

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

Docket TS-  
PETITION TO TEMPORARILY  
DISCONTINUE 2022 COMMERCIAL  
FERRY SERVICE

1. San Juan Express, Inc. (“SJE” or “the Company”), holder of Certificate BC-000117 provides passenger and freight service between Seattle and the San Juan Islands, Washington and brings this petition by and through its counsel David W. Wiley, Williams Kastner & Gibbs, PLLC, 601 Union Street, Suite 4100, Seattle, WA 98101.
2. SJE, pursuant to WAC 480-51-130, requests that the Commission grant it permission to temporarily discontinue providing commercial ferry service between Seattle and Friday Harbor for the 2022 sailing season including a period of up to 12 months to be measured from the current Memorial Day weekend of 2022 to Memorial Day weekend, 2023.
3. During the abbreviated 2021 sailing season and with the pandemic still widespread, SJE limited its capacity to 150 passengers to enhance social distancing and mitigate concerns about traveling in congregate spaces. Despite very high utilization rates at its reduced capacity, the Company operated at a significant loss last season.
4. SJE had hoped, bolstered by a prospective fuel surcharge, to continue operations at an increased capacity of approximately a 200 passenger limit, to resume service and attain modest profitability in the 2022 sailing season.

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5. However, in late March 2022 and ironically on the same day of SJE's pending fuel surcharge submission, the Company's outside naval architect, Theresa Fielding of the Elliot Bay Design Group, was informed by the United States Coast Guard that apparently due to controlling federal regulations which were revised following a major vessel fire off the coast of California, SJE's vessel capacity would be limited to 150 passengers for the indefinite future until and unless significant design changes in the vessel were implemented. This, despite the vessel being legally operated with more than 150 passengers for decades until the recent season.
6. This directive comes too late in proximity in time to SJE's planned sailing season to make any material structural changes including decks, stairways and bulkheads to the vessel (much less to obtain final USCG approval of those major modifications) nor are there suitable available passenger vessels for purchase and/or lease in the market nor any ability to gain necessary Coast Guard approval therefor before or during the upcoming sailing season.
7. Even with regular fuel surcharge approvals and projected 200 passenger capacity and load/utilization rates at a conservative 85-90% rate, SJE still expected the 2022 sailing season operations to run at best at a break-even level in 2022. Now however, with mandated capacity reductions of a minimum 25%, SJE projects its operations would run at a material loss in 2022 even before calculating the present spiraling inflationary impacts of wage and general operating cost increases that would be absorbed this season. Furthermore, it believes now seeking to adjust underlying rates to a level necessary on reduced capacity to generate a reasonable operating profit might pose such a risk of rate shock that future seasonal service resumption could be threatened to the point of jeopardizing the sustained viability of this important commercial ferry route.
8. Therefore, affording SJE time by granting this Petition and providing a sufficient interval to explore alternative vessel options and financing, whether remodeling and modernizing the current vessel assigned to the route or exploring alternative lease or purchase arrangements for

a substitute vessel, the company asserts is fully consistent with the public interest under these particularly exigent circumstances.

9. In conclusion, SJE respectfully asks that its Petition to Temporarily Discontinue Commercial Ferry Service during the 2022 sailing season be granted by the Commission.

Respectfully submitted this 13<sup>th</sup> day of April, 2022.

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s/ David W. Wiley

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