

## Before the Washington State Utilities Transportation Commission

Comments in re: TC-161262

Seatac Shuttle, LLC  
C-1066  
January 26, 2017

### Statement of Purpose

**Reasons why rules on this subject may be needed and what they might accomplish:** The UTC reviewed WAC 480-30 in 2013 in Docket TC-121328 to address changes in the market and authorize rate flexibility for auto transportation companies. Since that time the transportation options to and from Seattle-Tacoma International Airport have continued to expand. Commercial Transportation Service Providers like Uber and Lyft (also known as Transportation Network Companies) have begun providing this service, joining auto transportation companies, taxis, limousines, buses, and light rail, the majority of which the UTC does not regulate. The UTC is concerned that its oversight of auto transportation companies may not be allowing the companies to keep pace with market changes. Any changes to the rules will continue to protect public health and safety.

### Overview

The TNC companies, most prominent of which are UBER and LYFT, are unregulated and pose a possible threat to public safety and well being. For the commission to propose a rulemaking that reduces the regulatory oversight of the currently regulated companies to allow competition only suggests a lowering of the bar of public safety. The focus, rather, should be on bringing TNCs into a regulatory environment that levels the playing field and provides at least the same level of protection afforded the public through current autotransportation safety regulations. This company fails to see any realistic way that the rules for scheduled carriers can be modified to make them more “competitive” with the TNCs.

TNCs have no routes, no territories, no requirement to serve the public, no maintenance requirements, no inspection requirements, no insurance requirements, no DOL driver vetting, no service hours, no driver’s qualification or licensing requirements. Which of these required oversight safety items provided the public by the UTC should you eliminate? If any are eliminated how do they serve the public or the regulated companies? Autotransportation in Washington is some of the safest in the country because these rules exist. Rates for the TNCs are not regulated, should you deregulate rates for autotransportation? The 2013 amendments to t WAC 480-30 offered flexible rates to Autotransportation and the companies since that implementation have had the ability to reduce fares as they saw fit. The elimination of rate regulation would mean the removing of any ceiling which would be contrary to the stated goal of the CR-101. Rates are not the answer either.

### Response Comments

1. Autotransportation companies are required to own or lease the vehicles that are on their certificate. By doing so the public has a reasonable level of assurance that the vehicles are under the care and control of the operator. Removing this provision in the WAC would permit

new entry and perhaps some operators to use vehicles that they do not have direct control over resulting in lax or ignored maintenance and tracking. Availability would be at the discretion of the actual owner and not the certificate holder. Owners and drivers would then become contractors and independent resulting in missed schedules and passenger pick-ups and erratic service.

2. CFRs dictate hours of service, use of log books, maintenance, and driver's qualifications to name a few items. All of these items are designed for the safety of the drivers, the company, the vehicles and the traveling public. All autotransportation companies must register with the USDOT and comply with all of the applicable rules and regulations at the federal level, including a comprehensive, certified drug and alcohol testing program. No such registration is required of the TNCs; no such drug testing program is required. Once again we fail to see how lowering the bar in any way helps or provides for the good of the public. Rather, the TNCs need to be brought to account and face many of the same regulatory factors the autotransportation companies must comply with for the public good.
3. The public is protected to a reasonable degree by the WAC. Safety, insurance and consumer protection are addressed. Autotransportation buses may be pulled as "out of service" at any time by a sanctioned inspector for safety issues, TNCs may continue on until the vehicle fails with possible tragic consequences; there is no oversight or out of service standards.

TNCs may state that they have insurance standards but they are not enforceable or monitored in the public interest by any state agency. A passenger could not know if the vehicle he/she riding in is actually insured and to what degree. Most private auto policies do not cover for hire situations. As there is no oversight there is no consumer protection. Who does a passenger turn to with a complaint? The TNC that was the cause of the complaint? This is the fox guarding the hen house. To restate the obvious; the WAC was put in place to ensure that the companies and the public are safe, TNCs are about one thing, price. People are willing, though few know the facts, to place all other considerations behind the availability of a cheap ride. Again the focus is misplaced; regulate the TNCs, don't diminish the existing safety regulations for autotransportation.

4. Unfortunately the Department of Licensing is a joke. It provides no enforcement, waives fines and permits unlicensed for hire and limousine companies to continue to operate despite repeated reporting. License fees climb every year, TSA will not accept Washington driver's licenses as proof of identification and examiners for CDL applicants are few and far between. We would suggest the DOL take the TNCs under their wing and provide for the public safety but we have seen the DOL for what it is, a bureaucratic disaster mired down in inertia, politics and gross inefficiency. To suggest that they oversee TNCs would only compound the problem. The WSP is over burdened as it is, however, perhaps WSP could require the TNCs vehicles have an annual inspection and sticker provided by WSP on display. As to regulatory oversight, we can

only suggest the UTC step up to the plate and include TNCs in its regulatory purview. Select features such as insurance, inspections, maintenance, drug testing and driver licensing should be required and enforced.

In Summary: We feel strongly that there is little that the UTC can do to change the WAC with regard to autotransportation that will make the industry more competitive with TNCs. Rather the TNCs need to be accountable for maintaining proper safety standards and all that that implies. The focus of the workshops should be on regulating, to a degree, the TNCs and not further deregulating the autotransportation companies. It is very true that in past sessions this company has advocated for “deregulation” but that was aimed at rates and territories, not safety. The UTC has successfully virtually eliminated territories and retained rate regulation, albeit far more flexible than in past years. The ability to reduce rates is already in the code so that is not a topic for discussion. All that is left are the safety regulations and we do not support weakening them.

TNCs in very short order have become multi-billion dollars companies relying on no regulation for their business model. They have their profits that would never pass UTC muster, now it is time for them to join the rest of the world and provide for the safety of the public. The only way we can compete is if the playing field is level. The question is do you raise the bar for them or lower the bar for us.

Respectfully submitted,

Michael Lauver  
Seatac Shuttle, LLC  
dba; Whidbey Seatac Shuttle

[mike@seatacshuttle.com](mailto:mike@seatacshuttle.com) 360-679-4003