

CWA, Inc  
1416 Whitehorn Street  
Ferndale, WA 98248

March 26, 2012

Mr. David W. Danner  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park DR SW  
PO Box 47259  
Olympia, WA 98504-7250

RE: Tariff increase for CWA, Inc. d/b/a Airporter Shuttle, Certificate Number  
C-1073

Dear Mr. Danner:

CWA operates an Airport Shuttle service between Yakima/Ellensburg/ Cle Elum and Seattle/Seatac. In 2010 we carried 36300 passengers on our 5 daily round trips.

Presently our fare from Yakima is \$37 or \$0.21/mile. This per mile rate is the lowest amongst all Washington State Airporters and is not generating enough revenue for us to continue operations. Our projected 2011 loss is \$104,000. We are therefore requesting permission to increase our rates.

It is important to note that the CWA operates several other types of transportation and sundry businesses. In addition to the Airporter Shuttle revenues and costs, the CWA P&L includes revenues and costs from these other businesses. This has made it necessary to make accounting adjustments on the P&L. These adjustments are shown in column F of the attached spreadsheet. Back up assumptions and calculations are also explained in the attached spreadsheet. They are listed under tabs titled vehicle costs/ admin/ pax counts and wages.

The sheet's tabs are arranged as follows;

1. The 2010 Profit and Loss (note column F these are the accounting adjustments)
2. vehicle cost summary
3. administrative overheads calculations
4. passenger counts for 2010 and 2011 and calculates what revenues might be generated from our request.
5. Wages calculations

Our analysis concludes that the average fare will increase between \$3 and \$5 per ticket and generate gross revenue of approximately \$176,000. Please see the tab titled PAX count for the detailed revenue projections. Please also see the .pdf attachment that is our tariff replacement page. We are requesting that the new rates become effective May 1, 2012.

In addition to covering our costs we are hopeful that this revenue will cover 3% wage increases for our drivers ( 4% already provided in December of 2011) and bring our operating ratio to 93%.

Along with the rate changes we are also requesting changes to our governing provisions. For the most part, these changes address issues that we have had with passengers double booking trips and then cancelling one for a refund the next day. This has the result of taking a seat that we otherwise might have sold. We are hopeful that by increasing the penalty for this type of behavior it will quickly be discouraged.

Thank you for considering the rate and governing provision changes.

Sincerely

Richard Johnson  
President