STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DIVISION OF PUBLIC UTILITIES AND CARRIERS

RE: CPCN APPLICATION
OF RHODE ISLAND FAST FERRY

DOCKET No. D-13-51

DIRECT TESTIMONY OF WALTER E. EDGE Jr. MBA CPA
ON BEHALF OF
INTERSTATE NAVIGATION COMPANY
D/B/A/ THE BLOCK ISLAND FERRY

FEBRUARY, 2015
Q. Please state your name, position and office address.
A. My name is Walter E. Edge, Jr. I am the Vice President of B&E Consulting LLC. I currently work out of my home at 128 Crestwood Court, Cumberland, RI and my telephone number is (401) 333-5248.

Q. Please summarize your educational and professional background.
A. I received my undergraduate degree BSBA (Major in Accounting) from Bryant College (currently Bryant University). I earned a Masters degree in Business Administration (MBA) from the University of Rhode Island, and I have continued my education at URI in the MPA (Masters of Public Administration) program. I became a Certified Public Accountant (CPA) in 1969 and have continued my continuing education requirements since.

Q. What is the purpose of your testimony?
A. I will provide testimony on behalf of Interstate Navigation Company (Interstate) in opposition to the application for a Certificate of Public Convenience and Necessity (CPCN) filed by Rhode Island Fast Ferry (RIFF) to provide summer-only, passenger-only high-speed ferry service to Old Harbor, Block Island from Quonset Point. My testimony will be limited to:

1) Providing calculations and testimony showing the expected adverse financial impact (if the requested RIFF fast ferry CPCN is approved) on both Interstate’s existing fast ferry service and Interstate’s traditional lifeline service, both of which will be directly, significantly, and negatively affected. I have calculated that Interstate would lose over $1.2 million, which would require a 14.2% rate increase and/or a reduction in service,

2) Clarifying for the record some of the points raised by the RIFF witnesses regarding the history of regulation relating to these two entities,

3) Addressing falsehoods in the RIFF pre-filed testimony relating to Interstate in order to correct the record,
4) Reviewing the claims regarding the alleged need for the proposed service given the current fast ferry market in southern New England,

5) Evaluating the observations of the RIFF witnesses and the documentation used by them attempting to show that there is a need for the proposed RIFF service and demonstrating why I am of the opinion that their conclusions, based upon my review of their own documentation, are wrong and their faith in the documentation is misplaced,

6) Determining if the public in general will be provided a more convenient high-speed service than what already exists if the RIFF application is granted.

My testimony will not address the issues of whether or not RIFF and/or its owner are Fit, Willing, or Able to provide the proposed service.

Q. Please summarize your testimony.

A. I am of the opinion that (1) there is no need for the proposed RIFF service because the fast ferry market to Block Island is saturated; (2) there will be no general public convenience provided by the proposed service; (3) the addition of the RIFF service is contrary to the public interest; and (4) the proposed service will result in wasteful competition, cream skimming, and adverse impacts on Interstate’s lifeline service, the lifeline ratepayers, and the Town of New Shoreham (Block Island).

I agree with Dr. Mazze that “Interstate would lose as much as 17% of its traditional ferry passengers and 27% of its hi-speed ferry passengers from Point Judith during the summer months if Rhode Island Fast Ferry is permitted to offer summer-only, passenger only high-speed ferry service from Quonset Point to Old Harbor Block Island...,” and “that, if Rhode Island Fast Ferry’s application is approved, Rhode Island Fast Ferry would negatively impact Interstate’s lifeline passenger, vehicle and freight services to Block Island by taking away customers and revenue from Interstate during the summer months.”
Q. What is the basis of your conclusions?

A. My testimony, schedules, and opinions are based on my education, training, and experience as a CPA and as a consultant for Interstate and many other regulated utilities in Rhode Island. Also I have developed detailed knowledge of Interstate’s finances, rates, and operations style during the past 24 years.

In addition, I have reviewed Dr. Mazze’s marketing research study of Interstate’s fast ferry and traditional ferry passengers in 2013. I used his findings to calculate the loss of revenue to Interstate as a result of the implementation of the proposed RIFF service.

I reviewed all of the RIFF pre-filed testimony and completed my own independent review of each of the items cited by the RIFF witnesses allegedly supporting RIFF’s claims that (1) there is a need for this new service, and (2) there is an unserved pent-up demand for this service. I also read all of the data responses provided by RIFF. I found that the items used by RIFF did not support their conclusions.

My testimony will be presented in the following order:

➢ Financial Impact on Interstate’s Lifeline Service
➢ Regulatory History
➢ Clarifications of the Record
➢ Need
➢ Convenience
➢ Competition
➢ Docket No. D-13-105

FINANCIAL IMPACT ON INTERSTATE’S LIFELINE SERVICE

Q. Mr. Edge, did you calculate the financial impact on Interstate’s lifeline service?

A. Yes, I did. Using the results of Dr. Mazze’s Marketing Research Study, which showed that Interstate would lose 17% of its traditional service passengers (traveling in the summer) and 27% of its fast ferry service passengers, I calculated that Interstate would lose $1,214,590 of revenue as a result of the RIFF business if its CPCN request is
approved. This would result in an across-the-board increase in Interstate’s traditional service rates of 14.2%. See the Revenue Schedules WEE-1 and WEE-2 attached.

Q. Why are you including the lost revenue from the fast ferry service with the increase in the traditional rates?
A. Interstate’s traditional rates are calculated using 100% of the fast ferry profit. Lost revenue (without any reduction in service) will result in a reduction of the fast ferry profit and therefore reduce the traditional revenue. This will require an increase in traditional service rates and/or a reduction in service.

REGULATORY HISTORY

Q. Mr. Edge, are you familiar with Division Dockets D-05-06 and D-06-53?
A. Yes, I am. Docket D-05-06 addressed Interstate’s request for a seasonal “fast ferry” CPCN between Point Judith and Old Harbor, Block Island and Newport and Old Harbor, Block Island. Docket D-06-53 addressed Interstate’s petitions for approval to (1) buy the Rhode Island assets of Island Hi-Speed Ferry (IHSF), (2) lease the M/V Athena for the summer of 2006, (3) eliminate restrictions on Interstate’s fast ferry CPCN, (4) eliminate restrictions on IHSF’s fast ferry CPCN, (5) transfer the IHSF fast ferry CPCN to Interstate and to continue to hold the CPCN in abeyance (dormancy), and (6) continue to hold the Newport leg of Interstate’s fast ferry CPCN in abeyance (dormancy).

Q. How can a review of these two dockets help us understand the regulatory history of these two companies?
A. I believe that a review of the Division’s Order in Docket D-05-06 can provide us with an understanding of how both sides acted before the Division in 2005 when they were on the opposite sides of a petition for a new fast ferry CPCN. In that docket, Interstate was requesting a new fast ferry CPCN and IHSF was objecting to Interstate’s request; in this docket, RIFF is requesting a new fast ferry CPCN and Interstate is objecting to RIFF’s request.
In Docket D-05-06, Interstate completed a survey of its own customers to determine if there was a need for Interstate to provide a fast ferry service to its own customer base in order to provide them choice. Seventy percent of the ridership projected for this new fast ferry service was predicted to be from Interstate’s own traditional passengers. In this docket, (D-13-51) RIFF has completed no surveys, marketing studies, traffic studies, economic studies, or business studies.

In Docket D-05-06, Interstate provided complete operational and financial information: description of the vessel that would be used, rates, projected revenue, projected expenses, estimated financial impact on Interstate’s lifeline customers and services, and the exact number and scheduled times of all trips proposed. In this Docket, RIFF has provided none of these important pieces of information.

In Docket D-05-06, Interstate offered three options that would protect Interstate’s lifeline customers if the fast ferry was unsuccessful. The first option was for Interstate’s stockholders to absorb all losses from the fast ferry operation. In addition to the first option, which would be used if there were any losses, the second and third options were that Interstate would either lease or sell the new fast ferry vessel to offset the losses. RIFF is a stand-alone for-profit business. Therefore, any losses from its own operations would be absorbed by RIFF. However, RIFF has provided no options to protect Interstate’s lifeline customers or services.

In Docket D-05-06, Interstate pointed out that in order for it to compete with the various fast ferry companies already providing fast ferry service to Block Island, it needed to have its own fast ferry service. Interstate showed that since new fast ferry operations began servicing Block Island, Interstate’s revenue declined, hurting the lifeline ratepayers. RIFF cannot assure the Division that their entry into the fast ferry business to Block Island will not hurt Interstate’s lifeline
customers; RIFF also cannot say that their own existing business will suffer if they are not allowed to provide this new fast ferry service to Block Island.

In Docket D-05-06, Mr. Kunkel testified that Block Island Express (BI Express), a fast ferry from New London to Block Island, (a) was in direct competition with IHSF’s fast ferry service, and (b) would be in direct competition with Interstate’s proposed fast ferry service. Mr. Kunkel also testified that Vineyard Fast Ferry (VFF) was in indirect competition with IHSF. In this docket, Mr. Kunkel now opines that Interstate and RIFF would not be in direct competition. Clearly, RIFF would be in direct competition with Interstate.

In Docket D-05-06, Mr. Kunkel testified that if Interstate were allowed into the fast ferry market, that IHSF would most likely go into bankruptcy. He also testified that if they both stayed in the market, and there were “two consecutive poor weather summers, the financial losses would be enormous, especially for Interstate…, which would suffer a double financial hit on the fast ferry side and the life-line side of the business.” It should be noted that IHSF would most likely have gone out of business due to competition from BI Express, even if Interstate were excluded from providing fast ferry service to Block Island. In this docket, Mr. Kunkel shows no concern at all for Interstate’s lifeline service.

In Docket D-05-06, Mr. Kunkel testified that at that time, there were nearly 1,000,000 seats of fast ferry capacity serving Block Island and only 16% of that capacity was being used. He also pointed out that there were 320,000 passenger seats provided by VFF (indirect competition) that worsened the problem. Given that Interstate is using the same vessel (the M/V Athena) that was used by IHSF, and BI Express is still using the same vessel (the M/V Jessica W), it is safe to say that there are still about 1,000,000 seats of capacity from these two activities.

The fact that Interstate has recently started a summer-only, passenger-only fast ferry service from Fall River to Newport to Block Island and return with a vessel that carries 250 passengers, the number of fast ferry passenger seats available
must be increased to reflect this new service. Since it is summer-only and there
are three runs a day, I estimate that there are over 130,000 additional fast ferry
seats now available. It is also unlikely that the utilization level is much greater
than the 16% used by Mr. Kunkel in 2005.

Mr. Kunkel has ignored these statistics. In his 2014 pre-filed testimony, he now
suggests that there is a need for his client's new proposed fast ferry service.

➢ In Docket D-05-06, Mr. Kunkel concluded that the fast ferry market to Block
Island was "saturated." Given the occupancy information and concluding that
the market was saturated, Mr. Kunkel opined that entry into this market by
Interstate would be "absurd, economically irrational and contrary to the public
interest." Yet in this docket, Mr. Kunkel supports his client’s entrance into a
"saturated" market that is "absurd, economically irrational and contrary to the
public interest."

➢ In Docket D-05-06, Mr. Kunkel argued in his rebuttal testimony that Interstate’s
proposed entry into the fast ferry market to Block Island "can only be
characterized as one of two things: either it is economically irrational, or it is
predatory." Mr. Kunkel explained "no rational business person would enter a
market characterized by extraordinary excess capacity, intense competition, which
requires a capital intensive investment and which is highly regulated in the sense
that management does not have the ability to adjust prices on a discretionary
basis."

➢ In Docket D-05-06, Mr. Kunkel suggested that IHSF and Interstate should merge.
The merger never happened, but Interstate was approached by IHSF with an offer
to sell the Rhode Island assets of IHSF to Interstate when it became obvious that
Interstate’s CPCN would be approved. The letter of agreement between Interstate
and IHSF regarding the sale of IHSF was signed on November 16, 2005, more
than two months before the Division’s Order No. 18506 approving Interstate’s
fast ferry CPCN was issued. IHSF was so eager to get out of the business, that
they offered a time charter of the M/V Athena to Interstate for the period May 24, 2006 through October 11, 2006, while the details of the sale were being worked out.

Docket D-06-53 was the docket that addressed the charter of the M/V Athena, the purchase/sale of the M/V Athena, and the elimination of restrictions no longer needed on the IHSF and Interstate fast ferry CPCNs. Mr. Kunkel was correct that IHSF would have gone bankrupt if Interstate had not agreed to buy them out. It should be noted that Mr. Donadio had already left IHSF, taking his profits and starting RIFF.

**CLARIFICATIONS OF THE RECORD**

Q. What clarifications would you like to make for the record?

A. The following are the clarifications I would like to make based upon my review of the RIFF pre-filed direct testimonies:

Mr. Kunkel:

1. **Page 5, lines 12 and following answer.** Mr. Kunkel is correct that Interstate was not serving a dormant high speed ferry business, and at that time, Interstate did not believe it was needed. However, Interstate, in Division Docket D-05-06, admitted through the testimony of Susan Linda, President of Interstate, that she was wrong and that fast ferry business was growing. So much so that Interstate identified a need to provide Interstate customers with the option of traditional or fast ferry service. Mr. Kunkel also states that five years of IHSF history proves he was right and Interstate’s “death spiral” prediction was wrong. Although the “death spiral observation” did not come to fruition, Interstate did suffer significant lost revenues during those five years. Interestingly, the death spiral was actually happening to IHSF (because, as Interstate pointed out, there was not enough need for a fast ferry to New Harbor). In addition, Interstate was able to save its business by offering the choice of fast ferry and traditional service to its own customers.
2. Starting at the bottom of page 5 and going over to the top of page 6. Mr. Kunkel makes the point that Interstate just started two additional fast ferry services. This is true, but Interstate was not “responding to a demand it believed was needed for such service,” Interstate was also not responding to the fact that RIFF was asking for a CPCN to start a fast ferry service from Quonset.

3. Page 5. The comparisons regarding Martha’s Vineyard and Block Island are meaningless, given the significant differences in the sizes of the two Islands, the year-round population of the two Islands, and the number of summer visitors to each of the Islands. In all three categories, Martha’s Vineyard is by far greater, so two extra mainland departure points to Martha’s Vineyard seems reasonable.

4. Page 7, line 14 the question and answer. Mr. Kunkel returns to his “game theory” analysis. Mr. Kunkel has not identified Interstate’s “ultimate payoff” correctly. Interstate has never decided to spend ratepayer money to fight to maintain its allegedly monopolistic position. Rather, Interstate’s interest is to protect its lifeline service. Mr. Kunkel cannot understand that Interstate’s family management and owners have never made “game theory” decisions regarding the profitability of the company. Rather, Interstate has always made decisions that benefit both the company (not necessarily the owners) and the ratepayers. I strongly believe that Mr. Kunkel simply does not understand the limits that have been put on Interstate’s traditional and, even more so, on Interstate’s fast ferry profitability.

5. Page 7, half way down. Mr. Kunkel states that he was convinced in 2005 that Interstate’s motives for requesting a fast ferry CPCN were “predatory.” A review of the evidence in Interstate’s fast ferry CPCN docket clearly shows that he was wrong. The Division’s Advocacy Section, the Hearing Officer, and the Division’s final Order rejected Mr. Kunkel’s predatory arguments.

6. Page 7 next few lines. Mr. Kunkel is wrong on two counts regarding Interstate’s intention “at that time” (CYs 2005-2006). He claims that Interstate was asking for a
fast ferry CPCN to eliminate "a weaker market participant" and to regain its alleged "monopoly." First, Interstate was not aware of how weak IHSF had become with the introduction into the fast ferry market of BI Express. In fact, Interstate intended from the beginning to compete with what it felt was an established, well run, and financially strong competitor. Secondly, Interstate could not regain a "monopolistic" position in the fast ferry market because it never had one.

7. Page 7 next few lines. Mr. Kunkel seems unaware of the circumstances regarding Interstate's decisions regarding the inauguration of its Newport and Fall River fast ferry routes. The Newport service has been in the works for years and the Fall River service has nothing at all to do with RIFF. Mr. Kunkel is assigning far more importance to his client's intentions than Interstate.

8. Page 7, next few lines. Although Mr. Kunkel says that he has had a unique opportunity to observe Interstate's "behavior and game playing strategies," he is still not seeing Interstate's behavior correctly and he hasn't realized that Interstate is not playing games.

9. The top of page 8. Mr. Kunkel's conclusion that "I can only conclude that Interstate's motive here is not necessarily to serve a public need as much as it is to prevent entry by what it incorrectly perceives to be a market rival, with the ultimate payoff being the preservation of its monopoly." Mr. Kunkel could not be more wrong. Interstate does not have a monopoly on fast ferry service to Block Island and Interstate's "ultimate payoff" would be to eliminate the threat to Interstate's lifeline customers of the addition of a cream skimming predator and direct competitor that intends to create wasteful competition for the sole purpose of putting dollars in RIFF's pockets in the form of profits. This has never been about Interstate's profits because they will not be impacted by RIFF.

10. Page 8 line 15, question and answer. Mr. Kunkel's arguments that RIFF will be serving a different market than Interstate and that RIFF will not be a direct
competitor are not supported by the record and are inconsistent with his position in previous cases when he concluded that BI Express was a direct competitor to IHSF. He further stated that in this case, the main differentiating fact resulting in his conclusion is that Interstate and RIFF would not be direct competitors is the geographic location of their departure points. Clearly RIFF and Interstate will be in direct competition and I believe that this testimony explains why I believe that there is no “unserved market of travelers from mid-state to Northern RI.”

11. Page 8 a few lines down. Mr. Kunkel’s conclusion that “some direct competition will be beneficial to the traveling public” ignores the traveling public currently using Interstate’s service in the winter and even those using Interstate’s fast ferry and traditional lifeline services in the summer. One could argue that if there was one customer living next door to RIFF, that the new service would be convenient to that one member of the traveling public, but would it be convenient to the majority of the traveling public? No.

12. Page 8 a few lines down. Once again Mr. Kunkel misinterprets Interstate’s operation by concluding that Interstate improved its services to compete with IHSF. Interstate has been improving its service since its inception in the 1930’s, long before IHSF was even in existence. What is true is that Interstate obtained its own fast ferry CPCN to provide choice to its then current customers and to entice its former customers back to Interstate by offering fast ferry service which was an improvement of service by Interstate. Therefore, it is at least partially true that the result of IHSF’s competition improved Interstate’s service to Block Island.

Mr. Donadio:

I only have a few clarifications relating to Mr. Donadio’s testimony as follows:

1. Page 5, line 10 Answer. Mr. Donadio, “having operated the Southland across the pier from Interstate Navigation’s operations” (more than 13 years ago), “then Island Hi-Speed Ferry from Point Judith” (more than 12 years ago), believes that he knows
that his service will be better than Interstate’s current fast ferry service. Given that
Interstate didn’t even have a fast ferry service 12 years ago, Mr. Donadio’s
knowledge of Interstate’s current fast ferry service is not based upon his unique
experiences listed above. This Division knows that Interstate provides a first class
travel experience to all its customers, both fast ferry and traditional.

2. **Page 6 bottom of the page.** Given that Mr. Donadio’s first hand observations of
Interstate’s operations are more than 12 years old, he may not be aware of
Interstate’s new staging area, the more accessible loading and unloading areas, and
the safer and more convenient boarding procedures.

3. **Page 7 middle of the page.** I can’t speak to why the M/V *Ava Pearl* capacity of 250
passengers was certified for only 150 seats, but I find it interesting that the *Ava
Pearl* replaced the M/V *Millennium*, which had a capacity of 400 passengers, on the
first “successful high-speed ferry service to the Island of Martha’s Vineyard.” If the
service was so successful, why did RIFF reduce the available seats from 400 to
150?

4. **Page 7 near the bottom of the page.** I don’t believe that the *Millennium* “speaks for
itself in terms of capacity.” Further, identifying the use of either a 150 passenger
vessel (used for the Martha’s Vineyard run) or a 400 passenger vessel (now used in
Bermuda) creates a significant problem for Interstate in estimating the number of
passengers that RIFF will be carrying in the summer during the peak travel months.

5. **Page 7 line 13.** Although RIFF’s 4,000 square foot terminal facility sounds nice,
Interstate’s customers have all of Galilee to enjoy while they wait, but given the
number of runs, the wait in either Galilee or Block Island is much less than the wait
will be if RIFF only makes two runs a day. Clearly the new Quonset facility is
being built for the customers using RIFF’s current service to Martha’s Vineyard
who may require such a facility given the limited amenities and activities available
near RIFF’s Quonset docking facilities.
Although I have comments about the testimony of some of the other RIFF witnesses, I will address those comments as part of my discussion about Need and Convenience.

NEED

Q. What are the reasons given by the RIFF witnesses claiming that there is a need for RIFF’s proposed fast ferry service from Quonset?

A. The RIFF witnesses have identified a number of reasons why they feel that the proposed fast ferry service from Quonset is needed as follows:

1. All of the witnesses rely in part on the testimony of Mr. Robert Billington, President of Blackstone Valley Tourism Council, and his observations that there is a need for this new fast ferry service given the activities of Tour RI.

2. Mr. Donadio points out four reasons why he believes that there is a need for his new proposed fast ferry service as follows:

   ➢ He believes that “there is a market of passengers who currently choose not to travel to Block Island, even by high speed ferry, who would use RIFF’s proposed Quonset service if offered” because of the amenities allegedly not made available by Interstate.

   ➢ He states that he “is confident based upon a population radius.”

   ➢ He relies on Mr. Billington’s experience with allegedly servicing pent-up demand for Block Island travel.

   ➢ He relies on contacts made by individuals wanting to travel to Block Island with RIFF either by phone, website, or simply arriving in person at the RIFF dock.

3. The major reason given by the other RIFF witnesses is that travel to Point Judith is difficult in the summer because of summer beach traffic and that a fast ferry service from Quonset would take automobiles off the roads in the summer.
4. Ms. Elizabeth Dolan also testified that her North Kingstown Town Council “believes that this new travel option will not only be of economic benefit to North Kingstown, but to Block Island as well.”

5. Ms. Martha Pughe testified that the North Kingstown Chamber of Commerce supports the proposed new service. Note: Mr. Donadio’s RIFF has been a Chamber member since 2003.

6. Ms. Myrna George testified that the South County Tourism Council supports the new service to reduce the traffic on the roads in the summer and to encourage tourism.

Tour Rhode Island (Tour RI)

Q. Mr. Edge, a great deal of importance has been given by RIFF to Mr. Billington’s Tour RI. Do you think that Tour RI showed that there is an untapped, pent-up demand for fast ferry service to Block Island which is currently not being served?

A. Absolutely not.

Q. Why not?

A. At first, I thought the argument relating to Tour RI was somewhat reasonable. Mr. Billington is a well known and respected individual in the State that has worked with Interstate on numerous projects, including Tour RI. However, my research shows that although Tour RI was a nice political idea, it was heavily subsidized, infrequently offered, and turned out to be a program that ran out of steam in just a few years.

Tour RI started in May of 2004 and ended in May of 2010. When I asked how many times per season Tour RI ran its motor coaches, I was very surprised to find that they only ran once per year in the month of May! Tour RI ran four motor coaches per year to Block Island (with the exception of 2009 and 2010 when the number was reduced to three coaches). Each coach carried about 45 passengers.

The typical Block Island Tour RI trip included a ride to and from Point Judith and the CCRI parking lot in Warwick, passage on one of Interstate’s vessels to and from Block
Island, transportation on the Island, a gift, and lunch. The cost to the traveler was $20 for an adult and $10 for a child in the first two years. The price was increased by $10 per traveler in 2006 and 2007. In May of 2010, the last year of Tour RI, the rate went up to $45 per adult and $35 per child.

When I asked how all of this could be provided to the travelers for such a small amount of money, I was told that Interstate did not charge Tour RI for transportation to and from Block Island. Therefore, the Block Island tours included free rides on the boats. I was told that just about everyone involved in the Tour RI process provided free or reduced prices.

So in conclusion, RIFF is relying in part on Tour RI’s results of providing a trip to Block Island for about 200 people per year for 7 years (or about 1,400 riders) at no cost for the ferry ride. I believe that there is an untapped population that will go to Block Island if they don’t have to pay for the boat ride. However, relying on Tour RI’s limited experience to claim that there is an unmet, untapped market of paying passengers for ferry service to Block Island is unjustified.

**Fact check:** The Tour RI Block Island trips had great demand but they were not “always sold out first” and the ticket price did not double for just the Block Island tours – it doubled for all of the Tour RI greatly subsidized tours as support from the benefactors decreased. In spite of the demand for the Block Island tours, this subsidized operation ended in 2010 due to lack of demand.

**Amenities**

I leave it to the Division to judge the differences in the amenities proposed by RIFF compared to those provided by Interstate. I am not sure how different amenities, provided on similar vessels, justifies a claim of need for a new service. Clearly, if Interstate were not providing adequate amenities, the Division might want to address how Interstate could do better without creating wasteful competition.
Population Radius

Q. Does Mr. Donadio’s analysis of radius population support his claim that there is an unserved, pent-up population that will be served by RIFF that is not already served by Interstate?

A. No. Although his analysis is interesting and at first glance appears reasonable, it is not representative of the facts. It assumes that a population outside 50 miles from Point Judith is not being adequately served by Interstate and further assumes that these prospective customers are just waiting around for RIFF to make their first trip to Block Island. Since Interstate covers all of Rhode Island (which is within 50 miles of Point Judith) then RIFF must be talking about customers that are in Massachusetts and Connecticut. Interstate already services many customers from Massachusetts, Connecticut, and many other states and countries. Clearly RIFF is talking about customers already served by Interstate.

Mr. Donadio testified that RIFF will be able to serve 1,025,885 individuals more than Interstate can serve within 50 miles of their respective docks. However, it has not been proven by RIFF that any of the over 1 million individuals within 50 miles are 1) not already being served adequately by Interstate, or 2) that they want to go to Block Island at all.

This argument is further weakened by using the correct comparisons. Interstate is not just Point Judith (Galilee), it is also Newport and Fall River. When I included all three of Interstate’s points of embarkation, the map showing the population covered changed significantly. The attached 10 mile map shows that Interstate provides service to a greater population than could be covered by RIFF. The attached maps showing radius’ of 15 miles, 25 miles, and 50 miles show that RIFF will service less and less population outside Interstate’s coverage area. The largest areas not covered within 50 miles of Interstate’s service are in Connecticut. When I added BI Express to the map, the new proposed service area covered by RIFF becomes a sliver of people (attached). Clearly, Mr. Donadio’s argument and analysis is greatly weakened when the facts that he left out are included.
This brings me back to Mr. Kunkel's testimony in a previous docket that trying to enter this saturated market would be "absurd, economically irrational and contrary to the public interest." I would add that one might enter this market on a predatory basis if one could justify that he could make a profit by cream skimming the summer ridership headed for Interstate's ferries. Mr. Donadio is very familiar with this predatory concept because he was the victim of such an attack by BI Express when he owned IHSF. It is clear to me that he would now like to be the attacker and not the victim. In conclusion, I believe that Mr. Donadio's radius analysis to justify need is meaningless.

**Contacts Made Directly to RIFF**

Q. Mr. Edge, would you comment regarding the direct contacts to RIFF as an alleged justification of need?

A. Yes. RIFF did not provide the numbers of calls or visits to RIFF of those expecting to travel to Block Island via RIFF's service. Further, individuals allegedly wanting to travel to Block Island with RIFF identified by hits on a website are far less meaningful. Anyone who has ever gone on a website can tell you that they poke around, often without any purpose other than gathering information. Website hits are not a measure of an individual wanting to go to Block Island on RIFF's vessels. If you search for transportation to Block Island and RIFF comes up as an option you might click on it just to get information about Block Island but not necessarily to pick RIFF's non-existent service to Block Island as your final decision. By all measures this is a very weak argument attempting to support the need and/or convenience required for a CPCN.

**Reduction of Summer Traffic**

Q. Mr. Edge, does the argument regarding a reduction of traffic in the summer support the need for a new fast ferry service to Block Island?

A. No. In fact, the only way traffic is reduced by RIFF's entry into the fast ferry market to Block Island is if RIFF is directly taking away Interstate customers. Also, I would argue that Interstate's customers make up a small percentage of the summer traffic to the beaches. In fact, Interstate's schedule has only a few trips in the morning and evening
that coincide with the peak beach traffic. For example, I believe that Interstate's late
ferries most frequently used to bring back visitors from the Island are much later than the
peak summer traffic heading north in the evening. If Interstate's summer day trippers run
into traffic it will most likely be in the morning and seldom in the evening.

Ms. Elizabeth Dolan, Ms. Martha Pughe, and Ms. Myrna George

Q. Do the testimonies of Ms. Elizabeth Dolan, ms. Martha Pughe, and Ms. Myrna
George provide support for RIFF's fast ferry to Block Island?

A. No. They point out that their organizations support the new service because it will bring
economic benefits to North Kingstown and South County. The North Kingstown Town
Council was even bold enough to suggest that the proposed service to Block Island was
also good for the Town of New Shoreham (which is on record against this new service).
I am sure that the three individuals providing this testimony sincerely believe that the
RIFF service is good for their own geographical areas, but I doubt that they are aware of
the problems it will cause the Town of New Shoreham.

Block Island is already maxed out in the summer with day trippers and vacationers.
Their police, public works, bathroom facilities, and medical services are already maxed
out and if RIFF brings an entire new population of day trippers and vacationers, the
Island will not be able to handle the influx, especially at peak times, such as summer
weekends and holidays. If, on the other hand, RIFF simply takes former Interstate
customers to the Island in the summer, the crowds will be the same, but the lifeline
transportation to the Island in the winter will cost more or services will need to be
reduced, due to the loss of income. Block Island loses either way.

I was surprised by Mr. Billington's support of non-sustainable tourism, which is caused
by lack of cooperation with the community providing the location for the tourism and
saturation of the location for the tourism. Nevertheless, I believe that Block Island's
residents would see no gain from this proposed new service, but would have to pay the
price for the new competition, while Mr. Donadio, North Kingstown, and South County reap the rewards.

**CONVENIENCE**

**Q.** Mr. Edge what is convenience?

**A.** Convenience when it relates to ferry travel is 1) ease of travel, 2) comfort of travel, 3) time it takes for travel, 4) price, 5) method of payment, 6) access to facilities and activities (at point of departure and landing), 7) number of departures and return times, 8) time at sea (water travel), 9) weather conditions, and 10) condition of the sea. More importantly, public convenience required for the issuance of a CPCN means general public convenience and includes all of the items listed above. It is my opinion that Interstate is the most convenient water transportation to Old Harbor, Block Island and best serves the general public convenience. Ignoring the general public convenience for a bit more convenience for a small group of others is not public convenience.

Public convenience is for the majority with outliers on both sides of each issue. Some people want fast ferry service and can pay the additional fees. Others prefer lower fees and do not mind a slower trip to their destination. A similar statement can be made about all of the 10 items listed above regarding outliers.

In all likelihood, Interstate and RIFF would both provide 1) ease of travel, 2) comfort of travel, 3) time it takes for travel (driving and riding on the boat), and 5) method of payment. Interstate wins 4) price (lower price), 6) access to facilities and activities (at point of departure and landing, 7) number of departure and return times, and 8) time at sea (water travel, for most people, less is better). Neither Interstate nor RIFF can control the weather of the condition of the seas.

The question that must be answered is does the “possible” convenience of an insignificant, mostly out of state, inactive, unknown population (which represents RIFF’s projected customer base), and alleged “pent-up” demand carry more weight than the harm to the Town of New Shoreham, its year-round residents, Interstate’s current
ratepayers (lifeline, traditional, and fast ferry services, all of whom will see rate increases
or service reductions), and all other Island visitors who will pay higher prices for all
goods on the Island because of increased freight and truck rates. I think not.

**Competition**

**Q.** Is Interstate concerned about competition?

**A.** No. Interstate, the company, and its stockholders are protected from competition because
of the process used for setting regulated utility rates. Lost revenue from competition is
adjusted through rates independent from the calculation used by the PUC to calculate
Interstate’s return on its investment (profit). Interstate receives a return on its investment
(equity) using a method known as “Rate Base Rate of Return.” This method establishes
an authorized rate of return allowed by the PUC as a cost of doing business. The loss of
revenues due to RIFF would be passed on to the ratepayers through rate increases or
through reductions in service.

**Q.** If this is the proper method of setting rates, why is Mr. Kunkel wasting his and the
Division’s time explaining game theory, resulting in his conclusion that Interstate
desires to eliminate competition?

**A.** I don’t know. It seems that Mr. Kunkel has never understood or believed that Interstate
acts as it does to protect its ratepayers, not to protect the company or its stockholders.

**Q.** What is the biggest difference between the profits that would be earned by RIFF
from a CPCN to provide fast ferry service to Block Island and the profits earned by
Interstate’s fast ferry to Block Island?

**A.** RIFF’s profits would go directly into Mr. Donadio’s pockets, while 100% of the profits
from Interstate’s fast ferry service go to reduce Interstate’s traditional rates (including the
lifeline rates) to the benefit of the ratepayers.

**Q.** Will Interstate and RIFF be in direct competition?

**A.** Yes, but it won’t be fair competition. The key to the success of any business is the
amount of profit it earns. That profit can be used as 1) profits to the owner, 2) cash
reserves to protect the company during slow times, or 3) a reinvestment in the company
to improve service and/or increase (expand) service.

RIFF will have the luxury of using its profits as it pleases, while Interstate will have to
use its profits to subsidize its traditional service. Clearly, this is unfair competition.

Q. Is the use of profits the only reason why the competition between RIFF and
Interstate will be unfair?
A. No. RIFF intends to run a passenger-only, summer-only service during the peak travel
season to Block Island. Interstate is required by its CPCN to run its traditional service
year-round and to also carry trucks, cars, and freight. This added risk puts Interstate’s
ratepayers at risk for higher rates. Lost revenue during the summer will increase lifeline
winter rates or reduce lifeline services.

Q. What could be done to level the competition playing field between RIFF and
Interstate?
A. A few things could be done. Interstate could spin off its fast ferry service to compete
directly with RIFF without the regulatory restrictions on its profits. Another option that
would work would be if RIFF proposed to run year-round and provide runs in the winter.
This would allow Interstate to discontinue some of its winter runs to make up for the lost
revenue in the summer. Another possibility would be to require RIFF to pay a fee to
Interstate’s lifeline service to help with the winter runs and lost revenue.

Q. Is Interstate concerned that RIFF will receive a CPCN to operate a summer-only,
passenger only fast ferry service to Block Island?
A. Yes, Interstate is concerned for its customers and more.

Q. What else?
A. Interstate is concerned for Point Judith, the businesses, parking lot owners, etc., that will
lose business, revenues, and profits. Given that Mr. Donadio owns RIFF, controls the
adjacent parking lot revenues, and is building a new terminal building, I am sure that most, if not all, of the lost profits from Point Judith will go into Mr. Donadio's pockets.

**DOCKET No. D-13-105**

Q. Mr. Edge, at my request did you review the Division Order No. 20136 in Docket No. D-13-105 to evaluate the issues in that docket that may be similar or different in this RIFF docket?

A. Yes I did.

Q. Do you have any comments regarding Docket No D-13-105?

A. Yes I do. A number of the circumstances in that docket are far different from the circumstances in this docket as follows:

(Please note that the quotes below are from Division Order No. 21363.)

1. In this case, there are no witnesses for the applicant testifying that they are “frustrated and unhappy” with Interstate’s amenities, or the care of Interstate’s docks, ramps or parking areas.

2. There are no witnesses in this docket that have complained about Interstate’s efforts to modernize its operations.

3. There are no witnesses in this docket that have claimed that Interstate or its management is “unresponsive, unstable, manipulative and vindictive.”

4. In this docket, the Town of Block Island supports Interstate and does not want the services of the proposed competitor.

5. In this docket, Interstate has put on a full case to clarify certain comments provided by RIFF witnesses and to provide information that Interstate feels would assist the Division.

6. Interstate is committed to a future of reliable, safe, comfortable, affordable, and year round traditional lifeline off-season service, and a complete schedule during the summer of reliable, safe, comfortable, and affordable fast ferry service.
7. Interstate believes and has provided testimony showing that the proposed RIFF service is not in the public interest and the RIFF CPCN, if awarded, would result in wasteful competition, an increase in lifeline rates, and/or a reduction in service.

8. Interstate agrees with the Division’s observation in Docket D-13-105 that the approval of IHSF’s CPCN was a good decision because it brought fast ferry service to Block Island. Although Interstate was late to the dance, and did not initially see the need and desire for fast ferry service, it paid for its mistake by a reduction of revenues for the next few years. Interstate then obtained its own fast ferry service to give its customers choice. Interstate eventually bought out IHSF in order to compete with BI Express from New London, which was taking far more customers from Interstate than IHSF ever did. Interstate may be missing something again, but we see no eventual benefit similar to the benefit which arose from the Division’s authorization of the IHSF CPCN, now or in the future.

9. If the RIFF CPCN is approved, Interstate requests that the same type of conditions, where applicable, be required of RIFF that are included in the Ordered section of the Docket D-13-105 Order.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes.
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate under this scenario

http://ian.macky.net/pat/map/us/ri/ri blu.gif
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate under this scenario
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate under this scenario
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate's Point Judith Operation under this scenario
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate under this scenario
Areas shaded in Red are sole coverage of RIFF under this scenario

Areas shaded in Blue are sole coverage of Interstate under this scenario

Areas crosshatched over the Blue and Red are areas now covered by BI Express under this scenario
## Loss of Revenues to Interstate from loss of passengers to RIFF Service
### Interstate Navigation Company

<table>
<thead>
<tr>
<th>Scenario</th>
<th>FY 2013 Actual Count or Usage</th>
<th>Remaining Count after Passenger losses to RIFF</th>
<th>Current Rate</th>
<th>Revenue Based on Total FY 2013 count</th>
<th>Revenue Based on Remaining Passenger Count</th>
<th>Lost Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional Service - Passenger</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Adult One Way</td>
<td>132,632</td>
<td>17%</td>
<td>115,390</td>
<td>12.35 $</td>
<td>1,638,005</td>
<td>1,405,062</td>
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<tr>
<td>Adult Round Trip</td>
<td>151,018</td>
<td>17%</td>
<td>129,427</td>
<td>22.60 $</td>
<td>3,413,007</td>
<td>2,355,044</td>
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<tr>
<td>Child One Way</td>
<td>13,409</td>
<td>17%</td>
<td>11,364</td>
<td>6.25 $</td>
<td>83,806</td>
<td>11,028</td>
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<td>Child Round Trip</td>
<td>13,130</td>
<td>17%</td>
<td>11,237</td>
<td>11.30 $</td>
<td>148,369</td>
<td>13,973</td>
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<td>Commuter One Way</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Commuter Round Trip</td>
<td>19,684</td>
<td>17%</td>
<td>19,684</td>
<td>16.00 $</td>
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<tr>
<td><strong>High Speed Service - Passenger</strong></td>
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<td>Adult One Way</td>
<td>37,497</td>
<td>27%</td>
<td>27,373</td>
<td>18.50 $</td>
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<td>94,397</td>
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<td>Adult Round Trip</td>
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<td>35.00 $</td>
<td>964,075</td>
<td>103,775</td>
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<td>Child One Way</td>
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<td>27%</td>
<td>2,251</td>
<td>11.75 $</td>
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<td>36,444</td>
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<tr>
<td>Child Round Trip</td>
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<td>27%</td>
<td>1,794</td>
<td>19.50 $</td>
<td>47,912</td>
<td>14,975</td>
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<td>Infant One Way</td>
<td>762</td>
<td>27%</td>
<td>556</td>
<td>7.00 $</td>
<td>5,334</td>
<td>5,394</td>
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<td>Infant Round Trip</td>
<td>448</td>
<td>27%</td>
<td>327</td>
<td>12.00 $</td>
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<td>Adult One Way Upgrade</td>
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<td>27%</td>
<td>2,216</td>
<td>7.20 $</td>
<td>21,852</td>
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<td>Child One Way Upgrade</td>
<td>245</td>
<td>27%</td>
<td>179</td>
<td>6.10 $</td>
<td>1,495</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>7,374,094</td>
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</tbody>
</table>

* Please see Schedule WEE-1a and WEE-1b for calculation of Remaining Passenger Counts
### Monthly Statistics - Adjusted FY 2013 Passenger Counts impacted by RIFF Service

#### CONVENTIONAL SERVICE

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interstate Actual Passenger Count</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult One Way</td>
<td>18,549</td>
<td>30,647</td>
<td>30,716</td>
<td>16,516</td>
<td>7,214</td>
<td>3,843</td>
<td>2,398</td>
<td>2,109</td>
<td>1,832</td>
<td>3,088</td>
<td>4,919</td>
<td>10,801</td>
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<tr>
<td>Adult Round Trip</td>
<td>19,629</td>
<td>42,359</td>
<td>44,916</td>
<td>15,473</td>
<td>5,153</td>
<td>2,746</td>
<td>1,392</td>
<td>1,207</td>
<td>1,006</td>
<td>1,839</td>
<td>3,909</td>
<td>11,369</td>
</tr>
<tr>
<td>Child One Way</td>
<td>1,609</td>
<td>4,356</td>
<td>4,904</td>
<td>949</td>
<td>267</td>
<td>170</td>
<td>81</td>
<td>83</td>
<td>173</td>
<td>288</td>
<td>482</td>
<td>13,409</td>
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<tr>
<td>Child Round Trip</td>
<td>1,288</td>
<td>3,307</td>
<td>4,692</td>
<td>967</td>
<td>357</td>
<td>287</td>
<td>155</td>
<td>116</td>
<td>207</td>
<td>273</td>
<td>661</td>
<td>13,130</td>
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<tr>
<td><strong>Total</strong></td>
<td>41,075</td>
<td>81,269</td>
<td>85,228</td>
<td>33,905</td>
<td>12,991</td>
<td>7,074</td>
<td>4,138</td>
<td>3,532</td>
<td>3,035</td>
<td>5,260</td>
<td>9,369</td>
<td>23,313</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of Days</th>
<th>Number of Days RIFF operates</th>
<th>Percentage of passengers who would take RIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate</td>
<td>30</td>
<td>30</td>
<td>17%</td>
</tr>
<tr>
<td>operates</td>
<td>31</td>
<td>31</td>
<td>17%</td>
</tr>
<tr>
<td>Number of Days RIFF operates</td>
<td>30</td>
<td>31</td>
<td>17%</td>
</tr>
<tr>
<td>Percentage of passengers who would take RIFF</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Interstate Remaining Passenger Count after Passenger losses to RIFF** |        |        |        |        |        |        |        |        |        |        |        |        |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|        |
| Adult One Way  | 15,396 | 25,437 | 25,494 | 13,708 | 6,898  | 3,343  | 2,398  | 2,109  | 1,832  | 3,088  | 4,919  | 10,268 | 115,390|
| Adult Round Trip| 16,292 | 35,158 | 37,260 | 12,843 | 4,927  | 2,746  | 1,392  | 1,207  | 1,006  | 1,839  | 3,909  | 10,808 | 129,427|
| Child One Way  | 1,335  | 3,615  | 4,070  | 788    | 255    | 176    | 81     | 83     | 173    | 288    | 482    | 13,409 |
| Child Round Trip| 1,069  | 3,243  | 3,894  | 803    | 341    | 309    | 267    | 155    | 114    | 140    | 273    | 628    | 11,237 |
| **Total**      | 34,092 | 67,453 | 70,739 | 26,141 | 12,421 | 7,074  | 4,138  | 3,532  | 3,035  | 5,260  | 9,369  | 22,162 | 267,417|

| **Lost passengers per day** | 233 | 446 | 467 | 192 | 71 | - | - | - | - | - | - | 128 |

| **Interstate Actual Passenger Count** |        |        |        |        |        |        |        |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|        |
| Commuter Round Trip                  | 12,683 | 24,125 | 24,464 | 14,574 | 7,466  | 4,160  | 2,147  | 1,871  | 1,536  | 1,235  | 1,650  | 1,871  |
| **Total**                            | 19,684 |        |        |        |        |        |        |        |        |        |        |        |

| **Interstate Remaining Passenger Count after Passenger losses to RIFF** |        |        |        |        |        |        |        |        |        |        |        |        |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|        |
| Commuter Round Trip                  | 12,683 | 24,125 | 24,464 | 14,574 | 7,466  | 4,160  | 2,147  | 1,871  | 1,536  | 1,235  | 1,650  | 1,871  |
| **Total**                            | 19,684 |        |        |        |        |        |        |        |        |        |        |        |
## Monthly Statistics - Adjusted FY 2013 Passenger Counts impacted by RIFF Service

**FAST FERRY**

<table>
<thead>
<tr>
<th>Month</th>
<th>Jun-12</th>
<th>Jul-12</th>
<th>Aug-12</th>
<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-13</th>
<th>Feb-13</th>
<th>Mar-13</th>
<th>Apr-13</th>
<th>May-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interstate Actual Passenger Count</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult One Way</td>
<td>6,037</td>
<td>11,247</td>
<td>10,464</td>
<td>5,842</td>
<td>1,121</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,986</td>
</tr>
<tr>
<td>Adult Round Trip</td>
<td>5,428</td>
<td>8,070</td>
<td>8,379</td>
<td>3,641</td>
<td>875</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,352</td>
</tr>
<tr>
<td>Child One Way</td>
<td>587</td>
<td>903</td>
<td>915</td>
<td>504</td>
<td>98</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76</td>
</tr>
<tr>
<td>Child Round Trip</td>
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<td>804</td>
<td>857</td>
<td>375</td>
<td>36</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>Infant One Way</td>
<td>116</td>
<td>251</td>
<td>239</td>
<td>102</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29</td>
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<tr>
<td>Infant Round Trip</td>
<td>72</td>
<td>145</td>
<td>143</td>
<td>46</td>
<td>8</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Adult One Way Upr.</td>
<td>453</td>
<td>892</td>
<td>1,058</td>
<td>462</td>
<td>73</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97</td>
</tr>
<tr>
<td>Child One Way Upr.</td>
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<td>81</td>
<td>115</td>
<td>28</td>
<td>4</td>
<td>-</td>
<td>-</td>
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<td>4</td>
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<tr>
<td><strong>Total</strong></td>
<td>13,977</td>
<td>22,293</td>
<td>22,210</td>
<td>10,800</td>
<td>2,049</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,652</td>
</tr>
</tbody>
</table>

### Number of Days
- Interstate operates: 30
- RIFF operates: 30

### Number of passengers who would take RIFF
- 27% (13,977) of the total passengers would take RIFF.

### Interstate Remaining Passenger Count after Passenger losses to RIFF
<table>
<thead>
<tr>
<th>Month</th>
<th>Jun-12</th>
<th>Jul-12</th>
<th>Aug-12</th>
<th>Sep-12</th>
<th>Oct-12</th>
<th>Nov-12</th>
<th>Dec-12</th>
<th>Jan-13</th>
<th>Feb-13</th>
<th>Mar-13</th>
<th>Apr-13</th>
<th>May-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult One Way</td>
<td>4,391</td>
<td>8,210</td>
<td>7,638</td>
<td>4,265</td>
<td>818</td>
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### Lost passengers per day
- 126
- 195
- 193
- 97
- 65
- -
- -
- -
- -
- -
- -
- 110

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