

Agenda Date: May 23, 2007  
Item Number: B3

**Docket: TS-070651**  
Mosquito Fleet, LLC

Staff: Bob Colbo, Transportation Program Staff

**Recommendation:**

Issue an order granting Mosquito Fleet, LLC's, request for a temporary discontinuance of passenger ferry operations between Everett and Friday Harbor for the period June 1, 2007, to May 30, 2008.

**Background:**

On April 4, 2007, Mosquito Fleet, LLC, BC-125, (company) filed a petition with the commission requesting a one full-year (June 1, 2007, to May 31, 2008) temporary discontinuance of operations on its runs between Everett and Friday Harbor, and serving Rosario and Roche Harbor as flag stops, by reservation only. The company operates seasonally during the summer each year.

Last year in Dockets TS-060996 and TS-061301, the commission allowed partial reductions in scheduled service due to fewer passengers and increasing operating costs. Last year the company experienced heavy operating losses. This year, the company anticipates even higher operating expenses and losses due to a further decline in customers and even higher fuel costs than any other previous year. See below:

Time Frame	<u>2005</u> start up year	<u>2006</u> 2nd year
RoundTrip Passengers	7,013	3,843
RoundTrip Sailings	127	72
Revenue	\$440,433	\$309,732
Expenses	954,698	524,471
Net Operating Income	<u>\$(514,265)</u>	<u>\$(214,739)</u>
Revenue per RoundTrip	\$3,468	\$4,302
Expense per RoundTrip	\$7,517	\$7,284
RoundTrip Passengers per Sailing	55	53

Average Revenue/RoundTrip Passenger	\$ 62.80	\$ 80.60
Average Cost/RoundTrip Passenger	\$136.13	\$136.47

The Washington State Ferries (WSF) provides service to Friday Harbor and Orcas Island from its terminal in Anacortes (see Figure 1). Customers whose final destinations are either Roche Harbor (via Friday Harbor terminal) or Rosario (via Orcas Island terminal) have access to transportation other than their personal vehicles.



Figure 1: WSF Service Map for San Juan Islands

The company posted notices at the ports of Everett and Friday Harbor. The company also sent notices to the Everett Herald and to the Journal of the San Juans. As of May 17, no party has filed comments with the commission.

**Conclusion:**

Staff recommends that the commission issue an order granting Mosquito Fleet, LLC’s, request for a temporary discontinuance of passenger ferry operations between Everett and Friday Harbor for the period June 1, 2007, to May 30, 2008.