

Chris- This confirms our meeting with you and Gene Eckhardt for tomorrow, September 7, 2006 at 2:30 PM.

I continue to have a problem with your letter of August 23, 2006 in which you describe the Restricted Entry and Competitive Classification Zones and discuss only entry requirements. You are silent regarding fare methodology. My impression from our last stakeholder meeting was that the transition between these zones was to be graduated with respect to fares (fare zones). Moreover, Chairman Sidron alludes to this premise by stating "we need to tailor entry and fare setting standards within specific geographic areas". My impression was/is that he was referring to more than two areas.

Your description of Competitive Classification Zones describes the Seattle Metropolitan area in which operators would be nearly deregulated, while those carriers in the Restricted Entry Zones would continue to be regulated as they are today. In other words, nothing will change for the majority of auto transportation companies. This then, allows Shuttle Express and Grayline to be deregulated with the ability to set rates freely, while the rest of the carriers operating outside of the Seattle Commercial Zone must deal with the whims of the staff and a un-codified fare methodology rule. The two distinct zones are either/or alternatives.

Moreover, I am disappointed that the 93 percent operating ratio methodology is the basic (and perhaps only) approach to evaluating proposed fares. We will continue to advocate our desire for "fare zones", where the operator is allowed to make important decisions about his company. Current methodology is intrusive "micro-management" by unwritten rule.

I will have further comment regarding the housekeeping legislation before September 15, 2006. I am particularly agitated with statutes that define who is entitled to free or reduced fares. This is another Great Depression era statute that must be stricken from the books and further illustrates the state's meddling in private enterprise. Fare discounts or free rides for lawyers, doctors, homeless people???

Sincerely,

Richard E. Asche
President
Bremerton-Kitsap Airporter, Inc
P.O. Box 1255
Port Orchard, WA 98366
(360) 876-1737