

TCR Program – Application Approval Project #81
San Diego – Oceanside High-speed Low-emission Ferry Demonstration Project
February 2003 Report to the CTC

The following additional conditions were set forth under Resolution TA-02-11:

- Commission expectation that Port and SCX continue to endeavor to seek private funding to perpetuate the service.
 - STATUS
 - SCX has invested \$100,000 in CY 2002
 - Includes unreimbursed overhead
 - Unbilled labor
 - Investment in one-month billboard rental
 - Washington State Ferries in Seattle for low wake survey - \$10,000
 - Department of Defense investment in Sensors - \$450,000
 - Department of Energy investment in emissions measurements - \$50,000
 - Private investment in commercial operations – TBD depending on operating success

- Port and SCX to report at February 2003 CTC meeting on its progress in achieving performance goals and private investment

Report:

At the CTC meeting on July 18, 2002 the Port provided a progress report and an application for the allocation of phase 4 funds to enable the 12 month ferry demonstration to commence its phase 4 operational phase. The CTC allocated \$2,500,000 for phase 4 activities to allow it to commence ferry operations. The expectation at that time was that the ferry service would commence in September 2002.

The commencement of service has been substantially delayed by two principal factors related to SCX' demonstration vessel – the M/V WAVERIDER as follows:

1. The vessel's owner (Pacific Marine of Honolulu) was required to obtain a Certificate of Inspection (COI) by the U.S. Coast Guard (USCG) as a pre-requisite for the vessel to carry passengers. Due to a variety of circumstances, largely derived from the increased workload for the USCG as a result of the 9/11/01 tragedies, the COI process stretched out substantially in time beyond any reasonable expectations. The COI was finally issued on 10/23/02; and
2. The West Coast dockworker's strike substantially delayed shipment of the vessel from Honolulu to San Diego. During the period of the labor actions, tow companies were unwilling to initiate trips to west coast ports due to uncertain conditions at arrival. When the labor actions were finally resolved, huge backups in containers and other shipments created further delays.

We can now report on the following progress and projected schedule for the demonstration project.

1. Landside construction is essentially complete as shown in Figures 1 through 4. SCX and its construction contractor, Bellingham Marine Industries have worked with the engineering staffs in the Port District and at Oceanside Harbor to complete these state-of-the-art facilities that have been designed to satisfy criteria developed by San Diego's access community. Remaining activity includes installing signage boxes, which are expected to be completed as the sign language undergoes final concurrence over the next week or so. As noted in the pictures, the facilities are in use. The vessel on the left side of figure 1 is the M/V WAVERIDER.
2. As mentioned above, securing a timely tow to the mainland proved to be difficult. Figure 5 shows the WAVERIDER finally leaving Honolulu on a tow embarked for Seattle, WA. There was considerable concern about the encounter with storms moving from west to east across the Pacific Ocean. While significant wind and waves were encountered during the transit,

WAVERIDER successfully reached Seattle on 1/6/03 where SCX and its operating crew Hornblower Marine Services – HMS) met it. After a period of mobilization and crew training in Seattle, the vessel got underway on Saturday, 1/11 on its way to San Diego. Once again, the weather was a serious concern in that the Pacific Northwest was undergoing bouts of severe weather. Fortunately, the weather encountered on the trip south was not severe and WAVERIDER arrived in San Diego on Sunday, 1/19.

- **These delays have not had a negative effect on the length of the first phase of ferry operations – the service is scheduled to last through August 2003 with current funding.**

3. Activities currently underway:
 - a. The Coast Guard's Marine Safety Office in San Diego (SD-MSO) has commenced its new-to-zone (NTZ) inspection process. Vessel inspection and review of the Manuals submitted for operations, maintenance and safety are underway. Sea trials and route inspections are underway. **The NTZ process was COMPLETED on 2/7/03.**
 - b. SCX has arranged for the Federal Department of Defense (DOD) to participate in a joint activity related to the ferry demonstration. Operations in many areas of the world, including offshore in Southern California often encounter periods of reduced visibility, which hampers operations. The DOD has committed \$450,000 to its Naval Space and Warfare Command (SPAWARS) in San Diego to install a state-of-the-art sensor suite on WAVERIDER and to participate with ongoing operations to gather the data that may enhance future use of high-speed vessels in the U.S. Navy. This sensor suite will be an important component in the ferry demonstration in terms of enabling a more reliable schedule to be maintained in periods of darkness and fog.
 - c. The marketing campaign is underway. On 9/17/02, SCX and its subcontractor – Rainmaker Marketing, Inc. (RMI) met with representatives of the Port, Caltrans, the City of Oceanside and the Coast Guard for a comprehensive introduction to the planned phase 4 vessel operations. As part of this meeting, the marketing plans developed during phases 1 and 2 were thoroughly discussed. The plan is now in its implementation phase with media release scheduled to commence in a time frame that is consistent with completion of the NTZ inspections. In October, SCX took advantage of an opportunity and at its own expense, erected the billboard shown in figure 7 as a way to gain customer insights for the service. There was solid input and encouraging response.
 - d. Baseline emissions measurements are scheduled to be performed between the end of February and early March depending on other activities on the vessel. The measurements have been arranged for SCX under a cooperative Agreement with the U.S. Maritime Administration working in conjunction with the University of West Virginia. The U.S. Department of Energy is funding this work.
 - e. The ground transportation activities are underway with SCX' subcontractor Cloud 9 Shuttles. The initial work will be to complete preparations for the reservations system to be operable in time for the commencement of service.
4. Based on all the above, SCX is planning to commence the demonstration between 2/18/03 and 3/3/03.
5. A summary of the deliverables to-date will be presented to the California Transportation Commission at its February 27, 2003 meeting.



Figure 1. Broadway ramp and dock viewed from Harbor Drive



Figure 2. Broadway dock and ramp viewed from waterside



Figure 3. Oceanside Dolphin Dock with new gangway

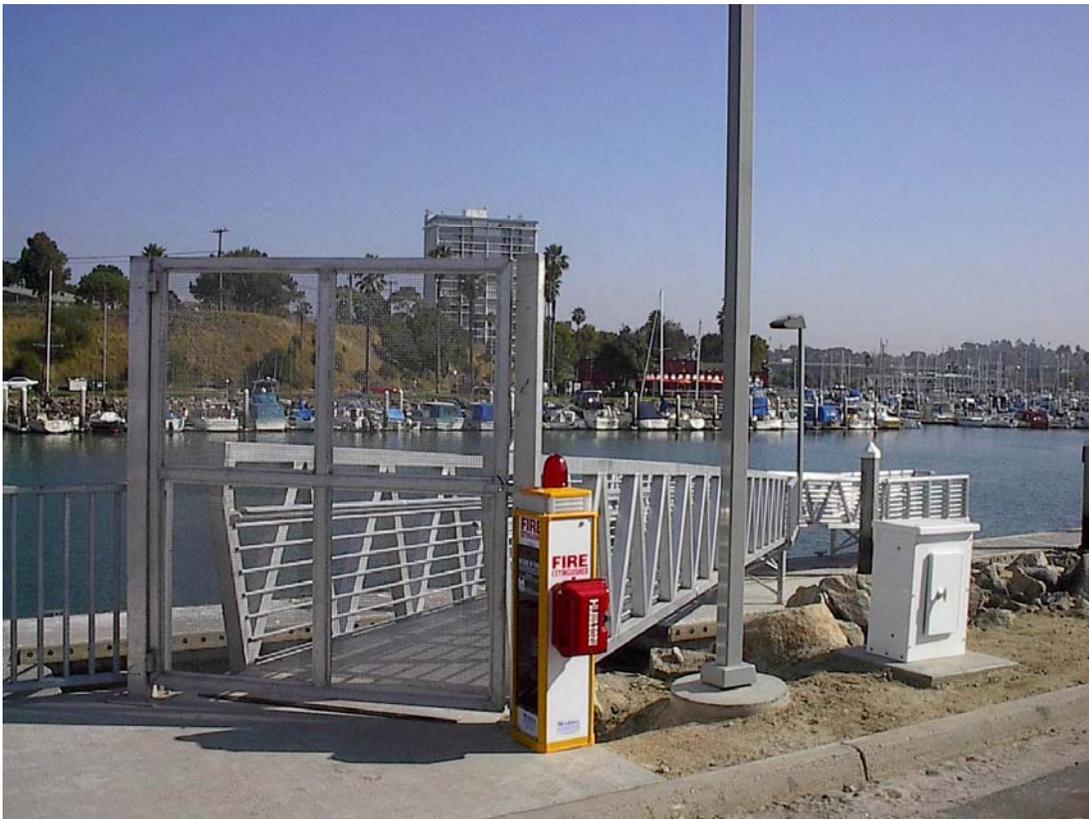


Figure 4. New ramp viewed from shoreside



Figure 5. Tug M/V MOANA HOLO departing Honolulu with WAVERIDER in tow, 12/26/02



Figure 6. WAVERIDER tied up at Broadway

Billboard & Interim Web Site

The commuter ferry's billboard faces north on the west side of I-5 at Oceanside. The sign went up on October 16, 2002, directing viewers to the escapei-5.com Web site. The billboard gathers market intelligence directly from commuters via a Web survey.

Ferry scheduling will be influenced by answers to questions regarding desired departure times and San Diego shuttle destinations.

In addition, the answers to more open-ended questions give us additional perspective on their commuting priorities and concerns.

The survey also asks respondents for their email address for further communication.



Web Survey Stats

(three weeks of results)

Responses (11/5): 108

Email addresses: 75

Preferred destination

Downtown	48
Mission Valley	22
Point Loma	3
32nd St. Naval Station	5
Other	
Airport	5
Balboa Park	1
Carmel Valley	1
Coronado	6
Golden Triangle/ Sorrento Valley	2

Verbatims

Commuters are responding with a lot of excitement and enthusiasm for the ferry service.

Comments

"This sounds like a viable and good idea."

"GREAT idea."

"Great Idea. I hope you can make this work"

"Great idea. Even if it takes longer to get to San Diego, what a great way to go. I would at least ride it occasionally just for the enjoyment."

"I would love to hear more about this. I work on 32nd st. and live in Oceanside. I have many friends in the same situation and will fwd your link to them."

"I would Coaster there and Ferry back."

"I can't wait."

"Great Idea whose time has come!"

"I'm ready for the first trip! Let me know when to show up!"

Suggestions for Growth

"It would be great if this could also be arranged for Friday and Saturday nights"

"Would be interested in Oceanside to Long Beach or Newport Beach service too."

"Did you ever consider the Airport? This would be a great way to get North County people down there without the hassle of traffic."

"Please look into extending service north this is much more feasible ! Bring more people south and take more north just like old days of air service but more direct for Santa Monica this would make you tons of bucks – LA people would use it profusely especially on weekends and vice versa"

Figure 7. I-5 Billboard at Oceanside



High-Speed Ferry Project

CTC Status Briefing

February 27, 2003

San Diego Unified Port District
SCX, INC.

Progress to Date



Mar. '01 - Port issued RFP to select contractor for Service

- Two responsive bidders
- SCX, Inc. selected

Progress to Date



Mar. '01

RFP contractor selection process

CTC Meeting - Oct. '01

Phase 1 - preliminary planning - \$200K

Phase 2 - final design - \$200k

- completed Feb. '02 with support from Environmental Groups

Progress to Date

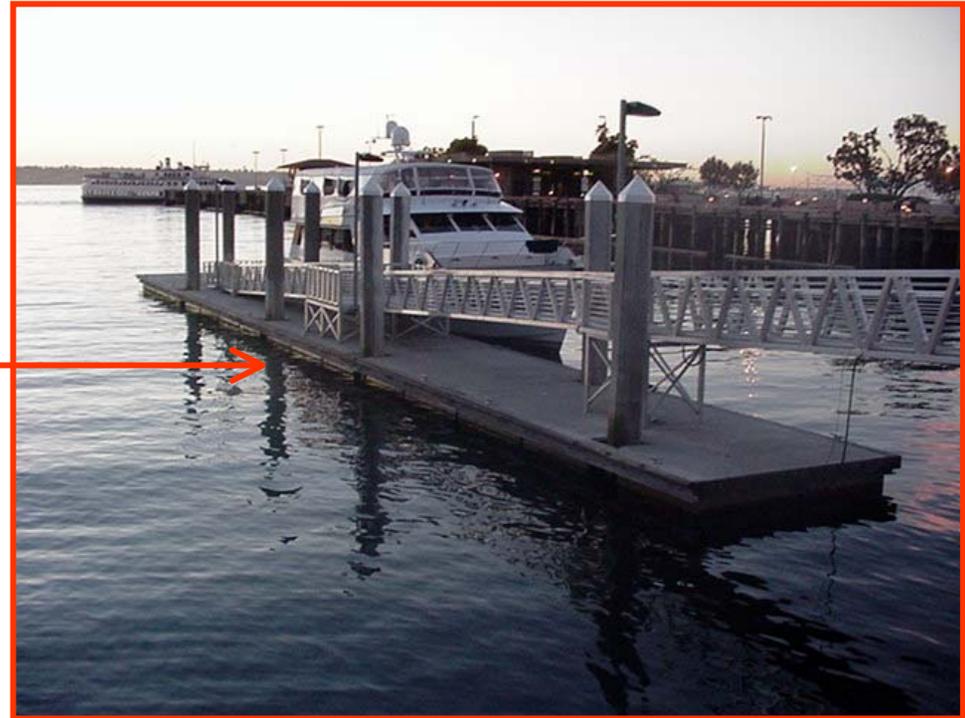


Mar. '01
RFP contractor selection process

CTC Meeting - Oct. '01
Phase 1 - preliminary planning - \$200K
Phase 2 - final design - \$200k

CTC Meeting - Feb. '02
Phase 3 - infrastructure - \$884k

Accessible Gangway/Dock San Diego



Progress to Date



Mar. '01

RFP contractor selection process

CTC Meeting - Oct. '01

Phase 1 - preliminary planning - \$200K

Phase 2 - final design - \$200k

CTC Meeting - Feb. '02

Phase 3 - infrastructure - \$884k

CTC Meeting - Jul. '02

Phase 4 - marketing/operations - \$2.5M

- Shipping Vessel
- Receiving Coast Guard approvals - Complete Jan. 17, '03
- Launching Marketing campaign



Overview of Media Campaign

- cable television - intrusive, geographically targeted
- radio - intrusive, wide net
- direct mail - significant amount of information, “call to action”, allow test of \$5 price point
- Outdoor - Billboards reach consumers in their cars
- employer outreach - reach consumers on the job
- newspaper - geographically targeted
- publicity - leverages interest



**SPECIAL
Introductory Offer
50% off Regular Fares**

**One Way Trip \$5.00
Round Trip \$10.00**

Offer good now through April 1st, 2013. Just mention the coupon code below when calling 866-WaveWay (525-3929) to make your reservation, or enter it in the coupon field if making your reservation online at www.TakeTheWave.com.

Coupon Code SCX-100

**Grab these savings
fast, seats are limited!**

**866-WaveWay (525-3929)
www.TakeTheWave.com**

Schedule

Monday - Friday		
Downtown to Downtown	Leave 6:00am	Arrive 7:35am
Downtown to Oceanside	Leave 6:50pm	Arrive 8:30pm
Fares		
One Way	\$5.00	
Round Trip	\$10.00	
Monthly Fares	\$300.00	
Parking in Oceanside and shuttle service to Downtown San Diego are included in your fare.		

Reservations

Reservations are highly recommended at occupancy limited to 140 passengers. Just call 866-WaveWay (525-3929) or make a reservation online at www.TakeTheWave.com.

Tickets

Tickets can be purchased when you make your reservation online or by phone. Ticket can be purchased on-board, but reservations are highly recommended due to limited occupancy.

Guaranteed Emergency Ride Home

The Guaranteed Ride Home (GRH) Program provides an emergency ride home to accommodate into airport, airport, late work, or no transit to get home after the last ferry service. To be eligible, you must register with RideLine. Visit www.SDGRH.com or call 1-800-COMMUTE (where option 3).



To the Ferry in Oceanside:

Parking and shuttle services are included in your fare.



Free parking in Lot 23 in Oceanside, with convenient shuttle service to Dolphin Dock.



Shuttle service from a dock in San Diego right to your office & back to the dock.

Getting to the Ferry in Oceanside

Driving from the North on I-5
Take the Coast Hwy/Oceanside Exit
Follow Coast Hwy to Surfside Way
Turn Right on Surfside Way
Turn Right into Lot 20 just past railroad

Driving from the South on I-5
Take Hwy 78/Carls Court Hwy
Left (South) on Hwy 78
Left on North Coast Hwy
Turn Right on Surfside Way
Turn Right into Lot 20 just past railroad

When you enter lot 20, drive past the shuttle. Get a free parking pass for your car, board the shuttle and take a short ride to the ferry. You can also park in Lot 11B next to the Dolphin Dock, there is a cost of \$C a day for parking.

Alternative Transportation

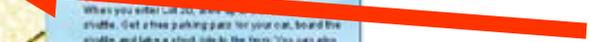
Ride your bike, walk, or get dropped off at the Dolphin Dock in Oceanside Harbor. Or, take the bus to North County Transit District Route 312, 301, and 302 stop a few yards south of the Dolphin Dock.

Getting to Your Office in San Diego

Shuttle Service to and from your office is included in your fare. Ferry rates run from the dock to your office in:

- **Downtown**
- **Mission Valley**
- **Point Loma**
- **22nd St. Naval Station**

A return shuttle will take you back to the dock in the evening for your return voyage home.



A Great Way to Start the Day
Sit back, sip a cup of coffee and enjoy the view, sights and fresh sea air as you cruise from Oceanside to Downtown San Diego. Then take a shuttle right to your front door.

Turn Your Commute into a Mini-Vacation
Leave jammed freeways behind and take to the open seas with an exhilarating ocean cruise aboard The Wave!

The Perfect Way to Unwind After Work
Relax on deck with friends, catch up on some reading, or enjoy a drink. Arrive home refreshed and recharged.

www.TakeTheWave.com

About The Wave

The Wave is high-speed, low emissions, low wake ferry. The boat uses a hybrid to "thru" through water just like the wings of an airplane allow it to travel through air. The 20 foot ferry features a smooth ride that mimics the buoyancy of the water, providing a smooth, comfortable ride.

The ferry features an outside deck and a fully air conditioned main cabin. Seating and baggage are easily accommodated. Come on board and you'll find:

- **A friendly crew**
- **Enclosed & open air seating**
- **Quality coffee & snack service**

The Wave is a 10-month demonstration of daily high-speed ferry service between San Diego and Coceanside. Designed to get the best of both worlds and improve the environment, the project is funded by the Governor's Traffic Congestion Relief Program.

About SCX

SCX, Inc. is a San Diego based ferry company with long-term roots in the community. If the ferry proved popular, SCX plans an expansion of service on the route at least at 300mg more routes throughout Southern California.

The Wave
A service of SCX, Inc.
400 S. Diego Avenue, Suite 100A
Oceanside, CA 92076
Phone: 866-847-0373
Fax: 959-947-0376
Email: CustomerService@TakeTheWave.com

Reservations: 866-WaveWay (525-3929)

THE WAVE

Commuter Ferry

From Oceanside to Downtown San Diego
Parking and Shuttle from the dock to your office included in your fare.

www.TakeTheWave.com

Parking & Shuttle
included in your fare

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Ferry from Oceanside to San Diego

Service starts March 3, 2003 or soon. Please check back for possible earlier date.

Come on Board!

Turn your commute into a mini-vacation with high-speed ferry service from Dolphin Dock in Oceanside to Downtown San Diego. Leave jammed freeways behind and take to the open sea with an exhilarating ocean cruise aboard The Wave.

Parking & Shuttle From the Dock to your Office Included in your Fare

A Great Way to Start the Day



Sit back, sip a cup of coffee and enjoy the sun, sights and fresh sea air as you cruise from Oceanside to Downtown San Diego, then take a shuttle right to your front door office in Downtown, Mission Valley, Point Loma, or 32nd St. Navy Station. Cloud 9 shuttle service and parking are included in your fare.

The Perfect Way to Unwind After Work



Relax on deck with friends, catch up on some reading, or enjoy a snack at the bar. In about one hour you'll arrive home rested and refreshed.

We look forward to serving you!



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Current Status



Mar. '01

RFP contractor selection process

CTC Meeting - Oct. '01

Phase 1 - preliminary planning - \$200K

Phase 2 - final design - \$200k

CTC Meeting - Feb. '02

Phase 3 - infrastructure - \$884k

CTC Meeting - Jul. '02

Phase 4 - marketing/operations - \$2.5M

CTC Meeting - Feb. 27, 2003

- Start of Operations - Mar. 3, 2003
- Continue to seek private investment
- Inaugural event - Mar. 21, 2003 10:30am-12:00pm



Next Step



Mar. '01

RFP contractor selection process

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Phase 1 - preliminary planning - \$200K

Phase 2 - final design - \$200k

CTC Meeting - Feb. '02

Phase 3 - infrastructure - \$884k

CTC Meeting - Jul. '02

Phase 4 - marketing/operations - \$2.5M

CTC Meeting - Feb. 27, 2003: STATUS

Status - marketing/operations

CTC Meeting - May '03

- Current Funding is sufficient through Aug. '03
- Anticipated request for \$1.216M remainder

Port of San Diego



Caltrans

City of
Oceanside

U.S. Coast Guard