



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

August 16, 2006

Mr. Mike Lauver
Mr. John Solin
SeaTac Shuttle, LLC
PO Box 2895
Oak Harbor, WA 98277

Dear Mr. Lauver and Mr. Solin:

Thank you for your letter to Penny Hansen of our staff seeking clarification of some issues related to the commission's auto transportation rulemakings, Docket TC-060177. She has asked me to respond.

The commission issued a CR-102 in this docket on August 2, 2006. It deals solely with the issue of filings for rate decreases, proposing to amend WAC 480-30-306 to allow companies to decrease rates on one-day's notice to the commission instead of the current seven days. You will have an opportunity to comment on this one rule change in writing by September 1, 2006, or in person at the commission's adoption hearing on September 13, 2006.

The CR-102 does not address the banded rate or other rate-setting proposals. Because the matters of rate flexibility and open entry require legislative action, commission staff is in the process of developing proposals for legislation which we intend to share with stakeholders in advance of the 2007 legislative session. Chris Rose, the commission's Director of Policy, will contact you soon to hear your views on proposed legislation. Please keep in mind that establishing a band or range for fares is only one approach that might be used in providing companies flexibility in setting fares.

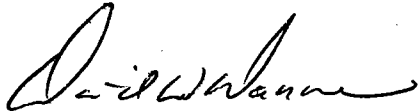
You also expressed concerns that our current rules contained in WAC 480-30 are not consistent with Executive Order 06-02. While you quote from the executive order, you do not identify any specific provisions in WAC 480-30 that you believe are inconsistent or explain how they are so. Indeed, we have reviewed this chapter of the WAC and the executive order, and find that the rule furthers the goals of the executive order by, among other things, eliminating duplicative certificate requirements for companies that operated under both Chapters 480-30 and 480-40, acknowledging federal preemption of certain state regulations, allowing for temporary certificates, and eliminating mandatory hearings for uncontested cases.



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We will continue to work with you and other stakeholders as we develop proposed legislation, and expect that the Legislature will deliberate the matter thoroughly. Please call Chris Rose at 360-664-1206 if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Danner". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

David Danner
Executive Director

cc: Chris Rose
Gene Eckhardt
Penny Hansen