## **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 2023 COMMERCIAL FERRY SERVICE

- 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.
- SJE, pursuant to WAC 480-51-130, again requests that the Commission grant it permission to temporarily discontinue providing commercial ferry service between Seattle and Friday Harbor for the 2023 sailing season including a period of up to 12 months to be measured from May 12, 2023 to May 11, 2024.
- 3. During the abbreviated 2022 sailing season, continuing pandemic restrictions and prohibitions particularly involving SJE affiliate, Clipper Navigation, Inc. and entrance to British Columbia severely impacted operating cash/working capital for SJE. This precluded any ambitious prospective investment in improvements or acquisition of vessel(s) that would restore 200 plus passenger capacity or replace the current vessel dedicated to the Friday Harbor/Seattle route. Under recent revised Coast Guard regulations and practice, such improvements will require fundamental architectural changes to the vessel in order to restore its maximum payload

**Williams, Kastner & Gibbs PLLC** 601 Union Street, Suite 4100 Seattle, Washington 98101-2380 (206) 628-6600 capacity which might help achieve financial equilibrium, let alone any modest profitability on the route.

- 4. Moreover, the announcement in early March, 2023 that the longstanding Anacortes to Sydney Washington State car ferry route is being suspended until 2030 has contributed to additional uncertainties on the Seattle/Friday Harbor route by reducing access for visitors for travelers between Canada and the United States.<sup>1</sup> This decision by the Department of Transportation renders the viability of existing private commercial ferry routes even more uncertain, requiring a host of additional economic analyses, review of passenger access points, marketing approaches and rendering historic assumptions about passenger loads, pricing and equipment configuration extremely questionable. Additionally, even if sufficient funds were available to SJE, presently there are unfortunately no suitable passenger vessels for purchase and/or lease in the market to the best of SJE's knowledge, nor would there be any ability to gain necessary Coast Guard approval before or during the upcoming sailing season.
- 5. Should the Commission grant this Petition, during any period of approved suspension, SJE will not object to the prospective filing of a third-party overlap application on this route and is also willing to make its certificate available for lease for the 2023 season to a "fit, willing and able" applicant subject to the Commission's approval.
- 6. SJE regrets that it must now renew its request for temporary discontinuance of the Seattle/Friday Harbor route for an upcoming sailing season. The lingering fiscal, health and safety effects of the pandemic, the major costs to remodel its existing vessel or identify, plan for and/or purchase a new vessel and the various uncertainties surrounding the resumption of commercial ferry-based tourism including ensuring appropriate health and safety improvements to air and passenger flow in vessels as well as new vessel fire prevention modifications, all contribute to a single period of 12 months simply being insufficient for

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<sup>&</sup>lt;sup>1</sup> The WSF route between Anacortes and Friday Harbor is unaffected by the Anacortes/Sydney service suspension.

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planning, evaluation, budgeting and implementing all the necessary changes and variables to enable the resumption of regular passenger ferry service on this route.

 In conclusion, SJE respectfully asks that its Petition to Temporarily Discontinue Commercial Ferry Service during the 2023 sailing season between Seattle and Friday Harbor be granted by the Commission.

Respectfully submitted this 4<sup>th</sup> day of April, 2023.

## WILLIAMS KASTNER & GIBBS PLLC

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