

TESTIMONY

of

THE LIGHTHOUSE INN GALILEE

IN OPPOSITION TO RHODE ISLAND FAST FERRY CPCN APPLICATION AND  
IN SUPPORT OF THE OBJECTION OF THE INTERSTATE NAVIGATION COMPANY  
D/B/A THE BLOCK ISLAND FERRY

Before  
RHODE ISLAND DIVISION OF  
PUBLIC UTILITIES AND CARRIERS

DOCKET No. D-13-51

Submitted by:

Michael A. Voccola, Esq. of PRI X, LP d/b/a  
The Lighthouse Inn Galilee

FEBRUARY, 2015

1 **Q. Please identify yourself.**

2 A. My name is Michael A. Voccola, Esq. I am filing this testimony on behalf of PRI X, LP  
3 d/b/a The Lighthouse Inn Galilee ("PRI X"), a joint entity of The Procaccianti Group and  
4 Joseph R. Paolino, Jr. The Lighthouse Inn Galilee is located at 307 Great Island Road,  
5 Narragansett, Rhode Island.

6

7 **Q. What is the position of PRI X in this matter?**

8 A. PRI X strongly objects to Rhode Island Fast Ferry's Application for a Certificate of  
9 Public Convenience and Necessity (CPCN) to operate a fast ferry from Quonset Point to  
10 Block Island.

11

12 **Q. What is the interest of PRI X in this matter?**

13 A. PRI X entered into a Purchase and Sale Agreement with the Trustee in Bankruptcy for  
14 Galilee Hotel Associates, LLC, the then-current Lessee of that certain Indenture of Lease,  
15 as amended, with the State of Rhode Island as Lessor for the referenced location in  
16 Narragansett, Rhode Island ("Lease"). The Lease was subsequently assigned to PRI X in  
17 early 2005. Accordingly, PRI X has operated The Lighthouse Inn Galilee ("Lighthouse")  
18 and the associated parking facilities since the assignment became effective on March 3,  
19 2005.

20

21 **Q. Why did PRI X acquire the Lighthouse Inn in Galilee?**

22 A. We acquired the Lighthouse Inn due to its seasonal attraction to our shoreline, its  
23 excellent proximity to Narragansett and Galilee, in general, and to Interstate Navigation's

1 ("Interstate") Block Island ferry service, and The Lighthouse Inn large parking area  
2 directly opposite the dock. As Interstate operates both the conventional ferry for patrons,  
3 cars and cargo and a "fast ferry" for patrons only, the synergy and potential for additional  
4 co-partnering and fostering of mutual revenue generators between us and among us and  
5 the balance of the area was excellent.

6  
7 **Q. What happened shortly after PRI X acquired the Lighthouse Inn?**

8 **A.** Unfortunately, shortly after our acquisition, the worst recession since 1929 began its  
9 methodical strangulation of the nation's economy, and Rhode Island was not spared. The  
10 disposable income of our patrons – income that was once used for leisure activities such  
11 as seasonal shoreline stays and visits to Block Island – were then used for basic living  
12 expenses. The impact on the Lighthouse Inn was dramatic both in terms of occupancy  
13 for the hotel and occupancy of the parking lot. Due to its ideal location directly opposite  
14 the dock, our parking lot is used primarily for patrons of the Block Island Ferry as  
15 operated by Interstate. Only now are we seeing a minor indication of recovery.

16  
17 **Q. Why does PRI X support Interstate's objection to the CPCN request of Rhode**  
18 **Island Fast Ferry?**

19 **A.** We feel that the existence of ferry service at Galilee is critical to the economic health of  
20 the greater South County area – one of the fastest growing portions of our state. The  
21 dedication of Interstate and their documented history of reinvestment in boats and  
22 equipment is a clear indication of their loyalty to this area. The fact that they, for years,  
23 have and will continue to provide year-round service to Block Island is a critical element

1 of their business and most likely not a major revenue contributor for them. Thus, the  
2 continuation and enhancement of their service from Galilee to Block Island is of  
3 paramount importance to all.

4  
5 **Q. Why does PRI X oppose the Rhode Island Fast Ferry application to run a fast ferry  
6 from Quonset Point to Block Island?**

7 **A.** Clearly, any ferry service from Quonset Point, particularly a seasonal-only service, will  
8 severely impact Interstate's revenues – revenues they need to maintain the winter service.  
9 Further, less revenue will translate to less motivation for their reinvestment in equipment  
10 and facilities. Importantly, any decline in ridership in Galilee will impact all the  
11 businesses which have evolved as a result of this historic service. Granting the CPCN for  
12 Quonset Point will create an unstoppable downward economic spiral for greater Galilee.

13  
14 Allowing any competitor in a regulated industry to cherry-pick when to do business when  
15 other regulated providers in that same industry do not and cannot – is an ill-conceived  
16 business model that will create far more disadvantages than advantages to our citizens,  
17 patrons and business owners when we can least afford it.

18  
19 For these and innumerable other reasons, we formally object to the granting of the CPCN  
20 to Rhode Island Fast Ferry for Quonset Point.

21  
22 **Q. Does this conclude your testimony?**

23 **A. Yes.**