

APPENDICES

TABLE OF CONTENTS

Appendix A – Laws & Rules	27
Appendix B – Secretary of State corporation detail	42
Appendix C – TC-072228 commission Order and Settlement Agreement	43
Appendix D – Shuttle Express Independent Contractor Contract Agreement	58
Appendix E – TC-112072 staff Open Meeting memo.....	77
Appendix F – March 30, 2012, commission staff information request	81
Appendix G – May 14, 2012, Shuttle Express response.....	85
Appendix H – June 8, 2012, commission staff information request.....	93
Appendix I – July 16, 2012, Shuttle Express response.....	96
Appendix J – August 7, 2012, email from John Rowley to staff.....	110
Appendix K – August 28, 2012, email from Betty Young to John Rowley	127
Appendix L – September 21, 2012, email from Jimy Sherrell to Betty Young	130
Appendix M – October 17, 2012, email from Betty Young to Jimy Sherrell.....	132
Appendix N – October 19, 2012, email from Jimy Sherrell to Betty Young	133
Appendix O – October 31, 2012, letter from David Danner to Jimy Sherrell.....	134
Appendix P – November 15, 2012, letter from Jimy Sherrell to staff.....	140
Appendix Q – January 25, 2013, email from John Rowley to Betty Young	144
Appendix R – Shuttle Express protest in Docket TC-111619	146

Appendix A

RCW 81.01.010 Adoption of provisions of chapter 80.01 RCW.

The provisions of chapter 80.01 RCW, as now or hereafter amended, apply to Title 81 RCW as fully as though they were set forth herein.

[1961 c 14 § 81.01.010.]

RCW 81.04.010 Definitions.

As used in this title, unless specially defined otherwise or unless the context indicates otherwise:

- (1) "Commission" means the utilities and transportation commission.
- (2) "Commissioner" means one of the members of such commission.
- (3) "Corporation" includes a corporation, company, association, or joint stock association.
- (4) "Low-level radioactive waste site operating company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, owning, operating, controlling, or managing a low-level radioactive waste disposal site or sites located within the state of Washington.
- (5) "Low-level radioactive waste" means low-level waste as defined by RCW 43.145.010.
- (6) "Person" includes an individual, a firm, or copartnership.
- (7) "Street railroad" includes every railroad by whatsoever power operated, or any extension or extensions, branch or branches thereof, for public use in the conveyance of persons or property for hire, being mainly upon, along, above, or below any street, avenue, road, highway, bridge, or public place within any one city or town, and includes all equipment, switches, spurs, tracks, bridges, right of trackage, subways, tunnels, stations, terminals, and terminal facilities of every kind used, operated, controlled, or owned by or in connection with any such street railroad, within this state.
- (8) "Street railroad company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town, owning, controlling, operating, or managing any street railroad or any cars or other equipment used thereon or in connection therewith within this state.
- (9) "Railroad" includes every railroad, other than street railroad, by whatsoever power operated for public use in the conveyance of persons or property for hire, with all facilities and equipment, used, operated, controlled, or owned by or in connection with any such railroad.
- (10) "Railroad company" includes every corporation, company, association, joint stock association, partnership, or person, their lessees, trustees, or receivers appointed by any court whatsoever, owning, operating, controlling, or managing any railroad or any cars or other equipment used thereon or in connection therewith within this state.
- (11) "Common carrier" includes all railroads, railroad companies, street railroads, street railroad companies, commercial ferries, motor freight carriers, auto transportation companies, charter party carriers and excursion service carriers, private nonprofit transportation providers, solid waste collection companies, household goods carriers, hazardous liquid pipeline companies, and every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town, owning, operating, managing, or controlling any such agency for public use in the conveyance of persons or

property for hire within this state.

(12) "Vessel" includes every species of watercraft, by whatsoever power operated, for public use in the conveyance of persons or property for hire over and upon the waters within this state, excepting all towboats, tugs, scows, barges, and lighters, and excepting rowboats and sailing boats under twenty gross tons burden, open steam launches of five tons gross and under, and vessels under five tons gross propelled by gas, fluid, naphtha, or electric motors.

(13) "Commercial ferry" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers, appointed by any court whatsoever, owning, controlling, leasing, operating, or managing any vessel over and upon the waters of this state.

(14) "Transportation of property" includes any service in connection with the receiving, delivery, elevation, transfer in transit, ventilation, refrigeration, icing, storage, and handling of the property transported, and the transmission of credit.

(15) "Transportation of persons" includes any service in connection with the receiving, carriage, and delivery of persons transported and their baggage and all facilities used, or necessary to be used in connection with the safety, comfort, and convenience of persons transported.

(16) "Public service company" includes every common carrier.

(17) The term "service" is used in this title in its broadest and most inclusive sense.

[2007 c 234 § 4; 1993 c 427 § 9; 1991 c 272 § 3; 1981 c 13 § 2; 1961 c 14 § 81.04.010. Prior: 1955 c 316 § 3; prior: 1929 c 223 § 1, part; 1923 c 116 § 1, part; 1911 c 117 § 8, part; RRS § 10344, part.]

RCW 81.04.070 Inspection of books, papers, and documents.

The commission and each commissioner, or any person employed by the commission, shall have the right, at any and all times, to inspect the accounts, books, papers and documents of any public service company, and the commission, or any commissioner, may examine under oath any officer, agent or employee of such public service company in relation thereto, and with reference to the affairs of such company: PROVIDED, That any person other than a commissioner who shall make any such demand shall produce his authority from the commission to make such inspection.

[1961 c 14 § 81.04.070. Prior: 1911 c 117 § 77; RRS § 10415.]

RCW 81.04.110 Complaint — Hearing.

Complaint may be made by the commission of its own motion or by any person or corporation, chamber of commerce, board of trade, or any commercial, mercantile, agricultural or manufacturing society, or any body politic or municipal corporation, by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any public service company or any person, persons, or entity acting as a public service company in violation, or claimed to be in violation, of any provision of law or of any order or rule of the commission.

When two or more public service companies or a person, persons, or entity acting as a public service company, (meaning to exclude municipal and other public corporations) are engaged in competition in any locality or localities in the state, either may make complaint against the other or others that the rates, charges, rules, regulations or practices of such other or others with or in respect to which the complainant is in competition, are unreasonable, unremunerative, discriminatory, illegal, unfair or intending or tending to oppress the complainant, to stifle competition, or to create or encourage the creation of monopoly, and upon such complaint or upon complaint of the commission upon its own motion, the commission shall have power, after notice and hearing as in other

cases, to, by its order, subject to appeal as in other cases, correct the abuse complained of by establishing such uniform rates, charges, rules, regulations or practices in lieu of those complained of, to be observed by all of such competing public service companies in the locality or localities specified as shall be found reasonable, remunerative, nondiscriminatory, legal, and fair or tending to prevent oppression or monopoly or to encourage competition, and upon any such hearing it shall be proper for the commission to take into consideration the rates, charges, rules, regulations and practices of the public service company or companies complained of in any other locality or localities in the state.

All matters upon which complaint may be founded may be joined in one hearing, and no motion shall be entertained against a complaint for misjoinder of complaints or grievances or misjoinder of parties; and in any review of the courts of orders of the commission the same rule shall apply and pertain with regard to the joinder of complaints and parties as herein provided: PROVIDED, All grievances to be inquired into shall be plainly set forth in the complaint. No complaint shall be dismissed because of the absence of direct damage to the complainant.

Upon the filing of a complaint, the commission shall cause a copy thereof to be served upon the person or company complained of, which shall be accompanied by a notice fixing the time when and place where a hearing will be had upon such complaint. The time fixed for such hearing shall not be less than ten days after the date of the service of such notice and complaint, excepting as herein provided. Rules of practice and procedure not otherwise provided for in this title may be prescribed by the commission.

[1994 c 37 § 2; 1961 c 14 § 81.04.110. Prior: 1913 c 145 § 1; 1911 c 117 § 80; RRS § 10422.]

RCW 81.70.310 Application of Title 81 RCW.

All applicable provisions of this title relating to procedure, powers of the commission, and penalties shall apply to the operation and regulation of persons under this chapter, except as those provisions may conflict with the provisions of this chapter and rules and regulations issued thereunder by the commission.

[1988 c 30 § 11.]

RCW 81.04.380 Penalties — Violations by public service companies.

Every public service company, and all officers, agents and employees of any public service company, shall obey, observe and comply with every order, rule, direction or requirement made by the commission under authority of this title, so long as the same shall be and remain in force. Any public service company which shall violate or fail to comply with any provision of this title, or which fails, omits or neglects to obey, observe or comply with any order, rule, or any direction, demand or requirement of the commission, shall be subject to a penalty of not to exceed the sum of one thousand dollars for each and every offense. Every violation of any such order, direction or requirement of this title shall be a separate and distinct offense, and in case of a continuing violation every day's continuance thereof shall be and be deemed to be a separate and distinct offense.

[1961 c 14 § 81.04.380. Prior: 1911 c 117 § 94; RRS § 10443.]

RCW 81.04.510 Engaging in business or operating without approval or authority — Procedure.

Whether or not any person or corporation is conducting business requiring operating authority, or has performed or is performing any act requiring approval of the commission without securing such approval, shall be a question of fact to be determined by the commission. Whenever the commission believes that any person or corporation is engaged in operations without the necessary approval or authority required by any provision of this title, it may institute a special proceeding requiring such person or corporation to appear before the commission at a location convenient for witnesses and the production of evidence and bring with him books, records, accounts and other memoranda, and give testimony under oath as to his operations or acts, and the burden shall rest upon such person or

corporation of proving that his operations or acts are not subject to the provisions of this chapter. The commission may consider any and all facts that may indicate the true nature and extent of the operations or acts and may subpoena such witnesses and documents as it deems necessary.

After having made the investigation herein described, the commission is authorized and directed to issue the necessary order or orders declaring the operations or acts to be subject to, or not subject to, the provisions of this title. In the event the operations or acts are found to be subject to the provisions of this title, the commission is authorized and directed to issue cease and desist orders to all parties involved in the operations or acts.

In proceedings under this section no person or corporation shall be excused from testifying or from producing any book, waybill, document, paper or account before the commission when ordered to do so, on the ground that the testimony or evidence, book, waybill, document, paper or account required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person or corporation shall be prosecuted, punished or subjected to any penalty or forfeiture for or on account of any account, transaction, matter or thing concerning which he shall under oath have testified or produced documentary evidence in proceedings under this section: PROVIDED, That no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

[1973 c 115 § 15.]

RCW 81.68.010 - Definitions

The definitions set forth in this section apply throughout this chapter, unless the context clearly indicates otherwise.

(1) "Corporation" means a corporation, company, association, or joint stock association.

(2) "Person" means an individual, firm, or a copartnership.

(3) "Auto transportation company" means every corporation or person, their lessees, trustees, receivers, or trustees appointed by any court whatsoever, owning, controlling, operating, or managing any motor-propelled vehicle used in the business of transporting persons and their baggage on the vehicles of auto transportation companies carrying passengers, for compensation over any public highway in this state between fixed termini or over a regular route, and not operating exclusively within the incorporated limits of any city or town.

(4) "Public highway" means every street, road, or highway in this state.

(5) The words "between fixed termini or over a regular route" mean the termini or route between or over which any auto transportation company usually or ordinarily operates any motor-propelled vehicle, even though there may be departure from the termini or route, whether the departures are periodic or irregular. Whether or not any motor-propelled vehicle is operated by any auto transportation company "between fixed termini or over a regular route" within the meaning of this section is a question of fact, and the finding of the commission thereon is final and is not subject to review.

[2007 c 234 § 46; 1989 c 163 § 1; 1984 c 166 § 1; 1979 c 111 § 16; 1975-'76 2nd ex.s. c 121 § 1; 1969 ex.s. c 210 § 10; 1961 c 14 § 81.68.010. Prior: 1935 c 120 § 1; 1921 c 111 § 1; RRS § 6387.]

Notes:

Severability -- 1979 c 111: See note following RCW 46.74.010.

RCW 81.68.040 - Certificate of convenience and necessity.

An auto transportation company shall not operate for the transportation of persons and their baggage for compensation between fixed termini or over a regular route in this state, without first having obtained from the

commission under this chapter a certificate declaring that public convenience and necessity require such operation. Any right, privilege, certificate held, owned, or obtained by an auto transportation company may be sold, assigned, leased, transferred, or inherited as other property, only if authorized by the commission. The commission may, after notice and an opportunity for a hearing, when the applicant requests a certificate to operate in a territory already served by a certificate holder under this chapter, only when the existing auto transportation company or companies serving such territory will not provide the same to the satisfaction of the commission, or when the existing auto transportation company does not object, and in all other cases with or without hearing, issue the certificate as prayed for; or for good cause shown, may refuse to issue same, or issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate to such terms and conditions as, in its judgment, the public convenience and necessity may require.

[2007 c 234 § 49; 2005 c 121 § 3; 1961 c 14 § 81.68.040. Prior: 1921 c 111 § 4; RRS § 6390.]

WAC 480-30-036 Definitions, general.

(1) See WAC 480-30-261 for definition of terms used primarily in tariffs and time schedules and WAC 480-30-216 for definitions used in driver and vehicle safety rules.

(2) Unless the language or context indicates that a different meaning is intended, the following definitions apply:

"Agent" means a person authorized to transact business for, and in the name of, another.

"Airporter service" means an auto transportation service that starts or ends at a station served by another type of transportation such as, air or rail transportation. Airporter service is often a premium service that involves handling luggage. Although stops may be made along the way, they are usually limited to picking up or discharging passengers, luggage, and/or express freight bound to or from the airport or depot served.

"Alternate arrangements for passengers" means the travel arrangements made by an auto transportation company that has accepted a trip booking or reservation from a passenger and that is unable to provide the agreed transportation. The alternate arrangements may require travel by another carrier or mode of transportation at no additional cost to the passenger beyond what the passenger would have paid for the original transportation arrangement.

"Application docket" means a commission publication providing notice of all applications requesting auto transportation operating authority, with a description of the authority requested. The commission sends this publication to all persons currently holding auto transportation authority, to all persons with pending applications for auto transportation authority, to affected local jurisdictions or agencies, and to all other persons who asked to receive copies of the application docket.

"Area" means a defined geographical location. Examples include, but are not limited to:

- (a) A specified city or town;
- (b) A specified county, group of counties, or subdivision of the state, e.g., western Washington;
- (c) A zone, e.g., company designated territory; or
- (d) A route, e.g., area within four road miles of Interstate 5.

"Auto transportation company" means every person owning, controlling, operating, or managing any motor-propelled vehicle not usually operated on or over rails, used in the business of transporting persons over any public highway in this state between fixed termini or over a regular route, and not operating exclusively within the incorporated limits of any city or town.

"Between fixed termini or over a regular route" means the fixed points between which an auto transportation company provides service or the route over which an auto transportation company ordinarily operates any motor-propelled vehicle, even though there may be variance whether the variance is periodic or irregular.

"Bus" means a motor vehicle designed, constructed, and/or used for the transportation of passengers.

"Business days" means days of the week excluding Saturdays, Sundays, and official state holidays.

"By-reservation-only service" means transportation of passengers by an auto transportation company, with routes operated only if passengers have made prior reservations.

"Certificate" means:

(a) The certificate of public convenience and necessity issued by the Washington utilities and transportation commission under the provisions of chapter 81.68 RCW to operate as an auto transportation company; or

(b) The certificate issued by the Washington utilities and transportation commission under chapter 81.70 RCW to operate as a charter and excursion carrier in the state of Washington.

"Certificated authority" means:

(a) The territory and services granted by the commission and described in an auto transportation company's certificate of public convenience and necessity; or

(b) Operations in the state of Washington for charter and excursion service carriers.

"Charter party carrier of passengers" or "charter carrier" means every person engaged in the transportation of a group of persons who, pursuant to a common purpose and under a single contract, have acquired the use of a motor bus to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the chartering group after having left the place of origin.

"Claim" means a demand made on a company for payment resulting from a loss sustained through the company's negligence or for inadequate service provided by the company.

"Closed-door service" means a portion of a route or territory in which an auto transportation company is not allowed to pick up or deliver passengers. Closed-door service restrictions must be clearly stated in an auto transportation company's certificate.

"Common purpose" means that a group of persons is traveling together to achieve a common goal or objective. For example, a group of persons traveling together to attend a common function or to visit a common location. For the purposes of these rules it does not mean a group of persons who have no common goal other than transportation to, or from, the airport.

"Commission" means the Washington utilities and transportation commission.

"Common carrier" means any person who transports passengers by motor vehicle over the public highways for compensation.

"Company" means an entity authorized by the commission to transport passengers, for compensation, using a motor vehicle, over the public highways of the state.

"Complaint" means one of two types of actions by a person against a passenger transportation company that the commission regulates:

(a) "Informal complaints" are those complaints filed with the commission under the provisions of WAC 480-07-910. Informal complaints are normally investigated and resolved by commission staff.

"Excursion service carrier" or "excursion carrier" means every person engaged in the transportation of persons for compensation over any public highway in the state from points of origin within any city, town, or area, to any other location within the state of Washington and returning to that origin. The service will not pick up or drop off passengers after leaving and before returning to the area of origin. The excursions may or may not be regularly scheduled. Compensation for the transportation offered must be computed, charged, or assessed by the excursion service company on an individual fare basis.

"Express freight/package service" means transportation of freight and packages, other than packages or baggage carried or checked by passengers, offered by a passenger transportation company.

"Express passenger service" means auto transportation company service provided between fixed points or stations with few, if any, stops along the route, and is designed to get passengers from origin to destination more quickly than normally scheduled passenger service.

"Federal Motor Carrier Safety Administration" means an agency of the United States Department of Transportation (USDOT) and successor agency to the former Interstate Commerce Commission.

"Filing" means any application, petition, tariff proposal, annual report, comment, complaint, pleading, or other document submitted to the commission.

"Fixed termini" means points of origin and destination that are set, static locations or defined geographic areas. Examples include a city or town, a building or an airport. In addition "fixed termini" can include service between an airport and unlimited points within a defined geographic area.

"Flag stops" means a point along an auto transportation company's normally traveled routes where the company stops only if it receives notification that a passenger wishes to board the vehicle at that point. An auto transportation company must list available flag stops in the company's tariffs and time schedules. Flag stops may only be named at points that provide waiting passengers safe access to the vehicle.

"Group" means:

(a) Two or more passengers traveling together;

(b) A class of passengers to whom special rates and/or rules apply. For example, active military personnel.

"Intermediate point" means a point located on a route between two other points that are specifically named in an auto transportation company's certificate or tariff.

"Intermediate service" means service to an intermediate point.

"Interruption in service" means a period of time during which an auto transportation company cannot provide service listed in its certificate, its filed tariff, or its filed time schedule. An interruption in service is normally short lived, lasting no more than a few hours or a few days.

"Leasing":

(a) "Leasing authority" means one auto transportation company allowing another person to operate all, or a portion, of the authority granted to the first company by the commission. A joint application to, and approval from, the commission is required to lease authority. See WAC 480-30-141.

(b) "Leasing equipment" means the act of a passenger transportation company to supplement its fleet by acquiring a vehicle(s) from a third party for a specified period of time under contract. See WAC 480-30-236.

"Motor vehicle" or "vehicle" means:

(a) As related to auto transportation companies: Every self-propelled vehicle used on the public highways, for the transportation of persons for compensation.

(b) As related to charter and excursion carriers: Every self-propelled vehicle with a manufacturer's seating capacity for eight or more passengers, including the driver, used on the public highways, for the transportation of persons for compensation.

"Named points" means cities, towns, or specific locations that are listed in an auto transportation company's certificate, tariff, or time schedule.

"Nonstop service" means transportation of passengers from point of origin to point of destination without stopping at any intermediate points.

"On-call service" means unscheduled auto transportation company service provided only to those passengers that have by prior arrangement requested service prior to boarding.

"Passenger facility" means a location at which an auto transportation company stations employees and at which passengers can purchase tickets or pay fares for transportation service.

"Passenger transportation company" means an auto transportation company or charter and excursion carrier.

"Person" means an individual, firm, corporation, association, partnership, lessee, receiver, trustee, consortium, joint venture, or commercial entity.

"Premium service" means a type of service provided by an auto transportation company that is outside normal service. Examples include express service, direct route service, and nonstop door-to-door service.

"Private carrier" means a person who transports passengers in the person's own vehicle purely as an incidental adjunct to some other established private business owned or operated by that person in good faith.

"Private motor vehicle" means a vehicle owned or operated by a private carrier.

"Public highway" means every street, road, or highway in this state.

"Public transit agency" means a municipal corporation or agency of state or local government formed under the laws of the state of Washington for the purpose of providing transportation services including, but not limited to, public transportation benefit areas, regional transit authorities, municipal transit authorities, city and county transit agencies.

"Residence" means the regular dwelling place of an individual or individuals.

"Route" means a highway or combination of highways over which an auto transportation company provides passenger service. There are two types of routes:

(a) "Irregular route" means travel between points named in an auto transportation company's certificate via any highway or combination of highways the company wishes to operate over. The certificate issued to the company does not list highways to be used, but the company defines routes in its tariffs and time schedules.

(b) "Regular route" means an auto transportation company providing passenger transportation over a route named in the certificate issued to the company by the commission.

"Scheduled service" means an auto transportation company providing passenger service at specified arrival and/or departure times at points on a route.

"Single contract" means an agreement between a charter carrier and a group of passengers to provide transportation services at a set price for the group or trip. Under a single contract, passengers are not charged individually.

"Small business" means any company that has fifty or fewer employees.

"Special or promotional fares" means temporary fares for specific services offered for no more than ninety days.

"State" means the state of Washington.

"Subcontracting - Auto transportation company" means that an auto transportation company holding authority from the commission contracts with a second auto transportation company to provide service that the original company has agreed to provide, but finds it is unable to provide. See WAC 480-30-166.

"Subcontracting - Charter and excursion carrier" means that a charter and excursion carrier holding authority from the commission contracts with a second charter and excursion carrier to provide service that the original carrier has agreed to provide, but finds it is unable to provide.

"Substitute vehicle" means a vehicle used to replace a disabled vehicle for less than thirty days.

"Suspension" means an act by the commission to temporarily revoke a company's certificated authority; or an act by the commission to withhold approval of an auto transportation company's tariff filing.

"Tariff" or "tariff schedule" means a document issued by an auto transportation company containing the services provided, the rates the company must assess its customers for those services, and the rules describing how the rates apply.

"Tariff service territory" means a company-defined geographic area of its certificated authority in which a specific tariff applies.

"Temporary certificate" means the certificate issued by the Washington utilities and transportation commission under RCW 81.68.046 to operate as an auto transportation company for up to one hundred eighty days or pending a decision on a parallel filed auto transportation company certificate application.

"Temporary certificate authority" means the territory and services granted by the commission and described in an auto transportation company's temporary certificate.

"Ticket agent agreements" means a signed agreement between an auto transportation company and a second party in which the second party agrees, for compensation, to sell tickets to passengers on behalf of the auto transportation company. See WAC 480-30-391.

"Time schedule" means a document filed as part of an auto transportation company's tariff, or as a separate document, that lists the routes operated by the company including the times and locations at which passengers may receive service and any rules specific to operating those routes.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-036, filed 6/8/06, effective 7/9/06.]

WAC 480-30-086 Certificates, general.

(1) **Certificate required.** A person must have a certificate from the commission before operating as a passenger transportation company in the state of Washington.

(2) **Company name.** The company name is the name of the certificate holder.

(a) A company electing to conduct operations under a trade name must first register the trade name with the commission.

(b) A company must conduct all operations under the company name, a registered trade name, or both. The term "operations" includes, but is not limited to advertising, ticketing, and identifying vehicles.

(c) A company may not operate under a company name or trade name that is similar to that of another company if use of the similar name misleads the public or results in unfair or destructive competitive practices.

(3) **Display.** A company must keep its original certificate on file at its principal place of business open to inspection by any customer, law enforcement officer, or authorized commission representative who asks to see it.

(4) **Replacement.** The commission will replace a lost or destroyed original certificate at no charge.

(5) **Description of certificated authority.** When a company's certificate authority includes boundaries such as cities, towns, streets, avenues, roads, highways, townships, ranges or other descriptions, the boundaries remain established as they existed at the time the commission granted the authority.

(6) **Operating within certificated authority.**

(a) A company must operate strictly within the authority described in its certificate.

(b) The commission may take administrative action against a company operating outside its certificated authority. Refer to WAC 480-30-241 for information regarding the commission's compliance policy.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-086, filed 6/8/06, effective 7/9/06.]

WAC 480-30-191 Bodily injury and property damage liability insurance.

(1) Insurance coverage. A company must have bodily injury and property damage liability insurance covering each motor vehicle it operates in the state of Washington.

(a) The insurance policy must be written by an insurance company authorized to write insurance in the state of Washington.

(b) The insurance policy must include the Uniform Motor Carrier Bodily Injury and Property Damage Liability Endorsement (Form F).

(c) If a company operates without the required insurance coverage, the commission may take immediate compliance action as described in WAC 480-30-171.

(2) Insurance limits. The minimum limits of required bodily injury and property damage liability insurance for motor vehicles operated by companies are:

Motor vehicles that:

Have a passenger seating capacity of fifteen or less (including the driver)

Must have bodily injury and property damage insurance or surety bond with the following minimum limits:

\$1,500,000 combined single limit coverage

Have a passenger seating capacity of sixteen or more (including the driver) \$5,000,000 combined single limit coverage

(3) Insurance filings. A company must file and maintain a Uniform Motor Carrier Bodily Injury Property Damage Certificate of Insurance (Form E) as a condition of being issued and maintaining a certificate to operate as a passenger transportation company.

(a) The Form E is a standard motor carrier insurance form recognized by the insurance industry and is normally filed with the commission by an insurance company rather than an insurance agent.

(b) The Form E must be issued in the company name exactly as it appears on the company's certificate or application for certificate.

(c) The Form E filing must remain in effect until canceled by a Notice of Cancellation (Form K). The Form K must be filed with the commission by the insurance company not less than thirty days before the cancellation effective date.

(d) A company may file a Uniform Motor Carrier Bodily Injury and Property Damage Liability Surety Bond (Form G) instead of the Form E.

(4) Insurance binders. The commission will accept an insurance certificate or binder for up to sixty days.

(a) An insurance certificate or binder may be canceled by written notice filed with the commission at least ten days before the cancellation effective date.

(b) An insurance certificate or binder must be replaced by a Form E within sixty days of filing, or before the expiration date, whichever occurs first.

(c) Insurance certificates or binders must show:

(i) The commission as the named insurance certificate holder;

(ii) The company name, exactly as it appears on the company's certificate or application for a certificate, as the insured;

(iii) The insurance company name;

(iv) The insurance policy number;

(v) The insurance policy effective and expiration dates;

(vi) The insurance limits of coverage; and

(vii) The agent's or other insurance representative's signature.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-191, filed 6/8/06, effective 7/9/06.]

WAC 480-30-211 Commercial vehicle defined.

Unless otherwise stated, for the purposes of the rules in Part 5 -- Equipment and Drivers, "commercial motor vehicle" means any motor vehicle used by an auto transportation company or charter and excursion carrier to provide passenger transportation services over the public highways of Washington state.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-211, filed 6/8/06, effective 7/9/06.]

WAC 480-30-213 Vehicles and drivers.

(1) The vehicles operated by a passenger transportation company must be owned by or leased to the certificate holder.

(2) The driver of a vehicle operated by a passenger transportation company must be the certificate holder or an employee of the certificate holder.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-213, filed 6/8/06, effective 7/9/06.]

WAC 480-30-216 Operation of motor vehicles, general.

(1) Discrimination prohibited. No company operating motor vehicles under the provisions of this chapter will operate a vehicle in intrastate commerce on which the seating of passengers is based on race, color, creed, or national origin.

(2) Inspection of baggage and other materials passengers wish to be carried in or on a motor vehicle. Auto transportation companies are responsible for the safety and comfort of all passengers transported. To ensure the safety and comfort of passengers and employees it may be necessary for companies to inspect baggage and other materials to be transported in or on motor vehicles.

(a) Companies must include in their filed tariffs, in information provided to passengers, and on their tickets, information that advises passengers that all baggage and other materials to be carried in or on a motor vehicle is subject to inspection by the company.

(b) The information required by (a) of this subsection must include a list of examples of materials that will not be accepted for transportation. Examples may include, but are not limited to, the following items:

- (i) Articles whose transportation as baggage are prohibited by law or regulation;
- (ii) Fragile or perishable articles;
- (iii) Articles whose dimensions exceed the size limitations in the company's filed tariff;
- (iv) Packages, bags, or parcels that are leaking;
- (v) Firearms;
- (vi) Articles that have foul and obnoxious odors; or
- (vii) Items that cause annoyance, discomfort, or harm to persons or property.

(3) Service requirement.

(a) An auto transportation company is a public service company with an obligation to provide service to the satisfaction of the commission to all customers within its certificated authority.

(b) Except to the extent allowed by WAC 480-30-451, no driver or operator of a motor vehicle used in the transportation of passengers by an auto transportation company shall refuse to carry any person presenting him or herself at a regular stopping place who tenders the appropriate fare. Exception: Companies limiting operations to passengers with prior reservations are not subject to this provision.

(4) Passenger loading capacity. No motor vehicle used in the transportation of passengers will carry more passengers than can be carried safely. In no case will a motor vehicle transport more than one hundred fifty percent of its rated seating capacity.

(5) Standing passengers. No passenger will be permitted to stand unless the vehicle is equipped with devices designed and permanently installed to provide stability and safety for standing passengers. Even if the vehicle is properly equipped, no passenger will be permitted to stand for a distance exceeding thirty-five miles.

(6) Reserve equipment. All auto transportation companies must maintain sufficient reserve equipment to insure the reasonable operation of established routes and fixed time schedules.

(7) Smoking on motor vehicles.

(a) Smoking or carrying lit cigars, cigarettes, or other smoking materials is prohibited on vehicles operated by auto transportation companies.

(b) Each auto transportation company must post signs in its vehicles informing passengers that smoking is not permitted.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-216, filed 6/8/06, effective 7/9/06.]

WAC 480-30-221 Vehicle and driver safety requirements.

(1) Companies must comply with all state and local laws and rules governing licensing, vehicle safety, and driver safety. Companies must also comply with the parts of Title 49, Code of Federal Regulations (49 C.F.R.), adopted by reference, that are shown in the following chart. Information about 49 C.F.R., including the version adopted by the commission and where to obtain copies is set out in WAC 480-30-999.

49 C.F.R. Part:		Notes:
Part 40 -	Procedures For Transportation Workplace Drug and Alcohol Testing Programs	Entire Part 40 is adopted and applies to Washington intrastate operations.
Part 382 -	Controlled Substance and Alcohol Use and Testing	Entire Part 382, including definition of commercial motor vehicle, is adopted and applies to Washington intrastate operations.
Part 383 -	Commercial Driver's License Standards; Requirements and Penalties	Entire Part 383, including definition of commercial motor vehicle, is adopted and applies to Washington intrastate operations.
Part 379 -	Preservation of Records	Entire Part 379 is adopted and applies to Washington intrastate operations.
Part 380 -	Special Training Requirements	Entire Part 380 is adopted and applies to Washington intrastate operations.
Part 385 -	Safety Fitness Procedures	Entire Part 385 is adopted and applies to Washington intrastate operations.
Part 390 -	Safety Regulations, General	Entire Part 390 is adopted and applies to Washington intrastate operations, with the following exceptions: (1) The terms "motor vehicle," "commercial motor

		vehicle," and "private vehicle" are not adopted. Instead, where those terms are used in Title 49 C.F.R., they have the meanings assigned to them in WAC <u>480-30-036</u> (Motor vehicle and private vehicle) and WAC <u>480-30-211</u> (Commercial motor vehicle). (2) Whenever the term "director" is used in Title 49 C.F.R., it means the commission.
Part 391 -	Qualification of Drivers	Entire Part 391 is adopted, with the following exceptions: (1) Part 391.49 (alternative physical qualification standards for the loss or impairment of limbs) is not adopted for drivers who operate vehicles exclusively within Washington state. Instead refer to WAC <u>480-30-226</u> for intrastate medical waivers.
Part 392 -	Driving of Motor Vehicles	Entire Part 392 is adopted and applies to Washington intrastate operations.
Part 393 -	Parts and Accessories Necessary for Safe Operation	Entire Part 393 is adopted and applies to Washington intrastate operations.
Part 395 -	Hours of Service of Drivers	Entire Part 395 is adopted and applies to Washington intrastate operations.
Part 396 -	Inspection, Repair, and Maintenance	Entire Part 396 is adopted and applies to Washington intrastate operations.
Part 397 -	Transportation of Hazardous Materials, Driving and Parking Rules	Entire Part 397 is adopted and applies to Washington intrastate operations.

(2) Companies must:

(a) Maintain all motor vehicles in a safe and sanitary condition; and

(b) Ensure that vehicles are free of defects likely to result in an accident or breakdown.

(3) No company, its agents, officers, or employees, will allow any article, commodity, or substance to be loaded in or on any motor vehicle used by the company to transport passengers that is dangerous to the lives and safety of passengers.

(4) No company, its agents, officers, or employees will allow any article, commodity, or substance to be loaded in or on any motor vehicle used by the company to transport passengers that is prohibited by the hazardous materials rules in Title 49 C.F.R. from being transported on passenger-carrying vehicles.

(5) All motor vehicles operated under the provisions of this chapter are at all times subject to inspection by the commission or its duly authorized representatives.

(6) The commission will place out-of-service any motor vehicle having safety defects identified in the *North American Uniform Out-Of-Service Criteria*. Information about the *North American Uniform Out-Of-Service Criteria* including the version adopted and where to obtain copies is set out in WAC 480-30-999. A company must not operate any vehicle placed out-of-service until proper repairs have been completed.

(7) The commission will place out-of-service any driver meeting criteria identified in the *North American*

Uniform Out-Of-Service Criteria. A company must not allow a driver who has been placed out-of-service to operate a motor vehicle until the conditions causing the driver to be placed out-of-service have been corrected.

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160, and 34.05.353. 11-04-041 (Docket A-101466, General Order R-562), § 480-30-221, filed 1/25/11, effective 2/25/11. Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-221, filed 6/8/06, effective 7/9/06.]

WAC 480-30-276 Tariffs and time schedules, companies must comply with the provisions of filed tariffs and time schedules.

(1) Tariffs. No auto transportation company may assess rates that are higher, lower, or different from those contained in the company's filed tariff. Further, no auto transportation company may accept a payment for service provided that is higher, lower, or different from the rates contained in the company's filed tariff.

(2) Time schedules. An auto transportation company must provide service along all routes, and to all points, listed on the company's filed time schedule. Further, an auto transportation company must make a good faith effort to operate in compliance with the times of arrival and/or departure shown on the company's filed time schedule.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-276, filed 6/8/06, effective 7/9/06.]

WAC 480-30-456 - Fair use of customer information.

(1) Customer information includes the customer's name, address, and telephone number.

(2) Companies must use customer information only for:

(a) Providing and billing for services the customer requests;

(b) Marketing new services or options to its customers; or

(c) Providing information to its customers.

(3) Any sale or release of customer information without the written permission of the customer is prohibited. The only exceptions to this rule are:

(a) Release of information to the commission to investigate or resolve complaints filed with the commission by a customer;

(b) Sharing nonpayment information with agencies the company engages to act as the company's agent in pursuing collection of past due accounts.

(4) Companies are allowed to collect and release customer information in aggregate form if the aggregated information does not allow any specific customer to be identified.

[Statutory Authority: RCW 80.01.040, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-456, filed 6/8/06, effective 7/9/06.]

APPENDIX B

Corporations: Registration Detail

Washington Secretary of State *Kim Wyman*
Contact Us | Contact: SEARCH

Corporations and Charities Division

Corporations Home
Nonprofit Home
Charities Home
Awards
Public Notices
Contact Info

Corporation Detail

Neither the State of Washington nor any agency, officer, or employee of the State of Washington warrants the accuracy, reliability, or timeliness of any information in the Public Access System and shall not be liable for any losses caused by such reliance on the accuracy, reliability, or timeliness of such information. While every effort is made to ensure the accuracy of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from the System does so at his or her own risk.

All documents filed with the Corporations Division are considered public record.

SHUTTLE EXPRESS, INC.

UBI Number	600030043
Category	REG
Profit/Nonprofit	Profit
Active/Inactive	Active
State Of Incorporation	WA
WA Filing Date	10/26/1970
Expiration Date	10/31/2013
Inactive Date	
Duration	Perpetual

Registered Agent Information

Agent Name	JIMY SHERRELL
Address	800 SW 16TH ST
City	RENTON
State	WA
ZIP	98057

Special Address Information

Address	
City	
State	
Zip	

Governing Persons

Title	Name	Address
Vice President, Secretary, Treasurer, Director	SHERRELL, KAAREN	800 SW 16TH ST RENTON, WA 98057
Secretary, Chairman, Director	SHERRELL, JIMY	800 SW 16TH ST RENTON, WA 98057
President	ROWLEY, JOHN	800 SW 16TH ST RENTON, WA 98057

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APPENDIX C

[Service Date July 11, 2008]

BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. SHUTTLE EXPRESS, INC., Respondent. DOCKET TC-072228 ORDER 01 INITIAL ORDER APPROVING AND ADOPTING SETTLEMENT AGREEMENT

1 SYNOPSIS: This is an Administrative Law Judge’s Initial Order that is not effective unless approved by the Commission or allowed to become effective pursuant to the notice at the end of this Order. This Order would approve and adopt the parties’ Settlement Agreement which imposes a penalty of \$9,500 on Shuttle Express, Inc. for its violation of Commission rules governing passenger transportation companies.

MEMORANDUM

2 PROCEEDINGS: Docket TC-072228 involves the assessment of penalties by the Washington Utilities and Transportation Commission (Commission) against Shuttle Express, Inc. (Shuttle) for violation of WAC 480-30-213.1

3 APPEARANCES. Brooks E. Harlow, Seattle, Washington, represents Shuttle. Jennifer Cameron-Rulkowski, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (Commission Staff or Staff).

4 BACKGROUND AND PROCEDURAL HISTORY. Shuttle has held a certificate of public convenience and necessity (CPCN) as a passenger transportation company

1WAC 480-30-213 provides that “(1) The vehicles operated by a passenger transportation company must be owned or leased to the certificate holder [and] (2) The driver of a vehicle operated by a passenger transportation company must be the certificate holder or an employee of the certificate holder.”

DOCKET TC-072228
ORDER 01

PAGE 2

and a charter party carrier certificate (charter certificate) since 1989.² Staff received a letter from Shuttle's president, Jimmy Sherrell, in August of 2004, alerting the Commission that Shuttle would be hiring its bus drivers as independent contractors under an owner-operator agreement in order to "sustain its market position."³ Over the next several months, Commission Staff continued communicating with Shuttle regarding its use of independent contractor bus drivers.

- 5 On November 4, 2005, Staff sent a letter to Shuttle stating that the relationship between Shuttle and its independent contractors "would constitute a lease of [Shuttle's] certificate and other carrier property" in violation of state law.⁴ Commission Staff instructed Shuttle that its options included: requesting a declaratory order regarding the legality of Shuttle's Owner-Operator agreement, filing an application to lease its certificate authority and other properties under the Owner-Operator agreement, or seeking revision of the statutes that prohibit Shuttle's proposed transaction.
- 6 In June 2007, Shuttle again informed Staff of its intent to utilize charter bus carriers as independent contractors within its business. Shortly thereafter, the Staff commenced an investigation into the matter.
- 7 Commission Staff completed its investigation in April 2008 and found that Shuttle's business relationship with its independent contractor bus drivers violated WAC 480-30-213(2). Staff found that Shuttle did not lease or rent any of the vehicles to the charter bus carriers.⁵ The charter bus carriers leased their vehicles from Express Leasing, Inc., a wholly-owned subsidiary of Shuttle.⁶ Staff concluded that Shuttle managed the operations of the charter bus carriers, and the carriers only worked for

²Shuttle holds Certificate No. C-975 and charter certificate CH-171. See, *Staff Investigation of Shuttle Express, Inc.*, at 5.

³*Staff Investigation of Shuttle Express, Inc.*, at Appendix B. Mr. Sherrell indicated that he could no longer afford to maintain a fleet of employee drivers and would need to add independent contractor bus drivers.

⁴*Id.*, at Appendix D. The November 4, 2005 letter specifically cites to RCW 81.12.020 which requires that, with one exception, public transportation service companies receive Commission authorization before selling, leasing, assigning or disposing of any properties necessary to the performance of its public duties; RCW 81.12.030 which provides that any unauthorized sales, leases, assignments, or other dispositions shall be void; RCW 81.68.040 which prohibits an auto transportation company from operating without having previously obtained a CPCN; and RCW 81.68.070 entitled 'Public Service Law Invoked,' which was repealed in 2007 by 2007 c 234 § 102.

⁵*Staff Investigation*, at 14.

DOCKET TC-072228
ORDER 01

PAGE 3

Shuttle.⁷ Staff also found that the vehicles driven by the charter bus carriers displayed Shuttle's name, and Shuttle compensated the carriers for providing transportation services authorized under Shuttle's authority. Furthermore, Staff asserted that Shuttle provided both reservation and dispatching services for the charter bus carriers, and the fare tickets used by the charter bus carriers showed Shuttle's name.⁸

- 8 Staff confirmed that Shuttle has a CPCN which authorizes it to offer passenger transportation services, while none of the charter bus carriers have an auto transportation certificate from the Commission.⁹ As a result, Staff found that Shuttle and the carriers violated WAC 480-30-213(2) when Shuttle used drivers who were not within its employ to transport passengers under Shuttle's CPCN. Staff found a total of 95 violations of the regulation from September 1-30, 2007.¹⁰ On April 28, 2008, Staff filed a Notice of Penalties Incurred and Due for Violations of Laws and Rules (Notice of Penalties) which assessed a \$9,500 penalty against Shuttle for the regulatory violations discussed above.
- 9 Shuttle filed its Response to the Notice of Penalties and requested that the Commission set the matter for hearing.¹¹ Shuttle disputed Staff's interpretation of WAC 480-30-213(2) and specifically Staff's view that the independent contractors were not Shuttle employees pursuant to the referenced regulation.
- 10 On June 4, 2008, Staff informed the Commission that the parties had reached a settlement in principle on the matter. On July 3, 2008, the parties filed a settlement agreement and narrative supporting settlement agreement with the Commission.
- 11 **SETTLEMENT AGREEMENT:** In the Settlement Agreement, Shuttle admits to the violation of WAC 480-30-213(2) in using independent contractor bus drivers and agrees to pay a penalty of \$9,500 to the Commission because of this violation.¹² The penalty shall be paid over three months to begin on July 15, 2008, or the first day of

⁶*Id.*

⁷*Id.*, at 17.

⁸*Id.*

⁹*Id.*

¹⁰*Id.*

¹¹Shuttle originally filed its Response on May 22, 2008. On May 28, 2008, Shuttle filed its replacement Response with the Commission.

¹²*Settlement Agreement*, at 2.

DOCKET TC-072228
ORDER 01

PAGE 4

the first month following the final order, whichever is later.¹³ Each subsequent installment shall be due on the first day of each month thereafter.¹⁴ The first two monthly installments shall be in the amount of \$4,000 each and the third monthly installment shall total \$1,500.¹⁵ Shuttle has a five-day grace period for each of the three installments, according to the Settlement Agreement, after which the full remaining balance shall be due.¹⁶ Shuttle agrees to comply with all applicable rules and statutes of the Commission, including those addressed in this proceeding.¹⁷

12 Staff agrees not to pursue further penalties from Shuttle; its officers, directors, employees, and agents; or the six independent contractors for the violations of WAC 480-30-213(2) which occurred between June 16, 2007 and December 31, 2007.¹⁸

13 **DISCUSSION AND DECISION:** The Commission supports and encourages informal resolution of disputes, including settlement agreements.¹⁹ In considering settlement agreements, the Commission “may accept the proposed settlement, with or without conditions, or may reject it.”²⁰ The Commission must “determine whether a proposed settlement meets all pertinent legal and policy standards.”²¹ The Commission may approve settlements “when doing so is lawful, when the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission.”²²

14 The parties’ settlement agreement, attached to and made part of this Initial Order by this reference, fully resolves the issues pending in this docket. The issues are limited to whether Shuttle’s business dealings with charter bus carriers constitute an employer/employee relationship, and, if not, whether such a business relationship rises to the level of violating WAC 480-30-213(2).

15 Early resolution of the parties’ dispute conserves valuable party and Commission resources that would otherwise be devoted to litigating the regulatory violation and

¹³ *Id.*, at 3.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See RCW 34.05.060; WAC 480-07-700.

²⁰ WAC 480-07-750(2).

²¹ WAC 480-07-740.

²² WAC 480-07-750(1).

DOCKET TC-072228
ORDER 01

PAGE 5

penalty assessment. The Settlement Agreement represents a reasonable compromise and is not opposed by any of the parties.²³ As the Narrative states, “[t]he Commission will receive the full amount of the penalty without expending resources on litigation.”²⁴

- 16 Shuttle accepts responsibility for its actions and agrees to comply with all applicable statutes and rules. Shuttle has since terminated its independent contractor program and has pledged to comply with WAC 480-30-213 on a prospective basis.²⁵ Shuttle will pay the \$9,500 penalty originally assessed by Staff, beginning in late summer, “when it expects to have accumulated more revenue, which will delay payment of the penalty for less than one month, if at all.”²⁶
- 17 Consistent with WAC 480-07-750, the Commission finds that its approval and adoption of the Settlement Agreement is in the public interest, that the Settlement Agreement is supported by an appropriate record, and that approving the Settlement Agreement is lawful. The Commission concludes that it should approve and adopt the Settlement Agreement as the parties’ resolution of the issues pending in this proceeding.

FINDINGS OF FACT

- 18 Having discussed above in detail the evidence received in this proceeding concerning all material matters, and having stated findings and conclusions upon issues in dispute among the parties and the reasons therefore, the Commission now makes and enters the following summary of those facts, incorporating by reference pertinent portions of the preceding detailed findings:
- 19 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington, vested by statute with authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including transportation companies.

²³*Narrative Supporting Settlement Agreement*, at 1, ¶ 2.

²⁴*Id.*, at 4, ¶ 10.

²⁵*Id.*

²⁶*Id.*, at 4, ¶ 10.

DOCKET TC-072228
ORDER 01

PAGE 6

- 20 (2) Shuttle is an auto transportation company and holds a certificate of public convenience and necessity under which it may transport passengers pursuant to RCW 81.68.010 *et seq.*
- 21 (3) Shuttle notified Commission Staff in 2004 and 2007 that it intended to initiate an independent contractor program with several charter bus carriers. Shuttle operated its independent contractor program from June 16, 2007, through December 31, 2007.
- 22 (4) Staff completed its investigation into Shuttle's independent contractor charter bus carriers program in April of 2008. On April 28, 2008, Staff filed a Notice of Penalty against Shuttle as a result of its investigation. In the Notice of Penalty, Staff cites to 95 violations occurring between September 1-30, 2007.
- 23 (5) Shuttle filed a Response to Staff's Notice of Penalty, requesting a hearing in this matter.
- 24 (6) On July 3, 2008, the parties filed a settlement agreement and narrative supporting settlement agreement resolving all of the issues in this case.

CONCLUSIONS OF LAW

- 25 Having discussed above all matters material to this decision, and having stated detailed findings, conclusions, and the reasons therefore, the Commission now makes the following summary conclusions of law, incorporating by reference pertinent portions of the preceding detailed conclusions:
- 26 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and parties to, this proceeding.
- 27 (2) WAC 480-30-213(2) mandates that the driver of a vehicle operated by a passenger transportation company must be the certificate holder or an employee of the certificate holder.
- 28 (3) If approved, the Settlement Agreement filed by the parties to this proceeding would result in the imposition of a \$9,500 penalty for violation of WAC 480-80-213(2) and payment of the penalty by Shuttle Express, Inc.

DOCKET TC-072228
ORDER 01

PAGE 7

- 29 (4) Approval and adoption of the Settlement Agreement is lawful, supported by an appropriate record, and is in the public interest.
- 30 (5) The Commission should approve the Settlement Agreement, attached as an appendix to this Order, and incorporated by reference as if set forth here, as a reasonable resolution of the issues presented.
- 31 (6) The Commission should retain jurisdiction over the subject matters and the parties to this proceeding to effectuate the terms of this Order. *RCW Title 80.*

ORDER

THE COMMISSION ORDERS:

- 32 (1) The Settlement Agreement filed by the parties on July 3, 2008, which is attached as an appendix to this Order and incorporated by reference as if set forth in full here, is approved and adopted in full resolution of the issues in this proceeding.
- 33 (2) Shuttle Express, Inc. shall pay \$9,500 in the manner prescribed in the Settlement Agreement as penalty for its violation of WAC 480-80-213(2).
- 34 (3) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington and effective July 11, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. RUSSELL
Administrative Law Judge

DOCKET TC-072228
ORDER 01

PAGE 8

NOTICE TO THE PARTIES

This is an Initial Order. The action proposed in this Initial order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an *Answer* to a Petition for review within (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order, any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such an answer.

RCW 80.01.060(3), as amended in the 2006 legislative session, provides that an initial order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion. You will be notified if this order becomes final.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An Original and (8) copies of any Petition or Answer must be filed by mail delivery to:

Attn: David W. Danner, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

DOCKET TC-072228
ORDER 01

PAGE 9

Appendix

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TC-072228
)	
Complainant,)	
)	
v.)	
SHUTTLE EXPRESS, INC.,)	SETTLEMENT AGREEMENT
)	
Respondent.)	
_____)	

1 This settlement agreement (Agreement) is entered into by both parties to this proceeding for the purpose of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Agreement are Shuttle Express, Inc. (Shuttle), and the Staff of the Washington Utilities and Transportation Commission (Staff) (collectively, "the Parties").

II. BACKGROUND

3 Shuttle is an auto transportation company¹ that holds a certificate of public convenience and necessity from the Washington Utilities and Transportation Commission (Commission) to transport passengers. In April of 2008, Staff completed an investigation into the allegation that Shuttle was contracting with six charter bus carriers as independent contractor drivers to provide passenger transportation services authorized under Shuttle's Commission certificate. Pursuant to Commission rule, WAC 480-30-213(2), the driver of a vehicle operated by a passenger transportation company must be the certificate holder or an

¹ Defined at RCW 81.68.010(3).

employee of the certificate holder. Staff determined that Shuttle was violating this rule by using independent contractor drivers.

4 Shuttle operated its independent contractor driver program² from June 16, 2007, to December 31, 2007, when it voluntarily terminated the program. Staff found that during the operations period it examined, from September 1 to September 30, 2007, Shuttle used the six drivers it had contracted with as independent contractors to provide passenger transportation 95 times, in violation of WAC 480-30-213(2).

5 Based on Staff's findings, the Commission assessed penalties of \$9,500 against Shuttle on April 28, 2008. On May 22, 2008, Shuttle requested a hearing. The parties reached an agreement in principle to settle shortly thereafter and so informed the Commission on June 4, 2008.

III. AGREEMENT

6 The Parties have reached agreement on the issues raised in the above docket and present their agreement for the Commission's consideration and approval. The Parties therefore adopt the following Agreement, which the Parties enter into voluntarily, to resolve the matters in dispute between them and to expedite the orderly disposition of this proceeding.

7 Shuttle admits that its independent contractor driver program violated WAC 480-30-213(2). The Parties agree that Shuttle will pay to the Commission penalties totaling \$9,500.

² Shuttle's independent contractor driver program operated as follows: Shuttle managed the operations of independent contractor drivers who possess Commission charter carrier authority. These charter carriers worked only for Shuttle and drove vehicles they leased from Shuttle's subsidiary. The vehicles displayed the Shuttle name as did the fare tickets used by the charter carriers. Reservation and dispatching services for the charter carriers took place at Shuttle. Shuttle compensated the charter carriers for providing transportation services authorized under Shuttle's certificate.

8 The amount shall be ordered due and payable in three monthly installments beginning the first day of the first month after the Commission issues its order approving this Agreement, or on July 15, 2008, whichever occurs last. Each subsequent installment shall be due and payable on the first of each month, with a five-day grace period. If Shuttle fails to timely make any payment, the full remaining balance will be due and payable within 10 days. The amount of the first two installments shall be \$4,000. The final installment shall be \$1,500.

9 Shuttle agrees that it will comply with all applicable rules and statutes enforced by the Commission, including those at issue in this proceeding.

10 Staff agrees not to seek additional penalties for violation of WAC 480-30-213(2) from Shuttle; Shuttle's officers, directors, employees, and agents; or the six independent contractor drivers based on Shuttle's use of the six charter carriers for operation of its independent contractor driver program from June 16, 2007, the date Shuttle began operating the program, to December 31, 2007, the date Shuttle terminated the program. This Agreement does not preclude the Commission from pursuing penalties for violations of Commission rules and statutes unrelated to the subject matter of this Agreement at any time or for violations of any rules or statutes at issue in this proceeding with respect to independent contractor drivers not identified in Staff's investigation, or that occurred before June 16, 2007, the date Shuttle began operating the program, or after December 31, 2007, the date Shuttle terminated the program ("Unrelated Claims"). Nor does this agreement preclude Shuttle from asserting any defenses that it may have as to any unrelated claims.

IV. GENERAL PROVISIONS

11 The Parties agree that this Agreement reflects the settlement of all contested issues between them in this proceeding. The Parties understand that this Agreement—including the admissions contained herein—is not binding unless and until accepted by the Commission. If the Commission does not accept this Agreement, including all of its terms and conditions without change, then the Parties shall be free to assert their pre-settlement positions and agree that neither this Agreement nor any statements or admissions contained herein shall be admissible or used for any purpose in this docket or any other proceeding for any purpose.

12 The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Agreement in proceedings before the Commission. No party to this Agreement or its agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission’s adoption of this Agreement.

13 The Parties agree (1) to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements) and (2) to include in any news release or announcement a statement that the Staff’s recommendation to approve the settlement is not binding on the Commission itself.

14 Nothing in this Agreement shall limit or bar any other entity from pursuing legal remedies against Shuttle or Shuttle’s ability to assert defenses to such claims.

15 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms. This Agreement shall not be construed against either party because it was a drafter of this Agreement.

16 The Parties have negotiated this Agreement as an integrated document to be effective upon execution. This Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.

17 The Parties may execute this Agreement in counterparts and as executed shall constitute one agreement. Copies sent by facsimile are as effective as original documents.

18 The Parties shall take all actions necessary as appropriate to carry out this Agreement.

19 In the event that the Commission rejects all or any portion of this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. Written notice must be served within 10 business days of the Order rejecting part or all of this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the Order.

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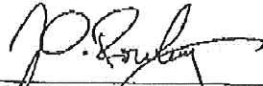
**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

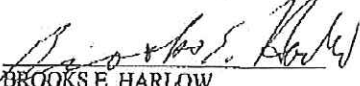
ROBERT M. MCKENNA
Attorney General

JENNIFER CAMERON-RULKOWSKI
Assistant Attorney General
Counsel for the Washington Utilities and
Transportation Commission

Dated: _____, 2008.

SHUTTLE EXPRESS, INC.


JOHN D. ROWLEY, JR.
President/Chief Operating Manager
Dated: JULY 2ND, 2008.


BROOKS E. HARLOW
Counsel for Shuttle Express, Inc.
Dated: July 2, 2008.

APPENDIX D

**SHUTTLE EXPRESS, INC
INDEPENDENT CONTRACTOR AGREEMENT**
Updated: May 22, 2009

Effective Date _____

This Agreement made in the Town of Renton, County of King, and State of Washington,
between SHUTTLE EXPRESS, Inc. ("Company"), and

_____ ("Contractor") UBI Number: _____

SECTIONS

Statement of Facts and Intent

1. INDEPENDENT CONTRACTOR RELATIONSHIP BETWEEN THE PARTIES
2. INDEPENDENT CONTRACTOR DISCRETION
3. TERM
4. USE OF COMPANY TRADEMARKS
5. CONTRACTOR OBLIGATIONS
6. COMPLIANCE WITH LAW AND REGULATIONS
7. INDEMNIFICATION AND INSURANCE
8. VEHICLE SPECIFICATIONS, STANDARDS, AND MAINTENANCE
9. SAFETY & ACCIDENT POLICIES AND PROCEDURES
10. CUSTOMER SERVICE STANDARDS
11. COLLECTION OF CUSTOMER FARES
12. PAYMENT TERMS AND CONDITIONS
13. TERMINATION OF AGREEMENT
14. CONTRACT MANAGEMENT
15. SIGNATURE PAGE

Appendix A – Verification of IC Relationship

Appendix B – Contractor Contact Information

Appendix C – Fees & Charges Paid To Company

STATEMENT of FACTS and INTENT

Shuttle Express, Inc. and Contractor seek to establish a working relationship in which both parties work in cooperation for their mutual benefit while maintaining separate independent business identities.

SHUTTLE EXPRESS holds necessary operating authority for passenger transportation operations from the Washington Utilities and Transportation Commission ("WUTC"), the Washington Department of Licensing ("DOL"), and the Port of Seattle Airport ("PORT").

SHUTTLE EXPRESS has an office and dispatch system which allows a Contractor to comply with Washington State law (RCW 46-72A.020) which mandates limousine operators to pick up ONLY clients who are prearranged and dispatched through an office.

SHUTTLE EXPRESS has a proprietary marketing and reservation system capable of gathering, sorting, and referring work to the those who can perform the transportation movements needed to satisfy client's requests.

SHUTTLE EXPRESS holds the right to use certain name(s), trademark(s), trade name(s), service mark(s) and phone number(s) and conducts advertising to attract customers for transportation service (the "licensed property").

CONTRACTOR seeks referrals to perform transportation services and is willing and able to accept referrals from Shuttle Express, Inc. according to the terms and conditions set forth in this Agreement.

IT IS THE INTENT of the parties to combine their individual capabilities and resources, working together to provide complete luxury transportation service to clients.

THEREFORE, the parties agree as follows:

1. INDEPENDENT CONTRACTOR RELATIONSHIP BETWEEN THE PARTIES

(a) Contractor and Company acknowledge and agree that there does not exist between them the relationship of employer-employee or master-servant, either express or implied. This Agreement is not a contract of employment, hire or apprenticeship. Contractor affirms that he or she is a self-employed person, engaged in an independently established business of the same nature as the services Contractor agrees to provide under the terms of this Agreement.

(b) This Agreement is non-exclusive. Contractor is free to advertise, solicit, and present himself/herself to the public as available to perform transportation services. Contractor may sell transportation services to other companies, and Company may buy transportation services from other contractors.

(c) Contractor understands and agrees that as a self-employed person, Contractor is NOT eligible for employee benefits, including Workers' Compensation Insurance from the Company and the Company is not obliged to provide it. Contractor will not be treated as an employee of the Company for any purpose, including, but not limited to, the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, State Workers' Compensation, State Unemployment Insurance, State Disability Insurance, and Federal or State income tax withholding at source.

(d) Contractor assumes complete responsibility for payment of self-employment and Federal and State income taxes. Company will not withhold any taxes or make any payment, either federal or state, on behalf of Contractor.

(e) Although Contractor is not and shall not in any manner claim to be an employee of the Company, the Company is the sole holder of all licenses, agreements and authorizations from any and all federal, state and other regulatory bodies, except for requirements of Contractor enumerated in subsequent sections herein.

(f) Contractor represents himself/herself to be a licensed and professional transportation provider who does not require training from the Company, and which the Company will not provide.

- (g) Contractor will supply vehicle, and all equipment required to accomplish the work in a professional manner.
- (h) Contractor is financially responsible to pay all expenses associated with transporting clients referred by Company, including fees paid to the Company for services rendered in referring the work.
- (i) If Contractor operates as a PARTNERSHIP or limited liability company (LLC), all contractors, partners, and LLC members (individually and collectively), shall sign and be subject to all portions of this Agreement.
- (j) If Contractor enters into an EMPLOYMENT RELATIONSHIP with anyone, Contractor shall be solely responsible to:
 - 1) set wages, benefits, hours and working conditions for any such employee;
 - 2) furnish full and complete Worker's Compensation Insurance coverage for all such employees at Contractor's own expense, during the entire period of this Agreement ;
 - 3) pay all required wages for said employees;
 - 4) withhold all required taxes and to pay all required contributions with respect to said employees;
 - 5) comply with all laws relating to Contractor's employees; and
 - 6) enter into a written employment agreement with such employees that incorporates relevant terms of this Agreement.
 - 7) Prior to permitting any employee of Contractor to accept referrals or perform any services under the terms of this Agreement, Contractor shall provide the Company with a certificate showing in force the requisite Workers' Compensation Insurance for Contractor's employees. The certificate shall list the Company as a certificate holder to be given notice in the event of termination or cancellation of such coverage.

2. INDEPENDENT CONTRACTOR DISCRETION

- (a) Except as may be required by applicable law and regulations outside of Company's control, Contractor has absolute discretion of determining the manner and means of accomplishing the performance of services rendered.
- (b) Contractor is under no obligation to accept any referral offered by the Company, but once a Contractor accepts a referral, Contractor agrees to service the referred work.
- (c) Contractor may not utilize Company licensed property, symbols, insignias, logos, trade identification colors or any other licensed property, while performing any transport service to or from SeaTac International Airport or any other facility which has issued a permit or license to the Company unless Contractor is performing services under this Agreement.
- (d) Nothing herein prohibits Contractor from performing services that are not restricted by this Agreement.
- (e) Contractor may choose to contract with Company to guarantee availability to accept referrals on specified days and hours mutually agreed to by both parties.
- (f) Contractor may perform services under this Agreement at any time during the term or any extension(s) of it.

3. TERM

- (a) The initial term of this Agreement shall commence upon its effective date and continue for ~~three~~ (3) months.
- (b) Upon expiration of the initial term, this Agreement shall automatically renew on the same terms and conditions from month to month unless either party serves 30-day written notice of termination to the other. \$200 penalty if either party terminates without cause with less than 30-day written notice.

4. USE OF COMPANY TRADE MARKS

- (a) Company hereby grants to Contractor the right to use the licensed property in or on Contractor's vehicle during the term of this Agreement and any extension(s) of it.
- (b) Contractor agrees that all Company symbols, including but not limited to trade marks, trade names, logos, insignias, colors and color combinations, now and hereafter used by Contractor, are solely and exclusively the property of the Company.
- (c) Contractor shall not use Company's name, trade mark, trade name, service mark or phone number in any type advertising without express written permission from the Company.
- (d) Company may reimburse Contractor in whole or part (upon agreement) for advertising the Company or Company services (eg: XCAR license plate, license plate frame). Any such advertising to be immediately removed upon termination of this Agreement.

5. CONTRACTOR OBLIGATIONS

- (a) Prior to operating under this Agreement, Contractor agrees to provide Company, at Contractor's expense, written confirmation or copy of:
- 1) Current valid Washington State Drivers License
 - 2) DMV 3 year Driving Record – to be updated yearly
 - 3) Current valid DOT Medical Card
 - 4) Drug screening with negative result
 - 5) Unified Business Identifier - Washington State UBI registration
 - 6) Washington State L&I Occupational Accident insurance
 - 7) Washington State Limousine Business License
 - 8) Vehicle Insurance in compliance with Washington State Limousine requirements and Section 7(b) below.
 - 9) Washington State Vehicle Limousine License
 - 10) Seattle Tacoma Airport Ground Transportation Permit
 - 11) Any other Licenses as required by the Port, DOL, DOT, or WUTC
- (b) Prior to operating under this Agreement, Contractor shall provide written certification to the Company that Contractor complies with the chauffeur criteria set forth in RCW 46.72A.090.
- (c) Prior to operating under this Agreement, Contractor shall successfully complete, at Contractors expense, a Company orientation course (NOT training) which includes but is not limited to:
- 1) Company Safety Policies and Accident Procedures
 - 2) Company Types of Service
 - 3) Company Fare Collection procedures
 - 4) Company Text/Pager Messages & Interpretation
 - 5) Company Accounting Functions
 - 6) Company Office Orientation
 - 7) Airport Procedures at Company Ground Transportation Service Desk
- (d) Contractor shall pay all fees required to legally operate as a limousine carrier: airport fees, state, county, port, or city licenses, vehicle inspection fees, WUTC fees, DOL fees, or any other fees required. Contractor agrees to provide written evidence of such payments to the Company.

(e) Contractor agrees to comply with all regulations and standards issued by the Port of Seattle, which are incorporated herein by this reference, applicable to Contractor's operations under this Agreement. Contractor hereby acknowledges receipt of the Port of Seattle "Ground Transportation Operator's Manual."

(f) Contractor agrees to:

- 1) Maintain a separate set of books or records that reflect all items of income and expenses of Contractor's business, and upon demand verify compliance to the Company.
- 2) File a schedule of expenses with the Internal Revenue Service at the appropriate applicable filing periods, and file a Schedule C federal income tax return. Company will provide Contractor with a Form 1099 yearly as required.
- 3) Obtain a Unified Business Identifier (UBI) number and maintain an open account with the State Department of Revenue for the payment of all required state taxes. Contractor agrees to provide Company written evidence of compliance with this provision. Compliance with this provision will be monitored from the Washington State Department of Revenue website Business List.

(g) **CONFIDENTIALITY**

- 1) The operations of the Company and identity of the Company's customers are absolutely confidential and a trade secret of the Company. Any disclosure of the identity of Company's customers or the nature of its operations other than as are openly obvious and advertised by the Company to the public constitutes a violation of the Company's trade secret rights and attendant right to confidentiality.
- 2) Breach of this confidentiality provision by Contractor or any partner will be grounds for immediate cancellation of this Agreement.

(h) **NON - COMPETE**

- 1) Contractor agrees that clients developed through Company marketing efforts, advertising, and sales will be served through the Company reservation system. Contractor agrees not to solicit nor make sales overtures of any kind to such clients which may encourage Company clients to deal directly with Contractor in lieu of making travel arrangements through the Company.
- 2) The Company agrees to maintain a "Preferred Driver" program which allows a client to designate Contractor as their preferred driver within the Company reservation database. If so designated, the Company agrees to refer all travel by that client to Contractor. Contractor maintains the option of refusing a preferred driver referral, in which case the Company will refer that single transfer only to another chauffeur.
- 3) Nothing in this section precludes Contractor from marketing and developing their own clientele for their own business.
- 4) Should Contractor, for reasons which benefit Contractor, choose to use the Company's reservation system to manage a Contractor's client, the Company will rebate a finders fee upon invoice from the Contractor for each use. Contractor agrees to insure that such a reservation is clearly labeled to indicate the client has been developed by Contractor's sales and marketing efforts.

6. COMPLIANCE WITH LAW AND REGULATIONS

(a) COMPLIANCE WITH LAW AND GOVERNMENTAL REGULATIONS

- 1) Throughout the term of this Agreement and any extension(s) of it, Contractor shall possess and maintain all required licenses, permits and certificates necessary for lawful operation under this Agreement; including but not limited to current Washington driver's license, current vehicle registration, evidence of title to vehicle, chauffeur credential, charter license if required; and Contractor shall provide Company with current copies of all such licenses, certificates and permits. Contractor shall immediately notify the Company of any change, revocation, suspension, renewal or amendments to any license permit or certificate.
- 2) Contractor and all partners shall comply with all laws and governmental regulations and rules relating to the operation of the vehicle including but not limited to:
 - a. various port, federal, state, county and municipal statutes and regulations.
 - b. all portions of DOL Code of Federal Regulations (CFR), Washington Department of Licensing (DOL), RCW laws relating to Limousine Carriers, applicable Federal Motor Carrier Safety Administration (FMCSA) regulations, and Washington State Patrol (WSP) regulations and reviews.
- 3) Compliance with all hours of service regulations including DOL 49 CFR Part 395 specifying:
 - a. Minimum 8 consecutive hours off after a maximum of 10 hours drive time and/or 15 hours work time.
 - b. Maximum 60 hours work and/or drive time within any 7 consecutive days.
- 4) Contractor agrees to adhere at all times to all PORT regulations (Port of Seattle Airport Operations Ground Transportation Operations Manual). The PORT OPS Manual may be revised from time to time.

(b) COMPLIANCE WITH FEDERAL, STATE, AND LOCAL FINANCIAL REPORTING

- 1) Contractor acknowledges that strict compliance with the financial reporting requirements established by any Federal, State, or Local authority is essential to operating under this Agreement. Contractor further understands that the Company, as holder of the necessary operating authorities, is required by law to file
 - a. an annual report with the DOL and PORT; and
 - b. returns disclosing gross passenger revenues received by all Contractors,

The Company may be required to pay fees in connection with these reports.
- 2) In the event of an audit by any overseeing authority of either the Company and/or Contractor, Contractor agrees to make available to the Company all records and documents relating to the operation of the vehicle under this Agreement and to fully cooperate with the Company in preparation and compilation of individual or summary records to be submitted by the Company to the appropriate regulatory body.
- 3) Contractor agrees to indemnify the Company for any penalties, assessments or other direct or indirect losses arising out of any failure by Contractor to report gross revenues or other required information to the Company.

7. INDEMNIFICATION AND INSURANCE**(a) INDEMNIFICATION**

- 1) Contractor shall indemnify and hold Company harmless from any liability resulting from
 - a. the injury or death of any person driving, repairing, maintaining or otherwise involved in the operation of Contractor's vehicle
 - b. Contractor's failure to comply with his or her obligations under this Agreement.
- 2) Contractor agrees to indemnify and hold harmless the Company and any regulatory agencies for any damages, claims or cost resulting from Contractor's actions or unauthorized use of the licensed property.
- 3) Contractor agrees to obtain, at Contractor's sole cost and expense, any and all applicable insurance coverages required by the State of Washington, the Washington Utilities and Transportation Commission (WUTC), the Port of Seattle (PORT), or other regulatory bodies – including the Company's insurance carrier.
- 4) Contractor assumes complete responsibility for operation of the vehicle and agrees to indemnify and hold the Company and/or all regulatory agencies harmless from and against all claims, demands, liabilities, suits, judgments, awards, damages, losses, expenses, causes of action at law or in equity which are caused by or arise out of the operation of Contractor's vehicle and/or the handling or transportation of clients, luggage or items by Contractor or any partner during the term of this Agreement or any extension(s) of it.
- 5) In addition the Contractor will indemnify the Company and/or any regulatory agency for the following:
 - a. Reasonable attorneys' fees, costs and/or expenses of litigation.
 - b. Injury or damage to or loss of property including Contractor's equipment.
 - c. Injury, disease or death of any person.
 - d. Damage to third parties arising out of the theft, destruction or vandalism of Contractor's vehicle.
 - e. Violations of any statutes, laws, ordinances, rules, requirements or regulations.
- 6) Contractor expressly agrees that its obligation to indemnify, defend and hold the Company harmless will extend to all instances involving the use or operation of Contractor's vehicle including without limitation to personal or commercial use provided for or not in this Agreement.

(b) VEHICLE INSURANCE

- 1) During the term of this Agreement and any extension(s) of it, Contractor agrees to provide and maintain in full force and effect, at Contractor's sole expense, policies of commercial automobile insurance having limits of coverage not less than required by the State of Washington and the Port of Seattle, both currently \$1,050,000 combined single limit (CSL), and meeting limits as may be required by other agencies regulating commercial auto transportation services.
- 2) Insurance carrier to be rated "A-" or better by A.M. Best.
- 3) Such insurance policies will endorse the Company and others as required as additional insureds and shall provide prior written notice to the Company and involved regulatory agencies of any modification, cancellation or expiration of the policy. Prior to operating under this Agreement and from time to time as requested by the Company, Contractor agrees to provide written evidence satisfactory to the Company that such insurance is in full force and effect.
- 4) Contractor agrees to execute a Release of Notice of Pending Default directing Contractor's insurance agent to provide early notice to the Company of any notices of pending default on the insurance policy.
- 5) Contractor, and any partner(s) or LLC members if applicable, shall provide written evidence of dual coverage and of full compliance with paragraphs (1), (2), and (3) above.
- 6) Contractor's obligation to maintain insurance described here will not be affected in any way by any separate insurance maintained by the Company, nor will the maintenance of any insurance by the Company relieve the Contractor of any obligation under this Agreement.

- 7) Current proof of insurance evidencing effective coverage in accordance with this Agreement will be present in the vehicle at all times. Any lapse, termination, cancellation or other interruption of required insurance coverage for any reason will be grounds for immediate cancellation of this Agreement.
- (c) **ELECTIVE INDUSTRIAL INSURANCE ("WORKERS' COMPENSATION" or "L&I")**
 - 1) Contractor agrees to purchase at Contractor's own expense, and to maintain and keep in full force, Contractor's own Elective Industrial Insurance issued by the State of Washington Department of Labor and Industries.
 - 2) Contractor agrees to provide the Company with written evidence of Washington State Elective Industrial Insurance protection immediately upon application, and thereafter on a quarterly basis via the L&I website. (Website lists account as "Current" within 30 days of end of applicable quarter.)
- (d) **CLAIM OR SUIT**
 - 1) If a claim is made or suit brought against Contractor arising from Contractor's operations under this Agreement, Contractor agrees to forward immediately to the Company every demand, notice, summons or other process received by Contractor.
 - 2) Contractor agrees upon request to cooperate with the Company in the event of a claim or suit by attending hearing and trials and assisting in making statements, securing evidence and obtaining the attendance of witnesses.

8. VEHICLE SPECIFICATIONS, STANDARDS, AND MAINTENANCE

- (a) Contractor's vehicle shall meet the State of Washington specifications required by WAC Chapter 308-87-010 and shall be approved by the Port of Seattle, other regulating agencies, or insurance carriers in order for Contractor to operate throughout the term of this Agreement and any extension(s) of it.
- (b) Contractor and Contractor's vehicle shall comply with all safety, maintenance and appearance regulations as now exist or as may be amended from time to time. This includes but may not be limited to:
 - 1) Daily pre and post trip driver inspection.
 - 2) Periodic inspection at least once per year by a qualified inspector as per DOL 49CFR, part 396 and FMCSA part 396.
 - 3) PORT periodic inspections for cleanliness, proper equipment, good appearance, safe operating condition, violation of any laws and ordinances, or PORT rules and regulations.
- (c) As required by Company insurance carriers, Vehicle to be equipped with a Drive Cam unit per Section 9(d) at all times while operating under this Agreement.
- (d) Contractor shall have sole responsibility to maintain and pay for all operating costs of vehicles used to perform transportation services under this Agreement. Nothing in this Agreement prohibits Contractor, at their option, from hiring the Company's shop to perform vehicle maintenance.
- (e) Contractor authorizes Company to inspect the vehicle at any time to verify compliance with this section.
- (f) The Company may immediately cease referrals to Contractor in the event Contractor's vehicle fails to comply with all portions of this section.

9. SAFETY & ACCIDENT POLICIES and PROCEDURES

To continue the safe-driving reputation, established with customers over two decades of operation, the Company maintains the following behavioral safety standard instituted by the Company's insurance carrier.

(a) **SAFETY LIMITS** This Agreement will be terminated if Contractor's driving behavior reaches the following behavioral limits within the specified time period.

Within any Time Period of:	Behavior / Event
1 month	5 Preventable Drive Cam events
3 months	13 Preventable Drive Cam events (*Preventable Drive Cam" = Observed behavior which, in different circumstances, may lead to collision or injury to persons)
12 months	2 Preventable Collisions; or (*Preventable" = Driver did NOT take all reasonable actions to avoid collision) 2 Moving violations (including photo enforcement); or 2 Unacceptable driving observations or rides; or 3 Verified safety complaints; or Any combination of two of the above.
24 months	3 Preventable collisions, 3 Moving violations, 6 Verified safety complaints
Any time / single event	Seat Belt not worn by everyone in a moving vehicle Unreported collision or unreported moving violation DUI / DWI conviction Single Serious Moving Violation (defined by Commercial Motor Vehicle Safety Act): <ul style="list-style-type: none"> • Speeding – 15 mph or more over limit • Reckless driving • Disobeying stop sign or traffic signal • Improper lane change • Following too close • Aggressive driving • Preventable collision involving the above, or irresponsible behavior

(b) **ACCIDENT PROCEDURE** If Contractor's vehicle is involved in or contributes to any accident, injury, or property damage,

- 1) Contractor agrees to report such accident or incident IMMEDIATELY to the Company. ("Accident" is defined as "any contact with anything or contacted by anything.")
- 2) Contractor agrees to submit to the Company a complete Company Accident Report and a Drive Cam event, if available, prior to finishing the working day.
- 3) Contractor agrees to cooperate fully with the Company and any party(s) it specifies in investigation, settlement or defense.
- 4) Contractor agrees to submit to the Company copies of any legal papers relating to any accident or legal claim involving any clients, their possessions and/or the vehicle.
- 5) Contractor agrees to indemnify and hold the Company harmless from any claims, damages and liability against the Company resulting from Contractor's failure to provide notification of an accident as specified by this Agreement.

(c) **SAFETY SEMINARS** As required by Company insurance carriers, Contractor agrees to attend quarterly safety seminars at Contractor's expense; may be satisfied at any certified safety institute approved by the insurance carrier. Should Contractor fail to attend two consecutive quarterly safety seminars, Contractor may not be offered referrals until a safety seminar is successfully completed with an instructor certified by a known recognized safety program.

(d) DRIVE CAM

- 1) As required by Company insurance carriers, Contractor agrees that vehicle shall be equipped with a Drive Cam unit at all times while operating under this Agreement.
- 2) Contractor agrees to download the Drive Cam unit weekly (7 days) even if no events are recorded on the unit. (A "recorded event" is indicated by a red light on the Drive Cam unit.)
- 3) Tampering in any way with the installation or operation of a Drive Cam unit will result in immediate termination of this Agreement.

(e) DRIVING CITATIONS Should the Contractor, any partner or employee, receive any citation or notice of violation of any law or regulation in connection with the operation of any vehicle, Contractor, partner or employee shall immediately notify the Company and provide copies of all reports, citations or notices and cooperate fully with the Company in any investigation

10. CUSTOMER SERVICE STANDARDS

(a) CHAUFFEUR STANDARDS While operating under this Agreement, Contractor agrees to perform chauffeur services in a manner consistent with universally accepted professional chauffeur standards, procedures, and behavior. Universally accepted chauffeur standards are found in nationally used chauffeur training programs such as:

- Tom Mazza Consulting: "Ultimate Chauffeur Training" Video Series.
- LCT Magazine & Scott Metzger's Executive Chauffeuring School Training Program (established 1983)

Additionally, Port of Seattle SeaTac airport's operating standards are prescribed in the following document"

- Port of Seattle "Ground Transportation Operator's Manual "

(b) Universally accepted chauffeur standards and behavior from these sources include, but are not limited to:

1) **ON-TIME**

- a) Contractor and Company agree that, within safety considerations, on-time arrival is paramount. The "On-Time Arrival" standard is universally accepted as the premier measure of a professional chauffeur's effectiveness, and is a factor to determine priority for offering referrals to contractors.

2) **UNIFORM**

- a) black tuxedo or black two or three-piece suit,
- b) clean pressed long sleeved white tuxedo or dress shirt,
- c) black conservative well-polished shoes,
- d) black socks
- e) black bow tie or long tie

3) **VEHICLE**

- a) clean, well-maintained vehicle
- b) interior and exterior of vehicle thoroughly cleaned at a minimum of once per day
- c) vehicle shall be tidy and uncluttered inside when boarding each client.
- d) vehicle to remain non-smoking at all times.

4) **AIRPORT STANDARDS** While operating under this Agreement, Contractor agrees to adhere to the PORT of Seattle "Ground Transportation Operator's Manual" regulations, a copy of which is given to Contractor at the time of execution of this Agreement.

- a) **EQUIPMENT:** "Vehicles shall be in good operating order, free from mechanical defects, and in clean, neat, and attractive condition both inside and outside."
- b) **OPERATOR CONDUCT:** "Company shall, at all times when on duty, be in proper uniform, be neatly and cleanly dressed, conduct themselves in an exemplary manner, be courteous and polite to the public and Port employees, and not engage in any raucous or offensive conduct."
- c) Contractor agrees to comply with Port access and staging area procedures.
- d) Contractor and Company agree there shall be no tolerance for soliciting clients at the airport.

(c) Contractor will receive referrals to transport clients and/or baggage via Company's reservation and referral center. When transporting clients referred by the Company, Contractor agrees to comply with Company procedures for efficient use of communication devices (cell phone, pager, radio), as well as other applicable Company operational procedures.

(d) Contractor agrees to inform Company immediately upon the occurrence or knowledge of a customer service complaint, grievance, dispute or criticism of service provided, regardless if directed at the Contractor or Company.

(e) Contractor agrees to reimburse the Company for any client refunds for deficient service when responsibility for the deficiency is deemed to be the responsibility of the Contractor.

11. COLLECTION OF CUSTOMER FARES

(a) Contractor acknowledges that subject to its obligation to pay the Company the Charges described in Section 12(b), all fares paid by customers whether paid to Contractor in cash or otherwise ("Contractor Collected Fares"), or paid directly to Company or its affiliates (credit card reservations, direct bill accounts, vouchers) shall be, and remain the property of, the Contractor.

(b) In transporting clients pursuant to this Agreement,

- 1) Contractor agrees to charge only those tariffs / fares assigned and approved by Company and no variation is allowed unless authorized by the Company (i.e.: fuel surcharges).
- 2) If Contractor overcharges a client and the Company is therefore required to make a refund, Contractor agrees to reimburse the Company the amount of the refund.
- 3) Nothing herein shall limit Contractor's ability to charge different tariffs or fares when Contractor transports clients outside of this Agreement.
- 4) Fuel surcharge funds belong to the Contractor and are not included when calculating fees owed to the Company.

(c) **Contractor Collected Fares** Contractor acknowledges that Contractor Collected Fares shall be deemed to have been received by Contractor and are subject to fee charges described in Section 12(b) and the appropriate Appendix. Contractor shall be responsible for collecting from customers all Contractor Collected Fares and any applicable tariffs.

(d) **Company Collected Fares** For prepaid reservations such as Pre-paid Credit Card fares, Direct Bill accounts, and Vouchers, the Company shall be responsible for collecting Customer Fares. Company collected fares shall be deemed to have been received by Company as agent for the Contractor.

(e) **Signed Receipts** Contractor must obtain signed receipts for all prepaid transactions. If a signed receipt is not obtained, Contractor will forfeit 100% of any fare charged back to the Company, plus any fees levied in connection with the charge-back.

(f) **Point of Sale Device** Contractor may use a Point of Sale (POS) device, if available from Company, for all Contractor Collected credit card transactions. If a POS Device is available, but not used,

- 1) Contractor will forfeit 100% of any fare charged back or denied plus any fees levied in connection with such charge back.
- 2) Company may implement a 5% handling fee on all non-POS credit card charges.

(g) **Customer Service Incident** In the event any Credit Card Collected fare is denied by a customer due to a deficient service incident on the part of the Contractor, the Contractor shall bear the loss of fare plus processing and handling fees.

(h) **Credit Card Processing** Company shall process credit card charges at no fee to Contractor for all Customer Fares including Contractor Collected Fares.

12. PAYMENT TERMS AND CONDITIONS

(a) INVOICES

- 1) Contractor shall submit to the Company, within 48 hours of the day on which service is rendered, a Company-supplied invoice confirming all clients carried showing:
 - a. contractor identification,
 - b. vehicle identification,
 - c. vehicle miles traveled,
 - d. client names,
 - e. destination address(s),
 - f. beginning & ending time for each trip,
 - g. fare,
 - h. form of fare payment.
- 2) Contractor shall list all fares collected each day, both collected by the Contractor and collected via electronic payment by the Company as Contractor's agent, along with an accounting of such Contractor Collected Fares.
- 3) Incomplete invoices will be returned to the Contractor and considered as not submitted.
- 4) In the event the Contractor's Invoices are not delivered to the Company within 48 hours of the day on which the services were rendered, Company may immediately cease referring clients to Contractor and Contractor will immediately cease operations under this Agreement until the Invoices are delivered to the Company and all fares are reconciled.

(b) Contractor agrees to pay Referral Fees as outlined on the appropriate Appendix for use of the Licensed Property and in consideration of the referral services performed by the Company.

(c) Contractor shall be deemed to be in breach of this Agreement and it may be terminated

- 1) within 30 days of delivery of notice to Contractor of Contractor's failure to pay on a timely basis any sums stipulated in this Agreement,
- 2) within 30 days of delivery of notice to Contractor of Contractor's failure to remit any accurate daily invoice pursuant to Section 12(a),
- 3) immediately upon Contractor's submission of a falsified or inaccurate invoice.

(d) Both parties reserve the right to invoice the other for unexpected or extraordinary costs incurred in connection with providing service for the Company or to the Company's clients.

(e) FINANCIAL SETTLEMENT

- 1) For all work performed from the beginning of the 1st day of each month through the end of the 15th day of each month, Contractor shall receive a financial settlement on the 25th day of the month.
- 2) For all work performed from the beginning of the 16th day of the month through the end of the last day of each month, Contractor shall receive a financial settlement on the 10th day of the following month.
- 3) Should the 10th or 25th day of any month fall on a weekend day or holiday, settlement may be made on the first business day after the 10th or 25th.
- 4) Invoices not submitted within 48 hours of the end of a settlement period will not be paid until the following settlement period and Contractor will be charged an accounting handling fee.
- 5) The Company may offset against the settlement: amounts payable to Contractor, or any and all amounts owed by Contractor to the Company.

13. TERMINATION OF AGREEMENT

(a) The Company does not tolerate unwelcome or offensive behavior, or conduct which creates a hostile work environment among independent contractors, management persons, or Company employees. Referrals will be withheld and the Agreement terminated with contractors who are unable to behave accordingly.

(b) This Agreement may be terminated if any of the following conditions:

- 1) Thirty (30) day written notice from either party to the other after the initial three month term.
- 2) Contractor driving behavior matches events listed in the behavioral safety program Section 9(a).
- 3) Contractor compromising the safety or security of a client; or commission or omission of an act which results in harm or injury to any person, or which substantially increased the risk thereof.
- 4) Immediately upon any of the following:
 - a. failure to submit to or pass any scheduled or random drug, alcohol or chemical test required by any local, state, or federal agency.
 - b. closure of Contractor's Washington State UBI account,
(Closure determined by checking status on WA Dept. of Revenue website Business List)
 - c. failure to maintain any of the insurance requirements of this Agreement.
 - d. failure to pay L&I Elective Industrial Insurance premium within 30 days of quarter end,
(Lapse determined by account status as listed on WA Dept. of L&I website Account Status report.)
 - e. failure to provide or use a vehicle meeting all Washington State, PORT, DOL, and Insurance requirements under this Agreement.
 - f. suspension, termination, revocation, or interruption of any license, permit or certificate required for Contractor's operations under this Agreement.
 - g. tampering with any Safety Device (eg: Drive Cam)
 - h. violation of any local, state or federal law, rule or regulation applicable to Contractor's operations pursuant to the terms of this Agreement.
 - i. acquiescence or complicity in the use of Contractor's vehicle in connection with any criminal offense.
- 5) Failure to comply with terms of this Agreement within five (5) days notice of non-compliance or request for written confirmation of compliance.
- 6) Immediately upon assignment of this Agreement by Contractor, whether voluntary or by operation of law or otherwise, without prior written approval by the Company. Contractor shall not be deemed to have assigned the Agreement merely by hiring or using others to assist Contractor in the performance of the Agreement provided Contractor maintains control and responsibility for those persons used by Contractor, and Contractor complies with the provisions in Section 1(j).
- 7) Automatic termination after three (3) months of business inactivity or lack of communication with Contractor.
- 8) In the event it becomes impossible for either party to perform under this Agreement due to fire, flood, earthquake, vandalism, arson, court order or bankruptcy, this Agreement will be terminated without liability to the defaulting party.

(c) Upon either party serving notice of cancellation or non-renewal:

- 1) Company will immediately discontinue offering transportation referrals to Contractor.
- 2) Contractor will upon effective date discontinue all operations under this Agreement.
- 3) Contractor will forthwith return to the Company's premises all Company equipment including but not limited to radio transceivers, pagers, and all documents containing the Company name.
- 4) Contractor will immediately cease use of Company logo, insignia, trade marks and service marks.

- 5) Contractor will immediately cease any identification as an independent contractor working in conjunction with the Company, including but not limited to websites, business cards, phone messages, credentials, or any other method which suggests a business relationship with the Company.
- 6) Removal of Drive Cam unit to be immediately returned to Company in good operating condition.
- 7) Contractor at his/her own expense, will immediately modify Contractor's vehicle in a manner which no longer suggests or indicates a connection with the Company. Such modification will include removal of all Company symbols, insignias, logos, trade identification colors, color combinations and operating permits. Proof of such modifications as deemed acceptable by the Company must be provided within 7 days.

(d) Should Contractor fail or refuse to make the aforementioned delivery of Company equipment and documents, Contractor will pay the Company, forthwith upon written demand, all costs and expenses, including reasonable attorneys' fees incurred by the Company in securing the return of said equipment and documents.

(e) Upon termination or expiration of this Agreement, the Company has the right to notify all applicable regulatory agencies that the Contractor is no longer operating under this Agreement and no longer has the rights to operate under the Company's name or marks or operating authority.

(f) It is agreed by the Company and Contractor that any waiver by the Company of a right to terminate under this Agreement relating to any particular act, omission or incident, will not constitute a waiver of the right to terminate under any other provision.

14. CONTRACT MANAGEMENT

(a) **GOVERNING LAW** This Agreement will be governed by and construed in accordance with the laws of the State of Washington. To the extent permitted by applicable law, the parties hereto waive the provision of any law which prohibits any provision of this Agreement or renders any provision unenforceable in any respect.

(b) **SEVERABILITY** In the event that any portion of this Agreement is found to be invalid or unenforceable, such provision will be considered deleted from the Agreement and will not invalidate the remaining portion.

(c) **PRONOUNS** The pronouns used in this Agreement when referring to the Contractor shall be lawful and binding regardless of whether the Contractor is a partnership, LLC, or individual.

(d) **BINDING EFFECT** This Agreement will be binding on the parties, their successors and assigns.

(e) **NOTICES**

- 1) Any and all notices required under this Agreement to be given from either party to the other will be deemed to have been given upon personal delivery of the notice, or upon the mailing of the notice in a sealed envelope by certified mail to applicable address as follows:

To the Company at:	800 SW 16 th Street, Renton, WA 98057
To Contractor at:	address listed in Appendix B (or as modified by written or electronic notice per Line 2 of this Paragraph)

- 2) Contractor agrees to notify the Shuttle Express Town Car/Limousine Operations Manager of any change in address, phone number, cell phone number, e-mail address, or vehicle information within 24 hours of the change.

(f) **ENTIRE AGREEMENT** This written Agreement and its Appendices constitute the entire Agreement between Contractor and the Company. There are no other representations, condition, warranties, guaranties or collateral agreements, expressed or implied, statutory or otherwise, concerning this Agreement or the obligations of Contractor or the Company to each other.

(g) MODIFICATION This Agreement may not be modified except by written agreement between both parties.

(h) PREVIOUS AGREEMENT(S) This Agreement supersedes any previous Independent Contractor Agreements between Contractor and the Company. Any prior agreements between the parties are revoked.

(i) ATTORNEY'S FEES In the event that the Company is required to institute or defend any action or equity brought against or by Contractor arising out of this Agreement or otherwise, Contractor agrees to pay such amounts as the court shall determine as and for reasonable attorneys' fees for the Company in commencing or defending such action or suit, in addition to any and all costs, expenses, fees and damages.

(j) MEDIATION AND ARBITRATION

- 1) If there arises any dispute concerning the terms or implementation of this Agreement, the aggrieved party will give the other party written notice of the dispute describing in reasonable detail the nature of the dispute. Within 20 days after receipt of such notice the receiving party will submit to the other a written response. The notice and response should include a statement of each party's position and a summary of the evidence and arguments supporting its position. The parties will meet at a mutually acceptable time and place within 30 days following the date of the disputing party's notice, and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute. If the controversy has not been resolved within 60 days of the disputing party's notice, or if the party receiving said notice will not meet within 30 days, either party may initiate mediation of the controversy or claim in accordance with the American Arbitration Association ("AAA").
- 2) If the controversy has not been resolved pursuant to the mediation process within 60 days of the initiation of the procedure, or if either party will not participate in mediation, the controversy will be settled by arbitration in accordance with section 14.(j).3 below. Arbitration may not be commenced unless and until the parties have first exhausted the negotiation and mediation process in section 14.(j).1 above.
- 3) Except as provided in sections 14(j)1 and (j)2, and except as precluded by applicable law, any controversy or claim between the parties arising from or relating to this Agreement or any alleged breach of it, including any issues pertaining to the habitability of such controversy or claim and any claim that this Agreement or any part of it is invalid, illegal, or otherwise avoidable or void will be submitted to binding arbitration. The arbitrator will have the authority to determine whether a particular dispute or matter is subject to arbitration. Said arbitration will be conducted by AAA in accordance with AAA's rules of Practice and Procedure. Judgment upon any award rendered may be entered in applicable law. Such arbitration will be conducted at AAA's office in Seattle, Washington. The substantive law applied in such arbitration will be Washington law. The arbitration and the party's agreement will be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear.

(k) WAIVER

- 1) No delay in or omission of the exercise of a right, power or remedy accruing to the Company for breach or default by Contractor under this Agreement will impair any such right, power or remedy of the Company, and it will not be construed to be a waiver of any such breach or default, nor will any waiver of any single breach or default be deemed a waiver of any breach or default before or after the occurrence.
- 2) Any waiver, permit, or consent or approval of any kind of character on the part of the Company of any provision or condition of this Agreement must be made in writing and will be effective only to the extent specified in such writing. All remedies, either under this Agreement or by law, or otherwise afforded to the Company will be cumulative and alternative.

15. SIGNATURE PAGE

CONTRACTOR ACKNOWLEDGES THAT CONTRACTOR HAS CAREFULLY READ, UNDERSTANDS, AND AGREES WITH ALL THE TERMS OF THIS INDEPENDENT CONTRACTOR AGREEMENT, AND THAT IN EXECUTING THIS AGREEMENT HAS HAD THE OPPORTUNITY TO RELY ON LEGAL ADVICE FROM AN INDEPENDENT ATTORNEY OF CONTRACTOR'S CHOICE SO THAT THE TERMS OF THIS AGREEMENT AND THEIR CONSEQUENCES COULD HAVE BEEN FULLY EXPLAINED TO CONTRACTOR BY AN ATTORNEY, AND HAS EITHER OBTAINED SUCH INDEPENDENT COUNSEL, OR FREELY, VOLUNTARILY AND KNOWINGLY WAIVES SUCH RIGHT.

Executed on this _____ day of _____, 20_____

CONTRACTOR'S SIGNATURE

By: _____

Printed Name

Shuttle Express, Inc. SIGNATURE:

By: _____

Steve Salins

Printed Name

Manager, TownCar and Limousine Operation

Title

APPENDIX A VERIFY INDEPENDENT CONTRACTOR STATUS

Independent Contractor: **Please write, in your own handwriting, the following:**

I, _____ (insert your name), have read this Agreement and wish to provide services as an Independent Contractor to Shuttle Express, Inc.

I acknowledge that I am not an employee of Shuttle Express, Inc., and agree that, as an Independent Contractor, I am not entitled to either Worker's Compensation or Unemployment Compensation Benefits.

I am self-employed and I am responsible for my own taxes.

Independent Contractor Signature

Date

APPENDIX B CONTRACTOR CONTACT INFORMATION

Independent Contractor agrees to give written or electronic notice to the Company Town Car & Limousine Operations Manager of any changes in the information below within 24 hours of the change.

via e-mail: ssalins@shuttleexpress.net
 via FAX: 425-981-7071

Contractor's Name: _____
Last First Middle

Home Address: _____
Address Unit or Apt. #

City State ZIP

Home Phone: _____

Cell Phone: _____

E-mail: _____

APPENDIX C

FEES and CHARGES PAID TO COMPANY

Independent Contractor agrees to pay the Company:

Item	Rate	Contract Obligation	Frequency	Contractor Initial
Referral Fee	<u>34</u> % (32% when working overnight)	<u> </u> %	% of Customer Fares (as per Section 11)	<u> </u>
Reservation Fee	\$ <u>1.00</u>	\$ <u>1.00</u>	per Reservation	<u> </u>
Orientation (as needed)	\$ <u>12.00</u>	\$ <u>12.00</u>	per Hour	<u> </u>
Recurrent Safety Seminars	\$ <u>10.00</u>	\$ <u>10.00</u>	per Hour (Group)	<u> </u>
	\$ <u>30.00</u>	\$ <u>30.00</u>	per Hour (Individual)	
Modular Certification Seminars	Market Value		(varies w/ Seminar)	<u> </u>

for Shuttle Express, Inc.

Independent Contractor

Signature _____

Signature _____

Printed Name Steve Salins

Printed Name _____

Date _____

Date _____

APPENDIX E

Agenda Date: March 8, 2012
Item Number: B1

Docket: TC-112072
Company Name: Shuttle Express, Inc., C-975

Staff: Mike Young, Regulatory Analyst

Recommendation

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Shuttle Express, Inc., in Docket TC-112072.
2. Grant the company's request for an exemption from WAC 480-30-311, Tariffs and time schedules, to allow the revised substitute pages filed on March 5, 2012, to become effective on March 9, 2012, on less than statutory notice.
3. Grant the company's request for an exemption from WAC 480-30-316, Tariffs and time schedules, Customer Notice.
4. Approve the revised substitute pages filed on March 5, 2012, to become effective March 9, 2012, on a permanent basis, on less than statutory notice.

Discussion

On December 2, 2011, Shuttle Express, Inc. (Shuttle Express or company), filed with the Washington Utilities and Transportation Commission (commission) revisions to its Tariff No. 7, Pages 1, 3, 7 through 14, 17, 19, 21, 23, 25, 27, 29 and 39, with a stated effective date of January 3, 2012. The proposed tariff revisions would generate \$512,180 (4.0 percent) in additional annual revenue. Fares for door-to-door service to and from SeaTac Airport would increase by \$0.75 (2.0 percent) each way. Fares for service between downtown Seattle hotels and SeaTac Airport would increase by 44.0 percent. The company provides passenger transportation service to and from SeaTac Airport for more than 400,000 customers in Pierce, King, Snohomish and Island Counties annually.

The company filed the proposed rates to recover increased operating costs due to acquisition of several scheduled service runs since its last rate increase became effective in February of 2008. The company also proposes to change the application of children's fares from under 12 years of age to under 18 years of age.

The company's general rate case for regulated operations includes revenues and expenses associated with service provided by nonregulated independent-contractor owners. The company considers the service to be regulated door-to-door service, charged the customers the company's published tariff rate for door-to-door service, and provided service to the customer using a nonregulated owner-operator driver and vehicle, such as a limousine. At this time, staff does not know if this business practice is appropriate under the commission's rules and regulations. Staff has requested additional information regarding insurance, which the company has not yet provided. This matter will require further review.

Docket TC-112072
 March 8, 2012
 Page 2

To resolve this rate case, staff reviewed the filing in two ways. First, we analyzed the company's general rate case as filed, including the independent contractor revenues and expenses. Second, we removed the independent contractor revenues and expenses, and recalculated allocations as appropriate. We found that the overall results were similar, as shown in the table below.

	Regulated Operations	
	Include Independent Contractor	Exclude Independent Contractor
Revenue	\$13,275,796	\$12,565,358
Expense	\$12,508,532	\$11,629,715
OR	94.2%	92.6%

For the purpose of settling the general rate case, the staff considers the independent contractor operation revenues and expenses as regulated operations.

Staff has completed its review of the company's financial information and the analysis shows that the proposed rates result in excessive revenue. Staff and the company agreed to revised rates that would generate \$424,429 (3.3 percent) additional annual revenue.

On March 5, 2012, the company filed revised tariff pages to lower the increase for service between downtown Seattle hotels and the airport to 29.3 percent, instead of the proposed 44.0 percent. The revenue impact of this adjustment would generate \$117,600 (10.8 percent) in additional annual revenue, instead of the proposed \$232,200 (21.3 percent). The company also filed revised tariff pages to increase the fares for door-to-door service to the airport by \$1.00 instead of the proposed \$0.75. The revenue impact of this adjustment would generate \$306,800 (2.7 percent) instead of the proposed \$273,338 (2.4 percent).

Because the revised rates for door-to-door service are higher than the rates that the company proposed and notified customers, the company requests that the commission grant an exemption from WAC 480-30-311, Tariffs and time schedules, to allow the revised substitute pages to become effective on March 9, 2012, on less than statutory notice, and grant an exemption from WAC 480-30-316, Tariffs and time schedules, Customer Notice. Staff does not think additional notice to customers is warranted because of the small increase above the fares that were published in the company's original notice.

Docket TC-112072
 March 8, 2012
 Page 3

Rate Comparison

The following table is a representative sample of fares from one of many different zones published in the company's tariffs.

Door-to-Door Fares Zone A - One Way			
Number of Guests	Current Rate	Proposed Rate	Revised Rate
1	\$ 29.00	\$ 29.75	\$ 30.00
2	\$ 35.00	\$ 35.75	\$ 36.00
3	\$ 53.00	\$ 53.75	\$ 54.00

Seattle Downtown - Airport Route - One Way			
Number of Guests	Current Rate	Proposed Rate	Revised Rate
1	\$ 15.00	\$ 21.75	\$ 19.00
2	\$ 30.00	\$ 29.75	\$ 27.00
3	\$ 45.00	\$ 37.25	\$ 35.00

Seattle Downtown - Airport Route - Round Trip			
Number of Guests	Current Rate	Proposed Rate	Revised Rate
1	\$ 25.00	\$ 37.75	\$ 33.00
2	\$ 50.00	\$ 53.75	\$ 49.00
3	\$ 75.00	\$ 69.75	\$ 65.00

Customer Comments

No comments have been received.

Conclusion

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operation, the company's financial information supports the revenue requirement and the revised rates and charges are fair, just, reasonable and sufficient.

Recommendation

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Shuttle Express, Inc., in Docket TC-112072.

Docket TC-112072

March 8, 2012

Page 4

2. Grant the company's request for an exemption from WAC 480-30-311, Tariffs and time schedules, to allow the revised substitute pages filed on March 5, 2012, to become effective on March 9, 2012, on less than statutory notice.
3. Grant the company's request for an exemption from WAC 480-30-316, Tariffs and time schedules, Customer Notice.
4. Approve the revised substitute pages filed on March 5, 2012, to become effective March 9, 2012, on a permanent basis, on less than statutory notice.