

Wickkiser International Companies, Inc
1416 Whitehorn Street
Ferndale, WA 98248

June 14, 2013

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

RE: Tariff increase for Wickkiser International Companies, Inc. d/b/a Airporter Shuttle, Certificate Number 933

Dear Mr. King

Airporter Shuttle provides scheduled service from virtually the Canadian US border to Seatac airport (with closed door between Marysville and the airport). In Burlington the I-5 airporter interlines with our SR-20 airporter that runs between the Washington State Ferry terminal in Anacortes and Burlington. Together these two runs carried over 145000 passengers in 2012.

Organic passenger growth along with our company's non regulated revenue sources have allowed us to maintain the same ticket price since our last rate increase in 2005. However organic growth has flattened out due to increased competition from the ever expanding Bellingham airport. Additionally, federally funded transits have unfairly competed with us which has also affected passenger growth and finally WIC can no longer use other corporate funds to offset Airporter losses

Presently our fare from Bellingham is \$34 or \$0.31/mile. This per mile rate is one of the lowest amongst all Washington State Airporters and is not generating enough revenue for us to continue operations. We are therefore requesting permission to increase our rates an average of \$3 per trip or about 9%. This increase will provide approximately \$500,000 and bring our operating ratio to 97%. While the increase is significant for us, of note is that in 2012 we collected \$129,000 in fuel surcharges and fares have not increased for 7 years.

As mentioned WIC operates several other types of transportation and sundry businesses, so in addition to the Airporter Shuttle revenues and costs, the WIC 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 columns E, F and G of the attached spreadsheet. Column E subtracts the costs of our charter bus business. Column F subtracts the costs of our WWU contract; Column G adds new known costs such as wage increases, medical, port fees. The back up assumptions to these adjustments and calculations are explained as imbedded notes in the spreadsheet and in a separate document titled "explanation of 2012 adjustments".

The spreadsheet's tabs are arranged as follows;

1. The 2012 Profit and Loss
2. vehicle cost summary
3. administrative overheads calculations
4. passenger counts for 2012 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 \$4 per OW ticket and generate gross revenue of approximately \$502,000. Round trip tickets will receive a 10% discount over two one ways, seniors and military will receive a 5% discount and youth passengers receive a 25% discount. Please see the tab titled PAX count for the detailed revenue projections. Please see the additional spreadsheet attachments that are our tariff replacement pages. We are requesting that the new rates become effective July 15, 2013.

In addition to covering more of our costs we are hopeful that this revenue will cover 3% wage increases for our hourly staff and our admin staff and bring our operating ratio to 97%.

Along with the rate changes we are also requesting changes to our governing provisions. For the most part, these changes are only wording changes that improve our customer's understanding of the provisions.

Thank you for considering the rate and governing provision changes.

Sincerely

Richard Johnson
President