

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION RECEIVED
1300 South Evergreen Park Drive SW
P. O. Box 47250
Olympia, WA 98504-7250
(360) 664-1222
APR 29 2004
WASH. UT. & TP. COMM.

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 - Freight - Excursion - 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>0606827</u>	MAP _____ INSURANCE _____ SAFETY INSP. CERT. _____ TARIFF _____ TIME SCHEDULE _____ SHIPPER SUPPORT _____	DATE REC'D <u>4/30/04</u> APPLIC'N NO. <u>B-79276</u> MOT CAR NO. <u>42655</u>
AMOUNT \$ <u>200.00</u> (111-0268-0216-02)		

INDICATE TYPE OF APPLICATION:

(Only one type per application)

- Original Certificate
- Extension of Authority
- Transfer all Authority
- Transfer a Portion of Authority
- Temporary Certificate
- Lease of Certificate
- Mortgage of Certificate
- Acquisition of Control

INDICATE TYPE OF SERVICE APPLYING

FOR:

- Certified commercial ferry – including excursion service and/or launch service
- Excursion service only
- Launch service only

1. Name of applicant **Kitsap Ferry Company, LLC (Limited Liability Company)** () Individual () Partnership () Corporation

2. d/b/a **Kitsap Ferry Co.** Unified Business Identifier (UBI) No. **602 318 861**

3. Physical Address **197 Parfitt Way SW, Suite 100**
(City, State, Zip) **Bainbridge Island, Washington 98110**

Mailing Address **Same as above**
(City, State, Zip) **Same as above**

Telephone Number **(206) 780-1440** Fax Number **(206) 780-0484**

Posted

4. 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.

100% Pacific Marine Group, Inc.

197 Parfitt Way SW, Suite 100

Bainbridge Island, WA 98110

Gregory A. Dronkert

President (sole officer)

Incorporated in Washington State

UBI #602 053 888

5. List the territory in which you wish to operate:

Between Bremerton and Seattle, Washington

Waiver of ten-mile restriction: Are you applying for territory which would require a waiver to provide service otherwise forbidden by the ten-mile restriction in RCW 47.60.120?

Yes No

If yes, state fully the circumstances that justify Commission grant of such a waiver:

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). **Please see Exhibit A.**

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). **Please See Exhibit B.**

EXHIBIT A

Ferry Route from Bremerton to Seattle, WA.



Company Name: Kitsap Ferry Company, LLC

Passenger Rules and Regulations Kitsap Ferry Continued

Schedule maintenance: The Company will not be liable for delays caused by accidents, breakdowns, storms, or other conditions beyond its control. Though every effort will be made to meet the published time schedule, the carrier makes no guarantee to arrive at, or depart from, any point at a specific time.

Objectionable passengers: The Company reserves the right to refuse to transport persons under the influence of drugs or liquor, or who are incapable of taking care of themselves, or whose condition, conduct, or behavior may be objectionable to other passengers.

Baggage rules and charges: Hand baggage not exceeding 40 pounds for each adult fare and not exceeding 10 pounds on each child's fare will be carried free.

Excess weight: For baggage weight in excess of the free allowance above, the charge will be \$5 per unit; limited to maximum of 80 lbs per unit.

Valuation: The carrier will not be liable for lost or damaged baggage caused by accidents, or other conditions beyond its control.

Animals: Dogs, cats, and other animals or birds will not be allowed.

Exception: *Dogs traveling with sight or hearing-impaired passengers will be carried free of charge. The dogs will not be permitted to occupy a seat, but must lie or stand by their owner.*

Bicycles: Will be charged an additional \$1.00 per shipment for a maximum of 15 bicycles per sailing.

Issue Date: April 28, 2004

Effective Date: Upon Issuance

EXHIBIT C

() Revised Title Page

Time Schedule No. KFC 01

Of

Company Name: Kitsap Ferry Company, LLC

Certificate of Convenience and Necessity Number: _____

Operating under the Trade Name of: Kitsap Ferry Co.

Providing Commercial Ferry Service
In The Following Described Territory:

Between Bremerton, WA – Seattle, WA

With Terminals At:
Piers 54-57, Seattle
and
Passenger Only Ferry Terminal, Bremerton

Issued by: Kitsap Ferry Company, LLC

Name/Title of Issuing Agent: Gregory A. Dronkert, Manager

Mailing Address: 197 Parfitt Way SW, Suite 100
Bainbridge Island, WA 98110

Telephone Number: (206) 780-1440

E-mail Address: gdronkert@pacificmarinegroup.com

Fax Number: (206)780-0484

Issue Date: April 28, 2004

Effective Date: Upon Issuance

Page Effective Date

Docket No.

Commission Order No.

Hull & Machinery / War

Carrier: 50% Continental Insurance Co. (MOAC)
50% Zurich American Insurance Co.

Policy No. WS0305

Coverages: Hull & Machinery

Vessel: M/V SPIRIT OF ADVENTURE

Insured Value: \$2,300,000

Deductibles: \$50,000 any one accident or occurrence

Conditions: American Institute Hull Clauses (7/2/77)
American Institute Hull War Risks and Strikes Clauses (87B-108)
American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses – December 1, 1977 (April 1, 1984)
Automatic Acquisition Clause
Leased Equipment Clause
Equipment Away from Vessel Clause
Blanket Additional Assureds / Waivers of Subrogation as may be required by contract.
American Institute Strikes Riots Civil Commotion Clause (Sept. 8, 1959)
Radioactive Contamination Clause
Brokers Cancellation Clause (30 days)

Hull Rate: 1.15% (M/V SPIRIT OF ADVENTURE)

War Rate: 0.05%

Hull Premium: \$ 25,450 per annum

War Premium: \$ 1,150 per annum

Protection & Indemnity

Carrier: 50% Continental Insurance Co. (MOAC)
50% Zurich American Insurance Co.

Policy No. WS0305

Coverages: Protection & Indemnity

Vessel: M/V SPIRIT OF ADVENTURE

Limits of Liability: \$1,000,000 any accident or occurrence, Combined Single Limit including Crew Liability and Liability to Passengers.
Sub-limits:
Personal Effects: \$1,000 Per Occurrence
Medical Payments: \$2,500 Per Person

Deductibles: \$2,500 any one accident or occurrence
Except:
Personal Effects \$100
Passenger Liability Nil
Medical Payments Nil

Conditions: SP 38
Affiliated Companies Clause
Automatic Acquisition Clause
American Institute Pollution Exclusion and Pollution Buy-Back (A)
Blanket Additional Assureds/Waivers of Subrogation as may be required by contract.
Radioactive Contamination Exclusion Clause
Brokers Cancellation Clause (30 days)
Punitive Damage Exclusion

Premium: \$20,750 per annum

Excess Protection & Indemnity

Carrier: Navigators Insurance Co.

Policy No. SE03LIA8511/81

Coverages: Excess Protection & Indemnity

Vessel: M/V SPIRIT OF ADVENTURE

Limits of Liability: Excess Protection & Indemnity
\$4,000,000 any accident or occurrence,
Excess of
\$1,000,000 any one accident or occurrence

Conditions: Excess Marine Liabilities to follow terms, conditions and clauses of underlying policies.

Premium: \$ 4,000 per annum

Vessel Pollution Coverage

Carrier: Great American Insurance Company of New York

Policy No.: OMH3492845

Coverage: Oil Pollution Act and CERCLA

Vessels: M/V SPIRIT OF ADVENTURE

Limit of Liability: \$5,000,000 any one vessel any one incident

Conditions: Great American Vessel Owner Pollution Coverage
Oil Pollution Act 1990 (Federal)
Oil Pollution Act 1990 (State)
CERCLA
Miscellaneous Spill Liability
Defense Costs
Firefighting and Salvage
Limited Administrative Penalties (Limited to \$250,000 per vessel
per incident)
Public Relations (Limited to \$100,000 per vessel per incident)

Premium: \$ 700 per annum

BINDER OF INSURANCE

PAGE 1 OF 2

DATE(MM/DD/YY)
20-MAY-2003

PRODUCER Willis of Seattle, Inc. P.O. Box 34201 1500 Fifth Ave. So., #200 Seattle WA 98124	PHONE (A/C, No, Ext): (206) 386-7400	COMPANY Continental Insurance Company of New Jersey	BINDER # 00028549-01				
Contact : Diana Wales		ADMITTED	X	NON ADMITTED			
ACCOUNT ID 560300		DATE	EFFECTIVE	TIME	DATE	EXPIRATION	TIME
INSURED Pacific Marine Group, Inc. 197 Parfitt Way SW Suite 100 Bainbridge Isl. WA 98110		13-MAY-2003	12:01	X	AM	11-AUG-2003	X 12:01AM NOON
		Policy #: WS0305 Expiring Policy #: N/A					
		DESCRIPTION OF OPERATIONS Hull, War, and P&I "Spirit of Adventure" Policy Period: 5/13/03 to 5/13/04 Annual Premium: \$25,450.					

COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:

See attached Client Coverage Confirmation.

Carriers: 50% Continental Insurance Co. (MOAC) - Policy No. H872968
50% Zurich American Insurance Co. - Policy No. MH3546088

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE

Donald W. Bacic

AUTHORIZED REPRESENTATIVE

DATE

BINDER OF INSURANCE

PAGE 1 OF 2

DATE (MM/DD/YY)
20-MAY-2003

PRODUCER Willis of Seattle, Inc. P Box 34201 L Fifth Ave. So., #200 Seattle WA 98124 Contact : Diana Wales	PHONE (A/C, No, Ext): (206) 386-7400	COMPANY Navigators Insurance Company	BINDER # 00028545-01			
	ADMITTED	<input checked="" type="checkbox"/>	NON ADMITTED			
	DATE	EFFECTIVE	TIME	DATE	EXPIRATION	TIME
	13-MAY-2003	12:01	<input checked="" type="checkbox"/> AM <input type="checkbox"/> PM	11-AUG-2003	<input checked="" type="checkbox"/>	12:01AM NOON
ACCOUNT ID 560300	INSURED Pacific Marine Group, Inc. 197 Parfitt Way SW Suite 100 Bainbridge Isl. WA 98110					
DESCRIPTION OF OPERATIONS Excess Protection & Indemnity "Spirit of Adventure" Policy Period: 5/13/03 to 5/13/04 Annual Premium: \$4,000.						

COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:

See attached Client Coverage Confirmation.

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE

Donald W. Bacc

AUTHORIZED REPRESENTATIVE

DATE

BINDER OF INSURANCE

PAGE 1 OF 2

DATE(MM/DD/YY)
20-MAY-2003

PRODUCER Willis of Seattle, Inc. P O Box 34201 Fifth Ave. So., #200 Seattle WA 98124	PHONE (A/C, No, Ext): (206) 386-7400	COMPANY Great American Insurance Company	BINDER # 00028548-01						
Contact : Diana Wales		ADMITTED	X	NON ADMITTED					
ACCOUNT ID 560300 INSURED	DESCRIPTION OF OPERATIONS Vessel Pollution Liabilities "Spirit of Adventure" Policy Period: 5/13/03 to 5/13/04 Annual Premium: \$700.		DATE	EFFECTIVE	TIME	DATE	EXPIRATION	TIME	
Pacific Marine Group, Inc. 197 Parfitt Way SW Suite 100 Bainbridge Isl. WA 98110			13-MAY-2003	12:01	X	AM	11-AUG-2003	X	12:01AM NOON
		Policy #: OMH3492845		Expiring Policy #: N/A					

COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:

See attached Client Coverage Confirmation.

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE

Donald W Bacic

AUTHORIZED REPRESENTATIVE

DATE

EXHIBIT E (1)

**Kitsap Ferry Company - 8 Trips Per Day
P&L Year 1**

	TOTAL
PASSENGER FARE REVENUE	1,332,609
ONBOARD SALES	122,821
OTHER REVENUE	106,368
TOTAL REVENUE	1,561,798
SAILINGS	2,080
TOTAL PASSENGERS	245,642
DIRECT EXPENSES	
FIRST CLASS CONSUMABLES	12,282
ONBOARD SALES COST OF GOODS	46,058
CREDIT CARD FEE	13,554
DIRECT EXPENSES	71,894
OPERATING COST	
CREW COST	275,356
FUEL	210,052
LUBES AND GREASE	21,005
OPERATING SUPPLIES	34,634
MOORAGE	59,707
VESSEL COST	395,423
REPAIRS & MAINTENANCE	127,956
INSURANCE	91,833
OPERATING COST	1,215,966
GENERAL & ADMIN	
PAYROLL	175,522
MARKETING	78,125
OFFICE COST	108,609
TAXES	13,903
GENERAL & ADMIN	376,159
TOTAL EXPENSES	1,664,020
EBITDA	(88,926)
Depreciation	21,000
EBIT	(109,926)
Interest Expenditure	1,088
Interest Income	
Net Interest	(1,088)
NET PROFIT PRE TAX	(111,014)
Tax	
NET PROFIT	(111,014)

EXHIBIT E (2)

**Kitsap Ferry Company - 8 Trips Per Day
Projected Ridership and Revenues Year 1**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
PASSENGER FARE REVENUE	97,581	103,680	103,876	109,779	108,598	114,658	115,877	105,765	118,317	115,681	120,756	118,041	1,332,609
ONBOARD SALES	8,994	9,556	9,574	10,118	10,009	10,568	10,680	9,748	10,905	10,662	11,130	10,879	122,821
OTHER REVENUE	7,759	7,759	7,759	7,759	7,759	7,759	9,969	9,969	9,969	9,969	9,969	9,969	106,368
TOTAL REVENUE	114,334	120,994	121,209	127,655	126,366	132,984	136,526	125,482	139,191	136,311	141,855	138,890	1,561,798
VESSEL PAX CAPACITY													
LOADFACTOR	45%	48%	50%	51%	52%	53%	54%	54%	55%	55%	56%	57%	
AVERAGE PAX PER SAILING	102	108	112	115	117	120	121	122	123	125	126	127	1,418
SAILINGS	177	177	171	177	171	177	177	160	177	171	177	171	2,080
TOTAL PASSENGERS	17,987	19,111	19,148	20,236	20,018	21,135	21,360	19,496	21,810	21,324	22,259	21,759	245,642

EXHIBIT F

AGREEMENT FOR SUBMISSION OF UTC APPLICATION FOR POF SERVICE

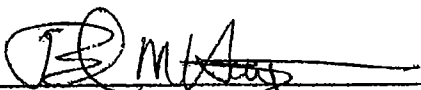
This Agreement is made by and between Kitsap Transit, a Washington Municipal Corporation ("KT") and KITSAP FERRY COMPANY, LLC, a Washington Limited Liability Company ("Applicant") as of the ~~5th~~ day of ~~March~~, 2004.
APRIL

1. KT agrees that Applicant may file and submit an application (the "Application") for the issuance of a certificate of public convenience and necessity (the "Certificate") to the Washington Utilities and Transportation Commission (the "UTC") for the initiation and operation of Passenger-Only Ferry Service ("POF Service") over the following Route (the "Route"):

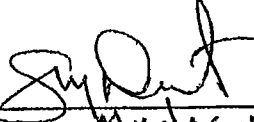
Bremerton to Seattle

2. Applicant and KT covenant and agree that in the event Applicant procures the Certificate, Applicant and KT will immediately execute the POF Service Agreement in the form attached as Exhibit 1, or in a revised form mutually approved by Applicant and KT.
3. Applicant acknowledges that (i) KT would not have signed this Agreement in the absence of Applicant's covenant to sign the POF Service Agreement; and (ii) notwithstanding Applicant's procurement of the Certificate, Applicant may not undertake POF Service without executing the POF Service Agreement.
4. KT acknowledges that it is executing this Agreement pursuant to Resolution No. 04-15 duly adopted on March 2, 2004 by KT's Board of Commissioners approving KT's agreement to Applicant's Application, and subject to the execution hereof KT will cause its Board to adopt a new Resolution in the form attached as Exhibit 2.

KITSAP TRANSIT

By 
RICHARD HAYES, Executive Director

KITSAP FERRY COMPANY, LLC

By 
Its MANAGER



Share the water. Share the wonder.

1101 Alaskan Way • Pier 55, Suite 201 • Seattle, WA • 98101 • 206-623-1445 • FAX 206-623-5474
www.argosycruises.com

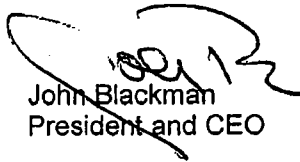
April 20, 2004

Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Honorable Commissioners,

Kitsap Ferry Company, LLC has made arrangements with Argosy Cruises for dock space along the central Seattle waterfront to be used for the loading and unloading of passengers in support of scheduled passenger-only ferry operations between Bremerton and Seattle Washington.

Sincerely,



John Blackman
President and CEO



KITSAP COUNTY BOARD OF COMMISSIONERS

April 26, 2004

The Honorable Marilyn Showalter, Chairwoman
The Honorable Dick Hemstad, Commissioner
The Honorable Patrick J. Oshie, Commissioner
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Chris Endresen
DISTRICT 1

Jan Angel
DISTRICT 2

Patty Lent
DISTRICT 3

Malcolm Fleming
County Administrator

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

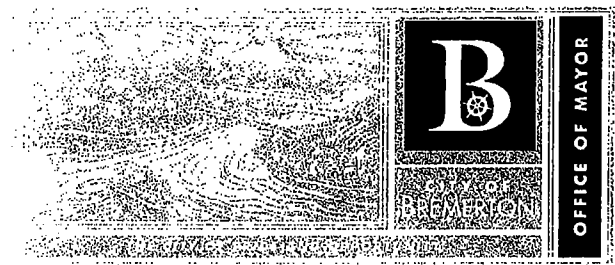
There is an urgent and immediate need for this service and we urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Handwritten signatures of Patty Lent, Jan Angel, and Chris Endresen with their respective titles: Commissioner, District 3, Chair; Commissioner, District 2; Commissioner, District 1.

cc: Dick Hayes, Executive Director, Kitsap Transit

BOC: kkb
G:\com\data\District 1\letters\2004\BOARD - WUTC



Mayor Cary Bozeman

March 31, 2004



The Honorable Marilyn Showalter, Chairwoman
The Honorable Dick Hemstad, Commissioner
The Honorable Patrick J. Oshie, Commissioner
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

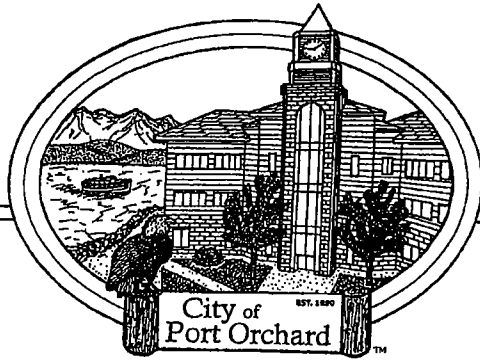
Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Bremerton urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Cary Bozeman
Mayor



CITY OF PORT ORCHARD Office of the Mayor

CITY HALL • 216 Prospect Street, Port Orchard, WA 98366
(360) 876-4409 • FAX (360) 895-9029

April 19, 2004

The Honorable Marilyn Showalter, Chairwoman
The Honorable Dick Hemstad, Commissioner
The Honorable Patrick J. Oshie, Commissioner
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

I am writing to lend the City of Port Orchard's wholehearted support to the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a necessary element of Washington State's transportation network. It provides a vital link between Kitsap and the eastern Puget Sound Counties. Until it was discontinued in September of 2003, the Washington State Ferries (WSF) provided this service.

The current car ferry service between Bremerton and Seattle does not fully meet demand, in terms of frequency, transit time (speed), nor connection opportunities. This restricts economic activity throughout our county and region. Citizens of Port Orchard rely on the ferry for work, education, and entertainment opportunities.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Port Orchard urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Kim Abel
Mayor of Port Orchard



**BREMERTON
CHAMBER**

P.O. Box 229

301 Pacific

Bremerton, WA 98337

*A Stronger
Chamber
Equals
A Stronger
Community*

**Bremerton Area
Chamber of Commerce**

PH: (360) 479-3579

FAX: (360) 479-1033

email: chamber@
bremertonchamber.org

Web Page:
www.bremertonchamber.org

RECEIVED
APR 1 2004

April 1, 2004

Kjartan Gilje
Kitsap Ferry Company, LLC
197 Parfitt Way SW, Suite 100
Bainbridge Island WA 98110

Dear Kjartan,

The Bremerton Area Chamber of Commerce wholeheartedly supports Kitsap Ferry Company's efforts to provide passenger-only ferry service between the Seattle area and communities in Kitsap County.

For many years, the Chamber has been on record as a strong proponent of passenger-only ferry service. It is key to Bremerton's revitalization efforts and an important link for commuters, tourists and commerce.

The service is not simply a convenience – it is a necessity for our community. Kitsap County has about 90,000 employable people but roughly only 70,000 jobs. While many organizations and businesses work hard to bring more employment opportunities to the area, there remains a large gap between employees and jobs. Until that gap is eliminated, our friends and neighbors must have reliable and timely ferry service so they can support their families. Passenger-only ferry service is essential because it enables commuters to spend less time away from their families.

Kitsap Ferry Company's services are also essential for commerce. Businesses rely on technological advances to enhance business opportunities and efficiencies, however, face-to-face meetings are still as essential as ever. Passenger-only ferry service provides an efficient means for businesspeople to meet with clients and suppliers while saving an hour of valuable travel time. The time saved enhances productivity and adds to the bottom line of businesses.

Passenger-only ferry service is a key component of revitalization, quality of life and economic development. We encourage your positive consideration of Kitsap Ferry Company's proposal.

Sincerely,

Silvia Klatman, IOM
Executive Director



April 12, 2004

The Honorable Marilyn Showalter, Chairwoman
The Honorable Dick Hemstad, Commissioner
The Honorable Patrick J. Oshie, Commissioner
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF). The introduction of commercial operators will provide full ferry service to the Kitsap peninsula with rates appropriate for the services they provide.

There is an urgent and immediate need for this service. I urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Respectfully,

A handwritten signature in black ink that reads "Elizabeth A. Gilje". The signature is written in a cursive style with a large initial "E".

Elizabeth A. Gilje
President
KPS Health Plans



April 28, 2004

Ms. Carole J. Washburn
Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED

APR 29 2004

WASH. UT. & TP. COMM.

Re: Temporary permit application for Kitsap Ferry Company, LLC

Dear Ms. Washburn:

On behalf of Kitsap Ferry Company, LLC, please find the attached application for a temporary permit to operate a commercial passenger-only ferry service between Bremerton and Seattle, Washington. As the application indicates, and as emphasized through the enclosed letters of support, there is an urgent and immediate need for a passenger-only ferry between Bremerton and Seattle. We are submitting this application for a temporary certificate to expedite the certificate process with the intent of initiating service as soon as possible this summer. We will be submitting an application for the permanent certificate shortly.

To support today's application, we have provided:

Check for \$200	(Filing fee)
Binder	
Application	(Application)
Exhibit A	(Route)
Exhibit B	(Tariffs)
Exhibit C	(Schedule)
Exhibit D	(SOA Spec Sheet, COI, Insurance Info.)
Exhibit E	(Pro-Forma and Ridership)
Exhibit F	(Kitsap Transit Agreement)
Exhibit G	(Dock Use Letter)
Exhibit H	(Letters of Support)

Please do not hesitate to contact me should you have any questions regarding this application. Thank you for your consideration.

Sincerely,

Gregory A. Dronkert

PACIFIC NAVIGATION CO.



FACSIMILE

Date: 5/4/04
 To: TINA LEIPSKI
 Company: WUTC
 Facsimile Number: ³⁶⁰586 1150 Telephone Number: 664 1160
 From: GREG DRONKOLT
 Number of pages: 2 (including cover)

Regarding: KITSAP FERRY CO.

Tina,
 Here is current certificate through July 30th.
 Diana will e-mail you and I the Revision
 that shows Kitsap Ferry as named insured.
 When we review the policy, we will
 provide you a new certificate.

197 Parfitt Way SW, Suite 100
 Bainbridge Island, Washington 98110
 Telephone (206) 780-1440 Facsimile (206) 780-0484
 www.pacificnavigationco.com

THANKS!

Certificate of Marine Insurance

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
 THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

NAME AND ADDRESS OF AGENCY: Willis of Seattle, Inc. 505 Fifth Avenue South, Suite 200 Seattle, WA 98104 Phone 206-388-7400	COMPANIES AFFORDING COVERAGE
	A Continental Insurance Co. (MOAC) 60% Zurich American Insurance Co. 50%
	B Great American Insurance Co. of New York
	C Navigators Insurance Co.

NAME AND ADDRESS OF INSURED: Pacific Marine Group, Inc. dba Pacific Navigation LLC 197 Parfitt Way SW, Suite 100 Bainbridge Island, WA 98110	This is to certify that the policies of insurance listed below have been issued to the Insured named herein 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.
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CO. LETTER	TYPE OF INSURANCE	POLICY NO.	POLICY TERM	LIMITS
A	Hull & Machinery Protection & Indemnity	WS 0305	5/13/2003 - 6/30/2004	Hull Insured Value \$2,300,000. Hull Deductible \$50,000. P&I \$1,000,000. per occurrence P&I Deductible \$2,500. /occur.
B	Vessel Pollution	OMH3492845	5/13/2003 - 6/30/2004	\$5,000,000. OPA and CERCLA
C	Excess Protection & Indemnity & Pollution Liabilities	SE03LIA8511/81	5/13/2003 - 6/30/2004	\$4,000,000. excess of underlying P&I and Pollution

COMMENTS / SPECIAL CONDITIONS:

Vessels Insured: M/V "SPIRIT OF ADVENTURE", OFFICIAL NO. 884714

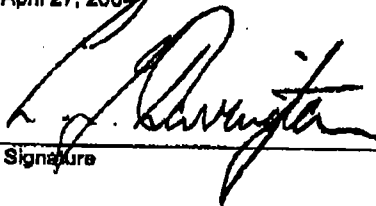
Forms: Hull & Machinery as per American Institute Hull Clauses (8/2/77).
 Protection & Indemnity as per P&I Clauses SP-38.
 Pollution as per Great American Vessel Owner Pollution Coverage form GAI 2270 (12/02).
 Excess Liabilities as per American Institute Excess Marine Liabilities Following Form.

RE: Evidence of Insurance as required by the application for a Commercial Ferry Certificate.

Cancellation: Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative.

CERTIFICATE HOLDER:
 Washington Utilities and Transportation
 Commission
 1300 South Evergreen Park Drive SW
 PO Box 47250
 Olympia, WA 98504-7250

DATED: April 27, 2004



 Authorized Signature

Willis