

PREFILED DIRECT TESTIMONY

of

SUSAN E. LINDA

PRESIDENT

INTERSTATE NAVIGATION COMPANY

d/b/a The Block Island Ferry

Regarding the Rate Filing by

INTERSTATE NAVIGATION COMPANY

DOCKET NO. \_\_\_\_\_

December 2003



1 In Docket 2484, Interstate, the Division, the Town of New Shoreham, the Town of Narragansett,  
2 and the Block Island Residents Association executed a stipulation on March 21, 1997 that was  
3 approved by this Commission on April 22, 1997.

4  
5 **Q. What is the purpose of your testimony in this filing?**

6 A. I will present information regarding our general financial situation, changes in capital  
7 investment completed and proposed, and a general overview of the goals which Interstate has for  
8 the future. In addition, I will be prepared to respond to any questions relating to the detailed  
9 transactions of the Company.

10  
11 **Q. Are you aware of the stipulations which Interstate agreed to as a result of Docket  
12 2484?**

13 A. Yes.

14  
15 **Q. Has Interstate complied with each of the items listed in the stipulation?**

16 A. Yes, the following is a summary of items in the stipulation:

- 17  
18 1. Interstate has run at least three boats on Saturdays year-round, except for Christmas.  
19 2. Interstate has provided a level of service equal to or greater than the service level set forth  
20 in the company's 1997 ferry schedule on file with the Commission, and in fact has  
21 steadily increased that service level.  
22 3. Interstate sells round-trip tickets for children at twice the one-way child fare.  
23 4. The rate increase authorized in Docket 2484 was implemented on an across-the-board  
24 basis with the three exceptions set forth in the stipulation, which are (1) hazardous  
25 materials transported by truck were charged 150% of the old per linear foot truck rate, (2)  
26 the commuter rate was increased to \$9 exclusive of the landing fee, and (3) a commuter  
27 vehicle rate was established for Block Island registered automobiles driven by a  
28 commuter card holder at \$23 and for Block Island registered pick up trucks and passenger  
29 vans driven by a commuter card holder at \$28.  
30

1 The lost revenue from these changes was spread equally over all other rate classes. (Note  
2 that there was also a subsequent 1.4% across-the-board rate increase related to  
3 Narragansett taxes approved by the Commission, which has since been eliminated.)

- 4 5. Interstate conducted a study of its loose freight rates and submitted the study along with  
5 recommendations, to the Commission, the Division, and all parties to this proceeding on  
6 June 29, 1998. Interstate recommended no change in the freight rates and no parties  
7 filed any objection to the study.
- 8 6. Interstate pre-sold passenger tickets starting July 1, 1997, as a pilot program. There was  
9 no demand for this, so Interstate eventually stopped these sales. However, Interstate  
10 hopes to start online internet advance ticket pre-sales soon.
- 11 7. The company sold the *M/V Manisee* and is amortizing the sale proceeds, less  
12 commissions, sales expenses, and remaining book value, over a 60-month period. The  
13 company reported the transaction to the Division on July 6, 2000, noting that the boat  
14 was sold for the gross sum of \$375,000. This report occurred within 60 days of the sale  
15 date, which was June 19, 2000. This report included the amount of the sale price  
16 (\$375,000), the net book value (\$35,699), and an identification of the purchaser  
17 (Bowditch Boat Holdings, LLC.). In addition, all private charters, leases, and other non-  
18 utility uses of the company's assets have continued to be credited to the revenue accounts  
19 of Interstate.
- 20 8. The company ran the Providence/Newport/Block Island run in the 1997 season. The  
21 company further analyzed ridership levels for this run and eventually made the necessary  
22 filings to eliminate the run in Docket No. 99-MC-107. The Division authorized Interstate  
23 to relinquish that portion of its Certificate of Public Convenience and Necessity which  
24 authorized service between Providence and Newport, but held in abeyance that portion of  
25 the Certificate that authorized service between Newport and Block Island. Interstate was  
26 granted a temporary 1-year suspension of service between Newport and Block Island. At  
27 the end of the 1-year suspension, Interstate resumed ferry services between Newport and  
28 Block Island and has continued to operate the Newport to Block Island run since that  
29 time. The Providence to Newport run was taken over by other parties unrelated to  
30 Interstate.

31

1 **Q. Has Interstate addressed the issues of the Town expressed by the First Warden in the**  
2 **last rate case?**

3 A. Yes. Kimberly Gaffet, who was then First Warden, suggested the following:

- 4
- 5 > The continued use of commuter cards with discounts on passenger and vehicle rates for  
6 commuters and round-trip tickets for children. Interstate has complied with both of these  
7 requests.
  - 8 > The sale of tickets throughout the day, rather than at specific times of the day for the next  
9 available ferry (pre-selling of tickets). Interstate did this for a while but there was no  
10 demand so we stopped. We hope to start online internet advance pre-sales soon.
  - 11 > The establishment of a separate commuter line so that passengers carrying commuter  
12 tickets can board the ferries before non-commuters during peak periods. Interstate has  
13 complied with this.
  - 14 > Provide access to a small waiting area with rest rooms at Point Judith. This is part of  
15 Interstate's terminal reconstruction plan that we hope to have completed soon.
  - 16 > Sell tickets inside the Interstate buildings in Galilee and Block Island during inclement  
17 weather. Interstate has complied with this on Block Island, and this is part of Interstate's  
18 terminal reconstruction plan in Galilee.
  - 19 > Provide adequate rest rooms and access to them during scheduled hours of operation in  
20 Galilee and Block Island. Interstate has complied with this. Working with the Town on  
21 Block Island, a new hospitality center has been erected on Interstate's property that  
22 contains more than adequate rest rooms. In Galilee, Interstate has paid substantial sums  
23 every year to DEM to keep the rest rooms across the street from Interstate's facility open  
24 until after the last boat arrives in Galilee during the summer. In addition, indoor rest  
25 rooms are part of Interstate's terminal reconstruction plan that we hope to have  
26 completed soon.
  - 27 > Assist the Towns of Block Island, Narragansett and DEM in securing the parking areas in  
28 Point Judith. Interstate has begun paying a 35¢ landing fee to the Town of Narragansett.  
29 By law, Narragansett is supposed to use this fee to address the needs of arriving and  
30 departing passengers, which should include patrolling the parking areas.

- 1 > Provide a dry area for personal luggage/freight on the boat. Interstate has complied with  
2 this.
- 3 > Increase the availability and number of personal pallets. Interstate has complied with  
4 this.
- 5 > Establish a special flag on no-boat days on Block Island. Interstate has complied with  
6 this with its "purple flag."
- 7 > Offer minimal coffee and refreshment service on the boats year-round. Interstate has  
8 complied with this.

9  
10 **Q. You just mentioned the Point Judith terminal reconstruction project. Can you**  
11 **provide the Commission with an update on this project?**

12 A. Certainly. The Block Island Ferry terminal expansion project originally involved relocating  
13 the existing terminal building and associated pedestrian/vehicular operations to a different  
14 location on the site, including repaving the entire site and flood-proofing the new structure in  
15 accordance with current FEMA flood regulations. Freight operations were to be centralized and  
16 expanded in the small existing building along the bulkhead between the ferry ramps. This  
17 project received all required approvals in March, 2001. The project plans, specifications, and bid  
18 documents were submitted to the State in April, 2001 to put the project out to bid.

19  
20 Since this is a private project, 80% funded by the Rhode Island Department of Transportation (RI  
21 DOT) with federal ISTEA funds administered by the Rhode Island Department of Environmental  
22 Management (RI DEM) and contracted by the RI Department of Administration, the initial  
23 bidding process through these agencies was considerably delayed. The pre-bid meeting on site  
24 took place in December 2001. The bids were opened and tabulated by the State in January 2002.  
25 We received a breakdown of the lowest bidder in February 2002. The lowest bid of \$1.1 million  
26 exceeded the budget.

1 After deciding not to proceed with the approved project, a redesign of the project was  
2 immediately initiated in March 2002. In order to lower construction costs, it was decided to keep  
3 the existing ferry terminal building in the same location and perform interior modifications to  
4 provide a winter waiting area, bathrooms, and a pedestrian shelter addition. The freight  
5 operations were relocated to a new freight depot building by the eastern portion of the site. To  
6 reduce truck/freight traffic on Great Island Road, the existing driveway behind the Sunflower  
7 Restaurant was investigated to provide access to the freight operations. This required surveying  
8 and engineering to incorporate this access into the site design. We presented our preliminary site  
9 design and received approval from the Galilee Lease Committee in August, 2002.

10  
11 The truck access change (trucks exiting onto Great Island Road) requires modification of the  
12 existing driveway apron onto Great Island Road. This work requires a Physical Alteration  
13 Permit (PAP) from Rhode Island Department of Transportation (RI DOT). We submitted the  
14 PAP application in December 2002. The PAP was issued in June 2003.

15  
16 Variances from the State of RI Building Code Commission for the FEMA Flood regulations  
17 were applied for and granted in January 2003. Preliminary building plans were submitted the  
18 State Building Official and the State Building Official granted conditional approval of building  
19 plans in April 2003.

20  
21 RI Coastal Resources Management Council (CRMC) permit and Water Quality Certificate  
22 applications were submitted in July 2003. We expect to receive CRMC approval soon. Final  
23 plans, specifications and bid documents will then be submitted to the State for putting the project  
24 out to bid. We estimate the bidding process to be completed by February 2004. After the State  
25 awards the bid, construction will commence and is estimated to take 10 weeks and be completed  
26 by June 1, 2004. The final cost will depend on the bid prices.

1 **Q. Mrs. Linda, what are the major reasons which have caused the need for rate relief at**  
2 **this time?**

3 A. The five major reasons are listed in Mr. Edge's testimony, but I would like to expand on his  
4 descriptions and give a little background.

5

6 1. As shown on Mr. Edge's schedules, Interstate's passenger and bike revenues have been  
7 adversely impacted by direct competition. It should be noted however that, except for  
8 loose freight, which is moving more toward trucks, Interstate's other revenues have for  
9 the most part continued to increase in recent years. Our direct competition for  
10 passengers and bikes operates its ferry from the same dock that we do in Galilee and  
11 operates only in the summer time, which is our most profitable peak tourist season  
12 (which subsidizes our late fall, winter and early spring operations). Our competition is  
13 geared toward serving summer tourists with a faster, more luxurious boat to Block Island.  
14 Even though their rate is more than ours, they have been very successful in attracting  
15 significant numbers of passengers to their vessel. From a review of our revenues it  
16 appears that many of these customers in the past rode Interstate's boats.

17

18 As a result, we have had decreasing passenger traffic and it appears that our competitor  
19 has had increasing passenger traffic since the inception of its service. The competition  
20 provides not only faster service on a newer boat, but provides more amenities than  
21 Interstate is able to provide on its more basic lifeline service. Moreover, the Division  
22 lifted the 149 passenger cap that had been previously imposed on IHSF so that beginning  
23 in August 2002 (FYE May 31<sup>st</sup> 2003), our competition can carry up to its Coast Guard  
24 limit of 250 passengers, and it can also carry bicycles.

25

26 The direct competition (and even indirect competition from the new ferry to Martha's  
27 Vineyard that began in 2003) has clearly cut into our passenger and bike revenue base,  
28 and as a result, has caused part of the rate increase necessary at this time. See Mr. Edge's  
29 revenue analysis.

30



- 1 2. We have not had a rate increase since 1997 and there have been numerous cost increases  
2 in various categories that have occurred since that time, all as detailed in Mr. Edge's  
3 testimony.  
4
- 5 3. Since September 11, 2001, we have had to implement additional security measures. The  
6 Coast Guard has also recently issued Homeland Security regulations that will be onerous  
7 and difficult for the company to implement. We do not yet know the extent the cost of  
8 compliance, but the Coast Guard has estimated these costs in its recently published  
9 regulations and we are using their estimates in our rate filing.  
10
- 11 4. Interstate has a number of expensive capital programs that it has identified. First and  
12 most important is the fact that Interstate has agreed to purchase the *M/V Anna C* from  
13 Nelseco Navigation Company and place her in service on the Block Island to Point Judith  
14 run. The *M/V Anna C* will replace the *M/V Nelseco* and be available year round to  
15 improve the service provided by Interstate. The *M/V Nelseco* will be moved to the  
16 Newport to Block Island run and the *M/V Manitou*, which was serving the Newport to  
17 Block Island run, will go back on standby.  
18

19 We have received many complaints about the *M/V Nelseco*. It is a passenger-only vessel  
20 that was primarily running to the island in the morning during peak travel periods. It is  
21 an older and smaller vessel than the *M/V Block Island*, the *M/V Carol Jean*, and the *M/V*  
22 *Anna C*. Travelers got used to the smoother ride provided by the larger vessels and have  
23 been complaining about the rougher ride provided by the *M/V Nelseco* (numerous  
24 passenger get sick in high seas on the *Nelseco*).  
25

26 Another reason for adding the *M/V Anna C* to our fleet is the fact that revenue from loose  
27 freight has declined and shippers continue to ship more and more of their freight in trucks  
28 instead of on pallets. This change of demand increases the need for deck space for  
29 carrying trucks. Since the *M/V Nelseco* is a passenger-only vessel, it cannot carry any  
30 trucks or other vehicles. Buying the *M/V Anna C* to put her on the Point Judith to Block  
31 Island run will open up additional truck space to further service the island and its needs.

1 This additional space will provide additional truck revenue as shown in Mr. Edge's  
2 calculations

3  
4 As this Commission knows, the *M/V Anna C* is a fully winterized vessel similar in size to  
5 the *M/V Carol Jean*, but is newer and more powerful. The *M/V Anna C* is currently  
6 owned by Nelseco Navigation, and until recently was operated by Nelseco Navigation in  
7 the summer time only once a day from New London to Block Island. If the Commission  
8 approves the sale, that Connecticut to Block Island run will be eliminated. The *M/V*  
9 *Anna C* will be devoted solely to the Point Judith to Block Island run.

10  
11 As this Commission also knows, the *M/V Anna C* has in the past been leased by Interstate  
12 during high demand periods when it was not being used by Nelseco Navigation. When  
13 the *M/V Anna C* was on Block Island, primarily on weekends and holidays, the *M/V Anna*  
14 *C* was leased by Interstate to provide an extra (extremely important) run to meet the  
15 demands of travelers and weekly renters to and from Point Judith. Also the *M/V Anna C*  
16 would be leased to fill in when other vessels were out of service for repairs or  
17 maintenance (as was done on two occasions in the test year). Ownership of this vessel  
18 will allow us to meet the ever increasing demands placed on this lifeline service, will  
19 allow it to be put to full use by Interstate, and will eliminate the charter costs which were  
20 previously paid to Nelseco Navigation.

21  
22 The \$3.1 million purchase price has been set by an independent appraisal, and is only  
23 about 1/3 of the replacement cost of the vessel. The *Anna C* is roughly the same size  
24 and design as the *Carol Jean*, but it is winterized, more powerful, newer, and has been  
25 used less. Yet Interstate can buy it for approximately what it will cost us to rehabilitate  
26 the *Carol Jean* (up to \$3 million). This is an excellent bargain for Interstate's rate payers.

27  
28 The second major capital project is renovation of the *M/V Carol Jean*. The *M/V Carol*  
29 *Jean* was placed in service in 1984 and is in need of significant renovations.

30 The engines and all related gear need to be replaced, as they have gone well past the end  
31 of their useful life.

1 In addition, the *M/V Carol Jean* was built as a summer only boat without an interior  
2 finish or insulation. We have discovered that our customers do not like this because  
3 when the weather is cold (raw), the cabin is too cold, and when it is hot (humid), the  
4 cabin is too hot. As a result, we intend to insulate and finish the interior of the cabin and  
5 install air conditioning in the cabin so that we can better compete with the amenities of  
6 our competition.

7  
8 Finally, due to the age of the *M/V Carol Jean*, we will need to inspect the hull and repair  
9 and replace the steel in the hull, as is needed as determined by an inspection. We  
10 anticipate that this could cost up to \$3 million (see Mr. Edge's testimony for more detail  
11 regarding the financing of this project). The current estimate is \$2,596,000, but it could  
12 go higher.

13  
14 A third significant capital project that Interstate recently completed is an almost \$700,000  
15 project to rebuild the Block Island bulkhead. This expenditure came after our last rate  
16 filing, and therefore, the cost of this item is not included in our base rates.

17  
18 There are a few other lesser capital projects, such as a new computer system, new  
19 telephone lines, a few new forklifts and dredging at the Montville dock where we store  
20 and maintain our vessels in the winter. Mr. Edge has provided additional information on  
21 each of these capital items.

- 22  
23 5. The last major item that has contributed to the need for a rate increase is a recent  
24 appraisal of the Block Island terminal property owned by Interstate Nav. (a different  
25 company from Interstate Navigation Company) and leased to Interstate Navigation  
26 Company. This appraisal requires essentially a doubling of the cost of that lease. Values  
27 on Block Island have skyrocketed and our lease expires on September 30, 2004. Mr.  
28 Edge has prorated the increase in the rate year.

1 **Q. Mr. Edge stated in his prefiled testimony that the stockholders of Interstate did not**  
2 **take the profits that were authorized by this Commission and earned by Interstate. Could**  
3 **you comment on why this happened?**

4 A. Certainly. My family and especially my father, who operated this Company for about 60  
5 years until his death in 1997, has always looked at Interstate as a very important entity which  
6 should be nurtured, passed through the family if possible, and whenever possible, financially  
7 strengthened. To this end, the controlling owners of the Company have chosen to forgo  
8 earnings (dividends) so that the money could be reinvested into the Company. Although certain  
9 minority stockholders have been asking the Company in the last few years to declare dividends,  
10 as the controlling shareholder, I have chosen to reinvest the Company earnings instead of  
11 declaring dividends. This was done so that cash would be available when Interstate needed cash  
12 to make major capital investments, such as rebuilding the Block Island bulkhead, rehabilitating  
13 the *M/V Carol Jean*, purchasing the *M/V Anna C*, etc.

14  
15 **Q. Mrs. Linda, what are Interstate's goals for the future?**

16 A. Our immediate goals are to add the *M/V Anna C* to our fleet, comply with the new Homeland  
17 Security Coast Guard regulations, improve the staging and terminal area at Point Judith, and  
18 rebuild the *M/V Carol Jean*. Our long term goals are as they have always been, to provide the  
19 best quality year-round ferry service to Block Island at reasonable rates, now in the face of direct  
20 competition for summer tourists, while at the same time maintaining the financial strength of the  
21 Company.

22  
23 In order to try to stem the growing loss of summer customers, it is imperative, now that we are in  
24 a competitive market, for us to recognize that we need to come up with creative strategies for  
25 retaining and possibly even expanding our customer base. In this regard, we are asking the  
26 Commission for permission to institute the following rate design changes:

- 27  
28 1. We would like to be able to reduce rates up to 50% for passengers only, traveling from Point  
29 Judith only, during weekdays only, in July and August only. This will allow us to have  
30 special promotions, such as with radio stations, to try to gain more ridership during the  
31 summer weekdays when business is usually slow.

- 1 2. Second, we would like to be able to institute a 15% group discount rate for groups of 25 or  
2 more. We believe that by targeting groups, we may be able to increase ridership.  
3
- 4 3. Third, we would like to be able to sell advance tickets on pay for 9 tickets, get 10 tickets  
5 basis. In this way, we would not only get the money in advance, but we will encourage  
6 people to buy more tickets who will then hopefully give those tickets to other people to use,  
7 especially when they are visiting them during their vacation on the island. This proposal may  
8 also reduce the lines of people purchasing tickets.  
9
- 10 4. Next, we would like to increase the \$25.90 automobile rate to \$50 one-way, which is a 93%  
11 increase. This will not apply to commuter cars, which will receive the standard across-the-  
12 board rate increase. A similar 93% increase should also be imposed for pickup trucks, vans,  
13 and SUVs, from \$31.60 to \$60.40. The purpose here is to try to discourage people from  
14 taking their cars to Block Island and to encourage them to instead take bicycles or to rent a  
15 bicycle on the island or use a taxi. The Town Council has made it clear to us that they  
16 believe there are too many cars on the island and we are hopeful this will help to reduce the  
17 number of cars going to the island. The increased rate will help to make up for the  
18 anticipated loss of car traffic. In addition, if fewer cars travel, this will open up more spaces  
19 for the greatly increased demand for truck space on the ferries.  
20
- 21 5. Lastly, this Commission has essentially deregulated IHSF's rates for summer passengers  
22 going to Block Island by only requiring IHSF to charge no less than its existing rates as a  
23 floor. IHSF is allowed to charge as much as it would like to charge for the summer  
24 passengers it carries to Block Island. We would like to be able to do the same.  
25

26 The more money we can get from summer tourists, the easier it will be to hold down  
27 increases in the lifeline freight and winter service. It appears that, contrary to our earlier  
28 expectations, many summer tourists are not very price sensitive and are more than willing to  
29 pay \$26 or more for a round-trip to Block Island on the IHSF ferry. We would also like the  
30 same flexibility to be able to increase our rates for summer tourists. This will not affect  
31 Block Islanders holding commuter cards.

1 IHSF has also been allowed to retain all of its profits without limitation. We recognize that  
2 our lifeline service should be restricted to a reasonable rate of return. However, with regard  
3 to ticket sales to summer tourists, we believe we should be able to retain whatever additional  
4 revenues we are able to generate from sales to summer tourists. Therefore our proposal to let  
5 the market place control prices is as follows:

6  
7 We would like to be given the flexibility to increase the charge for passengers traveling to  
8 and from Block Island during the months of June, July, August, and September. The rate  
9 charged would not affect the commuter rate established in this docket, which will remain  
10 constant throughout the year. If the charge is increased, the additional dollars collected from  
11 any summer tourist rate increase imposed over and above the rates approved in this docket  
12 would first go to cover any shortfall in Interstate's authorized return on rate base and then the  
13 excess may be retained by Interstate in full as additional profit, which will not be counted  
14 against the regulatory profit allowance.

15  
16 Interstate realizes that it is very important to preserve the lifeline service to Block Island. To  
17 that end, Interstate must remain competitive and must try to stop the downward spiral of  
18 revenues that is occurring. As Interstate's rates continue of necessity to increase (and the  
19 differential between Interstate's rates and IHSF's rates continues to decrease, making IHSF's  
20 boat more attractive), Interstate must find ways to effectively compete with IHSF.

21  
22 Interstate is not requesting that its year-round lifeline service or that its freight and vehicle  
23 service, which has no competition, be deregulated in any way. Interstate accepts that it  
24 should be traditionally regulated on a rate base rate of return method of regulation for this  
25 portion of its service. However, Interstate believes that its summer non-commuter passenger  
26 service from June through and including September should be allowed the same type of  
27 deregulation that IHSF is now allowed. This will allow the market place to control the  
28 prices in this competitive market. This would allow Interstate and IHSF to operate on a  
29 level playing field. Both companies will then be allowed to raise their rates and will be able  
30 to keep the additional profits generated by any increase in summer rates.

1 It will be up to Interstate and IISF to evaluate the market to determine if and when to raise  
2 rates above the PUC approved rates and to determine how these actions affect tourist traffic.

3  
4 **Q. Ms. Linda, have you prepared any schedules for this filing?**

5 **A. Yes, I have provided as an attachment to my testimony an analysis of payroll expense in the**  
6 **test year by month, by location and by function (See Attachment A). Also required is the**  
7 **overtime paid for the last three years which was \$238,627.54 (Test Year); \$205,045.05 (FYE**  
8 **5/31/02) and \$123,723.98 (FYE 5/31/01).**

9  
10 **Q. Does that conclude your testimony?**

11 **A. Yes.**

12

13 Attestation of Financial Data pursuant to Rule 2.7:

14

15 I, Susan Linda, Treasurer and Chief Financial Officer of Interstate Navigation Company, do  
16 hereby attest to the accuracy of the test year financial data presented in the rate base, cost of  
17 service and other financial statements; that such data purports to reflect the books of the  
18 company, and the results of operations; and that all differences between the books and the test  
19 year data, and any changes in the manner of recording an item on the Company's books during  
20 the test year, have been expressly noted.

21

22

23



Susan E. Linda

INTERSTATE NAVIGATION COMPANY PAYROLL 2002

MONTH	ADMN	MAINT	ML OFFICE	PJ OFFICE	BI OFFICE	PJ DOCK	BI DOCK	AV BI	CAROL JEAN	NELSECO	MANITOU	BAR	TIPS	TOTAL
JAN	\$ 21,390.00	\$ 19,362.67	\$ 2,475.00	\$ 18,568.01	\$ 7,168.87	\$ 14,252.15	\$ 14,682.12	\$ 51,809.30	\$ -	\$ -	\$ -	\$ -	\$ 4,365.57	\$ 410.30
FEB	\$ 17,240.00	\$ 16,596.11	\$ 2,700.00	\$ 13,666.20	\$ 5,895.53	\$ 12,277.44	\$ 11,978.89	\$ 40,333.65	\$ -	\$ -	\$ -	\$ -	\$ 3,492.45	\$ 362.30
MAR	\$ 20,466.00	\$ 16,234.33	\$ 2,000.00	\$ 16,216.81	\$ 5,231.39	\$ 14,176.85	\$ 14,574.01	\$ 41,226.99	\$ -	\$ -	\$ -	\$ -	\$ 4,851.75	\$ 573.89
APR	\$ 24,584.00	\$ 18,532.19	\$ 2,500.00	\$ 18,422.28	\$ 8,433.14	\$ 18,977.94	\$ 18,925.35	\$ 37,531.14	\$ 34,134.55	\$ -	\$ -	\$ -	\$ 7,427.52	\$ 789.50
MAY	\$ 17,240.00	\$ 13,810.17	\$ 2,060.00	\$ 20,064.11	\$ 7,719.78	\$ 22,545.24	\$ 17,220.64	\$ 34,857.98	\$ 30,265.11	\$ -	\$ -	\$ -	\$ 8,122.31	\$ 986.50
JUN	\$ 17,240.00	\$ 19,861.00	\$ 4,360.00	\$ 26,499.06	\$ 9,184.83	\$ 30,432.13	\$ 23,209.08	\$ 41,331.13	\$ 34,660.26	\$ -	\$ -	\$ -	\$ 12,061.76	\$ 2,114.50
JUL	\$ 21,550.00	\$ 1,097.50	\$ 4,334.00	\$ 36,115.62	\$ 15,328.14	\$ 50,047.00	\$ 33,937.72	\$ 56,470.02	\$ 46,234.05	\$ 30,221.51	\$ 20,276.60	\$ -	\$ 21,109.62	\$ 6,269.70
AUG	\$ 17,240.00	\$ 1,824.50	\$ 3,640.00	\$ 29,122.00	\$ 12,242.91	\$ 38,185.06	\$ 26,239.88	\$ 44,782.13	\$ 38,452.19	\$ 24,301.42	\$ 16,443.57	\$ -	\$ 16,338.11	\$ 4,539.25
SEP	\$ 17,240.00	\$ 6,031.39	\$ 3,921.25	\$ 23,908.96	\$ 13,251.15	\$ 26,347.14	\$ 17,812.71	\$ 39,835.14	\$ 31,258.48	\$ 7,565.58	\$ 5,524.13	\$ -	\$ 12,253.23	\$ 2,161.50
OCT	\$ 21,550.00	\$ 15,615.87	\$ 4,520.00	\$ 29,893.80	\$ 10,512.02	\$ 23,443.93	\$ 22,588.29	\$ 55,744.85	\$ 37,265.16	\$ -	\$ -	\$ -	\$ 13,198.19	\$ 1,219.50
NOV	\$ 17,240.00	\$ 16,519.30	\$ 2,970.00	\$ 18,046.08	\$ 5,778.14	\$ 13,753.15	\$ 14,195.77	\$ 35,673.94	\$ -	\$ -	\$ -	\$ -	\$ 6,888.05	\$ 642.00
DEC	\$ 32,130.00	\$ 20,534.41	\$ 2,800.00	\$ 18,268.73	\$ 6,550.25	\$ 13,012.47	\$ 14,717.94	\$ 42,584.94	\$ -	\$ -	\$ -	\$ -	\$ 7,188.55	\$ 371.50
	\$ 245,100.00	\$ 185,839.44	\$ 38,220.25	\$ 268,810.68	\$ 105,096.15	\$ 277,450.50	\$ 230,102.60	\$ 522,179.62	\$ 249,689.80	\$ 62,088.51	\$ 42,242.30	\$ -	\$ 117,737.05	\$ 29,360.43

DOL

\$ 135,454.97



INTERSTATE NAVIGATION COMPANY/OVERTIME

FYE5/31/01	\$	123,723.98
FYE5/31/02	\$	205,045.05
FYE5/31/03	\$	238,627.54