

July 8, 2007

Ms. Carole J. Washburn **Executive Secretary** Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, Washington 98504 -7250

Subject: TS-070889 Aqua-Express Petition to extend the suspension of service to June 4, 2009

Dear Commission:

Thank you for sending the notice of the second pre-hearing conference set for July 18, 2007. The Kingston Express Association declines to be an intervenor in the proceedings. Our interest is to have a clear field for a future Kingston Express ferry or other ferry operator who wishes to provide service between Kingston and Seattle.

We disagree with a number of Kitsap Transit claims including that the Kingston Express is not a "viable alternative provider of this service" and that "service can only succeed if operated under a public-private partnership model, with the local government providing all the capital and between 30-40% of operating funds year in and year out." (letters to UTC dated May 22, 2007 and June 8, 2007). The Kitsap Transit conclusions are based on a narrow analysis that ignores many variables affecting subsidy needs, including route, vessel, speed, service level, tariff, ridership and the time it takes for ridership to grow. The Kingston Express plan is based in part on close study of other ferry providers and their recent experience and is at least as viable as the alternatives.

If you have any questions or would like additional information feel free to contact me.

Sincerely,

Nels Sultan, Ph.D, P.E.

Manager

Kingston Express Association

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cc via e-mail: Aqua-Express (johnb@argosycruises.com)

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