

# HOUSE BILL REPORT

## HB 1922

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### As Reported By House Committee On:

Transportation

**Title:** An act relating to vessels providing excursion services.

**Brief Description:** Regulating excursion vessels.

**Sponsors:** Representatives K. Schmidt and R. Fisher.

#### **Brief History:**

##### **Committee Activity:**

Transportation: 2/20/95, 2/21/95 [DPS].

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Chandler; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

**Staff:** Mary McLaughlin (786-7309).

**Background:** Commercial ferries (private ferries) are subject to the economic regulation of the Utilities & Transportation Commission (UTC). A commercial ferry is a for-hire vessel operated for public use between fixed termini over regular routes. Entry and rate regulation, as well as insurance requirements, are imposed. The entry standard is "public convenience and necessity" (PC&N).

One of three entry standards is applied for when regulating for-hire vessels and carriers. PC&N is the most stringent entry standard. The applicant must prove that he/she is financially able to provide the service, that there is a need for the expanded service, that the existing carrier is not adequately serving the route, and the new proposed service will not adversely affect the existing carrier. Under "public interest", the moderate entry standard, the applicant must prove that he/she is financially able to provide the service and demonstrate that the service will be used by specific customers. Under "fit, willing and able", the most relaxed standard, the applicant simply proves financial ability to provide the service.

Although commercial ferries are clearly subject to economic regulation, the statute is silent on the operation of excursion ferries.

**Summary of Substitute Bill:** Ferry excursion services are regulated by the Utilities & Transportation Commission (UTC) with regard to entry, rates, routes and insurance. The entry standard is "public convenience and necessity".

An excursion service is a for-hire vessel that transports passengers over Washington waters from a point of origin with an intermediate stop(s) at which passengers may leave and reboard the vessel before it returns to that same point of origin.

Charter and cruise services operating for compensation in Washington waters are exempt from the UTC's economic regulation. A charter service is a vessel, with captain and crew, that is hired by a person or group to transport passengers or property. A cruise service transports passengers from a point of origin and returns to that same point without stopping the vessel at any other location in the state at which passengers may leave the vessel.

Cruise services on historic vessels (Virginia V) and replicas (tall ships in Grays Harbor) and excursion services making less than 10 trips per year are also exempt from economic regulation.

**Substitute Bill Compared to Original Bill:** Cruise services aboard historic or replica ships are exempt vessels.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The original intent of the 1993 commercial ferry law is clarified. Excursion services are subject to the same entry, rate, route and insurance requirements as private ferries.

**Testimony Against:** None.

**Testified:** Jim Boldt, Clipper Navigation (pro); Leonard Tall, Clipper Navigation (pro); John Blackman, Argosy Tours (pro); Mark Goodman, San Juan Island Shuttle Express (pro); and Tim Sweeney, Utilities & Transportation Commission (neutral).