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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

March 25, 2005

VIA FACSIMILE – (360) 586-1150 – AND U.S. MAIL

Ms. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Re: San Juan Express, Inc.
Certificate No. BC-117
Request to *Temporarily* Discontinue Ferry Service to Rosario

Dear Ms. Washburn:

San Juan Express, Inc. ("SJE"), holds Certificate No. BC-117 which, among other routes, allows for passenger and freight ferry service between Seattle and Orcas Island, specifically Rosario.

Per Washington Utilities and Transportation Commission's approval in March of 2004 (TS-040274), SJE temporarily discontinued service from Friday Harbor to Rosario.

Like last year, pursuant to WAC 480-51-130, San Juan Express, Inc. respectfully requests that the Commission grant SJE permission to temporarily discontinue providing its commercial ferry service to Rosario under its Certificate No. BC-117.

SJE's reasons for requesting the temporary discontinuance to Rosario are as follows:

1. Insufficient passenger volume to yet warrant renewal of service. Overall demand to the San Juan Islands has declined in recent years;
2. Inordinate costs of operation as evidenced by increased fuel costs industry wide, as well as Rosario Resort's decision to commence charging for dock use; and
3. Alternative travel methods are currently available to the public via the Washington State Ferry system.

Should an immediate need for commercial ferry service arise, SJE is prepared to resume service to meet those needs.

Clipper Navigation, Inc.

2701 Alaskan Way, Pier 69
Seattle, WA 98121-1199
Reservations: 206-448-5000
Administration: 206-443-2560
FAX: 206-443-2583

www.victoriaclipper.com

254 Belleville Street
Victoria, BC V8V 1W9 Canada

Reservations: 250-382-8100
Administration: 250-384-8322
FAX: 250-382-2152



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SJE understands that pursuant to WAC 480-51-130 the Commission will not grant permission for discontinuance of service for periods exceeding twelve months. Accordingly, SJE requests that the Commission grant them temporary discontinuance to Rosario for the twelve (12) month period June 11, 2005 – June 10, 2006.

Please place SJE's Request to Temporarily Discontinue Ferry Service to Rosario on the Agenda for the next Commission meeting consistent with complying with notice requirements. Thank you for your assistance.

Sincerely,

Darrell E. Bryan
Executive Vice President and General Manager

Clipper Navigation, Inc.

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