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1 PROCEEDINGS

2 JUDGE TOREM: Good morning, my name is Adam
3 Torem, spelled T-O-R-E-M, I'm an Administrative Law
4 Judge with the Washington Utilities and Transportation
5 Commission. We're assembled here on Wednesday, July the
6 11th, 2007, at about 9:45 in the morning, and this is
7 Docket TC-061847. This is a matter of an application
8 filed by Roman Solutions doing business as Rocket
9 Transportation. We are in Olympia, Washington in Room
10 108 of the Commission's headquarters building, and our
11 court reporter today is Joan Kinn.

12 I want to acknowledge we're starting about 15
13 minutes late because of some phone issues that I had not
14 anticipated until this morning. The Commission is
15 holding its regularly scheduled open meeting today, and
16 when this case became a settlement as opposed to a trip
17 out to Sequim or Port Angeles, it didn't occur to me
18 that we would be competing for a bridge line. So we are
19 using a conference call this morning to take in two of
20 the parties' representatives who are appearing by phone.
21 I hope each of you will let me know as we go through if
22 there is anyone else witnesswise or otherwise we need
23 this morning, other parties of interest we need to
24 conference in to make sure that procedurally everybody
25 that should have been involved this morning is and that

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1 there's no need to continue the matter over to make sure
2 that this attendance by phone snafu isn't depriving
3 anybody of the right to sit in on the hearing today.

4 I do understand that since our last session

5 on the record there have been settlement discussions
6 between, Mr. Sells, your client, Olympic Bus Lines, and
7 the Applicant and that the settlement negotiations were
8 successful.

9 MR. SELLS: That is correct, Your Honor.

10 JUDGE TOREM: So after we take appearances
11 this morning, I will lay out what I think will be the
12 procedure this morning and let as many of the parties go
13 after we discuss the settlement and then take the other
14 testimony necessary for me to craft an order not just to
15 perhaps approve the settlement but also the underlying
16 application as a secondary issue and bifurcate the
17 issues from there.

18 So let me start with appearances, I'm going
19 to ask, Mr. Steen, that you start, and if you recall our
20 formalities here, I don't know that you need to give the
21 full appearance again today, it's already in the record
22 from the prehearing conference, but as much information
23 as you think is necessary, and we'll go around the table
24 and go from there.

25 MR. STEEN: Good morning, Your Honor, Andrew

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1 Steen representing Roman Solutions doing business as
2 Rocket Transportation with the firm of Lane Powell in
3 Seattle, Washington. My contact information is on the
4 record already.

5 MR. FASSIO: Good morning, Your Honor,
6 Michael Fassio, Assistant Attorney General representing
7 Utilities and Transportation Commission Staff, my

8 information is also on the record already.

9 MR. FRICKE: James Fricke, President Pacific
10 Northwest Transportation Services, Inc., Protestant,
11 information is on the record.

12 MR. SELLS: Your Honor, please, James Sells
13 appearing on behalf of Protestant Heckman Motors d/b/a
14 Olympic Bus Lines.

15 JUDGE TOREM: All right, and for Gray Line.

16 MR. RICE: Yes, this is David Rice with
17 Miller Nash appearing on behalf of Evergreen Trails
18 d/b/a Gray Line of Seattle.

19 JUDGE TOREM: And for the Bremerton-Kitsap
20 Airporter.

21 MR. ASCHE: Yes, this is Richard Asche,
22 appearing on behalf of Bremerton-Kitsap Airporter, Inc.

23 JUDGE TOREM: All right, thank you all.

24 As I said, my intentions this morning are to
25 have Mr. Steen present the history, procedural history

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1 of the case, and include in that a summarization perhaps
2 of the basic terms of the application as needed to
3 support a discussion of the ultimate settlement, and
4 then also summarize where the protestants were and how
5 each of them settled out. And we can check as we go
6 around the table that each representative of the
7 protestants concur with his summary or add some things
8 as needed. And from there we'll determine if there are
9 any witnesses necessary to be sworn in to support this
10 part of this hearing, and we have already marked a

11 couple of exhibits for identification, we'll have those
12 formally part of the record and offered and hopefully
13 admitted.

14 After that, we'll take a brief pause, get
15 folks a chance to take a break, and then come back and
16 reinstate a second session. We'll see which parties
17 want to stay around, and we'll take appearances again I
18 think just to make sure who has remained, and then
19 perhaps have an opening statement about the application
20 itself, again address the need for exhibits, and then
21 individually call the witnesses that I understand are
22 awaiting a phone call out in the Port Angeles area to
23 support the necessary testimony for the application.
24 And then I will give Mr. Steen and anybody else that's
25 here an opportunity to give a closing summation as to

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1 why the Commission should approve this application based
2 on the evidence we hear today.

3 That's what I propose to do. Any parties
4 think there's other issues we need to take up before we
5 get to the summary of how we got to the settlement?

6 All right, seeing none, Mr. Steen.

7 MR. STEEN: Thank you, Your Honor.

8 Rocket Transportation filed an application
9 for a certificate of public convenience and need on
10 December 6th, 2006. In March of 2007, the Commission
11 put that application on the docket. Over the course of
12 the 30-day protest period, four existing auto
13 transportation companies filed protests to the

14 application. It soon became clear from negotiations
15 that three of the four protestants, Evergreen Trails
16 doing business as Gray Line, Bremerton-Kitsap Airporter,
17 and Pacific Northwest Transportation doing business as
18 Capital Aeroporter, all shared a similar concern with
19 the application. Their concern had to do with the
20 potentially closed door service as was indicated from
21 Rocket Transportation's application.

22 Their concerns were fairly easily satisfied
23 by the amendment of the notice of application to state
24 that all passengers to Rocket Transportation would have
25 either their origin or destination in Jefferson or

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1 Clallam County. That is Rocket Transportation would
2 pick up residents of those counties and transport them
3 to destination areas on the route, or Rocket
4 Transportation would pick up residents of those counties
5 at points along the destination and return them to those
6 counties, but Rocket Transportation would not provide
7 service between and among those various destination
8 points. With this amendment, those three protestants
9 were satisfied and agreed to withdraw their protests
10 pending the Commission accepting such a revision.

11 The fourth protestant, Heckman Motors doing
12 business as Olympic Bus Lines, presented a different
13 and/or additional concern, which was remedied through
14 negotiations assisted by the Commission Staff, which
15 stated that Rocket Transportation would provide
16 door-to-door service on demand by reservation only, and

17 the portion of Rocket Transportation's original
18 application that included references to specific times
19 would be stricken from the application.

20 Rocket Transportation included both of these
21 amendments into a single full settlement agreement on
22 July 5th. The last of the parties executed this full
23 settlement agreement. And it is my understanding that
24 with the execution of this agreement, all the
25 protestants are prepared to withdraw their protests, now

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1 making Rocket Transportation's application an unopposed
2 application before this Commission.

3 JUDGE TOREM: All right, thank you,
4 Mr. Steen.

5 Mr. Asche, did you hear that explanation on
6 the phone there?

7 MR. ASCHE: Yes, I did.

8 JUDGE TOREM: And for your client, the
9 Bremerton-Kitsap Airporter, do you concur with the
10 summary given by the Applicant?

11 MR. ASCHE: Yes, I do.

12 JUDGE TOREM: And, Mr. Rice, same question?

13 MR. RICE: Yes, I concur.

14 JUDGE TOREM: All right.

15 Mr. Fricke?

16 MR. FRICKE: I concur.

17 JUDGE TOREM: All right.

18 Commission Staff?

19 MR. FASSIO: Yes, we concur.

20 JUDGE TOREM: And, Mr. Sells, your client was
21 the one that settled last in this.

22 MR. SELLS: That is correct.

23 JUDGE TOREM: Do you concur with the summary
24 as given here?

25 MR. SELLS: I do.

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1 JUDGE TOREM: All right, do any of the other
2 protestants before I ask you individually on the record
3 after we probably admit some exhibits to withdraw your
4 protest want to comment further as to the nature of the
5 resolution?

6 All right, seeing none, then let me go
7 through the proposed exhibits to support what Mr. Steen
8 has indicated. First I've got an application that's
9 been marked as Exhibit 1. I am informed this is the
10 same application that was submitted originally and
11 counting the number of pages here appears to be a
12 19-page document, and all of you should have received
13 that originally on the docket, so that's Exhibit 1.

14 Exhibit 2 is Mr. Steen's memorandum in
15 support of the full settlement as well as the
16 stipulation of Evergreen Trails, Bremerton-Kitsap
17 Airporter, and Roman Solutions. That document with its
18 various signature pages my count is 9 pages, and not
19 hearing any corrections then it will be a 9-page
20 document.

21 All right, so those are the two exhibits
22 described by Mr. Steen, are there any objections to

23 admitting those to the record?

24 All right, hearing none, then those
25 documents, again the application which is 19 pages and

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1 Exhibit 2, the settlement documents which are the
2 memorandum and the stipulation and various signature
3 pages, 9 pages, will be admitted as offered.

4 The remaining exhibits we have proposed for
5 later in the hearing are excerpts of an intercity bus
6 service study that's been proposed as Exhibit 3, a
7 financial statement from Rocket Transportation as
8 Exhibit 4, and a ridership and revenue forecast as
9 Exhibit 5.

10 Mr. Steen, did you want to offer those at
11 this time or hold them for the second part of the
12 hearing?

13 MR. STEEN: We'll hold those for the second
14 part of the hearing, Your Honor.

15 JUDGE TOREM: All right.

16 And were there any other parties that wanted
17 to review those documents or otherwise think that
18 they're necessary for the settlement at this time?

19 All right, seeing and hearing none, we'll
20 move on, and I just want to poll the protestants for the
21 record as to if there are any continuing protests or
22 objections to the application as it will be amended in
23 accordance with the settlement agreement.

24 Mr. Asche.

25 MR. ASCHE: Yes.

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1 JUDGE TOREM: As to your protest, has it been
2 fully satisfied, and are you ready to withdraw it?

3 MR. ASCHE: Yes, I am ready to withdraw it.

4 JUDGE TOREM: All right.

5 Mr. Rice, as to your client, same question?

6 MR. RICE: Yes, ready to withdraw.

7 JUDGE TOREM: Mr. Fricke?

8 MR. FRICKE: Yes, I'm ready to withdraw.

9 JUDGE TOREM: All right.

10 And, Mr. Sells?

11 MR. SELLS: Yes, Your Honor.

12 JUDGE TOREM: All right. So, Commission
13 Staff, it appears to me that there are no further
14 protestants, and that changes the threshold for what has
15 to be proved for the application in the second part of
16 the hearing, is there any reason that Commission Staff
17 sees not to accept or recommend to the Commissioners to
18 approve the settlement agreement?

19 MR. FASSIO: Staff supports the settlement
20 that the parties have reached.

21 JUDGE TOREM: All right.

22 MR. FASSIO: It has consulted with the
23 parties to reach that settlement.

24 JUDGE TOREM: All right. And it appeared to
25 me that, from a review of the RCW's and WAC's regarding

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1 settlements, that it is legally sufficient. My initial
2 instinct and will probably proven out in an order is

3 that it will be approved. I'm too much of a rookie
4 today to say that it's approved right on the spot, so I
5 won't say that, but I think you can expect that will be
6 the case. I don't think there are any surprises left.
7 I appreciate Mr. Steen's thoroughness in preparing the
8 presentation today and having his client available, so I
9 don't think other than what we have heard, the lack of
10 protests, that there is a need right now for witness
11 testimony on the application itself. As to the
12 settlement, we'll hold the testimony for the second part
13 of the hearing.

14 At this point, is there any further business
15 on the settlement agreement that needs to be conducted,
16 Mr. Steen?

17 MR. STEEN: No, Your Honor.

18 JUDGE TOREM: Commission Staff?

19 MR. FASSIO: No, Your Honor.

20 JUDGE TOREM: Other parties?

21 All right, seeing none, Mr. Rice and
22 Mr. Asche, did you intend to stay on the line for the
23 second portion of the hearing?

24 MR. ASCHE: No, sir, this is Mr. Asche, no,
25 sir.

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1 JUDGE TOREM: All right.

2 Mr. Rice?

3 MR. RICE: I will not be on for the next part
4 of the hearing.

5 JUDGE TOREM: All right.

6 Let me ask Mr. Fricke and Mr. Sells, do you
7 intend to stick around?

8 MR. FRICKE: No.

9 MR. SELLS: I do not, Your Honor.

10 JUDGE TOREM: All right, then I think this is
11 a good time for us to get ready to take a brief recess.
12 It's now 2 minutes to 10:00, so I think it probably did
13 take longer to solve the phone than it did the
14 settlement, and I appreciate everybody's participation
15 and patience this morning. We're going to go off the
16 record now, and we'll resume in about 10 minutes.

17 (Recess taken.)

18 JUDGE TOREM: All right, we're back on the
19 record, it's now about 22 minutes after 10:00, and for
20 the record, present still are the Applicant and their
21 representative, Mr. Andrew Steen, and the Commission
22 Staff's representative, Mr. Fassio, and our court
23 reporter and myself, Judge Torem. The rest of the
24 parties have withdrawn and taken their leave for this
25 hot day to go seek out shelter. And what we're going to

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1 do the rest of this proceeding is take a look at the
2 application itself, which has already been admitted as
3 Exhibit 1, the modifications that have been agreed to by
4 all the parties resulting in the withdrawal of the
5 protests in Exhibit 2, and hear testimony as to what's
6 necessary under the RCW and the WAC regulations for
7 supporting that. And I'm going to let Mr. Steen do that
8 shortly, but I want to at least streamline this as much

9 as possible and preadmit to the record Exhibits 3, 4, 5,
10 and 6.

11 Exhibit 3, as I think I noted in earlier
12 session, is a KFH Group Incorporated Washington State
13 Intercity Bus Service Study. It's a draft final report
14 that came out last month, June 2007. We have not
15 bothered to count the pages, but the excerpt here if I'm
16 correct is mainly from Chapter 4. We have the Chapter 1
17 introduction, some pages from Chapter 2 and 3, and all
18 of Chapter 4. There is a Chapter 5, Chapter 6, Chapter
19 7, and letters A through F as appendices listed in the
20 table of contents which has been provided. If I
21 understand correctly, those are not included with this
22 Exhibit 3, is that correct, Mr. Steen?

23 MR. STEEN: That is correct.

24 JUDGE TOREM: So Exhibit 3 I'm not going to
25 give page numbers, it's just lengthy.

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1 Exhibit 4 is a 1-page document also submitted
2 by the Applicant which appears to be a pro forma
3 financial statement for year 1, and it's a 1-page
4 document.

5 Exhibit 5 is a 12-month ridership and revenue
6 forecast, and it's also a 1-page document.

7 While we were at recess, it was brought to my
8 attention that Penny Ingram, Commission Staff's witness,
9 is not going to testify in person today. I think we
10 knew that from a letter that Mr. Fassio sent out last
11 Friday, but Ms. Ingram has reduced her testimony to a

12 declaration, and it's a 3-page document we have marked
13 as Exhibit 6.

14 Mr. Fassio, as you're the only party that
15 would possibly have an objection to Exhibits 3, 4, and
16 5, let me ask if you have any objection to those
17 documents offered by the Applicant?

18 MR. FASSIO: No objections.

19 JUDGE TOREM: All right, then we'll admit 3,
20 4, and 5 to the record.

21 And, Mr. Steen, have you had an opportunity
22 to review that declaration from Ms. Ingram?

23 MR. STEEN: I have, Your Honor.

24 JUDGE TOREM: And do you have any objection
25 to its admission?

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1 MR. STEEN: No, we don't.

2 JUDGE TOREM: I will admit it.

3 Then when appropriate, I will have Commission
4 Staff highlight what we need to from Ms. Ingram's
5 declaration for the record and turn it over to you,
6 Mr. Steen, to let me know the background of the
7 application and which witnesses will be testifying and
8 in what sequence.

9 MR. STEEN: Okay. The Applicant, Roman
10 Solutions doing business as Rocket Transportation, is
11 now presenting an unopposed application for a
12 certificate of public convenience and need to the
13 Commission. Under the necessary legal burden, the
14 Applicant has to demonstrate to the Commission that it

15 has the knowledge, experience, and resources to conduct
16 the service intended. It has to demonstrate that it is
17 not providing duplicative service unless existing auto
18 transportation companies do not object. In this
19 particular situation, we no longer have any objections.

20 And it is also the burden of the Applicant to
21 demonstrate the public convenience and need require the
22 intended service. Rocket Transportation intends to
23 demonstrate this today, even though they have submitted
24 many materials up to this point to prehearing, intend to
25 demonstrate this today through testimony from Kathy

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1 Roman, an owner and managing partner of Rocket
2 Transportation, and through the testimony of four
3 community witnesses. Their names are Brooks Barnett,
4 Margaret Witt, Damian Humphreys, and Mindi Blanchard.
5 These four community witnesses will be testifying
6 telephonically. We're hoping to be able to reach them
7 all and that that will run smoothly. Rocket
8 Transportation is also demonstrating this through the
9 admission of several exhibits which have been discussed
10 on the record already. The first step that Rocket would
11 like to take is to introduce the testimony of Kathy
12 Roman.

13 JUDGE TOREM: All right, Ms. Roman, I'm going
14 to swear you in, so would you raise your right hand.

15 (Witness KATHY ROMAN was sworn.)

16 JUDGE TOREM: All right, thank you.

17 Will you state your full name and spell your

18 last name for the record.

19 THE WITNESS: Kathy Martin Roman, R-O-M-A-N.

20 JUDGE TOREM: And Kathy is with a K?

21 THE WITNESS: Yes.

22 JUDGE TOREM: Mr. Steen.

23

24

25 Whereupon,

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1 KATHY ROMAN,

2 having been first duly sworn, was called as a witness

3 herein and was examined and testified as follows:

4

5 DIRECT EXAMINATION

6 BY MR. STEEN:

7 Q. Ms. Roman, where do you currently reside?

8 A. 260643 Highway 101 in Sequim, Washington.

9 Q. And Sequim, Washington is within the
10 Jefferson and Clallam County areas that Rocket intends
11 to serve with its intended transportation service?

12 A. Yes.

13 Q. How long have you been living in the area?

14 A. Just a little over three years, three and a
15 half years.

16 Q. Okay. What is your affiliation or role with
17 the Applicant, Rocket Transportation?

18 A. I am one of three managing partners, owners.

19 Q. Who are the other owners and managing
20 partners?

21 A. My husband, Rafael Roman, and David Pederson.

22 Q. Has either one of those other owners been in
23 the area for longer than three years?

24 A. Dave Pederson has been in the area about ten
25 years.

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1 Q. Now for the remainder of your testimony, I
2 want to just clear something up about the name of the
3 business we're discussing. I understand that after
4 filing the application with the Commission there have
5 been some changes of the corporate structure under which
6 Rocket operates. These changes have been only in name
7 and corporate umbrella, and they have had no effect on
8 the owners, assets, or financial health of the
9 operation; is that correct?

10 A. Yes.

11 Q. Okay. So that when I ask you questions past,
12 present, and future about Rocket Transportation, we
13 understand that I'm talking about Rocket Transportation
14 under whichever corporate umbrella it may have been?

15 A. Yes.

16 Q. When did Rocket Transportation -- when did
17 the owners form Rocket Transportation?

18 A. Rocket Transportation was originally formed
19 in the fall of 2007 before -- prior to filing the
20 application.

21 Q. Are the three owners present today the same
22 three owners at the time that Rocket was formed?

23 A. Yes.

24 Q. Have you been actively involved in the
25 business since that time?

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1 A. Yes.

2 Q. And are you qualified to talk about the
3 financial health and viability of Rocket Transportation
4 today?

5 A. Yes.

6 JUDGE TOREM: Let me clarify, the fall of
7 2006?

8 THE WITNESS: 2006, yes, I'm sorry, since we
9 haven't hit fall of 2007 yet.

10 BY MR. STEEN:

11 Q. Have you been actively involved in this
12 application settlement process as well?

13 A. Yes.

14 Q. So you're qualified to speak with regards to
15 the intended service and any modifications or thoughts
16 that Rocket or its owners have had throughout this
17 process?

18 A. Yes.

19 Q. Has Rocket Transportation been providing a
20 transportation service up to this point?

21 A. Yes.

22 Q. Under --

23 A. Under PT Rocket Transportation.

24 Q. Under what authority has Rocket
25 Transportation been providing a service?

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1 A. We provide under contract with Paratransit
2 Services, Clallam Transit, Labor and Industries, and
3 other government agencies that we also operate for hire
4 under for hire certificates and also under our charters
5 and excursions authority.

6 Q. Can you give a brief description on the
7 record of the kind of service you provide now? And I
8 ask this because I'm going to ask you in a minute the
9 kind of service that you intend to provide under the
10 certificate so that we can highlight the differences.
11 So what sort of a service do you provide up to this
12 point?

13 A. Up to this point our focus has been on the
14 contract services, which are as the people that we
15 contract with dictate, most of it being single client
16 transportation to medical appointments. And then under
17 the for hire, most of that is also Medicaid, or not
18 Medicaid, medical transportation to Seattle for
19 individual clients and also individual transportation to
20 Seatac Airport.

21 Q. Okay. Can you describe on the record for the
22 Commission today the sort of transportation service that
23 you intend to provide if granted a certificate?

24 A. We intend to provide door-to-door
25 transportation by reservation to Seattle and Seatac and

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1 Tacoma and so forth to and from the peninsula.

2 Q. Okay, because this had been an issue in the
3 settlement negotiations, I want to make sure that we're

4 clear on the record, you are not going to be operating
5 by a preset time schedule to be filed with the
6 Commission; is that correct?

7 A. That is correct.

8 Q. You're going to be operating runs as customer
9 demand dictates and subject to the logistical
10 difficulties of door-to-door transportation; is that a
11 fair statement?

12 A. Yes.

13 Q. Okay. At this time I would like to direct
14 the witness to Exhibit 1, the application in its
15 original form. I would like to turn to item 16 in the
16 application, please.

17 A. On page?

18 Q. It's not --

19 A. I've got it.

20 MR. STEEN: If I could make a note, Your
21 Honor, the version of the application that was submitted
22 into evidence is as original except that item 10, a
23 substantial portion of the text has been crossed out,
24 that text was in the original version and was crossed
25 out subject to the settlement agreement.

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1 JUDGE TOREM: All right.

2 MR. STEEN: So it's still there.

3 JUDGE TOREM: And it remains legible so we
4 can see what the original text was.

5 MR. STEEN: I just wanted to make sure that
6 was clear on the record.

7 BY MR. STEEN:

8 Q. Now looking to item 16, this is a list of
9 vehicles that Rocket Transportation has and their
10 descriptions, correct?

11 A. Yes.

12 Q. A lot of time has passed since you originally
13 filed the application for the certificate, have there
14 been any changes to the transportation fleet that Rocket
15 maintains?

16 A. Yes.

17 Q. What changes have there been?

18 A. Vehicle R06, the Hyundai Sonata, is no longer
19 with our fleet.

20 Q. Have there been any other changes?

21 A. Vehicle number R09, which is a 2004 Sprinter
22 2500 SHC 118 has been added to our fleet, which is a
23 wheelchair accessible van with a lift.

24 Q. And does Rocket Transportation still maintain
25 the 2005 Toyota Sienna minivan listed last on this?

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1 A. That vehicle is actually owned by Rafael and
2 myself, and we lease it to the company as needed as a
3 replacement vehicle.

4 Q. Okay. We're going to get into this in a
5 little bit more detail in a minute or two, but is it
6 your intention over the majority of the upcoming year to
7 use these vehicles in the service that you will provide
8 under the certificate?

9 A. We intend to start with using four of these

10 vehicles, well, three to four of the vehicles to start
11 the service as the need demands until we get the
12 full-time vans.

13 Q. Is there an intention on the part of Rocket
14 to purchase or lease three new vans to operate the
15 service that you would be providing under the
16 certificate?

17 A. Yes.

18 Q. And at the time that you are able to purchase
19 these, these will be the only three vans operating that
20 service?

21 A. Yes.

22 Q. Okay. So for purposes of the service
23 provided under the certificate, as soon as you obtain
24 these three new vans through whatever means, the
25 vehicles listed in item 16 are not going to be actively

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1 involved in providing the service, correct?

2 A. Correct.

3 Q. Okay. Where does Rocket Transportation
4 operate its office and administrative functions?

5 A. Rocket Transportation is currently operated
6 out of our home office. We have a dedicated office
7 space attached to our home.

8 Q. This is your primary residence that you
9 listed earlier?

10 A. Yes.

11 Q. Okay. Are the vehicles and the office space
12 the primary assets for running a transportation company

13 pursuant to a certificate?

14 A. Yes.

15 Q. Okay. At this time I would like to direct
16 the witness to another exhibit, Exhibit 4, which I
17 believe is the pro forma financial statement. To ensure
18 that Rocket Transportation meets its legal burden of
19 establishing that it is fit and financially capable of
20 providing the service it intends to, Rocket
21 Transportation has submitted this or is intending to
22 submit this as part of its application; is that correct?

23 A. Yes.

24 Q. All right. I would like to go through these
25 with you individually and discuss the numbers here,

0049

1 where the numbers came from, to assure on the record,
2 the Commission and any other parties involved, that even
3 though this is a prospective statement that it has some
4 grounding and is fairly reliable in terms of your hopes
5 and intentions for business for the upcoming year.

6 A. Yes.

7 Q. The first major number listed is the revenue,
8 and revenue is entirely under fares, can you read that
9 number, please?

10 A. \$438,000.

11 Q. Can you explain how you came up with the
12 number \$438,000?

13 A. The most common fares will be round trip
14 fares ranging from \$95 to \$105 round trip. For the sake
15 of average, we have started with a \$100 fare. We

16 anticipate 3 full-fare passengers per trip to begin
17 with, and 4 runs a day makes 12 full-fare passengers,
18 and we operate every day of the year.

19 Q. Okay, and that comes out to \$438,000 in
20 revenue for the first year?

21 A. Yes.

22 Q. Under expenses and the subheading vehicle
23 expenses on the document, the first listing is vehicle
24 purchases, can you tell me what that number is?

25 A. \$18,000.

0050

1 Q. And what is this expense of \$18,000, and how
2 did you get to that number?

3 A. In anticipation of a vehicle payment of \$500
4 per van to be purchased for the first year.

5 Q. Are you saying that you're going to purchase
6 vans that cost \$500?

7 A. We're going to purchase vans that cost
8 between \$10,000 to -- that average about -- at \$10,000
9 to \$15,000, and I anticipate a payment of -- averaging
10 \$500.

11 Q. Okay. And these are the only -- once these
12 are purchased, these are the only three vehicles that
13 will be regularly running the approximately four runs
14 that you expect --

15 A. Yes.

16 Q. -- to be making daily?

17 A. Yes.

18 Q. Under repair and maintenance, how much did

19 you list as expense?

20 A. We anticipate \$30,000 a year.

21 Q. Is there any particular reason that you chose
22 \$30,000 as the figure?

23 A. We anticipate that the vans will require
24 regular maintenance for their runs, and though we want
25 -- though we will be starting with vans that are not the

0051

1 brand new shining ADA accessible vans, we do expect that
2 the maintenance will be regular and full, and so we want
3 to make sure that that's not an expense that is cut back
4 on in an effort to cut costs.

5 Q. And in your experience, \$10,000 per van per
6 year is ample money allocated for repair and
7 maintenance?

8 A. Yes.

9 Q. Okay. Under supplies and safety, you have
10 listed \$3,000, can you briefly tell the Commission what
11 that represents?

12 A. Supplies and safety are the equipment in the
13 van required for whatever situation may occur, so fire
14 extinguishers, first aid kits, seat belt extenders,
15 ample first aid kits, triangles.

16 Q. That's okay, I think we get a sense of what
17 that's going to involve.

18 Moving along, you list fuel and lubricants,
19 \$78,840 for first year?

20 A. Yes.

21 Q. Can you explain how you got to that number,

22 please.

23 A. The average trip will be approximately 270
24 miles, operating 4 trips a day every day of the year,
25 anticipating the vans getting 15 miles to the gallon and
0052

1 a fuel cost of \$3 a gallon.

2 Q. Just so that we're clear on the record, 270
3 miles, is that a one-way trip into Seattle or a round
4 trip?

5 A. That is a round trip.

6 Q. Okay. Under insurance you have it listed at
7 \$15,000.

8 A. Yes.

9 Q. Do you have a basis for coming up with
10 \$15,000?

11 A. My experience with the insurance is that it
12 averages \$5,000 per vehicle.

13 Q. For the first year of business?

14 A. Yes.

15 Q. Under driver labor you have \$197,100, could
16 you explain what driver labor means and how you got to
17 that number, please?

18 A. The drivers that would be driving the shuttle
19 routes, we anticipate the shuttle route would be 10
20 hours for the round trip, the driver would have an hour
21 off for lunch that would not be paid, the driver cost is
22 about \$15 an hour, the drivers make \$10 an hour, and for
23 the 4 runs every day of the year that is the cost
24 anticipated for the drivers' wages.

25 Q. So this number represents anticipated

0053

1 drivers' wages for the drivers that would be involved

2 just for operating runs under the certificate --

3 A. Yes.

4 Q. -- that you're applying for now?

5 A. Yes.

6 Q. And driver labor is just wages and costs

7 associated with keeping employees who are driving,

8 correct?

9 A. Yes.

10 Q. Okay. Drug testing and physicals is the next

11 item, you listed \$1,000?

12 A. Yes. Physicals run about \$100 apiece, each

13 driver will have to have one. And then the

14 pre-employment drug screen is \$25. In the first year or

15 when the drivers first come in, they have to have these,

16 and then after, future years are just the randoms and

17 maintenance of those two.

18 Q. Now I can see from the document that what

19 looks like the math here involved 8 employees. Is 8

20 employees the number of employees you intend to dedicate

21 to the service that you will be providing under the

22 certificate?

23 A. Yes.

24 Q. So does this mean 8 drivers?

25 A. Yes, that means 8 drivers to cover the 4

0054

1 runs, because 1 driver will not operate 7 days a week.

2 Q. Right. Are these 8 employee drivers going to
3 be separate from the employee drivers that you will be
4 using for the services you will provide under your
5 various other authorities from the Commission?

6 A. They quite possibly may be the same people,
7 but their wages will be separated out for the work that
8 they provide, so that the other business will pay for
9 its portion of the drivers doing the work.

10 Q. The last vehicle expense you list is
11 uniforms, and you listed \$1,080. From the document it
12 looks like \$135 per employee, is this a number that's
13 simply from your experience?

14 A. That is anticipating that if the driver is
15 driving 4 days a week that we will provide them 4
16 uniform shirts and a baseball cap to initially get
17 started, which is not something we currently do. We
18 have uniforms on hand currently, but we do not require
19 the drivers to use them for all of our business.

20 Q. Okay. Under the heading non-vehicle
21 expenses, there are several listings, and I would like
22 to go through those quickly. Under office supplies you
23 list \$1,000.

24 A. Yes.

25 Q. How did you come up with \$1,000, please?

0055

1 A. That is an approximation of what we
2 anticipate for additional office supplies. Since our
3 office exists and is currently running, I don't
4 anticipate that we would have to start from scratch with

5 all the various office supplies.

6 Q. Okay. Under telephone expenses you have
7 \$8,200 for the year, could you recreate how you came up
8 with that number, please?

9 A. That is anticipating \$500 a month for the
10 answering service that answers the calls 24 hours a day,
11 7 days a week, every day of the year. And then in
12 anticipation of for these 8 drivers that we would have
13 to secure 2 new cell phone lines at \$100 each, we would
14 reimburse 4 of the drivers for their own cell phones,
15 and then we would use existing cell phone lines for 2 of
16 the drivers.

17 Q. Okay, I'm not sure if I heard you correctly,
18 you said 2 new cells, I thought you said at \$100 apiece?

19 A. \$100 per month for the 2 lines, and then we
20 reimburse -- drivers that have their own cell phones
21 that do not require us to provide one, we reimburse them
22 at \$10 a month for using their own phone for Rocket
23 business. And then if we provide cell phones to drivers
24 and we have existing service that we don't have to start
25 a brand new group of phones, then that averages \$20 per

0056

1 month per employee.

2 Q. Okay, just to clarify in case the Commission
3 or the Commission Staff has a question about this
4 number, on the document it says \$1,200 allocated to 2
5 new cell phones, and you just said that it was \$100 a
6 month to start the new cell phones, does that mean it's
7 \$100 per month per new cell phone so that the number

8 should be double that?

9 A. No, under a shared plan it's \$100 for both
10 lines. The first line is \$80 and the second line is
11 \$20.

12 Q. The next expense listed is advertising and
13 marketing, and you have that allocated at \$5,000; is
14 there a basis or a grounding for that number?

15 A. That number is a guess as to what we have --
16 we have spent \$5,000 last year on all together for
17 advertising, so I'm presuming it's going to cost that
18 much again to advertise the new business.

19 Q. Under office rent and utilities under the
20 formal listing it's an expense of \$0, can you explain
21 how it's \$0?

22 A. This portion of our home is dedicated to the
23 office and running the business, but we do not currently
24 collect rent from any of our businesses for this space.

25 Q. But you value this space, you have a value

0057

1 amount for this space?

2 A. We anticipate that \$500 per month is a
3 reasonable value for the space.

4 Q. Is there an intention as the business grows
5 to some day have the business pay rent for this space?

6 A. Yes.

7 Q. Okay. But you don't intend to do this within
8 the first year?

9 A. No.

10 Q. Okay. Next expense is professional fees, and

11 you list \$5,000.

12 A. Yes.

13 Q. What professional fees are you referring to?

14 A. For legal and accounting.

15 Q. Okay. Dues and subscriptions you list \$170,

16 I understand those are for Costco and Triple A

17 memberships?

18 A. Yes.

19 Q. Under permits and license you list \$300 as an

20 expense, what permits and license, just a few examples,

21 are we talking about?

22 A. Access to the airport. The license -- a

23 license is required for operating the business, whether

24 it be the UTC or -- vehicle license aren't included in

25 that one. Airport is the big one that we anticipate.

0058

1 Q. Okay. Are the bridge tolls, you have \$2,190,

2 could you take us through the math that got you to that

3 number, please?

4 A. The bridge toll using the Good to Go pass is

5 \$1.50 per crossing, and we anticipate 4 crossings a day,

6 and the bridge toll is collected one way, so actually 8

7 crossings actually on the bridge but it's collected one

8 way, so we anticipate 4 trips for every day of the year.

9 Q. So it's 4 round trips where toll is collected

10 only once per trip?

11 A. Yes.

12 Q. Okay. Finally there is a listing of salaries

13 of \$48,000, who is going to receive a salary under this

14 particular expense designation?

15 A. The three owners sitting here.

16 Q. And how did you come up with this salary
17 number, is there --

18 A. The total for the three of us is \$96,000 a
19 year, and this is half of that cost, as the other
20 business is paying the other half.

21 Q. And is this simply a designated number that
22 you have decided for salaries for yourselves?

23 A. Yes.

24 Q. Okay. If the math works out on this
25 document, that brings the total expenses to \$413,880.

0059

1 Compared then with the total revenue, that comes out
2 with a profit of how much?

3 A. \$24,120.

4 Q. So if we are reading the document correctly,
5 according to this projection you're expecting within the
6 first year to create a profit, to raise a profit of
7 \$24,120?

8 A. Yes.

9 Q. Okay. I would like to direct the witness to
10 the next exhibit, Exhibit 5, the 12 month ridership and
11 revenue forecast, is this a document that you intend to
12 submit to the Commission to supplement your application
13 for the certificate?

14 A. Yes.

15 Q. Okay. It has 3 values listed on the
16 document, I would just like to go through each one and

17 have you explain where you came up with them. Let's
18 start at the bottom with passenger trips. You list
19 8,760 passenger trips for the first 12 months, how did
20 you come up with this number?

21 A. This is a one-way trip. If we're running 4
22 runs a day, then that would be 8 one-way trips. The
23 anticipation of 3 passengers per trip every day of the
24 year comes up to 8,760 one-way trips.

25 Q. The middle value, revenue vehicle miles, you
0060

1 list 394,200, could you explain the math that got you to
2 that number, please?

3 A. With the average of 270 miles per round trip,
4 4 round trips a day every day of the year comes to
5 394,200 miles.

6 Q. And the final value, the revenue vehicle
7 hours, you list 13,140, could you explain that number,
8 please?

9 A. Each round trip taking 10 hours per day minus
10 the hour the vehicle's down while the employee's at
11 lunch for 4 trips a day every day of the year is 13,140
12 hours.

13 Q. Just to clarify so that there's no ambiguity,
14 in that description you're saying 10 hours per round
15 trips and 4 round trips; is that correct?

16 A. Yes.

17 Q. As distinguished from the bottom value where
18 we were using one-way trips?

19 A. Yes.

20 Q. Okay. Do you or any of the other owners or
21 managing partners have any operations experience running
22 an auto transportation company in addition to the 18
23 months that you have already worked running Rocket
24 Transportation under its other Commission authorities?

25 A. Actually Rocket Transportation has been

0061

1 running 2 years now.

2 Q. 2 years, my apologies, 24 months. But in
3 addition to that, do any of the owners or managing
4 partners have experience running auto transportation
5 operations?

6 A. Rafael and myself also operate another
7 contract transportation service with package delivery,
8 and David Pederson has experience with previous
9 employment as operations manager for Pennco.

10 Q. I don't think that it's necessary to have
11 Mr. Pederson testify here, but could you briefly say
12 what his job duties were at Pennco just very generally?

13 A. David was responsible for the operations,
14 scheduling, driver assignments, scheduling the pickup of
15 different people at different locations at different
16 times to get them all to their destination on time,
17 making sure the drivers were fully qualified at all
18 times to operate the vehicles, and I believe also
19 staying on top of vehicle maintenance.

20 JUDGE TOREM: Mr. Steen, can you clarify for
21 me the spelling of Pennco.

22 THE WITNESS: P-E-N-N-C-O.

23 JUDGE TOREM: Thank you.

24 BY MR. STEEN:

25 Q. And Pennco is no longer operating; is that

0062

1 correct?

2 A. Pennco ceased operations in about February of
3 2004.

4 Q. Okay, thank you.

5 Are you through your experience in the last
6 two years on your application and preparation for this
7 hearing, would you say that you and the other owners of
8 Rocket Transportation are familiar with the rules and
9 regulations that you're subject to as an auto
10 transportation company?

11 A. Yes.

12 Q. And in particular the Washington
13 Administrative Code 480-30, is that something with which
14 you are familiar?

15 A. Yes.

16 Q. Okay.

17 Finally I would like to direct the witness to
18 Exhibit 3, the study. And just briefly, while the
19 Applicant acknowledges that this is a lengthy study and
20 should certainly be read in its entirety as it has
21 several conclusions and several findings, I would like
22 to highlight one brief bit for the record.

23 JUDGE TOREM: And given that we do not have
24 individual page numbers, if you would indicate the given
25 study page numbers for ease of reference back and forth

0063

1 in the transcript.

2 MR. STEEN: Absolutely.

3 BY MR. STEEN:

4 Q. I am right now directing the witness to page
5 4-8 of the study, Exhibit 3, which is also Table 4-2.

6 Can you read the title of the table that I have
7 referenced within the study?

8 A. Places with high and moderate transit needs.

9 Q. Well, before we dive into this, are you
10 familiar with the study that we have entered as an
11 exhibit into evidence?

12 A. Yes, I am familiar with the study.

13 Q. Can you generally state what the purpose of
14 the study was?

15 A. The study was to identify the transportation
16 needs or connectivity for transportation needs within
17 Washington state, is it possible for a person to get
18 where they need to go with the transportation options
19 available within the state.

20 Q. Would you say that this sort of a survey and
21 study is applicable to the kind of service that Rocket
22 wants to provide under the certificate?

23 A. Yes.

24 Q. To repeat, could you read the title of the
25 particular table that I have drawn attention to at 4-8.

0064

1 A. Places with high and moderate transit needs.

2 Q. Could you turn to the next page, 4-9, and

3 could you find the entry for Port Angeles approximately
4 three quarters of the way down the page.

5 A. Yes.

6 Q. Before Port Angeles along with the other
7 cities listed here, there are several statistics, and I
8 would just like you to read a few of them for the
9 record. What is the statistic they give for the
10 elderly, which is 60 and over, population in Port
11 Angeles?

12 A. 4,502 people.

13 Q. What is the number that they give for those
14 below the poverty line in Port Angeles?

15 A. 2,647.

16 Q. What is the number of people in the Port
17 Angeles area they list as disabled and over the age of
18 16?

19 A. 7,843.

20 Q. Finally, could you tell me according to this
21 study how many zero car households there are in the Port
22 Angeles area?

23 A. 1,007.

24 Q. Turning to the next page, I would like to
25 draw your attention to the entry for Sequim, which I

0065

1 believe is the only other city within the
2 Jefferson-Clallam County area that is listed in this
3 table. Under the entry for Sequim, I would like you to
4 read the same statistics, could you tell me how many --
5 the number of elderly population the study found?

6 A. 2,051.

7 Q. Could you tell me the number found to be
8 below the poverty line in the Sequim area?

9 A. 544.

10 Q. Could you tell me the number listed as
11 disabled and over the age of 16 in Sequim?

12 A. 2,404.

13 Q. Finally, could you tell me the number of zero
14 car households that the study found in the Sequim area?

15 A. 257.

16 Q. Thank you.

17 Are you familiar with the overall findings
18 and conclusions in a general sense of this study?

19 A. Yes.

20 Q. Could you just briefly for the record tell us
21 what your understanding of their conclusions are with
22 respect to the adequacy of transportation in the state
23 of Washington, particularly in rural areas?

24 A. That significant gaps still exist within the
25 transportation system in Washington state, and the more

0066

1 rural the area, the bigger the gaps.

2 Q. Would you say that the Jefferson and Clallam
3 County areas have a substantial proportion of their
4 population that would qualify as rural?

5 A. Absolutely.

6 Q. And would you say that they have a
7 significant proportion of their population which is
8 either elderly or physically disabled?

9 A. Very much so.

10 Q. Okay. And do you feel finally that the
11 service that Rocket Transportation intends to provide
12 under the certificate is a service that is not currently
13 provided and is needed in that community?

14 A. It is desperately needed in our community.

15 MR. STEEN: Okay, thank you very much.

16 Those are all the questions that I have for
17 this witness, I will turn the floor over to Mr. Fassio
18 if he has follow-up questions.

19 JUDGE TOREM: All right, Mr. Fassio, any
20 cross-examination?

21 MR. FASSIO: Yes, I just have a few questions
22 for Ms. Roman, thank you.

23

24 C R O S S - E X A M I N A T I O N

25 BY MR. FASSIO:

0067

1 Q. With the exception of any of the items that
2 you have already spoken about today in your application
3 and the settlement, are there any other changes to your
4 application since you filed it that you would like to
5 add at all?

6 A. Not that I'm aware of.

7 Q. Okay, I would like to ask you just a couple
8 of questions about your vehicles. Based on the demand
9 that you expect in the first year, do you foresee that
10 the vehicles that you currently have in service and the
11 three vehicles that you would be adding would be

12 sufficient to meet that demand?

13 A. Yes.

14 Q. And if the demand actually exceeds what your
15 projections are, does Rocket Transportation have the
16 financial resources to acquire new vehicles?

17 A. Yes.

18 Q. Would you then have the intention of
19 acquiring new vehicles if the demand required it?

20 A. Very much so.

21 Q. You have described in your pro forma
22 statement repair and maintenance expenses for the
23 different vans. Can you describe for the record your
24 performance or your maintenance program for these
25 vehicles?

0068

1 A. Our maintenance program for diesel engines is
2 I believe an oil change and service every 5,000 miles.
3 And then the regular, I believe it's every 25,000 to
4 30,000 miles they get their spark plugs changed and all
5 the big stuff done. I'm not the maintenance expert, so
6 that's my understanding of the maintenance. I know that
7 that's an area that we do not cut corners on. We
8 believe maintenance is critical to keeping our vehicles
9 on the road and safe.

10 Q. Will you or your employees be conducting
11 pre-trip vehicle inspections of your vehicles before
12 they go on the road?

13 A. Yes, our current employees perform pre and
14 post inspections on every vehicle we currently have, and

15 that will continue to be a requirement.

16 Q. And if a vehicle breaks down, I assume you
17 will be using another vehicle in its place?

18 A. Yes, we try to maintain available backup
19 vehicles.

20 Q. And will you maintain a complete maintenance
21 file on all of your vehicles as well?

22 A. Yes.

23 Q. Does Rocket Transportation have insurance on
24 all the vehicles it currently operates?

25 A. Yes.

0069

1 Q. And are you aware of the Commission's
2 requirement that your company submit a Form E
3 certificate of insurance to the Commission prior to any
4 certificate being issued?

5 A. Yes.

6 Q. And is it your intention to work with the
7 Commission Staff to file this before the Commission
8 issues a certificate?

9 A. Yes.

10 Q. And one clarifying question I had, you spoke
11 about bridge tolls earlier, is that the Tacoma bridge
12 toll over the Tacoma Narrows Bridge?

13 A. Yes. That's currently not in effect yet,
14 16th. We didn't anticipate that back in December.

15 Q. Regarding payment that you expect in fares,
16 what type of payment are you accepting from your
17 transportation passengers?

18 A. You mean cash, the green stuff?

19 Q. Cash or check or charge?

20 A. Yes, we currently receive cash, check, Visa,
21 and Master Card, and we are planning to add American
22 Express also.

23 Q. Does your company have a line of credit or a
24 loan or another way of accessing cash, additional cash,
25 should the company require it to support your services?

0070

1 A. Yes.

2 Q. And one last question, you have listed
3 advertising as one of the expenses in your -- that you
4 project, can you describe your advertising or your plan
5 for advertising the service to the public?

6 A. Well, we currently run an ad in the local
7 papers and have racked cards out at each of the chamber
8 of commerces in our area, and so that will not be
9 actually included in this amount. So in addition we
10 plan to advertise on the radio, on billboards, and with
11 information to all the businesses in our community that
12 need the service and have requested it.

13 MR. FASSIO: I think that's all the questions
14 that Commission Staff has at this time, thank you.

15 JUDGE TOREM: All right, I have a few I want
16 to ask on my own behalf.

17

18 E X A M I N A T I O N

19 BY JUDGE TOREM:

20 Q. Let me start with the study first.

21 Ms. Roman, you indicated the study had made some
22 conclusions about the gaps that exist. If you can tell
23 me, and maybe Mr. Steen can direct you, to which page
24 numbers those conclusions are found. I have not yet
25 read the complete study. When I looked at the table of
0071

1 contents, there were some general conclusions at page
2 4-62, but they didn't appear at first glance to be the
3 ones you were relying on. I wonder if perhaps I could
4 be directed to a specific page number that either an
5 executive summary or somewhere else came up with these
6 conclusions.

7 A. 4-24 has one specific issue regarding medical
8 appointments and the difficulty of getting to medical
9 appointments with the current transportation options
10 available being that it takes so long to travel to
11 Seattle using the transit systems available that you may
12 not necessarily get back on the same day if your
13 appointment is not right in the time frame.

14 Q. Okay. Was there any support for the
15 contention that the more rural the area, the greater
16 those gaps in transportation might be? I understood the
17 logic drawn in the memorandum I read in support of the
18 application, but I wondered if there was any specific
19 finding?

20 MR. STEEN: Your Honor, if I may, there is a
21 passage that I referenced, I can't find it right now,
22 but I would be glad to --

23 JUDGE TOREM: If you will look for that, I'm

24 going to ask a few other questions about the pro forma
25 financial statement.

0072

1 BY JUDGE TOREM:

2 Q. Ms. Roman, I have never operated a business
3 myself, and I recognize that the pro forma statement is
4 exactly that, just an estimate. When I look at the
5 number of fares per day, again as an average, some days
6 will be busier, some days there may be no fares at all,
7 and the 365 day every day operations projection,
8 Mr. Fassio's question about having a backup vehicle may
9 have addressed some concern as to what happens if one
10 third of your source of income were to be out of
11 commission for any significant period of time. Am I to
12 understand then that the other vehicles listed in I
13 think it was item number 16 to the application would be
14 used to supplement or replace vehicles that were not
15 available of the new vans you're purchasing?

16 A. Yes.

17 Q. So the idea is that there will always be at
18 least three vehicles available?

19 A. Yes.

20 Q. And you would prefer if the maintenance
21 schedule goes as planned that it would be these vans?

22 A. Yes.

23 Q. And is it then when a van comes down for a
24 lube, oil, filter, or for more extensive maintenance,
25 then another vehicle will be programmed in, is that the

0073

1 idea there?

2 A. Yes, with four routes and three vans, it's
3 possible we could actually do those routes with two
4 vans, but having three available means that we should
5 never, especially for lube and maintenance, we should
6 never have to pull another van. We should be able to
7 schedule that in there.

8 Q. All right. And the driver labor at the \$15
9 per hour and essentially 9 hour days, again this is
10 estimations, it doesn't indicate whether these drivers
11 are employees for which you will have to pay taxes and
12 other things or if there are other questions as to
13 independent contractors. Can you briefly tell me how
14 you're going to handle that or how you --

15 A. They are drivers that we pay wages to. Their
16 wages are \$10 an hour. The other \$5 an hour is to
17 handle the taxes and insurance and unemployment and all
18 the necessary items for having employees.

19 Q. Okay. Having been an employer in a limited
20 fashion myself, I understand the paperwork, and that's
21 why I raised the question.

22 A. My drivers would love to make \$15 an hour.

23 Q. One of the other questions I had about the
24 projection you had said earlier at \$10 per hour was
25 whether there's an ability for promotion within the

0074

1 company, whether it's for raises or otherwise, but that
2 would be the starting salary then for these drivers?

3 A. Actually our starting salary is \$8.50 an hour

4 until they have gone through all the training. We
5 require about 40 hours of training for each new driver.
6 And when we have recouped that training cost, then they
7 are put at \$10 an hour. We hope to actually eventually
8 get to where we're paying our drivers \$12 an hour, which
9 is very competitive for the type of work that they're
10 doing, seeing as it does not require a commercial
11 drivers license. We also plan to provide training for
12 commercial drivers licenses even though they're not
13 required just as a good measure for additional training
14 being safer. But at the moment at least for this first
15 year \$10 an hour is where it will sit.

16 Q. Okay. And the drug screening, granted this
17 would be a small item, four estimates, are you also
18 allowing for driver turnover, or do you already
19 anticipate a fairly steady work force given your
20 experience?

21 A. We anticipate pulling in four drivers from
22 our current company that would not in fact have to start
23 within this pool. So we feel that this estimate is
24 handling drivers, well, handling the possibility of
25 eight new people starting from scratch or, you know, the

0075

1 flexibility to handle that. So we don't anticipate
2 actually having to hit that entire amount possibly in
3 the first year, we may only use half of it.

4 Q. And on the salaries, if I understood
5 correctly, each partner of the three of you would have a
6 \$32,000 per year salary, half of which is coming from

7 this company, the new company, and half coming from your
8 existing company?

9 A. Yes.

10 Q. And the rest of the compensation would be
11 divvied up from profits or other arrangements within the
12 partnership of the company?

13 A. Compensation for us? We currently do not
14 have other compensation currently. All the money is
15 rolled back into the company.

16 JUDGE TOREM: All right, those are my
17 questions there.

18 Mr. Steen, have you come across that?

19 MR. STEEN: I did not find the passage that I
20 was looking for. I found a passage that is somewhat
21 supportive of that, but. On page 440, which is a
22 portion of the study which is created after interviews
23 and the survey, there is a brief discussion and a
24 statement that many of the unmet needs identified can
25 really be summarized as needs for additional rural

0076

1 transit within the service areas discussed. That's not
2 the statement I was relying on when I did this, but that
3 is in keeping with what I think it is.

4 JUDGE TOREM: All right, and I didn't mean to
5 imply it wasn't a logical conclusion, but I'm trying to
6 see what was in the study readily available to me today
7 and what was again the argument supporting the
8 memorandum that was interpretation by the client as well
9 as your own legal interpretation.

10 MR. STEEN: Right.

11 JUDGE TOREM: All right, Mr. Fassio, did my
12 questions raise anything else?

13 MR. FASSIO: No.

14 JUDGE TOREM: And, Mr. Steen, did you want to
15 ask any additional questions of Kathy Roman?

16 MR. STEEN: No, Your Honor, I do not.

17 JUDGE TOREM: All right, so it appears that
18 we're going to close the, from the Applicant's
19 presentation under WAC 480-30-1226, Paragraph 1 requires
20 you to show knowledge, experience, and the resources to
21 conduct the service, particularly the financials, and
22 that the Applicant is fit, willing, and able to comply
23 with state law and requirements. The issue as to the
24 public necessity and convenience or public convenience
25 and necessity will take up a little bit more. We have

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1 already handled as well 480-30-125(5) that there are now
2 no objections. So leaving that public convenience and
3 necessity and the independent witnesses, I think that's
4 all that's remaining to be presented; is that correct?

5 MR. STEEN: Yes.

6 JUDGE TOREM: Mr. Fassio, do you agree with
7 that?

8 MR. FASSIO: Yes.

9 JUDGE TOREM: All right, well, we have been
10 going at it for nearly an hour, I think we'll take a
11 brief recess, you can contact your witnesses and let
12 them know that they should expect a call, and when

13 you're ready, let us know, and we'll go back on the
14 record in five or ten minutes.

15 (Recess taken.)

16 JUDGE TOREM: It's now a little after 11:30
17 in the morning, and we are back on the record in the
18 Rocket Transportation case. We have taken the liberty
19 of getting the first witness on the telephone, and
20 Mr. Damian Humphreys is awaiting me to swear him in and
21 Mr. Steen to ask him some questions. He's already been
22 advised of who's present in the room and that
23 Mr. Michael Fassio, the attorney for the Utilities and
24 Transportation Commission, may have some additional
25 questions for him.

0078

1 Mr. Humphreys, are you able to hear me okay?

2 THE WITNESS: Yes, I am.

3 JUDGE TOREM: Great. And I will just ask you
4 as a courtesy to our court reporter, go ahead and let's
5 be a little more formal. I'm trying to speak a little
6 more deliberately with the speaker phone. I'm going to
7 swear you in and then ask Mr. Steen to ask you
8 questions. Wait for him to finish his question, take a
9 pause, and then give your answer, and we'll do our best
10 to not have two people speaking at once, okay?

11 THE WITNESS: Certainly, I will try and speak
12 slow and so my accent can be clearly read by the
13 recorder.

14 JUDGE TOREM: Thank you.

15 All right, sir, I'm here in Olympia raising

16 my right hand, if wherever you are out on the Olympic
17 Peninsula I believe will do the same.

18 THE WITNESS: Okay.

19 (Witness DAMIAN HUMPHREYS was sworn.)

20 JUDGE TOREM: Thank you.

21 Can you say your complete name and spell each
22 name for us.

23 THE WITNESS: The name is Damian Humphreys,
24 that's D-A-M-I-A-N, Humphreys is H-U-M-P-H-R-E-Y-S.

25 JUDGE TOREM: All right, sir, can you

0079

1 identify for us just for old times sake the source of
2 your accent?

3 THE WITNESS: I'm English.

4 JUDGE TOREM: Perfect.

5 All right, Mr. Steen, would you treat this
6 gentleman like the Englishman that he is and ask the
7 appropriate questions.

8

9 Whereupon,

10 DAMIAN HUMPHREYS,
11 having been first duly sworn, was called as a witness
12 herein and was examined and testified as follows:

13

14 D I R E C T E X A M I N A T I O N

15 BY MR. STEEN:

16 Q. Mr. Humphreys, thank you for joining us
17 today. Could you please tell me where you reside?

18 A. I live in Sequim, Washington.

19 Q. And how long have you lived in the Sequim
20 area?

21 A. For just over five years.

22 Q. And where are you currently employed?

23 A. I work at -- I'm the sales manager at the
24 Quality Inn and Suites in Sequim.

25 Q. How long have you held that position?

0080

1 A. Since before the hotel opened, and that was
2 January last year.

3 Q. What was your employment in the Sequim area
4 before that?

5 A. I have been involved in marketing with a
6 local firm plus in Port Angeles and also representing
7 some hotels from Victoria, British Columbia in Port
8 Angeles before that.

9 Q. Are you involved in or a member of any
10 associations or organizations in the Sequim or greater
11 communities?

12 A. Yes, a member of the Chamber of Commerce in
13 Sequim, the Port Angeles Business Association in Port
14 Angeles, and also the Sequim Marketing Action Committee,
15 the SMAC Committee, which is aligned with the lodging
16 tax dollars for Sequim.

17 Q. Would you say from your professional
18 experience and your involvement in these associations
19 and organizations that you have a familiarity and an
20 understanding of the business community of Jefferson and
21 Clallam Counties?

22 A. I certainly would. In fact, I'm advised or
23 brought in on advisement within the City from their
24 marketing team on many issues and attend many meetings
25 on that, especially to do with tourism and tourism
0081

1 related issues.

2 Q. I want to ask you a few questions about
3 Rocket Transportation now. Are you familiar with Rocket
4 Transportation?

5 A. Yes, I am.

6 Q. Are you familiar with the service that they
7 have provided up to this point?

8 A. Yes, I am fully aware of how well it's been
9 received in the community.

10 Q. And are you aware that Rocket Transportation
11 is now applying for a certificate of public convenience
12 and need which would expand its abilities to provide
13 transportation services to the area?

14 A. Yes, I'm fully aware of that.

15 Q. And are you aware that it's a door-to-door
16 service to be provided by reservation that they're
17 intending?

18 A. Yes, I am aware, and I'm fully satisfied as
19 well it's an essential service we need in the area.

20 Q. Could you, you have already jumped into this
21 for me, but I would like to know what your opinion is
22 based on your knowledge of the Jefferson and Clallam
23 County business community, what your opinion is of the
24 need of the community for this service and how it might

25 benefit the community?

0082

1 A. On those two counts, from the residents that
2 are already here, Sequim is an aging community, and the
3 need for people to have the door-to-door service is
4 essential for their own well-being to get to
5 appointments in Seattle. To have to go to pickup points
6 isn't convenient for them and would actually help them
7 in the health process. For communities such as ours,
8 the need to get people from Seattle out to here from
9 Seatac, from the cruise ships, and even the Amtrak, we
10 need at the hotel any business that works with us is a
11 reflection on how we do business ourselves. From what I
12 know of Rocket Transportation, I'm proud of the service
13 that they would bring to Sequim, and they would
14 certainly raise the level of business here. The
15 services they offer, the knowing these people in charge,
16 I think that without doubt what they will bring to the
17 community is very much needed and will benefit us.

18 Q. Mr. Humphreys, is there to your knowledge
19 another provider of this same sort of transportation
20 service to the area?

21 A. Not door-to-door, and that's the essential
22 ingredient that we need in the community.

23 Q. Do you have, you talked at some length about
24 the need of the community and we appreciate that and
25 that's exactly why we're talking to you today, if you

0083

1 have any more specific examples to illustrate to the

2 Commission what Rocket Transportation could do with its
3 added authority, that would be helpful. If you don't
4 have any, it's not a big deal, but I just wondered if
5 you had any specifics other than what you have already
6 given us.

7 A. Right. Specifically as a hotel we have a lot
8 of business groups that come in that they don't want to
9 hire their own cars. Gas is already expensive enough,
10 and just the extra thing of having to go and hire a car,
11 that puts several more cars on the road. A lot of
12 people have said, we would come out to Sequim if you had
13 a way of getting us from the airport to your hotel. We
14 would certainly, were Rocket Transportation to be given
15 the certificate, we would not hesitate at all in being
16 able to use them almost on a -- throughout the summer as
17 an essential ingredient. It just benefits everyone,
18 especially our hotel. And I know that the other hotels
19 would follow the same way. The door-to-door service, it
20 just can't be unmatched by anyone else.

21 MR. STEEN: Excellent. Well, Mr. Humphreys,
22 I want to thank you very much for your testimony here,
23 it seems that you are in strong support of Rocket's
24 expanded service. I have no more questions for you now,
25 but it's possible that Mr. Fassio, the attorney for the

0084

1 Commission Staff, has some questions for you, so I turn
2 the floor over to him.

3 THE WITNESS: Thank you.

4

5 C R O S S - E X A M I N A T I O N

6 BY MR. FASSIO:

7 Q. Good morning, Mr. Humphreys.

8 A. Good morning.

9 Q. I don't have many more questions for you, but
10 just a couple of additional questions.

11 A. Certainly.

12 Q. Would you yourself consider using Rocket
13 Transportation services to travel to the Seattle-Tacoma
14 area?

15 A. Yes, I certainly would.

16 Q. And it sounds from your testimony here that
17 you would also be recommending the use of Rocket
18 Transportation services to folks at the Quality Inn as
19 well as around the community?

20 A. Yes, I would, I think it would benefit our
21 guests and other hotel guests, and as a business need I
22 think that most businesses here would also feel the same
23 way.

24 MR. FASSIO: Well, thank you, Mr. Humphreys,
25 I don't have any more questions.

0085

1 THE WITNESS: Thank you.

2

3 E X A M I N A T I O N

4 BY JUDGE TOREM:

5 Q. Mr. Humphreys, this is Judge Torem, just so
6 I'm clear, you mentioned that you know Kathy Roman and
7 her husband as well as Mr. Pederson, do you have any

8 relationship to them or can you explain better your
9 acquaintance?

10 A. They go to the same church as I do, Your
11 Honor, and as such I'm proud to be a Christian and
12 would, you know, known them in their Christian life and
13 strongly feel that I would follow them anywhere.

14 Q. All right. And how long have you known them?

15 A. I have known them for, Rafael and Kathy I
16 have known for nearly two years and David before that
17 another year on top of that.

18 Q. All right, I just wanted to make sure if
19 there was any relationship beyond acquaintance and
20 friendship that I needed to be aware of to understand
21 the context of your supportive testimony, such as if you
22 were the brother or sister-in-law or some such thing
23 that that be fully disclosed on the record.

24 A. No, it's purely a Christian brotherhood,
25 they're not related, and it is purely a friendship based

0086

1 upon that.

2 JUDGE TOREM: All right, perfect, that was
3 all the questions I had.

4 Mr. Fassio, does that raise anything else?

5 MR. FASSIO: No.

6 JUDGE TOREM: And, Mr. Steen, any other
7 questions for this witness?

8

9 R E D I R E C T E X A M I N A T I O N

10 BY MR. STEEN:

11 Q. Just to clarify on that final point,
12 Mr. Humphreys, I know that Sequim is not an enormous
13 community and that you know the owners of Rocket
14 Transportation through church connections and such, but
15 I just want to make clear on the record that your
16 enthusiastic endorsement and recommendation of their
17 expanded service is based on the quality of the service
18 that would be provided and the kind of service and your
19 understanding of the need of the community and not based
20 on your friendship with the individual owners?

21 A. That's correct. As I mentioned in the
22 earlier testimony, the door-to-door service for every
23 hotel is essential, and it would certainly increase the
24 way we can bring people in from Seattle into the Sequim
25 market and more summers, especially with the hiring of

0087

1 course when people come out here, it's become a very
2 expensive trip, and Rocket Transportation will make it
3 more affordable and therefore will bring more guests up
4 into the area and help the local economy.

5 MR. STEEN: Thank you very much,
6 Mr. Humphreys, that's excellent, I have no other
7 questions.

8 THE WITNESS: Thank you.

9 JUDGE TOREM: Mr. Humphreys, thank you very
10 much for your time, we're going to hang up the phone
11 now, and again thank you for your time.

12 THE WITNESS: Thank you so much.

13 JUDGE TOREM: Okay, we'll briefly go off the

14 record while I dial up the next witness, and we'll come
15 back on when I have them.

16 (Discussion off the record.)

17 JUDGE TOREM: It's now about 13 minutes
18 before noon, and we have on the line Mr. Brooks Barnett.

19 Sir, I'm here in Olympia, Washington, and I'm
20 going to have you raise your right hand wherever you
21 might be.

22 (Witness BROOKS BARNETT was sworn.)

23 JUDGE TOREM: Can you spell your first and
24 last name for the court reporter.

25 THE WITNESS: It's B-R-O-O-K-S,

0088

1 B-A-R-N-E-T-T.

2 JUDGE TOREM: All right. And, Mr. Barnett, I
3 think we can hear you pretty clearly, but because we're
4 using a speaker phone and there will be a number of
5 different voices asking you questions, it will be
6 probably most helpful for the court reporter if you can
7 speak slowly, deliberately, and wait to hear the end of
8 the voice here, whichever one it is asking you
9 questions, okay?

10 THE WITNESS: Okay.

11 JUDGE TOREM: Mr. Steen, go ahead.

12

13 Whereupon,

14 BROOKS BARNETT,
15 having been first duly sworn, was called as a witness
16 herein and was examined and testified as follows:

17

18

D I R E C T E X A M I N A T I O N

19

BY MR. STEEN:

20

21

22

23

24

25

Q. Good morning, Mr. Barnett, thank you for taking some time out to talk to us this morning. First thing I would like to do, did you sign a declaration and send it to me, Andrew Steen, some number of days ago indicating your support of Rocket Transportation's application for a certificate?

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1

A. Yes.

2

3

MR. STEEN: If there are no objections, I would like to introduce it into evidence.

4

5

6

7

JUDGE TOREM: All right, we have a two-page document here, sir, it looks to have four numbered paragraphs and your signature on the second page; does that sound about right, Mr. Barnett?

8

9

10

11

12

13

14

15

THE WITNESS: Yes.

JUDGE TOREM: We're going to mark that as Exhibit 7, and we don't have another physical copy of it for our original records here, we're just going to retrieve that from the Utilities and Transportation Commission's Records Center later, but we need to at least for the record indicate that that will be Exhibit 7 and it will be two pages.

16

17

18

19

Mr. Fassio, do you have any objections?

MR. FASSIO: No.

JUDGE TOREM: And you have had an opportunity to review this?

20 MR. FASSIO: Yes.

21 JUDGE TOREM: All right, so we'll admit the
22 declaration you previously signed, Mr. Barnett.

23 Mr. Steen, go ahead.

24 BY MR. STEEN:

25 Q. Mr. Barnett, could you tell us where you

0090

1 live.

2 A. I live in Sequim, Washington.

3 Q. And how long have you lived in Sequim?

4 A. Approximately four years.

5 Q. What is your current employment?

6 A. I work for Visiting Angels, which is a home
7 care facility, not facility, but home care agency, and I
8 am the direct care supervisor.

9 Q. Can you for the record tell us a little bit
10 more about what Visiting Angels does and whom it serves?

11 A. Visiting Angels provides in-home care for
12 people who are either disabled or who are aged and
13 incapable of taking care of things for themselves. It
14 runs the gamut from anywhere from cooking for people to
15 24-7 care for people who are bedbound. It is not health
16 care, but it is the kind of care that allows them to
17 stay in their home.

18 Q. And what did you say your current position
19 with Visiting Angels is?

20 A. It's direct care supervisor and case manager.

21 Q. Can you tell us to what extent the duties and
22 obligations you have in that position affect

23 transportation needs?

24 A. When there is family that is unable to take a
25 person someplace, then it often falls to me to help

0091

1 figure out transportation so that they can go to their
2 medical appointments, whether it's at the hospital or
3 doctors offices.

4 Q. What was your employment before working at
5 Visiting Angels?

6 A. I was Director of Social Services at
7 Crestwood Convalescent Center.

8 Q. How long did you hold that position?

9 A. That was for four years.

10 Q. And could you describe your job obligations
11 and duties there with respect to any transportation
12 needs?

13 A. Specifically it fell under my department to
14 provide transportation for those people that the family
15 was not able to do so or the person was not able to have
16 to doctors appointments and follow ups with the care
17 providers in the Seattle area or as far south as
18 Hoquiam. It really depended upon what was needed, but
19 we provided the or set up the transportation for them.

20 Q. Would you say, Mr. Barnett, considering your
21 four plus years of experience dealing with the
22 transportation needs of the elderly and the physically
23 disabled that you are someone who could speak as to the
24 need of the community for transportation services for
25 this demographic?

0092

1 A. Yes, sir.

2 Q. Okay.

3 A. I feel very strongly that this is an area
4 that I was involved in because it took up a large share
5 of my day-to-day work when I worked at Crestwood and
6 still affects me now.

7 Q. Are you familiar with Rocket Transportation?

8 A. Yes, sir.

9 Q. Have you had occasion to use Rocket
10 Transportation services under its limited authority
11 before today?

12 A. Several times.

13 May I expand?

14 Q. Absolutely.

15 A. Okay. Rocket Transportation has provided
16 both transportation for people who are using Medicaid
17 and also for private pay individuals. One of the issues
18 that is always a problem is that transportation for
19 medical appointments to especially the Seattle area but
20 outside this area can be very, very costly, and it can
21 be problematic for people who are not on Medicaid. And
22 so as opportunities or needed transportation arise,
23 Rocket Transportation did an excellent job of providing
24 that economically. They did it in a fashion that was
25 possible for the client to be able to go to their

0093

1 appointment because they didn't have other

2 transportation available. That's one specific area.

3 With the Medicaid, they're Medicaid providers, so they
4 were able to transport for Medicaid.

5 And I have to tell you I have actually been
6 on -- taken people on their -- the transport people that
7 I worked with and gone with them, and the fact that they
8 did such an excellent job of how they treated people.
9 And as one example, we got to an appointment in Seattle
10 with a gentleman, and the doctor's office said, oh,
11 we're sorry, but that happens to be at, this was at
12 Harborview, and they said, the doctor has just changed
13 his schedule, and he is supposed to be at the
14 University. Rocket Transportation said get ahold of the
15 Medicaid, we got ahold of them, they got us all set up,
16 and they got us to the appointment on time. But they
17 did that as part of the process because they knew this
18 man had to make his appointment.

19 Q. Excellent.

20 You are aware that we're here for a hearing
21 whereby Rocket Transportation is applying for a
22 certificate of public convenience and need such that it
23 can provide a more expansive transportation service
24 along a route to Seattle on a door-to-door basis by
25 reservation?

0094

1 A. Yes.

2 Q. Okay. In your opinion with your experience
3 and expertise in the area, is this expanded service
4 something that will help the community?

5 A. Absolutely. There are good transportation

6 systems, but they don't do the door-to-door. They do --
7 they have things that they do do and they do them
8 excellently, but they can't do them in that door-to-door
9 basis and that niche that takes care of the people. And
10 I guess I want to add to that is that Rocket
11 Transportation has consistently shown a superb concern
12 for what that person, what that client or that person's
13 needs are and how they can best serve them, and they
14 have done that on a very consistent basis.

15 MR. STEEN: Thank you very much, Mr. Barnett,
16 we appreciate your testimony about Rocket
17 Transportation. I don't currently have any more
18 questions for you, but Mr. Fassio might.

19

20 C R O S S - E X A M I N A T I O N

21 BY MR. FASSIO:

22 Q. Good morning, Mr. Barnett, this is Mike
23 Fassio, I represent the Commission Staff, and thank you
24 for your testimony. I just have one additional
25 question, based on your familiarity and knowledge with

0095

1 Rocket Transportation's proposed service, would you
2 yourself consider using the service for your own
3 personal transportation?

4 A. I definitely would, and let me -- probably
5 even more important to me is that if -- my parents don't
6 happen to live in the area, but if they were coming to
7 the area or if they were here and I needed
8 transportation, I would immediately call them.

9 MR. FASSIO: Well, thank you, Mr. Barnett,
10 that's the only question I had.

11 JUDGE TOREM: Well, I don't even really have
12 a question, Mr. Barnett, but I take it you have a good
13 relationship with your parents?

14 THE WITNESS: Yes.

15 JUDGE TOREM: All right, that clarifies that
16 last answer then.

17 Mr. Steen, anything else?

18 MR. STEEN: Yes, just a quick follow up.

19

20 R E D I R E C T E X A M I N A T I O N

21 BY MR. STEEN:

22 Q. Mr. Barnett, you are familiar with the owners
23 and principal managers, Rafael, Kathy, and Dave?

24 A. Yes.

25 Q. And you are friendly with them on some level?

0096

1 A. Yes.

2 Q. I just want to be clear for the record that
3 the testimony you're offering here today is because
4 you're aware of the quality of the service that they
5 provide and the need in the community and not just
6 because of a personal relationship with the owners?

7 A. Yes, that's totally accurate. And let me add
8 one more piece to that is that I have had contacted,
9 before Rocket Transportation was actively involved, I
10 had contacted the transportation people and asked for
11 help because of the fact that there was no

12 transportation on the peninsula at that time.

13 MR. STEEN: All right, well, thank you very
14 much, I have no further questions for you, Mr. Barnett.

15 JUDGE TOREM: All right, thank you,
16 Mr. Barnett, this is Judge Torem again, I will again
17 thank you for your time and let you know we're going to
18 hang up the phone now and get the next witness on the
19 line.

20 THE WITNESS: Thank you.

21 JUDGE TOREM: Thank you, sir.

22 All right, we'll again take a brief recess
23 until we get the next witness on the line, and we'll
24 come back as soon as we can.

25 (Discussion off the record.)

0097

1 JUDGE TOREM: We'll be back on the record,
2 it's now about 12:00 noon, and we have on the telephone
3 line Ms. Margaret Witt.

4 Ms. Witt, can you hear me okay?

5 THE WITNESS: Yes, I can.

6 JUDGE TOREM: All right, if you will raise
7 your right hand there, I'm going to do the same here in
8 Olympia.

9 (Witness MARGARET WITT was sworn.)

10 JUDGE TOREM: Can you spell your first and
11 last name for us.

12 THE WITNESS: That's M-A-R-G-A-R-E-T,
13 W-I-T-T.

14 JUDGE TOREM: All right, Ms. Witt, I'm going

15 to have Mr. Steen ask the questions he has for you.

16 Go ahead, sir.

17

18 Whereupon,

19 MARGARET WITT,

20 having been first duly sworn, was called as a witness

21 herein and was examined and testified as follows:

22

23 DIRECT EXAMINATION

24 BY MR. STEEN:

25 Q. Ms. Witt, thank you for speaking with us this

0098

1 afternoon.

2 Where do you currently live?

3 A. In Sequim, Washington.

4 Q. And how long have you lived in Sequim?

5 A. Since 1979.

6 Q. Now I know that you have extensive
7 involvement with various community organizations and
8 associations supporting the needs of seniors and those
9 with physical disabilities.

10 A. Yes.

11 Q. But for the purposes of getting a good
12 record, I would like you just to list and explain some
13 of those for us.

14 A. Okay. Now?

15 Q. Yes.

16 A. Okay. Well, I started the North Olympic Hot
17 Wheelers about seven years ago. It's a group of

18 physically challenged people, and our prime goal was and
19 still is for adequate and affordable transportation on
20 and off the Olympic Peninsula. We're still working at
21 it. We became non-profit here a little over a year ago.
22 And our main goal of course is still the transportation,
23 which is a definite problem here on the peninsula, we're
24 so isolated. And also for the older people, and we do
25 need transportation very, very badly here. And I was

0099

1 just reading in the newspaper this morning where Sequim
2 in 2025 is estimating to reach 28,000 people here, so
3 all the more reason that we need that.

4 Also I joined the Care Partnership, which has
5 received a \$700,000 plus grant from the Johnson Wood
6 Foundation, and that is to help with certain areas
7 involving the older people.

8 Also with a Paratransit Advisory Committee
9 and the Citizens Advisory Committee, which is no longer
10 in effect, which was a part of the Clallam Transit.

11 And also I'm proud to say that when my
12 husband and I attended a recent meeting in Port Angeles
13 of the Governor's Disability Group, one of the
14 moderators there came over and asked me if I would be
15 willing to join their group since they were losing one
16 or two of their members. I was delighted, however had
17 to decline because of being a caregiver to my husband
18 24-7. But I still find time for transportation problems
19 here.

20 Q. Ms. Witt, it seems that you are very involved

21 in several community organizations that are advocating
22 for better and more affordable transportation for
23 seniors and those who are physically challenged or
24 physically disabled at least in the Jefferson and
25 Clallam County areas.

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1 A. Yes.

2 Q. Would you say because of all this involvement
3 that you are someone who can speak authoritatively as to
4 the transportation needs of the community, particularly
5 the seniors and those with physical disabilities?

6 A. I think so in as much as we ourselves have
7 been involved in trying to get better transportation, my
8 husband and I.

9 Q. Are you familiar with Rocket Transportation?

10 A. Yes, we are.

11 Q. Okay.

12 A. Because we used them several times on our way
13 to the airport, and they have proven to be a real good
14 service, and that's something we very definitely need
15 here where we have door-to-door service and also at an
16 affordable price. And with our community expanding
17 here, all the more reason that we just need this. And
18 the door-to-door is just so important because for many
19 of them it means, you know, it's having someone to drop
20 them off somewhere or drive them over to the airport.
21 And I think we're very proud people, that we like to
22 think we could do it for ourselves.

23 Q. You are aware that right now Rocket

24 Transportation is seeking to get a certificate of public
25 convenience and need which would expand its authority

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1 and allow it to expand its operations in the area. With
2 your experience and your expertise in the community,
3 would you say that this expanded service is something
4 that the community would benefit from?

5 A. Very much so. As a matter of fact, when the
6 original company that was here and offered that, a
7 similar, you know, mode of transportation, we were just
8 absolutely devastated when it left, because it meant
9 there again we were without adequate transportation to
10 get off the peninsula. So I know that many people, I
11 have spoken with people at the Sequim Senior Center who
12 were not aware that Rocket Transportation was trying to
13 get back in. And the reason I knew that is because I
14 knew who they were, and we had to use them as I said in
15 January when my husband and I along with his scooter
16 have been going over to the airport, and it's a little
17 tricky driving ourselves with the weather conditions, so
18 it is just so nice to know that you have a courteous
19 service that comes to your house, picks you up, takes
20 care of your luggage, drops you off in front of the
21 airport, and then you're on your way. And upon your
22 return, they are there regardless of the time to pick
23 you up. Now we had to use a charter fee in order to
24 have that done.

25 Q. Right. And with the expanded service, it

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1 will be somewhat different.

2 MR. STEEN: Thank you very much, Ms. Witt,
3 for your endorsement and your testimony here today. I
4 don't have any more questions for you, but Mr. Fassio
5 might.

6

7 C R O S S - E X A M I N A T I O N

8 BY MR. FASSIO:

9 Q. Good afternoon, Ms. Witt, this is Michael
10 Fassio, I represent the Commission Staff, and I really
11 only have one more question for you, and you have
12 probably already addressed it in your testimony here
13 today, but in addition to your opinion as to the general
14 needs in the community and your use of Rocket in the
15 past, would you count yourself and your family as people
16 who would use the service that has been proposed here
17 today?

18 A. Yes.

19 THE WITNESS: Hello.

20 JUDGE TOREM: Yes, we heard you, Ms. Witt.

21 MR. FASSIO: Thank you very much, that's the
22 only question I have.

23 JUDGE TOREM: Any follow up, Mr. Steen?

24 MR. STEEN: I have no follow up, Your Honor.

25 JUDGE TOREM: All right, Ms. Witt, we got it

0103

1 done in less than ten minutes.

2 THE WITNESS: Okay.

3 JUDGE TOREM: I thank you very much for being

4 available and waiting for us to get to this point in the
5 proceeding. We're going to hang up the phone, and I
6 believe Mr. Steen and his clients have one additional
7 witness, so thank you for your time.

8 THE WITNESS: And go Rocket go, we need you
9 badly.

10 JUDGE TOREM: All right, take care, ma'am.

11 THE WITNESS: Thank you.

12 JUDGE TOREM: All right, we'll take a brief
13 recess off the record and get our last enthusiastic
14 endorser.

15 (Discussion off the record.)

16 JUDGE TOREM: It's now 10 minutes after
17 12:00, and I'm going to have Ms. Mindi Blanchard who is
18 on the telephone raise her right hand, if you will do
19 that ma'am.

20 (Witness MINDI BLANCHARD was sworn.)

21 JUDGE TOREM: Can you state your full name
22 and spell both first and last for the court reporter.

23 THE WITNESS: My name is Mindi, M-I-N-D-I,
24 Blanchard, B-L-A-N-C-H-A-R-D.

25 JUDGE TOREM: Ms. Blanchard, I have in front

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1 of me a two-page document that's labeled a Declaration
2 of Mindi Blanchard in Support of an Application from the
3 folks before us today, Rocket Transportation, and it's
4 dated the 5th of July; do you remember signing that?

5 THE WITNESS: Yes, I do.

6 JUDGE TOREM: All right, and we're going to

7 mark that as Exhibit 8 for our purposes here in the
8 hearing.

9 I want to ask quickly to Mr. Fassio if he
10 objects to its admission as an exhibit?

11 MR. FASSIO: No objection.

12 JUDGE TOREM: All right.

13 Now I will turn it over to Mr. Steen so that
14 he can ask you his questions.

15 THE WITNESS: Thank you.

16

17 Whereupon,

18

MINDI BLANCHARD,

19 having been first duly sworn, was called as a witness

20 herein and was examined and testified as follows:

21

22 D I R E C T E X A M I N A T I O N

23 BY MR. STEEN:

24 Q. Ms. Blanchard, can you tell me where you
25 currently live?

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1 A. The exact address?

2 Q. No, the city would be fine.

3 A. Sequim, Washington.

4 Q. And how long have you lived in Sequim?

5 A. Six years.

6 Q. What is your current employment?

7 A. I am the President of Bridgebuilders Limited.

8 Q. Are you also the founder of Bridgebuilders?

9 A. Yes, I am.

10 Q. Okay. Could you explain on the record what
11 Bridgebuilders is?

12 A. Bridgebuilders is a company that helps people
13 access resources in the community and also does care
14 coordination for people who need somebody to help
15 coordinate all their care.

16 Q. How long have you been working as manager of
17 Bridgebuilders?

18 A. Four and a half years.

19 Q. Do the services that you provide through
20 Bridgebuilders, do they include transportation in any
21 way?

22 A. Yes.

23 Q. Can you elaborate a little bit on how your
24 responsibilities would include transportation?

25 A. We transport clients to and from medical and
0106

1 other appointments, we also accompany clients to
2 appointments in Seattle when necessary, and we sometimes
3 arrange transportation for or on behalf of clients.

4 Q. What sort of clients does Bridgebuilders
5 have?

6 A. Most of our clients are fairly independent.
7 We do have some who need -- have cognitive deficits, for
8 example dementia, or have physical handicaps, so we have
9 quite a variety, but most of our clients are pretty
10 independent.

11 Q. So would you say that for over four years now
12 as the President of Bridgebuilders that you have been

13 actively involved and aware with the transportation
14 needs of the community of Sequim and generally Jefferson
15 and Clallam County?

16 A. Definitely with Clallam County and Sequim,
17 not quite so much with Jefferson County.

18 Q. Okay. Are you familiar with Rocket
19 Transportation?

20 A. Yes, I am.

21 Q. Have you used Rocket Transportation either
22 yourself or for any of your clients in the past?

23 A. Yes, I have.

24 Q. What have been your general impressions of
25 using Rocket Transportation?

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1 A. They have done a wonderful job for us.

2 Q. Can you give us some examples of ways that
3 you have used Rocket Transportation in the past?

4 A. Primarily it's when we have had clients who
5 have needed to go to Seattle for medical appointments
6 and we have had to go along and accompany that client
7 because of a disability. And so they would pick us up
8 at the appointed place, and sometimes it's picking us up
9 at one place and picking the client up at another place
10 and taking us over to Seattle. And then being available
11 whenever we get out of the appointment to be right there
12 to pick us up and take us back.

13 Q. You are familiar, aren't you, that right now
14 Rocket Transportation is seeking a certificate of public
15 convenience and need which would allow it to expand its

16 services of transportation to the residents of Jefferson
17 and Clallam County, correct?

18 A. Yes.

19 Q. In your opinion, based on your experience
20 professionally and otherwise, would you say that this
21 expansion of Rocket's services is something that would
22 benefit the community?

23 A. I think it's a huge need in the community.

24 Q. Can you elaborate on that at all?

25 A. Well, right now we don't have any

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1 door-to-door services other than Rocket Transportation
2 and a very limited taxi service. The other services,
3 the Paratransit, it just does not work for people, a lot
4 of our clients, because of having to plan far in advance
5 and having a long turnaround time. Our clients don't
6 have a lot of stamina to wait. So what we're seeing is
7 a real need for being able to have, for example, a
8 shuttle type system even for something as simple as
9 getting groceries or being able to take more than one
10 person to a doctor appointment where they don't have to
11 wait a long time for a pickup, because Paratransit is
12 cutting back their services actually.

13 MR. STEEN: Thank you very much,
14 Ms. Blanchard, for your testimony, I think you have
15 answered all of my questions. Mr. Fassio might have
16 some questions for you.

17

18 C R O S S - E X A M I N A T I O N

19 BY MR. FASSIO:

20 Q. Good afternoon, Ms. Blanchard, this is
21 Michael Fassio, I represent the Commission Staff, and I
22 really don't have many more questions for you, but I did
23 want to ask one additional question, and that is in
24 addition to your professional capacity with
25 Bridgebuilders, would you personally find a need to use

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1 the service that Rocket Transportation proposes to get
2 from Sequim for example to Seattle or Tacoma or to the
3 airport or to any of the locations that are proposed?

4 A. Yes, I would.

5 MR. FASSIO: Well, thank you very much,
6 that's the only question I have.

7 THE WITNESS: Thank you.

8 JUDGE TOREM: All right, Mr. Steen, anything
9 else for Ms. Blanchard?

10 MR. STEEN: I have no further questions.

11 JUDGE TOREM: All right, Ms. Blanchard, thank
12 you so much for making time and waiting for us to get to
13 this point in the hearing. We're going to hang up the
14 phone now and complete the hearing this morning here in
15 Olympia. Thank you so much.

16 THE WITNESS: Thank you.

17 JUDGE TOREM: All right, I think that is all
18 for the witnesses that you wanted to put on, Mr. Steen,
19 as well as the eight exhibits that we have come across
20 thus far today.

21 MR. STEEN: That is correct, Your Honor.

22 JUDGE TOREM: One of those exhibits was
23 Number 6, it was a Declaration of Penny Ingram, that was
24 offered by Commission Staff with no objection and was
25 admitted, and I wanted to give an opportunity of

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1 essentially Rocket is resting its case to turn it over
2 to Commission Staff, Mr. Fassio, to comment on any other
3 evidence that is already in the record or any other
4 items you needed to highlight for Commission's case.

5 MR. FASSIO: Thank you, Your Honor. The
6 Commission Staff will rest on the Declaration of Penny
7 Ingram that has been submitted, but I would like to make
8 an additional clarification to her declaration. In
9 Paragraph 9, it indicates that the application did not
10 include pro forma financial statements and ridership and
11 revenue forecasts and that the Applicant will need to
12 file these documents prior to the Commission issuing the
13 permit, and I believe that both of those documents have
14 been submitted for the record today. So with that in
15 combination with Paragraph 10, Commission Staff would
16 submit that the application and all the supporting
17 materials are complete in the record and so would
18 recommend that the Commission approve and grant the
19 authority sought by the Applicant subject to also the
20 additional testimony that has been put on today.

21 JUDGE TOREM: All right. And, Commission
22 Staff, from what you have heard today, is there anything
23 that draws any concern about the fitness and willingness
24 and ability to comply with state law and other

25 requirements of the Commission?

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1 MR. FASSIO: No.

2 JUDGE TOREM: And again referring back to
3 Ms. Ingram's declaration, she refers to in Paragraph 9
4 and 10, I think particularly Paragraph 10 is where she
5 mentions two documents without further elaboration. To
6 your understanding, are those the pro forma financial
7 declaration that was submitted as Exhibit 4 and the
8 ridership revenue projection as Exhibit 5?

9 MR. FASSIO: Yes, they are.

10 JUDGE TOREM: All right, so that should
11 conclude our record on that matter.

12 Gentlemen, it appears to me that we have now
13 covered not only the necessary testimony under RCW
14 81.68.040 regarding the public convenience and necessity
15 certificate but also the Commission's regulations as to
16 WAC 480-30-126(2) on that same topic. Particularly now
17 we have had four witnesses who I think we have clarified
18 are actually independent witnesses. The other
19 considerations that are listed elsewhere in 480-30-136
20 including the population density of the area to be
21 served, the available services in those regions, and the
22 public benefit have been adequately addressed to my
23 satisfaction. I will simply need to hear whatever
24 closing comments both of you wish to make and then take
25 the matter under advisement and hopefully in a

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1 relatively short time have an initial order to go out.

2 I do anticipate, as we indicated earlier with the
3 settlement, that it will be recommended to the
4 Commissioners for approval and that the recommendation
5 from me also will be to issue the application.

6 The initial order, unless the Commission
7 Staff on its own or the Commissioners on their own were
8 to take some exception or want to make a modification,
9 should become final by operation of law some period of
10 weeks after I have issued it. And from there, my
11 understanding is if it all goes well that once it
12 becomes final and a notice of finality comes from the
13 Commission, that Commission Staff will work with the
14 Applicant to draft the actual certificate, and that will
15 be done through the Commission, not through its
16 administrative law division. We take care of the order,
17 but the certificate itself will just be issued in
18 compliance with that order.

19 So I'm asking that when that initial decision
20 comes out that both of you take care to go over it, make
21 sure that there are no terms that somehow were
22 overlooked or were drawn too tightly that make the
23 certificate harder to write in the long run. Because
24 once it does become final, it becomes a lot harder to go
25 back and change any of those things. We can certainly

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1 handle additions and modifications to an initial order a
2 lot more easily than once it becomes final, so make sure
3 we do that.

4 Mr. Fassio, do you see anything else we need

5 to put on the record before the closing statements?

6 MR. FASSIO: I don't think so, no.

7 JUDGE TOREM: Mr. Steen?

8 MR. STEEN: No.

9 JUDGE TOREM: All right, then I offer the
10 floor back to the two of you so we can conclude the
11 matter.

12 Mr. STEEN: Your Honor, Applicant Roman
13 Solutions doing business as Rocket Transportation has
14 adequately met its legal burden under RCW 81.68 and the
15 Administrative Code 480-30. The Applicant has
16 demonstrated through witness testimony and declarations
17 that the public convenience and necessity of the
18 community require the service and that the service they
19 intend to provide will be a substantial benefit.
20 Through the testimony of Ms. Roman today as well as
21 through the materials submitted, the applicant has
22 demonstrated knowledge, experience, and resources to
23 adequately conduct the operations of the service they
24 intend to provide. And with the settlement agreement
25 that has now been made final, there are no protests to

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1 the application, it remains unopposed. We have seen no
2 evidence or heard any testimony from Commission Staff or
3 any other party that there is any reason that this
4 application should not be granted. In summation, we
5 move the Commission to grant the certificate of public
6 convenience and necessity as requested.

7 JUDGE TOREM: All right, thank you.

8 Mr. Fassio.

9 MR. FASSIO: Commission Staff concurs with
10 that concluding statement as well as to add that based
11 upon the record that had been previously submitted as
12 well as the testimony here today, it appears that the
13 Applicant has met the requirements of 480-30 with
14 regards to the application as well as has satisfied the
15 requirements of providing testimony of witnesses who
16 would use the service, who are knowledgeable about the
17 need for service, in order to demonstrate the public
18 convenience and necessity support for the service. So
19 Commission Staff would recommend that the Commission
20 approve the settlement agreement and grant the authority
21 sought by the Applicant.

22 JUDGE TOREM: All right, well, I will take
23 the matter under consideration as I have indicated.

24 Mr. Pederson, Mr. and Mrs. Roman, thank you
25 very much for your patience in coming all the way down

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1 from the Peninsula on what should be the hottest day of
2 the year, and drive safely on your way back.

3 My hope is to have all of this done by the
4 end of the month, and I'm at that point where a number
5 of cases are coming together, so it won't be the first
6 thing I have to attend to this week, but hopefully by
7 early next week I should be turning to this matter and
8 drafting up the initial order, so hopefully before the
9 end of the month we should see that go out. I want to
10 leave enough time for me to address any minor issues

11 that might come up before I leave the country in mid
12 August for a period of time for military service, so I
13 will be available here through about the 3rd of August.

14 And so depending on how much time I give you,
15 I direct Mr. Steen and Mr. Fassio if I'm not around
16 certainly my supervisor can make any changes to the
17 order as needed, but I will be at Camp Naruk for some
18 training the second week in Michigan, which is not quite
19 out of the country but perhaps will feel that way, and I
20 will be back here for maybe a day at least in the area,
21 but I will have access to E-mail and other things for
22 input if necessary. So hopefully the last couple of
23 days of July it will be in your hands and there won't be
24 much need for that, but if there are, just so you know
25 my availability. After that, Judge Rendahl will

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1 probably be the point of contact for any corrections
2 that you think might need to be made to my initial
3 order.

4 All right, anything else?

5 All right, then we are adjourned at 12:26.

6 (Hearing adjourned at 12:26 p.m.)

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