

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Cancellation of  
Commercial Ferry Certificate BC068215  
held by  
  
LAKE UNION FERRY, LLC.  
  
Pursuant to WAC 480-51-150(1)(d)

DOCKET TS-230613  
  
ORDER 01  
  
Order Cancelling Certificate

**BACKGROUND**

- 1 On May 17, 2018, Edison Valley Investments LLC, d/b/a Lake Union Ferry Company (Edison Valley Investments or Parent Company), was granted certificate BC068215. On March 3, 2020, Edison Valley Investments transferred the certificate to its wholly owned subsidiary, Lake Union Ferry Company, LLC (Lake Union Ferry or Company).<sup>1</sup>
- 2 On July 27, 2023, Commission staff (Staff) first issued a Notice of Intent to Cancel Commercial Ferry Certificate, (NOIC), held by Lake Union Ferry. The notice cited to Washington Administrative Code (WAC) 480-51-150(1)(d) – failure to file an annual report after beginning operations.
- 3 On September 14, 2023, due to a missing signature on the original, Staff reissued the NOIC. The NOIC was reissued again on November 8, 2023, and January 2, 2024, because the second and third copies were sent to Lake Union Ferry’s old email address. On January 29, 2024, Lake Union Ferry’s Parent Company, responded to the NOIC and requested a hearing.
- 4 Shortly thereafter, Staff informed Lake Union Ferry’s Parent Company that Lake Union Ferry Company, LLC had been administratively dissolved on August 3, 2023.
- 5 On February 27, 2024, a brief adjudicative proceeding (BAP) was held before the presiding officer. Staff was represented by Assistant Attorney General Josephine Strauss. The Company was represented by the owner of Edison Valley Investments, David Stroble. The parties agreed to proceed with the matter with the defunct Lake Union Ferry,

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<sup>1</sup> The certificate was transferred pursuant to Docket TS-200032, Order Authorizing Transfer, March 3, 2020. Because this matter is resolved on other grounds, this decision will not reach the issue of whether the five-year deadline to begin operations, established by WAC 480-51-120(2), reset when the certificate was transferred; or what impact, if any, the self-dealing nature of the transference would have in resolving that issue.

as the named party, with the understanding that its presence in the matter was solely to wind down its affairs.

### DISCUSSION

- 6 In the BAP, Staff established that Lake Union Ferry had never begun operations. Staff acknowledged that this fact made the regulation cited in the NOIC inapplicable.<sup>2</sup> However, because Lake Union Ferry had not begun operations, it was responsible to file progress reports in the intervening years.
- 7 If a certificate holder has not initiated service, WAC 480-51-120(1)(a) requires progress reports to be filed with the Commission every 6 months. Lake Union Ferry has had the certificate for at least 4 years. In that time, the Company only sent a single communication, in 2021, to the Commission that could be construed as a progress report.<sup>3</sup>
- 8 The admitted long-term failure to comply with various portions of WAC 480-51-120 is concerning – however, this Order will not reach the question of whether this pattern of violations justifies cancelation by itself. Nor will the Order reach the questions of notice and due process, which arise when an NOIC is served to a party that does not technically exist and alleges a failure to take action that the party could not have made.
- 9 WAC 480-51-020(10) states “The term ‘person’ means any natural person or persons or any entity legally capable of taking any action.” The Company no longer meets this definition.<sup>4</sup>
- 10 WAC 480-51-020(2) states “The term ‘certificated commercial ferry’ means a person required by chapter 81.84 RCW to obtain a certificate of public convenience and necessity before operating any vessel upon the waters of this state.”
- 11 As a matter of law, the only actions an administratively dissolved LLC may make are those necessary to wind down.<sup>5</sup> The dissolution of the entity legally restricts its ability to take actions. Lake Union Ferry is not a person, and by extension not a certificated commercial ferry.
- 12 Further, WAC 480-51-020(1) states:

The term “commercial ferry” means every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers, appointed by any court whatever,

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<sup>2</sup> Neal, Tr. at 15:1-3.

<sup>3</sup> Stark, Tr. at 21:16-23:7.

<sup>4</sup> The phrase “any action” could be read as an entity capable of doing at least one thing. However, this interpretation would render the word “any” superfluous. As a result, the definition is interpreted to exclude entities with a legally restricted ability to act.

<sup>5</sup> RCW 25.15.265(6); RCW 25.15.297.

owning, controlling, leasing, operating or managing any vessel over and upon the waters of this state.

- 13 As the Parent Company’s owner acknowledged at the BAP – “What I didn’t do was actually put boats on the water. . .”.<sup>6</sup>

### FINDINGS AND CONCLUSIONS

- 14 (1) The Commission finds that Lake Union Ferry Company, LLC was administratively dissolved on August 3, 2023.
- 15 (2) The Commission finds that Lake Union Ferry Company, LLC is not a “person” as contemplated by the regulations.
- 16 (3) The Commission finds that Lake Union Ferry Company, LLC did not own, control, lease, operate, or manage any vessel over and upon the waters of this state.
- 17 (4) The Commission finds that Lake Union Ferry Company, LLC is by definition not a “commercial ferry.”
- 18 (5) The Commission finds that after over four years of certificate holding, Lake Union Ferry Company, LLC’s failure to meet the definition of “commercial ferry” is good cause for the cancellation of Commercial Ferry Certificate BC068215.<sup>7</sup>

### ORDER

#### THE COMMISSION ORDERS:

- 19 (1) **Certificate of public convenience and necessity BC068215, held by the Lake Union Ferry Company, LLC, is canceled.**

DATED at Lacey, Washington, and effective March 12, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

*/s/ Bijan Hughes*  
Bijan Hughes  
Administrative Law Judge

cc: All Parties

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<sup>6</sup> Tr. 37:18-19.

<sup>7</sup> WAC 480-51-150(e).