



Harsen's Island St. Clair Flats Association

Post Office Box 51 • Harsen's Island, MI. 48028

The Michigan Public Service Commission
Motor Carrier Division
PO Box 30221
Lansing, Michigan 48911

Ref: docket Case No. U-01863

The Harsens Island St. Clair Flats Association (HISCFA) is a 501 (c) 4 Community Support organization consisting of over 820 members and their families with residences on Harsens Island, Clay Township, St. Clair County, Michigan 48028. Our membership represents a cross section of the citizens in the southern portion of Clay Township, all of who depend on the Champion Ferry (Champion) for transportation to and from the mainland portion of the Township. Continued rate increases of the type currently being requested by Champion place an ever- increasing selective financial burden on a rapidly declining user base. The MPSC must examine all available avenues (including subsidies) to provide fair and equitable relief to both the applicant and the stakeholders who underwrite the success of Champion's business venture. The continuing loss of volume must be reversed rather than exacerbated.

Adverse economic conditions throughout Michigan and the USA in general have contributed greatly to the loss of Champion's traffic volume. High fuel prices, foreclosures, and loss of jobs have greatly reduced the discretionary spending of recreational visitors as well as the volume of daily commuters to and from Harsens Island. In 2008, the MPSC approved what began as a request for a fuel surcharge as a permanent rate increase, citing the inflexibility of the paper tickets used by Champion as an insurmountable hurdle to establishing a surcharge request. Surely a more creative solution could have been identified. In retrospect, the fuel cost went down subsequent to that decision and Champion was allowed to accrue the benefits. Unfortunately, that financial stimulus provided only limited visible improvement in Champion's infrastructure. Now, in 2011, we find ourselves confronted with another large increase, based in large part on the same theme that has become so familiar. It is clear that rate increases such as the one currently under consideration may provide temporary relief of the symptoms but do nothing to treat the disease. Absent creative and sustained

intervention, this trend of volume erosion will continue to spiral downward and lead to a collapse of our only transportation option for this part of the Township. Incentives to increase volumes must be found at all levels, from the MPSC down to the individual stakeholders in Clay Township.

IHISCFA urges the MPSC to “think outside of the box” when considering this rate increase and to postpone any decision at this time. We request that MPSC extend its deliberations for six months to allow time for alternative solutions, such as spreading the increase out over two years or the use of a subsidy of some sort to be fully evaluated and discussed.

On behalf of the Board of Directors,

Sincerely,

Charles N. Miller
President