

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SHUTTLE EXPRESS, INC.,

Petitioner and Complainant,

v.

SPEEDI SHUTTLE WASHINGTON, LLC

Respondent.

DOCKET NOS.

TC-143691

TC-160516

INTRODUCTION

OPENING TESTIMONY OF PETITIONER/COMPLAINANT

SHUTTLE EXPRESS, INC.

BY

WESLEY A. MARKS

December 21, 2016

1 **Q: Please state your full name and business address.**

2 A: Wesley A. Marks. 800 SW 16th Street, Renton, Washington 98057.

3 **Q: By whom are you employed and in what capacity?**

4 A: I am the Director of Compliance and Shared Services of the Petitioner and Complainant in
5 this docket, Shuttle Express, Inc.

6 **Q: What is the purpose of your testimony?**

7 A: It is to provide background on the operations of Shuttle Express and Speedishuttle. Also, I
8 will discuss how the operations of Speedishuttle are functionally the same as the
9 longstanding operations of Shuttle Express and serving the same passengers that we used to
10 serve, notwithstanding their representations in their application case that they would be
11 different and serve a passenger demographic that we supposedly were not serving. I will
12 provide specific evidence showing that Speedishuttle is not operating the way they claimed
13 they would in several significant ways. And finally, I will discuss some aspects of how
14 Speedishuttle's actual services today are harming both Shuttle Express and the public.

15 **Q: Describe your responsibilities and duties in your current position.**

16 A: I am responsible for Regulatory Compliance, the Accounting Department, and maintaining
17 our business systems.

18 **Q: Summarize briefly your past business experience.**

1 A: In the past, I have worked as an airport coordinator, including providing meet and greet
2 service at SeaTac airport, I worked as the airport and pier supervisor, call center supervisor,
3 business systems analyst, and accounting manager. I am currently the Director of
4 Compliance and Shared Services. I have worked for Shuttle Express since March, 2011.

5 **Q: Does Shuttle Express have an auto transportation certificate issued by the**
6 **Commission?**

7 A: Yes, Certificate No. C-975.

8 **Q: Please describe the operations of Shuttle Express under its certificate.**

9 A: Shuttle Express operates two different services under its certificate, and each of those
10 services operates to and from two different termini. The primary operation of Shuttle
11 Express is its airport door-to-door share ride service. This service uses Seattle Tacoma
12 International Airport (SeaTac Airport) as its fixed terminal, and services addresses within
13 25 miles of SeaTac Airport, Paine Field, Renton Airfield, and Boeing Field in accordance
14 with our granted authority on an unscheduled basis. There are also restrictions on the share
15 ride service which are contained in our certificate and describe specific locations that are to
16 be excluded from this service offering.

17 In addition to the share ride service, we also offer scheduled service between SeaTac
18 Airport and specific locations, such as hotels, schools and transit centers. Scheduled
19 service operates on a time schedule when booked, and generally carries a flat per-person
20 rate. Shuttle Express also offers similar share ride and scheduled services from the

1 waterfront terminals in downtown Seattle which provide shared service options to guests
2 departing from or arriving to our city's cruise ship terminals.

3 **Q: About how many passengers does Shuttle Express carry annually under its**
4 **certificate?**

5 A: In 2015, we carried 359,063 passengers.

6 **Q: Have your passenger counts been changing over the last few years?**

7 A: Yes. There has been a steady and persistent decline for the last 3 years that I have been
8 involved in their reporting.

9 **Q: Do you have an opinion as to the causes of that decline?**

10 A: Yes. Over the last several years, there has been a considerable shift in the consumer
11 market and the options available to that market. Gas prices have dropped in recent years
12 and stayed reasonably low, causing more people to consider driving themselves to the
13 airport, or in taking a driving trip in general. SeaTac Airport has also latched on to these
14 lower gas prices and now actively promotes to its travelers to drive to the airport and use
15 "No Shuttle" as their advertising puts it.

16 Sound Transit also recently just completed an expansion of its light rail system, continuing
17 it south beyond the airport, and north past the downtown core and into the University of
18 Washington area. And more recently, both the entry of Speedishuttle and TNC's—or
19 Transportation Network Companies—such as Uber and Lyft into the airport ground

1 transportation business at SeaTac Airport have accelerated the decline in our business.
2 Passenger needs have changed since share ride was first started, and what was originally an
3 easy choice – reduced cost to spend a little bit of time waiting – is now trending the other
4 way – a premium price to be paid for a reduction in time needed to be spent waiting and not
5 going directly to their destination.

6 **Q: Please describe the operations of Speedishuttle as you understand them.**

7 A: Based on my attendance at the original hearings as well as personal observance of their
8 operations at SeaTac Airport and listings on their website, Speedishuttle appears to be
9 operating the same share ride service as Shuttle Express does. Speedishuttle operates door-
10 to-door unscheduled share ride from SeaTac Airport to points in King County. They also
11 offer service to guests who request booking after already arriving at the airport, using their
12 desk on the 3rd floor. Their service appears to be unscheduled, and operates with rates that
13 vary based on the number of passengers travelling, similar to but with different rates than
14 Shuttle Express.

15 **Q: The Commission has used the term “business model” to describe how it expected**
16 **Speedishuttle to operate if it were granted an auto transportation certificate. Based**
17 **on their case, what is your understanding of the key elements of Speedishuttle’s**
18 **proposed business model?**

19 A: I was a witness in the Speedishuttle application case, attended the hearing, read all of their
20 exhibits, and have followed their application docket closely. So based on what they

1 presented to the Commission, it appears that the key features that might arguably have
2 distinguished them would have been Speedishuttle's multilingual operations, including
3 customer service on its website, by phone, and by way of personal greeter. This
4 multilingual operation also was focused on the tourist market that was argued was not
5 already served by existing operators. By providing web, telephone, and in-person
6 capabilities to assist and communicate with non-English speaking passengers, as well as
7 focusing that model to tourists and tech-savvy individuals by way of individually-tailored
8 customer service, tourism information, and Wi-Fi service, Speedishuttle presented itself as
9 focused on providing increased multilingual capabilities to the market that were needed but
10 not provided by others. This multilingual business model appeared to create a significant
11 distinction to the Commission by specifically targeting a demographic that was not
12 individually targeted by Shuttle Express' or Capital Airporter's general public operations.
13 This full-featured multilingual business model appears to be what the Commission
14 understood was the demographic of passengers that Speedishuttle was requesting authority
15 to provide service to. This business model included personal airport greeters assisting
16 passengers from the security/baggage claim area, through the airport, and to their vehicle.

17 **Q: What about the use of the Mercedes vehicles, Wi-Fi, and Television sets on the vans?**

18 A: The Commission addressed this as well, but in connection with their multilingual business
19 model. The totality of the features, including luxury vehicles, significantly increased
20 accessibility for non-English speaking customers, individually-tailored customer service,
21 tourism information, and Wi-Fi service were all included as features differentiating their

1 business model to focus on this specific demographic differently than was provided by any
2 other operator. Again, the Commission described the totality of these features in
3 connection with its proposed service. While in hindsight it seems clear those were not a
4 materially different form of business model as far as providing passengers with ground
5 transportation, Speedishuttle presented a case that its model would attract a new and
6 unserved demographic of passengers. Based on how Speedishuttle actually has operated for
7 the last year and a half, plus the addition of actual passenger data, it is now clear that those
8 convenience features may have some marketing value in attracting passengers from our
9 service. But actual experience has shown that the introduction of Mercedes vans did not
10 provide service to people who were or would have otherwise been unserved simply because
11 we use Ford vans.

12 **Q: What about Wi-Fi on the vans?**

13 A: While Wi-Fi service is increasing in many places on a daily basis, if it is not given some
14 attention, this service addition is simply an ancillary offering that that can be added or
15 removed by a carrier at will. If Wi-Fi service was to be considered to be a differentiation
16 factor that is essential to attracting the tech-savvy customer demographic that Speedishuttle
17 supposedly was going to serve, then some qualifications and tracking of it would be
18 necessary and customary. Features such as describing the network speed, bandwidth
19 available, security on the network, and the stability of the connection would be critical to a
20 true tech-savvy passenger seeking transportation with acceptable Wi-Fi internet services.
21 But Speedishuttle provides none of this information to prospective passengers. And we

1 asked Speedishuttle in two data requests for information that would show whether or not
2 Wi-Fi was truly a service differentiator for the passengers they have carried in the last year
3 plus. Essentially Speedishuttle said they have no idea, which, how many, or even if any of
4 their passengers actually used the Wi-Fi. We even asked them for documents to show if the
5 Wi-Fi was even turned on or working properly in their vans. Again, they denied any
6 knowledge of the operability or real-world functioning of the Wi-Fi service. All
7 indications from Speedishuttle's actual operations are that Wi-Fi service is not at all
8 important to the passengers that they carry.

9 **Q: What about the TV offered on the vans?**

10 A: The SpeediTV that was described in their business plan presented to the Commission and
11 ALJ at the hearing again has turned out to be nothing more than a marketing tool for
12 Speedishuttle and less like the luxury TV system that can be adjusted by users. Again
13 relating this to the supposed un-served tech-savvy passengers, all information gleaned from
14 SpeediTV should be available as splash page information when connecting to their Wi-Fi.
15 Additionally, there is no mention of whether SpeediTV plays constantly in a loop of
16 different languages so that all passengers can view and take in the benefits of information
17 about the Seattle area. And as with Wi-Fi, when we asked Speedishuttle if the TV really
18 worked and how many, if any, of their passengers actually watched the TV in operations
19 here, they claimed to be clueless.

1 **Q: Let's talk about Speedishuttle's multilingual capabilities next. What are your**
2 **observations to date about the extent to which Speedishuttle is carrying passengers**
3 **who reserved or requested service in languages other than English?**

4 A: We basically can't see any evidence that Speedishuttle has done anything with a larger
5 impact to serve the non-English speaking passengers that typically travel to Seattle than we
6 do and have always done. In fact, all the evidence points the other way. To start with, they
7 do not seek out foreign language speakers in hiring. Speedishuttle's hiring application does
8 not even inquire about languages spoken. Indeed, Speedishuttle has hired away a number
9 of former Shuttle Express staff, the vast majority of which were English only speakers.
10 Whether these former Shuttle Express staff did or did not speak a language other than
11 English, the fact is the same staff that now serves the market for Speedishuttle was in fact
12 already serving the market for Shuttle Express. And in response to a data request they
13 listed the languages spoken. From the list, the languages do not reflect any effort to target
14 unserved foreign passengers. Rather, it reflects the nationalities or background of people
15 who apply for unskilled and minimum wage jobs in the Seattle area. We get applications
16 and hire from the same backgrounds.

17 **Q: What else have you been able to learn from Speedishuttle's actual operations about**
18 **their multilingual capabilities?**

19 A: Well, next, you have to look at whether Speedishuttle has truly implemented the
20 multilingual business model or plan that was the basis for getting its certificate. The
21 premise of that model was that there was a growing number of Asian passengers coming to

1 Seattle who were not being served because of a language barrier. The only concrete
2 evidence Speedishuttle presented on how it would serve the supposed unserved was the
3 three links to booking pages presented in Chinese, Japanese, and Korean.

4 Based on the discovery documents released relating to the languages that Speedishuttle's
5 employees speak, it's hard to see how they've made any attempt to serve the Asian foreign
6 language market that they claimed existed. Of 142 employees, only 2 speak Chinese. Not
7 one speaks Japanese or Korean. The most common language spoken other than English is
8 Somali. Other languages include Amharic, Arabic, Farsi, Hindi, Samoan, Tongan, Swahili,
9 and Tagalog. In our experience, there are close to zero passengers using SeaTac who need
10 assistance in these languages. There are some Spanish speakers, but that was never
11 identified as an unserved demographic and we in fact serve it.

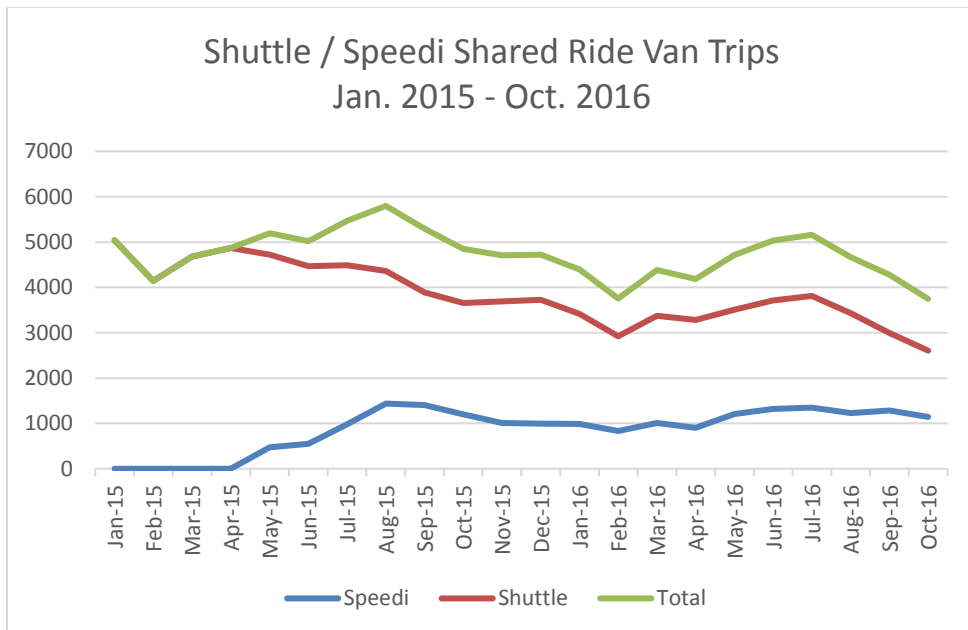
12 Based on actual operations, the only potentially meaningful and reliable service that
13 Speedishuttle has arguably provided in operating under its certificate would be to
14 passengers who book on the website in Chinese, Japanese, or Korean. Only a single
15 greeter speaks Chinese and two reservationists speak Samoan and Spanish. Thus, walk-up
16 passengers or those who try to book by phone are not receiving any of the promised newly-
17 targeted Asian language services. Because the Commission was told that Speedishuttle
18 would not carry walk-up passengers it could not have known that Speedishuttle would be
19 unable to provide any different service than Shuttle Express based on the alleged language
20 issue.

1 **Q: So what is the end result in their operations? Has Speedishuttle attracted a new**
2 **demographic of riders who speak Chinese, Japanese, or Korean, but not English?**

3 A: We know from over a year of experience that Speedishuttle is not really carrying unserved
4 Chinese, Japanese, and Korean passengers in any meaningful numbers. First, had that
5 happened, we would have seen an increase in the total number of share ride passengers, or
6 at least a slowing down of the downward trend. That did not happen. Instead, as
7 Speedishuttle's passenger counts went up, ours went down in almost the same amounts and
8 the overall decline continued at about the same rate. Because Speedishuttle diverted
9 existing Shuttle Express passengers rather than serving the unserved, our counts were down
10 over 20% in 2015 and over 25% in 2016. This graph shows the outbound trip trends for
11 Shuttle Express, Speedishuttle, and the two combined for 2015 and 2016 to date:

12

GRAPH 1



13

1 **Q: Let's follow up on those overall trends. Has the entry of Speedishuttle into the**
2 **SeaTac ground transportation market generated any significant or even noticeable**
3 **increase in the number of airline passengers that use a door-to-door share ride service**
4 **going to or from the airport, as Speedishuttle claimed it would?**

5 A: Not at all. As I noted above, the overall shuttle market has continued to shrink. Passengers
6 coming through SeaTac Airport may be increasing, but their use of shared ride vehicles has
7 been, and continues to decrease. Many of the new passengers from Asia are just changing
8 planes and don't need ground transportation. The modern passenger wants control –
9 control of when they get to the airport, how they get to the airport, how long it takes them
10 to travel, and if they need other stops. Long story short, the value of time has become
11 greater than the value of money which is why direct non-stop services such as TNC's,
12 Limo services, and Taxi service grows, while those who truly worry about the overall cost
13 at the other end of the spectrum are using public transit options such as the expanded light
14 rail, bus routes, and are not willing to pay a higher rate for a non-subsidized pseudo-transit
15 service such as regulated share ride vehicles.

16 **Q: What about Speedishuttle's own multilingual website you noted earlier? Has that**
17 **resulted in any new passengers that would not or could not be taking Shuttle Express**
18 **today?**

19 A: No, it has done nothing to stem the downward trends. In a data request response,
20 Speedishuttle said that out of 61,721 reservations from May 2015 to August 2016, their
21 records "do not indicate *any reservations* made in a language other than English."

1 Considering they made the multilingual website one of the linchpins of their claims they
2 would serve the unserved, it is truly amazing that they cannot identify a *single passenger*
3 out of 62,000 reservations in a language other than English. If Chinese, Korean, and
4 Japanese speaking and reading travelers were truly a significant demographic that Shuttle
5 Express was not serving or could not serve, we would expect Speedishuttle would be able
6 to report and assist these non-English speaking passengers.

7 Shuttle Express has not noticed any significant need or impact on the guest demographic
8 that we serviced before and after Speedishuttle entered the market. In my five years of
9 working for Shuttle Express, including work both at SeaTac as a coordinator and as the call
10 center manager, I'm aware of only two cases of a non-English speaker who required
11 assistance in a language other than that spoken by the individual they were working with.
12 In both of those cases, we were able to assist them by having one of our employees who
13 speaks Mandarin Chinese act as a translator and informing them of the services we provide.
14 We have had other circumstances of passengers speaking languages such as Spanish that
15 were assisted by our employees, as well as others who were able to communicate using
16 broken English or a language book, mobile phone applications, and other tools they, or we,
17 provided at the time of service. It is clear now from Speedishuttle's experience, traffic
18 trends, and observations of operations that there was no unserved demographic of any
19 significance.

1 Despite its promises of attracting a whole new and unserved demographic, with hindsight
2 the data and experience since Speedishuttle got its certificate indicates those promises were
3 not based on an accurate understanding of the nature of the SeaTac market.

4 **Q: What about passengers who reserve their ground transportation using a wholesale**
5 **booking agent or website, such as Go Group?**

6 A: That's a good question. Go Group used to be our largest wholesale ticket seller. In fact,
7 several of the wholesale agents who Shuttle Express currently (as well as previously) used
8 offer multi-lingual services to those booking through its services. The Go Group, and other
9 wholesale providers have always been offered and provided booking options through our
10 system, provided they sign ticket agent agreements with us and agree to booking terms and
11 payment conditions. Booking agents are free to book retail reservations through our
12 website or call center provided pre-payment is provided, and special invoicing and
13 discounts are provided to those who sign and agree to wholesale ticket agent agreements
14 that are on file with the Commission. While these third parties may offer services to their
15 clients in other languages, any special language needs generally do not get passed on to us
16 as the requests are sent to Shuttle Express as the provider in English.

17 Providers such as Go Group moving to another provider would not be an extension of the
18 market, but a shift in the provider—from Shuttle Express to Speedishuttle. That means that
19 the services required were already available and provided to Go through the existing
20 provider and that this specific demographic was already served as required. Additionally,
21 there has been at least one wholesale provider who signed an agreement with Speedishuttle

1 who have asked Shuttle Express to service them instead, clearly indicating that the need for
2 the additional provider did not serve these guests through special different services, but
3 rather as a provider serving the same market as already existed with Shuttle Express.

4 **Q: Do you know how many former Shuttle Express passengers now travel with**
5 **Speedishuttle by booking with the Go Group?**

6 A: Not exactly. The Commission did not allow our discovery that would have shown in detail
7 how Speedishuttle's reservations were all initiated. But we know based on the numbers we
8 have access to that a likely majority are originating with Go Group and other wholesalers.
9 As soon as Speedishuttle got its certificate, Go refused to renew their booking agreement
10 with us and instead signed an agreement with Speedishuttle. Immediately our new
11 bookings from Go, which had been substantial, dropped to zero. Quite simply, we can
12 compare the dates that Speedishuttle entered into wholesale contracts with our bookings
13 from those same agents and see the immediate impact on our bookings, particularly where
14 Speedishuttle became the exclusive service provider for an agent, like Go Group.

15 **Q: What does the fact that the majority of Speedishuttle's passenger reservations come**
16 **from wholesale bookings mean in terms of whether they are following their proposed**
17 **business model?**

18 A: What it means is that these wholesale bookings were not an unserved demographic, but
19 merely an effective and seemingly deliberate effort for Speedishuttle to gain a sizeable
20 share of the passengers we were already serving satisfactorily, which they did very quickly.

1 Indeed, Speedishuttle has even gone so far as to inform the Port of Seattle, in its July 2,
2 2015 email (included in my exhibit), that they had entered into multiple wholesale
3 agreements with companies that had been working with Shuttle Express for over a decade.

4 **Q: Let's talk about the promised "personal greeter" service next. Based on your**
5 **observations, public records, data request responses, and analysis, has Speedishuttle**
6 **offered a greeter to escort every passenger from baggage claim to their van or kiosk?**

7 A: Absolutely not. First, as described above, those passengers serviced from their desk or
8 kiosk at SeaTac Airport are the same passengers who could be serviced by Shuttle Express
9 who has an identical desk immediately next to Speedishuttle. Those passengers clearly
10 could not be met by a personal greeter as their booking didn't even exist with Speedishuttle
11 until they approached the desk in the parking garage, so the closest they could come to this
12 would be to have a driver or other employee walk the passenger to their vehicle and
13 waiting area which is exactly what Shuttle Express does. According to a bench request
14 response, in its first 30 days of operation Speedishuttle served 669 walk-ups out of their
15 1,971 total outbound passengers from the airport in the same period. That was roughly a
16 third of their outbound passengers.

17 Additionally, I have personally been to SeaTac airport on several occasions, and at all
18 different times and days of the week. My observations showed that several things were
19 happening there. First, Speedishuttle did appear to be making attempts to greet at least a
20 portion of its pre-reserved passengers. While that fits in line with their indication that
21 guests will be met by a greeter, on at least one of these occasions I witnessed a greeter go

1 from their area in the garage to the terminal, wander around the baggage claim area for
2 almost an hour, and finally received a call that their passenger had arrived at the garage
3 location without a greeter. This passenger was seated alone at the Speedishuttle pickup
4 area when the greeter and I crossed the bridge back to the parking garage. Additionally,
5 I've seen passengers arrive at the Speedishuttle desk area and request pricing to their
6 destination, as the same passenger then came to Shuttle Express' desk area to ask the same
7 question to compare rates.

8 In my personal observations, around half of the passengers riding Speedishuttle vehicles
9 were pre-reserved, and less than half were greeted as intended by their greeters in baggage
10 claim as their service offers. In the application hearing Mr. Morton testified, even
11 emphasized, that they had 60 receptive teams in Oahu alone. They have nothing like that
12 kind of presence at SeaTac. It appears they may only have a couple of greeters at a time.
13 With 16 baggage carousels there is simply no way that they can greet even the majority of
14 their prearranged passengers during peak travel times.

15 **Q: Do you have any reason besides your own observations to believe that Speedishuttle is**
16 **not greeting the majority of its passengers?**

17 A: Yes. In mid-2016, Shuttle Express was contacted by one of Speedishuttle's wholesale
18 clients, SMS, who indicated that despite their agreement, Speedishuttle was not providing
19 the personal greeters that it had indicated it would for each passenger travelling through
20 their service. Shuttle Express was asked to prepare a pricing agreement for transportation,
21 and subsequently filed a completed ticket agent agreement for this provider who

1 discontinued their use of Speedishuttle due to not receiving the services offered by it. Mr.
2 Jason DeLeo, of SMS, feels so strongly about it that he offered to provide facts for this
3 case. We expect that he will be a witness, assuming his schedule and availability permit.

4 **Q: You mentioned a Speedishuttle “kiosk” or “desk” at the airport. Could you please**
5 **describe that and how it came about?**

6 A: Sure. Shuttle Express was notified early into Speedishuttle’s new entry at SeaTac Airport
7 that they had intended and requested to put a desk or kiosk, such as Shuttle Express’, next
8 to ours in the parking garage area. In emails released by the Port of Seattle through a
9 public records request, it was said that Speedishuttle intended to be a direct competitor with
10 Shuttle Express and wished to serve the market in an identical way as was already being
11 provided. In attached Exhibit ___ (WAM-2) are some of the emails we were able to obtain
12 from the Port. These emails included Speedishuttle requesting “parity” and “equality of
13 representation” between share-ride providers including the ability to provide a walk-up
14 desk booking area, requesting access to our leased counter space, and providing similar
15 English-language signs inside and outside the airport providing directions to Speedishuttle.
16 Speedishuttle’s kiosk/desk at the airport is located directly next to Shuttle Express’ in the
17 3rd floor of the parking garage. This desk is of the same visual model as Shuttle Express’
18 desk which has existed for several years. Further emails from Speedishuttle to the Port of
19 Seattle staff requested data and electricity service be provided to Speedishuttle as Shuttle
20 Express has for its kiosk. Unbeknownst to Speedishuttle at the time of its request however,
21 Shuttle Express previously had to make specific requests and be granted approval by the

1 Port of Seattle to have installed power receptacles, data lines, and construction review and
2 approval at its own cost to bring those items both to its kiosk location, as well as to the
3 locations it maintains in the courtesy vehicle area at Island 2 of the parking garage. Shuttle
4 Express also holds leased space in a booth next to the ground transportation office which it
5 shares with STILA Limousine Company. Speedishuttle appears to have indicated to the
6 Port of Seattle that it wished to be granted leased space in this area as well despite the
7 limited access and space available.

8 **Q: Does the kiosk presence or operation that Speedishuttle set up do anything to serve a**
9 **new or different passenger demographic than Shuttle Express was already serving?**

10 A: No, it is the opposite. If Speedishuttle were not soliciting walk up passengers at the kiosk,
11 but instead serving only pre-arranged passengers and greeting all of those passengers at
12 baggage claim and escorting them to the van as was proposed, they would not need a kiosk
13 at all. The only possible way the kiosk could serve the supposedly “unserved”
14 demographic of foreign tourists would be if the kiosk were staffed with personnel fluent in
15 Chinese, Korean, and Japanese who could not be served by the staff that are at Shuttle
16 Express’ kiosk area. Of course, that hypothetical demographic would not be tech-savvy or
17 they would have reserved on their smartphone or computer in advance. Based on the
18 discovery provided, it’s clear that the addition of specifically foreign language speaking
19 personnel has not happened, so this demographic, if it really exists, remains unserved by
20 Speedishuttle.

1 **Q: Let's talk about the hypothetical tech-savvy tourist that Speedishuttle supposedly**
2 **could service but Shuttle Express could not. Have you seen any evidence that**
3 **Speedishuttle has targeted, attracted, or served any new demographic of that sort by**
4 **operating a different service?**

5 A: No. Based on what limited discovery we have been able to get and public sources, such as
6 reports to the Commission, plus knowing where we have lost our bookings from wholesale
7 agents, it is clear that Speedishuttle is serving primarily hotels in Bellevue and Seattle, plus
8 the piers for cruise passengers in the summer cruise season. Hotels are primarily tourists in
9 our experience, and cruise passengers travelling to or from the airport are almost
10 exclusively tourists. We have for many years provided door-to-door shared ride service to
11 both hotels and cruise terminal. Plus we have provided scheduled "airporter" service to
12 hotels and cruise terminals at an even lower fare for the individual traveler.

13 So for Speedishuttle to have attracted a new demographic to serve hotels and piers, they
14 would have to do something more than just serve plain "tourists," as that has always been a
15 major part of the serviced market by Shuttle Express. Somehow the new service would
16 have to be to unserved "*tech-savvy* tourists." And we can see no evidence that their service
17 is in any way targeted to such people. As evidenced by Speedishuttle's ticket agent
18 agreements, there appears to be no service descriptions or offerings that would indicate a
19 specialty or catered offering for either foreign language or tech-savvy individuals. Plus
20 nearly all of Speedishuttle's ticket agents either were or still are agents for Shuttle Express
21 or have capabilities and services that are generally indistinguishable from the Shuttle

1 Express current or former agents. The Speedishuttle agents do not significantly target any
2 new and unserved demographic.

3 **Q: Since Speedishuttle began operating at SeaTac under its new certification, have you**
4 **been able to learn how their booking system does or does not target the hypothetical**
5 **new tech-savvy tourist demographic?**

6 A: Yes. What actually happened here is that Speedishuttle came into the marketplace with an
7 online booking engine for the retail marketplace that turned out to be the identical booking
8 system that Shuttle Express used. In fact, Shuttle Express also had an application for
9 smartphones, from the same provider, that provided the same benefits that Speedishuttle
10 describes. So in actuality, their system turned out to be no more targeted to the tech-savvy
11 tourist than ours. It was the same.

12 **Q: Has the entry of Speedishuttle into the same market as Shuttle Express caused other**
13 **unanticipated problems for Shuttle Express and the traveling public?**

14 A: It definitely has. Shuttle Express now faces constant confusion from its guests, as well as
15 from Speedishuttle guests when arriving at SeaTac Airport. Passengers with bookings who
16 are not greeted by their personal greeter are now arriving at the 3rd floor of the parking
17 garage and are unsure of which kiosk to go to to check in for their booking. Shuttle
18 Express guests will occasionally approach the Speedishuttle desk and be turned away as not
19 having a booking, or, worse, be booked new service—only to call and complain days later
20 that they were double charged when service was provided by another carrier.

1 Alternatively, Speedishuttle passengers are approaching Shuttle Express' kiosk area and are
2 frustrated with our inability to find their booking including accusing us of not providing the
3 services offered by not meeting them when they were at baggage claim. Finally, the
4 numbers simply support the decrease in overall passengers using share ride services, not an
5 increase or additional market that wasn't served and needed to be provided for.

6 **Q: What if you look at the totality of the service that is now offered and provided by**
7 **Speedishuttle? Are there any material differences compared to the service that was**
8 **and is offered by Shuttle Express?**

9 A: Other than for a tiny fraction of their passengers, no. If they have passengers who booked
10 on their website in a language other than English—which appears not to be the case—then
11 perhaps those passengers would not have taken Shuttle Express. But even that is not
12 certainly the case, as we have always carried foreign tourists and they manage. For those
13 foreign language speaking passengers who do book reservations and arrive at the airport,
14 there is still no material difference in the service provided to them, even provided that they
15 connect with a greeter and are walked back to the parking garage. The actual service
16 offering of transportation from the airport to a destination, potentially with other stops
17 along the way, is provided by both operators in a similarly convenient capacity. If they
18 decide they don't want to or couldn't have booked, they would have to deal with a taxi,
19 rental car, or some other mode of transportation provided in English. Speedishuttle does
20 not, for nearly all their passengers, do anything different than we do and did from the time
21 the passenger makes contact in the garage until the time they're dropped off at their

1 destination. We know today, conclusively, that the service they provide is functionally
2 identical with the service we have long provided.

3 **Q: How do you know that?**

4 A: After the initial passenger shifts going into last summer, we have seen that Speedishuttle's
5 passenger and trip numbers have begun to decline in a similar manner to Shuttle Express'.
6 We have been able to, using Port of Seattle trip reports, WUTC annual reports, and
7 discovery responses, see that Speedishuttle's passenger and trip counts seem to be
8 mirroring what our old passengers and trips forecast was prior to their entry into the
9 market. Any unserved demographic that may have been targeted seems to either be non-
10 existent, or is simply not serviced as there is no overall increase in passengers or trips
11 between the two operators.

12 Speaking specifically to the demographic of tech-savvy tourists, it would appear that the
13 vast majority of those passengers are opting for the unregulated options now available at
14 the airport, such as Uber. These passengers are using services that are generally operated
15 by individual non-commercial drivers, and offer no Wi-Fi services, no or limited luxury
16 vehicles, no tourism information, and no greeter to escort them to their vehicles. What we
17 have seen and has been indicated through conversations with the Port of Seattle ground
18 transportation staff is that these services have exploded in popularity at the airport and have
19 seen exponential growth. This transportation option for tech-savvy travelers, despite
20 lacking many of the features demonstrated in Speedishuttle's business model, seems to be
21 growing at record pace further diluting the market for any shared ride regulated

1 transportation model, not just one that focuses on a specific non-English, tech-savvy, or
2 tourist demographic.

3 **Q: It didn't receive a lot of attention later on, but one of the supposed differences noted**
4 **in Order 02 was the 20 minute departure "guarantee" to be offered by Speedishuttle**
5 **compared to 30 minutes for Shuttle Express. What do you know about that?**

6 A: First, there is no guarantee that I can find on Speedishuttle's website or in its tariff. And in
7 response to a data request Speedishuttle admitted that only 77% of its departures are within
8 20 minutes, with about 10 to 15% or so taking more than 26 minutes. Although they
9 question their own data, they essentially admit that they have not been able to meet the
10 supposed guarantee. At the same time, because there is now another carrier competing for
11 the same passengers, it take us longer to fill up a van to depart the airport. As a
12 consequence, our outbound wait time, which averaged about 20 minutes, was up over 5%
13 in 2015 compared to 2014.

14 **Q: Does this conclude your testimony?**

15 A: Yes, it does.