

INFORMATION SHEET

PRESIDING: Commissioner Brown-Bland, Presiding; and Commissioners Clodfelter, Duffley, Hughes, and McKissick

PLACE: Dobbs Building, Raleigh, NC

DATE: Wednesday, October 12, 2022

TIME: 9:30 a.m. – 12:31 p.m.

DOCKET NOS.: A-41, Sub 21

COMPANY: Bald Head Island Transportation, Inc.

DESCRIPTION: Complaint Hearing. Village of Bald Head Island, Complainant, versus Bald Head Island Transportation, Inc., and Bald Head Island Limited, LLC, Respondents

VOLUME NUMBER: 4

APPEARANCES

(See attached)

WITNESSES

(See attached)

EXHIBITS

(See attached)

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REPORTED BY: Joann Bunze

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PLACE: Dobbs Building, Raleigh, North Carolina  
DATE: Wednesday, October 12, 2022  
TIME: 9:31 a.m. - 12:31 p.m.  
DOCKET NO: A-41, Sub 21  
BEFORE: Commissioner ToNola D. Brown-Bland, Presiding  
Commissioner Daniel G. Clodfelter  
Commissioner Kimberly W. Duffley  
Commissioner Jeffrey A. Hughes  
Commissioner Floyd B. McKissick, Jr.

IN THE MATTER OF:  
  
Village of Bald Head Island,  
  
Complainant  
  
V.  
  
Bald Head Island Transportation, Inc.,  
and Bald Head Island Limited, LLC,  
  
Respondents

Volume 4

A P P E A R A N C E S:

VILLAGE OF BALD HEAD ISLAND:

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BALD HEAD ISLAND LIMITED, LLC:

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Raleigh, North Carolina 27608



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Fulton Exhibits 1 through 6.....140/-

Village Fulton Cross Examination .....161/-  
Exhibit Number 1

Village Fulton Cross Examination .....167/-  
Exhibit Number 2

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Village Fulton Cross Examination .....177/-  
Exhibit 4

EXHIBIT J TO DIRECT TESTIMONY  
OF J. LEONARD  
NCUC A-41, SUB 21**Summary of Parking and Regulatory Status of Ferry Systems  
Similar to the Bald Head Island Ferry<sup>1</sup>**

	Operator	State		Destination	Parking Provided By		Regulated Parking?
		/Prov.	Origin		Ferry Op.	3rd Pty.	
VF	Freedom Cruise Line	MA	Harwich	Nantucket	XX		No
	Steamship Authority	MA	Hyannis	Nantucket	XX		No
	Hy-Line	MA	Hyannis	Nantucket	XX	XX	No
	Seastreak	MA	New Bedford	Nantucket		XX	No
VF	Rhode Island Fast Ferry	RI-MA	Quonset Pt	Martha's Vineyard	XX		No
	Steamship Authority	MA	Woods Hole	Martha's Vineyard	XX		No
	Island Commuter Corp	MA	Falmouth	Martha's Vineyard	XX		No
	Seastreak	MA	New Bedford	Martha's Vineyard		XX	No
	Hy-Line	MA	Hyannis	Martha's Vineyard	XX	XX	No
Other parking Other ferries Road	Cuttyhunk Ferry Co.	MA	New Bedford	Cuttyhunk Is.	XX	XX	No
	Bay State	MA	Boston	Provincetown		XX	No
VF	Viking Fleet	NY-RI	Montauk, NY	Block Island	XX		No
	Interstate Navig. Co.	RI	Narragansett	Block Island		XX	No
	Block Island Express	CT-RI	New London	Block Island		XX	No
VF	Interstate Navig. Co.	RI	Newport	Block Island		XX	No
	Rhode Island Fast Ferry	RI	Quonset Pt	Block Island	XX		No
VF	A&R Marine	RI	Bristol RI	Prudence Island		XX	No
Multiple ferries	Sayville Ferry	NY	Sayville	Fire Island	XX	XX	No
	Fire Island Ferries	NY	Bay Shore	Fire Island	XX	XX	No
	Davis Park Ferry	NY	Patchogue	Fire Island		XX	No
Multiple ferries	Daufuskie Island ferry	SC	Hilton Head	Daufuskie Island	XX	XX	No
VF	Washington Is. Ferry	WI	Northpoint	Washington Is.	XX	XX	No

<sup>1</sup> In this list, I have included ferry operations serving island communities (like Bald Head Island) or communities with limited over-the-road access (like Key West) and have excluded ferry operations that simply act as short-cuts for highway routes (such as the Lake Champlain Ferries, or the Lake Express that runs across Lake Michigan between Wisconsin and Michigan). I have focused primarily on private systems because they are more relevant with respect to the regulatory issues. To augment my own knowledge of ferry systems around the country, I reviewed the membership list of the Passenger Vessel Association to ensure that I was being as complete as possible. Entries in the table are based on data available on ferry system websites, augmented by my prior knowledge and by my interviews of ferry operators and state transportation agency and utilities regulation officials.

EXHIBIT J TO DIRECT TESTIMONY  
OF J. LEONARD  
NCUC A-41, SUB 21

VF	Madeline Island Ferry	WI	Bayfield	Madeline Island	XX	XX	No
Competition, Airport, Local Regulation	Star Line	MI	Mackinaw	Mackinac Island	XX		No
	Shepler's	MI	Mackinaw	Mackinac Island	XX		No
	Star Line	MI	Ignace	Mackinac Island	XX		No
	Shepler's	MI	Ignace	Mackinac Island	XX		No
VF	Beaver Island Ferry	MI	Charlevoix MI	Beaver Island	XX		No
VF Competition	Miller Boat Co	OH	Catawba	Put-in-Bay	XX		No
	Jet Express	OH	Port Clinton	Put-in-Bay	XX		No
Road; Air	Key West Express	FL	Ft. Myers	Key West	XX		No
	Catalina Express	CA	Long Beach	Catalina Island		XX	No
	Catalina Express	CA	San Pedro	Catalina Island		XX	No
	Catalina Express	CA	Dana Point	Catalina Island		XX	No
	Catalina Flyer	CA	Newport Beach	Catalina Island		XX	No
VF	WA State Ferry	WA	Anacortes	San Juan Islands		XX	No
VF; Road	WA State Ferry	WA	Bainbridge Is.	Seattle		XX	No
	Black Ball Line	WA-BC	Pt. Angeles	Victoria BC		XX	No
	Victoria Clipper	WA-BC	Seattle	Victoria BC		XX	No
	BC Ferries	BC	Tsawwassen	Gulf & Van. Isls.		XX	No
	BC Ferries	BC	Horseshoe Bay	Gulf & Van. Isls.		XX	No

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Sep 09 2022  
Oct 25 2022



No. 448

## Regular Season Franchise

**FRANCHISE****THE CITY OF MACKINAC ISLAND ORDAINS:**

Section 1. A nonexclusive ferryboat franchise authorizing the Franchisee to operate a public ferryboat service to and from Mackinac Island during the Regular Ferry Boat Season is hereby granted to SHEPLER'S, INC., d/b/a SHEPLER'S (hereinafter referred to as **MACKINAC ISLAND FERRY SERVICE** "Franchisee") by the City of Mackinac Island ("City") upon acceptance by the Franchisee of the terms and conditions stated herein.

Section 2. The term of this franchise shall be from April 1, 2010 to March 31, 2011.

Section 3. The Franchisee shall operate in accordance with its schedule of services on file with the Council, although it may deviate from that schedule for up to four (4) days at a time without notice to the Council to meet short term operational necessities. The Franchisee shall file a schedule of services with the Council annually and whenever a change is made which will last for more than four (4) days. However, nothing herein shall be interpreted as limiting the Franchisee from offering ferryboat services in addition to the services contained in its filed schedule of services.

Section 4. The Clerk is directed to issue a certificate evidencing the existence of this franchise, which certificate must be publicly displayed on all of the Franchisee's ferryboats providing ferryboat service.

Section 5. During the term of this franchise, the Franchisee agrees to pay to the City of Mackinac Island in consideration of the granting of this franchise, a monthly franchise fee in the amount of 2-½% of the gross receipts from providing a ferryboat service to and from

Mackinac Island less those revenues attributable to the transportation of freight, and to parking and other income not directly related to the operation of a ferryboat service (hereinafter "franchise fee"). This franchise fee shall be due and payable on the last day of each month in which any ferryboat service is performed, except as provided in Section 6.

Section 6. The franchise fee shall be paid monthly during the existence of the franchise on or before the 15<sup>th</sup> day of the month following the month for which the franchise fee is due except that franchise fees accrued from January through June of each year shall not be due until July 15. The franchise fee is to be paid at the Treasurer's Office of the City of Mackinac Island during regular business hours. If the City of Treasurer's Office is closed on the 15<sup>th</sup> day of the month, then payment may be made during regular business hours on the next following day on which the office is open for business.

Section 7. At the time of each payment of the monthly franchise fee, a statement setting forth in detail the computation of the franchise fee, including the gross receipts for the period for which payment is made and certified under oath by the Franchisee or an officer thereof, shall be filed with the City of Mackinac Island auditor.

Section 8. The City shall have the right to have its auditor inspect during regular business hours upon reasonable notice the records of the Franchisee from which its franchise fee payments are computed, and the City shall have the right of audit and recomputation of any and all franchise fees paid. No acceptance of payment shall be construed as a release or as an accord and satisfaction of any claim the City may have for further or additional sums payable as a franchise fee under this franchise or for the performance of any other obligation hereunder.

Section 9. This franchise may not be sold, transferred or assigned unless such transaction is first approved by the Council after receipt of a written application therefor, containing the same information as to the transferee as would be required of an original applicant.

Section 10. This franchise is subject to all applicable provisions of the Charter of the City of Mackinac Island and ordinances thereof, particularly Ordinance No. 244, being the Ferry Boat Code, as well as the laws and Constitution of the State of Michigan, and shall, whenever possible, be construed as consistent with them.

Section 11. The franchisee shall comply with the agreements made by it in its Application for this franchise.

Section 12. This franchisee shall not be given any value by any court or other authority, public or private, in any proceeding of any nature or character whatsoever, wherein or whereby the City of Mackinac Island shall be a party or affected therein or thereby.

Section 13. Should any section, clause or provision of this franchise be declared to be invalid by a court of record, the same shall not affect the validity of the franchise as a whole or any part thereof, other than the part so declared invalid.

Section 14. This franchise shall be of no effect unless and until the Franchisee accepts the franchise and agrees to abide by all terms and conditions thereof.

Section 15. This franchise shall become a binding and enforceable contract, upon the signing of both parties. The Mayor of the City of Mackinac Island is hereby authorized and directed to sign this franchise on behalf of the City.



04/29/2010 11:58 FAX

002

Approved and adopted as Ordinance No. 448, at the  
regular City Council meeting held April 20, 2010.

Karen S. Lennard  
City Clerk  
Karen S. Lennard

This franchise agreement entered into by the aforesaid parties this 20th day of April  
2010.

Margaret M. Doud  
By: Margaret M. Doud  
Title: Mayor, City of Mackinac Island

Witnesses:

[Signature]  
[Signature]

THE FRANCHISEE HEREBY ACCEPTS THIS FRANCHISE AND EXPRESSLY AGREES  
TO ABIDE BY ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

By: [Signature]  
Title: [Signature]

Witnesses:

[Signature]  
[Signature]

## Prudence & Bay Islands Transport

 [prudencebayislandstransport.com/rates](http://prudencebayislandstransport.com/rates)

Please note the rates listed do not include the Emergency Fuel Surcharge which changes on a monthly basis. See below the tables for the current surcharge.

### Passengers One-Way Round-Trip

Adult	\$ 5.40	\$ 10.80
Child	\$ 1.90	\$ 3.80
Infant	Free	Free

### Standard Size Vehicle \*Rate includes Driver\*

#### One-Way Round-Trip

Vehicle under 1 ton and 18 ft or under	\$ 31.00	\$ 62.00
Vehicle under 1 ton and 19 ft	\$ 34.65	\$ 65.65
Vehicle under 1 ton and 20 ft	\$ 38.30	\$ 69.30

When measuring the length of your vehicle be sure to include any bike racks or cargo haulers in the total length.

Miscellaneous vehicles and items*	One-Way	Round-Trip
Bicycle	\$ 1.10	\$ 2.20
4 Wheel cart or carriage	\$ 1.20	\$ 2.40

Miscellaneous vehicles and items*	One-Way	Round-Trip
<b>Motorcycle</b>	\$ 7.50	\$ 15.00
Includes Driver		
<b>Golf Cart</b>	\$ 15.50	\$ 31.00
Includes Driver		
<b>Ride-on Mower</b>	\$ 5.80	\$ 11.60
No driver included		
<b>Appliances*</b>	\$ 5.80	\$ 11.60

\*To arrange large items such as refrigerators, furniture, small lumber orders, etc. to be delivered to the ferry, please call the office prior to delivery.

**For Trailers and vehicles larger than 20 ft or 1 ton, please call the office to make a reservation. 401.683.0430**

We recommend making all commercial/oversize vehicle reservations a minimum of 2 weeks in advance, as deck space is limited and these reservations are tide dependent.

### Commercial and Oversize Vehicles

\*Rate includes driver\*

	One-Way	Round-Trip
<b>1+ ton</b>	\$ 43.00	\$ 86.00
<b>2 to 3 tons</b>	\$ 68.00	\$ 136.00
<b>4 to 5 tons</b>	\$ 75.00	\$ 150.00

**Commercial and Oversize Vehicles****\*Rate includes driver\*****One-Way   Round-Trip**

5 to 10 tons	\$ 124.00	\$ 248.00
10 to 20 tons	\$ 155.00	\$ 310.00
20 to 30 tons	\$ 248.00	\$ 496.00

**Utility Trailers                      One-Way   Round-Trip**

up to 10 ft	\$ 31.00	\$ 62.00
10 to 20 ft	\$ 37.00	\$ 74.00
Over 20 ft	\$ 50.00	\$ 100.00

**Boat Trailers (empty)   One-Way   Round-Trip**

up to 10 ft	\$ 31.00	\$ 62.00
10 to 20 ft	\$ 37.00	\$ 74.00
Over 20 ft	\$ 50.00	\$ 100.00

**Boat & Boat Trailer                      One-Way   Round-Trip**

up to 10 ft	\$ 37.00	\$ 74.00
10 to 20 ft	\$ 50.00	\$ 100.00
Over 20 ft	\$ 75.00	\$ 150.00

**Construction/Equipment Trailers will be charged by the GVW of the trailer**

## **Notice of Emergency Fuel Surcharge**

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Pursuant to Division of Public Utilities and Carriers Order No. 16701, A&R Marine Corp. is hereby authorized to charge an Emergency Fuel Surcharge for the period of **October 1, 2022 through October 31, 2022** in the following manner:

**\$0.25 per passenger per one-way trip (\$0.50/ round-trip)**

**\$1.60 per vehicle per one-way trip (\$3.20/ round-trip)**

**PLEASE NOTE:** Our on-board Rules and Policies as well as our Terms and Conditions.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

VILLAGE OF BALD HEAD ISLAND,	)	
Complainant,	)	
v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT A**

**September 8, 2022**





**James Leonard, Founding Partner, Mercator International LLC**

## EDUCATION

BS Mechanical Engineering, University of California at Berkeley, 1983

MS Management, The Sloan School, Massachusetts Institute of Technology, 1991

MS Department of Mechanical Engineering, Massachusetts Institute of Technology, 1991

## EXPERIENCE SUMMARY

Mr. Leonard is an experienced executive and consultant with over 40 years in the transportation and infrastructure field, with well-developed expertise in shipping economics and port strategy and the financial and operational analysis of a wide variety of transportation activities. His experience includes the design and evaluation of passenger and freight transportation networks and marine terminals, development of operational and financial models for transportation infrastructure projects, evaluation and forecasting of cargo markets, development of productivity and profitability improvement strategies for carriers and terminal operators, and the design and construction of cargo ships.

## INDUSTRY EMPLOYMENT HISTORY

### **Mercator International LLC, Founding Partner, 2009-Present, Seattle, WA**

Provides strategic planning and advisory services, including financial and operational analysis, market forecasting, and competitive analysis, to clients involved in operating, financing, or purchasing international freight transportation services, as well as to companies and government agencies developing, financing, and/or operating transportation and logistics infrastructure.

### **Macquarie Capital Funds Inc., Vice President and Port Sector Specialist, 2006-2008, Seattle, WA**

Directed a team of maritime professionals responsible for identifying, evaluating, executing, and managing investment transactions in the global port sector for twenty separate infrastructure investment funds. Participated in the valuation of, and business plan construction for, thirty prospective acquisitions of major marine terminal companies, and in the completion and management of seven transactions involving twelve marine terminals in North America, Asia, and Europe, including two greenfield projects.

### **Mercator Transport Group, LLC., Founding Partner, 2000-2005, Seattle, WA**

Consulted in the areas of operations planning, market research, financial analysis, and business strategy for stakeholders in the international transportation industry. Clients included port authorities, ocean carriers, port terminal operators, financial institutions, cargo shippers and government agencies.

### **Sea-Land Service 1991-1999**

**Director of Network Planning** Designed the Sea-Land transportation network to deliver optimal service at minimum cost. Managed financial and operational evaluations for decisions related to the operation and investment in ships and terminals.

**Director of Development – Brazil/Latin America**

Managed local activities as a senior manager in-country. Responsible for daily operations, planning, problem resolution and partner relations. Identified and developed infrastructure investment projects in Brazil. Directed financial analysis and planning for operations throughout Latin America and the Caribbean.

**Manager of Operations Planning**

Applied process modeling and simulation to improve service and lower costs at Sea-Land container terminals.

**American President Lines, Manager of Naval Architecture, 1985-1989**

Managed and performed engineering design, planning, and supervision activities, including for a \$250 million capital project building the world's first post-Panamax container vessels.

**Petrochem Marine Consultants, Naval Architect and Marine Engineer, 1981-1985**

Provided engineering services to ship owners and operators.

**REPRESENTATIVE PROJECTS**

**Network Planning and Transshipment Forecasting (Panama Canal Authority)** - Evaluated carrier networks and costs to forecast how service patterns would evolve as a result of the expanded Panama Canal, which fed into a forecast of regional transshipment volumes and the demand for additional terminal capacity in Panama.

**Strategic Market/Facility Planning (Port of Long Beach)** - Conducted a detailed study of liner shipping service patterns and economics for the Asia-North America trade to project the future frequencies and average vessel sizes of deployments calling at the ports of Los Angeles and Long Beach. Applied the outputs of this work to assist the client in reassessing its strategic plans for marine terminal development to reflect the operational impacts of very large container ships in Transpacific services. Similar projects were subsequently undertaken for other port authorities, as well as port infrastructure investors and marine terminal operators.

**Cargo Volume and Vessel Call Forecast (State of Victoria, Australia)** - In connection with the State of Victoria's initiative to grant a long-term concession for the management of the Port of Melbourne, Mercator developed long-term cargo forecasts as well as a long-term forecast of the number and size of container ships that would call at the Port of Melbourne. The Mercator forecasts were made available to bidders to assist them in understanding future traffic volumes through the port and the effect of infrastructure limitations on the number and size of ships calling.

**Feasibility Study of a Port/Rail Landbridge System (Government Client)** - Evaluated the commercial, operational, and financial feasibility of combined port and rail investments to create a freight landbridge system between the Mediterranean Sea and the Red Sea. Evaluated cargo flows, estimated the market that could be addressed by the new system, and developed cost, revenue, profitability, and investment return projections for the project.

**Development of an Intra-Island Ferry System for the Hawaiian Islands** – Market research, commercial and operational planning for the Hawaii Superferry system to support the development and financing of the new transportation system by private investors.





**Busan Port Commercial Due Diligence (Macquarie Shinhan Infrastructure Company)** - Analysis of greenfield South Korean container terminal on behalf of a leading fund management company seeking to invest in the project. Developed long-term forecasts of the new terminal's import/export volumes, transshipment traffic, and likely customer base.

**Vendor's Due Diligence Analysis – Bald Head Island Ferry/Tram, Bald Head Island Freight Barge and Deep Point Marina parking** - Commercial and operational analysis of the Bald Head Island passenger ferry and related on-island tram system. Evaluated condition of assets and expected replacement costs. Analyzed the parking operation at the Deep Point marina, as well as the freight barge system that serves the Bald Head Island. Developed a long-range forecasts for demand of ferry and tram services, parking and barge transportation and valuation estimates for the businesses as going-concerns.

**Feasibility Consultant – Bald Had Island Transportation Authority (BHITA)** – Forecasted demand for the various Bald Head Island operations that were to be acquired by the BHITA, and developed cash flow forecast model to evaluate the feasibility of bond repayment by the BHITA.

**Forecast of Ship Sizes that Would Call the Port of New York and New Jersey and Assessment of Benefits of Raising or Replacing the Bayonne Bridge (Port Authority of New York and New Jersey)** - Analyzed the world container fleet and the services deployed in the Asia-US East Coast trade lane. Assessed future ship designs and deployment patterns and prepared a forecast of the number and size of ships that would call the Port of New York and New Jersey with and without a change to the Bayonne Bridge. Based on this assessment of ship sizes and the associated shipping economics, assessed the benefits to ocean shipping (from the perspective of ocean carriers and users of shipping services) of eliminating the constraint to ship sizes imposed by the Bayonne Bridge.

**Strategic and Competitive Review of US West Coast Container Terminals (Confidential Client)** - Assessed the demand for container port facilities and the relative competitiveness of terminals in each of the three main port regions of the US West Coast, assisting a terminal operator / investor to develop its long-term strategy for the region.

**Expert Witness in Shipping and Port Sector Disputes** - Testimony and written reports in respect to multiple US and international disputes relating to international shipping and the development and operation of cargo and passenger facilities at seaports. Expert testimony provided in proceedings before the International Center for the Settlement of Investment Disputes (ICSID), the World Bank, ICC International Court of Arbitration; The US Federal Maritime Commission, United States District Court for Southern District of Florida, and The Impact Assessment Agency of Canada (IAAC).

**Registered Professional Engineer, State of California, 1986**



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

VILLAGE OF BALD HEAD ISLAND,	)	
Complainant,	)	
v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**CONFIDENTIAL**

**EXHIBIT B**

**September 8, 2022**



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

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VILLAGE OF BALD HEAD ISLAND,	)	
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v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**CONFIDENTIAL**

**EXHIBIT C**

**September 8, 2022**



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

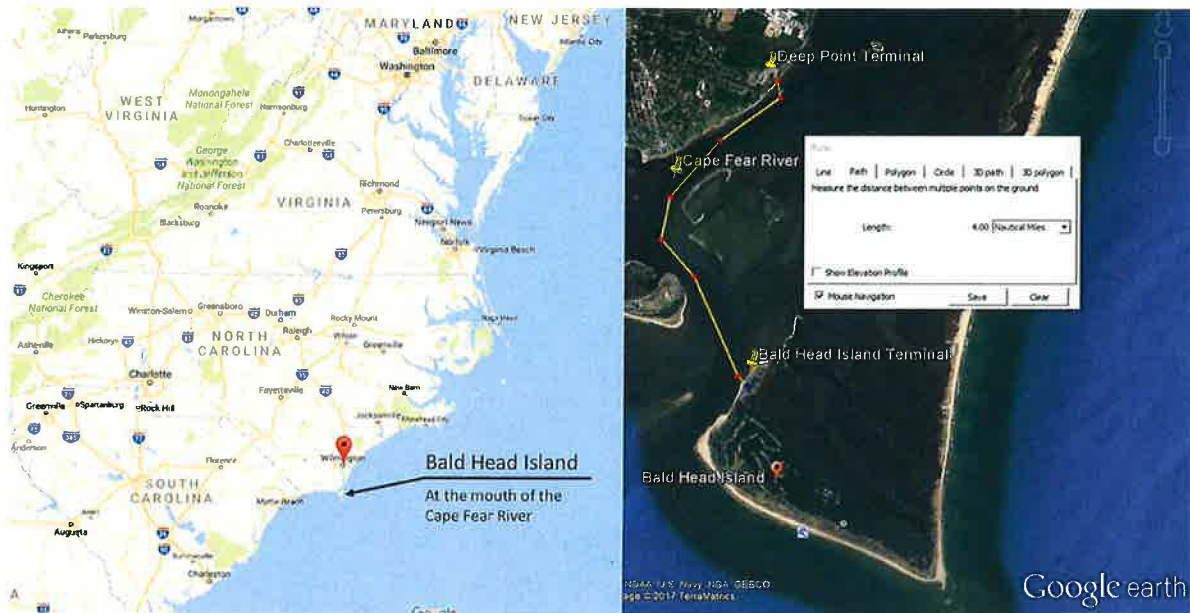
VILLAGE OF BALD HEAD ISLAND,	)	
Complainant,	)	
v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT D**

**September 8, 2022**

**EXHIBIT D  
TO J. LEONARD'S DIRECT TESTIMONY  
A-41, SUB 21**







**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

VILLAGE OF BALD HEAD ISLAND,	)	
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	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT E**

**September 8, 2022**

I/A

**EXHIBIT E  
TO J. LEONARD'S DIRECT TESTIMONY  
A-41, SUB 21**



**OFFICIAL COPY**

**Sept 25 2022**



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

VILLAGE OF BALD HEAD ISLAND,	)	
Complainant,	)	
v.	)	
	)	
BALD HEAD ISLAND	)	
TRANSPORTATION, INC. and	)	
BALD HEAD ISLAND LIMITED,	)	
LLC,	)	
Respondents.	)	

**DIRECT TESTIMONY OF  
JAMES LEONARD**

**CONFIDENTIAL  
EXHIBIT F**

**September 8, 2022**



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. A-41, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

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**DIRECT TESTIMONY OF  
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**CONFIDENTIAL  
EXHIBIT G**

**September 8, 2022**





**STATE OF NORTH CAROLINA  
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**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT H**

**September 8, 2022**

**EXHIBIT H  
TO J. LEONARD'S DIRECT  
TESTIMONY  
A-41, SUB 21**





**STATE OF NORTH CAROLINA  
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**DIRECT TESTIMONY OF  
JAMES LEONARD**

**CONFIDENTIAL**

**EXHIBIT I**

**September 8, 2022**



**STATE OF NORTH CAROLINA  
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**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT J**

**September 8, 2022**



**Summary of Parking and Regulatory Status of Ferry Systems  
Similar to the Bald Head Island Ferry<sup>1</sup>**

Operator	State /Prov.	Origin	Destination	Parking Provided By		Regulated
				Ferry Op.	3rd Pty.	Parking?
Freedom Cruise Line	MA	Harwich	Nantucket	XX		No
Steamship Authority	MA	Hyannis	Nantucket	XX		No
Hy-Line	MA	Hyannis	Nantucket	XX	XX	No
Seastreak	MA	New Bedford	Nantucket		XX	No
Rhode Island Fast Ferry	RI-MA	Quonset Pt	Martha's Vineyard	XX		No
Steamship Authority	MA	Woods Hole	Martha's Vineyard	XX		No
Island Commuter Corp	MA	Falmouth	Martha's Vineyard	XX		No
Seastreak	MA	New Bedford	Martha's Vineyard		XX	No
Hy-Line	MA	Hyannis	Martha's Vineyard	XX	XX	No
Cuttyhunk Ferry Co.	MA	New Bedford	Cuttyhunk Is.	XX	XX	No
Bay State	MA	Boston	Provincetown		XX	No
Viking Fleet	NY-RI	Montauk, NY	Block Island	XX		No
Interstate Navig. Co.	RI	Narragansett	Block Island		XX	No
Block Island Express	CT-RI	New London	Block Island		XX	No
Interstate Navig. Co.	RI	Newport	Block Island		XX	No
Rhode Island Fast Ferry	RI	Quonset Pt	Block Island	XX		No
A&R Marine	RI	Bristol RI	Prudence Island		XX	No
Sayville Ferry	NY	Sayville	Fire Island	XX	XX	No
Fire Island Ferries	NY	Bay Shore	Fire Island	XX	XX	No
Davis Park Ferry	NY	Patchogue	Fire Island		XX	No
Daufuskie Island ferry	SC	Hilton Head	Daufuskie Island	XX	XX	No
Washington Is. Ferry	WI	Northpoint	Washington Is.	XX	XX	No

<sup>1</sup> In this list, I have included ferry operations serving island communities (like Bald Head Island) or communities with limited over-the-road access (like Key West) and have excluded ferry operations that simply act as short-cuts for highway routes (such as the Lake Champlain Ferries, or the Lake Express that runs across Lake Michigan between Wisconsin and Michigan). I have focused primarily on private systems because they are more relevant with respect to the regulatory issues. To augment my own knowledge of ferry systems around the country, I reviewed the membership list of the Passenger Vessel Association to ensure that I was being as complete as possible. Entries in the table are based on data available on ferry system websites, augmented by my prior knowledge and by my interviews of ferry operators and state transportation agency and utilities regulation officials.

EXHIBIT J TO DIRECT TESTIMONY  
OF J. LEONARD  
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Madeline Island Ferry	WI	Bayfield	Madeline Island	XX	XX	No
Star Line	MI	Mackinaw	Mackinac Island	XX		No
Shepler's	MI	Mackinaw	Mackinac Island	XX		No
Star Line	MI	Ignace	Mackinac Island	XX		No
Shepler's	MI	Ignace	Mackinac Island	XX		No
Beaver Island Ferry	MI	Charlevoix MI	Beaver Island	XX		No
Miller Boat Co	OH	Catawba	Put-in-Bay	XX		No
Jet Express	OH	Port Clinton	Put-in-Bay	XX		No
Key West Express	FL	Ft. Myers	Key West	XX		No
Catalina Express	CA	Long Beach	Catalina Island		XX	No
Catalina Express	CA	San Pedro	Catalina Island		XX	No
Catalina Express	CA	Dana Point	Catalina Island		XX	No
Catalina Flyer	CA	Newport Beach	Catalina Island		XX	No
WA State Ferry	WA	Anacortes	San Juan Islands		XX	No
WA State Ferry	WA	Bainbridge Is.	Seattle		XX	No
Black Ball Line	WA-BC	Pt. Angeles	Victoria BC		XX	No
Victoria Clipper	WA-BC	Seattle	Victoria BC		XX	No
BC Ferries	BC	Tsawwassen	Gulf & Van. Isls.		XX	No
BC Ferries	BC	Horseshoe Bay	Gulf & Van. Isls.		XX	No

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**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT K**

**September 8, 2022**

## History of Parking Rates for Bald Head Island terminal at Deep Point

Data provided by Bald Head Island Limited.

Date	CPI	General Daily Parking - Summer Seasonal				General Daily Parking - Winter Seasonal				Contractor Daily Parking				90 Use Daily Exit Pass			
	Annual Growth	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual
7/1/2008	5.6%																
(a) 7/1/2009	(2.1%)	\$10.00				\$8.00				\$5.00							
7/1/2010	1.2%	\$10.00	0.0%	\$10.12	\$0.12	\$8.00	0.0%	\$8.10	\$0.10	\$5.00	0.0%	\$5.06	\$0.06				
7/1/2011	3.6%	\$10.00	0.0%	\$10.49	\$0.49	\$8.00	0.0%	\$8.39	\$0.39	\$5.00	0.0%	\$5.25	\$0.25				
7/1/2012	1.4%	\$10.00	0.0%	\$10.64	\$0.64	\$8.00	0.0%	\$8.51	\$0.51	\$7.50	50.0%	\$5.32	(\$2.18)				
7/1/2013	2.0%	\$10.00	0.0%	\$10.85	\$0.85	\$8.00	0.0%	\$8.68	\$0.68	\$7.50	0.0%	\$5.42	(\$2.08)				
7/1/2014	2.0%	\$10.00	0.0%	\$11.06	\$1.06	\$8.00	0.0%	\$8.85	\$0.85	\$7.50	0.0%	\$5.53	(\$1.97)				
7/1/2015	0.2%	\$10.00	0.0%	\$11.08	\$1.08	\$8.00	0.0%	\$8.87	\$0.87	\$7.50	0.0%	\$5.54	(\$1.96)				
7/1/2016	0.8%	\$10.00	0.0%	\$11.17	\$1.17	\$8.00	0.0%	\$8.94	\$0.94	\$7.50	0.0%	\$5.59	(\$1.91)				
7/1/2017	1.7%	\$10.00	0.0%	\$11.37	\$1.37	\$8.00	0.0%	\$9.09	\$1.09	\$7.50	0.0%	\$5.68	(\$1.82)				
7/1/2018	2.9%	\$10.00	0.0%	\$11.70	\$1.70	\$8.00	0.0%	\$9.36	\$1.36	\$7.50	0.0%	\$5.85	(\$1.65)				
7/1/2019	1.8%	\$11.00	10.0%	\$11.91	\$0.91	\$9.00	12.5%	\$9.53	\$0.53	\$8.50	13.3%	\$5.96	(\$2.54)	\$5.00			
7/1/2020	1.0%	\$11.00	0.0%	\$12.03	\$1.03	\$9.00	0.0%	\$9.63	\$0.63	\$9.00	5.9%	\$6.02	(\$2.98)	\$5.00	0.0%	\$5.05	\$0.05
(b) 7/1/2021	4.8%	\$12.00	9.1%	\$12.61	\$0.61	n/a	n/a	n/a	n/a	\$10.00	11.1%	\$6.30	(\$3.70)	\$6.00	20.0%	\$5.29	(\$0.71)
(b) 7/1/2022	6.1%	\$12.00	0.0%	\$13.38	\$1.38	n/a	n/a	n/a	n/a	\$10.00	0.0%	\$6.69	(\$3.31)	\$6.00	0.0%	\$5.61	(\$0.39)
	CAGR	1.4%		2.3%	(0.9%)	1.1%		1.7%	(0.6%)	5.5%		2.3%	3.2%	4.7%		3.9%	0.7%

Date	CPI	Premium Annual Parking				Employee Annual Parking				Contractor Annual Parking				General Annual Parking			
	Annual Growth	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual	Actual Rate	% Increase	Hypothetical Rate (Inflation Adjusted)	Diff. vs. Actual
7/1/2008	5.6%																
(a) 7/1/2009	(2.1%)	\$1,200				\$500				\$500				\$1,000			
7/1/2010	1.2%	\$1,200	0.0%	\$1,215	\$15	\$500	0.0%	\$506	\$6	\$500	0.0%	\$506	\$6	\$1,000	0.0%	\$1,012	\$12
7/1/2011	3.6%	\$1,200	0.0%	\$1,259	\$59	\$500	0.0%	\$525	\$25	\$500	0.0%	\$525	\$25	\$1,000	0.0%	\$1,049	\$49
7/1/2012	1.4%	\$1,200	0.0%	\$1,277	\$77	\$525	5.0%	\$532	\$7	\$525	5.0%	\$532	\$7	\$1,000	0.0%	\$1,064	\$64
7/1/2013	2.0%	\$1,200	0.0%	\$1,302	\$102	\$525	0.0%	\$542	\$17	\$525	0.0%	\$542	\$17	\$1,000	0.0%	\$1,085	\$85
7/1/2014	2.0%	\$1,200	0.0%	\$1,328	\$128	\$525	0.0%	\$553	\$28	\$525	0.0%	\$553	\$28	\$1,000	0.0%	\$1,106	\$106
7/1/2015	0.2%	\$1,200	0.0%	\$1,330	\$130	\$525	0.0%	\$554	\$29	\$525	0.0%	\$554	\$29	\$1,000	0.0%	\$1,108	\$108
7/1/2016	0.8%	\$1,200	0.0%	\$1,341	\$141	\$525	0.0%	\$559	\$34	\$525	0.0%	\$559	\$34	\$1,000	0.0%	\$1,117	\$117
7/1/2017	1.7%	\$1,200	0.0%	\$1,364	\$164	\$525	0.0%	\$568	\$43	\$525	0.0%	\$568	\$43	\$1,000	0.0%	\$1,137	\$137
7/1/2018	2.9%	\$1,200	0.0%	\$1,404	\$204	\$525	0.0%	\$585	\$60	\$575	9.5%	\$585	\$10	\$1,000	0.0%	\$1,170	\$170
7/1/2019	1.8%	\$1,200	0.0%	\$1,430	\$230	\$525	0.0%	\$596	\$71	\$575	0.0%	\$596	\$21	\$1,000	0.0%	\$1,191	\$191
7/1/2020	1.0%	\$1,200	0.0%	\$1,444	\$244	\$600	14.3%	\$602	\$2	\$575	0.0%	\$602	\$27	\$1,000	0.0%	\$1,203	\$203
(b) 7/1/2021	4.8%	\$1,200	0.0%	\$1,513	\$313	\$600	0.0%	\$630	\$30	\$700	21.7%	\$630	(\$70)	\$1,000	0.0%	\$1,261	\$261
(b) 7/1/2022	6.1%	\$1,350	12.5%	\$1,605	\$255	\$650	8.3%	\$669	\$19	\$700	0.0%	\$669	(\$31)	\$1,100	10.0%	\$1,338	\$238
	CAGR	0.9%		2.3%	(1.4%)	2.0%		2.3%	(0.2%)	2.6%		2.3%	0.4%	0.7%		2.3%	(1.5%)

(a) Operations moved from Indigo Plantation Terminal to Deep Point Terminal in June 2009.

(b) CPI figures based on Minneapolis Federal Reserve Estimates as at 3.28.22.

(c) Data analysis is as at July 31st of each year, excepting Contactor Seasonal Rates (calculated based on rates as of December 31st of each year) which was discontinued in 2021.

(d) Effective October 2021, General Daily Rates were no longer seasonally adjusted as many island based seasonal employers-contractors moved to utilizing 90 Day Exit Use Pass.



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**DIRECT TESTIMONY OF  
JAMES LEONARD**

**EXHIBIT L**

**September 8, 2022**

DEEP POINT PARKING RATES				
Class	Premium	General (a)	Contractor	Employee
Annual Pass	\$1,350.00	\$1,200.00	\$700.00	\$650.00
General Daily	n/a	\$12.00	n/a	n/a
Contractor Daily	n/a	n/a	\$10.00	n/a
QR Exit Pass Coupon	n/a	n/a	\$6.00	\$6.00

(a) First 2-hours free.

EXHIBIT L  
TO J. LEONARD'S DIRECT TESTIMONY  
A-41, SUB 21

BHIL/IT 000719



## Proposed Organizational Structure

