March 27, 2012

Mr. Steve King

Washington Utilities and Transportation Commission

1300 S Evergreen Park DR SW

PO Box 47259

Olympia, WA 98504-7250

RE: TC-130412

Dear Mr. King:

First of all, thank you for attending the workshop recently and also responding in a timely manner to all the issues that are occurring as a result of our attempt to provide both scheduled and door to door service to Bellingham from Whidbey Island.

Just as a quick background we initially applied for and received permission for scheduled service in May of 2012 and our current authority was accepted with the same exact wording as it exists now, namely:

“Between Whidbey Island and Bellingham Airport. Door to door service in conjunction with the above route.”

This is the way it was suggested by staff from the very beginning and that is what we operated under with scheduled service for several months.

When we needed to change our scheduled time table to meet the changing flight schedules at BLI, Penny Ingram suggested we revise our time schedule to allow us the ability to respond to the weekly changes in flights schedules which we did using the exact language she supplied in our time Schedule. But, I point out; we NEVER changed our original authority, only our time table.

Last month we tried to ADD door to door service to the same airport. We were already providing scheduled service under our existing authority which again was NEVER changed. We were advised by Penny that now the same wording we had in May of 2012 only authorized door to door service and somehow we now longer had the authority to offer scheduled service.

This is where we are now.

The simple question we continue to ask, and have never been given an answer to is WHY. Why does our authority need to be changed at all? We inquired and received a response from Lisa Wyse as to staff's interpretation of our authority wording. As it turned out she received these interpretations from Penny. In Penny's interpretation please note that our original wording was and still is identical to paragraph 2 of Lisa’s response, which was approved for scheduled service from the very beginning. Now, for some unknown reason that same wording only permits door to door. This is simply not logical. Penny’s suggested solution is to change our authority to (Lisa’s) paragraph 3 which is totally redundant in its wording. A sentence stating "Door to door service in conjunction with the above route" is NOT exclusionary. "In conjunction with" means in addition to, and does not exclude the previous sentence stating “Service Between Whidbey Island and Bellingham airport.”

Therefore, we see NO Logical reason that we don't already qualify for BOTH scheduled and door to door service. We filed a revised tariff and time schedule for BOTH services in anticipation of an explanation of this change in interpretation. Given a logical explanation we will file all necessary changes. But to this date staff and Penny have been unwilling or unable to provide one. There has always been a clear distinction between scheduled and door todoor in both price and service. Clearly we already had scheduled service for the $35 one way fare and it is totally illogical that this same fare can now be considered as the fare that we would also charge for door to door service, which by definition is a “premium” service. Hence, the door to door fare is a NEW fare, not a fare increase.

Penny can’t arbitrarily take away scheduled service with no explanation just because she changed a time table and does not understand the word “conjunction”. Using her logic, if we send in a new tariff and time table for scheduled service, then staff would have to state that we no longer have door to door service but at the same time MUST approve scheduled service back to the way we started. This logic is ridiculous. The simple solution is to accept our authority as permitting both scheduled and door to door and approve the recent filing as so that our customers can have BOTH scheduled and door to door service.

Why is the UTC making it nearly impossible for us to provide both services to BLI when we already had scheduled and simply want to add door to doorservice? We have no intent of going through a -426 rate hearing just so that we can provide this new service. How Penny has decided that a rate that was originally submitted and accepted for scheduled service now is a rate table for door to door service is beyond our comprehension.

We received the following response from Lisa Wyse based on herconversations with Penny as to her interpretation of what she thinks is proper wording. If this was the commission's thinking then why did they not advise us to put it in when we first filed for that authority over 9 months ago? They approved our scheduled service even though our wording was as in paragraph 2. A wording adjustment should have been made at that time or the scheduled service should not have been approved with that authority wording. We submitted our application with the wording in paragraph 2, and it was approved by the commission along with our rate and time table for scheduled service and defended by Mr. Eckhardt at a subsequent Open Meeting.

1. When the service is **Scheduled** the certificate will say [service]“Between Whidbey Island and Bellingham Airport.”

2. When the service is **Door-to-Door**, the certificate will say [service] “Between Whidbey Island and Bellingham Airport. Door to door service in conjunction with the above route” (THIS IS OUR ORIGINAL AND CURRENT WORDING)

3. When the service is **Scheduled and Door-to-Door**, the certificatewill say [service], “Between Whidbey Island and Bellingham Airport. BetweenWhidbey Island and Bellingham Airport. Door to door service in conjunction with the above route.”

All we want to do is get a simple answer as to WHY our authority is wrong now for both types of service, but it was correct over 9 months ago for scheduled service? How is it not now acceptable for scheduled service but magically only permits door to door service?

There have been no changes whatsoever to the wording. In the absence of any explanation other than "because I said so” by Penny Ingram, we will be left with a situation whereby our authority may be challenged at any time, without explanation, by any staff member that reviews our next request. We must know the reasoning behind Penny's interpretations so that we may file an iron clad authority that just allows us to provide all types of service.

Once again, we thank you for your intervention in this matter and your suggested wording in your March 13th letter. We just seek clarification.

Your suggestion of contacting Penny Ingram for assistance is not a workable or acceptable solution as we have stated previously. We will continue to only work through Mr. Eckhardt.

Thank you for your assistance.

Sincerely,

John Solin

Mike Lauver

Cc: Gene Eckhardt