

Exhibit No. _____(DSC-1T)
Docket TS-160479
Witness: Doug Coburn

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

TESTIMONY OF
DOUG S. COBURN
GENERAL STEAMSHIP AGENCIES

November 1, 2016

1
2 **I. INTRODUCTION**

3 **Q: Please state your name, and business address.**

4 A: Doug Coburn.

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

6 A: I am the Assistant Vice President with General Steamship Corporation with offices at
7 Suite 360, 19020 33rd Ave. West, Lynnwood, WA 98036.

8 **Q: Would you please describe your business experience?**

9 A: I have been an agent in the marine industry for the last 29 years starting as an
10 operations agent, all with General Steamship.

11 **Q: Please describe what General Steamship does.**

12 A: We are ship agents that handle US and Foreign flagged vessels that can call on any
13 Puget Sound or Grays Harbor port. As ship agents General Steamship is appointed to
14 act as the local representative for various parties associated with the ship owner,
15 operator, charterer or the cargo interests. As ship agents we arrange all of the vessel
16 requirements during its stay in Puget Sound, in fact sometimes following her up and
17 down the West Coast. We schedule all State and Federal agencies for attending the
18 vessel. We arrange the pilots and tugs that are used to move ships in and out of Puget
19 Sound or to and from the docks. We arrange for the vessel's crew changes, surveyors,
20 technicians, owner's reps, crew to Doctor visits along with scheduling the deliveries of
21 provisions that include food and spare parts.

22 **Q: Does that require you to schedule launch service?**

23 A: Yes.

24 **Q: For whom does General Steamship specifically work?**

25 A: 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

1 cruise vessels. We handle ships which load and/or discharge many types of cargoes
2 such as grain, cement, oil, petcoke, sulphur, logs, proppants, as well as vessels that
3 come in just for fueling and more.

4 **Q: In that capacity have you interacted with Arrow Launch Service?**

5 A: Yes, continuously since 1989.

6 II. SCOPE OF TESTIMONY

7 **Q: What is the purpose of your testimony today?**

8 A: The purpose of my testimony today is to attest to the service Arrow Launch Service,
9 Inc. has provided General Steamship.

10 **Q: Does General Steamship have a need for additional launch service in western
11 Washington?**

12 A: No. Arrow Launch Service provides us excellent service.

13 **Q: Have you ever had a problem with that service?**

14 A: We have never had a problem with Arrow, and Arrow is very proactive and responsive
15 in getting us details and resolving concerns or issues. Arrow is truly a partner with us
16 in proactively working to solve complex logistical and operational issues for our
17 principals. Over the years, we have had many complicated operations for our principals
18 in which we have saved considerable time and resources due to the creative problem-
19 solving capacity of Arrow and its management. They are truly an extension of our own
20 brand of customer service.

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

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

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

1 A: Yes, in almost all ports of the US, West Coast, and I assure the Commission that Arrow
2 has more equipment and resources than most I've ever dealt with.

3 **Q: Could you describe generally the composition of your business in various ports?**

4 A: Bellingham, Vendovi and Anacortes service is largely to foreign flagged tankers and
5 bulk carriers. Port Angeles is generally foreign flagged tankers and Seattle/Tacoma
6 service is largely bulk carriers or military sealift vessels.

7 **Q: Since 1989, could you please generally describe the service history of Arrow**
8 **Launch with General Steamship?**

9 A: Arrow is a highly dependable service provider. Once service is ordered we don't have
10 to worry about it being there at the scheduled time. Arrow has never caused our
11 customer vessel a delay, Arrow has never refused service nor been unavailable to
12 provide service on either our or our customers' timelines.

13 **Q: Do you have any particular observations about Arrow's service offerings in the**
14 **Puget Sound?**

15 A: Yes. Since Arrow arrived on the scene in 1989, there was an immediate upgrade to
16 launch equipment and safety adherence compared to the launch operators we had
17 previously utilized in Puget Sound. Arrow has not "rested on its laurels" but rather has
18 constantly and continually strived to improve service and safety year after year.

19 **Q: Could you please describe the frequency of service for which you require**
20 **regulated launch service?**

21 A: That will depend on the number of ships in a port at any given time. We average
22 between 5 and 20 ships per month, with not all of our ships requiring launch service.
23 Of those, about half of our ships use the launch once or twice; infrequently, three
24 launches per ship are required.

25 **Q: Could you please describe a typical interaction with Arrow Launch Service?**

Yes. We call Arrow Dispatch and schedule the initial order, basically scheduling the

1 launch to take me or someone from my office out, known in the industry as a “boarding
2 party” that often includes Customs and Border Protection, surveyors and/or the Coast
3 Guard. We also coordinate delivery by launch of spare parts and food items (known as
4 provisions) to vessels.

5 **Q: How would you characterize Arrow Launch Service’s responsiveness with respect
6 to those kinds of interactions?**

7 A: Highly responsive and accommodating.

8 **Q: Could you describe in a little more detail what you mean by referring to Arrow’s
9 “accommodation” of General Steamship?**

10 A: Industry practice is for the ship agent, in this case, General, to keep the launch company
11 informed of time and job parameter changes. However, that follow up is often
12 unnecessary with Arrow. Their 24/7/365 dispatchers constantly keep us abreast of
13 other activities that may impact our customer-vessel and traffic volume and we are
14 constantly appraised of any scheduling revisions.

15 **Q: Again, have you ever had an occasion of difficulty in getting a launch vessel to
16 your company on request?**

17 A: No. Whether it be with the tugs, Pilots or launch service, we hate to place short notice
18 requests, which are often a result of weather or medical emergency, and are never
19 during what many call “normal business hours,” nonetheless, Arrow is always there.

20 **Q: Have you ever heard of or been contacted by a company called MEI or MEI
21 Northwest, LLC?**

22 A: No.

23 **Q: Had you personally been aware of them before Arrow notified you of their
24 application?**

25 A: Only to the extent that I know they are a California-based launch company.

Q: What would be your reaction to any dilution of Arrow’s customer or revenue

1 **base?**

2 A: Not a positive one. Many of these ports to which ships go have minimal or seasonal
3 launch service requirements, yet other ports are fairly busy. I'd thus assume it's the
4 mix of the ports' revenue that allows Arrow to maintain such a large fleet of launches,
5 so diminishing revenue in any of those ports could easily create a domino effect on
6 their service model. Therefore we would be concerned that any reduction in annual
7 revenues for Arrow could potentially reduce service and increase costs. Any adverse
8 impact on Arrow would potentially pose a risk to General's safety protocols of which
9 Arrow is an integral part.

10 **Q: Has Arrow caused any of your customers to send their ship to other ports, such as**
11 **other ports in the US where General Steamship provides service?**

12 A: Absolutely not. If Arrow caused such disruption so as to delay a ship or frustrate a
13 customer, not only does Arrow have an open door policy as relates to customers'
14 concerns or needs, but industry has many available options to it. For instance, filing a
15 complaint with the WUTC or assessing demurrage penalties against Arrow. If any of
16 those actions had been imposed against Arrow, I would have heard about it, which I
17 have not.

18 **Q: In summary, do you have any other comments about Arrow Launch Service?**

19 A: Just that Arrow is consistently reliable, professional and is completely committed to
20 safety and efficiency of operations for the benefit of us and our customers and
21 principals.

22 **Q: Does this conclude your testimony?**

23 A: Yes it does.
24
25

2 CERTIFICATE OF SERVICE

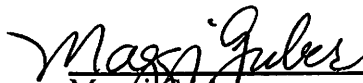
3 I certify that on November 1, 2016, I caused to be served the original of the foregoing
4 document to the following address via FedEx to:

5 Steven V. King, Executive Director and Secretary
6 Washington Utilities and Transportation Commission
7 Attn: Records Center
8 PO Box 47250
9 1300 S. Evergreen Park Dr. SW
10 Olympia, WA 98504-7250

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

<p>12 For Washington Utilities and Transportation Commission Staff: 13 Julian Beattie 14 Office of the Attorney General 15 Utilities and Transportation Division 16 1400 S. Evergreen Park Drive SW 17 P.O. Box 40128 18 Olympia, WA 98504-0128 19 Phone: (360) 664-1225 20 Email: jbeattie@utc.wa.gov</p>	<p>For MEI Northwest, LLC: Mr. Dan Bentson Bullivant, Houser, Bailey, PC 1700 Seventh Ave, Suite 1810 Seattle, WA 98101 Email: dan.bentson@bullivant.com</p>
<p>17 For Pacific Cruises Northwest, LLC: 18 Captain Drew M. Schmidt 19 President 20 Pacific Cruises Northwest, Inc. 355 Harris Avenue, Suite 104 Bellingham, WA 98225 Phone: (360) 738-8099 Email: drew@whales.com</p>	<p>Administrative Law Judge Judge Marguerite E. Friedlander Washington Utilities and Transportation Commission Email: mfriedla@utc.wa.gov</p>

21 Signed at Seattle, Washington this 1st day of November 2016.

22
23 
24 Maggi Gruber
25 Legal Assistant
Williams Kastner & Gibbs PLLC
mgruber@williamskastner.com