

June 4, 2008

VIA U.S. MAIL

Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504-7250

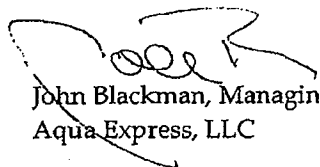
Re: Voluntary Relinquishment of Certificate BC-129

Dear Ms. Washburn:

This is to reluctantly advise that upon further reflection and review of Order No. 3 in Docket No. TS-070889 which granted prior permission to temporarily discontinue commercial ferry service, Aqua Express remains unable to restart service under its certificate. We realize that this admission will subject the certificate to cancellation under WAC 480-51-150, but do not wish to burden either the Commission's or the company's resources further with requests for approval of discontinuance of service against an indefinite resumption of service date. We thus now relinquish that certificate.

We also provide a press release from the company last week wherein we announced the discontinuance and regret for all concerned that we are unable to make a viable go of the commercial ferry passenger-only service route at this time. Finally, we thank the Commission for its assistance and forbearance following suspension of regular service and hope one day to be able to request approval to resume service between these key termini points once again.

Yours truly,


John Blackman, Managing Partner
Aqua Express, LLC

cc: Darrell Bryan
David W. Wiley
Richard Hayes
Ron Templeton
Don Trotter, AAG

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



A Q U A E X P R E S S

Pier 55, Suite 201, Seattle, WA 98101

Release Date:
May 28, 2008

Aqua Express Gives Up Passenger Ferry Certificate

SEATTLE – Aqua Express, a partnership consisting of Argosy Cruises, Clipper Navigation, Four Seasons Marine and Nichols Brothers Boat Builders, has decided to relinquish its WUTC passenger ferry certificate between Kingston and Seattle.

Aqua was originally granted the certificate in July 2004 and began operating passenger ferry service between Kingston and Seattle January 18, 2005. Aqua discontinued service October 1, 2005 after incurring significant losses due to less than anticipated ridership and rapidly escalating fuel costs.

Aqua made a significant investment to start this service, which included purchasing a vessel, designing, permitting and constructing moorage in Kingston.

Aqua has concluded that for a private operator to be successful on this route it needs a government partner with a sustainable long-term revenue stream. “We don’t see this happening in the foreseeable future,” said John Blackman, Managing Member, Aqua Express.

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Media contact: John Blackman (206) 623-1445 • johnb@argosycruises.com