

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
 1300 South Evergreen Park Drive SW
 P. O. Box 47250
 Olympia, WA 98504-7250
 (360) 664-1222

COMMERCIAL FERRY APPLICATION

Application is made in accordance with RCW 81.84 for a Certificate of Public Convenience and Necessity to operate vessels in furnishing Passenger - Freight - Excursion - Ferry Service.

\$200.00 APPLICATION FEE MUST ACCOMPANY THIS APPLICATION

Complete this application in its entirety, adding additional sheets if necessary.

FOR OFFICIAL USE ONLY		
RECEPTION NO. <u>0009393</u>	MAP _____ INSURANCE _____ SAFETY INSP. CERT. _____ TARIFF _____ TIME SCHEDULE _____ SHIPPER SUPPORT _____	DATE REC'D <u>1/25/06</u> APPLIC'N NO. <u>B-79352</u> MOT CAR NO. <u>42504</u>
AMOUNT \$ <u>200.00</u>		
(111-0268-0216-02) <u>AM EXP</u>	<u>05/06</u>	<u>AMEX 119035</u>

INDICATE TYPE OF APPLICATION: (Only one type per application)	INDICATE TYPE OF SERVICE APPLYING FOR:
<input type="checkbox"/> Original Certificate <input checked="" type="checkbox"/> Extension of Authority <u>Permit No. BC-00129</u> <u>TS-040650</u> <input type="checkbox"/> Transfer all Authority <input type="checkbox"/> Transfer a Portion of Authority <input type="checkbox"/> Temporary Certificate <input type="checkbox"/> Lease of Certificate <input type="checkbox"/> Mortgage of Certificate <input type="checkbox"/> Acquisition of Control	<input checked="" type="checkbox"/> Certificated commercial ferry – including excursion service and/or launch service <input type="checkbox"/> Excursion service only <input type="checkbox"/> Launch service only

1. Name of applicant ALASKA EXPRESS LLC Individual
 Partnership
 Corporation

2. d/b/a _____ Unified Business Identifier (UBI) No. 602342798

3. Physical Address 1101 ALASKAN WAY # 201
 (City, State, Zip) SEATTLE, WA - 98101

Mailing Address _____
 (City, State, Zip) _____

Telephone Number (206) 623-1445 Fax Number (206) 623-5474

4. List names and addresses of all persons having an interest in the business. If a CORPORATION, give names and addresses of two principal officers, noting their titles, and indicate in which state incorporated. If a PARTNERSHIP, attach a certified copy of the partnership agreement, which sets forth the responsibility of the interested individuals.

APPLICANT IS A Limited Liability Corporation whose members are:
Angeby, LP (25%), Clipped Navigation, INC. (25%) Nichols Brothers
Boat Builders, INC (25%) and Four Seasons Marine Service, INC. (25%)
managing member: John Blackman, Angeby, 1101 Alaskanway #201 Seattle, WA 98101

5. List the territory in which you wish to operate:

Between South Kitsap County and Seattle

Waiver of ten-mile restriction: Are you applying for territory which would require a waiver to provide service otherwise forbidden by the ten-mile restriction in RCW 47.60.120?

Yes No

If yes, state fully the circumstances that justify Commission grant of such a waiver:

6. Attach a map which shows in detail the proposed routes, clearly showing beginning, ending, and intermediate points to be served. Also show the routes of other carriers giving similar service into the same or neighboring territory (if known to applicant).

7. Will an attorney be representing you at the hearing? Yes No

If yes, give specific attorney's name David W. Wiley

Telephone Number (206) 628-6600 Address 601 Union St. # 4100
Seattle, WA 98101-2380

8. Attach a copy of the tariff you propose using. The tariff must contain proposed fares and rates to be assessed for service and the rules and regulations governing same. The tariff must comply with WAC 480-51-080 and the rules in the Commission's Tariff Circular No. 6 (WAC 480-149).
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.
10. List vessels which are owned (unless otherwise stated) and will be used in the proposed service:

Name	Passenger Freight or Ferry Type	Power	Passenger Capacity	Freight Capacity	Owned, Leased, other?
AQUA EXPED	Passenger	Diesel	292	N/A	owned
TBD	Passenger	Diesel	149	N/A	leased

11. 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)

Pier 54-57 - Seattle

12. Complete the following financial statement:

FINANCIAL STATEMENT

Cash on hand and in bank	\$	<u>24334</u>		Notes payable	\$	<u> </u>
Notes receivable		<u> </u>		Accounts payable		<u> </u>
Accounts receivable		<u>3186</u>		Other liabilities:		<u> </u>
Stocks in other companies		<u> </u>		<u>TERM LOAN</u>		<u>24000</u>
Vessels (listed above)		<u>947508</u>		<u> </u>		<u> </u>
Bonds		<u> </u>		<u> </u>		<u> </u>
Docks (listed above)		<u> </u>		<u> </u>		<u> </u>
Machinery, tools, etc.		<u>93480</u>		<u> </u>		<u> </u>
Real estate (listed below)		<u> </u>		<u> </u>		<u> </u>
Other assets (listed below)		<u> </u>		<u> </u>		<u> </u>
Total	\$	<u>1068508</u>		Total	\$	<u>24000</u>

A. List all Real Estate as to location and value (List here only such property as cannot be listed under item 10)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. List total "Other Assets" mentioned above:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

13. List conditions that exist which would justify the granting of a Certificate of Public Convenience and Necessity:

WITH THE END AND/OR REDUCTION OF WASHINGTON STATE FERRY PASSENGER ONLY VESSELS, THERE IS A NEED TO PROVIDE COMMUNITY THE OPPORTUNITY FOR FAST, ECONOMICAL SERVICE BETWEEN SOUTH KING COUNTY AND SEATTLE. POTENTIAL RIDERS, EMPLOYERS AND GOVERNMENT OFFICIALS SUPPORT THIS PRIVATE INCORPORATION ALTERNATIVE.

14. List names and addresses of all persons, firms, or corporations now furnishing similar service between any of the points or along any portion of the route proposed to be served:

NONE

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

APPLICANTS PRINCIPALS HAVE DECADES OF EXPERIENCE IN THE MARITIME INDUSTRY AND ARE CURRENTLY PROVIDING COMMERCIAL FERRY SERVICE BETWEEN KINGSTON AND SEATTLE

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).
- b. Ridership and revenue forecasts.
- c. The cost of service for the proposed operation.
- d. An estimate of the cost of the assets to be used in providing service.

17. If certificate is granted, carrier will begin operations within 18 MONTHS days 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 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.

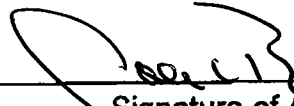
If this is a transfer through acquisition of control of the stock, you must:

- Attach copy of the corporate minutes authorizing such transfer.

The 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

1-21-2005

 Date

ATTACHMENTS

Exhibit A Route Map

Exhibit B Schedule

Exhibit C Fares

Exhibit D Financial Projections

Distance Harper- Seattle- 9.4 n.m. Northbound 9.6 n.m. Southbound
Distance Southworth-Seattle- 8.9 n.m Northbound 9.1 nm Southbound

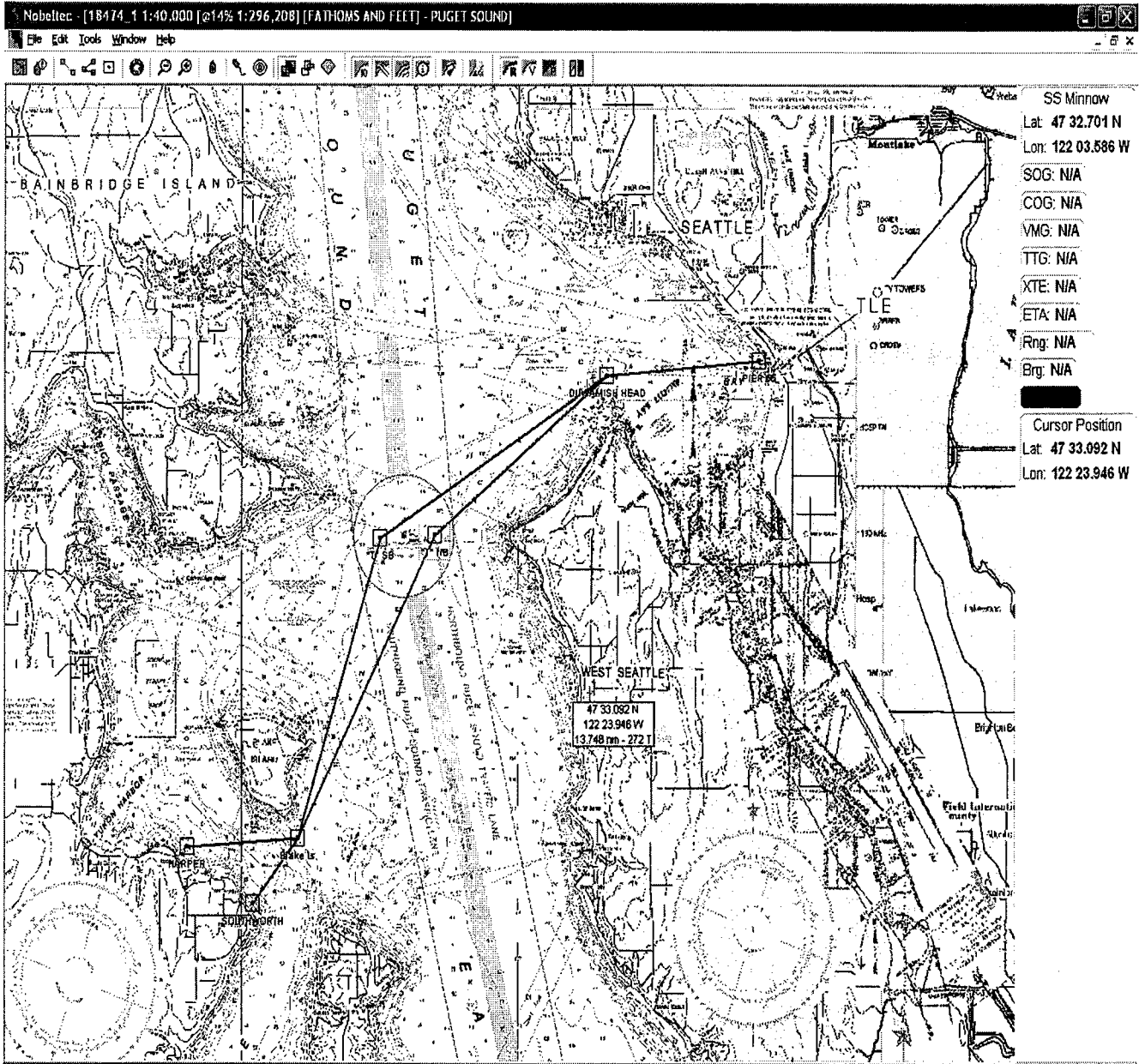


Exhibit A

Aqua Express, L.L.C.

SCHEDULE BEGINNING JUNE 21, 2006

DAILY SERVICE: 5 days/week – Monday to Friday (No service on weekend or official State and National Holidays)

VESSEL #1	TIME	DISTANCE
Depart South Kitsap County	5:30 a.m.	0.0 miles
Arrive Seattle	6:10 a.m.	9.5 miles
Depart Seattle	6:20 a.m.	0.0 miles
Arrive South Kitsap County	7:00 a.m.	9.5 miles
Depart South Kitsap County	7:10 a.m.	0.0 miles
Arrive Seattle	7:50 a.m.	9.5 miles
Depart Seattle	8:00 a.m.	0.0 miles
Arrive South Kitsap County	8:40 a.m.	9.5 miles
Depart South Kitsap County	8:50 a.m.	0.0 miles
Arrive Seattle	9:30 a.m.	9.5 miles
Depart Seattle	4:00 a.m.	0.0 miles
Arrive South Kitsap County	4:40 p.m.	9.5 miles
Depart South Kitsap County	4:50 p.m.	0.0 miles
Arrive Seattle	5:30 p.m.	9.5 miles
Depart Seattle	5:40 p.m.	0.0 miles
Arrive South Kitsap County	6:20 p.m.	9.5 miles
Depart South Kitsap County	6:30 p.m.	0.0 miles
Arrive Seattle	7:10 p.m.	9.5 miles
Depart Seattle	7:20 p.m.	0.0 miles
Arrive South Kitsap County	8:00 p.m.	9.5 miles

EXHIBIT B

Aqua Express, L.L.C.

FARES BEGINNING JUNE 21, 2006

A. PASSENGER FARES:

Seattle to South Kitsap County		
	One Way	Round Trip
All Passengers	\$5.25	\$10.50 A
Infant (under 1 year of age)	Free	Free A
Frequent traveler – month pass	5% discount off All Passengers Fare	

B. FREIGHT TARIFF:

Seattle to South Kitsap County		
Each piece:	58 pounds or less	\$15.00
Each piece:	Greater then 58 pounds	\$0.25 per pound

1. All freight will be carried on a space-available basis only. All charges are from terminal to terminal.
2. All freight must be properly packaged.

C. BICYCLE TARIFF:

Seattle to South Kitsap County		
	One Way	Round Trip
Each bicycle	\$3.00	\$6.00

Exhibit C

AQUA EXPRESS LLC
South Kitsap Ferry Division
 Pro forma Income Statement
 2005 dollars

	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE					
Full Fare Revenue	664,167	569,764	603,150	641,963	661,496
Discount Fare Revenue	331,508	506,045	533,281	567,597	576,949
Other revenue	-	-	-	-	-
Gross revenue	995,675	1,075,809	1,136,431	1,209,460	1,240,444
Less: Commissions & refunds	7,045	7,615	8,050	8,545	8,826
Net revenue	988,630	1,068,194	1,128,382	1,200,915	1,231,619

	Year 1	Year 2	Year 3	Year 4	Year 5
VESSEL EXPENSES					
Crew payroll, taxes & benefits	198,814	201,548	204,283	207,018	209,753
Fuel	190,800	190,800	190,800	190,800	190,800
Insurance - Hull and machinery	18,720	20,520	21,600	22,680	23,400
Moorage	101,760	127,200	127,200	127,200	127,200
Repairs & maintenance	146,280	161,544	169,176	184,440	199,704
Other vessel costs (Drug test, training, etc.)	4,300	4,408	4,518	4,631	4,746
Total cost of goods sold	660,674	706,020	717,577	736,769	755,603
Gross profit	327,956	360,174	410,805	464,146	476,016

	Year 1	Year 2	Year 3	Year 4	Year 5
SELLING, GENERAL & ADMIN.					
Payroll, taxes & benefits	24,892	16,107	14,205	13,909	12,404
Advertising, brochures & promotions	56,880	56,520	57,600	60,120	66,600
Insurance - Liability	-	5,000	5,125	5,253	5,384
Office supplies & expense	-	-	-	-	-
Professional fees	34,500	10,000	10,000	10,000	10,000
Taxes - property & other	23,041	24,335	25,733	27,130	27,721
Telephone	4,800	4,920	5,043	5,169	5,298
Office Rent	-	12,300	12,608	12,923	13,246
Travel	5,250	1,881	1,928	1,976	2,026
Utilities	-	-	-	-	-
Miscellaneous	6,000	6,150	6,304	6,461	6,623
Total SG & A Expenses	155,363	137,413	138,546	142,941	149,303
Operating Income	172,593	222,760	272,259	321,205	326,713

	Year 1	Year 2	Year 3	Year 4	Year 5
OTHER EXPENSES (INCOME)					
Charter & rents, net + tax	150,000	150,000	150,000	150,000	150,000
Depreciation	22,593	72,760	122,259	171,205	176,713
Net Income including concessions	34,940	46,197	48,454	51,254	56,013
Concessions	-	-	-	-	-
Net Ferry Income	(12,246)	26,563	73,805	119,952	120,700

	Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Full Fare Revenue	74,627	72,063	67,917	63,771	59,625	55,479	51,333	47,187	43,041	43,041	43,041	43,041	43,041	664,167
Discount Fare Revenue	7,893	11,840	15,786	19,733	23,679	27,626	31,572	35,519	39,465	39,465	39,465	39,465	39,465	331,508
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross revenue	82,520	83,902	83,703	83,504	83,304	83,105	82,906	82,707	82,507	82,507	82,507	82,507	82,507	995,675
Less: Commissions & refunds	794	753	711	670	629	587	546	504	463	463	463	463	463	7,045
Net revenue	81,725	83,149	82,991	82,834	82,675	82,518	82,360	82,202	82,044	82,044	82,044	82,044	82,044	988,630

	Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Crew payroll, taxes & benefits	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	16,568	198,814
Fuel	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900	190,800
Insurance - Hull and machinery	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	18,720
Moorage	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	8,480	101,760
Repairs & maintenance	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	12,190	146,280
Other vessel costs (Drug test, training, etc.)	358	358	358	358	358	358	358	358	358	358	358	358	358	4,300
Total cost of goods sold	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	660,674
Gross profit	26,669	28,093	27,935	27,777	27,619	27,462	27,304	27,146	26,988	26,988	26,988	26,988	26,988	327,956

	Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Payroll, taxes & benefits	2,063	2,098	2,093	2,088	2,083	2,078	2,073	2,068	2,063	2,063	2,063	2,063	2,063	24,892
Advertising, brochures & promotions	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	56,880
Insurance - Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies & expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	15,000	10,000	5,000	500	500	500	500	500	500	500	500	500	500	34,500
Taxes - property & other	1,907	1,935	1,932	1,928	1,926	1,923	1,920	1,917	1,913	1,913	1,913	1,913	1,913	23,041
Telephone	400	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Office Rent	-	-	-	250	250	250	250	250	250	250	250	250	250	12,300
Travel	1,500	1,000	500	250	250	250	250	250	250	250	250	250	250	5,250
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total SG & A Expenses	26,110	20,672	15,164	10,406	10,398	10,390	10,382	10,374	10,366	10,366	10,366	10,366	10,366	155,363
Operating Income	559	7,421	12,771	17,371	17,221	17,071	16,921	16,771	16,622	16,622	16,622	16,622	16,622	172,593

Exhibit D