**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****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****SHUTTLE EXPRESS, INC.,** **Complainant,****v.****SPEEDISHUTTLE WASHINGTON, LLC d/b/a SPEEDISHUTTLE SEATTLE,** **Respondent.****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****SPEEDISHUTTLE WASHINGTON, LLC d/b/a SPEEDISHUTTLE SEATTLE,** **Complainant,****v.****SHUTTLE EXPRESS, INC.,** **Respondent.** | **DOCKETS TC-143691, TC-160516,****TC-161257 (*consolidated*)** |

**TESTIMONY OF**

**Michael Young**

**STAFF OF**

**WASHINGTON UTILITIES AND**

**TRANSPORTATION COMMISSION**

***Response to Shuttle Express’s Opening Testimony***

**March 17, 2017**

**TABLE OF CONTENTS**

I. INTRODUCTION 1

II. SCOPE AND SUMMARY OF TESTIMONY 2

III. STAFF RECOMMENDATION 2

**I. INTRODUCTION**

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

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

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

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

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

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

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

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

**II. SCOPE AND SUMMARY OF TESTIMONY**

**Q. What is the scope of your testimony?**

A. I will respond on behalf of Staff to the pre-filed opening testimonies of Shuttle Express witnesses Jason Deleo, Paul Kajanoff, Don Wood, and Wesley Marks.

**III. STAFF RECOMMENDATION**

**Q. Have you read the pre-filed opening testimonies of Shuttle Express witnesses Jason Deleo, Paul Kajanoff, Don Wood, and Wesley Marks?**

A. Yes.

**Q. After reading those testimonies, what is your understanding of Shuttle Express’s allegations against Speedishuttle?**

A. Shuttle Express makes two allegations.

 First, it alleges that the Commission granted Speedishuttle a certificate based on a “proposed business model”[[1]](#footnote-2) under which Speedishuttle would provide different services than those already provided by Shuttle Express. Shuttle Express contends that Speedishuttle is not currently providing those unique services, or, in the alternative, that it is currently providing those services in addition to the “regular” services already provided by Shuttle Express. Based on these allegations, Shuttle Express asserts that Speedishuttle is exceeding its authority.

 Second, Shuttle Express alleges that Speedishuttle is providing “below cost” or “predatory” service.[[2]](#footnote-3)

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

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

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

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

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

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

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

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

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

A. Yes.

1. Wood, Exh. No. DJW-1T (revised Feb. 22, 2017) at p. 8. [↑](#footnote-ref-2)
2. Kajanoff, Exh. No. PK-1T (revised Feb. 22, 2017) at p. 6. [↑](#footnote-ref-3)