



Pacific Cruises Northwest, Inc. – 355 Harris Avenue, Suite 104 – Bellingham, WA 98225
360.738.8099 – 800.443.4552 – Fax 360.738.7685

Pacific Cruises Northwest, Inc.
d/b/a
San Juan Cruises

Docket No. TS-121395

Evidentiary Hearing on 31 January 2013

**** REVISED ****

Witness List

Exhibit List

Proposed Exhibits

Submitted 15 January 2013

Pacific Cruises Northwest, Inc. (PCNW)

Hearing Exhibits

Witness List

DMS Exhibit - 1	Pro forma financial statement of operations including; ridership and revenue forecast, and cost of service.
DMS Exhibit – 2	Certificate of Insurance
DMS Exhibit – 3	PCNW Initial filing
DMS Exhibit – 4	Statement of Assets – PCNW Balance Sheet
DMS Exhibit – 5	Statement of Assets – Vessel Ownership Certificates
DMS Exhibit – 6	Facility Lease – Port of Bellingham
DMS Exhibit – 7	Operating Agreement – Port of Friday Harbor
DMS Exhibit – 8	Curriculum Vitae for Drew M. Schmidt
DMS Exhibit – 9	PCNW Prior WUTC Certificate
DMS Exhibit – 10	Island Mariner Cruises (BC-95) – Discontinuance Order
DMS Exhibit – 11	McNamara (BC-130) – Order of Cancellation
DMS Exhibit – 12	Staff opinion email from Penny Ingram
DMS Exhibit – 13	Staff opinion letter from Gene Eckhardt
DMS Exhibit – 14	Puget Sound Express (BC-118) – Tariff Time Schedule
DMS Exhibit – 15	Puget Sound Express – Web Advertisements
DMS Exhibit – 16	Whatcom Council of Governments – Passenger Only Ferry Study

Pacific Cruises Northwest, Inc.

Hearing Witness List

Ken Oplinger

President and CEO

Bellingham / Whatcom Chamber of Commerce and Industry

360.734.1330

(In person)

Randi Axelsson

Group Sales Manager

Silver Reef Casino, Hotel and Spa

360.543.7142

(Via conference bridge)

Christine Smith

Co-owner

Northwest Navigation Co.

360.201.8184

(Via conference bridge)

Jeff Ehlers

Jeff's Automotive Service

360.739.0081

(Via conference bridge)

Drew Schmidt

President

Pacific Cruises Northwest, Inc.

360.738.7088

(In person)

San Juan Cruises - Bellingham - Friday Harbor
Commercial Ferry Route - 2013 Projection

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
RIDERSHIP FORECAST													
Bellingham to Friday Harbor	-	-	-	-	100	300	600	600	300	-	-	-	1,900
Friday Harbor to Bellingham	-	-	-	-	100	300	600	600	300	-	-	-	1,900
Total	-	-	-	-	200	600	1,200	1,200	600	-	-	-	3,800
Fare	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	

REVENUE FORECAST

Bellingham to Friday Harbor	-	-	-	-	4,950	14,850	29,700	29,700	14,850	-	-	-	94,050
Friday Harbor to Bellingham	-	-	-	-	4,950	14,850	29,700	29,700	14,850	-	-	-	94,050
Total Sales	-	-	-	-	9,900	29,700	59,400	59,400	29,700	-	-	-	188,100

DMS Exhibit - 1
2 pages

San Juan Cruises - Bellingham - Friday Harbor
Commercial Ferry Route - 2013 Projection

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
EXPENSE FORECAST													
Vessel Labor				2,000	3,500	10,500	11,000	11,000	7,500				45,500
Shoreside Labor				-	1,000	1,000	1,000	1,000	1,000				5,000
Advertising & Promotion				2,500	5,000	5,000	2,500	2,500	2,500				20,000
Bank Fees	-	-	-	-	248	743	1,485	1,485	743	-	-	-	4,703
Dock Rent - Bellingham	-	-	-	-	250	750	1,500	1,500	750	-	-	-	4,750
Dock Rent - Islands	-	-	-	-	200	600	1,200	1,200	600	-	-	-	3,800
Drug Testing					65	65	65	65	65				325
Insurance - Business									600				600
Insurance - Hull & P.I.									8,000				8,000
Office Rent				120	120	120	120	120	120	120	120	120	1,080
Office Supplies				50	50	50	50	50	50				300
Professional Fees													-
Telephone				200	200	200	200	200	200	200	200	200	1,800
Uniforms					400								400
Utilities				50	50	50	50	50	50	50	50	50	450
Vessel Fuel					4,000	12,000	12,500	12,500	8,000				49,000
Vessel Maintenance				2,000	1,000	1,000	1,000	1,000	1,000				7,000
													-
Taxes - Payroll	-	-	-	400.0	900.0	2,300.0	2,400.0	2,400.0	1,700.0	-	-	-	10,100
Taxes - Property													-
Taxes - Business	-	-	-	-	198	594	1,188	1,188	594	-	-	-	3,762
													-
Vessel Depreciation				1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	10,800
													-
Total Operating Expenses	-	-	-	8,520	18,381	36,172	37,458	37,458	34,672	1,570	1,570	1,570	177,370
Net Income	-	-	-	(8,520)	(8,481)	(6,472)	21,942	21,942	(4,972)	(1,570)	(1,570)	(1,570)	10,731



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/18/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Snapper Shuler Kenner Insurance P.O. Box 551 Lynden, WA 98264 Robert N. Hagedorn, CIC	360-354-4488 360-354-1946	CONTACT NAME: Deb Kors, ACSR PHONE (A/C, No., Ext): 360-354-4488 E-MAIL ADDRESS: dkors@sskinsurance.com	FAX (A/C, No): 360-354-1946
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Pacific Cruises Northwest DBA: Victoria-San Juan Cruises DBA: Island Commuter Services Drew Schmidt 355 Harris Avenue Bellingham, WA 98225	INSURER A: Atlantic Specialty Insurance		27154
	INSURER B: Employers Fire Insurance Co		20648
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X		B5JH53469	09/01/12	09/01/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY			743022121003	09/01/12	09/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB			B5JH53470	09/01/12	09/01/13	EACH OCCURRENCE \$ 4,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						AGGREGATE \$ 4,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		N/A	B5JH53469 STOP GAP	09/01/12	09/01/13	WC STATU-TORY LIMITS <input checked="" type="checkbox"/> OTH-ER
	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Protection & Indemnity			B5JH53470	09/01/12	09/01/13	Limit Included

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Additional Insured form IMU0313 (01/07) applies.

CERTIFICATE HOLDER

CANCELLATION

WASST-7

Washington State Utilities and Transportation Commission
P O Box 47250
Olympia, WA 98504

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Robert N. Hagedorn

DMS Exhibit - 2
2 pages

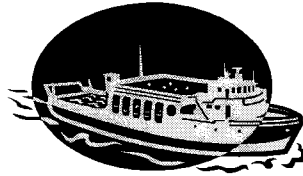
ENDORSEMENT TO SECTION I – COVERAGE PARTS I, II & III ADDITIONAL INSURED AND WAIVER OF SUBROGATION (BLANKET)

In consideration of the premium at which this policy is issued, and subject to the terms and conditions of the policy, it is agreed that:

1. **Section V – General Conditions – Paragraph I – Who Is An Insured** – of the policy is amended to include any person or organization that you are obligated by an "insured contract" to include as Additional Insureds, but only with respect to liability arising out of "your work" and only with respect to coverage provided under Section I, Coverage Parts I, II and III of the policy.
2. It is further agreed that we waive any right of recovery we may have against any such Additional Insured because of payments we make for "bodily injury" or "property damage" arising out of "your work" for that Additional insured, but only to the extent of your obligation under the "insured contract".

TS-121395-CT

1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250
Phone: 360-664-1222
Fax: 360-586-1181
TTY: 360-586-8203
or
1-800-416-5289
E-mail: transportation@wutc.wa.gov



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 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>039533</u>	MAP _____	DATE REC'D <u>8/24/12</u>
AMOUNT \$ <u>200⁰⁰</u>	INSURANCE _____	ID NO. <u>M30104</u>
(111-0268-0216-02) <u>CK# 55968</u>	SAFETY INSP. CERT. _____	DOCKET NO. _____
	TARIFF _____	
	TIME SCHEDULE _____	
	SHIPPER SUPPORT _____	

INDICATE TYPE OF APPLICATION: (Only one type per application)		INDICATE TYPE OF SERVICE APPLYING FOR:	
<input checked="" type="checkbox"/>	Original Certificate		
<input type="checkbox"/>	Extension of Authority	<input checked="" type="checkbox"/>	Certificated commercial ferry
<input type="checkbox"/>	Transfer all Authority	<input type="checkbox"/>	Launch Service only
<input type="checkbox"/>	Transfer a Portion of Authority		
<input type="checkbox"/>	Temporary Certificate		
<input type="checkbox"/>	Acquisition of Control		

RECEIVED

- Name of Applicant **Pacific Cruises Northwest, Inc.**
- Trade Name, if applicable **San Juan Cruises**
- Physical Address **355 Harris Avenue, #104, Bellingham, WA, 98225**
- Mailing Address (same)

AUG 24 2012

WASH. UT. & TP COMM

Telephone Number (360) 738-8099 Fax Number (360) 738-7685

UBI # 600-585-288

Email drew@whales.com

DMS Exhibit - 3
19 pages

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.

Drew M. Schmidt

2815 Goshen Road

Bellingham, WA 98226

5. List the territory in which you wish to operate: (attach additional sheet if necessary)

Bellingham to Friday Harbor

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 _____

Telephone Number () _____ Address _____

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
(Attach additional sheet if needed)

Name	Passenger Freight or Ferry Type	Power	Passenger Capacity	Freight Capacity	Owned, Leased, other?
Victoria Star 2	Passenger	Diesel	149	1,000	Owned
Viking Star	Passenger	Diesel	42		Owned
Island Scout	Passenger	Diesel	56	500	Owned

--	--	--	--

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)

Bellingham Cruise Terminal – long term lease – 21st year

Port of Friday Harbor – long term customer – 26th year

12. Complete the following financial statement:

FINANCIAL STATEMENT

Cash on hand and in bank	\$	78,272		Notes payable	\$	122,716
Notes receivable		8,000		Accounts payable		25,721
Accounts receivable				Other liabilities:		
Stocks in other companies						
Vessels (listed above)		607,907		Deposits		92,152
Bonds				Sales Tax Payable		16,090
Docks (listed above)						
Machinery, tools, etc.		108,177				
Other assets (listed below)		8,000				
Accumulated Depreciation		<592,450>		Retained Earnings		<38,773>
Total	\$	217,906		Total	\$	217,906

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

n/a		\$	
		\$	
		\$	

b. List total "Other Assets" mentioned above:

Note receivable – Sean McNamara		\$	8,000
Licenses		\$	8,000
		\$	

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

Granting the requested application will be consistent with the public interest in allowing the applicant to facilitate the transportation of the public.

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:

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

Applicant has been actively involved in the intrastate and international commercial ferry
Industry for over 30 years including having held a commercial ferry certificate for over 25 years

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.
- e. Certificate from United States Coast Guard on inspection.
- f. Evidence of proper insurance as required by WAC 480-51-070.

17. If certificate is granted, carrier will begin operations within 120 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 an acquisition of control of the stock, you must:

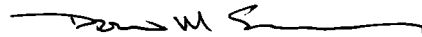
- Attach copy of the corporate minutes authorizing such transfer.



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

8-22-12

Date

PACIFIC CRUISES NORTHWEST, INC.
D/B/A
SAN JUAN CRUISES

Operating Under

CERTIFICATE _____

TARIFF NO. 1

NAMING

PASSENGER FARES

AND RULES AND REGULATIONS

GOVERNING SAME

BETWEEN

PASSENGER AND FREIGHT SERVICE

Between: Bellingham and Friday Harbor.

ISSUED: August 23, 2012

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

EFFECTIVE:

FOR COMMISSION USE ONLY:

Section 1

RULES AND REGULATIONS

Application of Tariff:

REGULAR ROUTES:

PASSENGER-ONLY FERRY SERVICE - Between Bellingham and Friday Harbor.

ANIMALS:

Dogs, cats, and other animals or birds will only be carried in an airline approved carrier.
Exception: "Seeing Eye" and "Hearing Ear" dogs accompanying a blind and/or deaf person who pays the standard fare will be carried free of charge. Said dog must be properly harnessed and must lie or stand at the feet of its master.

APPLICATION OF FARES:

- (1) The Fares authorized herein are one-way and round-trip Fares, and are payable in lawful United States money or its equivalent.
- (2) The Fares authorized herein will apply between any two (2) points in the Continental United States and from all points on the lines of the Issuing Carriers to all points on the lines of the Issuing Carriers.
- (3) The Fares authorized herein may not be used as Basing Fares to construct Fares to or from points beyond stations on the lines of the Issuing Carriers.

APPLICATION OF FARES - CHILDREN:

- (1) Children under 12 years of age must be accompanied by an adult passenger.
- (2) Children under 6 years of age, not occupying seats to the exclusion of other passengers, will be carried free of charge.
- (3) Children under 6 years of age, occupying seats to the exclusion of other passengers, and children 6 years and under 17 years of age will be charged a Youth fare.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

ARTICLES OF UNUSUAL VALUE

The following articles will be accepted in Baggage Service subject to a MAXIMUM Liability of \$250.00 per Adult Ticket or \$125.00 per Child's Ticket and a greater value may NOT be declared on such articles: Antiques, Articles of Extraordinary Value, Heirlooms, Jewelry including Watches, Money, Negotiable Instruments, Valuable Papers including; Manuscripts, Irreplaceable Publications, Documents, Pictures, etc.

ARTICLES NOT ACCEPTED AS BAGGAGE

Articles listed below are classified as "Prohibited" and will not be transported under any circumstances; that is, Passengers will not be permitted to Check the Items in Baggage Service or to carry them on the vessel:

(1) Articles Prohibited by Law:

Acids, Batteries containing Liquid Acids, Cylinders containing Compressed Gases (See NOTE), Combustible Liquids, Explosives, Flammable Films, Fireworks, Flammable Materials, Gases, Guns, Hazardous (Dangerous) Articles such as; Poisons, Gases, Explosives, Radioactive Materials, Flammable Articles.

NOTE: Passengers, who for medical reasons must rely on the use of oxygen in portable oxygen containers, must carry such containers with them on the vessel. No such passenger will be seated in a designated smoking area aboard the vessel.

(2) Other Prohibited Items:

Ammunition, Firearms, Furniture, Materials which have a disagreeable odor, Perishable Items, Phonograph Records, Televisions.

BAGGAGE ALLOWANCE

Baggage, not exceeding 3 pieces nor a total of 75 lbs. for each adult fare and not exceeding 3 pieces nor a total of 35 lbs. on each child's fare will be carried free.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

Tariff No. 1

Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises

Certificate No. BC-_____

Original Page 3

BAGGAGE, LIABILITY OF CARRIER

In the event of loss or of damage to baggage carrier shall not be held liable for a sum greater than \$250.00 on baggage carried on an adult fare nor more than \$125.00 on baggage carried on a child's fare.

DELAYS, LIMITATION

(1) Carrier will NOT be liable for delays caused by accidents, breakdowns, bad sea conditions, snow storms and any other condition beyond their control, and do NOT guarantee to arrive at, or depart from, any point at a specific time. Carrier will endeavor to maintain the schedule submitted by its agent or employee, but same is not guaranteed.

(2) If conditions over which carrier has no control, such as weather, sea condition, or acts of God, make it in the opinion of the carrier, inadvisable to operate, either from point of origin or at any point enroute the carrier will NOT be liable therefor, or be caused to be held for damage for any reason whatsoever.

FIREARMS

Firearms will NOT be transported as baggage nor personally nor in any way whatsoever.

LOST ARTICLES OR BAGGAGE

Carrier assumes no responsibility for articles lost or misplaced, which are not checked as baggage.

OBJECTIONABLE PERSONS

Carrier reserves the right to refuse to transport a person who is under the influence of intoxicating liquor, or drugs, or who is incapable of taking care of himself or herself, or whose conduct is such, or liable to be such as to make him or her objectionable to other passengers.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

OPERATIONS, SEASONAL

Operations are seasonal in character and are subject to weather conditions. Carrier reserves the right to issue or honor tickets ONLY when service is being operated.

RESERVATIONS

- (1) Reservations for specific seats will not be made.
- (2) Reservations must be made in advance, guaranteed by credit card and or prepayment by cash or check and confirmed otherwise carriage cannot be guaranteed.
- (3) Carrier reserves full control and discretion as to the seating of passengers and reserves the right to change such seating at any time during the trip.
- (4) Carrier reserves the right, whenever operating conditions require, to transfer passengers from one vessel to another or to another mode of transportation as it sees fit, enroute.
- (5) Immediate transportation cannot be guaranteed, being subject in all cases to limitations of carrying capacity and to conditions beyond the company's control. In the event of there being insufficient carrying capacity on any schedule, carrier reserves the right to accommodate passengers on the earliest possible schedule.

TICKETS, LOST OR STOLEN

Carrier party to this tariff will not be responsible in the case of tickets lost by passengers, nor will the money paid therefor be refunded. Carrier, at its discretion, may, replace such lost tickets to passengers, on a stand by basis, for the original transportation date only.

TICKETS, REDEMPTION OF

Tickets sold under the authority of this tariff will be redeemed to the original purchaser by the issuing carrier at the carrier's principal office, as follows:

- (1) Unused tickets will be redeemed at the purchase price. Unused portions of round trip or commutation tickets will be redeemed by charging the regular fare or fares for the portion or portions used and refunding the balance of the purchase price.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

Tariff No. 1
Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
Certificate No. BC-_____

Original Page 5

(2) Tickets are non-transferable, unless otherwise provided herein, and if presented for passage or refund by any person other than the original purchaser or authorized holder, will be void and may be confiscated by the agent or other authorized employee of the carrier.

TICKETS, TIME LIMIT

Tickets sold under the authority will be valid only on the date specified at time of purchase. Tickets may be used on a "stand by" basis prior to the specified date and shall be void thereafter.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

"Fare Schedule No.1"

Section 2

SCHEDULE OF PASSENGER FARES

Fares are in even United States dollars per passenger.

Between: Bellingham and Friday Harbor	
	One Way Regulated Fare
Adult	\$49.50
Youth (age 6 – 17)	\$24.75

Notes:

- Tour wholesalers, acting as commercial sales agents to tour groups, with a minimum group of 20 passengers, when pre-booked and prepaid, will receive a 20% commission of the full adult fare.
- Travel Agents, acting as retail sales agents to independent travelers, when pre-booked and prepaid, will receive a 10% commission of the net fare collected.
- Promotional fare discounts may, from time to time, be offered for educational purposes and to stimulate travel on light travel days upon approval of the W.U.T.C.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

PACIFIC CRUISES NORTHWEST, INC.

D/B/A

SAN JUAN CRUISES

Operating Under

CERTIFICATE BC-_____

TIME SCHEDULE NO. 1

PROVIDING COMMERCIAL FERRY SERVICE

IN THE FOLLOWING TERRITORY:

PASSENGER AND FREIGHT SERVICE

Between: Bellingham and Friday Harbor.

With Terminals At:

Bellingham Cruise Terminal, Bellingham, WA
Spring Street Landing, Friday Harbor, WA

ISSUED: August 23, 2012

ISSUED BY:

EFFECTIVE:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

*"Time Schedule No. 1"*TIME SCHEDULE**Between Bellingham and Friday Harbor, WA**

Seasonally, beginning the first Saturday in May through the last Sunday in September as follows:

May	Saturdays and Sundays only.		
June	Daily		
July	Daily		
August	Daily		
September 1-15	Daily		
September 16-30	Saturdays and Sundays only.		
<i>26 nautical miles each way</i>			
Depart Bellingham	0930	Arrive Friday Harbor	1130
Depart Friday Harbor	1530	Arrive Bellingham	1730

Season will end the last Sunday in September and will resume the first Saturday in May of the following year.

ISSUED: August 23, 2012

EFFECTIVE:

ISSUED BY:

Drew Schmidt, President – Pacific Cruises Northwest, Inc., d/b/a Victoria San Juan Cruises
355 Harris Avenue #104 – Bellingham, WA – 98225 - (360) 738-8099 – tours@whales.com

FOR COMMISSION USE ONLY:

San Juan Cruises - Bellingham - Friday Harbor
Commercial Ferry Route - 2013 Projection

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC TOTAL

RIDERSHIP FORECAST

Bellingham to Friday Harbor	-	-	-	-	100	300	600	600	300	-	-	-	-	-	-	-	1,900
Friday Harbor to Bellingham	-	-	-	-	100	300	600	600	300	-	-	-	-	-	-	-	1,900
Total	-	-	-	-	200	600	1,200	1,200	600	-	-	-	-	-	-	-	3,800

Fare	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50	49.50
------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

REVENUE FORECAST

Bellingham to Friday Harbor	-	-	-	-	4,950	14,850	29,700	29,700	14,850	-	-	-	-	-	-	-	94,050
Friday Harbor to Bellingham	-	-	-	-	4,950	14,850	29,700	29,700	14,850	-	-	-	-	-	-	-	94,050
Total Sales	-	-	-	-	9,900	29,700	59,400	59,400	29,700	-	-	-	-	-	-	-	188,100

San Juan Cruises - Bellingham - Friday Harbor
Commercial Ferry Route - 2013 Projection

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
EXPENSE FORECAST													
Vessel Labor				2,000	3,500	10,500	11,000	11,000	7,500				45,500
Shoreside Labor				-	1,000	1,000	1,000	1,000	1,000				5,000
Advertising & Promotion				2,500	5,000	5,000	2,500	2,500	2,500				20,000
Bank Fees				-	248	743	1,485	1,485	743				4,703
Dock Rent - Bellingham				-	250	750	1,500	1,500	750				4,750
Dock Rent - Islands				-	200	600	1,200	1,200	600				3,800
Drug Testing					65	65	65	65	65				325
Insurance - Business									600				600
Insurance - Hull & P.I.				120	120	120	120	120	8,000				8,000
Office Rent				50	50	50	50	50	120		120	120	1,080
Office Supplies									50				300
Professional Fees													
Telephone				200	200	200	200	200	200				1,800
Uniforms					400								400
Utilities				50	50	50	50	50	50				450
Vessel Fuel				2,000	4,000	12,000	12,500	12,500	8,000				49,000
Vessel Maintenance					1,000	1,000	1,000	1,000	1,000				7,000
Taxes - Payroll				400.0	900.0	2,300.0	2,400.0	2,400.0	1,700.0				10,100
Taxes - Property													
Taxes - Business					198	594	1,188	1,188	594				3,762
Vessel Depreciation				1,200	1,200	1,200	1,200	1,200	1,200		1,200	1,200	10,800
Total Operatign Expenses	-	-	-	8,520	18,381	36,172	37,458	37,458	34,672	1,570	1,570	1,570	177,370
Net Income	-	-	-	(8,520)	(8,481)	(6,472)	21,942	21,942	(4,972)	(1,570)	(1,570)	(1,570)	10,731



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 31 Mar 2009

Expiration Date: 31 Mar 2014

IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name ISLAND COMMUTER# SCOUT	Official Number 574608	Call Sign WCY9101	Service Passenger (Inspected)
Hailing Port BELLINGHAM WA	Hull Material FRP (Fiberglass)	Horsepower 730	Propulsion Diesel Reduction
Place Built SEATTLE WA, UNITED STATES	Delivery Date 01Jan1976	Date Keel Laid 01Jan1976	Gross Tons R-36
			Net Tons R-28
			DWT -
			Length R-48
Owner PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225 UNITED STATES	Operator PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225 UNITED STATES		

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	Master & 1st Class pilot	Radio Officer(s)	Chief Engineer	QMED/Rating
Chief Mate	Mate & 1st Class Pilot	Able Seamen/ROANW	1st Asst. Engr/2nd Engr.	Oilers
2nd Mate/OICNW	Lic. Mate/OICNW	Ordinary Seamen	2nd Asst. Engr/3rd Engr.	
3rd Mate/OICNW	1st Class Pilot	1 Deckhands	3rd Asst. Engr.	
			Lic. Engr.	

In addition, this vessel may carry 56 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 58

Route Permitted and Conditions of Operation:

---Lakes, Bays, and Sounds---

THE SHELTERED WATERS OF THE WEST COAST OF NORTH AMERICA EAST OF ANGELES POINT, WASHINGTON AND SOUTH OF HOPE ISLAND, BRITISH COLUMBIA, CANADA.

IF THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, AN ALTERNATE MASTER AND CREW SHALL BE PROVIDED.

NOT MORE THAN 12 PASSENGERS MAY BE CARRIED ON AN INTERNATIONAL VOYAGE.

NO MORE THAN 19 PERSONS MAY BE CARRIED ON VESSEL'S UPPER DECK.

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this inspection for Certification having been completed at Seattle, WA, the Officer in Charge, Marine Inspection, SECTOR PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections				This Amended Certificate issued by:
Date	Zone	A/P/Q	Signature	
31Mar2010	SEC PgtSnd	A	Woods, Kathari	 J.B. Dwyer Officer in Charge, Marine Inspection SECTOR PUGET SOUND Inspection Zone
31Mar2011	SEC PgtSnd	A	Ruiz, Nicanor	
29Mar2012	SEC PgtSnd	A	DeWitz, Jarrod	
-	-	-	-	



Certificate of Inspection

Certification Date:
31Mar2009

ISLAND COMMUTER II

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	29Mar2013	29Mar2011	24Mar2009
Internal Structure	29Mar2013	29Mar2011	24Mar2009

---Stability---

Letter Approval Date / 13Mar1992. Office/ Marine Safety Office Puget Sound

---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for	58		Life Preservers(Adult)	58
Lifeboats(Total)	0	0	Life Preservers(Child)	6
Lifeboats(Port)*	0	0	Ring Buoys(Total)	1
Lifeboats(Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	1
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	0	0	Portable Lifeboat Radios	0
Life Floats/Buoyant App	3	41	Equipped with EPIRB?	No
Inflatable Bouyant App(IBA)	0	0	(* included in totals)	

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0 Number of Fire Pumps/ 1

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
75	Carbon Dioxide	ENGINE ROOM & F/O ROOM

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
2	B-II

---Certificate Amendments---

Current Amendment

Port Amending/ Sector Puget Sound Date Amended/ 31Mar2012

-Remarks-

Amended COI IAW 185 AAWP.

1. Port Amending/ SEC PgtSnd Date Amended/ 29Mar2011

-Remarks-

Amended COI to reflect DDX/ISE credit and added fire pump.

2. Port Amending/ SEC PgtSnd Date Amended/ 01Dec2010

-Remarks-

Amended route.



COPY CERTIFICATE OF LIABILITY INSURANCE

OP ID: VS

DATE (MM/DD/YYYY)

08/15/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Snapper Shuler Kenner Insurance L.L.C. P.O. Box 551 Lynden, WA 98264 Robert N. Hagedorn, CIC		360-354-4488 360-354-1946	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: PACCR-3	FAX (A/C, No):
INSURED Pacific Cruises Northwest, Inc dba Victoria-San Juan Cruises dba Island Commuter Services 355 Harris Avenue Bellingham, WA 98225	INSURER(S) AFFORDING COVERAGE		NAIC #	
	INSURER A : Northern Assurance Company		38369	
	INSURER B : Northern Assurance Company		38369	
	INSURER C : Employers Fire Insurance Co		20648	
	INSURER D :			
	INSURER E :			

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	NBJH53469	09/01/11	09/01/12	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 10,000
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
C	AUTOMOBILE LIABILITY		7530221210000	09/01/11	09/01/12	COMBINED SINGLE LIMIT (Ea accident) \$
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS					\$
	<input type="checkbox"/> NON-OWNED AUTOS					\$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		NBJH53470	09/01/11	09/01/12	EACH OCCURRENCE \$ 4,000,000
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 4,000,000
	DEDUCTIBLE					\$
	RETENTION \$					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A	NBJH53469 WASHINGTON STOP GAP	09/01/11	09/01/12	WC STATU-TORY LIMITS <input checked="" type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E L EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E L DISEASE - EA EMPLOYEE \$ 1,000,000
A	Protection & Indemnity		N5JH53469	09/01/11	09/01/12	E L DISEASE - POLICY LIMIT \$ 1,000,000 Limit: 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Washington State Department of Utilities and Transportation
Re: "IslandCommuter Services"

Blanket Additional Insured form #IMU03130107 attached

CERTIFICATE HOLDER

WASST-1

Washington State Dept of
Utilities and Transportation
P.O. Box 47250
Olympia, WA 98504

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Robert N. Hagedorn

© 1988-2009 ACORD CORPORATION. All rights reserved.

Pacific Cruises Northwest, Inc.
Balance Sheet
 As of November 30, 2012

	Nov 30, 12
ASSETS	
Current Assets	
Checking/Savings	
1100 · Change fund - petty cash	781.28
1150 · Peoples Bank - checking	3,625.57
1160 · Peoples Bank - ATM	817.62
1175 · Peoples Bank - savings	11,060.60
Total Checking/Savings	16,285.07
Other Current Assets	
1220 · Note Receivable	35,056.02
1221 · Interest Receivable	47.35
1300 · Gift Store Inventory	1,374.94
Total Other Current Assets	36,478.31
Total Current Assets	52,763.38
Fixed Assets	
1470 · Furniture and fixtures	45,804.45
1505 · Equipment	25,872.56
1520 · M/V Victoria Star 2	350,000.00
1526 · M/V Viking Star	75,000.00
1527 · M/V Salish Sea	106,196.53
1530 · Vessel fixtures	50,832.73
1560 · Docks and dwarfs	29,235.51
1570 · Vehicles	33,137.61
1590 · Accumulated depreciation	-592,445.34
Total Fixed Assets	123,634.05
Other Assets	
1721 · Due from Sean Mcnamara	8,000.00
1720 · Salmon Licenses	8,000.00
Total Other Assets	16,000.00
TOTAL ASSETS	192,397.43
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2050 · Accounts payable	542.91
Total Accounts Payable	542.91
Other Current Liabilities	
2030 · Unearned revenue - Bellingham	6,344.84
2040 · Daily Deposit Distribution	40.50
2100 · Payroll Liabilities	41.78
2200 · Accrued payroll taxes	
2280 · SUTA	2.40
Total 2200 - Accrued payroll taxes	2.40
2350 · Insurance payable	11,381.78
2360 · Sales tax payable	108.55
Total Other Current Liabilities	17,919.85
Total Current Liabilities	18,462.76
Long Term Liabilities	
2515 · Shareholder notes payable	
2522 · Advances from Schmidt	10,000.00
2523 · Repayments to Schmidt	-68,873.10
Total 2515 · Shareholder notes payable	-58,873.10

12:04 PM
12/14/12
Accrual Basis

Pacific Cruises Northwest, Inc.
Balance Sheet
As of November 30, 2012

	<u>Nov 30, 12</u>
2530 · Note payable - Christy Corp KS	100,388.09
2540 · Note payable - Christy Corp VS2	29,864.39
2545 · Note Payable - Ken McDonald	24,490.07
Total Long Term Liabilities	<u>95,869.45</u>
Total Liabilities	114,332.21
Equity	
2710 · Treasury Stock	-35,196.60
2720 · Additional Paid in Capital	143,182.50
2750 · Capital stock	200.00
2802 · Beginning Retained Earnings	
2819 · Beginning Non AAA RE	
2810 · Subchapter C retained earnings	100,860.00
2825 · Other retained earnings	-231,632.09
Total 2819 · Beginning Non AAA RE	<u>-130,772.09</u>
2820 · Accumulated adjustments account	11,387.30
Total 2802 · Beginning Retained Earnings	-119,384.79
2775 · Subchapter S distributions	-1,500.00
Net Income	<u>90,764.11</u>
Total Equity	<u>78,065.22</u>
TOTAL LIABILITIES & EQUITY	<u><u>192,397.43</u></u>

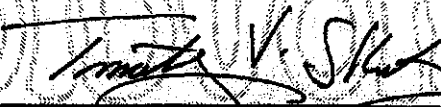



UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME VICTORIA STAR2		OFFICIAL NUMBER 572980	IMO OR OTHER NUMBER 1	YEAR COMPLETED 1976	
HAILING PORT BELLINGHAM, WA		HULL MATERIAL ALUMINUM		MECHANICAL PROPULSION YES	
GROSS TONNAGE 99 GRT	NET TONNAGE 67 NRT	LENGTH 96.4	BREADTH 23.5	DEPTH 7.0	
PLACE BUILT JEAN LAFITTE LA					
OWNERS PACIFIC CRUISES NORTHWEST, INC.		OPERATIONAL ENDORSEMENTS COASTWISE REGISTRY			
MANAGING OWNER PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225					
RESTRICTIONS NONE					
ENTITLEMENTS NONE					
REMARKS NONE					
ISSUE DATE AUGUST 13, 2012		 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER			
THIS CERTIFICATE EXPIRES SEPTEMBER 30, 2018					
VDS 15560572					

DMS Exhibit - 5
10 pages



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 09 Oct 2012
Expiration Date: 09 Oct 2013
IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name VICTORIA STAR2	Official Number 572980	Call Sign WCW4552	Service Passenger (Inspected)
Hailing Port BELLINGHAM WA	Hull Material Aluminum	Horsepower 1575	Propulsion Diesel Reduction
Place Built JEAN LAFITTE LA, UNITED STATES	Delivery Date 01Jan1976	Date Keel Laid	Gross Tons R-99
			Net Tons R-67
			DWT I-
			Length R-96.4
Owner PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM WA 98225 UNITED STATES	Operator PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVE STE 104 BELLINGHAM WA 98225		

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	0 Master & 1st Class pilot	0 Radio Officer(s)	0 Chief Engineer	0 QMED/Rating
0 Chief Mate	0 Mate & 1st Class Pilot	0 Able Seamen/ROANW	0 1st Asst. Engr/2nd Engr.	0 Oilers
0 2nd Mate/OICNW	1 Lic. Mate/OICNW	0 Ordinary Seamen	0 2nd Asst. Engr/3rd Engr.	
0 3rd Mate/OICNW	0 1st Class Pilot	4 Deckhands	0 3rd Asst. Engr.	
			0 Lic. Engr.	

In addition, this vessel may carry 142 passengers, 2 other persons in crew, 0 persons in addition to crew, and no others.
Total persons allowed: 150

Route Permitted and Conditions of Operation:

---Lakes, Bays, and Sounds plus Limited Coastwise---

PACIFIC OCEAN, BETWEEN LATITUDE 30-11"N AND ANGELES POINT, WASHINGTON. WHILE PASSENGERS ARE ON BOARD, THE VESSEL'S ROUTE MAY NOT EXCEED 20 MILES FROM A HARBOR OF SAFE REFUGE.

THE SHELTERED WATERS OF THE WEST COAST OF NORTH AMERICA EAST OF ANGELES POINT, WASHINGTON AND SOUTH OF HOPE ISLAND, BRITISH COLUMBIA, CANADA.

WHEN NOT OPERATING ON AN INTERNATIONAL VOYAGE, PASSENGER COUNT MAY BE INCREASED TO 149, AND MAXIMUM NUMBER OF PERSONS ALLOWED ON BOARD MAY BE INCREASED TO 157.

WHEN THE VESSEL IS AWAY FROM A SHORESIDE DOCK, OR HAS PASSENGERS ON BOARD, OR BOTH, THE
SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this Inspection for Certification having been completed at Bellingham, UNITED STATES, the Officer in Charge, Marine Inspection, SECTOR PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections				This certificate issued by: J. D. Dwyer, Officer in Charge, Marine Inspection SECTOR PUGET SOUND Inspection Zone
Date	Zone	A/P/Q	Signature	
-	-	-	-	
-	-	-	-	
-	-	-	-	



Certificate of Inspection

Certification Date:
09Oct2012

VICTORIA STAR2

VESSEL'S REQUIRED MANNING SHALL BE AS FOLLOWS:

WHEN CARRYING 100 PASSENGERS OR LESS AND OPERATING MORE THAN 12 HOURS IN ANY 24 HOUR PERIOD, THE MANNING MAY BE REDUCED TO 1 MASTER, 1 MATE AND 2 DECKHANDS.

WHEN OPERATING LESS THAN 12 HOURS IN ANY 24 HOUR PERIOD THE CREW MAY BE FURTHER REDUCED TO 1 MASTER AND 2 DECKHANDS, AND THE TOTAL NUMBER OF PASSENGERS ON INTERNATIONAL VOYAGES MAY BE INCREASED TO 145.

A MAXIMUM OF 75 PASSENGERS MAY BE CARRIED ON THE UPPERMOST DECK.

THE MINIMUM NUMBER OF CHILD-SIZE LIFE PRESERVERS REQUIRED IS FIFTEEN (15). WHEN MORE THAN FIFTEEN (15) CHILDREN ARE CARRIED, ADDITIONAL CHILD-SIZE LIFE PRESERVERS SHALL BE PROVIDED SO THAT THE VESSEL HAS AN APPROVED LIFE PRESERVER SUITABLE FOR EACH CHILD ON BOARD.

WHEN OPERATING ON AN INTERNATIONAL VOYAGE:

(1) ALL LICENSED INDIVIDUALS MUST HOLD LICENSES AUTHORIZING SERVICE ON VESSELS OF A TONNAGE AT LEAST EQUAL TO THE VESSEL'S U.S. REGULATORY TONNAGE AS INDICATED ON THIS CERTIFICATE OF INSPECTION AS PROVIDED FOR IN IMO RESOLUTION A.540(XIII);

(2) UNLICENSED DECKHANDS PERFORMING NAVIGATIONAL WATCHKEEPING DUTIES MUST MEET THE QUALIFICATIONS AND BE DESIGNATED BY LETTER AS A SENIOR DECKHAND AS PROVIDED IN NVIC 1-91.

THE COMPANY'S AND VESSEL'S SAFETY MANAGEMENT SYSTEM MEET THE REQUIREMENTS OF CHAPTER IX OF SOLAS, THROUGH AN EQUIVALENCE PROGRAM APPROVED BY THE U.S. COAST GUARD.

WHEN OPERATING ON AN INTERNATIONAL VOYAGE THE FOLLOWING CONDITIONS APPLY:

(1) THE VESSEL IS RESTRICTED TO NOT MORE THAN 20 MILES FROM THE NEAREST LAND AS PROVIDED FOR IN IMO SLS14/CIRC.87 OF 15 NOVEMBER 1989.

"PURSUANT TO THE PROVISIONS OF SOLAS V/1.4.1, U.S. COAST GUARD HAS DETERMINED THAT THIS VESSEL IS NOT REQUIRED TO COMPLY WITH THE AIS EQUIPMENT. THIS VESSEL IS NOT REQUIRED TO BE EQUIPPED WITH AIS AS REQUIRED IN SOLAS V/19.2.4 WHEN OPERATING ON AN INTERNATIONAL VOYAGE."

IN ACCORDANCE WITH MVI POLICY LETTER 10-90, THIS VESSEL IS DEEMED SOLAS EQUIVALENT. 46 CFR 175-185 IS EQUIVALENT TO THE PROVISIONS OF SOLAS 1974, CH. II-1, II-2, AND III FOR PASSENGER SHIPS OPERATING ON INTERNATIONAL VOYAGES WHICH DO NOT PROCEED MORE THAN 20 MILES OFFSHORE.

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	24Apr2013	24Apr2012	06Dec2010
Internal Structure	24Apr2013	24Apr2012	06Dec2010

---Stability---

Letter Approval Date / 28May1986 Office/ SDCMS

---Inspection Status---



Certificate of Inspection

Certification Date:
09Oct2012

VICTORIA STAR2

Pressure Vessels

Type	Location	Previous	Last	Next
Air Receiver	LAZZARETTE	27Oct2004	31Mar2010	31Mar2015
Air Receiver	LAZZARETTE	27Oct2004	31Mar2010	31Mar2015

---Lifesaving Equipment---

	Number Persons		Required
Total Equipment for	150		157
Lifeboats (Total)	0	0	15
Lifeboats (Port)*	0	0	3
Lifeboats (Starbd)*	0	0	1
Motor Lifeboats*	0	0	1
Lifeboats W/Radio*	0	0	1
Rescue Boats/Platforms	1	0	0
Inflatable Rafts	0	0	0
Life Floats/Buoyant App	0	0	Yes
Inflatable Bouyant App (IBA)	3	150	(* included in totals)
			Life Preservers (Adult)
			Life Preservers (Child)
			Ring Buoys (Total)
			With Lights*
			With Line Attached*
			Other*
			Immersion Suits
			Portable Lifeboat Radios
			Equipped with EPIRB?

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0 Number of Fire Pumps/ 2

Hose information

Qty	Diameter	Length
3	1.5	50

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
6	B-II

END




UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME SALISH SEA		OFFICIAL NUMBER 574608	IMO OR OTHER NUMBER NONE	YEAR COMPLETED 1976	
HAILING PORT BELLINGHAM WA		HULL MATERIAL FRP (FIBERGLASS)		MECHANICAL PROPULSION YES	
GROSS TONNAGE 36 GRT	NET TONNAGE 28 NRT	LENGTH 48.0	BREADTH 15.7	DEPTH 6.7	
PLACE BUILT SEATTLE WA		OWNERS PACIFIC CRUISES NORTHWEST INC			
		OPERATIONAL ENDORSEMENTS FISHERY REGISTRY COASTWISE			
MANAGING OWNER PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM WA 98225					
RESTRICTIONS NONE					
ENTITLEMENTS NONE					
REMARKS None					
ISSUE DATE OCTOBER 22, 2012		 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER			
THIS CERTIFICATE EXPIRES OCTOBER 31, 2013					



40300235418



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 31 Mar 2009
Expiration Date: 31 Mar 2014
IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name ISLAND COMMUTER II RENAMED: SALISH SEA	Official Number 574608	Call Sign WCY9101	Service Passenger (Inspected)
Hailing Port BELLINGHAM WA	Hull Material FRP (Fiberglass)	Horsepower 730	Propulsion Diesel Reduction
Place Built SEATTLE WA, UNITED STATES	Delivery Date 01Jan1976	Date Keel Laid 01Jan1976	Gross Tons R-36
			Net Tons R-28
			DWT -
			Length R-48
Owner PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225 UNITED STATES	Operator PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225 UNITED STATES		

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	Master & 1st Class pilot	Radio Officer(s)	Chief Engineer	QMED/Rating
Chief Mate	Mate & 1st Class Pilot	Able Seamen/ROANW	1st Asst. Engr/2nd Engr.	Oilers
2nd Mate/OICNW	Lic. Mate/OICNW	Ordinary Seamen	2nd Asst. Engr/3rd Engr.	
3rd Mate/OICNW	1st Class Pilot	1 Deckhands	3rd Asst. Engr.	
			Lic. Engr.	

In addition, this vessel may carry 56 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 58

Route Permitted and Conditions of Operation:

---Lakes, Bays, and Sounds---

THE SHELTERED WATERS OF THE WEST COAST OF NORTH AMERICA EAST OF ANGELES POINT, WASHINGTON AND SOUTH OF HOPE ISLAND, BRITISH COLUMBIA, CANADA.

IF THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, AN ALTERNATE MASTER AND CREW SHALL BE PROVIDED.

NOT MORE THAN 12 PASSENGERS MAY BE CARRIED ON AN INTERNATIONAL VOYAGE.

NO MORE THAN 19 PERSONS MAY BE CARRIED ON VESSEL'S UPPER DECK.

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this Inspection for Certification having been completed at Seattle, WA, the Officer in Charge, Marine Inspection, SECTOR PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections				This Amended certificate issued by:
Date	Zone	A/P/Q	Signature	
31Mar2010	SEC PgtSnd	A	Woods, Kathari	 J.D. Dwyer Officer in Charge, Marine Inspection SECTOR PUGET SOUND Inspection Zone
31Mar2011	SEC PgtSnd	A	Ruiz, Nicanor	
29Mar2012	SEC PgtSnd	A	DeWitz, Jarrod	
-	-	-	-	



Certificate of Inspection

Certification Date:
31Mar2009

ISLAND COMMUTER II

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	29Mar2013	29Mar2011	24Mar2009
Internal Structure	29Mar2013	29Mar2011	24Mar2009

---Stability---

Letter Approval Date / 13Mar1992 Office/ Marine Safety Office Puget Sound

---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for	58		Life Preservers(Adult)	58
Lifeboats(Total)	0	0	Life Preservers(Child)	6
Lifeboats(Port)*	0	0	Ring Buoys(Total)	1
Lifeboats(Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	1
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	0	0	Portable Lifeboat Radios	0
Life Floats/Buoyant App	3	41	Equipped with EPIRB?	No
Inflatable Bouyant App(IBA)	0	0	(* included in totals)	

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0 Number of Fire Pumps/ 1

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
75	Carbon Dioxide	ENGINE ROOM & F/O ROOM

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
2	B-II

---Certificate Amendments---

Current Amendment

Port Amending/ Sector Puget Sound Date Amended/ 31Mar2012

-Remarks-

Amended COI IAW 185 AAWP.

1. Port Amending/ SEC PgtSnd Date Amended/ 29Mar2011

-Remarks-

Amended COI to reflect DDX/ISE credit and added fire pump.

2. Port Amending/ SEC PgtSnd Date Amended/ 01Dec2010

-Remarks-

Amended route.

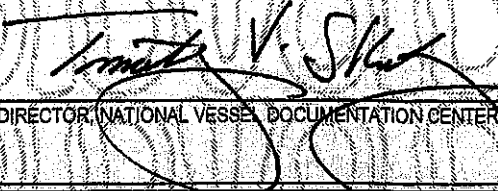



UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME VIKING STAR		OFFICIAL NUMBER 588855	IMO OR OTHER NUMBER	YEAR COMPLETED 1977
HAILING PORT LACONNER, WA		HULL MATERIAL WOOD		MECHANICAL PROPULSION YES
GROSS TONNAGE 57 GRT	NET TONNAGE 46 NRT	LENGTH 53.9	BREADTH 17.2	DEPTH 6.5
PLACE BUILT EVERETT, WA (HULL); SEATTLE, WA (COMPLETED)				
OWNERS PACIFIC CRUISES NORTHWEST INC		OPERATIONAL ENDORSEMENTS COASTWISE FISHERY REGISTRY		
MANAGING OWNER PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVENUE STE 104 BELLINGHAM, WA 98225				
RESTRICTIONS NONE				
ENTITLEMENTS NONE				
REMARKS NONE				
ISSUE DATE JUNE 13, 2012		 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER		
THIS CERTIFICATE EXPIRES JULY 31, 2013				
VDS 16285478				



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 02 Mar 2012
Expiration Date: 02 Mar 2017
IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name VIKING STAR	Official Number 588855	Call Sign WDE5531	Service Passenger (Inspected)
Hailing Port LACONNER WA	Hull Material Wood	Horsepower 760	Propulsion Diesel Direct
Place Built EVERETT, WA UNITED STATES	Delivery Date 01Jan1978	Date Keel Laid -	Gross Tons R-57
		Net Tons I-	DWT I-
		Length I-	
Owner PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVE STE 104 BELLINGHAM, WA 98225	Operator PACIFIC CRUISES NORTHWEST INC 355 HARRIS AVE STE 104 BELLINGHAM, WA 98225		

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	Master & 1st Class pilot	Radio Officer(s)	Chief Engineer	QMED/Rating
Chief Mate	Mate & 1st Class Pilot	Able Seamen/ROANW	1st Asst. Engr/2nd Engr.	Oilers
2nd Mate/OICNW	Lic. Mate/OICNW	Ordinary Seamen	2nd Asst. Engr/3rd Engr.	
3rd Mate/OICNW	1st Class Pilot	1 Deckhands	3rd Asst. Engr.	
			Lic. Engr.	

In addition, this vessel may carry 42 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 44

Route Permitted and Conditions of Operation:

---Lakes, Bays, and Sounds---

THE SHELTERED WATERS OF THE WEST COAST OF NORTH AMERICA EAST OF ANGELES POINT, WASHINGTON AND SOUTH OF HOPE ISLAND, BRITISH COLUMBIA, CANADA.

IF THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, AN ALTERNATE MASTER AND CREW SHALL BE PROVIDED, AND THE NUMBER OF PASSENGERS SHALL BE DECREASED ACCORDINGLY SO THAT THE TOTAL PERSONS ALLOWED DOES NOT EXCEED 44.

NOT MORE THAN 12 PASSENGERS MAY BE CARRIED ON AN INTERNATIONAL VOYAGE.

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this inspection for Certification having been completed at Seattle, WA, the Officer in Charge, Marine Inspection, SECTOR PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections				This certificate issued by: <u>J.D. Dwyer</u> Officer in Charge, Marine Inspection SECTOR PUGET SOUND Inspection Zone
Date	Zone	A/P/Q	Signature	
-	-	-	-	
-	-	-	-	
-	-	-	-	



Certificate of Inspection

Certification Date:
02Mar2012

VIKING STAR

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	06Mar2014	06Mar2012	17Mar2011
Wood Hull Fastener	06Mar2017	06Mar2012	13Mar2007
Internal Structure	06Mar2014	06Mar2012	22Mar2011

---Stability---

Letter Approval Date / 23Mar1987 Office/ Seattle, WA

---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for	44		Life Preservers (Adult)	44
Lifeboats (Total)	0	0	Life Preservers (Child)	5
Lifeboats (Port)*	0	0	Ring Buoys (Total)	1
Lifeboats (Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	0
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	0	0	Portable Lifeboat Radios	0
Life Floats/Buoyant App	3	56	Equipped with EPIRB?	No
Inflatable Bouyant App (IBA)	0	0	(* included in totals)	

---Fire Fighting Equipment---

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
50	Carbon Dioxide	Engine space

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
3	B-II

END

ORIGINAL

RENEWAL AND MODIFICATION OF LEASE

THIS RENEWAL AND MODIFICATION OF LEASE is made and entered into this 13 day of November, 2012, by and between the PORT OF BELLINGHAM, a municipal corporation, hereinafter called LESSOR, and PACIFIC CRUISES NORTHWEST, INC., a Washington corporation, d/b/a SAN JUAN CRUISES, hereinafter called LESSEE, whose mailing address is 355 Harris Avenue, Suite 104, Bellingham, Washington 98225, and

WHEREAS, Lessor and Lessee entered into a Business & Retail Center Lease (hereinafter the "Lease") on December 17, 1996, covering certain premises owned by Lessor and or under Lessor's management authority at the BELLINGHAM CRUISE TERMINAL ("BCT"), for a term of one (1) year beginning November 1, 1996, ending October 31, 1997, and

WHEREAS, on November 14, 1997, the Lease was renewed for a term of one (1) year beginning November 1, 1997, ending October 31, 1998, and

WHEREAS, Lessor executed a Port Management Agreement (hereinafter PMA) with the State of Washington, Department of Natural Resources (DNR), dated July 1, 1997, which is attached as an Exhibit to the Lease to meet the terms and conditions of the PMA, and

WHEREAS, on March 4, 1999, the Lease was renewed and modified for a term of one (1) year beginning November 1, 1998, ending October 31, 1999, and

WHEREAS, on November 15, 1999, the Lease was renewed for a term of one (1) year beginning November 1, 1999, ending October 31, 2000, and

WHEREAS, on September 11, 2000, the Lease was modified to delete a portion of the premises, and

WHEREAS, on January 22, 2001, the Lease was renewed and modified for a term of one year beginning November 1, 2000, ending October 31, 2001, and

WHEREAS, on March 5, 2002 the Lease was renewed and modified for a term of five (5) years beginning November 1, 2001 ending October 31, 2006, and

WHEREAS, on February 6, 2007 the Lease was renewed and modified for a term of five (5) years beginning November 1, 2006 ending October 31, 2011, and

WHEREAS, on November 1, 2011 the Lease was renewed and modified for a term of one (1) year beginning November 1, 2011 ending October 31, 2012, and

WHEREAS, the Modification dated November 1, 2011 provides for four (4) one year renewal options, and

WHEREAS, it is the desire of both parties to renew the Lease;

NOW, THEREFORE, the Lease is renewed as follows:

1. Effective November 1, 2012 shall be renewed for a term of **One (1) year** beginning **November 1, 2012 ending October 31, 2013.**

DMS Exhibit - 6
3 pages

2. The Sections the Lease entitled "Rent", as amended, shall remain unchanged

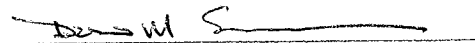
3. The Section of the Lease entitled "Passenger Facility Charges", shall remain unchanged.

4. The Section of the Lease entitled "Moorage Charges", as amended, shall remain unchanged.

ALL OTHER TERMS AND CONDITIONS of the Lease dated December 17, 1996, as renewed and modified, shall remain the same.

IN WITNESS WHEREOF, Lessor has caused this instrument to be signed by its President and Secretary of the Port Commission of the Port of Bellingham, and Lessee has caused this instrument to be signed by its proper officer's thereunto duly authorized, the day and year first above written.

PACIFIC CRUISES NORTHWEST, INC.
a Washington corporation,
d/b/a SAN JUAN CRUISES



President

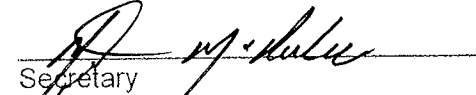
Secretary

"LESSEE"

PORT OF BELLINGHAM



President



Secretary

"LESSOR"

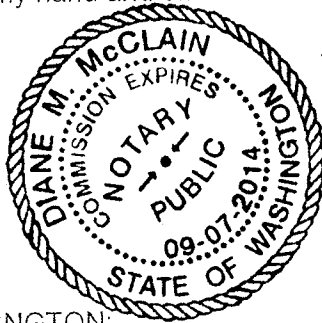
STATE OF WASHINGTON:

ss

COUNTY OF WHATCOM :

ON THIS 20th day of November, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Scott L. Wake and Michael McAuley, known to me to be the President and Secretary, respectively of the PORT OF BELLINGHAM, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Diane M. McClain
Name (Print) Diane M. McClain
NOTARY PUBLIC, in and for the State of Washington, residing at Bellingham
My Commission expires: 09-07-14

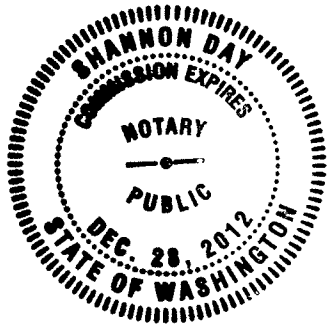
STATE OF WASHINGTON:

ss

COUNTY OF WHATCOM:

ON THIS 13th day of November, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Drew Schmidt known to me to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he, ~~she, they~~, signed the same as his, ~~her, their~~, free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Shannon Day
Name (Print) Shannon Day
NOTARY PUBLIC, in and for the State of Washington, residing at Bellingham
My Commission expires: 12-28-12



P.O. Box 889, Friday Harbor, WA 98250 * 360-378-2688 * fax 360-378-6114 * <http://www.portfridayharbor.org>
Commissioners: Mike Ahrenius * Greg Hertel * Barbara Marrett

December 20, 2012

RE: Port Operating Agreement

Pacific Cruises Northwest
Drew Schmidt

Drew, thank you for getting your Operating Agreement back to me so quickly. I just realized from your note that the Port and Pacific Cruises Northwest have been working together for 25 years. It is hard to believe we have worked together for so long, it has gone so fast.

I just wanted to take a quick moment to let you know how much the Port and I have appreciated working with you and your company all these years. Your captains and crew have always been excellent to work with and the transportation service that your company provides to our community is invaluable. Your reporting, accounts receivables, and operating procedures are always accurate and timely.

On a personal note I know how challenging and unpredictable this industry can be and you have always been very professional on all levels and run an exemplary business and it has always been a pleasure working with you.

Here's to a great 2013 season and many more shared customers and passengers over the next 25 years.

Best Wishes,

Tami

Tami Hayes, Harbormaster/FSO
Port of Friday Harbor
P.O. Box 889
Friday Harbor, WA 98250
360-378-2688
tamih@portfridayharbor.org

PORT OF FRIDAY HARBOR OPERATING LICENSE AGREEMENT

This Agreement entered into by and between the Port of Friday Harbor, a Washington Public Port (the "Port"), and PACIFIC CRUISES NORTHWEST, INC., (the "Operator"), for the purposes of licensing the Operator to use certain marine facilities of the Port described below and upon the terms and conditions stated below.

1. **Permitted Use/Premises.** The Port hereby grants to the Operator a license to moor her vessel(s) at the Spring Street Landing Breakwater (the "SSL" breakwater) and/or the Port of Friday Harbor Breakwater (the "BWB" breakwater) for the purpose of loading and unloading passengers. The Operator may moor at the SSL Breakwater and/or the Port BWB Breakwater at the direction of the Harbormaster. The Operator must assist the Port in keeping the piers, docks and marine areas neat and clean.
2. **Mooring Restriction.** The Operator shall moor her vessel at the SSL Breakwater in such a manner that neither the bow nor the stern of the vessel shall project beyond the east or west end of the Breakwater.
3. **Term.** This License shall commence on 1-1-13 and end on 12-31-13.
4. **Indemnity.** The Operator shall indemnify, defend, and hold harmless the Port, its employees, officers, and agents from any and all liability, damages (including but not limited to personal injury and damages to other vessels, property of third parties, aquatic life, and other natural resources), expenses, causes of action, suits, claims, costs, fees (including attorneys' fees), penalties or judgments, of any nature whatsoever, arising out of the use, occupation, or control of BWB, SSL, or any other facility of the Port by the Operator, its sublicensees, invitees, agents, employees, assignees or permittees, except as may arise solely out of the willful or negligent act of the Port or the Port's elected officials, employees or agents.
5. **Insurance.** For the term of this Agreement, the Operator shall at her own expense maintain public liability insurance, covering all claims for personal injury or property damage arising on or about BWB, SSL or any other Port facility out of the Operator's operations.
 - A. The liability insurance shall be in the form of protection and indemnity insurance. Limits of liability shall be not less than \$1,000,000 (one million dollars) for each occurrence and not less than \$2,000,000 (two million) annual aggregate. The Port reserves the right to impose changes in the limits of liability.
 - B. Certificates must list and be applicable to each type of business activity that the Operator conducts at or away from but in conjunction with its use of the Premises. Certificates must list any exclusion from coverage that applies to Operator's business, done on or away from but in conjunction with its use of Port property, or this Agreement is void and of no effect except as to the Port's rights.

- C. Operator shall maintain physical property damage insurance covering all real and personal property located on or constituting part of the Premises in an amount equal to 100% of the replacement value of all improvements on the Premises (regardless of ownership).
 - D. The Operator shall maintain Longshore and Harbor Worker's Act and Jones Act coverage with respect to any work done by the Operator's employees at or about BWB, SSL and/or any other facility of the Port.
 - E. Before commencing any use of Port property, Operator shall furnish certificates of insurance to the Port evidencing all said insurance coverage and thereafter shall furnish renewal certificates to the Port at least thirty (30) days prior to the expiration of each policy.
6. **Fees and Charges.** The Operator shall submit the number of passengers carried by written report to the Port no later than the 25th day of the month immediately following the calendar month of carriage the number of passengers carried. The Schedule of Fees and Charges applies to any use of the Port's solid waste facilities or any utilities used during the stay, including water, sewer, garbage and electricity. The Port makes no guarantee or warranty, express or implied, of continuity of utility services to said vessel. See attached for Fees and Charges.
7. **Security.** All vessels, specifically SOLAS vessels and vessels carrying passengers internationally must coordinate landings with the harbormaster prior to landing. Points of contact that are valid for the entire stay of the vessel must be identified. A communication system of cell phones, radios or both shall be identified, tested and used. Standard Declarations of Inspection, an Operations Procedure shall apply as well as necessary security precautions while the vessel is moored and transferring. All SOLAS vessels and vessels carrying passengers internationally will exchange a Declaration of Security with the facility security officer or her designates. The document must be signed upon arrival.
8. **Environmental/Hazardous Waste.** Port Management expects all Operators to adhere to all Federal, State, and local permits, licenses or laws and the Port's Best Management Practices. (See attached)
9. **Service and Product.** Operator covenants and agrees to provide excellent service and high quality products at the Premises and to answer questions courteously and accurately regarding local availability of other's products and services.
10. **Signs.** The Operator shall obtain the Port's approval before posting any sign. The Operator shall not use any sign or advertising medium that shall constitute a nuisance in the sole judgment of the Port. Use of all loud speakers, microphones or radios audible outside the limits of the BWB, SSL or elsewhere in the Port's public facility where any said vessel may be moored shall require prior approval by the Port and be subject to the Port's regulation.

11. **Waiver of Reliability.** The Operator hereby agrees that the Port shall not be liable or responsible in any manner for the seaworthiness, safekeeping or condition of any said vessel or the condition of any vessel's gear, tackle, apparel, fixtures, equipment or furnishings. The Operator also agrees that the Port shall not be liable or responsible for any property damage, personal injury or other loss suffered by the Operator or the Operator's agents, employees or invitees arising from any cause occurring upon or about said vessel while operating in the vicinity of or moored at the BWB, SSL or the Port's public marina. The BWB, SSL and the Port's public marina have been inspected by the Operator and are accepted for use by the Operator under this Agreement in their present condition. The Operator shall indemnify and hold the Port harmless from any and all loss, damage, or injury resulting from the acts or omissions of the Operator and/or its agents, employees or invitees.
12. **Default.** If the Operator's default of this Agreement does not involve or include a failure to pay sums due the Port, then the Port may, on ten (10) days' written notice of said default, terminate Operator's right to moor any of said vessels at the BWB, SSL or elsewhere at the Port's public marina. In the event of default by the Operator, the Operator shall be liable to pay all charges incurred by the Port to move or store any said vessel if moored or otherwise present in the vicinity of any facility of the Port.
13. **Costs and Attorney's Fees.** If the services of an attorney are employed, for reason of any default in the performance of any provision of this Agreement, the defaulting party shall pay all costs, expenses and reasonable attorney's fees expended or incurred in connection therewith.

In Witness Whereof, the parties have executed this agreement on this 19th day of December, 2012.

Operator's Name PACIFIC CRUISES NORTHWEST, INC.

① VICTORIA STAR

Boat Name(s) and Number(s) ② VIKING STAR ③ SALISH SEA

Type(s) PASSENGER Length(s) ① 100' ② 56' ③ 50'

Address 355 JAMES AVE City BELLINGHAM St WA Zip 98225

Office Phone 360 738 8099 Ship's Phone _____

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct and that the undersigned is authorized to sign for the Operator of the vessels described above.

For the Operator: [Signature]
 For the Port of F.H. Tami Hayes

Curriculum Vitae

Drew M. Schmidt

Credentials:

US Coast Guard - Master of Steam or Motor Vessels up to 500 gross tons upon Inland Waters.
US Coast Guard – Mate of Steam or Motor Vessels up to 500 gross tons upon Near Coastal Waters.
US Coast Guard – Master of Sailing Vessels up to 100 gross tons.
US Coast Guard – Able Bodied Seaman.
International Maritime Organization (IMO) – STCW Officer in Charge of Navigation.
Department of Ecology – HAZWOPER emergency responder.
FCC – Commercial Radio Operator.
American Bureau of Shipping (ABS) – Certified Auditor of Safety Management Systems.

Business Experience:

Owner and Operator- Pacific Cruises Northwest, Inc. – 1992 to present.

This company operates, or has operated, both regulated and non-regulated passenger service in Washington, California, Alaska and British Columbia for over 20 years. With services and routes including:

Inaugurating an international ferry route between Bellingham, Washington and Victoria, British Columbia in 1992 and offering passenger ferry service and packaged travel between the cities until 2009.

Holder of WUTC Certificate BC-10 offering passenger and freight service to the San Juan Islands through 1998.

Managing partner of Island Commuter Service operating Certificate BC-95 and BC-10 offering passenger and freight service throughout the San Juan Islands from 1998 through 2011.

Contracted to the Whatcom Council of Governments to perform a Federal Transit Authority pilot program, providing water borne transportation services, to determine the feasibility of year-round passenger-only ferry service in north Puget Sound.

Long term active contractor to Whatcom County Ferry Division and Washington State Ferries providing relief and emergency passenger ferry service.

Launched and operated a new glacier and wildlife sightseeing tour in conjunction with the National Park Service in Kenai Fjords National Park, Seward, Alaska, from 1996 through 2000. Tour is still operating today under new ownership.

Operated race viewing excursions from San Diego, California with vessels brought from Washington to watch the America's Cup in both 1992 and 1995.

General Manager – Gray Line Cruises – 1987 to 1992.

Launched and operated a new sightseeing excursion and sport fishing operation in conjunction with the opening of the Resort Semiahmoo in Blaine, Washington. Responsibilities included; construction of docks and offices and overseeing construction of a new 300 passenger vessel, leasing additional vessels, hiring a 30 person staff, sales and marketing, and application to the WUTC for a passenger route to San Juan Island.

Captain – Hat Island Ferry, Viking Cruises and Seattle Harbor Tours – 1979 to 1987.

Affiliations:

Commissioner – Bellingham Tourism Commission

Member – Whatcom County Lodging Tax Advisory Committee

Director – Bellingham / Whatcom Tourism Bureau

Treasurer – Pacific Whale Watching Association

Member – North Sound Connecting Communities Project

Past Chairman of the Board – Bellingham / Whatcom Convention and Visitors Bureau

Past Chairman of the Board – Bellingham / Whatcom County Chamber of Commerce

Past Advisor – Port of Bellingham – Waterfront Advisory Group

Past Treasurer – Business for Economic Security, Trade and Tourism

Past Director – Economic Development Council of Bellingham

Member – Passenger Vessel Association

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

1300 S EVERGREEN PARK DRIVE SW, PO BOX 47250

OLYMPIA, WA 98504-7250

(360) 664-1222

This certificate authorizes the following operations under the provisions of RCW Title 81:

PACIFIC CRUISES NORTHWEST, INC
d/b/a SAN JUAN CRUISES
355 HARRIS AVE STE 104
BELLINGHAM, WA 98225

Cert No.
BC-10

PASSENGER SIGHTSEEING CRUISES

Between: North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruises Terminal),
point to point, with a flag stop at Boulevard Park Dock.

PASSENGER AND FREIGHT SERVICE

Between Bellingham and Friday Harbor.

TS-120832

06-06-12

SERVICE DATE

JUN -8 2012

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION



By

DMS Exhibit - 9
6 pages

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a **MOTOR CARRIER** in the transportation of the commodities and in the territory described herein to

PACIFIC CRUISES NORTHWEST, INC.
d/b/a VICTORIA SAN JUAN CRUISES
355 HARRIS AVE. STE 104
BELLINGHAM, WA 98225

PERMIT NO.
BC-10

PASSENGER SIGHTSEEING CRUISES

Between: North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruise Terminal), point to point, with a flag stop at Boulevard Park Dock.

PASSENGER-ONLY FERRY SERVICES between Bellingham and Friday Harbor.

PASSENGER AND FREIGHT SERVICE

Between Friday Harbor and Bellingham, and between Obstruction Pass and Bellingham, with the carrying vessel touching at Obstruction Pass on voyages to and from Friday Harbor.

In conjunction with the above authority, flag stops at Eliza Island, Sinclair Island, Blakely Island, and Lopez Island. This authority to make flag stops will terminate automatically upon termination of the certificate holder's authority to provide the above service between Friday Harbor and Bellingham and between Obstruction Pass and Bellingham.

The above statements of authority exclude freight service between Obstruction Pass-Friday Harbor, Obstruction Pass-Lopez Island, and Lopez Island-Friday Harbor.

Pursuant to RCW 47.60.010(3), waiver of the ten-mile restriction is granted.

SERVICE DATE

JUL 20 2006

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By _____

David W. Jenner



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Continuation

In conjunction with existing authority, flag stop service at Orcas Landing (Harney Channel, Orcas Island).

Excluding freight service between Orcas Island - San Juan Island, Orcas Island - Lopez Island, and Lopez Island - San Juan Island.

Pursuant to RCW 47.60.120 (3), waiver of the ten-mile restriction is granted.

In conjunction with the existing authority, flag stop service at Brandt's Landing (Orcas Island).

Excluding freight service between Orcas Island - San Juan Island, Orcas Island - Lopez Island and Lopez Island - San Juan Island.

TS-060133

06-07-06



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

PACIFIC CRUISES NORTHWEST, INC.
d/b/a VICTORIA/SAN JUAN CRUISES
355 HARRIS AVE. STE 104
BELLINGHAM, WA 98225

PERMIT NO.
BC-10

PASSENGER SIGHTSEEING CRUISES

Between: North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruise Terminal), point to point, with a flag stop at Boulevard Park Dock.

PASSENGER-ONLY FERRY SERVICES between Bellingham and Friday Harbor.

TS-031996

SERVICE DATE

03-10-05

APR 20 2005

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By _____

Paul [Signature]



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

PACIFIC CRUISES NORTHWEST, INC.
d/b/a VICTORIA/SAN JUAN CRUISES
355 HARRIS AVENUE, SUITE 104
BELLINGHAM, WA 98225

CERT. NO.
BC-10

PASSENGER AND FREIGHT SERVICE

Between: Blaine and Roche Harbor, Washington

Restrictions: Freight limited to 200 pounds per package.

PASSENGER SIGHTSEEING CRUISES

Between: North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruise Terminal), point to point, with a flag stop at Boulevard Park Dock.

PASSENGER AND FREIGHT SERVICE

BETWEEN: Bellingham and the San Juan Islands, with regular stops at Roche Harbor, San Juan Island, and flag stops at Blakely Island; Rosario and Deer Harbor on Orcas Island; and Lopez Island (excluding freight service between Rosario - Lopez Island and Deer Harbor - Lopez Island).

Restrictions: Freight limited to 200 pounds per package.

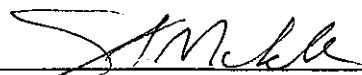
Pursuant to RCW 47.60.010(3), the waiver of the ten-mile restriction granted in this certificate is effective until May 23, 2001. This waiver shall become permanent if not appealed within thirty days after this date.

S. B. C. NO. 526

07-10-96

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By _____



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

PACIFIC CRUISES NORTHWEST, INC.
d/b/a VICTORIA/SAN JUAN CRUISES
355 HARRIS AVENUE, SUITE 104
BELLINGHAM, WA 98225

PERMIT NO.
BC-000010

PASSENGER AND FREIGHT SERVICE

Between:

Blaine and Roche Harbor, Washington.

Restrictions: Freight limited to 200 pounds per package.

PASSENGER SIGHTSEEING CRUISES

Between:

North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruise Terminal), point to point, with a flag stop at Boulevard Park Dock.

PASSENGER AND FREIGHT SERVICE

Between Bellingham and Roche Harbor.

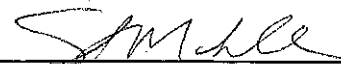
Restrictions: Freight limited to 200 pounds per package.

S. B. C. NO. 511

07-11-95

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By



**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET TS-120418
)	
ISLAND MARINER CRUISES, INC.,)	ORDER 01
)	
Petitioner,)	
)	
Relating to Discontinuance of)	
Commercial Ferry Service Authorized)	ORDER GRANTING
by Certificate of Convenience and)	DISCONTINUANCE OF
Necessity No. BC-95)	SERVICE
.....)	

BACKGROUND

- 1 On March 27, 2012, Island Mariner Cruises, Inc. (Island Mariner or Company), filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting the Commission grant a discontinuance of service authorized under Island Mariner’s Certificate of Convenience and Necessity No. BC-95.
- 2 Island Mariner operates seasonal service beginning on the third Saturday in May through Labor Day in September each year. The Company provides commercial ferry service between Bellingham, Washington, and Friday Harbor (San Juan Island), via Elisa, Sinclair, Cypress, Blakely, Decatur, Crane, Jones, Spieden, Johns, Stuart, Waldron, Sucia and Matia Islands with an additional stop at Roche Harbor on San Juan Island, Rosario Resort, Olga and Doe Bay on Orcas Island, Lopez and Shaw Islands.
- 3 Island Mariner stated its petition is based on its lack of time to locate a vessel due to the recent termination of a leasing agreement between Island Mariner and Pacific Cruises Northwest d/b/a Victoria San Juan Cruises (Pacific Cruises). Pacific Cruises requested Island Mariner to jointly file to withdraw the leasing agreements, originally scheduled to continue through 2022, to allow Pacific Cruises to sell a portion of its Certificate of Convenience and Necessity No. BC-10. The Commission terminated the leasing agreements on April 6, 2012, in Docket No. TS-070019 and TS-070020.

4 Island Mariner requests that it be allowed to discontinue service for a period of twelve months, beginning April 30, 2012, returning to provide service on or before April 30, 2013. Island Mariner believes it can locate a vessel within the 12-month period.

5 Under WAC 480-51-130, a commercial ferry company must request approval from the Commission to discontinue some or all of its operations. The company must provide 15 days' notice to the Commission and the public before the effective date of the discontinuance. The Commission shall not grant a discontinuance of service for a period longer than twelve months.

6 Commission Staff reviewed the petition, concluded that a discontinuance of service would allow the Company time to acquire a boat to provide service in the future, and recommended that Island Mariner's petition be granted.

FINDINGS AND CONCLUSIONS

7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including commercial ferry companies. RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.08, RCW 81.12, RCW 81.16 and RCW 81.84.

8 (2) Island Mariner is engaged in the business of providing commercial ferry service within the state of Washington as a public service company, and is subject to Commission jurisdiction.

9 (3) Under WAC 480-51-130, a commercial ferry company must request approval from the Commission to discontinue some or all of its operations. The company must provide 15 days' notice to the Commission and the public before the effective date of the discontinuance. The Commission shall not grant a discontinuance of service for a period longer than twelve months.

10 (4) This matter came before the Commission at its regularly scheduled open meeting on April 26, 2012.

11 (5) The petition Island Mariner filed should be granted, authorizing Island Mariner to discontinue service from April 30, 2012, until April 30, 2013.

ORDER

THE COMMISSION ORDERS:

- 12 (1) The petition Island Mariner Cruises, Inc., filed requesting permission to
discontinue service authorized by Certificate of Convenience and Necessity
No. BC-95 is granted.
- 13 (2) The discontinuance is effective from April 30, 2012, until April 30, 2013.
- 14 (3) Should an immediate need arise for commercial ferry service, Island Mariner
Cruises, Inc., must be prepared to resume service to meet those needs. If
Island Mariner Cruises, Inc., cannot, or will not, resume service, the
Commission will deem that Island Mariner Cruises, Inc., has waived interest
in its commercial ferry certificate of public convenience and necessity and
will grant authority to another carrier who is prepared to meet the needs of the
traveling public. The Commission will then institute proceedings to cancel
Island Mariner Cruises, Inc.'s certificate and to grant authority to another
carrier who is prepared to meet the needs of the traveling public.

The Commissioners, having determined this Order to be consistent with the public
interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective April 26, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Cancellation of)	DOCKET TS-080464
Certificate of)	
)	
SEAN MCNAMARA D/B/A PACIFIC)	ORDER 01
SEA TAXI (BC-130))	
)	INITIAL ORDER CANCELING
)	CERTIFICATE
)	
.....)	

1 **Synopsis.** *This is an Administrative Law Judge's Initial Order that is not effective unless approved by the Commission or allowed to become effective pursuant to the notice at the end of this Order. This Order would cancel the commercial ferry company certificate of Sean McNamara d/b/a Pacific Sea Taxi for failure meet statutory requirements to initiate service and to file progress reports.*

2 **Nature of Proceeding.** The Washington Utilities and Transportation Commission (Commission) initiated this proceeding to cancel the certificate of public convenience and necessity to provide passenger-only commercial ferry service by Sean McNamara d/b/a Pacific Sea Taxi (Pacific Sea Taxi), Certificate BC-130, for failure to meet statutory requirements to initiate service and file progress reports.

3 **Background and Procedural History.** On January 10, 2006, in Docket TS-060061, Pacific Sea Taxi filed an application for a certificate of public convenience and necessity to provide passenger-only commercial ferry service between various points on Puget Sound.

4 On January 20, 2006, in Docket TS-060133, Pacific Cruises Northwest, Inc., d/b/a Victoria San Juan Cruises (Pacific Cruises), filed an application seeking authority to transfer to it all rights under commercial ferry Certificate BC-120, held by San Juan Island Shuttle Express, Inc.

5 The Commission published notice of both applications on February 13, 2006. Pacific Cruises and Island Mariner Cruises, Inc., protested Pacific Sea Taxi's application to

provide commercial ferry service in Docket TS-060061. Pacific Sea Taxi protested the application in Docket TS-060133.

- 6 The Commission conducted a joint prehearing conference in these dockets and encouraged the parties to engage in settlement negotiations. On May 26, 2006, the parties filed a settlement agreement to resolve both dockets, which included a restriction of Pacific Sea Taxi's application to vessels with maximum capacity of 18 passengers. The parties withdrew their respective protests.
- 7 On June 8, 2006, in Docket TS-060061, the Commission approved the settlement agreement and granted Pacific Sea Taxi's application as modified by the agreement.¹ The Commission issued a certificate of public convenience and necessity authorizing Pacific Sea Taxi to provide passenger-only commercial ferry service between Squalicum Harbor and Rosario and Obstruction Pass with flagstops at Eliza Island, Sinclair Island, Cypress Island, Lopez Island, and Blakely Island.
- 8 On March 14, 2008, the Commission notified Pacific Sea Taxi that it intended to cancel the company's certificate of public convenience and necessity for failure to meet certain statutory requirements. The Commission issued a Notice of Intent to Cancel Certificate and Notice of Opportunity for Hearing and set a deadline of April 14, 2008, for Pacific Sea Taxi to contest the factual allegations and request a hearing to contest the cancellation of its certificate. The Commission has not received a response to the notice.
- 9 **Discussion and Decision.** The Notice of Intent to Cancel Certificate informed Pacific Sea Taxi that the Commission was taking this action due to the company's failure to comply with RCW 81.84.010(2) and WAC 480-51-120.
- 10 RCW 81.84.010(2) provides that the holder of a certificate of public convenience and necessity for passenger-only commercial ferry service in Puget Sound must initiate service within 20 months of obtaining the certificate.

¹ See Order 02, TS-060061.

- 11 If a certificate holder has not initiated service to all or any portion of a route described in its certificate, RCW 81.84.010(2) requires that the certificate holder must report to the Commission every six months after the certificate is granted on the progress toward initiating service on the certificated route. RCW 81.84.010(2) and WAC 480-51-120 provide that the reports must include a statement of progress toward overcoming impediments to initiating service, including the progress of environmental impact, parking, local government land use, docking, and financial considerations, the purchase or lease of a vessel or vessels, hiring of employees, advertising, and the ability to handle proposed traffic.
- 12 RCW 81.84.060 provides that certificates are subject to cancellation if a certificate holder for passenger-only ferry service in Puget Sound has not initiated service within 20 months after the certificate has been granted, or for violation of any provision in the chapter.²
- 13 In the Notice of Intent to Cancel, the Commission took official notice of the following facts:
- The 20-month period following the granting of Pacific Sea Taxi’s certificate by the Commission ended February 8, 2008.
 - Pacific Sea Taxi failed to file any six-month progress reports with regard to the authority granted under Certificate BC-130 on December 8, 2006, June 8, 2007, and December 8, 2007, as required by RCW 81.84.010.
 - Pacific Sea Taxi filed an annual report with the Commission in May of 2007. The company’s annual report indicated no operating revenue from regulated operations for 2006. The annual report contained a hand-written note stating that the company had not initiated service.
 - Pacific Sea Taxi’s tariff and time schedule on file with the Commission each state: “NOTE - Service not yet initiated – Company will revise time schedule prior to initiation of service.”³

² RCW 81.84.060(2) and RCW 81.84.060(5).

³ The tariff and the time schedule were effective 10-18-06 and were never subsequently amended.

- 14 These facts, which Pacific Sea Taxi has not rebutted, demonstrate the company's failure to comply with the requirements of RCW 81.84.010(2) and WAC 480-51-120 by failing to initiate service within 20 months of the grant of the certificate, and for failing to file progress reports with the Commission every 6 months. The Commission may cancel certificates for passenger-only ferry service under RCW 81.84.060 for the failure to meet these requirements. The Commission should cancel Pacific Sea Taxi's certificate for passenger-only commercial ferry service.

ORDER

- 15 **THE COMMISSION ORDERS** That the certificate of public convenience and necessity to provide passenger-only commercial ferry service held by Sean McNamara d/b/a Pacific Sea Taxi, Certificate BC-130, is cancelled.

DATED at Olympia, Washington, and effective April 17, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

ANN E. RENDAHL
Administrative Law Judge

NOTICE TO THE PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What

must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an *Answer* to a Petition for review within (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3), as amended in the 2006 legislative session, provides that an initial order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion. You will be notified if this order becomes final.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An Original and three (3) copies of any Petition or Answer must be filed by mail delivery to:

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

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Cancellation of) DOCKET TS-080464
Certificates of)
)
SEAN MCNAMARA D/B/A PACIFIC)
SEA TAXI (BC-130))
) NOTICE OF FINALITY
.....)

- 1 Administrative Law Judge Ann E Rendahl entered Initial Order 01 in this docket on April 17, 2008.

- 2 No party petitioned for administrative review of the initial order or received an extension of time to file such a petition, and the Washington Utilities and Transportation Commission (Commission) did not give notice of its intention to review the order on its own motion, within the time for filing petitions for administrative review.

- 3 Therefore, under RCW 80.01.060(3), the order became final on May 8, 2008, by operation of law.

- 4 In allowing this order to become final, the Commission does not endorse the order’s reasoning and conclusions. If cited in the future, the order must be identified as an Administrative Law Judge’s order.

Sincerely,

CAROLE J. WASHBURN
Executive Secretary

Drew Schmidt

From: Ingram, Penny (UTC) <PIIngram@utc.wa.gov>
Sent: Wednesday, June 06, 2012 4:05 PM
To: drew@whales.com
Cc: Young, Mike (UTC)
Subject: RE:

Drew,

The Utilities and Transportation Commission (commission/UTC) regulates commercial ferries for public use for hire that operate between fixed termini or over regular routes under chapters 81.84 RCW and 480.51 WAC.

Pacific Cruises holds a certificate of public convenience and necessity to provide fixed termini or regular route commercial service for hire between Bellingham and Friday Harbor. In this email I'm only addressing services provide between Bellingham and Friday Harbor based on our phone call discussion yesterday.

As I'm sure you are aware, in 1995, Engrossed Substitute HB 1922 added "excursion service" and "charter service" to the commission's regulation of commercial ferries in RCW 81.84. The legislature placed a sunset date when UTC regulations would expire on January 1, 2001, for "excursion service" and "charter service."

Excursion services are no longer regulated by the commission. However, for example, an excursion service, per WAC 480-51-020 means:

"(13) The term "excursion service" means the carriage or conveyance of persons for compensation over the waters of this state from a point of origin and returning to the point of origin with an intermediate stop or stops at which passengers leave the vessel and reboard before the vessel returns to its point of origin."

It is staff's interpretation that an excursion service cannot not pick up or drop off passengers after leaving and before returning to the area of origin. Therefore, you cannot mix regulated (open to the public) and non-regulated service (excursion – limited) on one boat.

Regular route service has no restrictions and is open to anyone at any time for travel based on Pacific Cruises published Time Schedule.

I hope this is helpful.

This e-mail states the informal opinions of commission staff, offered as technical assistance, and are not intended as legal advice. We reserve the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff's opinions are not binding on the commission.

Sincerely,

Penny L. Ingram | Regulatory Analyst
Washington Utilities & Transportation Commission, Regulatory Services Division
P.O. Box 47250 | 1300 S. Evergreen Park Dr SW, Olympia, WA 98504
ph: 360.664.1242 | pingram@utc.wa.gov | fax: 360-586-1150



From: Drew Schmidt [<mailto:drew@whales.com>]
Sent: Wednesday, June 06, 2012 2:11 PM
To: Ingram, Penny (UTC)
Cc: Dave Wiley
Subject: FW:

Hi Penny,

I talked with Dave last night about your concern of combining regulated and non-regulated services. I came to the same conclusion as his response below. Is there somewhere else I need to look for this restriction?

Thanks... Drew

Captain Drew M. Schmidt | [San Juan Cruises](#) | [Pacific Cruises Northwest](#)
Bellingham Cruise Terminal | 355 Harris Avenue, Suite 104 | Bellingham, WA 98225
360.738.8099 | 800.443.4552 | [f] 360.738.7685 |
drew@whales.com | www.whales.com

From: Wiley, Dave [<mailto:dwiley@williamskastner.com>]
Sent: Wednesday, June 06, 2012 11:39 AM
To: drew@whales.com
Subject:

Drewster: My 15 minute review of RCW 81.84 and WAC 480-51 this morning reveals nothing that would prohibit the combination of exempt and regulated service in the same vessel. Please tell Penny we searched for a "combination of service" restriction or waiver rule and the boat laws seem to be totally silent on that but we're willing to be corrected. Dave.

David W. Wiley
Attorney at Law
Williams Kastner
601 Union Street, Suite 4100
Seattle, WA 98101-2380
Main: 206.628.6600
Direct: 206.233.2895
Fax: 206.628.6611
dwiley@williamskastner.com
www.williamskastner.com

WILLIAMS KASTNER™




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

June 29, 2012

Drew Schmidt, President
Pacific Cruises Northwest, Inc.
d/b/a San Juan Cruises
355 Harris Ave, Ste. 104
Bellingham, WA 98225

Dear Mr. Schmidt,

The Utilities and Transportation Commission (commission) regulates commercial ferries that operate between fixed termini or over regular routes under chapters 81.84 RCW and 480-51 WAC.

In 1995 the legislature amended RCW 81.84 to require certificates of public convenience and necessity for "excursion service over the waters of this state," with various exceptions. 1995 Laws of Wash., ch. 361. That legislation contained an expiration date of January 1, 2001. Because the legislature amended RCW 81.84 to require a certificate for excursions, and then repealed that requirement, it is apparent that excursions are no longer required to have a certificate of public convenience and necessity under RCW 81.81.010.

The definition of an excursion under the now expired statute was "the carriage or conveyance of persons for compensation over the waters of this state from a point of origin and returning to the point of origin with an intermediate stop or stops at which passengers leave the vessel and reboard before the vessel returns to its point of origin." Laws 1995, ch. 361, sec. 1. The purpose of the service is not transportation between points on a route, but rather a sightseeing tour that returns customers to the point of origin.

The commission does not regulate the rates and services of sightseeing tours. The statutory basis for this exception to the commission's economic regulation is that such tours ordinarily are not "between fixed termini or over a regular route." The policy reason is that a sightseeing tour, to use a term from the era in which commercial ferry statutes were enacted, is not an industry "affected with the public interest." See Charles F. Phillips, Jr., *The Regulation of Public Utilities*, pp. 93-118 (1993). The rationale for rate-regulated monopoly service does not exist with regard to a sightseeing tour as it might for a true transportation service. See *id.* At 117, ("The public utility status generally has been conferred on an industry that possess those distinct economic characteristics which indicate that administrative, as opposed to market, regulation can improve

the industry's economic performance. Such activities are closely associated with the processes of transportation and distribution").

Pacific Cruises Northwest, Inc., d/b/a San Juan Cruises' current certificate BC-10 allows the company to provide the following commercial ferry service:

"PASSENGER SIGHTSEEING CRUISES

Between: North Bellingham (Squalicum Harbor) and South Bellingham (Bellingham Cruises Terminal), point to point, with a flag stop at Boulevard Park Dock.

PASSENGER AND FREIGHT SERVICE

Between Bellingham and Friday Harbor."


In phone conversations relating to the company's general rate case filed in Docket No. TS-120803, staff explained the commission's rate making policies regarding cost allocations between regulated service and non-regulated service, such as excursions. On June 20, 2012, Mr. Schmidt spoke with staff to further discuss the option to voluntarily cancel the company's existing certificate in whole and provide only excursion service to the public. Staff concludes that should the company provide only "excursion service," the commission would not regulate the company's rates or services, and therefore the company would not need a certificate of public convenience and necessity.

To voluntarily relinquish Pacific Cruises' commercial ferry certificate BC-10, Pacific Cruises will need to send a letter to the commission requesting to voluntarily relinquish its commercial ferry service in whole, including its filed tariff and time schedule, and request to withdraw its pending rate case in Docket No. TS-120803. In addition, the letter should describe how the company plans to operate only an excursion service between Bellingham and Friday Harbor and between North and South Bellingham.

Should you have any further questions regarding this process or this letter, please contact Penny Ingram at 360-664-1242 or pingram@utc.wa.gov.

This letter states the informal opinions of commission staff, offered as technical assistance, and are not intended as legal advice. We reserve the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff's opinions are not binding on the commission.

Sincerely,


Gene Eckhardt,
Assistant Director of Water and Transportation

SUB 2/28/05

All rates on this page have increased

Tariff No. 5

~~150~~ Revised Page No. 3

Company Name: Puget Sound Express BC-118
Passenger Fare Schedule

This fare schedule applies to:

And	Between													
	Apr. 15 th - June 17 Port Townsend Friday Harbor		June 18 th - SEPT. 2 nd Port Townsend Friday Harbor		SEPT. 3 rd - Oct. 1 st Port Townsend Friday Harbor									
	One Way	Rnd Trip	One Way	Rnd Trip	One Way	Rnd Trip	One Way	Rnd Trip	One Way	Rnd Trip	One Way	Rnd Trip	One Way	Rnd Trip
Adult	39 ⁵⁰	59 ⁵⁰	49 ⁵⁰	67 ⁻	39 ⁵⁰	59 ⁵⁰								
Children	29 ⁵⁰	41. ⁰⁰	39. ⁵⁰	49. ⁵⁰	29. ⁵⁰	41. ⁰⁰								
Bikes & Kayaks	10 ⁻	15 ⁻	10 ⁻	15 ⁻	10 ⁻	15 ⁻								
Animals	10 ⁻	15 ⁻	10 ⁻	15 ⁻	10 ⁻	15 ⁻								

RECEIVED
 RECORDS
 05 FEB 28 11:54
 STATE OF
 UTILITY
 DIVISION

Notes:

2-17-05

3-21-05

Issue Date

Effective Date

Issued By (Name and title):

Sherril Hanks V.P.

1st Revised Page # 4
Tariff #5 replaces Tariff #4
PUGET SOUND EXPRESS, INC.

Time schedule No. 1

Port Townsend-Friday Harbor Passenger Only Ferry

Between

Port Townsend, WA and Friday Harbor, WA

	Schedule	Mileage
Leave Port Townsend	9:00am C	0.00
Arrive Friday Harbor	12:00pm C	45.00
Leave Friday Harbor	2:30 pm	0.00
Arrive Port Townsend	5:00pm C	45.00

Issue Date February 17, 2005
Effective Date March 21, 2005
Issued By: Sherri Hanke V.P.



call us (360) 385-5288 Reserve Online



Breathtaking Tours & Adventures
WHALES

- Home
- Our Family
- Tour Information
- Schedule & Fares
- Things to Know
- Education Partners
- Specials

Subscribe   

Schedule & Fares

Port Townsend-San Juan Island (Friday Harbor)

Departs Port Townsend, Washington at 9:00am and returns at 5:00pm
 Arrives Friday Harbor, Washington at 12:30pm and departs at 2:30pm
 May 11 – September 10, 2012

	Round Trip	One Way
Adult	\$ 88.50	\$55.50
Child (2-10)	\$48.50	\$42.50
Bicycle & Kayak	\$15.00	\$10.00
Animals	\$15.00	\$15.00

Four Hour Guaranteed Killer Whale Watching Tour

Departs Port Townsend, Washington at 10:00am and 2:30 pm.
 Trip length is approximately four hours.
 The trip must have a minimum of 15 passengers for a departure.
 May 1 – October 10, 2012

Service Dates	Adult	Child(2-10)
May 1 – October 10, 2012	\$95.00	\$65.00

Spring Gray Whale Tour

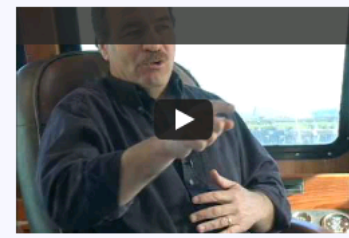
Departs Port Townsend, Washington at 10:00am and returns at 2-3pm
 Tour must have a minimum of 15 passengers for a departure.

Reserve Online

call us at (360) 385-5288 or email us at
info@pugetsoundexpress.com

Sign up for our newsletter

Whale Watching Videos



Join Us On Facebook

 Puget Sound Express on Facebook
 Like 641

 Puget Sound Express

DMS Exhibit - 15
 3 pages

Tour Information

For 27 years, Puget Sound Express has set the standard for exciting whale watching tours and wildlife tours around the Olympic Peninsula and the San Juan Islands. Based in the Victorian seaport and arts community of Port Townsend, Washington, we are a family-run business with three generations of dedication and experience connecting visitors with the great outdoors.

Puget Sound Express offers a variety of adventure cruises for you to choose from – all easily accessible from Seattle, Puget Sound, and the Olympic Peninsula:

Four Hour Killer Whale Watching Tour

The perfect trip for visitors and travelers with a busy schedule! Departing in the morning, our fast and comfortable vessel *Olympas* seeks out the killer whales to give you a guaranteed whale watching experience in the San Juan Islands.

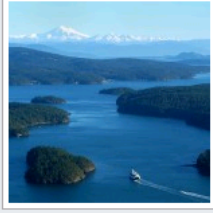


Trips feature an on-board naturalist, and if the whales are "singing," you'll be able to hear them with our hydrophone.

- Reserve 10am tour online (runs May 1 – September 28, 2013)
- Reserve 2:30pm tour online (runs June 22 – September 1, 2013)

Port Townsend – San Juan Island Whale Watching Tour

Our signature tour, this daylong cruise on the *Glacier Spirit* combines orca watching with an on-board naturalist, and a tour of the beautiful San Juan Islands. We visit the popular town of Friday Harbor for shopping, island cuisine, and sightseeing.



This San Juan Islands trip is also the **official passenger ferry route** between Port Townsend and San Juan Island, and in addition to seeing killer whales, we often see minke whales, Stellar and California sea lions and Dall's porpoises.

- Reserve tour online (runs May 18 – September 8, 2013)

WHALES

Subscribe   

Reserve Online

call us at (360) 385-5288 or email us at info@pugetsoundexpress.com

Sign up for our newsletter

Email address

Whale Watching Videos



Join Us On Facebook

Puget Sound Express on Facebook
Like 641

Puget Sound Express
Some sad news about a newborn orca that was found near Sequim yesterday. It's a fragile world out there, folks.

Orca Network
Sad news from

call us (360) 385-5288 Reserve Online



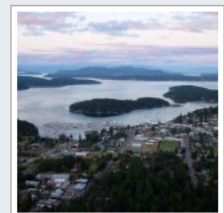
Breathtaking Tours & Adventures WHALES

- Home
- Our Family
- Tour Information
- Schedule & Fares
- Things to Know
- Education Partners
- Gifts

Subscribe   

Port Townsend – San Juan Island Whale Watching Tour

Our signature tour, this daylong cruise on the *Glacier Spirit* combines orca watching with an on-board naturalist, and a tour of the beautiful San Juan Islands. We visit the popular town of Friday Harbor for shopping, island cuisine, and sightseeing.

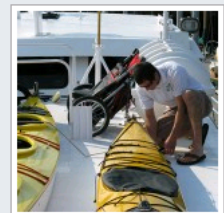


- Reserve tour online (runs May 18 – September 8, 2013)

This San Juan Islands trip is also the **official ferry route** between Port Townsend and Friday Harbor; we are the *only company on the Olympic Peninsula that offers a day-long tour combining whale watching with a port of call on San Juan Island.*

Our tour departs Port Townsend at 9am and heads across the magnificent Strait of Juan de Fuca, to the San Juan Islands. Along the way, the natural history and wildlife are pointed out by our trained marine naturalist. Usually, about ninety minutes into the cruise, orca whales are sighted along the western flanks of San Juan Island.

Once everyone has had a wonderful encounter with the orca whales it is time to move into the islands and our port of call, Friday Harbor. This was once a small fishing village that has now grown into one of the Pacific Northwest's top destinations. Here passengers can browse the many shops along Spring Street and enjoy great local cuisine that the many restaurants have to offer.



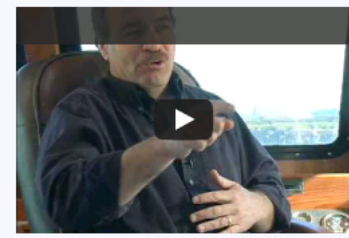
- Heading to San Juan Island for a **kayak tour**? No problem. We are happy to transport your kayak on the boat for a small fee..
- Planning to **bike** around San Juan Island? No problem. For a small fee, we can take your bicycle too!

Reserve Online

call us at (360) 385-5288 or email us at info@pugetsoundexpress.com

Sign up for our newsletter

Whale Watching Videos



Join Us On Facebook

 Puget Sound Express on Facebook

 Like 641

 Puget Sound Express

Whatcom Council of Governments Passenger Only Ferry Study

FINAL REPORT

November 22, 2006

Table of Contents

	Page
1. International Passenger Only Ferry Study Project Description	1
2. Literature Review	2
3. International Service Requirements	6
4. Market Research	8
5. Vessel Configuration	26
6. Ridership Projections and Financial Considerations	27
7. Findings and Conclusions	38
Appendix A: Fare Comparisons	39
Appendix B: Detailed Ridership Information	40
Appendix C: Sample of Passenger Survey	44
Appendix D: Sample of San Juan Island Household Survey	46
Appendix E: Sample of the Online Survey	48
Appendix F: Online Survey Results	50
Appendix G: Full List of Desired Routes	52

Whatcom Council of Governments
314 E. Champion Street
Bellingham, WA 98225
(360) 676-6974
www.wcog.org

1. International Passenger-only Ferry Study Project Description

Nature of the project

This study explores market and other factors associated with potential viability of an international passenger ferry service connecting the city of Blaine, including the Semiahmoo peninsula with the community of White Rock in British Columbia, Canada, and other regional points in lower BC and Northwest Washington. Such a service could provide much-needed transportation connections among U.S. and Canadian border communities and a transportation alternative for commuters, tourists, students and other travelers. This project included a preliminary analysis, identification of appropriate vessel type, size, docking facility, permitting processes, and financing options for acquisition and operation. Operational and logistical considerations are addressed in this report including international inspection agency considerations and optimal service route characteristics.

Background and existing work

The reintroduction of modern passenger-only ferry service for the Whatcom/Lower mainland B.C. region has been suggested and discussed informally in many transportation forums over the last decade. Northwest Washington and Southwest British Columbia has a strong history of local and regional marine movement of people and goods. Passenger schooners plied the coastal waters of Western North America and a “Mosquito Fleet” provided local and regional mobility. As rail, roads, and highways were constructed, the use of the marine mode decreased. Now, as highway infrastructure becomes more costly and environmental concerns become more pointed, local and regional marine transportation has re-emerged as an alternative of interest. Transportation-focused meetings of citizens, transportation specialists, and elected officials over the last three years have yielded gathering interest in passenger-only ferry service for the region.

This study measured and recorded operational, logistical and financial considerations inherent in providing passenger-only ferry services, and examined economies of scale, service parameters, costs and potential project partnerships needed to implement such services.

This work provides answers to many of the questions concerning the what, where, how and when of adding passenger-only ferry travel to transportation choices for the traveling public as well as to questions of operational and financial aspects of establishing new passenger-only ferry services. Several previous studies have examined various aspects of such a system, but none have been comprehensive. The biggest missing pieces include quantification of potential demand, current capital and operating costs, and steps necessary to overcome obstacles such as funding.

The International Passenger-Only Ferry Study includes this report of potential terminal locations, commuter trip demand, and an assessment of possible connections with land based transit services. The study will analyze the scale, vessel type and costs, operating system requirements and develop a preliminary operating budget.

A literature review has disclosed numerous northwest Washington and cross-border passenger-only ferry studies. See **Section 2: Literature Review** for a discussion of other works on this topic.

2. Literature Review

THE POTENTIAL FOR EXPANDED FERRY SERVICE AT THE BELLINGHAM CRUISE TERMINAL, Port of Bellingham, undated (circa 1995).

This undated and un-attributed report appears to have been prepared by Port of Bellingham (POB) staff. It is generally anecdotal in style and content. The report is a compendium of one-time observations intended as a decision-making tool for POB officials. Identification of possible landing sites along with photos thereof is included. The most pertinent portions of the report for this study are found among the conclusions listed in its Summary:

“There is always a need for more affordable ferry service to the San Juan Islands ... public ferry services continue to operate at a loss.”

“Growth appears to continue in the Islands excursion market ... Cheap fares, compounded by ticket booklet discounts aboard the Washington ferries may be hard to compete against.”

“With bus and Amtrak service, the Bellingham Cruise Terminal is seen by islanders as an appropriate facility to meet the island, versus tourist, needs.”

“Based on past performance, Bellingham-Friday Harbor loads are artificially limited by the small craft size.”

“State regulations preclude Bellingham carriers from competing directly with the Washington State Ferries within the San Juan Islands.”

And those listed in its recommendations:

“If committed to promoting year-round service, the Port [POB] may want to assist in the form of joint marketing or seasonally adjusted passenger facility charges.”

“The Port [POB] should continue to work with its current operators to maintain and expand service.”

NORTH SOUND CONNECTING COMMUNITIES FERRY OPPORTUNITIES STUDY, Wilbur Smith Associates for Cascadia Center of Discovery Institute, January 2005.

The North Sound Connecting Communities Project (NSCCP) coalition, consisting of members from five counties, obtained grant funding for a consultant (Cascadia Center of the Discovery Institute) to assist in completing a multi-modal commuter study in 2002. A portion of the study, the NSCCP Ferry Opportunities Study, was intended to assist decisions makers by providing a better understanding of the “needs, opportunities, barriers, and implementation options for regular passenger only ferry service for commuting and other types of trips in the North Sound”. The study also examined the possibility of private or semi-private firms providing the ferry services instead of the State providing the ferry services. Potential passenger ferry route locations were identified as well as a number of tasks which, if implemented, would aid the launch of a passenger ferry service.

Initial findings identified nine routes; two for initial considerations, three for secondary consideration, and four routes for future considerations. Additional analysis estimated that, in order to cover costs, eighty percent of ferry seating would need to be filled on a regular basis. However, the research on the corridors examined indicated that sufficient demand for passenger ferry services exists.

Whatcom Council of Governments
Passenger Only Ferry Study

A feasibility study conducted by the consultant posed three questions:

1. Who will ride the ferries?
2. How many riders will there be?
3. What times of the day/year will they ride?

Ridership estimates, stated as being optimistic, indicating higher numbers of such a service might be possible.

The Cascadia Center study reports, "The initial projections of ridership and system service produced in this analysis seem to indicate that fare revenues and other funding could sustain a viable though minimal passenger ferry service in the north Sound." The need for voter approval is also identified. Although the costs of a passenger ferry program were estimated, benefits were not in this study. The recommendations of the report include suggestions from transit providers that a detailed origin-destination study be completed prior to any level of implementation.

MOSQUITO FLEET FEASIBILITY STUDY, Case Existological Laboratories Ltd. for Washington Public Ports Association, December 1990.

Upon examining data regarding the feasibility of fast passenger ferry business within the Puget Sound Region, Case Existological Laboratories Ltd. (CELL) determined that it was both economically and socio-economically efficient to implement such a ferry business in the region. CELL concluded that, based on economic comparison, the fast passenger ferry can rival other forms of commuting in affordability, convenience, and time. Tourism expected to accompany the implementation of a fast ferry passenger system was also projected to generate a significant amount of revenue for coastal communities.

Due to high fixed and operating costs, a new extensive route system implemented before sufficient demand had been established could not be sustained. However, the study suggests implementation of a smaller, primary route system. Beginning small would help to control both fixed and operating costs. Once demand for initial routes is established, additional routes could be added at the discretion of each region.

Also outlined in the study were key issues for a successful fast passenger ferry business. These included safety, financial success, compatibility with communities, and reduced roadway congestion. Safety could be accomplished by employing a trained crew, using a proven vessel. Financial success could be accomplished by establishing adequate fares without public financing. Compatibility with community goals could be established through careful selection of the terminal location and vessel design.

FOOT PASSENGER FERRY SERVICE FEASIBILITY STUDY, BELLINGHAM-POINT ROBERTS-FRIDAY HARBOR (DRAFT), Reid Crowther and Partners, July 1995.

Reid Crowther and Partners, in conjunction with the Port of Bellingham, conducted the Foot Passenger Ferry Service Feasibility Study to determine the economic viability of routing passenger ferry services among Point Roberts, Bellingham, and Friday Harbor. The study was intended to identify the economic opportunities and limitations, focusing the on following:

- Identifying sites with the greatest potential demand,
- Determining if sufficient demand for the service existed

- Providing information to assist in determining an appropriate working profile.

The study also examined characteristics that determine economic viability: vessel design, passenger capacity, routing, frequency, seasonality, and potential service utilization.

The study found that the route with the greatest potential was the Point Roberts-Friday Harbor route. Although the ferry service itself is not expected to generate significant revenue, other business sectors in both Point Roberts and Friday Harbor were expected to benefit. The Bellingham-Friday Harbor route was found to be unlikely because a private operator currently operates the same route. The Bellingham-Point Roberts route has the greatest potential of serving the business/commercial market sector and offers opportunities for business in both communities. Vacationers and recreational day trippers are expected to use the service most. However, both sectors are highly seasonal (mid-May to mid-September).

HIGH SPEED FERRIES AND COASTWISE VESSELS: EVALUATION OF PARAMETERS AND MARKETS FOR APPLICATION, National Ports and Waterways Institute (LSU) for Center for the Commercial Deployment of Transportation Technologies, June 2000.

Many cargo vessels handling domestic containers or trailers can, and do, handle passengers. The largest of such situations is currently operating between the Puget Sound and Alaska.

Combining passengers and cargo may increase revenues. However there are significant differences in vessel components and schedules, as well as structural and logistical differences in terminals. Challenges to mixed, passenger-cargo systems are listed below:

- “Coastal vessels would need to provide accommodations for passengers, including sitting/lounges areas, restaurants, amenities and even sleeping arrangements in the case of overnight trips.
- Coastal terminals would need to include waiting lounges, parking for cars, public transport, etc.
- Location of terminals would be different, since passenger terminals are usually located in downtown areas, where public transportation is available while cargo terminals are located outside the city, where truck access is more convenient.
- Service schedules would be different, since passengers are not expected to come on/off board during late night hours. This may limit the operational flexibility of the coastal service, resulting in lower utilization of the coastal vessels and higher operating costs.

INFORMATION PACKET, All American Marine Incorporated, undated.

The information packet, published by All American Marine Incorporated, outlined the advantages of semi-planning demi-hulled ferries. Design characteristics which increased stability and fuel efficiency, while reducing drag and wake, were also identified. The packet included general specifications (which includes construction, dimensions, engine size, performance, passenger capacity, and fuel capacity) and contact information for each vessel.

MARINE OPTIONS: GREATER VANCOUVER TO SQUAMISH FEASIBILITY STUDY, Jonathon Seymour and Associates for BC Ministry of Transportation, December 2001.

The study, contracted by the BC Ministry of Transportation, determined the feasibility of a pas-

Whatcom Council of Governments
Passenger Only Ferry Study

senger ferry between Vancouver and Squamish. The favored vessel design, based on weather, sea conditions, wake, and debris, was identified in the study. Passenger capacity was also a key factor in the feasibility study; vessels with the ability to carry 220 passengers and 350 passengers were used for the various cost calculations.

Terminal locations for both Vancouver and Squamish were refined. Due to the remoteness of the Squamish region, the primary linkage was identified as private automobiles, which requires adequate parking and a pick-up/drop-off loop. Locations within Vancouver were considered for their proximity to other modes of transportation, such as transit or rail options.

A joint effort between public and private entities was considered to be the most economically efficient approach to the ferry system. Government entities could be “involved as the instigator of the service.” Private entities, because of cost advantages, could be involved in the “management of the vessels and/or terminals.”

Project risks and benefits were also considered. Project risks included inadequate demand, issues over wake/wash generation, and reduction of established commuter options, should the ferry system fail. Project benefits included the creation of a tourism element, possibilities of deploying routes to other locations, and provision of services to patrons of the 2010 Olympics.

CRUISING INTO PROFITS, Cruise Industry Association of BC, March 1991

The Cruise Industry Association of B.C., recognizing the potential for small vessel tourism in the area, hosted a seminar in 1991 to highlight the possibilities of and challenges that the small vessel industry faces in BC and the surrounding regions. Delegates from over sixty-five organizations, such as coastal communities, port organizations, and tourism suppliers, were in attendance.

Several speakers, although motivated by different goals, responded to the idea of the small vessel cruise industry capturing a major segment of the tourism sector. In order to cultivate the industry, the following focus areas were developed from the variety of comments prepared by the speakers: organization, marketing, product development, communication, and policy legislation.

Identifying the target audience is also essential to industry development. Securing a share of the cruise industry is contingent on recognizing and capturing segments of the population that would, at least in the early stages of development, promote the expansion of the industry.

3 International Service Requirements

The following descriptions cover most of the issues that must be addressed in development of U.S. – Canada, cross-border, passenger-only ferry services.

Organizational, Vessel and Crew Requirements

In addition to the standard safety requirements of the U.S. Coast Guard, vessels operating on an international route must comply with the regulations of the International Maritime Organization (IMO). These regulations include:

International Convention for the Safety of Life At Sea (SOLAS) that sets the requirements for safety and equipment standards of the vessel. Some of the additional equipment includes; inflatable life rafts, rescue vessels, long range pyrotechnic signals (flares), life jacket lights and whistles, Search and Rescue Transponders (SART), Emergency Position Indicating Radio Beacons (EPIRB), Navigation Text Receiver (NAVTEX), and Global Marine Distress Safety System (GMDSS). The typical initial cost of the additional equipment for a 149 passenger vessel is approximately \$80,000 with \$10,000 annual maintenance costs.

International Ship and Port Security Code (ISPS) that sets the requirements for vessel and facility security. Each company must develop and operate under an approved Company and Vessel Security Plan which includes; crew, passenger, vendor, freight and baggage security, staff training and exercises, operational procedures, security equipment and communications for all three levels of Marine Security (MARSEC).

Safety Management System (SMS). Each company must develop and operate under an approved SMS plan that details the responsibilities of the Company, Master, Crew and shoreside personnel. The plan details; safety and environmental protection, responsibilities and authority, resources and personnel, operating procedures, emergency preparedness, maintenance, verification, documentation and review.

International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) which sets the standards and requirements for training and licensing. Masters operating internationally are required to have additional certification in basic safety training, bridge resource management, crisis management and human behavior, crowd management, survival craft proficiency and GMDSS. The average cost for this additional certification is \$10,000. All vessel crew must also be certified in crowd management.

IMO required Inspections by the U.S. Coast Guard are required annually for SOLAS vessels from every two to five years for domestic vessels.

Customs and Immigration Requirements

Vessel operating companies transporting passengers across the international border are required to supply the infrastructure for the services of Customs and Border Protection (CBP) in both the U.S. and Canada Border Services Agency (CBSA) in Canada.

Clearance facilities are required by CBSA to include secure transition from the vessel to the facility, a pre-inspection space measuring 1.5 square meters per passenger with a baggage retrieval area, a private secondary-inspection area with search and holding room, administrative area, and secure communications infrastructure.

CBSA will supply clearance officials to vessel arrivals under pre-approved schedules at loca-

Whatcom Council of Governments
Passenger Only Ferry Study

tions they currently serve. New locations, if approved, require full cost-recovery from the vessel operator.

Pre-clearing travelers before they board cross-border vessels as U.S. Customs and Border Protection (CBP) does in Victoria and Sidney, B.C. is a key to ensuring the carrier is not logistically and financially responsible for returning inadmissible passengers to Canada.

The availability of CBP pre-clearance functions at alternate locations would have to be negotiated with CBP and is unknown at this time.

CBP arrival clearance is also required. Facility requirements and locations are also subject to negotiation with CBP.

International carriers are also required to obtain a \$50,000 customs bond.

The foregoing requirements must be met before initiating any new passenger-only ferry services across the U.S. - Canada border. Costs associated with those requirements and other aspects of establishing international passenger ferry service have not been fully analyzed. An additional study will be necessary to quantify all such costs before provision of such services may be further considered.

4. Market Research

4.1 Pilot Service

As part of the Whatcom Council of Governments' (WCOG) Passenger-Only Ferry Study grant from the U.S. Federal Transit Administration, a pilot project was conducted during the winter months of 2005-06 to provide data on potential markets and service characteristics.

WCOG worked with Victoria-San Juan Cruises and the Port of Bellingham to operate a daily passenger ferry between Friday Harbor on San Juan Island and the City of Bellingham in Whatcom County. The goal of the pilot was to directly test the market and survey passengers about a variety of service characteristics.

4.1.1 FTA Grant information

The WCOG Passenger-Only Ferry Study grant from the U.S. Federal Transit Administration (FTA) is to examine demand and feasibility of increased passenger-only ferry service in the region.

4.1.2 Route

The pilot project offered service between the City of Bellingham in Whatcom County, Washington, and the City of Friday Harbor on San Juan Island, in San Juan County, Washington. See **Figure 4-1**.

4.1.3 Schedule

Figure 4-1

Passenger-only ferry service route (shown in red)

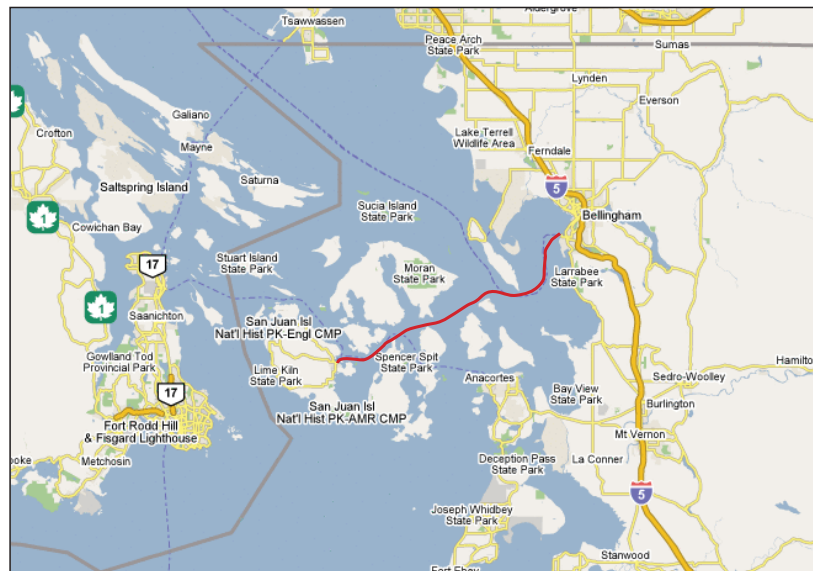


Table 4-1

Pilot project passenger ferry service schedule

Monday - Friday Schedule	
Departs Bellingham Arrives Friday Harbor	7:00am 8:40am
Departs Friday Harbor Arrives Bellingham	9:00am 10:40am
Departs Bellingham Arrives Friday Harbor	3:00pm 4:40pm
Departs Friday Harbor Arrives Bellingham	5:00pm 6:40pm
Crossing time: One hour and forty minutes	

The pilot service consisted of two round-trips a day, five days a week (Monday through Friday only). See **Table 4-1** for the pilot project schedule.

For "day-trippers," the schedule allowed mainland residents to have eight hours on San Juan Island (9:00am – 5:00pm). San Juan Island residents had a total of four hours in Bellingham (11:00am – 3:00pm).

A weekend schedule was not developed for this project.

4.1.4 Boat & Terminals

The service was contracted through the Port of Bellingham and operated by Victoria – San Juan Cruises with the vessel Victoria Star II, a 100 foot boat licensed for 149 passengers (see **Figure 4-2**). The boat runs on bio-diesel. Passenger amenities included indoor and outdoor seating, a snack bar, and restroom facilities.

The Victoria Star II called at the Bellingham Cruise Terminal in Fairhaven. In Friday Harbor, the boat docked at the Friday Harbor Terminal's Spring Street landing.

4.1.5 Passenger Fares

Fares were priced as follows:

- Adults (ages 13 and older): \$10 one-way
- Youth (ages 6-12): \$5 one-way
- Child (ages 0-5): free
- Commuter book of ten: \$75 (ten one-way trips)

Prices were designed to be competitive with the Washington State ferry system (see **Appendix A: Fare Comparisons**).

Figure 4-2

The Victoria Star II vessel



4.2 Introduction to the Data

Data for the market analysis were collected through three separate survey efforts. Passengers who used the pilot service between Friday Harbor and Bellingham were asked to fill out a survey. A second survey was distributed by mail to all household addresses on San Juan Island. Data were also collected through an online survey form. More information about the separate data sources follows.

4.2.1 Ridership and Revenue

Ridership and revenue data were collected by staff of Victoria-San Juan Cruises. See **Appendix B: Detailed Ridership Information**.

4.2.2 On-Board Surveys (Passenger)

Passengers who used the Bellingham - San Juan ferry service between November and March 31 were given a survey form to fill out during their crossing (see **Appendix C: Sample of Passenger Survey**). Passengers purchased 3,896 one-way trips during the project's operation. A total of 743 surveys were turned in, representing 19 percent of total trips. Of these passenger trips, 1,126 were commuter-book tickets, showing that, at the very least, 29 percent of passengers used the service on more than one day. Passengers were asked to only fill out the survey once, and to fill out one survey per household.

Commuter tickets were sold in books of 10. Assuming, on the low end, that purchasers bought one book each, we can estimate that 112 people made 5 round-trips each (30 percent of all trips). Of 3,896 total tickets, if approximately 1,126 of those were commuter tickets (approximately 112 passengers), then there was an estimated 1,447 unique passengers. With 743 survey responses, the study received a 53 percent unique-passenger survey response rate.

4.2.3 Surveys of San Juan Island Households (Household)

In January 2006, two-page mail-in surveys regarding passenger ferry service between San Juan Island and Bellingham were sent to every household on San Juan Island (see **Appendix D: Sample of Household Survey**). A total of 4,947 surveys were mailed, 650 of which were filled out and mailed back. This represents a 13.1 percent return rate.

The survey asked general questions regarding age and frequency of trips off San Juan Island. It also asked specific questions regarding trip purpose, preferred schedules, and limitations to passenger-only service. The survey also solicited information from those who would not ride the pilot service as it was operated, and was intended to find out what service would attract those individuals to passenger-only ferry service.

Based on November, 2004 data from the San Juan County Elections Department, 6,842 people reside on San Juan Island¹. San Juan County's entire population, which includes other islands, is 15,500 (2005 data). Approximately 9 percent of the total population of San Juan Island mailed in responses to the household survey.

Demographic comparisons of respondents and the general population of San Juan Island are

1 San Juan County Elections Department website (May, 2006): <http://www.co.san-juan.wa.us/elections/statistics.asp>

discussed in **Section 4.4.2**.

4.2.4 Online Surveys (Online)

A version of the project survey was posted on the WCOG website (see **Appendix E: Sample of Online Survey**). The online survey was advertised on the WCOG website, on the Victoria-San Juan Cruises website, www.whales.com, and included in several of the newspaper and online advertisements for the service. The survey was available between February 1 and April 1, 2006.

From the 110 online surveys submitted, 54 percent of survey respondents were residents of Whatcom County; 42 percent were residents of San Juan County; and an additional 5 percent of respondents resided outside of the sample area (Greater Puget Sound or out-of-state).

Results of the online survey are summarized in **Appendix F: Summary of Online Survey Results**.

Whatcom Council of Governments
Passenger Only Ferry Study

4.3 Pilot Service Statistics

The 18 week pilot project was operated between Bellingham and Friday Harbor, Monday through Friday. The following data were collected from Victoria-San Juan Cruises staff.

4.3.1 Ridership

The pilot project had a total of 3,896 passenger trips. Daily ridership averaged 44 persons. See **Table 4-2**.

Table 4-2

Total number of passengers by run

Date	Day	RUN					Weekly Total
		West 7AM	West 3PM	East 9AM	East 5PM	Daily Total	
30-Nov-05	Wednesday	2	2	0	2	6	39
01-Dec-05	Thursday	3	2	1	2	8	
02-Dec-05	Friday	5	5	2	13	25	
05-Dec-05	Monday	7	14	11	10	42	178
06-Dec-05	Tuesday	8	10	12	2	32	
07-Dec-05	Wednesday	2	7	2	5	16	
08-Dec-05	Thursday	5	4	5	15	29	185
09-Dec-05	Friday	22	7	22	8	59	
12-Dec-05	Monday	12	9	6	8	35	
13-Dec-05	Tuesday	14	6	6	9	35	210
14-Dec-05	Wednesday	9	8	11	12	40	
15-Dec-05	Thursday	3	7	4	12	26	
16-Dec-05	Friday	13	11	9	16	49	404
19-Dec-05	Monday	8	10	8	5	31	
20-Dec-05	Tuesday	4	5	4	4	17	
21-Dec-05	Wednesday	20	12	17	8	57	182
22-Dec-05	Thursday	9	20	7	22	58	
23-Dec-05	Friday	7	14	9	17	47	
26-Dec-05	Monday	37	13	26	20	96	149
27-Dec-05	Tuesday	18	8	7	14	47	
28-Dec-05	Wednesday	11	11	16	7	45	
29-Dec-05	Thursday	46	26	22	45	139	228
30-Dec-05	Friday	13	28	11	25	77	
02-Jan-06	Monday	25	4	9	19	57	
03-Jan-06	Tuesday	3	5	10	10	28	182
04-Jan-06	Wednesday	12	5	2	10	29	
05-Jan-06	Thursday	6	6	4	12	28	
06-Jan-06	Friday	7	14	6	13	40	149
09-Jan-06	Monday	6	16	6	4	32	
10-Jan-06	Tuesday	8	7	8	7	30	
11-Jan-06	Wednesday	6	8	8	5	27	228
12-Jan-06	Thursday	4	5	7	4	20	
13-Jan-06	Friday	7	11	5	17	40	
16-Jan-06	Monday	15	14	8	21	58	239
17-Jan-06	Tuesday	15	7	7	5	34	
18-Jan-06	Wednesday	12	10	4	17	43	
19-Jan-06	Thursday	17	6	5	16	44	156
20-Jan-06	Friday	7	17	8	17	49	
23-Jan-06	Monday	5	5	14	5	29	
24-Jan-06	Tuesday	12	8	7	4	31	239
25-Jan-06	Wednesday	10	4	4	11	29	
26-Jan-06	Thursday	8	6	2	11	27	
27-Jan-06	Friday	7	45	51	20	123	156
30-Jan-06	Monday	10	5	3	6	24	
31-Jan-06	Tuesday	8	6	1	17	32	
01-Feb-06	Wednesday	8	3	2	9	22	156
02-Feb-06	Thursday	8	7	3	10	28	
03-Feb-06	Friday	10	15	11	14	50	

Date	Day	RUN					Weekly Total	
		West 7AM	West 3PM	East 9AM	East 5PM	Daily Total		
06-Feb-06	Monday	16	3	7	8	34	271	
07-Feb-06	Tuesday	11	13	18	11	53		
08-Feb-06	Wednesday	10	18	15	13	56		
09-Feb-06	Thursday	21	8	7	18	54	223	
10-Feb-06	Friday	18	17	11	28	74		
13-Feb-06	Monday	14	4	4	11	33		
14-Feb-06	Tuesday	14	15	3	10	42	321	
15-Feb-06	Wednesday	16	8	10	26	60		
16-Feb-06	Thursday	19	5	1	15	40		
17-Feb-06	Friday	4	20	10	14	48	119	
20-Feb-06	Monday	27	8	15	22	72		
21-Feb-06	Tuesday	25	10	7	30	72		
22-Feb-06	Wednesday	29	15	12	25	81	156	
23-Feb-06	Thursday	22	9	8	19	58		
24-Feb-06	Friday	9	7	7	15	38		
27-Feb-06	Monday	9	5	4	10	28	269	
28-Feb-06	Tuesday	2	8	2	0	12		
01-Mar-06	Wednesday	5	2	1	6	14		
02-Mar-06	Thursday	12	5	1	11	29	262	
03-Mar-06	Friday	4	14	8	10	36		
06-Mar-06	Monday	6	14	21	4	45		
07-Mar-06	Tuesday	5	12	7	7	31	305	
08-Mar-06	Wednesday	2	4	5	6	17		
09-Mar-06	Thursday	4	6	6	8	24		
10-Mar-06	Friday	14	9	2	14	39	269	
13-Mar-06	Monday	14	4	4	12	34		
14-Mar-06	Tuesday	35	9	7	38	89		
15-Mar-06	Wednesday	8	7	1	14	30	262	
16-Mar-06	Thursday	12	18	4	14	48		
17-Mar-06	Friday	19	10	12	27	68		
20-Mar-06	Monday	20	12	12	18	62	305	
21-Mar-06	Tuesday	23	18	6	28	75		
22-Mar-06	Wednesday	9	5	1	15	30		
23-Mar-06	Thursday	9	22	4	13	48	156	
24-Mar-06	Friday	13	4	15	15	47		
27-Mar-06	Monday	15	21	12	15	63		
28-Mar-06	Tuesday	12	5	7	11	35	262	
29-Mar-06	Wednesday	25	18	10	31	84		
30-Mar-06	Thursday	13	26	4	18	61		
31-Mar-06	Friday	15	11	8	28	62	156	
TOTAL RIDERSHIP								3896
Avg daily ridership								44
18 weeks total								

4.3.2 Passenger Age

Passengers were slightly older than the average for the study regions (see **Figure 4-3**). The Whatcom County passengers were older than the average in Whatcom County.

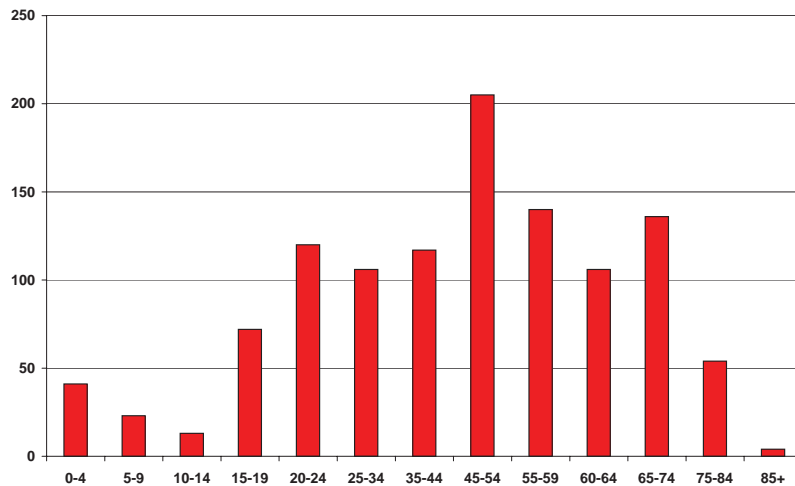
Passengers from San Juan Island were also older, when compared to San Juan Island census data from 2000.

4.3.3 Residency and Trip Patterns

The majority of passenger trips originated in Whatcom County (55 percent of all riders). Of the Whatcom County residents, 46 percent live in Bellingham. The rest of the Whatcom County residents were from Ferndale, Blaine, Everson, and Lynden.

Figure 4-3

Passengers by Age Group



Approximately one-third of all passengers originated from Friday Harbor (30 percent), with the rest of the passenger residency made up of out-of-state residents or people visiting from outside of Whatcom County. See **Figure 4-4**.

4.3.4 Trip Purpose

Passengers were asked to identify the main purpose of their ferry trip for that specific day. **Figure 4-5** illustrates those reported trip purposes.

Figure 4-5

Passengers by Residence

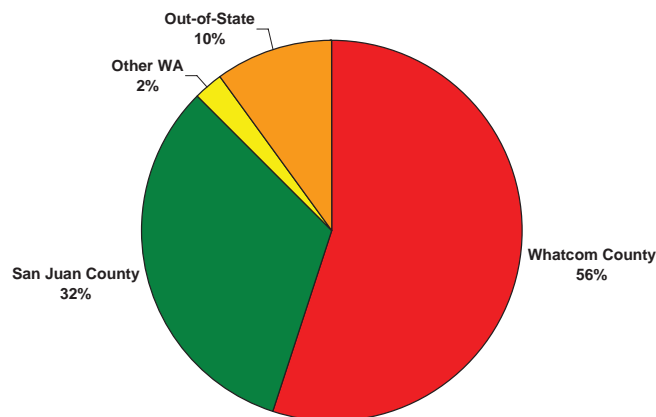
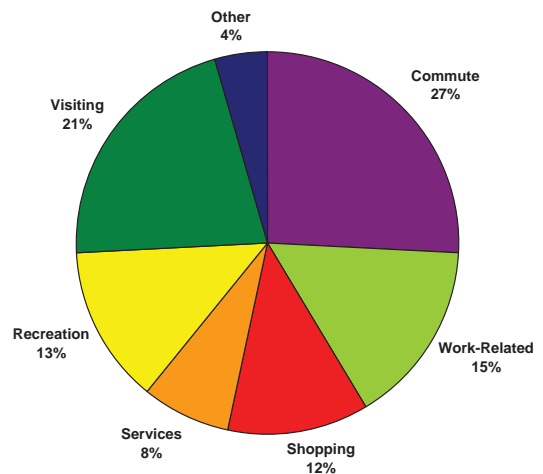


Figure 4-5

Passenger Trip Purpose



4.4 Market Analysis

4.4.1 Introduction

Three geographic markets were considered to assess the possible present day regional demand for passenger-only ferry service: The island market (residents of San Juan Island and the surrounding islands); the mainland market (Whatcom County residents); and recreational travelers (tourists and visitors). Each market represents different needs for frequency and amenities.

Data collected from the on-board passenger surveys (“Passenger”), the mailed household surveys sent to all residents of San Juan Island (“Household”), and the survey posted on the internet (“Online”) were summarized by respondents’ place of residence to develop the following analysis.

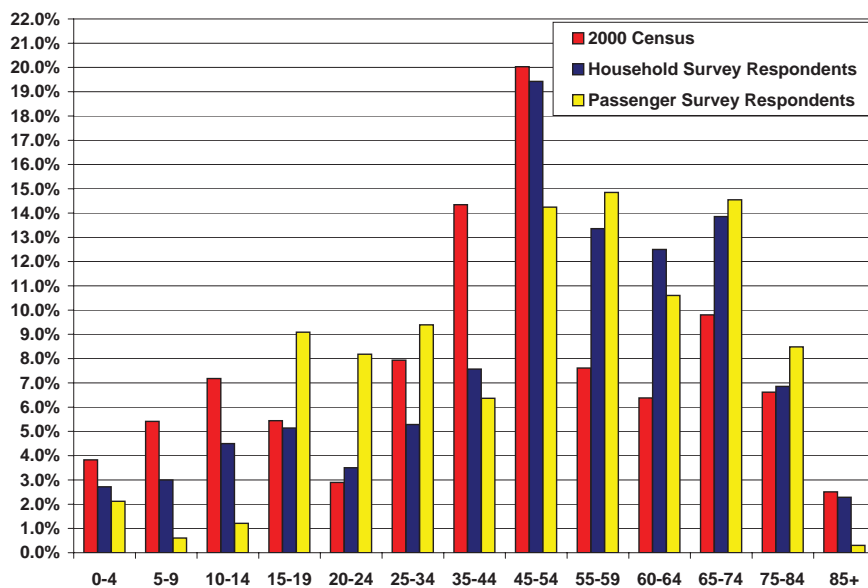
4.4.2 San Juan Islanders

Data for San Juan Islanders are collected from all three data sources mentioned above.

Figure 4-6 shows household survey and passenger survey respondents by age distribution, compared to the year 2000 census data for San Juan Island. This comparison shows that: ages 15-34 were over-represented as passengers but appeared on household surveys in closer proportion to their population; ages 35-54 were under-represented as both ferry passengers and household survey respondents; and ages 55-74 were over-represented as both ferry passengers and household survey respondents.

Figure 4-6

Comparative Age Distributions: Year 2000 Census of San Juan Island, San Juan Island Household Survey, and Passenger Survey



“Household” and “Passenger” survey respondents were asked to identify the number of off-island trips made each year for specific trip purposes. **Figure 4-7** and **Figure 4-8** compare responses from the two sources. Results are similar. San Juan Islanders were also asked about the frequency of off-island trips (see **Figure 4-9** and **Figure 4-10**). 80 percent of respondents take off-island trips between one and four times a month.

Online survey data results reflect similar responses from the San

Juan Island residents. Online survey respondents from San Juan Island were predominantly between the ages of 25 and 65 and their survey responses generally reflect those from the household and passenger surveys (see **Appendix F: Online Survey Results**).

Whatcom Council of Governments
 Passenger Only Ferry Study

Figure 4-7

San Juan Island Off-Island Trips by Purpose (Household Survey)

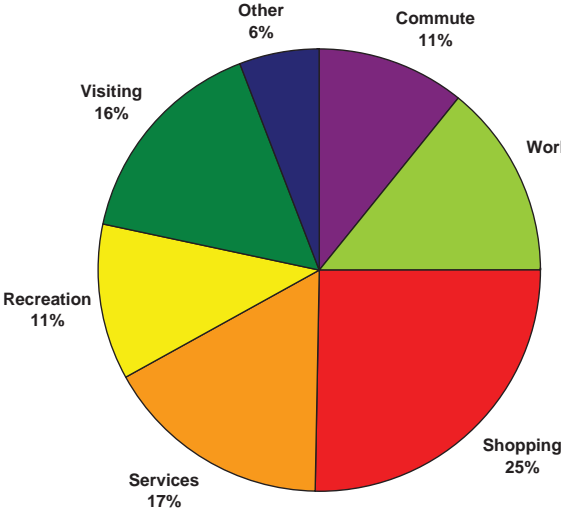


Figure 4-8

San Juan Island Off-Island Trips by Purpose (Passenger Survey - San Juan County Residents)

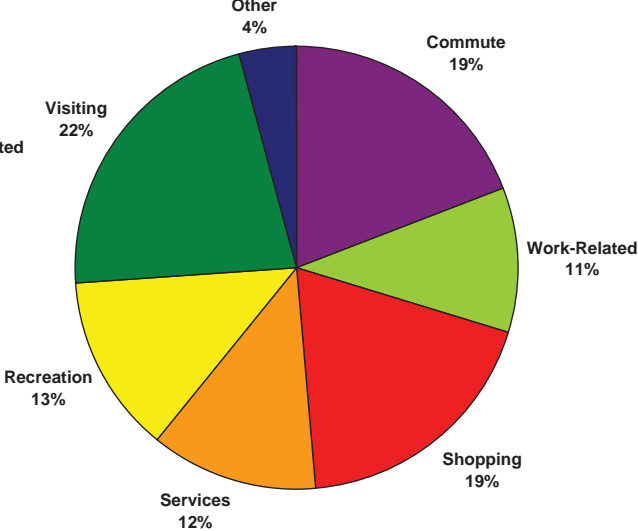
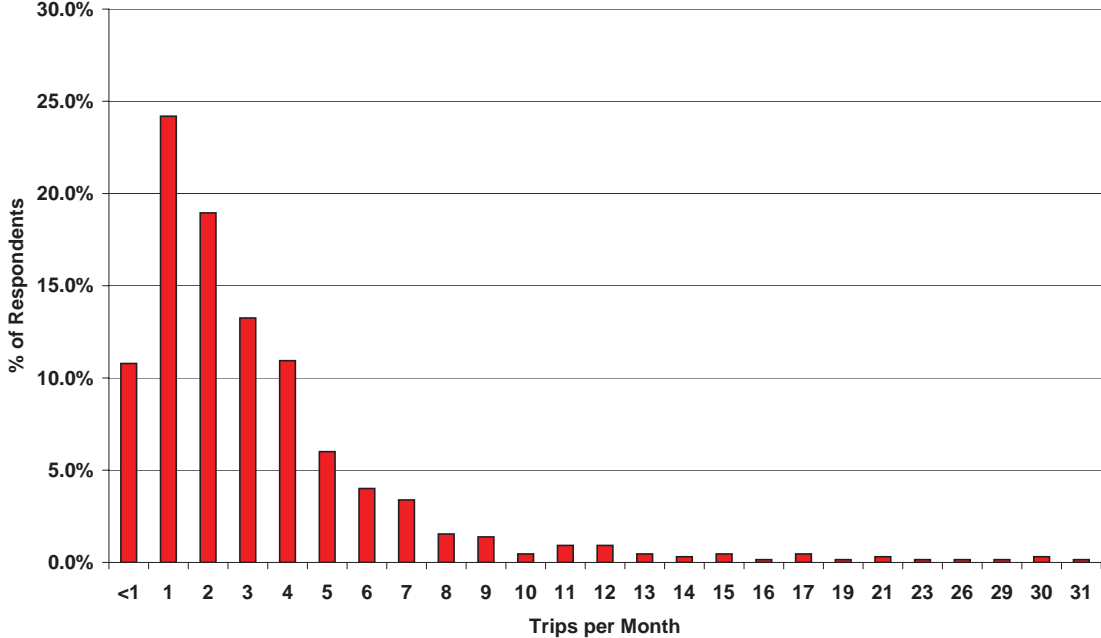


Figure 4-9

San Juan Island Off-Island Trips per Month (Household Survey)



Whatcom Council of Governments
Passenger Only Ferry Study

4.4.3 Regional Mainland

The regional mainland market is defined as passengers who reside within Whatcom County. An assessment of this market is based, primarily, on the results of the passenger survey. Most passengers (56 percent) reported Whatcom County residence. San Juan Island residents accounted for 32 percent of pilot project passengers. Visitors were 12 percent of pilot project passengers. See **Table 4-3** for a breakdown of passenger survey respondents by residence.

Of all mainland-resident survey respondents, 80 percent live in Whatcom County, 15 percent live out-of-state, and the rest reside in other parts of Washington State.

Analysis in Section 4.4.3 focuses on the 56 percent of passenger survey respondents who live in Whatcom County. All other respondents' results are reviewed in **Section 4.4.2**

Passenger Regions of Origin

Whatcom County	408	55.1%
San Juan County	240	32.4%
Other WA	17	2.3%
Out-of-State	75	10.1%
TOTAL	740	

Whatcom County

City	State	Count	%
Bellingham	WA	338	45.7%
Ferndale	WA	21	2.8%
Blaine	WA	13	1.8%
Lummi Island	WA	11	1.5%
Everson	WA	7	0.9%
Lynden	WA	7	0.9%
Birch Bay	WA	6	0.8%
Maple Falls	WA	2	0.3%
Deming	WA	1	0.1%
Nooksack	WA	1	0.1%
Point Roberts	WA	1	0.1%
SUBTOTAL		408	55.1%

San Juan County

City/Island	State	Count	%
Friday Harbor	WA	222	30.0%
Eastsound	WA	5	0.7%
Waldron Island	WA	3	0.4%
Lopez Island	WA	3	0.4%
Orcas Island	WA	2	0.3%
Deer Harbor	WA	1	0.1%
Henry Island	WA	1	0.1%
Roche Harbor	WA	1	0.1%
Shaw Island	WA	1	0.1%
Stuart Island	WA	1	0.1%
SUBTOTAL		240	32.4%

Other WA

City	State	Count	%
Seattle	WA	4	0.5%
Sedro Woolley	WA	4	0.5%
Mt. Vernon	WA	3	0.4%
Marysville	WA	1	0.1%
Olympia	WA	1	0.1%
Spokane	WA	2	0.3%
Port Hadlock	WA	1	0.1%
Puyallup	WA	1	0.1%
SUBTOTAL		17	2.3%

Out-of-State

City	State	Count	%
Magdeburg		1	0.1%
Gustavas	AK	3	0.4%
JUNEAU	AK	1	0.1%
Calgary	AB	1	0.1%
Tofino	BC	1	0.1%
Red Bluff	CA	2	0.3%
San Diego	CA	2	0.3%
San Francisco	CA	2	0.3%
Broomfield	CA	1	0.1%
Carlsbad	CA	1	0.1%
Glen Ellen	CA	1	0.1%
Glendale	CA	1	0.1%
Moraga	CA	1	0.1%
Novato	CA	1	0.1%
Riverside	CA	1	0.1%
Santa Clara	CA	1	0.1%
Ourray	CO	1	0.1%
Baltic	CT	1	0.1%
Ft. Walton Beach	FL	2	0.3%
Key West	FL	1	0.1%
Shalimar	FL	1	0.1%
Corning	IA	1	0.1%
Rexburg	ID	1	0.1%
Chicago	IL	1	0.1%
Skokie	IL	1	0.1%
Canterbury	Kent	1	0.1%
Paint Lick	KY	1	0.1%
Payton	MA	1	0.1%
Provincetown	MA	1	0.1%
Elkton	MI	1	0.1%
Weaverville	NC	1	0.1%
Albuquerque	NM	2	0.3%
Arroyo Seco	NM	1	0.1%
Santa Fe	NM	1	0.1%
Syndey		1	0.1%
Loudonville	NY	2	0.3%
Bronxville	NY	1	0.1%
Gloversville	NY	1	0.1%
Mayfield	NY	1	0.1%
Sarnia	ON	1	0.1%
Portland	OR	4	0.5%
Eugene	OR	3	0.4%
Corvallis	OR	2	0.3%
Independence	OR	1	0.1%
North Bend	OR	1	0.1%
Philadelphia	PA	1	0.1%
Montreal	QC	2	0.3%
Rapid City	SD	1	0.1%
Fife Lake	SK	1	0.1%
Marysville	TN	1	0.1%
Lubbock	TX	1	0.1%
Lufkin	TX	1	0.1%
Pasadena	TX	1	0.1%
San Antonio	TX	1	0.1%
Texas City	TX	1	0.1%
Salt Lake City	UT	2	0.3%
Eau Claire	WI	2	0.3%
Wautoma	WI	1	0.1%
SUBTOTAL		75	10.1%

Figure 4-10

San Juan Island Off-Island Trips per Month
(Passenger Survey - San Juan County Residents)

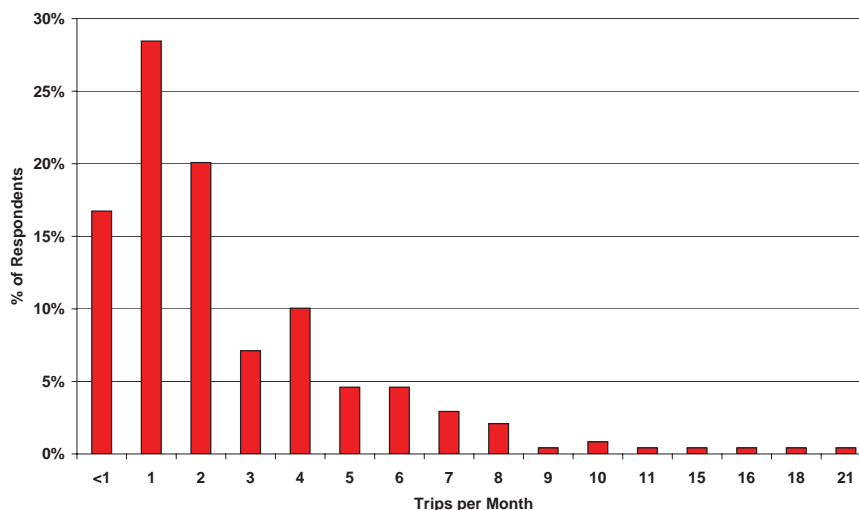


Table 4-3
Passenger Cities of Residence

Whatcom Council of Governments
 Passenger Only Ferry Study

(San Juan County residents) or **Section 4.4.4** (visitors to the area).

The age breakdown of Whatcom County passengers is similar to the demographic age statistics for Whatcom County as a whole, based on 2000 Census information. See **Figure 4-11**.

Mainlanders' trip purposes differ from those of San Juan Islanders. A majority of trips were made to San Juan Island for work or work-related purposes (56 percent). See **Figure 4-12** and **Figure 4-13**.

Figure 4-11

*Ages of Whatcom County Residents
 (2000 Census of Whatcom County & Passenger Survey - Whatcom
 County Residents)*

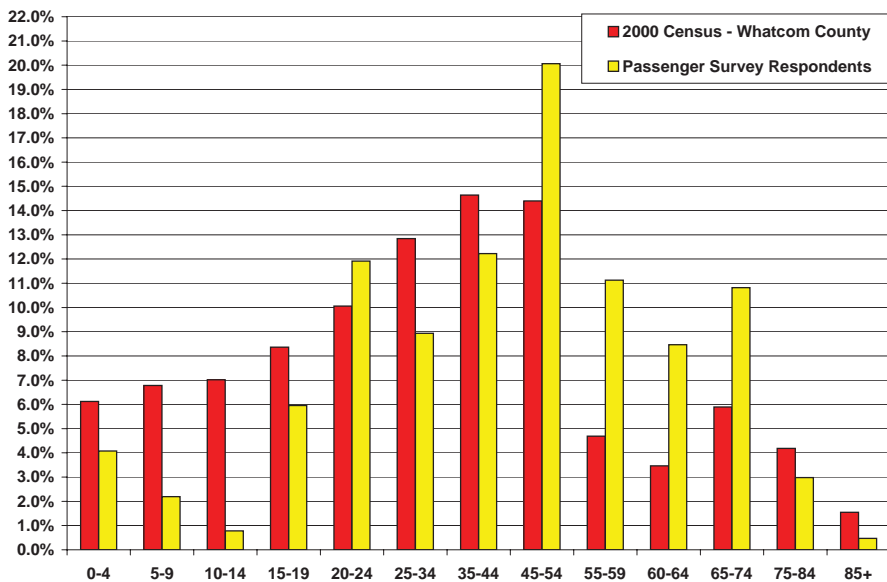


Figure 4-7

*Mainland Passenger Trip Purposes
 (Passenger Survey - Whatcom County Residents)*

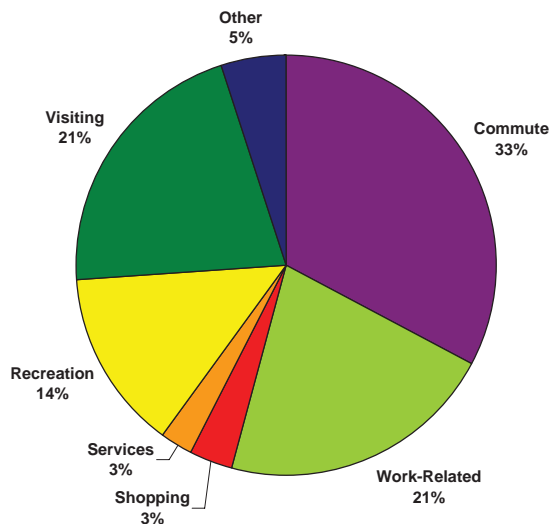


Figure 4-8

*San Juan Passenger Trip Purposes
 (Passenger Survey - San Juan County Residents)
 Shown for comparison*

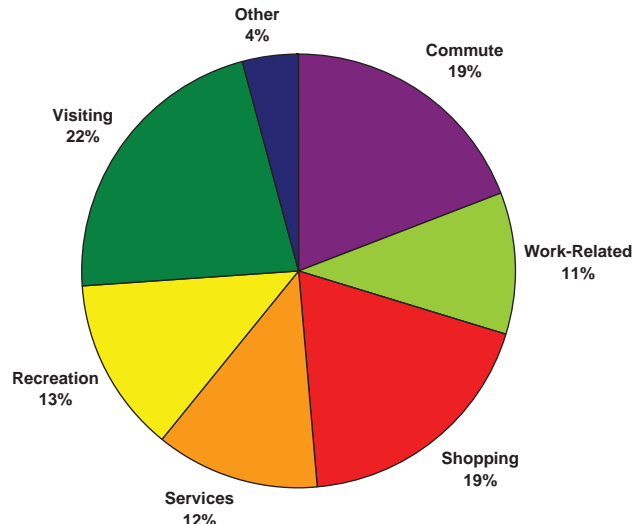
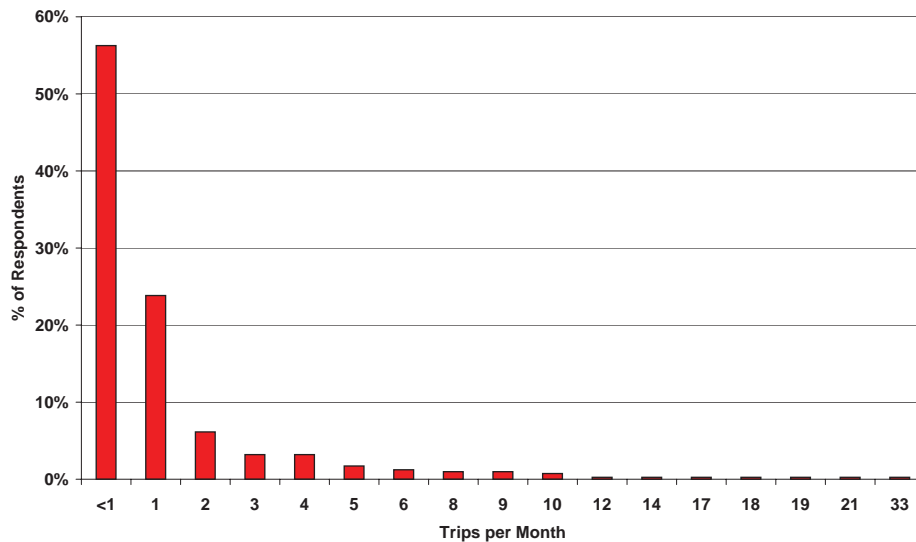


Figure 4-12

*Frequency of trips to San Juan Island for Whatcom County Residents
 (Passenger Survey)*



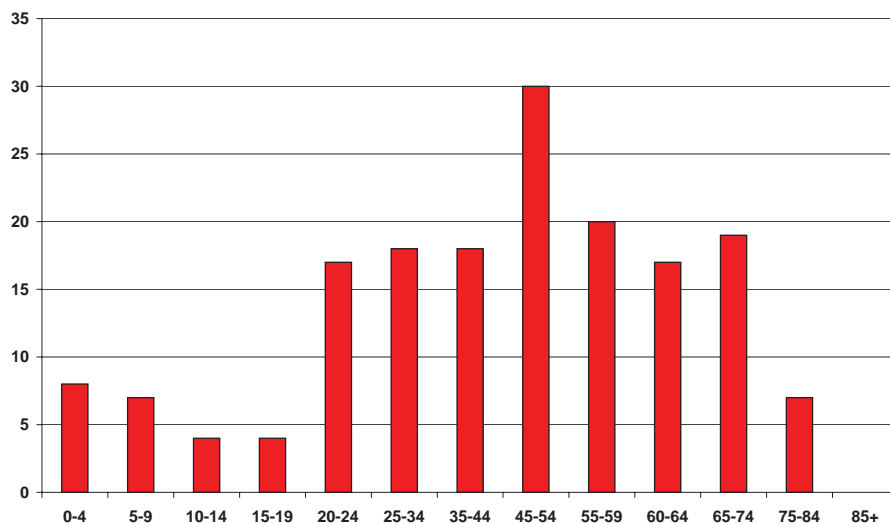
Over 93 percent of the mainland resident passengers traveled to San Juan Island less than four times a month, with over 50 percent of them crossing less than once a month, or infrequently. See **Figure 4-12**.

4.4 Visitors to the Area

A little over 12 percent of all passengers on the pilot project ferry service were visitors to the area. Visitors are defined as those who listed their residence as outside of Whatcom County. Ages of visitors are shown in **Figure 4-13**.

Figure 4-13

*Ages Distribution of Visitors
 (Passenger Survey - Out-of-State/Other WA Residents)*



4.5 Survey-based Optimal Service Scenario

4.5.1 Introduction

This section considers survey responses from the three market components (San Juan Island residents, Mainland residents, and Visitors) and suggests optimal characteristics that would best serve the largest identified market.

4.5.2 Comparisons of Markets

The age distribution of passenger survey responses from San Juan Island compared to the census-based distribution showed lower ridership by 35-54 year-olds and higher ridership by other age groups (older youth and seniors).

For Whatcom County, the same kind of comparison indicated ridership in closer proportion to overall age distribution. This would seem to corroborate the higher rate of work-related trips originating in Bellingham.

4.5.3 Features of Optimal Service

Schedule

Both San Juan Island residents and passengers using the pilot ferry service were asked to define their optimal trip schedule. The predominant request was for weekend service, and a schedule that allowed San Juan Island residents to spend more time in Bellingham. The optimal schedule listed in **Table 4-4** is based on both passenger survey results (see **Figure 4-14**) and household surveys (see **Figure 4-15**).

Weekend service was, by a significant margin, the most requested change to the schedule. It is critical that any new service include scheduled weekend transportation.

Other schedule requests include coordinating the schedule with the Amtrak train south to Seat-

Table 4-4

*Optimal passenger-only ferry schedule between
Friday Harbor and Bellingham*

WESTBOUND		EASTBOUND	
Depart Bellingham	Arrive Friday Harbor	Depart Friday Harbor	Arrive Bellingham
8:20	10:00	7:20	9:00
16:20	18:00	15:20	17:00

Boat A (based in Bellingham)

Boat B (based in Friday Harbor)

Whatcom Council of Governments
 Passenger Only Ferry Study

Figure 4-14

Passenger survey schedule preferences

Optimal Friday Harbor Arrival Times

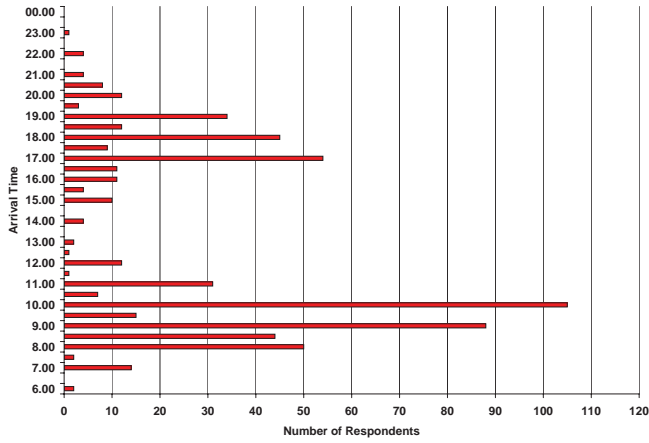
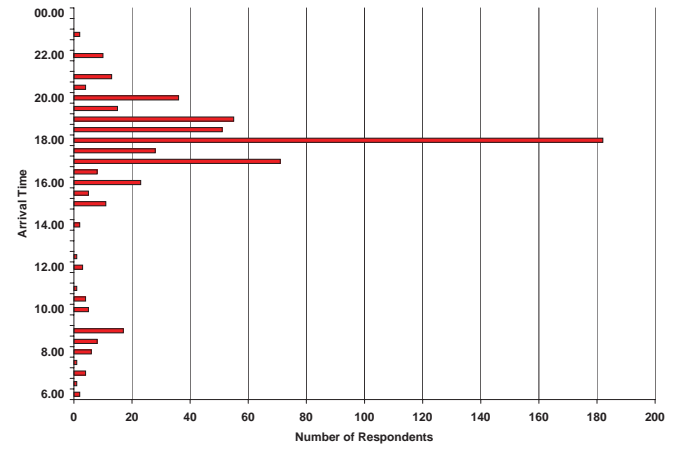


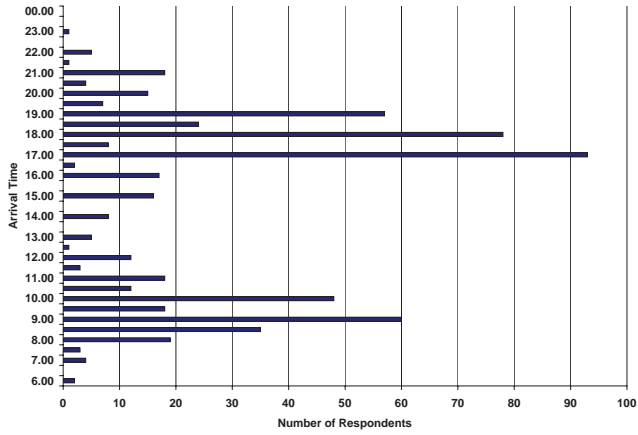
Figure 4-15

Household survey schedule preferences

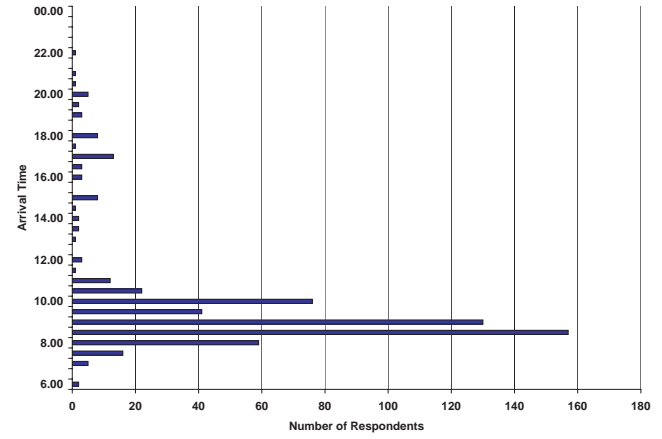
Optimal Friday Harbor Arrival Times



Optimal Bellingham Arrival Times



Optimal Bellingham Arrival Times



Whatcom Council of Governments
 Passenger Only Ferry Study

Figure 4-16

Passenger survey on-board amenities requested

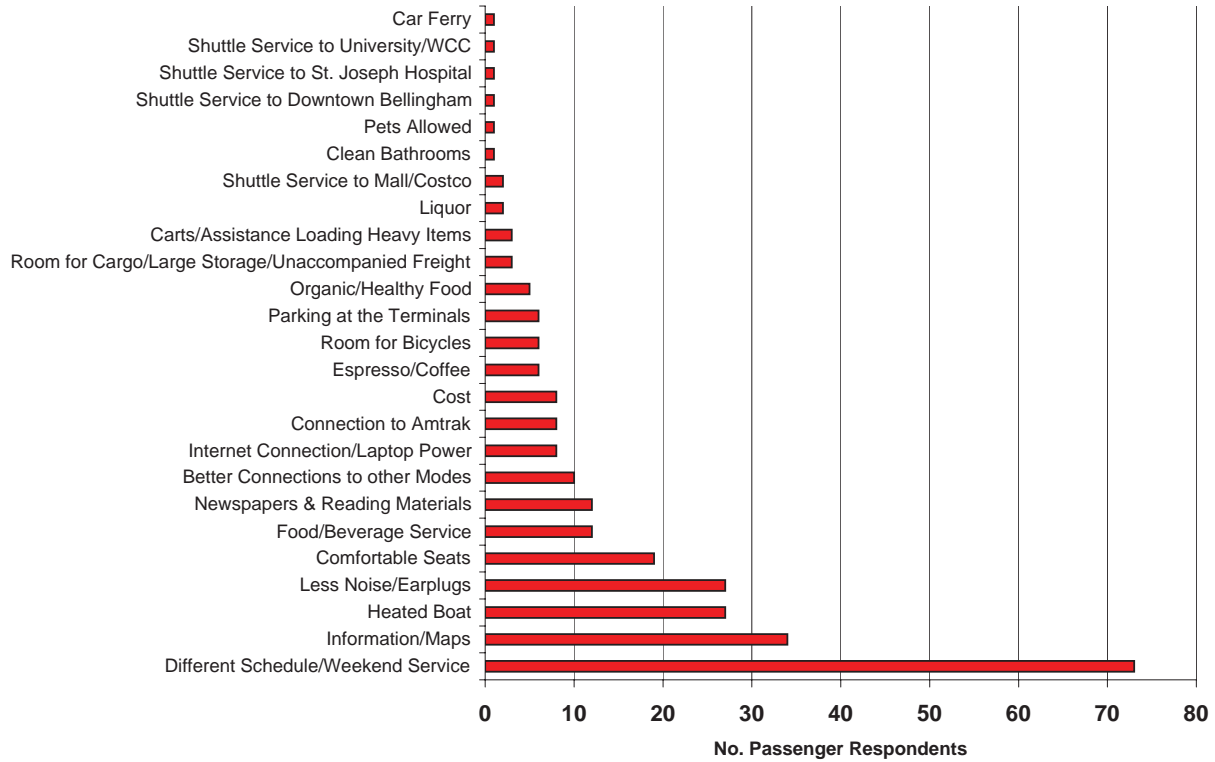
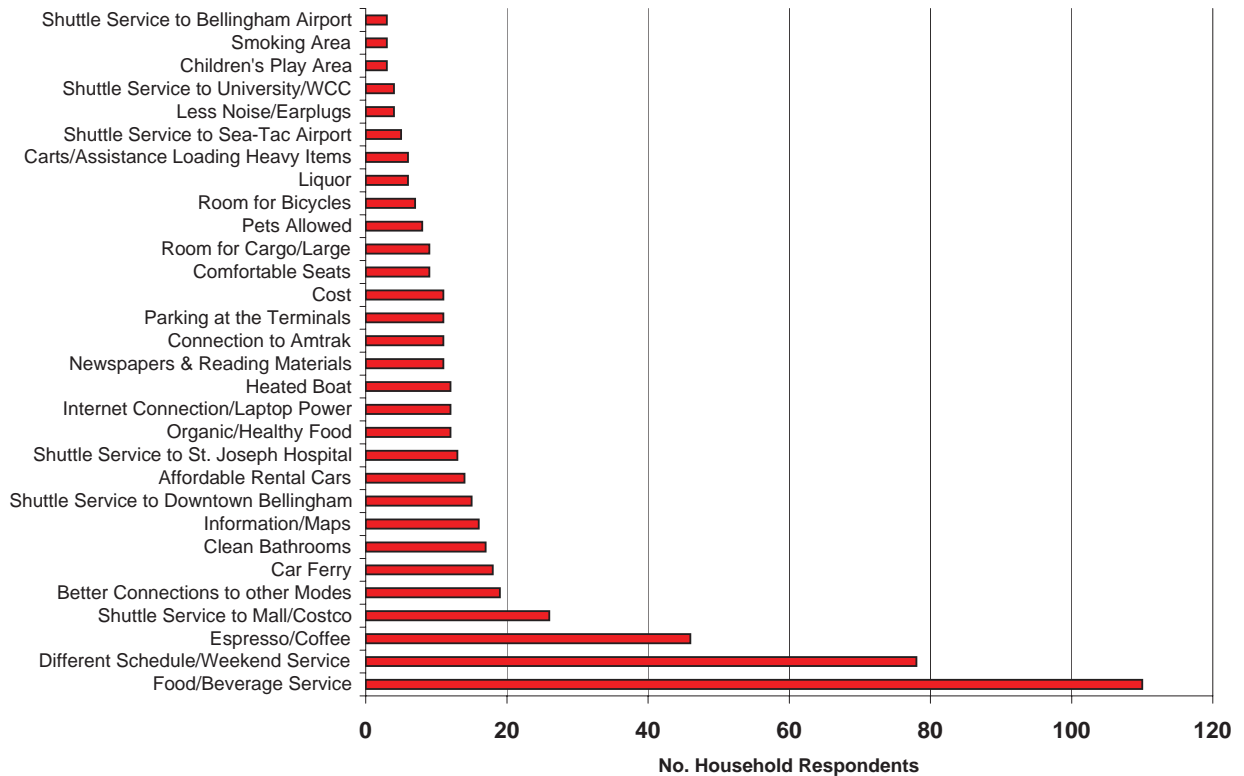


Figure 4-17

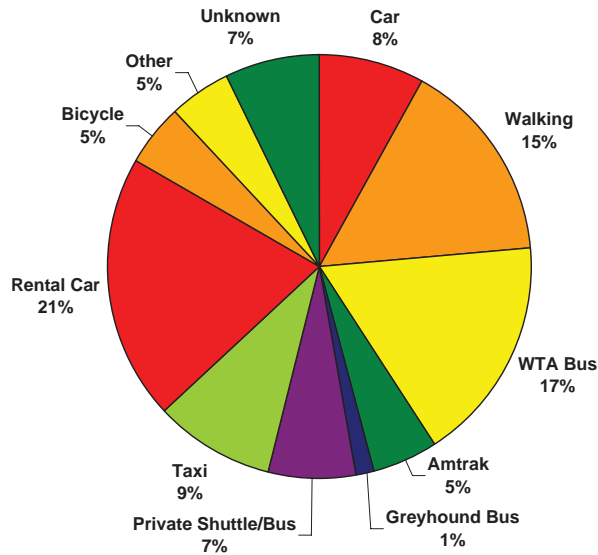
Household survey on-board amenities requested



tle, and with the Washington State Ferry system in order to pick up passengers from surrounding San Juan Islands (see **Figure 4-16** and **Figure 4-17**). Presumably, riders would also want the opportunity to connect with newly established Intercounty transit services.

Figure 4-18

Transportation connections in Bellingham (San Juan Island Household Survey)



Service Amenities

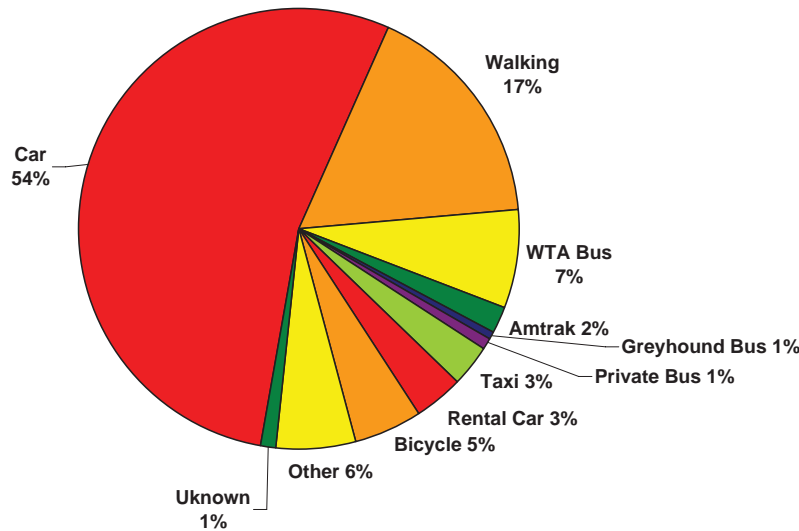
On-board amenities requested include more information about the route, including maps, other destinations, and possible connections with other modes. As was provided in the pilot project ferry service, food and beverage services, as well as storage space for bicycles and bulky items were also requested. Other requests include newspapers and other reading materials (see **Figure 4-16** and **Figure 4-17**).

Pricing

A small percentage of survey respondents expressed concern over the pricing. Conversely, many comments were received praising the affordability of the service. Added connections and routes may require adjustments. The WA State ferry service will be a relevant benchmark for consumers.

Figure 4-19

Transportation connections in Bellingham (Passenger Survey)



Transportation Connections

In Bellingham, a majority of respondents said they would use either private cars or rental cars to and from the terminal in Fairhaven. Of the San Juan Island household survey respondents, 17 percent said they would use the bus system as well. 17 percent of passenger survey respondents said they would walk to and from the Bellingham terminal. See **Figure 4-18** and **Figure 4-19**.

In Friday Harbor, the most predominant form of transportation to and from the ferry terminal is by private vehicle. Approximately 39 percent of passengers coming from Bell-

ingham to Friday Harbor said they would walk to and from the terminal. See **Figure 4-20** and **Figure 4-21**.

4.5.4 Limitations

Survey respondents were asked to identify any factors they perceived as limitations to their use of passenger-only ferry service between Bellingham and Friday Harbor. The results for both the household survey and the passenger survey are shown in **Figure 4-22** and **Figure 4-23**.

As illustrated in **Figure 4-22** and **Figure 4-23**, the number-one limitation to using the pilot project passenger ferry service was the schedule. San Juan Island residents also stated that they needed a car to transport purchases and bulky items, or to get to and from the ferry terminal.

4.5.5 Estimated Ridership

62 percent of passenger survey respondents said that they would use the service in the future for all of their Bellingham/Friday Harbor needs. 35 percent said the service served some of their needs, but not all of them.

Over 87 percent of passenger survey respondents said they would make more frequent trips to Bellingham or Friday Harbor if the ferry service was permanent.

Potential, future ridership is explored in greater detail in **Section 6**.

Figure 4-20

Transportation connections in Friday Harbor (Passenger Survey)

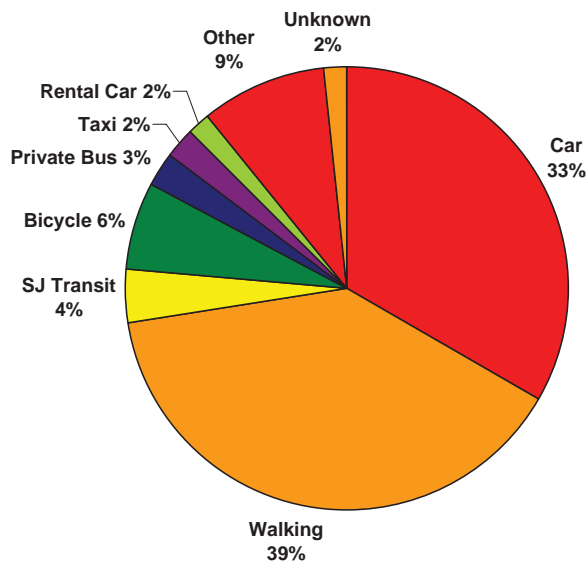


Figure 4-21

Transportation connections in Friday Harbor (Household Survey)

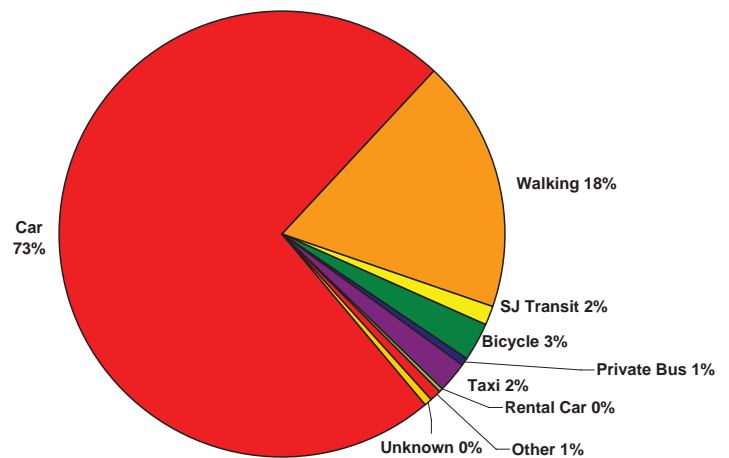


Figure 4-22

*Limitations to using a passenger ferry service
(Passenger Survey)*

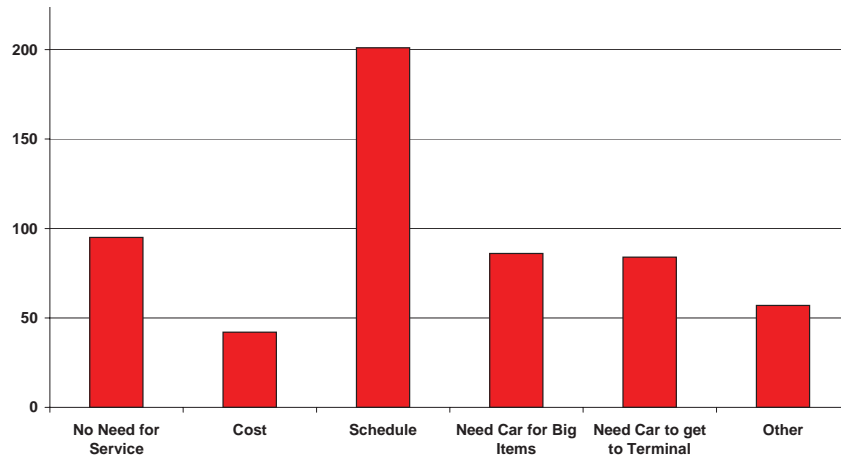
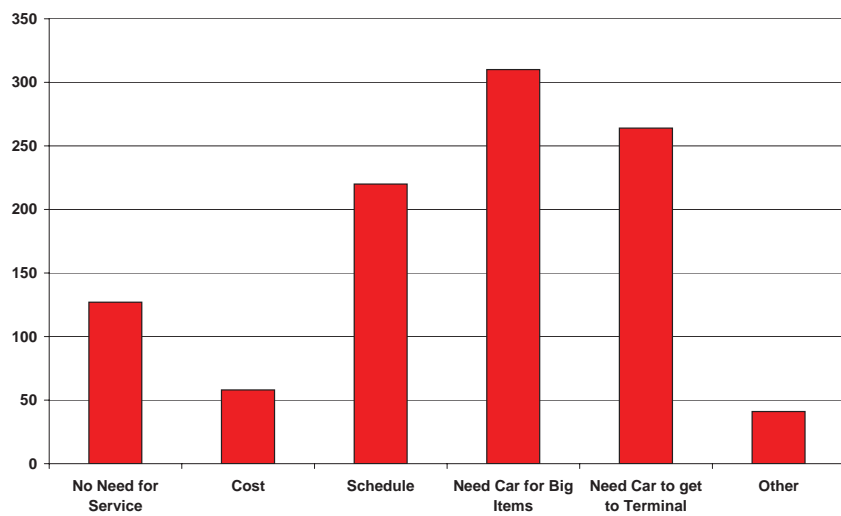


Figure 4-23

*Limitations to using a passenger ferry service
(Household Survey)*



4.5.6 Revenue

Based on an operating cost of \$2,000 a day (cost estimate provided by Victoria- San Juan Cruises), revenues from the pilot project covered approximately 15 percent of the total cost of the service.¹

4.5.7 Alternative Routes

Survey respondents were asked to identify other origin-destination preferences to travel by passenger ferry.

San Juan Island household survey respondents listed several locations to travel to and from via passenger ferry. The following are the top five choices:

- Friday Harbor to Victoria, B.C. (31 percent of respondents to this question)
- Friday Harbor to Vancouver, B.C. (12 percent of respondents to this question)
- Friday Harbor to Sidney, B.C. (Vancouver Island)
- Friday Harbor to Port Townsend, WA
- Friday Harbor to Seattle, WA

For passenger ferry respondents to this question, the top five origin-destination requests were:

- Bellingham to Orcas Island, WA
- Bellingham to Victoria, B.C.
- Friday Harbor to Seattle, WA
- Bellingham to Lopez Island, WA
- Friday Harbor to Sidney, B.C. (Vancouver Island)

A full listing of desired routes and response rates is available in **Appendix G: Full List of Desired Routes**.

¹ The pilot project collected \$25,980.13 in fares to offset the total operating cost of \$174,000.

5. Vessel Configuration

Substantial research has been completed on vessel types for passenger-only ferry services. **Section 2** identifies a number of studies that examined this issue closely. Some time has elapsed since the most recent vessel size and configuration analyses for this study area, however, and newer designs have emerged including new hull designs, power systems and low-/no-wake configurations. At least two boat manufacturers in the Bellingham, WA area have developed designs appropriate for passenger-only ferry use in the local waters.

As a result of federal regulations, vessel manning requirements and their associated cost become a determinant of vessel size relative to anticipated demand and cost of operation. Vessel over all length and displacement determine whether a mate and deckhands are required, for example. Wake generation is also regulated and thus an aspect of vessel design in coastwise operations. These factors must be weighed carefully in selecting appropriate vessel design(s).

6. Ridership Projections and Financial Considerations

This section details an estimation of what ridership on a permanent Bellingham-Friday harbor passenger ferry service would be.

This analysis is primarily based on four data sources: ridership measures observed during the December 2005-March 2006 pilot service, survey data collected during the pilot service, San Juan Island and Whatcom County U.S. Census data (year 2000), and quarterly traffic statistics from the Washington State Ferry’s Anacortes-Friday Harbor route.

Markets Served

As illustrated in previous descriptions of the survey data collected during the pilot service, the market for Bellingham-Friday Harbor ferry service can be divided into three groups: 1) residents of San Juan Island, 2) residents of Whatcom County, and 3) visitors to the area. This analysis will proceed with a primary emphasis on San Juan and Whatcom residents. As discussed later, out-of-area visitor ridership is a very seasonal market.

Market Size Estimation

To estimate the size of the ridership markets on each end of the ferry run, total population numbers were adjusted to account for age-group difference observed during the 2006 pilot service. For each of 13 age groups (in the table below), the percentage of total (2000) population in that age group was compared to the percentage of pilot-service passengers in that age group. The estimated future market percentage was conservatively taken to be the smaller of the two. This is plotted on the charts below.

Table 6-1: San Juan Residents – current market size

Age Groups	2000 Census		2006 Pilot Ridership	Adj. Market %	Adj. Market Est.
0-4	264	3.8%	2.1%	2.1%	146
5-9	373	5.4%	0.6%	0.6%	42
10-14	495	7.2%	1.2%	1.2%	84
15-19	375	5.4%	9.1%	5.4%	375
20-24	200	2.9%	8.2%	2.9%	200
25-34	547	7.9%	9.4%	7.9%	547
35-44	989	14.3%	6.4%	6.4%	439
45-54	1381	20.0%	14.2%	14.2%	982
55-59	525	7.6%	14.8%	7.6%	525
60-64	440	6.4%	10.6%	6.4%	440
65-74	676	9.8%	14.5%	9.8%	676
75-84	456	6.6%	8.5%	6.6%	456
85+	173	2.5%	0.3%	0.3%	21
Total	6,894	100.0%	100.0%	71.5%	4,932

Whatcom Council of Governments
Passenger Only Ferry Study

Chart 6-1:

Age-group Adjusted San Juan Island Market Capture Based on 2006 Pilot Service Experience

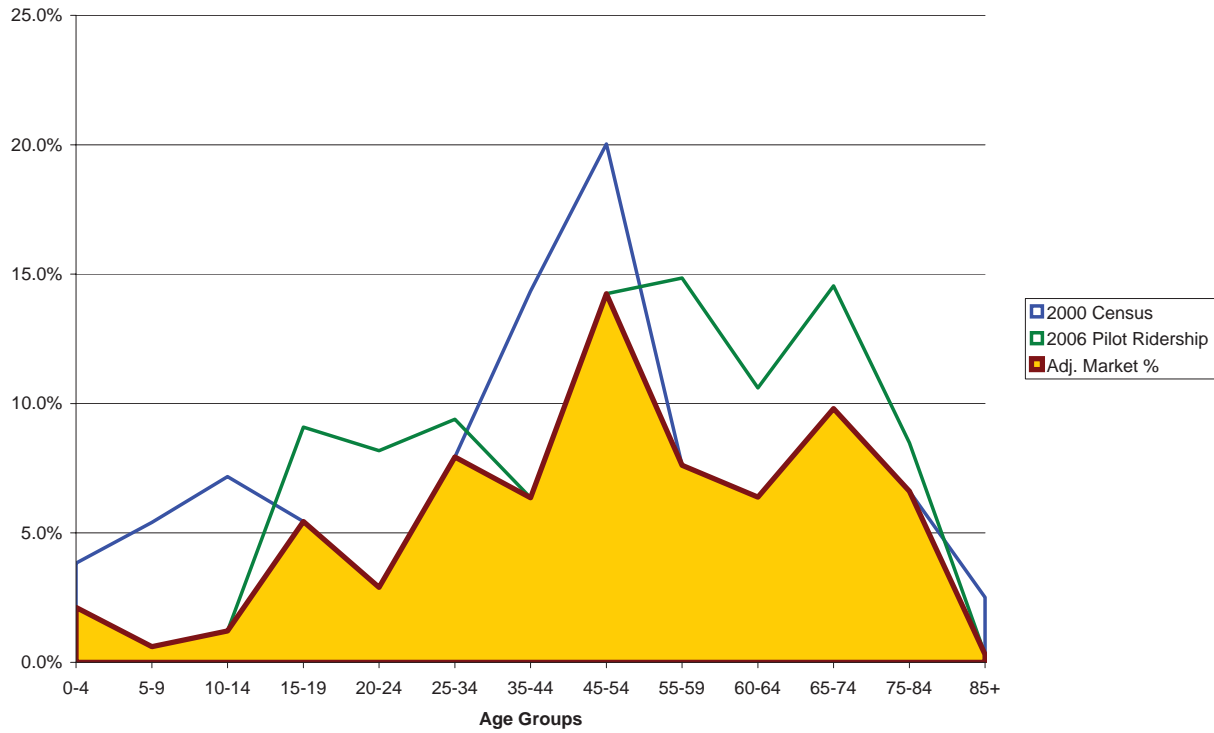
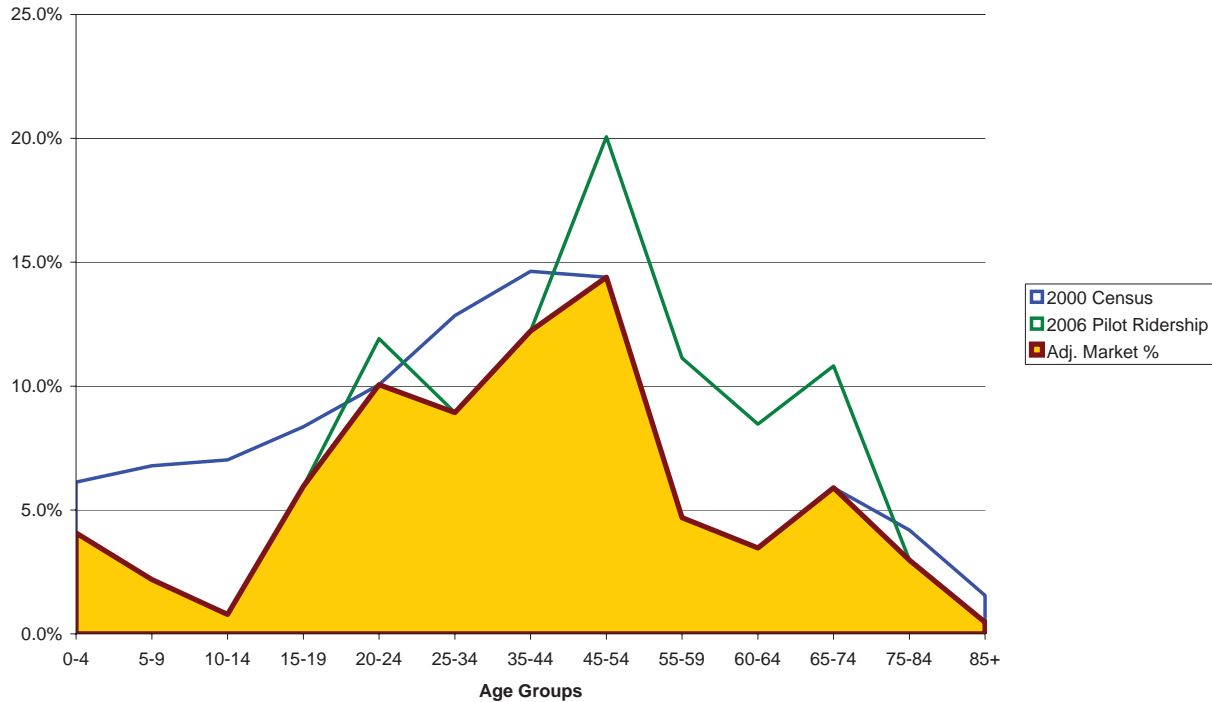


Table 6-2: Whatcom County – current market size

Age Groups	2000 Census	2000 Census	2006 Pilot Ridership	Adj. Market %	Adj. Market Est.
0-4	10,210	6.1%	4.1%	4.1%	6,798
5-9	11,312	6.8%	2.2%	2.2%	3,660
10-14	11,707	7.0%	0.8%	0.8%	1,307
15-19	13,946	8.4%	6.0%	6.0%	9,936
20-24	16,776	10.1%	11.9%	10.1%	16,776
25-34	21,429	12.8%	8.9%	8.9%	14,903
35-44	24,418	14.6%	12.2%	12.2%	20,394
45-54	24,018	14.4%	20.1%	14.4%	24,018
55-59	7,819	4.7%	11.1%	4.7%	7,819
60-64	5,779	3.5%	8.5%	3.5%	5,779
65-74	9,833	5.9%	10.8%	5.9%	9,833
75-84	6,985	4.2%	3.0%	3.0%	4,968
85+	2,582	1.5%	0.5%	0.5%	784
	166,814	100.0%	100.0%	76.1%	126,976

Chart 6-2:

Age-group Adjusted Whatcom County Market Capture Based on 2006 Pilot Service Experience



So, to summarize and clarify, the calculations illustrated on the above tables and plotted on the above charts conclude that an adjusted, current-day market size would be:

- For San Juan Island: 4,932 people
- For Whatcom County: 126,976 people

Estimation of Trip-Demand Within Markets

The next step is to look at the stated trip-making behavior of survey respondents.

San Juan Island Market

For San Juan Island, the ability to affordably mail a survey to every Island household improves the validity of this estimation. **Figure 4-12** shows the reported trip-making behavior of San Juan residents. The same feedback is used as the starting point for the following table. To estimate the San Juan Island based market potential for monthly, foot-passenger trips on a Bellingham-Friday Harbor service, the following steps were taken.

- The percentage of responses associated with each trip-frequency category was multiplied by the adjusted-market population to produce the estimated number of San Juan Residents in each trip-frequency group.
- The trip-frequency group people-counts were then multiplied by the corresponding

Whatcom Council of Governments
Passenger Only Ferry Study

monthly trip number to produce *estimated trips* (except for frequency <1 which was multiplied by .25).

- Based on typical split between vehicle-borne passengers and foot-passengers on the WSF run between Anacortes and San Juan Island (about 1/3), a foot-passenger estimate was produced by multiplying *estimated trips* by % by foot.
- Incorporating a conservative assumption that one-half of off-island trips would always be served by the existing WSF runs, the estimated “% by foot” is halved to produce an upper bound market of monthly trips by San Juan Island residents – 2,746.

Table 6-3: Estimation of Trips from the San Juan Market Based on stated trip frequency.

Trips-per-month categories	Number of household respondents	Percent	San Juan Adj Market Pop: 4,932	Est trips	% by foot 33%	% served by Bellingham ferry 50%
<1	70	10.8%	532	17.5	6	3
1	157	24.2%	1,193	1,193	394	197
2	123	19.0%	935	1,869	617	308
3	86	13.3%	654	1,961	647	324
4	71	10.9%	540	2,158	712	356
5	39	6.0%	296	1,482	489	245
6	26	4.0%	198	1,186	391	196
7	22	3.4%	167	1,170	386	193
8	10	1.5%	76	608	201	100
9	9	1.4%	68	616	203	102
10	3	0.5%	23	228	75	38
11	6	0.9%	46	502	166	83
12	6	0.9%	46	547	181	90
13	3	0.5%	23	296	98	49
14	2	0.3%	15	213	70	35
15	3	0.5%	23	342	113	56
16	1	0.2%	8	122	40	20
17	3	0.5%	23	388	128	64
19	1	0.2%	8	144	48	24
21	2	0.3%	15	319	105	53
23	1	0.2%	8	175	58	29
26	1	0.2%	8	198	65	33
29	1	0.2%	8	220	73	36
30	2	0.3%	15	456	150	75
31	1	0.2%	8	236	78	39
	649	100.0%	4,932	16,645	5,493	2,746

To clarify, the calculations laid out in the above table conclude that San Juan island residents could make, on average, 2,746 trips per month on a Bellingham-Friday Harbor passenger ferry service.

Whatcom County Market

Table 6-4 below carries out the same method for the Whatcom County resident market. Note though that the numbers here are based on surveys administered to passengers on the 2006 pilot service – not household surveys like used on San Juan Island.

Table 6-4: Estimation of Trips from the Whatcom County Market Based on stated trip frequency.

Trips-per-month categories	Number of household respondents	Percent	Whatcom Co. Adj. Market Pop.	Est. Trips	% by foot	% Served by B'ham Ferry 90%
			126,976		33%	
<1	229	56%	71,443	57	19	17
1	97	24%	17,027	17,027	5,619	5,057
2	25	6%	1,046	2,092	690	621
3	13	3%	33	100	33	30
4	13	3%	1	4	1	1
5	7	2%	0	0	0	0
6	5	1%	0	0	0	0
8	4	1%	0	0	0	0
9	4	1%	0	0	0	0
10	3	1%	0	0	0	0
12	1	0%	0	0	0	0
14	1	0%	0	0	0	0
17	1	0%	0	0	0	0
18	1	0%	0	0	0	0
19	1	0%	0	0	0	0
21	1	0%	0	0	0	0
33	1	0%	0	0	0	0
	407		89,551	19,281	6,363	5,726

To clarify, the calculations laid out in the above table conclude that Whatcom County residents could make, on average, 5,726 trips per month on a Bellingham-Friday Harbor passenger ferry service.

Washington State Ferry service to Friday Harbor

Publicly available Washington State Ferry (WSF) traffic statistics are reviewed in this analysis for two reasons. First, it is beneficial to check the stated trip-making behavior of San Juan Island residents against historical WSF ferry volumes as well as the Bellingham-Friday Harbor passenger volumes during the pilot-service. Secondly, historical WSF traffic volumes, made available by calendar quarter, provide a basis for estimating seasonal variation in travel demand to and from San Juan Island.

Three WSF routes include stops at Friday Harbor: Anacortes-Friday Harbor, Anacortes-San Juan Islands, and Anacortes-Sidney, BC.

Four vessels rotate in the service of these routes: the M/V Chelan, the M/V Yakima, the M/V Hyak, and the M/V Illahee.

Whatcom Council of Governments
Passenger Only Ferry Study

These routes and vessels provide 10 Anacortes-to-Friday Harbor trips per day and 9 Friday Harbor-to-Anacortes trips per day (based on Fall 2006 schedule).

Table 6-5: Current Anacortes-Friday Harbor Washington State Ferry Service Schedule

Leave Anacortes	Leave Friday Harbor
6:10	6:00
7:45	8:05
9:35	11:10
2:40	1:40
5:05	4:15
5:25	6:45
6:00	6:55
8:25	8:00
9:30	11:40
10:25	

Quarterly WSF Traffic Data

WSF publishes quarterly ridership data by route¹. These data separate passengers into vehicle drivers, vehicle passengers, and foot passengers. Historical data are currently available on-line through 2003.

The following table compiles quarterly data on the Anacortes-Friday Harbor route from 1st quarter 2003 through 2nd quarter 2006.

Table 6-6: Quarterly Washington State Ferry ridership data; Anacortes-Friday Harbor route

Quarter	Vehicle drivers	Vehicle passengers	All drive-on passengers	Foot passengers	Total riders	Avg vehicle occupancy
Q1 2003	61,312	41,110	102,422	21,056	123,478	1.67
Q2 2003	80,914	66,502	147,416	46,986	194,402	1.82
Q3 2003	103,628	107,686	211,314	98,810	310,124	2.04
Q4 2003	68,160	48,162	116,322	26,926	143,248	1.71
Q1 2004	62,108	41,968	104,076	22,210	126,286	1.68
Q2 2004	81,488	64,916	146,404	49,248	195,652	1.80
Q3 2004	103,648	103,894	207,542	87,948	295,490	2.00
Q4 2004	69,776	51,160	120,936	26,196	147,132	1.73
Q1 2005	61,968	41,188	103,156	23,054	126,210	1.66
Q2 2005	80,898	64,266	145,164	46,686	191,850	1.79
Q3 2005	100,746	107,634	208,380	79,138	287,518	2.07
Q4 2005	65,964	47,508	113,472	24,138	137,610	1.72
Q1 2006	59,504	38,420	97,924	18,986	116,910	1.65
Q2 2006	82,166	65,290	147,456	40,410	187,866	1.79

Source data: Washington State Department of Transportation. Compilation and follow-on calculations by WCOG.

In addition to understanding the volumes of trips to and from San Juan Island via the Washington State Ferry, the table below takes the reported quarterly numbers and converts them into average monthly count estimates and weekly, week-day volume estimates. Because the Bellingham-Friday Harbor pilot service only operated on weekdays during winter months, it is important to be able to compare market capture of the two services.

¹ http://www.wsdot.wa.gov/ferries/traffic_stats/

Table 6-7: WSF Anacortes-Friday Harbor Quarterly Data; foot-passenger estimates for month and week-day volume.

Quarter	Foot passengers	Monthly Estimate (1/3 of Quarterly Est.)	Weekly Estimate (1/4 of Monthly Est.)	Mon-Fri Estimate (5/7 of Weekly Est.)
Q1 2003	21,056	7,019	1,755	1,253
Q2 2003	46,986	15,662	3,916	2,797
Q3 2003	98,810	32,937	8,234	5,882
Q4 2003	26,926	8,975	2,244	1,603
Q1 2004	22,210	7,403	1,851	1,322
Q2 2004	49,248	16,416	4,104	2,931
Q3 2004	87,948	29,316	7,329	5,235
Q4 2004	26,196	8,732	2,183	1,559
Q1 2005	23,054	7,685	1,921	1,372
Q2 2005	46,686	15,562	3,891	2,779
Q3 2005	79,138	26,379	6,595	4,711
Q4 2005	24,138	8,046	2,012	1,437
Q1 2006	18,986	6,329	1,582	1,130
Q2 2006	40,410	13,470	3,368	2,405

Monday-Friday Volume Comparison Between WSF and the Bellingham-Friday Harbor Pilot Service

The following table takes the M-F estimated WSF passenger volume calculated in the above table and includes it in a side-by-side comparison with the corresponding four months of observed travel volume on the Bellingham-Friday Harbor pilot.

Table 6-8: Comparison of Pilot Service to WSF Walk-on Ridership Anacortes-Friday Harbor.

Months	Bellingham Pilot Riders	Pilot weekly averages (1/4)	WSF Est Weekly, Weekday foot passengers	Bellingham Pilot Ridership as a % of WSF Market
Dec	1,016	254	1,437	17.7%
Jan	854	214	1,130	18.9%
Feb	955	239	1,130	21.1%
Mar	1,071	268	1,130	23.7%

Year-round Estimate of Demand

A quick look at the quarterly WSF Anacortes-Friday Harbor ridership data reveals that passenger volume is highly seasonal. Similar seasonal variation would also be expected on a future Bellingham-Friday Harbor service – especially if weekend service were added to the schedule.

To estimate annual ridership by quarter on a hypothetical Bellingham-Friday Harbor service, this analysis applies an expansion-factor to the passenger volumes observed on the pilot service from January-March 2006 (the first calendar quarter). The expansion-factor is the average

Whatcom Council of Governments
Passenger Only Ferry Study

quarterly increase (over the available 3-years of data) on WSF Friday-Harbor foot passenger traffic indexed to the first calendar quarter (always the lowest volume quarter). The first quarter ridership value used below (2,800) is the actual volume observed from January-March 2006 on the pilot service.

Table 6-9: Quarterly Expansion of Winter Ridership

Average Quarterly Multipliers Based on WSF Friday Harbor Service		Bellingham-Friday Harbor Service		
		Est. Quarterly Ridership (Service was Mon.-Fri. only)	Est. Quarterly Ridership (7-days/week)	Est Daily Ridership (1/90 of Quarterly Est.)
Q1	1.000	Actual Volume 2,880	4,032	45
Q2	2.151	6,194	8,671	96
Q3	4.028	11,602	16,243	180
Q4	1.168	3,365	4,711	52

The above table is undoubtedly a low estimate since it is based on ridership levels observed on a moderately-publicized pilot service in its first and only months of operations. As a check on both this estimation and on the above estimates based on population and survey feedback, the estimated existing trip-demand from San Juan Island and Whatcom County are listed in the table below.

Table 6-10: Conversion of Monthly-Trip Estimates to Daily Trips

	Monthly trips	Daily trips
Est. San Juan Island Market	2,746	92
Est. Whatcom County Market	5,726	191
Total	8,472	282

Because the above daily trip estimate is built from stated demand from San Juan Island and Whatcom County only, and does not account for seasonal influxes of visitors, the 282-people figure should be used as a higher-end value for 1st or 4th quarter ridership. Although WCOG's research doesn't cover the characteristics of spring and summer travel, it is likely that the much larger volumes are visitor-driven.

Table 6-11: Application of Quarterly Ridership Expansion to Low & High Winter (Q1) Estimates

Seasonal Expansion		LOW	HIGH
		Est daily ridership based on pilot volume	Est daily ridership based on survey analysis
Q1	1.00	45	282
Q2	2.15	96	606
Q3	4.03	180	1,136
Q4	1.17	52	329

10 Year Forecast of Daily Ridership

Based on the high and low quarterly estimates of ridership shown in table 11, table 12 applies a 2 percent annual population growth rate for the next ten years. This extrapolation assumes: that

Whatcom Council of Governments
Passenger Only Ferry Study

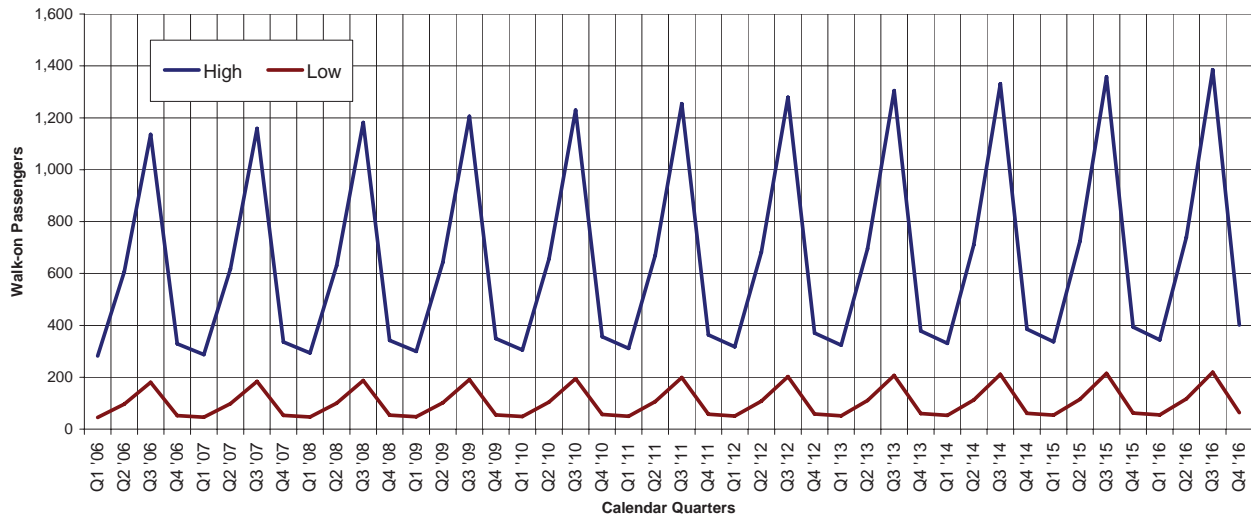
population of the regional markets and the peak visitor markets of the summer will experience population growth at similar rates and; that the recent, 3-year historical variation in quarterly ridership (relative to the first calendar quarter) will remain constant. The corresponding table and chart are below.

Table 6-12: Application of Quarterly Ridership Expansion to Low & High 2006 Estimates (based on 2 percent annual population growth)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Q1 Low	45	46	47	48	49	50	51	52	53	54	55
Q1 High	282	288	293	299	305	311	318	324	330	337	344
Q2 Low	96	98	100	102	104	106	108	110	112	115	117
Q2 High	606	618	630	643	656	669	682	696	710	724	739
Q3 Low	180	184	187	191	195	199	203	207	211	215	219
Q3 High	1,136	1,159	1,182	1,206	1,230	1,254	1,279	1,305	1,331	1,358	1,385
Q4 Low	52	53	54	55	56	57	59	60	61	62	63
Q4 High	329	336	342	349	356	363	371	378	385	393	401

Chart 6-3:

High and Low Forecast Foot Ferry Passengers



Forecast Ridership Revenue

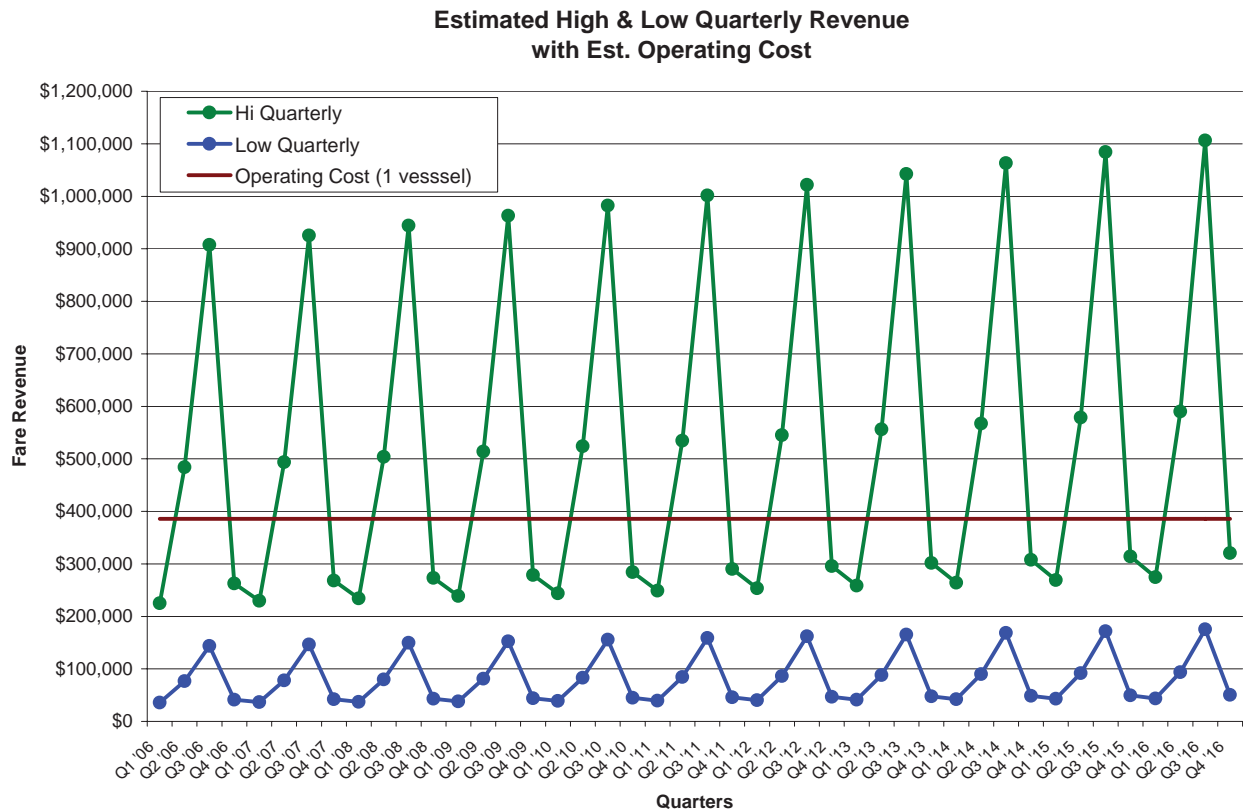
The fare structure for the 2005-2006 pilot service was discussed earlier in this report. Re-listed are the pilot service fare categories and prices along with the percentage of pilot service ridership that paid each fare.

Pilot ridership and fares		
Adults	\$10	66%
Commuters	\$7.50	29%
Youth	\$5	2%
Child	\$0	3%

Whatcom Council of Governments
Passenger Only Ferry Study

Much like the chart above, the Chart 6-4 below illustrates this proportioned revenue stream in 2006 prices.

Chart 6-4



Operating costs shown in Chart 6-4 above are approximate for one - 149 passenger, 30 knot catamaran consuming, nominally, 65 gallons per hour. Approximate costs were obtained from Victoria San Juan Cruises staff.

Operating Costs

Operating costs include all those expenses associated with providing passenger-only ferry services in the North Sound area. Note that profit is not included in the following array:

- | | |
|-------------------------------|----------------------------------|
| Wages – Vessel and land side | Payroll - Taxes and insurance |
| Advertising/Promotion | Financial Management |
| Computer and related | Dock rental – Multiple locations |
| Drug testing | Dues/Memberships |
| Employee training | Insurance |
| Licenses and fees | Office rents and supplies |
| Legal and accounting fees | Security |
| Communications | Travel |
| Training | Uniforms |
| Taxes – Property and business | Vessel fuel and maintenance |

Capital Costs

Capital costs include vessel acquisition, creation or improvement of land side infrastructure and any other incremental costs associated with the equipment needed to operate and properly maintain passenger ferry vessels.

7. Findings and Conclusions

A business case for regional or international passenger-only ferry services is found to be extremely difficult due to multiple, and in some regards insurmountable, regulatory barriers and high capital and operating costs. Location of existing land side infrastructure may not provide adequate access in the right places to capture a meaningful market share, U.S. Customs and Border Protection requirements for secure facilities alone provides significant inhibition and security is getting tighter.

Conversely, based on the findings of the pilot survey, a latent but robust level of market demand does appear to exist between San Juan and Whatcom Counties. Survey data generated during the pilot service described in **Section 4** indicates sufficient demand and warrants further investigation of developing a scheduled service. Service locations, frequencies and vessel design should be evaluated on the basis of this and other studies.

It is possible that along with a strong demand for passenger-only services at some locations, other locations with less demand may need to be served as part of a service system or route. An origin - destination pair, for example might be comprised of a high demand origin with a low demand destination, or a trip set with multiple landings may include a low demand port of call in order to make the trip work in some way. Thus, varying levels of demand could create a need for financial support such as that received by transit organizations for the provision of public transportation. It is likely that some public funding will be needed to establish or operationally support passenger-only services.

Some routes or route segments could prove profitable, but it could be argued that a greater public good is achieved by including subsidy-dependant service-locations in a larger service area, thereby serving more of the region's travel demand. Ten year projections included in this study reflect sufficient forecasted demand to consider implementation options, funding sources, and potential partnerships.

Appendix A Fare Comparisons

The rates for the pilot project passenger ferry were determined by comparing relative fares of the two other methods of transportation for those traveling between Bellingham and Friday Harbor.

Washington State Ferries

The Washington State Ferry system is the predominant form of transportation between the San Juan Islands themselves and the mainland. This service is subsidized by Washington State and offers the following fares:

- Passenger-only fares (walk-on, as compared to drive-on with vehicle) between Anacortes (Skagit County) and Friday Harbor are \$10.10 during non-peak months, \$12.20 during peak travel months on Wednesday-Saturday. Sunday-Tuesday rates are \$9.10 during non-peak, and \$11.00 during peak months. This is the round-trip cost.
- There is a \$2.00 bicycle surcharge (\$4.00 during peak season).
- To compare the cost for residents of Whatcom County, an additional charge was calculated for the mileage to travel to the Anacortes ferry. The distance from downtown Bellingham is 43.36 miles each way. At a \$0.485 mileage rate, that equals \$42 round-trip between Bellingham and the terminal.

If one does not include the cost of travel to and from Anacortes, the Washington State Ferry service is the most affordable option. However, once the mileage to Anacortes was included, the total cost round-trip elevated to \$42 not including the ferry fare. That equals approximately \$52 per trip.

The rates were therefore established to be somewhat similar to the Washington State Ferry system: \$10 each direction as compared to round-trip.

The pilot passenger ferry service did not charge extra for bicycles.

Airfare

Two airlines regularly serve travelers between Bellingham International Airport and the Port of Friday Harbor. This service is much faster than ferry service, but more expensive.

- San Juan Island Airlines charges \$44 each direction.
- Island Air charges \$105 for up to three passengers each direction, and \$143 for up to 5 passengers. In addition, there is a \$7 per passenger fuel surcharge.
- Both airlines require each passenger to pay \$4.50 departing Bellingham and \$3 departing Friday Harbor in airport fees.

In summary, airfare costs a minimum of \$40 each way.

Appendix B Detailed Ridership Information

December, 2005

**Bellingham - Friday Harbor Passenger Ferry Pilot Project
Detailed Ridership Report**

Day	Date	Bellingham to Friday Harbor (West)					Friday Harbor to Bellingham (East)					Daily Total			
		Adults 10.00	Commuters 7.50	Children 5.00	Infants (Free)	Total Pax	Revenue	Departure	Adults 10.00	Commuters 7.50	Children 5.00		Infants (Free)	Total Pax	Revenue
Wed	30-Nov-05	7:00 AM	2	0	0	0	2	20.00	9:00 AM	0	0	0	0	0	0.00
Wed	30-Nov-05	3:00 PM	2	0	0	0	2	20.00	5:00 PM	2	0	0	2	20.00	
Thur	1-Dec-05	7:00 AM	3	0	0	0	3	30.00	9:00 AM	1	0	0	1	10.00	
Thur	1-Dec-05	3:00 PM	2	0	0	0	2	20.00	5:00 PM	2	0	0	2	20.00	
Fri	2-Dec-05	7:00 AM	2	3	0	0	5	42.50	9:00 AM	2	0	0	2	20.00	
Fri	2-Dec-05	3:00 PM	5	0	0	0	5	50.00	5:00 PM	12	1	0	13	127.50	
Mon	5-Dec-05	7:00 AM	3	4	0	0	7	60.00	9:00 AM	9	2	0	11	105.00	
Mon	5-Dec-05	3:00 PM	11	1	0	2	14	117.50	5:00 PM	4	4	0	8	70.00	
Tue	6-Dec-05	7:00 AM	6	2	0	0	8	75.00	9:00 AM	10	1	0	11	107.50	
Tue	6-Dec-05	3:00 PM	6	3	0	1	10	82.50	5:00 PM	6	2	0	8	75.00	
Wed	7-Dec-05	7:00 AM	0	2	0	0	2	15.00	9:00 AM	1	1	0	2	17.50	
Wed	7-Dec-05	3:00 PM	6	1	0	0	7	67.50	5:00 PM	2	0	0	2	20.00	
Thur	8-Dec-05	7:00 AM	4	1	0	0	5	47.50	9:00 AM	5	0	0	5	50.00	
Thur	8-Dec-05	3:00 PM	3	1	0	0	4	37.50	5:00 PM	4	1	0	5	47.50	
Fri	9-Dec-05	7:00 AM	4	18	0	0	22	175.00	9:00 AM	5	17	0	22	177.50	
Fri	9-Dec-05	3:00 PM	6	1	0	0	7	67.50	5:00 PM	7	7	1	15	122.50	
Mon	12-Dec-05	7:00 AM	8	3	0	1	12	102.50	9:00 AM	6	0	0	6	60.00	
Mon	12-Dec-05	3:00 PM	8	1	0	0	9	87.50	5:00 PM	6	2	0	8	75.00	
Tue	13-Dec-05	7:00 AM	12	2	0	0	14	135.00	9:00 AM	3	3	0	6	52.50	
Tue	13-Dec-05	3:00 PM	6	0	0	0	6	60.00	5:00 PM	8	1	0	9	87.50	
Wed	14-Dec-05	7:00 AM	7	2	0	0	9	85.00	9:00 AM	9	2	0	11	105.00	
Wed	14-Dec-05	3:00 PM	7	1	0	0	8	77.50	5:00 PM	12	0	0	12	120.00	
Thur	15-Dec-05	7:00 AM	2	1	0	0	3	27.50	9:00 AM	4	0	0	4	40.00	
Thur	15-Dec-05	3:00 PM	6	1	0	0	7	67.50	5:00 PM	8	2	0	10	95.00	
Fri	16-Dec-05	7:00 AM	12	1	0	0	13	127.50	9:00 AM	9	0	0	9	90.00	
Fri	16-Dec-05	3:00 PM	11	0	0	0	11	110.00	5:00 PM	11	4	0	16	140.00	
Mon	19-Dec-05	7:00 AM	4	3	0	1	8	62.50	9:00 AM	7	1	0	8	77.50	
Mon	19-Dec-05	3:00 PM	9	1	0	0	10	97.50	5:00 PM	2	3	0	5	42.50	
Tue	20-Dec-05	7:00 AM	1	3	0	0	4	32.50	9:00 AM	3	1	0	4	37.50	
Tue	20-Dec-05	3:00 PM	4	1	0	0	5	47.50	5:00 PM	3	1	0	4	37.50	
Wed	21-Dec-05	7:00 AM	13	6	0	1	20	175.00	9:00 AM	12	5	0	17	157.50	
Wed	21-Dec-05	3:00 PM	7	5	0	0	12	107.50	5:00 PM	6	1	0	7	67.50	
Thur	22-Dec-05	7:00 AM	7	0	0	2	9	70.00	9:00 AM	5	2	0	7	65.00	
Thur	22-Dec-05	3:00 PM	11	7	1	1	20	167.50	5:00 PM	13	5	1	19	172.50	
Fri	23-Dec-05	7:00 AM	7	0	0	0	7	70.00	9:00 AM	5	4	0	9	80.00	
Fri	23-Dec-05	3:00 PM	9	5	0	0	14	127.50	5:00 PM	9	7	0	16	142.50	
Mon	26-Dec-05	7:00 AM	11	19	1	6	37	257.50	9:00 AM	8	16	0	24	200.00	
Mon	26-Dec-05	3:00 PM	6	6	0	1	13	105.00	5:00 PM	8	3	5	16	127.50	
Tue	27-Dec-05	7:00 AM	16	2	0	0	18	175.00	9:00 AM	6	0	0	6	60.00	
Tue	27-Dec-05	3:00 PM	7	0	0	1	8	70.00	5:00 PM	14	0	0	14	140.00	
Wed	28-Dec-05	7:00 AM	9	2	0	0	11	105.00	9:00 AM	14	2	0	16	155.00	
Wed	28-Dec-05	3:00 PM	8	1	2	0	11	97.50	5:00 PM	4	2	0	6	55.00	
Thur	29-Dec-05	7:00 AM	29	3	6	8	46	342.50	9:00 AM	15	5	0	20	187.50	
Thur	29-Dec-05	3:00 PM	20	4	2	0	26	240.00	5:00 PM	31	2	6	39	355.00	
Fri	30-Dec-05	7:00 AM	11	1	0	1	13	117.50	9:00 AM	6	5	0	11	97.50	
Fri	30-Dec-05	3:00 PM	13	10	2	3	28	215.00	5:00 PM	17	4	2	23	210.00	
Totals			346	128	14	29	517	4,490.00		336	119	14	30	499	4,322.50
													Monthly Revenue Total	8,812.50	
													Monthly Passenger Total	1,016	

Appendix B Detailed Ridership Information

January, 2006

**Bellingham - Friday Harbor Passenger Ferry Pilot Project
Detailed Ridership Report**

Day	Date	Departure	Bellingham to Friday Harbor (West)				Friday Harbor to Bellingham (East)				Daily Total						
			Adults 10.00	Commuters 7.50	Children 5.00	Infants (Free)	Total Pax	Revenue	Adults 10.00	Commuters 7.50		Children 5.00	Infants (Free)	Total Pax	Revenue		
Mon	2-Jan-06	7:00 AM	24	0	0	1	0	25	245.00	7	1	0	1	9	77.50	57	180.00
Mon	2-Jan-06	3:00 PM	4	0	0	0	0	4	40.00	16	2	1	0	19	180.00	542.50	28
Tue	3-Jan-06	7:00 AM	2	1	0	0	0	3	27.50	8	2	0	0	10	95.00	270.00	29
Tue	3-Jan-06	3:00 PM	5	0	0	0	0	5	50.00	9	1	0	0	10	97.50	282.50	28
Wed	4-Jan-06	7:00 AM	10	2	0	0	0	12	115.00	2	0	0	0	2	20.00	262.50	40
Wed	4-Jan-06	3:00 PM	5	0	0	0	0	5	50.00	9	1	0	0	10	97.50	367.50	32
Thur	5-Jan-06	7:00 AM	5	1	0	0	0	6	57.50	4	0	0	0	4	40.00	292.50	30
Thur	5-Jan-06	3:00 PM	6	0	0	0	0	6	60.00	6	6	0	0	12	105.00	292.50	27
Fri	6-Jan-06	7:00 AM	6	1	0	0	0	7	67.50	5	0	0	1	6	50.00	255.00	20
Fri	6-Jan-06	3:00 PM	12	0	1	1	1	14	125.00	11	2	0	0	13	125.00	367.50	20
Mon	9-Jan-06	7:00 AM	9	7	0	0	0	16	142.50	5	1	0	0	6	57.50	292.50	30
Mon	9-Jan-06	3:00 PM	5	1	0	0	0	6	57.50	2	2	0	0	4	35.00	292.50	27
Tue	10-Jan-06	7:00 AM	7	1	0	0	0	8	77.50	7	1	0	0	8	77.50	292.50	27
Tue	10-Jan-06	3:00 PM	7	0	0	0	0	7	70.00	6	1	0	0	7	67.50	292.50	27
Wed	11-Jan-06	7:00 AM	2	4	0	0	0	6	50.00	8	0	0	0	8	80.00	255.00	20
Wed	11-Jan-06	3:00 PM	8	0	0	0	0	8	80.00	3	2	0	0	5	45.00	182.50	40
Thur	12-Jan-06	7:00 AM	0	4	0	0	0	4	30.00	7	0	0	0	7	70.00	182.50	43
Thur	12-Jan-06	3:00 PM	5	0	0	0	0	5	50.00	1	3	0	0	4	32.50	347.50	58
Fri	13-Jan-06	7:00 AM	3	4	0	0	0	7	60.00	3	2	0	0	5	45.00	512.50	34
Fri	13-Jan-06	3:00 PM	9	2	0	0	0	11	105.00	8	7	1	1	17	137.50	292.50	44
Mon	16-Jan-06	7:00 AM	8	4	2	1	1	15	120.00	6	2	0	0	8	75.00	390.00	49
Mon	16-Jan-06	3:00 PM	10	4	0	0	0	14	130.00	14	5	2	0	21	187.50	415.00	29
Tue	17-Jan-06	7:00 AM	5	8	1	1	1	15	115.00	5	2	0	0	7	65.00	292.50	43
Tue	17-Jan-06	3:00 PM	7	0	0	0	0	7	70.00	2	3	0	0	5	42.50	390.00	44
Wed	18-Jan-06	7:00 AM	7	5	0	0	0	12	107.50	4	0	0	0	4	40.00	412.50	29
Wed	18-Jan-06	3:00 PM	5	5	0	0	0	10	87.50	11	6	0	0	17	155.00	262.50	29
Thur	19-Jan-06	7:00 AM	12	5	0	0	0	17	157.50	5	0	0	0	5	50.00	275.00	31
Thur	19-Jan-06	3:00 PM	5	1	0	0	0	6	57.50	13	2	1	0	16	150.00	262.50	27
Fri	20-Jan-06	7:00 AM	4	3	0	0	0	7	62.50	2	5	0	1	8	57.50	227.50	123
Fri	20-Jan-06	3:00 PM	11	6	0	0	0	17	155.00	7	9	0	1	17	137.50	1,000.00	24
Mon	23-Jan-06	7:00 AM	3	2	0	0	0	5	45.00	9	5	0	0	14	127.50	232.50	32
Mon	23-Jan-06	3:00 PM	4	1	0	0	0	5	47.50	2	3	0	0	5	42.50	277.50	32
Tue	24-Jan-06	7:00 AM	3	9	0	0	0	12	97.50	6	1	0	0	7	67.50	3,832.50	854
Tue	24-Jan-06	3:00 PM	8	0	0	0	0	8	80.00	0	4	0	0	4	30.00	227.50	24
Wed	25-Jan-06	7:00 AM	4	6	0	0	0	10	85.00	4	0	0	0	4	40.00	275.00	29
Wed	25-Jan-06	3:00 PM	4	0	0	0	0	4	40.00	6	5	0	0	11	97.50	262.50	27
Thur	26-Jan-06	7:00 AM	3	5	0	0	0	8	67.50	2	0	0	0	2	20.00	227.50	123
Thur	26-Jan-06	3:00 PM	5	0	0	0	0	5	50.00	6	4	0	1	11	90.00	1,000.00	24
Fri	27-Jan-06	7:00 AM	5	2	0	0	0	7	65.00	8	42	1	0	51	400.00	232.50	32
Fri	27-Jan-06	3:00 PM	6	39	0	0	0	45	352.50	13	7	0	0	20	182.50	2,777.50	854
Mon	30-Jan-06	7:00 AM	8	2	0	0	0	10	95.00	3	0	0	0	3	30.00	232.50	32
Mon	30-Jan-06	3:00 PM	5	0	0	0	0	5	50.00	5	1	0	0	6	57.50	277.50	32
Tue	31-Jan-06	7:00 AM	2	6	0	0	0	8	65.00	1	0	0	0	1	10.00	277.50	32
Tue	31-Jan-06	3:00 PM	6	0	0	0	0	6	60.00	6	11	0	0	17	142.50	3,832.50	854
Totals			274	141	5	4	4	424	3,822.50	267	151	6	6	430	3,832.50	7,655.00	854

** 1/27 Friday Harbor Walkers group.
** 1/31 50 mph winds. Airplanes canceled.

Appendix B Detailed Ridership Information

February, 2006

**Bellingham - Friday Harbor Passenger Ferry Pilot Project
Detailed Ridership Report**

Day	Date	Bellingham to Friday Harbor (West)					Friday Harbor to Bellingham (East)					Daily Total		
		Adults 10.00	Commuters 7.50	Children 5.00	Infants (Free)	Total Pax	Revenue	Departure	Adults 10.00	Commuters 7.50	Children 5.00		Infants (Free)	Total Pax
Wed	1-Feb-06	2	6	0	0	8	65.00	9:00 AM	2	0	0	0	2	20.00
Wed	1-Feb-06	3	0	0	0	3	30.00	5:00 PM	5	4	0	0	9	80.00
Thur	2-Feb-06	2	6	0	0	8	65.00	9:00 AM	3	0	0	0	3	30.00
Thur	2-Feb-06	5	1	0	1	7	57.50	5:00 PM	4	6	0	0	10	85.00
Fri	3-Feb-06	6	4	0	0	10	90.00	9:00 AM	10	1	0	0	11	107.50
Fri	3-Feb-06	14	1	0	0	15	147.50	5:00 PM	4	8	2	0	14	110.00
Mon	6-Feb-06	8	8	0	0	16	140.00	9:00 AM	6	1	0	0	7	67.50
Mon	6-Feb-06	3	0	0	0	3	30.00	5:00 PM	2	6	0	0	8	65.00
Tue	7-Feb-06	6	5	0	0	11	97.50	9:00 AM	18	0	0	0	18	180.00
Tue	7-Feb-06	13	0	0	0	13	130.00	5:00 PM	8	3	0	0	11	102.50
Wed	8-Feb-06	8	2	0	0	10	95.00	9:00 AM	6	7	0	2	15	112.50
Wed	8-Feb-06	13	5	0	0	18	167.50	5:00 PM	6	5	0	2	13	97.50
Thur	9-Feb-06	4	16	0	1	21	160.00	9:00 AM	4	2	0	1	7	55.00
Thur	9-Feb-06	8	0	0	0	8	80.00	5:00 PM	5	13	0	0	18	147.50
Fri	10-Feb-06	9	9	0	0	18	157.50	9:00 AM	8	3	0	0	11	102.50
Fri	10-Feb-06	12	5	0	0	17	157.50	5:00 PM	14	13	0	1	28	237.50
Mon	13-Feb-06	5	9	0	0	14	117.50	9:00 AM	1	3	0	0	4	32.50
Mon	13-Feb-06	0	4	0	0	4	30.00	5:00 PM	3	8	0	0	11	90.00
Tue	14-Feb-06	6	8	0	0	14	120.00	9:00 AM	1	2	0	0	3	25.00
Tue	14-Feb-06	10	4	0	1	15	130.00	5:00 PM	5	5	0	0	10	87.50
Wed	15-Feb-06	2	14	0	0	16	125.00	9:00 AM	9	0	0	1	10	90.00
Wed	15-Feb-06	5	3	0	0	8	72.50	5:00 PM	11	15	0	0	26	222.50
Thur	16-Feb-06	10	9	0	0	19	167.50	9:00 AM	0	1	0	0	1	7.50
Thur	16-Feb-06	5	0	0	0	5	50.00	5:00 PM	8	7	0	0	15	132.50
Fri	17-Feb-06	4	0	0	0	4	40.00	9:00 AM	10	0	0	0	10	100.00
Fri	17-Feb-06	17	1	0	2	20	177.50	5:00 PM	7	5	0	2	14	107.50
Mon	20-Feb-06	13	12	1	1	27	225.00	9:00 AM	12	1	0	2	15	127.50
Mon	20-Feb-06	6	0	0	2	8	60.00	5:00 PM	6	16	0	0	22	180.00
Tue	21-Feb-06	10	14	1	0	25	210.00	9:00 AM	6	0	0	1	7	60.00
Tue	21-Feb-06	9	1	0	0	10	97.50	5:00 PM	17	12	1	0	30	265.00
Wed	22-Feb-06	12	16	0	1	29	240.00	9:00 AM	8	3	0	1	12	102.50
Wed	22-Feb-06	9	5	0	1	15	127.50	5:00 PM	6	18	0	1	25	195.00
Thur	23-Feb-06	8	13	0	1	22	177.50	9:00 AM	8	0	0	0	8	80.00
Thur	23-Feb-06	8	0	0	1	9	80.00	5:00 PM	7	12	0	0	19	160.00
Fri	24-Feb-06	5	3	1	0	9	77.50	9:00 AM	7	0	0	0	7	70.00
Fri	24-Feb-06	7	0	0	0	7	70.00	5:00 PM	10	4	1	0	15	135.00
Mon	27-Feb-06	5	2	0	2	9	65.00	9:00 AM	3	0	0	1	4	30.00
Mon	27-Feb-06	5	0	0	0	5	50.00	5:00 PM	9	1	0	0	10	97.50
Tue	28-Feb-06	1	1	0	0	2	17.50	9:00 AM	2	0	0	0	2	20.00
Tue	28-Feb-06	7	1	0	0	8	77.50	5:00 PM	0	0	0	0	0	0.00
Totals		285	188	3	14	490	4,275.00		261	185	4	15	465	4,017.50
													Monthly Revenue Total	8,292.50
													Monthly Passenger Total	955

** 2/20 Holiday

Appendix B Detailed Ridership Information

March, 2006

**Bellingham - Friday Harbor Passenger Ferry Pilot Project
Detailed Ridership Report**

Day	Date	Bellingham to Friday Harbor (West)					Friday Harbor to Bellingham (East)					Daily Total			
		Departure	Adults 10.00	Commuters 7.50	Children 5.00	Infants (Free)	Total Pax	Revenue	Departure	Adults 10.00	Commuters 7.50		Children 5.00	Infants (Free)	Total Pax
Wed	1-Mar-06	3:00 PM	5	0	0	0	5	50.00	9:00 AM	1	0	0	0	1	10.00
Wed	1-Mar-06	7:00 AM	2	0	0	0	2	20.00	5:00 PM	4	2	0	0	6	55.00
Thur	2-Mar-06	7:00 AM	10	2	0	0	12	115.00	9:00 AM	1	0	0	0	1	10.00
Thur	2-Mar-06	3:00 PM	3	2	0	0	5	45.00	5:00 PM	9	1	0	1	11	97.50
Fri	3-Mar-06	7:00 AM	2	2	0	0	4	35.00	9:00 AM	8	0	0	0	8	80.00
Fri	3-Mar-06	3:00 PM	13	1	0	0	14	137.50	5:00 PM	6	4	0	0	10	90.00
Mon	6-Mar-06	7:00 AM	3	3	0	0	6	52.50	9:00 AM	19	2	0	0	21	205.00
Mon	6-Mar-06	3:00 PM	12	1	0	1	14	127.50	5:00 PM	3	1	0	0	4	37.50
Tue	7-Mar-06	7:00 AM	4	1	0	0	5	47.50	9:00 AM	7	0	0	0	7	70.00
Tue	7-Mar-06	3:00 PM	11	1	0	0	12	117.50	5:00 PM	7	0	0	0	7	305.00
Wed	8-Mar-06	7:00 AM	2	0	0	0	2	20.00	9:00 AM	4	0	1	0	5	45.00
Wed	8-Mar-06	3:00 PM	3	0	1	0	4	35.00	5:00 PM	6	0	0	0	6	60.00
Thur	9-Mar-06	7:00 AM	4	0	0	0	4	40.00	9:00 AM	4	1	0	1	6	47.50
Thur	9-Mar-06	3:00 PM	5	0	0	1	6	50.00	5:00 PM	4	4	0	0	8	70.00
Fri	10-Mar-06	7:00 AM	9	4	1	0	14	125.00	9:00 AM	1	1	0	0	2	17.50
Fri	10-Mar-06	3:00 PM	8	1	0	0	9	87.50	5:00 PM	11	2	0	1	14	125.00
Mon	13-Mar-06	7:00 AM	10	4	0	0	14	130.00	9:00 AM	4	0	0	0	4	40.00
Mon	13-Mar-06	3:00 PM	4	0	0	0	4	40.00	5:00 PM	9	3	0	0	12	112.50
Tue	14-Mar-06	7:00 AM	28	4	2	1	35	320.00	9:00 AM	6	1	0	0	7	67.50
Tue	14-Mar-06	3:00 PM	9	0	0	0	9	90.00	5:00 PM	31	4	2	1	38	350.00
Wed	15-Mar-06	7:00 AM	2	6	0	0	8	65.00	9:00 AM	1	0	0	0	1	10.00
Wed	15-Mar-06	3:00 PM	6	1	0	0	7	67.50	5:00 PM	8	6	0	0	14	125.00
Thur	16-Mar-06	7:00 AM	7	5	0	0	12	107.50	9:00 AM	4	0	0	0	4	40.00
Thur	16-Mar-06	3:00 PM	15	2	0	1	18	165.00	5:00 PM	11	2	0	1	14	125.00
Fri	17-Mar-06	7:00 AM	7	12	0	0	19	160.00	9:00 AM	8	2	0	2	12	95.00
Fri	17-Mar-06	3:00 PM	7	2	0	1	10	85.00	5:00 PM	13	13	0	1	27	227.50
Mon	20-Mar-06	7:00 AM	16	4	0	0	20	190.00	9:00 AM	10	2	0	0	12	115.00
Mon	20-Mar-06	3:00 PM	9	2	0	1	12	105.00	5:00 PM	12	6	0	0	18	165.00
Tue	21-Mar-06	7:00 AM	18	5	0	0	23	217.50	9:00 AM	6	0	0	0	6	60.00
Tue	21-Mar-06	3:00 PM	18	0	0	0	18	180.00	5:00 PM	23	5	0	0	28	267.50
Wed	22-Mar-06	7:00 AM	6	3	0	0	9	82.50	9:00 AM	1	0	0	0	1	10.00
Wed	22-Mar-06	3:00 PM	5	0	0	0	5	50.00	5:00 PM	14	1	0	0	15	147.50
Thur	23-Mar-06	7:00 AM	8	1	0	0	9	87.50	9:00 AM	3	1	0	0	4	37.50
Thur	23-Mar-06	3:00 PM	19	2	1	0	22	210.00	5:00 PM	11	2	0	0	13	125.00
Fri	24-Mar-06	7:00 AM	7	6	0	0	13	115.00	9:00 AM	13	1	0	1	15	137.50
Fri	24-Mar-06	3:00 PM	4	0	0	0	4	40.00	5:00 PM	11	2	2	0	15	135.00
Mon	27-Mar-06	7:00 AM	14	1	0	0	15	147.50	9:00 AM	10	2	0	0	12	115.00
Mon	27-Mar-06	3:00 PM	17	4	0	0	21	200.00	5:00 PM	14	1	0	0	15	147.50
Tue	28-Mar-06	7:00 AM	5	7	0	0	12	102.50	9:00 AM	4	2	0	1	7	55.00
Tue	28-Mar-06	3:00 PM	4	0	0	1	5	40.00	5:00 PM	5	6	0	0	11	95.00
Wed	29-Mar-06	7:00 AM	20	4	1	0	25	235.00	9:00 AM	6	4	0	0	10	90.00
Wed	29-Mar-06	3:00 PM	10	5	0	3	18	137.50	5:00 PM	20	6	2	3	31	255.00
Thur	30-Mar-06	7:00 AM	11	0	0	2	13	110.00	9:00 AM	4	0	0	0	4	40.00
Thur	30-Mar-06	3:00 PM	12	11	3	0	26	217.50	5:00 PM	15	1	0	2	18	157.50
Fri	31-Mar-06	7:00 AM	9	6	0	0	15	135.00	9:00 AM	7	1	0	0	8	77.50
Fri	31-Mar-06	3:00 PM	9	2	0	0	11	105.00	5:00 PM	22	5	0	1	28	257.50
Totals			412	117	9	12	550	5,043		401	97	7	16	521	4,773
													Monthly Passenger Total	1,071	
													Monthly Revenue Total	9,815.00	

Appendix C Sample of Passenger Survey

Welcome aboard. This ferry service is running from November 28, 2005 through April 31, 2006 as a test of its usefulness and appeal to the traveling public.

In addition to the number of people who use the new service, deciding whether or not to continue public support for a Bellingham-Friday Harbor ferry service will be based on passenger feedback. **So... What do you think?** Please contribute *your* feedback below and return the completed form to a member of the crew before departing the ferry.

If you are traveling with other members of your household, please return only **one questionnaire for your household** for this ferry trip.

Thank you!

1. Please give your current place of residence.

City/Town _____

State/Province: _____

Country _____

2. **Ages:** For yourself and any members of your household who are traveling with you on this ferry trip, please write the number of people that fall into each of the following age categories.

0-5	5-9	10-14	15-19	20-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

3. In the table below, please indicate the number of annual trips that all the members of your household typically make to or from San Juan Island (not just on this ferry).

Estimated annual trips by ALL household members between Bellingham & Friday Harbor.			
On each line you fill out, please use either the <i>per-month</i> column OR the <i>per-season</i> columns.			
# Trips per month	# Trips per season		Trip purposes
	Fall-Winter	Spring-Summer	
Example			Services (i.e. banking, health care, etc.)
			Recreation (i.e. museum, hiking, casino)
			Commute to or from my place of work
			Work-related trips
			Shopping
			Services (i.e. banking, health care, etc.)
			Recreation (i.e. museum, hiking, casino)
			Visiting friends and family.
			Other:

4. What is the main purpose of your (and your household's) ferry trip today?

Please check the appropriate box below.

←	
←	
←	
←	
←	
←	
←	
←	

5. If you have written trip numbers in the *monthly* or *season* columns in the table above, do you think that a permanent Bellingham-San Juan Island ferry service (like you're riding now) would meet your future travel needs for these trips?

- Yes for all of them.
 Yes for some of them: Which purposes? _____
 No.

Please continue on reverse.

Appendix C Sample of Passenger Survey

6. Do you expect that you will make more Friday Harbor or Bellingham trips because this ferry service is available (especially if this ferry service were to be made permanent)?
- No
 Yes

7. Schedule preferences: Please list, in your priority order, two schedule pairs for this ferry service that would serve your household best.

Schedule pair	Arriving in:	Arrival time	AM/PM	Weekday/ Weekend-day/ Every day
Example				
1 st choice				
2 nd choice				

8. Please check any factors that you feel currently limit this ferry service's usefulness to your household.

- I/we have limited need for or interest in going to Bellingham or Friday Harbor
 Cost The current schedule
 Need a car to transport large items Need a car to travel to & from the terminal
 Other: _____ Other: _____

9. Please list any other marine ferry routes in the North Sound region (including coastal and island locations in Canada) that you expect your household would use if available.

	Between	
Example	and	
	and	
	and	
	and	

10. What scheduled run are you on now?

- 7:00 A.M. to Friday Harbor. 3:00 P.M. to Friday Harbor.
 9:00 A.M. to Bellingham. 5:00 P.M. to Bellingham

11. What was, or will be, your transportation connection in Bellingham?

- Personal vehicle Greyhound bus Bicycle
 Walking Private shuttle bus/van Other _____
 WTA bus Taxi cab I don't know
 Amtrak train Rental vehicle

12. What was, or will be, your transportation connection in Friday Harbor?

- Personal vehicle Bicycle Rental vehicle
 Walking Private shuttle bus/van Other _____
 San Juan Transit Taxi cab I don't know

13. Please list any transportation services or on-boat amenities that you feel would have made your use of this ferry service today more effective or enjoyable.

Thanks again. We hope you're enjoying your trip with us.

Appendix D

Sample of San Juan Island Household Survey

San Juan Island – Bellingham Passenger Ferry Household Information Form

Dear San Juan Island household,

A federally-funded test of passenger ferry service is now operating between Friday Harbor and Bellingham (please see the enclosed informational flyer).

Your answers to the questions below will help determine whether or not such a service should be made permanent.

Please complete and return in the envelope provided.

Thank you!

1. For your household, please enter the number of people that fall into each of the following age categories.

0-5	5-9	10-14	15-19	20-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

2. By filling in the table below, please indicate how often your household typically makes trips from San Juan Island (by any means of transportation) for the following purposes. Each household member's trips should be counted individually and totaled.

Household Off-Island Trip Frequency		
# Trips	Per: week, month, or year	Trip purposes
		Services Example (banking, health care, etc.)
		Visiting Example (friends and family)
		Commute to or from my place of work
		Work-related trips
		Shopping
		Services (i.e. banking, health care, etc.)
		Recreation (i.e. museum, hiking, casino)
		Visiting friends and family.
		Other:

3. Please indicate which of your household's current trips could be served by the new (or a permanent) Bellingham ferry.

Please check the appropriate boxes below.

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

4. Please check the purposes that your household would probably make new trips to Bellingham for if ferry service is available.

Please check the appropriate boxes below.

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Please continue on reverse.

Appendix D

Sample of San Juan Island Household Survey

San Juan Island – Bellingham Passenger Ferry Household Information Form

5. Please check any factors that you feel currently limit this ferry service's usefulness for your household.
- I/we have limited need for, or interest in, going to Bellingham.
- Cost The current schedule
- Need a car to transport large items Need a car to travel to & from the terminal
- Other: _____ Other: _____

6. Schedule preferences: Please list two schedule-pairs for this ferry service that would serve your household best.

Schedule pair	Arriving in:	Arrival time	AM/PM	Weekday/ Weekend-day/ Every day
Example				
1 st choice				
2 nd choice				

7. Please list any other marine ferry routes in the North Sound region (including coastal and island locations in Canada) that you expect your household would use if available.

	Between	
Example	and	
	and	
	and	
	and	

8. For this passenger ferry service, what would be your household's most likely transportation connection in Bellingham?

- Personal vehicle Greyhound bus Bicycle
- Walking Private shuttle bus/van Other _____
- WTA bus Taxi cab I don't know
- Amtrak train Rental vehicle

9. For this passenger ferry service, what would be your household's most likely transportation connection in Friday Harbor?

- Personal vehicle Bicycle Rental vehicle
- Walking Private shuttle bus/van Other _____
- San Juan Transit Taxi cab I don't know

10. Please list transportation services or on-boat amenities that you feel would make your household's use of this ferry service more likely, effective or enjoyable.

PLEASE MAIL COMPLETED SURVEYS to:
 Whatcom Council of Governments
 314 E. Champion Street
 Bellingham, WA 98225
 Attn: Ferry Study
 (A postage-paid envelope is provided.)

Thanks again.
We hope to see you on the ferry soon.

Appendix E Sample of the Online Survey

Mindfly Survey Utility

<http://www.wcog.org/mfclient/survey/default.asp?surveyid=8>

PAGE: 1 OF 1

Please complete each of the following questions as indicated.

1) What city do you live in?

2) Please select your age category: (Please Select One)

Please Select

3) How often do you travel to or from San Juan Island? (Please Select One)

Please Select

4) What is the main purpose of your household's current travel to or from San Juan Island? (Please rank - order the following trip purposes that apply to your household, starting with 1 as your most frequent purpose)

Note: Numeric values only.

- Commute to or from my place of work
- Work-related trips
- Shopping
- Services (i.e. banking, health care, etc.)
- Recreation (i.e. museum, hiking, casino)
- Visiting friends and family
- Other

5) Which of your household's San Juan Island trips could be served by the Bellingham passenger ferry? (Select All that Apply)

- Commute to or from my place of work
- Work-related trips
- Shopping
- Services (i.e. banking, health care, etc.)
- Recreation (i.e. museum, hiking, casino)
- Visiting friends and family
- Other

6) Please check any factors that you feel currently limit this ferry service's usefulness for your household (select all that apply). (Select All that Apply)

- I/We have limited need for, or interest in, traveling between San Juan Island and Bellingham
- Cost
- Need a car to transport large items
- The current schedule
- Need a car to travel to and from the terminal
- Other

7) For this passenger ferry service, what would be your household's most likely transportation connection in BELLINGHAM? (Select All that Apply)

Appendix E Sample of the Online Survey

Mindfly Survey Utility

<http://www.wcog.org/mfclient/survey/default.asp?surveyid=8>

- Personal vehicle
- Walking
- WTA bus
- Amtrak train
- Greyhound bus
- Private shuttle/van
- Taxi cab
- Rental vehicle
- Bicycle
- Other
- I don't know

8) For this passenger ferry service, what would be your household's most likely transportation connection in FRIDAY HARBOR? (Select All that Apply)

- Personal vehicle
- Walking
- San Juan Transit
- Bicycle
- Private shuttle/van
- Taxi cab
- Rental vehicle
- Other
- I don't know

9) Please list transportation services or on-boat amenities that you feel would make your household's use of this ferry service more likely, effective, or enjoyable.

[Finish Survey](#)

Whatcom Council of Governments
Passenger Only Ferry Study

Appendix F Online Survey Results

Whatcom County Survey Results

Total Whatcom County Respondents: 59

Which of your household's San Juan Island trips could be served by the Bellingham passenger ferry?		
Commute to or from my place of work	5	3.5%
Work-related trips	5	3.5%
Shopping	32	22.7%
Services (i.e. banking, health care, etc.)	8	5.7%
Recreation (i.e. museum, hiking, casino)	47	33.3%
Visiting friends and family	25	17.7%
Other	19	13.5%
TOTAL	141	

Please check any factors that you feel currently limit this ferry service's usefulness for your household (select all that apply)		
I/We have limited need for, or interest in, traveling between San Juan Island and Bellingham	4	5.6%
Cost	8	11.1%
Need a car to transport large items	9	12.5%
The current schedule	38	52.8%
Need a car to travel to and from the terminal	9	12.5%
Other	4	5.6%
TOTAL	72	

For this passenger ferry service, what would be your household's most likely transportation connection in BELLINGHAM?		
Other	1	1.0%
Personal vehicle	42	42.9%
Walking	17	17.3%
WTA bus	16	16.3%
Amtrak train	1	1.0%
Greyhound bus		
Private shuttle/van	2	2.0%
Taxi cab	3	3.1%
Rental vehicle	1	1.0%
Bicycle	14	14.3%
I don't know	1	1.0%
TOTAL	98	

For this passenger ferry service, what would be your household's most likely transportation connection in FRIDAY HARBOR?		
Other	7	6.5%
Personal vehicle	8	7.5%
Walking	45	42.1%
Private shuttle/van	1	0.9%
Taxi cab	2	1.9%
Rental vehicle	6	5.6%
Bicycle	19	17.8%
I don't know	6	5.6%
San Juan Transit	13	12.1%
TOTAL	107	

Please select your age category:		
5-9	1	1.7%
15-19	1	1.7%
20-24	4	6.9%
25-34	15	25.9%
35-44	10	17.2%
45-54	13	22.4%
55-59	8	13.8%
60-64	4	6.9%
65-74	2	3.4%
85+	0	0.0%
TOTAL	58	

How often do you travel to or from San Juan Island?		
At least once a day	1	1.7%
At least once a week	5	8.6%
At least once a month	11	19.0%
Once every two months	14	24.1%
Once a season	11	19.0%
Once a year	10	17.2%
Rarely	4	6.9%
Never	2	3.4%
TOTAL	58	

San Juan County Survey Results

Total San Juan County Respondents:46

Which of your household's San Juan Island trips could be served by the Bellingham passenger ferry?		
Commute to or from my place of work	6	3.6%
Work-related trips	16	9.6%
Shopping	39	23.4%
Services (i.e. banking, health care, etc.)	30	18.0%
Recreation (i.e. museum, hiking, casino)	35	21.0%
Visiting friends and family	29	17.4%
Other	12	7.2%
TOTAL	167	

Please check any factors that you feel currently limit this ferry service's usefulness for your household (select all that apply)		
I/We have limited need for, or interest in, traveling between San Juan Island and Bellingham	7	9.9%
Cost	4	5.6%
Need a car to transport large items	13	18.3%
The current schedule	31	43.7%
Need a car to travel to and from the terminal	12	16.9%
Other	4	5.6%
TOTAL	71	

For this passenger ferry service, what would be your household's most likely transportation connection in BELLINGHAM?		
Other	5	3.6%
Personal vehicle	14	10.1%
Walking	25	18.1%
WTA bus	24	17.4%
Amtrak train	8	5.8%
Greyhound bus	2	1.4%
Private shuttle/van	4	2.9%
Taxi cab	13	9.4%
Rental vehicle	18	13.0%
Bicycle	15	10.9%
I don't know	10	7.2%
TOTAL	138	

For this passenger ferry service, what would be your household's most likely transportation connection in FRIDAY HARBOR?		
Other	6	7.2%
Personal vehicle	38	45.8%
Walking	27	32.5%
Private shuttle/van		0.0%
Taxi cab	3	3.6%
Rental vehicle		0.0%
Bicycle	9	10.8%
I don't know		0.0%
San Juan Transit		0.0%
TOTAL	83	

Please select your age category:		
5-9		0.0%
15-19	1	2.2%
20-24	2	4.3%
25-34	6	13.0%
35-44	7	15.2%
45-54	13	28.3%
55-59	10	21.7%
60-64	6	13.0%
65-74	1	2.2%
85+		0.0%
TOTAL	46	

How often do you travel to or from San Juan Island?		
At least once a day	1	2.2%
At least once a week	9	19.6%
At least once a month	25	54.3%
Once every two months	7	15.2%
Once a season	2	4.3%
Once a year	0	0.0%
Rarely	1	2.2%
Never	1	2.2%
TOTAL	46	

Whatcom Council of Governments
Passenger Only Ferry Study

Appendix F Online Survey Results

Other Results

Total Other Respondents:5

Which of your household's San Juan Island trips could be served by the Bellingham passenger ferry?		
Commuter to or from my place of work	2	11.8%
Work-related trips	2	11.8%
Shopping	2	11.8%
Services (i.e. banking, health care, etc.)	3	17.6%
Recreation (i.e. museum, hiking, casino)	5	29.4%
Visiting friends and family	2	11.8%
Other	1	5.9%
TOTAL	17	

Please check any factors that you feel currently limit this ferry service's usefulness for your household (select all that apply)		
I/We have limited need for, or interest in, traveling between San Juan Island and Bellingham	3	33.3%
Cost	1	11.1%
Need a car to transport large items	1	11.1%
The current schedule	2	22.2%
Need a car to travel to and from the terminal	1	11.1%
Other	1	11.1%
TOTAL	9	

For this passenger ferry service, what would be your household's most likely transportation connection in BELLINGHAM?		
Other	0	0.0%
Personal vehicle	4	50.0%
Walking	1	12.5%
WTA bus	1	12.5%
Amtrak train	0	0.0%
Greyhound bus	0	0.0%
Private shuttle/van	0	0.0%
Taxi cab	1	12.5%
Rental vehicle	0	0.0%
Bicycle	1	12.5%
I don't know	0	0.0%
TOTAL	8	

For this passenger ferry service, what would be your household's most likely transportation connection in FRIDAY HARBOR?		
Other	0	0.0%
Personal vehicle	0	0.0%
Walking	4	50.0%
Private shuttle/van	0	0.0%
Taxi cab	2	25.0%
Rental vehicle	0	0.0%
Bicycle	2	25.0%
I don't know	0	0.0%
San Juan Transit	0	0.0%
TOTAL	8	

Please select your age category:		
5-9	0	0.0%
15-19	0	0.0%
20-24	0	0.0%
25-34	1	20.0%
35-44	0	0.0%
45-54	1	20.0%
55-59	0	0.0%
60-64	1	20.0%
65-74	1	20.0%
85+	1	20.0%
TOTAL	5	

How often do you travel to or from San Juan Island?		
At least once a day	0	0.0%
At least once a week	1	20.0%
At least once a month	0	0.0%
Once every two months	1	20.0%
Once a season	1	20.0%
Once a year	1	20.0%
Rarely	1	20.0%
Never	0	0.0%
TOTAL	5	

Appendix G
Full List of Desired Routes
Passenger Survey Respondents

