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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 In re Application No. D-78932)
of VALENTINETTI, STEVE & BRIAN)
4 HARTLEY, DBA SEATTLE SUPER)
SHUTTLE,) DOCKET NO. TC-001566
5 For a Certificate of Public) Volume No. 3
Convenience and Necessity to) Pages 70 - 325
6 Operate Motor Vehicles in)
Furnishing Passenger and)
7 Express Service as an Auto)
Transportation Company.)

8 -----

9

A hearing in the above matter was held on
10 May 3, 2001, at 9:55 a.m. at 19010 First Avenue South,
11 Burien, Washington, before Administrative Law Judge
12 MARJORIE R. SCHAER.

13

14

The parties were present as follows:

15

SEATTLE SUPER SHUTTLE, by STEVE VALENTINETTI,
16 President, 12241 153rd Street South, Spanaway,
Washington 98387.

17

GRAY LINE and SHUTTLE EXPRESS, by BROOKS E.
18 HARLOW and DAVID L. RICE, Attorneys at Law, Miller
Nash, 601 Union Street, Suite 4400, Seattle, Washington
19 98101.

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24 Kathryn T. Wilson, CCR

25 Court Reporter

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P R O C E E D I N G S

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JUDGE SCHAER: We are here this morning for a hearing in Docket No. TC-001566. This matter arises from Application No. D-78932 filed by Steve Valentinetti and Brian Hartley doing business as Seattle Super Shuttle -- and I believe that the application in the record now reflects that the applicant is a corporation, which is Seattle Super Shuttle -- for a certificate of public convenience and necessity to operate motor vehicles in furnishing passenger and express transportation service.

12

Today is May 3rd, 2001, and we are appearing in Room C-102 in the Criminal Justice Training Center in Burien, Washington. My name is Marjorie Schaer, and I'm the administrative law judge assigned by the Commission to this stage of the proceeding. I want to begin by taking appearances from the parties, and since you previously have appeared with complete information today, I would just like you to give me your name and whom you represent, and I'll start with you, Mr. Valentinetti.

22

23

MR. VALENTINETTI: Steve Valentinetti from Seattle Super Shuttle.

24

JUDGE SCHAER: Then for the protestants?

25

MR. HARLOW: Good morning, Your Honor.

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1 Brooks Harlow with the Miller Nash Law Firm, also David
2 Rice with Miller Nash.

3 JUDGE SCHAER: I will just confirm with both
4 of you that your telephone numbers, addresses, fax
5 number, e-mail addresses, and other things are still
6 the same as they were on Monday of this last week when
7 we first got together; is that correct? All right.

8 Then we are going to start out this morning
9 with the applicants' direct case, and it was indicated
10 off the record that Mr. Valentinetti would be the first
11 witness for the applicant. I'm going to ask him some
12 foundation questions and then ask him to present what
13 he wants to present about the application, so at this
14 point, I want to place you under oath,
15 Mr. Valentinetti. Please raise your right hand.

16 (Witness sworn.)

17 JUDGE SCHAER: Would you again give your name
18 for the record, and this time I'm going to ask you to
19 spell your last name, please.

20 MR. VALENTINETTI: Steve Valentinetti,
21 V-a-l-e-n-t-i-n-e-t-t-i.

22 JUDGE SCHAER: Mr. Valentinetti, by whom are
23 you employed?

24 MR. VALENTINETTI: Seattle Super Shuttle.

25 JUDGE SCHAER: What is your position with

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1 Seattle Super Shuttle?

2 MR. VALENTINETTI: President.

3 JUDGE SCHAER: Who are your job

4 responsibilities as president of Seattle Super Shuttle?

5 MR. VALENTINETTI: Manage.

6 JUDGE SCHAER: Could you tell me what you do

7 or what you expect to be doing on a day-to-day basis?

8 MR. VALENTINETTI: On a day-to-day basis in
9 the future, I expect to be in charge of daytime
10 operations. We are going to have hiring, maintenance,
11 different areas that I'll oversee, but I'll just
12 oversee those areas and make sure that operation runs
13 smoothly.

14 JUDGE SCHAER: I believe you filed an
15 application with the Commission; is that correct?

16 MR. VALENTINETTI: That is correct.

17 JUDGE SCHAER: What else would you like to
18 have any in the record this morning about Seattle Super
19 Shuttle and its vehicles, its insurance, any of the
20 other items about how you intend to have this business
21 operate?

22 MR. VALENTINETTI: Well, I would like to
23 enter into the record that we are a new company. We
24 have new vehicles. We have the insurance. We don't
25 have the employees. We don't have the setup at the

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1 airport yet. We are kind of waiting for this hearing
2 to take place so we can get moving, continuing on with
3 our business.

4 We initially made the application in October
5 of last year, and we were trying to get started by
6 November. We didn't understand that it would take this
7 process, but now we've learned quite a bit more about
8 it. We are seeking the proper authority to be able to
9 operate in between SeaTac and the Seattle city limits.

10 JUDGE SCHAER: Is there anything else you
11 would like to say at this time?

12 MR. VALENTINETTI: Not at this time, ma'am.

13 JUDGE SCHAER: Did you have questions of
14 Mr. Valentinetti, Mr. Harlow?

15 MR. HARLOW: Yes, Your Honor.

16

17 CROSS-EXAMINATION

18 BY MR. HARLOW:

19 Q. Good morning, Mr. Valentinetti. I think
20 we've already met, but for the record, I do represent
21 Gray Line of Seattle and Shuttle Express. First thing
22 I would like to do would be to hand you a copy of the
23 subpoena.

24 MR. HARLOW: Your Honor, may I approach the
25 witness?

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1 JUDGE SCHAER: Yes, you may.

2 MR. HARLOW: If Your Honor would like this as
3 part of the record, I'd be happy to make it so;
4 although, I don't necessarily need to.

5 JUDGE SCHAER: I will leave that to your
6 decision. If you are going to be talking about it a
7 lot, it would probably be useful to have it in the
8 record. I believe copies were already distributed at
9 our prehearing conference on Monday, but it was not
10 marked as an exhibit at that time.

11 MR. HARLOW: Here are sufficient copies
12 should you want to follow along.

13 JUDGE SCHAER: Thank you. Go ahead, please.

14 Q. (By Mr. Harlow) I believe you were served
15 with this subpoena last week. You acknowledge you were
16 served with a copy of this subpoena?

17 A. Yes.

18 Q. You understand that the subpoena directed you
19 to bring certain documents with you to this hearing
20 today?

21 A. Yes.

22 Q. I'd like to review those with you, and before
23 we do, let's go ahead and mark this as an exhibit, Your
24 Honor.

25 JUDGE SCHAER: Okay. You've handed me a

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1 three-page document which states at the top the docket
2 number of this proceeding and subpoena duces tecum, and
3 I'm going to mark that as Exhibit No. 1 for
4 identification.

5 (Marked Exhibit No. 1.)

6 Q. So looking at the first page of Exhibit 1,
7 the first document requested was proof of insurance for
8 Seattle Super Shuttle, and I believe you showed us a
9 copy of proof of insurance earlier today; is that
10 correct?

11 A. That's correct.

12 Q. We asked you for registration and title for
13 all equipment, and you brought us a number of titles
14 for the equipment; is that correct?

15 A. That's correct.

16 Q. I did not recall seeing any registrations for
17 any of the equipment. Is that correct that you did not
18 bring the registrations for the equipment?

19 A. That is correct.

20 Q. We asked you for equipment maintenance and
21 inspection records, and you did give us a sheet of
22 paper on that; is that correct?

23 A. I gave you what we have. Our vehicles are
24 new, so they are very limited...

25 MR. HARLOW: Just for the record, if we

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1 finish up before our assistant gets back with the
2 copies, we may need to recall Mr. Valentinetti to
3 introduce the titles which we were having copied as
4 exhibits as well as the maintenance records that
5 Mr. Valentinetti provided.

6 JUDGE SCHAER: Why don't we plan to take that
7 up at the time the documents are brought into the
8 hearing room. We will go off the record and mark them.

9 MR. VALENTINETTI: I have copies right here
10 for you on the table, if that's what you are waiting
11 for.

12 JUDGE SCHAER: How many copies did you bring?

13 MR. VALENTINETTI: I believe there are four
14 of each.

15 MR. HARLOW: We can take this up when the
16 remaining copies come.

17 JUDGE SCHAER: We'll take them up so we don't
18 get confused, because I think it will work better for
19 us getting through today. Go ahead, Mr. Harlow.

20 Q. (By Mr. Harlow) Mr. Valentinetti, Item No. 4
21 on Page 1 of Exhibit 1 requested financial records, and
22 I believe you brought us a balance sheet and a profit
23 and loss statement; is that correct?

24 A. Uh-huh.

25 Q. You have to answer yes or no.

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1 A. Yes.
2 Q. Included in No. 4 on the second page, the
3 last sentence stated: For all assets, produce proof of
4 ownership, such as deeds, titles, or bank records. Do
5 you see that?
6 A. I do.
7 Q. It's correct, is it not, that you did not
8 bring any bank records for us today?
9 A. That is correct.
10 Q. And you did not bring any deeds to real
11 estate for us today; is that correct?
12 A. That is correct.
13 Q. I understand that Item No. 5, bond
14 requirements, you have no such documents?
15 A. That is correct.
16 Q. Item No. 6, driving records and licenses. My
17 recollection is you brought us a computer printout of
18 driving records for you and Mr. Hartley; is that
19 correct?
20 A. That's correct.
21 Q. But you did not bring your driver's licenses
22 with you; is that correct?
23 A. That's not correct.
24 Q. I suppose you have those in your wallet?
25 A. (Witness nods head.)

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1 Q. Are they current?

2 A. Yes.

3 Q. Perhaps at a break, we can take a look at
4 those. Item No. 7, I understand, was taken care of at
5 the last conference.

6 JUDGE SCHAER: Actually, there was no ruling
7 on that. There was a conversation about that, and if
8 you wish to pursue it, we can.

9 MR. HARLOW: Let's do that right now.

10 Q. (By Mr. Harlow) Have you ever been arrested,
11 Mr. Valentinetti?

12 A. Yes.

13 Q. For what? If there is more than one arrest,
14 we'll just take them one at a time.

15 A. Failure to appear.

16 Q. That was failure to appear on what charge?

17 A. On a reckless driving charge.

18 Q. When did that occur?

19 A. 1993.

20 Q. What was the arrest for, reckless driving?

21 A. I don't have that information in front of me,
22 Mr. Harlow.

23 Q. What happened as a result of the arrest.

24 Were you convicted of anything?

25 A. Yes.

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1 Q. What were you convicted of?
2 A. Reckless driving.
3 Q. What was the fine or penalty or sentence?
4 A. It was in 1993.
5 Q. Any other arrests other than the 1993
6 reckless driving arrest?
7 A. No, not to my knowledge.
8 Q. Have you ever been cited for driving under
9 the influence or driving while intoxicated?
10 A. No.
11 Q. Any other arrests or citations other than the
12 citations which will be reflected on your driving
13 record?
14 A. None other than that.
15 Q. Returning again to Exhibit 1 then, and we are
16 on Page 2 now --
17 JUDGE SCHAER: That's still Exhibit 1 for
18 identification. Do you want to offer that?
19 MR. HARLOW: We can take care of that now, if
20 you like.
21 JUDGE SCHAER: I do feel better having things
22 admitted when they are gone into this extensively, Mr.
23 Harlow.
24 MR. HARLOW: We offer Exhibit 1.
25 JUDGE SCHAER: Do you object to this being in

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1 the record?

2 MR. VALENTINETTI: No.

3 JUDGE SCHAEER: Exhibit 1 is admitted.

4 (Admitted Exhibit No. 1.)

5 Q. (By Mr. Harlow) On Line 12, Item No. 1, for
6 Seattle Super Shuttle, we requested all certificates of
7 authority issued by the WUTC or any other governmental
8 entity. Do you have any such documents in your
9 possession?

10 A. None needed for the way we presently operate.

11 Q. Item No. 2, all business licenses. I believe
12 you are attempting to have that faxed to us this
13 morning; is that true?

14 A. Yes.

15 Q. Item No. 3, citations, violations, or adverse
16 findings by any government agency or court. I believe
17 you've provided us with a copy of your citation record
18 with the Port of Seattle; is that correct?

19 A. That's correct.

20 MR. HARLOW: For the record, Your Honor --

21 MR. VALENTINETTI: That's parking citations
22 for our vehicle.

23 MR. HARLOW: We'll go into that when the
24 documents come back and we have the copies.

25 Q. Item No. 4, documents regarding any tax

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1 liens, warrants, or deficiencies. You did not bring
2 any such documents with you; is that correct?

3 A. There are none at this time. I have
4 documents from the past, but I think we talked about
5 that the other day too.

6 Q. Was it your understanding you did not need to
7 bring past tax warrants with you?

8 A. It was my understanding that even though I
9 brought them or thought I brought them, I didn't need
10 business licenses or other licenses for this, yes, but
11 I do have it here anyway, Your Honor.

12 Q. The tax warrants?

13 A. And a letter from the State that says they
14 love me and they were wrong and I'm happy.

15 JUDGE SCHAER: If there is something here
16 that you haven't shown to Mr. Harlow yet that talks
17 about tax warrants -- I'm looking at this and I'm
18 wondering --

19 MR. VALENTINETTI: Your Honor, it's from a
20 different business, and there was a tax lien and then
21 there is a refund, because they took the money after
22 the sale of the house, and then there is a refund to
23 me.

24 JUDGE SCHAER: I'm looking at Line 10 of Page
25 2 of Exhibit 1, which asks about tax liens or other

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1 items for other transportation companies or for Seattle
2 Super Shuttle. Is that the context of your question,
3 Mr. Harlow?

4 MR. HARLOW: Yes.

5 JUDGE SCHAER: Do you have any tax liens?

6 MR. VALENTINETTI: Current, no.

7 JUDGE SCHAER: At any time that have applied
8 against either Seattle Super Shuttle or other
9 transportation companies you currently or in the past
10 owned or managed?

11 MR. VALENTINETTI: Yes.

12 JUDGE SCHAER: I would like you to share that
13 information with Mr. Harlow, and if you have it at this
14 time, go ahead and provide it at this time. Let's go
15 off the record for a moment.

16 (Discussion off the record.)

17 JUDGE SCHAER: Let's be back on the record.

18 While we were off the record, Mr. Valentinetti
19 retrieved copies of information about tax liens, and
20 that information has been provided to Mr. Harlow for
21 examination. Go ahead, Mr. Harlow.

22 Q. Then the final item, No. 5, requested proof
23 of regulatory fee payments for the last four years.
24 Did you have any such documents that you could locate?

25 A. No.

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1 Q. I understand you are operating approximately
2 five vans at the present time; is that correct?
3 A. That is correct.
4 Q. Please describe to us how you are operating
5 those vans. What type of operation is that?
6 A. That is an arm of Seattle Super Shuttle, and
7 we are hauling airline crews from SeaTac Airport to
8 downtown hotels and back.
9 Q. Is that pursuant to a contract?
10 A. Yes.
11 Q. Who is the contract with?
12 A. American Airlines.
13 Q. Any other airlines?
14 A. Scandinavian Airlines.
15 Q. Any others?
16 A. American Transair.
17 Q. When you say "airline crews," we are talking
18 pilots and flight attendants?
19 A. Correct.
20 Q. Any other passengers that you are hauling in
21 those vans at this time?
22 A. No.
23 Q. Are you one of the drivers of those vans?
24 A. Yes.
25 Q. Who else is driving the vans at the present

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1 time?

2 A. Brian Hartley.

3 Q. Anyone else?

4 A. We have approximately seven, I believe, seven
5 other drivers.

6 Q. When you say that you are operating these
7 five vans transporting the airline crews as an arm of
8 Seattle Super Shuttle, what do you mean by the term
9 "arm"?

10 A. Our main business that we want to do with the
11 Seattle Super Shuttle is haul the public from the
12 airport to downtown Seattle in the Seattle city limits,
13 and like I stated for the record earlier, we wanted to
14 get started on November 1st, so we bought equipment and
15 we are ready to go. In the meantime, we are doing the
16 airlines.

17 Q. So you are using vans owned by Seattle Super
18 Shuttle to haul the airline crews?

19 A. Yes.

20 Q. Do you have a d/b/a that's operating that
21 operation for the airline crews?

22 A. No. It's under Seattle Super Shuttle.

23 Q. Are you familiar with the d/b/a Flagship Crew
24 Shuttle?

25 A. Yes.

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1 Q. What is that operation?

2 A. That's the name for the American Airlines
3 crews so they can find the vans, because at this time
4 with the early start-up, they get confused with
5 Mr. Sherrell's company of Shuttle Express, so we just
6 put another name on the side of the van.

7 Q. So in other words, the vans owned by Seattle
8 Super Shuttle have the name Flagship Crew Shuttle on
9 the side?

10 A. That's correct.

11 Q. That operation has no authority from the
12 Washington Utilities and Transportation Commission; is
13 that correct?

14 A. That's correct. Needs no authority from the
15 Washington Utilities and Transportation Commission.

16 Q. Have you ever held authority from the WUTC?

17 A. No.

18 Q. How about Airline Delivery Service; are you
19 familiar with that d/b/a?

20 A. I am.

21 Q. Is that one of your d/b/a's also?

22 A. From Seattle Super Shuttle?

23 Q. Yes.

24 A. No.

25 Q. What does Airline Delivery Service do?

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1 A. It's a separate business that delivers lost
2 luggage from SeaTac airport back to the people from the
3 airlines.

4 Q. What vehicles do you use for Airline Delivery
5 Service?

6 A. Airline Delivery Service is a contract worker
7 operation. The operators use their own vehicles and
8 they are contractors.

9 Q. Passenger cars, basically?

10 A. It could be passengers cars or vans.

11 Q. Do you ever use the Seattle Super Shuttle
12 vans for that service?

13 A. I personally since I run both businesses,
14 yes, I do. If I go to downtown Seattle, I will drop
15 off luggage with one of our vans. Our employees do
16 not.

17 Q. As I understand it, you do plan to use your
18 existing five vans that are currently doing the
19 Flagship Crew Shuttle to carry the public if this
20 application is granted?

21 A. These five vans and a bunch more, yes.

22 Q. Would you plan to continue driving for
23 Seattle Super Shuttle under any permit issued by the
24 Utilities Commission?

25 A. Yes.

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1 Q. What about Mr. Hartley?

2 A. Yes.

3 Q. What about the other seven drivers?

4 A. No. They will do the crew only.

5 Q. Did you bring driving records or driver
6 applications with you for the other seven drivers?

7 A. No.

8 Q. Do you have driving records and driver
9 applications for the other seven drivers?

10 A. Not for the business that we are talking
11 about here today.

12 Q. They don't fill out applications for the crew
13 shuttle service?

14 A. They do.

15 Q. My question was, do you have them. Did they
16 fill them out and then you got rid of them?

17 A. No. I have those. I don't have them here
18 today. I'm not sure what you are asking, Mr. Harlow.

19 The two are separate. Just like Airline Delivery
20 Service is separate from Seattle Super Shuttle, it's a
21 separate thing, completely separate.

22 Q. Is Flagship Crew Shuttle incorporated?

23 A. No. It's just a name on the side of the van.
24 Flagship Crew Shuttle is not a business. It's the way
25 we answer the phone so the American Airlines people

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1 know who we are.

2 Q. Is it like a d/b/a then, doing business as?
3 It's a trade name, if you will?

4 A. It's a name on the side of the van. It's not
5 a business. I'm not sure what you are getting at
6 really.

7 Q. Let's move on. What is your highest level of
8 education that you've completed?

9 A. College.

10 Q. Where did you graduate from college?

11 A. Highline Community, and then two-and-a-half
12 years at Western Washington.

13 Q. What were your degrees?

14 A. General at Highline and didn't finish at
15 Western.

16 Q. Have you ever had any formal training or
17 education related to the transportation business?

18 A. Formal training?

19 Q. Yes.

20 A. No. However, I've worked in the field.

21 Q. Let's review your work experience then.

22 Would it be easier for us to work backwards from the
23 present or forwards from leaving college?

24 A. You just want me to tell you what it was?

25 Q. I want your work history, yes.

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1 A. Went to college; skied with the U.S. Ski
2 Team; worked for several ski companies as a ski rep
3 afterwards; worked for Tacoma Fire Department for two
4 years; worked for Continental Airlines for
5 approximately six and then started my own business,
6 which at the time was Courtesy Transport and then
7 turned into Airline Delivery Service.

8 Q. What were your duties at Continental
9 Airlines?

10 A. International service manager.

11 Q. Describe to us what that entails.

12 A. It means several things. It means that you
13 fly on international flights and watch the service
14 flow, help the service flow. It means that you sit in
15 an office when the flight attendants check in and make
16 sure they are on time and check their sick calls and
17 appropriately dressed, that sort of thing.

18 Q. That didn't involve ground transportation,
19 did it?

20 A. Yes, it did.

21 Q. In what sense?

22 A. One of my equal management levels was in
23 charge of the guys that work on the ramp, the people
24 that work down at baggage claim and the contracted
25 delivery people.

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1 Q. When you say one of your same level managers,
2 this would be another manager at your level?

3 A. Uh-huh.

4 Q. So you didn't supervise those ground
5 operations?

6 A. Sometimes when they were gone, we did. We
7 would move around and change. We were at the equal
8 level, so we would do each other's work. Mine was not
9 particularly the ground, no.

10 MR. HARLOW: Let's go ahead and mark and
11 identify your application as an exhibit. May I
12 approach the witness, Your Honor?

13 JUDGE SCHAER: Yes, you may. You have handed
14 me a multipage document. It states on the first page,
15 "Application for Bus Certificate." It indicates the
16 application number as being D-78932 and indicates an
17 application in the name of Steve Valentinetti and Brian
18 Hartley with the name Seattle Super Shuttle and
19 indicates that -- I believe that it had indicated a
20 partnership and now indicates corporation, but that's
21 something you could clarify, if you will, Mr. Harlow,
22 and then at the end of this application, we also have
23 what appears to be Tariff No. 1 that would be proposed
24 by the applicant for Seattle Shuttle Service.

25 In the normal course, we would treat the

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1 application as part of the file and not make it an
2 exhibit, but in this proceeding, I'm going to make it
3 an exhibit because I believe there will be extensive
4 questioning, and I think that will make the record
5 clearer for everybody, so I've marked it as Exhibit 2.

6 (Marked Exhibit No. 2.)

7 Q. (By Mr. Harlow) Mr. Valentinetti, can you
8 identify Exhibit 2 as a copy of Seattle Super
9 Shuttle -- I'll say "your." I want to clarify your
10 relationship with Seattle Super Shuttle. Can you
11 identify that as your application in this proceeding
12 for a bus certificate?

13 A. Yes.

14 Q. We should probably clarify at least some of
15 the attachments. I take it you did file as a proposed
16 tariff the tariff that follows the application, Tariff
17 No. 1?

18 A. Yes.

19 Q. Following that, there is a registration
20 information from the Department of Revenue. Does that
21 pertain to Seattle Super Shuttle?

22 A. I don't see that, Mr. Harlow. What page are
23 you on?

24 Q. It's starting on the fourth to the last page.
25 At the top, it says "Registration Information."

00097

1 A. Yes.

2 Q. That pertains to Seattle Super Shuttle?

3 A. Uh-huh.

4 Q. Then the next document is headed, "Authority
5 for docketing." There is two versions of that, and it
6 describes the authority as, "Passenger Service:
7 Door-to-door, by reservation only between
8 Seattle-Tacoma International Airport and points in the
9 City of Seattle." Do you see that?

10 A. Yes.

11 Q. Does that describe the authority you are
12 seeking in this proceeding?

13 A. Yes, I believe so. It's been a long time
14 since I've seen these documents, Mr. Harlow.

15 Q. I understand. Please turn back to Page 2 of
16 the application. There, you also describe a 25-mile
17 radius of SeaTac Airport; do you see that?

18 A. On Page 2?

19 Q. Yes. I take it a 25-mile radius of SeaTac
20 Airport would include points not within the city limits
21 of Seattle; is that correct?

22 A. That's correct.

23 Q. So are you, in effect, amending your
24 application such that you are now only seeking
25 authority for the city limits of Seattle?

00098

1 A. No, I'm not.

2 Q. You are still seeking the 25-mile radius of
3 SeaTac?

4 A. Yes.

5 Q. Thank you for that clarification. Is it
6 accurate to the extent that it describes the authority
7 as door-to-door and by reservation only? Do you
8 understand the question?

9 A. I'm thinking about it. We are referring back
10 to the page...

11 Q. The second to the last page as well as the
12 last page.

13 A. For this authority, yes, door-to-door by
14 reservation only. However, this says to the points of
15 Seattle as opposed to the 25-mile radius.

16 Q. I think we've clarified that; although, the
17 judge may have questions as well. Have you ever
18 operated a door-to-door service before, ground service?

19 A. Yes.

20 Q. In what context?

21 A. Airline Delivery Service.

22 Q. That's the baggage service?

23 A. Let me take that back. Door-to-door, no. If
24 you mean airport to door, yes.

25 Q. In what context?

00099

1 A. The baggage service.
2 Q. What about passenger service door-to-door?
3 A. No.
4 Q. If you will turn to the first page of Exhibit
5 2, which is the application, it lists the mailing
6 address of 1224 153rd Street South. Do you see that?
7 A. I do.
8 Q. And that is Spanaway?
9 A. It is.
10 Q. And that's the same address you gave on the
11 record at the prehearing conference earlier this week?
12 A. That's correct.
13 Q. Is that the base of operations for Seattle
14 Super Shuttle?
15 A. That is the financial office.
16 Q. Please tell us what operations you handle at
17 that office.
18 A. Airline Delivery Service and Seattle Super
19 Shuttle.
20 Q. When you say "financial operations," what do
21 you mean by that?
22 A. That's our billing office. It's a small
23 office. It's a small billing office -- computer, copy
24 machine, fax machine.
25 Q. Do you handle any of your reservations-taking

00100

1 at that office?

2 A. No. At this time, Mr. Harlow, we are not
3 operating.

4 Q. Well, when you say "we," I assume you are
5 referring to Seattle Super Shuttle.

6 A. That's correct.

7 Q. What about the Flagship Crew Shuttle? That
8 service is operating; is that correct?

9 A. Seattle Super Shuttle -- let me make that
10 clear for the record for everyone in the room again.
11 Seattle Super Shuttle has currently at this time five
12 vans. While we are waiting for this authority, we are
13 hauling airline crews to and from the Seattle hotels to
14 the airport, back to the hotels, as they come in.

15 Due to the confusion of Shuttle Express and
16 Seattle Super Shuttle, it's a new thing. Mr. Sherrell
17 has been here for a long time. So we are brand-new,
18 and everyone is not quite sure, and to make it not
19 confusing for the airline crews, we just said it's
20 going to say Flagship on the side of the van. It's not
21 a separate business. It's not a corporation. It's not
22 a proprietorship. It's not anything. It's a name on a
23 side of a van.

24 Q. How long have you been hauling airline crews?

25 A. Since March 1st.

00101

1 Q. Of this year?
2 A. Yes.
3 Q. You mentioned Courtesy Transport earlier
4 today. Was Courtesy Transport hauling airline crews?
5 A. No.
6 Q. What was Courtesy Transport hauling.
7 A. Courtesy Transport was the initial baggage
8 service. It was the beginning of Airline Delivery
9 Service.
10 Q. Does the operation of Flagship Crew Shuttle
11 require dispatch function?
12 A. From an office?
13 Q. Yes.
14 A. No.
15 Q. How do you know when to meet the airline
16 crews?
17 A. We have a schedule.
18 Q. Does it require you to park the van somewhere
19 at night?
20 A. Yes.
21 Q. Where do you park the vans at night?
22 A. In Kent. Would you like the address?
23 Q. Please.
24 A. 23640 30th Avenue South.
25 Q. What type of facility is that?

00102

1 A. It's a small shop and parking lot.
2 Q. What type of area is it in -- residential,
3 commercial, industrial?
4 A. I believe it's a multiuse area.
5 Q. Who owns that facility?
6 A. I don't know the owner.
7 Q. Do you have a lease for the use of that
8 facility?
9 A. We sublet, yes.
10 Q. Who do you sublet from?
11 A. From the business next door. I don't know
12 the name.
13 MR. VALENTINETTI: Do you know the name,
14 Brian?
15 MR. HARTLEY: ASI.
16 JUDGE SCHAEER: The record should reflect that
17 Mr. Valentinetti consulted his associate or partner or
18 whatever your relationship is to get some information
19 about that, and maybe he would be the best witness to
20 direct any further questions about that relationship
21 to, it appears.
22 MR. VALENTINETTI: I'll answer as much as I
23 can from Mr. Harlow.
24 Q. (By Mr. Harlow) With assistance from
25 Mr. Hartley, do you now recall the name of your

00103

1 landlord?

2 A. ASI.

3 Q. What type of business is ASI?

4 A. I believe ASI hauls vehicles. I don't know
5 exactly what they do, but they have trucks that move
6 vehicles.

7 Q. Do you wash the vans and maintain the vans at
8 that same location?

9 A. Sometimes we do. Sometimes we have them
10 maintained by the Ford dealership, but sometimes we
11 maintain them there ourselves also.

12 Q. Mr. Valentinetti, where do you live?

13 A. I live in Spanaway.

14 Q. At the same address listed on Exhibit 2?

15 A. That's correct.

16 Q. Who else lives at that location?

17 A. Ann Aexel.

18 Q. Who else lives at that location?

19 A. Mr. Hartley.

20 Q. Does anyone else live at that location?

21 A. There is a temporary renter also, Justin
22 Steeley.

23 Q. Other than business partner, is Mr. Hartley
24 any relation to you?

25 A. No.

00104

1 Q. Is Ms. Aexel any relation to you?
2 A. No.
3 Q. Has she ever been?
4 A. No.
5 Q. Does she work with Seattle Super Shuttle
6 or Flagship Crew Shuttle?
7 A. Yes.
8 Q. What are her titles and duties?
9 A. She does some of the billing and paperwork.
10 Q. For which entities?
11 A. Both.
12 Q. Does she do any driving?
13 A. Sometimes.
14 Q. It's correct, is it not, that your office
15 address and your home address is zoned as a single
16 family residential area?
17 A. I'm not sure.
18 Q. Is the character of the neighbor single
19 family residences?
20 A. The character is single family residences,
21 yes. However, there is a business down the street, a
22 construction business.
23 Q. Have you ever parked your vans there or
24 maintained them at your home address?
25 A. They've never been maintained there, but my

00105

1 van is parked there every night.

2 Q. Let's talk a little bit more about Courtesy
3 Transport. What vehicles were you using for Courtesy
4 Transport?

5 A. Courtesy Transport was the same as ADS,
6 contract workers.

7 Q. Now, did any of the vans that you've listed
8 in this case --

9 A. No.

10 Q. You have to let me finish the question.

11 JUDGE SCHAER: It really does give us a
12 better record.

13 MR. HARLOW: And sometimes I will surprise
14 you with a different question than what you were
15 expecting.

16 Q. (By Mr. Harlow) Did Courtesy Transport use
17 any of the vans you listed as vehicles in this
18 application for Seattle Super Shuttle to transport the
19 baggage?

20 A. No.

21 Q. I think we've talked about Flagship Crew
22 Shuttle. Are you also familiar with a company called
23 SBR, Inc.

24 A. Yes.

25 Q. What is that company?

00106

1 A. That is a racing team, automobile racing
2 team.
3 Q. What's your position with SBR, Inc.
4 A. Driver.
5 Q. Any other position?
6 A. President.
7 Q. Who else is associated with that company?
8 A. People that work for the company; is that
9 what you mean?
10 Q. Yes. Officers, directors, employees, if any.
11 A. If there is some, I would have to review the
12 records to tell you who.
13 Q. Does Mr. Hartley work with SBR?
14 A. Mr. Hartley is one of the crew members for
15 SBR, yes.
16 Q. What about Ms. Aexel?
17 A. Yes.
18 Q. Are you still racing, Mr. Valentinetti?
19 A. I haven't since the year 2001. No, I haven't
20 raced yet this year.
21 Q. Do you plan to race this year?
22 A. I would like to, but I don't seem to have the
23 time I used to.
24 Q. You have a large tractor-trailer rig in that
25 company; is that correct?

00107

1 A. That's correct.
2 Q. Was one of the things you were using that for
3 is to transport race cars to races?
4 A. That's exactly what it's for.
5 Q. Have you been doing that business this year?
6 A. No.
7 Q. When did Courtesy Transport cease operations?
8 A. I believe I'm going to have to guess. I'm
9 going to have to say '94 or '95.
10 Q. When did it commence operations?
11 A. Courtesy Transport?
12 Q. Yes.
13 A. 1990, I believe.
14 Q. Let's go back just a minute, if we can. You
15 were with Continental Airlines for six years. When did
16 you leave Continental?
17 A. '92.
18 Q. Did you start Courtesy Transport before you
19 left Continental?
20 A. Yes.
21 Q. And you operated that until 1994 or '95 to
22 your recollection?
23 A. Yes, somewhere around that time. I'm not
24 sure of the exact dates.
25 Q. What did you start doing at that time period

00108

1 for employment?

2 A. What time period?

3 Q. 1994, 1995. When you ceased doing Courtesy
4 Transport, what did you start --

5 A. It just changed to Airline Delivery Service.
6 It was a new setup. What we are going to talk about a
7 little later, we had a little bit of a battle with the
8 State on some regulatory -- not regulatory issues but
9 the tax issue, and so we started over and set up from
10 that point on.

11 Q. So was Courtesy Transport having financial
12 difficulties?

13 A. No.

14 Q. But you were having a tax battle?

15 A. That's correct.

16 Q. What was the tax claim that were being
17 asserted?

18 A. In general, or do you want it exactly?

19 Q. In general.

20 A. In general, I believe it was a B&O tax issue,
21 and there is a law that was presented to us by an
22 accountant that says -- I don't have it here with me.

23 MR. VALENTINETTI: Or do we have it, Brian?

24 Q. Just describe it to your understanding.

25 A. It was a difference in B&O tax for the

00109

1 extension of an airline. We don't have anybody here
2 from the Washington Utilities and Transportation
3 Commission who could explain it, but it's an extension
4 of the airline as opposed to a courier company, which
5 is a different tax area.

6 Q. Was, in fact, a tax warrant issued against
7 Courtesy Transport in about 1997?

8 A. Yes.

9 Q. At that time, did Courtesy Transport have any
10 other unpaid creditors?

11 A. Not to my knowledge.

12 Q. Because of the tax problem, you changed your
13 name to Airline Delivery Service; is that correct?

14 A. That's not correct.

15 Q. Please explain why you switched names at that
16 time.

17 A. When a customer calls inquiring about their
18 baggage and you answer the phone "Courtesy Transport,"
19 or when you call to let them know you are delivering
20 their luggage, they don't know what Courtesy Transport
21 is. It was a name we made up at a certain time, and we
22 went with it because that's what we started with, and
23 after much confusion from the people we called that
24 would say, "No, we bought a vacuum cleaner last month,"
25 and they would slam the phone down. We would say, "No,

00110

1 we are trying to deliver your luggage."
2 The customers didn't know what Courtesy
3 Transport was, and to us, it was just a name. We
4 didn't need a fancy, catchy title name. So Airline
5 Delivery Service was much easier for people to
6 understand when we were making a phone call to their
7 residence at eight o'clock at night. They'd go, "Oh,
8 it's about the baggage," instead of Courtesy Transport.
9 They don't know what that means. (Witness indicating.)
10 Q. Speaking of name changes, you've had a name
11 change as well, haven't you?
12 A. That's correct.
13 Q. You were previously known as Stephen Dudley?
14 A. Yes.
15 Q. What other aliases or names have you used?
16 A. That's it.
17 Q. You used to own the house that's listed as
18 your address in Exhibit 2; is that correct?
19 A. That's correct.
20 Q. From whom did you acquire that property?
21 A. I believe the guy's last name was Brader.
22 Q. Do you recall what you paid for the property?
23 A. No.
24 Q. In September 1999, you sold that property to
25 Ann Aexel; is that correct?

00111

1 A. Somewhat.
2 Q. What do you mean by "somewhat"?
3 A. We refinanced the house, and since I'm
4 involved in this business, we didn't want to do any big
5 changes in my credit report, so she refinanced it, and
6 we have an agreement between the two of us.
7 Q. What's your agreement?
8 A. I don't have it here.
9 Q. Describe to us what the substance --
10 A. The substance of the agreement would be the
11 equity that's currently in the house.
12 Q. Who's the equity that's currently in the
13 house?
14 A. That would be me from 1990 until now.
15 Q. Did you somehow put the house in her name?
16 A. Yes.
17 Q. By a quitclaim deed, for example?
18 A. I'm not sure exactly how we did it.
19 Q. What did you tell the taxing authorities that
20 you were transferring it to her for; do you recall?
21 A. I don't think we talked to the taxing
22 authorities.
23 Q. Are you familiar with the real estate excise
24 tax that applies when property is transferred?
25 A. No. Personally I'm not, no.

00112

1 Q. Do you have an opinion as to what the fair
2 market value of the house was in September 1999? Let
3 me try to ask it a different way. Did Ms. Aexel, in
4 fact, pay you the fair market value of the house when
5 you put it in her name?

6 A. No.

7 Q. That's all I need to know.

8 MR. HARLOW: This would be a good time for a
9 break if you are looking at one.

10 JUDGE SCHAER: Your assistant is here.

11 MR. VALENTINETTI: I have a question. When
12 we talked about in the prehearing conference that when
13 we had witnesses we would take them as they came --

14 JUDGE SCHAER: Yes.

15 MR. VALENTINETTI: -- I have two that are
16 here. Would they be done before noon?

17 JUDGE SCHAER: Let's go off the record and
18 take that up and talk about how we should deal with
19 that. We are going to take our morning recess at this
20 time and go back on the record at 11:05. We are off
21 the record.

22 (Recess.)

23 JUDGE SCHAER: Let's be back on the record
24 after our morning recess. At this time,
25 Mr. Valentineti, I believe you have some witnesses

00113

1 that you would like to call, so would you call your
2 first witness, please?

3 MR. VALENTINETTI: I call Mathias
4 Eichelberger.

5 (Witness sworn.)

6

7 DIRECT EXAMINATION

8 BY MR. VALENTINETTI:

9 Q. Can you state your name and address for the
10 record, please?

11 A. Mathias Eichelberger. Spelling is
12 M-a-t-h-i-a-s, E-i-c-h-e-l-b-e-r-g-e-r. Address is
13 1400 Boren Avenue, Seattle, Washington, 98101.

14 JUDGE SCHAER: Go ahead and ask him the
15 questions you would like him to answer.

16 Q. What's your experience in the airline
17 industry?

18 A. I've been working since 12 years for
19 different airlines and travel agencies, and currently,
20 I'm a sales manager and sales representative for
21 Northwest Airlines in Seattle.

22 Q. When you work on the outside of the office,
23 you are outside sales?

24 A. That's correct. I visit travel agencies.

25 Q. When you are at the travel agencies, do they

00114

1 ever have a need for transportation for their people or
2 groups?

3 A. In my opinion, there is a very strong need
4 for transportation at the travel agencies since, I
5 would think, largest percentage of the travelers use
6 the airlines to go to their destination, so I know that
7 there is a large need for transportation, and so there
8 is a large need for transportation.

9 Q. At these travel agencies, do you see
10 brochures and things like that from, say, Gray Line or
11 Shuttle Express?

12 A. What I see most at travel agencies are fliers
13 and promotions from park-and-ride facilities, from
14 hotels that are offering overnight at the airport and
15 free parking. I don't recall ever seeing a special
16 flyer promoting a transfer from the customer's home to
17 the airport.

18 I also asked out of curiosity about it at the
19 travel agency, and there is no incentive for the travel
20 agencies right now, as far as I understand, to sell any
21 of those airport transfers to the customers. There is
22 no commission or an incentive for them to sell, and
23 personally, I see a big need in that direction that
24 could be filled since so many people that buy the
25 travel, 75 percent of people who buy the travel through

00115

1 the travel agencies, and the only thing that is
2 promoted at the travel agencies that is obvious or
3 visible are airport parking and parking for the car and
4 then having a shuttle bring them over, and I think that
5 would be an opportunity to offer to all those 75
6 percent of all travelers, the option to do more
7 transfers, and that would maybe also relieve some of
8 the traffic that we as an airline and the Port of
9 Seattle constantly are concerned about in high times at
10 the airport, and I see the lack of promotions of those
11 shuttle services and those transfers at the travel
12 agencies' level. The person that goes in the agency
13 books the trip, and then a lot of times, they are not
14 offered any transfers or any shuttles and that they end
15 up just taking a brochure and driving their car to the
16 airport or staying at the hotel there.

17 Q. So you think that's an opportunity for the --

18 A. I have worked in different cities, in
19 Washington D.C. I've worked in Europe, and a lot of
20 people have worked very closely with travel agencies
21 promoting shuttles and transfers by offering
22 commissions and working closely with the travel
23 agencies and getting a lot of the people away from
24 driving their own car and parking their car and using
25 shuttle service, so I was always surprised that nobody

00116

1 was really pushing that and offering a lot of
2 commissions and incentives for travel agencies to do
3 that.

4 Q. Here in Seattle, do you think a lot of people
5 drive their own vehicle to the airport?

6 A. Yes. I don't have any statistics on that,
7 but just the fact that the travel agencies are not
8 really promoting it, I would assume that if people are
9 left to themselves, they will then depend upon their
10 own transportation, but again, I don't have any
11 statistics to answer that question.

12 Q. So do you think with the current
13 transportation that is offered today in Seattle, there
14 is a need for additional service? What do you think?

15 A. I definitely think there is need for
16 additional good service, because otherwise, the travel
17 agencies would promote one of the transportation and
18 possibilities for shuttles that's available right now,
19 but none of them are really promoting that. So based
20 on that fact that they are not really eager to promote
21 any of those services to the customers, I think there
22 is a need for somebody to come in and offer good
23 service and promote it.

24 Q. Do you think that the main reason that the
25 travel agencies don't promote is because there is not a

00117

1 commission structure set up for that, or could it also
2 be --

3 MR. HARLOW: Objection. No foundation.

4 JUDGE SCHAER: There has been an objection
5 that there is no foundation, which means that
6 Mr. Harlow doesn't think that you have given enough
7 information from this witness to support the idea that
8 he can give the opinion you are asking of him. So you
9 can respond to the objection, or if you would prefer to
10 withdraw that question and ask some other questions
11 about his experience first, you may do that.

12 Q. (By Mr. Valentinetti) Is there any other
13 reason why the travel agencies would not promote one
14 particular way to the airport?

15 A. Obviously, the first thing which it would
16 create additional time-consuming work for them if they
17 would set up transfers without getting compensated,
18 without having special incentive to do that, but also,
19 a lot of times, travel agencies, my experience is,
20 would be afraid of the liability since they don't own
21 anything.

22 Yes, they would maybe like to offer the
23 service to their customers as part of a whole package.
24 Even if they don't make much on it or anything on it,
25 they would still include that as a part of service to

00118

1 their customers, but then they would be liable to say,
2 Well, you recommended this and this company or you
3 recommended to take that company and they didn't show
4 up. So since they don't get anything for it and they
5 would take a large liability, they are just likely to
6 tell them, Arrange for your transfer, so they don't
7 state anything to them.

8 Q. Have you had any personal experience with
9 Shuttle Express or any friends or relatives that have
10 traveled in that way as opposed to the other services
11 that are offered?

12 A. In my personal experience when traveling with
13 Shuttle Express in the past was that -- for example,
14 just this last week, I had a friend leaving to go to
15 Germany, back to Germany --

16 MR. HARLOW: Your Honor, I'm going to have to
17 object to any testimony about experiences of a friend,
18 which are obviously hearsay. We can't cross-examine
19 the friend.

20 THE WITNESS: Well, obviously, but I --

21 JUDGE SCHAEER: He is objecting to this
22 testimony because it is not coming directly from the
23 person involved, and do you have any response to that
24 objection?

25 MR. VALENTINETTI: The question I'm asking

00119

1 that Mathias is trying to respond to is somewhat like
2 the travel agency referring a particular company. In
3 this case, I believe, Mathias has referred Shuttle
4 Express and has personal feedback on the experience.

5 JUDGE SCHAER: I'm going to allow the witness
6 to answer the question. Recognizing that this is
7 hearsay, I'm going to allow you to cross him about the
8 conversation, but I think that hearsay is allowed in
9 administrative proceedings, and if there is some
10 indication of reliability and if we don't have, after
11 your cross, that will go to the weight which is given.

12 MR. HARLOW: Okay, Your Honor.

13 JUDGE SCHAER: Go ahead and answer the
14 question, if you would.

15 THE WITNESS: He didn't speak any English, so
16 I arranged it, and I was the one that had the
17 experience anyway. I arranged for very early pickup in
18 the morning. It was around six o'clock, and I had to
19 basically work late that night, and we had arranged
20 that he would just go outside and they would pick him
21 up, and that way, I would not have to be woken up at
22 six o'clock in the morning, and I had asked them if
23 they could come up right to the building or if they
24 wanted to meet him outside or what would be possible,
25 and they said, Don't worry. They are going to be right

00120

1 in front of the building.

2 So I told him just go outside of the
3 building, and then at about 5:30, somebody rings at my
4 phone and wakes me up just to change the story saying
5 the driver will not pick him up in front of my
6 building. They are going to pick him up at this
7 intersection, which was basically a block away. So I
8 had to go outside, get out of my pajamas and put on my
9 clothes and go out on the street and tell my friend to
10 walk up another block to meet the driver, and that
11 could have been arranged the evening before when I made
12 the arrangements. So that was my little experience
13 that happened like just a week ago.

14 Q. What is the cost of Shuttle Express compared
15 to a taxi? Why did you pick Shuttle Express?

16 MR. HARLOW: Objection. Cost considerations
17 are not relevant, public need.

18 JUDGE SCHAER: Again, I'm going to allow the
19 witness to talk about why he might prefer Shuttle
20 Express to a taxi because we are looking for a shuttle
21 kind of transport, but you are correct that having a
22 cheaper tariff rate is not a reason to -- so I'm going
23 to limit the use of that testimony just to that
24 purpose, Mr. Harlow.

25 MR. HARLOW: Thank you, Your Honor.

00121

1 THE WITNESS: The only reason why I stuck
2 with Shuttle Express after calling a taxi company --
3 who, interestingly enough, only was about six dollars
4 or four dollars more expensive. Most were in the \$20
5 range -- was that I had already made the arrangements,
6 and I was not the person who was actually taking the
7 shuttle. So since it was my friend, and I didn't
8 expect a lot of stops at six o'clock in the morning so
9 I thought he would have a pretty straight shot to the
10 airport, therefore, I stuck with the Shuttle Express.
11 If I probably drove by myself for five dollars more, I
12 probably would have taken the taxi over the shuttle.

13 JUDGE SCHAER: Any more questions for this
14 witness?

15 Q. (By Mr. Valentinetti) Do you have anything
16 else to add?

17 JUDGE SCHAER: That's a little bit broader
18 than I anticipated.

19 MR. VALENTINETTI: I didn't go to law school.
20 I testified that earlier.

21 JUDGE SCHAER: You do need to ask a question
22 that he can answer, please.

23 MR. VALENTINETTI: I think for now that would
24 be the end of my questioning, but I would like to maybe
25 call Mr. Eichelberger back if I need.

00122

1 JUDGE SCHAER: I think we will let Mr. Harlow
2 ask his questions, and if I have any questions, I would
3 ask those, and then you will have an opportunity for
4 what we call redirect. If there is something that you
5 want to ask him more about while he's on the stand,
6 that is the time. Go ahead, Mr. Harlow.

7

8 CROSS-EXAMINATION

9 BY MR. HARLOW:

10 Q. Good morning, Mr. Eichelberger. My name is
11 Brooks Harlow. I represent Shuttle Express and Gray
12 Line. How did you come to meet the applicant for the
13 first time?

14 A. A sales manager for SAS, who is a friend of
15 mine, is also a mutual friend of Steve. So we became
16 acquainted, and we are friends since about
17 two-and-a-half years.

18 Q. When you say you are friends, do you see
19 Mr. Valentinetti regularly on a social basis?

20 A. I see him off and on, and I run into him
21 since I am at the airport frequently through my work.
22 I always exchange friendly words, and we have been
23 acquaintances or friends over time.

24 Q. Do you ever see him in a nonbusiness context?
25 Do you go to his house?

00123

1 A. I've been at his house, and he helped me move
2 with his van when I moved my apartment, so we have seen
3 each other on a nonbusiness relation.

4 Q. Have you ever used Mr. Valentinetti's
5 transportation services?

6 A. No.

7 Q. Have you ever used Shuttle Express yourself?
8 Have you ever ridden on one of their vans?

9 A. I believe about three years ago when I first
10 came to the area.

11 Q. What was your experience with that trip three
12 years ago?

13 A. Again, back then, it wasn't really like for
14 me a question of like the quality of the service, per
15 se. I remember that one time I think I had to call and
16 I was wondering where the driver was, but that's the
17 only thing I recognize, and that was three years ago,
18 and I really didn't care much about checking back. So
19 it was just a regular -- everybody anticipates that
20 that could happen once in awhile.

21 Q. Did the Shuttle Express van get you to the
22 airport in time for your flight?

23 A. Yes.

24 Q. Was the van clean?

25 A. As far as I remember.

00124

1 Q. Was the driver courteous?
2 A. As far as I remember.
3 Q. Did you feel safe riding the van?
4 A. Yes, safe, yes.
5 Q. You were talking about the needs at the
6 travel agencies. You aren't a travel agent, are you?
7 A. I'm currently not a travel agent. I'm a
8 travel agent by trade, so I'm working currently not as
9 a retail travel agent.
10 Q. So I take it you don't have any personal
11 knowledge of any of the travel agencies' dealings with
12 Shuttle Express; would that be correct?
13 A. That's not quite correct, because I asked out
14 of curiosity some of the --
15 Q. Let me clarify my question. When I say
16 "personal knowledge," I don't mean what someone at a
17 travel agency told you. I mean from your own dealings.
18 A. With Shuttle Express?
19 Q. Yes.
20 A. No.
21 Q. If a travel agency is offered a commission by
22 an airline or shuttle service, who ultimately pays that
23 commission?
24 A. The vendor.
25 Q. But who ultimately pays that? How is the

00125

1 cost of that commission recovered? It has to be
2 recovered by the passenger, doesn't it?

3 A. That is correct.

4 Q. So if a two-dollar commission were offered,
5 then that would perhaps raise the price of the ticket
6 for Shuttle Express by two dollars?

7 A. Or that would decrease the profit for Shuttle
8 Express by two dollars, depending on...

9 Q. Assuming hypothetically that it were to raise
10 the price of the ticket by two dollars, I guess in your
11 case where you live, that would make the cost advantage
12 of Shuttle Express even less over a taxi; isn't that
13 correct?

14 A. Hypothetically speaking, if there would be no
15 other way for Shuttle Express to structure their costs,
16 hypothetically, then that would be the case.

17 Q. Let me ask about your friend who had the
18 early-morning pickup. First of all, what name,
19 address, and telephone number did you give the Shuttle
20 Express dispatcher for that pickup?

21 A. Gunter Schroer. I might have it under his
22 name or my name, so I would like to maybe put both
23 names on the record, because I was the one that
24 arranged the shuttle. His name was Schroer,
25 S-c-h-r-o-e-r, Gunter, G-u-n-t-e-r, and the phone

00126

1 number was 382-1282 in Seattle, which is 206 area code.

2 Q. Is that your home phone number?

3 A. Yes.

4 Q. What's your home address?

5 A. 1400 Boren Avenue, Seattle, Washington,

6 98101.

7 Q. That's the same address you gave earlier.

8 Where do you actually work, Mr. Eichelberger?

9 A. I work at, basically, out of my house.

10 Q. How often do you travel by air out of SeaTac
11 Airport?

12 A. Rather frequently. Maybe once every two
13 weeks.

14 Q. How do you usually get to the airport?

15 A. I use my own car since I have parking at the
16 airport for free.

17 Q. Other than the time three years ago, have you
18 ever ridden Shuttle Express?

19 A. No.

20 Q. Have you ever ridden the Gray Line bus?

21 A. No.

22 Q. How are you aware of Shuttle Express?

23 A. Through radio ads where they ran very
24 actively about a year ago, and they were like looking
25 for drivers and things like that, so I saw a lot of

00127

1 promotions.

2 Q. When you called for your friend's pickup
3 recently, did you look up Shuttle Express in the phone
4 book?

5 A. I actually was at the airport explaining to
6 him how to get out, so on the way out, we grabbed one
7 of those cards, and I asked one of the girls at the
8 desk there if she could make an arrangement for my
9 friend to be picked up, and she told me no, she
10 couldn't make an arrangement. I would have to pick up
11 the phone that's there and I would have to call and
12 make an arrangement, which I found strange because she
13 was standing right there, but I took the card home and
14 I called from home.

15 Q. When she was standing there, did she have any
16 kind of reservation computer in front of her or with
17 her?

18 A. I'm not sure. She was standing at a podium
19 or desk right there.

20 Q. Do you have any reason that you would not use
21 Shuttle Express again?

22 A. No.

23 Q. Is there any reason you would not use Gray
24 Line service to get to the airport?

25 A. No particular reason.

00128

1 Q. Are you aware that Shuttle Express was
2 attempting to negotiate an agreement with Northwest
3 Airlines for ground transportation at one point in
4 time?

5 A. I have no knowledge. That's not my part of
6 the operations.

7 MR. HARLOW: Thank you, Mr. Eichelberger.
8 That is all the questions I have.

9 JUDGE SCHAEER: I don't have any questions for
10 you at this time. Was there anything else you wanted
11 to ask Mr. Eichelberger?

12 MR. VALENTINETTI: Yes.

13

14 REDIRECT EXAMINATION

15 BY MR. VALENTINETTI:

16 Q. When you make a choice to go to the airport,
17 is the time a determining factor, and if so, which is
18 fastest, personal vehicle, Shuttle Express, or Gray
19 Line, or in what order? Would that have any bearing on
20 your choice?

21 A. Personal vehicle, and I can't speak about
22 Gray Line. I'm not really familiar with their service.
23 I know Shuttle Express -- with the feeder vans, I'm not
24 sure which is faster, Shuttle Express or Gray Line.

25 MR. VALENTINETTI: That's all I have.

00129

1 JUDGE SCHAER: Anything further?
2 MR. HARLOW: No further questions, Your
3 Honor.

4 JUDGE SCHAER: Thank you for coming and
5 testifying. Of the record for a moment.

6 (Discussion off the record.)

7 JUDGE SCHAER: We took a moment to change
8 witnesses, and Mr. Eichelberger was excused from
9 further attendance of the hearing.

10 (Witness sworn.)

11 JUDGE SCHAER: Go ahead, please,
12 Mr. Valentinetti.

13

14 DIRECT EXAMINATION

15 BY MR. VALENTINETTI:

16 Q. Can you state your name and address for the
17 record, please?

18 A. Ernest Rosengren, R-o-s-e-n-g-r-e-n, 5257
19 37th Avenue Southwest, Seattle, 98126.

20 Q. Mr. Rosengren, have you ridden Shuttle
21 Express within the last six months yourself?

22 A. I'm trying to think now.

23 Q. 12 months?

24 A. Yes.

25 MR. VALENTINETTI: I need just a minute with

00130

1 Mr. Hartley.

2 JUDGE SCHAER: Let's go off the record for
3 just a moment to allow you to consult with Mr. Hartley.
4 (Discussion off the record.)

5 Q. Was your experience on Shuttle Express
6 adequate?

7 A. Yes.

8 Q. I understand that you used to be an employee
9 of Shuttle Express for a period of time.

10 A. I drove part time for Shuttle Express for
11 approximately seven months, or it was Super Shuttle.
12 It was Shuttle Express. Then it became Super Shuttle,
13 and then it's Shuttle Express again. It was just
14 before it went back to Shuttle Express.

15 Q. What were your duties as an employee for
16 them?

17 A. Driver.

18 Q. When you drove for them, you drive to and
19 from the airport or some drive only one way, or
20 depending on the time of day. I'm not sure how it was.

21 A. To and from, but I drove later in the day. I
22 drove on Fridays, Saturdays and Sundays from four or
23 six o'clock in the evening until two in the morning or
24 four until midnight, something like that. Most of mine
25 is taking people from the airport home. Not too many

00131

1 people going to the airport at that time of day, but
2 generally, I would pick up, or quite often I would pick
3 up one person and possibly two on the way back to the
4 airport.

5 Q. When you came to the airport to pick up the
6 passengers, how did you know who you were picking up?

7 A. Pager. They would give you the names and
8 addresses, would come up on the pager.

9 Q. When you were staging for this, I assume you
10 staged on the lot, the Shuttle Express lot?

11 A. The holding lot at the north end of the
12 airport, or staging used to be on the ramp going up to
13 the baggage claim area.

14 Q. To save me asking the questions, can you
15 describe to me -- say you come to work at four o'clock,
16 and you then do what?

17 MR. HARLOW: Your Honor, I'm going to object,
18 I guess, unless we can kind of clarify where this is
19 going. I understood Mr. Rosengren to be a public
20 witness, and I don't see that we are addressing any
21 public need issues here. So I'm not quite sure what
22 the relevance of this is to the applicant's case.

23 JUDGE SCHAER: The objection is relevance,
24 Mr. Valentinetti, which means you need to tell us why
25 it would matter in this hearing for the record to

00132

1 contain information about Mr. Rosengren's normal
2 workday.

3 MR. VALENTINETTI: He's going to explain the
4 operations of Shuttle Express and the time lag and the
5 feeling of the passengers and the amount of people per
6 van when they are loaded, that type of thing.

7 JUDGE SCHAER: Why don't you restrict your
8 questions then to asking him about a time lag or about
9 number of passengers, more specific questions, and
10 we'll see if there is a concern about those --

11 MR. HARLOW: I have an additional objection,
12 Your Honor, based on that, and that is Mr. Rosengren
13 testified he was there some time ago when Shuttle
14 Express was operating as Seattle Super Shuttle, so
15 there is no foundation that the operations that he
16 experienced several years ago are similar to or the
17 same as current operations.

18 I think it's more appropriate for
19 Mr. Valentinetti to explore operational issues of
20 Shuttle Express with the current manager who will be
21 put on the stand as a witness, and he will be available
22 for cross. Two-year-old operations or so are not
23 relevant to the current situation.

24 MR. VALENTINETTI: I think the history of
25 their company is very relevant in how they operate, and

00133

1 I think the Port of Seattle and the transportation
2 companies go through constant change. However, I don't
3 think the basis for their company and the operating
4 procedures have changed. It might have changed owners
5 or managers, but I think they operate today like they
6 operated three years ago.

7 JUDGE SCHAER: Is there any reason why you
8 can't ask their witness how they operate?

9 MR. VALENTINETTI: I'm going to when we get
10 him on the stand, but I wanted to establish on the
11 record that Mr. Rosengren is familiar with the
12 operation and how it works, and if it's different, then
13 we will find out from the witness from Shuttle Express.

14 JUDGE SCHAER: Mr. Rosengren, when did you
15 work for Shuttle Express?

16 THE WITNESS: I believe it was October '96 to
17 April of '97. It could have been '97 to '98. I'm not
18 exactly sure. It was just a part-time job.

19 JUDGE SCHAER: I'm going to allow this
20 witness to answer specific questions about the items
21 identified, and then I'm certainly going to allow you
22 to you explore whether that relates to the current
23 activity when you have your witness on the stand,
24 Mr. Harlow.

25 MR. VALENTINETTI: It's possible that they've

00134

1 changed operations, but from what I see at the airport,
2 I don't believe so.

3 JUDGE SCHAER: I've just ruled in your favor,
4 but I ruled that you can't ask a general question, like
5 what do you do in a normal workday. I want you to ask
6 very specific questions about the things you
7 identified, as I recall them, time lag and how a van
8 full of people was put together. So please just limit
9 what you ask to that at this point.

10 Q. (By Mr. Valentinetti) When you are
11 dispatched with, hypothetically, three passengers, do
12 you look up their address at the holding lot?

13 A. Correct.

14 MR. HARLOW: Excuse me, Your Honor. I'm
15 going to object. I think we ought to use the past
16 tense here just so it's clear that the witness is
17 talking about his experience in '96 and '97, and then
18 if he should have present knowledge, at that point
19 that's established, then it would be more appropriate
20 to use the present tense.

21 JUDGE SCHAER: I'm going to ask you,
22 Mr. Rosengren, to identify anything you are talking
23 about that has to do with any current information.
24 Otherwise, we are going to go forward with the
25 understanding that you are talking about the time

00135

1 period that you just identified for me. Go ahead
2 please.

3 THE WITNESS: I'm sorry. Repeat the question
4 again.

5 Q. (By Mr. Valentinetti) Hypothetically, they
6 dispatch you with three people, three different
7 addresses. Do you pick the people up first and look
8 those up, or do you do that in the holding lot?

9 A. Look up the addresses quickly to get an idea
10 of where you are going and then go get those people
11 into your van.

12 Q. Once you get those people into your van, has
13 your pager ever gone off again and they add additional
14 people to it?

15 A. Right, yes.

16 Q. Would you say that happens frequently or once
17 a week?

18 A. Probably more often than not.

19 Q. So when the second group comes to your van
20 now, you sit with the map book and relook up and
21 restrategize?

22 A. As quickly as possible, yes.

23 Q. Has it ever happened a third time while you
24 are sitting there looking that up that you will have
25 additional people again?

00136

1 A. Absolutely.

2 Q. Are the customers okay with that?

3 A. The last ones you pick up are okay with it.

4 The first ones are wondering why they are still sitting
5 there.

6 Q. Not to an extreme, but what would you say the
7 amount of time from -- let me rephrase this question.

8 How long do the passengers tell you they have waited on
9 an average day?

10 A. On an average day --

11 MR. HARLOW: Objection, hearsay, Your Honor.

12 JUDGE SCHAER: Mr. Harlow, I think we are
13 going to let this description of past experience in for
14 what limited use it may have. I think we need to keep
15 moving if we can, please.

16 THE WITNESS: To the best of my recollection,
17 generally, around 30 minutes, because I would usually
18 ask people that: Have you been waiting long, because
19 service is the whole idea, and for my knowledge when
20 I'm driving, I like to know how long a person has been
21 waiting, so I would usually ask, and it was usually 30
22 minutes, sometimes 20, occasionally longer.

23 Q. At peak times or in the summertime during the
24 cruise ship season, what would you say the times are at
25 the extreme?

00137

1 A. I didn't drive in the summertime because I
2 drove from October through April. My experience was
3 during the holiday season when it's busy, and the one
4 night in particular was Thanksgiving Day weekend that I
5 recollect, and people had been waiting over two hours,
6 some people as long as three. It was not a good
7 experience. They were very unhappy.

8 It was a scheduling problem. They didn't
9 schedule in enough drivers for that night. They
10 expected the rush on Sunday, not on Saturday, and a lot
11 of people came back on Saturday, and they weren't ready
12 for it, and people waited up to three hours, and they
13 were not happy.

14 Q. Do they have the capability of scheduling
15 enough vans and people during those times to handle the
16 workload?

17 A. They did at that time. They had the
18 capability to do that, but they didn't. They could do
19 it in advance. I don't know if they could have done it
20 once that rush hit, whether they could call drivers in
21 at the last minute. I suppose they could, but they
22 didn't that night.

23 Q. So there was a problem and they did not call

24 --

25 A. That particular night, that is correct.

00138

1 Q. Would you say that's just a one-time thing,
2 or would that happen during the holiday season?

3 A. That was the only time I experienced anything
4 to that magnitude where people were waiting over two
5 hours, and that was not just an occasional person that
6 night. It was like everybody was in the same boat.

7 MR. VALENTINETTI: I think that's all the
8 questions I have right now, but once again, I might
9 like to talk to Mr. Rosengren after Mr. Harlow does.

10 JUDGE SCHAER: That will be your opportunity.
11 Go ahead, please.

12

13

CROSS-EXAMINATION

14 BY MR. HARLOW:

15 Q. Good morning, Mr. Rosengren. My name is
16 Brooks Harlow. I represent Shuttle Express and Gray
17 Line in this proceeding. How did you happen to meet
18 Mr. Valentinetti for the first time?

19 A. My wife traveled to Chicago in November, and
20 when she came back, Southwest lost her baggage, and
21 Steve delivered the baggage to her the following
22 morning. I happened to have a van for sale. At the
23 time, I wasn't home. He inquired about my van, left me
24 a card, and then I contacted him.

25 Q. Did you mention to him sometime later that

00139

1 you used to work for Shuttle Express?

2 A. At sometime later, it came up, yes.

3 Q. Did he ask you questions about Shuttle
4 Express at that time?

5 A. Maybe a little bit about my experience with
6 Shuttle Express.

7 Q. Do you have any relationship with
8 Mr. Valentinetti or Seattle Super Shuttle at this time?

9 A. I am driving, subcontracting, to ADS at the
10 present time.

11 Q. Is it basically your understanding then that
12 Mr. Valentinetti is your employer?

13 A. Not necessarily. I'm self-employed, but he
14 does -- I do get paid from him, but I don't work for
15 him. I contract to him.

16 Q. He's your source of income?

17 A. Right. Well, one of them.

18 Q. What other sources of income do you have?

19 A. I have a retirement income from the State of
20 Washington.

21 Q. Other than the one time you mentioned that
22 you rode Shuttle Express within the last 12 months, have
23 you ever ridden Shuttle Express before?

24 A. I've ridden Shuttle Express twice to the
25 airport and once coming back, if I'm not mistaken.

00140

1 Q. How often do you fly out of SeaTac?
2 A. Me personally?
3 Q. Yes.
4 A. Probably twice a year.
5 Q. So it sounds like you use Shuttle Express a
6 large percentage of the time when you go to the
7 airport?
8 A. I think two out of the last three times I've
9 used Shuttle Express.
10 Q. Would you be willing to use Shuttle Express
11 again in the future?
12 A. Yes.
13 Q. Have you ever used Gray Line to get to the
14 airport?
15 A. No.
16 Q. Do you use Shuttle Express to come from the
17 airport to home as well?
18 A. Once.
19 Q. Do you recall what your wait time was at the
20 airport?
21 A. It was over an hour. I believe it was close
22 to an hour and a half.
23 Q. What time of year was that?
24 A. I don't remember. It was in the winter. I
25 don't remember whether it was during -- I don't believe

00141

1 it was during a real busy season. It wasn't like there
2 were thousands of people jammed at the airport. It was
3 fairly late at night. It was like 11 o'clock at night.

4 Q. Has Shuttle Express ever caused you to miss
5 your flight from being late?

6 A. No.

7 Q. Is there any reason you would not be willing
8 to use Gray Line service if it were convenient to you?

9 A. We are talking about bus?

10 Q. Yes.

11 A. I just never get into bus. I just rather
12 would not.

13 MR. HARLOW: That's all the questions I have.

14 Thank you.

15 JUDGE SCHAER: I don't have any questions for
16 you, Mr. Rosengren. Do you have any further questions,
17 Mr. Valentinetti?

18 MR. VALENTINETTI: No, I don't.

19 JUDGE SCHAER: So are you going to need to
20 recall this witness?

21 MR. VALENTINETTI: I don't believe so.

22 JUDGE SCHAER: Thank you very much for your
23 testimony and helping us with this proceeding, and you
24 may be excused. Let's go off the record for the moment
25 to see who the next witness is going to be.

00142

1 (Witness sworn.)

2 JUDGE SCHAER: Go ahead.

3

4 DIRECT EXAMINATION

5 BY MR. VALENTINETTI:

6 Q. Could you state your name and address for the
7 record, please?

8 A. My name is David M. Estes, E-s-t-e-s. There
9 are no "f"s in that name. I live at 13619 Southwest
10 244th Street, Vashon, Washington, 98070.

11 Q. Mr. Estes, where do you work?

12 A. I am one of the owners of a company called
13 Pacific Northwest Distributing, which is an LLC, that
14 does business as Vashon Shuttle and VIP Shuttle and
15 Pacific Northwest Motor Coach until recently.

16 Q. Do you spend any time at SeaTac Airport
17 yourself?

18 A. Yes, I do.

19 Q. Are you familiar with Gray Line bus?

20 A. Yes, I am.

21 Q. And Shuttle Express?

22 A. Yes, I am.

23 Q. Can you tell me about the business reputation
24 of Gray Line bus, please, that you see at the airport
25 or that you are aware of since you do work in that

00143

1 industry?

2 A. The general reputation for Gray Line, in my
3 experience, has been in their charter services, not
4 necessarily their ability to pick people up from SeaTac
5 and take them downtown, which I understand that they
6 do. In the charter business, I understand that they
7 overbook occasionally, more than just occasionally, and
8 the customers then have to scramble to find someone
9 else to do the run for them since Gray Line will call
10 them up at the last minute and say, "We are overbooked.
11 We can't take you."

12 The other thing that they do is if you have a
13 breakdown is they have a tendency to overcharge you for
14 the run, and I've personally experienced that. From
15 here to Spokane, the normal charge among the industry
16 from Spokane to here, to Seattle, that is, is \$1,200.
17 I had Gray Line try to charge me \$2,100 to take a group
18 over and back.

19 The business reputation for Super Shuttle is
20 they are fairly good at what they do. However, they
21 have problems --

22 Q. You mean Shuttle Express?

23 A. Yes. They are fairly good at what they do.
24 They have problems. They show up too early.
25 Sometimes, they don't coordinate or schedule their

00144

1 time, and people sometimes are late getting to their
2 planes. I've had our customers tell us that they have
3 missed a plane taking Super Shuttle. I've had
4 customers say to us that they ordered Super Shuttle to
5 the Fauntleroy ferry dock there, and Shuttle Express, I
6 guess it is, does not show up, requiring them to find
7 an alternative means of transportation. Those are the
8 general complaints.

9 I know that during the ice storm about 1996,
10 for about three days, Shuttle Express nor Gray Line
11 showed up at the airport to transport people, which
12 caused that whole airport to be backed up, and the
13 luggage was stacked up -- I'm five-ten, and it was
14 taller than me. We continued to operate -- In fact, I
15 put in 18 solid hours during that particular winter
16 storm -- and we would be mobbed when we got to the
17 airport by people begging us to take them, and of
18 course, our responsibility, mainly, is Vashon Island.
19 We did what we could do for them if we were on our way.
20 We weren't really supposed to, but none the less,
21 Shuttle Express and Gray Line did not meet their
22 commitment on that particular date.

23 My concern about Shuttle Express or Super
24 Shuttle, whichever --

25 MR. HARLOW: You Honor, are we going to get

00145

1 another question here? We are getting rather far
2 afield.

3 JUDGE SCHAER: I think we do need to have you
4 another question before this witness testifies further.

5 Q. (By Mr. Valentinetti) What are your thoughts
6 of Gray Line and Shuttle Express being the exclusive
7 operators out of the Port of Seattle?

8 A. I personally read their contracts, and I know
9 they have contracts with the Port of Seattle. My
10 biggest concern is that Super Shuttle and Gray Line do
11 not become a monopoly, and you can look in this
12 particular hearing room this morning and you find one
13 attorney representing both companies.

14 I also found that about two years ago when we
15 were applying for an auto transport company, I think
16 Super Shuttle or Shuttle Express and Gray Line are
17 attempting to dominate the market, and I think they are
18 going to reach a point in time where they are going to
19 be subject to an unfair trade practice suit or a super
20 monopoly, whichever you want to call it. I think we
21 are better served to have more competition by many
22 companies than to have two giant companies.

23 Q. Is price controlled by competition and
24 service?

25 A. Yes, sir. We are a capitalistic society.

00146

1 Q. So if we were to allow these two companies,
2 we would be unable to control the service level or the
3 prices?

4 MR. HARLOW: Objection. The question is
5 regarding control of prices.

6 JUDGE SCHAER: I'm going to sustain that
7 objection, which means you may not ask this question.
8 Go ahead and ask your next question, please.

9 Q. (By Mr. Valentinetti) Would it be beneficial
10 to the people of Seattle to have additional companies
11 operating in the same fashion as Gray Line or Shuttle
12 Express?

13 A. I feel that it would. Number one, it would
14 keep the prices under control.

15 MR. HARLOW: Your Honor, object and move to
16 strike the response regarding prices.

17 JUDGE SCHAER: Again, I'm going to indicate
18 that I sustained an objection to the question about
19 prices, and that is not something that I want to go
20 into the record now, Mr. Estes, so I will grant the
21 motion to strike that portion of your answer. Go
22 ahead.

23 Q. Price aside, with price out of the
24 question -- service, maintenance, everything other than
25 price -- would it be beneficial to the people of

00147

1 Seattle to have additional companies operating out of
2 the Port?

3 A. Yes, it would, if you have governmental
4 regulation as well. Of course, the person who has the
5 best equipment, the cleanest equipment is the one
6 that's going to prevail in certain segments of the
7 transportation industry. So I think from that
8 standpoint that's true. However, if government does
9 not enforce standards, like they did not do in Seattle
10 some years ago, you could wind up with vehicles that
11 have the fender falling off and no one cares, and the
12 general public suffers in those cases, so yes, there is
13 a benefit to it, in answer to your question.

14 Q. You've been through a proceeding like this
15 before; is that true?

16 A. Yes, I have.

17 Q. Are the attorneys for Gray Line and Shuttle
18 Express here to protect the public?

19 MR. HARLOW: Objection.

20 JUDGE SCHAEER: I don't think there is any way
21 that this witness would know what the role of the
22 attorneys are, and I don't know what he would base that
23 on, so I'm going to --

24 MR. VALENTINETTI: That's okay.

25 Q. (By Mr. Valentinetti) My question is, what

00148

1 I'm trying to find out is with your experience in your
2 own auto transport company going to Vashon, did you
3 have the same protestant in the case?

4 A. Yes, I did. There was one other than Gray
5 Line and Super Shuttle. There were three.

6 Q. They do that because they want to offer
7 service to Vashon Island?

8 A. I really don't know their state of mind.

9 JUDGE SCHAER: That's a sufficient answer.
10 Go ahead, please.

11 MR. VALENTINETTI: Your Honor, I need just a
12 minute here to think. I'm trying to think of the way
13 to ask the question that's acceptable to the Court.

14 (Discussion off the record.)

15 JUDGE SCHAER: Did you have any further
16 questions, Mr. Valentinetti?

17 MR. VALENTINETTI: I do.

18 Q. I guess my question boils down to is there a
19 need in Seattle for additional service?

20 A. Well, I personally think so, having been
21 involved in the transportation business. The Seattle
22 market is so huge that small companies, medium-sized
23 companies could just get lost in the market. You see
24 people stranded at the airport. They come up to us
25 outside begging us to take them. You've got Shuttle

00149

1 Express. You've got Gray Line. You've got cabs out
2 there. These people are all there on a daily basis
3 dealing with transportation problems at the airport,
4 and they still don't meet the whole demand, so yes,
5 there is.

6 Q. Would you say that the transportation or the
7 Port of Seattle is growing -- tell me about the growth
8 of the Port of Seattle in your company and then what
9 you see with the rest of the people operating.

10 A. Well, for Vashon, of course, we have a closed
11 system there because we are the only transportation
12 company, and we are the only one that has the auto
13 transport license for the island. We have sort of a
14 captive audience, so to speak. We do do business on
15 Mercer Island and some of the other areas. We bought
16 the rights to a company called VIP Shuttle and Tours,
17 and our Pacific Northwest Distributing owns the stock
18 in that company. So it's effectively the same company.

19 We find that people want to take us because
20 Super Shuttle is a ridesharing company, and they've had
21 some bad experiences with individuals within the vans
22 themselves, not necessarily the drivers. We constantly
23 get calls for people, for instance, asking for prices
24 because they are looking around. I maintain a database
25 of people that are in the transportation business, so

00150

1 we give these numbers out to them if we don't want to
2 go into that area, which we do not. Our main concern
3 is Vashon. I'm not quite sure I asked your question
4 right.

5 Q. My question was pointed at the need in
6 Seattle, particularly. I don't think there is a need,
7 an additional need at Vashon. My question is with the
8 growth of Seattle and the growth of the airport, do you
9 think that Gray Line and Shuttle Express are growing at
10 a rate quick enough to have adequate service for the
11 entire port with no other companies involved or without
12 allowing additional companies to come in?

13 A. My experience with Gray Line is that they do
14 from downtown Seattle to the airport from the hotels,
15 and is I think they are pretty much out of the
16 equation, other than those that go to the hotels and
17 spend the night or the week and need to get to the
18 airport, so they are not really filling that need.
19 They are very narrow in their focus in what they do.

20 Gray Line itself is sort of a closed system,
21 as I understand it, because they are part of Holland
22 America, I believe, and they go down to the cruise
23 ships in the summertime, and all their buses are tied
24 up down there bringing people back and forth from their
25 own ships.

00151

1 Super Shuttle, on the other hand, I think
2 sometimes can be overwhelmed, and especially when you
3 start looking at Mother's Day, Thanksgiving, Christmas,
4 sometimes Valentines Day even. I don't think it's
5 adequate because I've seen so many people out at the
6 airport waiting to get out, and they are scattered
7 throughout the Puget Sound area, and a lot of them are
8 from Seattle, and they come up and ask us if we will
9 take them, and we have to refuse their service, and
10 they've complained and said, "We've been waiting for
11 Super Shuttle to come get us and they aren't here."

12 So in answer to your question, I say yes. I
13 don't think Super Shuttle has the capacity with what it
14 has right now to serve the needs of Seattle because
15 they go all over the Puget Sound area. They go clear
16 up to Everett and those places, and if that van is on a
17 two-hour trip, it obviously is not going to downtown
18 Seattle to deliver someone.

19 Q. David, just to clarify for the record, when
20 you say "Super Shuttle" --

21 A. Shuttle Express.

22 Q. Because several times you referenced Super
23 Shuttle. How did a 10-van company, if there was
24 another company to work in the Seattle area, how would
25 that affect their operation?

00152

1 MR. HARLOW: Objection, no foundation.

2 JUDGE SCHAER: Mr. Harlow is objecting that
3 there is no indication that this witness would have the
4 kind of knowledge to answer that with any reliability.

5 Q. How many vans do you think Shuttle Express
6 has?

7 MR. HARLOW: Objection.

8 JUDGE SCHAER: Same kind of objection. You
9 don't know what basis he would have for that.

10 MR. VALENTINETTI: He works at the airport.

11 JUDGE SCHAER: So your answer is that he
12 would have that because he works at the airport? I'm
13 going to sustain the objection. I think we are going
14 to have a better source of information here in this
15 hearing room and get the precise numbers.

16 MR. VALENTINETTI: Okay. I would like to
17 definitely reserve the right to call Mr. Estes, but I
18 think I'm done now.

19 JUDGE SCHAER: We will talk after redirect to
20 see if you really want him to stay, but let's go ahead
21 now with Mr. Harlow. Do you have questions for this
22 witness?

23 MR. HARLOW: Yes, Your Honor.

24

25

00153

1 CROSS-EXAMINATION

2 BY MR. HARLOW:

3 Q. Good afternoon, Mr. Estes. My name is Brooks
4 Harlow. I represent Shuttle Express and Gray Line in
5 this proceeding. You indicated that you had filed an
6 application with the Utilities and Transportation
7 Commission?

8 A. We have three of them. We have all the
9 permits that the WUTC allows.

10 Q. You have a charter certificate?

11 A. We have a charter, an excursion service, and
12 an auto transport.

13 Q. What is the territory of your auto transport
14 certificate?

15 A. It goes from Vashon Island to SeaTac, Vashon
16 Island to downtown Seattle, and Vashon Island to
17 downtown Tacoma.

18 Q. So you have no experience, I take it, in
19 transporting passengers as an auto transportation
20 company between SeaTac and Seattle; is that correct?

21 A. We have some because we have a company called
22 VIP Shuttle, and we do operate under our charter
23 license for that as Super Shuttle does.

24 Q. Please tell me how that company operates
25 between SeaTac and Seattle?

00154

1 A. Basically, we pick them up by a reservation
2 only. We do not go to SeaTac and solicit customers.
3 They have to physically call us on the phone and say, I
4 want to go from point A to point B.

5 Q. Do you pick up multiple passengers and take
6 them to multiple locations?

7 A. No, sir. Well, on Vashon we do because of
8 the gas crunch here, but if we were to go to Mercer
9 Island or any other location, we would not.

10 Q. How many trips a month do you make of that
11 type?

12 A. Referring to the Vashon runs?

13 Q. No, the SeaTac to points in Seattle. Are you
14 operating that as an excursion or what?

15 A. Charter. I could say we probably make about
16 \$800 a month. Divide that by 35 is the average, and
17 that would give you the number of pickups that we do.

18 Q. Do you do the reverse? Do you do charter
19 work from points in Seattle to SeaTac?

20 A. Pick people up, yes. We will pick you up and
21 take you to the airport by reservation.

22 Q. How many trips a month of that nature do you
23 make?

24 A. Maybe two, if we are lucky.

25 Q. Are you holding yourself out to do that

00155

1 business, and if so, how; Seattle to SeaTac business?

2 A. We are in the phone book, and we do not
3 solicit people who come from SeaTac to wherever, other
4 than Mercer Island, but if people call in like they do
5 because we are in the phone book and they want to make
6 a reservation, we will go do it. Our main focus is
7 Vashon.

8 Q. Getting back to my initial question then, you
9 consider the SeaTac to Seattle trips to be charter
10 trips, not to be auto transportation trips; is that
11 correct?

12 A. Yes, excursion or auto.

13 Q. So let me restate my question. I asked
14 whether you had any experience as an auto
15 transportation company in providing service between
16 SeaTac and Seattle.

17 A. No, none at all.

18 Q. Have you ever ridden Shuttle Express or Gray
19 Line?

20 A. Once, Shuttle Express.

21 Q. About when was that?

22 A. Maybe a year ago.

23 Q. Where did you ride from and to?

24 A. Seattle to the Fauntleroy ferry dock.

25 Q. Was that trip satisfactory to you?

00156

1 A. Getting me there was fine. The driver almost
2 got us into an accident.

3 Q. When you say, almost got you into an
4 accident, was there an accident?

5 A. No.

6 Q. Did somebody cut him off, or what happened?

7 A. He cut somebody else off.

8 Q. Do you recall the date you traveled?

9 A. No, I sure don't.

10 Q. Do you have any reason why you wouldn't ride
11 Shuttle Express again?

12 A. Normally, I call a driver to come and get me
13 because I own a shuttle company. That would be the
14 reason I would not use Super Shuttle.

15 Q. Not because of the service but because you
16 have other ways of getting to and from the airport?

17 A. Yes and no. I don't like ride sharing, so
18 that would be my reason for not using Super Shuttle.
19 If I had a preference in the time -- in that particular
20 case, I was in a hurry and they were available so I
21 grabbed them, but normally, I would not take Super
22 Shuttle because I don't like ride sharing.

23 Q. So you prefer a taxi or limousine-type
24 service?

25 A. Yes.

00157

1 Q. Are you aware that Shuttle Express has a town
2 car?

3 A. Absolutely, sure.

4 Q. Is there any reason you wouldn't use that
5 service?

6 A. I think the town car is a little more
7 expensive than still a taxi. It goes by price.

8 Q. So you prefer a taxi?

9 A. Yeah. Simply because it's not ride sharing.

10 Q. Is there any reason you wouldn't use Gray
11 Line service if you were going to or from one of the
12 hotels they serve?

13 A. With their buses, again, I don't like ride
14 sharing. I had a real bad experience, not with Gray
15 Line but with Greyhound, and I pretty much will not
16 take a bus anywhere.

17 Q. Does your company's service to and from
18 Vashon between Vashon and SeaTac, does it do ride
19 sharing?

20 A. Yes, it does.

21 Q. Is the reason for that is it's more
22 efficient?

23 A. Yeah, it's cost. We try to double people up
24 whenever we can.

25 Q. Does your company ever have accidents or near

00158

1 accidents to vehicles?
2 A. Oh, sure, absolutely.
3 Q. It's part of the experience of driving, I
4 assume.
5 A. Yes, sir, it is.
6 Q. The instance where you applied for UTC
7 authority and were opposed by Shuttle Express and Gray
8 Line, do you recall what type of authority you were
9 seeking?
10 A. The auto transport license.
11 Q. For what territory?
12 A. For Vashon.
13 Q. Do you recall if that case went to hearing?
14 A. Yes, it did.
15 Q. Was it opposed at the hearing?
16 A. Yes, it was.
17 Q. Were you granted the authority?
18 A. Yes, we were.
19 Q. Do you recall when that occurred?
20 A. December of '97?
21 Q. Were you granted the full authority that you
22 requested, or were you granted some lesser authority?
23 Was authority limited from your original application?
24 A. I think there was some discussion over the
25 wording, but I don't think it was any real limits. We

00159

1 went from -- I think that we excluded -- we said
2 Vashon, and when I speak here I say Vashon, but as I
3 recall it, we were included with Maury Island, which is
4 actually a separate and distinct islands, so when the
5 thing finally came out, it said "Vashon/Maury Island"
6 to point A, B, and C.

7 Q. When it came out, was there a restriction
8 that specifically prohibited service between SeaTac and
9 Seattle under that certificate?

10 A. We could not go to West Seattle using our
11 auto transport to pick people up. We had to originate
12 or destinate at either downtown Seattle, downtown
13 Tacoma, or SeaTac Airport or its confines.

14 Q. So restrictions were added?

15 A. Yes, I think.

16 Q. At this point then, to your knowledge, do you
17 have an exclusive certificate of authority to serve
18 Vashon Island to SeaTac?

19 A. Yes, we do.

20 Q. So you have a monopoly on Vashon Island, if
21 you will?

22 A. We have the only license over there.
23 Unfortunately, we have a competitor in a cab company.
24 Everybody has got competition.

25 Q. If your cab company competitor were to apply

00160

1 to operate the way you do as an auto transportation
2 company, is that something you would welcome?

3 A. Absolutely not.

4 Q. Why not?

5 A. I think it's just a matter of self-interest.
6 We are out there to make money, and if somebody takes
7 away our territory, then we are going to oppose it.

8 Q. Would it have any impact on your business,
9 such as reduce the fill factor in your vehicles?

10 A. Would it? First I could be a little
11 facetious on that point and say we do better than they,
12 but I think it would, depending on how much they
13 charge.

14 Q. I want to clarify your story about the
15 overcharge you testified to for the Seattle to Spokane
16 run. That was strictly a charter operation?

17 A. Yes, it was.

18 Q. You have no evidence of any of that kind of
19 problems with Gray Line's airporter service, have you?

20 A. No.

21 Q. With regard to the ice storm you mentioned
22 where you continued to operate, do you have any
23 personal knowledge as to whether or not it would have
24 been safe for Gray Line and Shuttle Express to operate
25 their territories during that particular storm?

00161

1 A. My comment to that is I grew up in the Mid
2 West and it snows all the time back there. That ice
3 storm was nothing.

4 Q. Would you agree it's appropriate for a
5 carrier or maybe individual drivers to make the
6 determination as to whether or not to continue
7 operations in any given weather condition, if it were
8 safe?

9 A. If I were to have a driver that was
10 inexperienced in snow, I would not require them to
11 drive. However, if they were to be experienced in
12 snow, knew how to drive in snow, and they refused, I
13 would fire them right on the spot. There is no excuse
14 for what Gray Line and Super Shuttle did during that
15 ice storm, and that's my personal opinion in this
16 industry, sir.

17 Q. That's based on your operations between
18 SeaTac and Vashon?

19 A. Yes, sir. And we had a whole lot more snow
20 over there than Seattle did.

21 Q. But you weren't driving into Seattle at that
22 point.

23 A. No, sir, we weren't.

24 MR. HARLOW: No further questions.

25 JUDGE SCHAER: I have just one or two

00162

1 questions for you.

2

3

EXAMINATION

4 BY JUDGE SCHAER:

5 Q. First of all, you and I have met before,
6 haven't we?

7 A. Yes, ma'am.

8 Q. And I was the judge in the case where you
9 sought authority for Vashon; is that correct?

10 A. Actually, it was a American limousine at that
11 time, which we converted to Vashon.

12 Q. And other than that contact, we have never
13 had any other contact; is that correct?

14 A. Yes, ma'am.

15 Q. How far is Vashon from SeaTac as the crow
16 flies?

17 A. 17 miles.

18 Q. So if the applicant were to get a service
19 territory that allowed service within a 25-mile radius
20 of SeaTac, would that encompass part of Vashon Island?

21 A. It could, yes, ma'am.

22 Q. If the applicant were to then exercise that
23 authority and serve Vashon Island, would that cause any
24 problems for your company?

25 A. Well, from a logistical standpoint, and I've

00163

1 thought this out, if the company were to set up the
2 tariffs which they are required to do by the Washington
3 Utilities and Transportation Commission and then try to
4 impose those tariffs on Vashon, I think they would go
5 broke right on the spot, and I don't worry about it
6 because I think the price would be too high for them.

7 Q. So you are looking at the proposed tariff
8 that came in with this filing and making that judgment,
9 or what are you looking at in making that judgment?

10 A. The average price from SeaTac to downtown is
11 \$30. I understand the Seattle City Counsel was trying
12 to make it 25. If you were to try to charge someone
13 \$30 to go to Vashon Island, you would go broke. You
14 just would not be able to do that at that price.

15 We take and we charge a minimum of \$45 to go
16 to Vashon and to the airport. Now, that's just one
17 way, and of that \$45, to the company we get maybe
18 anywhere from five to seven, depending on turnaround
19 time, time of day, and all of that. I know how much it
20 costs to get from Vashon to the airport, and if you
21 have a set feet that covers that whole area of \$30, you
22 are going to go broke.

23 Q. So let me ask you a hypothetical question
24 then. If this application were granted, including the
25 25-mile radius and if this applicant were to file a

00164

1 tariff for service to Vashon that was in the \$45 range,
2 would that cause you any concerns?

3 A. It would then, yes.

4 JUDGE SCHAER: That's all the questions I
5 have. Do you have any redirect for this witness?

6 MR. VALENTINETTI: Not at this time, but I
7 would possibly like to recall Mr. Estes, if he's
8 available.

9 JUDGE SCHAER: Are you needing to leave the
10 hearing, or are you able to stay for awhile this
11 afternoon?

12 THE WITNESS: I have to go call in and see
13 what's going on. I know later on we are going to have
14 some problems.

15 JUDGE SCHAER: I'm not going to excuse you
16 from the hearing at this point, but I want you to let
17 me know if that's going to cause any hardship, and we
18 will take up again whether you need to stay here or
19 whether you should be allowed to be excused for the
20 remainder of the hearing.

21 Is there anything further for this witness?
22 Thank you for your testimony. Let's go off the record
23 for a moment to discuss where we go from here.

24 (Discussion off the record.)

25 JUDGE SCHAER: We are going to take our lunch

00165

1 break and be back at 1:30. We are off the record.
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(Lunch recess taken at 12:30 p.m.)

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AFTERNOON SESSION

00167

1 (1:30 p.m.)

2 JUDGE SCHAER: Let's be back on the record
3 after our lunch recess. Mr. Valentinetti has resumed
4 the stand, and I will remind you, sir, that you are
5 already under oath in this proceeding, and Mr. Harlow,
6 do you have more questions?

7 MR. HARLOW: Yes, I do.

8

9 FURTHER CROSS-EXAMINATION

10 BY MR. HARLOW:

11 Q. I wanted to go back on your name change. Do
12 you recall that that took place in July of 1999?

13 A. Yes.

14 Q. I wanted now to direct you back to Exhibit 2,
15 which is your application. Do you have still have that
16 with you?

17 A. I'm sure I do. Want to go ahead and ask me
18 the question and I'll find it?

19 Q. Yes. I want to ask you if that's
20 Mr. Hartley's signature on it?

21 A. What page are you looking at?

22 Q. It would be the last page of the application
23 just before the tariff.

24 JUDGE SCHAER: I believe that's labeled "Page
25 6" at the bottom.

00168

1 MR. HARLOW: That's correct.

2 THE WITNESS: Yes, that is Mr. Hartley's
3 signature.

4 Q. (By Mr. Harlow) Did you review the
5 application before Mr. Hartley signed it?

6 A. I believe I probably did. It was six months
7 ago, but probably.

8 Q. I'll give you a few minutes if you need to
9 review it, but the question I wish to ask you is other
10 than the financial statements, and if you will turn to
11 Page 3, you will see there is a financial statement,
12 and I understand you provided us with revised financial
13 statements this morning. So other than the financial
14 statement page, is there anything in the application
15 that you would disagree with, whether it would be
16 untrue?

17 A. Not to my knowledge, but would you like me to
18 review it at this time?

19 Q. Yes. Please take enough time to verify
20 whether or not there is any portion of the application
21 that you can't adopt as your own.

22 A. (Witness complies.) Number one, it says
23 Seattle Tacoma International Airport, and I believe it
24 should say the Seattle city limits also. I see a
25 couple of things that are not applicable that maybe

00169

1 have "yes" checks by them.

2 Q. What page are you on?

3 A. I am on Page No. 4.

4 Q. What do you think is not applicable on Page
5 No. 4?

6 A. Well, at this time, we are not hiring drivers
7 for the company that we don't have going yet. It says,
8 "Do you verify that physicians completing medical
9 certifications are knowledgeable..." that paragraph.
10 No, we don't do that because it's not really applicable
11 at this time.

12 JUDGE SCHAER: So is it the column that's
13 headed "N/A" that should be checked there?

14 THE WITNESS: Yes. We have a person that is
15 more so of an expert than myself on the drivers and the
16 hiring policies, so, "Do you comply with the road test
17 provisions of Section 391.317." I'm sure we do, but I
18 don't know what that is.

19 Q. (By Mr. Harlow) Who is that person?

20 A. Scotty White.

21 Q. Anything else on that page that would not be
22 applicable?

23 A. I think they are all applicable. I'm just
24 not the expert on it for my company.

25 Q. Do you know if Mr. Hartley would be able to

00170

1 answer questions about those questions?

2 A. Mr. Harlow, if there is a box checked here
3 regarding like, for instance, the hiring policies and
4 procedures, are they being followed when for new
5 drivers at this time, we don't have any new drivers.
6 We are not in operation yet. They will be. The
7 policies will be there. We are going to establish a
8 hiring process, drug screening, the whole deal,
9 driver's record, but not at this time.

10 Q. So that would be true for the Part 391
11 questions?

12 A. Yes.

13 Q. What about for the general questions?

14 A. Yes.

15 Q. What about for Notification and Reporting of
16 Accidents questions at the bottom of Page 4?

17 A. Yes.

18 Q. Turn to Page 5 please, the Part 392
19 questions?

20 A. We are establishing a program now. We don't
21 at this time because we don't have employees for this
22 company.

23 Q. What about the Part 395 questions?

24 A. Scotty White can explain the hours.

25 Q. What about the Part 396 questions?

00171

1 A. At this time, no, we do not have a written
2 manual. However, we do -- our vans are under warranty
3 because they are new, and at this time, they are still
4 being maintained primarily by the dealership and any
5 type of maintenance problem, but we will and are
6 establishing a program for our vans as they go off
7 warranty, because they probably will within a year, I
8 would think.

9 Q. Do you know what Mr. White's background and
10 experience is with regard to motor transportation?

11 A. I do.

12 Q. Could you tell us about that, please?

13 A. Mr. White, as well as being a personal friend
14 and a car racer, owns a trucking company and is very
15 familiar with the laws and regulations and hours worked
16 and is our designated person to help us with that also.

17 Q. What's the name of his trucking company?

18 A. Knight Transport.

19 Q. Does he have a title or a position with any
20 of your companies?

21 A. No.

22 Q. What is his relationship then with your
23 companies?

24 A. What do you mean what's his relationship?

25 Q. Does he have any formal relationship? Is he

00172

1 on the board? Is he an officer? Is he an employee.

2 Is he just a friend?

3 A. He's a friend. He's not on the board. He's
4 a person that's setting up our work hours deal, a
5 subcontractor, maybe.

6 Q. Are you paying him currently?

7 A. I haven't yet, no, but that's what he's doing
8 for us.

9 Q. Does he own any shares in any of your
10 companies?

11 A. No.

12 Q. Do you have any kind of contract with him?

13 A. No, I don't.

14 Q. So he's currently under no obligation to
15 assist with any of these issues -- maintenance, safety,
16 so on and so forth?

17 A. He's not doing the maintenance.

18 Q. I thought you indicated he was going to be
19 responsible for complying with Part 396.

20 A. I also told you, Mr. Harlow, that I wasn't
21 familiar with it and that he was doing the drivers'
22 hours type thing. So if 396 covers that, then that's
23 too general of a statement for Mr. White.

24 Q. Who is going to be responsible for insuring
25 compliance with Part 396 regarding inspection, repairs,

00173

1 and maintenance of the vehicles?

2 A. At this time today presently, the vans are
3 under warranty, and the dealership will do the
4 maintenance, unless it's something our mechanics or
5 people will do, which is at this point, we've never had
6 anything.

7 Q. Who will be responsible for recordkeeping
8 with regard to maintenance of vehicles?

9 A. That would be Ann Aexel or Terry -- we don't
10 know the other gal's name.

11 Q. Ann Aexel, do you know if she's reviewed Part
12 396?

13 A. I'm sure she probably has not.

14 Q. Do you know if Seattle Super Shuttle has a
15 copy of Part 396?

16 A. I believe we do.

17 Q. But you are not certain?

18 A. No.

19 Q. Has Mr. Knight participated in financing any
20 of the Seattle Super Shuttle's start-up costs?

21 A. No.

22 Q. Do you anticipate that he will?

23 A. No.

24 Q. Does Seattle Super Shuttle have a source of
25 financing to start up a business?

00174

1 A. Yes.

2 Q. What is that source of financing?

3 A. That is my personal finances and

4 Mr. Hartley's.

5 Q. How much capital do you think you have lined
6 up between the two of you?

7 A. I don't think that question is pertinent
8 here. Enough to maintain an operation such as this
9 very safely and to have six months of reserves.

10 JUDGE SCHAER: Mr. Valentinetti, I do think
11 the question is pertinent. Can you give us more detail
12 on that, or is that something that's on your balance
13 sheet, which I have not yet seen?

14 THE WITNESS: Like I said before, this
15 company was a partnership, and now it's a corporation,
16 and our goal is to operate this company on its own
17 accord. So our equipment is paid for, and it's
18 brand-new, and there is approximately -- if it matters,
19 there is mid-40 thousand in the bank, and I think that
20 is sufficient amount of money to operate this business.

21 If not, then I can add to that, but I think
22 that at this time with the size of operation we have
23 that we've now made the company so it's going to
24 operate on its own with that type of income. If it
25 needs a personal loan, than I'll do that, and if

00175

1 Mr. Hartley needs to, then he would too.

2 Q. How much money do you have available to you
3 to lend to the company, if necessary?

4 A. 20 thou'.

5 Q. Do you know how much Mr. Hartley has
6 available for use as equity?

7 A. No, I don't know.

8 Q. At the time you purchased the vans you
9 currently own, you had not yet incorporated; is that
10 correct?

11 A. That's correct, I believe, yes.

12 Q. Did you and/or Mr. Hartley purchase them
13 individually?

14 A. I purchased them and Mr. Hartley purchased
15 one.

16 Q. What was the source of funds for those
17 purchases?

18 A. It was Airline Delivery Service or me. I'm
19 not sure which account it came from.

20 Q. So it was funded out of operations of Airline
21 Delivery Service then?

22 A. I just said that I wasn't sure if it was me
23 or...

24 Q. The name "Seattle Super Shuttle," are you in
25 any way affiliated with Super Shuttle, Incorporated,

00176

1 which is based in Phoenix, Arizona?

2 A. No.

3 Q. Do you have any contractual arrangements with
4 Super Shuttle, Incorporated?

5 A. No.

6 Q. I take it you don't have a license from
7 anyone to use the trademark "Super Shuttle"?

8 A. I don't think we need one, Mr. Harlow, do we?

9 Q. I'm not asking whether you need one. I'm
10 asking whether you have one.

11 A. No.

12 Q. We talked about you as the president of
13 Seattle Super Shuttle. What's Mr. Hartley's position?

14 A. Vice president and operational manager.

15 Q. Are there any other officers of Seattle Super
16 Shuttle?

17 A. I don't have the list in front of me.

18 Q. Who can you recall?

19 A. I'd have to have our accountant look it up
20 and see who is in charge. The business setup was not
21 my thing.

22 Q. Is Ms. Aexel involved in the corporation as
23 an officer or director?

24 A. No, not to my knowledge.

25 MR. VALENTINETTI: Is she Brian?

00177

1 MR. HARTLEY: No.

2 Q. (By Mr. Harlow) Who in the company is or
3 will be responsible for overall safety of your
4 operations?

5 A. I will be responsible for the overall safety
6 of everything, for the overall performance of our
7 company, safety-wise, financially, service, everything.

8 Q. Will you have a safety director, operating or
9 safety supervisor under you?

10 A. We will have someone in charge of safety for
11 the drivers and also have a maintenance person that is
12 in charge of safety for the vehicles.

13 Q. Do you know who that will be?

14 A. No.

15 Q. Will you be the person selecting the person
16 in charge of safety?

17 A. I will be one of the people.

18 Q. Who will be responsible overall for the
19 maintenance of the vehicles?

20 A. Right now, the vans are on warranty, so the
21 dealership is going to do the maintenance, unless it's
22 something very minor, a light change or something like
23 that.

24 Q. Let me just clarify. When you say they are
25 under warranty, does that mean you are not maintaining

00178

1 or inspecting the vehicles at this time?

2 A. Can you ask that question again?

3 Q. Are you maintaining the vehicles? Are you
4 doing oil changes?

5 A. Yes, we are.

6 Q. What other kind of maintenance are you doing

7 --

8 A. They change the oil. They lube the vehicle.
9 They do a physical check for the tire check. They
10 check the seat belts. Our guys do that every day.
11 They check the glass to see if it's broken. They check
12 the lights to see if they work. They check to see if
13 it has a fire extinguisher. There is a net in the back
14 that stops the baggage from flying forward. They check
15 to see that that's secured, stuff like that. There is
16 probably more, but that's the general thing.

17 Q. So that's something that's being done by the
18 drivers then?

19 A. The daily check, yes. The maintenance is
20 when we send a vehicle in to the dealership to have the
21 oil changed, they change the oil. They lube the thing.
22 They look for anything wrong with it. They listen to
23 any of the feedback that we've given them that it's got
24 a rattle -- or whatever might be wrong with it, and at
25 this point while they are on warranty, the dealer will

00179

1 be -- however --

2 JUDGE SCHAER: You do need to slow down.

3 Q. Will you need to have some kind of call
4 center and dispatch arrangement for your shuttle
5 service if you are granted authority?

6 A. Yes.

7 Q. Who will be responsible for supervising that
8 part of your operation?

9 A. Well, like I said before, I will be the
10 overall supervisor of all operations for everything
11 that happens. Mr. Hartley will be the day-to-day
12 operations manager, but I will be ultimately
13 responsible for anything that goes on with --

14 Q. Are you familiar with Mr. Hartley's
15 experience in the transportation industry?

16 A. Yes.

17 Q. Please tell us what you can about his
18 experience.

19 A. Mr. Hartley will be on the stand in a little
20 bit. I think it would maybe be best if you asked him.

21 Q. I understood you weren't going to call
22 Mr. Hartley.

23 A. I can do it. He's a manager for Airline
24 Delivery Service.

25 Q. How long has he done that?

00180

1 A. Approximately a year.

2 Q. And that's the baggage service?

3 A. Yes.

4 Q. Do you know what he did before that that
5 related to the transportation industry?

6 A. He was a college student.

7 Q. Do you know if he had any experience in
8 door-to-door passenger shuttle operations?

9 A. I would have to guess no.

10 Q. Maybe we've covered this already, but I
11 wanted to ask specifically who is going to be
12 responsible to monitor and supervise the drivers?

13 A. At this time we are not ready to go yet. If
14 we are granted this authority, we are not going to be
15 able to turn on the light and be ready to run tomorrow.
16 We are waiting to see if this authority is granted.

17 Like I said before, we have Mr. White setting
18 up the program for the drivers' hours because that's an
19 issue with the auto transport thing. We've got a
20 mechanic that's lined up, but we are not sure that's
21 the guy we are going to use. We are waiting to do it.
22 The key is we are going to have those things in place.
23 The vans are going to take tremendous maintenance. If
24 anyone would know, you guys would that there is a lot
25 of maintenance that has to go into those to keep them

00181

1 running down the road.

2 I run a race car team. We know that after 30
3 minutes in a vehicle, there are a lot of things you've
4 got to work on and look at. So it's not a new thing to
5 us. We know there is a lot of maintenance that has to
6 go. At this time, our vehicles are so new, we can take
7 them right to the dealership and say, "Look..."

8 Q. Does that mean that you don't currently have
9 it planned out how you are going to handle reservations
10 and dispatch?

11 A. At this second?

12 Q. Yes.

13 A. You mean do I have a written plan?

14 Q. Have you planned that out yet?

15 A. No, I don't have a written plan at this time.

16 Q. Do you have a mental plan?

17 A. I do.

18 Q. How are you going to handle that?

19 A. My mental plan is that we do have an inline
20 phone. We have computers on board the vehicle. We
21 have GPS's in the vehicle. Much like yourself using
22 the pager, or your company, Shuttle Express, that you
23 represent using the pager system with the address, we
24 have computers in ours where we can type in the address
25 instead of trying to decide or talk to the people which

00182

1 is the fastest way. Would it be your house first or
2 your house first, we can type it into the computer, and
3 it will put them in order and say this is the best
4 route to take.

5 Q. Do you have any software yet that will
6 accomplish that?

7 A. Yes.

8 Q. What's the name of that software?

9 JUDGE SCHAEER: Would you like to have that
10 provided? Let the record show we are going to let
11 Mr. Hartley share some information..

12 MR. HARTLEY: Microsoft Streets and Trips
13 2001.

14 THE WITNESS: Microsoft Streets and Trips
15 2001.

16 Q. (By Mr. Harlow) So will the van drivers
17 actually be taking telephone calls from passengers
18 wanting to make reservations?

19 A. No.

20 Q. Who will do that?

21 A. Central dispatch.

22 Q. Do you have a location for that at this time?

23 A. No.

24 Q. Do you have a location to do your maintenance
25 after the vans are off warranty?

00183

1 A. Yes.
2 Q. Where is that?
3 A. That is the Kent address that I gave earlier,
4 I believe.
5 Q. The Kent address, does it have service bays?
6 A. It has one bay.
7 Q. Can you describe how the bay is equipped.
8 Are there lifts or anything like that?
9 A. No, it doesn't have a lift. It's got the
10 capability for air tools, no lift.
11 Q. Anything else? Does it have a wash rack?
12 A. No.
13 Q. Do you plan to wash the vehicles at that
14 location?
15 A. No. We are going to have a different
16 location probably within two or three months. At the
17 time we made this application, we thought we were going
18 to buy a place over off of 170th and it fell through.
19 So we rented this place in the interim. Since we had
20 already purchased some vehicles, we needed some place
21 to park them in somewhere other than my driveway.
22 Q. Do you recall at the prehearing conference
23 you said you were buying vans biweekly?
24 A. Yes.
25 Q. That was back in the middle of March?

00184

1 A. We don't have 30 now.

2 Q. You don't have 30 now. In fact, you've
3 actually one.

4 A. Yes. We are waiting to see what happens
5 here.

6 Q. Let's talk about your vans. Are they all
7 basically the same type of van?

8 A. They are Ford E-350 passenger vans.

9 MR. HARLOW: If I could approach the witness.
10 You wanted these in the record, and it might be a good
11 time to distribute the equipment list exhibits.

12 JUDGE SCHAER: Go ahead. You've handed me a
13 multipage document which has on the first page in
14 handwriting, "Attention David Rice, Page 1 of 2," and
15 on the second page, a brief letter from
16 Mr. Valentinetti to Mr. Rice providing a list of vans.
17 Mark this as Exhibit No. 3 for identification.

18 You have handed me a single-page document,
19 which states at the top "Seattle Super Shuttle" and
20 lists six vans, No. 5 of which is sold, and provides
21 VIN numbers, and I have marked this as Exhibit No. 4
22 for identification.

23 (Marked Exhibits No. 3, 4.)

24 Q. (By Mr. Harlow) Let's take a look at
25 Exhibit 3 first because that does describe the years of

00185

1 the vans and the layout. You have Exhibit 3 in front
2 of you?

3 A. I do.

4 Q. It looks like they are all 12-passenger vans?

5 A. No, that is not correct. This is a letter
6 that was typed by our secretary and sent to Mr. Rice,
7 so no, that is not true.

8 Q. Would you please note any corrections to this
9 exhibit?

10 A. Why don't we move to Exhibit 4. That's more
11 accurate. That's the one I did.

12 Q. Let's just state for the record the
13 capacities of the five vans you still own.

14 A. Van 1 is a year 2001 Ford E-350, and it is a
15 12-passenger van. Van No. 2 is exactly same. It's
16 also a 12-passenger van. Van No. 3 is a 15-passenger
17 van with the rear seat taken out.

18 Q. So it's equipped for 11?

19 A. 11.

20 Q. What year is Van No. 3?

21 A. 1999. Van 4 is also a '99, 11-passenger.

22 Q. Is that also 15 with the rear seat removed?

23 A. That's correct.

24 JUDGE SCHAER: When you say "15," does that
25 include the driver or excluding?

00186

1 THE WITNESS: Including. And Van No. 6 is a
2 1999, 11-passenger van at this time also.
3 Q. Why did you sell Van No. 5?
4 A. Actually, we didn't take full delivery of it.
5 We took it to our shop, and it had an oil leak and some
6 other damage, so we just took it back to them.
7 Q. Was it brand-new?
8 A. No.
9 Q. Did you purchase the others brand-new?
10 A. 1 and 2 are purchased brand-new.
11 Q. And the rest are purchased used?
12 A. Yes.
13 Q. How were you able to get a warranty on those
14 if they were used vehicles?
15 A. The warranty carries over to the owner.
16 Q. With regard to the 12-passenger vans -- they
17 are 12, but they would carry 11 passengers; is that
18 correct?
19 A. That's correct.
20 Q. -- is there luggage space in those vans?
21 A. Yes.
22 Q. Where is that located?
23 A. Behind the rear seat.
24 Q. Can you describe how large an area that is?
25 A. Square-foot-wise, it's the size of this table

00187

1 to the seat and the height of the van.

2 Q. How far would you say it is between the rear
3 doors of the van and the back of the seat?

4 A. Three feet, maybe two-and-a-half.

5 Q. How many pieces of luggage will that area
6 hold?

7 A. Never counted them. Depends on how big they
8 are.

9 Q. Would you say it would hold five or ten
10 suitcases?

11 A. I would say it would hold 10.

12 Q. Full-size suitcases?

13 A. Uh-huh.

14 Q. Would it hold 15?

15 A. Probably not.

16 Q. So if you had an instance where you had 11
17 passengers on your van each with two full-size
18 suitcases as their luggage, where would you propose to
19 carry the passengers' luggage?

20 A. We don't propose to have 11 people on our
21 vans. We aren't going to load them that full.

22 Q. Would there be an instance when you put the
23 luggage on the seat or somewhere else in the van or in
24 another area in the back?

25 A. No.

00188

1 Q. Do any of your vans have wheelchair lifts or
2 otherwise equipped to handle wheelchair passengers?

3 A. No, they don't.

4 Q. When your drivers inspect the equipment
5 daily, do they keep any kind of records of their
6 inspections?

7 A. There is a checkoff sheet that really just
8 mark checks -- tires, visual, oil leaks, glass, dents.

9 Q. That's something they've been doing?

10 A. They have not been doing, no, but we do have
11 that in place, but it's not being done currently for
12 the crew vans, no.

13 Q. You have a form developed for that?

14 A. I do.

15 Q. Did you bring that with you today?

16 A. I've got it on the computer.

17 Q. Can we take a look at it?

18 A. Sure.

19 JUDGE SCHAER: The record should indicate
20 that Mr. Valentinetti is retrieving his computer.

21 THE WITNESS: We can continue and I can get
22 this at the same time.

23 Q. (By Mr. Harlow) If you can boot and answer
24 at the same time, but if you need to stop, let me know
25 and I'll wait until you are finished.

00189

1 Have you determined the qualifications for
2 your drivers if your authority is granted in this
3 proceeding?

4 A. Meaning what?

5 Q. Could you tell me what you would look for in
6 an applicant and what would be the minimum level of
7 qualifications in an applicant for a driving position
8 that you will accept?

9 A. 25 years of age, Washington driver's license.
10 We check their driving record, references. They are
11 going to have to provide us with a driver's abstract
12 because we are going to have, we assume, a lot of
13 applicants, and we are not going to chase it down
14 ourselves. If not done at the time of hiring, very
15 shortly thereafter, a drug test, which would also be
16 the employees --

17 Q. Do you plan on doing any driver training?

18 A. Yes.

19 Q. Who is going to handle the driver training?

20 A. Probably Mr. Hartley.

21 Q. How much training do you plan --

22 A. Let me back up a little bit. On the hiring,
23 we take the people for a test drive, through a driving,
24 backing, turning, to make sure they can handle the
25 vehicle. Just because you are 25 and have a clean

00190

1 driving record doesn't mean you are a good driver,
2 especially when you are going to be hauling people.
3 With the new van and the public, they've got to be good
4 drivers, not just a driver.

5 Q. What else do you test on the road test?

6 A. Just driving ability and safety, knowledge of
7 how the van works, the controls.

8 Q. Anything else?

9 A. We walk them through the safety checklist,
10 which I'm going to show you here in a minute.

11 Q. Anything else you will require of perspective
12 drivers?

13 A. Not to my knowledge at this time. That's all
14 I can think of off the top of my head.

15 Q. Are you getting close there?

16 A. Yeah. It's taking a minute.

17 MR. HARLOW: Perhaps we could mark the next
18 exhibit while we are waiting.

19 JUDGE SCHAER: Mr. Harlow are you going to
20 offer Exhibits 3 and 4?

21 MR. HARLOW: And I believe 2. I offer 2
22 through 4.

23 JUDGE SCHAER: Do you have any objection to
24 any of those documents being in the record?

25 THE WITNESS: I think that No. 3 is not

00191

1 really pertinent. It's superseded by the one I did for
2 Mr. Rice. It's got some incorrect information on it.
3 I think it probably shouldn't be entered.

4 JUDGE SCHAER: I'm going to go ahead and
5 enter all of the documents. I think there is an
6 adequate description in the record of what Exhibit 3 is
7 and that it is not current, but I would like to have it
8 in there if anyone reads the transcript and wants to
9 know what we were talking about. Those documents are
10 admitted.

11 (Admitted Exhibits No. 2, 3, 4.)

12 You've handed me a two-page document. Did
13 you intend for this to be one exhibit or two?

14 MR. HARLOW: One exhibit is fine.

15 JUDGE SCHAER: The first page states at the
16 top, "Seattle Super Shuttle Balance Sheet as of May
17 2nd, 2001." The second page is headed, "Seattle Super
18 Shuttle Profit and Loss, February 1 through May 2,
19 2001" and I'm marking this for identification as
20 Exhibit No. 5.

21 (Marked Exhibit No. 5.)

22 MR. HARLOW: Your Honor, I have another
23 exhibit as well.

24 JUDGE SCHAER: Go ahead, please. You've
25 handed me a document I'll mark for identification as

00192

1 Exhibit No. 6.

2 THE WITNESS: Mr. Harlow, would you like me
3 to read off our checklist?

4 MR. HARLOW: May I stand behind the witness?

5 JUDGE SCHAER: Just give me a moment to
6 identify Exhibit 6, and then I will let you stand
7 behind him so you can view the screen together. Do we
8 have a capability to print anything that shows up on
9 the screen if we find that we need it?

10 MR. HARLOW: We'll have to play that by ear.

11 JUDGE SCHAER: So what I've marked for
12 identification as Exhibit No. 6 is a set of Vehicle
13 Certificates of Ownership, and I see that they are
14 labeled on the right-hand side Van No. 1, Van 3, Van 4,
15 and Van 6. Is there a page missing for Van 2, or was
16 that not provided?

17 MR. HARLOW: This is everything that was
18 provided to us, Your Honor.

19 JUDGE SCHAER: Go ahead then, Mr. Harlow.

20 MR. HARLOW: I believe Mr. Hartley owns Van
21 2; is that correct?

22 THE WITNESS: Yes, he does.

23 JUDGE SCHAER: Did he bring the title of that
24 vehicle today?

25 THE WITNESS: No.

00193

1 (Marked Exhibit No. 6.)

2 THE WITNESS: Shall I read it for the record?

3 MR. HARLOW: Can I see the next screen,

4 please?

5 Q. (By Mr. Harlow) To save time, we won't have

6 you read the whole thing. Is this something you do

7 have printed back at your office?

8 A. Yes.

9 Q. I noticed no signature line on that form. Is
10 there a signature line?

11 A. Yes. It's got the van number, the driver,
12 the date, the start mileage, the finish mileage.

13 Q. Unless you have dropped it on the floor, you
14 should have in front of you Exhibits 5 and 6. Can you
15 identify Exhibit 5 for the record, please?

16 A. Page 1 is a balance sheet. Page 2 is a
17 profit and loss.

18 Q. And those are current through May 2nd, 2001?

19 A. They are very rough because we don't have
20 everything added into it, but I would say that's as
21 current as we are.

22 Q. Exhibit 6, can you identify that?

23 A. These are the titles to the vans.

24 Q. The ones that you brought with you pursuant
25 to the subpoena?

00194

1 A. Yes.

2 MR. HARLOW: Your Honor, I'd like to offer
3 Exhibits 5 and 6.

4 JUDGE SCHAER: Any objection?

5 THE WITNESS: No.

6 JUDGE SCHAER: Those documents are admitted.
7 (Admitted Exhibits No. 5, 6.)

8 THE WITNESS: Since we had addressed this
9 safety checklist, I would like to go through it slowly.

10 MR. HARLOW: I think that we should save that
11 for rebuttal.

12 JUDGE SCHAER: I'm wondering if we should
13 make this a late-filed exhibit and have it sent in so
14 that we can see what it is, but I'm not sure --

15 THE WITNESS: It's not that long. In 30
16 seconds we would be done.

17 JUDGE SCHAER: If we did it in 30 seconds,
18 the court reporter would be very unhappy, so I'll make
19 a note to myself that we need to get back to the safety
20 checklist. Go ahead, Mr. Harlow.

21 Q. (By Mr. Harlow) Going back to the driver
22 testing, do you intend to pay your drivers before they
23 are hired for the testing?

24 A. No.

25 Q. I'd like to ask you a few more questions

00195

1 about Exhibit 5, your balance sheet. According to
2 this, you have \$43,000, approximately, in a checking
3 account.

4 A. That's correct.

5 Q. Do you recall this morning I asked you if you
6 brought any bank statements and you said no, you had
7 not?

8 A. I did not.

9 Q. Do you, in fact, receive bank statements on
10 this checking account?

11 A. It's fairly new, but I assume we do, yes.

12 Q. Does that mean you don't have any bank
13 statements on this checking account?

14 A. Not at this time, there are none. However,
15 if you would like, Mr. Harlow, I can have our office
16 fax over the deposit slip for forty-some thousand.

17 Q. We are getting a bit late in the day for
18 that, but you did have a deposit slip?

19 A. Yes.

20 Q. What was the source of the \$43,000?

21 A. American Airlines and SAS Airlines and
22 America Transair.

23 Q. They wrote you checks for your services?

24 A. Yes.

25 Q. The fixed assets that are shown under the

00196

1 assets, that's the five vehicles listed on Exhibit 4?
2 A. That's correct.
3 Q. The liabilities, payroll, you show \$1,558.
4 Who is currently on the payroll?
5 A. I don't have that information in front of me.
6 Q. Do you have any recollection as to who you
7 are currently paying?
8 A. These would be the drivers that drive the
9 crew, the airline crew.
10 Q. This would be Flagship Crew Shuttle?
11 A. Uh-huh.
12 Q. What other payroll liabilities?
13 A. Taxes and L&I.
14 Q. Are you paying yourself a salary?
15 A. Not at this time.
16 Q. Are you paying Mr. Hartley a salary?
17 A. Not at this time. However, we'll both be
18 paid, but we haven't yet.
19 Q. Is Ms. Aexel, are you paying her?
20 A. Haven't yet.
21 Q. Now, you show under equity, "opening, balance
22 equity." What does that reflect?
23 A. I would say that would reflect the fixed
24 assets. This is a computer program that the data is
25 entered into and it pops out a balance sheet. It looks

00197

1 like the numbers match up with the vehicle number.

2 Q. If you go back to your application,
3 Exhibit 2, Page 3, at that time, you showed cash on
4 hand as \$200,000; do you recall that?

5 A. I do.

6 Q. Why is it that the cash on hand declined from
7 \$200,000 to \$43,000?

8 A. Because this company is going to operate on
9 its own merit, like I stated earlier.

10 Q. You intend to operate it off of cash flow?

11 A. That's correct, and if it needs a personal
12 loan, we will give it to it at that time.

13 Q. You indicated earlier that you had about
14 \$20,000 you could lend to the company, and that plus
15 the 43 doesn't add up to \$200,000. Does the company
16 have as much access to as much capital as is shown on
17 Exhibit 2? Does it have access to \$200,000?

18 A. I would say it has access to substantially
19 more than that, but I'm going to say for the record
20 that it has immediate access to \$20,000.

21 Q. How would it have access to substantially
22 more than that?

23 A. From investors if I needed them.

24 Q. Investors other than you and Mr. Hartley?

25 A. No.

00198

1 Q. It would be you and Mr. Hartley?

2 A. Uh-huh. I take that back. It could be other
3 than me and Mr. Hartley, yeah.

4 Q. Can you identify potential investors?

5 A. No.

6 Q. Prepaid expenses, you listed \$20,000 at the
7 time of application. What did that consist of, and why
8 is that no longer shown on the balance sheet?

9 A. It's no longer shown because there wasn't a
10 slot for it on the new computer program we have, and
11 prepaid expenses at the time were our insurance
12 payments to have the State's liability limit so the
13 vans -- I don't know what it was, really, but I believe
14 that's what it was.

15 Q. What about other current assets; do you know
16 what was included in that?

17 A. Like I said in the prehearing conference,
18 this is a thing from before we were incorporated. So I
19 think that when we made this, this was a lot of -- in a
20 partnership, this was a lot of personal assets. That's
21 where the differentiation is. This balance sheet,
22 Exhibit 5, is what the company has, and this is what we
23 are talking about today.

24 Q. Do you know what a current asset is as
25 opposed to a long-term asset?

00199

1 A. No. Maybe could you explain it to me.

2 Q. If you were to assume a current asset is
3 liquid, like cash, certificates of deposit, stocks,
4 bonds, then did you and Mr. Hartley, to your knowledge,
5 have \$150,000 of assets such as that?

6 A. Available to us, yes.

7 Q. Can you give me an example of that kind of
8 asset that you have available to you?

9 A. Yes. Cash, vehicles that could be sold, race
10 cars, a semi trailer, tons of stuff.

11 Q. So you were including vehicles and equipment
12 as current assets.

13 A. Yes.

14 Q. The land and building that's shown for
15 \$150,000 on Exhibit 2, what land did you have in mind
16 there?

17 A. We had a parcel over on 170th, across the
18 street from the airport, that we did not purchase.

19 Q. So this was land you were thinking of
20 purchasing?

21 A. That's correct.

22 Q. That were listed as an asset of you and
23 Mr. Hartley on Exhibit 2; is that correct?

24 A. That's correct.

25 Q. Under the liability side of Exhibit 2, it

00200

1 shows mortgages payable, \$140,000. What was that
2 mortgage? Was it truly a mortgage?

3 A. No. Mortgage payable, the building we were
4 going to buy was \$200,000, and we were going to put
5 \$60,000 cash down and pay a mortgage of 140, which we
6 are not doing.

7 MR. HARLOW: Your Honor, at this point, I'm
8 ready to mark the next exhibit. These are driving
9 records. One is Mr. Hartley and one is
10 Mr. Valentinetti. I'll mark them at the same time.

11 JUDGE SCHAER: You've handed me a two-page
12 document. The first page is identified as Stephen
13 Valentinetti. The second page is identified as Brian
14 Montgomery Hartley. I will mark this for
15 identification as Exhibit 7.

16 (Marked Exhibit No. 7.)

17 Q. (By Mr. Harlow) Mr. Valentinetti, do you
18 have Exhibit 7 in front of you?

19 A. I do.

20 Q. Can you identify the first page of this
21 exhibit as being an abstract of your driving record?

22 A. Yes, I can.

23 Q. Can you identify the second page of the
24 exhibit as being Mr. Hartley's driving record?

25 A. Yes.

00201

1 Q. You see on the right-hand side near the
2 bottom of Mr. Hartley's, it says "CDL expires" --

3 A. I do see that.

4 Q. -- "111200"?

5 A. Uh-huh.

6 Q. Does that reflect that Mr. Hartley's
7 commercial expired in November of last year?

8 A. That reflects that Mr. Hartley's license to
9 drive the semi truck, that portion of it is expired,
10 yes. I would believe that's what that reflects, and
11 actually, it says 2000, but I think it says 2002. I
12 don't know.

13 Q. Turning to your driving abstract, and perhaps
14 you can help us translate some of this into English.
15 This contains information about your address, your date
16 of birth and so on at the top; is that correct?

17 A. That's correct.

18 Q. Is that information accurate?

19 A. Yes, it is.

20 Q. And then on the left, it says "CDL Class: A";
21 do you see that?

22 A. I do.

23 Q. Then below that, there is "121898 Speeding 65
24 MPH 60 Zone." Does that reflect a citation for
25 speeding on December 18th, 1998

00202

1 A. I believe it does.
2 Q. That occurred in Grays Harbor County. Would
3 you have been driving your tractor-trailer rig at that
4 time?
5 A. No.
6 Q. What were you driving at that time?
7 A. An Astro Van.
8 Q. Were you carrying passengers or baggage at
9 that time?
10 A. I believe I was delivering luggage. I'm not
11 sure what I was doing, but I know there was no
12 passengers on board though.
13 Q. The next line down, "030999," does that look
14 like March 9, 1999?
15 A. I assume that does.
16 Q. "Trip Permit Violation, Pierce County." What
17 was that about?
18 A. I think that was one of my vehicles that had
19 a trip permit in it that had expired.
20 Q. What kind of vehicle was that; do you recall?
21 A. I don't.
22 Q. The next line down, it says, "asterisk
23 C 011100 Overweight, height, length." Do you recall
24 what that was about?
25 A. I do. That was the race car semi traveling

00203

1 through Oregon, and Oregon has -- the entire United
2 States is set up on a licensing system, and Oregon has
3 its own separate, which is why you see a red plate on a
4 semi. You see one plate that's the base plate and then
5 you see a red plate on just about every semi, and
6 Oregon has its own system, and we had apparently not --
7 we were apparently not updated, our license, in Oregon
8 for the truck to pass through, so we got an overweight
9 ticket going through the scales.

10 I think our weight at the time was set --
11 when we originally licensed the semi, it was licensed
12 for 55 thousand pounds, I believe, and then when the
13 truck was loaded up with race cars and goodies and
14 stuff, I think it was more like 68 thousand, and we had
15 raised that. We raised that license across the United
16 States but had forgotten to do it for the separate
17 license in Oregon. So as we passed through Oregon, we
18 were overweight on the scale.

19 Q. The next line down, "082193," and to the
20 right of that it says, "Reckless Driving." Do you see
21 that line?

22 A. Uh-huh.

23 Q. Before reckless driving, it says, "SUSP SS."
24 Do you know what those stand for?

25 A. I don't.

00204

1 Q. Was your driver's license suspended as a
2 result of that citation?

3 A. Yes, it was.

4 Q. Below that, it says "111293 REL."

5 A. That's all the same thing.

6 Q. Was your driver's license reinstated at that
7 time?

8 A. I'm not sure of the time frame, but that's
9 all relating to the same citation, which was really a
10 speeding ticket that turned into reckless driving.

11 Q. The next line says, "Appeal to Superior
12 Court." Is that related to that same citation?

13 A. Yes.

14 Q. The next line says, "FTA/Unpaid Ticket." Is
15 that the failure to appear?

16 A. Yes.

17 Q. That was the time you were arrested?

18 A. Do you want the story?

19 Q. No. We want to keep it short.

20 JUDGE SCHAER: I would just like yes or no.
21 Is that the time you were arrested that you told us
22 about this morning.

23 THE WITNESS: Yes. However, I would like to
24 continue a little bit with that.

25 JUDGE SCHAER: When we get to a point where

00205

1 you get to do rebuttal, fine, I will allow you to. Go
2 ahead.

3 Q. (By Mr. Harlow) Was your driver's license
4 suspended again at that time?

5 A. I don't believe so. As a matter of fact no,
6 it wasn't.

7 MR. HARLOW: We have another exhibit, Your
8 Honor, if I may.

9 JUDGE SCHAER: Go ahead, please.

10 MR. HARLOW: I'd like to offer Exhibit 7.

11 JUDGE SCHAER: Any objection to it being in
12 the record?

13 THE WITNESS: No.

14 JUDGE SCHAER: Document is admitted.

15 (Admitted Exhibit No. 7.)

16 JUDGE SCHAER: You've handed me a multipage
17 exhibit, which is headed at the top, "Seattle Super
18 Shuttle Maintenance Log." It appears to be maintenance
19 records on Vans 1 through 3, 4, and 6. I'll mark that
20 for identification as Exhibit No. 8.

21 (Marked Exhibit No. 8.)

22 Q. Mr. Valentinetti, you have in front of you
23 Exhibit 8.

24 A. Yes, I do.

25 Q. These are the maintenance records that you

00206

1 brought to the hearing today pursuant to our subpoena?

2 A. That's correct.

3 MR. HARLOW: Your Honor, we offer Exhibit 8.

4 JUDGE SCHAER: Any objection?

5 THE WITNESS: No.

6 JUDGE SCHAER: Document is admitted.

7 (Admitted Exhibit No. 8.)

8 Q. (By Mr. Harlow) These are the only
9 maintenance records you brought today pursuant to the
10 subpoena?

11 A. That's correct.

12 MR. HARLOW: One more exhibit, Your Honor.

13 JUDGE SCHAER: Go ahead, please. You've
14 handed me a single-page document which I will mark for
15 identification at Exhibit No. 9.

16 (Marked Exhibit No. 9.)

17 Q. Do you have in front of you Exhibit No. 9?

18 A. I do.

19 Q. Is this document also something you brought
20 pursuant to our subpoena, which requested citations,
21 violations, or adverse findings by any government
22 agency?

23 A. Yes, it is.

24 Q. Just to kind of sum it up, does Exhibit 9
25 reflect citations by the Port of Seattle, the airport,

00207

1 basically, for failure to follow their rules and
2 regulations?

3 A. I think they are parking violations.

4 Q. So would the answer be yes, failure to follow
5 their parking regulations?

6 A. These are parking violations.

7 Q. The Port of Seattle has a number of
8 regulations in terms of how carriers such as your
9 company operate, where they can park and go and so
10 forth; is that correct?

11 A. That's correct.

12 Q. If you fail to follow those, they issue
13 citations such as those shown in Exhibit 9?

14 A. That is correct.

15 Q. Have you had any discussions with the Port
16 regarding a concession agreement to operate as an auto
17 transportation company out of SeaTac?

18 A. Yes.

19 Q. Who have you spoken with?

20 A. Rod Hilden.

21 Q. Have you been told by Mr. Hilden that Shuttle
22 Express has an exclusive concession agreement with the
23 Port of Seattle for door-to-door service to and from
24 SeaTac?

25 A. Yes.

00208

1 Q. I take it you don't have a concession
2 agreement at this time with the Port?

3 A. At this time, I don't.

4 MR. HARLOW: That's all the questions I have,
5 Mr. Valentinetti. Thank you.

6 JUDGE SCHAER: I have a few questions to go
7 over with you as well, Mr. Valentinetti.

8 MR. HARLOW: Your Honor, before we do that, I
9 would offer Exhibit 9.

10 JUDGE SCHAER: Is there any objection to
11 Exhibit 9, which is the document you've described as
12 parking violations?

13 THE WITNESS: No objection to that.

14 JUDGE SCHAER: That document is admitted.
15 (Admitted Exhibit No. 9.)

16

17

EXAMINATION

18

BY JUDGE SCHAER:

19

Q. Looking at first your list of vehicles, I
20 just want to confirm with you, are any of these
21 vehicles that would hold 16 or more people including
22 the driver?

23

A. No.

24

Q. You were asked about your safety program by

25

Mr. Harlow, and I believe that you were bringing up a

00209

1 copy of a safety checklist on your computer screen; is
2 that correct?

3 A. That's correct.

4 Q. Could you just briefly describe to me what
5 your safety program is as it currently stands?

6 A. When our drivers come to the vehicle, as they
7 walk up, they do an exterior check to see that it's
8 clean. They do a walkaround -- this is a little bit
9 out of order, but they do a walkaround and a security
10 check, look in the wheel wells, look for anything that
11 could be placed there that's something that someone
12 could have put there. They look in front and in back
13 of the tires to make sure there is nothing there that
14 could damage a tire as they drive away. They look for
15 dents or scratches or broken glass or mirrors as they
16 approach it. As they do the walkaround, they look at
17 the tires to make sure they are inflated for wear, for
18 uneven wear, for alignment. They check to see that it
19 has a spare tire in the back.

20 Then they start the vehicle, turn on the
21 lights, check the headlights, the taillights, the turn
22 signals. The brake lights can't be checked by one
23 person except for looking in the mirror and putting the
24 brakes on and seeing if you can see it reflect off the
25 back. That is there, but it's not a very good check

00210

1 unless you have two people. The interior lights, they
2 check to see they have at least a half a tank of fuel
3 before they go to work. Once again, I was out of
4 order. They have to check the engine before they start
5 it. When they do start the vehicle, they listen for
6 knocks or noises just to make sure that the engine does
7 have oil pressure. After it's started, they look for
8 fluid leaks.

9 They check to see that the doors open and
10 close properly, and there is two reasons for that. One
11 is to make sure they will latch and lock, and the other
12 is to make sure the seat belts are there and secured
13 still. They check to make sure the fire extinguisher
14 is on board, and that's inside the two side doors that
15 open up. It's placed right there so you can read the
16 gauge and make sure that it's charged and that it's
17 there.

18 There is a first aid kit underneath the front
19 seat, so when you open the side doors, you can check
20 and do a visual and make sure it's there. When they
21 check the back doors, which is the area we spoke of
22 earlier, the two-and-a-half feet by whatever the size
23 of the van is, there is a cargo net there. They make
24 sure to see it's in place and that it's not damaged and
25 that it's still hooked up.

00211

1 They do an interior check to make sure it's
2 clean, there is no garbage or nothing is spilled. They
3 also do an interior check, not just to see if it's
4 clean but also a security check because right now, we
5 are hauling airline crews. In this day and age,
6 they've been a target in some countries. So we check
7 the interior of the vans to make sure there are no
8 foreign objects inside. They look for rips and tears
9 in the seats. Once again, that the seat belts work
10 properly and that they are all there and they are not
11 pushed down between the cushion. They look for stains
12 and cleanliness on the seats and on the floor.

13 Now the van is warmed up. If it's winter
14 time, they check to see that the heat works; if it's
15 summertime, that the AC works so the people in the van,
16 including the driver, are comfortable. Windshield
17 wipers, a five-mile-an-hour brake check, meaning when
18 they get ready to actually leave, they drive about 10
19 feet and put the brakes on just to make sure they have
20 stopping power before they take off on the road and
21 come to the first stop sign and find out that they
22 don't, and that they have their daily schedule, and
23 that's it.

24 Q. So that is your safety checklist for drivers
25 at the beginning of a shift; is that correct?

00212

1 A. Yes, ma'am.

2 Q. Beyond that, what kind of safety program are
3 you going to have?

4 A. We are going to have our mechanic -- we are
5 also working with the Ford dealership for them to give
6 us a list of what kind of things -- the Ford vans,
7 E-350 vans, are new to us, so we are getting a list
8 from the mechanics. What kinds of things do you see go
9 wrong with these? How often do you do the brakes and
10 when do you start to see them go bad? When do you have
11 the belts changed and when do you do this? So we are
12 working with those guys because that's who we are
13 buying the vehicles from. We started off with used
14 ones, but now, we are buying new, and they are setting
15 up a program for us so we have a perfect -- it's not
16 perfect and it's not done now, but that's what they are
17 doing for us since we are buying vehicles from them.
18 You know, here's a program and here's what you need and
19 this is the real times when you need to do this
20 maintenance.

21 Q. So you are setting up a maintenance program
22 with the people who sold you vans.

23 A. Right. They are actually right this second
24 doing this, but they are making a program for us so we
25 can do it ourselves once these vans are off warranty,

00213

1 and that way, we can do it ourselves. Every new van we
2 buy, we'll probably go ahead and send it right through
3 until it's off warranty to the dealership to have that
4 work done there, and then after it's done, it will move
5 into our fleet maintenance program.

6 Q. Are you going to have any other kind of a
7 safety program or safety training for your drivers
8 beyond just checking the vehicles?

9 A. When we hire a new person, they are going to
10 go through a check drive, and then there is going to be
11 periodic driver training and also ride-alongs, which
12 Mr. Hartley will be in charge of which he's already
13 done, and we don't think he's an expert, but we think
14 he's a safe driver, and he knows the vehicles and knows
15 what safe is.

16 Q. Among the things that were talked about this
17 morning with some of the witnesses who testified on
18 your behalf was a concern about whether a service was a
19 shared service, and I think it was Mr. Estes was
20 testifying that he did not like to use a shared
21 service, and it's not clear to me whether you are also
22 proposing a shared service or whether you are proposing
23 something different. Can tell me about that?

24 A. We are proposing a shared service. We are
25 not proposing to load the vans to the capacity of the

00214

1 vehicle, and therefore -- actually, maybe I should say
2 this, because I'm going to go into a big long thing
3 with it, unless you want me to now.

4 Q. I just needed to know if you were also
5 proposing a shared service.

6 A. Yes.

7 Q. Then there was some discussion with
8 Mr. Eichelberger about ticketing arrangements and the
9 need of public as related to what travel agents do for
10 them, and are you proposing to have some kind of
11 ticketing arrangement or commission paid to travel
12 agents?

13 A. Yes.

14 Q. Can you tell me how that will work, please?

15 A. Once again, it's not set up yet, but just
16 like an airline ticket is gone through with the travel
17 agent where they set that particular thing up, we'd
18 like to do the same thing for the ride to and from the
19 airport with the travel agent, and the commission
20 structure and the actual implementation of that
21 happening is not finished at this time.

22 Q. I want to look more specifically at Exhibit
23 No. 2, which is your application, and with Exhibit
24 No. 2, there is also attached a tariff; is that
25 correct?

00215

1 A. Yes, ma'am.

2 Q. And I believe that's indicated to be your
3 proposed rate structure.

4 A. I'd like to come back to that if I could.

5 Q. I have an area of concern here that I want to
6 explore with you, which is the difference between
7 what's described in Question 7 on the application and
8 what's described on the last page of the application
9 and what area it is you are seeking authority to serve
10 in this proceeding, and as I understood your testimony
11 this morning, you are seeking something broader than
12 what's shown on the last page, which is door-to-door by
13 reservation only between Seattle-Tacoma International
14 Airport and the points in the City of Seattle; is that
15 correct?

16 A. That is correct.

17 Q. Instead what you are seeking authority to
18 serve is what's described in Question 7 on the
19 application; is that correct?

20 A. Well, I think the reason -- can I tell you
21 verbally what we want really?

22 Q. I think maybe what I should do is let you
23 know and Mr. Harlow know that what I'm concerned about
24 here is that when the Commission puts something on its
25 docket and tells the world what is being applied for,

00216

1 then that is what we would have authority to grant in
2 this proceeding, because we have not given notice to
3 everyone out there that you are seeking things beyond
4 between SeaTac and Seattle.

5 So a question that was raised for me this
6 morning is whether we need to redocket this application
7 and then have more hearing that would address any
8 protests that came in on that redocketing. So I'm
9 trying to find out if there was any kind of a
10 limitation from you that was communicated to staff or
11 whether this is a mistake that we need to correct or
12 what we need to do at this stage in the proceeding.

13 A. I'm not following you exactly because my mind
14 is thinking so fast about what we're talking about. I
15 can tell you what we want to do.

16 Q. Why don't you tell me what you want to do and
17 then let's talk about whether that's broader than
18 what's shown on the last page of this, and if it is,
19 then what we will need to talk about is whether we need
20 to go back to the Commission and republish the
21 information about what it is that you want or whether
22 we can proceed on part of this or how we are going to
23 deal with this problem if you want something that is
24 broader than shown here.

25 A. I'm not sure if I said something that makes

00217

1 it broader than this?

2 Q. What's written in your answer to Question 7
3 is broader than what's written on the sheet that is the
4 last page and the sheet before it, which is the
5 next-to-the-last page, which is the language that the
6 Commission published about what this hearing was about.

7 A. Can I see the page you are looking at?

8 JUDGE SCHAEER: I'm going to approach the
9 witness. Do you have that page, Mr. Harlow?

10 MR. HARLOW: Yes, I do.

11 Q. (By Judge Schaer) It's my understanding that
12 was the language that was included in the Commission
13 docket about this case. If you look at Question 7,
14 what you ask for is more than that.

15 A. I see.

16 Q. Usually if there is a difference like that,
17 what would have happened is that someone from
18 Commission staff talked to you or Mr. Hartley and got
19 the other information agreed to, but I don't find any
20 notes in the Commission file indicating that such a
21 conversation took place. So I'm just worried about
22 what we are doing here and whether we've given enough
23 notice to allow it to proceed.

24 A. How about if I give you a verbal of what we
25 really want to do.

00218

1 Q. You can do that, and then we need to see how
2 that relates to Question 7.

3 A. We want to do auto transport between SeaTac
4 and the Seattle city limits. However, there is small
5 areas that, I believe, not considered the city limits
6 that are between Seattle and SeaTac Airport that we
7 also want to be able to access. When we say 25-mile
8 radius, we are not trying to be Shuttle Express. They
9 are huge. Jim Sherrell is a great guy. He's big.
10 We don't want to go to Vashon Island. That's
11 not what we are trying to do either. With that 25-mile
12 circle, we could go to Bremerton. That's not really
13 what we are trying to do, but what we want to do is
14 encompass Tukwila, which might be really Seattle, in
15 between downtown and Seattle, or an area like that or
16 Burien, which really is Burien because it's a city now.
17 We want to go from the airport north to Seattle city
18 limits. That's what we are trying to do. We don't
19 want to go to Bellevue or Kirkland or Bothell or any of
20 those places, but we wanted to make sure in the
21 verbiage we put down we made sure we encompassed any of
22 those areas.
23 So let's say we were granted the authority.
24 We want to operate with the proper licensing
25 procedures, and I don't want to be granted the

00219

1 authority and then have one of our vans down in Tukwila
2 or at Southcenter or somewhere that's not really a
3 Seattle city limit because we think it is but it's
4 really not and be in trouble. So what we are trying to
5 do by this 25-mile circle is -- that's really where we
6 are trying to go.

7 JUDGE SCHAER: I'm going to suggest we go off
8 the record for a moment and talk about where we are and
9 what we can or cannot do today.

10 (Recess.)

11 JUDGE SCHAER: Back on the record. While we
12 were off the record, parties were able to discuss among
13 themselves how to proceed from this point, and it's my
14 understanding, Mr. Valentinetti, that you and
15 Mr. Hartley have talked this over and have agreed that
16 for purposes of this proceeding, you will limit this
17 application to the language that was docketed, which
18 appears on the last page of Exhibit 2; is that correct?

19 THE WITNESS: That is correct, Your Honor.

20 JUDGE SCHAER: It's also my understanding
21 that after conversation among the parties and the Bench
22 that we are interpreting the language that say points
23 in the City of Seattle as being within the city limits
24 as they exist today; is that correct?

25 THE WITNESS: That is correct.

00220

1 JUDGE SCHAER: Is that your understanding
2 also, Mr. Harlow?

3 MR. HARLOW: Yes, Your Honor.

4 JUDGE SCHAER: Is there anything further we
5 need to look into on that? Thank you for that. I just
6 have one more question.

7 Q. (By Judge Schaer) Do any of your vans have
8 Onstar?

9 A. No. But they do have global positioning.
10 Onstar is when you call the person?

11 Q. When you push the button and someone will
12 tell you you just missed your right turn; you need to
13 go around the block?

14 A. No, we don't have that.

15 JUDGE SCHAER: That's the extent of my
16 questions for you, Mr. Valentinetti. It's time now
17 that if you want to call Mr. Hartley, you may, and
18 usually, we would save your opportunity for rebuttal
19 until after Mr. Harlow's clients have testified, and if
20 there is anything more you want to put in the record at
21 that point, you may. So I think you can leave the
22 witness stand now. Is there anyone who wishes to call
23 Mr. Hartley for any reason?

24 MR. HARLOW: We don't plan to call him, no.

25 JUDGE SCHAER: Was there anything you wanted

00221

1 to ask of him that you felt you didn't have the
2 information on, Mr. Valentinetti?

3 MR. VALENTINETTI: I think at this time I
4 don't need to, but can I reserve the right to call him
5 later.

6 JUDGE SCHAER: If there is something on
7 rebuttal you want to call him for, we can do that at
8 that point in the hearing. Do you have any other
9 witnesses that you are planning to call in the
10 beginning part of your case, your initial case?

11 MR. VALENTINETTI: No.

12 JUDGE SCHAER: We'll go off the record for a
13 moment to allow change of witnesses and, Mr. Harlow,
14 call your first witness.

15 (Discussion off the record.)

16 JUDGE SCHAER: Would you like to call your
17 next witness, please?

18 MR. RICE: I'd like to call David Gudgel.

19 (Witness sworn.)

20 MR. RICE: Before we begin, I have an exhibit
21 list which I would like to distribute which may aid in
22 following the exhibits which I am going to be marking.

23 JUDGE SCHAER: Thank you, Mr. Rice, for
24 putting this together. I think it will help all of us
25 to stay organized.

00222

1

2

DIRECT EXAMINATION

3 BY MR. RICE:

4

Q. Good afternoon. Could you please state your full name and business address for the record?

6

A. David Gudgel. My business address is 4500 West Marginal Way Southwest, Seattle, 98106.

8

Q. Can you tell me about your most recent education?

10

A. Yes. I have a Bachelor's of Business Administration from Gonzaga University in 1991. I've also, that pertains to transportation, attended a weeklong class for traffic safety institute, which is an arm of the Department of Transportation in Oklahoma City and attained a certificate in bus accident investigation. I've also attended several Evergreen Safety Counsel safety program classes in my time at Gray Line.

19

Q. Where do you work?

20

A. At Gray Line of Seattle.

21

Q. What is your position there?

22

A. I'm a general manager.

23

Q. Can you describe generally for me what your duties are as general manager?

25

A. Yes. I oversee the sales, marketing,

00223

1 reservation operations, shop, purchasing, driver
2 hiring, safety, and dispatch operations for Gray Line
3 of Seattle and Worldwide Shore Services in Vancouver,
4 British Columbia.

5 Q. Are there any aspects of Gray Line's
6 businesses that you are unfamiliar with?

7 A. No.

8 Q. Prior to this current position, did you work
9 for Gray Line?

10 A. Yes. I've worked for Gray Line in several
11 capacities for the last 11 years.

12 Q. Can you identify some of your previous
13 positions?

14 A. Yes. I started with the company as a driver
15 in Alaska, and I moved quickly into a dispatch role in
16 Alaska. I continued on to our Phoenix operation doing
17 safety and training. I did that for quite a while in
18 Seattle training new drivers and went to Alaska to be
19 the tour development and safety representative for the
20 State of Alaska and the Yukon Territory for operations
21 there. I've also served as a safety manager for Gray
22 Line of Seattle, a tour and charter manager for Gray
23 Line of Seattle, and most recently, general manager.

24 Q. How long in total have you been with Gray
25 Line?

00224

1 A. 11 years.

2 Q. Are you familiar, generally, with the market
3 demand for bus service on the routes that Gray Line
4 serves?

5 A. Yes, I am.

6 Q. Are you familiar with the available modes of
7 public transportation on the routes you serve?

8 A. Yes.

9 Q. Let's talk a bit about Gray Line. First of
10 all, what is the address of Gray Line?

11 A. 4500 West Marginal Way Southwest, Seattle,
12 98106.

13 MR. RICE: Your Honor, I would like to mark
14 our first exhibit, and may I approach the witness?

15 JUDGE SCHAER: Yes. And just in interest of
16 saving time, would it be possible to mark your exhibits
17 as a group and then let you proceed through them?

18 MR. RICE: That would be fine.

19 JUDGE SCHAER: Off the record.

20 (Discussion off the record.)

21 JUDGE SCHAER: Back on the record. While we
22 were off the record, we had some exhibits distributed,
23 and please go ahead, Mr. Rice.

24 Q. (By Mr. Rice) Mr. Gudgel, if you could
25 please turn to what has been marked as Exhibit 10 --

00225

1 JUDGE SCHAER: Actually, before we proceed,
2 let me go ahead and mark these on the record. I'm
3 going to mark for identification as Exhibit 10, a photo
4 of the facilities; as Exhibit 11, Gray Line's permit
5 for the Washington Utilities and Transportation
6 Commission; as Exhibit 12, a Gray Line equipment list;
7 Exhibit 13 a copy of what looks like a tri-fold
8 pamphlet regarding the services of Gray Line of
9 Seattle, and that's a multipage document.

10 As Exhibit 14 for identification, a copy of
11 the airport concession agreement between Gray Line and
12 Port Of Seattle. As Exhibit 15 for identification, a
13 photograph of the repair facility used by Gray Line.
14 As Exhibit 16 for identification, a copy of the
15 insurance certificate. Exhibit 17 for identification,
16 a copy of an audit prepared by the Department of the
17 Army, Military Traffic Management Command.

18 As Exhibit 18 for identification, it appears
19 to be a newspaper article or publication article about
20 a Seattle tourism award, and as Exhibit 19 for
21 identification, a docket with columns of numbers, which
22 is not labeled but which is identified on the exhibit
23 list provided as a utilization report. So we need to
24 do a little bit more identification of that, Mr. Rice.

25 (Marked Exhibits No. 10 through 19.)

00226

1 Q. Turning to what has been identified as
2 Exhibit 10, can you identify this exhibit for me?

3 A. This is an aerial photograph of our shop
4 location on West Marginal Way.

5 Q. Can you point out on the photo exactly where
6 your facilities are in this photograph?

7 A. They are in the lower center, the white
8 building that's surrounded by the blacktop adjacent to
9 West Marginal Way. (Witness indicating.)

10 Q. Can you describe, generally, some of the
11 facilities that are at this location?

12 A. Yes. This location contains our reservation
13 centers, all of our business offices, our dispatch
14 facilities, driver rooms, wash bays, and service
15 facilities, maintenance bays, and our purchasing
16 department.

17 MR. RICE: Your Honor, I would like to offer
18 this exhibit into evidence.

19 JUDGE SCHAER: Any objections?

20 MR. VALENTINETTI: No.

21 JUDGE SCHAER: Document is admitted.

22 (Admitted Exhibit No. 10.)

23 Q. (By Mr. Rice) Let's talk about the services
24 that Gray Line offers. Tell me what services you
25 offer.

00227

1 A. In addition to our airport express service,
2 which we've been discussing today, we offer charter
3 services. We service many of the cruise lines in
4 transportation between the Seattle airport and
5 Vancouver, British Columbia cruise ship piers.
6 We have a package tour product which includes
7 tour operations to Seattle, Victoria and Vancouver and
8 the Canadian Rocky's, and we have a sight-seeing
9 program with daily sight-seeing activities in and
10 around the Pacific Northwest.

11 Q. Can you turn to what's been marked as Exhibit
12 11? Please identify this document.

13 A. This is our operating authority.

14 Q. Can you generally describe what your
15 understanding of your authority is under this that's
16 relevant to this proceeding?

17 A. Yes. This allows us to operate between
18 SeaTac Airport and points in downtown Seattle.

19 MR. RICE: Your Honor, I would like to offer
20 this exhibit into evidence.

21 JUDGE SCHAER: Any objection?

22 MR. VALENTINETTI: No.

23 JUDGE SCHAER: Document is admitted.

24 (Admitted Exhibit No. 11.)

25 Q. (By Mr. Rice) How long has Gray Line offered

00228

1 its airport express service?

2 A. As the company exists today, we've operated
3 the airport express service since 1985.

4 Q. Please describe for me generally how a
5 passenger would seek out and use your service.

6 A. We advertise with the leaflets, of which we
7 will talk about later. We produce about 250 thousand
8 of those brochures annually. We have sales locations
9 on airport drives. We have sales locations at the
10 Washington State Convention and Trade Center. We also
11 sell our tickets through the bellmen and concierge in
12 the downtown hotels and through travel agencies both in
13 the Seattle area and on a national and international
14 basis. These services are advertised along with our
15 package tours, and these brochures are mailed out to
16 agents all over the world.

17 Q. Is this a scheduled or a door-to-door
18 service?

19 A. This is a scheduled service.

20 Q. How frequently do the buses run?

21 A. Depending on the summer versus winter
22 schedule, either 30 minutes between departures in the
23 winter and a 20-minute schedule in the summer.

24 Q. Where would a passenger who is downtown need
25 to go in order to catch a ride with one of your buses?

00229

1 A. They can catch a ride at any of the major
2 hotels in downtown Seattle. We also offer additional
3 service, which is called our connector, which we try to
4 keep a fairly tight schedule with the large coaches.
5 We have smaller vans that will service the outlying
6 hotels and bring a passenger who might be at the ferry
7 terminal, the Amtrak station, or one of the smaller
8 outlying hotels in to a stop that is regularly
9 scheduled by the large motor coaches.

10 Q. How many passengers, approximately, do you
11 serve each year?

12 A. Around 300,000.

13 Q. Let's talk about the equipment that Gray Line
14 uses. What are the vehicles that are involved in your
15 airporter service?

16 A. We utilize a 53-passenger 40-foot MCI motor
17 coaches.

18 Q. Could you turn to what has been marked as
19 Exhibit 12?

20 A. Yes.

21 Q. Can you identify this exhibit?

22 A. This is an equipment list for Gray Line of
23 Seattle.

24 Q. Please explain what this list shows.

25 A. This list identifies each of the vehicles,

00230

1 either service vehicles or revenue vehicles, that are
2 in my current fleet that identifies vehicle year, their
3 make, their model, number of seats, license plate
4 number, and VIN.

5 Q. Are the buses used in your airporter service
6 on this list?

7 A. Yes, they are.

8 Q. How many buses do you use for your airporter
9 service?

10 A. On a daily basis, the service requires six
11 full-size motor coaches and two vans.

12 MR. RICE: Your Honor, I'd like to offer into
13 evidence this exhibit.

14 JUDGE SCHAER: Any objections.

15 MR. VALENTINETTI: No.

16 JUDGE SCHAER: Document is admitted.

17 (Admitted Exhibit No. 12.)

18 Q. (By Mr. Rice) Let's talk about your dispatch
19 system. First of all, do you have a dispatch system?

20 A. Yes, we do.

21 Q. Can you generally describe to me how a
22 dispatch system works in the context of a scheduled
23 service?

24 A. Yes. I have a staff that is physically on
25 site at our maintenance facility who has radio contact

00231

1 with all of my coaches and drivers. They make
2 assignments of vehicles on a daily basis. The drivers
3 in this service have the ability to bid it so that they
4 will know what their work is for a fixed amount of
5 time, and they will have the same schedule every day.

6 The dispatchers are there to make sure that
7 the vehicles and the drivers are matched up
8 appropriately; that they are following their union
9 contract and following general safety regulations. In
10 the service, we would also have one other step wherein
11 our tour manager, who is also in charge of the airport
12 express service, would work closely with the Convention
13 and Visitor Bureau and the hotels to determine areas of
14 peak demand and to put on additional coaches during
15 those times.

16 Q. Do your drivers stay in contact with each
17 other as they go through the streets?

18 A. Yes. In fact, we have a radio frequency
19 dedicated just to our airport service where they can
20 talk to each other, and as is especially important here
21 in Seattle, figure out the best routes given the
22 different times of the day with traffic.

23 Q. Why do you need this type of dispatch
24 service?

25 A. This can be a complicated service with

00232

1 different things that get thrown at us with peak needs,
2 with managing the driving staff, with managing a fleet
3 of vehicles to make sure they are always properly
4 maintained and that they are ready for service.

5 Q. Let's talk about advertising. Can you turn
6 to what has been marked as Exhibit 13? You mentioned
7 that you do advertising. Can you identify this
8 document?

9 A. Yes. This is our current schedule.

10 Q. What sort of information is in these
11 schedules?

12 A. This lists the hotels that we serve, our
13 general terms and conditions, our schedule, and
14 instructs passengers where they can pick up the
15 service, both at the airport and at the hotels.

16 Q. Where are these pamphlets available?

17 A. These are available all throughout Seattle
18 via the certified rack system. If you've seen racks in
19 hotels, in ferry terminals, that's a contract. We
20 distribute them there. We distribute them at the
21 airport under the kiosks where we purchase space, also
22 at the booths, so they are in the baggage claim and
23 they are at the booths, and as I mentioned before, they
24 are mailed out to travel agencies both locally and
25 internationally.

00233

1 Q. You mentioned travel agencies. Do you have a
2 travel agency incentive program?

3 A. Yes, we do.

4 Q. Can you describe, generally, that for me?

5 A. We commission sales of this product through
6 two travel agents and to hotel bellmen and concierge.

7 MR. RICE: Your Honor, I'd like to offer this
8 exhibit into evidence.

9 JUDGE SCHAER: Any objection?

10 MR. VALENTINETTI: No.

11 JUDGE SCHAER: Document is admitted.

12 (Admitted Exhibit No. 13.)

13 Q. (By Mr. Rice) You mentioned the airport.
14 Let's talk about your arrangements with the airport.
15 Do you know what a concession agreement is?

16 A. Yes.

17 Q. Can you turn to what's been marked as Exhibit
18 14?

19 A. I can.

20 Q. Please identify this exhibit.

21 A. This is a concession agreement between the
22 Port of Seattle and Gray Line of Seattle.

23 Q. Please describe, generally, what Gray Line's
24 rights are under this agreement?

25 A. This agreement allows for exclusive use of a

00234

1 zone on the baggage claim level. It allows for the
2 placement of kiosks on the baggage claim level and for
3 the sale of tickets for our service from those
4 locations. It also allows for drop-of zones and
5 additional pickup zones at the south end of the baggage
6 claim drive.

7 Q. Is this agreement currently in effect?

8 A. Yes, it is.

9 Q. Could you provide your airporter service if
10 you did not have this agreement?

11 A. No, I could not.

12 MR. RICE: Your Honor, I'd like to offer this
13 exhibit into evidence.

14 JUDGE SCHAER: Any objection?

15 MR. VALENTINETTI: No.

16 JUDGE SCHAER: The document is admitted.

17 (Admitted Exhibit No. 14.)

18 Q. (By Mr. Rice) Let's talk now about
19 maintenance procedures. Does Gray Line handle its own
20 maintenance?

21 A. Yes, we do.

22 Q. Do you have a maintenance facility?

23 A. Yes, we do.

24 Q. Could you turn to what has been marked as
25 Exhibit 15? Please identify what appears in this

00235

1 photo.

2 A. This is a photograph of some of the service
3 bays located at our facility at 4500 West Marginal Way.

4 Q. Can you describe the type of maintenance that
5 takes place at this facility?

6 A. We do everything here from daily services,
7 tire changing, lubes, filters and oil to major
8 overhauls.

9 Q. What are some of the examples of the major
10 overhauls you do there?

11 A. Our vehicles, we can do complete engine,
12 transmission, rear-end overhauls. We've also have done
13 reupholstery at this location. We have most recently
14 done some work on upgrading our motors on these
15 vehicles as well.

16 Q. Are you doing any maintenance that's intended
17 to improve the efficiency of your operations?

18 A. Yes. In fact, we are replacing some of the
19 old eight-cylinder diesel engines that are currently in
20 our coaches with a new four-cylinder engine that has
21 the same amount of power and gets almost twice the gas
22 mileage.

23 Q. How frequently do you do standard maintenance
24 on a bus?

25 A. Maintenance is performed anytime a driver

00236

1 requests it, after they've done their initial
2 inspection of the coach for the day. In addition, we
3 have a cycle based on a 2500-mile completion wherein
4 every 2500 miles, the coach comes in for a service, and
5 at progressive marks, then it gets additional service.
6 So the service that it gets at 2500 miles is different
7 than the service it gets at 50,000.

8 Q. Do you have a parts inventory?

9 A. Yes, we do, of approximately \$400,000.

10 Q. Why do you have this parts inventory?

11 A. So we can service the vehicles very quickly
12 and get them back out onto the road and in service in
13 case there is a need for a part.

14 Q. Do you know how many employees are
15 responsible for maintenance?

16 A. Approximately 24.

17 Q. Are there any written procedures for periodic
18 maintenance?

19 A. Yes.

20 Q. Do you maintain maintenance files on your
21 vehicles and other equipment?

22 A. Every vehicle has a file.

23 Q. How are those files maintained today?

24 A. Both as an electronic file and a hard copy
25 file for each one of the vehicles. As the driver does

00237

1 their daily inspection of the vehicle, they indicate on
2 that form the number of miles it was driven that day,
3 and that is how we get the information, the feedback
4 for the services and also for anything that may have
5 gone wrong with the coach while it was in service that
6 day.

7 Q. You mentioned daily inspections. Does that
8 include a pretrip inspection?

9 A. Yes. This is the documentation of the
10 pretrip inspection.

11 MR. RICE: Your Honor, I'd like to offer this
12 exhibit into evidence.

13 JUDGE SCHAER: Exhibit 15 has been offered.
14 Any objection?

15 MR. VALENTINETTI: No.

16 JUDGE SCHAER: Document is admitted.

17 (Admitted Exhibit No. 15.)

18 Q. (By Mr. Rice) Let's talk about bus cleaning.
19 Do you try to keep the buses clean?

20 A. The buses are cleaned every day.

21 Q. Are there bus-cleaning facilities that you
22 own?

23 A. Yes.

24 Q. Can you describe some of the cleaning
25 procedures?

00238

1 A. Yes. We've gone to an automated system for
2 the outside. An overall picture is located on the east
3 side of the building. In that facility, the outside is
4 cleaned like it would be in an automatic car wash, and
5 we actually recycle the water that comes through that
6 process, and it is reused. It's cleaned with a
7 filtration system and then reused over and over again.

8 Q. What do you do with waste oil?

9 A. Waste oil is collected and contained on site.
10 During the winter, we have a waste oil burner, and that
11 fuel is used to heat the floor of the wash bay so that
12 it doesn't freeze and turn into a skating rink.

13 Q. Why do you take actions like recycling?

14 A. We feel it's important to be a good corporate
15 citizen. We are in a very, very sensitive area on the
16 Duwamish, and we take our location very seriously,
17 because any action that we took could adversely affect
18 our surroundings. So all of our run-off from our
19 facility goes through oil water separators so we don't
20 contribute to the pollution in that area.

21 Q. Does Gray Line handle disabled passengers?

22 A. Yes.

23 Q. Can you describe some of the procedures you
24 have in place to assist these passengers?

25 A. Yes. We hope as much as possible to get

00239

1 advance notice from disabled passengers. We are
2 required 48 hours of notice to give someone who has
3 special needs and has mobility requirements. If we get
4 that, we will send a coach out for our service that has
5 a wheelchair lift. These are coaches that have been
6 retrofit and have had lifts installed. We also have
7 smaller vehicles that are not generally part of the
8 service that have wheelchair accessibility and
9 wheelchair lifts.

10 If somebody shows up at the hotel or at the
11 airport without prior arrangements, we will do whatever
12 we can to get one of those vehicles to that location as
13 soon as possible.

14 Q. Switching gears a bit and talk about
15 insurance. Do you maintain insurance?

16 A. Yes.

17 Q. Who is your carrier?

18 A. Lancer Insurance Corporation.

19 Q. Can you turn to what has been marked as
20 Exhibit 16?

21 A. Yes.

22 Q. Can you identify this document?

23 A. This is a certificate of our liability
24 insurance.

25 Q. Do you know what your policy limit is under

00240

1 this?

2 A. Yes. This shows a four-million-dollar limit,
3 but it's a little bit misleading here. The
4 requirements are that we have a five-million-dollar
5 policy, and we have a million dollar self-insured
6 retention, so basically, we have a million-dollar
7 deductible.

8 MR. RICE: Your Honor, I would like to offer
9 into evidence this exhibit.

10 JUDGE SCHAER: Exhibit 16 has been offered.
11 Any objections?

12 MR. VALENTINETTI: None.

13 JUDGE SCHAER: Document is admitted.

14 (Admitted Exhibit No. 16.)

15 Q. (By Mr. Rice) Let's talk about your drivers.
16 How many drivers does Gray Line have?

17 A. Approximately 225.

18 Q. Do you have hiring policies and procedures to
19 screen potential drivers?

20 A. Yes, we do.

21 Q. Can you generally describe some of these
22 procedures?

23 A. An applicant that came to us would be
24 required to be 21 years of age, have no more than one
25 moving violation in the last three years, and no

00241

1 reckless or DWI's on their record ever.

2 Q. Why do you have qualifications like these?

3 A. For the safety of the public, and also
4 because we do have a million-dollar self-insured
5 retention, we manage all of our own claims up to the
6 first million dollars, so it's very important to us
7 that the people driving for us are adequately trained.

8 Q. Do you have a training process?

9 A. Yes, we do.

10 Q. Please tell me briefly about how many hours
11 of training a driver must go through.

12 A. We have an entire safety and training
13 department, in fact, who is responsible for recruiting
14 and training of drivers, both from the beginning when
15 they may not have any experience through periodic
16 training.

17 If somebody comes to us with no commercial
18 driving experience, we put them through a 125-hour
19 training course. About 60 hours of that is actual
20 driving, and the other half of it is learning to deal
21 with passengers with disabilities, learning to narrate,
22 and learning some of the DOT regulations.

23 Q. After a driver is hired, do you have any
24 ongoing monitoring of their performance?

25 A. Yes, we do. We have an audit system, and

00242

1 drivers who have just come to us most recently get
2 first priority in being audited. We have a format that
3 either the safety department or some of the managers
4 will utilize, and they will go out on the circuits from
5 time to time and audit the driver's interaction with
6 his passengers, safety procedures, and do spot checks
7 of their required paperwork that they are required to
8 have on their person.

9 Q. Do you maintain a driver qualification or
10 driver personnel file?

11 A. Yes, we do.

12 Q. Are you licensed as a third-party tester for
13 driver's licenses?

14 A. Yes. The State of Washington has -- in fact,
15 I was a third-party tester when I was the safety
16 manager to administer CDL licenses for the State of
17 Washington. We have one person on staff right now who
18 has that credential.

19 Q. Let's talk about safety. Do you have a
20 safety manager?

21 A. Yes, we do.

22 Q. Can you generally describe the duties of a
23 safety manager?

24 A. Yes. The safety manager implements our drug
25 and alcohol policies. They are responsible for all DOT

00243

1 requirements pertaining to drivers so that they are the
2 keepers of the files, and they are responsible for the
3 training, as I mentioned, and the ongoing training. So
4 we have sessions that deal with, say, when wintertime
5 comes before November, all of our drivers have to be
6 requalified to drive in snow conditions, install
7 chains, and go through a refresher program, and the
8 safety department is responsible for those programs.

9 Q. Do you have accident-reporting procedures?

10 A. Absolutely.

11 Q. Do you have procedures regarding drugs and
12 alcohol used by employees?

13 A. Yes, we do.

14 Q. Do you have hours of service limitation on
15 your drivers?

16 A. Yes, we do.

17 Q. When a driver is done with their shift, do
18 they have any reporting duties?

19 A. Yes, they do.

20 Q. Can you describe the sorts of things they
21 might report?

22 A. They are responsible for filling out log
23 sheets. We are an interstate carrier, so any of our
24 drivers at any given time can be called on to go
25 outside of the hundred-mile radius, so they are

00244

1 required to keep log sheets.

2 They turn those into the dispatch every night
3 and mark down the number of hours they've worked that
4 day corresponding to the log sheet so that the
5 dispatchers can review their suitability for work on
6 following days. They are always responsible for daily
7 trip reports, which would indicate the mileage that
8 they ran, how many passengers they came in contact with
9 or hauled, and they may also report any moneys that
10 they took in for ticket sales.

11 Q. Are you generally familiar with the state and
12 federal regulations that govern Gray Line's operations?

13 A. Yes.

14 Q. Do you follow those regulations?

15 A. Yes, we do.

16 Q. Do you have any on-line ticking procedures?

17 A. Yes. For the airport express specifically
18 right now, at our Web sites, graylineofseattle.com, you
19 can order a ticket that you can view the schedule, and
20 at this point, the tickets are mailed to your home. By
21 May 15th, we will actually be able to print the tickets
22 so the people don't have to go through the mailing
23 process.

24 Q. Do you have any commendations from the
25 public?

00245

1 A. Yes.

2 Q. Could you please turn to what's been marked
3 as Exhibit 17? Can you identify this document?

4 A. Yes. This is a letter we recently received
5 after a Department of the Army audit of our facility,
6 our vehicles, and our safety practices.

7 Q. What was the conclusion of this audit?

8 A. That we received an outstanding rating on a
9 scale of 1 to 5. Where 1 is outstanding, we received a
10 1.

11 MR. RICE: Your Honor, I would like to offer
12 this exhibit into evidence.

13 JUDGE SCHAER: Any objection?

14 MR. VALENTINETTI: No.

15 JUDGE SCHAER: Exhibit 17 is admitted.
16 (Admitted Exhibit No. 17.)

17 Q. (By Mr. Rice) Please turn to what's been
18 marked as Exhibit 18. Can you identify this exhibit?

19 A. Yes. This is an article outlining our
20 receipt of a "Where" magazine tourism award.

21 MR. RICE: Your Honor, I would like to offer
22 this exhibit into evidence.

23 JUDGE SCHAER: Any objection?

24 MR. VALENTINETTI: No.

25 JUDGE SCHAER: Document is admitted.

00246

1 (Admitted Exhibit No. 18.)

2 Q. (By Mr. Rice) Let's briefly discuss the
3 Seattle Super Shuttle witnesses. Did you hear the
4 testimony of Mr. Estes regarding your service during
5 the ice storm?

6 A. Yes.

7 Q. Can you describe generally your operations on
8 that day?

9 A. Yes. We did, in fact, run during that day.
10 Our schedules may not have been on a 20-minute basis or
11 even a 30-minute basis, but we actually received some
12 accolades from the City and from some of the passengers
13 and hotels for being one of the only services that was
14 able to operate during that storm.

15 Q. Let's talk about equipment utilization. Do
16 you track utilization of your buses?

17 A. Yes, we do.

18 Q. Please turn to Exhibit 19. Can you identify
19 this exhibit for me?

20 A. Yes, this is one of our equipment utilization
21 reports that shows equipment used between the dates of
22 March 1st, 2000, and February 28th, 2001.

23 Q. Please explain what these columns and numbers
24 mean.

25 A. In the upper left, the "84" there is simply

00247

1 the number of vehicles we had that were able to do
2 airport express-type service, so that qualifies the
3 number of 40-foot vehicles that we had in our fleet
4 during this period of time.

5 The other columns there represent within
6 those 84 vehicles different types of vehicles, so they
7 might have some special attributes, like video
8 equipment, or there might be a premium vehicle or
9 standard vehicle.

10 Q. What do these percentages show? What do they
11 indicate?

12 A. These show on any given day the number of
13 vehicles used divided by the number of vehicles in our
14 fleet able to operate that service, so if you look at
15 March 1st, 2001, there are a total of 31 40-foot
16 vehicles used. We had 84 in our fleet, and that is a
17 percentage of 37.

18 Q. I notice that some of these numbers vary. On
19 days when you have a high rate of utilization, like,
20 for example, a holiday, do you add additional buses?

21 A. To the airport express fleet?

22 Q. Yes.

23 A. Yes, we do. As I touched on briefly before,
24 we monitor very closely the incoming groups and also
25 the departing groups with the hotels so that we can put

00248

1 on additional, what we call airport overload service.
2 So if we knew that we had 500 passengers departing from
3 the Westin, we would simply have several coaches
4 waiting there to go take passengers directly from there
5 to the airport so they wouldn't go through the normal
6 airport express route.

7 Q. What do these percentages indicate about the
8 utilization of your buses?

9 A. It indicates that I have excess capacity.

10 Q. Can you turn back to what was designated as
11 Exhibit 10 as the photograph of your facilities? In
12 that photograph, can you describe whether this is
13 typical to have this number of buses at your facility?

14 A. Yes. In fact, this would mark a fairly busy
15 day in our fleet. You see all of the parking stalls
16 there. We have a coach for every one of those stalls.

17 Q. Are these buses available for use in the
18 airporter service if the need arises?

19 A. Absolutely.

20 Q. Excuse me.

21 (Discussion off the record.)

22 Q. Based on the equipment that's listed here and
23 in Exhibit 19 and the vans that are in Exhibit 10,
24 you've said that this shows utilization. Could you
25 make these vans available for your airporter service?

00249

1 A. Yes.

2 Q. Do you have any opinion on the applicant's
3 claim that there is a need for additional capacity and
4 additional buses on airporter routes that you serve?

5 A. Yes.

6 Q. Could you tell me that opinion?

7 A. I think that we have 18 hours of service a
8 day between the airport and the downtown area and
9 capacity in order to accommodate the current levels of
10 transportation needs as well as future levels of
11 transportation needs, and we manage that very closely
12 with our interaction with the hotels and Convention and
13 Visitors Bureau and also our airport activity logs to
14 make sure that the needs of the public are met and that
15 we are able to provide a service at the best price and
16 also at the meeting current demand.

17 Q. Do you think that there is a public need for
18 an additional company to provide your service?

19 A. No, I don't.

20 MR. RICE: Thank you. That is all. I'd like
21 to offer into evidence Exhibit 19.

22 JUDGE SCHAER: Any objection?

23 MR. VALENTINETTI: No.

24 JUDGE SCHAER: That document is admitted.

25 (Admitted Exhibit No. 19.)

00250

1 JUDGE SCHAER: Let's go off the record for a
2 moment.

3 (Recess.)

4 JUDGE SCHAER: Did you have questions for
5 Mr. Gudgel?

6 MR. VALENTINETTI: I do.

7

8 CROSS-EXAMINATION

9 BY MR. VALENTINETTI:

10 Q. Is the airport shuttle part of Gray Line's
11 operation important to Gray Line?

12 A. Yes.

13 Q. What percentage of business would you say
14 that is for the Seattle portion?

15 A. It's about 10 percent.

16 Q. And you have 84 buses?

17 A. I have 84 40-foot coaches.

18 Q. How many buses or coaches do you have?

19 A. I have a total of 96 full-size vehicles being
20 40 or 45 feet and then smaller vans, trolleys, and
21 sightseeing vehicles and service vehicles for about a
22 total of 112.

23 Q. Who is the safety manager; he's the one
24 that's in charge of the airport?

25 A. Safety manager is in charge of safety for all

00251

1 of our operation, including the charter and sightseeing
2 and package tour operations.

3 Q. And the airport operations?

4 A. Maybe you are thinking of the tour manager?

5 Q. So who is the tour manager?

6 A. Chris Shockley.

7 Q. So you feel that the capacity that Gray Line
8 has is enough to service Seattle.

9 A. Yes.

10 Q. If it's not, you can increase the volume of
11 the buses?

12 A. Yes.

13 Q. What's your on-time percentage for those
14 buses that serve the airport shuttle?

15 A. I don't have those at my disposal right now.

16 Q. And you said earlier that it's important to
17 Gray Line. Do you run the new buses on that route or
18 the other old buses or any bus?

19 A. We have a fleet of coaches that are dedicated
20 to that service that are not our newest coaches, no.
21 There are times when we are doing overload situations
22 when a new coach will be on that service.

23 Q. How many times in the last two months would
24 you say that one of your coaches has broken down in
25 downtown Seattle?

00252

1 A. Probably four, including all of my
2 operations.

3 Q. Does the size of the bus present a problem at
4 all for moving around in traffic in downtown Seattle?

5 A. It's a large vehicle and some very small
6 areas, but we have worked with our hotels and stops to
7 make safe stops, and it's generally not a problem.

8 Q. How about at the Port of Seattle or SeaTac
9 Airport?

10 A. We have zones that are dedicated to our
11 service. Those are not always kept clear for us, and
12 there are sometimes problems.

13 Q. Your percentages on this exhibit -- I don't
14 have the numbers here with me, but those are just
15 percentages because, or do you think maybe it's because
16 people want to do less of a shared ride and choose
17 another way to get downtown?

18 A. Those percentages of utilization represent
19 all of my operations, so the airport express is
20 included in those, but those also cover my charter
21 operations.

22 Q. You don't have one just as a percentage for
23 your airport?

24 A. Well, the airport express has a minimum
25 number of coaches that are utilized every day, and no

00253

1 matter -- that's the baseline. We are going to always
2 utilize at least that many in order to conduct the
3 service. If there is an increased need, we will add
4 coaches to those. So there is a fixed number of
5 coaches that are used on that service.

6 Q. What is the minimum?

7 A. Six or seven full-size coaches and two vans
8 that we generally use.

9 Q. In the wintertime, you run every half hour?

10 A. Right.

11 Q. I'm guess I'm confused on what the other
12 buses are doing. One is downtown; one is at the
13 airport. If you have seven buses on the route, it
14 doesn't make sense to me.

15 A. Operationally, it requires that in order to
16 keep their -- because of the times that it takes to get
17 between downtown and to make the stops at the hotels
18 and get to the airport and with traffic considerations,
19 we have that many coaches on at any given time. There
20 are four to five coaches on at any given time, and then
21 there are other coaches that are utilized to do lunch
22 reliefs for the drivers so we can give them a break.

23 Q. I understand now. What's the time frame from
24 when you are picked up, say, at the Hilton Hotel to the
25 airport?

00254

1 A. May I refer to the schedule?
2 JUDGE SCHAER: Yes, you may.
3 Q. You can just ballpark it.
4 JUDGE SCHAER: I believe that you are
5 referring here to Exhibit 13; is that correct?
6 THE WITNESS: Yes, that's correct. 35
7 minutes.
8 Q. (By Mr. Valentinetti) 35 minutes from the
9 Hilton --
10 A. -- to the airport.
11 Q. After the Hilton Hotel, do you have more
12 stops before you go to the airport?
13 A. Yes, at the Sheraton, the Westin, and the
14 Warwick.
15 Q. You have three stops after that, yet you make
16 it in 35 minutes. So the real trip time is -- what
17 would you say?
18 A. I'm not understanding your question.
19 Q. If you are at the Hilton Hotel and you have a
20 stop at the Sheraton, the Westin, and the Warwick, it
21 takes five minutes each stop?
22 A. Less than that generally.
23 JUDGE SCHAER: Looking at Exhibit 13, if I
24 may, just to kind of speed this up, if you look at the
25 time between the Warwick and arrival at SeaTac, is that

00255

1 the trip time from downtown to the airport?

2 THE WITNESS: Yes, ma'am.

3 JUDGE SCHAER: Do you have that available to
4 you?

5 MR. VALENTINETTI: I do. I'm confused as to
6 why they are running so many buses at the same time,
7 but it doesn't matter. It's okay. I'm just surprised
8 that that many buses would be on the route if the
9 actual time is 35 minutes back and forth. I don't know
10 where the other buses are at that time.

11 Q. (By Mr. Valentinetti) The connector seems to
12 work okay?

13 A. Yes, it does.

14 Q. And the bus will hold 45 people?

15 A. The buses I use for the airport express
16 service hold 53.

17 Q. When a person gets on the bus and their
18 luggage is loaded underneath and they make four or five
19 stops downtown, how do they know their luggage is there
20 each time?

21 A. Our drivers query the passengers when they
22 board about which hotel they are going to. They sort
23 the bags by luggage bay so certain hotels go into
24 certain baggage bays. Each driver has a different way
25 of handling it, but as they get out at that stop, they

00256

1 identify their bags and the driver hands those bags to
2 them.

3 Q. So is there a handling problem at all between
4 the buses and the connector, baggage-wise?

5 A. Generally, no.

6 Q. How about a time frame between when the bus
7 stops and drops the passengers off until the connector
8 picks them up and takes them on their continued trip to
9 where they are going?

10 A. The driver of the large coach is in radio
11 contact and also cell phone contact with the connector.
12 They determine a rendezvous point. If the person is
13 heading to the airport, that's generally our last stop.
14 If the person is coming in from the airport, they make
15 arrangements to meet at the first stop so they don't
16 have to ride through all of the different stops before
17 they get to their destination, and they are generally
18 able to coordinate that so that one is waiting for the
19 other.

20 Q. What year is the buses that you run on the
21 airport shuttle?

22 A. Between 1979 and 1984 for our basic service.

23 Q. And how many miles are on those coaches?

24 A. Range anywhere from probably 200,000 to
25 400,000 miles.

00257

1 Q. Really.

2 A. Yes.

3 Q. Only two to four hundred thousand?

4 A. Yes.

5 Q. Is that in your maintenance records here? Do
6 you have maintenance records here?

7 A. No, I don't.

8 Q. That seems like a low estimate, I think.

9 A. The vehicles utilized on that service haven't
10 necessarily always been in that service.

11 Q. That's what I mean. That's why I would
12 think they probably would have a million miles before
13 the came to that service.

14 A. Not necessarily. I can explain, I suppose.
15 We bring a lot of our vehicles out of Alaska, our
16 sister company, Gray Line of Alaska, to do service
17 here. Those vehicles see very few miles over the
18 course of their limited summer work in Alaska.

19 Q. So like Bus 316 has less than 400,000 miles.

20 A. Yes. 316 absolutely has less than 400,000
21 miles.

22 Q. For a disabled passenger, you need 48 hours
23 notice?

24 A. We don't have to have 48 hours notice.

25 That's the guideline that's set up through ADA that

00258

1 within 48 hours, we are required to give service.
2 Within 48 hours, we need to do whatever we can, make
3 our best good faith effort in order to accommodate the
4 passenger.

5 Q. One last question I have for you and that
6 will be it. I was at the airport in '96, and I didn't
7 see any of your vehicles there. I'm surprised you say
8 you guys were there. You had one bus or one van? You
9 made some runs through there?

10 A. During the ice storm?

11 Q. Yes.

12 A. Yes. We maintained our service. Like I
13 said, it probably wasn't anywhere near our schedule,
14 but we were running coaches between downtown and the
15 airport. The only time we've ever failed service to
16 the airport was in the Thanksgiving storm 12 years ago
17 when we weren't running.

18 MR. VALENTINETTI: Thank you.

19 JUDGE SCHAER: Mr. Gudgel, I have a few
20 questions for you and then your attorney may have a few
21 questions on redirect, so we are not quite done.

22

23

EXAMINATION

24 BY JUDGE SCHAER:

25 Q. As I understand your testimony and as I

00259

1 understand what I've seen in your permit, you do not
2 provide door-to-door service unless one of the doors is
3 one of the locations indicated in Exhibit 13; is that
4 correct?

5 A. That is correct.

6 Q. And you do not provide a van service other
7 than your connector service; is that correct?

8 A. That is correct, as relates to the airport
9 express.

10 Q. My questions are all about your airport
11 service in Seattle when I ask them. Looking at your
12 connector service -- I'm looking still in Exhibit 13,
13 the page that you had referred to as having the service
14 schedule -- your central zone connector service appears
15 to me to be pretty much downtown Seattle with perhaps
16 hitting the base of Hospital Hill at Virginia Mason.
17 Is that a correct understanding?

18 A. Yes, it is.

19 Q. Then your north zone connector service
20 appears to be still pretty much downtown Seattle, just
21 more at the northern end, but it's not like you are up
22 around Northgate or the upper parts of the Seattle city
23 limits; is that correct?

24 A. Yes.

25 Q. Looking at both of those sources, it looks

00260

1 again like you serve major downtown hotels, smaller
2 hotels and motels, and then other connecting
3 transportation modes, as in Amtrak, the ferry station,
4 and the Greyhound bus station; is that correct?

5 A. Yes.

6 Q. Do you do any kind of customer research to
7 find out where your customers that you pick up at those
8 locations come from?

9 A. Well, we offer a comment card system, and
10 often times they will indicate their addresses. We
11 know where most of our bookings come from all sources
12 of business, but not specifically the airport express.

13 Q. What I'm interested in is whether in main
14 part your customers are people who are staying at these
15 hotels and motels or are coming into Seattle on these
16 ferry boats, trains, or buses, or if you have people
17 from the different City of Seattle neighborhoods
18 outside the downtown core who are traveling to the
19 hotels to catch your service to the airport. Do you
20 have any kind of information on that?

21 A. Yes, I do. A lot of our business for the
22 airport express comes from the downtown businesses.
23 Since we are so close to the downtown financial
24 districts and our stops are so close to those
25 buildings, many times, especially with the cost of

00261

1 parking at the airport, those folks will just leave
2 their car in their monthly parking zone and take our
3 coach.

4 A lot of our business comes from the business
5 clientele where people will come in for meetings and
6 take that service for the day. We also have a fair
7 number of passengers who will drive into the downtown
8 core or take a Metro bus into the downtown core and
9 pick up our service because it is the lowest cost way
10 to get to the airport.

11 Q. Do you have any figures on about how many
12 people that might be or what percentage of ridership
13 that might be?

14 A. I would estimate that at 10 to 15 percent.

15 Q. That's the people who take a bus to downtown,
16 or is that all of the things you've described?

17 A. People who are taking a bus to downtown.

18 Q. But other than the Inn at Virginia Mason and
19 the people from hospitals or people who aren't able to
20 use city bus service who live in neighborhoods like
21 Ballard or Magnolia or around Northgate, are those the
22 customers you are targeting or customers that may use
23 another service?

24 A. They would likely use Shuttle Express.

25 Q. I believe you testified that you do have

00262

1 ticketing arrangements with travel agents where you pay
2 a commission on your bus; is that correct?

3 A. That's correct.

4 Q. Do those agents have information on people
5 traveling to Seattle and how to get them on a plane and
6 into one of the downtown hotels if they are attending a
7 meeting or conference?

8 A. Yes.

9 Q. Then finally, just looking at your
10 utilization report, there is some testimony earlier
11 today, and I believe you've indicated you were here
12 listening to that testimony, about times when there are
13 crowds and there seems to be kind of a system that's
14 overwhelmed and isn't able to handle all the passengers
15 in a timely way. Did you hear that testimony?

16 A. Yes.

17 Q. Glancing through this report, it's
18 interesting to note that you do have some days where
19 you are pretty close to capacity. If you look in May
20 of 2000, you've got 96 percent, 92 percent, 98 percent,
21 which I would think probably is pretty much
22 full-capacity for a system like yours; that you really
23 don't want to be 100 percent because it leaves you no
24 room -- does that leave you any room to move if
25 somebody breaks down?

00263

1 A. Keep in mind here that these are roughly the
2 numbers that our computer has generated that says
3 required this number of coaches. There is a little
4 more wiggle room here than may be indicated, but there
5 are also times when we would subcontract some of our
6 work and we are exceeding the 100 percent.

7 Q. If you look into June of 2000 where you have
8 112 percent, or your favorite number, 100 percent, and
9 then on the bottom of the next page in September of
10 2000, probably one of your favorite days, which was
11 September 5th, where you are at 243 percent of
12 capacity, and you have 111 percent above that, when you
13 get over 100 percent, is that usually because of some
14 kind of a special charter event or something of that
15 nature?

16 A. Yes. If you look at September 5th, that has
17 a notation that says "Microsoft" beside it, and we have
18 an inbound convention department that does
19 transportation and meeting planning for conventioners
20 coming to Seattle, and in this instance, we planned the
21 annual meeting for Microsoft that took place at Safeco
22 Field, and we had to move 13,000 people in about 45
23 minutes to the event and then turn around and do the
24 same thing on the way home. In that instance, we drew
25 from motor coach companies in Oregon, Eastern

00264

1 Washington, locally, and we also drew on some of our
2 school bus companies that had capacity on that
3 particular day.

4 Q. Do you have times, like a holiday or some
5 other high-volume occasion, where you do not have
6 sufficient capacity on your airport buses to allow them
7 to maintain their schedules?

8 A. No.

9 Q. So other than major storms or other kinds of
10 acts of God that would just make the roads not working
11 for the extent you need, you are able to serve on
12 schedule the part of the public that you do serve; is
13 that correct?

14 A. Yes. For instance, the recent earthquake, we
15 were continuing to run our service, even though things
16 were a bit mixed up.

17 JUDGE SCHAER: Those are the questions that I
18 had. Do you have any redirect, Mr. Rice?

19 MR. RICE: May I confer with cocounsel
20 briefly?

21 JUDGE SCHAER: Yes.

22 MR. RICE: We have no redirect.

23 JUDGE SCHAER: Is there anything further for
24 this witness?

25 MR. VALENTINETTI: A couple more quick

00265

1 questions.

2

3

FURTHER CROSS-EXAMINATION

4 BY MR. VALENTINETTI:

5 Q. When you say you can stay on schedule
6 regardless of the load or time of year -- that means
7 the bus gets 53 people and it goes -- does that mean
8 that there is no one standing on the curb still?

9 A. I'm not understanding your question.

10 Q. You just answered the question that said we
11 can keep up with the schedule no matter what.

12 A. Uh-huh.

13 Q. What I think you are trying to say is that
14 you load the bus with 53 people and that is all it will
15 hold and then we leave and we go on schedule, but there
16 are still people left behind.

17 A. But I also spoke earlier about times when we
18 had increased peak demand wherein we did airport
19 overloads and used the example of 500 people checking
20 out of the Westin where we've staged vehicles at that
21 location and just do transfers from the Westin to the
22 airport.

23 If there is an instance where the coach fills
24 at one of the first stops, that's where our dispatch
25 system comes in, and a communication to our office will

00266

1 rally to get another vehicle there immediately, one
2 that may be in the downtown core.

3 Q. Would you say that your capacity is limited
4 mostly by your amount of coaches or from your available
5 drivers?

6 A. One doesn't go without the other.

7 Q. That's true, but which one is worse? Which
8 one do you have more of, available buses or drivers at
9 a time if you were ever approaching capacity?

10 A. As I said earlier, we have about 225 drivers,
11 and we have in total about 112 vehicles. Those
12 availabilities vary on a day-to-day basis, so there are
13 times when I have restrictions either by coaches or by
14 drivers.

15 Q. My last question. Do you think that our
16 business that we are proposing today would affect the
17 Gray Line airport shuttle?

18 A. In that it would provide service to the
19 hotels, and the modes of transportation that I've
20 identified, I think it would be a redundant service.

21 MR. VALENTINETTI: That's all I have.

22 JUDGE SCHAER: Anything further for
23 Mr. Gudgel? Thank you for your testimony. Off the
24 record for just a moment

25 MR. RICE: Can the witness be excused, Your

00267

1 Honor?

2 JUDGE SCHAER: Yes.

3 (Discussion off the record.)

4 (Marked Exhibits No. 20 - 27.)

5 JUDGE SCHAER: Would you like to call your
6 next witness, Mr. Rice?

7 MR. RICE: I'd like to call John Rowley.

8 (Witness sworn.)

9

10 DIRECT EXAMINATION

11 BY MR. RICE:

12 Q. Please state your full name and business
13 address for the record.

14 A. John Douglas Rowley, Junior. My business
15 address is 1131 Southwest Seventh Street in Seattle,
16 Washington, 98155.

17 Q. Please indicate your most recent education?

18 A. Most recent education was at Peninsula
19 Community College in Port Angeles, and I did not
20 graduate with a degree. That was in 1981.

21 Q. Where do you work currently?

22 A. I'm employed with Shuttle Express,
23 Incorporated.

24 Q. What is your position there?

25 A. I'm the vice president and general manager.

00268

1 Q. Please describe, generally, your duties in
2 that position?

3 A. I manage the day-to-day operations. I have
4 seven direct reports of which are the CFO, operations
5 manager, the maintenance director, safety manager, call
6 center, all aspects of the operation.

7 Q. How long have you worked for Shuttle Express?

8 A. I've been at Shuttle Express since 1989,
9 which is 12 years now.

10 Q. Where did you work previously?

11 A. Previously, I worked at San Juan Airlines in
12 1982, and I was employed there until 1989.

13 Q. Can you describe some of your duties at the
14 airline?

15 A. At the airline, I started in the reservation
16 department and moved into the dispatch office and wrote
17 the timetable for the airline as well as scheduled the
18 pilots. I then shifted off into a route planner
19 manager and dealt solely with the movement of the
20 schedule, changing of schedules and that sort of thing
21 for the airline.

22 Q. If I may double back for a minute. Referring
23 back to your experience with Shuttle Express, would you
24 say that there are any areas of Shuttle Express's
25 operations that you are not familiar with?

00269

1 A. I would not say that.

2 Q. Are you generally familiar with the market
3 demand for airporter service that Shuttle Express
4 serves?

5 A. Yes, I am.

6 Q. Are you familiar with the different types of
7 public transportation in the areas that Shuttle Express
8 serves?

9 A. Yes, I am.

10 Q. Let's talk about Shuttle Express. Where are
11 your offices located? Are they at the same address you
12 gave?

13 A. Yes, sir. That's in Renton.

14 Q. Can you generally describe the facilities
15 that are at the Renton location?

16 A. The Renton location has a call center, a
17 dispatch office, training room, administrative offices.
18 I think that covers everything there at that location.

19 Q. Do you have a van lot?

20 A. We have an off-site location at the current
21 time that has a fueling facility. It has three wash
22 bays that we recycle the wash water at. It has a lot
23 to hold all of our vans in.

24 Q. Let's talk about your services. What service
25 do you provide?

00270

1 A. We provide three types of service to the
2 traveling public. First and foremost, 90 percent of
3 our business is a door-to-door share ride service.
4 Another five percent is airporter scheduled service
5 that we serve the east side to and then the north end
6 is the other side, and the third service that we offer
7 is a town car division where we offer nonstop direct
8 service to our guests.

9 Q. Can you turn to what has been marked as
10 Exhibit 20?

11 JUDGE SCHAER: Off the record for a minute.
12 (Discussion off the record.)

13 Q. (By Mr. Rice) Can you identify this exhibit?

14 A. Exhibit 20 is our certificate with the WUTC.

15 MR. RICE: Your Honor, in the interest of
16 time, could we stipulate to the admission of this
17 exhibit into the record? I'm happy to ask the witness
18 further questions about it.

19 JUDGE SCHAER: I think it's been sufficiently
20 identified. Do you have any objection?

21 MR. VALENTINETTI: No.

22 JUDGE SCHAER: Exhibit 20 is admitted.

23 (Admitted Exhibit No. 20.)

24 Q. Can you generally describe how a passenger
25 would obtain service with regard to your airporter

00271

1 service only?

2 A. The share ride service, a customer would call
3 our call center, place a reservation. They will
4 generally give their phone number only as our system in
5 place pulls up their record and then they give the date
6 and time that their departure is taking off. We give
7 them a time that we suggest and then we make
8 arrangements to come and pick them up on that
9 particular day.

10 Q. How many calls a day do you receive?

11 A. Our call center is averaging this time of
12 year about 1500 calls a day.

13 Q. Do you serve some of the areas that Seattle
14 Super Shuttle, the applicant, seeks to serve?

15 A. It looks as though we serve all of their
16 area, yes.

17 Q. Let's talk about your equipment. What type
18 of vehicles do you use to provide your airport service?

19 A. We use Dodge Ram Vans for that service.

20 Q. How many vans do you have total?

21 A. We have 117 total vans.

22 Q. Can you please turn to Exhibit 21? Can you
23 identify what this photo shows?

24 A. This is a photo of our back lot, the off-site
25 facility I was talking about, and back there are many

00272

1 of our vans parked.

2 Q. Are some of these vans of the type that might
3 be used in the airporter service?

4 A. They are the exact vans for that service,
5 yes.

6 MR. RICE: I would like to offer this exhibit
7 into evidence.

8 JUDGE SCHAER: Any objection?

9 MR. VALENTINETTI: No.

10 JUDGE SCHAER: 21 is admitted.

11 (Admitted Exhibit No. 21.)

12 Q. (By Mr. Rice) Let's discuss your dispatch
13 procedures. First of all, do you have a dispatch
14 system?

15 A. Yes, we do.

16 Q. If you could turn to Exhibit 22, can you
17 identify what this exhibit shows?

18 A. These are screen prints of our dispatch and
19 reservation system.

20 Q. In the interest of time, I won't ask you to
21 go through every one of these, but if you could go
22 through the first one and explain some of the
23 information that's on here and maybe any of the other
24 pages that might be especially enlightening.

25 A. The first page is the reservation screen

00273

1 where an agent will take the information from a guest
2 who calls, and we put all the information that's
3 pertinent to their particular trip there. One I might
4 draw your attention to, if I could, the third page is a
5 driver log, and this is when a van signs in with our
6 dispatch, and this has got a built-in toggle for us in
7 terms of setting the shift times for drivers so that
8 they don't exceed the requirements, the drive time
9 requirements.

10 The next page is No. 4, and the significant
11 part about this is that this is actually a routing
12 screen where we take the numerous number of people that
13 we have that make reservations and place them all
14 together. This is done starting at four o'clock the
15 day before for the next morning, and a dispatcher will
16 go through the process of combining particular trips in
17 neighborhoods and then allocating which drivers will be
18 doing those the next day. It's a very sophisticated
19 process. This is probably one of the best technology
20 aspects in the nation from what our experiences are,
21 this particular dispatch routing system here.

22 Q. What impact does this dispatch system have on
23 your efficiency?

24 A. The efficiencies are greatly improved because
25 of our ability to do everything on computer, and we can

00274

1 do it very quickly. It allows us to make the best
2 routes for the guests so they don't have to make really
3 long trips. That enables us to combine the
4 neighborhoods together. The trips are just a lot
5 better in terms of time for the drivers so they can do
6 more trips, in terms of the guest so their time on the
7 van isn't as long, which helps us keep the expenses
8 down as well, and then we don't have to be so concerned
9 about how much we can charge.

10 Q. Do you know approximately how many employees
11 are involved in the dispatch system?

12 A. We have on staff 12 dispatchers. We are a
13 24/7 operation, so we will operate with three
14 dispatchers at tops with another helper on occasion.

15 Q. Does that include your people who take
16 reservations?

17 A. No. We have a staff of 25 in our call
18 center, and we will have 12 at most on that, average
19 around eight. We have a sophisticated way of looking
20 not only at the business we have planned for the people
21 coming in but the calls as well. We look at previous
22 years' phone volumes, and we match our staff according
23 to that.

24 Q. What happens if you have a situation where
25 you have a very large need, an overload situation,

00275

1 perhaps, where you've got a lot of calls coming in.
2 How do you handle an overload situation?

3 A. We've got a staff of three individuals who
4 handle the calling of drivers to get them in, and as I
5 mentioned, we are very sophisticated in knowing what is
6 coming up in terms of conventions. We look at last
7 year's numbers, holidays, the exact dates and so forth.
8 It's a process of going through and contacting
9 everybody to get them to work extra if we have a sudden
10 demand in the business.

11 Q. Does your town car division play any role if
12 you have an overload situation?

13 A. It can. It also plays a role of backup if we
14 do get into a situation where we need to have a backup.
15 We also use some other companies in that sense as well
16 should something go wrong with the trip.

17 Q. Do the drivers stay in contact with each
18 other as they go through the city?

19 A. Via our dispatcher they can. We do have a
20 radio channel allocated just for us. Our dispatchers
21 are also on the Internet watching the traffic patterns.
22 They will report to the dispatcher if they encounter
23 any traffic problems, who then in turn radios all the
24 other vans. We don't have direct communications with
25 each driver.

00276

1 Q. Do you know how much money you spent
2 developing your dispatch system, approximately?

3 A. Approximately, I think we probably have
4 \$800,000 invested in the technology.

5 Q. Why do you have this sophisticated dispatch
6 system?

7 A. Again, I think that the business itself is
8 very difficult to operate, to make all things work,
9 including driver pay. The efficiencies that we have to
10 afford the people ourselves bringing in a bottom line
11 that makes sense to be in this business. The
12 technology plays a tremendous role in that endeavor.
13 Without the technology, I don't know that we would be
14 where we are right now.

15 Q. Did you hear the testimony of one of the
16 Seattle Super Shuttle witnesses regarding the trip
17 planning system that they propose?

18 A. Yes.

19 Q. Do you have an opinion about that software?

20 A. I believe you are referring to the Microsoft
21 Trips 2001. My knowledge of it is that is a mapping
22 program that basically shows where particular addresses
23 are and the city that it might be in. It's simply a
24 mapping program.

25 Q. Does it have the capability to offer the kind

00277

1 of dispatch that you offer?

2 A. No.

3 Q. What's your success rate, approximately, for
4 trips, meaning arrivals on time?

5 A. We've got an extremely high success rate.
6 Over the course of a year -- let's put it a different
7 way. We carry 45,000 people a month. We have a 99.75
8 percent success rate in regard to no complaints or
9 mishaps or anything like that overall. The majority of
10 the trips receive no -- we don't hear anything about.

11 MR. RICE: Your Honor, I would like to offer
12 this exhibit into evidence.

13 JUDGE SCHAER: You are offering Exhibit 22
14 for identification. Any objection?

15 MR. VALENTINETTI: No.

16 JUDGE SCHAER: The document is admitted.
17 (Admitted Exhibit No. 22.)

18 Q. (By Mr. Rice) Let's talk about advertising.
19 Does Shuttle Express do advertising?

20 A. Yes, we do.

21 Q. Can you please turn to what has been marked
22 as Exhibit 23, and can you identify for me some of the
23 material in this exhibit? You don't have to go through
24 every page, but just generally describe what it is.

25 A. These are just general examples of some of

00278

1 the advertising we do have. It's certainly not all of
2 it, but just kind of -- there are some Yellow Page ads,
3 some Chamber of Commerce material, primarily.

4 Q. What sort of information would someone be
5 able to get from these documents, if like, for example,
6 a prospective passenger?

7 A. Where to find us, how to call us, how to get
8 ahold of us.

9 Q. Do you have any kind of program for travel
10 agent incentives?

11 A. We do have a program in place that presently
12 the travel agents take advantage of. We carry about
13 three to four hundred travel agents a month on what we
14 call a ID-50, which is 50 percent of the fare. They
15 only have to pay that, and in turn what we ask them is
16 that they sell our service. We provide them with
17 brochures that let's people know about our service and,
18 in fact, we even put the travel agency's name on the
19 brochures to kind of make it their own.

20 MR. RICE: Your Honor, I would like to offer
21 this exhibit into evidence.

22 JUDGE SCHAER: Exhibit 23 for identification
23 has been offered. Any objections?

24 MR. VALENTINETTI: No.

25 JUDGE SCHAER: Document is admitted.

00279

1 (Admitted Exhibit No. 23.)

2 Q. (By Mr. Rice) Let's talk about your
3 arrangements with the airport. Do you know what a
4 concession agreement is?

5 A. Yes, I do.

6 Q. Does Shuttle Express have a concession
7 agreement with SeaTac Airport?

8 A. Yes.

9 Q. Can you turn to what's marked as Exhibit 24,
10 and can you identify this exhibit?

11 A. This is our exclusive concession agreement
12 with the Port of Seattle and Shuttle Express.

13 Q. Do you know when this agreement expires?

14 A. December 31st, 2002, and we can go three more
15 years after that, I believe.

16 Q. Could you offer your airporter service
17 without a concession agreement like this?

18 A. No, we cannot.

19 MR. RICE: Your Honor, I would like to offer
20 this into evidence.

21 JUDGE SCHAER: Any objection?

22 MR. VALENTINETTI: No

23 JUDGE SCHAER: Exhibit 24 is admitted.

24 (Admitted Exhibit No. 24.)

25 Q. Let's discuss maintenance. Does Shuttle

00280

1 Express handle it's own maintenance?

2 A. We handle all maintenance up to the
3 major-type engine overhauls and those types of things.
4 We farm those out.

5 Q. So do you have a maintenance facility?

6 A. We do. We have three bays, three lifts, and
7 we do oil changes and services every 3,000 miles, and
8 we also check the vans for various items or maintenance
9 that is required by the mileage involved.

10 Q. Can you turn to what's been marked as Exhibit
11 25 and identify for me what is in this photograph?

12 A. It's a very blurry picture of our two bays.
13 You can't quite see the third one, but there is two
14 lifts there with two of the vans in them.

15 Q. And this is your repair and maintenance
16 facility?

17 A. Yes.

18 Q. Does Shuttle Express have parts inventory?

19 A. We do. We also have studded tires for all
20 the vans for times like ice and snow and so forth.

21 MR. RICE: Your Honor, I would like to offer
22 this into evidence.

23 JUDGE SCHAER: Any objection to Exhibit 25?

24 MR. VALENTINETTI: No.

25 JUDGE SCHAER: Document is admitted.

00281

1 (Admitted Exhibit No. 25.)

2 Q. How many employees are responsible for
3 maintenance?

4 A. Presently we have four mechanics on staff,
5 one who reports directly to me.

6 Q. Do you have procedures for periodic
7 maintenance review?

8 A. We do.

9 Q. Do your drivers conduct pretrip inspections?

10 A. They do.

11 Q. Do you maintain a maintenance file for your
12 vehicles?

13 A. We do.

14 Q. Do you have cleaning facilities to keep your
15 vans clean?

16 A. Yeah. The wash bays that I spoke of earlier,
17 the drivers will clean those each day after they finish
18 their day.

19 Q. What do you do with the waste water?

20 A. That's recycled and reused again.

21 Q. How frequently are the vans cleaned?

22 A. At least once a day.

23 Q. Does Shuttle Express handle disabled
24 passengers?

25 A. We accommodate their needs, yes. We take

00282

1 their information and then subcontract that work out to
2 another vendor, and we also follow the ADA guidelines
3 of the 48-hour rule. We do what we can to accommodate
4 them prior to the 48 hours. We do accommodate them
5 after the 48 hours.

6 Q. Let's talk briefly about insurance. Shuttle
7 Express has insurance?

8 A. Yes, we do.

9 Q. Can you turn to what is marked as Exhibit 26?
10 Can you identify this document?

11 A. This is our certificate of insurance.

12 Q. What's the policy limit on your insurance?

13 A. Our policy is five million dollars.

14 MR. RICE: Your Honor, I would like to offer
15 this into evidence.

16 JUDGE SCHAER: Any objection?

17 MR. VALENTINETTI: No.

18 JUDGE SCHAER: Document is admitted.

19 (Admitted Exhibit No. 26.)

20 Q. (By Mr. Rice) Let's discuss your drivers.

21 How many drivers does Shuttle Express have?

22 A. We have approximately 220 drivers.

23 Q. You have hiring policies and procedures for
24 drivers?

25 A. We do.

00283

1 Q. Can you generally describe these procedures?

2 A. Yes. Like the other operators, 25 years of
3 age is the minimum age requirement. We have our
4 potential applicants bring an MVR with them, and we
5 analyze the MVR to see whether or not we do want to
6 retain them in the interview process, and again, DUI's
7 and reckless driving are considered a reason for not
8 continuing on.

9 Q. Why do you have these procedures?

10 A. So that we do acquire the best applicants and
11 put the best product out on the road for the traveling
12 public.

13 Q. Do you have a training program?

14 A. Yes, we do. It consists of four days in the
15 classroom and another two 10-hour shifts on the road
16 with driver trainers.

17 Q. After the driver begins to work with Shuttle
18 Express, do you have any ongoing monitoring of that
19 driver?

20 A. We have several ways of monitoring the
21 drivers. We have our own people who do checks at the
22 airport. We have guests that we use when they call and
23 make some suggestions about our service. We actually
24 give them some ride reports, and we have them fill them
25 out and we will give them a free ride in turn. It

00284

1 makes them a part of the whole situation, and then we
2 also will make some phone calls and find out how the
3 rides have gone by inquiring with a guest how those
4 have gone.

5 Q. Do you maintain driver personnel files?

6 A. Yes, we do.

7 Q. What kind of information would be in those
8 files?

9 A. Pretty much all information in regard to
10 coaching sessions, information like the driver's
11 license, the drug screening test, the initial
12 application, any vacation requests, on and on, I
13 suppose.

14 Q. Let's talk about safety. Do you have a
15 safety manager?

16 A. Yes, we do.

17 Q. How many years of experience does your safety
18 manager have?

19 A. He has 10 years of experience with us, and
20 prior to that, he owned his own trucking company as
21 well.

22 Q. What are his duties?

23 A. He oversees all the accidents, the driver
24 safety. We run quarterly meetings. He runs those.
25 He's involved in setting up -- he reaches as far as

00285

1 training to coaching sessions. That's a lot of the
2 responsibilities.

3 Q. Do you have any accident reporting
4 requirements and investigation?

5 A. We do, and as he likes to say, when our van
6 hits anything, that is considered an accident. So any
7 touching of anything else is to be reported on and then
8 brought in, after the shift if it's a minor situation.
9 If it's something where another vehicle is involved,
10 they must call in on the radio immediately, and then we
11 assess the situation and do what we need to do at that
12 point.

13 MR. RICE: Can I confer with cocounsel
14 briefly?

15 JUDGE SCHAER: Yes.

16 Q. (By Mr. Rice) Did you hear one of Seattle
17 Super Shuttle's witnesses discuss the fact that he
18 believed that a number of Shuttle Express passengers
19 has been left waiting at the airports on a number of
20 occasions?

21 A. Yes, I heard him say that.

22 Q. Do you have an opinion about his testimony?

23 A. Yes. Which testimony are you referring to,
24 the three-hour statement or in general?

25 Q. The former driver of Shuttle Express?

00286

1 A. In general, I think scheduling out of the
2 airport can be difficult when the planes arrive late.
3 That's one of the most challenging aspects we have of
4 the operation is understanding when exactly the people
5 are going to be coming in, and should a peak hit, that
6 tends to take all the vans we have at the airport at
7 that particular time, and until the next wave of vans
8 come, then people are waiting.

9 Q. Do you think he was accurate when he said
10 there are many times, that it's frequent, that you have
11 a lot of passengers at the airport who are late due to
12 your services?

13 A. I don't think that's an accurate statement.
14 We are a share ride service, and there is a certain
15 amount of time that the routes must mature in order for
16 the share ride to make sense.

17 Q. Let's switch back to some of your service
18 issues. Do you have a drug and alcohol policy?

19 A. Yes, we do.

20 Q. Do you have hour and service limitations on
21 your drivers?

22 A. Yes, we do.

23 Q. After a driver has completed their shift, do
24 they have any reporting duties?

25 A. Yes. They fill out a recap involving all of

00287

1 the people they have taken for that day, the moneys
2 taken in, the time they have worked, the mileage on the
3 van.

4 Q. Generally, are you familiar with the state
5 and federal regulations that affect Shuttle Express's
6 operations?

7 A. Yes.

8 Q. Do you follow those regulations?

9 A. Absolutely.

10 Q. Do you have a Web site?

11 A. Yes, we do.

12 Q. Do you have accept any kind of on-line
13 ticketing?

14 A. We take reservations via the Internet and
15 then e-mail back to them the times and so forth. At
16 this point, it is about a 24-hour process.

17 Q. Let's talk about equipment utilization.
18 First of all, do you track utilization of your vans?

19 A. Yes, we do.

20 Q. Can you turn to what has been designated as
21 Exhibit 27? Can you identify this exhibit?

22 A. Yes. This is a chart of the number of guests
23 that we have carried for the calendar year of April of
24 2000 to March of 2001, and the number of guests per
25 month are in the light blue down below, and as compared

00288

1 to that, we have placed the number of actual available
2 seats of the equipment that we have, and those will
3 differ by the number of days within the month.

4 Q. Based on this chart, can you say
5 approximately what your utilization rate is?

6 A. Maybe 20 percent. I would make a statement
7 and say that we have plenty of capacity.

8 Q. So what does this chart reflect about your
9 capacity right now?

10 A. We would like to carry more people, and we
11 have the equipment to do so.

12 Q. So if there were additional need, if there
13 were additional public need, could you fill it using
14 this capacity?

15 A. Absolutely.

16 Q. Did you hear one of Seattle Super Shuttle's
17 witnesses testify about public need?

18 A. Yes.

19 Q. Do you have an opinion about their testimony?

20 A. Yes. I think there is a little confusion
21 about public need and capability. It seems that we
22 have all the capacity in the world to carry share ride
23 customers. If people are not willing to wait, there
24 are other services like taxis and town cars, but in
25 terms of the share ride business itself, we want to

00289

1 take more people.

2 We feel that our business will be better
3 served if we take more people. Our efficiencies
4 increase. They increase for the guests. We get more
5 people out of one neighborhood, making the trip a lot
6 more pleasant for the person, and the costs go down
7 accordingly, and that keeps the prices down.

8 MR. RICE: Your Honor, I would like to offer
9 this exhibit into evidence.

10 JUDGE SCHAER: Is there any objection to
11 what's been offered as Exhibit 27?

12 MR. VALENTINETTI: No.

13 JUDGE SCHAER: Document is admitted.

14 (Admitted Exhibit No. 27.)

15 Q. (By Mr. Rice) Let me go back to Seattle
16 Super Shuttle witnesses. Did you hear Mr. Estes
17 testify about his impression of Shuttle Express's
18 operation during an ice storm?

19 A. Yes, I did.

20 Q. Would you describe Shuttle Express's
21 operations on that day?

22 A. On that particular day, it does mark the time
23 that, the only time, we did close after about maybe six
24 hours of operation, and we ended up closing the
25 business for maybe 18 hours or so. What transpired

00290

1 during that day is that the ice and snow was so
2 difficult that we ended up having vans stopped
3 everywhere, and the vans for the most part were able to
4 finish some of their trips, but we chose to go ahead
5 and not continue to operate during that timespan.

6 We had some drivers take almost five hours to
7 finish their trips, and we had -- I know of one driver
8 who received a one-hundred-dollar tip for the work he
9 did in that particular time, but I believe the
10 testimony of Mr. Estes indicated we were closed for
11 three days, and I think that is not accurate. I know
12 that is not accurate.

13 Q. What was your impression about -- do you
14 think people generally had difficulty getting to the
15 airport on that day, not just including your service?

16 A. Absolutely. There were people who could not
17 get from the airport on that day either. They were
18 snowed in.

19 Q. Can you recall the testimony of
20 Mr. Eichelberger -- this is a witness of Seattle Super
21 Shuttle -- regarding his friend Gunter Schroer?

22 A. Uh-huh.

23 Q. Mr. Eichelberger had mentioned that he had
24 some complaints. Do you have an opinion about his
25 testimony?

00291

1 A. Yeah.

2 Q. Can you share that opinion?

3 A. Yeah. It appears that we called within a
4 time frame that was suitable to the reservation. Our
5 assumption is that the number that the people leave is
6 going to be the guest's number, and we want that number
7 just in case there is a situation that we need to
8 clarify.

9 The only thing I can surmise from that is
10 that the particular location may not have a loading
11 zone or an unloading zone, and it may have been a savvy
12 driver making that call to suggest he pick him up
13 somewhere else rather than block traffic. I think he
14 said it was 1400 Boren, which I don't think there is
15 any places there to park at all.

16 Q. If this passenger were to call you again,
17 would you be fit, willing, and able to serve him?

18 A. Absolutely.

19 MR. RICE: That is all. Thank you.

20 JUDGE SCHAEER: Mr. Valentinetti, do you have
21 questions of this witness?

22 MR. VALENTINETTI: I do.

23

24

25

CROSS-EXAMINATION

00292

1 BY MR. VALENTINETTI:

2 Q. Mr. Rowley, so you think it was more like 18
3 hours for the snowstorm?

4 A. Yes.

5 Q. Did you work for Shuttle Express during that
6 time?

7 A. Yes.

8 Q. I was there too, but I think it was
9 considerably more than that. You said one thing here
10 at the end. You said if you can take more people, we
11 can lower the cost. Now, are you talking about your
12 costs of running or the cost to the passenger?

13 A. I think they go hand in hand. The cost of
14 doing business eventually comes out of the pockets of
15 the traveling public.

16 Q. So as your business grows, your price goes
17 down?

18 A. Not necessarily, because of the dealings in
19 business, things become more expensive as we go along,
20 it seems.

21 Q. Have you had a price reduction in the last
22 five years?

23 A. No, we have not.

24 Q. Your graph shows that you run at 20 percent
25 capacity all the time.

00293

1 A. Approximately. It's hard to surmise from
2 that exactly what the percentage is.

3 Q. I'm confused on why there would be people
4 standing at the airport if you are only at 20 percent?

5 A. Actually, you said that -- I should maybe
6 specify or elaborate a bit more because you said it
7 runs at 20 percent all the time. That chart right
8 there indicates a monthly amount of people that we take
9 versus the equipment that we have for the month.
10 (Witness indicating.)

11 Q. So sometimes it's 40 or 50 percent and
12 sometimes it's 10 percent?

13 A. It varies on the peak of the day and year,
14 that sort of thing.

15 Q. When you use this graph to receive capacity
16 of Shuttle Express, are you talking about vans parked
17 in your lot that are not being used?

18 A. Yes.

19 Q. And you have 117 vans?

20 A. Yes.

21 Q. How many would you use on a day like today?

22 A. A day like today, we will use probably 65,
23 70.

24 Q. How many people would you haul in a typical
25 day?

00294

1 A. We carry, this time of year, 1800.

2 Q. Then you advertise in the newspaper and with
3 fliers and things?

4 A. Yes.

5 Q. Do you also have advertising on your
6 vehicles?

7 A. Yes, we do.

8 Q. These advertisers pay you for that?

9 A. Yes, in a way. We trade out often times with
10 like Fox Sports Network, those kind of things. Radio
11 stations, you will see a lot of ads for that, and in
12 turn, we get to do some advertising on the radio or TV.

13 Q. So there is not a cash transaction. We see
14 these things on the dome or the roof. What do you call
15 that?

16 A. We don't have those anymore because of the
17 new location at the airport, but dome signs, yes.

18 Q. What would advertising on one of those cost?
19 What percentage of your revenue is income from
20 advertisements on the side of your vans or on the top?

21 A. I don't think I would be able to answer it
22 off the top of my head.

23 Q. Per van per month, maybe a thousand dollars
24 or 400?

25 A. Without really seeing the figures, I don't

00295

1 think I could really come close. I'm sorry.

2 Q. Service limitations on drivers, are your
3 drivers regulated by the Washington Utilities and
4 Transportation Commission?

5 A. Yes, through the DOT.

6 Q. Your computer program, I take it the \$800,000
7 program you guys designed?

8 A. Yes, we did.

9 Q. So that's exclusive to Shuttle Express in
10 Seattle?

11 A. Yes.

12 Q. That monitors the hours and the time and they
13 are legal and not legal now?

14 A. No. I did not say that. It aids in that
15 process.

16 Q. How many hours a day can a driver work for
17 you?

18 A. How many hours in a day?

19 Q. Yes.

20 A. 15 hours is the amount of duty time. Are you
21 inquiring about the regulations?

22 Q. Because we see the drivers there all day.
23 When you are busy, we see them there at night too, so
24 I'm wondering when you say that does your limitations,
25 I'm not sure that you really use the limitations.

00296

1 A. We adhere to the DOT regulations.
2 Q. That is 15 hours?
3 A. 15 hours is the duty time. 10 hours is the
4 drive time, and it's 60 hours in a seven-day period.
5 Q. Your drivers never go beyond that?
6 A. That's correct.
7 Q. What do your drivers make an hour?
8 A. They operate on a commission basis, so each
9 driver is different. They get paid for the fares
10 they've actually taken.
11 Q. Approximately?
12 A. Approximately, it ranges between 8 and \$13 an
13 hour.
14 Q. Would it be beneficial to your driver to
15 expediently get rid of or deliver the passengers to
16 their homes or bring them to the airport to get another
17 load to go again?
18 A. If they continue to work and not take breaks,
19 then that does help their overall pay; you bet.
20 Q. Are you familiar with the Domino's Pizza
21 30-minute lawsuit?
22 A. No, I'm not.
23 Q. Your drivers have to be 25 years old?
24 A. Right.
25 Q. I believe it was Gray Line that was 21.

00297

1 A. I think that's what he said.

2 Q. Can you give me a quick example of your
3 pretrip inspection?

4 A. I'll give you a brief example. A driver will
5 get keys, walk around the van, check the tires, check
6 the mechanical devices, the lights, turn signals, brake
7 lights, and those sorts of things, give it a
8 preinspection to check for any dents or scrapes that
9 haven't been noticed. In general, check the mirrors,
10 check the seat belts, make sure it's all clean, that
11 type of thing.

12 Q. You said you have a parts inventory. What
13 kind of parts do you keep on hand?

14 A. We've got an arrangement where we keep the
15 parts for the Dodge there with the Dodge dealer.

16 Q. So the Dodge dealer has the parts really.

17 A. No. We have them on our premise, and we pay
18 for them as we use them.

19 Q. Like oil filters and air filters, or bumpers
20 doors, windows?

21 A. To be honest with you, I don't know that I'm
22 real familiar with the parts.

23 Q. Out of your 117 vans, what's the mileage, the
24 average mileage on one of the vans?

25 A. It would range based on how old the vans are.

00298

1 Some of the vans that are 1993 may have 500,000 miles
2 on them. Some of the newer vans we just purchased last
3 year are 100,000-mile range, I would imagine, by now.

4 Q. When do you take your vans out of service?
5 How many miles is too many miles, or is there he ever a
6 time?

7 A. It depends on the safety of the vehicle, and
8 also, by that many miles, it's really the appearance
9 that's starting to notice. Because of the ongoing
10 maintenance we do upon the vans, operationally, the
11 vans are very good. We are surprised at how much money
12 we get for a van that we've actually retired when we
13 resell them. So a lot of times the decision is how
14 does it look appearance-wise for the guest.

15 Q. If I walked up to a Shuttle Express driver on
16 probably one of the older vans and asked them how many
17 miles it had on it, would you be shocked if he said
18 seven or eight hundred thousand?

19 A. Would I be shocked?

20 Q. Yes, because some of them are that high?

21 A. Like I said, that would not surprise me.

22 Q. Your success rate was 99.75.

23 A. Uh-huh.

24 Q. Is what you used as a success rate. I'm
25 confused on that number. Meaning that's no complaints,

00299

1 or that means you got the person there before their
2 flight flew?

3 A. We track every one of our reservations, and
4 anything that anybody says about our service, we meet
5 on a daily basis about those five days a week, and
6 anything that comes through our process, we will note
7 as something that is awry that we need to make an
8 adjustment. It might not even be something that the
9 guests complained about, so it might be an okay trip,
10 but that percentage I was referring to is an
11 operational percentage that we use internally to make
12 our operation better.

13 Q. I'm not sure I understand. 99.75, that would
14 be one in how many?

15 A. Well, 99 and three quarters of a hundred. So
16 a quarter of a mishap in 100 people, and by mishap,
17 that may not even be a customer problem.

18 Q. Are you familiar with the Microsoft mapping
19 program?

20 A. I've heard of it.

21 Q. So you don't think that if you give it four
22 addresses it will tell you which one to go to first and
23 give you a route?

24 A. My testimony is meant to say that there is a
25 lot more to customizing that particular process than I

00300

1 think just doing that. That's a mapping and routing
2 program is what I testified, I believe.

3 Q. So it would be more efficient for the driver
4 to take the Thomas Guide with the passengers in the van
5 and look up the addresses?

6 A. Depends on what kind of technology is
7 included with that particular software, I suppose.

8 Q. When you contract to other companies when you
9 are overloaded, who are those companies?

10 A. We use Farwest and Everett Yellow. We also
11 have contracts with Northwest Cabulance for the ADA
12 people.

13 Q. Would you say that you use the taxis on every
14 peak period?

15 A. No.

16 Q. So you are not overloaded every peak period?

17 A. No, we are not overloaded every peak period.

18 What we will do is go through, and when we route the
19 night before, we will look at what trips we have and
20 what routes we have, and there may be some trips that
21 are better served by a direct type of service. So we
22 may opt two or three people to just be picked up
23 individually by another service.

24 Q. Is Seattle Super Shuttle a threat to your
25 company?

00301

1 A. I believe that competition -- anybody that
2 takes people away from us is a threat. I would like to
3 take as many as we possibly can that would be willing
4 to take us.

5 Q. Do you believe competition is good for
6 business?

7 A. Certainly.

8 Q. So who is your competition at this point?

9 A. The biggest competition are people who take
10 people to the airport -- friends, relatives, that sort
11 of thing. As far as commercial operators, I believe
12 our biggest competitor is the cabs, but primarily, it's
13 the people that drive themselves to the airport or take
14 other people in.

15 Q. So you really don't have competitors except
16 for the public; is that correct?

17 A. That's correct, in terms of there are no
18 other share ride operators; that is correct.

19 Q. Although you just said competition would make
20 it good.

21 A. Sure. Competition is healthy.

22 MR. VALENTINETTI: I don't think I have any
23 more questions for Mr. Rowley just now.

24 JUDGE SCHAER: I have just a few.

25

EXAMINATION

00302

1 BY JUDGE SCHAER:

2 Q. Mr. Rowley, first of all, I want to ask you a
3 little bit about your ticketing arrangements with
4 travel agents. You talked about a 10/50 program; is
5 that correct?

6 A. No. ID-50 is what I referred to. It's an
7 old airline term. It means that the travel agent pays
8 half the fare.

9 Q. Do you have any program where you pay
10 commissions to people who book reservations for you?

11 A. No, we do not.

12 Q. When you use your ID-50 program, please tell
13 me how that works.

14 A. We mail out a few vouchers. They will have
15 the travel agent name on them, and we also send out
16 some information regarding our service to the agent,
17 and then we ask them to, in turn, sell our service, and
18 in turn, you may use our service at half the cost,
19 which is the cost of the voucher.

20 Q. About how many vouchers of this kind are used
21 by travel agents in a year?

22 A. Right now, we are averaging three to four
23 hundred a month.

24 Q. That figure is sufficient. You talked about
25 your 99.75 percent no-complaint rate, and I'm wondering

00303

1 if you could translate that for me into an average
2 number of complaints per day that you do receive.

3 A. I would say in the vicinity of maybe 20 to 25
4 a month.

5 Q. How many customers a month do you carry?

6 A. About 50,000.

7 Q. Do you do any categorization of your
8 complaints to what they are about?

9 A. Yes. It's very detailed. We have categories
10 of the particular complaints, and we measure what we
11 might be receiving the most so we can make some changes
12 to either our training or our coaching, our information
13 that we are putting out, our communication and so
14 forth.

15 Q. You said that you operate Dodge Ram Vans; is
16 that correct?

17 A. Yes, it is.

18 Q. How many passengers, including the driver,
19 does a Dodge Ram Van carry?

20 A. We have two types of vehicles. One would be
21 a seven-passenger or eight total, and an 11-passenger
22 or 12 total van.

23 Q. Do any of the vehicles that you use carry 16
24 or more passengers, including the driver?

25 A. No, Your Honor.

00304

1 Q. You talked about your program for picking up
2 customers in their homes to take them to the airport
3 and showed us your dispatch log for that. I'm
4 interested now in the kinds of standards you may have
5 for people leaving the airport. Do you have any kind
6 of time standard, for example, that says, after we pick
7 up the first passenger, we will leave the airport
8 within 10 minutes, two hours? I don't know what it
9 would be. Do you have some kind of time standard for
10 that?

11 A. We do. We would like to pick up everybody
12 within 20 minutes. We run a report every day that
13 shows us an average wait time for each guest. As vans
14 are maturing, the first person that forms a route will
15 wait the longest, and then people coming in obviously
16 wait the shortest, but by taking a combination of that,
17 we try to have the first person on the van leave by 20
18 minutes.

19 Q. So your standard is to leave the airport
20 within 20 minutes after you pick up the first
21 passenger?

22 A. Right.

23 Q. Do you track how often you meet that
24 standard?

25 A. Yes, we do.

00305

1 Q. So what is your success rate on that? Would
2 that show up as one of your complaint items?

3 A. Not necessarily as one of the complaint
4 items. It may as well if you are there too, depending
5 on if someone is registering a complaint or somebody
6 had something to say about our operation about
7 something.

8 Q. What are your statistics of how often you
9 meet your 20-minute goal?

10 A. I don't know off the top of my head. I would
11 think we meet that goal maybe 90 percent of the time.

12 Q. Do you have any kind of improvement process
13 in place to try to improve that 90 percent number to a
14 higher number?

15 A. It's ongoing. We have just been moved,
16 actually, at the airport, and it is actually going to
17 help our operation. We've gone down to two departing
18 places to only one, and that helps with the time that
19 the vans are in the airport and also with our
20 organization of the people so that we can put them on
21 the van, and we've made strides to improve our
22 technology so we can route quicker on the fly and have
23 better routes formed. So it's very much our number one
24 focus is to make the airport even better than what it
25 is right now.

00306

1 Q. You said that you have a goal of 20 minutes.
2 Do you have some kind of outside time line that says
3 absolutely you will leave by 30 minutes or 50 minutes
4 or whatever that might be? Is there some cutoff point
5 so a customer knows they won't have to wait beyond a
6 certain time?

7 A. Not necessarily. If we tell a person how
8 much time it will be, then we will adhere to that, and
9 we will commit to giving them a reduction in the fare
10 if they are later than that particular time, but in
11 terms of an absolute, we refrain from that.

12 Q. I'd like to talk to you now about an overload
13 situation. As I understood, you testified when you are
14 in an overload situation, which means you don't have
15 sufficient vans to carry customers by your standards,
16 that you use other companies; is that correct?

17 A. It's not so much an overload situation as it
18 is a means of making the operation efficient. We have
19 chosen to do that. Our first resort is to use our town
20 cars, but we will have a guest pay our fare to these
21 people that we have contracted with and call them ahead
22 of time and ask if that is suitable for them and then
23 have them do that.

24 Q. I am wanting more detail on this. Do you
25 have a separately set out tariff for your town cars?

00307

1 A. Yes.

2 Q. Then if you are going to bring them into your
3 shuttle business, do you use the town car tariff or the
4 shuttle tariff?

5 A. To have them pay?

6 Q. For what you charge the customer.

7 A. If they are a door-to-door guest, then that
8 is what they would be paying, yes. We supply an
9 additional service by sending our town car, because it
10 is a direct nonstop in a nice Lincoln Town Car as
11 opposed to the van with other people.

12 Q. I'm still looking just at your situation when
13 you don't have sufficient vans or you want to have
14 other vehicles used in addition to your vans. When you
15 use your town cars in that setting, are you charging
16 the shuttle tariff or the town car tariff?

17 A. In the event where people are trying to get
18 on to us and maybe we don't have room; is that what you
19 are saying?

20 Q. Yes?

21 A. In that event, what we will do is take -- and
22 this only occurs at real peak times, like holidays and
23 so forth -- we take their name and number, and we will
24 try to wait for cancellations and then give them a call
25 back. If we can't squeeze them in on door-to-door,

00308

1 then we advise them of the other services and try to
2 fit them in our town car if we can. That's generally
3 the process.

4 Q. My specific question was then do you charge
5 them the town car tariff, or do you charge them the
6 shuttle tariff?

7 A. If they don't have a reservation on
8 door-to-door and they haven't called with enough time
9 to get on one of our vans, in that case, we would
10 charge the town car service price.

11 Q. In the other situation where they did have an
12 advance reservation and they have called in time, what
13 would you do then?

14 A. They would pay the door-to-door price.

15 Q. So they would pay the shuttle tariff in the
16 town car.

17 A. That's correct.

18 Q. Would you use the town car as a shared
19 service if a customer --

20 A. In some cases we would. It's a little
21 cramped, but in some cases we use that as a backup.

22 Q. Let's go to the next instance where you don't
23 have vans or town cars, and you indicated that you
24 would contract with other companies. What other
25 companies do you contract with?

00309

1 A. Farwest Cab -- the ones I had mentioned
2 earlier -- Yellow Cab in Everett.

3 Q. When they are not contracting with you, how
4 are the rates set for those companies?

5 A. They are set, generally, by the mile and
6 usually with a drop fee.

7 Q. Then when they are contracting with you, I
8 believe you indicated that they charge your tariff
9 rate; is that correct?

10 A. We have a situation where they charge our
11 fare and then they bill us for the difference.

12 Q. At that point then are they being treated as
13 a subcontractor under your authority, or is it just two
14 different people paying taxi rates?

15 A. I would say it's two different people paying
16 the taxi rates.

17 Q. Then another circumstance you described is
18 that you contract with the cabulance company to provide
19 transportation to people with special needs; is that
20 correct?

21 A. That's correct.

22 Q. What is the relationship between your company
23 and the cabulance company?

24 A. Much the same. The guest that calls and
25 books with us pays our fare to the cabulance. The

00310

1 cabulance bills us for the differences involved.

2 Q. Do you have some kind of ongoing relationship
3 that sets this up with the cabulance company?

4 A. Yes.

5 Q. How is that reflected? Is that reflected in
6 a contract or some other document?

7 A. It's reflected in a contract.

8 Q. Is that contract one that's on file with the
9 Commission, to the best of your knowledge?

10 A. You know, I don't know. I assume that it
11 would be.

12 Q. Then when the cabulance is providing the
13 service, do they somehow portray your permit number on
14 their vehicle?

15 A. I don't know about that.

16 Q. We've had a lot of conversation about an ice
17 storm, and people are referring to that day, and since
18 everyone seems to know which day that was, I'm
19 wondering if you can tell me what the date was?

20 A. I want to say December 26th.

21 Q. Of what year?

22 A. Of '97, I think, or maybe '96. It was a
23 pretty low revenue day for us that stands out.

24 JUDGE SCHAER: Those are all the questions I
25 have. Is there anything further for Mr. Rowley?

00311

1 MR. RICE: We have a small amount of
2 redirect.

3

4 REDIRECT EXAMINATION

5 BY MR. RICE:

6 Q. You mentioned outside contracting situations
7 and times of overload. Can you estimate how many times
8 a year you might have to rely on an outside contractor
9 due to an overload?

10 A. Overload situations mainly occur at
11 Thanksgiving and Christmas.

12 Q. So how would you describe those? Is that a
13 common occurrence then?

14 A. It's seems no matter how we ramp up and
15 things we do, we seem to run into that situation down
16 the road. There is often times people will try to call
17 the day before, and we need a little more time than
18 that sometimes to book everybody.

19 Q. You mentioned that it occurs around holiday,
20 Thanksgiving and Christmas.

21 A. Right.

22 Q. Would you say that, in fact, the overload is
23 an infrequent situation?

24 A. In as much as there is only one Christmas and
25 holiday season a year, yes, I would say that.

00312

1 Q. Do you know what a "joint fare program" is?

2 A. Yes. We at times have been involved in
3 discussions with airlines, in part because of our
4 history of coming from an airline, of establishing a
5 joint fare with airlines whereby you would have the
6 same designator that an airline has. For instance
7 Northwest would have an "NW", and we would have a trip
8 that says "NW" and be involved in the travel agent's
9 computers so that they could actually book us on line.

10 We were involved in the first joint fares,
11 actually, that there were, so we've been working on
12 that idea. The last one was with Northwest, and
13 unfortunately, that fell through when they got new
14 management, but we were on the verge of having an
15 arrangement with them whereby we would actually end up
16 in all of the travel agency computers under the
17 designation of Northwest.

18 MR. RICE: That is all.

19 JUDGE SCHAEER: Is there anything further for
20 this witness?

21 MR. VALENTINETTI: I've got a couple of quick
22 ones.

23

24

25

FURTHER CROSS-EXAMINATION

00313

1 BY MR. VALENTINETTI:

2 Q. So your peak times are Thanksgiving and
3 Christmas. You wouldn't say every day in the
4 summertime is an overload situation?

5 A. Yes. The difference is that the peak time
6 during the summer is sustained, and we are able to plan
7 well enough to meet the demands. We beef up the driver
8 force at that time. We beef it up at the holidays as
9 well, but because it goes at such a cycle, it's really
10 hard to make that happen at the very peak times.

11 Q. Have you been at the airport at ten o'clock
12 at night in the summertime to the south lot where you
13 used to pick up?

14 A. I've been there between the hours of seven
15 and three a.m. during the Christmas peak time.

16 Q. We've got photos of no vans and people
17 standing there -- no taxi, no limos, no Shuttle
18 Express -- every night in the summertime. I'm
19 surprised that you think that you're ramped up for the
20 workload. Do you think that's a once-in-awhile
21 occurrence?

22 A. I do. I think that depending on what is
23 coming in and how late the flights are, I think that's
24 a one-in-awhile occurrence.

25 Q. You said that the people waiting at the

00314

1 airport -- we addressed them coming from Seattle or
2 wherever to the airport. The people waiting at the
3 airport, you said one of the problems is that you can't
4 depend on the flights and when they are coming in and
5 whether they are late or not. People make these
6 reservations to go back home, and then you also talked
7 about building a load or something. Is it done by
8 reservation when they are coming inbound, or is it done
9 by the first guy that says, I'm going to Ballard, gets
10 in the van and waits for seven more people?

11 A. Presently, it's done by the people that as
12 they come in, we route on the fly. We are actually
13 looking at a system whereby somebody can make a return
14 reservation for us, and we might aid in the planning
15 process for that, but generally speaking, right now
16 it's done on the fly.

17 Q. With the \$800,000 software then, you don't
18 use that. The guy uses a map book and loads as they
19 come, and when you have too few people in the van, you
20 wait 25 minutes or whatever your time frame is and then
21 you leave.

22 A. The map book is a different scenario than
23 what we actually give each driver. The technology we
24 use aids the dispatcher so they may place the right
25 people together, and then those are shipped via pager

00315

1 to the driver, and then as the exemployee witness
2 described, those come over the pager and he looks at
3 his map book and routes before he takes off.

4 Q. So if I was going to Spanaway and I came to
5 your booth and I'm the first one, I would wait 20
6 minutes until the van left, or would I wait until there
7 was seven people in the van?

8 A. You would wait 20 minutes until the van left.

9 Q. You were talking about the Port of Seattle
10 agreement, and I believe you said that you couldn't
11 operate without it. So if Seattle Super Shuttle is
12 allowed to operate, if they get this authority from the
13 State, how will they operate without it? How would we
14 be in business if you can't operate without that?

15 A. I don't know that that's a question for me in
16 as much as it would be for you.

17 Q. You are right; it's not. Let me ask it this
18 way: Why do you think, in your opinion, we are here to
19 get the authority to operate in Seattle if there is no
20 need?

21 A. I don't know.

22 Q. If we are granted the authority, do you think
23 our company will be here in six months?

24 A. I don't know.

25 Q. Will it grow or will it reduce?

00316

1 A. Are you talking about my company or your
2 company? I'm asking your opinion. You said you
3 couldn't operate without a permit. It's impossible to,
4 apparently, and then you've also told the Court that
5 you operate at a 20 percent load factor, which I think
6 is extremely low.

7 So if a new company came in, people
8 bright-eyed and bushy-tailed all ready to work, and you
9 with your \$800,000 system and 117 vans and 250 drivers,
10 all the advertising in the world, if you can't operate
11 without a contract with the Port, and you are barely
12 making it with the 20 percent load factor, how in the
13 world would a new company with five vans possibly make
14 it?

15 MR. RICE: Objection. This is becoming
16 argumentative.

17 MR. VALENTINETTI: I just want him to answer
18 the question. Does he think it will grow or get
19 smaller?

20 JUDGE SCHAEER: I think the witness has
21 indicated in the previous questions that he doesn't
22 know, and if there is any different answer, I'll allow
23 him to give it. Otherwise, the quickest way to get
24 through this is to just let him tell us whether he
25 knows that or not.

00317

1 Q. I guess I'll just make the question really
2 easy. Is Seattle Super Shuttle a threat to Shuttle
3 Express?

4 A. I believe it is, yes.

5 MR. VALENTINETTI: Thank you.

6 JUDGE SCHAER: Is there anything further for
7 this witness? You may be excused. We are at the point
8 I didn't want to be at. It's one minute after six and
9 we are not done. Let's go off the record just a moment
10 to discuss where we are.

11 (Discussion off the record.)

12 JUDGE SCHAER: Any rebuttal,
13 Mr. Valentinetti?

14 MR. VALENTINETTI: For the record, I would
15 like to state --

16 JUDGE SCHAER: If there is, we will get you
17 back on the witness stand. Would you please resume the
18 witness stand? I will remind you that you are still
19 under oath.

20 MR. VALENTINETTI: I think that after our
21 conversation, I think that everyone in this room knows
22 that there is a need. I'm surprised to hear Gray Line
23 especially here since they are in almost a completely
24 different business. The passengers that ride a bus
25 downtown as opposed to someone that would pay the rate

00318

1 that Shuttle Express or Seattle Super Shuttle charges
2 are completely different people.

3 I think that the business traveler does not
4 ride the bus. I think that it takes more time, more
5 energy. I also think that the people in this room, if
6 your family was coming to Seattle from Kansas City or
7 wherever they might be from and you lived downtown, I
8 don't think you would put them on a Grayline bus and
9 say, Take the connector and then we will come and pick
10 you up. I can't even imagine that happening. I think
11 that Gray Line shouldn't be here. I think they operate
12 a low cost easy way to get to the airport with very old
13 buses, much higher than 500,000 miles per bus that I've
14 seen downtown. We've talked to the drivers.

15 I think that Shuttle Express runs a good
16 operation. However, they are overwhelmed, and I want
17 to back up a little bit and say that I think Gray Line
18 is also good too. We are not bashing them and saying
19 it's cheap or bad. We think it's fine too, but they
20 are not meeting the need. We work downtown also, and
21 we see the people standing there. We see the buses
22 broke down in downtown. We see the traffic jams that
23 the bus creates, not only downtown Seattle, but we see
24 it at the airport, but there is such a huge volume of
25 people traveling through SeaTac Airport and in Western

00319

1 Washington nowadays that we are forced to accept the
2 bus, and the people have to move, so that's the only
3 way at this time. If there was light rail, if the
4 people of Washington had voted in light rail, Gray Line
5 would probably only be doing their cruise ships. They
6 will have completely reduced business.

7 Shuttle Express, on the other hand, like I
8 said, I think does an adequate job when it's slow. A
9 day like today, they are probably great. But we still
10 see every weekend and every evening, we still see
11 people waiting for more than an hour on a daily basis
12 on the weekends all the time.

13 We operate the baggage delivery business
14 there, which are cargo vans or not suitable for
15 passengers, and we couldn't take any in there. We have
16 people come up to the vans and say, Please take me
17 downtown. I've got to go, or, Please take me to this
18 address. We've been waiting here forever. It is not
19 just once or twice. It's every weekend at night, and
20 in the summer, it's incredible. It's like a mob in
21 that south parking lot, which isn't there anymore at
22 the airport. There is people standing around. There
23 is no transportation, none, whatsoever. So I'm amazed
24 to see those percentages of 20 percent, and I know how
25 they come because you take the 11-passenger vans and

00320

1 put four people in them, so you go with them empty
2 because they run and they have to make the time frame,
3 but now you don't have a van at the airport.

4 Your problem is not that you don't have
5 enough vans. I know what your problem is because I'm
6 in the same business. It's you don't have drivers, for
7 Gray Line and Shuttle Express, and that's where you run
8 into problems, and then these guys drive when you are
9 in trouble with time. The drivers are driving probably
10 20 hours. We see them in the morning and see them at
11 night. We see the same guys coming through the
12 airport, and that's where you get into safety issues
13 and problems, and rather than have that -- it's crazy
14 to.

15 If we are granted this permit, you will see
16 our company grow. Mr. Rowley doesn't think so, but on
17 the one hand, we are a threat, and on the other hand,
18 it's impossible for us to operate, so I'm not really
19 sure what's he's trying to say. I know what he's
20 trying to say: We don't want you here, but you will
21 never make it, but they know we will grow like crazy
22 because there is a huge need. You can poll anyone in
23 Seattle. You could ask Mr. Condit from Boeing. Have
24 you guys watched the news in the last week? It's huge.
25 Transportation in Seattle is horrible. They can't get

00321

1 their people around. I've got the article right there,
2 which I will send to you in the brief, but there is
3 tons of it. It's every day on the news. Traffic is
4 horrible.

5 HOV is the only thing we have now, high
6 occupancy vehicles, and we have to -- in Seattle, which
7 is one of the worst commutes in the country now, we've
8 got to combine and make that work, because we don't
9 have light rail, because we didn't plan ahead, because
10 people voted it down 20 years ago and now again. There
11 is no quick fix. High occupancy vehicles is the only
12 way. Gray Line is doing it with the big buses. It
13 causes traffic jams, but yet it gets a lot people
14 downtown. That's what we have to do.

15 I think there is no way we can sit in this
16 room and let Shuttle Express and Gray Line operate --
17 it's their own little world, and it's been that way for
18 probably 20 years, but the city and the state is
19 growing much too fast for them, and there is definitely
20 a need. Even the people sitting here, I know you know
21 it. You will go home and talk to your wives tonight,
22 and they will say, What are you thinking? But I know
23 where you are coming from when you battle five vans,
24 Seattle Super Shuttle, because as soon as we are
25 granted this permit and the next guy comes in, we are

00322

1 going to want to grow our business so we have 117 vans
2 too, and I'll probably sit right at that table and say,
3 Oh, there is not a need. Traffic is great in Seattle.
4 Boeing is moving to Dallas or Denver. It's because of
5 transportation? Phil doesn't know what he's talking
6 about.

7 Our biggest employer is leaving Washington
8 because transportation is horrible, and here we are in
9 this room, Seattle Super Shuttle, Shuttle Express, Gray
10 Line. It's not your fault. I'm not saying you guys
11 are responsible for Boeing leaving, but guess what? We
12 are the people that are offering transportation, and
13 we've got to make it work. It's like an animal
14 protecting his food that he's just killed --

15 JUDGE SCHAER: Mr. Valentinetti, I think I
16 want you to try to stick to any facts that you need to
17 put in the record. Arguments you can put in your
18 brief. Is there anything else you wanted to put in
19 that is factual in nature right now?

20 MR. VALENTINETTI: I have one more minute,
21 don't I?

22 JUDGE SCHAER: I want you to use it well.

23 MR. VALENTINETTI: Just one more minute of
24 rambling and I'll be done, because I don't have any
25 more facts, just rambling.

00323

1 The difference is Gray Line, Shuttle Express,
2 and Super Shuttle are all different people. They are
3 all different clientele, so if you guys are trying to
4 protect the whole thing, it's stupid. They are all
5 different clientele, and you offer people a choice. I
6 guarantee you I don't drive the same car as Mr. Rice
7 does or as Mr. Rowley does, and for sure probably not
8 the same car Mr. Harlow does, but everybody is
9 different. Everybody is different. You make choices
10 and you have particular different ways.

11 Some people want to go downtown for nine
12 dollars on a Gray Line bus. Some people don't want to
13 sit next to anybody on a bus. Some people have an
14 appointment. It's a different clientele that we are
15 talking about. Some people, the shared ride is okay.
16 Some people want the town car. Some people want to get
17 there right now, and we all make difference choices.

18 I think at this time for Washington State, we
19 can save it just for two companies. I know you guys
20 want to be here forever and have the big load and the
21 big day, September 5th -- I'll stop rambling. I am
22 done.

23 JUDGE SCHAER: Are there any questions?

24 MR. HARLOW: No, I don't think we have any
25 further cross.

00324

1 JUDGE SCHAER: I don't have any further
2 questions either, so let's go off the record for just a
3 moment and talk about the briefing schedule.

4 (Discussion off the record.)

5 JUDGE SCHAER: We are back on the record.
6 While we were off the record, we discussed the
7 remaining schedule for this proceeding and decided that
8 briefs will be due on June 10th, and I will remind the
9 parties that there is information in the procedural
10 rules of the Commission that may assist you in that,
11 and also, I believe that there is an exhibit that
12 Mr. Valentinetti is going to distribute at this time
13 that is going to be put in the record by stipulation,
14 so go ahead and provide that, if you would,
15 Mr. Valentinetti.

16 You've handed me a four-page article in which
17 the Boeing chief says the business climate must
18 improve, and I'm going to mark this as Exhibit 28, and
19 then you've also handed me Section D of Tuesday, May
20 1st, 2001's News Tribune business section, and I
21 believe you will refer to the article here about
22 Mr. Condit and the Puget area needs to improve; is that
23 correct?

24 MR. VALENTINETTI: Yes.

25 (Marked Exhibit No. 28.)

00325

1 MR. HARLOW: We'll need copies to be
2 provided later.

3 JUDGE SCHAER: Is there anyone that objects
4 to admission of these documents at this point?

5 MR. HARLOW: No, Your Honor.

6 JUDGE SCHAER: Those documents are admitted.
7 (Admitted Exhibit No. 28.)

8 JUDGE SCHAER: Is there anything further to
9 come before the Commission at this time? I'm going to
10 instruct you, Mr. Valentinetti, to have copies of these
11 made and to have them put into the mail no later than
12 five o'clock tomorrow to the Commission and to counsel.
13 At the point they are received -- I'm going to close
14 the record in this proceeding next week, and if they
15 aren't there, then they will not be part of the record.

16 Is there anything further to come before the
17 Commission? Hearing nothing, we are off the record,
18 and thank you all for your time today and the good work
19 that got done.

20

21 (Hearing adjourned at 6:20 p.m.)

22

23

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25

