

Staff review and analysis of rates included in the application filed in TC-143864

Review by Mike Young January 16, 2015

Discussion

Northwest Smoking and Curing, dba SeaTac Direct filed in docket TC-143864 an application for an extension of existing service to include “By reservation, door-to-door, passenger pick-up and deliver to scheduled by reservation SeaTac Direct non-stop service Best Western Lakeway Plus Bellingham to SeaTac Airport & drop off from Best Western Plus Lakeway Bellingham after disembarking by reservation SeaTac Direct non-stop SeaTac to Best Western Plus Lakeway Bellingham within Bellingham city limits.”

Staff was prompted to review the proposed rates as a result of comments dated December 23, 2014, received in docket TC-143864 from Seatac Shuttle, LLC. Those comments read, in part: “...on the *pro forma* submitted they [SeaTac Direct] suggest earnings that place their rate structure outside the bounds of any margin ever contemplated by the Commission...”

Staff’s review compared the rates proposed in TC-143864 by SeaTac Direct with rates in the published tariffs of other auto transportation companies providing regulated door-to-door service.

Staff’s Findings:

Door-to-door service is defined in WAC 480-30-036 (2) as service provided between a location identified by the passenger and a point specifically named by the company in its filed tariff and time schedule. SeaTac direct proposes to pick up passengers at a place designated by the passenger, within the city limits of the city of Bellingham, and delivery to the company’s terminus identified in their Tariff and Time Schedule as the Best Western Plus Lakeway in Bellingham. They also propose a reciprocal service from their terminus to a point designated by the passenger within the city limits of Bellingham. The company states this service is to be provided in conjunction with their scheduled service between their terminus in Bellingham and SeaTac Airport.

The company proposes to charge \$30.00 per one-way trip for the door-to-door service, with discounts provided in certain circumstances identified in the tariff document. Adult one-way fares for scheduled service between the company’s terminus and SeaTac Airport fall between \$39.00 and \$48.75, according to the flexible fares concept. For comparison purposes, staff used the maximum rate in all the various companies’ tariff documents for an adult, one-way fare.

Staff calculated the combined cost of a trip to SeaTac airport from a location within the city limits of Bellingham via SeaTac Direct to be $\$30.00 + \$48.75 = \$78.75$ one-way. The approximate distance from Bellingham to SeaTac Airport is 103 miles.

Staff compared rates to the maximum flexible fares published in the tariffs of Shuttle Express, Inc., and Pacific Northwest Transportation Services, Inc. dba Airport Shuttle. Staff selected fares that were similar to the proposed fare, or originations that were a similar distance from SeaTac Airport. The comparison is in the following table:

Company	Origination Point	Maximum Flexible One-Way Adult Fare to SeaTac Airport	Mileage
SeaTac Direct	Bellingham	\$78.75	103
Shuttle Express	Everett	\$70.88	42
Shuttle Express	Puyallup	\$74.81	24
Shuttle Express	Lake Stevens	\$132.56	50
Shuttle Express	Steilacoom	\$84.00	35
Airport Shuttle	Shelton	\$72.19	73
Airport Shuttle	Elma	\$78.75	81
Airport Shuttle	Aberdeen	\$124.69	101
Airport Shuttle	Hoquiam	\$137.81	104

Conclusion

Staff concludes that the proposed rate for door-to-door service proposed by SeaTac Direct, when combined with their scheduled service rate, for a trip from any point within the city limits of Bellingham to SeaTac Airport is very similar to the maximum flexible fare rates charged by other regulated auto transportation companies providing door-to-door service to SeaTac Airport. Further staff finds that the combined rates as proposed by SeaTac Direct are not “outside the bounds of any margin ever contemplated by the Commission or the other certificate holders.”