

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Petition of

SHUTTLE EXPRESS, INC.,

For Exemption From WAC 480-30-213 and WAC 480-30-456,
Pursuant To
WAC 480-07-110

DOCKET _____

DECLARATION OF WESLEY
MARKS IN SUPPORT OF
PETITION FOR LIMITED
EXEMPTION

- 1 I, Wesley Marks, am the Accounting Manager of Petitioner Shuttle Express, Inc. (“Shuttle Express” or “Petitioner”). I make this declaration based on personal knowledge and my experience working with Shuttle Express for roughly five (5) years.
- 2 I have reviewed the Petition and can generally attest to the truth of the factual statements contained in the Petition.
- 3 Several companies, such as Uber, Lyft, and Wingz have begun to operate their shared-ride service into and out of SeaTac International Airport (“SeaTac”) in recent months, directly competing with the regulated share-ride auto transportation model that we are certificated to provide. These services offer both private as well as multi-passenger service between SeaTac and points requested in Washington State. On its face, the services offered are comparable to what Shuttle Express offers the public, but is performed with independent drivers and their personally owned private vehicles. Uber currently offers “UberPool” and “AirportPool”, services intended to group unrelated passengers travelling to and from SeaTac. Details of UberPool to and from the airport can be found on Uber’s website, for example here: <https://newsroom.uber.com/us-washington/uberpool-faq/> and here: <https://newsroom.uber.com/us-washington/uberx-and-uberpool-at-sea-tac/>.

4 After the announcement by the Port of Seattle (“POS”) that Transportation Network Companies (“TNC”) would be allowed to operate at SeaTac airport, Shuttle Express began researching what the expectations of service would be. Following the commencement of operations, Shuttle Express requested a public records request for the executed contracts between the POS and the three TNC operators. The released contracts indicated that the POS included a green initiative, incentivizing through reduced trip fees the TNC’s to operate multi-reservation services. Reading the contracts, it was clear that the TNC’s and the POS intended to encourage and financially reward operating a shared-ride service using independent drivers with personally owned vehicles.

5 On Sunday, April 10, 2016, I requested an UberPool ride to verify my concerns that the services being offered were similar to what Shuttle Express is certificated for. For my trip, I requested a transfer from SeaTac to the Red Lion Hotel Bellevue. Upon requesting the ride, the Uber application offered me either a private ride or a shared-ride for a discounted price of \$23.59. I accepted the shared-ride, and was quickly matched with both another rider going to a similar area as well as a driver who was dispatched to pick us both up. The ride was initiated and completed as expected, with the vehicle being shared by another person and me, both being picked up at SeaTac and dropped off in the greater Bellevue area, but at different locations. If Shuttle Express were allowed to provide such rides using independent contractors and one of their town cars, the charge under our current tariff would have been \$19.00.

6 Shuttle Express continually works with multiple software vendors to provide better options and experiences for the public. We hope to begin working on a method to reduce the lead time required to book travel to and from SeaTac airport, but due to the restrictions on how our resources can be used we must remain very cautious and ensure that we can support the existing services booked with the required employees and company owned vehicles as required by Commission rules. Allowing additional resources would assist us in reducing our booking lead time, as well as providing the best resources at our disposal for the public that requests transportation. During our previous 30 day waiver, the response from the passengers who were serviced by non-employees was very positive, but the uncertainties of the continuing approval as well as the exhaustive reporting requirements were discouraging to us to continue at that time.

7 In order to be able to compete effectively with Uber, Wingz, and Lyft, Shuttle Express seeks to use its independent contractors and vehicles in addition to its employee drivers and company owned vehicles to supplement and increase the service level and experience of the travelling public. All of our independent contractors own licensed, registered, and state inspected sedans, SUV's, and limousines licensed to perform limousine service in Washington State. By allowing our independent contractors to supplement our existing service, we could further reduce our customer's wait times, provide a more luxurious experience, and offer much smaller groupings of passengers than we currently must do to provide efficiently routed van service. In areas where the density of travelers is lower, this additional opportunity to serve the public will benefit all involved.

8 If the commission grants this waiver request, Shuttle Express will be more able to competitively price its services to areas that do not currently have the density to support reduced pricing. Utilizing the Commission's flexible fare rules, Shuttle Express could reduce its flat-rate pricing in areas with lower demand by utilizing independent contractors who can perform the services for a lower rate than would be required to support the expenses of an employee and company owned vehicle. Currently, these drivers often are operating in parallel to our employee drivers in certain areas where we could reduce vehicle usage, increase employee efficiency, reduce our overall vehicle emissions and congestion, and promote reduced prices by sending only a single vehicle to the area instead of two or more. With the largest shared-ride operating area of the greater Seattle certificated operators, Shuttle Express could better offer competitive and reduced pricing to the public in otherwise underserved and high cost of service areas.

9 The independent contractors we use are all subject to background checks, vehicle and driver inspections, random drug tests, and strict contractual obligations. In addition to the Washington State Patrol inspections, we do our own inspections and secret shopping of the contractors' vehicles. Our inspections and oversight go beyond what the Washington State Patrol, Department of Licensing, and Commission do.

10 In the course of business, Shuttle Express regularly utilizes electronic devices to transmit specific passenger information directly related to the requirements of the service being provided. Our employee drivers receive the name, address, telephone number, and flight information of the guests they service. Our drivers are under strict requirements to safeguard the information they're provided, and are only authorized to use it in the course of providing the service. Further, we currently only allow limousine drivers to use customer

information provided for limousine service in the course of providing that service. Any waiver authorized would include the same confidentiality requirements and safeguards for information that our employees are obligated to. At no time is information provided to employees or contractors for bookings they're not intending to service when it is sent, and any changes or non-completed reservations are removed from the devices immediately upon our dispatchers updating or removing the assignment.

I declare under penalty of perjury under the laws of the State of Washington that the statements in this declaration are true and correct to the best of my knowledge, information, and belief.

Executed at Renton, Washington, this 17th day of June, 2016.


Wesley Marks