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1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION

3 In re Application No D-78904)
4 of HECKMAN MOTORS, INC.,)
5 d/b/a OLYMPIC BUS LINES for) DOCKET NO. TC-000676
6 Extension of Authority) Volume 2
7 Under Certificate of Public) Pages 35 - 158
8 Convenience and Necessity)
9 No. C-992.)
10 -----)
11 In re Application No. D-78916)
12 of JEFFREY LYNN PORTER d/b/a)
13 PENNCO TRANSPORTATION for) DOCKET NO. TC-000835
14 Extension of Authority Under) Volume 2
15 Certificate of Public) Pages 35 - 158
16 Convenience and Necessity)
17 No. C-1054.)
18 _____)

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12

13 A hearing in the above matter was held on
14 October 10, 2000, at 9:35 a.m., at 1707 South "C"
15 Street, Port Angeles, Washington, before Administrative
16 Law Judge DENNIS MOSS.

17 The parties were present as follows:

18 HECKMAN MOTORS, INC., d/b/a OLYMPIC BUS LINES,
19 by JACK HECKMAN, 111 East Front Street, Port Angeles,
20 Washington 98362; and by JAMES HECKMAN, 604 South Ennis,
21 Port Angeles, Washington.

20

21 PENNCO TRANSPORTATION, by JEFFREY LYNN PORTER,
22 P.O. Box 356, Carlsborg, Washington 98324.

22 THE COMMISSION, by ROBERT CEDARBAUM, Assistant
23 Attorney General, 1400 South Evergreen Park Drive
24 Southwest, Olympia, Washington 98504-0128.

24 Joan E. Kinn, CCR, RPR

25 Court Reporter

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P R O C E E D I N G S

2

JUDGE MOSS: Good morning, everyone. My name
3 is Dennis Moss. I'm an Administrative Law Judge for the
4 Washington Utilities and Transportation Commission. We
5 are convened today in Port Angeles to have our
6 evidentiary phase in the matters styled Heckman Motors,
7 Inc. doing business as Olympic Bus Lines for Extension
8 of Authority Under Certificate of Public Convenience and
9 Necessity Number C-992, and that is Docket Number
10 TC-000676, and in the consolidated matter In Re
11 Application Number D-78916, Jeffrey Lynn Porter doing
12 business as Pennco Transportation, for Extension of
13 Authority Under Certificate of Public Convenience and
14 Necessity Number C-1054, and that is Docket Number
15 TC-000835.

16

I have discussed off the record what our
17 agenda today will be, and as I indicated then, the first
18 order of business will be to take appearances, and we
19 will begin with the appearance for the applicant,
20 Heckman Motors, Inc.

21

MR. JACK HECKMAN: I'm Jack Heckman, and my
22 address is 111 East Front Street in Port Angeles. My
23 phone number is area code (360) 452-4774, and I'm the
24 acting president of Heckman Motors, Incorporated.

25

JUDGE MOSS: We will have to speak up a

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1 little bit. There's a little bit of a mechanical noise
2 in the background, and so if everybody will speak up a
3 little bit, that will help the reporter get a good
4 transcript.

5 MR. JAMES HECKMAN: Yourself also, Your
6 Honor.

7 JUDGE MOSS: I'm sorry?

8 MR. JAMES HECKMAN: Yourself also.

9 JUDGE MOSS: Are you having a hard time
10 hearing me down there?

11 MR. JAMES HECKMAN: Well, I did during some
12 of your introductory comments.

13 JUDGE MOSS: Okay, well, I typically speak
14 quite loudly, but I think I'm in a softer tone this
15 morning for some reason, so I will do that certainly.
16 And if you do have difficulty hearing anything I say,
17 please do speak up. I sometimes drift.

18 All right, let's have the appearance for
19 Pennco.

20 MR. PORTER: Jeffrey L. Porter, I represent
21 the owner of Pennco Transportation, the address is Post
22 Office Box 356, Carlsborg, Washington 98324. Our phone
23 number is (360) 582-3736.

24 JUDGE MOSS: All right, did any of the
25 interveners send representatives today?

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1 MR. JAMES HECKMAN: Yes, I am James C.
2 Heckman. I am owner of Heckman Motors, Inc., actually
3 co-owner with my son, and my address is 604 South Ennis,
4 Port Angeles, Washington.

5 JUDGE MOSS: And you're representing Heckman?

6 MR. JAMES HECKMAN: I'm representing Heckman
7 Motors.

8 JUDGE MOSS: All right. Did any of the other
9 interveners, and of course Heckman is one of the
10 applicants here, but did any of the interveners send
11 representatives today? I think not.

12 All right, and for staff?

13 MR. CEDARBAUM: My name is Robert Cedarbaum.
14 I'm an Assistant Attorney General. My business address
15 and phone number have not changed since the prehearing
16 conference.

17 JUDGE MOSS: All right.

18 MR. JAMES HECKMAN: May I ask a question?

19 JUDGE MOSS: Sure.

20 MR. JAMES HECKMAN: Just in understanding
21 your role, what is your role here?

22 MR. CEDARBAUM: Typically the Commission
23 likes to have one of its attorneys at the hearing just
24 to make sure that -- well, for two purposes. One is
25 just to help make sure that the record is complete so

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1 the Commission can reach the legal questions that it
2 needs to reach in this case. And secondly, if the
3 Commission staff has witnesses that it wishes to put on,
4 then I would do that. At this time, I don't anticipate
5 doing that, so my role here today is really to help with
6 the record.

7 JUDGE MOSS: He's here to help me, as is
8 Ms. Allen. Typically the -- sometimes I do have
9 questions that I like to ask of staff in connection with
10 some prior performance under certificates when we're
11 doing extensions and that sort of thing, so I may call
12 on staff to speak as well, so that's another function.

13 I raised during our off the record comments
14 the subject of waiving the initial decision. The
15 Commission's rules of practice and procedure and the
16 statutes under which it operates call for in this
17 circumstance where an administrative law judge is
18 presiding without the Commission on the Bench that the
19 administrative law judge will draft an initial decision
20 in the matter.

21 That initial decision then is subject to a
22 period of 20 days, during which any party to the
23 proceeding may seek Commission review of the order if
24 they disagree with some part of it or would like to see
25 some part it changed, believe it needs to be clarified

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1 in some way or what have you, then a party may file a
2 petition for administrative review. And then the
3 Commission will itself take up the matter. The record
4 will be prepared and presented to the commissioners.
5 They will consider the matter, and they will enter a
6 final order in the proceeding.

7 It sometimes shortens things a little bit and
8 sometimes parties prefer to waive the initial decision,
9 which is their right to do under the law. If you waive
10 the initial decision, then I will prepare the record
11 much in the fashion that I would do on review, present
12 the matter to the commissioners for their determination,
13 and then probably it would be me who would assist them
14 to draft a final order, although it could be someone
15 else who would assist them in that task.

16 Once the Commission enters its final order
17 either way, then that is subject to petitions for
18 rehearing or reconsideration and ultimately to appeal to
19 the courts.

20 So the principal I guess I might say
21 advantage of the parties waiving the initial decision is
22 it will probably save two to three weeks in the overall
23 process in terms of getting a final order out of the
24 Commission, which is the authority that you need or will
25 announce that you are not to be given the authority if

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1 it comes out that way.

2 The principal advantage I suppose of the
3 initial decision is it gives the parties yet an
4 additional opportunity to present argument on their
5 petitions for review if they don't like something in my
6 decision or think the Commission should change or
7 clarify something that I said in an initial order.

8 So I will ask at this point then whether the
9 parties wish to waive the initial decision, and again
10 I'm just going to follow the order here in the docket
11 numbers, and so I am going to ask Mr. Heckman first
12 whether you would care to waive the initial decision, or
13 if you all wish to discuss it off the record, we can do
14 that so you can decide between yourselves.

15 MR. JAMES HECKMAN: I guess I'm a little
16 confused.

17 JUDGE MOSS: Yes, sir.

18 MR. JAMES HECKMAN: What is the initial
19 decision?

20 JUDGE MOSS: All right, an initial decision
21 would be a decision over my signature, a decision by the
22 administrative law judge. That is not a final action by
23 the Commission. It is the --

24 MR. JAMES HECKMAN: If we waive it, what
25 happens again?

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1 JUDGE MOSS: Then it will go directly to the
2 commissioners, and they will enter a final order in the
3 case. So the initial decision you might view as a step
4 preliminary to a final decision. If there is no initial
5 decision, the commissioners will decide the matter on
6 the basis of the record without the benefit, if that's
7 the right word, of an initial decision by me. If you do
8 not waive, then they will have my initial decision as
9 well as the record.

10 MR. JAMES HECKMAN: Which is what we want.

11 JUDGE MOSS: You would prefer to have the
12 initial decision?

13 MR. JAMES HECKMAN: Yes.

14 JUDGE MOSS: Well, with that, all parties
15 have to waive, so, Mr. Porter, that more or less decides
16 the matter. If either one of you --

17 MR. JAMES HECKMAN: I think we're still
18 confused.

19 JUDGE MOSS: All right.

20 MR. JAMES HECKMAN: We want this proceeding
21 to happen. We want to say what we want to say. If we
22 waive, it means we're done?

23 JUDGE MOSS: No, this proceeding will
24 continue. We will have our hearing, we will develop our
25 record. The only difference is whether I will write a

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1 decision on the basis of the record, an initial order,
2 or --

3 MR. JAMES HECKMAN: Well, we want you to
4 write a decision.

5 JUDGE MOSS: -- or whether the Commission
6 itself will write that decision. So it's basically a
7 question of who signs the order. I will sign the
8 initial order. The commissioners will sign the final
9 order. Whether that is a product of two steps or one
10 step is really the issue.

11 MR. JAMES HECKMAN: We want two steps.

12 JUDGE MOSS: That often happens. I have
13 written quite a few initial decisions in these cases.
14 It's basically a matter of a few weeks difference.

15 MR. JAMES HECKMAN: Okay.

16 JUDGE MOSS: All right. Well, without waiver
17 by all parties, we can't have a waiver, so I will then
18 prepare an initial decision.

19 That brings us -- well, I did skip over the
20 question of whether there were any -- or did I skip over
21 the question of whether there were any preliminary
22 matters? I'm sure someone would have brought them to my
23 attention.

24 All right, then let's go to our witnesses,
25 and since we have parties proceeding pro se here, and I

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1 know Mr. Porter has done this with me before so he
2 probably recalls the drill, but Mr. Heckman, I don't
3 recall that we have done this before. Although your
4 company is familiar to me, I'm not sure we have had a
5 live hearing together.

6 When parties appear pro se, they typically
7 will present testimony on behalf of their own
8 application. And rather than try to go through the
9 formalities of questions and answers and the typical
10 format for developing evidence, testimonial evidence in
11 the record, then parties appearing pro se can simply
12 make a statement for the record that hopefully will
13 cover the essential points.

14 In the case of the operators or operating
15 testimony, of course, we will typically have presented
16 the application and all of its various attachments,
17 including the financial information and that sort of
18 thing, to make sure that the fitness question is
19 adequately addressed. We're concerned with the, well,
20 in this case, both operators, we're concerned with the
21 operators' financial fitness and otherwise its fitness
22 to provide the service that is being requested, in this
23 case in both dockets an expansion of existing authority.

24 We're also, of course, and we confront the
25 second question, which is the question of need for the

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1 service, and that part of the record is developed on the
2 basis of testimony. In this type of proceeding, it will
3 be live testimony from members of the public or perhaps
4 in some cases we have travel agency representatives,
5 types of people who are familiar with the question of
6 whether the service requested is needed in the area
7 requested.

8 And so it's a two step process. I think it
9 will be best if we have the operating witnesses first,
10 and I guess we will just proceed through the one
11 application and then the other in that fashion, unless
12 someone has an alternative suggestion.

13 All right then, Mr. Heckman, two
14 Mr. Heckmans, which of you will be speaking, or will
15 both of you be speaking?

16 MR. JACK HECKMAN: We will both be speaking.

17 JUDGE MOSS: Which one of you prefers to go
18 first?

19 MR. JAMES HECKMAN: We operate a scheduled
20 service between Port Angeles, Sequim, and the greater
21 Seattle area.

22 MR. CEDARBAUM: I'm sorry, we're trying to
23 create a record, and one of the things we need to do is,
24 it seems like a formality, is to swear in the witness.

25 JUDGE MOSS: Very good point, Mr. Cedarbaum.

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1 MR. CEDARBAUM: We normally realize we have
2 to do that because we usually have questions and
3 answers. But since you're just giving a statement, it's
4 still testimony, so.

5 JUDGE MOSS: This is why staff appears, to
6 keep the judge straight. I tell you what, let's do
7 this, let's save some time this morning, and I will just
8 ask that all witnesses who are going to give testimony
9 today, if you will at this time, raise your right hands.

10 (Witnesses MARCIE JAFFE, ROBERT LILLIS,
11 TREVOR APPLGATE, JACK HECKMAN, JAMES
12 HECKMAN, and JEFFREY PORTER sworn.)

13 JUDGE MOSS: Thank you all very much, and
14 thank you, Mr. Cedarbaum.

15 Go ahead, Mr. Heckman.

16

17 Whereupon,

18

JAMES HECKMAN,
19 having been first duly sworn, was called as a witness
20 herein and was examined and testified as follows:

21

22 D I R E C T T E S T I M O N Y

23 BY JAMES HECKMAN:

24

My name is Jim Heckman. I'm the owner of
25 Olympic Bus Lines. We operate a scheduled bus service

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1 between Port Angeles, Sequim, and the greater Seattle
2 area. We have operated this service now for 18 months,
3 are learning more about it all the time, are learning
4 what we think it will take to make it a viable long-term
5 business. And we have made a lot of mistakes during the
6 first year, running at the wrong time and so on and so
7 forth. And we feel like we're really starting to get
8 our act together figuring out how to make this work.

9 Small market area, not a whole lot of people,
10 although we're carrying as many people now as the prior
11 carrier was carrying some months a few years back. But
12 we realize that, we think anyway, that one of the -- one
13 of the keys to make this profitable and a long-term
14 viable business is to include in a better way than we're
15 doing right now Jefferson County.

16 Currently our service runs on Highway 101,
17 directly on Highway 101. We stay there all the way to
18 the bridge. We do service Jefferson County in the sense
19 that if the people want to take the trouble to get out
20 to Highway 101. And so we have currently what we call
21 flag stops, and people who can catch a ride onto Highway
22 101 can -- we will stop for them at certain flag stop
23 locations, and those are indicated on our routing for
24 our current service that we have. I believe it's
25 Smitty's, excuse me, I mean Fat Smitty's and Discovery

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1 Bay and also the Hood Canal Bridge, so it's possible to
2 get our service to Seattle if you live in Jefferson
3 County, but not without a substantial amount of trouble.

4 Now we recognize that the Port Townsend area
5 is not nearly as large a marketing area as Sequim and
6 Port Angeles, but nevertheless we know that there is a
7 need for service. We spent considerable time last
8 winter interviewing people in Port Townsend to verify
9 that, in fact, there was a need. And Jack met with the
10 Chamber of Commerce director in Port Townsend, and he
11 was a little bit excited about that possibility, because
12 they have no scheduled bus service out of Port Townsend
13 right now.

14 And so what we -- what we decided to do is to
15 take that step to start the service in Port Townsend on
16 a scheduled basis and run -- purchase an additional bus
17 or two, and run a bus from Port Townsend through
18 Chimicum, through Port Ludlow to the bridge. And at
19 that point, that bus would meet our bus running from
20 Port Angeles Sequim. And then that bus would turn
21 around and come back, a very short run.

22 But since our -- since our load factor in the
23 Port Angeles bus is running around 50%, and I won't --
24 will demonstrate that later on, but since it's running
25 around 40% to 50% on average, we have room and we would

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1 love to be able to put a few more people from the Port
2 Townsend area on our -- on our buses.

3 We have done the arithmetic on it, and we
4 think, you know, we think that that will be not only
5 benefit the people in the area, but we think that that
6 will maybe help our financial situation a little bit.
7 But mostly it's just a completion of a vital link that
8 we had anticipated right along.

9
10 Whereupon,

11 JACK HECKMAN,
12 having been first duly sworn, was called as a witness
13 herein and was examined and testified as follows:

14
15 D I R E C T T E S T I M O N Y

16 BY JACK HECKMAN:

17 I would just like to mention too that part of
18 the surveying we did was with Jefferson Transit, Melony
19 Bozack, the director, and we have actually entered into
20 a contractual arrangement to use their Haynes Place Park
21 & Ride in Port Townsend as a terminal pickup service,
22 and I've got that as an exhibit. And they were very
23 excited about the fact that people of Port Townsend
24 would have an alternative form of transportation to the
25 Seattle area.

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E X A M I N A T I O N

3 BY JUDGE MOSS:

4 Q. Okay, and what destinations do you serve in
5 Seattle?

6 A. (Jack Heckman) We serve Greyhound. We are
7 the only contracted bus service from Port Angeles or
8 Sequim, from the Peninsula, with Greyhound. In fact,
9 I've got a letter from Bodey Lyon, who is the general
10 sales manager for Greyhound Bus Lines, that's one of my
11 exhibits also, that shows that we are the only -- we are
12 an agent for Greyhound Bus Lines right now. We are the
13 only ones that are allowed to go in and out of the
14 terminal on this route, and we do freight for them also.

15 We do the hospitals in the downtown area,
16 which include Virginia Mason, which is our number one
17 hospital, about 70% of our passengers go there, Swedish
18 Hospital, Harborview, Polyclinic, the Arnold Medical
19 Pavilion and the Nordstrom Medical Tower. We also
20 service Amtrak, and we go on from there to SeaTac.

21 And so our basic route starts in Port
22 Angeles. We have a scheduled stop in Sequim, and we do
23 have the flag stops along the way until we get to the
24 Hood Canal Bridge. We take the Edmonds-Kingston ferry
25 across into Edmonds, and that's where we head into

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1 downtown Seattle from there. Stop first at Greyhound,
2 and then the hospitals, and then SeaTac. Then we
3 reverse the route coming back home and make two
4 scheduled trips per day on that route. And with our new
5 proposed route, the service out of Port Townsend would
6 be a connection with our existing route that we have
7 now.

8 Q. All right.

9 A. (James Heckman) I want to say just right
10 now, it's a struggle for the people of Port Townsend to
11 get to SeaTac, for example. What they have to do is
12 they have to find a way to get to Bremerton. Bremerton
13 has a scheduled run, a scheduled service to SeaTac. So
14 they can have a friend or whatever they can do to, you
15 know, if they want to get to Seattle now on a scheduled
16 basis, they got to catch a ride. They've got to catch a
17 ride to Bremerton, pick up the Kitsap transport. So
18 this would alleviate that problem.

19 Q. An alternative for them, I take it though
20 from your prior statements, would be they could get a
21 ride down to 101 and participate in your flag stop.

22 A. (James Heckman) That's right.

23 JUDGE MOSS: Okay, anything else?

24 All right, any questions? We do allow for
25 cross-examination and tend to be very informal in these

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1 proceedings, but nevertheless we do follow all the steps
2 that are provided for under the Administrative Procedure
3 Act, including cross-examination of witnesses. So at
4 this time, I will ask Mr. Porter if he has any questions
5 he would like to pose to either of these two witnesses.
6

7 C R O S S - E X A M I N A T I O N

8 BY MR. PORTER:

9 Q. I was wondering what the rate structure would
10 be for your connection and shuttle service.

11 A. (Jack Heckman) Exactly the same as our
12 existing rate structure.

13 Q. So the one way is how much and round trip?

14 A. (James Heckman) \$29.49 to Seattle, \$49 round
15 trip, \$29 one way.

16 MR. PORTER: Okay.
17

18 E X A M I N A T I O N

19 BY JUDGE MOSS:

20 Q. Was that \$49 round trip?

21 A. (James Heckman) \$49 round trip.

22 Q. Okay. And if I understood then, there would
23 be no additional charge for the shuttle from Port
24 Townsend to meet your other bus; is that --

25 A. (James Heckman) That's correct.

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1 Q. That's correct, okay.

2 JUDGE MOSS: Anything else, Mr. Porter?

3 MR. PORTER: No, that's all.

4 JUDGE MOSS: Mr. Cedarbaum, did you have any
5 questions that you would like to ask.

6 MR. CEDARBAUM: I have a few questions, but I
7 wonder in order to help complete the record, Your Honor,
8 if we could just go ahead and have the Heckman
9 application marked in its entirety with the schedules
10 and the rate structure marked as an exhibit and entered
11 into evidence.

12 JUDGE MOSS: Yeah, and I also want to take
13 the other exhibits that you mentioned and get those
14 marked, so we can take that as a preliminary step to
15 Mr. Cedarbaum's questions. So why don't you just bring
16 me what you've got in the way of exhibits, and I will go
17 ahead and mark them. Do you have copies for everyone?

18 MR. JACK HECKMAN: One set.

19 JUDGE MOSS: One set of copies, okay. Well,
20 we're going to have to see about getting a second set of
21 copies. Mr. Porter will be entitled to a set as well as
22 Mr. Cedarbaum. And then, of course, I need a set for
23 the record.

24 MR. JAMES HECKMAN: Some of these exhibits
25 that we have were designed to be presented to you in a

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1 second application.

2 JUDGE MOSS: 12 altogether?

3 MR. JACK HECKMAN: Mm-hm.

4 JUDGE MOSS: Now is there a copy of your
5 application in here?

6 MR. JACK HECKMAN: No, there's not.

7 JUDGE MOSS: Because we're going to need to
8 mark that too. Okay, not a problem, we'll get that.

9 All right, what I'm going to do is go through
10 these, mark them, give them exhibit numbers, and then
11 I'm going to just give the file to you, Mr. Cedarbaum,
12 to assist you with your questions if you need them. And
13 Mr. Porter can take a look at them as well, and we will
14 see about getting copies for everybody. I don't know if
15 there's a copy facility here.

16 MR. JAMES HECKMAN: You may note, Your Honor,
17 that they already have exhibit numbers on them.

18 JUDGE MOSS: I will have to give them new
19 numbers.

20 MR. JAMES HECKMAN: Fine.

21 JUDGE MOSS: I do have a copy of the
22 application with me, and I'm going to mark that as
23 Exhibit Number 1. And then I'm going to just describe
24 these as I go through them. I have here a daily bus
25 service schedule from Olympic Bus Lines that's

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1 previously been marked as Exhibit 1. I will mark it for
2 purposes of our proceeding as Exhibit 2. Then we have a
3 proposed time schedule for fixed route, which I will
4 mark as 3. Hospitals served by Olympic Bus Lines, I
5 will mark that as 4. There's a regional map of the
6 Puget Sound area that I will mark as 5. A rate schedule
7 that I will mark as 6. Olympic Bus Lines utilization by
8 month, a chart, I will mark as 7. Potential revenue
9 loss from Pennco application approval based on reduction
10 in revenues Sequim to Seattle area, mark that as 8.
11 It's a two page exhibit. There is what appears to be an
12 E-mail correspondence here dated October 1, 2000, to
13 Jack Heckman from BL, and that would be a Greyhound
14 stationery letterhead, and I will make that 9. We have
15 a copy of a Yellow Pages advertisement, and I assume
16 that includes Heckman on here, yes, Olympic Bus.

17 MR. JAMES HECKMAN: All of these will be
18 discussed thoroughly on the second application, Your
19 Honor. All of these you're looking at really apply to
20 the second application.

21 JUDGE MOSS: Well, I really only have one
22 application before me, I think. Do I have two
23 applications?

24 MR. JAMES HECKMAN: But Jack gave you the
25 exhibits for both applications.

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1 JUDGE MOSS: Well, I've only got the one
2 before me today. I'm sorry, I didn't understand that
3 these exhibits didn't pertain.

4 MR. JAMES HECKMAN: Well --

5 JUDGE MOSS: Do they pertain to this
6 proceeding?

7 MR. JAMES HECKMAN: No, not to the proceeding
8 right now. Most of those pertain to Jeff's application.

9 JUDGE MOSS: Is that true with respect to the
10 balance of the ones I'm about to go through here?

11 MR. JAMES HECKMAN: Yes, it's true of all of
12 the ones you're going through now.

13 JUDGE MOSS: All the way back to --

14 MR. JAMES HECKMAN: There was only a few of
15 those that would pertain to the first application.

16 JUDGE MOSS: All right, well, let's be clear
17 then. Tell me which ones apply to this application.
18 That's the only thing I care about today.

19 MR. JACK HECKMAN: We have hospitals served
20 in there, which I believe you might have put as Exhibit
21 Number 10.

22 JUDGE MOSS: I marked it as 4.

23 MR. JACK HECKMAN: 4. And the revokable
24 license for the use of the Haynes Place Park & Ride.

25 JUDGE MOSS: You mentioned a revokable

00060

1 license. Have I gotten to that one yet? I don't think
2 so.

3 MR. JACK HECKMAN: Probably haven't gotten to
4 that. I think it's the second from the last.

5 MR. JAMES HECKMAN: It says Exhibit 11 of
6 ours.

7 JUDGE MOSS: All right, revokable license,
8 okay, you want that one in this proceeding?

9 MR. JAMES HECKMAN: Mm-hm.

10 JUDGE MOSS: Anything else in this
11 proceeding?

12 MR. JACK HECKMAN: No, that will be it.

13 JUDGE MOSS: All right, then I'm going to
14 give the rust of this back to you. It has all kinds of
15 stray markings on it now that someone else will have to
16 take care of, or perhaps me.

17 All right, well, let's go back and revisit
18 this then. The application, of course, is pertinent and
19 will remain Exhibit Number 1. The exhibit I previously
20 identified as Number 4, hospitals served, will now be 2.
21 And then the other exhibit, revokable license for use of
22 the Haynes Place Park & Ride will be 3. And the other
23 exhibit numbers that I have previously indicated are no
24 longer pertinent.

25 All right. So I have three exhibits from

00061

1 Heckman with respect to its application in the
2 proceeding that is before us today, and I will take
3 those as being moved into evidence. Is there any
4 objection? Hearing no objection, Exhibit Numbers 1, 2,
5 and 3 as previously marked will be made of record.

6 All right, and Mr. Cedarbaum, you have the
7 application?

8 MR. CEDARBAUM: Yes, I do.

9 JUDGE MOSS: And so you now have the other
10 two exhibits before you to assist you as called for in
11 your questioning.

12 MR. CEDARBAUM: I'm not sure which
13 Mr. Heckman will respond, so I will just ask the
14 question.

15 JUDGE MOSS: That's fine. Whoever is best
16 able to answer, I think the reporter has mastered the
17 names, so we will be in good shape.

18

19 C R O S S - E X A M I N A T I O N

20 BY MR. CEDARBAUM:

21 Q. Just for clarification, Exhibit 2, which is
22 the list of hospitals, these are the hospitals that you
23 currently serve under your existing authority?

24 A. (Jack Heckman) That's correct and will
25 continue to serve under the new authority with the

00062

1 connection.

2 Q. And you show percentages after each one. Is
3 that --

4 A. (Jack Heckman) That's currently the
5 percentage of our customer base that is going to each of
6 those individual hospitals now.

7 Q. So if I were to add up, basically if I add up
8 all the percentages here, I come up with 100%.

9 A. (Jack Heckman) Correct.

10 A. (James Heckman) Do you, does it work that
11 way?

12 Q. So I guess my question then is, are you not
13 carrying any other passengers in your vans that are
14 going to other places in Seattle?

15 A. (Jack Heckman) No, they are going to other
16 places.

17 A. (James Heckman) We were just analyzing our
18 hospital business.

19 Q. So this isn't total passengers?

20 A. (James Heckman) Oh, no.

21 Q. Just hospital?

22 A. (James Heckman) No, just the hospital.

23 Q. And then Exhibit Number 3, this is the
24 agreement to use the Park & Ride in Port Townsend that
25 you referenced?

00063

1 A. (Jack Heckman) That's correct.

2 A. (James Heckman) Which is absolutely
3 essential for this business.

4 Q. Exhibit Number 1 is your application, and it
5 has your proposed schedule and fare structure. Have
6 those remained the same as you would propose to use if
7 this application is granted?

8 A. (Jack Heckman) Yes.

9 Q. You also included some financial information.
10 Have there been any significant changes to that
11 information since you filed the application?

12 A. (Jack Heckman) No.

13 A. (James Heckman) When was that filed? Does
14 that include our financial -- our balance sheet? It
15 probably does. We have a current balance sheet. We
16 expected that application to be approved quickly, and it
17 turned out that Shuttle Express in Seattle objected and
18 then -- which held the entire thing back almost a year,
19 so our balance sheet is -- we can update that.

20 A. (Jack Heckman) We have a current balance
21 sheet, if that would be helpful, as of August 2000.

22 JUDGE MOSS: Shall we make that an exhibit?

23 MR. CEDARBAUM: That would be my proposal.

24 JUDGE MOSS: Yeah.

25 MR. CEDARBAUM: Can we keep this copy?

00064

1 MR. JACK HECKMAN: Yes.

2 JUDGE MOSS: What are we up to, 4, all right.

3 The current balance sheet of Heckman Motors will be
4 Exhibit 4. Any objections? It will be admitted as
5 marked.

6 BY MR. CEDARBAUM:

7 Q. In looking at your application that was
8 filed, the financial statement in that application shows
9 total assets and total liabilities and net worth of
10 about \$1.3 Million. And in Exhibit 4, it's about \$1.75
11 Million. What was the cause of the change there?

12 A. (Jack Heckman) Our business goes up
13 drastically this time of year. It includes -- Heckman
14 Motors Incorporated includes not only Olympic Bus Line,
15 but a rental car business, which is a substantial or is
16 the substantial portion of our business. And so our net
17 worth definitely goes up this time of year.

18 Q. So the financial statement includes both --

19 A. (Jack Heckman) Heckman Motors --

20 A. (James Heckman) It's Heckman Motors, the
21 financial statement is Heckman Motors, which includes a
22 parking business and several Budget Rent a Car locations
23 throughout the state.

24 A. (Jack Heckman) Six Budget Rent a Car
25 locations, Olympic Bus Lines, and Budget Parking, which

00065

1 are all included in our corporation.

2 Q. Do you know if the certificated part of the
3 business, the van service to Seattle, standing on its
4 own has been profitable?

5 A. (James Heckman) It's been very marginally
6 profitable. We think we have a chance to make a tiny,
7 tiny little bit of money this year depending on what
8 happens October through December. It's a long-term
9 investment for us, but we're pleased with the progress
10 we're making, but we're not there yet.

11 Q. In your application on page two, item number
12 12, you show the Port Townsend Park & Ride, that's
13 what's referenced by the contract in Exhibit 3?

14 (Jack Heckman) That's correct.

15 Q. You also show the west side of Hood Canal
16 Bridge on Highway 104, so is that the other scheduled
17 stop that you would be making?

18 A. (Jack Heckman) Correct, we have a flag stop
19 there currently on our existing route.

20 Q. What is that? What is there? What are
21 people, physically, what is there that people flag you
22 down?

23 A. (Jack Heckman) Yeah, we take the reservation
24 in advance, so we know they will be there, so we will
25 know that there will be someone there before we pull

00066

1 over at that point.

2 Q. You also show on page three of the
3 application a 1999 Ford van to be purchased at a later
4 date. Did you mean that that would be the van that you
5 would be transporting passengers from Port Townsend to
6 the connection point?

7 A. (Jack Heckman) That's correct.

8 Q. And you're waiting to see if this application
9 is granted as to whether or not to actually purchase
10 that van?

11 A. (Jack Heckman) That's correct.

12 Q. What sort of arrangements have been set up in
13 anticipation of this authority being granted, if it is,
14 for the van purchase to actually occur?

15 A. (Jack Heckman) At this point, the van has
16 now been sold. We didn't expect the length of time to
17 go in between what it did, so we do have to make new
18 arrangements for a new vehicle.

19 A. (James Heckman) I just want to say we are
20 licensed car dealers, and if there's one thing we know
21 how to do, it is to buy a car or a van. Our fleet now
22 consists of approximately 150 vehicles for the rental
23 car business, and we can get a van with a phone call.
24 It's not a problem for us.

25 Q. So you have the financial wherewithal to

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1 purchase the van?

2 A. (Jack Heckman) Oh, yeah, I think our balance
3 sheet indicates that.

4 Q. Can you just describe what your maintenance
5 program is for the vans that you operate?

6 A. (Jack Heckman) Mm-hm. Our vans go to
7 Perry's Tire Service in Port Angeles every 4,000 miles,
8 not only for an oil change, but for a complete safety
9 inspection on the vehicle, at which time they get
10 checked. This is scheduled maintenance, not the
11 maintenance on a daily business base. But we have the
12 maintenance done on a regular basis. They will check
13 everything including the hoses, all the supporting
14 undergear of the vehicle, which includes exhaust,
15 suspension, brakes are checked at each one of those
16 intervals.

17 We also have daily inspection, which is done
18 by the attendant we have that works for us. That's all
19 he is is a maintenance individual. They come in each
20 day. They're not only washed with all our vehicles, but
21 they go through and check all the fluid levels, all the
22 turn signals, visual on tires.

23 All of our drivers are instructed at any
24 point if they hear any noise to the vehicle, anything
25 out of the ordinary, to report that right away, and that

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1 vehicle is flagged so it does not go out on the next
2 scheduled run. That's why we have three vans. Another
3 van will be used for that inspection is done and taken
4 care of to the satisfaction of our maintenance manager,
5 who is Mr. Herb Calkins.

6 We also do the transmissions every 30,000
7 miles at Tranco Transmissions in Port Angeles, and they
8 service those generally every 30,000 miles on our
9 vehicles. So we feel that we have a very good
10 maintenance program. The records are kept at Perry's
11 Tire so that we've got record on file of all the service
12 that is done to each of those vehicles.

13 Q. And the van that you would operate for Port
14 Townsend would be maintained the same?

15 A. (Jack Heckman) Yes, sir.

16 Q. Turning to your employees, can you tell us
17 how many employees you have, whether you will be adding
18 employees to service Port Townsend?

19 A. (Jack Heckman) We have to add two people in
20 Port Townsend. They would be based in Port Townsend.
21 It only makes sense. It wouldn't make sense to drive
22 from Port Angeles to Port Townsend, so we would add two
23 new people to do that.

24 Q. And what sort of training would you provide
25 them?

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1 A. (Jack Heckman) We have to bring them to Port
2 Angeles in order to train them in Port Angeles before we
3 could release them, which would include complete
4 everything that we have to do with our drivers right
5 now, you know, including background check, drug
6 analysis, drug screening, driving tests, which is
7 usually done by myself or by my experienced drivers.
8 And so they would have to go through everything that our
9 current drivers have to go through right now in order to
10 be eligible to drive for us.

11 Q. And I assume or am I correct to assume that
12 both your drivers and your vehicles would be properly
13 licensed?

14 A. (Jack Heckman) Oh, yes, definitely.

15 Q. And your company is committed to complying
16 with Commission rules and regulations?

17 (Jack Heckman) Yes.

18 MR. CEDARBAUM: Thank you, that's all my
19 questions.

20 JUDGE MOSS: All right.

21 MR. JAMES HECKMAN: I just want to make one
22 final comment regarding this equipment that you bring up
23 is that we have taken this to a different level than
24 anybody else has ever taken it. If you have a chance to
25 look out the window or walk by the kind of vehicle we

00070

1 have, we purchased three brand new vehicles last year.
2 This is equipment that's been started -- we know this
3 equipment because we have had it from almost mile one.
4 It had a few miles on it but almost mile one. These are
5 not older vehicles. These are brand new vehicles and we
6 -- if you look at them, they don't have a mark on them
7 inside and out, and we keep it that way.

8 JUDGE MOSS: All right. Mr. Cedarbaum, it
9 was my first thought to go ahead and take any witnesses
10 on the subject of need from Heckman, or we could go
11 ahead and proceed directly to the Porter application.
12 Do you have any preference in terms of staff's
13 understanding of the case and the consolidated case?

14 MR. CEDARBAUM: I don't have any preference.
15 I don't know if there's any witness time commitments
16 that we might want to take care of.

17 MS. JAFFE: Yes, yes.

18 MR. CEDARBAUM: But if you're on the Pennco
19 application, you may be here for a while.

20 MS. JAFFE: I need to make a phone call.

21 JUDGE MOSS: All right.

22 MR. CEDARBAUM: I don't think neither I nor
23 staff has any preference on that. If we can handle
24 witness availability and convenience, that's fine with
25 me, but I don't know if that's possible.

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1 JUDGE MOSS: Are any of our witnesses time
2 constrained this morning?

3 MS. JAFFE: I did have an appointment at
4 11:00.

5 JUDGE MOSS: At 11:00?

6 MS. JAFFE: Yeah, I didn't know what --

7 JUDGE MOSS: It's 10:15 now.

8 All right, Misters Heckman, did you all bring
9 witnesses on the subject of need for the service this
10 morning?

11 MR. JAMES HECKMAN: Not for this service, no.

12 JUDGE MOSS: Okay, I think we will have to
13 have that.

14 MR. CEDARBAUM: Yes.

15 JUDGE MOSS: It's a necessary component of a
16 transportation application that we have evidence of need
17 for the service that's contemplated. It appears
18 Mr. Porter has brought several witnesses with him this
19 morning to testify on that subject, so let me ask you
20 what is your intention.

21 Let's go off the record.

22 (Discussion off the record.)

23 JUDGE MOSS: We have had some off the record
24 discussion regarding our procedures this morning. I'm
25 learning that Heckman has not brought witnesses to

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1 testify today on the subject of need, that is to say
2 shipper witnesses. We have talked off the record about
3 the best way to proceed.

4 Mr. Porter, who we will hear from
5 momentarily, does have some shipper witnesses here, and
6 we will get to them quickly and let them get on with
7 their days.

8 As I understand the situation though,
9 Mr. Porter, you do not have an objection if Heckman
10 wishes to present affidavits from witnesses in lieu of
11 live testimony on the subject of need. Is that a fair
12 statement?

13 MR. PORTER: That's correct.

14 JUDGE MOSS: All right, well, with that then,
15 and I have also discussed this matter with staff, and
16 it's my understanding at least to the extent the Heckman
17 application is unopposed, and although these
18 proceedings are consolidated and competing in some
19 fashion, it does not appear based on consultation with
20 staff that it is absolutely essential that we have live
21 testimony with respect to the Heckman application and
22 the subject of need. Is that essentially correct,
23 Mr. Cedarbaum?

24 MR. CEDARBAUM: Yes, under the circumstances
25 that we have in this case, which includes importantly

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1 Mr. Porter's understanding, and he can correct me if I'm
2 wrong, but I understand that he understands that he
3 doesn't have to allow or agree to let Mr. Heckman put on
4 the shipper evidence by affidavit. We can be in a
5 situation where he would disagree with that procedure,
6 and we could continue this case for the Heckman
7 application, come back with live witnesses, which he
8 could then cross-examine live, so I'm assuming he
9 understands that.

10 MR. PORTER: I understand that.

11 MR. CEDARBAUM: The availability of that
12 process and that he is waiving that process and is
13 willing to let Mr. Heckman go forward with written
14 affidavits rather than live witnesses. And in that
15 situation, as I see this unusual case playing out, we're
16 in a sense, to use the misnomer, we have unprotested
17 applications for the -- in terms of the process to use
18 for putting on evidence of public need. And so I don't
19 think I nor staff have any objection to proceeding on
20 that basis.

21 JUDGE MOSS: Okay, and that was certainly a
22 much more fulsome discussion of our off the record
23 discussion, and I was perhaps too succinct, so I
24 appreciate you putting that in the record and clarifying
25 that point.

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1 And certainly I think we're on solid legal
2 ground here certainly with respect to the Heckman
3 application, which is unprotested.

4 There is some question as to whether the
5 Pennco application is protested with respect to a
6 specific aspect of the service where Mr. Jack Heckman
7 indicated off the record that some service from the
8 vicinity of Sequim to Seattle hospitals is something
9 that Heckman is already authorized to do. And it is his
10 view at least that Mr. Porter for Pennco has also
11 applied for scheduled service on that route. So to that
12 extent, there would be an existing authority, and we
13 will take that into account as we weigh all the
14 evidence.

15 But in terms of the procedural matters that
16 we have been discussing, I think we're on solid ground
17 here, and we will proceed in the fashion that we have
18 described by allowing an opportunity for Heckman to file
19 affidavits.

20 When do you think those would be available?

21 MR. JACK HECKMAN: I can have those available
22 within one week probably.

23 JUDGE MOSS: All right, let's --

24 MR. JACK HECKMAN: I can have them probably
25 sooner if necessary.

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1 JUDGE MOSS: Do you want to make it one week
2 or ten days?

3 MR. JACK HECKMAN: One week is fine.

4 JUDGE MOSS: One week, all right, so one week
5 from today, which will be the 17th, you will need to
6 have those in. And I will ask that you please provide a
7 copy of those to Mr. Porter and to Mr. Cedarbaum as well
8 as filing those with the secretary at the Washington
9 Utilities and Transportation Commission, and I believe
10 you have the address information. And that filing will
11 be by 5:00 on October 17th in order to be timely.

12 MR. JACK HECKMAN: Is there a required number
13 I have to have of those?

14 JUDGE MOSS: There's no set number of those.

15 MR. JACK HECKMAN: Okay.

16 JUDGE MOSS: You can consult informally with
17 Commission staff off the record if you want to get some
18 better sense of what people typically do, but I wouldn't
19 want to offer you guidance on that.

20 I'm just thinking whether we should offer an
21 opportunity for a counter affidavit. Of course, this is
22 a little novel, what we're doing here, and I have never
23 seen that in one of these cases. But I'm thinking in
24 terms of the way in which we handle affidavits in
25 support of motions for summary determination and that

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1 sort of thing, which of course typically would result in
2 cross or counter affidavits from the opponent to such a
3 motion. Any thoughts on that, Mr. Cedarbaum?

4 MR. CEDARBAUM: I don't think staff would be
5 in a position of filing any affidavits.

6 JUDGE MOSS: I was thinking of the --

7 MR. CEDARBAUM: I guess the question is
8 whether --

9 JUDGE MOSS: -- Mr. Porter.

10 MR. CEDARBAUM: -- Mr. Porter would do that,
11 and I suppose it comes down to whether or not he would
12 -- if we were doing this live, if he would have a
13 rebuttal witness, which seems kind of a stretch to me
14 but I -- just because I haven't seen it happen very
15 much.

16 JUDGE MOSS: Sure.

17 MR. CEDARBAUM: Not because you couldn't do
18 that.

19 MR. PORTER: If they're looking to present
20 affidavits stating a need and demand for the service, I
21 don't have a problem with that.

22 JUDGE MOSS: Okay, so we will allow for that.
23 If you feel the need to respond to any affidavits that
24 are filed, then let us know. Just a short letter would
25 be fine.

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1 MR. PORTER: Okay.

2 JUDGE MOSS: And then I will take that under
3 advisement at that time as if it were a motion and
4 provide appropriate procedures.

5 MR. PORTER: Okay.

6 JUDGE MOSS: And that will cover us on that.
7 Again, my interest here is making sure that everyone's
8 rights are protected in the hearing process, and I will
9 do everything I can to ensure that.

10 All right, then I believe with the exhibits
11 admitted, that will complete the evidence for today on
12 the Heckman application, and we will be looking forward
13 to getting those affidavits.

14 And with that, I will turn to you,
15 Mr. Porter, and some of our witnesses are time
16 constrained, so perhaps the best thing to do would be to
17 go ahead and put your witnesses on, and then we can have
18 your statement, your operating statement after that, and
19 they can go ahead and get about their business.

20 MR. PORTER: Okay.

21 JUDGE MOSS: So with that, why don't you call
22 your first witness.

23 MR. PORTER: I will just submit this
24 affidavit from Marney Hanna, who is the executive
25 director of the Sequim Chamber of Commerce. Because of

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1 scheduling constraints, she was not able to attend the
2 meeting here.

3 JUDGE MOSS: And since this is a consolidated
4 proceeding, I'm going to number the exhibit serially,
5 and I believe we were through 4, so this will be Exhibit
6 Number 5. And did you bring copies of that for others?

7 MR. PORTER: I didn't.

8 JUDGE MOSS: Okay, well, this is not --

9 MR. JAMES HECKMAN: Can we get a copy now?

10 JUDGE MOSS: We don't have a copy, but I will
11 just pass this around and you will be able to take a
12 look at that. Just make sure I get it back at the end.

13 All right, so that will be Exhibit 5, and I
14 will admit these momentarily, and we will see if there
15 are any objections.

16 Do you have any other exhibits you want to
17 submit before calling your first witness?

18 MR. PORTER: I have a copy of the proposed
19 route, the time schedule.

20 JUDGE MOSS: All right.

21 MR. PORTER: And an agreement between
22 Mr. Heckman and I regarding I would not protest any
23 applications of his if he wanted to jump in and do the
24 door-to-door service.

25 JUDGE MOSS: All right. Well, we will mark

00079

1 as Exhibit Number 6 the schedule that you handed me,
2 proposed time schedule for fixed route. And we will
3 mark as 7 the September 11, 1998, letter.

4 MR. JAMES HECKMAN: I have a question.

5 MR. PORTER: I don't have a copy of that.
6 That's my original.

7 JUDGE MOSS: Oh, okay, well, we will get
8 copies made. I have stamped on your original already.

9 MR. PORTER: That's fine.

10 JUDGE MOSS: Let me pass these, and then
11 other people can take a look at them and we can see if
12 there are any objections.

13 MR. JAMES HECKMAN: I have a question on this
14 exhibit.

15 JUDGE MOSS: And that would be exhibit
16 number?

17

18 Whereupon,

19

JEFFREY PORTER,

20 having been first duly sworn, was called as a witness
21 herein and was examined and testified as follows

22

23 C R O S S - E X A M I N A T I O N

24 BY JAMES HECKMAN:

25 Q. Exhibit Number 5, is it Mrs. Hanna?

00080

1 A. Marney Hanna.

2 Q. Marney Hanna, she says that a round trip is
3 \$30. It's my understanding your round trip is \$35.

4 A. That's not correct. The application states
5 \$30.

6 Q. \$30 round trip?

7 A. \$30 round trip.

8 Q. Does it? I thought it was \$18 and \$35, not
9 true?

10 A. If I remember correctly, it was \$18 and \$30.

11 Q. I'm pretty sure I saw -- where is the
12 application?

13 A. Yeah, \$18 and \$30.

14 JUDGE MOSS: That's consistent with my
15 recollection of the application.

16 MR. JAMES HECKMAN: All right, I'm sorry,
17 misconception on my part.

18 JUDGE MOSS: All right. Have you had an
19 opportunity to review those exhibits? Mr. Cedarbaum, do
20 you want to look at those? Any objection?

21 Hearing no objection, these exhibits will be
22 admitted as marked.

23 MR. CEDARBAUM: Your Honor.

24 JUDGE MOSS: I'm sorry, Mr. Cedarbaum, did I
25 cut you off?

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1 MR. CEDARBAUM: Not an objection, but I just
2 want to make the record clear with respect to Exhibit
3 Number 5. My understanding of Mr. Heckman's lack of
4 objection to that exhibit is the same as my
5 understanding of Mr. Porter's lack of objection to the
6 affidavits that Mr. Heckman will file in a week, that
7 being that he understands that normally shipper evidence
8 of need comes in through live testimony in this sort of
9 a proceeding and that you are waiving your ability to
10 cross-examine a live witness by not objecting to that
11 exhibit and going forward as Mr. Porter has for you on
12 written affidavits.

13 JUDGE MOSS: Although Mr. Porter does have
14 live witnesses here who will testify.

15 MR. JAMES HECKMAN: Does he have other live
16 witnesses?

17 JUDGE MOSS: Yes.

18 MR. JAMES HECKMAN: Okay.

19 JUDGE MOSS: All right, thank you.

20 All right, Mr. Porter, go ahead and call your
21 first witness:

22 MR. PORTER: I call Marcie Jaffe.

23 JUDGE MOSS: And spell that last name,

24 Ms. Jaffe.

25 MS. JAFFE: J-A-F-F-E.

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1 JUDGE MOSS: All right, and you have been
2 sworn.

3 MS. JAFFE: Yes, I have.

4 JUDGE MOSS: Thank you.

5

6 D I R E C T T E S T I M O N Y

7 BY MR. PORTER:

8 I met Marcie a couple of years ago shortly
9 after I started the shuttle service, and she at that
10 time was working with the Olympic Agency on Aging,
11 working on a grant to provide transportation for
12 basically low income, fixed income people that needed
13 transportation to -- well, within Clallam, Jefferson
14 County over to Seattle area and so on and so forth.

15 At that time, we worked together, she got
16 input from me, I got some from her, and she spent a
17 great deal of time putting together this book, which has
18 all the transportation providers in Clallam, Jefferson,
19 King, Pierce, all of these counties, so that people
20 could get to and from Seattle for the medical
21 appointments without spending, you know, their savings.

22 At the time we started working on this, I
23 didn't have the resources to provide this service. We
24 were relatively new and still growing. Now we do have
25 the resources and the means to provide this service.

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1 There is a big demand for the low income transportation.
2 We're transporting approximately 75 people a month to
3 and from medical appointments in the Seattle area, and
4 they're paying the premium price for our door-to-door
5 service. A lot of these folks are seniors on fixed
6 income as well as people that are on Welfare, Medicaid,
7 so on and so forth. They can't afford the fares that
8 either of us are right now charging, so they're relying
9 on catching a -- if they're Sequim or Port Angeles
10 passengers, they will catch a Clallam Transit to
11 Jefferson Transit to Kitsap Transit and on over to
12 Seattle and a ferry. There's approximately three or
13 four different transfers that they would have to take to
14 get over there on a reasonable fare.

15 So with that in mind, I have proposed this
16 fixed route for medical only. And I say only because
17 the vehicle will not be equipped for passengers who want
18 to go to the airport to carry luggage. They will be
19 restricted to one carry-on piece of luggage which has to
20 be in their lap or under the seat. That's not to say
21 that some of the people that might be doing a day trip
22 to SeaTac or what not may, you know, go ahead and hop on
23 the van to go to SeaTac and catch a shuttle from one of
24 the hospitals down in Seattle.

25 I stand to lose a great deal of income by

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1 providing this service as well. The passengers that
2 we're transporting right now are paying a premium
3 service for the door-to-door service. I will probably
4 lose that when I put this service into effect, because
5 they will no longer be using, well, not all of them, but
6 a lot, some will be using the lower cost transportation
7 provided.

8 And I would like to have Marcie speak on her
9 knowledge of the need and demand for the service since
10 she was -- dealt with it quite a bit.

11 JUDGE MOSS: Okay, just to make the record
12 perfectly clear, I didn't cut you off there even though
13 we had called Ms. Jaffe as a witness, and I'm going to
14 take your statement as your own testimony with respect
15 to need, and you have been sworn and I know can appear
16 as a witness on your own behalf. And so that's
17 procedurally where we are.

18 And then at this point, if you're through
19 with your statement, then I don't have a difficulty with
20 just a statement from Ms. Jaffe if that will speed
21 things along, or we can proceed in a question and answer
22 format. Is that agreeable to everyone else? Yeah, I
23 think that's easiest when we don't have lawyers
24 participating, just to have the witness statements. And
25 then if there are some follow-up questions you have,

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1 that will be fine. And then others will have an
2 opportunity to ask questions, including me.
3 So if you would like to go ahead with your
4 statement, Ms. Jaffe, please proceed.

5

6 Whereupon,

7

MARCIE JAFFE,

8 having been first duly sworn, was called as a witness
9 herein and was examined and testified as follows:

10

D I R E C T T E S T I M O N Y

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BY MS. JAFFE:

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I had been working, I don't currently work,
for the Olympic area Agency on Aging. They represent
four counties ringing the Olympic Peninsula. And
primarily the study that I was working on for a state
agency that was created, The Agency Council for
Coordinated Transportation, was looking at how do we
better coordinate transportation.

My personal experience in working on
coordinated transportation included trying to just
compile everything, and it ended up being this huge
binder with lots of pamphlets and fliers, which for most
people would be enormously complicated. And on
occasion, I would consolidate the information and try to

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1 just put it on one piece of paper.

2 And as Jeff was saying, there's quite a
3 handful of transfers. The statement that there's no
4 scheduled service from Port Townsend to Seattle is not
5 true. There is scheduled service, it's just complicated
6 to get there. My discussions with Jeff at various times
7 were how can we provide additional service, because the
8 numbers of seniors that were contacting the Office on
9 Aging knew of both Olympic Bus Line, which they would
10 have to shuttle the 10 or 15 miles out to the main road
11 and get on, or possibly the Pennco service as it
12 existed, but it was a bit too costly for them.

13 Jeff said that he could provide a lower cost
14 service into Seattle but needed to go through the
15 application process, so now we're some number of years
16 later continuing the discussion. And it looked to me
17 the fixed route that Jefferson Transit offers and the
18 one that Olympic Bus Lines is looking to offer are
19 different. So there's some coordination in that they're
20 not entirely overlapping. They would get people into
21 Seattle early in the morning and then pick them up
22 3:00ish or 4:00ish and return them back to the peninsula
23 if they were able to meet all of their business in one
24 day.
25

00087

1 E X A M I N A T I O N

2 BY JUDGE MOSS:

3 Q. Let me interrupt half a second. You
4 mentioned Jefferson Transit, and I'm not sure who
5 Jefferson Transit is.

6 A. Jefferson Transit is the public transit
7 provider that offers fixed route service between
8 Jefferson County and then the adjacent county into
9 Kitsap.

10 Q. Okay.

11 A. And yes, there would be a transfer, but it
12 would be fixed route service at a lower cost. And part
13 of the issue here is cost.

14 Q. Sure.

15

16 D I R E C T T E S T I M O N Y

17 BY MS. JAFFE:

18 I speak for the numbers of seniors that were
19 calling in to me at the Olympic Area Agency on Aging.
20 Roughly 25% of the population in Jefferson County is
21 over the age of 65, and some very large number of them
22 are active and able to drive themselves. Quite a few of
23 them as I would learn more of their story were having to
24 ask family members to drive them on these longer
25 distance trips into Seattle.

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1 I'm excited to see as much fixed route
2 service as is possible, because it could be lower cost,
3 people could start to schedule their medical
4 appointments based on a fixed route service. And if it
5 were lower cost, they could possibly afford it.

6 On behalf of Medicaid transportation, that is
7 a separate issue, and those are provided separately, so
8 I wouldn't necessarily think that this would meet a
9 Medicaid need, although it might be less expensive than
10 what the Medicaid providers are charging right now and
11 so could save the State quite a bit of money. If this
12 route were allowed at this rate, then when the Medicaid
13 broker were being asked to consider which route to get
14 someone to that medical appointment in Seattle, then
15 perhaps this one would be toward the top of the list,
16 because it would get people from their origin to their
17 destination at the hospital. I could speak to that a
18 little bit more. I tried to understand as much as I
19 could about Medicaid transportation.

20 But in the range of \$30ish, I think we're
21 being able to meet a growing demand on the Olympic
22 Peninsula that people can not get the medical need that
23 they have met at Jefferson Hospital, and so they are
24 transporting themselves in very cumbersome ways to
25 Seattle. The ferry costs alone are nearly \$15 round

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1 trip, so a very big portion with gas costs going up
2 would be affordable to quite a few of the seniors and
3 persons with disability that I was speaking to.

4 On a personal note, I have had challenges,
5 and I have never had a chance to speak to either of the
6 Heckman family, but their sense that they're giving us
7 that this is only their first year and things have
8 changed, you know, on their flier, they say they have
9 been here since 1989.

10 And I had quite a few people call me with
11 concerns about the quality of the service. Ideally the
12 quality is improving and they're concerned about that as
13 well, but I am not here to say that their service is
14 not, in fact, a decent one, but I have had concerns
15 raised by individuals, so I would like to see as much
16 competition or as many opportunities for providers to
17 survive in this marketplace rather than keep one as sole
18 source and then lock out another one, where if this sole
19 source goes down, we haven't kept the Pennco option
20 available to folks.

21 I would be happy to answer questions. You
22 know, I can stay for another ten minutes. From the
23 little I see, it looks as if a public bus could connect
24 with their fixed route service already at the Hood Canal
25 Bridge. I don't know if that has been discussed. I

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1 don't know whether Melony Bozack as a representative of
2 Jefferson Transit offered that. I like to see
3 coordination where services are done as efficiently as
4 possible so that no additional costs are incurred and
5 people can save money and time. That would be my
6 encouragement, that to whatever extent someone can look
7 at the best use of the resources if somebody juggles a
8 little bit here or there, they might be able to go with
9 public transit's already existing connections and not
10 add another service. It's just a bit of marketing and
11 information out there.

12 I had a very hard time getting information
13 from this group. Jeff on the other hand saw my
14 intention and was very helpful in trying to get me
15 whatever I needed to put a book together so that seniors
16 and other agencies would have all the information they
17 need. That was my personal experience. I even traveled
18 with my dog on Pennco Transportation, and I had a
19 perfectly wonderful experience using it. As an
20 individual from Jefferson County, I did drive all the
21 way from Port Townsend on Jeff's behalf to be a witness
22 today.

23 JUDGE MOSS: We thank you for appearing.
24 Just to make the record perfectly clear, you referred a
25 couple of times to their service, and I believe you are

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1 referring to Olympic Bus Line's service at those points
2 in your testimony.

3 MS. JAFFE: Yes.

4 JUDGE MOSS: All right. Mr. Porter.

5 MR. PORTER: I would like to clarify
6 something on this.

7 JUDGE MOSS: Sure.

8 MR. PORTER: This is --

9 JUDGE MOSS: When you say this, you're
10 referring to the flier.

11 MR. PORTER: This little flier here.

12 JUDGE MOSS: Olympic Bus Lines.

13 MR. PORTER: This is not Olympic Bus Lines.
14 That was Olympic Van Tours, so it's changed since Marcie
15 had dealt with this. So I just wanted to clear that up
16 and make sure that they know that this was not the
17 situation that she had with Olympic Bus Lines.

18 JUDGE MOSS: Sure.

19 MR. PORTER: It was Olympic Van Tours.

20 MR. JAMES HECKMAN: Did you tell her that
21 originally, Jeff?

22 Marcie, may I ask you a couple of questions?

23 JUDGE MOSS: Well, let's make sure Mr. Porter
24 has gotten all of his questions.

25 Did you have any follow-up questions?

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1 MR. PORTER: The primary reason that we're
2 overlapping service, requesting overlapping service --

3 JUDGE MOSS: Now are we going to get into
4 some more of your testimony?

5 MR. PORTER: Yes, so I have nothing else.

6 JUDGE MOSS: Let's wait and get that
7 statement at the end then.

8 MR. PORTER: Okay.

9 JUDGE MOSS: And see if we can get Ms. Jaffe
10 out of here.

11 MR. PORTER: Okay.

12 JUDGE MOSS: All right, go ahead Mr. Heckman.

13 MR. JAMES HECKMAN: Both of us may have some
14 questions.

15 JUDGE MOSS: Well, I'm going to ask that one
16 of you ask the questions, all right. We don't want to
17 be teaming up on the witness here from one party, so one
18 of you ask the questions.

19

20 C R O S S - E X A M I N A T I O N

21 BY JAMES HECKMAN:

22 Q. Ms. Jaffe, did Jeff tell you that the Olympic
23 Bus Lines permit changed about a year and a half ago?

24 A. I tried working with a group down at the
25 Budget rental car office. I have gone to your office to

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1 try to get information. So if that's the group that it
2 has changed to, I personally have gone down there to
3 work with them.

4 Q. Did you know that Budget Rent a Car as a part
5 of this does own that permit right now and that it's
6 been a year and a half ago we did buy the permit? We
7 understand that the prior operator did have some older
8 equipment, although probably not as bad as perhaps you
9 thought, especially in the last several years. But a
10 year and a half ago, we purchased this permit, and we
11 put brand new equipment in, and we have an absolutely
12 impeccable record right now. If you were going to be
13 around a little longer, you would hear that.

14 JUDGE MOSS: Mr. Heckman, I'm going to stop
15 you now. This is your opportunity to ask this witness
16 questions. Now if you want to make a statement later
17 on, I will allow for that. But right now, I would like
18 you to focus on asking any questions you have about this
19 witness's testimony.

20 Q. Did you know that the ownership had changed?

21 A. I had heard the ownership had changed.

22 Q. Since the ownership has changed, have you
23 heard anything derogatory about our service?

24 A. I haven't been in the position to hear
25 updates, so I will trust that things have gotten better.

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1 I'm thrilled to hear that.

2 Q. But you have heard nothing bad about us?

3 A. I haven't been in the position to hear
4 anything on anyone's behalf.

5 Q. Did you not then have any interest in finding
6 out about our service?

7 A. I had my own experience over a year and a
8 half, and that's where I stopped.

9 Q. Would you explain that?

10 A. I worked for the Olympic Area Agency on
11 Aging, and then the grant ended, and so I stopped being
12 in the role of listening day to day to people's concerns
13 and experiences. I know that others here either hear or
14 they don't hear complaints. It's not my role right now
15 to take an interest in that particular issue. I'm just
16 saying what my long-term experience had been.

17 Q. So I hear you saying that you have heard --
18 that your experience with Olympic Bus Lines was prior to
19 the change of the application?

20 A. Yes, that's true.

21 Q. So you have never heard one nasty or
22 uncomfortable word about our service; yes or no?

23 A. I haven't been in the role that I was at that
24 time, and so --

25 Q. I understand that, but I just want you to

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1 answer the question. Have you heard anything derogatory
2 about our service since we took it over?

3 A. I haven't been in a role to hear anything on
4 either side.

5 Q. I guess that's no.

6 JUDGE MOSS: I think she has answered the
7 question adequately. Go ahead.

8 Q. Do you have any concerns about the delay in
9 Seattle of this service for these people?

10 JUDGE MOSS: When you say this service, which
11 service are you referring to?

12 Q. I'm sorry, the proposed service has a
13 schedule that drops people off at -- let me pull that
14 out here. The proposed service drops people off in
15 Seattle -- it picks them up at about 5:00 in the
16 morning, drops them off around on the average hospital
17 say 9:00, and does not pick them up again until 4:20 in
18 the afternoon. Did you know that?

19 A. I see about 3:30. My understanding is most
20 people if they can fit in a medical appointment would be
21 able to relax, get to their appointment, go and have a
22 lunch, and then return in the afternoon trip. That
23 would be ideal. Because if we tighten it any more, then
24 any delay in their appointment would not allow them to
25 fulfill that appointment. Then they would freak out

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1 that they can't get back to the Olympic Peninsula. So
2 it looks like a reasonable amount of time, and at least
3 they're safely in a hospital. They're not being left on
4 the side of the road. These facilities would be open to
5 them during the day.

6 Q. Did you know that they have a seven and one
7 half hour wait?

8 A. Ideally they're there for an appointment, and
9 they can have a lunch. And so within that six or seven
10 hour period of the day, they can experience what they
11 need to experience and then return. If they're feeling
12 well enough, maybe they could take a little stroll on
13 the avenue. But at this point, it does allow them to
14 return, or if they wanted to consider, they could come
15 back on one of your services that's earlier in the
16 afternoon.

17 Q. Then they're not going to get the money
18 saved.

19 MR. JAMES HECKMAN: I don't know what her
20 answer is. I asked her if she --

21 A. I'm not concerned about a delay of --

22 Q. Of seven and a half hours?

23 A. I don't think it's a full seven and a half
24 hours. What I see is arrival at University of
25 Washington Hospital at 8:45 a.m. They would then be

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1 picked up at 3:30 p.m. and returned to the Olympic
2 Peninsula. So if it's in and out of one hospital, not
3 in one hospital and out a different hospital, then it's
4 not as long as you're proposing, and I'm not as
5 concerned, because medical appointments take time. And
6 they're in a safe location while they're at their
7 medical appointment.

8 Q. Were you aware -- have you examined our
9 schedule as far as the arrival time and return time at
10 the hospital system?

11 A. I had one that I was given, and then I had
12 that newer one at one point.

13 Q. Did Jeff give you the old schedule?

14 A. No, your company gave me the old schedule. I
15 begged at the Budget Rent a Car for new schedules. I
16 had to start making copies of the one that they handed
17 me, because you weren't able to provide me extra copies
18 when I went in to the office.

19 Q. Are you saying that we were passing out the
20 old schedule at Budget Rent a Car?

21 A. No, it was the best I could do, and then you
22 weren't able to give me -- I prepared 200 binders.

23 Q. Ms. Jaffe, where did you get that schedule?

24 A. From your offices or from the phone book
25 because I wasn't able to get any from your offices.

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1 Q. Did you know that we have had brochures from
2 the moment we opened the business, current brochures?

3 A. I have had a hard time getting them, but
4 that's a different issue. If you want to talk about the
5 schedule in and out of Jefferson County, I would be
6 happy to. Have I examined your current schedule, I
7 thought it was quite similar to what this is. I
8 apologize for offending you that this is the old one.
9 It is different, and if you would like me to suggest
10 that people could possibly get into a medical
11 appointment at 9:00 in the morning and out by noon or
12 1:00, that would be ideal for some people, but perhaps
13 not for all.

14 JUDGE MOSS: Let me interject myself here and
15 just say, let's all remember where we are and what we're
16 doing here and that nobody needs to be taking any of
17 this personally on either side.

18 And I will caution you, Mr. Heckman, in your
19 role as interrogator here that you don't want to be
20 argumentative. Just ask your questions, get your
21 answers, and Ms. Jaffe I think is making an effort to
22 answer your questions. Perhaps it doesn't always elicit
23 the answer that you would prefer or perhaps not as
24 directly, and I certainly would give you an opportunity
25 to follow up in that event, but there's no need for

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1 either the witness or the interlocutor to take the
2 matter personally. We're just trying to get the facts
3 into the record.

4 MR. JAMES HECKMAN: That's all I'm trying to
5 do. I'm trying to get some yes, no answers if she was
6 aware of our service and if she ever had our brochure,
7 and she apparently never had our brochure.

8 JUDGE MOSS: Well, why don't you proceed with
9 your questions.

10 MR. JAMES HECKMAN: Okay, yeah.

11 BY JAMES HECKMAN:

12 Q. Are you aware of the delayed -- the wait time
13 that we have in Seattle with our hospital service and
14 that we have two runs per day during office hours?

15 A. I had seen that schedule, yes. I'm aware of
16 it.

17 Q. Did you note on that schedule that the wait
18 time -- that our first run drops people off at the
19 hospital at 9:40 and picks them up at 1:45 for return?

20 A. I appreciate your reminding me of this.

21 Q. And that we currently -- hundreds of people
22 use this service?

23 A. That's ideal. I think there is a need for
24 your service. I have no problem with that.

25 Q. With only a few hour wait.

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1 A. That's great.

2 Q. Twice a day.

3 A. Okay, great. I would say on behalf of the
4 seniors that I spoke with, 9:45 may be a little bit late
5 as a start time for some medical appointments and
6 procedures, that some people are asked to get into the
7 doctor's office by 9:00ish a.m. Not to say that 9:45 is
8 an outrageous delay, but many people are very hesitant
9 at my suggestion to call and change their medical
10 appointment so that they could use your fixed service.
11 Providing an additional fixed service would allow those
12 people to get to their appointment using this rather
13 than dragging a family member back and forth for a
14 separate trip. So that's what I can say on behalf of
15 the timing.

16 And I would be thrilled if people could use
17 different services to get back earlier if they needed
18 to, and maybe they wouldn't save as much, but that time
19 saving could be a value to them. And ideally we could
20 publish a schedule showing all the different routes,
21 when they're going back and forth to those destinations,
22 and then individuals could possibly pay that premium if
23 it worked into their schedule.

24 JUDGE MOSS: Okay, great. Any other
25 questions?

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1 All right, Mr. Cedarbaum, do you have any
2 questions for this witness?

3 MR. CEDARBAUM: I just have a couple.

4 MS. JAFFE: That will be fine.

5

6 C R O S S - E X A M I N A T I O N

7 BY MR. CEDARBAUM:

8 Q. I apologize, I'm confused as to who you are
9 employed by.

10 A. At this moment, I'm not employed by the
11 Olympic Area Agency on Aging. I had done the study, and
12 I may be doing some consulting work for the Agency
13 Council on coordinated transportation. But at the
14 moment, I work privately on other projects.

15 Q. And when did you do the study?

16 A. The study was from June of '99 through
17 September of -- no, June of '98 through September '99.
18 I finished last September.

19 Q. And the geographic area that the study
20 covered was what?

21 A. Jefferson and Clallam Counties, looking at
22 all the transportation resources available for those
23 counties and looking at trying to coordinate them
24 better.

25 Q. Do you have any rough idea or solid idea as

00102

1 to what sorts of numbers of people need the kind of
2 service that, for example, Mr. Porter would be offering
3 on a weekly basis or a monthly basis or whatever?

4 A. What I did understand is that the 25% of
5 these aging population, so of the roughly 18,000
6 Jefferson County residents, 25% are in that 65 and up.
7 Another roughly 5% are in their 80ish age bracket. That
8 80ish age bracket I would say should not be driving
9 themselves to those appointments. I don't have exact
10 numbers for you, but I would say in the range of about
11 10% of the population in each of these counties more or
12 less would be individuals that I would think would be
13 using this service for medical appointments.

14 Q. And my last question is, if I were a senior
15 citizen and I came to you and said, recommend to me
16 between Mr. Porter and Mr. Heckman a way to get to
17 Seattle, who would you recommend and why?

18 A. I would make no recommendation except to show
19 them the phone numbers of all of the transportation
20 providers. Ideally if this was a fixed route service, I
21 could say that both this and the other are fixed route,
22 and these are the costs. I would mention that there is
23 a public transportation option for them to take. And
24 were any other services available, I would identify them
25 as well.

00103

1 I built a data base, which is the other piece
2 of what I did, and it didn't make any recommendations
3 except to show cost. And it was a Web based data base
4 and didn't give stars or neon lights for any of the
5 transportation providers. It just identified who is
6 available to make the trips between various origins and
7 designations.

8 Q. So based on the study that you did, do you
9 think it's your opinion that there would be a need for
10 both services, but it would just depend on schedule and
11 a person's ability to pay as to which they might take?

12 A. Absolutely.

13 MR. CEDARBAUM: Thank you, those are all my
14 questions.

15 JUDGE MOSS: Thank you, Mr. Cedarbaum.

16 I don't have any questions for you,
17 Ms. Jaffe.

18 MS. JAFFE: Okay.

19 MR. JAMES HECKMAN: Your Honor, might I just
20 -- I have a concern about presenting -- about not having
21 a real study. Tell me, what is the validity of the
22 kinds of thoughts that she just mentioned about the
23 market size and the potential and so on and so forth?
24 Because our numbers are entirely different than what her
25 thoughts would suggest. We have a very good feeling for

00104

1 the size of that market, and we believe it to be
2 significantly smaller to what she's stating, and so how
3 much weight will be given in your decision to something
4 that is not validated by any kind -- any study
5 whatsoever?

6 JUDGE MOSS: Well, that's not a question I
7 can answer in the abstract. I will weigh the testimony
8 when I have the full record before me. But if you have
9 other evidence that you wish to present, we will
10 certainly have that as part of the record, and it will
11 all be given what I hope will be the appropriate weight
12 in terms of the decision that is ultimately rendered.

13 But we have the witness here live testifying.
14 If you have questions for her, this is your opportunity
15 to ask them. That's the purpose of cross-examination is
16 to question the assumptions and conclusions.

17 MR. JAMES HECKMAN: Can I ask another
18 question, Your Honor?

19 JUDGE MOSS: I will allow it because of the
20 informality of the procedure that we follow in these
21 cases, but I will ask you to try to be fairly succinct.

22

23 C R O S S - E X A M I N A T I O N

24 BY JAMES HECKMAN:

25 Q. Was there a funded study done to determine

00105

1 this market?

2 A. Not specifically the medical market. We did
3 speak to 300 seniors about their transportation
4 experience.

5 Q. Do you have a -- could you provide a copy of
6 the questions asked on that?

7 A. Sure.

8 Q. To see if they're appropriate?

9 A. Sure. But it wasn't a study to look at
10 exactly who should be providing service. It was just to
11 look at people's transportation experiences.

12 Q. But this was not a statistically valid study
13 that would show here's the market for low cost -- here's
14 the potential market for low cost transportation that
15 can not afford the current service; it was not that
16 specific?

17 A. It's very difficult to ask people their
18 income so -- and we asked the question, but I can't say
19 in all cases that people answered that. Personally,
20 people continue to come up to me as a member of the
21 community in Port Townsend and they say, what are
22 options available, and I mention as many as I can, and I
23 do include yours, I do mention that they have to get out
24 to Highway 104 to the Hood Canal Bridge in order to
25 start taking that, and I'm constantly asked the

00106

1 question. But does that mean I know exactly what the
2 statistical validity of how many people are asking me
3 and who they're representing. I do know, however, there
4 are individuals who can not fund themselves on these
5 trips.

6 And another group that you might contact if
7 you're interested would be the Volunteer Tour Services,
8 because they are making a lot of these trips right now
9 for seniors from these communities into Seattle for
10 those who can not afford it, they're above the Medicaid
11 cut off and they're somewhere above, and based on that,
12 they have no other options.

13 JUDGE MOSS: Okay, I believe that completes
14 our questioning of Ms. Jaffe. We certainly appreciate
15 you being here. Apologize for taking you beyond your
16 appointment hour, but it's always a treat to have our
17 public witnesses, and we do appreciate it.

18 MS. JAFFE: Thank you, and thank you to the
19 other witnesses for letting me go first, and thanks for
20 letting my dog in.

21 JUDGE MOSS: Not a problem.

22 All right, Mr. Porter, do you have another
23 witness to call?

24 MR. PORTER: No, I don't.

25 JUDGE MOSS: Okay.

00107

1 MR. PORTER: She was the only live witness.

2 JUDGE MOSS: All right, very well. Do we
3 have any -- well, I guess I should offer staff the
4 opportunity to see if you wish to put a witness on.

5 MR. CEDARBAUM: I don't think we have
6 anything to offer.

7 JUDGE MOSS: All right, and I don't think I
8 need anything from you this morning either. So with
9 that, I think we're to the point of asking for any
10 closing statements or argument that the parties wish to
11 make. Or again, we do proceed in a somewhat less formal
12 fashion in these types of hearings, and of course we are
13 -- both applicants are pro se. So before I turn to the
14 closing statements or arguments, let me ask if either
15 party has any additional testimony they wish to give in
16 support of their own application or in opposition to the
17 other.

18 MR. PORTER: I do.

19 JUDGE MOSS: Mr. Porter, we are still on you,
20 so let's go ahead with yours.

21

22 D I R E C T T E S T I M O N Y

23 BY MR. PORTER:

24 Just a couple of points to hit on.

25 Mr. Heckman did approach me privately to try and resolve

00108

1 this matter, as you suggested prior to the hearing. And
2 we didn't come to any resolution, partly because he
3 would prefer that I don't serve Sequim on this
4 application, which means that I end up dead heading 45
5 miles to my first stop, which makes absolutely no sense
6 whatsoever. The only reason that our authority would
7 overlap is because there's one road in, one road out.
8 And there are a great deal of people in the Sequim area
9 that would benefit from this service.

10 Commenting on his concern about the long
11 layover for our customers, there are a great deal of the
12 passengers that we take over to the Seattle area
13 hospitals who require all day service. They go over for
14 extensive testing, they go over for chemotherapy, they
15 go over for day surgery, so on and so forth. And then
16 again, it's the customer's choice if they prefer to go
17 with Pennco service at our time frame or with Olympic's
18 at their time frame or their cost or 50/50. So I don't
19 think that's really a factor, as to how long they have
20 over there before they're picked back up.

21 Another reason why I'm proposing this is
22 because as of right now, all of our medical passengers
23 are being incorporated with our airport runs, which gets
24 extremely -- it's a logistical nightmare, a scheduling
25 nightmare. Doctor's appointments don't start on time,

00109

1 and they don't finish on time. So as a result, we get
2 customers coming back that have flown on the trip from
3 hell, flown all day, been up all night. They get to
4 SeaTac only to find out that we're going to go down into
5 Seattle to pick up a hospital release, find out that the
6 hospital release has been delayed because their
7 appointment wasn't done, rush hour traffic, and this
8 happens daily for us. So it would really streamline the
9 operation and be far more comfortable for the passengers
10 to not have to do that together, having the hospital
11 runs tied in with the airport runs.

12 As far as the Medicaid, and this is one of
13 the things that Paratransit was trying to -- they
14 weren't divulging their full concern about me offering
15 this service, because being a subcontractor with
16 Paratransit, they are the broker, and they are required
17 by DSHS to use the most cost effective means of
18 transportation available, which this would open up to
19 them.

20 And there's a big shake up in the Medicaid
21 program because right now the conflict of interest with
22 Paratransit, they're a broker and a provider, so there's
23 a major conflict of interest there. So this would also
24 open up to Medicaid recipients and save the State a
25 great deal of money. It currently costs for a round

00110

1 trip transportation for an individual to go from Port
2 Angeles to Seattle for a medical appointment, it's
3 averaging about \$200, which is paid by Medicaid. This
4 would open it up to a \$30 fare, so it would be a
5 significant savings to the taxpayer by having this
6 service. That's pretty much it.

7 JUDGE MOSS: Let me ask a couple of
8 questions, Mr. Porter.

9

10 E X A M I N A T I O N

11 BY JUDGE MOSS:

12 Q. One, do you currently do an airport run that
13 has a pick up in Sequim?

14 A. Our service is door to door, 24/7, so there's
15 nothing fixed.

16 Q. It's by reservation?

17 A. It's all by reservation. They need at least
18 a 24 hour notice for a reservation. We do our
19 scheduling on a day-to-day basis, putting all the
20 reservations together based on who is going where at
21 what time, put that in motion, and then change it every
22 hour. Because planes, trains, boats, and automobiles,
23 they're never on time, so it's a constant juggle,
24 dispatching juggle for every run.

25 Q. And let me ask you with respect to some of

00111

1 the concerns that were raised by the protestants at the
2 prehearing conference, would it be your intention under
3 this application that the closed door restrictions that
4 currently apply to certain geographical areas along your
5 route, would those be unchanged?

6 A. It would be closed door service east of the
7 Hood Canal Bridge. We will only have open door service
8 for the passengers coming to or departing from Clallam
9 and Jefferson County, no open door service in King,
10 Pierce, Kitsap.

11 Q. And did you see the letter that Bremerton
12 Kitsap sent in in response to the order that was entered
13 on prehearing?

14 A. Yes, I did.

15 Q. And let me ask if the concern that they
16 raised, which was the one they raised in their original
17 protest.

18 A. Right.

19 Q. It was described in somewhat different
20 geographic terms from those you just used, do you see
21 any conflict there?

22 A. None whatsoever, and if I remember correctly,
23 their protest just basically wanted some clarification
24 of our application, our service area.

25 JUDGE MOSS: And I'm going to just turn to

00112

1 staff and ask if staff has looked at that and if they're
2 comfortable that there's not an issue there.

3 MR. CEDARBAUM: I'm not sure we have seen
4 that.

5 JUDGE MOSS: Okay, this ties back to the
6 original, I will give you a copy, this ties back to the
7 original protest by Bremerton Kitsap. And again, they
8 were concerned about the closed door.

9 MR. CEDARBAUM: What is the -- I've got a
10 letter dated June 7. Is that what you are looking at?
11 BY JUDGE MOSS:

12 Q. That's the protest, and then they sent a
13 follow-up letter on September 25th in the wake of the
14 prehearing order. And it just simply says:

15 Bremerton Kitsap Airporter continues to
16 maintain that closed door operations be
17 maintained in Kitsap County for services
18 provided by Jeffrey Lynn Porter, et
19 cetera and so forth.

20 A. I didn't see a copy of that, but that's --

21 Q. But that's consistent with your existing
22 authority, and your intention is to, as you put it,
23 transport passengers between Clallam and Jefferson
24 Counties and the Seattle area hospitals and return
25 without picking up people in Kitsap County, correct?

00113

1 A. Correct.

2 Q. All right, fine, I just wanted to be
3 perfectly clear on that, so we were certain we weren't
4 stepping on anyone's toes procedurally or otherwise.

5 JUDGE MOSS: All right, that's all the
6 questions I had. Let's take a ten minute break until
7 11:30.

8 (Brief recess.)

9 JUDGE MOSS: Back on the record after a short
10 recess, and we had some testimony before the break by
11 Mr. Porter, and so we will now ask if there's any
12 follow-up questions with respect to that testimony by
13 Mr. Heckman, and then we will give Mr. Cedarbaum a
14 chance.

15 Any questions concerning this last bit of
16 testimony?

17 MR. JAMES HECKMAN: Will we be able to ask
18 Jeff questions as we go through our presentation here?

19 JUDGE MOSS: I'm sorry, I'm not quite
20 following you. This is your opportunity to ask him
21 questions now about his testimony.

22 MR. JAMES HECKMAN: And will there be no
23 other opportunities to ask him --

24 JUDGE MOSS: No, this will be your last
25 opportunity.

00114

1

2 C R O S S - E X A M I N A T I O N

3 BY JAMES HECKMAN:

4 Q. I notice, Jeff, that you did not submit a
5 balance sheet.

6 A. Was that in here?

7 JUDGE MOSS: Well, we haven't had the
8 operating testimony yet.

9 MR. JAMES HECKMAN: What does that -- I'm
10 lost.

11 JUDGE MOSS: Well, there are basically two
12 aspects to this, all right. We have testimony from an
13 operating witness regarding the fitness of the applicant
14 to provide the service. That includes financial
15 fitness, and that may be supported by whatever evidence
16 the applicant wishes to submit in support of that. And
17 then we have the need testimony, which we have just had
18 Ms. Jaffe's testimony.

19 MR. JAMES HECKMAN: Okay.

20 JUDGE MOSS: And we have heard from
21 Mr. Porter on the subject of need as well. So that's
22 basically how it works.

23 MR. JAMES HECKMAN: I have no further
24 questions on the need end of the presentation.

25 JUDGE MOSS: All right.

00115

1 MR. JAMES HECKMAN: But financial fitness and
2 things like that --

3 JUDGE MOSS: We haven't had his testimony on
4 that yet.

5 MR. JAMES HECKMAN: Pardon?

6 JUDGE MOSS: We have not had his testimony on
7 that yet.

8 MR. JAMES HECKMAN: Okay.

9 JUDGE MOSS: We will want to wrap this part
10 up first. Okay, nothing further on that?

11 MR. JACK HECKMAN: No.

12 JUDGE MOSS: All right, then, Mr. Cedarbaum,
13 did you have anything further on that, and then we will
14 get back to the operating testimony and maybe wrap this
15 up.

16 MR. CEDARBAUM: I guess I have to confess I'm
17 a little confused as to where the dividing line is
18 between the operating testimony and the financial.

19 JUDGE MOSS: Well, there may be some overlap,
20 but we haven't yet received the application, and that
21 would typically include the financial data and so forth.
22 So if your questions concern that, we can go ahead and
23 turn back to Mr. Porter to get that part done and wrap
24 it up.

25 MR. CEDARBAUM: My questions were going to go

00116

1 toward the application itself.

2 JUDGE MOSS: Okay, let's go ahead and do that
3 piece of it then.

4 Mr. Porter, in addition to your appearance
5 and testimony today to present evidence with respect to
6 the need for the service, I know you are prepared to
7 present evidence respecting your fitness as an operator
8 and your financial fitness, for example. And much of
9 that data, if not all of it, would be included with your
10 application, so I would like to mark your application as
11 an exhibit at this time.

12 MR. PORTER: I came ill prepared. I do not
13 have my application.

14 JUDGE MOSS: Don't have your own application.
15 Well, fortunately for you, I do, and I'm going to mark
16 that as Exhibit Number 8. Make sure I've got the right
17 one, okay.

18 Is there any objection to the admission of
19 the application? Hearing no objection, it will be
20 admitted as marked.

21 Did you have any additional exhibits you
22 wished to submit with respect to financial fitness or
23 operator fitness, Mr. Porter?

24 MR. PORTER: No.

25 JUDGE MOSS: All right, fine. Did you have

00117

1 any testimony that you wish to give with respect to the
2 question of fitness?

3 MR. PORTER: No.

4 JUDGE MOSS: Okay, we will ask -- I know
5 Mr. Cedarbaum has some questions on the application. We
6 will get to those in a minute.

7 Mr. Heckman, do you have any questions
8 concerning the fitness issue?

9 MR. JAMES HECKMAN: I do. The financial, the
10 document that he provides for financial fitness is a one
11 year financial statement that shows that he generated
12 400 and some odd thousand dollars of revenue and made a
13 \$13,000 profit on one year. There's nothing on any
14 prior years to what happened. But my main concern is
15 that the judgments that have been made on financial
16 fitness and reading the various decisions and so forth
17 absolutely demand a balance sheet. You know, as a
18 businessman, I know what my bank requires.

19 JUDGE MOSS: Mr. Heckman, I'm going to stop
20 you again. This is your opportunity to ask Mr. Porter
21 questions. If you want to make a statement or argument
22 at the end with respect to precedent and prior
23 decisions, then you may do so.

24 MR. JAMES HECKMAN: Okay.

25 JUDGE MOSS: This is not the time for it. If

00118

1 you have questions for Mr. Porter regarding what he has
2 submitted in support of his financial fitness, then you
3 may ask those questions now.

4

5 C R O S S - E X A M I N A T I O N

6 BY JAMES HECKMAN:

7 Q. Jeff, you didn't provide a balance sheet?

8 A. I provided what I needed for the application.
9 If there's not a balance sheet in there, no, I did not
10 provide a balance sheet.

11 Q. Did you know the application requires a
12 balance sheet; it's very clearly spelled out?

13 A. Well, I didn't, and if it does, then I assume
14 that the Commission would have informed me that I needed
15 that.

16 Q. Do you know what answers a -- what a balance
17 sheet does for determining financial fitness?

18 A. It basically tells where the business is at
19 financially. I'm not a bean counter, an accountant. I
20 don't -- that's not my forte. That's what I have an
21 accountant for. I give them the information that they
22 need, and they take care of that for me.

23 Q. What is the net worth of your company?

24 A. The net worth right now, I would say --

25 Q. No, I mean according to your balance sheet.

00119

1 I know you didn't provide it, but --
2 A. I couldn't tell you right now.
3 Q. Pardon me?
4 A. I couldn't tell you off the top of my head.
5 Q. How much money do you have in the bank?
6 A. Right now, approximately \$27,000.
7 Q. And what is your debt?
8 A. Fixed income debt is approximate. I just
9 purchased two new vehicles. The fixed income debt is
10 approximately \$70,000.
11 Q. Do you have a positive net worth?
12 A. I do.
13 Q. But you don't know what it is?
14 A. Not off the top of my head. I had the
15 business evaluated and assessed not too long ago. As a
16 matter of fact, it was about a month and a half ago.
17 Q. Can you provide that document?
18 A. Not with me. I don't have it today. It's
19 something I can submit.
20 JUDGE MOSS: It's up to you whether you
21 submit it or not.
22 MR. PORTER: I don't feel the need to. I
23 guess my not -- lack of knowing is am I required to
24 present this stuff? Is it -- I mean I know the
25 questions can be answered, but am I obligated to?

00121

1 receiving that. How quickly can you provide that?

2 MR. PORTER: Within the week.

3 JUDGE MOSS: All right, let's do that.

4 MR. PORTER: If my accountant is not
5 overwhelmed.

6 JUDGE MOSS: Okay. You might when you send
7 that in, please indicate the docket number and that it's
8 a supplement to your application.

9 MR. PORTER: Okay.

10 JUDGE MOSS: Anything else, Mr. Heckman, any
11 other questions?

12 MR. JAMES HECKMAN: Not on financial. Yes, I
13 do have one thing.

14 BY MR. JAMES HECKMAN:

15 Q. Jeff, are you concerned about the loss of
16 revenue that will happen when you discontinue the \$85
17 door-to-door and go to the \$30 round trip, not
18 discontinue, but about what percentage of that business
19 do you think you will lose?

20 A. Well, if I lost all of those customers, all
21 together I will lose about \$3,500 a month. That is not
22 my primary concern right now. My primary concern is
23 providing -- is streamlining the operation so to
24 eliminate the inconvenience for our airport passengers
25 as well as provide transportation for the public who is

00122

1 in need of this service.

2 Q. So you think you're going to -- it looks like
3 you have a very marginally profitable business. With
4 the loss of that revenue, that doesn't bother you?

5 A. Not at all because of the phenomenal growth
6 that we have experienced since the day I started. Every
7 penny I make goes right back into the business, and I
8 have done it on a shoestring budget.

9 Q. But if you do lose that revenue, according to
10 the financial statement, you will be losing money?

11 A. Well, I will lose a certain percentage of
12 that money by the premium fare, but I'm also going to
13 make that back up with the reduced fare.

14 Q. Could you explain that to me?

15 A. Sure. I will lose a certain percentage of
16 fares by the door-to-door service, but a percentage of
17 that would be made back up by the fixed service.

18 Q. Enough to make up the difference?

19 A. It may not, but I can absorb that.

20 Q. But you acknowledge you will be losing money
21 based on your last statement?

22 A. Initially, yeah, we will lose money by not
23 providing -- by losing the fares from the premium
24 service to the fixed service. But in time, I feel very
25 confident that the ridership for the fixed service will

00123

1 increase to the point where it will be a wash.

2 Q. Kind of a gut feel type of thing?

3 A. Very strong.

4 MR. JAMES HECKMAN: Okay.

5 JUDGE MOSS: All right, thank you.

6 Mr. Cedarbaum, you had some questions in this
7 area.

8 MR. CEDARBAUM: On the application.

9 JUDGE MOSS: Yes, we're there.

10 MR. CEDARBAUM: Okay.

11

12 C R O S S - E X A M I N A T I O N

13 BY MR. CEDARBAUM:

14 Q. Similar topics I asked of Mr. Heckman,
15 Mr. Porter, you show equipment of a 1996 and 1998 Ford
16 vans, I assume.

17 A. Correct.

18 Q. Is that your existing fleet?

19 A. Those are two of the existing fleet.

20 Q. Is this the entire fleet or just --

21 A. I have a fleet of ten vans.

22 Q. So these are the two vehicles that would be
23 used for the proposed service?

24 A. Right. I also just acquired a 1997

25 15-passenger, which there would be a rotation. They

00124

1 would all three be used for that service.

2 Q. And can you describe what your maintenance
3 program is for the vans?

4 A. Sure. We do a monthly lube, oil, and filter,
5 which we would take those in to the mechanic. They will
6 go from front to back, check out every aspect of the
7 vehicle, and present to me any maintenance that may need
8 to be done on the vehicles. Tires, front ends, brakes,
9 shocks, stuff like that is farmed out exclusively to Les
10 Schwab. The other major stuff will go to the
11 appropriate facility such as Tranco in Port Angeles for
12 transmissions. The main shop that I use is one in
13 Carlsborg close to where the business is located for all
14 the general maintenance. And I do the stuff myself,
15 changing light bulbs, wiper blades, the light
16 maintenance. Any of the heavy stuff is farmed out.

17 Q. I was going to switch topics unless you have
18 something else to add.

19 A. It's kept track of by the drivers do a
20 pre-trip inspection prior to their departure. They also
21 do a post-trip inspection at the return of their trip.
22 They note any discrepancies that need to be addressed,
23 which are sent to me first thing after their run. We
24 address the major stuff that may be, what's the word I'm
25 looking for, not hazardous, but safety sensitive items.

00125

1 There is a vehicle maintenance log that is kept on every
2 vehicle, which is every single nut, bolt, screw, bulb,
3 whatever goes into the vehicle is logged in the vehicle
4 log. And there is also a file kept on each vehicle that
5 has every receipt for every bit of maintenance that has
6 been done on each vehicle.

7 Q. In terms of employees, will you be hiring new
8 employees for this proposed service?

9 A. I would have to hire probably at least four.
10 I currently have approximately 30 employees right now.

11 Q. What is your training program for the new
12 employees?

13 A. We have a training officer who will bring --
14 who brings in new employees at one shot. They have
15 approximately one hour class time to go over all the
16 paperwork, the business policies and procedures, job
17 related duties. And then they go on a training run with
18 the training officer.

19 Q. And your vehicles and employees are all
20 properly licensed?

21 A. Yes.

22 MR. CEDARBAUM: Thank you, those are all my
23 questions.

24 JUDGE MOSS: All right, very good. Now with
25 the exception of the affidavits that we're going to

00126

1 receive from Heckman and the financial statement from
2 Pennco, both of which we expect within about a week, is
3 there any other evidence that either party wishes to put
4 into the record? And since we're finishing with you,
5 Mr. Porter, I will ask you first, did you have any
6 additional evidence you wish to submit to the record in
7 this proceeding?

8 MR. PORTER: No, I don't.

9 JUDGE MOSS: Mr. Heckman, do you have any
10 additional evidence you wish to submit to the record in
11 this proceeding? I will give you both an opportunity
12 for closing statements.

13 MR. JAMES HECKMAN: Well, we have several
14 things we want to present.

15 JUDGE MOSS: And what are those?

16 MR. JAMES HECKMAN: There's -- we have a
17 couple of witnesses to -- we believe that he has to show
18 that we are not providing quality service right now, and
19 we have some witnesses to testify to that effect.

20 JUDGE MOSS: To the quality of your service?

21 MR. JAMES HECKMAN: Right, and a few other
22 things like that.

23 JUDGE MOSS: All right, well, let's do that.

24 Go ahead and call your witnesses one at a time.

25 MR. JAMES HECKMAN: Okay, Bob.

00127

1 JUDGE MOSS: Go ahead, Mr. Porter, do you
2 have a question?

3 MR. PORTER: Yes, did you state that I have
4 to show that you're not fulfilling your obligation or
5 providing service?

6 MR. JAMES HECKMAN: Yes, you do.

7 MR. PORTER: I'm not -- why would I have to
8 do that? I don't --

9 JUDGE MOSS: To the extent that your service
10 is a duplicate of an existing service, then one of the
11 showings that's required under the statutes and WAC's is
12 that the existing service is not to the satisfaction of
13 the Commission.

14 MR. PORTER: Okay,

15 JUDGE MOSS: Did I state that about right,
16 Mr. Cedarbaum, without looking it up?

17 MR. CEDARBAUM: It sounded good to me.

18 JUDGE MOSS: All right, fine.

19 So go ahead with your witnesses, Mr. Heckman.

20 MR. JAMES HECKMAN: Let me just make a brief
21 statement here.

22 JUDGE MOSS: I may allow that. Where do you
23 want to go with a brief statement?

24 MR. JAMES HECKMAN: I just want to talk a
25 little bit about my company and the commitment we have

00128

1 made to providing this service which he wants to
2 overlap.

3 JUDGE MOSS: Why don't you save that for
4 closing.

5 MR. JAMES HECKMAN: Okay.

6 JUDGE MOSS: Let's get your witnesses and get
7 that finished. I didn't realize you had witnesses to
8 call.

9 MR. JAMES HECKMAN: All right, Bob Lillis.

10

11 Whereupon,

12

13 ROBERT LILLIS,
14 having been first duly sworn, was called as a witness
15 herein and was examined and testified as follows:

16 MR. LILLIS: Do you want my address and
17 stuff?

18 JUDGE MOSS: Please spell your last name.

19 MR. LILLIS: L-I-L-L-I-S.

20 JUDGE MOSS: And where do you live, what
21 city?

22 MR. LILLIS: In Port Angeles.

23 JUDGE MOSS: In Port Angeles?

24 MR. LILLIS: Yes.

25 JUDGE MOSS: Okay, that's adequate.

Go ahead with your questions, Mr. Heckman.

00129

1

2 DIRECT EXAMINATION

3 BY JAMES HECKMAN:

4 Q. Yeah, Bob, how did you learn about our
5 service?

6 A. Through the ads in the paper, local paper.

7 Q. So did you find it easy to find out about our
8 service then?

9 A. Oh, absolutely, yeah. And it's -- I have
10 looked it up in the phone book to get the number to call
11 for information.

12 Q. And what kind of service did you need?

13 A. I had to go to Seattle, Virginia Mason, and I
14 didn't -- I had to make a decision whether I wanted to
15 drive over myself, which I don't really want to drive in
16 Seattle myself, or go to the Winslow Park & Ride and
17 take a bus and get a taxi, which is considerable
18 expense, and so I said, well, I'm going to go with the
19 bus.

20 Q. And would you tell us about your experience
21 on the day or days that you have used it?

22 A. I was really happy with the service. With
23 the 7:00 starting time, I went down and they were ready
24 to go at 7:00. And it was a very pleasant experience.
25 The driver was courteous and friendly, and the bus was

00130

1 clean and comfortable. And we got over to Seattle
2 through the various stops, but we got to my destination
3 at quarter to 10:00. My appointment was at 11:30, and
4 it just worked out perfect for me.

5 Q. So your total waiting time then?

6 A. Probably two hours maybe.

7 Q. Mm-hm.

8 A. Until they did pick me up, I did get picked
9 up for the 1:15 return trip.

10 Q. Now when you found out that our bus arrived
11 in Seattle around 9:40, how did you work that out with
12 the doctor's office?

13 A. My appointment was made from town here, so
14 they tell them over there that we have somebody coming
15 over from Port Angeles, and they make sure that your
16 appointment is within a time, a reasonable time frame to
17 get from here to Seattle, so I mean it -- and your
18 schedule is just perfect.

19 Q. So you found you were able, once they knew
20 when you were there, you were able to set your
21 appointment so that it worked?

22 A. Oh, yeah, yeah.

23 Q. Did they tell you that they felt you had to
24 be there at 9:00 or 8:00 or anything like that?

25 A. Oh, no.

00131

1 Q. They couldn't work with that?

2 A. Oh, no, they -- it was set up for 11:30 and,
3 you know, like I say, we got in at ten to 10:00 or
4 quarter to 10:00, and it was real nice.

5 Q. Now where did the bus drop you relative to
6 Virginia Mason; how far did you have to walk?

7 A. They drop you right at the -- there is a pull
8 off area at Virginia Mason, and it drops you right off
9 at the front door of the Buck Pavilion. You walk in the
10 door, walk over to an elevator, and go to the floor you
11 have to go to, sixth floor, fifth floor, or something
12 like that. Then you walk around to the North Pavilion,
13 and it was really convenient.

14 Q. So you were very satisfied with the service?

15 A. Oh, absolutely, yeah. In fact, I'm making
16 another trip next week today.

17 Q. Did you find -- what were your thoughts about
18 the rate that was charged?

19 A. The rate was from, personally, from my point
20 of view, it was very reasonable, because I couldn't
21 drive over and take the ferry and all of this stuff,
22 park over there, for any place close to that.

23 Q. So you would recommend this to anybody?

24 A. Highly.

25 Q. Do you have other friends that you are aware

00132

1 of that are aware of this service?

2 A. I'm a member of the adult exercise class down
3 at the Y, and they are two or three people down there
4 that have used the service, and all of their experiences
5 have been pleasant too.

6 MR. JAMES HECKMAN: Thank you, Bob.

7 MR. LILLIS: You bet.

8 May I be excused?

9 JUDGE MOSS: No, we have to wait and see if
10 others have any questions.

11 MR. LILLIS: Oh, okay.

12 JUDGE MOSS: Mr. Porter, do you have any
13 questions of this witness?

14 MR. PORTER: Just a couple of questions.

15

16 C R O S S - E X A M I N A T I O N

17 BY MR. PORTER:

18 Q. Mr. Lillis, do you have any friends or
19 acquaintances that are on a fixed income?

20 A. I think we all are.

21 Q. That's true.

22 A. All of them. I don't know anybody that
23 isn't.

24 Q. Well, I shot that.

25 As far as your medical appointments, have you

00133

1 ever had -- have you or any of your acquaintances ever
2 had medical appointments over there that would require
3 you to be there all day for any reason?

4 A. Not to my knowledge and not for me.
5 Fortunately for myself, my condition doesn't require
6 anything more than an office visit. I have to see a
7 specialist, but only because my doctor here figures
8 that's the way to go.

9 Q. As far as the fixed income situation then,
10 any of your acquaintances in the lower income level that
11 would benefit by the reduced income or the reduced
12 transportation fare over there?

13 A. I honestly can't say. I mean I don't -- I'm
14 not acquainted with anybody that is terribly poor or
15 terribly rich, so I would say I don't think the --
16 convenience is the main thing.

17 Q. Sure.

18 A. Yeah.

19 MR. PORTER: Okay, that's all I have.

20 JUDGE MOSS: Mr. Cedarbaum.

21

22 C R O S S - E X A M I N A T I O N

23 BY MR. CEDARBAUM:

24 Q. Mr. Lillis, as I understand your testimony,
25 you utilized Olympic Bus Lines from Port Angeles to

00134

1 Seattle; is that right?

2 A. Right, yes.

3 Q. And how often have you done that?

4 A. This is going -- is coming up on my second
5 trip now.

6 Q. Okay.

7 A. I would like to say that I'm happy for that,
8 but I'm also happy that the service is available when I
9 need it.

10 Q. Right, the fewer appointments with the doctor
11 would be better.

12 A. Yeah.

13 Q. When was the first time that you traveled
14 with them?

15 A. Last month.

16 Q. And then the second time will be next week?

17 A. This next week, yes.

18 MR. CEDARBAUM: All right, thank you. That's
19 all my questions.

20 JUDGE MOSS: All right, Mr. Lillis, I think
21 with that you can be excused.

22 MR. LILLIS: Thank you very much.

23 JUDGE MOSS: We appreciate your testimony
24 very much.

25 Mr. Heckman, did you have another witness to

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1 call?
2 MR. JAMES HECKMAN: Yes, Mr. Applegate.
3 JUDGE MOSS: And Mr. Applegate, you have been
4 sworn.
5 MR. APPLGATE: I beg your pardon?
6 JUDGE MOSS: I believe you were here earlier.
7 Were you sworn in?
8 MR. APPLGATE: Oh, I was sworn, yes.
9 JUDGE MOSS: Okay.
10 MR. APPLGATE: Only I raised my left hand, I
11 noticed.
12 JUDGE MOSS: I think we can forgive that
13 oversight.
14 MR. APPLGATE: Okay.
15
16 Whereupon,
17 TREVOR APPLGATE,
18 having been first duly sworn, was called as a witness
19 herein and was examined and testified as follows:
20 JUDGE MOSS: Would you spell your last name
21 for the record.
22 MR. APPLGATE: A-P-P-L-E-G-A-T-E.
23 JUDGE MOSS: And you live where?
24 MR. APPLGATE: Sequim.
25 JUDGE MOSS: All right.

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1 MR. APPLGATE: 326 Applegate Lane.

2 JUDGE MOSS: Thank you very much.

3

4 D I R E C T E X A M I N A T I O N

5 BY JAMES HECKMAN:

6 Q. Trevor, the reason I have you here in
7 addition to Mr. Lillis is just your depth of usage. How
8 long have you been using this service?

9 A. I don't know, Jim, about at least seven
10 years. It's, yeah, seven years the old van company that
11 Mrs. Jaffe tried to say was what your schedule is. I
12 was instrumental in trying to keep that thing alive for
13 a while, so the schedule has been very interesting to
14 me.

15 Q. But during the seven years of usage, can you
16 imagine people that are -- could not be aware of the
17 existence of it?

18 A. Yeah, yeah, there are people that don't know.
19 In fact, we had dinner with people last Saturday night,
20 and fellow's wife said, how do you get to Seattle. I
21 said, I go by Olympic Van. Well, how do you -- where do
22 you get that.

23 Q. All right.

24 A. Did not know the fare, did not know you were
25 running. So yes, there are a lot of people that don't

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1 know you're running, a lot of people. It's just -- but
2 every time you talk to somebody at a doctor's office and
3 tell them about it, well, I got to follow through on
4 that.

5 Q. That's why our business is growing. And we
6 are going to start our television advertising next week,
7 as a matter of fact.

8 But during that seven year period, just tell
9 us your experience as far as delivery at the door,
10 courteous?

11 A. Beg pardon?

12 Q. Has the service been of the highest quality
13 when you have been using it?

14 A. Not for the whole seven years, no. That's
15 the reason the old company sold out and got broke. But
16 your company since you have taken it over, Jim, it's
17 impeccable. You've got clean equipment that's obviously
18 well maintained. In the warm weather it was air
19 conditioned; in the cool weather it was warm. It runs
20 on schedule.

21 I make an appointment with a doctor, actually
22 what I have done is I have given a copy of your schedule
23 to the doctor's office, and we make the appointment that
24 fits in so that I get in there at 9:40, I have a 10:00
25 appointment now, and I'm out, and I guess it's about

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1 1:15 or 1:30 they pick me up at the Arnold Medical
2 Pavilion and bring me home. So I still have time in the
3 afternoon to get something done on the farm.

4 Q. So if the other service was available to save
5 you a few dollars, would you take that?

6 A. No, I wouldn't do it, Jim, and for the simple
7 reason you guys have been good to me, you have run a
8 good service, you've got good drivers that are
9 cooperative, considerate, and it's kind of fun to talk
10 to the people that are going to the airport. Where are
11 they going, what are they going to do. It breaks up
12 that monotony. And you sit there thinking about that
13 needle that's going to go in your eyeball, and it's fun
14 to have somebody that you can talk to about something
15 else.

16 MR. JAMES HECKMAN: Thank you.

17 JUDGE MOSS: Mr. Porter, do you have any
18 questions for Mr. Applegate?

19 MR. PORTER: Yeah, I just have one question.

20

21 C R O S S - E X A M I N A T I O N

22 BY MR. PORTER:

23 Q. Mr. Applegate, it's my understanding that
24 you're financially set.

25 A. I beg your pardon?

00139

1 Q. It's my understanding that you're financially
2 set and you're doing pretty well in that respect.

3 A. How do you know that?

4 Q. Well, okay, I don't know anything.

5 A. My financials are not public, and I don't
6 want them made public.

7 Q. Okay. If the situation was that you were on
8 a fixed income, low income, and couldn't afford Olympic
9 Bus Lines, and we were offering our service at the
10 reduced fare, would you say that you would not use us?

11 A. Why do they use hypothetical questions? I
12 have a company that's done a good job, running well, I
13 think --

14 JUDGE MOSS: Mr. Applegate, let me stop you
15 there and just ask you to please try to answer counsel's
16 questions.

17 A. The answer is no.

18 MR. PORTER: Thank you very much. That's all
19 I have.

20 JUDGE MOSS: Mr. Cedarbaum, do you have any
21 questions for Mr. Applegate?

22 MR. CEDARBAUM: Yes, I do.

23

24 C R O S S - E X A M I N A T I O N

25 BY MR. CEDARBAUM:

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1 Q. And just similar to what I asked Mr. Lillis,
2 I take it you're traveling from Sequim to Seattle; is
3 that right?

4 A. Yes.

5 Q. And how often have you used Olympic Bus
6 Lines?

7 A. Well, I had surgery on my left eye on January
8 18th. I stayed there for three days. After that for
9 two weeks I went in every other day. Then we stretched
10 it out to twice a week, and I forget just how, but then
11 it became once a week, now it's once a month. And I
12 think this time I'm going to stretch it to six weeks.

13 Now in addition to that, I have used the fare
14 to go in, get off at Kingston or Edmonds, and catch
15 Amtrak and go to a seminar at Mount Vernon, Washington
16 State University, and returned. I could do that in one
17 day up and back. I have also used it to go to Amtrak in
18 the Seattle station where I went to Portland, Oregon and
19 came back a week later, and the bus picks me up right
20 there at the station and brings me in.

21 So in addition to that, I use -- I have
22 another doctor -- I have ankylosis spondylitis. I never
23 know when that's going to require my being in town. And
24 I can call them, and they will fit me in to see that I
25 get to that doctor.

00141

1 MR. CEDARBAUM: Thank you.

2 JUDGE MOSS: I don't have anything. I
3 believe that completes your testimony, Mr. Applegate,
4 and we appreciate your coming very much.

5 MR. APPLGATE: Thank you.

6 JUDGE MOSS: And as a witness, you are
7 excused, but of course you are welcome to stay if you
8 wish for the duration of the hearing.

9 All right, now, Mr. Heckman, did you have any
10 other evidence you wish to present today?

11 MR. JAMES HECKMAN: Yeah, definitely. It's
12 my understanding that one of the things that we must
13 show is that we provide the most direct route possible,
14 and I have a map to submit as an exhibit.

15 JUDGE MOSS: All right, let's have that.

16 MR. JAMES HECKMAN: I just want to say that
17 we leave Port Angeles on Highway 101, we take the
18 Edmonds ferry, take that right to downtown Seattle. It
19 is the absolute minimum distance that there is to the
20 hospital district. There's no faster way.

21 JUDGE MOSS: All right, we will mark the map
22 as 8 [remarked as 13]. Any objection? Hearing none, it
23 will be admitted as marked.

24 Anything else?

25 MR. JAMES HECKMAN: Yes, I just want to say

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1 also that not only do we have the minimal route, but we
2 have -- we travel as fast as possible, maximal speed.
3 We have 15 passenger vans that are able to travel at
4 highway speed. We have priority loading on the
5 schedule, priority loading, which means when we get to
6 the ferry, we go to the head of the line no matter how
7 busy it is, in the summertime, winter, whatever. We get
8 people to the hospital at absolutely as directly and as
9 quickly as possible. Very pleased with -- that's why
10 all of our customers are so happy about our service.

11 MR. JACK HECKMAN: This isn't closing
12 argument, is it?

13 JUDGE MOSS: No. Any other testimony or
14 exhibits? I want to get the record complete, then we'll
15 have our closing argument, and then we'll be finished.

16 MR. JACK HECKMAN: Can we put any exhibits in
17 in the closing argument?

18 JUDGE MOSS: No, you need to present your
19 evidence now.

20 MR. JACK HECKMAN: This exhibit here is a
21 potential revenue loss if they are given this existing
22 application based on the Sequim to the Seattle area.
23 What this shows --

24 JUDGE MOSS: And when you say they, you mean
25 Pennco?

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1 MR. JACK HECKMAN: Pennco Transportation.
2 This is just showing a minimal profit that we have now,
3 and if we lost 25% of our customer revenue, 50% or 75%,
4 because it's hypothetical as to how much we would lose,
5 how many dollars we would lose and what our net profit
6 would be year to date had we lost that much business.

7 JUDGE MOSS: All right. Why don't you hand
8 this down to Mr. Porter and Mr. Cedarbaum to look at.

9 MR. JAMES HECKMAN: May I make a statement
10 while he's looking at that?

11 JUDGE MOSS: Let's give him a chance to take
12 a look at that and see if there's any objection, and
13 then we'll get the exhibit taken care of. I marked that
14 as 9 by the way.

15 Any objections?

16 MR. PORTER: No.

17 JUDGE MOSS: 9 will be admitted as marked.

18 Go ahead, Mr. Heckman.

19 MR. JACK HECKMAN: I have one additional --

20 MR. JAMES HECKMAN: Just a minute, I want to
21 make a comment on this.

22

23 D I R E C T T E S T I M O N Y

24 BY JAMES HECKMAN:

25 You know, we're not sure how much revenue we

00144

1 would lose on this quite marginal business we have right
2 now, but it will be substantial. The way Mr. Porter has
3 scheduled his business, both of his runs leave an hour
4 or so before our primary runs, and they leave from
5 locations that, make no mistake about it, will pick up
6 our what I call non-hospital people.

7 He has a run here that is right in front of
8 ours that will, if somebody says, I realize you're going
9 to the hospital, but can I get off at -- I will just get
10 off at the hospital or U of W, and I will walk downtown,
11 I mean his points of delivery even though they are the
12 hospital are downtown Seattle.

13 If you have some children that are going over
14 to visit their grandparents or if you have somebody
15 that's going over to visit their sister or whatever and
16 you have a service leaving right in front of mine for
17 \$29, well, round trip \$19 less money, there's no
18 question about it that they will take some of our --
19 some of our regular customers, some of our customers.
20 Without a doubt, this will make our company
21 unprofitable.

22 I hadn't even realized when we did these
23 numbers that his Carlsbad pickup location, Carlsborg,
24 excuse me, pickup location is probably as close to the
25 east part of Port Angeles as our downtown location is.

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1 Essentially he's offering a scheduled service out of
2 Port Angeles and Sequim right in front of our service,
3 and also there's two runs a day for \$19 less money.

4 I will have two choices, sit and let him take
5 my customers, or meet his price. And so we will have a
6 rate war, which will not benefit the public long-term.
7 One of us will survive. This business is way -- our
8 county is too small, the market is too small to have
9 overlapping authorities with the identical service.

10 It's not even thinly disguised that this is
11 only hospital business. As Jeff stated a few minutes
12 ago, if somebody else gets on because they want to go to
13 Seattle, then jump on. The pretense that it's only for
14 the low cost, welfare, poor, medical person is a great
15 inaccuracy. This is a scheduled service, less money
16 than mine, right in front of mine.

17 And why did we spend all -- why do people
18 spend all this time building up a scheduled service if
19 we don't get the protection of our permit. Sure, you
20 can always parade in people to say, great, you can do it
21 for cheaper. So everything we have gone to build up is
22 gone.

23 And that's why the case law shows that rate
24 is normally not a factor in determining public need, for
25 an obvious reason. As soon as I'm gone, his rates go

00146

1 up. There's no guarantee that these rates will stick
2 long term. According to our calculations, there isn't
3 any way that he can carry enough people to pay for these
4 runs. Granting this application will result in mass
5 chaos and a war.

6 JUDGE MOSS: Did you have some testimony to
7 offer?

8 MR. JACK HECKMAN: I do, and I have one more
9 exhibit.

10 JUDGE MOSS: All right.

11 MR. JACK HECKMAN: We have a concern, as the
12 application is presented, it's from Sequim to the
13 hospitals. And again, it's been brought up that that's
14 not necessarily what may happen. If someone needs to be
15 dropped somewhere else, there's a possibility that that
16 will happen as well. And I have a letter that I would
17 like to present as an exhibit from the agency sales
18 manager for Greyhound Lines Incorporated. And what it
19 pertains to is that Pennco Transportation is and will do
20 what they please as they please somewhat. Can I read
21 this?

22 JUDGE MOSS: There's no point in reading it
23 into the record. You can submit it as an exhibit, and I
24 will be glad to read it.

25 MR. JAMES HECKMAN: Can you summarize it?

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1 MR. JACK HECKMAN: In summary just real
2 quick, then I'll give it to you, it talks about how
3 Olympic Bus Lines is the only authorized carrier in and
4 out of Greyhound in Seattle, and no one else is
5 authorized to do so. And this is from Mr. Bodey Lyon,
6 which is what the BL was at the bottom. And even at
7 that, and even that we are the only ones authorized, I
8 do know that Pennco Transportation is serving Greyhound
9 currently without authority, and it's even advertised as
10 another exhibit in their Yellow Pages ad, on the side of
11 their buses, and in their brochures.

12 JUDGE MOSS: Did you want to submit this as
13 an exhibit?

14 MR. JACK HECKMAN: I would like to submit
15 that as well. And so I guess what I'm trying to say is
16 that if this permit is granted, even though it says it's
17 only from Sequim to the hospitals, in fact, what's going
18 to happen is it will be from Port Angeles because it's
19 halfway here and Sequim to the hospitals and probably
20 also Greyhound and anywhere else in Seattle.

21 JUDGE MOSS: All right, I'm going to pass 10
22 and 11 down the table here and let Mr. Porter and
23 Mr. Cedarbaum look at those, and we will ascertain
24 whether there is any objection.

25 Any objection to either exhibit? Okay,

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1 Mr. Cedarbaum, any objection to either exhibit?

2 MR. CEDARBAUM: Not to 9.

3 JUDGE MOSS: I think it's 10 and 11, isn't
4 it?

5 MR. CEDARBAUM: Oh, I'm sorry, not to 11 and
6 not to 10.

7 JUDGE MOSS: Okay, fine, then they will be
8 admitted as marked.

9 All right, now I have allowed testimony from
10 both of our Mr. Heckmans, and I'm trying to save a
11 little time here, and I tried to save a little time by
12 doing that. So, Mr. Porter, if you have any questions
13 concerning this last bit of testimony we have had from
14 Heckman, this would be the time to pose those questions.

15 MR. PORTER: Questions and comments or just
16 questions?

17 JUDGE MOSS: Well, really we do proceed a
18 little informally here and I have heard some testimony
19 filtered in with some argument, and I think I will be
20 able to sort all of that out later, but I prefer you to
21 stay in --

22 MR. PORTER: I have no questions.

23 JUDGE MOSS: -- the evidence, and then we
24 will have our opportunity for closing.

25 Mr. Cedarbaum, did you have any questions on

00149

1 these exhibits or the last bit of testimony from either
2 of the Heckmans?

3 MR. CEDARBAUM: I have just a couple of
4 follow-up questions for either Mr. Heckman.

5

6 C R O S S - E X A M I N A T I O N

7 BY MR. CEDARBAUM:

8 Q. Is it your understanding that Mr. Porter's
9 company can not serve, with respect to the authority
10 that the Commission has granted this company, that he
11 can not serve Greyhound in Seattle?

12 A. (Jack Heckman) He is not allowed through
13 Greyhound, is not an authorized stop for him. It is not
14 something that is allowed by Greyhound themselves. You
15 have to be licensed with Greyhound in order to stop at
16 -- provide service in and out of Greyhound, and I'm the
17 only one who is licensed.

18 Q. I take it it's not your testimony that if
19 Mr. Porter's company goes to the Greyhound station in
20 Seattle that he's violating the authority of the
21 Commission?

22 A. (Jack Heckman) That's correct.

23 MR. CEDARBAUM: Thank you.

24 JUDGE MOSS: Is that it?

25 MR. CEDARBAUM: Yes.

00150

1 JUDGE MOSS: All right. Now I believe that
2 should bring us to the conclusion of the evidence, and
3 we're ready for a closing argument. Am I correct in
4 this belief? All right, fine, then --

5 MR. JAMES HECKMAN: We have another exhibit,
6 I believe.

7 JUDGE MOSS: Well, let's get this wrapped up.
8 If you have any more exhibits or any more testimony,
9 please bring them forward when I ask for them.

10 MR. JAMES HECKMAN: We have got a couple more
11 exhibits here. They won't take more than a minute or
12 so.

13 MR. JACK HECKMAN: This is an exhibit of
14 Olympic Bus Lines' utilization by month. What we're
15 trying to show is that we have sufficient capacity in
16 order to handle the need.

17 JUDGE MOSS: All right, I'm going to mark
18 that as 12.

19 MR. JACK HECKMAN: Our last exhibit are
20 pertinent decisions regarding transportation
21 applications, and it discusses pertinent information as
22 to previous cases similar to this.

23 JUDGE MOSS: All right, I will take judicial
24 notice of the orders previously entered by the
25 Commission, but I will not make it an exhibit.

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1 Is there any objection to 12, which I am
2 passing down the table?

3 MR. CEDARBAUM: No.

4 JUDGE MOSS: There being no objection, it
5 will be admitted as marked.

6 All right, then that completes our
7 evidentiary record, and I would like to take closing
8 argument at this time. Either of you, both of you may
9 argue in support of your own application, in opposition
10 to the other application if you choose to do so. I want
11 one person to argue for each side, and I want you to
12 complete your argument in one round. There won't be any
13 rebuttal. And I'm going to go with the applicants
14 first, and then I will give Mr. Cedarbaum an opportunity
15 to make any comment he wishes to at the end. Is that
16 agreeable?

17 MR. CEDARBAUM: That's agreeable, but I'm not
18 anticipating any.

19 JUDGE MOSS: I'm not either, but I want to
20 give you the opportunity.

21 So one spokesman, please, for Heckman, and
22 there's no need to repeat points that have previously
23 been made. We have a complete record. I will review
24 the complete record. So I will ask you to try to be
25 succinct, and let's try to get this wrapped up in the

00152

1 next 20 minutes or so so we can all get some lunch and
2 not suffer from too much food deprivation.

3

4 D I R E C T T E S T I M O N Y

5 BY JACK HECKMAN:

6 Well, since there's no need to summarize what
7 we have already talked about and brought up, the only
8 concern, the biggest concern we have is that it appears
9 that Pennco goes forth and does things before authority
10 may necessarily take place. Where I brought up the
11 Greyhound issue that is being done by them without
12 authority through Greyhound. I called Paratransit
13 Services yesterday and was informed by them that the
14 rate is already being offered to customers, the lowered
15 rate that he has. And that was as of yesterday's
16 conversation, and we don't -- obviously we don't have
17 this in place yet. So these are some of the issues that
18 concern us the most, and that if this application is
19 granted, it will go outside the authority of what's
20 actually granted.

21 And then the obvious thing is that it is
22 overlapping what we have, and we feel that we already
23 take care of the Sequim and Port Angeles market to and
24 from not only the hospitals, but also Greyhound and
25 Amtrak and SeaTac. And that to have another company

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1 come in side by side and overlap us with lesser rates is
2 going to potentially not only put our company out of
3 business, but possibly both companies out of business,
4 because we would in reaction have to lower our rates so
5 that we don't lose our customer base that we have
6 currently. And as a marginal business right now
7 operating, to lower those rates definitely would put us
8 in a red position financially versus in the black, which
9 is what we all strive to do.

10 JUDGE MOSS: All right, thank you very much.
11 Mr. Porter, anything in closing?

12 MR. PORTER: Yes.

13

14 D I R E C T T E S T I M O N Y

15 BY MR. PORTER:

16 I do have authority under the Commission to
17 serve Seattle and Tacoma Greyhound, Amtrak, SeaTac,
18 hospitals, and hotels in my existing service. We were
19 unaware of the contract and situation between previously
20 Olympic Van Tours and now Olympic Bus Lines that they
21 have an exclusive contract to be an extension of
22 Greyhound, which we are not allowed on their property.
23 We can not drive onto their property. Our drivers can
24 not go onto their property to pick up our customers.
25 But under my certificate, I do have authority to serve

00154

1 Greyhound in Seattle, which means we pull up at the
2 curb, they get out, that's where we pick them up is at
3 the curb. And like I say, we do have the authority to
4 do that. I have had a call in for the last several
5 months to the corporate office for Greyhound. They
6 refuse to return my calls regarding this matter. As far
7 as I'm concerned, this is not about serving Greyhound.
8 We are serving the medical needs of the area here going
9 to the hospitals. There is no way that we can take
10 passengers down to Seattle Greyhound and stay on
11 schedule and serve our route that we have proposed as a
12 fixed route. That is not my -- that is not my goal.

13 As far as us picking up other customers of
14 theirs, it's the same thing that I dealt with with
15 Olympic Van Tours is everybody has to have a reservation
16 with us to our office before they can ride our vehicles.
17 There won't be the opportunity to pirate Olympic's
18 passengers.

19 Our rates, first of all, in order for us to
20 change our rates, I have to submit an application to the
21 UTC to justify any rate changes, so that wouldn't just
22 happen overnight, and I wouldn't be cannibalizing
23 anybody's passengers.

24 As far as the Paratransit thing, this has
25 nothing to do with my operating authority with the UTC

00155

1 or anybody else. I have a contract with Paratransit.
2 My operation with them is between them and I. I don't
3 know where they got this erroneous information, but we
4 have not offered this service to the Medicaid
5 recipients. And when and if the time comes, then that's
6 between Paratransit and I. That doesn't have anything
7 to do with my authority with the UTC as far as my rates
8 being offered to the Medicaid recipients. This is part
9 of the discussion we had at the last meeting with
10 Paratransit, which I did not want to go into there,
11 because I did not feel it was appropriate at that time.

12 The Commission is always stating that their
13 main concern is the need of the public, and I believe
14 that the public does need this transportation. There
15 are a great deal of people out here that are low income,
16 fixed income, and they can not afford the higher priced
17 transportation. We're currently -- last month we
18 transported almost 1,500 passengers, 215 from the Port
19 Angeles area, 532 from the Sequim area, and 710 from
20 Jefferson County. We're fulfilling the need by
21 providing that transportation. We're a growing
22 business, we're busy, we make mistakes just like anybody
23 else. They are a few passengers that we have dropped
24 the ball on. If Pennco drops the ball on anybody, we
25 bend over backwards to make it right to them.

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1 I think there's plenty of business out there
2 for both companies. My personal opinion is with Olympic
3 Bus Lines being an extension of Greyhound, I think that
4 prices should reflect a fixed bus schedule. For
5 example, Greyhound's fares say from Seattle to Olympia
6 Monday through Thursday is \$8.50 one way, \$15.50 round
7 trip, slightly higher, about a dollar more through the
8 weekend. It's my personal opinion that if it got to be
9 a price war, then if Olympic had reduced their rates or
10 kept their rates when they took over the service as
11 opposed to raising their rates 29%, they would be
12 dealing in a lot more volume, transporting a lot more
13 passengers.

14 The conversation that I had with Mr. Heckman
15 was regarding the condition of Olympic Van Tours'
16 equipment. He was stating that he is now transporting
17 as many passengers as Olympic Van Tours did in the past.
18 And my comment is, if he had decent equipment, he would
19 have been transporting a lot more passengers. He wasn't
20 in agreeance with that, but I -- it's no surprise, it's
21 no secret to the Commission the condition of Olympic Van
22 Tours equipment when they were operating.

23 So basically in closing, I think there's
24 enough business for both services. I think this is a
25 needed service for the community. I think we presented

00157

1 enough facts that shows there is a demand for the low
2 cost transportation for the convenience of the public.

3

4

E X A M I N A T I O N

5 BY JUDGE MOSS:

6 Q. Thank you. I just want to clarify one point
7 with you, Mr. Porter. You mentioned the reservation
8 basis for your current service.

9 A. Correct.

10 Q. Would it be your intention to have any
11 customers of the proposed service to also make advance
12 reservations?

13 A. It's all by reservation. Without the
14 reservations, we could end up having vehicles
15 overbooked, have to turn people away, and it's just --
16 it's easier to run that operation with reservations
17 knowing who you have coming and going, when and where.

18 JUDGE MOSS: Thank you, I just wanted to be
19 clear on that.

20 Mr. Cedarbaum, did you have anything you
21 wished to say in closing?

22 MR. CEDARBAUM: No, Your Honor.

23 JUDGE MOSS: All right. Then subject to
24 anybody telling me to the contrary, I believe that will
25 be adequate for our record considering the materials

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1 that are yet to come.

2 All right, appreciate you all being here
3 today and presenting the evidence that you did to
4 develop our record in this proceeding. I will look
5 forward to receiving the exhibits that we have reserved
6 places for in the next week or so. And once I have that
7 material and I should have the transcript in about two
8 weeks, then I will study the record, consider the
9 applications, and enter an initial order.

10 Once that order is entered and it will be
11 notated on that order that you will have 20 days to seek
12 Commission review. And you may choose to seek review or
13 not depending on your satisfaction with the order. And
14 in due course, the Commission will take the matter up
15 either on petitions for review or in a final order
16 affirming the initial order in the absence of any
17 petitions for administrative review.

18 Are there any other matters that need to be
19 made of record?

20 Hearing nothing, I will bring this procedure
21 to a close and go off the record.

22 (Hearing adjourned at 12:25 p.m.)

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