

To: Oscar Fittipaldi
RTD International LLC

RE: TIME LINE CONCERNING DECKHAND DIRECTIVE

I requested Mike Kovach to set up an introduction to local USCG officials, to see the new maintenance facility, and to be properly introduced in my new role in early December. Phone tag was played until mid-January between LCDR Willis and Mike Kovach. Mike Kovach received a phone call sometime in early January from LCDR Willis requesting an **informal** meeting to review operations of the 2003 season, and to discuss the 2004 season. This meeting was confirmed via e-mail 20 January 2004, for 10am on 22 January 2004, to be held at MSO/Group Philadelphia. At no time during these conversations, was there any indication that this meeting would involve any type of alterations to the COI.

22 January 2004: A meeting was held between CDR Billian, LCDR Willis, myself, and Michael Kovach. The content of this meeting revolved around CDR Billian's concerns, specifically: response times to water incidents, passengers at the operators' station of the ducks, and the issue of possibly revisiting the deckhand issue. At this point, I considered the meeting to shift from a "meeting" to an "ambush." The meeting lasted approximately 45 minutes. We discussed the above issues and how we could approach their concerns. They asked if we were considering a Safety Response Vessel. We responded that we would be willing to discuss this further, but no commitment was made. CDR Billian requested an informal analysis of response times to an on the water emergency in light of a potential Safety Response Vessel, including worst-case scenario situations.

Several days later, there was a follow up phone conversation between CDR Billian and myself to gain clarification as to what, exactly, he wanted to see as part of this informal action plan. CDR Billian indicated that he was less concerned with the deckhand issue, and more concerned with the two issues of a) distance from shore and b) passengers in the operator's station of ducks. At this time, our efforts were re-focused on working with the USCG to resolve their concerns, either through immediate compliance, or through explanation and compromise, to ensure that we would meet their expectations, but would not be held to any restriction that would pose a significant threat to our ability to safely and effectively operate Ducks on the Delaware River. This gave me time to discuss options with Oscar, and to formulate a collective strategy. I recommended that we call CDR Billian, and set up a phone conference between the three of us, to occur at MSO/Group Philadelphia. I was going to be in his office, and we would then call Oscar to discuss CDR Billian's three main concerns, mainly a) deckhands, b) distance from shore, and c) passengers in the operator's station of ducks. Billian accepted this invitation to a conference call.

When I arrived at MSO/Group Philadelphia on 23 February 2004 at 1:30pm, I was greeted by LT Mattern, whom I had not met before, and I was brought upstairs. I was placed in a conference room, and told that LCDR Willis would be with me shortly. I asked about CDR Billian's location. LCDR Willis indicated that CDR Billian was at a luncheon, and had forgotten about our appointment. LCDR Willis tried to track down CDR Billian, who was not available. Obviously, had I prior knowledge that the Commander was not going to be available, I would not have attended this meeting. LCDR Willis indicated that he would be

willing to stand in on CDR Billian's behalf for this conference call. Since we had already made arrangements, and so as not offend LCDR Willis, I accepted his offer, and invited LT Mattern to sit in. We called Oscar. He seemed surprised, as was I, that CDR Billian had not shown up for this meeting. We began discussing the aforementioned three issues. LCDR Willis indicated that in terms of a deckhand, this was a workable issue, provided we work collectively toward a mutual agreement. The two outstanding issues remained distance from shore, and passengers in the operator's station. Oscar and I agreed to limit our distance from the shore line to 300 ft, and that we would further discuss passengers in the operator's station. LCDR Willis then asked Oscar and myself if we could provide an explanation of, and documentation to support Ride the Ducks' position that we did not need a deckhand. Oscar and I responded, and indicated that it would be done in a timely fashion. Oscar and I worked for several days together, using a letter which had been generated for use in Ft. Lauderdale as a template, to explain our position. When completed, we had generated a 12-page document, two copies of which were hand-delivered by myself to LCDR Willis and CDR Billian at MSO/Group Philadelphia on 01 March 2004.

Once these were delivered, our position was to await CDR Billian's and LCDR Willis' response to this document. Neither Oscar nor myself heard anything from MSO/Group Philadelphia, until 24 March 2004.

Around 3pm on 24 March 2004, I received a phone call from CDR Billian. At this time, I was conducting a "spot check" of the operational inspections being conducted by LT Mattern. She was conducting drills with a Captain in Training, with Mike Kovach attending. This operational inspection was the last of 8 ducks to be inspected that week. I questioned LT Mattern as to the nature of the inspections, and she indicated that they had gone very well, and that she was impressed with our training program. She indicated that all of our Captains in Training had executed their emergency procedures very well, and that the only 835's she anticipated issuing were minor, none of which were safety-sensitive. When CDR Billian called, I told him that I was not available to speak, due to noise and my location at the time. I got back to him approximately one hour later (4pm.) Over the course of this phone conversation, CDR Billian indicated that he would be requiring a deckhand. He then requested that I generate a proposal indicating our strategy for implementing a deckhand in Philadelphia. I then told him that I would need a letter outlining his position relative to this new directive faxed to my attention before I could respond. He then became hesitant regarding the timeline, and indicated that he would need several more days before he could get this document to me.

Upon receipt of this fax, I deferred my position to Oscar to take the lead. The fax was followed several days later by a hard copy delivered via US Mail. All relevant details, dates, and correspondence after this date I have made available to you, and are in your possession.

Best,

Steve [REDACTED]

p.s. Fast is the word, quick is the action.