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March 28, 2006

Commission Secretary
Washington State Utilities and Transportation Commission
1300 South Evergreen Park Drive Southwest
PO Box 47250
Olympia, WA 98504-7250

Re: WSDOT comments in Regard to Docket No. TC 060177

Dear Commission Secretary:

This letter is sent in support of the comments made in a letter dated March 15, 2006 by Paula Hammond, Chief of Staff, WSDOT.

Valley Transit is the Public Transportation Benefit Area in the urban area surrounding College Place and Walla Walla, WA and part of the intercity route between Pasco and Walla Walla passes through our transit district. As a recipient of federal and state public transportation grant funds, Valley Transit is required to engage in transportation planning with various local and regional agencies and organizations, including cities, counties, regional transportation planning organizations, and WSDOT.

The most recent planning requirement is contained in SAFETEA-LU and is for a regional plan for coordination of public transportation services between public transportation providers and human service agencies. This transportation coordination plan will address both local and intercity needs and resources.

Agencies like Valley Transit who are responsible for implementing the coordination plans will need to have the ability to use a competitive selection process in order to find transportation providers who will provide a high quality service at a reasonable price. We do not feel it is in the public best interest for the WUTC route authority to be a barrier to selecting the best proposal.

The one-year contract between WSDOT and Genie Tour Coaches for subsidy of operations in the Walla Walla to Pasco corridor will soon expire and the renewal will be eligible for competitive proposals. WSDOT might receive more proposals or have more options if the WUTC delays granting of permanent route authority to Genie Tours. We feel that greater choice and competition is generally in the public interest.

Commission Secretary
March 28, 2006

It is my wish that the WUTC will incorporate the suggestions contained in the letter from Paula Hammond. Public agencies should be able to contract for services with the most responsive proposer.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Fondahn". The signature is written in a cursive style with a large initial "D".

Richard (Dick) Fondahn
General Manager

enclosure



**Washington State
Department of Transportation**
Douglas B. MacDonald
Secretary of Transportation

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March 15, 2006

Commission Secretary
Washington State Utilities and Transportation Commission
1300 South Evergreen Park Drive Southwest
Post Office Box 47250
Olympia, Washington 98504-7250

RE: WSDOT Comments in Regard to Docket No. TC 060177

Dear Commission Secretary,

Thank you for the opportunity to comment in regard to Docket No. TC-060177. This comment period is especially timely as WSDOT is currently in process of completing the Washington State Intercity & Rural-to-Urban Public Transportation Network Plan. Following recent changes in the intercity bus industry, WSDOT is utilizing this planning process to revamp intercity program policies. Critical to WSDOT's ability to implement new policy direction is the capacity to award funds to specific local (intrastate) motorcoach operators through a competitive process. Given that, WUTC regulation of scheduled route passenger service in Washington has significant impact on the WSDOT's intercity bus program because WUTC's certification program prescribes the available service providers. Furthermore, new language in the federal transportation reauthorization legislation, SAFETEA-LU, requires that state DOTs give first consideration to private-for-profit operators when funding intercity bus services. As WSDOT implements our intercity program and deal increasingly with entities subject to WUTC regulation, bi-agency coordination will become more and more critical to our success.

Of greatest interest to WSDOT are requirements dealing with marketplace entry and the assurance of service quality standards in the area of Industry Regulation. The following points are intended to initiate discussions that will lead to a more formalized acknowledgement or consideration of our respective agency roles in supporting development and performance monitoring of statewide intercity services.

Primary objectives in pursuit of the goals of mutually supportive program policies and more clearly defined WSDOT-WUTC relationship, are as follows:

1. High service quality standards: WSDOT has additional performance expectations not required by the WUTC. When a grant-funded provider is not meeting WSDOT's service standards, we need the ability to select for funding operator who is willing and able to do so. WSDOT does not want to be bound to a deficient operator (i.e. does not meet agreed upon standards for customer service, service reliability, accessibility, regional coordination, performance reporting, and/or other deficiencies) based solely on possession of the proper WUTC certificate.
2. High return on the State's intercity bus investments. The ability of WSDOT to select the best operator (i.e. one who would develop the corridor over time and thereby reduce public subsidy) would allow WSDOT to manage limited funds in an efficient and effective manner. Value of service is determined by a composite of quantitative and qualitative factors.
3. In the case of government contracted intercity bus services (i.e. certificate of authority directly tied to a grant contract), it is requested that WUTC give preference to the applicant selected through WSDOT's competitive bid process.
4. In the case of both grant-funded *and* self-sustaining projects, it is requested that the Commission give preference to those projects specifically designed to support the statewide intercity bus service plan (as identified in the latest version of the Washington State Intercity & Rural-to-Urban Public Transportation Network Plan).
5. In all corridors identified as service deficient, it is requested that WUTC allow services with distinctly different markets to co-exist along the same service corridors.

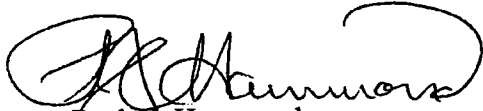
Please note that these comments, while representing the current interests of WSDOT's intercity bus policy development, are intended to be the first step in a process – one that does not assume all pertinent questions have been answered or even asked. In addition, these comments are only intended to deal with intercity bus and feeder services that have a meaningful connection to the national intercity bus network (versus airport shuttle operations or other services outside the scope of WSDOT's intercity program).

Thank you once again for the opportunity to participate in the rulemaking process. WUTC staff has been open, helpful, and genuinely interested in

Commission Secretary
March 15, 2006

working with WSDOT in regard to these issues. We look forward to further discussion and coordination of intersecting responsibilities and interests.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Hammond", written in black ink.

Paula J. Hammond
Chief of Staff