TS-041007

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 South Evergreen Park Drive SW P. 0. Box 47250 Olympia, WA 98504-7250 (360) 664-1222

COMMERCIAL FERRY APPLICATION

| Necessity to operate vessels in f | e with RCW 81.8 urnishing Passen | 4 for iger - | a Certificate Freight - Exc | of Public Conve cursion - Ferry S | enience and Service. |
|---|---|-----------------|---|--|--|
| \$200.00 APPLICATION FEE MUST ACCOMPANY THIS APPLICATION | | | | | |
| | | | | | |
| Complete this applicat | ion in its entirety FOR OFFICE | y, add | ding additon | nal sheets if ne | cessary. |
| RECEPTION NO. 007419 AMOUNT \$ 200.00 (111-0268-0216-02) | MAPINSURANCE /SAFETY INSP. CE TARIFFTIME SCHEDULE_SHIPPER SUPPOR | RT | | DATE REC'D_\(\begin{aligned} \tilde{\phi} \\ APPLIC'N NO\\\ MOT CAR NO\\\\ | 1000 |
| INDICATE TYPE OF AR | | <u> </u> | | | |
| INDICATE TYPE OF API | | × | Certificated of excursion se Excursion se | FOR: commercial ferry rvice and/or laun ervice only | VICE APPLYING - including ch service |
| ☐ Temporary Certificate ☐ Lease of Certificate ☐ Mortgage of Certificate ☐ Acquisition of Control | | | Launch servi | ice only | |
| Name of applicant Kitsap Ferr d/b/a Kitsap Ferry Co. | ry Company, LLC | | | | ()Individual ()Partnership ()Corporation |
| Physical Address 197 Parfitt V (City, State, Zip) Bainbridge Is | | | 110 | | |
| Mailing Address Same as about (City, State, Zip) Same as about | | | | | |

Telephone Number (206) 780-1440 Fax Number (206) 780-0484

| - · · · · · · · · · · · · · · · · · · · | 4. | List names and addresses of all persons having CORPORATION, gives names and addresses and indicate in which state incorporated. If a PA partnership agreement, which sets forth the res | of two principal officers, i RTNERSHIP, attach a c | noting their titles, certified copy of the |
|---|--------|---|---|---|
| | | 100% Pacific Marine Group, Inc. | Gregory A. Dronkert | |
| | | 197 Parfitt Way SW, Suite 100 | President (sole officer) | |
| | | Bainbridge Island, WA 98110 | (, | |
| | | Incorporated in Washington State | | |
| | | UBI #602 053 888 | | |
| | 5. | List the territory in which you wish to operate: | | |
| | | Between Bremerton and Seattle, Washington | 1 | |
| | - | | | |
| ·) | , , | Waiver of ten-mile restriction: Are you applying provide service otherwise forbidden by the ten-mi ☐ Yes X No If yes, state fully the circumstances that justify C | le restriction in RCW 47. | .60.120? |
| 6. | | Attach a map which shows in detail the propose and intermediate points to be served. Also show service into the same or neighboring territory (if | v the routes of other carr | iers giving similar |
| 7. | | Will an attorney be representing you at the hear | ng? X Yes | □No |
| | | If yes, give specific attorney's name: | H. Bauer – Bauer Moynil | nan & Johnson LLP |
| | | Telephone Number (206) 443 3400 Address: | 2101 Fourth Ave., 24 th F 98121 | Floor, Seattle, WA |
| 8. | | Attach a copy of the tariff you propose using. The to be assessed for service and the rules and regrouply with WAC 480-51-080 and the rules in the 480-149). Please See Exhibit B. | ulations governing same | . The tariff must |

- 9. Attach a copy of the time schedule you propose using. The schedule must show routes,trips, times, points served, distances and available facilities. The time schedule must comply with WAC 480-51-090 of the Commission's Laws and Rules Relating to Commercial Ferry Service. Please See Exhibit C.
- 10. List vessels which are owned (unless otherwise stated) and will be used in the proposed service: Please See Exhibit D.

| Name | Passenger Freight or Ferry Type | Power | Passenger Capacity | Freight Capacity | Owned, Leased, other? |
|---------------------|---------------------------------------|--------|-----------------------|---------------------|-----------------------------|
| Spirit of Adventure | Passenger Catamaran | Diesel | 250 | | Leased |
| | | | | | TMT Corp. |

| List the docks which will be used in the proposed service. (List all facilities giving names, location, description, value if owned, and any other information of value showing the proposed service) |
|---|
| service) |

| Bremerton – City | of Bremerton, | POF (pas | senger onl | y ferry) | dock |
|------------------|---------------|----------|------------|----------|------|
| | | | | | |

12. Complete the following financial statement:

FINANCIAL STATEMENT

| Cash on hand and in bank Notes receivable Accounts receivable Stocks in other companies Vessels (listed above) | \$ | 22,500 | Notes payable *Accounts payable Other liabilities: | \$ | 4,500 |
|--|----|--------|--|------|--------|
| Bonds Docks (listed above) Machinery, tools, etc. | | | | | |
| Real estate (listed below) Other assets (listed below) | | 4,500 | Equity | | 22 500 |
| , | φ. | | Equity | | 22,500 |
| Total | Φ. | 27,000 | Total | \$. | 27,000 |

^{*} Professional legal

| lis | t all Real Estate as to location and value (List here on ed under item 10) | ry such pr | operty as cannot b |
|------------------------|--|-----------------------------------|--|
| | | \$ |) |
| | | \$ | <u> </u> |
| | | 4 | |
| | | \$ | , |
| A. | List total "Other Assets" mentioned above: | | |
| | | \$ | |
| | | | |
| | · | \$ \$ | · · · · · · · · · · · · · · · · · · · |
| | | \$ | |
| | | Ψ | |
| by the St This serv | er-only ferry (POF) service between Bremerton and Seate of Washington and inaugurated by Washington Strice was extremely well received; and during 2001 the ers between Bremerton and Seattle (an average of appears between Bremerton and Seattle) | ate Ferrie WSF PO | s (WSF) in 1986. F carried 840.079 |
| funding s Kistap Tr | senger-only service was successfully operated until S hortfalls caused the service to be discontinued. Imme ansit, as the local Public Transportation and Benefit A senger-only service but failed due a lack of support for | ediately, in rea (PTB <i>l</i> | November of 200 A), tried to initiate i |
| was form Company | ere is an urgent and immediate need for this service. ed to serve this need in a safe, reliable and efficient m v, LLC has reached agreement with Kitsap Transit (as be between Bremerton and Seattle on a commercial b | nanner. K the local F | itsap Ferry |
| | | | |
| List name | s and addresses of all persons, firms, or corporations in ny of the points or along any portion of the route prope | now furnis | hing similar servic |
| between a | s and addresses of all persons, firms, or corporations in any of the points or along any portion of the route proportions of the route proportion of t | now furnis | hing similar servic served: |

15. State applicant's prior experience, if any, in providing commercial ferry service:

Pacific Marine Group, Inc. owns Pacific Navgation Company, LLC, which will be responsible for day to day operaions of Kitsap Ferry Company, LLC.

Pacific Navigation Co. currently operates the *M/V Spirit of Adventure* (the vessel that will be used by Kitsap Ferry Co.) as a passenger-only ferry for the US Navy between Bremerton and Everett, WA.

Pacific Navigation Co. also manages Pierce County's passenger / vehicle ferries as well as the ferry terminal serving the community of Steilacoom and Ketron and Anderson Islands.

Pacific Navigation Co. manages the vessel operations of Pacific Boat Enterprises, LLC (dba Mosquito Fleet), which provides commercial ferry service to the San Juan Islands.

Pacific Navigation Co. operates small passenger cruise ships in Washington, British Columbia and Alaksa.

- 16. All applicants must attach separate sheets containing the following information:
 - a. Pro forma financial statement of operations (projections of incomes and expenses for first year operations). **Please See Exhibit E.**
 - b. Ridership and revenue forecasts. Please See Exhibit E.
 - c. The cost of service for the proposed operation. Please See Exhibits.
 - d. An est. of the cost of the assets to be used in providing service. Please See Exhibit D.
- 17. If certificate is granted, carrier will begin operations within <u>90 days</u> of that grant.

18. If this is a transfer application, you must:

- Complete attachment A.
- If this application is for transfer of a portion of certificated authority, attach document clearly showing authority to be transferred and a document clearly showing the authority to be retained.

If this is a transfer through acquisition of control of the stock, you must:

Attach copy of the corporate minutes authorizing such transfer.

If this is an application for a temporary certificate you must:

- Attach proof of insurance
- Attach statements from potential customers showing immediate and urgent need for service.
- Attach proof that all vessels to be operated under the temporary are inspected and found to be safe and seaworthy.

LICENSING SERVICES

he applicant certifies he/she is familiar with the provisions of Chapter 81. 84 RCW and Chapter 480-51 WAC, Laws and Rules of the Washington Utilities and Transportation Commission, governing the operation of vessels and ferries upon the waters of the state of Washington. Applicant further certifies that vessels operated under Certificates of Public Convenience and Necessity are in no way released from the necessity of observing all Federal and State laws providing for the registration of vessels, the observance of navigation and maritime rules and regulations, and other matters subject to Federal or State enactments.

Applicant affirms that its operations shall be at all times within the provisions of such acts, and requests the Washington Utilities and Transportation Commission to make its order granting a Certificate of Public Convenience and Necessity as provided in Chapter 81.84 RCW and Chapter 480-51 WAC.

The applicant swears or affirms that he/she has read the foregoing application and knows the contents, that the same is true of his/her own knowledge, except as to matters which are therein stated on information or belief, and as to those matters he/she believes them to be true.

Signature of Applicant

Date

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

KITSAP FERRY COMPANY, LLC d/b/a KITSAP FERRY CO. 197 PARFITT WAY SW, SUITE 100 BAINBRIDGE ISLAND, WA 98110

CERT NO. TBC-0012

PASSENGER-ONLY FERRY SERVICE between Bremerton and Seattle.

Expires: November 3, 2004

TS-040794

05-06-04

SERVICE DATE



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

By Cante O Thank

TOTALIAN (1992) F (1992) B

EXHIBIT A - ROUTE

EXHIBIT B - TARIFFS

EXHIBIT C - SCHEDULE

EXHIBIT D - SOA SPEC SHEET COI INSURANCE INFO.

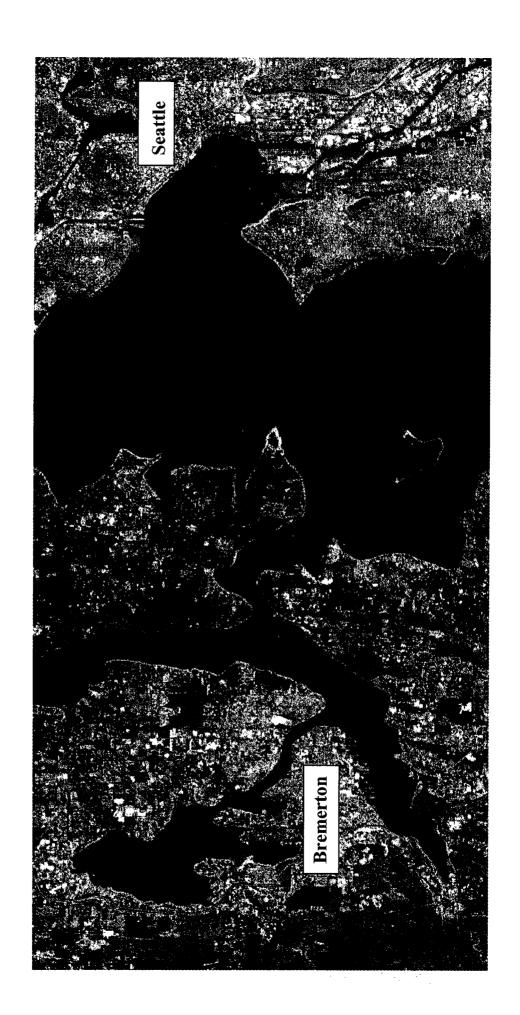
EXHIBIT E - PRO-FORMA RIDERSHIP DATA

EXHIBIT F - KITSAP TRANSIT AGREEMENT

EXHIBIT G - DOCK USE LETTER

EXHIBIT H - LETTERS
OF SUPPORT

Ferry Route from Bremerton to Seattle, WA.



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| () Revised Title | Page |
|------------------|------|
|------------------|------|

Of

Company Name: Kitsap Ferry Company, LLC

Certificate of Convenience and Necessity Number:

Operating under the Trade Name of: Kitsap Ferry Co.

NAMING FARES AND RATES FOR COMMERCIAL FERRY SERVICE

IN THE FOLLOWING DESCRIBED TERRITORY:

Between Bremerton, WA - Seattle, WA

Issued by: Kitsap Ferry Company, LLC

Name/Title of Issuing Agent: Gregory A. Dronkert, Manager

Mailing Address: 197 Parfitt Way SW, Suite 100

Bainbridge Island, WA 98110

Telephone Number: (206) 780-1440

E-mail Address: gdronkert@pacificmarinegroup.com

Fax Number: (206) 780-0484

Issue Date: April 28, 2004

Effective Date:

Page Effective Date

Docket No.

() Revised Page No. 1

Company Name: Kitsap Ferry Company, LLC

Passenger Fare Schedule

This fare schedule applies to: Kitsap Ferry Company, LLC

Between:

Bremerton, WA - Seattle, WA

| | One way | 20 Ticket Book | Monthly Pass |
|---------------|------------|-------------------------|-----------------|
| Adult | \$7.00 | \$100.00* \$120.00** | \$215.00 |
| Seniors 65+ | \$5.25 | \$90.00 | \$165.25 |
| Child under 3 | Free | Free | Free |
| First Cabin | NA | NA | \$322.50 |
| Each Bicycle | \$1.00 | | |

- * Expires August 31, 2004
- ** Effective September 1, 2004

Issue Date: April 28, 2004

Effective Date:

Page Effective Date

Docket No.

() Revised Page No. 2

Company Name: Kitsap Ferry Company, LLC

Passenger Rules and Regulations Kitsap Ferry

Commuter fares:

Ticket Books

Commuter ticket books, containing 20 tickets to be used within 60 days of the date of sale, will be sold between any of the above named points.

Monthly Pass - Unlimited Weekday Travel

Commuter monthly pass must be used in the month specified on the pass, will be sold between any of the above named points.

First Cabin (Assigned Seating) Monthly Pass - Unlimited Weekday Travel

Commuter First Cabin Monthly Pass must be used in the month specified on the pass, will be sold between any of the above named points. First cabin monthly pass holders are guaranteed an assigned seat on their choice of one Bremerton and one Seattle sailing. Additionally, they are entitled to free coffee/tea service and can access free newspapers. First cabin monthly pass holders may choose to embark on a sailing other than that assigned for them, but they will be provided access to the first cabin only if space is available.

Adult fares:

Fares published are adult fares, applying to all passengers who have reached and passed their third (3rd) birthday and not reached their 65th birthday.

Children's fares:

Children under 3 years of age, when accompanied by an adult passenger will be carried free of charge.

Senior fares:

Fares for seniors, 65 years of age and older, will be sold between any of the above named points.(Applies to oneway, ticket books, and monthly passes).

Ticket limitation:

One-way tickets are good on the date of sale only.

Ticket books are good for 60 days after day sold.

Monthly pass is good only for the month specified.

Page Effective Date

Docket No.

() Revised Page No. 3

Company Name: Kitsap Ferry Company, LLC

Cancelled sailings:

Carrier will issue vouchers (one way tickets) to passengers who have paid for passage on sailings that are cancelled. Monthly Pass holders and First Cabin Pass holders will receive a maximum of two vouchers per week day.

Ticket redemption:

None

Schedule maintenance: The Company will not be liable for delays caused by accidents, breakdowns, storms, or other conditions beyond its control. Though every effort will be made to meet the published time schedule, the carrier makes no guarantee to arrive at, or depart from, any point at a specific time.

Objectionable passengers: The Company reserves the right to refuse to transport persons under the influence of drugs or liquor, or who are incapable of taking care of themselves, or whose condition. conduct, or behavior may be objectionable to other passengers.

Baggage rules and charges: Hand baggage not exceeding 40 pounds for each adult fare and not exceeding 10 pounds on each child's fare will be carried free. Each passenger is responsible to care for any baggage. The carrier will not handle, load, unload or check baggage. Items such as hazardous materials, firearms or alcohol are prohibited to carry on the vessel.

Excess weight:

For baggage weight in excess of the free allowance above. the charge will be \$5 per unit; limited to maximum of 80 lbs per unit.

Valuation:

)

The carrier will not be liable for lost or damaged baggage caused by accidents, or other conditions beyond its control.

Animals:

Dogs, cats, and other animals or birds will not be allowed.

Exception: Service animals traveling with passengers will be carried free of charge. Animals will not be permitted to occupy a seat, but must lie or stand by their owner.

Bicycles:

Will be transported on a "first come", "first serve" basis and will be charged an additional \$1 per bicycle. The vessel can transport a maximum of 15 bicycles per sailing. Purchase of a bicycle ticket does not guarantee room on any particular

scheduled departure.

() Revised Title Page

Time Schedule No. KFC 01

Of

Company Name: Kitsap Ferry Company, LLC Certificate of Convenience and Necessity Number:

Operating under the Trade Name of: Kitsap Ferry Co.

Providing Commercial Ferry Service In The Following Described Territory:

Between Bremerton, WA - Seattle, WA

With Terminals At: Piers 54-57, Seattle and Passenger Only Ferry Terminal, Bremerton

Issued by: Kitsap Ferry Company, LLC

Name/Title of Issuing Agent: Gregory A. Dronkert, Manager

Mailing Address: 197 Parfitt Way SW, Suite 100

Bainbridge Island, WA 98110

Telephone Number: (206) 780-1440

E-mail Address: gdronkert@pacificmarinegroup.com

Fax Number: (206)780-0484

Issue Date: April 28, 2004

Effective Date:

Page Effective Date

Docket No.

Time schedule No. KFC 01 Revised Page No. 1

()

Company Name: Kitsap Ferry Company, LLC

Time Schedule Monday - Friday Schedule

| Morning Schedule | Time | Distance |
|---|---|---|
| Leave Bremerton | 5:20 AM | 0 miles |
| Arrive Seattle | 6:00 AM | 14 miles |
| Leave Seattle | 6:10 AM | 0 miles |
| Arrive Bremerton | 6:50 AM | 14 miles |
| Leave Bremerton | 7:00 AM | 0 miles |
| Arrive Seattle | 7:40 AM | 14 miles |
| Leave Seattle | 7:50 AM | 0 miles |
| Arrive Bremerton | 8:30 AM | 14 miles |
| | | |
| Afternoon | Time | Distance |
| Afternoon Leave Bremerton | Time 2:50 PM | Distance 0 miles |
| | | |
| Leave Bremerton | 2:50 PM | 0 miles |
| Leave Bremerton Arrive Seattle Leave Seattle Arrive Bremerton | 2:50 PM 3:30 PM | 0 miles 14 miles |
| Leave Bremerton Arrive Seattle Leave Seattle | 2:50 PM 3:30 PM 3:40 PM | 0 miles 14 miles 0 miles |
| Leave Bremerton Arrive Seattle Leave Seattle Arrive Bremerton | 2:50 PM 3:30 PM 3:40 PM 4:20 PM | 0 miles 14 miles 0 miles 14 miles |
| Leave Bremerton Arrive Seattle Leave Seattle Arrive Bremerton Leave Bremerton | 2:50 PM 3:30 PM 3:40 PM 4:20 PM 4:30 PM | 0 miles 14 miles 0 miles 14 miles 0 miles |

- Bremerton arrivals and departures at City of Bremerton passenger only dock.
- Seattle arrivals and departures at Argosy Cruises pier 54-57.

Issue Date: April 28, 2004

Effective Date:

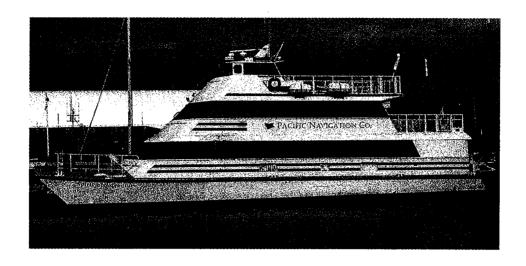
Page Effective Date

Docket No.

EXHIBIT D

Spirit of Adventure

Passenger Ferry



M/V Spirit of Adventure - Particulars

| Capacity | 250 passengers |
|---------------------|---|
| Tonnage | 99 Gross Registered |
| Owner | TMT Corp WA State |
| Operator | Kitsap Ferry Company, LLC |
| Manager | Pacific Navigation Co. |
| Est. Value | \$2,250,000 |
| Certification | United States Coast Guard, Sub-chapter T |
| Official Number | D 684714 |
| Service | High speed catamaran |
| Design | Incat |
| Builder | Nichols Bros. Boat Builders, Freeland, WA |
| Built | 1985 |
| Speed | 25 knots |
| Length | 86 feet |
| Main propulsion | 2 ea. DDC MTU 16V2000 diesel engines with propellers (installed 1999) |
| Horsepower | 1285 @ 2100 rpm (2 ea.) |
| Generators | 1ea 55 kW and 1ea. 30 kW |
| Fuel | 5,200 gallons |
| Fresh Water | 500 gallons |
| Sewage | 400 gallons (plus approved marine sanitation device) |
| Additional Features | Full galley, service station, 5 private heads (one handicap accessible), 2 Televisions, 1 VCR, public address and sound system. |



POHIS, LISCO, CO-1270 STREV. 06-103)

UNITED STATES OF AMERICA 2115-0110

DEPARTMENT OF HOMELAND SECURITY UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

| VESSEL NAME | ÖFFICIAL NUMBER | IMO OR OTHER NUMBER | YEAR COMPLETED |
|--|--|--|--|
| SPIRIT OF ADVENTURE | 684714 | 684-714 | 1985 |
| HAILING PORT | HULL MATERIAL | | MECHANICAL PROPULSION |
| GLACIER BAY, AK | ALUMINUM | | YES |
| PROSS TONNAGE NET TO | DNNAGE LENG | STH. BREADTI | |
| 264 GT ITC | 96 NT ITC | | |
| 99 GRT | 67 NRT | 85.8 3 | 10 |
| PLACE BUILT | Or tark | 00.0 3 | 1.2 9.2 |
| FREELÂND, WA | | | |
| | | and the grade of the second of | and The Committee of th |
| OWNERS | OPERATIO | NAL ENDORSEMENTS | |
| TMT CORP | COASTWI | SE | |
| | REGISTRY | | |
| | 1 | | |
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| | | | |
| | d. | | |
| <u>\</u> | | | |
| | | | |
| MANAGING OWNER | | | |
| TMT CORP | | | |
| 21711 VETTER RD N.W SUITE 1 | 103 | | |
| PO BOX 608 | 100 | 43 | |
| POULSBO, WA 98370 | | | |
| | | | |
| - Andrews | <u> </u> | man a special second second second | A STATE OF THE STA |
| RESTRICTIONS | | | |
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| ENTITLEMENTS NONE | | | |
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| SEPTEMBER 23, 2003 | | A DOM NO | 7715 60 |
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United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 24 Apr 2002 Expiration Date: 24 Apr 2007

IMO Number:

Certificate of Inspection

| Certific | all of i | | DCCLI | IUII | |
|--|---|--|--|--|--|
| Vessel Name SPIRIT OF ADVENTURE | Official Number 684714 | Call Sign WAM38 | 315 | service Passen | nger (More Than 6 |
| Halling Port GLACIER BAY AK | Hull Material Aluminum | Horsepower 1346 | | Propulsion Diesel | Reduction |
| Place Built FREELAND, WA UNITED STATES | Delivery Date Date Keel Laid 07Jun1985 04Mar1985 | Gross Tons R-99 I-264 | Net Tons R-67 I-96 | DWT | Length R-85.8 I-82.1 |
| OWNER GLACIER BAY MARINE SERVICES INC 107 W DENNY WAY SUITE 303 SEATTLE, WA 98119 UNITED STATES | Operator GLACIER BAY PARK 226 2ND AVE W SEATTLE, WA 98119 | 9-4204 | · | | |
| This vessel must be manned with the following 0 certified lifeboatmen, 0 certified tankermen, 0 | licensed and unlicens | ed personi | nel. Included ir 3 Operators. | n which th | nere must be |
| 1 Master Master & 1st Class pilot Chief Mate Mate & 1st Class Pilot 2nd Mate/OICNW 1 Lic. Mate/OICNW 3rd Mate/OICNW 1st Class Pilot | Radio Officer(s Able Seamen/l Ordinary Seam 4 Deckhands | (s) /ROANW men | Chief Englneer 1st Asst. Engr/2r 2nd Asst. Engr/3 3rd Asst. Engr. Lic. Engr. | 3rd Engr, | QMED/Rating Oilers |
| In addition, this vessel may carry 250 passengers, Fotal persons allowed: 260 | 4 other persons in crew | , 0 person | is in addition to | crew, and | no others. |
| Route Permitted and Conditions of Operation: Lakes, Bays, and Sounds plus LIMITED COASTWISE: PACIFIC OCEAN AREA CALIFORNIA, NOT MORE THAN 20 MILES FR ISLAND, AND ANYWHERE WITHIN 5 MILES O WITHIN THE SCOPE OF THIS ROUTE. WHEN NOT VENTURE MORE THAN 20 MILES FROM A LAKES, BAYS AND SOUNDS: THE INSIDE WAS SPENCER, AND THE INTERNAL WATERS BETWIN A MAXIUM OF 230 TOTAL PERSONS MAY BE CONNECTING AND TRIBUTARY WATERS THERE | A BETWEEN SANTA BAI COM A HARBOR OF SAI OFFSHORE OF SANTA (I PROCEEDING TO SAI HARBOR OF SAFE RE TERS OF SOUTHEAST EEN CAPE PUGET TO | RBARA, C. FE REFUG: CATALINA NTA CATAL EFUGE. ALASKA, CAPE SUG | CALIFORNIA, E. A VOYAGE ISLAND, IS LINA ISLAND DIXON ENTR | E TO SAN'S CONSIDE D, THE VE RANCE TO ASKA ON T | TA CATALINA ERED TO BE ESSEL MAY CAPE THIS ROUTE |

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this Inspection for Certification having been completed at Seattle, WA, the Officer in Charge, Marine Inspection, MSO PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections

| | inual/Fenou | ic/Quarter | iy Reinspections | This Amended beytificate issued by: |
|--------------|-------------|------------|------------------|--------------------------------------|
| <u> Pate</u> | Zone | A/P/Q | i \$ignature | |
| 103 | -SEAMS | - A | - Everye | JOHN E. VEENTJER By direction of the |
| 4/5/04 | -SEAMS | - A | · Ban TS- 6 0036 | Officer in Charge, Marine Inspection |
| - | - | - | - 0 10 | MSO PUGET SOUND |
| <u> </u> | - | <u> -</u> | 1- | Inspection Zone |



Certificate of Inspection

Page 2 of 3

Certification Date: 24Apr2002

SPIRIT OF ADVENTURE

7.145; ALSO SAN FRANCISCO BAY, CALIFORNIA, AND TRIBUTARIES.

WHEN 149 OR FEWER PASSENGERS ARE ON BOARD, THE VESSEL'S CREW MAY BE REDUCED TO 1 MASTER, 1 MATE AND 3 DECKHANDS.

AN ADDITIONAL DECKHAND WHO IS DESIGNATED BY LETTER AS THE SENIOR DECKHAND AS PROVIDED IN NVIC 1-91 MAY BE CARRIED IN LIEU OF THE MATE.

IF THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, AN ALTERNATE MASTER AND CREW SHALL BE PROVIDED, AND THE NUMBER OF PASSENGERS SHALL BE DECREASED ACCORDINGLY SO THAT THE TOTAL PERSONS ALLOWED DOES NOT EXCEED 260.

WHEN THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD NOT EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, A LICENSED MATE IS NOT REQUIRED.

NOT MORE THAN 12 PASSENGERS MAY BE CARRIED ON AN INTERNATIONAL VOYAGE.

WHEN OPERATING ON AN INTERNATIONAL VOYAGE:

- (1) ALL LICENSED INDIVIDUALS MUST HOLD LICENSES AUTHORIZING SERVICE ON VESSELS OF A CONNAGE AT LEAST EQUAL TO THE VESSEL'S U.S. REGULATORY TONNAGE AS INDICATED ON THIS ERTIFICATE OF INSPECTION AS PROVIDED FOR IN IMO RESOLUTION A.540(XIII);
- (2) UNLICENSED DECKHANDS PERFORMING NAVIGATIONAL WATCHKEEPING DUTIES MUST MEET THE QUALIFICATIONS AND BE DESIGNATED BY LETTER AS A SENIOR DECKHAND AS PROVIDED IN NVIC 1-91.

---Hull Exams---

| Exam Type | Next Exam | Last Exam | Prior Exam |
|--------------------|-----------|-----------|------------|
| Drydock | 06Mar2005 | 06Mar2003 | 05Apr2001 |
| Internal structure | 06Mar2005 | 06Mar2003 | 05Apr2001 |

---Stability---

Letter Approval Date / 21May1999 Office/ MSC

---Lifesaving Equipment---

| | Number | Person | រន | Required |
|------------------------|--------|--------|---|----------|
| Total Equipment for | | 260 | Life Preservers (Adult) | • |
| Lifeboats(Total) | 0 | 0 | Life Preservers (Child) | 260 |
| Lifeboats(Port)* | 0 | 0 | Ring Buoys (Total) | 26 |
| Lifeboats(Starbd)* | 0 | 0 | With Lights* | 3 . |
| Motor Lifeboats* | 0 | 0 | With Line Attached* | 1 |
| Lifeboats W/Radio* | 0 | 0 | Other* | 1 |
| Rescue Boats/Platforms | 0 | 0 | Immersion Suits | 7 |
| nflatable Rafts | 5 | 230 | Portable Lifeboat Radios | 0 |
| ife Floats/Buoyant App | 0 | 0 | Equipped with EPIRB? (* included in totals) | 0 Yes |



Certificate of Inspection

SPIRIT OF ADVENTURE

Page 3 of 3

Certification Date: 24Apr2002

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0

Number of Fire Pumps/ 2

Hose information

Qty

Diameter

Length

1.5

50

Fixed Extinguishing Systems

Capacity

Halon 1301

Space Protected

60

PORT LAZARETTE

60

Halon 1301

STBD LAZARETTE

Fire Extinguishers - Hand portable and semi-portable

Class Type

1 8

B-I

B-II

---Certificate Amendments---

Current Amendment

Port Amending/ MSO PUGET SOUND

Date Amended/ 06Mar2003

Jompleted Credit Drydock Examination & Internal Structural Examination.

END

Certificate of Marine Insurance

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

| NAME AND ADDRESS OF AGENCY: | | COMPANIES AFFORDING COVERAGE |
|---|---|--|
| Willis of Seattle, Inc. 505 Fifth Avenue South, Suite 200 Seattle, WA 98104 Phone 206-386-7400 | A | Continental Insurance Co. (MOAC) 50% Zurich American Insurance Co. 50% |
| | В | Great American Insurance Co. of New York |
| | С | Navigators Insurance Co. |

| NAME AND ADDRESS OF INSURED: | This is to certify that the policies of insurance listed below have been issued to the Insured named herein for the policy period indicated. |
|---|---|
| Pacific Marine Group, Inc. dba Pacific Navigation LLC 197 Parfitt Way SW, Suite 100 Bainbridge Island, WA 98110 | Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms exclusions and conditions of such policies. |

| Co. LETTER | TYPE OF INSURANCE | Policy No. | POLICY TERM | Limits |
|---------------|---|----------------|-----------------------|---|
| Α | Hull & Machinery Protection & Indemnity | W\$ 0305 | 5/13/2003 – 6/30/2004 | Hull Insured Value \$2,300,000. Hull Deductible \$50,000. P&I \$1,000,000. per occurrence P&I Deductible \$2,500. /occur. |
| В | Vessel Pollution | OMH3492845 | 5/13/2003 - 6/30/2004 | \$5,000,000. OPA and CERCLA |
| С | Excess Protection & Indemnity & Pollution Liabilities | SE03LIA8511/81 | 5/13/2003 - 6/30/2004 | \$4,000,000. excess of underlying P&I and Pollution |

COMMENTS / SPECIAL CONDITIONS:

Vessels Insured: M/V "SPIRIT OF ADVENTURE", OFFICIAL NO. 684714

Forms: Hull & Machinery as per American Institute Hull Clauses (6/2/77).

Protection & Indemnity as per P&I Clauses SP-38.

Pollution as per Great American Vessel Owner Pollution Coverage form GAI 2270 (12/02). Excess Liabilities as per American Institute Excess Marine Liabilities Following Form.

Evidence of Insurance as required by the application for a Commercial Ferry Certificate. RE:

Cancellation: Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative.

CERTIFICATE HOLDER:

Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW

PO Box 47250

Olympia, WA 98504-7250

DATED: April 27, 200

Authorized Signature

Hull & Machinery / War

Carrier:

50% Continental Insurance Co. (MOAC)

50% Zurich American Insurance Co.

Policy No.

WS0305

Coverages:

Hull & Machinery

Vessel:

M/V SPIRIT OF ADVENTURE

Insured Value:

\$2,300,000

Deductibles:

\$50,000 any one accident or occurrence

Conditions:

American Institute Hull Clauses (7/2/77)

American Institute Hull War Risks and Strikes Clauses (87B-

108)

American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses – December 1,

1977 (April 1, 1984)

Automatic Acquisition Clause Leased Equipment Clause

Equipment Away from Vessel Clause

Blanket Additional Assureds / Waivers of Subrogation as may

be required by contract.

American Institute Strikes Riots Civil Commotion Clause (Sept.

8, 1959)

Radioactive Contamination Clause Brokers Cancellation Clause (30 days)

Hull Rate:

1.15% (M/V SPIRIT OF ADVENTURE)

War Rate:

0.05%

Hull Premium:

\$ 25,450 per annum

War Premium:

\$ 1,150 per annum

Protection & Indemnity

Carrier:

50% Continental Insurance Co. (MOAC)

50% Zurich American Insurance Co.

Policy No.

WS0305

Coverages:

Protection & Indemnity

Vessel:

M/V SPIRIT OF ADVENTURE

Limits of Liability:

\$1,000,000 any accident or occurrence, Combined Single Limit

including Crew Liability and Liability to Passengers.

Sub-limits:

Personal Effects:

\$1,000 Per Occurrence

Medical Payments: \$2,500 Per Person

Deductibles:

\$2,500 any one accident or occurrence

Except:

Personal Effects \$100 Passenger Liability Nil Medical Payments Nil

Conditions:

SP 38

Affiliated Companies Clause Automatic Acquisition Clause

American Institute Pollution Exclusion and Pollution Buy-Back

(A)

Blanket Additional Assureds/Waivers of Subrogation as may be

required by contract.

Radioactive Contamination Exclusion Clause

Brokers Cancellation Clause (30 days)

Punitive Damage Exclusion

Premium:

\$20,750 per annum

Excess Protection & Indemnity

Carrier:

Navigators Insurance Co.

Policy No.

SE03LIA8511/81

Coverages:

Excess Protection & Indemnity

Vessel:

M/V SPIRIT OF ADVENTURE

Limits of Liability:

Excess Protection & Indemnity

\$4,000,000 any accident or occurrence,

Excess of

\$1,000,000 any one accident or occurrence

Conditions:

Excess Marine Liabilities to follow terms, conditions and

clauses of underlying policies.

Premium:

\$ 4,000 per annum

Vessel Pollution Coverage

Carrier:

Great American Insurance Company of New York

Policy No.:

OMH3492845

Coverage:

Oil Pollution Act and CERCLA

Vessels:

M/V SPIRIT OF ADVENTURE

Limit of Liability:

\$5,000,000 any one vessel any one incident

Conditions:

Great American Vessel Owner Pollution Coverage

Oil Pollution Act 1990 (Federal) Oil Pollution Act 1990 (State)

CERCLA

Miscellaneous Spill Liability

Defense Costs

Firefighting and Salvage

Limited Administrative Penalties (Limited to \$250,000 per vessel

per incident)

Public Relations (Limited to \$100,000 per vessel per incident)

Premium:

\$ 700 per annum

EXHIBIT E (1)

Kitsap Ferry Company - 8 Trips Per Day P&L Year 1

| | TOTAL |
|---|----------------------------|
| PASSENGER FARE REVENUE | 1,332,609 |
| ONBOARD SALES | 122,821 |
| OTHER REVENUE | 106,368 |
| TOTAL REVENUE | 1,561,798 |
| SAILINGS | |
| TOTAL PASSENGERS | 2,080 245,642 |
| | 240,042 |
| DIRECT EXPENSES FIRST CLASS CONSUMABLES | 12,282 |
| ONBOARD SALES COST OF GOODS | 46,058 |
| CREDIT CARD FEE | 13,554 |
| DIRECT EXPENSES | 71,894 |
| OPERATING COST | |
| CREW COST | 275,356 |
| FUEL | 210,052 |
| LUBES AND GREASE | |
| OPERATING SUPPLIES | 21,005 |
| MOORAGE | 34,634 |
| VESSEL COST | 59,707 |
| REPAIRS & MAINTENANCE | 395,423 |
| INSURANCE | 127,956 |
| OPERATING COST | 91,833 1,215,966 |
| OI ERATING COOT | 1,215,900 |
| GENERAL & ADMIN | i 1 |
| PAYROLL | 175,522 |
| MARKETING | 78,125 |
| OFFICE COST | 108,609 |
| TAXES | 13,903 |
| GENERAL & ADMIN | 376,159 |
| TOTAL EXPENSES | 1,664,020 |
| | |
| EBITDA | (88,926) |
| Depreciation | 21,000 |
| EBIT | (109,926) |
| Interest Expenditure Interest Income | 1,088 |
| Net Interest | (1,088) |
| NET PROFIT PRE TAX | (111,014) |
| Тах | |
| NET PROFIT | (111,014) |
| | |

EXHIBIT E (2)

Kitsap Ferry Company - 8 Trips Per Day Projected Ridership and Revenues Year 1

| | : | : | : | ; | | | | | | | | | |
|-------------------------|---------|---------|---------------------------------|---------|---------|---------|---------|---------|---------|---------|-------------------|----------|-------------|
| | Month 1 | Month 2 | Month 1 Month 2 Month 3 Month 4 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | | Month 10 Month 11 | Month 12 | TOTAL |
| PASSENGER FARE REVENUE | 97,581 | 103,680 | 103,876 | 109,779 | 108,598 | 114.658 | 115.877 | 105 765 | 118.317 | 115 681 | 120 756 | 110 041 | 1 222 600 |
| ONBOARD SALES | 8,994 | 9,556 | 9,574 | 10,118 | 10,009 | 10,568 | 10.680 | 9.748 | 10.905 | 10,662 | 11 130 | 10,041 | 122 824 |
| OTHER REVENUE | 7,759 | 7,759 | 7,759 | 7,759 | 7,759 | 7,759 | 696'6 | 696'6 | 696'6 | 696'6 | 696'6 | 6966 | 106.368 |
| TOTAL REVENUE | 114,334 | 120,994 | 121,209 | 127,655 | 126,366 | 132,984 | 136,526 | 125,482 | 139,191 | 136,311 | 141,855 | 138,890 | 1,561,798 |
| VESSEL PAX CAPACITY | | | | | | | ē | | | | | | |
| LOADFACTOR | 45% | 48% | 20% | 51% | 52% | 53% | 54% | 54% | 55° | 740% | 7005 | 270/ | |
| AVERAGE PAX PER SAILING | 102 | 108 | 112 | 115 | 117 | 120 | 12.7 | 122 | 12% | 12 k | 126 | 07.70 | |
| SAILINGS | 177 | 177 | 171 | 177 | 171 | 177 | 177 | 19 | 177 | 171 | 177 | 727 | 0.4,1 |
| TOTAL PASSENGERS | 17.987 | 19.111 | 19.148 | 20.236 | 20.018 | 21 135 | 21.360 | 10 406 | - 6 | - 70 | | | 2,080 |

EXHIBIT F

AGREEMENT FOR SUBMISSION OF UTC APPLICATION FOR POF SERVICE

This Agreement is made by and between Kitsap Transit, a Washington Municipal Corporation ("KT") and KITSAP FERRY COMPANY, LLC, a Washington Limited Liability Company ("Applicant") as of the 5th day of March, 2004.

1. KT agrees that Applicant may file and submit an application (the "Application") for the issuance of a certificate of public convenience and necessity (the "Certificate") to the Washington Utilities and Transportation Commission (the "UTC") for the initiation and operation of Passenger-Only Ferry Service ("POF Service") over the following Route (the "Route"):

Bremerton to Seattle

- 2. Applicant and KT covenant and agree that in the event Applicant procures the Certificate, Applicant and KT will immediately execute the POF Service Agreement in the form attached as Exhibit 1, or in a revised form mutually approved by Applicant and KT.
- 3. Applicant acknowledges that (i) KT would not have signed this Agreement in the absence of Applicant's covenant to sign the POF Service Agreement; and (ii) notwithstanding Applicant's procurement of the Certificate, Applicant may not undertake POF Service without executing the POF Service Agreement.
- 4. KT acknowledges that it is executing this Agreement pursuant to Resolution No. 04-15 duly adopted on March 2, 2004 by KT's Board of Commissioners approving KT's agreement to Applicant's Application, and subject to the execution hereof KT will cause its Board to adopt a new Resolution in the form attached as Exhibit 2.

KITSAP TRANSIT

RICHARD HAYES, Executive Director

KITSAP FERRY COMPANY, LLC

ts



Share the water. Share the wonder.

1101 Alaskan Way • Pier 55, Suite 201 • Seattle, WA • 98101 • 206-623-1445 • FAX 206-623-5474

www.argosycruises.com

April 20, 2004

Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Honorable Commissioners,

Kitsap Ferry Company, LLC has made arrangements with Argosy Cruises for dock space along the central Seattle waterfront to be used for the loading and unloading of passengers in support of scheduled passenger-only ferry operations between Bremerton and Seattle Washington.

Sincerely,

John Blackman President and CEO



Washington State Senate

10 Irv Newhouse Building PO Box 40426 Olympia, WA 98504-0426

Senator Bob Oke 26th Legislative District Phone: (360) 786-7650 FAX: (360) 786-7651 Toll-free Hotline: 1-800-562-6000

May 4, 2004

The Honorable Marilyn Showalter, Chairwoman
The Honorable Dick Hemstad, Commissioner
The Honorable Patrick J. Oshie, Commissioner
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region and effects the lives of many of my constituents.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and I urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Senator Bob Oke

26th Legislative District Washington State Senate

STATE REPRESENTATIVE 23rd DISTRICT PHIL ROCKEFELLER

State of Washington House of Representatives

NATURAL RESOURCES **EDUCATION** TRANSPORTATION



April 26, 2004

Ms. Marilyn Showalter, Chair Mr. Dick Hemstad, Commissioner Mr. Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive, SW

Olympia, Washington 98504-7250

CHAIR WALTO

Dear Commissioners:

It is my understanding that Kitsap Ferry Company will soon be making application for a permit to reestablish passenger only ferry service between Bremerton and Seattle. I am writing today to voice my strong support for approval of this request.

As you know, this vital service was provided for several years by Washington State Ferries (WSF). In the face of severe budget cuts, WSF eliminated the passenger-only service. maintaining instead only auto ferries on the Bremerton/Seattle run. This limited service does not appear to meet the demand of commuters for increased trip frequency and shorter transit time.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to reestablish this service. Kitsap Ferry Company has subsequently reached agreement with Kitsap Transit, and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

With Kitsap Ferry Company's permit application, a new opportunity has been created to reintroduce the much needed transportation system. This service will benefit both daily commuters and visitors, and help stimulate economic activity throughout our region. I urge your favorable consideration of this request.

Sincerely,

PHIL ROCKEFELLE State Representative

23rd District

LEGISLATIVE OFFICE: 323 JOHN L. O'BRIEN BUILDING, PO BOX 40600, OLYMPIA, WA 98504-0600 • 360-786-7934 TOLL-FREE LEGISLATIVE HOTLINE: 1-800-562-6000 • TDD: 1-800-635-9993



KITSAP COUNTY BOARD OF COMMISSIONERS

April 26, 2004

Chris Endresen DISTRICT 1

> Jan Angel DISTRICT 2

> Patty Lent DISTRICT 3

Malcolm Fleming County Administrator The Honorable Marilyn Showalter, Chairwoman The Honorable Dick Hemstad, Commissioner The Honorable Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and we urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Patty Lont,

Commissioner, District 3, Chair

Jan Angel

Commissioner, District 2

Chris Endresen

Commissioner, District 1

cc: Dick Hayes, Executive Director, Kitsap Transit

BOC: kkb

G\com\data\District 1\letters\2004\ BOARD - WUTC



Mayor Cary Bozeman

March 31, 2004



The Honorable Marilyn Showalter, Chairwoman The Honorable Dick Hemstad, Commissioner The Honorable Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Bremerton urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Cary Bozeman

Mayor



CITY OF PORT ORCHARD Office of the Mayor

CITY HALL • 216 Prospect Street, Port Orchard, WA 98366 (360) 876-4409 • FAX (360) 895-9029

April 19, 2004

The Honorable Marilyn Showalter, Chairwoman The Honorable Dick Hemstad, Commissioner The Honorable Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

I am writing to lend the City of Port Orchard's wholehearted support to the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a necessary element of Washington State's transportation network. It provides a vital link between Kitsap and the eastern Puget Sound Counties. Until it was discontinued in September of 2003, the Washington State Ferries (WSF) provided this service.

The current car ferry service between Bremerton and Seattle does not fully meet demand, in terms of frequency, transit time (speed), nor connection opportunities. This restricts economic activity throughout our county and region. Citizens of Port Orchard rely on the ferry for work, education, and entertainment opportunities.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Port Orchard urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Kim Abel Mayor of Port Orchard



P.O. Box 229

301 Pacific

Bremerton, WA 98337

A Stronger
Chamber
Equals
A Stronger
Community

Bremerton Area Chamber of Commerce

PH: (360) 479-3579

FAX: (360) 479-1033

email: chamber@ _remertonchamber.org

Web Page: www.bremertonchamber.org



April 1, 2004

Kjartan Gilje Kitsap Ferry Company, LLC 197 Parfitt Way SW, Suite 100 Bainbridge Island WA 98110

Dear Kjartan,

The Bremerton Area Chamber of Commerce wholeheartedly supports Kitsap Ferry Company's efforts to provide passenger-only ferry service between the Seattle area and communities in Kitsap County.

For many years, the Chamber has been on record as a strong proponent of passenger-only ferry service. It is key to Bremerton's revitalization efforts and an important link for commuters, tourists and commerce.

The service is not simply a convenience – it is a necessity for our community. Kitsap County has about 90,000 employable people but roughly only 70,000 jobs. While many organizations and businesses work hard to bring more employment opportunities to the area, there remains a large gap between employees and jobs. Until that gap is eliminated, our friends and neighbors must have reliable and timely ferry service so they can support their families. Passenger-only ferry service is essential because it enables commuters to spend less time away from their families.

Kitsap Ferry Company's services are also essential for commerce. Businesses rely on technological advances to enhance business opportunities and efficiencies, however, face-to-face meetings are still as essential as ever. Passenger-only ferry service provides an efficient means for businesspeople to meet with clients and suppliers while saving an hour of valuable travel time. The time saved enhances productivity and adds to the bottom line of businesses.

Passenger-only ferry service is a key component of revitalization, quality of life and economic development. We encourage your positive consideration of Kitsap Ferry Company's proposal.

Sincerely,

Silvia Klatman, IOM Executive Director



April 12, 2004

The Honorable Marilyn Showalter, Chairwoman The Honorable Dick Hemstad, Commissioner The Honorable Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF). The introduction of commercial operators will provide full ferry service to the Kitsap peninsula with rates appropriate for the services they provide.

There is an urgent and immediate need for this service. I urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Respectfully,

Elizabeth A. Gilje

Elizabeth A. Sugic

President

KPS Health Plans

PECORDS N. MENT

O4 APR 19 AM 11: 02

STATE 0. SH.
UTIL. AND MANSP.
COMMI.

RECEIVED

APR 1 9 2004

CHAIR, WUTC

April 14, 2004

The Honorable Marilyn Showalter, Chairwoman The Honorable Dick Hemstad, Commissioner The Honorable Patrick J. Oshie, Commissioner Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

Please support the combined effort of commercial ferry operators to reintroduce passenger-only ferry service between Bremerton and Seattle.

There is an urgent and immediate need for this service. I urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF). With a minimum of public input, WSF management decided in late 2002 they could no longer afford to run the Bremerton-Seattle foot ferries, and commuters have suffered. The only runs provided by the WSF are one-hour runs leaving on average of every one and a half hours. The service is abysmal, but that is another story. This has also exacerbated the situation for the Bainbridge-Island to Seattle ferries, where traffic on Hwy 305 has increased.

Please permit a private operator to offer much needed supplementary service.

Thank you,

Fied Chang

Chair

Bremerton Ferry Advisory Committee

Sprint 27, 2011

Gregory A. Dronkert

Kitsap Ferry Company, LLC

197 Parfitt Way SW, Suite 100

Bainbridge Island, WA 98110

Dear Sir:

This is in support of the proposal from Kitsap Ferry Company, LLC regarding the need for passenger-only service between Bremerton and Seattle, WA.

I believe that passenger-only service is a key element of transportation of the State of Washington as it provides for movement of people quickly with a reduced impact to our environment. I believe that when the State of Washington started passenger-only service in 1986 it recognized that this service is of vital importance to the people and employers of King and Kitsap counties and that this service provided a vital link within the overall transportation network. It should be noted that the Washington State Ferry System only discontinued it in 2003 due to a lack of funding.

The passenger-only service provided direct service to approximately 2,900 people each week day according to information available from the Washington State Ferry System. This allowed for a much shorter commute time for myself and many other regular customers of the passenger-only boats. This was not simply a convenience but when I or a member of my family became ill increased my abilty to obtain needed care in a quick and more efficient manner than would otherwise have been available. Additionally, since my employer has an office in Bremerton the passenger-only ferry made me and other employees more quickly available for sudden staffing changes as we could change our physical locations quickly and thereby save the employer additional costs in lost manhours and increase production within a relative short time span.

The current Washington State Ferry System schedule does not meet the demand in frequency of sailings and transit time that is needed for many people which restricts the activities both professional and personnel of the people of both King and Kitsap counties. I, myself, in order to ensure that I arrive at my workplace everyday on time must be aboard the 4:50am sailing in order to be in downtown Seattle by 7:15am. I am fortunate in being able to be on the 4:20pm sailing most evenings but I must admit that my attitude and adaptability are not always the greatest at that time since I have been either in commute or at work for over 12 hours. I commute to Seattle as that allows for greater opportunity for economic independence for myself and my family than is otherwise available. Although my employer has a small office in Bremerton, I would be required to step back down the career ladder in order to be at that office. I do not believe that would benefit either myself or my family as it would severely reduce the economic benefits currently available to us.

I have been informed that a private ferry operator has reached agreement with Kitsap Transit and has the support from Kitsap Transit to apply to the Washington Transportation and Utilities Commission for permit(s) which would allow for service on the Bremerton-Seattle route to resume passenger-only service on an ongoing basis.

There is certainly a need for this service between Bremerton and Seattle and I believe that this need is both immediate and urgent. I know that stress of the longer commute has strained relationships, both personal and professional, for many people and further reduced the potential earning power of individuals in Kitsap county because they cannot apply for positions which start earlier than 8:00am without losing a large amount of personal time in the untimely scheduled sailings currently available. I am sure that WSF believes it is doing all that it can based on its reduced capacity of ferries and reduced funding, however, I believe that passenger-only ferries have a definite advantage in many ways in providing service, reducing the load on the State highway system by reducing the number of vehicles using road surfaces, and assisting in keeping the current standard of our environment.

Sincerely,

1.

Ella J. Vesterbeck (past Chairperson, Bremerton Ferry Advisory Committee)

1704 Elizabeth Ave

Bremerton, WA 98337



May 28, 2004

RECEIVED

Ms. Carole J. Washburn
Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

JUN 02 2004

WASH, UT, & TP. COMM.

Re: Permanent permit application for Kitsap Ferry Company, LLC

Ref: Certificate # TBC-0012

Dear Ms. Washburn:

On behalf of Kitsap Ferry Company, LLC, please find the attached application for a permanent permit to operate a commercial passenger-only ferry service between Bremerton and Seattle, Washington.

We previously submitted and the Commission approved our application for a temporary permit for this route. Please note that this permanent application has been submitted within 30 days of the date that the temporary permit was granted.

To support today's application, we have provided:

Check for \$200

(Filing fee)

Binder

| Application | (Application) |
|-------------|--|
| Exhibit A | (Route) |
| Exhibit B | (Tariffs) |
| Exhibit C | (Schedule) |
| Exhibit D | (SOA Spec Sheet, COI, Insurance Info.) |
| Exhibit E | (Pro–Forma and Ridership) |
| Exhibit F | (Kitsap Transit Agreement) |
| Exhibit G | (Dock Use Letter) |
| Exhibit H | (Letters of Support) |

Please do not hesitate to contact me should you have any questions regarding this application. Thank you for your consideration.

Sincerely.

Gregory A. Dronkert