

HOUSE BILL REPORT

ESHB 1922

As Passed House:

March 11, 1995

Title: An act relating to vessels providing excursion services.

Brief Description: Regulating excursion vessels.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives K. Schmidt and R. Fisher).

Brief History:

Committee Activity:

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

Floor Activity:

Passed House: 3/11/95, 93-0.

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 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.

The following services operating for compensation in Washington waters are exempt from the UTC's economic regulation: 1) charter services (vessels with captain and crew that are hired to transport passengers or property); 2) vessels operated by nonprofit or governmental entities that are replicas (tall ships in Grays Harbor) or historic vessels (Virginia V); 3) vessels that depart and return to the point of origin without stopping at another location where passengers may leave the vessel; 4) excursions that originate from a point of origin in the San Juan Islands and making stops within the islands before returning to the point of origin; 5) excursions that do not depart from a point of origin on a regularly published schedule; 6) excursions that do not operate between the same point of origin and an intermediate stop more than four times per month or 15 times per year; and 7) vessels less than 65 feet in length with a U.S. Coast Guard certificate for 35 passengers or less.

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).