

PACIFIC NORTHWEST TRANSPORTATION, INC.
Capital Aeroporter
Transportation • Tours • Charters • Express • Convention Services
P.O. Box 2163
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October 2, 2006

Carole Washburn
Secretary
P.O. Box 47250
Olympia, WA 98504

Dear Carole:

RE: Utilities and Transportation Commission Conceptual Proposal: Auto
Transportation Regulatory Flexibility Act

This letter is in response to the Chairman, Mark Sidran's, regulatory flexibility concept noted at: the Stakeholder workshop; the August 23, 2006 letter; and our September meeting with Chris Rose and Gene Eckhardt.

When Chairman Mark Sidran advanced the idea that regulations might become flexible inversely proportional to competition, at the June stakeholder workshop, it seemed to be primarily in response to the urban area issue, such as in the Seattle area. Furthermore, I was of the impression that a certificate holder would make its case to the commission that it had sufficient competition to justify regulatory relief.

The August 23, 2006, Letter and the September meeting with staff appear to have done an "about face"; i.e. that "open entry" would apply everywhere unless certificate holders apply for "restricted zones" by justifying to the Commission that "competition within a territory or over a route would be contrary to the interests of the consumer."

Limited Entry

The purpose of limited entry in passenger transportation is to provide frequent, reliable and safe services at a reasonable fare to the traveling public in all but the most dense urban areas; e.g. Seattle. This proposal becomes uncertain and jeopardizes auto transportation alternative between public transit and taxis, sedans and/or limousines.

Since the beginning of this century, even two certificate holders under WUTC regulations have struggled in the Olympia-Lacey-Tumwater area (See annual reports of C862 Pacific Northwest transportation services line and C Centralia SeaTac Airport Express/ Black Hills Transportation and Airport Services). Services in the integrated Tacoma Area have been so diluted that their existence has been adjunct to services by certificate holders in other areas.

Competition and Competitive Classifications

Competition with alternate forms of transportation (i.e. public transit, airlines, taxis sedans, limousines, etc.) is distinctively different than direct auto transportation competition. The latter potentially has far greater consequences to the survival of auto transportation particularly in suburban and rural areas.

Since the commission would be entering uncharted territory to measure alternative and direct forms of competition, it would be more prudent to begin with the “limited entry” under current standards of regulation and provide certificate holders the opportunity to apply for “open competitive zones”, e.g. the greater Seattle area.

This would provide for starting in densely populated areas first to test and measure the competitive vs. regulatory balance in the area most likely to succeed in more competition and less regulation.

Regulation Zones

It is my understanding that most certificate holders providing auto transportation services to/from areas outside King County prefer to maintain the limited entry new proverbial in law.

Furthermore, there would be far more applications to process by starting with everything open, than started with everything “limited entry.” Why place companies, such as ourselves, in the position of applying for our “needs and necessity” authority all over again after 34 years at new legal expense?

Conclusion

In conclusion, it makes far greater sense to start from current regulations and standards and allow applications to come from current certificate holders if they are interested in creating a “competitive” area and **not** vice versa.

Sincerely,

James N. Fricke
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