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January 10, 2005

Eleanor Lough, Clerk
Division of Public Utilities and Carriers
Motor Carriers Division
89 Jefferson Boulevard
Warwick, RI 02888

Re: Interstate Navigation Company
Application for Water Carrier Certificates of Public Convenience and Necessity
Docket 04-MC-174

Dear Eleanor:

As you know, this office represents Interstate Navigation Company d/b/a the Block Island Ferry (Interstate). Enclosed for filing are an original and nine copies of the direct testimony of Dr. Timothy Tyrell in support of Interstate's requests for authority to operate a fast ferry water vessel passenger and freight carrier between (1) Point Judith and Old Harbor, and (2) between Newport and Old Harbor, Block Island.

Please note that I have sent a copy of this additional supporting testimony to the Towns of New Shoreham and Narragansett and to the City of Newport and their legal counsel. I have also sent a copy to Hagopian & Hagopian, counsel for Island Hi-Speed Ferry.

If you need any further information, please feel free to call.

Very truly yours,


Michael R. McElroy

MRMc:tmg / In19:CPCN-Clerk2

cc: Susan E. Linda
Walter E. Edge, Jr.
Packer & O'Keefe
Hagopian & Hagopian
Mark McSally, Esq.
Block Island Town Clerk
Narragansett Town Clerk
Newport City Clerk
Newport City Solicitor
John Spirito, Esq.

DIRECT TESTIMONY of
TIMOTHY TYRELL
INTERSTATE NAVIGATION COMPANY
d/b/a The Block Island Ferry

Regarding Application for
Water Carrier Certificates of Public Convenience and Necessity
To Operate a Fast Ferry (1) between Point Judith and Block Island (Old Harbor), and
(2) between Newport and Block Island (Old Harbor)

For
INTERSTATE NAVIGATION COMPANY
DOCKET No. 04-MC-174

December 2004

1 **Q. Please identify yourself for the record.**

2 A. My name is Dr. Timothy Tyrell. I am a Professor in the Department of Environmental
3 and Natural Resource Economics at the University of Rhode Island.

4
5 **Q. Could you briefly state your qualifications?**

6 A. I have been employed by the University of Rhode Island since 1978. I have been
7 studying the tourism industry in Rhode Island since 1980. My resume is attached hereto
8 as Exhibit A and incorporated by reference herein.

9
10 **Q. Have you ever been qualified as an expert on tourism at the Division of Public
11 Utilities and Carriers?**

12 A. Yes. I was qualified as an expert on tourism at the Rhode Island Division of Public
13 Utilities and Carriers hearings dealing with Island Hi-Speed Ferry, Docket No. 98-MC-
14 16.

15
16 **Q. Are you being compensated for this testimony or the work that you did for
17 Interstate Navigation Company?**

18 A. No, I am providing this as a public service.

19
20 **Q. Did you help Interstate Navigation Company design a passenger survey?**

21 A. Yes. During the summer of 2004, I helped design a passenger survey for Interstate
22 Navigation Company to determine the interest of Interstate Navigation Company's
23 current passengers in having a high speed ferry alternative from the same company.

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Q. How was the questionnaire written?

A. The questionnaire was written according to best current practices in order to obtain an unbiased estimate of the percentage of Interstate Navigation Company's ridership that would switch to a high speed alternative if offered by Interstate Navigation Company.

Q. Did Interstate Navigation Company implement the survey?

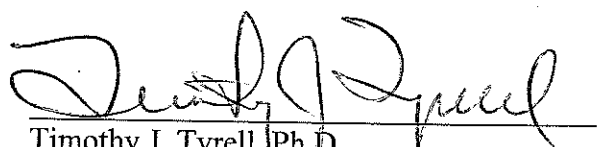
A. Yes. Interstate Navigation implemented the survey during the summer and fall of 2004 on their own boats.

Q. Did the survey produce reliable results?

A. Yes. While I did not participate in the survey work itself, from discussions with Interstate Navigation Company, I believe that Interstate's survey procedures were reliable and unbiased. I also believe that the results reported to me by Interstate Navigation Company, which are that from 35% to 43% of Interstate's current passengers would switch to a high speed ferry alternative if Interstate offered one, in my opinion, are both reliable and conservative figures.

Q. Does this conclude your testimony?

A. Yes.


Timothy J. Tyrell, Ph.D.

1 STATE OF RHODE ISLAND
2 COUNTY OF WASHINGTON

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Sworn to and Subscribed before me this 5th day of January, 2005.

Gordon J. Harrison, Notary Public
Notary Public

My commission expires 8/15/2005

TIMOTHY J. TYRRELL, PH.D.
Tourism Economist

Professor

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Dr. Tyrrell received a B.A. in mathematics from the University of South Florida, an M.A. in economics from the University of Tennessee, and a Phd. in Agricultural Economics from Cornell University. He has been employed at the University of Rhode Island since 1978 and currently holds the rank of Professor.

He has provided consulting services to various private firms including Economic Analysis, Inc., the International Marina Institute, Harza-Ebasco, Inc., and the Newport Harbor Corporation. He has also served as a consultant to Rhode Island government agencies including Departments of Environmental Management, Economic Development, and Administration (Budget Office), Statewide Planning, the Rhode Island Foundation, the Outdoor Recreation Review Commission and the Strategic Development Commission. He has also served as a consultant for U.S. Departments of Interior, Agriculture and Commerce, the U.S. Travel Data Center and the California Trade and Commerce Agency.

Dr. Tyrrell has conducted tourism research studies in Rhode Island, Connecticut, New York, Massachusetts, Minnesota, Florida, Vermont, New Hampshire, South Carolina and elsewhere in the U.S. and overseas for the past twenty five years. He has conducted major studies in France of the impacts of pollution on the tourism industry and in Thailand of the consequences of overdevelopment and mismanagement of natural resources as they relate to tourism. He has developed tourism industry monitoring programs in Rhode Island, Connecticut, Brazil, Nova Scotia, South Carolina and Alaska.

He conducted studies of the impacts of the flyfishing industry on Roscoe, New York and an economic analysis of the role of scenic byways in Vermont. Under his guidance, a student completed a benefit-cost analysis of a proposed marine reserve in Guaymas, Mexico.

Dr. Tyrrell developed and has maintained Rhode Island's state tourism data base since 1983, providing annual reports of sales, wages, jobs and taxes for the state and its' regions for the Rhode Island Economic Development Corporation and the Governor's Office. Students in his classes on Tourism Economics frequently participate in recreation and tourism research projects for communities in the state.

Some of the outreach projects conducted for the state include economic impact analyses of tourism for the towns of Westerly and New Shoreham and the City of Newport. Tyrrell has also analyzed the impacts of tourism events including the America's Cup, Block Island Race Week, the Newport International Sailboat Show and the Charlestown Seafood Festival. He completed

economic impact studies of the Blackstone Valley Heritage Corridor for the National Park Service, the Festival of Historic Homes for the Providence Preservation Society, and the sea level rise at the south shore of Washington County for the Coastal Resources Center.

Tyrrell has served as an adviser/consultant to the URI Small Business Development Center, Cranston Department of Economic Development, the RI Boating Council, the Rhode Island Charter/Head Boat Association, the Providence-Warwick Visitor and Convention Authority, the Newport Visitor and Convention Bureau, the Governor's Advisory Council on Tourism, the Shelter Harbor Conservation Society and the Narragansett Indian Tribe. He has been a member of the Economic Development Commission for South Kingstown and is currently on the board of directors of South County Tourism Council and the Blackstone Valley Tourism Council.

ARTICLES IN REFEREED JOURNALS (since 1994)

- Tyrrell, Timothy, "The Effects of Recession on Rural Tourism Employment", Trends 31 (1), 1994.
- Susan Bush, Maureen Devitt, Stephanie Krasnoff and Tim Tyrrell, "The Local Impacts of Foxwoods 1992-1994: Economic Benefits vs. Social Costs", New England Journal of Travel and Tourism, Volume V, Fall 1994, pp. 11-22.
- Tyrrell, Timothy, Young-Tae Chang and Sung-Gwi Kim, "Marine Resource Tourism Development in Korea", Marine Resource Economics, Summer 1999.
- Tyrrell, Timothy J. and Maureen F. Devitt, "Valuing Changes to Scenic Byways", Chapter 11, p.227-244 in Consumer Behavior in Travel and Tourism, Abraham Pizam and Yoel Mansfeld, editors, The Haworth Hospitality Press, New York, 1999.
- Tyrrell, Timothy J. and Robert J. Johnston, "A Framework for Assessing Direct Economic Impacts of Tourist Events: Distinguishing Origins, Destinations, and Causes of Expenditures," Journal of Travel Research, August, 2001.
- Pacheco, Andrada and Timothy Tyrrell, "Testing Spatial Patterns and Growth Spillover Effects in Clusters of Cities", Journal of Geographical Systems 4, 2002: 1:11.
- Tyrrell, Timothy J. & Robert J. Johnston, "Estimating Regional Visitor Numbers," Tourism Analysis 7 (1), 2002, pp. 33-41.
- Johnston, Robert J. and Timothy J. Tyrrell Estimating Recreational User Counts, American Journal of Agricultural Economics, 85 (3), August, 2003, pp.554-568.
- Tyrrell, Timothy J. and Robert J. Johnston "Assessing Expenditure Changes Related to Welcome Center Visits," Journal of Travel Research , August, 2003.
- Johnston, Robert J., Stephen K. Swallow, Timothy J. Tyrrell, and Dana Marie Bauer, "Rural Amenity Values and Length of Residency," American Journal of Agricultural Economics, November 2003, pp. 1000-15.
- Tyrrell, Timothy J., Peter W. Williams, and Robert J. Johnston, "Estimating Sport Tourism Visitor Volumes: The Case of Vancouver's 2010 Olympic Games", Tourism Recreation Research 29(1) 2004: 75-82.
- Tyrrell, Timothy J. and Mark J. Okrant, "Importance-Performance Analysis: Some Recommendations from an Economic Planning Perspective", Tourism Analysis, Volume 9, Number 2, 2004, pp. 63-76.

ARTICLES CURRENTLY UNDER REVIEW

- Johnston, Robert and Timothy Tyrrell, "A Dynamic Model of Sustainable Tourism", Journal of Travel Research.

OTHER PUBLISHED WORKS (since 1994)

- Tyrrell, Timothy "A View on the Developing Tourism Industry," Intercoast Network, International Newsletter of Coastal Management, Narragansett, RI, Spring 1998, p. 21.
- Tyrrell, Timothy J. and Maureen F. Devitt, "Valuing Changes to Scenic Byways", Chapter 11, p.227-244 in Consumer Behavior in Travel and Tourism, Abraham Pizam and Yoel Mansfeld, editors, The Haworth Hospitality Press, New York, 1999.
- Tyrrell, Timothy, Young-Tae Chang and Sung-Gwi Kim, "Coastal Tourism Development and EXPO 2010 in Korea", Korea Observer 30 (1), Spring, 1999, 187-210.
- Book Review of "The Economics of Tourism (Volumes I and II)," Edited by Clem Tisdell, Edward Elgar Publishing, Inc. 2000, Marine Resource Economics, 16(3), Fall 2001.
- Tyrrell, Timothy "Economic Impacts of Tourism on New London County", Travel and Tourism Research Association Annual Meeting, Alexandria Virginia, Proceedings, June 2002.
- Tyrrell, Timothy J. and Andrada I. Pacheco, "What's the Bay Worth? Estimating Economic Value", Narragansett Bay Journal, Number 6, Fall 2003, Narragansett Bay Estuary Program, University of Rhode Island, p.6.

TECHNICAL AND OUTREACH REPORTS (since 1994)

- "Rhode Island Hospitality Statistics" Office of Travel Tourism and Recreation, Department of Resource Economics, University of Rhode Island, April, 1994
- "Employment Health Care and Jewelry" Office of Travel Tourism and Recreation, Department of Resource Economics, University of Rhode Island, June, 1994
- Tyrrell, Timothy J., Maureen Devitt and Lynn Smith, "The Economic Importance of Narragansett Bay", Office of Travel Tourism and Recreation, Department of Resource Economics, University of Rhode Island, November 4, 1994
- Tyrrell, Timothy J. and Michael B. McNair, "The Economic Impact of the 1994 JVC Jazz Festival on Newport and the State of Rhode Island", Office of Travel Tourism and Recreation, Department of Resource Economics, University of Rhode Island, December, 1994
- Tyrrell, Timothy J. and Maureen Devitt, "Clean Marinas – Clear Value: Economic Analysis: The Marina Sample – Apples, Oranges and Coconuts" and "Bibliography and Literature Review" in Clean Marinas – Clear Value, U.S. EPA, Office Of Water, EPA 841-R-96-003, August 1996.
- Tyrrell, T.J., "The Economic Impacts of The North Cape Oil Spill on the Rhode Island Tourism Industry: A Preliminary Assessment," Office of Travel Tourism and Recreation, Department of Environmental and Natural Resource Economics, University of Rhode Island, January, 1996.
- Tyrrell, T.J., "Economic Impact of the 1996 ESPN Extreme Games on Rhode Island," Office of Travel Tourism and Recreation, Department of Environmental and Natural Resource Economics, University of Rhode Island, July, 1996.
- Spencer, Michael A and Timothy J. Tyrrell, "Local Public Expenditures: A Pooled Cross-Section and Time Series Analysis", Department of Environmental and Natural Resource Economics, January 22, 1996.
- Tyrrell, T.J., and Sophie Morse, "The Economic Impacts of the Rhode Island Convention Center: FY 1996", Department of Environmental and Natural Resource Economics, URI, Kingston, March 31, 1997.
- Tyrrell, Timothy, Michael McNair and Sarah McNair, "The Economic Impacts of the Utica Boiler Maker Road Race on the City of Utica and the Utica Metropolitan Area", Impact Research Associates, Wakefield, RI, June 1997

- Tyrrell, T.J. and Jos, Edgard da Mota Freitas, RELATORIO DE PESQUISA SOBRE VIAGEM E TURISMO EM SERGIPE, volume 2, number 1. SEPLANTEC, Aracaju, Sergipe, Brasil, August 15, 1997.
- Tyrrell, "Summer Sessions at URI: Analysis of a Fall 1997 Survey," Department of Environmental and Natural Resource Economics, University of Rhode Island, January 15, 1998.
- Tyrrell, Tim and Victoria Nally, "The Economic Impact of the 1997 Ben&Jerry's Folk Festival on Newport and the State of Rhode Island," Office of Travel Tourism and Recreation, Department of Environmental and Natural Resource Economics, University of Rhode Island, May 1998.
- Tyrrell, Timothy J., "Elements of Sustainable Tourism", Proceedings of The Third International Conference ' Tourism and Hotel Industry In Indo-China & Southeast Asia: Development, Marketing and Sustainability', Phuket, Thailand, June 4-6, 1998, p. 29-34.
- Tyrrell, Timothy J. "The Economic Impacts of Film Production in 1997 on the State of Rhode Island", Office of Travel Tourism and Recreation, Department of Environmental and Natural Resource Economics, University of Rhode Island, June 16, 1998.
- Tyrrell, Timothy J., Young-Tae Chang and Sung-Gwi Kim, Coastal Tourism Development and EXPO '10 in Korea," Department of Environmental and Natural Resource Economics, University of Rhode Island, October, 1998.
- Tyrrell, Timothy J., Jason Harrison and Cheryl Grady, " The Value of Rhode Island's Natural Resources", Department of Environmental and Natural Resource Economics, University of Rhode Island, November, 1998.
- Tyrrell, Timothy J., "Rhode Island Tourism Multipliers," Department of Environmental and Natural Resource Economics, University of Rhode Island, July 1999.
- Tyrrell, Timothy, "The Economic Impact of the Gravity Games of the State of Rhode Island," Department of Environmental and Natural Resource Economics, University of Rhode Island, 1999.
- Tyrrell, Timothy, "A Block Island Tourism Study: Visitor Survey Results", Department of Environmental and Natural Resource Economics, Office of Travel, Tourism and Recreation, University of Rhode Island, March, 2000.
- Tyrrell, Timothy, "A Block Island Tourism Study: Economic Impact", Department of Environmental and Natural Resource Economics, Office of Travel, Tourism and Recreation, University of Rhode Island, May, 2000.
- Colt, Ames, Timothy Tyrrell and Virginia Lee, "Marine Recreation and Tourism in Narragansett Bay: Critical Values and Concerns", April 11, 2000, Bay Summit 2000 White Paper, Narragansett Bay Estuary Program, Rhode Island Department of Environmental Management <http://www.nbep.org/summit/pdf/rectour.PDF>
- Tyrrell, Timothy, "From your Backyard to Narragansett Bay: Point of View – Marina Operators", a chapter of curriculum materials for NSF GEMS-NET, a guidebook for Rhode Island elementary school teachers on marinas and the environment, Barbara Sullivan, director, URI, GSO, Kingston, 1999-2000.
- Tyrrell, Timothy, "Effectiveness of the Rhode Island Welcome Center," Department of Environmental and Natural Resource Economics, URI, February 4, 2002.
- Pacheco, Andrada and Timothy Tyrrell, "A RAS Procedure for Estimating Suppressed Spatial Economic Data." Department of Environmental and Natural Resource Economics, URI, Kingston, 2002
- Pacheco and Tyrrell, "A Review of Economic Analyses of Narragansett Bay", March, 2003
- Tyrrell, Timothy J. "Annotated Bibliography of Impacts of College Athletics", June, 2003.
- RI Water Resources Board, "The Economic, Social and Environmental Impacts of Water Use in Rhode Island", Impact Analysis Subcommittee member, RI policy Council, October 2003, www.wrb.state.ri.us/programs/wa/index.html.

AWARDS AND HONORS (since 1994)

<u>Year</u>	<u>Award</u>	<u>Awarding Agency/Institution</u>	<u>Nature of Award</u>
1996	Captain of Industry	South County Tourism Council	Citation
1996	Governor's Award	State of Rhode Island	Citation
1997	Nomination	URI Foundation Teaching Excellence	Letter
1997	Honorary Member	Golden Key National Honor Society	Citation, Pin
2000	President's Award	Travel and Tourism Research Association	Award Plaque
2002	Outstanding Article	Journal of Travel Research (Hon Mention)	Citation

COURSES TAUGHT (since 1994)

<u>Course No.</u>	<u>Title (Years)</u>
REN 325	Planning and Managing a Small Natural Resources Firm (Team Taught 1996-97)
REN 366	Interdisciplinary Topics in the Coastal Environment (1998, Team Taught)
REN 456	Tourism Economics (1994, 1995, 1996, 2000, 2003, 2004)
REN 576	Econometrics (1995-2003)
REN 676	Advanced Econometrics (2001)
REN 524	Dynamic Economic Models (1994, 1995, 1997)
REN 624	Dynamic Economic Models (1999, 2001, 2002, 2003)
REN 677	Topics in Econometrics (1996, 1998, 2000)
NRS 520	Quantitative Methods for Natural Resource Sciences (2002, 2004)

GRADUATE STUDENTS (Serving a Major Professor since 1994)

<u>Student</u>	<u>Degree</u>	<u>Date</u>
Stephanie Krasnoff	M.S. (non-thesis)	1994
Maureen Devitt	M.S. (thesis)	1994
Wiwat Lee	Ph.D.	1995
Michael McNair	M.S. (non-thesis*)	1996
Michael McLaughlin	M.S. (non-thesis)	1996
Victoria Nally	M.S. (non-thesis)	1998
Andrada Toma	Ph.D.	2002
Gabriela Dobrot	Ph.D.	2004

* Award-winning paper.

GRADUATE STUDENTS (Program Committee Member since 1994)

<u>Student (Department)</u>	<u>Degree</u>	<u>Date</u>
Sahat Simanjutak (REN)	Ph.D.	1994
Piyali Talukdar (REN)	Ph.D.	1994
Ellen Link (MAF)	MA (thesis)	1996
Kenneth Kim (FIN)	Ph.D.(thesis)	1997
Piman Limpaphayom (FIN)	Ph.D. (thesis)	1997
Barbara DeMeo(MAF)	M.A.(thesis)	1997
John Oneil (MGT)	Ph.D.	1997
Owen Oneil (CPAD)	MCP (thesis)	1998

Alison Macrae (MAF)	M.A., (thesis)	1998
Stephanie Mattraw (MAF)	M.A. (thesis)	1999
William Gerdsen (MAF)	M.A. (thesis)	1999
Chunlin Liu (FIN)	Ph.D	2000
Matthew Eriksen (MGT)	Ph.D.	2000
Charles Boynton (FIN)	Ph.D.	2000
Vivian Jeng (FIN)	Ph.D.	2001
Peter Hanlon (MAF)	M.A.(thesis)	2001
Mumdah (MAF)	M.A.(thesis)	2001
Xia Pan (FIN)	Ph.D.	2001
Joyce Hsieh (FIN)	Ph.D.	2001
Ismail Silla (MGT)	Ph.D.	2001
Hend Ouda (CSC)	M.A.(thesis)	2002
Alyson Novak (NRS)	M.S. (thesis)	2002
Jay Ostenskowski (NRS)	M.S.(thesis)	2002
Zhiyi (FIN)	Ph.D.	2002
Siripat Polwitoon (FIN)	Ph.D.	2002
Sara daSilva (NRS)	M.S.(thesis)	2003
Nathan Sage (MA)	M.A.(thesis)	2003
Barbara Waberski, (CSS)	M.S. (thesis)	2004
Xuanjuan Chen (FIN)	Ph.D. (thesis)	2004

GRANTS AWARDED (since 1994) Total for 13 grants is approximately \$600,000.

UNIVERSITY SERVICE

URI Athletic Advisory Board: Subcommittee on Economic Impacts of Athletics, 2002-2003.
 URI Athletic Advisory Board, 2003-
 URI NCAA accreditation review committee, 2004-
 URI University Judicial Board, 2002-
 URI Faculty Senate, 2002-
 Economic Impact of the University of Rhode Island, Advisory Committee, 2002-2003.

PROFESSIONAL SERVICE

Editorial Review Board for Journal of Travel Research, 2000-
 Reviewer for Tourism Analysis, 2003-
 Reviewer for American Journal of Agricultural Economics, 2004-
 Master's Thesis awards committee, American Association of Agricultural Economists, 2003
 Professional Teaching Awards Committee, American Association of Agricultural Economics
 2001-2004
 Reviewer, New York Sea Grant. 2002
 Reviewer, Michigan State University 2002-2003, Washington State University 2004
 Chairman of the Board, North Eastern Chapter of the Travel and Tourism Research
 Association, 2000-2004.