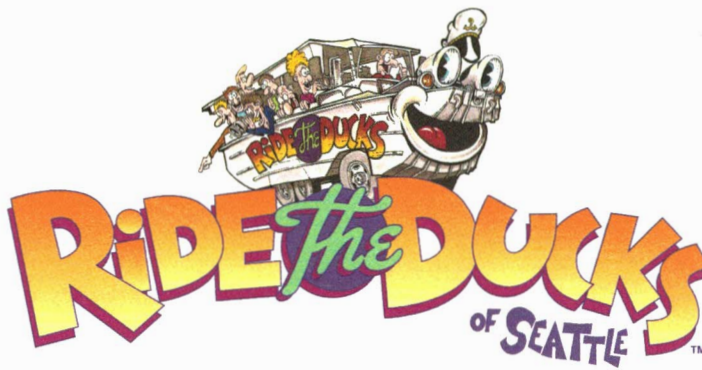


Ride the Ducks of Seattle WUTC Compliance Review





Mr. David Pratt
Assistant Director, Transportation Safety
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O Box 47250
Olympia, WA 98504-7250

Re: Request for change of Safety Rating based on corrective actions; Ride the Ducks of Seattle, USDOT #1905507

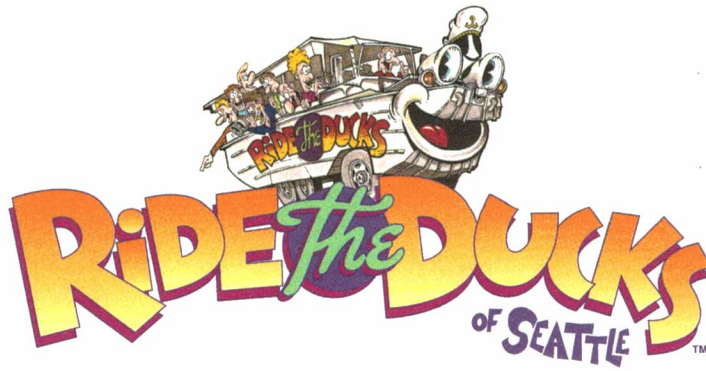
Dear Mr. Pratt:

Enclosed you will find materials in support of Ride the Ducks of Seattle's request for change to our proposed Safety Rating, issued on December 15, 2015, following a September 2014 compliance investigation.

We believe the enclosed materials demonstrate that our operations currently and sufficiently meet the safety standards indicated in §385.5 and §385.7 to warrant such a change. Furthermore, we believe that the enclosed materials demonstrate adequate safety management controls are in place to maintain and ensure acceptable and continued compliance with applicable safety regulations.

In the Safety Management Plan enclosed we have addressed, in detail, each violation discovered and noted in Part B of the investigation report. We have also separately addressed any recommendations contained in Part B or the Investigation Report that were not addressed through process enhancements in responding to the Part B violations detailed. We are confident we have amended and adopted internal monitoring processes that will prevent violations discovered during the investigation from reoccurring.

Our proposed Unsatisfactory safety rating is scheduled to take effect January 29, 2016. Therefore, we respectfully request a timely review of corrective actions detailed and supporting materials enclosed. Additionally, we request the Commission, based upon this information and materials submitted, upgrade Ride the Ducks of Seattle's safety rating to Conditional by January 29, 2016.



Should you have any questions on the enclosed plan or materials, or would like additional information or documentation, please do not hesitate to contact me or any member of my compliance team for immediate assistance.

We look forward to the forthcoming compliance reviews and investigations indicated in the Staff Investigation Report, during which Ride the Ducks of Seattle will have an opportunity to demonstrate first-hand our ongoing commitment to compliance with all applicable safety requirements and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Tracey". The signature is written in a cursive style with a long horizontal line extending from the top of the first letter.

Brian Tracey
CEO

Safety Management Plan

Introduction & Overview

Ride the Ducks of Seattle has compiled this Safety Management Plan in response to the September 2015 compliance review and investigation conducted by the WUTC and the resulting proposed safety rating issued on December 15, 2015.

With this plan, we have addressed recommendations and requirements included in Part B of the on-site compliance review report, as well as recommendations on page 31 of the WUTC Staff Compliance Investigation Report.

We've attempted to organize the plan in a logical fashion, demonstrating changes to practices to help ensure compliance, clarifying and detailing policies related to compliance and continued compliance assurance, and demonstrating current compliance with specific regulations that were found to be violated during the investigation and review.

The following table details components of this Safety Management Plan:

Section 1	For each of the 24 violations noted in Part B: <ul style="list-style-type: none">• A description of how the violation occurred• Detail of actions taken to correct identified deficiencies that permitted the violations to occur, including actions taken to ensure continued compliance in the future
Section 2	Additional policy detail and information in support of compliance efforts and addressing additional recommendations offered in the Staff Investigation Report and Part B Recommendations. This information is in addition to the changes in processes and policies detailed in the responses to Part B violations contained in Section 1.
Section 3	Evidence of current compliance with respect to violations cited pertaining to: driver qualification, drug and alcohol testing and policy communication, hours of service, vehicle inspection reports, periodic (annual) vehicle inspections, and brake inspector certifications.

Accident Rate

The only rating factor used in calculating Ride the Ducks of Seattle's proposed safety rating that we are unable to immediately influence through amendments to practices and policies is Factor 6 – Accidents. We recognize that our calculated recordable accident rate significantly exceeds the prescribed threshold rate for urban carriers, but we also feel that our operational profile and theater are significantly challenging for a fair assessment using this metric. Our low overall mileage, coupled with all of our operations occurring in a dense, inter-city environment, make the occurrence of a single recordable accident prohibitive to maintaining a recordable accident rate lower than the established threshold.

Despite these challenges, we have taken steps to attempt to further minimize the occurrence of recordable accidents. Prior to the September crash, our Duck Captains (drivers) served as both the driver and the tour narrator. In an effort to allow Duck Captains to focus their efforts 100% on safe vehicle operation and defensive driving, we have instituted a new practice where a Tour Guide accompanies each tour, providing the tour narrative instead of the Driver. By combining this practice with our existing initial, refresher and responsive training programs, we hope to reduce our recordable accident rate.

Designation of Company Personnel Responsible for Regulatory Compliance

This compliance audit and investigation process has enlightened us to unknown and misunderstood compliance requirements as well as inadequate monitoring procedures (as detailed in Section 1). Throughout this process, we have learned requirements and expectations from regulatory representatives as well as outside compliance and transportation safety specialists retained to train personnel and assist us in meeting our obligations and developing sound processes to maintain compliance.

Going forward, Ride the Ducks of Seattle has charged four key members of our management team with primary compliance responsibilities. These personnel are:

- Ryan Johnson, Director of Operations & Compliance Officer
- Robert “Moti” Krauthamer, Director of Safety & Assistant Compliance Officer
- Margaret Singbeil, Finance Manager, Assistant Compliance Officer & DER
- Joseph M. Hatten, Fleet Maintenance Manager

These key staff members have significant experience with our Company and operations. Each is responsible for specific areas of compliance, as detailed in the Section 1 responses to violations, as well as in the job descriptions contained in Section 2. In addition to training specific to their assigned compliance responsibilities, Ryan, Moti and Margaret have been cross-trained on compliance requirements in all areas so that consistency in maintaining compliance can be achieved in the event of unexpected staffing changes.

Company Expectations for Staff Related to Safety Requirements

Safety is the #1 priority of Ride the Ducks of Seattle. We recognize that safe and compliant operations are a fundamental requirement to achieve our desired customer experience and a key to the successful operation of our company. Therefore, we consider safety every team member's responsibility and expect every one of our employees to act safely and in accordance with laws, regulations and company directives. These expectations, and ramifications for those who do not act accordingly, are detailed in our Employee Manual. Applicable sections of this manual are among the documentation included in Section 2 of this Safety Management Plan.

The following is our Code of Con'DUCK't – a short summary and reminder of our expectations that is posted throughout our operations and referred to frequently in interactions with our team members:

Be Safe: "A chain is only as strong as its weakest link." -- Proverb

- Safety is the #1 priority at Ride the Ducks of Seattle and we are proud of our safety record. Be mindful and aware of your surroundings and follow safety policy. Protect people, property, and the environment from harm. If you see a safety issue or have a safety concern, let a supervisor know.

Be Responsible: "Responsibility is the price of freedom." -- Elbert Hubbard

- The responsibility of providing safe operations and of solving problems belongs to everyone. We are collectively and individually responsible for serving our guests and community, and for creating a safe, courteous, and professional work environment.

Be Honest: "Integrity is telling myself the truth. And honesty is telling the truth to other people." -- Spencer Johnson

- We ask that you always speak the truth. If you have concerns or if you feel like you may have messed up, be honest. Have integrity and we'll do the same for you.



Training Programs and Updates

Following our assessment of how violations of regulations occurred, Ride the Ducks of Seattle amended existing practices and policies or adopted new ones to ensure that regulatory safety requirements would be met.

After amending or establishing processes that we felt would serve to consistently meet safety requirements, Ride the Ducks of Seattle reviewed current training programs and amended them as appropriate to reflect changes in policy and procedure.

Subsequently, we have communicated these changes and reinforced expectations in the areas of compliance to all current employees through a refresher training process. Future and returning employees will be required to attend orientation or return-to-work training as appropriate, where they will receive training that includes an overview of all new policies and procedures adopted.

Additional detail on training programs and updates can be found in Section 2 of this Safety Management Plan.

Company Policy Review and Updates

Ride the Ducks of Seattle expects employees to meet our expectations and follow safety directives developed in accordance with our priority on safe operations, including compliance with applicable safety regulations. However, we also know from experience that sometimes employees do not meet their obligations and these expectations. When this occurs, it is important for employees to be held accountable for their actions.

We have reviewed our Disciplinary Action policy and procedure and updated it as necessary to be clear to team members that that our expectations with regard to their conduct and responsibilities includes meeting all regulatory requirements, and that failure to do so will subject them to disciplinary action.

Our Disciplinary Action policy can be found in our Employee Manual and is included in Section 2 of this Safety Management Plan.

Performance Evaluations Pertaining to Compliance

Ride the Ducks of Seattle recognizes the need for review and self-assessment of execution of policies and practices established to meet safety requirements. We have established verification and review procedures that provide for ongoing compliance monitoring; these internal auditing functions and assigned intervals are detailed in the responses to Part B violations in Section 1 of this plan.

In addition to ongoing monitoring functions carried out by the operations and compliance personnel, Company ownership will seek reports of the state of compliance during quarterly Leadership meetings. Standing agenda items for these meetings will include:

- Report and review of state of compliance to include results of auditing functions.
- Report and review of any inspection data that has posted to Ride the Duck of Seattle's USDOT number in FMCSA's Safety Management System.

Any violations detailed will be discussed to include a determination of whether the process breakdown was on an individual level or whether there may be systematic or procedural issues that permitted violations to occur. If the latter is determined, adjustments to processes to remedy the issue will be undertaken.

Additionally, ownership recognizes the need to periodically conduct external reviews of safety and compliance practices to obtain objective information on the status of Ride the Ducks of Seattle's ongoing safety and compliance initiatives. We will work with available partners, such as insurance companies, and 3rd party specialists, such as those retained to assist us in developing this safety plan, to obtain these periodic external audits and reviews.