

TC-060177

The WUTC handout at the recent stakeholder meeting held on 15 June 2006 illustrates a great disparity in rates for existing Airporter services serving western Washington. These rates are determined to be fair, just, reasonable and sufficient and are determined by the Commission's current methodology for determining those fares where calculations are dependent on revenue and profits.

Consider the current operators serving Thurston County and Kitsap County. Capitol Aeroporter's fare from the Red Lion Olympia is \$31.00, however the Bremerton-Kitsap Airporter fare from its Port Orchard stop (47 miles equivalent distances) is \$16.00. Are Thurston County "ratepayers" getting a fair shake? Are Kitsap County "ratepayers" getting a bargain and is the efficient operator being penalized? Are either carrier's rates "fair, just, reasonable and sufficient" as mandated by statute? Does the statute mean only fares for different areas served by different operators or for the entire state?

This is not to say that either of the aforementioned Airporters is efficient or not efficient, it is merely meant to illustrate how the current methodology can result in fares being out of whack with each other throughout the state. I'm certain that there are many other examples. It further indicates the need for fares that are market driven, not governed by revenue and profits.

The Bremerton-Kitsap Airporter, Inc. strongly encourages that the WUTC methodology for rate making be changed to a mechanism that is similar to that proposed by Chairman Mark Sidron at the 15 June stakeholders meeting. Mr. Sidron suggested that perhaps fares be banded to a lesser degree for areas served that are farther from the Seattle metropolitan area where competition by other modes, other than auto, is less severe. If this methodology were adopted, then banded fares ranging from 10-20% would be appropriate and would eliminate the need for fuel surcharges. This approach would satisfy most affected operators, including the Bremerton-Kitsap Airporter, Inc.

Richard E. Asche
President
Bremerton-Kitsap Airporter, Inc.
Ft. Lewis/McChord Airporter