

**Exhibit No. MY-1T  
Dockets TC-143691, TC-160516,  
TC-161257 (consolidated)  
Witness: Michael Young**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In re the Application of  
SPEEDISHUTTLE WASHINGTON,  
LLC d/b/a SPEEDISHUTTLE SEATTLE  
For a Certificate of Public Convenience  
and Necessity to Operate Motor Vehicles  
in Furnishing Passenger and Express  
Service as an Auto Transportation  
Company**

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**DOCKETS TC-143691, TC-160516,  
TC-161257 (consolidated)**

**SHUTTLE EXPRESS, INC.,**

**Complainant,**

**v.**

**SPEEDISHUTTLE WASHINGTON,  
LLC d/b/a SPEEDISHUTTLE  
SEATTLE,**

**Respondent.**

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**SPEEDISHUTTLE WASHINGTON,  
LLC d/b/a SPEEDISHUTTLE  
SEATTLE,**

**Complainant,**

**v.**

**SHUTTLE EXPRESS, INC.,**

**Respondent.**

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**TESTIMONY OF**

**Michael Young**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Response to Shuttle Express's Opening Testimony*

**March 17, 2017**

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1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Mike Young. My business address is 1300 S Evergreen Park Drive SW,  
5 P.O. Box 47250, Olympia, WA 98504.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed by the Washington Utilities and Transportation Commission as the  
9 Section Manager for Water and Transportation.

10

11 **Q. How long have you been employed by the Commission?**

12 A. I have worked for the Commission for over 15 years. For the past five years, I have  
13 worked in the Regulatory Services Division, Water and Transportation Section.

14

15 **Q. Please state your educational and professional background.**

16 A. I obtained a bachelor's degree in accounting from Western Washington University in  
17 1989. I have 26 years of experience in accounting and budgeting for five separate  
18 state agencies—most recently with the Commission. For the past five years, I have  
19 focused on the area of rate regulation.

20



1                   Second, Shuttle Express alleges that Speedishuttle is providing “below cost”  
2                   or “predatory” service.<sup>2</sup>

3  
4   **Q.    In Staff’s opinion, is Speedishuttle currently exceeding its authority?**

5   A.    No. Staff’s understanding is that Speedishuttle requested, and received, an  
6           unrestricted certificate. During the application process, Staff assumed that  
7           Speedishuttle would compete directly with Shuttle Express. Staff did not assume that  
8           Speedishuttle would limit itself to a unique “business model.” Staff doubts that  
9           Speedishuttle would have applied for authority if it knew it would be limited to the  
10          margins of Shuttle Express’s customer base.

11  
12   **Q.    What is Staff’s recommendation?**

13   A.    Staff recommends that the Commission take no action with respect to Speedishuttle’s  
14          certificate. In Staff’s view, the Commission knowingly granted Speedishuttle  
15          unrestricted, overlapping authority. That action was consistent with the  
16          Commission’s 2013 rulemaking, which sought to lower barriers to entry. Staff  
17          believes that Speedishuttle’s competition with Shuttle Express is a welcome—and  
18          lawful—development. The Commission should maintain the status quo.

19  

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<sup>2</sup> Kajanoff, Exh. No. PK-1T (revised Feb. 22, 2017) at p. 6.

1 **Q. If the Commission limits Speedishuttle to a particular “business model,” would**  
2 **Staff have any concerns?**

3 A. Yes. Staff is unsure how the Commission would enforce a “business model”  
4 limitation. As a practical matter, precisely how would the Commission limit  
5 Speedishuttle to a tech-savvy, multi-lingual customer base? What test would the  
6 Commission use to measure tech-savviness or ability to speak multiple languages?  
7 What if a customer speaks English only, but feels more comfortable in  
8 Speedishuttle’s Mercedes vans: would Speedishuttle have authority to provide  
9 service? What if a customer speaks a foreign language but makes a reservation in  
10 English? Staff believes it could assist the Commission in determining whether  
11 Speedishuttle is *targeting* a particular demographic. But determining whether the  
12 company is *limiting* itself to that demographic may prove to be impractical.

13  
14 **Q. What is Staff’s opinion of Shuttle Express’s allegation regarding “below cost”**  
15 **or “predatory” service?**

16 A. Shuttle Express and Speedishuttle both provide service under the fare flexibility rules  
17 in WAC 480-30-420. According to that rule, “‘Flexible fares’ means the authority to  
18 charge, at the company’s discretion, fares in any amount at or below the maximum  
19 fares.” Staff is satisfied that, so long as Speedishuttle is operating at or below the  
20 maximum fares set forth in its filed tariff, the company is not engaged in “below  
21 cost” or “predatory” service.

22

1 **Q. Does this conclude your testimony?**

2 A. Yes.