

From: [Paul Carey](#)
To: [Statements](#)
Subject: Statement of Position Submitted by Paul Carey
Date: Tuesday, November 1, 2022 5:48:12 PM

Statement of Position Submitted

Name

Paul Carey

Email

paul.carey@icloud.com

Docket

A-41 Sub 22

Message

My name is Paul Carey and I have owned a home on Bald Head Island since 2001. I have been very active as a volunteer on the island over those twenty plus years. On October 12th 2022 Lee Roberts the Managing Partner of SharpVue Capital testified to the North Carolina Utilities Commission: “And I think everybody on the island also knows there is a pretty healthy black market. A lot of college kids earning money for college running people back and forth on their own boats. Again, not using the Deep Point Marina. So there is a pretty healthy market already, and if pricing wasn't as reasonable as it was now, you'd just see that market grow.” In more than 20 years I have never heard, or seen evidence, of this “healthy black market” that Mr. Roberts refers nor have other property owners that I have asked. I certainly do not dispute an occasional lift being given on a property owner’s boat but certainly no commercial enterprise as he has described. This alleged business would also require a Coast Guard License (USCG NVIC 07-94, 46 USC 2101) to carry passengers in U.S. navigable waters. As far as I know the “black market” he describes does not exist or is so miniscule and secret that it cannot be as a “pretty healthy market already”. Considering this can you ask Mr. Roberts to: • Provide information as to the existence of this “healthy black market”; • Estimate the size of the “black market” ridership versus the number of ferry riders; • What do the “college kids” charge for this service that competes with the ferry? • Does this “black market” include an on island service equivalent to the tram? Mr. Roberts used this erroneous description of competition for the ferry in front of the Commission. His testimony on this simple matter indicates a high level of misunderstanding of the island and the transportation system. I hope the rest of his testimony was more accurate.

From: [Robert Blau](#)
To: [Statements](#)
Subject: Statement of Position Submitted by Robert Blau
Date: Tuesday, November 1, 2022 6:20:22 PM

Statement of Position Submitted

Name

Robert Blau

Email

blaur@bellsouth.net

Docket

A-41 Sub 22

Message

The central issue in Docket A-41 Sub 22 is whether the public interest will be served by transferring ownership of the Bald Head Island passenger ferry from its current owner/operator, Bald Head Island Limited (BHIL) to SharpVue Capital, a small private equity investment company located in Raleigh, NC. SharpVue is proposing to acquire the BHI transportation system, including the passenger ferry, for \$56M, and to finance the deal through a combination of private debt (60%) and equity (40%) capital. The weighted average cost of that capital would exceed 10%, possibly by a substantial amount given current rates-of-inflation. In 2021, the Bald Head Island Transportation Authority (BHITA) proposed to acquire the transportation system from BHIL for \$47.75M and finance the deal through a \$56M revenue bond issue with an anticipated 4.75% annual interest rate and a debt rating of BBB-, or one notch above junk. BHITA's bond application, which was not approved by the NC Local Government Commission, further concluded that user fees for ferry, parking and barge service would have had to be increased by 20 percent in order to recoup annual debt service costs of BHITA's \$56M bond issue. Since SharpVue's weighted average cost of capital would be at least twice and very possibly three times higher than BHITA's 4.75% interest rate, SharpVue presumably would need to raise user fees by substantially more than BHITA's anticipated 20 percent rate hike simply to cover its (much) higher weighted average cost of capital. And to what end? As far as captive users of the BHI transportation system are concerned, they would have no choice but to pay for all of this through unreasonably higher user fees? While subjecting those users to sharply higher rates may well be in BHIL's, and possibly SharpVue's financial interests, it pretty clearly is not in the public's interest. In its initial comments in Docket A-41 Sub 21, the Commission's Public Staff concluded that BHIL's Deep Point parking operation is an ancillary and integral component of regulated BHI passenger ferry service. As a consequence, the Public Staff also recommended that Commission exercise oversight of the unregulated parking operation in order to ensure that parking service remain adequate and reasonably priced. The Commission should adopt the Public Staff's recommendations and encourage all parties of interest in Dockets A-41 Sub 21

and A-41 Sub 22 to work out a settlement agreement that would 1) protect captive system users from monopoly pricing abuse, 2) enable BHIL to sell the BHI transportation system to another owner/operator for a fair price, and 3) minimize the amount of time that the Commission would need to commit to providing regulatory oversight of the BHI ferry and parking operations. The terms of such an agreement are contained in various comments that have been filed in Docket A-41 Sub 21.