

INCENTIVES
Vacations

Seattle

Victoria, BC

San Juan Islands

Vancouver Island

Vancouver, BC

Whistler, BC

Canadian Rockies

Portland, Oregon

Fishing, Skiing & Golfing

Clipper Navigation, Inc.

2701 Alaskan Way, Pier 69 Seattle, WA 98121-1199

Reservations: 206-448-5000 Administration: 206-443-2560 FAX: 206-443-2583

www.victoriaclipper.com

254 Belleville Street Victoria, BC V8V 1W9 Canada

Reservations: 250-382-8100 Administration: 250-384-8322 FAX: 250-382-2152 TS-071090

May 30, 2007

VIA FACSIMILE - (360) 586-1150 - AND U.S. MAIL

Ms. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
PO Box 47250

Olympia, WA 98504-7250

Re: San Juan Express, Inc.

Certificate No. BC-117

Tariff No. 40 – Seattle to Friday Harbor -

Service 2007

Dear Ms. Washburn:

Enclosed for filing are the following:

1. Tariff/Schedule No. 40; and

2. Copy of Tariff/Schedule No. 40 which has been marked for public posting. San Juan Express posted it today.

Please accept this Tariff and Time Schedule No. 40 for consideration of changes in Fares and Schedule for Seattle to Friday Harbor. Due to a request by the US Navy for use of the vessel, Victoria Clipper III, San Juan Express, Inc. is requesting a change in the schedule.

The vessel, Victoria Clipper III, which provides this service, has been under charter to the US Navy for transportation of troops in Puget Sound. This charter was to end before the start of the "Spring" Service. The US Navy has notified San Juan Express, Inc's that they will require the vessel until June 25, 2007. The vessel will then require maintenance to prepare it for scheduled service beginning June 30, 2007.

Thank you for your understanding in this change of service. If you have any questions regarding the enclosed materials please contact me.

(Sincerely,

Darrell E. Bryan

Executive Vice President and General Manager