

Comments by Richard E. Asche, President, Bremerton-Kitsap Airporter, Inc.  
WUTC Open Meeting July 12, 2012

Re: TC-120816

Commissioners:

Please understand that I have asked the UTC for a \$0.25 pass through increase in fares for Kitsap County only in accordance with WAC 480-30-421 to off-set the increase in tolls on the Tacoma Narrows Bridge. The last time we had a pass through increase added to our base fare we qualified for \$0.25 based upon a toll increase (new toll) of \$2.75. Now the toll has been increase by \$1.25 over that previous amount and we did not receive any additional pass though for interim toll increases. We filed for the pass through under WAC 480-30-421 (2) (a) which clearly and unequivocally exempted this request from the general rate case provisions of the regulations. We feel the absolute unwillingness of the UTC staff to honor either the spirit or intent of the regulation to be detrimental to our business and ultimately the traveling public.

In the interests of efficiency, we feel that a general rate case will demand excessive paper work and unnecessary and unrequired justification for amounts that can be critical to a company's operation but with little or no impact upon the public.

In the instant case the statement by the involved staff member in which he asserts **"Coupled with the fact that this is a general rate increase, single item adjustment (in staff's view), we will recommend the commission issue a complaint and order suspending the tariff revisions requested."** I quote here from WAC 480-30-421(2) (a): **(2) The following tariff changes are not considered general rate increase filings** even though the request may meet one or more criteria identified above: (a) **Filings for collection of per-customer pass-through surcharges** and taxes imposed by the jurisdictional local government based on the current year customer count either as a specified dollar amount or percentage fee amount.

The language quoted above cannot be misinterpreted. Our filing from 2008 in which our pass through was mischaracterized but approved rather than by application of the appropriate statutes. Mr. Gomez states: *"In reviewing Layne's work papers from TC-081030, fares were allowed to go into effect by operation of law based on a general rate case, single item adjustment to recover a toll of \$2.75 per-vehicle crossing; the toll amount before the recent July 1, 2012, increase. Therefore, the company's request for a \$2.25 per-vehicle crossing increase over recovers the actual amount of the toll increase by \$1.00 per-vehicle crossing or for over \$25,000, of the requested \$36,577. As a result, your actual adjustment for the increase in vehicle toll is slightly under \$11,400 or \$0.08 per passenger one way fare"*. I am totally confused by this comment.

I wish to also refer to the latest position of the commission which once again has not gotten down to the staff level or staff refuses to acknowledge it: *This proposal supplements the UTC's existing flexibility in determining the method of rate regulation. Staff determined that RCW 81.04.250 provides the necessary latitude to the Commission to adopt a variety of alternatives to the 93/7 operating ratio, such as "rate bands" and does not need to be amended.* Excerpted from UTC 7-10-12 email **"Proposed Legislation Increasing Regulatory Flexibility for Auto Transportation Companies"**

Certainly no flexibility has been shown here or for that matter in any rate case, therefore the reluctance by operators to file for general rate cases. We all understand that future bridge toll increases are inevitable and the decision reached today is precedent setting.

I am, as always, at a complete loss to understand the reverse logic of commission staff's reference to the six years since our last rate case as justification for their actions. Anyone with any common sense would understand that if a rate was acceptable six years ago it is more than acceptable today. If anything the rate is now lower when viewed in today's dollars. The feeling here is that if we serve the public well and increase our ridership we should not only not make any more in devalued dollars but that they should reduce the amount we collect. The absurdity here is beyond even the most lax application of "fair, just, reasonable and sufficient."

Please consider these comments in reaching your precedent setting decision.

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