

## FOR IMMEDIATE RELEASE

March 7, 2007

Bremerton, Washington. - Kitsap Ferry Company announced today that it will suspend its existing passenger-only ferry operation between Bremerton and Seattle effective April 1, 2007. The last day of the passenger-only ferry service will be Friday, March 30, 2007.

In August of 2004, Kitsap Ferry Company became the first private ferry line to re-enter the year-round passenger commuter ferry market since the 1950's, when the State of Washington bought out private operators and created Washington State Ferries (WSF). Kitsap Ferry Company applied for and was granted a permit by the Washington Utilities and Transportation Commission (WUTC) to operate commercial ferry service between Bremerton and Seattle after WSF abandoned its own passenger-only ferry service on that route in 2003. That same year, Kitsap Transit made its first unsuccessful attempt at a county-wide ballot measure to create a Kitsap County oriented publicly controlled passenger-only ferry system.

Concerning the decision to suspend operations, Kitsap Ferry Company President Greg Dronkert stated that: "We believe in this service and have invested heavily in it. We recognize that passenger-only ferries are a vital component of Bremerton's redevelopment and that the benefits are widespread throughout the County. However, we have determined that the operation is not viable as a purely private venture and therefore are unable to continue on our own."

Under a public-private Joint Development Agreement Kitsap Transit has been able to contribute to Kitsap Ferry Company operations through vessel leases and dock facility payments. Recently, Kitsap Transit suffered a second defeated ballot measure that otherwise could have provided a reliable funding source for expanded service. Following the unsuccessful election, Kitsap Transit determined it can no longer contribute to the passenger-only ferry's operation.

Kitsap Transit Executive Director Dick Hayes commented that "We feel the Joint Development Agreement and our relationship with Kitsap Ferry Company are a model for how the public and private sectors can work together to provide vital services. Unfortunately, no matter how beneficial a service is, if we can't establish a viable funding source we can't continue to support it."

Dronkert cited three reasons for suspension of service: lower than expected ridership, high fuel prices and WSF's fare-free eastbound travel. Dronkert went on to say his biggest regret is the impact suspending service will have on loyal riders. Approximately 200 Kitsap commuters consistently use the passenger-only ferry between Bremerton and Seattle.

Dronkert said he was proud of his crew's professionalism and the reliability of the service, which operated 98% of its scheduled sailings. He also thanked Kitsap Transit and its Board for the support they provided to the project. "Our goal has always been to provide safe, reliable and efficient service to Kitsap County," Dronkert said. "We are pleased that we have achieved this over the last 30 months. With a change in circumstances and some more hard work, we will be back."

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