Exhibit No. (DSC-1T)

Docket TS-160479

Witness: Doug Coburn

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| In re Application of  MEI NORTHWEST LLC  For a Certificate of Public Convenience and Necessity to Operate Vessels in Furnishing Passenger Ferry Service |  | Docket TS-160479 |
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**TESTIMONY OF**

**DOUG S. COBURN**

**GENERAL STEAMSHIP AGENCIES**

**November 1, 2016**

1. introduction
   1. Please state your name, and business address.

A: Doug Coburn.

Q: By whom are you employed and in what capacity?

* + 1. I am the Assistant Vice President with General Steamship Corporation with offices at Suite 360, 19020 33rd Ave. West, Lynnwood, WA 98036.
  1. Would you please describe your business experience?
     1. I have been an agent in the marine industry for the last 29 years starting as an operations agent, all with General Steamship.
  2. Please describe what General Steamship does.
     1. We are ship agents that handle US and Foreign flagged vessels that can call on any Puget Sound or Grays Harbor port. As ship agents General Steamship is appointed to act as the local representative for various parties associated with the ship owner, operator, charterer or the cargo interests. As ship agents we arrange all of the vessel requirements during its stay in Puget Sound, in fact sometimes following her up and down the West Coast. We schedule all State and Federal agencies for attending the vessel. We arrange the pilots and tugs that are used to move ships in and out of Puget Sound or to and from the docks. We arrange for the vessel’s crew changes, surveyors, technicians, owner’s reps, crew to Doctor visits along with scheduling the deliveries of provisions that include food and spare parts.
  3. Does that require you to schedule launch service?
     1. Yes.
  4. For whom does General Steamship specifically work?
     1. Our company represents owners and operators of many different types of vessels which call on Puget Sound; such as bulkers, tankers, heavy lift ships, cable ships and even cruise vessels.  We handle ships which load and/or discharge many types of cargoes such as grain, cement, oil, petcoke, sulphur, logs, proppants, as well as vessels that come in just for fueling and more.
  5. In that capacity have you interacted with Arrow Launch Service?
     1. Yes, continuously since 1989.

1. SCOPE of Testimony
   1. What is the purpose of your testimony today?
      1. The purpose of my testimony today is to attest to the service Arrow Launch Service, Inc. has provided General Steamship.
   2. Does General Steamship have a need for additional launch service in western Washington?
      1. No. Arrow Launch Service provides us excellent service.
   3. Have you ever had a problem with that service?
      1. We have never had a problem with Arrow, and Arrow is very proactive and responsive in getting us details and resolving concerns or issues. Arrow is truly a partner with us in proactively working to solve complex logistical and operational issues for our principals. Over the years, we have had many complicated operations for our principals in which we have saved considerable time and resources due to the creative problem-solving capacity of Arrow and its management. They are truly an extension of our own brand of customer service.

Q: What services does Arrow Launch Service provide to General Steamship vessels?

A: Arrow provides launch service (water borne transportation) for passengers and freight in the ports of Bellingham, Vendovi, Anacortes, Port Angeles, Seattle, Manchester, Everett, Port Townsend and Tacoma. Arrow also regularly provides accessorial services as well.

Q. Have you had any experience with any other launch companies?

* + 1. Yes, in almost all ports of the US, West Coast, and I assure the Commission that Arrow has more equipment and resources than most I’ve ever dealt with.
  1. Could you describe generally the composition of your business in various ports?
     1. Bellingham, Vendovi and Anacortes service is largely to foreign flagged tankers and bulk carriers. Port Angeles is generally foreign flagged tankers and Seattle/Tacoma service is largely bulk carriers or military sealift vessels.
  2. Since 1989, could you please generally describe the service history of Arrow Launch with General Steamship?
     1. Arrow is a highly dependable service provider. Once service is ordered we don’t have to worry about it being there at the scheduled time. Arrow has never caused our customer vessel a delay, Arrow has never refused service nor been unavailable to provide service on either our or our customers’ timelines.
  3. Do you have any particular observations about Arrow’s service offerings in the Puget Sound?
     1. Yes. Since Arrow arrived on the scene in 1989, there was an immediate upgrade to launch equipment and safety adherence compared to the launch operators we had previously utilized in Puget Sound. Arrow has not “rested on its laurels” but rather has constantly and continually strived to improve service and safety year after year.
  4. Could you please describe the frequency of service for which you require regulated launch service?
     1. That will depend on the number of ships in a port at any given time. We average between 5 and 20 ships per month, with not all of our ships requiring launch service. Of those, about half of our ships use the launch once or twice; infrequently, three launches per ship are required.
  5. Could you please describe a typical interaction with Arrow Launch Service?

Yes. We call Arrow Dispatch and schedule the initial order, basically scheduling the launch to take me or someone from my office out, known in the industry as a “boarding party” that often includes Customs and Border Protection, surveyors and/or the Coast Guard. We also coordinate delivery by launch of spare parts and food items (known as provisions) to vessels.

* 1. How would you characterize Arrow Launch Service’s responsiveness with respect to those kinds of interactions?
     1. Highly responsive and accommodating.
  2. Could you describe in a little more detail what you mean by referring to Arrow’s “accommodation” of General Steamship?
     1. Industry practice is for the ship agent, in this case, General, to keep the launch company informed of time and job parameter changes. However, that follow up is often unnecessary with Arrow. Their 24/7/365 dispatchers constantly keep us abreast of other activities that may impact our customer-vessel and traffic volume and we are constantly appraised of any scheduling revisions.
  3. Again, have you ever had an occasion of difficulty in getting a launch vessel to your company on request?
     1. No. Whether it be with the tugs, Pilots or launch service, we hate to place short notice requests, which are often a result of weather or medical emergency, and are never during what many call “normal business hours,” nonetheless, Arrow is always there.
  4. Have you ever heard of or been contacted by a company called MEI or MEI Northwest, LLC?
     1. No.
  5. Had you personally been aware of them before Arrow notified you of their application?
     1. Only to the extent that I know they are a California-based launch company.
  6. What would be your reaction to any dilution of Arrow’s customer or revenue base?
     1. Not a positive one. Many of these ports to which ships go have minimal or seasonal launch service requirements, yet other ports are fairly busy. I’d thus assume it’s the mix of the ports’ revenue that allows Arrow to maintain such a large fleet of launches, so diminishing revenue in any of those ports could easily create a domino effect on their service model. Therefore we would be concerned that any reduction in annual revenues for Arrow could potentially reduce service and increase costs. Any adverse impact on Arrow would potentially pose a risk to General’s safety protocols of which Arrow is an integral part.
  7. Has Arrow caused any of your customers to send their ship to other ports, such as other ports in the US where General Steamship provides service?
     1. Absolutely not. If Arrow caused such disruption so as to delay a ship or frustrate a customer, not only does Arrow have an open door policy as relates to customers’ concerns or needs, but industry has many available options to it. For instance, filing a complaint with the WUTC or assessing demurrage penalties against Arrow. If any of those actions had been imposed against Arrow, I would have heard about it, which I have not.
  8. In summary, do you have any other comments about Arrow Launch Service?
     1. Just that Arrow is consistently reliable, professional and is completely committed to safety and efficiency of operations for the benefit of us and our customers and principals.
  9. Does this conclude your testimony?
     1. Yes it does.

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CERTIFICATE OF SERVICE

I certify that on November 1, 2016, I caused to be served the original of the foregoing document to the following address via FedEx to:

Steven V. King, Executive Director and Secretary

Washington Utilities and Transportation Commission

Attn: Records Center

PO Box 47250

1300 S. Evergreen Park Dr. SW

Olympia, WA 98504-7250

I further certify that I have also provided to the Washington Utilities and Transportation Commission’s Secretary an official electronic file containing the foregoing document via the WUTC web portal; and served a copy via email to the following parties:

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| ***For Washington Utilities and Transportation Commission Staff:***  Julian Beattie  Office of the Attorney General  Utilities and Transportation Division  1400 S. Evergreen Park Drive SW  P.O. Box 40128  Olympia, WA 98504-0128  Phone: (360) 664-1225  Email: [jbeattie@utc.wa.gov](mailto:jbeattie@utc.wa.gov) | ***For MEI Northwest, LLC:***  Mr. Dan Bentson  Bullivant, Houser, Bailey, PC  1700 Seventh Ave, Suite 1810  Seattle, WA 98101  Email: [dan.bentson@bullivant.com](mailto:dan.bentson@bullivant.com) |
| ***For Pacific Cruises Northwest, LLC:***  Captain Drew M. Schmidt  President  Pacific Cruises Northwest, Inc.  355 Harris Avenue, Suite 104  Bellingham, WA 98225  Phone: (360) 738-8099  Email: [drew@whales.com](mailto:drew@whales.com) | ***Administrative*** ***Law Judge***  Judge Marguerite E. Friedlander  Washington Utilities and Transportation Commission  Email: [mfriedla@utc.wa.gov](mailto:mfriedla@utc.wa.gov) |

Signed at Seattle, Washington this \_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2016.

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