

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

TOTE MARITIME ALASKA, LLC,

Movant,

PUGET SOUND PILOTS,

Respondent.

DOCKET TP-220513

TESTIMONY OF PHILIP MORRELL

ON BEHALF OF INTERVENOR TOTE MARINE ALASKA, LLC

February 10, 2023

1. What is your name and occupation as it relates to TOTE Marine Alaska, LLC?

Phillip Morell. I am the vice president, commercial marine operations of TOTE Services, LLC, which provides ship management services to its sister company TOTE Maritime Alaska, LLC (“TOTE”).

2. Please describe your professional experience background.

I have 42 years of marine industry experience. Upon college graduation, in 1981, I joined Todd Pacific Shipyards Management Training Program, an intensive, two and half-year program covering all aspects of shipbuilding, ship repair and conversions, in both production and administration. In 1985, I joined U.S.-flag operator Sunmar Shipping in its vessel operations department, and was assigned to new vessel construction in South Korea and marine superintendent of vessel operations. In 1990,. I joined Holland America Line as a marine superintendent, managing modern cruise ships worldwide. One of my primary responsibilities was fleet drydocking and overall project management of large capital projects. In 2002, I was recruited to Join Totem Ocean Trailer Express (TOTE) as its Vice President Marine Operations. My primary role is overall responsibility for safe, compliant vessel operations, and attending to costs, scheduling, and budgeting.

3. What is the purpose of your testimony?

To provide empirical data regarding TOTE’s vessels MIDNIGHT SUN and NORTH STAR that demonstrate the impropriety of the change in pricing methodology implemented by Puget Sound Pilots (“PSP”) beginning in January 2021, as well as TOTE’s understanding and expectations of PSP’s pricing for services to these vessels going forward.

4. What are the tonnages of the two TOTE vessels?

TOTE's vessels MIDNIGHT SUN and NORTH STAR both have gross register tonnage ("GRT") tonnage of 35,825 and international gross tonnage ("IGT") tonnage of 65,314.

5. How do these vessels' tonnages compare with those PSP typically services, and how do you reach that conclusion?

These vessels are the equivalent of 1,360 TEU vessels which are considered small as a function of the vessel size PSP typically services. To demonstrate this, I went through the following process as demonstrated in the table below.

- I selected a container vessel of comparable IGT tonnage from WTB 11 – the invoice number is stated in the table below.
- This vessel has four times the Twenty Foot Equivalent ("TEU") capacity as compared to the MIDNIGHT SUN's functional equivalent.
- This vessel can carry over three times MIDNIGHT SUN's maximum weight capacity as measured in deadweight tons. Although not tariff item, it is an exact measurement of a vessel's maximum weight capacity.

	WTB 11 invoice number 184207 Container Ship	WTB 11 Invoice Number TOTE - MIDNIGHT SUN
Container Capacity/Equivalent in TEU's	5,680 TEU's	1,368 TEU's <i>Less than 1/4th of the container vessel</i>
Tonnage IGT	64,845 tons	65,314 tons
Regulatory Tonnage	N/A – International Service	35,825 tons
Deadweight Tonnage: Maximum weight a ship can carry):	68,250 tons	22,437 tons <i>Less than 1/3rd of container vessel</i>
Current Tonnage Charge per Tariff	\$4,273.12	\$4,301.50

On this basis, I conclude that MIDNIGHT SUN's cargo carrying capacity is far less than the container vessel listed in WTB 11. Yet it is charged more tonnage tariff under PSP's current practices. The analysis for NORTH STAR is identical.

6. Do these two vessels have characteristics that impact their IGT versus GRT dimensions?

Yes. These are Orca class roll-on-roll-off vessels which contain large volumes of "exempted space," or space not filled with cargo. The GRT applied in domestic measurements does not consider such dead space, while IGT measurements do. Consequently, the vessels at issue have much larger IGT measurements than GRT measurements.

7. Did you understand during PSP's general rate case proceeding in 2020 that PSP was proposing a rate increase for TOTE's two vessels? Why or why not?

I did not. The Board of Pilotage Commission staff provided to me on November 25, 2019 PSP's submission to WUTC supporting its petition for a tariff rate increase, including PSP's worksheet data. I confirmed that these documents demonstrated that PSP was not proposing rate increases based on IGT instead of GRT calculations for TOTE's two vessels.

Subsequently, the Pacific Merchant Shipping Association provided me calculations showing that PSP's proposed first-year increase would be 39.5% based on the PSP worksheets using GRT. I reviewed the practical economic and operational effects PSP represented would result from its new tariff, i.e., the worksheets that presented specific tonnage and service-hour rate data for each vessel. I could not, and did not, review PSP's entirely revamped tariff to deduce potential issues that would be in conflict with that worksheet data.

8. Does this conclude your testimony?

Yes.