

**From:** mikelauver@gmail.com [mailto:mikelauver@gmail.com] **On Behalf Of** Mike Lauver  
**Sent:** Friday, March 01, 2013 2:22 PM  
**To:** Rendahl, Ann (UTC); Rose, Chris (UTC)  
**Cc:** John Solin  
**Subject:** WAC 40--30-YYY comments

## Seatac Shuttle, LLC

Hi Ann and  
Chris,  
March 1, 2013

Please see our attached comments regarding the agency's attempt to craft administrative language to bring Airporter economics in line with reality. We recognize this as a stopgap measure until true deregulation can be accomplished through the legislature. We understand and support the intent that created this draft. As proposed we do have issues with it. We have provided two directions to examine. One, we have reviewed and revised your draft to correct what we see as flaws in the proposal; second, we offer a stripped down version that relies on the ignored language of RCW 81.28.250 and grants fare flexibility while leaving the rest of WAC 480-30 unrevised. We feel that this would be the most expeditious and supported route to go. We feel strongly that the commission has and always has had the ability to make these changes under current law.

**First**, it is still very restrictive on the regulation of fares. An analysis of most carriers will show that because of the current fuel surcharges, airport fees and other pass-through fees that would be required to be included within the "band" under the single fare proposal, without raising the current total cost to the customer, we would use up 75% of our permitted flexibility. Any further rise in fuel costs, bridge, freeway or ferry tolls would easily put us outside the proposed cap of 20%. 25% is the number that has always been discussed and I can only speculate the conversation at the UTC that took place suggesting the reduction of this number.

**Second**, the proposal is not for banded rates but for capped rates. The number suggested is a lifetime cap and does not meet the definition of banded. For the same arguments as above, all it would take is one inflationary flux, be it for fuel or inflation, and we would exceed the cap. What happens 2 years from now, 3 years? We would be right where we are now. Let's fix the problem.

**Third**, the burden of proof of *satisfaction of the commission* is shifted 180 degrees to the certificate holder from the applicant. This puts every certificate holder in the position of potentially constantly having to defend their operation. This is a reversal of due process and just is not acceptable.

**Fourth**, the proposal removes, for scheduled operators, the concept of territories and reduces them to routes. It goes further in allowing any applicant the opportunity to provide “same” service at the discretion of the commission.

**Fifth**, it permits the issuance of “temporary” certificates, a situation that only serves to undermine current operators. Except in the case of declared emergency by the Governor, there is no justification for these certificates.

**Sixth and most concerning**, is that as the language stands, it essentially eliminates any protection for territories issued under our certificates of authority. It is not in the least bit difficult to foresee an interpretation by staff and the commission that essentially eliminates the concept of territories. It is worded to give the impression of protection but places the issue at the sole discretion of the commission with an assumption of poor service by an existing certificate holder in the instance of a competing application.

As you know, we support the concept of full deregulation. This draft craftily effectively removes all barriers to entry while still maintaining economic regulation. If this intent to remove barriers to entry is maintained than a quid pro quo is required, make the flexibility a true band and make it 100% of base fare. This would, for the foreseeable future, remove economic regulation and you can remove the restrictions to entry in plain language instead of with the current **subject to interpretation** language. The commission wants deregulation and so do we, so let's accomplish it with this effort and be above board with it. As it stands now we have very little to gain and a lot to lose.

We applaud your efforts in trying to move this forward in the absence of any enthusiasm from our former Governor, but if we are going to spend the effort let's get it right. We have been working on this now going on three years. Every operator has their company focused issues, but we all agree on the need to keep pace with the economy, which has not been afforded to us for decades, and be able to maintain our businesses in a stable market. We are in business because we are businessmen, not because we are bureaucrats, civil servants or regulators. We understand the market and what it takes to accommodate that market. We all have won awards for our services; our customers like what we do and how we do it. They understand and accept our pricing and the realities of daily living economics. It's time that the UTC recognized these facts and stop presuming to tell us how to run the minutia of our businesses. We agree completion is good, but only in a free market, provide us with that market and we will compete.

It is our hope that the scheduled work shop will be constructive and move the process along to a swift conclusion to betterment of all concerned.

Thanks again for your continuing efforts,

Michael Lauver  
John Solin

Attachments: 2