

**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 2025 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, 2026.

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 another 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 its 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 before it could be certified to continue transporting passengers.
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. Its December 23, 2024 status report letter to the Commission highlighted some of the most recent, ongoing efforts made by the company to explore economically feasible and environmentally prudent alternatives but, as noted, these are not any imminently available solutions to service resumption yet to be identified.
6. It appears there is presently no such vessel available in the United States but SJE continues to explore the alternatives noted in its December status report.
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 now before March, 2027 at the earliest. The current turmoil in federal grant funding of green economy initiatives has further

complicated this circumstance and rendered conditions less favorable for identifying grant funding opportunities even since its report almost three months ago. As a consequence, SJE will most likely reluctantly have to file another petition for discontinuance next season as well, particularly in light of the current green initiative funding environment at the federal and state levels and the uncertainty of support for assisting public and private providers in making necessary but costly transitions to all electric and/or hybrid vessels which will mitigate fuel consumption and air emission concerns amongst other benefits.

V. STATEMENT OF ISSUE

8. Should the Commission now act, for good cause shown, to grant the new 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 spring, 2026?

VI. ARGUMENT IN SUPPORT OF PETITION

9. As discussed above and in the Declaration of Mr. Collins, 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 three years 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 specifies two requirements for approval: 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 both 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 grant funding complications affecting the ready availability of suitable vessels, SJE is again unable to pinpoint the date upon which its service could be resumed. As also noted in 2024, this is not a situation which the Commission has previously observed (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 fully intends to resume regulated service on its route in the future, and will also continue not to object to any overlapping service provider which believes it has the resources, knowledge and economic wherewithal to provide service on this route. SJE believes 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, legislators and the traveling public as a whole to keep them informed of any substantive progress to finally reinstitute commercial ferry service between Seattle and Friday Harbor.
- 12.* Therefore based on the foregoing, SJE requests that its Petition for Temporary Discontinuance be granted.

Respectfully submitted this 19th day of March, 2025.

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s/ David W. Wiley

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