. Code 480-51-025(2), Docket TS-151359*

Dear Commissioners and to whom it may concern,

Although operating as the WUTC regulated service on Lake Chelan can be cumbersome and inflexible, we believe the public's interest in safe, reliable and fairly priced service is best served by a single, economically regulated provider whose owners can make the sizeable investments needed to initiate and maintain service without the threat of having customers drawn away by competing providers during the short profitable time of the year.

Additional boat services offered on Lake Chelan for customers or patrons of specific businesses or group of businesses that operate only during the profitable time of the year would most certainly affect the ridership of the regulated service and drive rates higher and lessen services during the remaining eight to nine months of the year. It would significantly threaten the regulated carrier's ridership, revenue, and ability to provide reliable and affordable service year round. The Lake Chelan Boat Company service provides essential transportation due to the lack of roads in the regions that it serves. Those who count on service during the eight to nine non-profitable months should seriously consider the possible outcomes.

We see that currently there are potentially three larger groups in the upper Lake Chelan regions that could look at their own service, The Courtney Family with multiple businesses, The NPS Concessionaire in Stehekin, and Holden Village whom had attempted their own service some years ago, but were forced by the WUTC to cease. Historically, Holden Village has been approximately 25% of the current service's ridership. There could potentially be operators in Chelan that would serve "their own customers", or selected groups as proposed by James and Clifford Courtney, as well. However, with that said, we question that individually smaller groups could provide profitable safe, reliable and fairly priced service. It takes volume to cover costs that ensure a safe operation (and profitability).

The question may be asked as to how Lake Chelan Boat Company could remain viable in providing the regulated service under such an arrangement that would cause reduced ridership and require reduced runs and higher rates to the customer to survive. If the Courtney's (and others) were allowed to operate a service for their business customers, or other select groups as proposed by James and Clifford Courtney, what would keep Jack Raines from forming a new competing non-regulated business that would transport his selected customers and operate only on profitable days when volume was substantial. Not operating under the regulation of the WUTC would enable this new company to offer service only on profitable days, with no regard for the general public's year round needs. The operation would not experience the losses of the eight to nine unprofitable months of the year, just as the service being suggested by James and Clifford Courtney. All of these additional services offered only during the profitable time of the year would create financial losses to Lake Chelan Boat Company (the Regulated Service) which would lead to less service and much higher rates for the general public, if it were able to survive at all.

The customers of the Petitioning parties businesses and the their other proposed customers, currently use Lake Chelan Boat Company's services, and thus would take customers from the Lake Chelan Boat Company service, thereby putting at risk the ability to continue to provide essential services. To be clear there are three to four profitable months and eight to nine non-profitable months. It takes vigilance to remain viable.

Additionally, what enforcement would be in place to ensure that the unregulated boats only served the patrons it would be allowed to serve. We have not seen any enforcement in past years.

Again, we state that operating a small business under the regulation of the WUTC can be confining, arduous, and less than desirable. Every aspect of the operation is scrutinized by regulation. However, in the 32 years of providing this service, we see clearly that regulation protects and mandates safe, reliable, and fairly priced public passenger service on Lake Chelan. Because of this, we support the disallowance of this additional service.

It appears that the WUTC has the choice of either saving the current dependable service or destroying it, by allowing others to operate only during the profitable months. The WUTC regulation of the service was established because of multiple unsafe and unprofitable operations that were undependable.

Sincerely,

Jack Raines

Jack Raines, President

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