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March 10, 2023

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Room 5063
Raleigh, NC 27603

Re: In the Matter of
Joint Application of Bald Head Island Transportation, Inc., Bald Head Island Limited
LLC, and Bald Head Island Ferry Transportation, LLC, for Approval of Transfer of
Common Carrier Certificate to Bald Head Island Transportation, LLC, and Permission
to Pledge Assets
NCUC Docket No. A-41, Sub 22
Summary Testimony of Bion Stewart

Dear Ms. Dunston:

Attached for filing in the above referenced docket on behalf of Bald Head Island
Transportation, Inc. (BHIT), Bald Head Island Limited, LLC (BHIL), and Bald Head
Island Ferry Transportation, LLC (BHIFT), collectively "Applicants", is the Summary
Testimony of Bion Stewart.

If you should have any questions concerning this filing, please do not hesitate to contact
me.

Sincerely,

/s/ M. Gray Styers, Jr.

M. Gray Styers, Jr.

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington

Ms. A. Shonta Dunston
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Enclosure

cc: Parties and Counsel of Record
William E. H. Creech – NC Public Staff
Elizabeth D. Culpepper – NC Public Staff
Lucy Edmondson – NC Public Staff
Jessica Heironimus – NC Public Staff
Gina Holt – NC Public Staff

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. A-41, SUB 22

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Joint Application
of Bald Head Island Transportation, Inc.,
Bald Head Limited LLC, and Bald Head
Island Ferry Transportation, LLC, for
Approval of Transfer of Common Carrier
Certificate to Bald Head Island Ferry
Transportation, LLC, and Permission to
Pledge Assets

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**TESTIMONY SUMMARY
OF
BION STEWART

ON BEHALF OF
APPLICANTS**

Bion Stewart Testimony Summary**Docket No. A-41, Sub 22**

My name is Bion Stewart. I am a retired Captain in the U.S. Coast Guard where I served as Chief of Staff for the United States Fifth Coast Guard District. I am currently the Vice-President and Chief Operating Officer for Bald Head Island Transportation, Inc. (BHIT). In that role, I have primary responsibility for managing all ferry and tram operations and associated maintenance for BHIT.

I have been in this role for less than two years, and I have never testified before the Utilities Commission. I came to BHIT after serving more than 30 years in the military where I spent my time in a maritime environment. After retirement, I was not sure that I wanted to work in the private sector, but I ultimately made the decision to join BHIT because it presented me with the mission-focused, professional and personal satisfaction I enjoyed in the military. I had long been familiar with BHIT and was impressed with its operations and reputation as an exceptionally well-managed and well-maintained passenger ferry operation.

I am providing testimony in this docket to address the Village's testimony critical of the operations of BHIT and the sale of the operations to an affiliate of SharpVue Capital, LLC. Contrary to their testimony, BHIT is not a substandard operation. BHIT has a reputation in the Coast Guard as one of the best-maintained and most professional mariners in the North Carolina Captain of the Port Zone. Because of its reputation, the North Carolina Ferry System has also looked to BHIT as a model for its vessel maintenance program and for improvements to their passenger ferry operation in the Outer Banks. The South Carolina Department of Transportation has similarly looked to BHIT in establishing a state-run passenger ferry system for an island community similar to Bald Head Island.

Ferries in general are complex operations. Operators face a number of inherent challenges and risks, including safety issues, severe weather events, scheduling logistics, and the difficulties of maintaining and operating a multi-vessel fleet. BHIT, through the men and women who carry out our operations, move thousands of people and their belongings between Southport and Bald Head Island and to and from their homes or worksites every single day. We work hard to provide safe and reliable operations in service to the residents, workers, visitors, and community at large. Notwithstanding the challenges of employee hiring, retention and morale during the past few years of uncertainty about the future ownership of the system, I believe we are successful at doing just that.

The Village's testimony focuses on BHIT's on-time performance (OTP), comparing it unfavorably to the Washington State Ferry System and the New York City Ferry System. These apples-to-oranges comparisons reflect a fundamental misunderstanding of the nature of OTP metrics and challenges. OTP is impacted by factors both within and outside of a ferry system's control. A ferry system can improve OTP by building efficiencies to the variables within its control and mitigating impacts of variables outside the control.

A critical part of understanding OTP is understanding the metrics used to measure it. For example, while the Village notes that the Washington ferry system had an OTP of 89.8% in 2020 and BHIT's was only 83.8%, Washington considers a ferry late when its scheduled departure time is delayed by *ten minutes* or more; in contrast, BHIT considers a departure late when the ferry leaves only *two minutes* behind schedule. Similarly, Washington schedules a minimum of 15 minutes for passenger offload and onload, whereas BHIT maintains only a 10-minute turnaround. Washington's 50% longer turnaround time gives it a substantially better ability to maintain schedule. Similar differences exist between BHIT and the New York City ferry system. A

comparison between either system and BHIT like Mr. Gardner made is just not meaningful and illustrates a fundamental lack of understanding of what we do and how we do it. .

In terms of the sale to SharpVue, the Village's expressed concern about SharpVue's ability to operate the ferry system also misunderstands the reality of the ferry operations. SharpVue will own and finance the system, but it has already committed to retaining those with specific training and experience to operate the system. I, among others, have committed to staying on in my current role after SharpVue's purchase in order to ensure continuity of quality operations. Based upon my conversations with Mr. Roberts, SharpVue has a clear understanding of the critical value those with expertise in operating a ferry system bring to the table and is committed to the long-term health and well-being of the transportation system and the Bald Head Island community in general. It would be a shame if the ferry system that I am so proud of were to decline because of the absence of an engaged and interested owner, the failure to make capital investments when needed, and the departure of experienced and skilled personnel, and I believe that these are very real risks if this transaction is not approved and does not occur. I am more than confident that SharpVue is well-positioned to be an effective owner and partner in the safe and efficient operation of the transportation system, and for all of these reasons, respectfully request that it be approved.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Testimony Summary of Bion Stewart has been served by electronic mail, hand delivery, or by depositing a copy of same in the United States Mail, postage prepaid, properly addressed to parties and counsel of record as shown on the Commission's Service List in docket A-41, Sub 22, and has also been provided to Commission's Counsel and to the appropriate members of the NC Public Staff.

This 10th day of March, 2022.

/s/ M. Gray Styers, Jr.

M. Gray Styers, Jr.
Counsel for
Bald Head Island Transportation, Inc.
and Bald Head Island Limited, LLC