

SENATE BILL REPORT

ESHB 1922

As Reported By Senate Committee On:
Transportation, April 3, 1995

Title: An act relating to vessels providing excursion services.

Brief Description: Regulating excursion vessels.

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

Brief History:

Committee Activity: Transportation: 3/30/95, 4/3/95 [DPA, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Owen, Chair; Fairley, Haugen, Kohl, Oke, Prince, Rasmussen and Wood.

Minority Report: Do not pass.

Signed by Senator Prentice.

Staff: Mary McLaughlin (786-7309)

Background: Commercial ferries (private ferries) are subject to the economic regulation of the Utilities and 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 Amended Bill: Ferry excursion services are regulated by the Utilities and 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 and primarily operate in San Juan County waters at six months per year in vessels that are 65 feet in length with a U.S. Coast Guard certificate to carry up to 49 passengers; (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) excursions that do not return to the point of origin the same day.

Amended Bill Compared to Substitute Bill: The excursion exemption for the San Juan Islands is modified to include vessels up to 65 feet with certification for 49 passengers. The regulation of excursions by the UTC is repealed January 1, 2001. The emergency clause is removed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Those vessel owners who have obtained UTC operating authority, at considerable time and expense, should have their routes protected. The purpose of regulation is to ensure that the service will continue to be provided.

Testimony Against: Excursions are not private ferry operations, they are tourist oriented and should be able to compete in a free market atmosphere.

Testified: Paul Curl, UTC (responded to questions); PRO: Jim Boldt, Beth Gadny, Leonard Tall, Clipper Navigation; Rick Leenstra, Kitsap Harbor Tours; Don Wicklund, Argosy; Marty Behr, Mosquito Fleet; CON: Hilton Smith, Waterways Cruise; Bob Giersdorf, Bob Wengel, James Bevaqua, Michelle Sloan, Peter Wright, Kymri Burke, Yachtship Cruiselines; Fred Rodolf, Jr., Fred Rodolf, Sr., Phillips Cruise; Lynn Danaker, San Juan Excursions; Michael Morgan, Connie Nobles, SS Virginia; Ken O'Brien, Capt. Ken's Cruises; Ed McFate, Yukon Harbor Ent.