

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In re the Matter of the Petition of  
  
SAN JUAN EXPRESS, INC.,  
BC-000117

Docket TS-  
  
PETITION TO TEMPORARILY  
DISCONTINUE 2024 COMMERCIAL  
FERRY SERVICE

**I. INTRODUCTION**

1. Pursuant to WAC 480-51-130 and RCW 81.84 et seq., San Juan Express, Inc. (“SJE” or “the Company”) holder of Certificate BC-000117 authorizing passenger and freight service between Seattle and Friday Harbor, Washington brings this Petition by and through its counsel Williams Kastner & Gibbs and David W. Wiley, 601 Union Street, Seattle, WA 98101 asking that the Commission grant it a successive period of temporary discontinuance for its authorized service until on or about May 10, 2025.

**II. RELIEF REQUESTED**

2. As noted above, SJE asks that it be permitted by the Commission to discontinue its seasonal service under WAC 480-51-130 for a twelve-month period as authorized by rule.

**III. RULES AND STATUTES AT ISSUE.**

3. RCW 81.84.060 AND WAC 480-51-130.

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#### IV. STATEMENT OF FACTS:

4. SJE began operating the regulated commercial ferry route in the early 1990's. However, since the pandemic and the extreme disruptions caused to passenger travel by ground, sea and air, it has not been able to provide its regular seasonal service between Seattle and Friday Harbor since 2021. In addition to and as previous petitions have explained, the United States Coast Guard, following a tragic accident in California, imposed new regulations and reduced the certified passenger capacity of SJE's vessel from 200 to 149 passenger and ordered major interior structural changes to the vessel involving space reconfiguration including stairway rearrangement and emergency egress points.
5. Despite numerous consultations with naval architects, marine contractors and other specialists in the field, SJE has been unable to identify or arrive at a cost-effective and permanent solution to the problem of sustained operation, including most importantly, an appropriate vessel to resume service on the route. Since late 2022, SJE has been exploring any and all feasible vessels for sale in the marketplace that would have sufficient nautical speed, fuel efficiency, capacity and allow SJE to transport an efficient number of passengers that would enable it to make a modest profit.
6. It appears there is no such vessel available in the United States currently. Thus, SJE has commissioned two U.S. boat yards to propose a vessel of at least a sufficient speed and modern fuel or alternative consumption capacity to traverse the 120 nautical round trip route and carry a minimum of from 120 to 150 passengers regularly in order to allow service to be resumed.
7. The Company is also aware that no new build vessel at any domestic ship building facility (required by the Jones Act) could bring that vessel on line before March, 2026 at the earliest. As a consequence, SJE will reluctantly have to file another petition for discontinuance next season unless for some highly fortuitous circumstance, a Coast Guard-approved passenger vessel suitable for the route can be identified for lease or purchase.

## V. STATEMENT OF ISSUE

8. Should the Commission now act, for good cause shown, to grant the Petition for Indefinite Discontinuance filed by San Juan Express, Inc. pursuant to WAC 480-51-130 and allow it to discontinue service on its regulated route until May 10, 2025?

## VI. ARGUMENT IN SUPPORT OF PETITION

9. As discussed above and in the Declaration of Mr. Pahnke, SJE is seeking to extend its service discontinuance because of the continuing unavailability of an operating asset that meets the requirements of state and federal regulators on design and vessel capacity on this commercial ferry route. Over the past 18 to 24 months it has vigorously pursued various other options and outlets to identify such a vessel and has unfortunately been unsuccessful in either purchasing or leasing that appropriate vessel. It has also finally determined that modifying the vessel that has operated on the route for decades is no longer feasible to reengineer even if the economics and time interval to effect the structural changes were in alignment.
10. WAC 480-51-130 memorializes two requirements: that the permit holder notify the Commission and the public of its intent to discontinue service within 15 days of the intended discontinuance and obtain the Commission's permission and, that an indefinite discontinuance of service permission by the Commission not exceed 12 months. SJE is here seeking to fully comply with those requirements. It is asking for the 12-month discontinuance interval and acknowledges, due to the circumstances outlined in its Petition and supporting Declaration, that request is "indefinite." Indeed, because of the state of the maritime economy, the considerable delays in ship building schedules (which the Washington State Ferry System is acutely aware of), and the current conversion of technology, power systems, shoreside infrastructure and other complications affecting the ready availability of suitable vessels, SJE is simply not able to pinpoint the date upon which its service could be resumed. However, this

is not an instance in which the Commission has seen (particularly in the 1990's and 2000's) of applicants for Commission commercial ferry authority applying for same and then "sitting on" Commission-issued certificates.

## VII. CONCLUSION/PRAAYER FOR RELIEF

11. San Juan Express, Inc. has served its regulated route for over three decades. It clearly seeks to resume regulated service and will also not object to any overlapping service provider which believes it has the resources, knowledge and general wherewithal to provide service on this route. SJE contends that nothing will be gained by cancelation of its certificate now and pledges to continue to work with Staff, the Commission, other state and federal regulators and the traveling public as a whole to keep them informed of substantive progress to finally reinstitute commercial ferry service between Seattle and Friday Harbor.
12. Therefore, SJE requests that its Petition for Temporary Discontinuance be granted.

Respectfully submitted this 12<sup>th</sup> day of April, 2024.

WILLIAMS KASTNER & GIBBS PLLC

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