

Date: March 29, 2006

To: Chairman Sidran, Commissioner Oshie and Commissioner Jones

From: John Rowley, C.O.O. / General Manager, Shuttle Express.

We would like to acknowledge the time and effort the staff has put into addressing passenger transportation (bus) company rule changes. There are many comments since the proposed rule change draft of 8-8-2003 that have not been included. We hope you will consider these changes we bring before you. The change we propose is to adopt the California method for allowing the use of Sub-Carriers to transport Customers for a Prime Carrier (the current certificate holder). See the attached.

Shuttle Express's proposed rule changes do not diminish any of the current responsibilities of the certificate holder. There will be no change to the current accountability structure of the certificate holder. Enforcement action against the certificate holder remains in tact should action be required. The certificate holder or Prime Carrier, is responsible for the service provided, period.

See proposal under Driver Status: "The driver of a vehicle operated by an auto transportation company must be the certificate holder or under the complete supervision, direction and control of the operating carrier.." A customer service complaint will be processed the exact same way -by the prime carrier as is now.

By licensing the sub-carriers, the UTC can impose their authority on them to the degree they prefer. Again this does not change the current accountability relationship between the certificate holder and the UTC. The amount of UTC enforcement potential is increased. It is not spread between the two.

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We are currently successfully operating with what would amount to "Sub-carriers" in our Town Car division. It is not our desire or intention to circumnavigate the UTC. We ask the Commission to consider these or slightly modified changes be introduced with the current proposed rules or at minimum be considered at a later time.

Thank you,

John Rowley

Shuttle Express

WAC 480-30-XXX Driver status

The driver of a vehicle operated by an auto transportation company must be the certificate holder or under the complete supervision, direction and control of the operating carrier as:

- An employee of the certificate holder; or
- An employee of a sub-carrier; or,
- An independent owner-driver who holds sub-carrier charter carrier authority and is operating as a sub-carrier.

New definitions:

SUB-CARRIER means a passenger charter carrier that provides transportation services for an auto transportation company under a charter sub-carrier agreement filed with and approved by the commission.

PRIME CARRIER means an auto transportation company that uses another carrier's (sub-carrier) vehicles and drivers to provide its authorized service under a sub-carrier agreement.

SUB-CARRIER AGREEMENT means the written agreement under which an auto transportation company is authorized to use the transportation services of another carrier (sub-carrier) that provides both vehicles and drivers.

WAC 480-30-xxxx Sub-carrier agreements

1. An auto transportation company (prime carrier) may enter into a sub-carrier agreement with a passenger charter carrier (sub-carrier) to use the sub-carrier's vehicle and drivers to perform transportation services authorized under the prime carrier's certificate.
2. A sub-carrier agreement must be in writing, signed, and dated. A sub-carrier agreement must be submitted to the commission for approval prior to any service being provided. The prime carrier and the sub-carrier agreement must include, but is not limited to:
 - (a) The prime-carrier name and the sub-carrier name.
 - (b) The prime carrier auto transportation company certificate number.
 - (c) The sub-carrier charter certificate number.
 - (d) The effective date and expiration date of the agreement.
 - (e) A complete description of the services to be performed.

WAC 480-30-xxx Sub-carrier agreements, operations

1. Reporting requirements. A private carrier is responsible for the transportation services provided under its certificate, reporting gross revenue, calculating, and paying regulator fees based, including revenue generated from services provided under a sub-carrier agreement.

2. Certificate authority. Operations conducted under a sub-carrier agreement must be authorized in the prime-carrier certificate.

(a) No service may be provided under a sub-carrier agreement if the prime carrier auto transportation company certificate is suspended or cancelled.

(b) No service may be provided under a sub-carrier agreement if the sub-carrier passenger charter certificate is suspended or cancelled.

3. Tariffs and time schedules. Rates and charges collected and services performed under a sub-carrier agreement must be authorized in the prime-carrier tariff, and the time schedule.

(a) Sub-carriers must collect only those fares authorized in the prime carrier's tariff as filed with the commission, including any authorized reduced rates or promotional fares.

(b) Sub-carriers must accept tickets, passes, and other prepaid fares presented by passengers.

(c) Sub-carriers must operate within the terms of the prime carrier's time schedule.

4. Sub-carrier vehicle identification. In addition to the vehicle marking requirements of WAC 480-30-xxx, any vehicle operated by a sub-carrier under an approved sub-carrier agreement must be identified as and independently owned and operated sub-carrier of the prime carrier.