

March 30, 2011

Commissioners  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park DR SW  
PO Box 47259  
Olympia, WA 98504-7250

Subject: Dockets TC-101661 and A-042090

Dear Commissioners:

Frankly I am at a loss as to what more we as a business, our customers and various organizations can do to make it any clearer that the action to remove the fuel surcharge process is not only inappropriate but in violation of the Governor's Executive Order. Those issues have been addressed by us and other operators already. However, that being said I would like to comment on the "no confidence" of our fares that Mr. Eckhardt is now using as justification for the removal, after proving to him and the Commission that his first argument of "stable fuel prices and not expected to increase" is totally ridiculous and was not based on any factual data when he made that statement in September 2010. Clearly we do not need to challenge that statement anymore due to the historic increases in fuel prices in the past 6 months.

Therefore I must make the argument that his "no confidence" tactic was a knee-jerk reaction to attempt to cloud the issue and give the Commissioners something to wrap their arms around, rather than listen to factual data and information from the very businesses that he asked to provide comments. What should have happened in December is he should have stepped up to the plate and told you that this is NOT the time to remove fuel surcharges based on the evidence, comments, and the testimony of all the shuttle operators in attendance at previous meetings and workshops. Unfortunately this is not what he said.

Mr. Eckhardt continues to claim that our "revenues" are perhaps excessive by using fuel surcharges to increase our revenues. What he never mentions is that our EXPENSES increase even MORE than the amount of fuel surcharge we collect when fuel prices rise due to the 14% deadband and the 25 cent rounding, and therefore our profitability continues to decline each month. Now he wants to REMOVE the entire surcharge so that we have NO recovery of costs beyond our control. He continues to state that since our most recent "rate" case is over 6 years old, that therefore somehow the consumer is probably paying too much. What kind of backwards logic is this? The OLDER the rate case, the LOWER the fare to the consumer.

Let me give you some factual historical information, just so this can be precisely understood.

Between Dec 1<sup>st</sup>, 2008 and June 1<sup>st</sup>, 2009 we had NO fuel surcharge even though fuel prices rose from \$2.03 to \$2.595. ( See the attached EIA spreadsheet) Our base fuel price on our spreadsheets has been \$1.969 since 2005. During that 6 month period our fuel costs rose nearly 28% but we recovered NOTHING. Between 2005 and the present inflation rose over 16%. Why didn't Mr. Eckhardt support us then by stating that our LOW fares should be increased by a

rate case since we were not getting any fuel surcharge and our expenses continued to increase? Today, the West Coast Unleaded price is now \$3.762 and the prices in Washington State are even higher, as you know by looking the Chevron you drive by every day on your way to work.

Between June of 2009 and January of 2011, a period of 19 months, our surcharge was 25 cents or 50 cents, which is less than 1.4% of our base fare. Remember, our fare NEVER changed and our customers only had to pay 1.4% more for their shuttle than they did in 2005! Inflation alone over this same 6 years was in excess of 16%. Was this unfair to the consumers. Did we collect excessive revenue? Clearly not, based on the huge number of letters you have received in the past week, supporting the fuel surcharge and asking you to NOT eliminate this process which was worked just fine for over 10 years! We proposed that a simple percentage of base fare be permitted based on the EIA price of fuel but that was rejected by staff and the Commission. UPS is raising their fuel surcharge to 7.5% for ground and 13% for air effective April 4<sup>th</sup>. If we had a 7.5% surcharge it would be \$2.70. We have NEVER had a surcharge over \$1.75 since we have been in business and that lasted for ONE month in 2008.

There is only ONE appropriate action that you must take at the next open meeting.

I believe that a fair, just and reasonable solution to the issue of fuel surcharges is that you, as the Commission, rescind your previous orders and reinstate Order 2. Fuel surcharges are an integral part of every business that has to deal with the cost of fuel, whether it be airlines, overnight package shippers, online retailers, bus companies, freight shippers, ferries, solid waste haulers or airport shuttles. All customers in these industries totally understand and accept a fuel surcharge as long as it is a reasonable amount. Certainly our fuel surcharges have been VERY reasonable based on the letters of support. Please do not ignore our customers and organization support. Thank you for your attention in this matter.

John Solin  
Member and Co-Owner  
SEATAC SHUTTLE, LLC

Attachment: EIA spreadsheet