0001

 1 BEFORE THE WASHINGTON

 2 UTILITIES AND TRANSPORTATION COMMISSION

 3

 )

 4 In re the Matter of: ) Docket No. TC-180624

 Puget Express, LLC )

 5 )

 )

 6 )

 )

 7 )

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 8

 BRIEF ADJUDICATIVE PROCEEDING

 9

 Pages 1 - 34

10

 ADMINISTRATIVE LAW JUDGE LAURA CHARTOFF

11 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12 Taken at 1300 Evergreen Park Drive Southwest, Room 206

13 Olympia, Washington

14

15

16

17

18

19

20

21

22

23

24 DATE TAKEN: OCTOBER 25, 2018

25 REPORTED BY: LAURA L. OHMAN, RPR, CCR 3186

0002

 1 A P P E A R A N C E S

 2 ADMINISTRATIVE LAW JUDGE:

 3 LAURA CHARTOFF

 Utilities and Transportation Commission

 4 1300 South Evergreen Park Drive SW

 Olympia, Washington 98504

 5

 6 FOR COMMISSION STAFF:

 7 HARRY OSBORNE FUKANO

 Assistant Attorney General

 8 1400 Evergreen Park Drive Southwest

 Olympia, WA 98502

 9 310.995.3430

 Harry.fukano@utc.wa.gov

10

11 FOR PUGET EXPRESS, LLC:

12 ISAIAH FIKRE

 Puget Express

13 3800 South 176th Street

 SeaTac, Washington 98188

14 206.949.9095

 Info@PugetExpress.com

15

 \* \* \* \* \*

16

17

18

19

20

21

22

23

24

25

0003

 1 BRIEF ADJUDICATIVE PROCEEDING

 2 EXAMINATION INDEX

 3 EXAMINATION BY PAGE

 4 MICHAEL TURCOTT

 Direct examination by Mr. Fukano 8

 5 Cross examination by Mr. Fikre 14

 Redirect examination by Mr. Fukano 16

 6 Recross examination by Mr. Fikre 17

 7 ISAIAH FIKRE

 Direct testimony by Mr. Fikre 19

 8 Cross examination by Mr. Fukano 25

 9

10

11 EXHIBIT INDEX

12 EXHIBITS FOR IDENTIFICATION PAGE

13 Exhibit MT-1 Staff investigative report 10

14 Exhibit IF-1 Various documents brought in 29

 by Isaiah Fikre

15

16

17

18

19

20

21

22

23

24

25

0004

 1 OLYMPIA, WASHINGTON; OCTOBER 25, 2018

 2 \*\*\*

 3

 4 JUDGE CHARTOFF: Let's be on the record.

 5 Today is Thursday, October 25th, 2018, and the

 6 time is a little after 9:30.

 7 The docket is TC-180624, which is captioned In

 8 the Matter of Determining the Proper Carrier

 9 Classification and Complaint For Penalties Against Puget

10 Express, LLC, Doing Business As Puget Express.

11 My name is Laura Chartoff. I am the

12 administrative law judge presiding over today's brief

13 adjudicative proceeding.

14 Let's start by taking appearances from the

15 parties starting with a short appearance from staff.

16 MR. FUKANO: This is Harry Fukano from the

17 Utilities & Transportation Comission, Attorney General's

18 Office, AAG, here on behalf of Staff.

19 Sorry.

20 JUDGE CHARTOFF: And for Puget Express,

21 please state your full name.

22 MR. FIKRE: My name is Isaac Fikre.

23 JUDGE CHARTOFF: Do you have a -- can you

24 check to see if your microphone is on and pull it a

25 little closer to you.

0005

 1 MR. FIKRE: Okay.

 2 My name is Isaiah Fikre.

 3 JUDGE CHARTOFF: And can you provide your

 4 address, phone number, and e-mail address.

 5 MR. FIKRE: 3800 South 176th Street, and

 6 that would be in SeaTac, Washington 98188. Phone number

 7 is (206) 949-9095. E-mail address is

 8 info@PugetExpress.com.

 9 JUDGE CHARTOFF: Great. Thank you.

10 So this is a classification hearing that was

11 brought by the Commission based on Staff's finding that

12 Puget Express is operating as an auto transportation

13 company without the required permit from the Commission.

14 If we determine here today that Puget Express is

15 engaging in such conduct, we will issue an order

16 requiring the company to cease and desist all operations

17 unless or until it obtains a permit from the Commission.

18 We also have a complaint for penalties that's

19 somewhat of a separate issue. The complaint for

20 penalties alleges that Puget Express has, in fact,

21 engaged in the activities as an auto transportation

22 company.

23 So in today's hearing, we will consider whether

24 Puget Express should be classified as an auto

25 transportation company and whether the recommended

0006

 1 penalty is appropriate.

 2 So staff will present its case first today

 3 followed by the company.

 4 And I'll just give a little bit more information.

 5 So when I call on each party to testify, I will swear

 6 you in with the oath of witness so that anything you

 7 tell the court will be under oath and can be considered

 8 sworn testimony.

 9 And for the court reporter's benefit, please

10 speak slowly and clearly and also please be sure to use

11 the microphone on the table in front of you.

12 So are there any questions at this point?

13 Okay. Mr. Fukano, you may proceed when you're

14 ready.

15 MR. FUKANO: And would you prefer I stand

16 for opening or...?

17 JUDGE CHARTOFF: No.

18 MR. FUKANO: Good morning, Judge. I am

19 Harry Fukano, Assistant Attorney General with the

20 Utilities & Transportation Comission. I am here on -- I

21 am here today on behalf of commissioned staff. We are

22 here today for the classification proceeding involving

23 Puget Express, LLC.

24 RCW 81.68.010 defines an auto transportation

25 company in part as "Every corporation or person owning,

0007

 1 controlling, operating, or managing any motor-propelled

 2 vehicle used in the business of transporting persons and

 3 their baggage on the vehicles of auto transportation

 4 companies carrying passengers for compensation over any

 5 public highway in this state between fixed termini or

 6 over a regular route, and not operating exclusively

 7 within the incorporated limits of any city or town."

 8 The same statute defines "public highway" as every

 9 "street, road, or highway in this state."

10 Under RCW 81.68.040, an auto transportation

11 company may not operate in Washington without obtaining

12 an auto transportation certificate of public convenience

13 and necessity.

14 Staff intends to present evidence that will show

15 that Puget Express and Mr. Isaiah Fikre operated or

16 managed an auto transportation company without proper

17 authorization from the Commission.

18 Staff will present its evidence through Mr. Mike

19 Turcott, who will testify about Staff's investigation

20 and its determinations involving Puget Express.

21 Thank you.

22 JUDGE CHARTOFF: Okay.

23 MR. FUKANO: And I would call Mr. Turcott.

24 ///

25 ///

0008

 1 MICHAEL TURCOTT, having been first duly sworn by the

 2 hearing judge, testified as follows:

 3

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

 5 BY MR. FUKANO:

 6 Q. Good morning, Mr. Turcott.

 7 A. Good morning.

 8 Q. Would you please state your name and spell your

 9 last name for the record, please.

10 A. Michael L. Turcott, T-u-r-c-o-t-t.

11 Q. Thank you.

12 And what is your current occupation?

13 A. I am a compliance investigation supervisor at

14 the Utilities & Transportation Commission.

15 Q. And how long have you held that position?

16 A. I've been the supervisor just over a year, and

17 I've been in compliance investigations for three years.

18 Q. And what does that position involve?

19 A. So our unit investigates regulated companies, as

20 the name implies. Our goal is compliance, and so we

21 look for companies that are providing regulated services

22 that are outside of regulation, in other words,

23 operating without a certificate or a permit. And for

24 those companies that are permitted, we work with them to

25 ensure that they're operating within the compliance of

0009

 1 the rules that apply to that industry.

 2 Q. And are you familiar with the matter involving

 3 Puget Express?

 4 A. Yes, sir.

 5 Q. And how were you involved in that matter?

 6 A. I was the compliance investigator on the most

 7 recent matter involving the company.

 8 Q. And I would like to show you what has been

 9 previously designated as a proposed Exhibit MT-1.

10 What is MT-1?

11 A. Exhibit MT-1 is the staff investigation report

12 that I prepared in this matter.

13 Q. And I take it you are familiar with that item?

14 A. Yes.

15 Q. And did you create that item?

16 A. Yes, I did.

17 Q. Do you agree with all of the information

18 contained in the report?

19 A. I do.

20 Q. And do you have any changes that you would

21 recommend to the report?

22 A. No, I do not.

23 MR. FUKANO: At this time, I would like to

24 offer what has been proposed MT-1 into evidence.

25 BY MR. FUKANO:

0010

 1 Q. I would like to ask some questions about the --

 2 JUDGE CHARTOFF: Hold on.

 3 Do you have any objection to the admission of

 4 this report?

 5 MR. FIKRE: I don't know what he's looking

 6 at, if I can get a copy of it at a break.

 7 MR. FUKANO: May I approach?

 8 JUDGE CHARTOFF: Yes.

 9 MR. FIKRE: Thank you.

10 MR. FUKANO: Yes.

11 MR. FIKRE: Okay. I'm good.

12 JUDGE CHARTOFF: Okay. Exhibit MT-1 is

13 admitted.

14 Okay.

15 MR. FUKANO: Thank you.

16 BY MR. FUKANO:

17 Q. How did staff initially become involved in the

18 matter involving Puget Express?

19 A. In the most recent matter, we received an e-mail

20 May 1st of 2018 from a regulated company alleging that

21 Puget Express was providing illegal auto transportation

22 services within that company's area of their permitted

23 certificated area, specifically from the SeaTac Airport

24 hotels to the cruise ship terminals in Downtown Seattle.

25 Q. And what did staff do in response to that

0011

 1 complaint?

 2 A. To determine whether the allegation was true or

 3 not, staff posed as a consumer and e-mailed the company

 4 Puget Express at the address on record and requested a

 5 quote for transportation from the Double Tree Hotel at

 6 the airport to Pier 91. The request was for six

 7 passengers with luggage, and it specified Sunday, June

 8 24th, as the proposed date of that travel.

 9 Q. And -- thank you.

10 And to clarify, where are both of those

11 locations in Washington?

12 A. Those -- those locations are in the City of

13 SeaTac and the City of Seattle in King County,

14 Washington.

15 Q. And how did Puget Express respond to Staff's

16 e-mail?

17 A. Puget Express responded that it would be $17 per

18 passenger per direction for that requested

19 transportation.

20 Q. And do you know or recall who responded to

21 staff's e-mail?

22 A. Well, the e-mail account was -- it was

23 info@PugetExpress.com, which is the e-mail address on

24 record with the Commission for Puget Express. The

25 e-mail signature line is Isaiah Fikre, operations

0012

 1 manager. And it goes on and says, Sound Express, LLC,

 2 Tours and Transportation, 3800 South 176th Street,

 3 Seattle, Washington 98188, and telephone number of

 4 (206) 949-9095, which I believe also are the address and

 5 phone number on record with the Commission for that

 6 company.

 7 Q. And was there any additional communication

 8 between Staff and Puget Express as part of this

 9 investigation?

10 A. We did -- we did follow up and I wrote back

11 asking if it would be possible to accommodate a group of

12 eight, actually, rather than six, and that was -- that

13 follow-up occurred on June 11th, and I received a reply

14 back that same day that it would be -- for that group,

15 it would be a flat rate of $136 for the entire group,

16 and we would basically have the van -- it appeared that

17 we would have the van exclusive for our group for that

18 trip.

19 Q. What does a company need in order to operate as

20 an auto transportation company in Washington State?

21 A. The company must have a certificate issued by

22 the Commission authorizing them to engage in such

23 service.

24 Q. Does Puget Express have a certificate from the

25 Commission authorizing it to operate as an auto

0013

 1 transportation company?

 2 A. No, it does not.

 3 Q. May a company operate as an auto transportation

 4 company without a Commission certificate?

 5 A. No, it may not.

 6 Q. Does Staff have a recommendation as to

 7 classification and penalty on this matter?

 8 A. We do, and the recommendation is in two parts.

 9 First of all, Staff would request that the Commission

10 classify Puget Express as an auto transportation

11 company, and Staff would also request the standard

12 penalty of $1,000 for one violation of operating as an

13 auto transportation company without the required

14 certificate.

15 Q. Thank you. No further questions at this time.

16 JUDGE CHARTOFF: Thank you.

17 Mr. Fikre, do you -- you have the opportunity

18 now to ask Mr. Turcott any questions about his

19 testimony.

20 Do you have any questions for him?

21 MR. FIKRE: Yeah. I do, actually.

22 JUDGE CHARTOFF: And then, later, you'll

23 have the opportunity to present your case, so...

24 (Pause.)

25 MR. FIKRE: Okay. Perfect.

0014

 1 C R O S S E X A M I N A T I O N

 2 BY MR. FIKRE:

 3 Q. Mr. Turcott; right?

 4 A. Yes, sir.

 5 Q. Yeah. Thank you for all the hard work you're

 6 doing for the UTC. It means a lot to me.

 7 As much as I respect your profession, I use the

 8 profession as a means to make a living for myself and my

 9 family, and -- but I do have a question.

10 On -- on your finding, have you realized that

11 you -- have you realized that you were actually not

12 dealing with Puget Express but rather you were dealing

13 with Sound Express, LLC, which is a -- which is a

14 transportation company that's regulated with the --

15 under the limousine company?

16 A. So the -- the request -- I made the request to

17 the e-mail address info at -- let me be accurate here.

18 Info@PugetExpress.com. It was my impression that I was

19 dealing with Puget Express, and the e-mail came back

20 with Isaiah Fikre as the signature name on there, and

21 that was the name -- you and I had never met before

22 today, but that was the name I was familiar with in the

23 numerous dockets that we had handled with Puget Express

24 and Mr. Fikre. It was my understanding that I was

25 dealing with Puget Express.

0015

 1 Q. It was your understanding, but because of the

 2 name recognition, or is it because of the e-mail, or, I

 3 mean... (Pause.)

 4 A. I --

 5 Q. Can you be a little bit more -- the question --

 6 A. Well, it's -- it's really pretty basic. I think

 7 I've covered that in my first response, that I reached

 8 out to the e-mail address that the Commission had on

 9 record for Puget Express, made the request for

10 transportation, received a response back from the same

11 e-mail address with the signature of Mr. Fikre, who is

12 the individual on Commission records associated with

13 Puget Express, so my understanding was that I was

14 dealing with Puget Express.

15 Q. Yeah. Just for the record, I do want you to

16 know that your intent -- the intent of your

17 investigation is geared towards a company that I owned

18 to some point that was in operation, and due to a lack

19 of compliance, you know, it was out of business, but if

20 your --

21 MR. FUKANO: Your Honor, I believe -- I

22 believe Mr. Fikre is testifying.

23 JUDGE CHARTOFF: Yes.

24 MR. FIKRE: Okay. So I -- I'm done with the

25 question, so... (Pause.)

0016

 1 JUDGE CHARTOFF: Okay.

 2 MR. FIKRE: Yeah.

 3 JUDGE CHARTOFF: Do you have any redirect?

 4 MR. FUKANO: Brief redirect.

 5 JUDGE CHARTOFF: Okay.

 6

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

 8 BY MR. FUKANO:

 9 Q. Mr. Turcott, on Page A-8 of your second

10 communication, does it state that you would be provided

11 a van?

12 A. Yes. It says, "It will be flat rate of $136 and

13 you can have your own van and all of you can ride

14 together. You can book round trip as well.

15 Q. Do any of the communication mention a limousine?

16 A. No.

17 Q. Thank you. No further questions.

18 MR. FIKRE: Can I actually ask a question as

19 well since -- because he triggered something, if that's

20 okay? I mean, if I can ask one question as well?

21 JUDGE CHARTOFF: Do you have an objection to

22 him asking a question?

23 MR. FUKANO: No objection.

24 JUDGE CHARTOFF: Okay. Go ahead.

25 ///

0017

 1 R E C R O S S E X A M I N A T I O N

 2 BY MR. FIKRE:

 3 Q. Mr. Turcott, are you aware of a van that can sit

 4 up to ten people also qualifies as a limousine?

 5 A. There is a limousine -- under the DOL limousine

 6 laws, there is a limousine classification as a -- I

 7 believe it's an executive van, and the limousine permits

 8 allows up to 14 passengers behind the driver, so a van,

 9 executive van, under -- if I'm quoting DOL's regulations

10 accurately, can take up to 14. The issue with auto

11 trans is that when there's shared ride, when there's

12 individual seats, you know, transportation is sold by

13 the seat. In other words, the offer that I had was $17

14 per person. A limousine can only be booked under a

15 single contract for the entire vehicle, so to offer --

16 for a limousine company to be selling tickets or

17 transportation point to point between fixed termini on a

18 per seat basis is not authorized under the DOL rules.

19 That is auto transportation and requires a certificate

20 from the Commission.

21 Q. And as far as the body of the e-mail, you felt

22 comfortable taking the first part of the e-mail over

23 the -- the last part of the e-mail; correct?

24 A. I don't understand your question, sir.

25 Q. The first part of the e-mail states it was $17

0018

 1 per person, and then later on, it states it's a flat

 2 rate of 136 -- or -- yeah, $136, you know, per van, so

 3 you feel comfortable?

 4 A. As far as the accuracy of the e-mail are you

 5 asking about or...?

 6 Q. Yeah. For the purpose of our meeting today, of

 7 our court, you felt the violation was made on the first

 8 part of the e-mail but not the second part of the

 9 e-mail; right?

10 A. I'm -- I'm taking the e-mails at their face

11 value, and I'll let the judge, you know, evaluate those.

12 I have -- I have an offer for transportation for a group

13 of six at $17 per person, and then I have an offer for a

14 van -- to charter the van for the whole group for a

15 group of eight.

16 Q. Okay. Thank you.

17 A. So I'm presenting that to the Commission for

18 them to decide on.

19 Q. Okay. Thank you.

20 A. I take -- I take the e-mails at face value.

21 Q. Thank you. I appreciate that.

22 JUDGE CHARTOFF: Okay. So, Mr. Fikre, it's

23 your turn to present your testimony.

24 MR. FIKRE: Yes.

25 JUDGE CHARTOFF: So I'll swear you in.

0019

 1 ISAIAH FIKRE, having been first duly sworn by the

 2 hearing judge, testified as follows:

 3

 4 JUDGE CHARTOFF: Okay. So what is your

 5 response to the allegations against you?

 6 MR. FIKRE: It is not accurate. I think

 7 it's somewhat misleading. I do have -- I do have a

 8 company that's called Sound Express, LLC, which was

 9 formed years to years ago, and the reason why that was

10 formed was for the simple fact that when I realized that

11 there is a need for -- for a different market under

12 different license that UTC wouldn't -- wouldn't allow me

13 to operate, so I went ahead and started the company to

14 be able to accommodate small groups and so forth.

15 And in the past, that is true. Puget Express,

16 you know, we have advertised our rates per person, and

17 amongst other violations, that wasn't intentional, and

18 for that -- and, you know, for all those reasons

19 combined, the company was -- you know, we were told to

20 stop, and we did.

21 And in the process of doing that, it took a lot

22 of resources, a lot of money, a lot of time, and, you

23 know, I've been working with agencies that are familiar

24 with the UTC's rules and regulations to -- to stay on

25 top of the compliance. And it's been -- it's been, you

0020

 1 know, almost a year, and I have a letter that I can

 2 present to you showing that I have been working and

 3 trying to get in compliance.

 4 However, I think the -- the Commission has

 5 failed to realize that, first of all, this e-mail right

 6 here, I have to admit, it was something my wife had

 7 replied and, you know, tried to get me -- you know,

 8 tried to kind of help me out a little bit. I always

 9 tell her to get, you know, their information -- any

10 customer's information first, you know, name and phone

11 number, to be able to understand their needs and give

12 them their rate. And so in the beginning of the e-mail,

13 I believe -- yeah. Yeah, my wife had sent an e-mail in

14 regards to trying to reach out to the client who

15 posed -- the client in this matter to discuss the

16 information details, and no information was provided,

17 never responded with the phone number for me to reach

18 out, and so she went ahead and replied $17 a person,

19 and -- which I was not happy with that because I'm aware

20 that we don't -- you know, we don't -- we don't offer

21 prices -- we don't charge per person. It's a flat rate.

22 So -- but a month before -- a month prior to

23 UTC's notice in regards to this matter, I went ahead and

24 responded to an e-mail that preceded -- the number of

25 people went from six to eight, and then I responded

0021

 1 myself, clearly stating that it is -- you know, that it

 2 is a flat rate. It didn't matter if it was, you know,

 3 two people or ten people. It is a flat rate. And I

 4 stated so there.

 5 And I -- if you don't mind, I have some

 6 information I would like to share with you.

 7 Unfortunately, I didn't make any other copy, so

 8 basically, what I have here is -- if you don't mind,

 9 number one, I have a letter from -- from the company

10 VATA Safety Training & Compliance, showing that I've

11 been working with them for almost a year. We're almost

12 ready to submit our application with UTC. Number 2, be

13 more specific in this matter, I do have a license for

14 Sound Express, LLC, showing that it is a limousine

15 company and there are vehicles that are active in there,

16 along with insurance for each and every vehicle listed,

17 as well as how we -- how we present our information at

18 every hotel, every -- you know, every hotel we work with

19 throughout the Puget Sound. This is put in a folder

20 like this stating the prices for town cars, SUVs, and

21 vans.

22 So mistakes do happen here and there, but, you

23 know, I do -- you know, I don't have -- I don't have any

24 intention to be able to advertise in a way that we have

25 done in the past. Clearly that was a violation. I paid

0022

 1 for that hefty. And -- and while I appreciate all the

 2 hard work that some of the Staff members that worked

 3 with me in the beginning of the investigation; however,

 4 I don't have -- I kept my e-mail address. I took down

 5 my website, and -- in support of the -- in support of

 6 not operating -- in support of the court's decision or

 7 UTC's decision. My e-mail address is my e-mail address.

 8 It's something that I reply to people, you know, as --

 9 as -- you know, as they -- as I'm approached, and,

10 however, Your Honor, at the very bottom of each and

11 every e-mail, it does state my name and also the name of

12 the company that I represent; although, it is the

13 same -- it is the same name -- my name and different

14 company, same address, same phone number. But as far as

15 advertising, seeking out people, it's not something that

16 I have done since -- since they -- the UTC took a

17 position for me to cease and desist.

18 And since doing so, you know, I could have

19 been -- I could have been followed in a different way

20 and I could have been -- you know whether it be Seattle

21 Express or Beeline or UTC can pose as customers and come

22 in and they would have clearly have fallen under the

23 category where they would pay a flat rate rather than

24 per person.

25 So, in this case, it's one mistake that

0023

 1 happened, and -- and I'm sorry that it happened. But

 2 also extension in the e-mail shows that that was

 3 corrected. But for me to be able to come here when, in

 4 fact, you know, I -- the license that I operate under is

 5 through the limousine license. And I get that -- I get

 6 that there might be vehicles, same size vehicles as mine

 7 that fall under the category of UTC, but they are within

 8 the compliance of limousine license, have proper

 9 stickers, you know, two and from the airport and, you

10 know, from Seattle as well as to the City of Seattle.

11 So, you know, to take my e-mail address when

12 clearly states that, you know, I'm operating, you know,

13 under a limousine license, to me, I think that's

14 somewhat misleading.

15 And I have no intention to be able to -- to

16 operate under my -- big buses and shuttles are not

17 operating under limousine license and they're not

18 qualified to, you know, under that umbrella.

19 So it's just a small mistake that happened, but,

20 like I said, I think towards the end, it was corrected,

21 so -- and for that, I'm sorry about that, but I think,

22 you know -- you know, I'm doing anything and everything

23 that I can to -- to comply and correct, you know,

24 mistakes that I've done in the past, but, you know,

25 that's -- that's pretty much what I have to say.

0024

 1 JUDGE CHARTOFF: Okay. So -- okay. So I

 2 want to make sure I understand your testimony.

 3 So are -- are you saying that you -- you shut

 4 down Puget Express, LLC?

 5 MR. FIKRE: Correct. Yes.

 6 JUDGE CHARTOFF: And where did the -- what

 7 vehicles are you using in your -- in your new business?

 8 MR. FIKRE: It is not exactly a new

 9 business, Your Honor. It's been around at the same

10 time, you know, my charter license was active. And for

11 the simple fact that, you know, that's the business line

12 that I came from, you know, working with, you know,

13 limousine license, town cars, vans, SUVs. And when I

14 realized there was a need for a larger vehicle is when I

15 stepped in to -- to -- to the bigger vehicles. Puget

16 Express came to the picture later, so the vehicles that

17 I'm using are vans, mostly vans, SUVs.

18 JUDGE CHARTOFF: So did any of the vehicles

19 from Puget Express, were they transferred to -- what's

20 the new business called --

21 MR. FIKRE: Sound Express.

22 JUDGE CHARTOFF: -- Sound Express.

23 MR. FIKRE: No, there -- no, Your Honor,

24 they're too big, too large. They only fall under UTC.

25 And none of the vehicles that are under Puget Express

0025

 1 are currently or any time have they been transferred

 2 into -- into the limousine license, which is Sound

 3 Express, LLC. And they will continue to stay that way

 4 as well.

 5 JUDGE CHARTOFF: At this point, I -- I may

 6 have some more questions later, but I think I'll let you

 7 go ahead and do cross if you're -- if you want to do

 8 that.

 9 MR. FUKANO: Yes. I have a few questions.

10 JUDGE CHARTOFF: Okay.

11

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

13 BY MR. FUKANO:

14 Q. Mr. Fikre, what -- do you recall what the

15 physical address associated with Puget Express was?

16 A. Yeah. It's my residence, 3800 South 176th

17 Street, Seattle, Washington -- or SeaTac, Washington

18 98188.

19 Q. And is that the same address associated with

20 Sound Express?

21 A. Absolutely.

22 Q. And does Sound Express hold a certificate to

23 operate an auto transportation company?

24 A. No, not at all.

25 Q. And you mentioned that you advertise in hotel

0026

 1 lobbies?

 2 A. Yes, we do.

 3 Q. Okay. And in the e-mail on Page 87, there was a

 4 rate discussed of $17 per person?

 5 A. Right.

 6 Q. And if that rate were applied to eight people,

 7 would that be $136?

 8 A. Absolutely.

 9 Q. Okay. No further questions. Thank you.

10 JUDGE CHARTOFF: Okay. I -- I want to take

11 a -- well, first -- okay. So I want to take a five --

12 just a very short recess because I want to review a

13 procedural question that I have, so we'll take a

14 five-minute recess, and then we'll be back; okay?

15 MR. FIKRE: Is that -- I meant to actually

16 have you take a look at what I have here. Do you need

17 those? I feel comfortable with you having them.

18 (Indicating.)

19 JUDGE CHARTOFF: I'm actually going to ask

20 about that, so... (Pause.)

21 (Recess from 10:04 a.m. to

22 10:10 a.m.)

23 JUDGE CHARTOFF: Thanks. We are back on the

24 record.

25 So you wanted to offer -- Mr. Fikre, you wanted

0027

 1 to offer a couple of documents into evidence?

 2 MR. FIKRE: Yes, ma'am. On the -- on the

 3 e-mail -- sorry -- yeah, the e-mail as well as the copy

 4 that was sent to me by UTC. They stated two specific

 5 locations that pretty much ties Puget Express into doing

 6 business and violating.

 7 And I did get a -- I asked the same question,

 8 just copied and pasted the same question to be more

 9 consistent to those two hotels. One was for Comfort Inn

10 Suites -- sorry -- yeah, Comfort Inn Suites. The other

11 one is the Country Inn Suites, which the Commission

12 there, you know, Michael Turcott stated on -- well, not

13 him, but the Seattle Express or Beeline. And one of the

14 hotels happened to be the Country Inn Suites where I pay

15 monthly to park my vehicles on the rear of their

16 property, and I have an e-mail where I asked -- you can

17 see for yourself, to ask him what exactly is used for

18 the cruises' transportation. It clearly state the

19 Seattle Express with their phone number, and the same --

20 same goes for the -- for the other hotel. And then also

21 a copy that we advertise in pretty much all the hotels

22 we do business with, not just SeaTac, everywhere. There

23 is -- I'll give you a copy of that, a list of transfer

24 rates that we have for each and every, you know,

25 category -- vehicle category, basically, which shows a

0028

 1 flat rate, so if I can hand those to you.

 2 JUDGE CHARTOFF: So can you hand them to

 3 Staff.

 4 MR. FIKRE: Yeah. Sorry.

 5 JUDGE CHARTOFF: We ask people to bring

 6 several copies of their exhibits so everyone can see

 7 them.

 8 MR. FIKRE: Sorry.

 9 I do have my business license for Sound Express,

10 insurance certificate for Sound Express, as well as the

11 compliance company that have been helping me for the

12 last year to work -- to bring Puget Express up to -- up

13 to compliance to UTC standard. I do have a copy of

14 those as well. Should I hand those up?

15 JUDGE CHARTOFF: Yeah.

16 MR. FUKANO: Staff has no objection.

17 JUDGE CHARTOFF: Okay.

18 MR. FIKRE: Should I hand this forward?

19 JUDGE CHARTOFF: Yes, please.

20 Mr. Fikre, can we keep these copies?

21 MR. FIKRE: Yeah. That's fine. You can

22 keep them.

23 JUDGE CHARTOFF: Okay.

24 MR. FUKANO: And we have no objection to

25 either.

0029

 1 JUDGE CHARTOFF: Okay. Typically, they're

 2 supposed to be marked beforehand and I'm not supposed to

 3 mark them myself, but I will -- I will call these

 4 Exhibit IF-1 is admitted.

 5 Do you have any questions for Mr. Fikre about

 6 these exhibits or...?

 7 MR. FUKANO: No.

 8 JUDGE CHARTOFF: Okay. So I have no further

 9 questions.

10 Does -- do either of you want to make a closing

11 statement?

12 MR. FUKANO: I prepared a brief statement.

13 JUDGE CHARTOFF: Okay. You can proceed.

14 MR. FUKANO: Thank you, Judge.

15 You heard some testimony today that Mr. Fikre

16 may be operating as a limousine carrier; however, Staff

17 maintains that Mr. Fikre's business operations meet

18 definition as an auto transportation company that is

19 still subject to Commission regulation. You have heard

20 today from Staff that Mr. Fikre and Puget Express

21 offered to provide transportation for persons and their

22 baggage in a self-propelled motor vehicle from a hotel

23 in SeaTac to a pier in Seattle. You also heard in

24 evidence that that was originally offered at a per

25 person rate and that when circumstances changed, that

0030

 1 rate was consistently applied to the new amount of

 2 persons that was discussed. You've also heard evidence

 3 that Mr. Fikre is the operations manager of Puget

 4 Express. Finally, Staff has testified that Mr. Fikre

 5 and Puget Express -- or Puget Sound [sic] do not possess

 6 the necessary authority from the Commission to act as an

 7 auto transportation company; therefore, Staff asks the

 8 Commission to classify Puget Express as an auto

 9 transportation company subject to the Commission's

10 authority and to impose the recommended penalty of

11 $1,000.

12 Thank you.

13 JUDGE CHARTOFF: Do you wish to make a

14 closing statement?

15 MR. FIKRE: Yes, I do, Your Honor.

16 And when the gentleman here asked me about

17 the -- of the rate of $17 per person would amount to

18 $136 for eight people, it does; however, then, you know,

19 on my -- the way I set up my business is, for

20 instance -- in that particular case, it does look like

21 $17 a person, but they could have up to ten people,

22 which clearly shows on there on the flier that I'm

23 giving you, you can have up to ten people and still be

24 $136, and so if you do the math, $136 divided by ten is

25 going to be less than 17. Nine people, it's going to be

0031

 1 less than 17. Eight people, it comes out to be 17.

 2 And, you know, due to the number of -- to the amount of

 3 luggage that a group might have, six, seven people can

 4 fit in the SUV. You know, even up to five people, if

 5 they have tons of luggage, they would have to upgrade to

 6 a van because of the luggage issue.

 7 So the $17 per person that was communicated in

 8 that, like I said, that was a mistake. You know, even

 9 though I still take responsibilities for the simple fact

10 that my wife responded to that, but I took

11 responsibility enough to be able to correct that in the

12 end and let her know that it is a flat rate.

13 And -- and, again, I have been doing business as

14 Sound Express and this was a former, you know -- a

15 previously created company before Puget Express was shut

16 down, and I take offense to the fact that I'm being

17 labelled as someone who is operating as Puget Express.

18 Like I said, I have every intention to comply, however

19 long it takes to get it right with UTC, and to be at a

20 operating, you know, level. However, right now, the

21 complaint is against a company that's been dead.

22 I'm trying to provide, which take a lot of time

23 and a lot of resources, but I'm finding my limousine

24 license -- I'm finding myself here today to defend my

25 limousine license, which clearly, you know, has nothing

0032

 1 to do with UTC.

 2 At the same time, I also want to make sure -- in

 3 closing, I want to share this with you: My knowledge of

 4 the violations that I've made with UTC left me with

 5 enough knowledge to make sure even though I'm operating

 6 under a limousine license, to make sure that I don't

 7 violate UT -- the -- the UTC rules and regulations.

 8 Just because I'm operating under a town car/limo

 9 service, it doesn't mean I will carry on doing business

10 that will violate, you know, UTC. Some day when I get

11 up to date, I would want someone to respect that. And

12 I've done everything that I can in my power to make sure

13 it's not violated. And the company that's not happy

14 with doing business, they're not just losing business

15 because I happen to be in business. There are over

16 3,000 companies that operate under a limousine license.

17 On top of that, there's Uber, Lyfts and all of that.

18 And one of the e-mails will show you that the hotels

19 that we work with, they're not strictly using us.

20 They're also using Seattle Express, Uber, Lyft amongst,

21 you know, as well taxi cabs and for hires, so thank you

22 for taking the time and I'm done.

23 JUDGE CHARTOFF: Okay. Thank you. So I --

24 the regulations require that I issue a decision within

25 ten days. I would like -- since there was so much

0033

 1 testimony today, I would like to ask if the parties are

 2 willing to waive the ten-day requirement so I can have

 3 the benefit of the transcript.

 4 Would it be okay -- are the parties willing to

 5 do that?

 6 MR. FIKRE: I'm okay with it.

 7 MR. FUKANO: Staff is willing.

 8 JUDGE CHARTOFF: Okay. So I will issue a

 9 decision within ten days of me getting the transcript.

10 Is there anything further?

11 MR. FIKRE: No, Your Honor.

12 JUDGE CHARTOFF: Okay. Thank you. We are

13 off the record.

14 (Proceedings concluded 10:22 a.m.)

15

16

17

18

19

20

21

22

23

24

25

0034

 1 C E R T I F I C A T E

 2

 3 STATE OF WASHINGTON

 4 COUNTY OF KING

 5

 6 I, Laura L. Ohman, a Certified Shorthand Reporter in and

 7 for the State of Washington, do hereby certify that the

 8 foregoing proceeding on October 25, 2018, is true and accurate

 9 to the best of my knowledge, skill and ability.

10 IN WITNESS WHEREOF, I have hereunto set my hand and seal

11 this 1st day of November, 2018.

12

13

14 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15 LAURA L. OHMAN, RPR, CCR 3186

16

17 My commission expires:

18 MARCH 2019

19

20

21

22

23

24

25