



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

Pennco Transportation, Inc.
933 Carlsborg Road
Sequim, WA 98382

Pennco Transportation, Inc.
P.O. Box 356
Carlsborg, WA 98324

Attention: Kevin Harris, Owner and President

Dear Mr. Harris:

You and staff of the Washington Utilities and Transportation Commission (Commission) have talked by telephone a number of times over the past several days. I am confirming, by this letter, the results of those conversations.

Pennco Transportation, Inc. (Pennco), does not have authority to provide its door-to-door passenger service from any origin to any destination within Washington State. Pennco's insurance company notified the Commission that it was canceling Pennco's insurance policy effective April 23, 2005. As you know, all Commission regulated passenger transportation companies operating in Washington must acquire and maintain specific levels of liability insurance. On April 13, 2005, the Commission notified Pennco that it would suspend its authority to operate if proof of insurance was not received within 10 days (prior to April 23, 2005). Pennco did not provide the appropriate proof of insurance and its insurance lapsed as of April 23, 2005. As a result, the Commission suspended Pennco's operating authority effective April 23, 2005.

Commission staff received a call from a member of the public that reported you were transporting passengers to the airport yesterday. When staff contacted you about that report, you admitted that you were providing service, yet told conflicting stories about your insurance coverage. First you said that you had insurance but the company failed to provide proof; you later said that you did not have insurance but intended to acquire it. Staff believes that yesterday you operated without authority and without insurance.

Staff contacted the Port of Seattle (Sea-Tac Airport) and relayed that Pennco was operating without authority and without insurance. Sea-Tac officials stopped a Pennco bus and informed the driver, as well as the passengers, that the Port would not allow Pennco to operate at the airport without authority and insurance. In addition, staff repeatedly informed you that you could not operate.

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This morning Commission staff received another call from a member of the public that reported you were transporting passengers from locations in Clallam and Jefferson Counties to Kitsap County where those passengers were transferred to a second regulated carrier for further transportation to Sea-Tac.

This letter is to simply confirm that Pennco Transportation, Inc., may not operate as an auto transportation company providing passenger transportation services from any origin to any destination within Washington State. Providing service in violation of the Commission's order suspending your certificate puts your company, its officers, and its employees at substantial risk, both financially and legally, since you have no authority to operate and no insurance. In addition, it puts your drivers and the passengers they are transporting at physical risk as they are traveling in a vehicle without proper public liability and property damage insurance.

If you have any questions about this matter or how you can reinstate your authority to operate, you may contact Bonnie L. Allen, Regulatory Analyst, at 360-664-1226.

Sincerely,

A handwritten signature in black ink, appearing to read "Carole J. Washburn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carole J. Washburn
Executive Secretary