



February 15, 2005

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504

RECEIVED
RECORDS SECTION
05 FEB 17 AM 8:25
OFFICE OF THE
CLERK OF THE
SUPERIOR COURT

Re: Docket No. TS-031996, In re Application No. B-079240 of Pacific Cruises Northwest, Inc., d/b/a Victoria San Juan Cruises; Relinquishment of Portion of Authority of BC-10 on Condition of Extension Thereto

Dear Ms. Washburn:

As President and sole shareholder of Pacific Cruises Northwest, Inc., this is to acknowledge the condition set forth in Initial Order No. 04 in the above docket. That condition is, that on successful issuance of an extension to our Certificate to authorize service between Bellingham and Friday Harbor, applicant would agree to relinquish its authority between Blaine and Roche Harbor and between Bellingham and Roche Harbor as referenced at Finding of Fact No. 10, page 24 of Order No. 04 in the above proceeding.

Thus, pursuant to RCW 81.84, applicant would request that the Commission reissue Certificate BC-10 to delete the authority between Blaine and Roche Harbor and between Bellingham and the San Juan Islands with regular stops at Roche Harbor and flag-stops at Blakely, Orcas and Lopez Island. It is my further understanding that upon simultaneous surrender and deletion of that authority, the new commercial ferry authority between Bellingham and Friday Harbor will be issued after any applicable Commission review interval. Obviously, it is only upon further Commission review and issuance of the extension authority that applicant wishes the request to relinquish authority to be triggered.

Please contact the undersigned if you have any further questions on this matter.

Yours truly,

Drew M. Schmidt
President

cc: David W. Wiley