

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SHUTTLE EXPRESS, INC.,

Petitioner and Complainant,

v.

SPEEDI SHUTTLE WASHINGTON, LLC

Respondent.

DOCKET TC-

**PETITION OF SHUTTLE EXPRESS, INC. FOR REHEARING OF
MATTERS IN RE DOCKET NO. TC-143691 AND TO CANCEL OR
RESTRICT CERTIFICATE NO. C-65854; BASED ON
MIS-REPRESENTATIONS BY APPLICANT,
ERRORS AND OMISSIONS IN PRIOR PROCEEDINGS,
AND CHANGED CONDITIONS NOT PREVIOUSLY CONSIDERED;**

and

**FORMAL COMPLAINT AGAINST SPEEDISHUTTLE WASHINGTON, LLC FOR ITS
RULES, REGULATIONS OR PRACTICES IN COMPETITION WITH COMPLAINANT
THAT ARE UNREASONABLE, INSUFFICIENT, UNREMUNERATIVE,
DISCRIMINATORY, ILLEGAL, UNFAIR, OR TENDING TO OPPRESS THE
COMPLAINANT**

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May 16, 2016

INTRODUCTION

1 Shuttle Express, Inc. (“Shuttle Express” or “Petitioner”) in support of its Petition for rehearing of matters in docket no. TC-143691, to cancel or restrict Certificate No. C-65854, and formal complaint against SpeediShuttle Washington LLC for its rules, regulations or practices in competition with complainant that are unreasonable, insufficient, unremunerative, discriminatory, illegal, unfair, or tending to oppress Shuttle Express, alleges as follows:

PARTIES AND JURISDICTION

2 Petitioner Shuttle Express, Inc. (Shuttle Express) is an auto transportation company that operates within the state of Washington and holds a certificate of public convenience and necessity from the Commission. The full name and address of Shuttle Express and name and address of its attorneys are:

Shuttle Express, Inc. d/b/a Shuttle Express
800 SW 16th St
Renton, WA 98057
Phone: 425-981-7070
Fax: 425-981-7071

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3 Respondent Speedishuttle Washington LLC (“Speedishuttle” or “Respondent”) is an auto transportation company that operates within the state of Washington and was granted a certificate of public convenience and necessity No. C-65854 (“CPCN C-65854”) from the

Commission on April 13, 2015, pursuant to orders issued in Docket No. TC-143691

(“Application Case”). Its full name and address are:

Speedishuttle Washington, LLC d/b/a Speedishuttle Seattle
1237 S. Director St.
Seattle, WA 98108
Phone: 808-779-5700

The name and address of Respondent’s attorney in this new case is not presently known.

4 The Commission has jurisdiction over the subject matter of this Complaint pursuant to RCW 80.01.040, RCW 81.01.010, RCW 81.04.110, RCW 81.04.160, RCW 81.04.200, RCW 81.04.210, RCW 81.04.460, and RCW Chapter 81.68. The Commission has jurisdiction over Speedishuttle because it is a public service company under RCW Chapter 81.04.

BACKGROUND AND FACTS RE PETITION

5 The following facts provide salient background and information supporting the Shuttle Express Petition for rehearing, and to cancel or restrict CPCN C-65854.

6 Shuttle Express re-alleges the allegations contained in paragraphs 2 through 4 above.

7 On or about October 10, 2014, Respondent filed an auto transportation authority application with the Commission, which was docketed as No. TC-143691 (“Application”). The Application was signed by Cecil Morton, President and CEO, certifying “under penalty of false statement” that the facts in the Application and its attachments were certified as “true and correct” and “authorized” by Respondent.

8 The Application did not contain any supporting statements of customers or any member of the public who needed or claimed to need the services proposed in the Application.

9 At the hearing in the Application Case Cecil Morton again confirmed, under oath, in testimony elicited by his own attorney, that the service proposed by applicant would be limited to “prearranged” and by “reservation” only:

2 Q. And in terms of reservation, door-to-door service,
3 is there a distinction to be made about prearranged service
4 that you are proposing to limit yourself to and, shall we
5 say, walk-up service?

6 A. Well, the distinction between walk-up service, or
7 on-demand service, is what Shuttle Express operates at the
8 airport today under the concession agreement, which you and
9 I can arrive at the airport and decide what option we'd
10 like to take: maybe a taxi, black car -- excuse me, or
11 shuttle, or a rental car for that matter.

12 We will not have that service. We would only have
13 prearranged, so that's why we would have greeters in the
14 baggage claim greeting, at the baggage claim, prearranged
15 guests.

Application Case, Transcript at 48 (emphasis added).

10 Mr. Morton's testimony reflected that he had a clear and unmistakable understanding of the
distinction between what he called a "walk-up" service as opposed to a "pre-arranged" (by
reservation) service. And he swore that Speedishuttle, "[w]ill not have that service." Moreover,
he did so for the express reason of distinguishing Speedishuttle's proposed service from that
already offered by Shuttle Express. And indeed, as Mr. Morton intended, the Commission later
expressly stated that it "granted the Application based in part on [Mr. Morton's walk-up]
testimony." Notice of Determination Not to Amend Order 04 (Dec. 14, 2015)("Determination").

11 At the Application Case hearing, Speedishuttle induced the Commission to rely heavily on the
allegedly "different character" of its proposed service and urged the Commission to find that
"[Shuttle Express was] not providing and could not provide the same service" as Speedishuttle:

2 This company is also going to operate, again,
3 in different territory, with different character, focused
4 exclusively on reservation-only, door-to-door service, so I
5 urge you to find that neither of the providers are
6 providing or could provide the same service as that
7 proposed by the applicant....

Application Case, Transcript at 142 (emphasis added).

12 The Initial Order in the Application Case found that “Shuttle Express does not provide the same service Speedishuttle proposes to provide.” Application Case, Order 02, ¶ 25. It did so citing four purported “features in Speedishuttle’s business model”: 1. Airporter greeter for each customer, 2. Multilingual website, 3. Wi-Fi and television service, and 4. 20-minute versus 30-minute departure time. Application Case, Order 02, ¶ 25. Contrary to its representations of a “different” service, Respondent’s stated intent in its communications with the Port of Seattle starting just days after the Commission issued its certificate, was to mimic as closely as possible the operations of Shuttle Express at the airport.

13 The Final Order in the Application Case affirmed the finding that Speedishuttle offered a different service than Shuttle Express, based on somewhat different reasoning and focused most heavily on the multilingual distinction proffered by Speedishuttle. *See* Application Case, Order 04, ¶¶ 20-21. In particular, the Final Order stated:

In our view, however, Speedishuttle’s multilingual business model creates a significant distinction. Shuttle Express does not offer multilingual customer service, either on its website, by phone, or by way of personal greeters; there is an entire demographic of travelers whose needs cannot be met by Shuttle Express’s existing service. On that basis alone, Speedishuttle’s proposed service is not the same service Shuttle Express currently provides.

Moreover, the totality of these features demonstrate that the proposed service uniquely targets a specific subset of consumers seeking door-to-door service to and from the airport: those who are tourists, tech-savvy, or non-English speaking. Speedishuttle’s business model thus includes luxury vehicles, significantly increased accessibility for non-English speaking customers, individually-tailored customer service, tourism information, and Wi-Fi service.

Id. (emphasis added).

14 Thus, the foundation for the Commission’s grant of an overlapping auto transportation certificate was, most directly, the multilingual service that Speedishuttle promised. The Commission accepted representations that Respondent would “uniquely target” an “entire demographic of travelers” who allegedly were not being—indeed “cannot” be—met by Shuttle Express. Moreover, indirectly, the Commission’s grant was founded upon Speedishuttle’s promises and representations that its business model would serve only passengers who had made prior reservations on Respondent’s website or mobile application.

15 Based on the limitations of the record, the Commission’s heavy reliance on the multilingual difference in the Application Case could only have been based on service by reservation only. The only specific and credible evidence in the record supporting Speedishuttle’s multilingual offering was regarding its website, with pages that allow booking in Chinese, Japanese, and Korean. Evidence of multilingual greeters at the airport was weak to non-existent (“[w]e’ll do our best to hire”), and in reality not even as good as the evidence of Shuttle Express regarding in-person multilingual capabilities (“several agents ... and drivers that are ... multilingual”). Application Case, Transcript at 24, 147.

16 Thus, based on the evidence in the record, the “unique, targeted, demographic” whose transportation needs “cannot be met” by Shuttle Express could only have been supported to the extent the Commission accepted that Speedishuttle would provide service by reservation only, as Speedishuttle both testified and argued at the hearing.

17 The facts supporting Speedishuttle’s artful and successful efforts to distinguish its services from those of Shuttle Express in the Application Case have not been borne out in actuality since it began airporter service in May of 2015, after the Final Order. Other than the website pages in three Asian languages, Speedishuttle has not made any discernable effort to “target” its door-to-

door service to the purportedly unserved non-English speaking demographic in any way whatsoever. To the contrary, it has gone to great lengths to compete directly with Shuttle Express for the exactly the same passengers, falling within exactly the same demographics, and in materially the same way. As a consequence, Respondent's entry has not in any material way provided service to travelers who would otherwise not have been served by an existing auto transportation provider.

18 Speedishuttle has also done nothing to increase the total number of travelers using door-to-door shared ride service from the airport as it promised to do. Rather than reversing the downward trend upon which it based its case in part, to the contrary, the total number of trips provided from the airport by Shuttle Express and Speedishuttle—even combined—has declined in each and every month in 2015 compared to the same month in 2014, when served by Shuttle Express alone. The overall combined decline averaged 8.6% from May through December 2015. Indeed, the percentage decline in overall trips from 2014 to 2015 after SpeediShuttle entered the market was *greater* than the decline from 2013 to 2014, when only Shuttle Express was serving the market.

19 The decline of Shuttle Express' trips was several times greater than the combined decline of the two carriers together, averaging down over 20% in 2015 and over 25% in 2016, as Speedishuttle's trips increased over the period. The actual data since last May, which could not have been available in the Application Case, demonstrate conclusively that Speedishuttle's service is not sufficiently different to find that it serves—exclusively, primarily, or even measurably—a uniquely targeted demographic. Rather, it serves the same passengers that used to be served by Shuttle Express to the satisfaction of the Commission and the public.

20 There are at least two reasons that commencement of Respondent’s service has done nothing to expand the overall market and little or nothing to provide incremental “different” service to a previously unserved demographic segment of the market. First and foremost, Respondent “oversold” its purported distinctions, to the point of misrepresentation of material facts, either intentionally or negligently. Second, the Respondent has, in practice, not provided a different service targeted to “a specific subset of consumers” who were unserved. Instead it has targeted the general travelling public that would have been served by Shuttle Express and provided a service that is substantially the same as that offered by Shuttle Express.

21 The most significant factor that created the impression Respondent would offer different services when it actually offered the same services was Respondent’s application and sworn intention to provide service “by reservation only,” when it actually provides – and intended to provide – service originating at the airport without regard to the existing of a pre-arranged reservation. Despite his contrary testimony under oath in the Application Case, less than a week after the Final Order was issued, Respondent’s CEO Cecil Morton wrote to the Port of Seattle seeking a lease to enable it to offer both “prearranged” and “on demand” shared ride service from the airport. *See* Exhibit A. To the extent that request to the Port—and its inconsistency with Mr. Morton’s testimony—was unclear, the CEO again emailed the Port on May 21, 2015, stating that Speedishuttle, “will want to commence selling walk up transfers immediately.” Exhibit B (emphasis added).

22 The aforementioned emails were part of a series of communications seeking “identical” signage, walk-up desks, and other facilities as Shuttle Express had at the airport, even in the same location. Taken together the communications evince an intent—even before Respondent began to offer any service—to offer “on-demand” or “walk-up” service and compete directly with

Shuttle Express. The testimony just a few months before was false, misleading, and inaccurate. New and newly discovered evidence would support a finding that Respondent's witnesses knew or should have known at the time it was given that such testimony was false, misleading, or inaccurate. These new facts regarding Respondent's true intent and the true nature of their door-to-door service were and are material to the Commission's decisions, its process, and the consequent harm to the public interest.

23 New evidence—including the foregoing and other evidence of actual operations—confirms that the supposed distinctions between the Respondent's proposed services and the services already provided by Shuttle Express either were not or are not true, or are not sufficiently material that they would have satisfied RCW 81.68.40, had Respondent not misled the Administrative Law Judge and the Commission in the Application Case. Specifically:

- a. The "personal greeter" service distinction does not exist and is not provided unless an air passenger arriving at the airport has made a reservation for door-to-door service prior to arriving, as Respondent has admitted. Moreover, Respondent has made no apparent effort to hire multilingual greeters.
- b. Multilingual reservations can only be made by booking a reservation in advance on the website. Given the essential nature of this service to the Commission's grant of authority and the misrepresentations by the Respondent that are now evident, discovery is warranted on the issue of whether multilingual service is truly offered to any more than a *de minimus* number of Respondent's passengers. Shuttle Express can find no evidence that personnel staffing Respondent's kiosk at the airport or drivers are any more capable of serving walk-up passengers than are the Shuttle Express personnel. On information and belief, Respondent has made no material effort to provide multilingual service other

than to passengers with advance reservations. Therefore this supposedly essential service distinction could have provided no support in the Application Case for a grant of authority to carry passengers who have not made an advance reservation.

c. It is not presently known if Respondent provides working TV and Wi-Fi in all its vans, which it had started to install by the time of the hearing in the Application Case. Again, this issue merits discovery. Also, Shuttle Express now has Wi-Fi capability in all of its vans. However, because the overall number of door-to-door airporter passengers has continued to decline at a steady pace, new evidence will show that that this ancillary feature of the core transportation service the Commission regulates has not in any way served or attracted a material number of new airline passengers to auto transportation service. Furthermore, the demonstrable shift in passengers from Shuttle Express to Speedishuttle shows that at best the features have attracted existing passengers who would have been satisfactorily served by Shuttle Express.

d. Respondent has failed to implement its supposed “guarantee” to depart the airport within 20 minutes from when the passenger checks in with bags in hand. Despite numerous tariff filings since the final order in the Application Case, Speedishuttle’s tariff does not even mention departure timelines in its tariff, let alone guarantee them. Even its website fails to mention airport wait time in Seattle. The “guarantee” is non-existent, or at most illusory. On information and belief, the actual average wait time for door-to-door guests to leave the airport is not materially more favorable for Respondent as compared to Shuttle Express.

24 Led in large part by misrepresentations, overstatements, and unsupported wishful thinking by the Respondent at the hearing and in its exhibits, in hindsight it is now clear the Commission gave

undue credence to Respondent's assertions it would provide incremental and "different" services to a previously unserved demographic segment of the market. The overall decline in the number of door-to-door passenger trips has continued unabated, suggesting that there never was anything more than a *de minimus* number of such unserved passengers.

25 Hard data from close to a year of actual operation has established that Speedishuttle's service is functionally indistinguishable from that of Shuttle Express. For example, data from Shuttle Express' own records, plus data obtained from the Port via a request for public records regarding trips reported by Speedishuttle, shows that while Respondent gained 8,052 total outbound trips from the airport from May through December 2015, Shuttle Express lost 12,050 such trips compared to the same period a year earlier. But the total reduction in outbound trips of the two carriers was nearly the same as the reductions Shuttle Express had experienced in recent years. Had there truly been a meaningful number of unserved passengers that Respondent would for the first time serve, the downward trend would have been reversed or slowed. Instead, Respondent's allegedly different service did nothing to increase the amount of overall auto transportation provided to the public from the airport.

26 Today, outside the hearing room, the only real difference from Respondent's service is that fewer overall passengers are being carried not by one carrier, but by two. This has led to inefficiency in the provision of the services as well as a smaller base for both carriers to spread the cost of common, joint, and shared costs, such as administration, sales, and reservations. Two carriers serving the identical geographic areas make it more likely that: fewer passengers will be carried per trip, fares may have to be higher, the extent of geographic coverage may be narrowed, and/or passengers will have to wait longer until a shared ride van can be filled to a reasonable capacity.

None of these consequences are in the public interest. Moreover, they are the reason the legislature enacted RCW 81.68.040.

- 27 Starting in August, 2015, the Commission issued bench requests and briefly considered amending Order 04, *sua sponte*. Although data for just one month showed that over a third of Respondent’s passengers did not have prior reservations, the Commission noted in its Determination that its current rules (specifically, WAC 480-30-036) “make no distinction between ‘prearranged’ and ‘walk-up’ door-to-door service.”
- 28 The Commission based its Determination in part on Respondent’s filed comments. Those comments failed to address, however, this unmistakable definition also found in WAC 480-30-036: “‘By-reservation-only service’ means transportation of passengers by an auto transportation company, with routes operated only if passengers have made prior reservations.” (Emphasis added). And Respondent’s comments also ignored this provision in WAC 480-30-096(3)(a)(ii), enumerating the requirement contents of an auto transportation application: “‘Door-to-door service requires a time schedule in compliance with WAC 480-30-281 (2)(c) and may be restricted to ‘by reservation only’....” (Emphasis added). Both WAC 480-30-281(2)(c)(ii) and WAC 480-30-356(3)(d)(ii) also reference and acknowledge that service may be limited to “by reservation only.” Though the Commission’s rules unquestionably both define and allow for “by reservation only” service at least four times, Respondent’s comments last year omitted that fact.
- 29 Because the statute governing grants of overlapping auto transportation authority give qualified exclusivity to an incumbent certificate holder, the Commission must walk a fine line in interpreting and applying its new rules to ensure that it implements its policy goal of “facilitating the ability of other providers to enter the market” consistent with the limitations of RCW

80.68.040. Specifically, “when the applicant requests a certificate to operate in a territory already served by a certificate holder” it may grant the new authority “only when the existing auto transportation company will not provide the same to the satisfaction of the commission....” RCW 80.68.040. Further, whether an application is protested or not, the Commission must find “that public convenience and necessity require [the proposed] operation.” *Id.*

30 Because under 80.68.040 there must be a declaration that “public convenience and necessity require[s]” the proposed service, the Commission’s “same service” rule must be also be read in together with the definition of “public convenience and necessity.” That definition is in WAC 480-30-140, and states that, “‘public convenience and necessity’ means that every member of the public should be reasonably afforded the opportunity to receive auto transportation service from a person or company certificated by the commission.” There is nothing in the definition of “public convenience and necessity” that mentions accoutrements to transportation, such as the nameplate on the vehicle or the presence of a TV set.

31 Based on the Commission’s definition of “public convenience and necessity” the only members of the public not reasonably afforded “the opportunity to receive auto transportation service from a person or company certificated by the commission” based on the evidence in the Application Case were (perhaps) Chinese, Japanese, and Korean travelers unable to read English.

Respondent proposed a “different” service that would enable that subset of travelers to more easily book advance reservations on Speedishuttle’s website in those foreign languages. But at the airport, the only commitment was to “do our best to hire multilingual receptive teams.” Application Case, Transcript at 24. This was the extent of Respondent’s proposal to offer a “different” service and what the Commission had reason to believe it was granting. Yet in

hindsight there has been no discernable effort by Respondent to hire multilingual greeters at SeaTac since last May.

32 In the Application Case the Commission did not find that the “public convenience and necessity require” a new service targeted to Chinese, Japanese, and Korean travelers booking reservations in advance on Respondent’s non-English webpages. However, that was the implication and seeming intent of its orders. Had the testimony, exhibits, and arguments presented by Respondent in the Application Case been fully truthful, the Commission could arguably have found to some extent that the proposed service was not the “same service” and the public convenience and necessity “required” the new service. But to the extent Respondent was actually seeking to offer the same service already provided by a certificate holder (Shuttle Express), such as the “walk up” or “not by reservation only” service the Commission would need to have found that Shuttle Express was not providing service to its satisfaction of the Commission. This it did not do. Rather, it relied on the representations of Respondent that Speedishuttle was *proposing and would provide* a different and targeted service only to pre-arranged tech-savvy passengers.

33 For the Commission to authorize a service in the same territory as an existing certificate holder based on a finding that it is not the same service under its rules, and still comply with the restrictions of RCW 80.68.040, should logically require that the certificate be limited to the different service that is proposed and is the basis for granting the application. The Commission did not do this in the Application Case. As hindsight demonstrates, the decision to rely on Respondent’s false and misleading representations, rather than to issue a restricted certificate, has harmed, not benefitted, the overall public interest. Additional harm to the public interest is

threatened in the future if the results of Respondent's misrepresentations in the Application Case are not corrected.

34 Finally, the Respondent argued in the Application Case that in the face of substantial increases in SeaTac emplanements, the decline in auto transportation traffic to and from the airport was evidence of unmet service needs. This argument failed to consider the impact of dramatically lower gasoline prices in the last several years, light rail service ridership, airport parking promotions, and the growth of SeaTac as a hub for both Alaska and Delta airlines. A sizeable number of the increase in emplanements were passengers merely changing planes going to and from Asia and other remote destinations who never left the secured area of the terminal, let alone used any form of ground transportation. Regardless of the cause of the decline, close to a year of operational data demonstrates that Respondent's allegedly "new" service has not attracted a measurable number of previously unserved ground transportation passengers. Statistical data now available can only support a conclusion that every single passenger Respondent has carried in the last year could have—and likely would have—taken Shuttle Express if Respondent's authority had not been granted.

35 Shuttle Express was aggrieved by the orders in the Application Case, did not seek review of the orders, and has complied with the orders for more than six months, giving it standing and a right to petition for a rehearing of the Application Case pursuant to RCW 81.04.200. As shown by the facts alleged in this Petition and Complaint and as will be shown at hearing after discovery, there have been: changed conditions since the issuance of the Application Case orders, results injuriously affecting the Petitioner which were not considered or anticipated at the Application Case hearing, and effects of the orders that were not contemplated by the Commission or the Petitioner. Plus there is other good and sufficient cause not previously considered and

determined in the Application Case hearing that require the case to be reopened and reheard to include new and newly discovered evidence.

FACTS RELEVANT TO COMPLAINT

36 The following facts provide salient background and information supporting the complaint against Respondent.

37 Shuttle Express realleges the allegations contained in paragraphs 2 through 35 above.

38 Since May of 2015, Shuttle Express and Respondent have been engaged in competition in provision of passenger auto transportation service between SeaTac Airport and most of King County, Washington. Respondent obtained its authority to provide this competitive service by inducing the Commission to find its service would not be the “same service” as that already offered by Shuttle Express. It did so using false, misleading, and overstated testimony, arguments, and exhibits in the Application case. Its actions in the Application Case were accordingly deceptive, unreasonable, illegal, unfair, and tending to oppress the complainant, as well as contrary to the public interest.

39 Respondent has admitted it is operating in direct competition with Shuttle Express and that a substantial portion of its passengers are being offered and provided the same services that Shuttle Express offers and provides. As a consequence, the number of passengers carried by Shuttle Express since May 2015 has declined precipitously, as the number of passengers carried by Respondent has increased. This is not in the overall or long term public interest.

40 The extent to which Respondent is truly providing a different service to a previously unserved demographic is not known with certainty. However, on information and belief, the services being provided to passengers who speak and write only Chinese, Japanese, or Korean, and not

English is a small fraction of the passengers Respondent is serving and may even be *de minimus*. Respondent's direct competition with Shuttle Express for the same service—after seeking and obtaining a certificate based on promises and representations that it would instead offer a different service—is unreasonable, illegal, and unfair, and in violation of RCW 81.04.110, 81.28.010, and other laws and regulations. Such actions are also contrary to the public interest.

41 On information and belief Respondent is providing its services in competition with Shuttle Express at fares that are below cost. Respondent's competition with Shuttle Express using such predatory pricing is unreasonable, insufficient, unremunerative, discriminatory, illegal, unfair, insufficient, and tending to oppress the complainant, and in violation of RCW 81.04.110, RCW 81.28.010, and other laws and regulations. Such predatory pricing is also contrary to the public interest, especially in the long run.

APPLICABLE LAW AND REGULATIONS

42 Laws applicable to this petition and complaint in addition to those cited above include RCW Chapters 81.01, 81.04, 81.20, and 81.68, most particularly RCW 81.28.010 and 81.68.040.

43 Regulations applicable to this petition and complaint in addition to those cited above include WAC Chapters 480-07 and 480-30, most particularly WAC 480-07-300, *et seq.*, WAC 480-30-036 and WAC 480-30-086, *et seq.*

REQUEST FOR RELIEF

44 Based on the foregoing allegations and the totality of the record in the Application Case, plus additional evidence to be obtained in discovery and as presented and filed in this case, Shuttle Express respectfully asks that the Commission enter and order relief as follows.

45 Promptly commence an adjudicative proceeding pursuant to WAC 480-07-305 and consider both the Petition and Complaint in the same proceeding. If the Petition is docketed in TC-143961,

Shuttle Express requests that the Complaint be assigned a new docket number, but immediately consolidated with TC-143961.

46 Promptly schedule an initial prehearing conference pursuant to WAC 480-07-430 to consider the matters set forth in that rule, including establishing a reasonable but expedited case schedule.

47 Permit the full range of discovery by the parties pursuant to WAC 480-07-400(2)(b).

48 Cancel Certificate No. C-65854 for cause, pursuant to WAC 480-30-126(2) and the Commission's general powers and duties.

49 If not cancelled in its entirety, amend Certificate No. C-65854 to restrict it to serving persons who book advance reservations on Respondent's website or mobile application in Chinese, Japanese, and Korean languages, but not in English. Or, in the alternative, restrict Certificate No. C-65854 to service only to persons who book reservations not less than 24 hours in advance of the commencement of their requested transportation.

50 If its authority is not cancelled in its entirety, direct the Respondent to cease and desist from offering service below cost, including both direct costs and a reasonable allocation of indirect, joint, and common costs. Further, order Respondent to submit a pro forma profit and loss statement that projects at least a break even operation based on a new fare schedule; reasonably projected passenger counts; a reasonable allocation of indirect, joint, and common costs; and other factors impacting costs or revenues after taking into account any restrictions ordered on the scope of Respondent's authority. If, after investigation and analysis of the pro forma statement and making any adjustments as staff or other parties may recommend, the fare schedule does not appear to be fair, reasonable, sufficient, and remunerative, establish and order implementation of a fare schedule that is fair, reasonable, sufficient, and remunerative.

- 51 If Respondent's authority is not cancelled in its entirety, keep the docket(s) open for a reasonable time period and order monthly reports after the Final Order to monitor Respondent's operations, acts, and omissions, including whether it is providing service below cost. If the Commission finds at any time that Respondent will not or cannot provide lawful services at fares that are fair, reasonable, sufficient, and remunerative, order Respondent to cease and desist providing any service until it can and will do so.
- 52 Enter such other orders and conduct such proceedings as may be in the public interest based on the filings and record developed in the docket(s).

Respectfully submitted this 16th day of May, 2016.

LUKAS, NACE, GUTIERREZ & SACHS, LLP



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EXHIBIT A

-----Original Message-----

From: Cecil Morton [<mailto:csm@speedishuttle.com>]

Sent: Saturday, April 04, 2015 5:06 PM

To: Hoevet, Jeff; Ausbun, Vicky; Warfield, Deborah; Anderson, Jeannette; Jack Roemer

Cc: Jack Roemer

Subject: SpeediShuttle SEA

Hi Jeff, Vickie, Deborah and Jeannette

I'm writing to thank you for your time yesterday.

In summary, we are extremely excited about commencing 'prearranged' door to door shared ride shuttle service on May 1 at SEA and working with your team.

We have been providing the highest quality airport shuttle service in Hawaii for 15 years and are looking forward to introducing our service in Seattle.

My investment in SpeediShuttle Seattle is based on our proven operating model that served in excess of 1.3 million customers in 2014. We have invested in the highest quality operating platform in our domain and are recruiting the most professional staff to welcome visitors and residents to Seattle.

Our mission is to be hosts to Seattle by first greeting every customer at the designated area(s), in the baggage claim that you feel work best for SEA and the customer, followed by directing each and every visitor and returning resident to our shuttle desk (if available), and shuttle station where we will have shuttles standing by with professional drivers in company attire which includes white shirts, black pants and shoes portraying a similar look to commercial pilots with official identification and name tags.

Our standards for hiring include pre-employment criminal background checks and drug screening for all employees. All of our staff are trained to adhere to our policies and procedures including ongoing customer service and safety training including ADA service. All staff are employees.

Our mission is to make the ordinary experience extraordinary and in doing so, we first select the best personalities for customer service and then train them to be the safest drivers, airport receptive service hosts and call center agents.

Our service is known in our industry as the highest quality shared ride and exclusive service as recognized by GO Airport Shuttle (www.goairportshuttle.com), our affiliate organization that collectively serves in excess of 45 million shared ride customers annually.

As the largest fleet operator of Mercedes Benz passenger shuttles in the USA we are proud to continue growing our fleet in Seattle with brand new 11 passenger shuttles, the safest commercial shuttle in the world. While in the cabin passengers enjoy complimentary Wi-Fi, and SpeediShuttle TV, our exclusive programming revealing the many places to visit and the rich history of Seattle and surrounding areas.

Our 'on demand' airport shuttle service is a specialty service that involves a dedicated operations team who truly understand the dynamics of the business and are extremely detailed individuals who understand the required infrastructure to deliver efficient on demand customer service. We would be

honored to support SEA with our on demand shuttle service, and with your approval, we have the ability to commence service within 60 days of your notification to us. Our Seattle web site will be launched in the coming days. Please visit it www.speedishuttleseattle.com. A preview is available at <http://speedishuttleseattle-ee.hudsonltd.net/>.

We look forward to working towards a long term solution to manage the 'prearranged' and 'on demand' requirements for shared rides services at SEA.

I hope you feel as confident as we do that working together will build a better experience for the SEA traveler.

Cecil Morton
President & CEO
SpeediShuttle Seattle
1237 South Director Street
Seattle, WA 98108

SpeediShuttle Hawaii
1132 Bishop Street, Suite 2312
Honolulu, Hawaii, 96813
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EXHIBIT B

From: Cecil Morton [cs@speedishuttleseattle.com]

Sent: Thursday, May 21, 2015 5:13 PM

To: Hoevet, Jeff

Cc: Jack Roemer; Dave Wiley; Binting, Paul

Subject: Re: Our first arrival at SEA

Hi Jeff - Nice seeing you and the rest of your team on Tuesday.

Just a short note to follow up and summarize our discussion which includes receiving a call or alternatively a contact name from the ports property department to initiate discussions to lease counter space as outlined in our summary operating plan you asked us to prepare for you which we submitted on Tuesday at our meeting.

Additionally, and as outlined in the plan, we mentioned the requirement to be identified on common area signage throughout the airport with identity branding or generic service type branding as currently displayed directing people to Downtown Airporter and Shuttle Express.

Lastly, we will want to commence selling walk up transfers immediately which is consistent with every operator who have desks/stands located at the double zero doors and including Stila, Yellow Cab, Shuttle Express and Downtown Airporter.

Thank you for recognizing how important it is to move this plan forward taking into account that the heavy deplanements season at SEATAC is approaching and our mutual desire to expeditiously service SEATAC arrivals.

Cecil Morton
President & CEO
SpeediShuttle Seattle
1237 South Director Street
Seattle, WA 98108

We make the ordinary experience extraordinary!

<https://www.speedishuttleseattle.com>

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(Sent by my iPhone. Pardon any typographical errors).